



## Briefing Note: Fees-free eligibility for people enrolled in schools as “returning adults”

<b>To:</b>	Hon Chris Hipkins, Minister of Education Hon Tracey Martin, Associate Minister of Education		
<b>Date:</b>	20 December 2017	<b>Priority:</b>	Medium
<b>Security Level:</b>	In Confidence	<b>METIS No:</b>	1097742 <span>s 9(2)(a) OIA</span>
<b>Drafter:</b>	John MacCormick Chief Policy Analyst		
<b>Key contact:</b>	Julie Keenan Policy Director		
<b>Messaging seen by Communications team:</b> No		<b>Round robin:</b> No	

### Summary

- Some people who enrolled in a school as a “returning adult” in 2017 are being identified as eligible for fees-free study, despite having prior tertiary study and qualifications. This is inconsistent with the fees-free policy’s intent to support first-time students. In future years, it could become an avenue for gaming the fees-free eligibility rules.
- We expect that about 500 people who were “returning adults” enrolled in schools during 2017 or 2018 will begin tertiary education programmes in 2018. It is unknown how many of these people will apply for or be eligible for fees-free tertiary study.

We recommend that the Minister of Education

**agree** that in applying the fees-free eligibility criteria for 2018, the TEC should:

- exclude people who have enrolled in schools as returning adults from *automatic* eligibility for fees-free study as school leavers (they will still be eligible for fees-free study if their prior study at NZQF L3+ does not exceed 0.5 EFTS and they meet the other eligibility criteria) and
- allow people enrolled in schools as returning adults to utilise their fees-free tertiary study entitlement concurrently with their school enrolment.

**AGREE / DISAGREE**

- It is routine for TEC to exercise operational discretion in interpreting and applying funding policies. However, to avoid any doubt in this case we will prepare revised supplementary funding determinations for the affected funds, and a letter from you to the TEC Chair.



Julie Keenan

**Policy Director, Graduate Achievement, Vocations & Careers**

## Background

---

1. On 27 November 2017, Cabinet agreed eligibility criteria for fees-free tertiary education for 2018. Cabinet agreed that to qualify for fees-free study in provider-based programmes or industry training, students must (amongst other requirements):

4.3 ***not be concurrently enrolled in a school at the start date of the course or programme; and***

4.4 *either:*

4.4.1 ***have been enrolled in a school at any time during 2017 or 2018 (all 2017 or 2018 school leavers who meet criteria 1-3 above will be eligible for fees-free tertiary education regardless of any prior tertiary study undertaken);***

*or*

4.4.2 *not have previously undertaken more than half a year of equivalent fulltime tertiary education (0.5 Equivalent Full-time Student (EFTS) or 60 credits) at Level 3 or above on the NZQF, including tertiary education at an equivalent level undertaken in any other country, but excluding any tertiary education undertaken while enrolled in a school.*

[CAB-17-MIN-0515 (emphasis added)  
mirrored for industry training at 8.2-8.3]

2. The fees-free eligibility criteria for 2018 are designed to give school leavers a “quick yes”, without requiring evidence about any prior tertiary study. To implement this through the TEC’s eligibility assessment process:

- School leavers who were in Year 13 in 2017 can be *automatically verified eligible* for fees-free study
- School leavers who were in Year 12 in 2017 are asked to confirm (by declaration) that they won’t be enrolled in a school when their 2018 tertiary programme starts.
- Fees-free applicants who are *not* recent school leavers have their record of prior tertiary study at NZQF Level 3+ checked
  - If recorded prior study exceeds 0.5 EFTS, they are told they are ineligible
  - If recorded prior study does not exceed 0.5 EFTS, they are asked to complete a statutory declaration confirming they meet the eligibility criteria. This is required as the Ministry and TEC do not hold complete information on prior study, such as overseas study or courses taken in New Zealand before 2003.

**Eligibility rules as worded mean people with prior tertiary qualifications can be eligible for fees-free study if they have enrolled in a school as a “returning adult”.**

3. Providers have noted multiple cases where the TEC’s eligibility assessment tool has identified people as eligible for fees-free study despite them having sometimes substantial prior tertiary qualifications. These people have been deemed eligible because they were enrolled in a school in 2017.
4. Schools can enrol people over the age of 19 as adult students.
  - **“Returning adults”** are people aged over 19, who have returned to school after at least one year’s absence.
    - In July 2017 there were 2,440 returning adults enrolled in schools.
  - Other adult students include special education students and exchange students who are at least 19 years old and who are continuing their schooling. These people will have little or no prior tertiary study other than what they may have undertaken while enrolled at school. No change to fees-free eligibility assessment is needed for this group.
    - In July 2017 there were 4590 adult students who were not “returning adults” enrolled in schools.

Adults enrolled in school	School years				
	2013	2014	2015	2016	2017
All adults	8,100	8,155	8,185	7,035	7,030
In tertiary the year after	20%	19%	20%	n/a	n/a
Returning adults	2,960	2,795	2,590	2,470	2,440
In tertiary the year after	15%	14%	15%	n/a	n/a

5. In 2018, we expect about 500 people to begin a tertiary programme at NZQF Level 3+ after being enrolled as a “returning adult” school student during 2017 or 2018.
6. This group has a median age of about 30 years, but they range in age from 20 to 65+.
7. An unknown number of these people have previous tertiary qualifications. Examples mentioned to the TEC by providers dealing with fees-free eligibility enquiries for 2018 include people with university degrees and up to 7 years of prior tertiary study.

**Treating “returning adults” as new school leavers was not the intent of the policy and the eligibility criteria agreed by Cabinet.**

8. The fees-free eligibility criteria are intended to ignore prior tertiary study that students have undertaken while enrolled in school (e.g. in Trades Academies, STAR or Gateway), and to save school leavers from having to complete declarations about their prior study.
9. The policy was not intended to allow older adults who already hold tertiary qualifications to qualify for fees-free tertiary study because they have subsequently enrolled in a school as a returning adult (for example to complete prerequisite NCEA credits for a second tertiary qualification, or to study a language).
10. While this affects a small group of students for 2018, there is a risk that in future students who are ineligible for fees-free study could see a short-term enrolment as a returning adult school student as a “loophole” to qualify for fees-free subsidies.



**In applying the eligibility rules agreed by Cabinet, we propose to exclude “returning adult” school students from the group treated as school leavers**

11. We seek your agreement that in applying the fees-free eligibility criteria for 2018, the TEC should:
  - a. allow people enrolled in schools as returning adults to utilise their fees-free tertiary study entitlement concurrently with their school enrolment, and
  - b. exclude people who have enrolled in schools as returning adults from *automatic* eligibility for fees-free study as school leavers – they will still be eligible for fees-free study if their prior study at NZQF L3+ does not exceed 0.5 EFTS.
12. This means excluding returning adult students when determining who is “enrolled in a school” when applying the following eligibility criteria agreed by Cabinet:
  - 4.3 **not be concurrently enrolled in a school** at the start date of the course or programme; and
  - 4.4 either:
    - 4.4.1 **have been enrolled in a school at any time during 2017 or 2018** (all 2017 or 2018 school leavers who meet criteria 1-3 above will be eligible for fees-free tertiary education regardless of any prior tertiary study undertaken);
    - or
    - 4.4.2 *not have previously undertaken more than half a year of equivalent fulltime tertiary education (0.5 Equivalent Full-time Student (EFTS) or 60 credits) at Level 3 or above on the NZQF, including tertiary education at an equivalent level undertaken in any other country, but excluding any tertiary education undertaken while enrolled in a school.*

### Next steps

---

13. The TEC will operationalise this by using students’ birth dates and school roll return data supplied by the Ministry of Education to identify students who were enrolled in school over the age of 20 and/or as returning adults. These students’ eligibility for fees-free study will then be determined as for other students who are not school leavers.
14. We consider that this can be implemented by the TEC as part of its usual role exercising discretion to interpret and operationalise funding mechanisms to achieve their policy intent. However, to avoid any doubt in this case we will prepare revised supplementary funding determinations for the affected funds, with a covering letter from you to the TEC Chair.