



AIDE MEMOIRE

Report back on the uptake of the school donations scheme for 2020 and 2021

Date:	1 April 2021	Priority:	Medium
To:	Hon Chris Hipkins, Minister of Education	METIS No:	1255440
From:	John Brooker, Group Manager, ESP	Security Level:	In Confidence

Purpose

This aide-memoire provides talking points to support your presentation of the Cabinet paper *Report back on the uptake of the school donations scheme for 2020 and 2021* at SWC on 7 April 2021.

The paper reports on the successful implementation of the scheme and seeks agreement to extend eligibility for the scheme to Te Aho o te Kura Pounamu (Te Kura) to support the education and wellbeing of disadvantaged learners and their whānau.

Proactive Release

We intend to proactively release this aide-memoire after any policy changes the Cabinet paper leads to have been announced, subject to any redactions in line with the provisions of the Official Information Act 1982.

Background

- Starting in 2020, the school donations scheme offers \$150 per student to decile 1 to 7 state and state integrated schools that agree not to ask parents for donations, except for overnight camps. Fund-raising activities like school galas are permitted. *(Paragraphs 5 and 7 refer)*
- The scheme removes financial barriers for whānau and makes education more accessible for learners. *(Paragraph 6)*
- At Budget 2019 I was invited to report back each year on the estimated and actual uptake and costs of the scheme. *(Paragraph 1)*

The vast majority of eligible schools have opted into the school donations scheme

- The level of uptake is positive. In 2020 over 92% of eligible schools opted into the scheme. In 2021 this has increased to over 94%, with 450,081 students. Learning is being better supported, and pressure on families' household budgets eased. *(Paragraphs 9 – 14)*
- The cost in the first half of 2020 (financial year 2019/20) was \$33 million, leaving an underspend of just under \$4 million. The forecast cost in the financial year 2020/21 is just under \$67 million, with a forecast underspend of \$7.5 million. *(Paragraphs 9 – 14)*

The vast majority of schools have been complying with the conditions of the scheme

- Participating schools' compliance has been excellent. Just a few have asked for donations before retracting these requests after being approached by the Ministry. *(Paragraphs 15 – 16)*

I recommend making Te Kura eligible for the donations scheme (paragraphs 17 – 23)

- I am seeking Cabinet's agreement to permit Te Aho o te Kura Pounamu (Te Kura) to opt into the scheme. Te Kura, New Zealand's main distance schooling provider, is not eligible for the scheme because it is not allocated a decile. *(Paragraphs 17, 19, 22; Recommendation 7)*
- 'Dual enrolled' students, who enrol part-time at Te Kura while attending another school, will benefit if their main school opts into the donations scheme. However, Te Kura is the only school for around 10,000 school-aged students annually, or around 5,000 equivalent full-time students. These students cannot benefit from the scheme. *(Paragraph 23)*
- I directed the Ministry of Education to look at Te Kura's socio-economic profile as part of the work to replace deciles with the equity index (a much more precise and easily updated measure of socio-economic disadvantage). Te Kura's equity index value suggests that if Te Kura had a decile it would be decile 3. *(Paragraph 19)*
- Te Kura, which is funded at a lower rate per student than other schools, has asked to be included in the scheme. Including Te Kura (based on its non-dual enrolled, school aged, equivalent fulltime students) would cost around \$750,000 annually, well within the forecast underspend. This funding would enable Te Kura to better meet the needs of students that face additional barriers to educational achievement. *(Paragraph 23)*
- Given the number of students involved and their level of disadvantage, I would like Te Kura to become eligible for the scheme immediately. *(Paragraph 22)*

Decisions about eligibility for the school donations scheme will need to be made when deciles are replaced with the Equity Index

- 9(2)(f)(iv) [REDACTED]
- I will seek further Cabinet decisions about how we manage changes in scheme eligibility when deciles are replaced with the equity index. (*Paragraphs 24 – 26*)

Other recommendations

- Given the reassuring results to date I am proposing that future report-backs be directed to the Minister of Finance, rather than Cabinet. (*Recommendation 6*)