

# GLOBAL SCHOOL BUDGETS FACT SHEET

## STUDENT NEEDS-BASED FUNDING MODEL

### BACKGROUND

Global school budgets (GSBs) were introduced in all NT Government schools in 2015. They are allocated annually to each school and provide funding transparency and greater decision-making in the allocation of available resources.

The student needs-based funding model (SNBFM) underpins the allocation of funding under GSBs. This is a contemporary school resourcing model consistent with those used across Australia.

The SNBFM provides a simple, fair and transparent distribution of available funds at each school's per student rate. The per-student rate at each school is calculated using August student census data. Funding is then distributed in line with student numbers using the effective enrolment methodology.

There are three components of funding in a global school budget:

1. A **fixed** operational component to meet the fixed costs to operate the school facility. These costs include essential services, property maintenance and non-urgent minor repairs.
2. A **variable** component to meet the needs of students including the costs for teachers and non-teaching staff salaries, calculated using the student needs-based funding model.
3. A **targeted** component where funds may be allocated to the school to provide specific programs approved by the Department. Included are programs administered by schools that are not directly related to the student cohort, for example, adult night classes, and programs that will be funded under the student needs-based funding model in the future.

Further information regarding global school budgets is provided in the Global School Budgets Overview Fact Sheet. This fact sheet provides information regarding the calculation of the variable budget component for schools funded under the student needs-based funding model.

### OVERVIEW OF VARIABLE FUNDING

The variable funding provided to schools is based on the needs of the students as calculated by the student needs-based funding model, and student numbers as determined through the effective enrolment methodology.

Two items are used to calculate variable funding for each school:

1. the **funding rate per effective enrolment** for the calendar year as calculated by the student needs-based funding model (calculated once per year in preliminary budgets);
2. the **number of effective enrolments** (varies with each budget release).

$$\text{variable budget} = \text{funding rate per effective enrolment} \times \text{effective enrolment}$$

In 2018, the student needs-based funding model will not be used to allocate funds to special schools, and students in targeted programs such as intensive English units and special centres. These programs will continue to be funded based on historical costs.

## FUNDING RATE: STUDENT NEEDS-BASED FUNDING MODEL

The **funding rate per effective enrolment** for a school is calculated by the student needs-based funding model each year.

The model takes into account the diverse and complex needs of students in the Northern Territory. The individual needs of each student is considered to “weight” their enrolment, including:

1. Stage of schooling (year level)
2. Aboriginal status
3. Socio-economic status, as calculated from parental education and occupation.
4. Remoteness of school
5. Concentration of Aboriginal students at the school
6. Scaling for size of secondary cohort
7. Scaling for size of preschool cohort
8. English as a second language (ESL)\*
9. Distance education year level\*.

\* New in 2018 (preliminary 2018 global budgets)

Weightings are applied in recognition of additional needs of particular student cohorts. An example of a weighted enrolment calculation is shown in Table 1, below. Weightings applied for each characteristic are shown in Attachment A.

**TABLE 1 – STUDENT PROFILE EXAMPLE, 2018 BASE RATE \$6 735**

Student Characteristic	Base Enrolment	Stage of Schooling	Remote	Aboriginality	SES	ESL	Weighted Enrolment	Funding (\$)
Primary Student	1	0	0	0	0	0	1	6 735
Early Childhood Student	1	0.1	0	0	0	0	1.1	7 409
Remote Primary Student	1	0	0.05	0	0	0	1.05	7 072
Aboriginal Primary Student	1	0	0	0.3	0	0	1.3	8 756
Low SES Primary Student	1	0	0	0	0.4	0	1.4	9 429
Primary student – beginner ESL	1	0	0	0	0	0.0461	1.0461	7 045
Early childhood + Remote + Aboriginal + Low SES Student + beginner ESL	1	0.1	0.05	0.3	0.4	0.0461	1.8961	12 770

The base rate is \$6,735 for 2018, and is indexed on Northern Territory Government budget parameters each year.

At each school, a weighted enrolment is calculated for all students enrolled at the Age/Grade Census (minus the identified standard exclusions as shown in Attachment B). An average across all students at the school is the **funding rate per effective enrolment**. This calculation for your school is shown on line 79 of your 2018 preliminary global budget sheet.

In addition to the base-rate and weightings as shown above, \$1133<sup>1</sup> per student is allocated to each student equally in calculating the per student rate for a school. This is shown on line 73 of your preliminary global budget sheet and Columns W and AQ in the “SNBFM by Student” workbook available on MyBiz. In the future, this funding will be allocated through weightings for English as a second language and students with disabilities.

<sup>1</sup> In 2018; was \$1200 in previous years

Each school will have a different funding rate per effective enrolment to reflect the needs of the enrolled cohort. An example of calculating the funding rate per effective enrolment (exclusive of the \$1133 per student noted above) for a school is below.

An example:

**1. The student cost profile—calculating funding rate per effective enrolment**

Age/Grade Census data is used. Each enrolment is converted to a weighted enrolment, as shown in Table 1, above. This weighted enrolment takes into account individual student characteristics such as Aboriginality, socio-economic status, stage of schooling, and the remoteness of the school.

For example, a school has 100 students enrolled at the Age/Grade Census, with a total weighted enrolment of 120.

120 weighted enrolments x base rate \$6 735 = \$808 200

This is a per student rate of **\$8 082**, calculated for each of the 100 enrolled children.

*This rate shown on line 52 on 2018 preliminary budget sheets.*

## EFFECTIVE ENROLMENT

Effective enrolment is the methodology used to determine the student activity level in a school for the allocation of funding. Further details on the calculation of effective enrolment is provided in the Effective Enrolment Fact Sheet. Effective enrolment does not apply to distance education schools. Distance education schools are funded on FTE.

Effective enrolment is applied to calculations for global school budgets twice yearly. For example, for 2018 budgets:

1. Preliminary budget allocation in Term 4, 2017, is based on effective enrolment for Semester 2, 2016 and Semester 1, 2017.
2. Final budget allocation in Term 1, 2018, is based on effective enrolment for Semesters 1 and 2 2017. This figure is scaled up or down to reflect enrolments at the start of the school year compared to the previous year e.g. is the school starting 2018 with more students than in 2017? This process is described in the Budget Finalisation Fact Sheet.

This ensures that the most recent actual data is used to calculate budgets, allocating funding where students are currently enrolled and attending.

Example continued:

**2. Effective enrolment for preliminary budgets – distribute funding based on latest activity data**

Effective enrolment for the previous financial year is used e.g. for 2018 budgets, Semester 2, 2016 and Semester 1, 2017.

The school has a financial year Effective Enrolment of **90**.

The school receives **90** effective enrolments x **\$8 082** = **\$727 380** in variable funding under the student needs-based model.

*This total shown on lines 75 & 12 on 2018 preliminary budget sheets.*

### **3. Effective enrolment for budget finalisation – distribute the funding**

Effective enrolment for the previous calendar year is used e.g. for 2018 budgets, Semesters 1 and 2, 2017.

Enrolments for Week 4, Term 1 of the current year is compared to the same time in the previous year e.g. for 2018 budgets, enrolments at Week 4, Term 1 2018 compared to Week 4, Term 1 2017.

The school has a calendar year effective enrolment of **95**.

Week 4 Term 1 enrolment in 2017 is 105 compared to 100 at the same time in 2016 i.e. **105%** of enrolments at the same time the previous year.

**95** effective enrolments x **105%** = **99.75** scaled effective enrolments

The school receives **99.75** scaled effective enrolments x **\$8 082** = **\$806 180** in variable funding under the student needs-based model.

*Figures are calculated with many decimal places and are rounded for presentation.*

## **SMALL SCHOOL SUPPLEMENT**

A **small school supplement** is applied to very small schools (less than 52 effective enrolments) to recognise additional costs associated with small scale. This funding is applied on top of the funding calculation detailed above. The supplement is described in the Small School Supplement Fact Sheet.

## **RELATED RESOURCES**

On SMART:

Overview of Global School Budgets Fact Sheet

School Resourcing Model

Global School Budgets – Special Schools, Special Centres and Special Education Support

Small School Supplement Fact Sheet

*Last update: 28 September 2017*

# APPENDIX A

## WEIGHTINGS IN THE STUDENT NEEDS-BASED FUNDING MODEL

Student characteristics that are weighted within the student needs-based funding model include:

1. Stage of schooling (year level)
2. Aboriginal status
3. Socio-economic status, as calculated from parental education and occupation.
4. Remoteness of school
5. Concentration of Aboriginal students at the school
6. Scaling for size of secondary cohort
7. Scaling for size of preschool cohort
8. English as a second language (ESL)\*
9. Distance education year level\*.

\* New in 2018 (preliminary 2018 global budgets)

The weightings applied are shown in the tables below.

### STAGE OF SCHOOLING

A weighting is applied to each student for their stage of school (based on year level) to recognise the differences in complexity and cost of delivery. These weightings are shown in Table 1, below.

**TABLE 1 – STAGE OF SCHOOLING WEIGHTINGS AND FTE**

Stage of School (Year Levels)	Weighting in SNBFM	FTE
Preschool *	0.45	0.6
Transition	0.2	1.0
Early Years (1–2)	1.1	1.0
Primary (3–6)	0	1.0
Middle Years (7–9)	0.157	1.0
Senior (10–12)	0.32	1.0

\* The ratio applied for preschool student represents 15 hours of delivery per week per student. Refer to the Preschool Funding and Staffing Requirements Fact sheet for more information.

These weightings are set by considering the difference in resourcing required to deliver a teaching program compared to a primary year's student. The year level weightings consider the costs of classroom teachers, programs, administration, support and leadership staff etc.

## ABORIGINAL STATUS

An **Aboriginal status weighting** is applied to students who identify as Aboriginal as per Table 2, below. The Department maintains a quality data set on Aboriginal status of students. This weighting can be considered an indirect weighting for need in the absence of more direct measures such as health and housing that contribute directly to educational outcomes.

**TABLE 2 – ABORIGINAL STATUS WEIGHTING**

Aboriginality	Weighting
Aboriginal	0.3
Non-Aboriginal	0.0

## SOCIO-ECONOMIC STATUS (SES)

A **socio-economic status (SES) weighting** is applied to each student based the highest education level and occupation of the student’s parents or a default value for the school.

The minimum SES weighting applied to a student is 0.0 and the maximum is 0.4. Where a student is recorded as a ‘child in care’ (i.e. in the care of Territory Families) in SAMS, a weighting of 0.4 is provided.

The preference for calculating an SES weighting for a student is to use direct data, i.e. the parental education level and occupation as recorded in SAMS (collected through student enrolment forms).

Where no direct data is available for a student, i.e. to overcome incomplete data and missing or unknown values, defaults are used according to the school’s ICSEA value, where a low value attracts the highest weighting and high ICSEA value attracts no additional weighting. The ICSEA cut points for these bands for 2018 global school budgets (based on 2016 ICSEA values – the most recent published by ACARA) are shown in Table 3, below.

**TABLE 3 – ICSEA VALUES DEFINING DEFAULT BANDS FOR SES**

Parental Weighting bands (Weighting applied)	ICSEA range
Low (0.4)	Less than 770
Mid (0.2)	Between 770 and 900
High (0)	Greater than 900

## REMOTENESS OF SCHOOL

A **remoteness weighting** is applied to schools in remote localities using the same classifications as those currently used to calculate remote study leave credits.

“Remote locality” is defined in the [Public Sector Employment and Management Act \(PSEMA\) By-law 42](#) as category 1, category 2 and category 3 and the localities for each category are declared in [Determination 8](#) (Remote Locality Provisions Determination) of 2015 and its subsequent amendments.

**TABLE 4 – REMOTENESS WEIGHTING**

Remoteness Category	Remoteness Weighting
Urban	0.00
Special Category	0.01
Category 1	0.03
Category 2	0.03
Category 3	0.05

Note that majority of costs associated with remote delivery of education are currently paid centrally (refer to School Resourcing Model), not met from schools' global budgets.

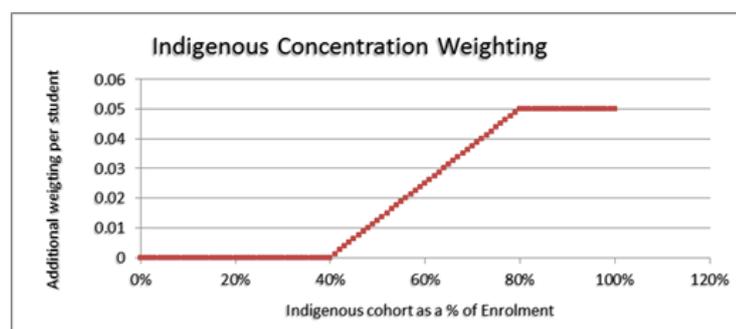
## CONCENTRATION OF ABORIGINAL STUDENTS AT THE SCHOOL

A concentration of students from disadvantaged backgrounds in schools has been found to have a significant impact on educational outcomes. Linked to this in the Northern Territory is high student mobility and turnover rates amongst Aboriginal students.

In recognition of this impact, all students from Aboriginal backgrounds will continue to receive the Aboriginal weighting of 0.3, but where these students are enrolled at a school with a concentration of 80% or more Aboriginal students, an additional weighting of 0.05 will be applied. This would result in a total weighting of 0.35 per student.

Where the concentration of Aboriginal students is greater than 40% but less than 80%, a scaled concentration weighting is applied as per Figure 2.

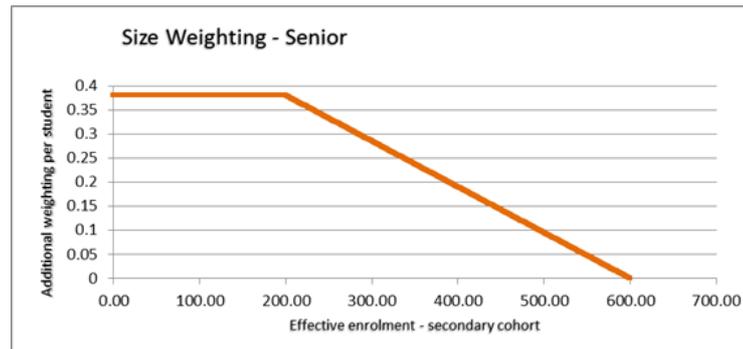
**FIGURE 2 – ABORIGINAL CONCENTRATION WEIGHTING**



## SCALING FOR SIZE OF SECONDARY COHORTS

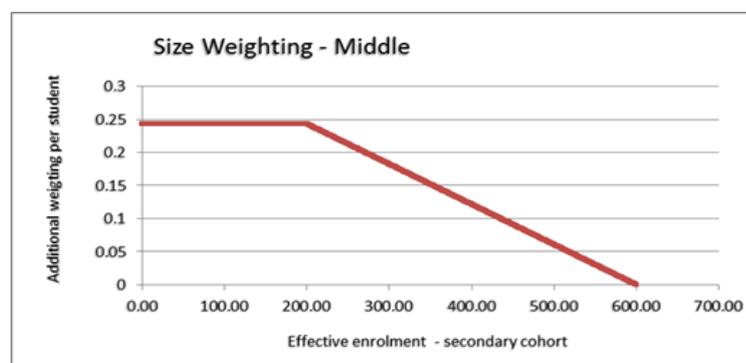
Senior year's students in a secondary school cohort of less than 200 receive an additional weighting of 0.38 – a total year level weighting of 0.7. Senior year's students in a secondary cohort of greater than 200 but less than 600 receive a scaled additional weighting as per Figure 3.

**FIGURE 3 – SENIOR SCHOOL SIZE WEIGHTING**



Middle year's students in a secondary school cohort of less than 200 receive an additional middle year's weighting of 0.243 – a total year level weighting of 0.4. Middle years' students in a secondary cohort greater than 200 but less than 600 receive a scaled additional weighting as per Figure 4.

**FIGURE 4 – MIDDLE SCHOOL SIZE WEIGHTING**

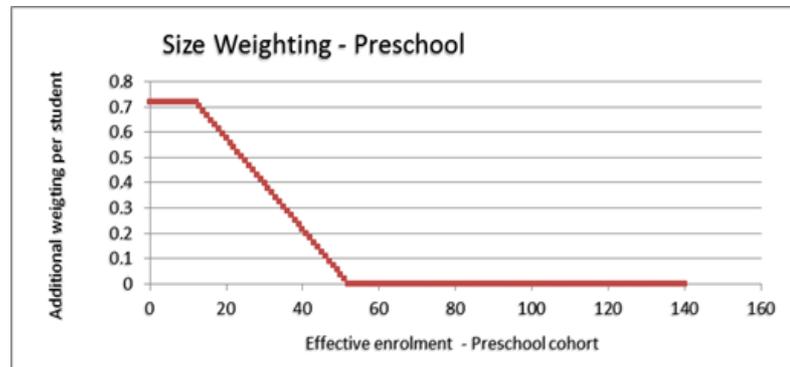


The scaling weightings for secondary cohorts were set in 2017 after analysis of program costs for sample schools of varying sizes.

## SCALING FOR SIZE OF PRESCHOOL COHORTS

Preschool students in a preschool cohort of 13 or less students receive an additional weighting of 0.72 – a total year level weighting of 1.17. This reduces for cohorts of between 14 and 51 students and reduces to zero with a cohort of greater than 51 students as per Figure 5.

**FIGURE 5 – PRESCHOOL SIZE WEIGHTING**



The scaling weightings for preschool cohorts were set in 2017 after analysis of program costs for varying sized preschool cohorts

## ENGLISH AS A SECOND LANGUAGE (ESL) (NEW IN 2018)

As announced in July 2016, an ESL weighting will be introduced into the student needs-based funding model. The ESL weighting will be progressively implemented over three years from 2018 to minimise significant changes in funding levels and allow more time for ongoing quality improvements in ESL data.

The ESL weighting is based on ESL Level data collected through the Student Achievement Information System (SAIS)

(SAIS) in line with the English as a Second Language Policy.

The average English as an Additional Language or Dialect (EAL/D) Phase is calculated for each student based on the ESL Level data and the weightings described in Table 5, below, are applied.

A full description of the ESL weighting calculation is available in the ESL Fact Sheet.

**TABLE 5 – EAL/D PHASES AND 2018 ESL WEIGHTINGS AND FUNDING**

EAL/D Phase	2018 ESL weighting <sup>1 2</sup>
Consolidating	0.0057
Developing	0.0142
Emerging	0.0269
Beginning	0.0461

Notes:

<sup>1</sup> – Rounded

<sup>2</sup> – Exact weightings in the years 2019 and 2020 will depend on ESL Level data in each year.

Intensive English units/programs at selected schools will continue to receive targeted funding in 2018. As students in these programs are funded separately to the SNBFM, their student data will be disregarded in the SNBFM calculation.

As the ESL Policy does not apply to preschool students, the SNBFM applies the same degree of ESL weighting to the preschool cohort at a school as calculated for the schools' cohort exclusive of preschoolers.

In 2018, the ESL weighting noted above is not applied to distance education providers.

## **DISTANCE EDUCATION YEAR LEVEL (NEW IN 2018)**

The three NTG distance education schools (Northern Territory School of Distance Education – NTSDE, Alice Springs School of the Air – ASSOA, Katherine School of the Air – KSA) receive an additional weighting for each student to recognise the higher cost of service delivery for distance education. The distance education weighting varies dependent on the year level of the student as shown in Table 4, below.

Distance education providers are not funded on the basis of effective enrolment. Instead, they are funded on a full-time equivalent (FTE) basis.

**TABLE 4 – DISTANCE EDUCATION WEIGHTINGS**

<b>Year level description</b>	<b>Distance education weightings</b>
Preschool	1.331
Transition	1.102
Early Childhood (Y1 – Yr 2)	1.010
Primary (Yr 3 – Yr 6)	0.918
Middle (Yr 7 – Yr 9)	1.062
Senior (Yr 10 – Yr 12)	1.212

The remoteness weighting does not apply to distance education schools – instead, the distance education weightings factor in this need.

## APPENDIX B

### DATA IN GLOBAL SCHOOL BUDGETS

#### SUMMARY

Three main data sets/measures are used in global school budgets (GSB) and the student needs-based funding model SNBFM:

1. Age/Grade Census data for the student profile under the SNBFM
2. Effective enrolment data for funding distribution
3. Week 4 Term 1 enrolment data for scaling for funding distribution through budget finalisation.

#### DATA SOURCE

1. Data used in the global school budgets (GSB) is collected by [Performance and Data Management](#), through the Age/Grade Census collection and throughout the year from the Student Administration and Management System (SAMS), for enrolment and attendance data.
2. Principals are provided the opportunity to review and validate data submitted through both Age/Grade census annually and for their school's enrolment and attendance data eight times per year.

#### INCLUSIONS AND EXCLUSIONS

Standard business rules are applied to all data used in global school budgets. These rules are shown in Table 1.

**TABLE 1 – INCLUSIONS AND EXCLUSIONS ON DATA IN THE GLOBAL SCHOOL BUDGETS**

	Standard Exclusions	Centrally Funded Programs	Targeted Program Adjustments
Application	<p><i>These exclusions are applied to all data held centrally and reported through the Business Intelligence Centre.</i></p> <p><i>Applying these standard exclusions allows schools to record student details in SAMS to meet operational requirements, even when these students are not counted as school enrolments.</i></p>	<p><i>These exclusions are applied where funding for these students are provided through a centrally funded program.</i></p>	<p><i>Students enrolled in these programs are counted in building the student profile of a school, and in the effective enrolment calculation. An adjustment is made on school budget sheets to reflect the separate funding provided for these students.</i></p>

	Standard Exclusions	Centrally Funded Programs	Targeted Program Adjustments
Rules	FTE = 0 Form = HGMRC, MRC and MRC-2 Passive Enrolments Year level = 13 Year level = FFT	<ul style="list-style-type: none"> <li>Asylum Seeker students.</li> <li>Alice Outcomes.</li> <li>Tivendale and Owen Springs<sup>2</sup> annexes.</li> <li>KITES.</li> </ul>	Enrolments in: <ul style="list-style-type: none"> <li>Intensive English Units (IEU)</li> <li>Special centres</li> <li>Autism Units.</li> </ul> <i>(enrolment numbers set outside of SAMS)</i>
Age/Grade Census data	Excluded	Excluded	Included
Effective Enrolment data	Excluded	Excluded	Included, adjustment made on budget sheets for enrolments funded through these programs.
Week 4 Term 1 Enrolment data	Excluded	Excluded	Included, adjustment made on budget sheets for enrolments funded through these programs.

Note: all enrolments in special schools and distance education schools are funded as targeted programs.

<sup>2</sup> Funding provided to host schools as targeted program, but enrolment and attendance of children in remand centres is excluded from calculations.