

**Aide-Memoir: Further Information on Schools Operations Funding for
Budget Bi-lateral, 24 March 2009**

Purpose

We understand that the Minister of Finance may initiate further discussion on Schools Operations Funding at the second Budget Bi-lateral meeting on 24 March. In particular he is interested in:

- What are the different elements that make up the Operations Grant?
- What are the different elements that make up the Operations Grant increase budget bid – the 1.95%?
- Transferring \$ from contestable funds to Schools Operations funding

The Bulk Operating Grant comprises the following components:

- 55% is per-pupil funding for general running of the school
- 11% is targeted funding for educational achievement (decile funding) - this assists schools to overcome the barriers to educational achievement that are associated with low economic status
- 7% is base funding – for fixed costs associated with the operation of a school to compensate for the absence of economies of scale in smaller schools
- 7% for property maintenance
- 5% is relief teacher funding to assist with the cost of employing relief teachers
- 4% for heat, light and water
- 4% is Special Education Grant
- 2% for ICT funding
- 2% for Maori Language programme funding
- 1% for Vandalism
- Isolated Schools receive funding for isolation (1%)
- Schools with year 9 -13 students receive a Careers Information Grant (1%)
- Secondary Schools receive funding to assist with NCEA costs and for the Secondary Tertiary Allignment Resource
- Plus Risk Management funding for insurance and legal liability

When the Operations funding is paid to schools it also includes any adjustments which are miscellaneous items paid out on a non-formula basis and a number of items which have their own baselines but are paid to individual schools on a case-by case basis for example: RTLB funding, ESOL funding, funding for Board of Trustee elections, one off payments to equip new classroom, teacher travel, audit and administration funding, re-organisations funding, Arts Co-ordinators for schools with year 9-13 students etc

The 1.95% Schools Operations Budget Bid Increase Includes:

All of the above with the exception of:

- Relief costs (these are increased by changes in the Collective Agreements of teachers so are dealt with through salaries)
- Arts Co-ordinators – this is fixed pool of funding and is just being delivered as a component
- a number of components which generally remain fixed and where costs aren't usually adjusted for inflation, e.g.: Audit and Administration, Relief Initiatives, Teacher Travel, Vandalism Top-up, Establishment grants, reorganisations, Transfer and Removal, Private Operating Grant (i.e. private schools are still restricted by the ~\$41m cap)

Information deleted in order to maintain
the current constitutional conventions
protecting the confidentiality of advice
tendered by ministers and officials.