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)

- 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)