



The charter schools funding model is based on five components in line with the State sector:

- > Operational grant funding
- > Establishment funding
- > Staffing-based funding
- > Services-based funding
- > Property-based funding

- The model reflects greater flexibility by providing funding mainly as a cashed-up per-student amount which is broadly equivalent to State schools and follows the student.
- Charter schools cannot charge tuition fees and may operate for profit or not-for-profit.



Operational grant funding

- Charter schools will be provided operational funding based on per-student formulas.
- Some operational grant components that are not per student for State schools have been converted to a per-student rate. They include:
 - Base components
 - Funding based on a school's actual or historical usage
 - Funding based on teacher staffing entitlements
 - Funding for operational maintenance activity based on the actual area of the school.



Establishment funding

- New charter schools will receive financial support prior to opening in a similar mechanism to a new State school. Converting schools will not receive establishment funding, but they can be compensated for reasonable related expenses .
- For new charter schools, per-student establishment funding components will apply that approximates State school establishment funding. This includes components for:
 - Operational establishment funding,
 - Senior staff establishment funding,
 - Establishment funding for remaining staff.
- Senior staff for new charter schools can be funded for up to six months before the school opens. The funding is flexible and based on the expected cost of a notional set of staff, similar to those employed in State schools prior to opening.
- Meanwhile, funding for remaining staff covers up to a maximum of one term prior to establishment. This provides charter schools with a contribution to the cost of employing additional staff ahead of a school opening for instruction.



Property-based funding

Charter schools in Ministry of Education-owned property

- These charter schools will pay a nominal lease rate and receive property funding for capital maintenance funding which reflects the current capital maintenance funding for State schools.
- There will be a transitional period for providing this funding to sponsors of charter schools on Ministry-owned property.
- At least 70 percent of the capital maintenance funding for Ministry-owned property will be provided to sponsors in the form of capital funding to spend on Ministry-owned buildings, with the remaining converted to an operating expense and provided to Sponsors to incentivise them to be more efficient and to support the overall intent of the charter school funding model. However, sponsors will still have to meet terms and conditions set out in a contract between the Ministry and Sponsors for the management and use of Crown assets.
- They will also receive funding proportionate to the renewal component of furniture and equipment funding based on property funding for State schools.

Charter schools in non-Ministry-owned property

- These charter schools will be funded on a flat per-student rate as an operating expense.



Services-based funding

- Charter schools will be provided a per-student rate for some services that are provided to State schools. These rates are based on the estimated costs of services for State schools. These services include:
 - Digital services
 - Payroll services
 - PLD services.
- Other services will be provided to charter schools if they meet the same eligibility criteria as State schools:
 - Learning support services
 - Kaupapa Māori and Māori medium education services
 - School transport assistance.
- Sponsors will also be able to join the Ministry's Risk Management Scheme, a contents and liability insurance scheme funded by schools, subject to their acceptance by the Ministry of Education's re-insurer. Alternatively, they will be able to arrange their own insurance.



Staffing-based funding

- Charter schools will be provided with per-student funding for staffing to spend as they best see fit. The per-student rate has been approximated based on the value of staffing entitlement for State schools and varies with school type (primary, secondary, or composite).
- Schools will receive a higher rate for the first 100 students in a primary school or 200 in a secondary or composite school. This reflects "base staffing" in State schools while incentivising growth. A lower rate will apply to "additional students" (above 100 at primary and 200 at secondary or composite schools).
- Additional funding will be available for eligible charter schools for Māori immersion (Level 1-2) and Pacific immersion staff, and for learning support staff via the Ongoing Resource Scheme.



July 2024



Operational grant funding

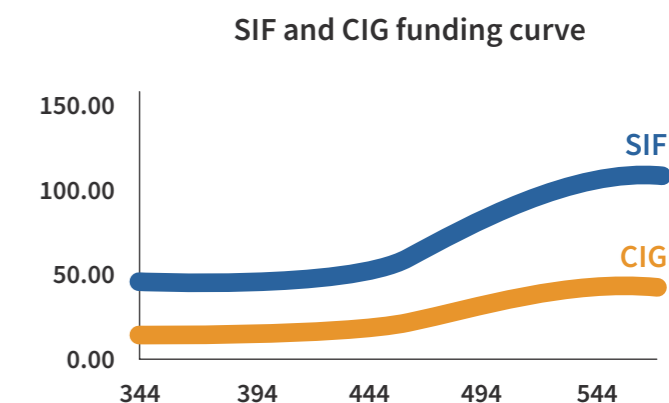
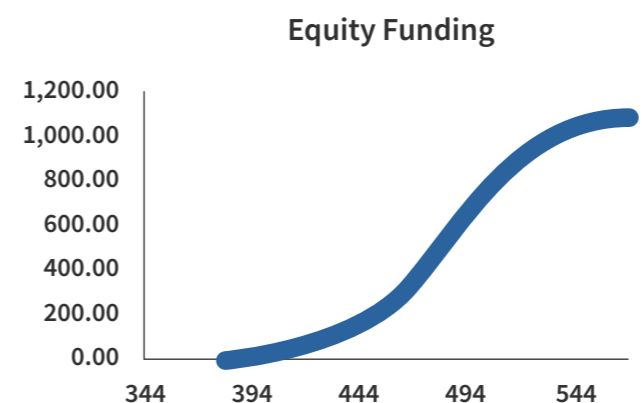
Funding for the day-to-day operating for schools

Funding Components

Operational grant funding is paid out in quarterly instalments. This funding is provided based on per-student formulas, generally calculated the same way as State school operational grants but with some exceptions. Operational grant components that are not “per-student” have been converted to a per-student rate. The table below gives the key funding components:

Funding Component	How is it funded?	Funding Component	How is it funded?
Base funding	Rates differ based on school type. A per-student rate is applied until the maximum base funding is reached and then funding reduces as the roll grows until it reaches a fixed rate.		Category
			2025 Rate
Equity funding (EQI)	Per-student rates apply to schools with EQI values above 379. Figure 1 shows the funding curve with rates.	ICT Funding	Base per-student (first 100) 59.19
		ICT Funding	per-student 39.55
Support for inclusion funding (SIF)	Per-student rates apply to all schools, increasing for schools with EQI values above 379. Figure 2 shows the funding curve with rates.	Kiwisport	Y1-Y8 15.55
		Kiwisport	Y9-Y15 28.12
Careers Information Grant (CIG)	Per-student rates apply to all schools, increasing for schools with EQI values above 379. Figure 2 shows the funding curve with rates.	Māori Language Programme	Level 1 2,175.42
		Māori Language Programme	Level 2 554.18
Heat, light and water funding	See table.	Māori Language Programme	Level 3 298.69
		Māori Language Programme	Level 4 72.51
Relief teacher funding	See table.	Pacific Bilingual and Immersion Funding	Level 1 1,135.53
		Pacific Bilingual and Immersion Funding	Level 2 554.18
STAR funding	See table.	Support for inclusion funding (SIF)	Base per-student (first 100) 14.65
		Targeted Funding for Isolation	Base per-student (first 100) 124.38
		Targeted Funding for Isolation	Unit 1,615.70
		Donations Scheme	Per-Student 163.50
		Vandalism	Low Risk 3.84
		Vandalism	Medium Risk 11.52
		Vandalism	High Risk 19.23
		Vandalism	Critical Risk 26.89
		Vandalism	Extreme Risk 30.72
		Vandalism	Not Qualify -
		Per-student	Y1-Y6 913.73
		Per-student	Y7-Y8 1,020.74
		Per-student	Y9-Y10 1,165.06
		Per-student	Y11-Y15 1,288.92
		Risk Management Scheme Premium	Per-Student 13.04

Funding component rates and figures



Heat, light, water

Components	Primary	Composite	Secondary
Per student rate for first (100 in primary and 200 in secondary and composite) students	150.80	195.57	341.41
Per student rate for additional students	72.56	113.64	94.83

Relief teacher funding

Components	Primary	Composite	Secondary
Per student rate for first (100 in primary and 200 in secondary and composite) students	320.05	399.30	391.58
Per student rate for additional students	202.29	210.43	190.93

STAR

2025 STAR rates will be calculated in early September as they depend on the 2024 July Roll Returns

Components	Category	Rate
STAR funding	First 30 units	925.31*
STAR funding	Remaining units	162.60*

Additional funding components

Export Education Levy

- The EEL is calculated as part of operational funding. It consists of a variable component based on the tuition fees paid by international students. The variable levy is 0.0050 x Total tuition fees (\$) collected by the school for international students.

Additional funding for non-Teacher Collective Agreement top-up costs per-student in school EQI rates

- Schools are provided with an additional increase to their operational grants to meet the costs of non-teaching staff pay increases. As current agreements end in 2024, 2025 rates will be adjusted once the new collective agreement is settled.
- An example of 2025 non-teacher top-up funding calculation: In 2025, if a primary charter school has 150 students with school EQI of 476, the funding will be calculated as follows: \$1.15x476x100+\$0.58x476x50=\$68,544

School Sector	Threshold	2024		2025	
		Threshold and below	Above threshold	Threshold and below	Above threshold
Primary	100 students	1.15	0.58	1.15	0.58
Composite	200 students	1.26	0.63	1.26	0.63
Secondary	200 students	1.53	0.66	1.53	0.66

All figures and rates are GST Exclusive



July 2024



Staffing-based funding

Funding for employing staff

- Charter schools receive higher rates for the first 100 students in primary schools, or 200 students in secondary or composite schools. This reflects “base staffing”.
- A lower rate applies to additional students above 100 in primary schools and 200 in secondary or composite schools.
- Rates in the table to the right provide the 2024 and 2025 staffing funding rates.

Entitlement Staffing Funding 2024

Components	Primary	Composite	Secondary
Per student rate for first (100 in primary and 200 in secondary and composite) students	6,621.94	9,434.67	11,786.12
Per student rate for additional students	4,986.09	5,638.98	5,951.36
Top up funding per student for Māori medium students	1,393.75	616.21	937.16
Top up funding per student for Pacific medium students	221.38	168.38	119.67

Entitlement Staffing Funding 2025

The 2025 rates will be adjusted once a new collective agreement is settled due to the teacher collective agreement ending in mid-2025

Components	Primary	Composite	Secondary
Per student rate for first (100 in primary and 200 in secondary and composite) students	7,117.98	10,091.64	12,503.92
Per student rate for additional students	5,359.59	6,031.64	6,313.82
Top up funding per student for Māori medium students	1,498.15	659.12	994.23
Top up funding per student for Pacific medium students	221.38	168.38	119.67



Services-based funding

Funding for services that are nationally provided for State schools

- Charter schools receive a per-student rate for some services that the Ministry of Education provides to State schools. This rate is based on the estimated costs that are centrally funded for State schools.
- Digital content, cybersecurity measures, and infrastructure management tools
- Payroll services that ensure compliance with collective agreements, relevant employment laws, and regulations
- Most nationally provided PLD services
- Other services will be provided to charter schools if they meet the same eligibility criteria as State schools:
 - services for Kaupapa Māori and Māori medium education
 - school transport assistance.
- Sponsors may opt to join the Ministry’s Risk Management Scheme, a contents and liability insurance scheme funded by schools, subject to their acceptance by the Ministry’s re-insurer. Alternatively, they will be able to arrange their own insurance. This rate is given in the operational grant component page.

Service	Per-student
Payroll	46.62
Nationally provided PLD	12.53
Digital	76.56
Total per-student rate	135.71



Establishment funding

Funding to support new charter schools prior to opening, including setting up their school and employing a principal and other staff

- New charter schools will receive financial support prior to opening in a similar mechanism to a new State school. Converting schools will not receive establishment funding, but they can be compensated for reasonable related expenses .
- For new charter schools, per-student establishment funding components will apply that approximates State school establishment funding. This includes components for:
 - Operational establishment funding,
 - Senior staff establishment funding,
 - Establishment funding for remaining staff.
- Senior staff for new charter schools can be funded for up to six months before the school opens. The funding is flexible and based on the expected cost of a notional set of staff, similar to those employed in State schools prior to opening.
- Meanwhile, funding for remaining staff covers up to a maximum of one term prior to establishment. This provides charter schools with a contribution to the cost of employing additional staff ahead of a school opening for instruction.

Operational establishment funding per-student rates by school type

Per-Student Rate	1-199	200+
Primary	2,102.61	1,100.35
Secondary	2,387.17	2,030.09
Composite	2,229.09	1,683.82

Establishment staffing per-student rates for senior staffing roles

Per-student rates only apply for the first 200 students on the establishment roll

Proposed funding of roles	School type	Per-pupil
Senior Management (deputy/ Assistant Principal)	Primary	290.22
Senior Management (deputy/ Assistant Principal)	Secondary/ Composite	303.16
Senior Heads of Department	Secondary/ Composite	285.04

Establishment staffing per-student rates for remaining roles for Q4 2024

School Type	Rate
Primary	1,184.20
Secondary	1,413.45
Composite	1,339.26

All figures and rates are GST Exclusive



Examples

- We have provided six examples of charter schools with different school types and sizes:
 - Small primary school, secondary school, and composite
 - Large primary school, secondary school, and composite
- Under each example, we have assumed:

EQI value	486
Isolation Index value	0.6
Donations scheme eligibility	Yes
Vandalism eligibility	No
Risk Management Scheme	Yes
Māori Medium learners	20%
Pacific learners	0%
New charter school	Small schools only

Features of funding



Establishment funding
Only for new schools



Staffing-based funding



Services-based funding



Operational grant funding

Total funding for each converting charter school examples



Option 1: Small new primary

Roll: 36

Component

Salaries funding	\$268,232
Operational funding	\$122,118
Services	\$4,886
Establishment	\$159,327
Total	\$554,563



Option 2: Small new secondary

Roll: 96

Component

Salaries funding	\$1,219,267
Operational funding	\$451,782
Services	\$13,028
Establishment	\$424,517
Total	\$2,108,593



Option 3: Small new composite

Roll: 36

Component

Salaries funding	\$366,595
Operational funding	\$154,316
Services	\$4,886
Establishment	\$169,928
Total	\$695,724



Option 4: Large converting primary

Roll: 524

Component

Salaries funding	\$3,138,574
Operational funding	\$1,433,248
Services	\$71,112
Establishment	\$0
Total	\$4,642,934



Option 5: Large converting secondary

Roll: 1,481

Component

Salaries funding	\$10,883,080
Operational funding	\$4,800,161
Services	\$200,987
Establishment	\$0
Total	\$15,884,227



Option 6: Large converting composite

Roll: 1,551

Component

Salaries funding	\$10,337,127
Operational funding	\$4,674,174
Services	\$210,486
Establishment	\$0
Total	\$15,221,787

Caveats:

- Funding information and examples provided are indicative and only for illustrative purposes.
- These examples do not include other components of school resourcing which are still being developed (e.g. property funding).
- Examples apply a number of assumptions regarding factors like roll distribution (by both year level and immersion level), isolation index, Equity Index, Donations Scheme opt-in etc. These factors all differ based on each individual school and will impact the estimated level of funding provided.
- Establishment funding: This applies to new charter schools only. Converting charter schools do not receive funding. It is unlikely that new schools will open with large rolls.

All figures and rates are GST Exclusive