



AR 2015.16-01

Initial Staff Report – Modified Accommodation Review Meaford Area Group of Schools

A. Introduction

The purpose of this report is to present accommodation pressures that exist in the Meaford Area Group of Schools and recommend that Bluewater District School Board commence a modified accommodation review of the Meaford Area Group of Schools.

Option to Address the Accommodation Issue:

That the grade 4-8 program in the Meaford Area Group of Schools be re-organized and accommodated in the Georgian Bay Secondary School for the 2016-17 school year; and

That the grade JK-3 program in the Meaford Area Group of Schools be re-organized and accommodated in the St. Vincent-Euphrasia Elementary School for the 2016-17 school year; and

That the Meaford Community School be closed for the 2016-17 school year; and

That the Board submit a business case to the Ministry of Education to seek funding for a new JK-12 school with a proposed capacity to meet the future enrolment expectations in the Meaford area.

B. System Expectations

The Student Accommodation Policy (BP3101-D) provides that the Director of Education will serve public notice of intent that accommodation review(s) will be conducted when the qualifying conditions outlined in Section 5.1 of the policy exist.

However, in certain circumstances, where the potential accommodation options available are deemed by the school board to be less complex, the school board may find it appropriate to undertake a modified accommodation review process. The Ministry of Education's Pupil Accommodation Review Guidelines (March 2015) permits a school board to include an optional modified accommodation review process in its accommodation review policy.

The conditions for conducting a modified accommodation review process need to be based on two or more of the following factors:

- distance to the nearest available accommodation is less than 20 km (elementary) or less than 30 km (secondary);
- utilization rate of the facility drops below 50%;
- original school is older than 65 years;
- number of students enrolled at the school is less than 150 in elementary or less than 250 in secondary;
- school operating expenses are in excess of 25% of annual school operations funding;

- facility condition index of over 80%; and/or
- when the school board is planning the relocation (in any school year or over a number of school years) of a program, in which the enrolment constitutes more than or equal to 50% of the school's enrolment (this calculation is based on the enrolment at the time of the relocation, or the first phase of a relocation carried over a number of years).

In reviewing the Meaford Area Group of Schools and applying the board's qualifying criteria from the Accommodation Review – School Program and Efficiency Policy (BP3101-D), the Meaford Area Group of Schools meet two of the criteria necessary to recommend a modified accommodation review:

- i. distance to the nearest available accommodation is less than 20 km (elementary) or less than 30 km (secondary)
- ii. school operating expenses are in excess of 25% of annual school operations funding

C. Strategic Priorities

Bluewater District School Board's *Strategic Plan* outlines the vision, mission, and priorities of the board. These priorities focus the board's responsibilities on student achievement and student and staff well-being as well as the effective stewardship of resources.

D. Background

The 2014-15 enrolment at BWDSB was 16,359 students. There were 6,936 surplus spaces for an overall utilization rate of 70%. Future enrolment is projected to decline over the next 15 years to 67%. Projections on enrolment and capacity are developed using the 2014 *Long Term Accommodation Strategy Study* and updated facility and enrolment information. Board revenue is directly tied to the number of students. As enrolment declines, so does funding from the ministry. As a result, the board must look for efficiencies in its operations to continue to achieve its goals. An effective measure in improving operational efficiencies is the consolidation of underutilized schools.

Declining enrolment is a problem financially but also puts pressure on staffing and programming as the number of teaching and student support positions in the schools are spread out over a wide number of under-utilized schools. The consolidation of under-utilized schools would improve enrolment at receiving schools.

The financial impact of declining enrolment was recognized in 2013-14 financials where a total of twenty-eight (28) schools did not generate adequate revenue to cover the operation costs. Changes in the ministry's funding model such as the School Board Efficiencies and Modernization strategy are expected to decrease the funding available to under-utilized schools in future years. The accumulated effect of multiple schools operating at a loss impacts the whole system.

E. Summary of Accommodation Issues

Context

Section 4.4 of the policy states that where possible, accommodation reviews will include a group of schools. The Meaford Area Group of Schools consists of Meaford Community School (JK-8), St. Vincent-Euphrasia Elementary School (JK-5) and Georgian Bay Secondary School (gr. 9-12). All are within close proximity of one another.

Accommodation Issues

The average utilization of the Meaford Area Group of Schools in 2014-15 was 58%. This equates to 720 excess spaces. This average utilization is further broken down into 75.7% in elementary and 43.3% in secondary. This is less than the provincial and board averages.

Average Utilization	Elementary	Secondary
Province*	86.4%	79.6%
BWDSB	75%	61.2%

*Source – Ministry of Education

The excess space in the Meaford Area Group of Schools has resulted in net operating losses of \$303,769 in 2013-14 or 28% greater than operating revenue. The 2014-15 estimate is **\$314,760**. This is an unsustainable model. Large capital costs also continue to be a financial challenge as Bluewater District School Board stretches its School Renewal Allocation funding.

Expected School Operations Financial Results - Status Quo			
	2014-15	2015-16*	2016-17*
Total Revenue	\$ 1,053,814	\$ 1,229,765	\$ 1,246,474
Total Expense	\$ 1,368,573	\$ 1,412,587	\$ 1,417,436
Operating Surplus/(Deficit)	\$ (314,760)	\$ (182,822)	\$ (170,962)

* based on projections

F. Proposed Accommodation Solution

The recommendation to re-organize and consolidate the Meaford Area Group of Schools would require a multi-part approach and is based on leveraging the excess capacity within the Meaford Area Group of Schools:

1. It is recommended that the grade 4 to 8 students be accommodated within the excess capacity at Georgian Bay Secondary School. The estimated number of students in these grades is 297 for the 2016-17 school year. Georgian Bay Secondary School presently has over 530 surplus spaces and can accommodate the additional students. Utilization would improve to 69.8% from 43.3%.
2. It is recommended that the remaining two elementary schools be consolidated into St. Vincent-Euphrasia Elementary School accommodating grades JK to 3 with French Immersion. Expected utilization is to improve to 89.8% in 2016-17. Overall utilization in the Meaford Area Group of Schools will improve to 75.4% from a projected 57.2%.
3. The last step of this process would be to apply to the Ministry of Education for the funding for a new combined JK-12 school in the area.

Analysis and Recommendations:

Meaford Community School:

- Enrolment is expected to increase from 302 students to 313 students over the next 10 years
- Utilization rate will improve from 72% to 75%
- Currently 117.5 surplus spaces
- 5 year facility renewal costs are \$5.1M with a Ministry Facility Condition Index (FCI) of 58.3%
- Operation costs exceeded revenue by 27% in 2013-14
- It is recommended that the grade 4-8 program be moved to Georgian Bay Secondary School and JK-3 be consolidated at St. Vincent-Euphrasia Elementary School to improve utilization
- Close Meaford CS - closure for 2016-17 results in potential savings of \$5.1M in school renewal costs and about \$300K per year in school operation costs and reduce capacity by 420 spaces

St. Vincent-Euphrasia Elementary School:

- Enrolment is expected to increase from 285.5 students to 319 students over the next 10 years
- Utilization rate will improve from 80% to 89%
- Currently 71.5 surplus spaces
- 5 year facility renewal costs are \$3.7M with a Ministry Facility Condition Index (FCI) of 46.1%
- Operation costs exceeded revenue by 16% in 2013-14
- It is recommend that the grade 4-5 program be moved to Georgian Bay Secondary School and JK-3 be consolidated at St. Vincent-Euphrasia Elementary School to improve utilization to 89.8%

Georgian Bay Secondary School:

- Enrolment is expected to decline from 405 students to 377 over the next 10 years
- Utilization rate will decline from 43% to 40%
- Currently 531 surplus spaces
- 5 year facility renewal costs are \$13.7M with a Ministry Facility Condition Index (FCI) of 52.4%
- School is close to 60 years old
- Operation costs exceeded revenue by 33% in 2013-14
- Receiving school for grades 4-8 from the Meaford Community School closure and the grade 4-5 from the re-configured St. Vincent-Euphrasia Elementary School (total approximately 297 students)
- Utilization will improve to 69.8%
- GBSS is a larger, older school with a capacity of 936 and significant renewal needs. It is recommended that the board submit a business case to the Ministry of Education to seek funding for a new replacement facility to accommodate all grades in the Meaford Area Group of Schools

Table 1: Recommended Pupil Accommodation Changes – Interim

MEAFORD SCHOOL	2016-17 PRE-ARC CAPACITY	PROJECTED UTILIZATION	PROJECTED 2016-17 ADE ²	To SVE	To GBSS ELEM	TOTAL IN	POST ARC ADE	POST ARC CAPACITY	POST ARC UTILIZATION	ELIMINATED SPACES
MEAFORD COMMUNITY SCHOOL	420	76%	318	-97	-221	0	0	0	0%	420
ST. VINCENT-EUPHRASIA	357	85.4%	305		-76	97	326	363	89.8%	-6
GEORGIAN BAY SECONDARY SCHOOL	936	38%	356			0	356	591	60%	345
GBSS ELEMENTARY						297	297	345	86%	-345
TOTAL	1713	57%	979	97	297	394	979	1299	75.4%	414

¹ ADE is Average Daily Enrolment

² Projected

³ SVE=ST. VINCENT-EUPHRASIA; GBSS ELEM = GEORGIAN BAY SECONDARY SCHOOL ELEMENTARY

Recommend New Combined JK-12 School:

- Enrolment projection in the area is relatively stable over the next 10 to 15 years with a slight increase in elementary age students offset by a decline in secondary students
- Recommend that the board submit a business case to the Ministry of Education to seek funding for a new JK-12 school with a proposed capacity to meet the future enrolment expectations
- Close Georgian Bay Secondary School and St. Vincent-Euphrasia Elementary School - closure would result in potential savings of \$17.4M in school renewal costs and approximately \$385K per year in school operation costs and reduce excess capacity by a further 250-300 spaces

G. Required Facility Changes

As part of the consolidation of JK-3 at St. Vincent-Euphrasia Elementary School, there would be a need for two additional kindergarten classrooms. The expected cost of these classrooms is approximately \$200,000 and could be constructed in the summer of 2016. This could be funded from renewal allocation, grants and/or proceeds of disposition.

H. Program Changes

Stage 1

The interim program changes needed as part of the accommodation recommendation are:

- St. Vincent-Euphrasia Elementary School would reconfigure its grades from a JK-5 to JK-3 with French Immersion;
- Georgian Bay Secondary School would continue with a secondary panel and add a dual track elementary panel consisting of grades 4-8 (i.e. English stream and French stream).

Stage 2

- Apply for funding to combine grades JK-12 into a new school with dual track elementary when funding is available.

I. Transportation

The pupil accommodation recommendation would not impact transportation costs or service levels. The proximity of the schools to one another makes for an efficient bus plan and it is not expected that further significant efficiencies would result from this recommendation.

J. New Capital Investment

As previously noted, a newly constructed combined JK-12 school is the final recommended accommodation strategy. The board would prepare a business case to the Ministry of Education to be submitted under the School Consolidation Capital (SCC) program in the fall of 2016 to request funds for a new replacement JK-12 combined school to replace St. Vincent-Euphrasia Elementary School (JK-3) and the newly re-configured grade 4-12 Georgian Bay Secondary School.

The School Consolidation Capital (SCC) program considers funding situations to consolidate two or more schools into one new facility. The business case would meet the criteria of the SCC program. If the board was successful in its application, the planning work could commence in 2017.

If the business case was not successful in securing funding under the SCC and capital priorities programs, other funding programs would be pursued. If funding is not available, renewal work would have to commence at Georgian Bay Secondary School to maintain the building infrastructure at considerable cost.

K. Other Relevant Information

All the elementary schools have before and after childcare programs. These programs would have to be coordinated and integrated into the re-organization implementation.

The schools in the Meaford Area Group of Schools accommodate community use outside of the school hours. Revenue generated from these user groups generally recover the extra expenditures required for the extra use (e.g. utilities, cleaning, etc.). The revenue is not substantial enough to significantly improve the financial position of school operations. The consolidation of schools would reduce the overall capacity available to community groups. Upon implementation, some groups may have to re-schedule their activities at another school or seek out an alternative location for their needs.

The planned construction of a new JK-12 school would provide an opportunity to discuss shared use with potential partners.

Preliminary discussion with staff has taken place regarding the potential use of space in the existing Georgian Bay Secondary School building.

L. Implementation Timeline

As timing is critical to submit a business plan for SCC as part of this accommodation review, it is recommended that this accommodation review follow the Modified Accommodation Review Process as per Section 9 of BP3101-D.

The accommodation review decision would be made in February 2016 with implementation in the 2016-2017 school year.

M. Potential Outcome

The re-organizing of the grades and consolidating the Meaford schools from three to two would have the following interim financial results:

Expected School Operations Results based on Interim Recommendation			
	2014-15	2015-16*	2016-17*
Total Revenue	\$ 1,053,814	\$ 1,229,765	\$ 1,037,598
Total Expense	\$ 1,368,573	\$ 1,412,587	\$ 1,058,683
Operating Surplus/(Deficit)	\$ (314,760)	\$ (182,822)	\$ (21,085)

* based on projections

- Improve utilization to 75.4% in 2016-17
- Eliminate 414 (6%) surplus spaces
- Save close to \$300,000 in net school operating losses
- Eliminate \$5.1 M in school capital renewal costs at closing school
- Opportunity to improve Bluewater District School Board's education delivery through a sustainable financial position

The results from the fully implemented recommendation consisting of a new replacement JK-12 school would include:

- Improve utilization to 100%
- Eliminate an additional 299 (4%) surplus spaces
- Financial position of school operations would break even or have a small surplus
- Eliminate \$17.4 M in school capital renewal costs

Recommendation:

That Bluewater District School Board consider commencing a modified accommodation review for the Meaford Area Group of Schools (Georgian Bay Secondary School, Meaford Community School, and St. Vincent-Euphrasia Elementary School) in accordance with BP3101-D.

Submitted to
Bluewater District School Board
Committee of the Whole Board
October 6, 2015

For further information, please contact
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