



Initial Staff Report - Accommodation Review Owen Sound Area Group of Schools

AR 2015.16 - 02

A. Introduction

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

Option to Address the Accommodation Issue:

That the grade 7 and 8 program in the Owen Sound Area Group of Schools be accommodated in the Owen Sound area secondary schools; and

That Bayview Public School, Derby Public School and Dufferin Elementary School be scheduled for closure for the 2016-17 school year with students being accommodated at the remaining schools in the Owen Sound Area Group of Schools and surrounding schools.

B. System Expectations

The Accommodation Review – School Program and Facility Efficiency policy (BP3101-D) provides that the Director of Education will serve public notice of intent that accommodation review(s) would be conducted when any of the following conditions in section 5.1 exist. Presently the following criteria apply to the Owen Sound Area Group of Schools:

- i. Grants for Student Needs School Operations Allocation does not meet school operations expenditure requirements.
- ii. School loading utilization/efficiency reaches less than 80% within a group of schools that are reasonably accessible to each other.
- iii. The condition of the building, the age and design of the facility, the cost of building upgrades or a high Facility Condition Index result in a capital demand that is not sustainable or affects program delivery.

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 under-utilized 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 Owen Sound Area Group of Schools includes the group of schools in the Owen Sound vicinity that are geographically close to one another. For the purpose of this report, the group of schools below are defined as being included in the Owen Sound Area Group of Schools. The schools have been divided by east and west of the Sydenham River.

East Side of Owen Sound	West Side of Owen Sound
Alexandra Community School	Derby Public School
Bayview Public School	Dufferin Elementary School
Sydenham Community School	Hillcrest Elementary School
Owen Sound Collegiate & Vocational Institute	Keppel-Sarawak Elementary School
	West Hill Secondary School

Accommodation Issues

The average utilization of the Owen Sound area group of schools in 2014-15 was 70.8%. This equates to more than 1,470 surplus spaces. This average utilization is further broken down into 76.8% in elementary and 62.7% in secondary schools, less than the provincial averages.

Average Utilization	Elementary	Secondary
Province*	86.4%	79.6%
BWDSB	75.0%	61.2%

*Source – Ministry of Education

The excess space in the Owen Sound Area Group of Schools has resulted in net operating losses of \$66,000 in 2013-14 and is estimated to grow to **\$345,760** in 2016-17. 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 over partially filled schools in the area.

Expected School Operations Results - Status Quo			
	2014-15	2015-16*	2016-17*
Total Revenue	\$ 3,499,312	\$ 3,498,127	\$ 3,444,804
Total Expense	\$ 3,682,788	\$ 3,800,551	\$ 3,790,564
Operating Surplus/(Deficit)	\$ (183,476)	\$ (302,424)	\$ (345,760)

* based on projections

F. Proposed Accommodation Solution

The recommendation to re-organize the Owen Sound Area Group of Schools includes two parts and is based on leveraging the excess capacity within the Owen Sound Area Group of Schools:

1. Accommodate the grade 7 and 8 students in the Owen Sound Area Group of Schools within the excess capacity at the two secondary schools. Students on the east side would attend Owen Sound Collegiate & Vocational Institute (OSCVI) in a newly configured grade 7–12 school. Students on the west side would attend West Hill Secondary School (WHSS) in a newly configured grade 7-12 school. This would reduce significant surplus space in the secondary panel while bringing operating costs closer in line with revenues.
2. Consolidate the remaining elementary schools in the Owen Sound Area Group of Schools from seven to four schools. The consolidation would improve the overall expected utilization of the Owen Sound Area Group of Schools to an estimated 81.3% in 2016-17.

Analysis and Recommendations:

Bayview Public School:

- Enrolment is expected to decline from 270 students to 226 (60% to 50%) over the next 10 years
- Accommodating grade 7 and 8 students in the secondary schools would further reduce utilization to 40%
- 5 year facility renewal costs are \$4.8M with a Ministry Facility Condition Index (FCI) of 51.2%
- Operation costs exceeded revenue by 4% in 2013-14
- Majority of the students would be accommodated at Sydenham Community School and Alexandra Community School, with some attending Hillcrest Elementary School
- Close Bayview - closure would result in potential savings of \$4.8M in school renewal costs and approximately \$230K per year in school operation costs and reduce surplus space by 452 spaces

Derby Public School:

- Enrolment is expected to decline from 199 students to 175 (71% to 63%) over the next 10 years
- Accommodating grade 7 and 8 students in the secondary schools would drive utilization to 50%
- 5 year facility renewal costs are \$4.6M with a FCI of 71.7%
- Operation costs exceeded revenue by 23% in 2013-14
- Students would be accommodated at a combination of Hillcrest Elementary School, Arran Tara Elementary School or Hepworth Central Public School
- Close Derby - closure would result in potential savings of \$4.6M in school renewal costs and approximately \$190K per year in school operation costs and reduce surplus space by 279 spaces

Dufferin Elementary School:

- Enrolment is expected to decline from 225 students to 188 (87% to 73%) over the next 10 years
- Lowest capacity in the Owen Sound Area Group of Schools at 259 spaces
- Close to larger underutilized schools Hillcrest Elementary School and Keppel-Sarawak Elementary School
- 5 year facility renewal costs are \$2.3M with a FCI of 37.5%
- Operation costs exceeded revenue by 5% in 2013-14
- Site is challenging for bus drop off and pick ups
- Students would be accommodated at Hillcrest Elementary School
- Close Dufferin - closure would result in potential savings of \$2.3M in school renewal costs and approximately \$170K per year in school operation costs and reduce surplus space by 259 spaces

Hillcrest Elementary School:

- Enrolment is expected to decline from 529 students to 457 (81% to 70%) over the next 10 years
- It is recommended the grade 7-8 program be moved to West Hill Secondary School
- Receiving school for a portion of enrolment from the Bayview, Derby and Dufferin closures (total

approximately 331 students) resulting in a 88% projected utilization

- Hillcrest is a larger, older school with a capacity of 657, an FCI of 72.5% and significant renewal needs of \$9.3M. It is recommended that the board consider submitting a business case to the Ministry of Education to seek funding for a new replacement facility

Table 1: Recommended Pupil Accommodation Changes

OWEN SOUND GROUP OF SCHOOLS	2016-17 PRE-ARC CAPACITY	PROJECTED UTILIZATION	PROJECTED 2016-17 ADE ²	³ TO								TOTAL IN	POST ARC ADE	POST ARC CAPACITY	POST ARC UTILIZATION	ELIMINATED SPACES	
				ALEX	HIL	KEP	SYD	HEP	TARA	WHSS ELEM	OSCVI ELEM						
ALEXANDRA	271	82%	221										31	207	271	76%	0
BAYVIEW	452	55%	247	-31	-50		-109				-9	-48	0	0	0	0%	452
DERBY	279	65%	182		-69					-88	-25		0	0	0	0%	279
DUFFERIN	259	82%	212		-212								0	0	0	0%	259
HILLCREST	657	77%	506								-257		331	580	657	88%	0
KEPPEL-SARAWAK	377	85%	319										0	319	377	85%	0
SYDENHAM	590	82%	483										109	505	576	88%	14
OSCVI ELEM	0	0%	0										180	180	184	98%	
OSCVI	957	49%	471										0	471	789	60%	-16
WHSS ELEM	0	0%	0										291	291	299	97%	
WHSS	1194	64%	761										0	761	921	83%	-26
OWEN SOUND AREA TOTAL	5036	68%	3402	31	331	0	109	0	88	291	180	942	3314	4074	81.3%	962	
HEPWORTH	568	52%	297										0	297	568	52%	0
ARRAN TARA	389	61%	236										88	324	389	83%	0
TOTAL	5993	66%	3935									1030	3935	5031	78%	962	

¹ ADE is Average Daily Enrolment

² Projected

³ ALEX=ALEXANDRA; HIL=HILLCREST; KEP=KEPPEL-SARAWAK; SYD=SYDENHAM; TARA=ARRAN-TARA

G. Required Facility Changes

As part of the consolidation, there would be a need for three new kindergarten classrooms in Hillcrest Elementary School and a Special Education room in the Owen Sound area group of schools. The expected cost of these capital changes is approximately \$500,000. This could be funded from renewal allocation, grants and/or proceeds of disposition.

H. Program Changes

All Owen Sound area elementary schools would be configured or re-configured for grades JK to 6. The two secondary schools would receive grades 7 and 8 students and be configured as 'combined' schools. All grade 7 and 8 French Immersion will be at West Hill Secondary School.

I. Transportation

The reorganization and consolidation of schools in the Owen Sound Area Group of Schools would generate new transportation boundaries. Transportation routes will be re-organized to accommodate the consolidation with minimal financial impact.

J. New Capital Investment

The board would consider preparing a business case to the Ministry of Education to be submitted under the School Consolidation Capital (SCC) program to request funds for a new replacement JK-6 elementary school to replace Hillcrest Elementary School.

The School Consolidation Capital (SCC) program considers funding situations to consolidate and right size schools into one new facility. The business case would meet the criteria of the SCC program.

If the business case was not successful in securing funding under the SCC program and capital priorities program, other funding programs would be pursued. If there is no funding available, renewal work would have to commence 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.

There are a number of schools in the Owen Sound Area Group of Schools that accommodate community use outside of the school hours. Revenue generated from these user groups generally recover the extra expenditures required for 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 function.

L. Implementation Timeline

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

M. Potential Outcome

The re-organizing of grade 7 and 8 students into the two Owen Sound area secondary schools and consolidation of the remaining elementary schools from seven to four would have the following expected financial results:

Expected School Operations Results based on Recommendations					
	2014-15		2015-16*		2016-17*
Total Revenue	\$	3,499,312	\$	3,498,127	\$ 3,148,485
Total Expense	\$	3,682,788	\$	3,800,551	\$ 3,108,207
Operating Surplus/(Deficit)	\$	(183,476)	\$	(302,424)	\$ 40,278

* based on projections

- Improve utilization to 81.3% in 2016-17 in the Owen Sound Area Group of Schools
- Eliminate 962 (14%) surplus spaces
- Estimated savings of more than \$220,000 in annual school operations deficits
- Eliminate school operations deficit in the Owen Sound Area Group of Schools
- Eliminate \$11.7 M in school renewal costs at the closing schools over the next five years
- Opportunity to improve Bluewater District School Board's education delivery through a sustainable financial position

Recommendation

That Bluewater District School Board consider commencing an accommodation review on the Owen Sound Area Group of Schools (Alexandra Community School, Bayview Public School, Derby Public School, Dufferin Elementary School, Hillcrest Elementary School, Keppel-Sarawak Elementary School, Owen Sound Collegiate and Vocational Institute, Sydenham Community School, and West Hill Secondary 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
Rob Cummings, Superintendent of Business
Services, or Steve Blake, Director of Education