THE RESOURCE ALLOCATION MODEL (RAM) IN 2015
LOCAL SCHOOLS, LOCAL DECISIONS
In 2015, the needs based Resource Allocation Model (RAM) will continue to deliver resources directly to NSW public schools in a fairer and more transparent way.

The NSW Government believes that every child should have access to the best possible education – regardless of where they live, the income of their family, the school they attend or their experience in learning English.

The RAM distributes funding based on the needs of students and schools. It is a simpler, fairer and more transparent way of distributing government school funding. It is transforming the way resources are used in our school system to meet the needs of students in every NSW public school.

The RAM uses the most advanced data and research to create a unique picture of each school and its individual complexity and then allocates funding according to need.

In 2012, the NSW Government announced its Local Schools, Local Decisions reform for NSW public schools. Schools are in the best position to determine what students and their teachers need to improve student performance. This reform places students at the centre of school decision-making by giving school communities greater authority and flexibility.

There is a phased implementation of the different components of the RAM over the next two to three years before full implementation for all NSW public schools.

In 2014, all schools received their targeted funding and equity loadings for socio-economic and Aboriginal background through the RAM, which has already achieved a fairer allocation of funding to support these students.

In 2015, schools will receive the four equity loadings through the RAM for:

- Socio-economic background
- Aboriginal background
- English language proficiency
- Low level adjustment for disability.

A new loading for location will also be delivered to eligible schools. This is the first part of the base school allocation to be implemented.

During 2015-16 the Department will continue to develop and refine elements of the base school allocation.

Schools are being supported to operate in an environment of increased local decision-making. Full implementation of the RAM will result in more than 70% of the total state public school education budget going directly to schools – up from around 10% in 2012.

School planning processes will set clear expectations and accountabilities to assist schools and their communities to manage their resources.

Schools will have one budget, guided by a single school plan focused on promoting quality teaching and delivering better outcomes for students.

Adrian Piccoli MP
Minister for Education
What is the RAM?

The RAM is a needs based funding model that uses a base and loadings approach, consistent with the Commonwealth’s National Education Reform Agreement (NERA) and the recommendations of the Gonski Review.

Five principles underpin the RAM

The RAM is:

- **based on student and school needs.** The funding provided to schools will reflect the characteristics of individual schools and their students.
- **evidence based.** The components of the model are underpinned by the latest educational research and NSW school and student data.
- **moving funds to schools efficiently and transparently.** Funding will flow directly to schools and they will know the elements that make up their funding allocation.
- **providing certainty for schools.** The model will address deficiencies in the current allocation process and will give more certainty to schools consistent with the school planning year.
- **sustainable and adaptable.** The model has the capacity to adapt to new policy priorities and changing school and student populations in the future.

There is a base school allocation that includes the core cost of educating each student and operating a school and comprises the largest component of the model. The base is then supplemented by equity loadings developed to support different types of student and school-based sources of need.

In addition to the base and equity loadings, the RAM includes targeted funding to enable schools to be responsive to those students with more complex learning and support needs.

Benefits of the RAM

The RAM provides many benefits to schools by:

- ensuring a fairer allocation of funding for all schools based on student needs
- allocating most funding on a per student basis
- allocating funding to recognise the different characteristics of each school
- reducing big changes in a school’s funding that can accompany small changes in enrolments
- providing increased funding that goes directly to schools, enabling certainty in school planning, evaluation and reporting from year to year
- shifting from the current model where schools manage 10% of the total public school education budget to more than 70% being managed by schools
- allowing for a more dynamic response to innovation and decision-making in schools to meet student needs
- reducing red tape and reporting requirements.

Phased implementation of the RAM

Elements of the RAM were introduced for the first time in the 2014 school year, with additional loadings being introduced for the 2015 school year. The RAM will be fully implemented from 2016 onwards.

2014 RAM implementation included

1. Targeted (individual student) funding support for students who:
   - require high or moderate level adjustment for disability
   - require specific support
   - are new arrivals or refugees.

2. The equity loadings that provided support for:
   - Aboriginal students
   - students from low socio-economic backgrounds.

2015 RAM implementation added

1. Two more equity loadings for:
   - low level adjustment for disability
   - English language proficiency.

2. A new location loading delivered to schools through their base school allocation to provide additional funding to very isolated and remote schools. The location loading is the first part of the base school allocation component to be delivered to schools.

The base school allocation is currently in development and will be in place on full implementation of the RAM from 2016.

The diagram on the following page indicates how the RAM is being phased in over a number of years.

Schools participating in the Empowering Local Schools National Partnership

In 2014, the 229 schools that participated in the Empowering Local Schools National Partnership began to operate in the new financial environment and received resources as a budget allocation. As well as targeted (individual student) funding and equity loadings, these schools received a base school allocation with a staffing budget based on staff entitlement at standard cost. This allocation of resources continues in 2015.
1. Targeted (individual student) funding

Many students face unique and profound challenges that require personalised and customised support. Dedicated resources are required to support students in whatever settings the students are enrolled. This includes students who:

- require high or moderate level adjustment for disability
- require specific learning support, including targeted support for Aboriginal students identified through the Norta Norta National Assessment Program – Literacy and Numeracy (NAPLAN) component
- are new arrivals or refugees.

2. Equity loadings

**Socio-economic background**

The rate of funding per student will be determined based on a combination of individual student and school need using the Family Occupation and Education Index (FOEI).

**Aboriginal background**

The loading reflects both percentage and number of Aboriginal students in the school.

**English language proficiency**

The loading is calculated using each school’s reported level of English as an Additional Language or Dialect (EAL/D) need.

**Low level adjustment for disability**

The loading is based on the number of students with low level disability and learning support needs.

3. Base school allocation

The base school allocation reflects the school type and includes:

- a school allocation with funding for professional learning
- a budget based on current staffing entitlement, adhering to the class size policy
- site loadings for:
  - school buildings and facilities
  - climate
  - location.

From 2015, remote and/or isolated schools will receive funding through a new location loading. This is the first part of the RAM base school allocation to be delivered to schools.

The location loading recognises school needs in relation to:

- remoteness – disadvantage due to distance from population centres and the additional cost of goods and services
- isolation – disadvantage due to distance from other schools and the capacity to interact for teacher professional learning.
**Use of funds to support students**

Principals will consult with staff, parents and carers to determine the best way to support the needs of their students.

The way schools use their RAM funding will vary based on local needs. Some support will be for the entire school, and some will be for particular groups of students or individual students. Schools may choose to combine their equity loadings to maximise opportunities and support for students.

Every school has a school plan in which they must show the community how they propose to use the funds to support students. Accountability for how the funds were used will occur through the annual school report.

**Support for principals, staff and school communities**

The Department will continue to develop and implement a range of professional learning opportunities to address the needs of principals, staff and school communities in areas related to:

- managing school finances
- strategic financial decision making
- consultative decision making
- human resource management and capacity building
- leadership development
- planning and reporting.

Professional learning will be delivered in a range of ways to meet the needs of participants, including face-to-face training and information sessions, video-conferencing and supported online learning.

A suite of materials has also been developed to assist principals, staff and school communities to understand the RAM. This information is available on the Department’s website and will be updated regularly.

Staff and school communities can speak with their principal if they have any questions.

Principals will be able to seek further advice on any aspect of the RAM from their Director, Public Schools NSW.

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**For more information on each aspect of the RAM, refer to these information sheets:**

1. Base school allocation
2. Location loading
3. Equity loading for socio-economic background
4. Equity loading for Aboriginal background
5. Equity loading or low level adjustment for disability
6. Equity loading for English language proficiency
7. Targeted (individual student) funding
8. Standard cost approach
9. Leave management package

This information and answers to frequently asked questions are available on the [Department’s website](http://www.dec.nsw.gov.au).