



## **BRIEFING NOTE: Funding Review discussion**

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<b>Date:</b>	27 <sup>th</sup> November 2015	<b>Priority:</b>	High
<b>Security Level:</b>	In Confidence	<b>METIS No:</b>	972197
<b>Approved by:</b>	Dr. Andrea Schöllmann	<b>DDI:</b>	<div style="background-color: black; width: 100px; height: 1.2em;"></div>

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### **Purpose**

1. We are meeting you on Monday the 30<sup>th</sup> of November to discuss the ongoing Review of the early childhood education and schooling funding systems (the Funding Review).
2. The purpose of this note is to provide you with an outline of the agenda and further detail on each item.

### **Agenda**

3. The proposed agenda is as follows:
  - A. Debrief following the Cross-Sector Forum of 20<sup>th</sup> November 2015
  - B. Outline of the key milestones towards achieving key decisions on the Funding Review in September 2016
  - C. Discussion in advance of the Funding Review Cabinet paper outline and policy recommendations.

#### **A - Cross-Sector Forum debrief**

4. The Cross-Sector Forum went well:
  - There were no surprises - points raised by the sector were aligned with the funding system strengths and weaknesses already identified by officials.
  - The meeting met the objectives – we communicated key messages around progress on the Funding Review thus far and next steps.
5. I have since talked to interested sector groups (NZ Post Primary Teachers Association - PPTA and NZ Educational Institute - NZEI) and will continue to do so.
6. The key issues raised by stakeholders are set out in Annex A.

#### **B - Funding Review key milestones for 2016**

7. The draft key milestones for the Funding Review are attached at Annex B.
8. The timeline works backwards from September 2016 - your intended date for key policy decisions to be made. Achieving this timeline will be influenced by the scope and scale of the policy proposals that you and your Cabinet colleagues wish to pursue.

9. Key policy decisions made in September 2016 will trigger the second stage - a more detailed design process during 2017 and 2018. The timeline for this process will be determined by the extent and complexity of policy decisions taken.
10. We are carefully considering the most appropriate point for disseminating the discussion document to the sector, in order to minimise distraction and conflation of proposals across different pieces of work, including:
  - The Budget in May 2016
  - Select Committee consideration of the omnibus Education Amendment Bill between January and June 2016
  - Select Committee consideration of the Update of the Education Act during 2016.
  - Cabinet paper on the Education Resourcing System (ERS) Programme, scheduled for February 2016.

### **C – Draft Funding Review Cabinet paper outline and recommendations**

11. You will receive a draft Funding Review Cabinet paper outline next week (the week commencing 30<sup>th</sup> November).
12. The draft Cabinet paper outline and its recommendations are intended to support a discussion with officials about the extent and complexity of the policy changes that you wish to pursue. A discussion with officials at this stage will help steer work over the coming 6-8 weeks.
13. The outline and recommendations will include the following headlines:
  - The overarching vision is for a more individualised, learner-focused approach to supporting educational achievement through the funding system:
    - The first stage would mean designing the resourcing system to address the risk of under-achievement and reflect the actual circumstances of children and young people. Then, this would enable you, in the next stage, to ensure that resourcing is aligned with the teaching and learning stages of the curriculum.
    - A robust and rich data set is key to supporting this vision to its full extent – work to deliver this is underway, but is some way off supporting a funding model.
  - The approach is closely aligned with the aims and objectives being pursued through the update of the Education Act, Investing in Educational Success and the work to improve collaboration and best-practice sharing through Communities of Learning.
  - The centrepiece of the learner-focussed approach would be to better target funding to mitigate the risk of under-achievement, and strengthen accountability for the use and impact of this funding.
  - A further aim of the Funding Review is to identify areas for improvement within the funding system that could better contribute to the overarching vision, e.g. opportunities for better efficiency, effectiveness and transparency. Delivering this will also facilitate the move towards a new IT platform. These proposals include:
    - A larger share of funding delivered on a per-learner basis (for both early childhood education and schooling funding systems)
    - Reassessing whether funding distribution across the education journey is well-balanced

- Decoupling and ringfencing funding for property maintenance from funding for teaching and learning (within the schooling funding system).

## Annex A – Cross-Sector Forum (20<sup>th</sup> November 2015) key issues raised

### Common themes

- The complexity of the funding system e.g. numerous additional elements which may come with further compliance requirements. Whilst this might provide important support:
  - It creates additional compliance costs,
  - It could be that total available funds are not being used in a way that is most effective for meeting the needs of learners.
- Challenges with support for special needs – including barriers to accessing support; the length of time it takes to get support; the way in which funding is allocated; the lack of flexibility in how support is provided; and whether the right interventions are being introduced at the right time.
- The funding systems do not accurately identify and address the needs of children and young people in education settings. There may be learner needs that aren't separately recognised/funded or captured by the decile proxy, and some schools/services face additional challenges because of size or geography.
- A lack of agility and responsiveness in the funding system, as schools/services change (e.g. growth and decline) and as learners move between schools/services or their needs change. This responsiveness to changing circumstance should be balanced with the need for funding in advance to allow schools/services to plan ahead.
- A desire for greater flexibility in staff salaries to recognise and reward high performance and/or acknowledge challenging circumstances – both to attract and retain staff.

**We get the job done** Ka oti i a mātou ngā mahi

**We are respectful, we listen, we learn** He rōpū manaaki, he rōpū whakarongo, he rōpū ako mātou

**We back ourselves and others to win** Ka manawanui ki a mātou me ētahi ake kia wikitoria

**We work together for maximum impact** Ka mahi ngātahi mō te tukinga nui tonu

## Annex B – Funding Review key milestones for 2016

Month	Week beginning	Milestone	Sitting week	School holidays/ Public holidays
November	23	25 <sup>th</sup> Debrief on Cross sector forum and 2016 key milestones	Y	
	30	Outline Cabinet paper	Y	
December	7	Discuss Cabinet paper outline and key recommendations	Y	
	14			
	21			Y
	28			Christmas
January	4			New Year
	11			Y
	18			Y
	25	Draft Cabinet paper		Y
February	1			
	8		y	Waitangi day
	15	Draft Cabinet paper and discussion document	Y	
	22			
	29		Y	
March	7		Y	
	14	Final Draft Cabinet paper and discussion document 16 <sup>th</sup>	Y	
	21	Lodge paper 24 <sup>th</sup>		Easter Friday
	28	SOC 30 <sup>th</sup>	Y	Easter Monday
April	4	Cabinet Release discussion document	Y	
	11		Y	
	18			Y
	25			Y
May	2		Y	
	9		Y	
	16			
	23		Y	
	30		Y	
June	6	↓	Y	
	13	Engagement /submissions close	Y	
	20			
	27		Y	
July	4	Analysis of submission and advice	Y	
	11			Y
	18			Y
	25			
August	1	Draft Cabinet paper		
	8		Y	
	15		Y	
	22	Draft Cabinet paper	Y	

	29			
September	5	Final to Minister 7 <sup>th</sup>	Y	
	12	Lodge paper 15th	Y	
	19	SOC 21 <sup>st</sup>	Y	
	26			Y
October	3			Y
	10	Cabinet	Y	
	17		Y	
	24			
	31		Y	
November	7		Y	