



Education Report: Revisions to the Education (School Staffing) Order

To:	Hon Chris Hipkins, Minister of Education Hon Grant Robertson, Minister of Finance		
Date:	1 April 2021	Priority:	Medium
Security Level:	In Confidence	METIS No:	1254736
Drafter:	Jackie Field	DDI:	9(2)(a)
Key Contact:	Natasha Barnett	DDI:	
Messaging seen by Communications team:	No	Round Robin:	Yes

Purpose of Report

The purpose of this report is to seek your approval to make changes to the Education (School Staffing) Order for the 2022 school year that have financial implications.

Summary

- Each year the Education (School Staffing) Order (the Staffing Order) is made under section 582 of the Education and Training Act 2020 (the Act). The Staffing Order prescribes the limits on the number of full-time teacher equivalents (FTTE) that may be employed by each school for the following year.
- The Ministry of Education's (the Ministry's) Education Management Information System (EDUMIS) calculates the funding and staffing entitlements for nearly 2,500 schools. EDUMIS specifies the formula for approximately 78 different staffing entitlements and over 100 different funding components. EDUMIS is now more than 30 years old and over time has increased in complexity. This has resulted in a small misalignment between the system settings and the Staffing Order.
- The misalignment between the system settings and the Staffing Order affects a small number of schools. Whilst the financial impact by school is relatively minor these schools are already vulnerable to the financial impact of COVID-19 and have been receiving a consistent level of funding for several years. Therefore, it is proposed that the Staffing Order be amended to align with current practice.
- This report requests changes to the Staffing Order, to be made in 2021, for the 2022 school year. This report provides a detailed description of the changes required and the impact of those changes. The key changes that are being recommended are:
 - Increase the minimum management time allowance to 0.30 FTTE for schools with a roll of 28 or less.
 - Provide for a management time allowance of 0.05 FTTE per FTTE for attached units and attached teacher staffing.

- c. Require the calculation of salary units to round the figure derived from each sub-clause to whole numbers prior to adding the figures from the sub-clauses together.
- d. Allow management time allowances for teen parent units that not are based at high schools.
- e. Enable staffing and management allowances for specialist education itinerant teachers who operate within a cluster to be transferred to the provider school.
- f. Provide for the additional management staffing allowance for large area schools to be paid if the confirmed roll exceeds 750 students when the provisional roll did not.

Recommended Actions

The Ministry of Education recommends that you:

- a. **note** that amendments to the Education (2022 School Staffing) Order 2021 are proposed to align the Staffing Order with the current application of staffing entitlements to schools.

Noted

Noted

- b. **note** the proposed amendments have an estimated annual cost of \$1.126 million.

Noted

Noted

- c. **note** this cost can be managed within current baseline funding, which is consistent with the current funding practice.

Noted

Noted

- d. **agree** to amend clause 57 of the Education (2022 School Staffing) Order 2021 to increase the minimum management staffing entitlement to 0.30 FTTE for schools with a roll of 28 or less.

Agree / Disagree

Agree / Disagree

- e. **agree** to amend clause 57 of the Education (2022 School Staffing) Order 2021 to provide for a management time allowance for attached units and attached teacher staffing at a rate of 0.05 FTTE per 1 FTTE.

Agree / Disagree

Agree / Disagree

- f. **agree** to amend clauses 16, 17 and 18 of the Education (2022 School Staffing) Order 2021 to require the figure calculated under each sub-clause to be rounded separately prior to being added together.

Agree / Disagree

Agree / Disagree

- g. **agree** to amend clause 45 of the Education (2022 School Staffing) Order 2021 to allow management time allowances for teen parent units that are not based at high schools.

Agree / Disagree

Agree / Disagree

- h. **agree** to amend clauses 16, 17 and 18 of the Education (2022 School Staffing) Order 2021 to enable staffing and management allowances for specialist education itinerant teachers who operate within a cluster to be transferred to the provider school.

Agree / Disagree

Agree / Disagree

- i. **agree** to amend clause 41 of the Education (2022 School Staffing) Order 2021 to enable the additional management staffing allowance for large area schools to be paid if the confirmed roll exceeds 750 students although the provisional roll did not.

Agree / Disagree

Agree / Disagree

- j. **agree** that this briefing can be proactively released.

Release / Not release

Release / Not release



Katrina Casey
Deputy Secretary
Sector Enablement and Support

1/4/2021

Hon Chris Hipkins
Minister of Education

____/____/____



Hon Grant Robertson
Minister of Finance

27/04/21

Background

1. Each year the Education (School Staffing) Order (the Staffing Order) is made (under section 582 of the Education and Training Act 2020) to prescribe the limitations on the number of teachers that can be employed during the year to which the order applies. The Staffing Order limits the Crown's financial liability arising out of its obligation to pay the salaries of all teachers employed in schools. The Staffing Order also details the calculations that must be used to determine the full-time teacher equivalent (FTTE) entitlements and salary units.
2. The Ministry currently utilises a system which is over 30 years old to calculate staffing entitlements and operational funding for 2,500 schools. Over the last 30 years, there has been a significant increase in the level of complexity and number of variables required to perform these calculations within the system. The increase in the number of components, transactions processed, and schools being funded has resulted in the system being out of sync with the Staffing Order.
3. While undertaking a review of our Education Management Information System (EDUMIS), we identified a small number of minor discrepancies where the Staffing Order does not reflect the staffing entitlements some schools are receiving. Most of the discrepancies found are minor in nature and relate to either rounding errors or a misinterpretation of the Staffing Order.
4. Changes to the Staffing Order that have financial implications require joint Ministerial approval (from the Minister of Education and the Minister of Finance) before they can be incorporated into the Staffing Order that will apply to the 2022 school year.

Recommended Changes to the Staffing Order

5. This report outlines six discrepancies between the current Staffing Order and the school resourcing system, with associated recommendations. Three of the discrepancies have financial implications and the other three discrepancies are proposed wording changes only. Where proposed changes to the Staffing Order have financial implications, costs are already being incurred with payments being made to schools out of current appropriations. No additional funding is required.
6. Further information for each discrepancy has been provided in paragraphs 7-31 and the financial impact of the change (if any) is noted in the following table.

Table 1: Summary of Recommended Changes to Staffing Order

Proposed Change	Financial Implications ¹	Staffing Order
Increasing minimum management time allowance (0.30 FTTEs)	\$100,100	Clause 57
Management time allowances for attached units and attached teacher staffing	\$515,900	Clause 57
Point of rounding for salary units	\$600,000	Clauses 16, 17 and 18
Management time allowances for all teen parent units	n/a	Clause 45
Transfer of allowances for special teacher outreach service	n/a	Clauses 16, 17 and 18

Proposed Change	Financial Implications ¹	Staffing Order
Large area school additional management staffing allowances for confirmed rolls	n/a	Clause 41
Total	\$1,216,000	

¹ Estimated financial impact per annum, subject to change based on school roll numbers

Increasing minimum management time allowance (0.30 FTTEs)

7. Management time allowance is a component of a school's staffing entitlement and is provided in the form of additional FTTE entitlement. The Staffing Order (in relation to clause 57(2)(a) and (2)(b)) provides that where the calculation results in the outcome being lower than 0.10, it is rounded down to 0.00. This results in 0.20 being the management time allowance that is awarded. EDUMIS currently rounds up the outcome to 0.10, with 0.30 being the management time allowance that schools in this position can receive.
8. The 0.10 rounding discrepancy impacts 13 small schools with a roll count of less than 28 or less students, at an average cost of \$7,700 per school. Removing this allowance from these small schools, who are already vulnerable to the financial impact of COVID-19, would be challenging. In addition, EDUMIS has been rounding up the calculation of management time allowances for several years.
9. Although the overall financial impact of amending the Staffing Order is approximately \$100,100, no additional funding is required as this amount is already being funded from current appropriations.
10. We therefore recommend that clause 57 of the Staffing Order is amended so that the minimum management time allowance of 0.30 FTTE for schools with a roll of 28 or less.

Management time allowances for attached units and attached teacher staffing

11. Clause 57 of the Staffing Order specifies that management time allowance is calculated using a school's weighted roll. A school's weighted roll excludes students enrolled at attached units (activity centres or teen parent units).
12. Attached teachers are defined as resource teachers and are resource teachers of Māori, hearing impaired, vision impaired, literacy and Māori literacy. The Ministry of Education website sets out the funding and staffing provided for attached teachers¹. Each full-time position results in an additional 0.05 FTTE of management time allowance. This entitlement is not currently provided for in the Staffing Order.
13. Students in attached units are recorded on the attached unit's roll return, not on the roll return of the host school. When calculating the management time allowance, only the host school's roll return is used. So, students in attached units are not being captured in the calculation of management time allowance. EDUMIS provides 0.05 per FTTE for each attached unit.
14. The additional management time allowance impacts 54 schools at an average cost of \$9,553.70 per school. Removing this additional allowance from these schools, who are already vulnerable to the financial impact of COVID-19, would be challenging.
15. Although the financial impact of amending the Staffing Order is approximately \$515,900, no additional funding is required as this amount is already being funded from current appropriations.

¹ <https://www.education.govt.nz/school/funding-and-financials/resourcing/attached-teacher-staffing-and-funding/>

16. We are therefore recommending that clause 57 of the Staffing Order is amended to reflect current practice, providing management time allowances for attached units and attached teacher staffing at a rate of 0.05 FTTE per 1 FTTE.

Rounding individual calculations for salary units

17. There are currently several rounding differences between EDUMIS and the Staffing Order when calculating salary units under clauses 16, 17 and 18. EDUMIS calculates each individual sub-clause of the formula and rounds to the nearest whole number and then adds each of the sub-clauses together. The Staffing Order prescribes adding the results of each sub-clause prior to rounding and then rounding the result to the nearest whole number.
18. The two different methods result in a different salary unit entitlement for some schools, although for most schools the same number of salary units is granted under both methods.
19. Rounding each sub-clause separately is the preferred method as it results in greater transparency in the source of the salary units.
20. The point at which salary units are rounded impacts 117 schools, which would receive one fewer unit each at a cost of \$5,000 per school. Removing these salary units from these schools, who are already vulnerable to the financial impact of COVID-19, would be challenging.
21. Although the net financial impact of this change is approximately \$600,000, no additional funding is required as this amount is already being funded from current appropriations. We therefore recommend that clauses 16, 17 and 18 of the Staffing Order be amended to reflect the current practice of rounding each sub-clause.

Management time allowances for all teen parent units

22. Clause 45 of the Staffing Order specifies that teen parent unit allowances are only applicable for high schools. While all activity centres are attached to high schools, there is currently a teen parent unit attached to a composite school. This was given separate Ministerial approval as a result of no alternative options being available.
23. The establishment of a teen parent unit requires Ministry approval to minimise the risk that a teen parent unit could be set up with a host school that does not provide secondary level schooling. The teen parent unit that is attached to a composite school is currently being funded as per clause 45 of the Staffing Order. The update to this clause does not result in any additional financial implications.
24. We therefore recommend that clause 45 of the Staffing Order is amended to recognise that other school types may also be able to provide secondary-level schooling if they have a teen parent unit.

Transfer of allowances for specialist teacher outreach service

25. The specialist teacher outreach service has provider schools/kura that provide special expertise to support students with high needs. The provider school/kura employs Specialist Education Itinerant Teachers (SEIT), who travel to local schools/kura to support students in the Ongoing Resourcing Scheme (ORS).
26. The guidelines for the specialist teacher outreach service² details the partnership model that results in the transfer of ORS staffing components (staffing and management allowances) to the provider school/kura.
27. The SEIT deal specifically with special education/ORS verified students and the Staffing Order states that special education/ORS staffing should be included in the

² <https://www.education.govt.nz/assets/Documents/School/Supporting-students/Students-with-Special-Needs/GuidelinesSpecialistTeacherOutreachService.doc>

calculation of special education/ORS salary units. The Staffing Order is silent when it comes to the transfer of other staffing components (staffing and management allowances).

28. We recommend that the wording of the Staffing Order be amended to incorporate the SEIT staffing and management allowance transfers. The change to the wording of these clauses will not result in any financial implications, it will only formalise the implicit expectations.

Large area school additional management staffing allowances for confirmed rolls

29. Area composite schools receive an additional 2 FTTE if their provisional roll is 750 students or more. EDUMIS is currently providing additional staffing when calculating the confirmed staffing entitlements; however, the Staffing Order does not detail what should happen with the confirmed roll.
30. This will only be an issue if an area school has a provisional staffing roll of less than 750 students, but the confirmed staffing roll for the same school is 750 students or more.
31. In this instance, the school should be eligible for the large area school additional management staffing allowance based on their confirmed roll. There are no schools currently impacted by this discrepancy, but an update to the Staffing Order is recommended to avoid affecting schools in the future.
32. We recommend that clause 41 of the Staffing Order be amended to reflect both the provisional and confirmed rolls (whichever is highest).

Risks

33. Should the changes proposed to the Staffing Order not be approved, a change to the current staffing entitlements allocated to schools would be required. This change would result in a reduction in staffing entitlements being allocated to schools/kura.

Treasury Comment

34. The Treasury have been consulted in the development of this report and their feedback has been incorporated.

Next Steps

35. If you agree to the proposed recommendations, amendments will be incorporated into the Education (2022 School Staffing) Order 2021.

Proactive Release

36. We recommend that this briefing is proactively released as per your expectations that information be released as soon as possible. Any information that may need to be withheld will be redacted in line with the provisions of the Official Information Act 1982.