Students from low socio-economic backgrounds often face additional educational challenges. The equity loading for socio-economic background provides funding to schools to address the additional learning needs of these students.

**How is the loading for socio-economic background calculated?**

The loading is based on a combination of student and school needs using the Family Occupation and Education Index (FOEI). The FOEI measure was developed following research undertaken by the Department that identified parental education attainment as a strong predictor of student and school performance. If parental occupation is added to this, the predictive power is further enhanced.

Information on parental level of school education, highest non-school qualification and occupational category is drawn from data collected on enrolment forms and recorded through the Enrolment Registration Number (ERN) system. Data is extracted from ERN in early Term 2 each year. This information is used to calculate the FOEI score for each school.

The loading is allocated to schools on the basis of greatest need (or overall FOEI score). A school with a high FOEI score is a school with a higher level of need.

An individual FOEI score is calculated for each student based on information about parental education and occupation levels captured on student enrolment forms. All students in NSW public schools are distributed across four socio-economic quarters. The loading funds all students in quarter 1 and quarter 2 on the FOEI in every NSW public school. A student in quarter 1 is funded at double the student funding rate of a student in quarter 2, as research shows that students in quarter 1 have the higher level of additional learning needs.

In 2015, the socio-economic background loading will be determined by the school’s average FOEI score for the past two years, as opposed to a single year FOEI score used in 2014.

**Why do FOEI scores change?**

The FOEI was introduced last year. After its introduction many schools took the opportunity to update the data they collected from parents through ERN. The FOEI scores for some schools have changed to reflect the fact that we now have better quality information about the students and their families in our schools.

This has meant that some schools’ FOEI scores have changed significantly. That is why the funding schools will receive for this loading in 2015 will be determined by a school’s average FOEI score for the past two years. The use of an average provides greater stability from one year to the next.

For a more detailed explanation of the FOEI refer to Learning Curve Issue 5.

**How will schools receive their allocation?**

Schools will receive flexible funding and/or a staffing allocation. Schools that receive support under this loading in the form of staff are schools that have existing positions associated with former equity programs like the Priority Schools Funding Program (PSFP).

Schools that have not previously held a staffing entitlement under an equity program allocation will receive flexible funding.

**What does this mean for NSW public schools in 2015?**

In 2015, the equity loading for socio-economic background will fund approximately 398,000 students across more than 2,000 NSW public schools. Schools will receive funding for all students in the lowest two socio-economic quarters of the FOEI.
How will schools use these funds to support students?

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

The way schools use their funding will vary based on local needs. Some funding may go to support whole of school programs and strategies, and some may go to support particular groups of students or individual students.

Some schools may choose to combine their equity funding with other funding sources to better support the needs of students.

All schools have a school plan in which they show their school communities how they propose to support students. Accountability for how the funds have been used will occur through the annual school report.