support every child reach every student

FINANCIAL ORIENTATION FOR TRUSTEES

December 2014
A strong publicly funded education system is at the centre of this government’s mandate and is the foundation of the province’s future prosperity. To support this, the ministry is focused on four goals:

1. Achieving excellence
2. Ensuring equity
3. Promoting well-being
4. Enhancing public confidence
Quick Facts About Ontario’s Education Sector

• 72 district school boards
• Four school board systems:
  – English-language public,
  – English-language Catholic,
  – French-language public, and
  – French-language Catholic.
• 1,357,055 elementary students in almost 4,000 schools
• 613,825 secondary students in more than 900 schools
• 213,700 staff (including 126,629 school-based teachers)
Role of the Trustee

• Financial planning is a vital and integral part of Trustees’ overall planning responsibilities in areas of program, capital; facilities and long-term strategy that school boards undertake to ensure effective stewardship of the board’s resources.

• Boards are required to develop and approve a balanced budget within the funding allocated to them by the Ministry of Education.

• Budget is a reflection of the Board’s strategic plan and mission/vision.
Overview

- This presentation provides an overview of:
  - The Grants for Student Needs (GSN) funding formula;
  - School Board Financial Management and Budgeting; and
  - The Capital Approvals process.
PART 1: GRANTS FOR STUDENT NEEDS

support every child reach every student
Purpose

• This section provides an overview of the Grants for Student Needs (GSN), including:
  ▪ Historical background to the GSN funding formula
  ▪ Roles and responsibilities of the government and school boards for funding Ontario’s education system
  ▪ Structure and components of the GSN, including how the funding formula is applied in response to diverse regional circumstances e.g. geography.
  ▪ Key accountability mechanisms that govern funding and reporting
  ▪ Announced changes to the GSN for the 2014-15 school year
  ▪ 2015-16 Education Funding Consultations
I. Education Funding In Ontario
What are the Grants for Student Needs?

- The GSN is an open-ended entitlement transfer payment program with funding determined by formulas set out in regulation each year.
- The same set of formulas are used to determine funding for each of the 72 district school boards in Ontario.
- For the school board sector as a whole, GSN funding represents the overwhelming majority of revenues (over 90%).
- The regulations, which also provide the government with the authority to flow funding to boards for the coming school year, are usually released each March/April.
GSN Funding and Enrolment

Note: To provide a clear year-over-year comparison, we have added FDK funding, which was previously outside the GSN, to previous years’ GSN funding totals.

Note: A significant portion of the increase in enrolment is as a result of FDK.
Two Sources For Education Funding

• Under the current education funding system, the province sets the total allocation amount using the formulas in the Grants for Student Needs, also known as “the funding formula.”

• Each board’s allocation comes from two sources:
  – **Education Property Tax**: collected by the municipality with rates set by the Ministry of Finance;
  – **School Board Operating Grant (SBOG)**: funding provided to boards by the Province to cover the difference between the property tax collected and the total allocation as determined by the funding formula.

• Total 2014–15 GSN funding is projected to be $22.53B. This consists of approximately (30%) property tax and (70%) SBOG.
Components of the Funding System

Province sets education tax policy: a uniform tax rate on residential property (% of assessed value), and phasing in an average business property tax rate.

Government of Ontario

Funding formula (GSN) determines total level of school board revenue, by regulation.

School Boards
Revenue from provincial transfers
Revenue from property taxes

School boards determine how to allocate revenue to programs and schools

Municipalities
Municipalities collect property taxes for education (and for their own purposes), and send tax instalments to their local school boards.

Province sets provincial tax policy (income tax, sales tax) through its budget.

Province of Ontario Consolidated Revenue Fund (Ministry of Finance)

Ministry of Education determines transfers of provincial revenue, based on the difference between a school board’s entitlement and its revenues from property taxes.
II. Historical Background of the GSN
Major Reform Launched in 1990s

• Prior to 1997–98, school boards set local education property tax rates.
• School boards raised and spent different amounts on a per-pupil basis, depending on the wealth of a board’s property tax base.
  – Rural, northern and Catholic school boards tended to raise less than large urban public boards.
  – Large urban public boards offered a range of community programs that were not provided by other boards.
  – By the 1990s, there was a growing concern with the inequities in funding, programs, and services among school boards and school board systems.
GSN Guiding Principles

• Several key principles of the modern funding formula have emerged:
  – **Equity**: the Scott Act of 1863 and the Education Act require that there be equitable financial support across school systems.
  – **Fairness**: funding should be allocated based on the unique needs of students and boards, so that students get a comparable level of programs and services regardless of their location.
  – **Adequacy**: funding levels should adjusted to reflect increasing costs so student achievement goals are not compromised.
  – **Affordability**: outcomes and service levels should be reviewed regularly to ensure that funding is spent efficiently and effectively.
  – **Accountability versus Flexibility**: accountability requirements should be balanced against the need for school board flexibility to address local priorities and to balance their budgets.
Review of the GSN Funding Formula

• Over the past decade and half, the funding formula’s basic approach has been examined several times:
  – **Constitutional Challenge (1998):** the courts ultimately ruled that the new formula was constitutional and all challenges were dismissed.

<table>
<thead>
<tr>
<th>Key legal underpinning: equity of inputs</th>
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</table>

  – **Education Equality Task Force (2002):** after a lengthy public review, Dr. Rozanski concluded that the funding formula was an equitable allocation vehicle but, that funding was inadequate.

  – **Legislative Review (2003):** the four trustee associations tabled a report with the Legislature that concluded that, although the funding was inadequate, the funding formula was fair and non-discriminatory as between Catholic and public boards in both language systems.

  – **GSN Consultations (Annual):** the Ministry regularly consults with the sector leading to regular refinements to the funding formula.
III. Structure of the GSN
Complexity of the GSN

• To address the principles of equity, fairness and adequacy, the funding system has evolved a structure that responds to classroom cost structures, as well as the unique characteristics of boards, schools, staff, and students.

• The GSN has many distinct grant components that each have distinct sub-components, objectives and formulas.

• This structure makes the GSN complex and the GSN regulations lengthy.
General Structure

• At a high level, the GSN has two major components that each account for about a half of the GSN’s funding:
  – **2 Foundation Grants**, which cover the basic costs of education common to all students and schools, and are largely driven by enrolment multiplied by cost per student, and the school administration cost for each school;
  – **13 Special Purpose Grants**, which address the unique needs of students, schools, and school boards.
These special purpose grants allow the GSN to meet the test of equity and fairness by responding to factors such as: board demographic profiles, individual school location, specific program take-up, and student special equipment needs.
Structure of the 2014-15 GSN

TOTAL GSN FUNDING
$22.5B

1. Pupil Foundation Grant, $10.53B
2. School Foundation Grant, $1.43B

3. First Nations, Métis and Inuit Education Supplement, $46.2M
4. Geographic Circumstances Grant, $201.4M
5. Learning Opportunities Grant, $505.2M
6. Safe Schools Supplement, $47.3M
7. Continuing Education and Other Programs Grant, $155.4M
8. Cost Adjustment & Teacher Qualifications and Experience Grant, $1.76B
9. Student Transportation Grant, $883.5M
10. Declining Enrolment Adjustment, $56.0M
11. School Board Administration and Governance Grant, $566.5M
12. School Facility Operations and Renewal Grant, $2.39B
13. Debt Service, $510.8M

OTHER SOURCES OF SCHOOL BOARD REVENUES

EPO & Other Government - $405M
Board Own-Source - $1.05B
(e.g., field trips/excursions, fundraising events)

Source: Most recent (2013-14) revised estimates submission from school boards – provided for comparison reasons.
Differences in Funding to School Boards

• The **Pupil Foundation Grant** provides each school board with the same per-pupil allocation:
  – Kindergarten (JK/SK) = $6,045 per pupil.
  – Primary (Grades 1 to 3) = $5,526 per pupil.
  – Junior & Intermediate (Grades 4 to 8) = $4,603 per pupil.
  – Secondary (Grades 9 to 12) = $5,741 per pupil.

• However, because of the school foundation grants and special purpose grants, per-pupil funding varies from board to board,
  – For 2014–15, per-pupil levels are projected to vary across the province by slightly more than $16,800 – from $10,125 to $26,950.
  – The average per-pupil amount across the system is $11,424.
Equitable GSN Funding Based On “Need”

- Examples of varying funding across the province:

**Provincial Total**
Per-pupil: $11,424
- Special Purpose Grants: 53%
- Foundation Grants: 45%
- Capital: 2%

**Superior Greenstone DSB**
(Northern English Public School Board – Rural)
Per-pupil: $22,443
- Special Purpose Grants: 65%
- Foundation Grants: 32%
- Capital: 3%

**CSDC des Aurores boréales**
(Northern French Catholic School Board – Rural)
Per-pupil: $26,950
- Special Purpose Grants: 71%
- Foundation Grants: 27%
- Capital: 2%

**Halton DSB**
(Southern English Public School Board – Urban)
Per-pupil: $10,125
- Special Purpose Grants: 39%
- Foundation Grants: 59%
- Capital: 2%
Accountability Mechanisms

• The GSN uses four broad accountability streams to control and monitor board spending practices:
  – **Legislative requirements**, such as balanced budget requirements;
  – **Financial Reporting and monitoring controls**, including budget reporting and monitoring, as well as audit, review, and in some cases, supervisory activities; and
  – **Enveloping**, which includes formal enveloping of specific allocations (e.g., Special Education Grant), effective enveloping restrictions (e.g., regulated class sizes), and functional enveloping (e.g., transportation).
  – **Program/grant specific reporting requirements** overseen by various branches within the Ministry (e.g., Safe Schools allocation, Specialist High Skills Major).
IV. GSN Changes for the 2014-15 School Year
Key Changes

The 2014-15 GSN reflects several new elements:

1. Full implementation of FDK
2. Setting the stage for the next round of labour discussions
3. School Board Efficiencies and Modernization (SBEM) strategy
4. Capital renewal investments
5. Funding model reforms to special education and board administration funding
6. Adjustments to keep up with costs (e.g., transportation, utilities)
7. Strengthening accountability
2015-16 Education Funding Consultations

• This fall, the ministry renewed its commitment to move forward together on GSN consultations for 2015-16 education funding.

• The consultations focussed on the following topics:
  1. Identifying efficiencies
  2. Making more efficient use of school space
  3. Community partnerships
  4. Accountability
  5. Sharing savings
support every child
reach every student

PART II: FINANCIAL MANAGEMENT AND BUDGETING
Purpose

• The purpose of this section is to provide an overview of key responsibilities in relation to budgeting and financial management.
I. Budgeting & Planning
Balanced Budgets

- Boards are required to have balanced budgets.
  - Under section 231 of the Education Act, when preparing and adopting Estimates for the fiscal year, boards are required to ensure that estimated expenditures do not exceed estimated revenues.

- The Education Act contains provisions that allow for an in-year deficit for a fiscal year of up to 1% of the board’s operating revenue provided it does not exceed the board’s accumulated surplus of the preceding fiscal year.

- Boards may make a request to the Minister to receive an exemption from the above requirements. If approved a board may have an in-year deficit that is greater than the amount determined above if the in-year deficit is permitted as a part of a financial recovery plan.
Balanced Budget Accountability

- Under the *Education Act*, boards are required to approve a balanced budget each year. If they are in deficit, or analysis shows a high risk of future deficit, the Ministry will ask for a Deficit Management Plan, which depending on the outcome, may lead to further action (below):

**Ministry Tools**

**Deficit Management Plan**
Boards are required to prepare Deficit Management Plans when their projected deficit is in excess of 1% of their operating budget, or when they have an unsustainable use of their accumulated surplus.

Depending on the outcome of the plans, subsequent measures may include the appointment of Special Assistance Teams, or an Investigator. (subsection 257.29)

**Investigation**
The Minister may direct an investigation of the financial affairs of a board if, for example:
- The financial statements of the board indicate that the board has a deficit for a particular year
- The Minister has concerns about the board’s ability to meet its financial obligations. (subsection 257.30)

**Supervision**
The Minister may request the Lieutenant Governor in Council to vest control and charge over the administration of the affairs of the board to the Ministry.

As a result, the Minister would have control and charge over the exercise and performance by the board of its powers, duties and obligations with respect to all matters. (subsection 257.31)
Budget Development

• Critical task that demonstrates a board’s effectiveness and transparency.

• Budgeting cannot solely belong to finance departments

• Directors, Superintendents and other senior program staff must be involved in the planning processes and be held accountable for budget performance

• It is a consultative process with the following key principles;
  – The educational needs of its students are met
  – It is prepared within the funding allocation
  – It reflects the board’s vision and supports the goals of the board’s multi-year strategic plan
Strategic Plan

How does your spending align with your plan?

What are your capital priorities?

Has your future enrolment been factored in?

Budget forecast and capital plan should be on a multi-year basis
Board Budget Cycle

January
- Q1 Update
- Analysis of prior year
- Preliminary budget using announced changes
- Relate spending to priorities

February
- Enrolment forecast
- Staffing decisions

March/April
- Status-quo budget
- Enrolment count
- Q2 update

October
- Enrolment count

November
- Financial Statements

December
- Revised estimates

March / June
- Stakeholder consultations

May
- EFIS budget forecast

June
- Approve and submit budget
- Q3 Update

Consult, Approve & Monitor

Prior year informs planning for upcoming year

Fall
Winter
Summer
Spring
II. Financial Management
Financial Management

- **Role of the trustees:-**
  - Boards are required to review and approve Financial Management policies. For example: Expense policies, Procurement policies, etc
  - Receive and seek any clarifications about the Audited Financial Statements prepared and presented by the treasurer of the board, through the Audit Committee
Financial Management

• A transparent and thorough budget planning process analyzes:
  – All major revenues and expenditures

  – Spending patterns are compared to the grants
    • For example, how does the facility budget compare to the grants for facilities.
    • The funding may not be enveloped, but where there are variations these should be conscious decisions.

  – Risks and mitigation strategies should be developed

  – Decisions are looked at from a multi-year perspective (are these decisions fiscally sustainable in the future)
Financial Reporting and Monitoring

• School Boards are required to submit financial reports to the ministry three times per financial cycle;
  – June 30 for Estimates, December 15 for Revised Estimates and November 15 for Financial Statements
• Financial data is submitted using the Education Finance Information System (EFIS) which calculates the board’s funding based on enrolment and other information provided.
• The data collected is used for monitoring and review purposes; data is also used to support policy decisions.
• Enrolment audits of selected boards occur annually to ensure compliance with enrolment legislation and policy. The audit planning ensures that all 72 boards are audited every 5 years.
Financial Reporting and Monitoring

Sign Off: The Director of Education is required to certify that the board's financial statements and other reports are prepared in accordance with the Education Act and the financial regulations.

External Audits: School board external auditor appointed by the board for a term not exceeding five years (subsection 253(1)). The external auditor reports on financial statements to ensure proper controls are in place and the financial statements are prepared in accordance with CICA accounting standards.

Ministry Review: Ministry staff conducts standard review procedures to verify a board's financial status, the enveloping provisions, and the grant entitlements. As a result, grants may be adjusted.

Provincial Auditor: The provincial auditor has the authority, and has exercised this authority in the past, to conduct financial audits of a school board.
Risk Management

• The Ministry monitors boards at risk of deficits.
  – The risk assessment is based off current spending patterns in relation to the size of the Accumulated Surplus
• High risk boards are sometimes asked to develop:
  – Deficit Management Plans or Multi-Year Financial Recovery Plans
• If outside support is needed, sometimes Special Assistance Teams are used.
• Consequences of ineffective budgeting can be high. A board that misses targets in a recovery plan or has an accumulated deficit could be subject to an investigation and could lead to budget decision making powers being suspended until the budget is balanced.
• Good internal controls and identifying risks early are key to avoiding these negative consequences.
Interim Financial Reporting

• Interim Financial Reporting tool is available to school boards, if required; assist with monitoring board’s financial progress during the fiscal year and identify variances from budget.
• Ministry encourages school boards to implement interim reporting as it is a good practice in financial management.
• High risk school boards can be required to implement this practice.
• Refer to Appendix A for Sample
III. Audit & Audit Committee
Audit Committees & Internal Audit - Why?

• Grants for Student Needs > $22.5 billion – oversight critical
• Opportunity to modernize governance in the sector through audit committee and internal audit functions
• Contribute to good governance, transparency and accountability
  – Key to enhancing/regaining public confidence
• Determine whether risks are appropriately identified and managed
  – Can help to prevent or mitigate damage to reputation, financial loss, impact to student outcomes, etc.
• Helps to keep focus on real priority – students
What are Audit Committees?

• Standing committee of the board of trustees
• Assists the board of trustees to oversee and objectively assess the performance of the school board’s management, internal audit and external audit
• Makes recommendations to the board of trustees
Ontario Regulation 361/10

- Requires an audit committee in every school board
- Specifies committee composition – 2 - 4 trustee members, 2 - 3 external representatives with financial expertise (based on size of board)
- Minimum 3 meetings per year
- Outlines duties in 6 main areas:
  - Financial reporting process
  - Internal controls
  - Internal audit
  - External audit
  - Risk management
  - Compliance
- Sets out powers of audit committees
  - To obtain professional advice/assistance, as needed (with prior approval of the board)
  - To require various parties to attend meetings (including private sessions as appropriate)
  - To obtain/access information, records, reports as specified in the regulation
Internal Audit & Regional Model

• Internal audit objectively assesses the effectiveness of a school board’s risk management, control and governance processes

• Regional Internal Audit Teams made up of professional staff were created in eight regions in Ontario, with a “host board” in each region receiving the funding

• Objectives of regional model:
  – Efficient use of resources through collaboration among boards
  – Share best practices using a team approach
  – Equitable distribution of resources (considering board size, language and geographic coverage)

• Report to audit committees in their region

• Professional staff are employees of the host board, NOT the Ministry

• Training for Audit Committee members is planned for early 2015, details to follow shortly
Appendix A: Interim Financial Reporting: Forecast

Springfield DSB
2013-14 Interim Financial Report

For the Month Ending May 31, 2014

Summary of Financial Results

<table>
<thead>
<tr>
<th>(StThousands)</th>
<th>Estimates</th>
<th>Revised Estimates</th>
<th>Forecast</th>
<th>In-Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Grants</td>
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<td>129,510</td>
<td>130,540</td>
<td>1,030</td>
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<tr>
<td>Capital Grants</td>
<td>20,400</td>
<td>20,400</td>
<td>20,400</td>
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<tr>
<td>Other</td>
<td>15,500</td>
<td>15,500</td>
<td>15,500</td>
<td>0.0%</td>
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<tr>
<td>Total Revenue</td>
<td>162,200</td>
<td>165,410</td>
<td>166,440</td>
<td>1,030</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Classroom</td>
<td>110,100</td>
<td>111,000</td>
<td>111,450</td>
<td>450</td>
</tr>
<tr>
<td>Other Operating</td>
<td>7,114</td>
<td>7,164</td>
<td>7,274</td>
<td>110</td>
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<tr>
<td>Transportation</td>
<td>12,000</td>
<td>12,100</td>
<td>12,200</td>
<td>100</td>
</tr>
<tr>
<td>Pupil Accomodation</td>
<td>23,500</td>
<td>23,600</td>
<td>23,400</td>
<td>(100)</td>
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<tr>
<td>Other</td>
<td>9,600</td>
<td>10,600</td>
<td>10,500</td>
<td>(100)</td>
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<tr>
<td>PSAB Adjustments</td>
<td>1,800</td>
<td>1,900</td>
<td>1,900</td>
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<td>Total Expenditures</td>
<td>164,114</td>
<td>166,364</td>
<td>166,724</td>
<td>360</td>
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<tr>
<td>In-Year Surplus (Deficit)</td>
<td>(1,914)</td>
<td>(954)</td>
<td>(284)</td>
<td>670</td>
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<tr>
<td>Prior Year Accumulated Surplus (Deficit)</td>
<td>5,000</td>
<td>5,100</td>
<td>5,100</td>
<td>0.0%</td>
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<tr>
<td>Accumulated Surplus (Deficit) for Compliance</td>
<td>3,086</td>
<td>4,146</td>
<td>4,816</td>
<td>670</td>
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</tbody>
</table>

Note: Forecast based on year-to-date actuals up to September 30.

Summary of Enrolment

<table>
<thead>
<tr>
<th>ADE</th>
<th>Estimates</th>
<th>Revised Estimates</th>
<th>Forecast</th>
<th>In-Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JK -3</td>
<td>3,000</td>
<td>3,050</td>
<td>3,150</td>
<td>100</td>
</tr>
<tr>
<td>4-8</td>
<td>4,000</td>
<td>4,100</td>
<td>4,200</td>
<td>100</td>
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<tr>
<td>Total Elementary</td>
<td>7,000</td>
<td>7,150</td>
<td>7,350</td>
<td>100</td>
</tr>
<tr>
<td>Secondary &lt;21</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pupils of the Board</td>
<td>4,200</td>
<td>4,150</td>
<td>4,050</td>
<td>(100)</td>
</tr>
<tr>
<td>Other Pupils</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total Secondary</td>
<td>4,200</td>
<td>4,150</td>
<td>4,050</td>
<td>(100)</td>
</tr>
<tr>
<td>Total</td>
<td>11,200</td>
<td>11,300</td>
<td>11,400</td>
<td>100</td>
</tr>
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</table>

Note: Forecast will be based on October 31st count date

Summary of Staffing

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<thead>
<tr>
<th>FTE</th>
<th>Estimates</th>
<th>Revised Estimates</th>
<th>Forecast</th>
<th>In-Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classroom</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teachers</td>
<td>690</td>
<td>700</td>
<td>710</td>
<td>10</td>
</tr>
<tr>
<td>Non-Teachers</td>
<td>120</td>
<td>130</td>
<td>140</td>
<td>10</td>
</tr>
<tr>
<td>Total Classroom</td>
<td>810</td>
<td>830</td>
<td>850</td>
<td>20</td>
</tr>
<tr>
<td>Non-Classroom</td>
<td>300</td>
<td>290</td>
<td>280</td>
<td>(10)</td>
</tr>
<tr>
<td>Total</td>
<td>1,110</td>
<td>1,120</td>
<td>1,130</td>
<td>10</td>
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Note: Actual as of September 30, 2013.

Changes in Enrolment: Budget v. Forecast

| Highlights of Changes in Enrolment: |

<table>
<thead>
<tr>
<th>Changes in Revenue</th>
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<table>
<thead>
<tr>
<th>Change in Expenditures</th>
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<tr>
<th>Change in Reserve</th>
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<tr>
<th>Change in Surplus/Deficit</th>
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<tr>
<th>Risks &amp; Recommendations</th>
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PART III: EDUCATION CAPITAL

support every child reach every student
Pupil Accommodation Roles & Responsibilities

• Ministry
  – Provides financial resources via the development and implementation of capital funding programs and policies to enable boards to meet their pupil accommodation responsibilities.
  – Monitors board actions to ensure accountability to taxpayers.
  – Develops fair and equitable capital policies, programs and guidelines to support school boards.

• Trustees
  – Responsible for decisions related to pupil accommodation and safety.
  – Accountable for ensuring students have access to adequate learning environments and program opportunities while ensuring best use of public funding.
  – Determine school board policies and priorities related to constructing, repairing, and renovating schools as well as opening, closing, selling, and buying schools.
  – Ensure school board capital plans and projects adhere to the Ministry’s objectives and funding benchmarks.
Capital Funding Programs

- The Ministry provides funding for capital purposes to school boards through a number of programs:
  - Capital Priorities Grant – for new schools, additions, and major renovations
  - School Consolidation Capital Grant – for the consolidation of schools and right sizing of the board’s capital footprint
  - School Condition Improvement Funding – for renewal needs
Capital Priorities Grant

• Ministry
  – Provides annual funding for new schools, additions and major renovations to address enrolment growth pressures, replace schools in poor condition and support school consolidations
  – Reviews school board’s business case submissions for new, major capital projects and evaluates alignment with program objectives
  – Establish provincial accommodation space standards and funding benchmarks
    • Based upon recommendations made by board construction experts
    • Includes all construction costs, fees, permits, furniture and equipment

• Trustees
  – Responsible for ranking and prioritizing capital proposals based on urgency and need
  – Endorse school board submission of up to 8 Business Cases to request Ministry funding and/or approval to proceed with a project using board’s own funds
  – Accountable for having explored reasonable alternate solutions prior to requesting capital support
  – Ensure approved projects are completed within Ministry benchmarks
School Consolidation Capital Grant

• Ministry
  – Allocate $750M over the next four years to support the right sizing of a board’s capital footprint by for example, consolidating two schools into one
  – Provide additional timely approvals for new schools, additions and major renovations to address consolidation projects that reduce excess capacity and reduce capital footprint
  – Review board submissions and evaluate alignment with the School Board Efficiencies and Modernization (SBEM) initiative
  – Provide funding based upon construction benchmarks

• Trustees
  – Rank and prioritize proposals and ensuring that proposals meet program eligibility parameters and reduce ongoing operating and renewal costs
  – Endorse school board submission of up to 8 Business Cases to request Ministry funding and/or approval
  – Explored alternate solutions to determine the best option that maximizes value for money
  – Ensure approved projects are completed within Ministry benchmarks
School Condition Improvement

- **Ministry**
  - Provides annual funding through the GSN to target renewal needs in schools that need to remain open
  - Funds and oversees the ongoing School Condition Assessment Program to review the condition of each school in the province over a five year period. The Ministry is in the fourth year of the program.
  - As announced in the 2014-15 Ontario Budget, to address the significant backlog of renewal needs, SCI allocation has been extended three years to 2016-17 where total funding over the three years has increased to $1.25B
    - $250M to be allocated in 2014-15 and $500M each to be allocated in 2015-16 and 2016-17.
    - 2015-16 and 2016-17 board funding levels to be aligned with renewal needs identified through the assessment program.

- **Trustees**
  - Ensure prudent use of renewal dollars to address facility condition and provide safe facilities for students
  - Develop long term strategy for dealing with ongoing renewal needs
School Utilization

• **Ministry**
  – Provide programs and incentives to either use or remove unused space, including:
    - Making More Efficient Use of Under-Utilized Space
    - School Closure and Disposition

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• **Trustees**
  – Make the difficult decisions regarding the ongoing purposing of school space including:
    - Finding other students for the space
      - School area boundary changes
      - New grade configurations
      - New program offerings
    - Finding other purposes for the space
      - Child Care Centres
      - Community Partners/Hubs
      - Joint use with co-terminous School Boards
    - Decisions regarding the closure of surplus schools
    - Decisions regarding the sale of surplus schools
School Board Planning Process for Excess Space

**STEP 1: PLANNING FOR EFFECTIVE USE OF SPACE**

- Facility Partnerships Guideline.
- Schools-First Child Care Capital Retrofit Policy.
- Joint use of schools initiative.

**STEP 2: ACCOMMODATION REVIEW**

- Pupil Accommodation Review Guideline (PARG).

- School Board Efficiencies and Modernization (SBEM) strategy.
- Revise PARG to make process more effective for school boards and community.

**STEP 3: DISPOSITION OF SURPLUS PROPERTIES**

- Ontario Regulation 444/98.

- Revise Ontario Regulation 444/98.
- Work with MMAH on land use planning/green space initiative.

**EDU Policy or Initiative**

- Develop/support school-community hubs to promote efficient use of public assets, build better ties between schools and municipalities and other community organizations, ensure more viable schools are able to remain open.

**Government Commitment**

- Develop/support school-community hubs to promote efficient use of public assets, build better ties between schools and municipalities and other community organizations, ensure more viable schools are able to remain open.

**Trustee Actions**

- Combined grades.
- Attendance boundary and/or special program changes.
- Joint use of school with coterminous board.
- Partnerships (Community Hubs).

- Accommodation Review Committee formed to assist with review of school(s) subject to closure or consolidation (may include attendance boundary and/or special program changes).

- School board declares a closed school as surplus.
- Property offered to government agencies first, and if no interest in purchasing property it can then be offered on the market.
Pupil Accommodation Review Guideline (Accommodation Review Committees (ARCs))

- **Ministry**
  - Develop Pupil Accommodation Review Guideline that requires school boards to undertake a meaningful community consultation prior to closing schools.
  - Consulting with stakeholders with the intent to release revised guidelines expected later this year. The revised guideline will make the school closure and consolidation process more flexible for school boards while still ensuring that affected communities have meaningful input into the process.
  - Allow provision for communities to request reviews of school board accommodation review processes through the Administrative Review Policy to determine compliance.

- **Trustees**
  - Develop/revise & implement accommodation policy in accordance with PARG
  - Final decisions about school closures are made by school board trustees.
  - Trustees have to approve their board’s ARC policy. This policy should adhere to the Ministry’s Pupil Accommodation Review Guideline.
Funding Documents

- Ministry’s public website – Education Funding (http://www.edu.gov.on.ca/eng/policyfunding/funding.html)
  - GSN Technical Paper
  - School Board Funding Projections (“Grey Book”)
  - Grant Regulation
  - Business (B) Memos – memoranda issued to school boards to provide direction on funding policy and other financial matters
QUESTIONS?

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