

EDMONTON PUBLIC SCHOOLS

February 22, 2011

TO: Board of Trustees

FROM: Trustee D. Colburn, School Closure Moratorium Committee
Trustee S. Hoffman, School Closure Moratorium Committee
Trustee H. MacKenzie, Chair School Closure Moratorium Committee

SUBJECT: Tri-Level Meeting Discussion Paper: School Closures and Sustainability: Factors to Consider

RESOURCE

STAFF: Tim Boan, Leanne Fedor, Jack Geldart, Roland Labbe, Marco Melfi, Ann Parker, Lorne Parker, John Ray, Cindy Skolski, Tash Taylor

INFORMATION

On November 16, 2010, the Board reaffirmed its commitment to discussions with the provincial and municipal governments regarding all possibilities related to space including school closures, school viability and community buildings and added Edmonton Catholic Schools as one of the participants to the discussions.

The Board Chair has initiated a meeting between the Minister of Alberta Education, Mayor of the City of Edmonton, Board Chairs of Edmonton Public Schools and Edmonton Catholic Schools as well as administrative supports from the four organizations for February 23, 2011.

The School Closure Moratorium Committee was tasked by the Conference Committee to prepare a discussion paper and an agenda for the February 23, 2011 meeting. The School Closure Moratorium Committee worked with the Administration to gather background information on the District's current pressures affecting school closures. The discussion paper (Attachment #1) has been provided in advance to the participants in the February 23, 2011 Tri-Level meeting.

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Attachment #1 - Tri-Level Meeting Discussion Paper: School Closure and Sustainability: Factors to Consider

School Closures and Sustainability: Factors to Consider

EXECUTIVE SUMMARY

Issues

Providing high quality learning opportunities for all students is the Board's highest priority. The Board has an important commitment to supporting the needs of community and reflecting community values as suggested through our sector review process (Appendix II). Given the public dissatisfaction with school closures and the Board's need to ensure both "sustainable facilities" (i.e. high quality learning environments) and "sustainable funding" (i.e. new construction, modernization and ongoing maintenance of schools) to achieve success the Board is seeking to find alternatives to school closures.

The most significant of the factors affecting school closures and sustainability are outlined below.

1. Student Instruction Funding

Due to the funding structure in our district and province, low enrolment schools present unique challenges in providing basic educational programming. While the District provides additional funding through the multiple program allocation (i.e. small school grant), low enrolment schools face two basic challenges in providing educational programming. The first challenge is that these schools are unable to offer the full range of programming offered in larger schools where the population and per pupil funding enables support for a more diverse program. The second challenge is that schools receive funding allocations for instructional purposes and maintenance; if maintenance costs exceed the maintenance allocation, low enrolment schools have to use funds dedicated to instruction to balance the costs of maintaining and operating the school, further limiting the ability of the school to offer a wider range of programs to students.

During the 2010-2011 school year, a total of \$6.5 million was allocated to schools through the 'small school grant'. (These funds are re-directed from the provincial funds to operate all district schools to support schools with low enrolments.)

2. Space Utilization

The District's current space utilization rate, based on Alberta Infrastructure's most recent calculation, is 67 per cent. The utilization rate for Edmonton Public Schools will continue to decline in the 2010-2011 year. When the school closures and openings from this year are applied the District will see a net gain in capacity of 2,488 student spaces.

The current utilization rate is considerably lower than Alberta Infrastructure's over-all threshold of 85 per cent, which they set as the level qualifying districts across the Province to secure funding for new school construction. For a number of years, Alberta Infrastructure has stressed the connection between the District's ability to reduce its inventory of space and its ability to obtain funding for new facilities. An 85 per cent

provincially calculated utilization rate is also referenced in terms of capital project eligibility, by district or sector totals. The capital project eligibility puts pressure on the district to close schools.

In considering funding for new school construction, Alberta Infrastructure relies on a sector model in defining the District's utilization of space. Edmonton Public Schools is divided into nine geographic sectors for this purpose. A tenth sector encompasses the District's senior high schools.

Each year, the District is required to submit a Three-Year Capital Plan to the Province identifying new school and modernization request priorities. In September 2010, six new Alberta School Alternative Procurement (ASAP) schools opened to address enrolment pressures in suburban neighbourhoods. The District has not received funding for additional school modernization projects since 2007.

3. Ageing School Buildings

At present, Edmonton Public Schools operates 197 school buildings with an average age of 46 years. Of these, approximately 75 facilities are 50 years of age or older. Many of these facilities require significant renovations to maintain a quality learning environment. The District has a sizable investment in an ageing inventory of school facilities. Funding for operating and maintaining schools, and for capital projects, is directly linked to the amount of space used for teaching and learning rather than the total district inventory of space. As a result, Edmonton Public Schools faces many challenges in attempting to maintain ageing buildings that are typically in mature neighbourhoods where enrolment numbers are relatively low.

Alberta Infrastructure estimates the net value of all Edmonton Public School district buildings at \$2.3 billion, and estimates that the total value of deferred maintenance on the buildings may be as high as \$242 million. Components classified as being at 'significant' risk, where failure is imminent or likely to occur, is valued at approximately \$75 million. Those at 'moderate' risk are valued at approximately \$102 million, and those classified as 'minor' risk at \$56 million. Components can be addressed separately using Infrastructure Maintenance Renewal (IMR) funding, which is applied annually towards operating facilities through the Major Maintenance Plan, or through funded modernization projects included in the District's annual Three-Year Capital Plan.

The Province's School Infrastructure Manual specifies how utilization of schools must be calculated. It also indicates that annual IMR funding is provided partially on school facility areas in active use for instruction and partially by the full-time equivalent (FTE) student. Therefore, schools that are less densely populated are at a disadvantage. (See table below).

Year of Building Construction	School	Student FTE	Area in m²	PO&M per m²
1930	John A. McDougall	192	5484.5	\$27.30
1983	Fraser	207	3469.8	\$46.52

4. Plant Operation and Maintenance Funding

Plant Operation and Maintenance funding is received from the Province on a per pupil basis. These funds are used to heat, light, clean and maintain district schools. Based on the 2009 Provincial assessment of district space (ACU report), there are 37,576 excess student spaces. This calculation methodology is articulated in the Province's School Infrastructure Manual. While these spaces are unfunded, the District must still heat, light, clean and maintain them. For the 2009-2010 school year, the excess expenditure over revenue, as per the unaudited schedule submitted to Alberta Education, was over \$26 million in relation to operations and maintenance of schools. Eight million, eight hundred thousand dollars were recovered from instructional grants (provincial funds intended to support teaching and learning) to partially address the shortfall. If a project is funded by the province, the funds must be used for facility construction. Capital funds cannot be diverted to cover education operating costs or building operational costs.

5. Alternative Programs and Open Boundaries

Edmonton Public Schools offers over thirty alternative programs. Our diverse programs of study provide parents and students with different paths to achieve academic and personal success. Edmonton Public Schools is recognized internationally for offering the curriculum in ways that complement the unique backgrounds and talents of our students.

The approach of providing choice either through open boundaries or alternative programs, evolved in response to the growing competitiveness in education and public demand. Open boundaries and programs of choice have resulted in some schools experiencing an increase in enrolment, while others experience a decline in enrolment. For example, in the West I sector, enrolment is increased through the philosophy of open boundaries while the West II sector has experienced a decrease in enrolment through this same philosophy.

The District has seen a stable enrolment pattern of approximately 80,000 students over the last three decades. If students attended their designated school, a shift in demographics would occur resulting in increased enrolment pressures in some schools, and a decrease in enrolment in others. Presuming a stable enrolment, the District utilization rate would remain the same. There would continue to be approximately 80,000 students and the District would continue to operate the same amount of square metres of space.

6. Leasing Issues

Leases, licenses and partnership agreements can be accommodated in surplus student space. The most significant demand for space from potential tenants is in areas of the city where there is minimal school space available for leasing. Further, where there is significant surplus space, there is not as much demand to lease that space. This is likely due to a combination of factors including building condition in areas where surplus space is located as well as the desire of those leasing buildings to be in a location where there are significant student numbers. The majority of district leases are with not-for-profit organizations that provide services for children and families.

To every extent possible, leasing rates are structured with the goal of recovering district costs associated with the operation, maintenance and capital renewal of the space, in balance with supporting tenancies that are compatible and supportive of students, schools and education.

However, due in part to subsidization of wrap around services, the overall revenue generated through the leasing of district space does not generate adequate funds to cover the costs to heat, clean, light and maintain the space occupied.

During the 2009-2010 school year, approximately 4.5 per cent of the District's operational school space was leased. The revenue generated through lease agreements totalled approximately \$1.75 million. This represented 0.21 per cent of the District's total operating budget for the 2010-2011 school year. The district has attempted to generate funds by leasing space, however, leased space is ineligible for any capital upgrade funding, including modernization and IMR funding. Ineligibility for this funding penalizes the district for leasing space and thereby puts pressure on the district to close schools.

7. District Enrolment Trends

Over the past decade the District enrollment levels have been stable with no expectation of significant increases. Despite a context of overall population growth in city residents, district enrolment and Federal Census data both indicate that an overall increase in school aged children is not projected. Keeping schools open for future growth is not supported by our data.

Age Group Populations in Edmonton: 1996 to 2006

Federal Census	Ages 0 to 4	Ages 5 to 9	Ages 10 to 14	Ages 15 to 19	Total Gain
1996	42,820	43,346	41,935	40,607	
2001	39,405	41,712	43,391	46,897	
2006	39,431	39,872	42,728	48,990	
NET	-3,389	-3,474	793	8,383	2,313

Source: *Statistics Canada*

8. Urban Sprawl

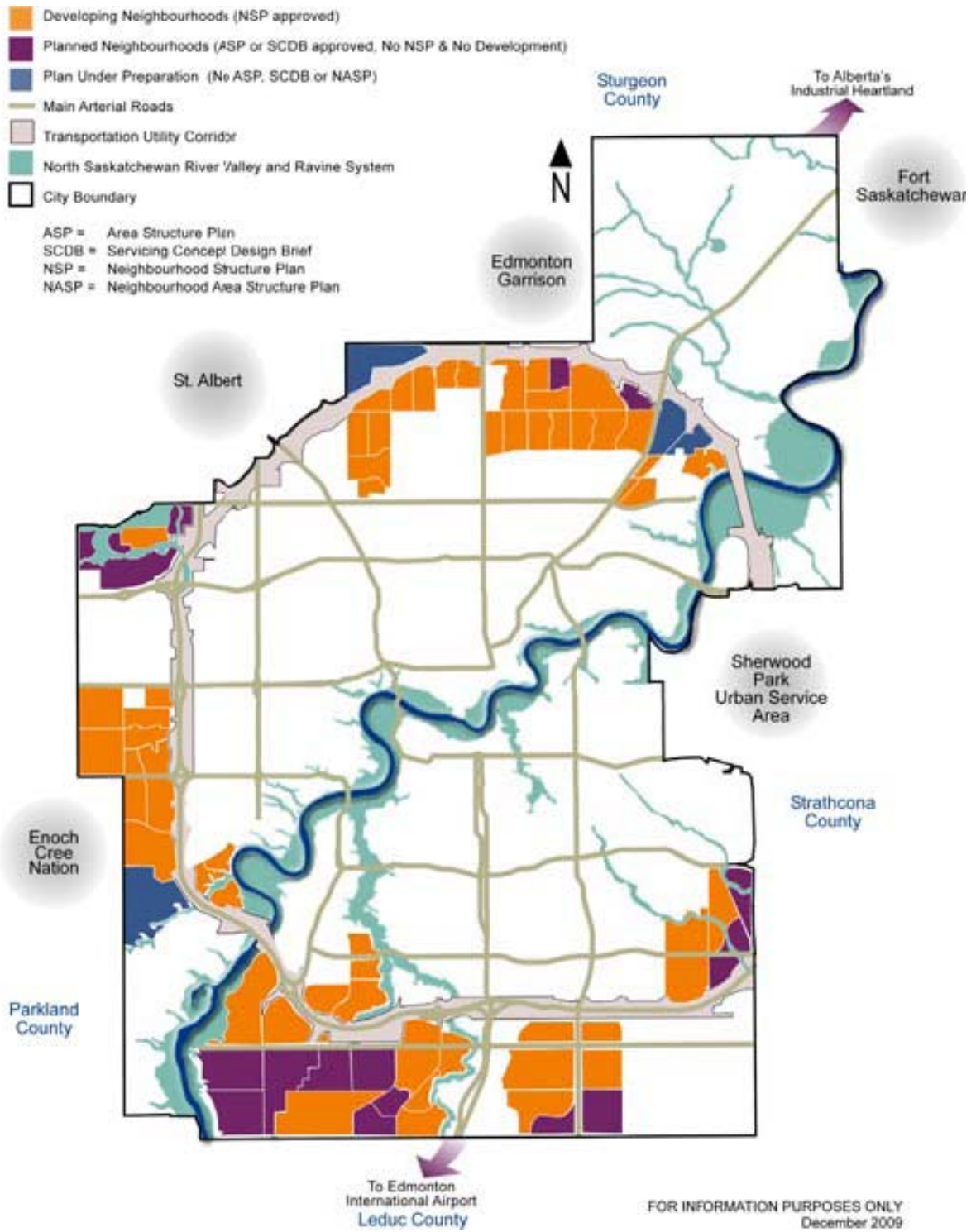
Most of the growth in Edmonton's population is occurring in the City's suburban areas. There are currently 45 neighbourhoods under construction in developing areas of Edmonton (See Appendix I: *Edmonton Neighbourhoods Under Construction 2009*, City of Edmonton). The City has enough land planned to accommodate another 18 years of single-detached growth in new neighbourhoods. These areas have the capacity to accommodate over 350,000 people (*Edmonton City Trends 4th quarter 2009*, p.5).

Given the current and planned suburban development, it is anticipated that there will be continued enrolment pressures on schools providing student accommodation to these neighbourhoods. This will result in an intensified demand for new school construction in suburban neighbourhoods.

In relation to new communities, school designations located outside those communities will continue to place pressure on transportation services. As new communities near the perimeter of the City require school designations, available space at schools located nearby will continue to be at a premium. The relationship between school designations and outward growth of the City will always be at odds. The further out a new community is located, the more school designations located near the interior of the City will be required. As a result, ride times, unfunded expenditures related to fuel consumption, route delays, and environmental impacts increase and are augmented by factors such as weather and traffic.

Conclusion

In the past, the Board has considered closing a school based on low enrolment, space utilization, and aging infrastructure while taking into consideration instructional funding and overall building maintenance. At the same time, the Board endeavours to maintain fairness in distribution of resources throughout the District. Given our shared purpose in building sustainable communities it is important that everyone work together to address the current pressures contributing to school closures.



Core Themes from Participants of the Central, South Central and West I Sector Review Process

1. The importance of community schools and “core” programming
2. The importance of specialized programming, open boundaries and choice
3. Maximizing resources, adequate funding and fiscal responsibility
4. Support for community revitalization, mature communities and demographic shifts
5. Value of diversity, inclusion and multiculturalism
6. Appropriate and adequate travel to school – transportation and safety
7. Use of school space to address community needs, especially childcare and recreation, family & social services, culture and community activities
8. Putting children first
9. The opportunities and challenges of small schools
10. The importance of all levels of government and all organizations that serve the community to work together in a collaborative way
11. A desire to see no changes made
12. Lack of transparency, adequate information or meaningful engagement
13. Flexible, creative school configuration