

Funding for Partnership Schools

Partnership Schools | Kura Hourua will be fully-funded schools outside the state system, accountable to the Crown for raising student achievement through a contract to deliver a range of specified school-level targets.

The funding model for Partnership Schools is intended to give sponsors flexibility to manage their resources; provide a broadly similar level of funding to that for schools and students in the state system; be transparent; and allow the Crown to manage fiscal risk.

The funding will be non-tagged to allow sponsors flexibility to make investment decisions that support the achievement of the contracted outcomes.

The funding model is derived from the following parts:

1. Property support - an annual sum for property that will allow the sponsor of a Partnership School | Kura Hourua to, for example, rent facilities for a school based on a formula already used in the school system for some schools
2. Operations and staff resourcing - an annual salaries and operations sum made up of base funding to ensure the viability of the school and per student funding that will depend on roll numbers
3. Centrally funded support to schools - an annual per student amount that is a proxy for centrally-funded support to state schools (with the exception of support for high and moderate special needs students who will continue to receive support from existing services)
4. One-off set-up funding and some ongoing extra assistance in the first years of establishment will be provided on the same basis as state schools

The model is based on funding for state schools. Partnership Schools will also be eligible for entitlements that attach to individual students or schools such as transport assistance, Māori Language Programme Funding and an allowance for isolated schools.

Property support

It is assumed that many Partnership Schools will rent premises. The schools may be established in remodelled commercial or other premises, or possibly in existing educational buildings such as a closed state school or by a private school converting to a Partnership School.

It is intended to use the Cash for Buildings funding model as the basis for the property support funding stream for Partnership Schools. Cash for Buildings gives state schools the option of receiving annual cash payments instead of new buildings when they become entitled to additional space.

It calculates an annual cash flow which, when discounted to today's dollars, is equal to cash flows associated with the construction and maintenance of new Ministry-owned space.

The Cash for Buildings model includes three components:

- site works costs and the cost of constructing the building(s), including a furniture and equipment grant (capital costs)
- 40 years of operations grant property funding (maintenance costs)
- 30 years of five year agreement funding (modernisation costs)

The Crown believes funding Partnership Schools on the basis of Cash for Buildings provides equivalence with the property support for state schools where property is leased. It is a formula that is already known by the school sector. It provides sponsors with flexibility – if they wish, they could use this funding stream with other money to build their own school.

The following table provides indicative amounts of property funding for Partnership Schools based on the Cash for Buildings model. The amounts below are indicative only and are subject to change.

Roll	Primary	Secondary	Yr 1-13
50	\$60,232	\$209,724	\$96,428
100	\$105,167	\$339,157	\$193,005
200	\$189,710	\$590,193	\$385,862
300	\$298,018	\$745,112	\$533,105
400	\$372,590	\$863,218	\$641,866
500	\$445,114	\$977,491	\$778,262

Please note that the amounts above may alter if a school is not proposing to reach its maximum roll in the first few years. Composite school (Yrs 1-13) funding may also vary depending on the balance between the numbers of primary and secondary students enrolled.

Operations and staffing

The intent of the operations and staffing components of the funding model will be to provide a simple, flexible, cashed-up model where funding is broadly equivalent to that provided to similar schools and students in the state system.

The funding model is weighted to accommodate differences across the following variables:

- school size
- variation in student rates by age (year level)
- socio-economic status
- equivalence with the state system through a per student rate

The following table provides indicative amounts of operations and staffing funding for Partnership Schools. This category of funding is made up of a base grant plus per-student funding. The amounts below are indicative only and are subject to change.

Base grant (per annum)

School type	Amount
Primary	\$145,854
Secondary	\$997,044
Yr 1-13	\$332,427

Please note that the amounts above may alter if a school is not proposing to reach its maximum roll in the first few years. Years 1-13 funding may also vary depending on the balance between the numbers of primary and secondary students enrolled.

Per student funding (per annum)

Primary	\$4,671
Secondary:	\$5,357

Centrally funded support

State schools receive a considerable amount of support that is centrally-funded. Much of it is provided on a targeted basis to individual students, teachers and schools. The main components are special education assistance; itinerant and in-school specialist teacher assistance; professional learning and development; transport assistance; curriculum resources; and student engagement initiatives to support disengaged students.

It is intended that most of this support will be provided on a cashed-up basis to Partnership Schools. Assistance that will continue to be funded centrally is for students with moderate and high special education needs. This support is highly specialised and experts are not equitably available across the country on the open market.

An annual per student amount of 'cash up' funding that is a proxy for centrally-funded support to state schools (with the exception of support for high and moderate special needs students who will continue to receive support from existing services) will be provided at approximately \$276 per student. This amount below is indicative only and is subject to change.

One off set-up payments

This funding is intended to be made available in 2013 to assist with the setting up of the first schools. It is calculated on the same basis as what would be provided to a similar new state school.

The following table provides indicative amounts for one-off set-up payments for Partnership Schools | Kura Hourua. The amounts below are indicative only and are subject to change.

Roll	Primary	Secondary	Yr 1-13
50	\$175,208	\$451,385	\$180,537
100	\$254,469	\$548,301	\$265,027
200	\$390,754	\$742,132	\$664,906
300	\$493,034	\$935,962	\$820,702
400	\$595,314	\$1,129,793	\$976,498
500	\$697,594	\$1,323,624	\$1,132,295

Final funding details for Partnership Schools will be announced as part of Budget 2013. Partnership Schools will be required to provide the Secretary for Education with annual financial statements.

Comparison between state school and Partnership School funding

	State schools	Partnership Schools
Property	Non-integrated schools The Crown provides land and buildings. The Board of Trustees receives funding for maintenance, refurbishment and replacement. Integrated schools The proprietor provides land and buildings but receives funding from the Crown for minor maintenance, capital maintenance and modernisation. The Crown may also provide funding for roll growth classrooms if it would otherwise have to fund space in state schools.	Partnership Schools will be resourced 'in cash' rather than 'in kind' through the Cash for Buildings policy to enable the leasing of premises.
Staffing	Schools receive an annual staffing entitlement in Full Time Teacher Equivalents. This funds the employment of teachers in teaching and management positions. Actual salaries for teacher entitlement staff are paid by the Crown.	Partnership Schools will receive cashed-up funding based on staffing costs for equivalent state schools.

Operations grant	State schools receive a cash grant for operational funding. This has a large number of components, some of which relate to the characteristics of individual schools or students. Boards have discretion over how they use this funding.	Partnership Schools will receive funding equivalent to the amount paid to a similar state decile 3 state school.
Centrally provided support	Many services are provided free to state schools, often through centrally managed contracts with providers.	A cashed-up per student amount will be included. The cost of special education services for students with high and moderate special education needs will continue to be funded centrally.