

## Education Report: Extending Eligibility for Gateway Funding to Partnership Schools | Kura Hourua

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### Executive Summary

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This report asks you to extend to Partnership Schools | Kura Hourua (Partnership Schools) eligibility for Gateway funding from 2016. Extending eligibility is consistent with the principle of Partnership Schools receiving broadly equivalent resourcing to state schools. It will also help Partnership Schools with senior secondary school students to improve their vocationally based education.

The limited number of projected senior secondary students in Partnership Schools over the next four years is unlikely to place a significant demand on Gateway places and funding.

### Recommendations

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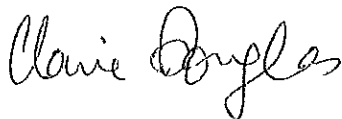
We recommend that the Minister for Tertiary Education, Skills and Employment and the Minister of Education

- a. **note** that Partnership Schools are not eligible for Gateway funding as they are outside the state system
- b. **note** that extending eligibility to Gateway funding to Partnership Schools is consistent with the principle of Partnership Schools receiving broadly equivalent resourcing to state schools, and recognises that Partnership School students would benefit from Gateway programmes
- c. **agree** to extend eligibility to Gateway funding to Partnership Schools from 2016

AGREE / DISAGREE

  
AGREE / DISAGREE

- d. note that any agreement to extend eligibility for Gateway funding to Partnership Schools will be reflected in the 2016 funding determination provided for approval to the Minister for Tertiary Education, Skills and Employment during 2015.



Claire Douglas  
Deputy Secretary  
Graduate Achievement, Vocations  
and Careers

NOTED / APPROVED



Graham Stoop  
Deputy Secretary  
Student Achievement

NOTED / APPROVED



Hon Hekia Parata  
Minister of Education

3, 3, 15

Hon Steven Joyce  
Minister for Tertiary Education,  
Skills and Employment

   /   /   /   

NOTED

David Seymour MP  
Parliamentary  
Under-Secretary to the  
Minister of Education

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## Education Report: Extending Eligibility for Gateway Funding to Partnership Schools | Kura Hourua

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### Purpose

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1. This report asks you to extend eligibility for Gateway funding to Partnership Schools | Kura Hourua (Partnership Schools) from 2016.

### Background on Partnership Schools and Gateway

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2. Partnership Schools are fully-funded schools outside the state system. They have greater freedom over how they deliver education, but are accountable to the Crown for raising student achievement through a contract to deliver a range of specified school-level targets. They provide education primarily for Māori, Pasifika, students with special education needs, and students from low socio-economic backgrounds.
3. The Gateway programme provides Year 11-13 students with the opportunity to gain hands on experience and learning in the work place, while still at school. Through their work place learning, students achieve credits towards NCEA or a qualification on the New Zealand Qualifications Framework (NZQF). There were 13,862 Gateway places allocated in 2014.
4. Gateway funding is provided to schools to meet the costs they incur in arranging and managing workplace learning, including assessment. Schools can either directly manage their Gateway delivery, or engage other organisations to help facilitate and organise the work placements. Industry Training Organisations (ITOs) and tertiary education providers offer Gateway packages, which provide learning resources and assessment services to schools.
5. The Tertiary Education Commission (TEC) administers Gateway funding and monitors the programme to ensure schools meet their contractual obligations, including enrolments and credit achievement. Funding is in Vote Tertiary Education.
6. The recent review of STAR and Gateway resulted in promoting alignment of Gateway to the Vocational Pathways and an increase in the average expected credit achievements from 10 to 20 credits [METIS 844717 refers].

### The current situation

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#### **Partnership Schools should receive broadly equivalent resourcing to state schools**

7. Cabinet noted that the level of resourcing provided to Partnership Schools should be broadly equivalent to similar schools in the state system [CAB Min (13)5/9 refers]. Partnership Schools are funded on a largely cashed-up model with a payment that is broadly equivalent to the value of the grants a comparable state school would receive.

8. When Partnership Schools' cashed-up funding was calculated, most school funding components were included. Partnership Schools can also apply for additional government funding that reflects the specific nature of the school or the individual students enrolled, such as Ongoing Resourcing Scheme (ORS), transport assistance, isolation funding, and Māori language programme funding.
9. Partnership Schools receive Secondary Tertiary Alignment Resource (STAR) as part of their cashed-up funding, as this is part of schools' operational grant funding.
10. As Gateway funding is not part of schools' operational grant funding, it was not included in the cashed-up funding received by Partnership Schools. Gateway eligibility was not addressed when the Partnership Schools funding model was established.
11. The Ministry has now considered Partnership Schools' eligibility to Gateway funding as senior secondary rolls in Partnership Schools increase, and in response to Partnership Schools with senior secondary rolls raising questions around their eligibility to Gateway funding.

#### **Partnership Schools are not eligible for Gateway funding**

12. Eligibility for Gateway funding is limited to state and state integrated schools in the Gateway funding determination issued under section 159L of the Education Act 1989. Partnership Schools and independent schools are not currently eligible for Gateway funding as they are outside the state system.
13. The completion of the recent review of Gateway makes it timely to look at eligibility for Partnership Schools for Gateway funding.

#### **Rationale for extending eligibility for Gateway funding**

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##### **Maintaining equivalency with state schools**

14. Extending eligibility for Gateway funding to Partnership Schools will maintain the principle of Partnership Schools receiving broadly equivalent resourcing to state schools, as intended by Cabinet.
15. It would be difficult to provide an equivalent cashed-up sum for Gateway to Partnership Schools if eligibility is not extended. This is because not all state and state integrated schools receive Gateway funding, and the amount that schools receive varies according to the number of places they are granted. It would also increase the costs of the Partnership Schools to the Crown.

### **Targeting the students who benefit most from Gateway**

16. Partnership Schools enrol the groups of students who benefit the most from participating in Gateway programmes. Many students at Partnership Schools are those for whom the education system has not been successful. Gateway can be an effective tool for engaging these students, and helping them to achieve NCEA and other qualifications.
17. Gateway programmes are most effective at raising the NCEA Level 2 achievement of students whose performance at NCEA Level 1 was well below average. These effects are also evident for Māori and Pasifika students with below average performance at NCEA Level 1. These students are the focus of Partnership Schools.
18. Participating in Gateway would enable Partnership School students to improve their educational outcomes. It would provide them with another pathway to tertiary study or work, and help them to make informed career choices.
19. Partnership Schools could provide workplace experiences for their students from their existing funding. However, extending eligibility for Gateway funding to Partnership Schools would make it more likely that Partnership Schools offer work placements, as they could apply for Gateway funding to meet the costs of organising and managing workplace learning.

### **Partnership Schools would still make their own choices**

20. There would be no obligation for Partnership Schools to apply for Gateway funding if eligibility is extended. They may prefer to offer and fund their own innovative work place learning opportunities outside of the rules and conditions of Gateway. Not all eligible state and state integrated schools apply for Gateway, and other workplace opportunities are provided to students outside of the Gateway programme.

### **Funding Considerations**

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21. The limited number of projected senior secondary students in Partnership Schools over the next four years would be unlikely to impact significantly on the number of places in Gateway and the demands on Gateway funding<sup>1</sup>.
22. Most Partnership School students would otherwise be in the state system, and would have been eligible for Gateway funding from the existing appropriation.
23. The addition of Partnership Schools with their current projected roll numbers to Gateway would be unlikely to require additional funding, or put too much pressure on the current funding allocation. In 2014, total consumption for

<sup>1</sup> Four of the nine Partnership Schools have students in senior secondary (Years 11-13). The senior secondary rolls at these schools are projected to grow over the next four years to between 85 and 250 students. These rolls are comparatively smaller than many state schools. The total projected number of senior secondary students in Partnership Schools over the next four years are 316 (2015), 439 (2016), 579 (2017), 619 (2018) and 655 (2019).

Gateway was \$19,513,114. The TEC allocated \$18,859,556<sup>2</sup> and is recovering \$653,557 (provisional) from schools that under-delivered.

24. The TEC recovers funding from schools with unfilled Gateway places. Schools that had undelivered places may be allocated fewer places in subsequent years with other schools, such as new schools to Gateway, gaining them. These new schools would include Partnership Schools if eligibility is extended.
25. An establishment grant of \$4,444 is paid to new schools entering Gateway to assist with set-up costs in their first year of offering the programme. If eligibility is extended, this would be an additional cost, and would equate to \$17,776 in the first year if all four Partnership Schools with a senior secondary roll were successful in applying to enter Gateway.
26. New schools entering Gateway start with a minimum of five places up to 10% of the senior secondary roll<sup>3</sup>. If eligibility is extended, this would equate to about \$22,222 per Partnership School<sup>4</sup> in the first year.
27. If eligibility is extended, there would be no guarantee that Partnership Schools applying for Gateway would gain funding or receive the full number of places they request. Their applications would be considered by the TEC in line with criteria for approving Gateway funding, within the constraints of the current appropriation.

#### Timeframe for Extending Eligibility

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28. If you agree to extend eligibility to Gateway funding to Partnership Schools, we propose that they would be eligible from 2016. This is based on a number of factors:
  - the funding determination for Gateway for the 2015 round was issued by the Minister for Tertiary Education, Skills and Employment in July 2014
  - the 2015 allocations are finalised
  - the TEC has less than \$60,000 unspent now the 2015 allocations are finalised
  - schools need a reasonable lead in time to set up systems, and identify and negotiate arrangements with employers.

#### Risks

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29. Extending eligibility to Partnership Schools could be seen as taking Gateway places and funding from state and state integrated schools. However, given the limited number of projected senior secondary students in Partnership Schools,

<sup>2</sup> The TEC does not pay out on the over delivery.

<sup>3</sup> Gateway funding is allocated per place on a sliding scale. As the number of places increases, the amount of funding per place decreases – e.g. the first place is funded at \$2,844, and 85 or more places are funded at \$1,022.22 per place.

<sup>4</sup> Based on an estimate of each of the four Partnership Schools with a senior secondary roll receiving 10 places.

any significant impact on Gateway places and funding is unlikely. Receiving broadly equivalent resourcing to state schools is also a key principle of the Partnership School model.

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31. There may be some concerns that extending Gateway eligibility to Partnership Schools may put pressure on extending eligibility for Gateway to private schools. However, Partnership Schools are fully state-funded schools, and should receive equivalent funding to state schools. Private schools receive limited state funding, and are not comparable to Partnership Schools in terms of eligibility for government funding.

#### Next Steps

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32. If you agree to extend eligibility to Gateway funding to Partnership Schools from 2016, we will reflect this change in the 2016 funding determination for Gateway. This will be provided for approval to the Minister for Tertiary Education, Skills and Employment by mid-2015.
33. We will also communicate your decision on Gateway eligibility to all nine Partnership Schools<sup>5</sup> and other relevant sector stakeholders. This will give interested Partnership Schools adequate time to prepare their application for the TEC's initial Gateway allocations for 2016.

<sup>5</sup> Five Partnership Schools opened in January 2014 and four Partnership Schools opened in January 2015.

