

Out of scope

REDACTED

11 August 2015

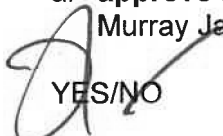
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Education Report: Further independent advice on options for the scope of an education funding review

Recommendations

We recommend that you

- a. **approve** the attached terms of reference for the work to be completed by Murray Jack on the funding review

 YES/NO

- b. **agree** that the Ministry of Education enter a contract on your behalf with Murray Jack for this work

 YES/NO

- c. **note** that Murray Jack expects to complete this work by 28 September 2015.


Andrea Schöllmann
Deputy Secretary

NOTED / APPROVED



Hon Hekia Parata
Minister of Education

13/8/15

Education Report: Further independent advice on options for the scope of an education funding review

Purpose of report

1. This report seeks confirmation that the Ministry should, on your behalf, contract with Murray Jack to provide independent advice on options for a review of education funding systems for 0-18 year olds.

Background

2. To assist you to frame the terms of reference for the review of education funding systems you have asked the Ministry to commission on your behalf exploratory advice on alternative funding models.
3. You recently agreed to the Ministry contracting on your behalf with the Sapere Research Group to provide advice on school funding models (METIS 943250 refers). As part of this work, Sapere will seek to provide insights into how the current funding model works in practice and how schools allocate resources at the school level. Sapere will also explore the cost of educating students with different profiles and on different education pathways.
4. Current planning is to seek Cabinet agreement to the terms of reference for the review of education funding systems in late October.

Proposed work by Murray Jack

5. A draft terms of reference is attached for your approval (Annex 1). If you agree to this, we will enter into a contract with Murray Jack on your behalf for completion of the work.
6. The work involves identifying key features of possible funding models that would support the operating models that we expect to be in place in our education system over the next five to ten years. These encompass a continued role for individual providers as well as different models of communities of learning. The work will include consideration of:
 - the basis for determining the level of resources provided to individual providers and/or communities of learning
 - the allocation of decision rights and accountability for how resources are used
 - the implications for the provision of resourcing in grants, through staffing entitlement and in kind
 - pre-requisites for the successful implementation of the respective models
 - trade-offs and risks that would need to be managed in transitioning to new funding arrangements.
7. The work will be largely desk-based, and will draw on existing materials. The final report will be delivered by 28 September 2015.

Next steps

8. We anticipate that a contract will be in place early next week. We will also work with your Office to agree possible times for you to meet with Murray Jack during the course of the project.

Annex 1: Draft Terms of Reference: independent advice on reviewing education funding systems for 0-18 year olds

Background

The Review of Funding Systems (the Review) is one of the Government's Education Work Programme Priority areas.

The Minister is interested in how education is resourced, from early learning through the schooling years (0-18 years). The Minister wishes to explore:

- how the system is resourced
- means for ensuring the resourcing systems support a focus on students
- means for ensuring best value from current levels of resourcing.

The Review is in its early stages. The focus of work at present is exploratory. The work is intended to support the development of a Terms of Reference.

Separate work is underway to ensure a good understanding of the current funding systems and funding of different student pathways from the ground up.

Context

We are concerned about skills and achievement levels of all students. This is true of top performers and those for whom the system has not traditionally worked well. We are particularly concerned that the New Zealand education system is characterised by relatively high levels of disparity, and has been for a number of years. At every stage, the system is less successful for Māori, Pasifika students and students from low-income families.

Looking forward we expect a number of operating models to exist in our education system, but in the near term the main ones will likely be:

- a community of learning (geographically based, predominantly school age student focused, connecting to early learning and/or tertiary learning)
- a community of learning (faith based and language based which may not be geographically based)
- individual providers (schools or early learning centres as now).

The scope of this work

The purpose of the work under this Terms of Reference is to explore funding models which can support the education operating models we expect to be in place over the next five to ten years.

Key question:

How can delivery of education services be funded? Identify key features of possible funding models that would better support student achievement and learning pathways, including the emergence of communities of learning as a key feature of the operating environment.

The work would, interalia, consider:

- the basis for determining the level of resources provided to individual ECE providers, schools and/or communities of learning
- the allocation of decision rights over how resources are used and accountability for resource use
- the implications for the provision of resourcing through grants, through staffing entitlement and in kind
- pre-requisites for the successful implementation of the respective models, including changes to the legal framework within which providers operate
- tradeoffs and risks that would need to be managed in transitioning to new funding arrangements.

Approach

The approach will be largely deskbased, and will draw on existing materials. The work will involve:

- understanding NZ's current resourcing systems and resourcing models in other jurisdictions
- understanding the future operating models (taking into consideration major changes underway and trends)
- analysing a small set of funding models.

In/out of scope

For the purposes of clarity, for this work:

Resourcing **in scope** includes:

- school operational grants, school staffing, school property and programmes funded from the centre, and
- early childhood education subsidies.

Any consideration of how providers and services currently use or allocate resources should include community/parent contributions.

This work **does not** need to cover:

- establishing a methodology or exploring the costing for pricing education
- minor adjustments to the current resourcing systems.

Resources

The Ministry will provide information about the current funding systems and research completed to-date. The Ministry will also provide assistance in accessing data it collects and holds.

Timeline

A final report is due by 28 September 2015, to coincide with the delivery of reports from other advisors.

Regular reports will be provided to the Minister of Education as agreed through the development of this work.