

2002/03 Annual Capital Grant

The funding for the Annual Capital Grant (ACG) will be held constant for the next three years.

Funding is calculated for each facility in the district. The sum of the ACG for each school in a district determines the district's ACG.

The funding for ACG recognizes three characteristics of school renewal:

- Replacement cost of the facility
- The age of the facility
- A small community adjustment

Replacement Cost

- Determines the replacement cost of the facility based on the number of students using the facility and the construction unit rate, modified by size and location factors. See *2002/03 Five-Year Capital Plan Allowances, Rates and Costing Factors Supplement*, Ministry of Education.
- Replacement Cost = FTEs * 12
* (Base Unit Rate + Air Conditioning Allowance)
* Project Size Factor
* Location Factor

Age of the Facility

- Age Factor = $((60 - \text{MIN}(\text{Average Age}, 40)) / w)^{0.84}$
- Average Age = weighted average age of building components by area
- w is a weighting factor to ensure that, over the expected life of the building, the total capital grant equals the value of the building to be replaced

$$w = \sum_{n=1}^A n \text{ where } n = 1 \text{ to Expected Life of Building}$$

Small Community Adjustment

- An adjustment which provides additional funding for districts that need to operate schools in remote communities with small populations. See Table 5B, *2002/03 Operating Grants Manual*, Ministry of Education.

$$\begin{aligned} \text{ACG funding} &= 0.0052494902 \\ &* \text{Replacement Cost} \\ &* \text{Age Factor} \\ &* (1 + \text{Small Community Adjustment}) \end{aligned}$$