



## Education Report: Operating contingency: Targeted support for at-risk ākonga – Options

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<b>To:</b>	Hon Chris Hipkins, Minister of Education Hon Tracey Martin, Associate Minister of Education		
<b>Date:</b>	14 July 2020	<b>Priority:</b>	High
<b>Security Level:</b>	Budget Sensitive	<b>METIS No:</b>	1235061
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<b>Messaging seen by Communications team:</b>	No	<b>Round robin:</b>	No

### Purpose of report

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This paper provides you with proposed options for the contingency fund for at-risk ākonga, as per Wave 2 in this year's Budget.

### Summary

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1. The Wave 2 COVID-19 Response and Recovery budget established a \$36 million operating contingency for targeted support for at-risk ākonga.
2. We recommend spending the operating contingency across two years, based on a package of six potential initiatives that are a direct response to COVID-19 for at-risk ākonga, are time-limited in nature, can be delivered quickly, and are targeted to those at-risk ākonga who will have high and complex needs.

### Recommended Actions

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The Ministry of Education recommends that you:

- a. **note** there is a total of \$36m in operating funding in contingency for targeted support for at-risk ākonga. This funding is intended to be spent on time-limited initiatives, and is not in baselines

**Noted**

- b. **agree** to our recommended approach of funding the following six initiatives, with funding spread over two years:

Initiative	Proposed total (m)
A. Support for community programmes who support rangatahi at risk of disengaging from education	\$13.079 <del>6.639</del>
B. Enhanced Wellbeing Fund for ākonga in at-risk settings	\$13.079 <del>19.529</del>
C. Temporary extension for ākonga who are aging out of Alternative Education	1.769
D. Extension for the Napier Student Managed Moves pilot	0.512
E. Wraparound transition support for ākonga moving out of at-risk settings	6.952
F. Regional PLD funding for alternative providers	0.609
<b>Total</b>	<b>36.000</b>

**Agree** / Disagree

- c. **note** these costings are indicative, and a drawdown report will be provided to you and the Minister of Finance, seeking approval for the required funding

**Noted**

### Proactive Release Recommendation

- d. **agree** that this Education Report is NOT proactively released at this time as it contains information that is budget sensitive.

**Agree** / Disagree



Dr Andrea Schöllmann  
**Deputy Secretary**  
**Education System Policy**  
14/07/2020



Hon Chris Hipkins  
**Minister of Education**

08/08/2020

Hon Tracey Martin  
**Associate Minister of Education**

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- b. **agree** to our recommended approach of funding the following six initiatives, with funding spread over two years:

Initiative	Proposed total (m)
A. Support for community programmes who support rangatahi at risk of disengaging from education	6.630
B. Enhanced Wellbeing Fund for ākonga in at-risk settings	19.528
C. Temporary extension for ākonga who are aging out of Alternative Education	1.769
D. Extension for the Napier Student Managed Moves pilot	0.512
E. Wraparound transition support for ākonga moving out of at-risk settings	6.952
F. Regional PLD funding for alternative providers	0.609
<b>Total</b>	<b>36.000</b>

**Agree / Disagree**

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Dr Andrea Schöllmann  
**Deputy Secretary**  
**Education System Policy**  
14/07/2020

Hon Chris Hipkins  
**Minister of Education**

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Hon Tracey Martin  
**Associate Minister of Education**

20/7/2020

## Background

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1. This paper provides you with our recommended options for use of the *Operating Contingency: Targeted support for at-risk ākonga*.
2. The Government appropriated a total of \$36m in operational funding through the Wave 2 COVID-19 Response and Recovery budget round, held in contingency to be used for targeted support for at risk ākonga.
3. We propose options focused on initiatives that will directly impact at-risk ākonga in alternative settings, particularly those in Alternative Education
4. Young people in alternative settings are some of the most vulnerable in the system. They are already likely to experience multiple disadvantage and face significant barriers to engage with learning. COVID-19 is likely to have deepened disadvantage for many students who were already in these settings, increasing the likelihood that more of the most at risk are permanently lost to the system. Because of this, the costs of support for at risk ākonga in alternative settings are expected to be higher on average than the costs of support for students who are in school.
5. Work on the redesign of alternative education has identified a number of serious issues with the system of support for this cohort. Alternative settings can be disconnected from standard schooling, and providers can struggle to access resources and supports their students would benefit from.
6. These problems have been exacerbated by the COVID-19 pandemic. During lockdown, we heard that alternative providers were sometimes finding it difficult to access support and information provided to schools.
7. The experience has made it clear that accountable managing schools could not always be relied upon to look after the interests of alternative settings in addition to the other pressures they were managing through the COVID-19 alert levels. Providing dedicated funding for at risk ākonga will signal to schools the importance of a specific focus on this disadvantaged cohort, and mitigate the risk that this cohort misses out because schools may fail to seek support on their behalf.

## Options for the at risk contingency

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8. Our recommended approach to operationalising the contingency is to draw down the money to cover two years. This will ensure that we are able to support the current cohort of at-risk students through the next two years of the COVID-19 recovery.
9. As this funding has not been allocated to the Ministry's baseline, the initiatives we have proposed are time-limited and cannot address the existing longer-term issues with the current system of support for at-risk ākonga. In order to mitigate the risk of creating expectations for ongoing funding, we will very clearly communicate to the sector that this funding is for time-limited, COVID-19 related initiatives that will support at-risk ākonga.
10. Based on the context set out above, we have prioritised initiatives that:
  - a. directly respond to issues created by the COVID-19 lockdown for at-risk ākonga;
  - b. are time-limited in nature;
  - c. can be delivered quickly; and
  - d. are targeted to at-risk ākonga who have high and complex needs.

## Proposed initiatives

11. We recommend funding the following six initiatives:
  - A. Support for community programmes who support rangatahi at-risk of disengaging from education;
  - B. Enhanced Wellbeing Fund (EWF) for ākonga in at-risk settings;
  - C. Temporary extension for ākonga who are aging out of Alternative Education; and
  - D. Extension for the Napier Student Managed Moves pilot;
  - E. Wraparound transition support for ākonga moving out of at risk settings; and
  - F. Regional PLD funding for alternative providers.
12. In all cases, the recommended amount can be scaled up or down within the overall package, according to your preference.

### *A: Support for community programmes who support rangatahi at risk of disengaging from education*

13. The Ministry of Youth Development (MYD) administers a contestable funding stream each financial year called the Youth Development Funding Stream (YDFS). This aims to support the wellbeing of young people aged 12 to 24 through a youth development approach (METIS 1217686 refers).
14. We recommend using up to \$3.315m<sup>1</sup> per year for two years (\$6.630m total) to provide a temporary increase during the COVID-19 recovery period to the existing YDFS contestable fund. As the YDFS has quite broad criteria, to ensure this funding reaches those who most need it, we could earmark this funding for community organisations who work with rangatahi at risk of disengaging from education. To progress this option, we will discuss this proposal further with MYD officials.

### *B: Enhanced Wellbeing Fund for ākonga in at-risk settings*

15. There is an Urgent Response Fund (URF) for schools and early learning centres of \$50m in 2020/21 to improve attendance, and to help manage any learning, social, emotional, mental or other wellbeing needs directly related to COVID-19.<sup>2</sup> The URF has been allocated using the Equity Index, at a rate of \$70 per student in areas with the highest level of disadvantage.
16. Given the vulnerable nature and need for specialist and intensive support, we recommend creating a dedicated response fund for at-risk ākonga. Assuming a high level of disadvantage and the need for a more intensive level of response, we recommend using \$18.128m over two years for an Enhanced Wellbeing Fund (EWF) for ākonga in at-risk settings, available until the end of the 2021 school year.<sup>3</sup> Like the URF for schools and early learning centres, it should be managed at the regional level. Applications would be submitted by Managing Schools on behalf of alternative providers, with funding ring-fenced for students in alternative settings.

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<sup>1</sup> This includes \$315,000 per annum to fund three fund administrators. Actual administrative costs would likely be less as MYD already administer the YDFS. Any excess administrative funds could be added to the amount available for community organisations.

<sup>2</sup> This initiative is a discretionary fund to enable centre-based early learning services (kohanga reo, playcentre, kindergarten, education in care services) and state schools (including Māori medium kura) to fund immediate support for any learning, social and emotional, mental, behavioural, or other wellbeing issues which children and young people have directly as result of the COVID-19 lockdown or lockdown-related hardships.

<sup>3</sup> This estimates a total of 2871 students in TPUs, Alternative Education and Activity Centres, using notional roles for TPUs (723) and Activity Centres (260) and the total number of funded places for Alternative Education (1888).

17. The EWF funding should be used for one-off costs relating to meeting the immediate wellbeing needs of ākonga and their whānau, and overcoming barriers to learning that have been exacerbated by COVID-19. This could include the following, which providers have told us they find difficult to cover within existing funding:
  - a. support to access health, mental health and broader social services;
  - b. tutoring and coaching services for students to catch up on lost learning during lockdown; and
  - c. transport costs.
18. The supports this cohort need are more likely to be specialist and/or intensive in nature, so providers and schools will need Ministry support to connect ākonga to services. Therefore, we also recommend including funding for regional implementation support for 18 months, at a total cost of \$1.4m.

*C: Temporary extension for ākonga who are aging out of Alternative Education*

19. Students are able to stay enrolled in Alternative Education until the end of the year that they turn 16.<sup>4</sup> The process for further extending a student's stay beyond this is outlined in the guidelines.<sup>5</sup> This process is not widely used, particularly where place funding is fully allocated and there are younger students waiting to fill places.
20. Given the disruption of the lock-down period and the ongoing impacts of COVID-19, it is likely that there are a number of students who will age out at the end of this year that would benefit from staying on in these settings. Additional time in Alternative Education will be important to ensure ākonga can successfully reengage in education and achieve their learning goals, and transition on to their next step.
21. We therefore recommend funding for an extension for at least 100 students (at any one time) from now until the end of the 2021 school year. This would be a pool of funding of \$1.769m to be used over the next 18 months. The funding could be administered at the regional office level on an as needed basis.

*D: Resourcing to extend the Napier Student Managed Moves pilot for one year*

22. The Napier Managed Moves pilot has been directly impacted by COVID-19 school closures. This has meant significant disruption to the pilot, jeopardising its successful completion. Extending the Napier pilot by an additional year will ensure the viability of the evaluation by allowing time to run to its full term.
23. We recommend using \$0.512m to extend the pilot for an additional year, with a new end date of December 2022.<sup>6</sup> This would also cover cost pressures in 2020/21 arising from updates to collective agreements and refinements made to the pilot during its first two terms in operation. This could be provided as a lump sum to the pilot.

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<sup>4</sup> Activity Centres have not been included in this initiative because ākonga are able to stay in this type of provision until the end of Y13.

<sup>5</sup> The enrolling and managing school must make an application to the Ministry for the student to remain in AE. The Ministry evaluates applications on a case-by-case basis, and applications are signed off by the relevant Director of Education.

<sup>6</sup> This includes funding to also extend the evaluation of the pilot.

*E: Wrap-around transition support for ākonga moving out of alternative settings*

24. Ākonga leaving at-risk provision to begin training, employment or further education would benefit from a supported transition on to their best next step. This is another area where COVID-19 has deepened an existing need for support.
25. We recommend providing \$3.476m per year for two years (\$6.952m total) for funding for transition support workers to provide wrap around support for ākonga moving out of alternative settings.<sup>7</sup> Transition support workers could maintain connections with students for six months after they leave an alternative setting, supporting ākonga to overcome barriers and build their confidence and independence. They would regularly check in with students on how they are going, discuss any challenges and provide guidance and support to navigate their new environments.

*F: Regional PLD funding for alternative providers*

26. Alternative providers have told us they are seeing increasing instances of anxiety and challenging behaviour in students returning to face-to-face provision.
27. We recommend creating a fund for PLD for alternative providers. The Ministry would identify and promote existing courses relating to the above priorities, and work with providers to develop existing options into bespoke courses where needed. Activity Centres, Alternative Education providers and Teen Parent Units would be able to apply for funding of up to \$3000 per provider for costs associated with PLD programmes aimed at dealing with stress, anxiety, and challenging behaviour. Costs could include travel, course costs and release time.

**Recommended approach**

28. We recommend progressing all of the options in this paper.
29. The table below provides an overview of the recommended spend for each initiative. The costings provided are indicative, and a drawdown report will be provided to you and the Minister of Finance, seeking approval for the required funding.

Proposed initiatives (\$m)	20/21	21/22	22/23	23/24	Total
A. Support for community programmes who support rangatahi at risk of disengaging from education	3.315	3.315	-	-	6.630
B. Enhanced Wellbeing Fund for at-risk ākonga	9.992	9.536	-	-	19.528
C. Temporary extension for ākonga who are aging out of Alternative Education	1.179	0.590	-	-	1.769
D. Extension for the Napier Student Managed Moves pilot	0.105	0.217	0.190	-	0.512
E. Wraparound transition support for ākonga moving out of at risk settings	3.476	3.476	-	-	6.952
F: Regional PLD funding for alternative providers	0.406	0.203	-	-	0.609
<b>Total</b>	<b>18.473</b>	<b>17.337</b>	<b>0.190</b>	<b>-</b>	<b>36.000</b>

<sup>7</sup> This is based on an assumption that approximately one third (957) of students in AC, AE and TPU may move out of alternative settings within a year, and a ratio of one transition support worker per 20 students. This gives us a total of 48 contracted transition support workers, at a cost of \$72,408 per role, including overheads. Transition support workers could be added to managing school contracts with FTE allocated according to contracted student places.

## Next steps

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30. If you agree to this approach, we will progress discussions with Treasury about spreading the contingency across your preferred package of initiatives.
31. We will then draft an Education Report seeking agreement from the Ministers of Education and Finance to draw down the funding for this package.