

BLUEWATER DISTRICT SCHOOL BOARD

**LONG TERM ACCOMMODATION
STRATEGY**

UPDATE REPORT

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 **Planning for growth**

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1. EXECUTIVE SUMMARY

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1.1 Background

The Bluewater District School Board (BWDSB) provides educational services to the Counties of Bruce and Grey. Similar to many places in Canada, the population within the Board's jurisdiction grew substantially post WWII, with what has come to be known as the baby boom. The growth in population required the development of infrastructure and significant construction took place throughout the 1950's to the 1970's to respond to the needs of growing communities and cities. Subsequently, the majority of the Board's elementary schools were constructed between 1950 and 1970.

Over the past few decades, the baby boom population has aged while the pre and school aged population has declined (0-18 years). The overall population in Canada grew by almost 12% between 2001 and 2011; one of the highest rates of growth within any of the G8 countries globally. It is important to note, that a significant driver of this growth is international migration – which is typically not as prevalent in Canada's more rural communities and tends to focus on urban centres. More importantly, especially with regard to school board planning, while the overall population increased in Canada, the elementary school aged population (4-13 years) declined by more than 7% between 2001 and 2011. While the Board's school aged population has been impacted by similar demographic trends over the past decade, the area has also been impacted by economic, employment and migration trends that have had an additional impact on school age demographics.

In 2013, the BWDSB engaged Watson & Associates Economists Ltd. to complete a Long Term Accommodation Strategy for the Board which was released on May 14, 2014. The purpose of the original study was to analyze demographic trends and enrolment patterns to determine if existing facility space could effectively accommodate both existing and long term projected enrolments. Accommodation concerns and issues were identified and accommodation scenario recommendations provided.

The purpose of this report is to provide an update on the recommendations that were presented in the original 2014 report as well as provide metrics that outline the impact of recent accommodation decisions made by the Board. Enrolment projections have been updated to reflect enrolment actuals (2014/15 and 2015/16), as well as a new residential growth forecast that was recently made available for Grey County. In some cases, enrolment actuals were either higher or lower than originally anticipated, which ultimately impacted the updated enrolment projections. In addition, the new residential growth forecast for Grey County has been reduced to more closely reflect actual building permit activity on the ground in recent years. In addition to changes in the enrolment projections, the Board has made some recent accommodation decisions that have further impacted area specific enrolment trends, utilization rates and facility condition (refer to section 1.4). Board-wide, 5 year renewal event costs have increased by \$65.5 million, the total Facility Condition Index (FCI) for all facilities in the Board has increased from 44.6% to 49.8%, and annual operations cost expenditures have increased by approximately \$300,000.

Original Report (2014):

- Board-wide 5 year renewal event costs total \$219.5 million
- Board-wide FCI = 44.6%
- Board-wide, annual operation costs average approximately \$17.8 million.

Updated Report (2016):

- Board-wide 5 year renewal event costs total \$285 million
- Board-wide FCI = 49.8%
- Board-wide, annual operation costs average approximately \$18.1 million.

1.2 Historical Demographic and Enrolment Trends

Bluewater District School Board is an Ontario Public School Board whose jurisdiction covers Bruce County and Grey Counties. The Board currently operates 41 elementary schools and 10 secondary schools and provides education to over 16,000 students. According to Board enrolments and Canada Census 2011 data, approximately 74% of the elementary school aged population and 64% of the secondary school aged population attend Public Board schools within the jurisdiction.

Table 1 depicts the Board's demographic trends. Total population in the Board's jurisdiction grew by 3% between 2001 and 2006. In comparison the population grew 6.6% in Ontario and 5.4% Canada-wide over that same time period. Similarly, between 2006 and 2011, the population in the Board's jurisdiction grew by less than 1%, notably lower than the provincial and national rates for this same time period, which was 5.9% and 5.7% respectively. More importantly, from a school board perspective, was the decline in the elementary school aged (4-13 years) population which decreased by almost 10% from 2001 to 2006 and by an additional 13% between 2006 and 2011 – an absolute loss of more than 4,200 between 2001 and 2011. The secondary school aged (14-18 years) population experienced a drop in enrolment of approximately 1.8% from 2001 to 2006, followed by an additional decrease of more than 13% between 2006 and 2011.

Table 1.1: Board-wide Demographic Trends

Population Data	2001 Census	2006 Census	2011 Census	2001-2006		2006-2011	
				Absolute Change	% Change	Absolute Change	% Change
Total Population	152,430	157,355	158,587	4,925	3.2%	1,232	0.8%
Pre-School Population (0-3)	5,720	5,580	6,169	-140	-2.5%	589	10.6%
Elementary School Population (4-13)	20,025	18,080	15,797	-1,945	-9.7%	-2,283	-12.6%
Secondary School Population (14-18)	11,645	11,440	9,912	-205	-1.8%	-1,528	-13.4%
Population Over 18 Years of Age	115,040	122,255	126,709	7,215	6.3%	4,454	3.6%
Females Aged 25-44	18,645	17,020	15,924	-1,625	-8.7%	-1,096	-6.4%

In addition to the declines in the elementary aged population, there were also declines in both the pre-school aged population (0-3 years) and the population of females aged 25-44 between 2001 and 2006. The pre-school population and the population of females aged 25-44 declined by almost 3% and 9% respectively between 2001 and 2006. Between 2006 and 2011 however, the pre-school population increased by 10.6%, while the females aged 25-44 continued to decline by an additional 6.4%.

Historically, elementary enrolment for the Board declined by approximately 23% between 2001/02 and 2011/12. More recently, elementary enrolment decline has slowed, with enrolment declining by less than 3% between 2011/12 and 2015/16. On the secondary panel, the Board's enrolment decreased by 21% between 2001/02 and 2011/12. Between 2011/12 and 2015/16, secondary enrolment continued declining, falling by an additional 21%.

1.3 Current Situation

Currently, the Board operates at 74% of its permanent capacity on the elementary panel and 63% on the secondary panel (based on October 2015 actuals). Table 1.2 depicts the projected enrolment and utilization trends for both panels assuming no accommodation changes are implemented (i.e. status quo) and are based on projected October count enrolment trends and current SFIS capacities that take into account approved school closures in Owen Sound and Meaford, as well as confirmed replacement facilities. Overall, elementary enrolment is projected to increase to 11,558 students by the end of the forecast (a 2% increase from existing figures). Secondary enrolment is projected to remain relatively stable over the projected term, remaining at approximately 4,726 students. By the end of the forecast, the elementary panel is projected to have approximately 2,683 surplus spaces and the secondary panel will have approximately 1,418 surplus spaces. Overall, the Board is projected to operate at approximately 81% of its permanent capacity on the elementary panel and 77% of its permanent capacity on the secondary panel over the long term forecast.

Table 1.2 Board Projected Enrolment and Utilization - Status Quo

Panel	Year 1*	Year 5**	Year 10	Year 15
Total Elementary Enrolment	11,305	11,398	11,423	11,558
Total Elementary Capacity	14,483	14,241	14,241	14,241
Student Surplus/Deficit	-3,178	-2,843	-2,818	-2,683
Utilization Rate	78%	80%	80%	81%
Total Secondary Enrolment	4,715	4,559	4,780	4,726
Total Secondary Capacity	7,002	6,144	6,144	6,144
Student Surplus/Deficit	-2,287	-1,585	-1,364	-1,418
Utilization Rate	67%	74%	78%	77%

*Year 1 capacities include approved school closures for Derby PS, Meaford CS, and Owen Sound CVI

**Year 5 capacities include approved school closures for Bayview PS, Dufferin ES, Sydenham CS, and St. Vincent-Euphrasia; as well as replacement facilities for Georgian Bay SS (JK-12) and John Diefenbaker SS (7-12), and the newly converted Owen Sound CVI (Elementary) facility.

1.4 Recent Accommodation Decisions

To understand the existing space requirements and accommodation scenarios it is important to be aware of recent accommodation issues and decisions made by the Board. The following list depicts the recent accommodation decisions made by the Board since 2014:

RA01:

- Boundary reconfiguration for Hepworth Central School due to Derby PS closure (September 2016)

RA02:

- Boundary reconfiguration for Arran-Tara ES due to Derby PS closure (September 2016)

RA03:

- Derby PS closure. Students redirected to surrounding schools (September 2016)
- Owen Sound CVI students directed to West Hill SS (September 2016)
- Closure of Bayview and Sydenham elementary schools with enrolment directed to Owen Sound CVI (conversion) (June 2017)
- Closure of Dufferin elementary school (June 2017)

RA05:

- In 2015, the Board received notice on funding for construction of a replacement facility for John Diefenbaker SS (set to open in September 2018).

RA08

- The Board recently submitted a Business Case to consolidate two elementary schools (Meaford Community School and St. Vincent-Euphrasia Elementary School) and one secondary school (Georgian Bay Secondary School) and construct a new JK-12 facility in September 2019. In the interim, Meaford CS will close effective September 2016. All JK-3 enrolment in the area will attend St. Vincent and all grade 4-8 enrolment in the area will attend Georgian Bay SS.
- The MOE has recently approved this Business Case

1.5 Current Accommodation Issues

There are three primary triggers that the Board employs to effectively highlight areas of priority: 1) enrolment and utilization, 2) operation costs vs. operations revenue and, 3) renewal needs and condition. The utilization trigger is met if a school has a utilization rate below 80% permanent capacity or above 120% permanent capacity. The operations trigger is met if the operation costs at a school exceed the revenue costs (operations grants) generated for that school. Finally, renewal needs are assessed in relation to the **Facility Condition Index or**

FCI. The FCI examines the cost of renewal needs (in this case 5 years) against the cost of replacing the facility. If the FCI is above 65%, the Ministry considers the facility ‘prohibitive to repair’. The renewal trigger is met if renewal costs by school are greater than the Board average or if the FCI at a school exceeds 65%.

In addition to low utilization rates, the Board does have some facility condition and financial issues that could be addressed. The consultant analyzed the school facilities using Board provided data with respect to renewal needs and the Facility Condition Index. The FCI examines the cost of renewal needs (in this case 5 years) against the cost of replacing the facility. If the FCI is above 65%, the Ministry of Education typically considers the facility ‘prohibitive to repair’. Currently, the Board has more than \$285 million in expected 5 renewal event costs, which results in a total facility condition index of approximately 49.8%. Additionally, the Ministry has made changes to how operations and renewal grants are allocated with the elimination of top up funding. The top up grant elimination has been phased in over 3 years with full implementation for the 2017/18 school year (more detail provided in section 1.6 below). Currently, the annual operations costs average approximately \$18.1 million (2014/15). Based on projected facility utilizations, it’s estimated the Board will be eligible for approximately 87% of possible maximum funding when new the new grant structure is implemented leaving the Board with possible operating funding shortfalls.

1.6 Ministry of Education Initiatives

The Ministry of Education (MOE) is aware that recent enrolment declines have created significant surplus space for many school boards across Ontario. In an effort to deal with this surplus space and related financial obligations, the MOE has implemented some of the following initiatives as part of their School Board Efficiencies and Modernization Strategy:

- Revisions to grants to incent boards to make more efficient use of school space
- Provide capital funding to support consolidations and right-sizing of school facilities
- Provide funding to build capacity where there is a need to address under-utilized schools
- A 4 year \$750 million capital program has been established for boards to manage space efficiently (Business Cases)
- \$1.25 billion in school condition improvement funding is being allocated to school boards

Over the past several years, the MOE has made changes to the top-up funding program for operations and renewal grants. These grants support the costs of operating, maintaining and repairing school facilities. Initial changes to the top up program involved:

- Top-up grants reduced from 20% to 15%
- Maximum funding reduced from 100% to 95%
- Schools under 65% utilization – maximum top-up = 10%
- No top-up for schools under 5 years old

Beginning in 2015 (and phased in over 3 years) the MOE has made further adjustments to the top up program by eliminating base top-up grants and changing the requirements for enhanced top-up. This means for schools that have under-utilized space and are not isolated, *top-up operations and renewal* funding will be eliminated.

Other grants that are being phased out over the next several years include the rural and small community allocation and the declining enrolment adjustment grants. Additionally, funding for staff like principals and vice-principals is also changing. Under the old funding rules, regular schools with ADE enrolment above 50 were entitled to a full principal whereas now a regular school must have ADE enrolment of 150 or greater to be eligible for a full principal. A school that has ADE enrolment under 250 will not be eligible for a vice-principal. However, in combined schools the threshold for additional principals has been reduced. A combined school is a combination of elementary and secondary students being accommodated in one facility. For example a school accommodating grade 7 & 8 students and grade 9-12 students would be a combined school. Under the new funding rules, a combined school with at least 350 students with at least 100 elementary and 100 secondary students is eligible for an additional principal. Under the old funding rules, a combined school would have to have at least 300 elementary students and 500 secondary students to be eligible.

1.7 Summary of Recommendations

Table 2.1 depicts the original recommendations by year and review area that were provided in the 2014 Long Term Accommodation Strategy. The Board's enrolment and demographic trends, age and condition of facilities combined with the new MOE initiatives and funding changes, echo the importance for the Board to review current and projected accommodation issues to ensure they can plan proactively for the future. Currently, the Board has a utilization rate of approximately 74% on the elementary panel and 63% on the secondary panel. While elementary panel is expected to experience some enrolment growth over the forecast term, the long term utilization rate will remain at approximately 81%; while the secondary panel will have a long term utilization rate of approximately 77%. In addition, the Board has more than \$285 million in expected 5 renewal event costs; resulting in an FCI of approximately 49.8%.

The following chapters in this report provide updated data on enrolment projections, facility condition and renewal by review area and school. In addition, recent accommodation decisions, original recommendations from the 2014 report and updated recommendations are provided. Table 2.2 depicts the updated recommendations by year and review area.

Table 2.1 Original Recommendations and Proposed Timing

Review Area	Projection Year					
	Year 1 2014/2015	Year 2 2015/2016	Year 3 2016/2017	Year 4 2017/2018	Year 5 2018/2019	Year 6 2019/2020
RA01		➤ Schools Impacted By Accommodation Scenarios In Other Review Areas	➤ School Closures	➤ New Replacement Facility ➤ Schools Impacted By Accommodation Scenarios In Other Review Areas		
RA02		➤ Schools Impacted By Accommodation Scenarios In Other Review Areas		➤ School Closures/Boundary Change/Grade Structure Conversion		
RA03		➤ School Closures/Boundary Change/Grade Structure Conversion ➤ Schools Impacted By Accommodation Scenarios In Other Review Areas	➤ School Closures/Boundary Change/Grade Structure Conversion			
RA04						➤ School Closure
RA05				➤ School Closures/Boundary Change/Grade Structure Conversion ➤ Schools Impacted By Accommodation Scenarios In Other Review Areas	➤ New Replacement Facility	
RA06		➤ Schools Impacted By Accommodation Scenarios In Other Review Areas		➤ School Closure/Boundary Change		
RA07						➤ School Closure ➤ Schools Impacted By Accommodation Scenarios In Other Review Areas
RA08		➤ School Closure			➤ Boundary Change	➤ School Closure/Consolidation & New Replacement Facility

Table 2.2 Updated Recommendations, Approved Decisions and Proposed Timing

Review Area	Projection Year					
	Year 1 2016/2017	Year 2 2017/2018	Year 3 2018/2019	Year 4 2019/2020	Year 5 2020/2021	Year 6 2021/2022
RA01			➤ School Closures	➤ Schools Impacted By Accommodation Scenarios In Other Review Areas	➤ New Replacement Facility	
RA02		➤ School Closure/Grade Structure Conversion		➤ School Closures/Boundary Change/Grade Structure Conversion		
RA03	➤ School Closures	➤ School Closures/Boundary Change/Grade Structure Conversion			➤ School Closure/Boundary Change	
RA04					➤ School Closure	
RA05		➤ Schools Impacted By Accommodation Scenarios In Other Review Areas	➤ New Replacement Facility	➤ School Closures/Boundary Change/Grade Structure Conversion ➤ Schools Impacted By Accommodation Scenarios In Other Review Areas		
RA06		➤ School Closure/Boundary Changes		➤ School Closure/Boundary Change		
RA07		➤ Schools Impacted By Accommodation Scenarios In Other Review Areas			➤ School Closure/Boundary Changes ➤ Schools Impacted By Accommodation Scenarios In Other Review Areas	
RA08	➤ School Closure/Boundary Changes/Grade Structure Conversion			➤ School Closure/Boundary Changes/Grade Structure Conversion ➤ New Replacement Facility		