



Briefing Note: 2023 School Staffing and Funding Entitlements

To:	Hon Chris Hipkins, Minister of Education		
Date:	09 June 2022	Priority:	Medium
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Purpose of Report

The purpose of this report is for you to:

- Note** that school principals are concerned about declining rolls ahead of the 2023 year, and they have requested we hold their staffing and funding at 2022 levels for 2023.
Noted
- Note** that the confirmed roll (1 March roll) shows a reduction in student rolls when compared to the provisional roll, due to a range of factors including demographic shifts and parents delaying their children starting school.
Noted
- Note** that it is not possible or affordable to maintain all staffing and funding entitlements at 2022 levels.
Noted
- Note** that we will provide further advice and recommendations about schools' 2023 staffing and funding entitlements once the July roll information has been submitted.
Noted
- Agree** that this Briefing will be proactively released.

Agree

Summary

- We have been asked by school principals to consider holding their staffing and funding at 2022 levels for the 2023 year, to assist with increasing attendance, re-engagement, learning, and to support students to catch up.
- Last year we received the same request from the Auckland Primary Principals Association, given the Auckland region had been significantly impacted by multiple Covid-19 lockdowns [METIS 1271560]. In response to this request, we minimised the impact of some staffing reductions to provide support during the COVID-19 pandemic. This has contributed to schools being provided 1,725.3 full time teacher equivalents (FTTE) more than the 2022 confirmed roll generated.
- The confirmed roll clearly indicates a reduction in school rolls, due to a range of factors including parents choosing to start their children at school later and demographic shifts. There are several factors we need to consider as part of the 2023 provision of roll setting process, such as a national projected roll decline post 2024 and other initiatives to improve student attendance.
- It is anticipated that school rolls will start to grow again as perceptions and precautions around COVID-19 change and student attendance increases. However, we will not have a view of this until the July roll returns have been submitted as this is typically the peak period for schools.
- It is not possible nor affordable to maintain all staffing and funding entitlements at 2022 levels and this would be problematic for schools who have been facing a declining roll for some time. The National School Roll Projection (NSRP) also predicts rolls will steadily decline from 2025 through to 2031, which is mainly attributed to a mini “baby-boom” of the larger birth cohorts peaking and working its way through the school system.
- However, as we have done in previous years, we will make decisions on a case-by-case basis when there is good reason to adjust a school’s staffing entitlement. We will be paying close attention to the July rolls, and we are planning to provide you with a further briefing once the July roll information has been submitted.



Sean Teddy
Deputy Secretary
Te Pae Aronui

09/06/2022



Hon Chris Hipkins
Minister of Education

[26/7/2022](#)

Background

1. The Annual Staffing Order sets out the methodology we are required to use when calculating schools' entitlement staffing. Every September we notify schools and kura of their provisional roll and provisional entitlement staffing and funding for the following year.
2. Provisional entitlement staffing provides schools and kura with a minimum guaranteed level of staffing for the following year. This provides schools and kura the certainty they need to make employment decisions.
3. Entitlement staffing is confirmed the following March, after schools return their actual roll information. If a school's confirmed roll is higher than its provisional roll, it will receive a increase to their entitlement staffing. If a school's actual roll is lower than the provisional roll, the provisional entitlement staffing is confirmed for that year. Schools can seek an increase in entitlement staffing at any time during the year if their roll increases beyond their confirmed roll.
4. Schools and kura are provided operational funding in four instalments across the school year. Each instalment is calculated based on different roll information, depending on the time of year and the school type. Unlike entitlement staffing operational funding is not protected across the year. As such operational funding will increase and decrease, in line with the school roll, throughout the year.

Sector's concerns around staffing and funding for 2023

5. We have been asked by school principals to consider freezing entitlement staffing and funding at current levels for the 2023 school year. Several principals are concerned that their 2023 rolls will either remain low, or will decrease, which will have a detrimental impact on their staffing and funding.
6. Principals consider that using the 2022 provisional roll numbers for 2023 staffing and funding would relieve pressure on schools as children return to school following COVID-19. While declining rolls are not unusual, principals are citing that COVID-19 disruptions over the past year have added extra pressure. Losing staff and funding would impact on schools' ability to increase attendance, assist with re-engagement and learning, and to support students to catch up.
7. Some schools have also noticed an increase in the number of year 8 students which are leaving and are not continuing with their education, which is a concerning trend.
8. When a schools' provisional staffing notice reflects a roll decline, they may need to undertake a surplus staffing process. The principals we have heard from noted that reducing staff will have a negative impact on their school as they anticipate transitioning students back into school, as perceptions and precautions around COVID-19 change.
9. Last year we were asked by the Auckland Primary Principals Association to consider holding staffing entitlements at current levels for 2022, given the Auckland region had been significantly impacted by multiple Covid-19 lockdowns [METIS 1271560]. At that time, we advised you that the cost of putting this level of support in place for the Auckland region was both significant and unaffordable.

Confirmed Roll (1 March)

10. We continue to see changes in schools' rolls, some of which will clearly be related to COVID-19. The confirmed rolls indicate a reduction of 19,718 students when compared to the 2022 provisional rolls.
11. The following table shows there has been a 10% reduction in the number of new entrants, and year one students, when compared to the 2022 provisional rolls. The reduction could be due to parents choosing to start their children at school later and demographic shifts.

Year Level	2022 Provisional Roll	2022 Confirmed Roll	Difference	%
1	84,556	76,069	-8,487	-10.0%
2	62,735	61,502	-1,233	-2.0%
3	61,250	60,335	-915	-1.5%
4	61,952	61,439	-513	-0.8%
5	63,386	62,943	-443	-0.7%
6	63,006	62,593	-413	-0.7%
7	73,065	73,837	772	1.1%
8	66,419	63,369	-3,050	-4.6%
9	62,965	61,753	-1,212	-1.9%
10	62,061	61,564	-497	-0.8%
11	59,173	58,208	-965	-1.6%
12	52,482	50,825	-1,657	-3.2%
13	43,119	41,864	-1,255	-2.9%
14	367	453	86	23.4%
15	688	742	54	7.8%
Total	817,224	797,506	-19,718	-2.4%

12. As the confirmed rolls are 19,718 students lower than the provisional rolls, we are guaranteeing 1,725.3 FTTE entitlement staffing for 1,383 schools for the 2022 year. The additional guaranteed staffing may be able to assist schools with improving student attendance and re-engagement in 2022. Some schools asked if they could resubmit their 1 March roll return as they had subsequently seen considerable growth in their rolls since completing their return.

Growth in students from 1 March to 14 April 2022

13. Since 1 March, student numbers have increased from 797,506 to 802,365. This is a net increase of 4,859. When we compare the confirmed roll with roll data from 14 April (the end of Term 1):
 - a. 1,373 schools had an increase of 1 or more students
 - b. 67 schools showed no change in their roll
 - c. 988 schools had a decrease of 1 or more students
14. We will reassess the rolls following the July roll returns.

Other Factors to Consider

15. There are other several factors to consider regarding the 2023 staffing and operational funding entitlements for schools.

Existing support mechanisms

Budget package to address school attendance issues

16. You recently made a pre-budget announcement regarding a package to address a range of factors impacting low school attendance and disengagement from learning. The package included \$40 million over four years to establish a regional response fund to empower frontline decision making at a regional level to meet local education needs and better enable student engagement in learning. The initial focus for the funding will be to support local attendance and engagement initiatives.
17. Our tamariki and ākonga are more likely to attend when there are inclusive school cultures, supported by a curriculum that's relevant and meaningful to them. The budget package supports strategies aimed at strengthening school engagement practice, strengthening engagement through Te Tahuhu and the role of Tūmahau, empowering ākonga and their whānau to engage in education, and strengthening cross-government collaboration to address barriers to engagement.
18. Targets set out to address attendance and engagement are to:
 - Increase regular attendance to 70 percent by 2024, and 75 percent by 2026. Regular attendance is attending 90% of school hours or more.
 - Reduce moderate absence to less than six percent by 2024, and four percent by 2026. Moderate absence is attending between 70 and 80 percent of school hours.
 - Reduce chronic absence to less than five percent by 2024, and three percent by 2026. Chronic absence is attending 70 percent or less of school hours.
19. Other initiatives include working with the sector to introduce a target for schools and kura to notify whānau on the day of a child's absence (for example by text) in 95 percent of cases and initiate an intervention after five days of unjustified absence a term.

Staffing and operational funding support during the COVID-19 pandemic

20. Since the beginning of the pandemic in March 2020, the Government has provided a range of financial support to schools and kura. Examples of support include:
 - a. the Urgent Response Fund for short term relief from the consequences of COVID-19 which might otherwise create barriers to the education of children and young people; and
 - b. Extending the application criteria for additional relief funding for Terms 3 and 4, 2020 and again in Term 1, 2022.
21. In September 2021, we informed you of the outcome of the 2022 provisional roll and staffing entitlement process [METIS 1271560 refers]. In that report we also advised you of several adjustments that we made to school rolls. Specifically, we adjusted rolls for schools:

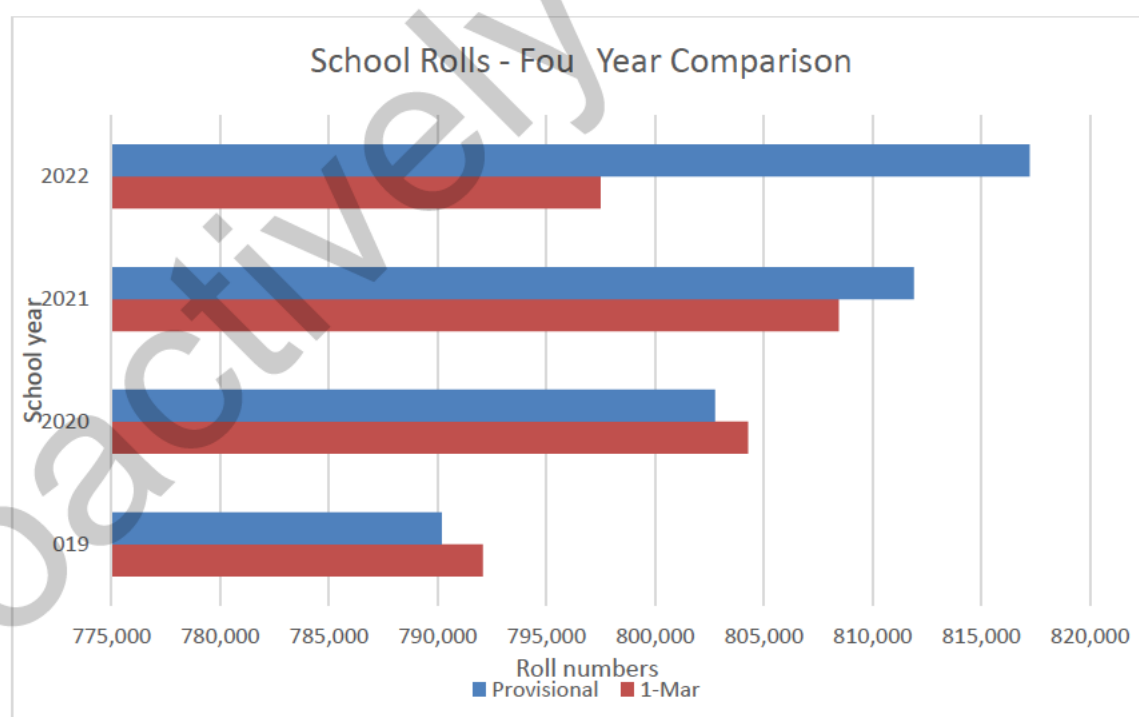
- where we had intervened to manage growth by asking schools to reduce the number of out-of-zone students;
 - to assist with re-engaging students, improving student attendance, and catching up on student learning due to COVID-19 disruptions;
 - to ensure we are supporting the growth of the Māori Medium provision;
 - that are in known growth areas;
 - that were coming off a guaranteed notional roll; and
 - where we had previously over-estimated staffing requirements.
22. The adjustments made assisted schools to better manage the effects of COVID-19 in their community.

School roll analysis

Provisional and confirmed roll trends

23. The following graph compares the provisional and confirmed rolls over the past four years. In 2019 and 2020, the provisional rolls were lower than the confirmed rolls. However, for 2021 and 2022, the provisional rolls were higher than the confirmed rolls, which means that schools received more staffing than their confirmed roll generated.

Figure 1: comparison of provisional and confirmed roll numbers from 2019-2022



24. In 2021, we guaranteed 1,212.9 FTTE in entitlement staffing to 1,165 schools as their confirmed roll were lower than their provisional roll. In 2022, this has increased to 1,725.3 FTTE across 1,383 schools.

25. A comparison of the confirmed roll between 2021 and 2022 shows a reduction of 10,942 students (2021: 808,448; 2022: 797,506). This is likely due to several factors, such as attendance issues resulting from the impact of COVID-19.
26. Appendix One contains a breakdown of the school roll movements, by region. The table shows how many schools' rolls increased (35%), decreased (60%), or stayed the same (5%) when comparing the 2022 provisional rolls to the 2022 confirmed rolls.

Schools 'in support' across 2019 to 2022

27. If a school's confirmed roll is lower than their provisional roll, then they are 'in support' as they are provided more entitlement staffing (FTTE) than their confirmed roll generates. The following table shows an increase of the number of schools 'in support' from 2019 to 2022.

Year	In Support	Not in Support	Total
2022	1,383	1,045	2,428
2021	1,165	1,258	2,423
2020	1,013	1,410	2,423
2019	919	1,498	2,417

Roll numbers are projected to decline from 2025 to 2031

28. As per the most recent National Student Roll Projection (NSRP) from August 2021, roll numbers are predicted to rise slightly from 2022 to 2024, then they are predicted to steadily decline from 2025 through to 2031¹:
 - a. **2022 – 2024**: 830,590 increases to 837,954.
 - b. **2025 – 2031**: 834,655 decreases to 800,954.
29. If we hold the 2023 provisional rolls at 2022 levels, this will maintain inflated roll numbers while the actual rolls are projected to decline from 2025 onwards. This could create a significant gap when compared to actual roll numbers and be more challenging for schools to manage the impact of reductions in staffing and funding going forward.
30. The NSRP analysis excludes home schooling students. The NSRP estimates the number of full-time equivalent students enrolled in New Zealand schools, including state, state-integrated, and private fully and provisionally registered. The forecast rolls presented above are snapshots as of 1 July for primary year levels (school funding year 1-8) and 1 March for secondary year levels (school funding year 9-15).
31. The assumptions applied in the 2021 NSRP include the impact of COVID-19 up until early August 2021. Any change after that time would not be included in the assumptions, e.g. the impacts of Delta Level 4 lockdown after the middle of August 2021, 2021 resident visa, the scenario of a phased border reopening in the Treasury's 2021 HYEPU report, and the emergence of the Omicron variant of COVID 19 in late November 2021.

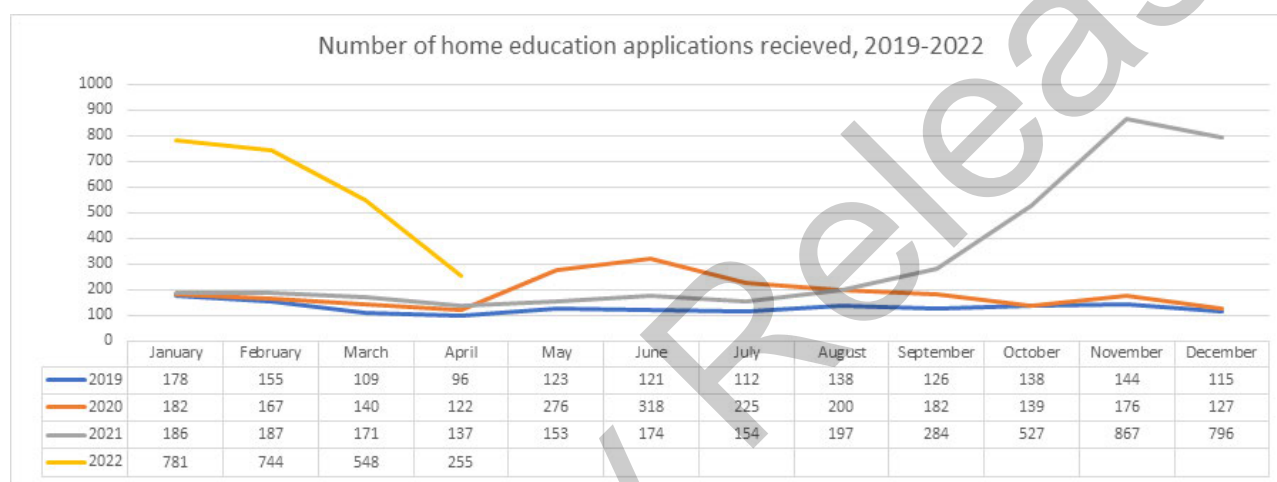
¹ This 'short-term rise, longer-term fall' pattern that we see through to 2031 can be mainly attributed to a mini "baby-boom" of the larger birth cohorts, which peaked in 2008 and 2010, working its way through the system and out. As it moves out of the schooling sector the overall population will drop, primarily based on lower births in subsequent cohorts.

Other Ministry workstreams

Home education

32. In the last quarter of 2021, we saw a significant increase in the number of home education applications and approvals, which was likely related to the impact of COVID-19 in the community.
33. As shown in the graph below, the high level of applications and approvals continued at the start of 2022, though is trending down with April reflecting levels close to the last three years.

Figure 2: number of home education applications received 2019-2022



Te Aho o Te Kura Pounamu (correspondence)

34. As you announced on 1 May 2022, Budget 2022 includes funding for Te Kura to bring the benefits of Te Kura's intensive "Big Picture" delivery to its most at-risk students. The expected benefits of this are increased student engagement, education and well-being outcomes and possible successful return to a local school, where appropriate for the student. This could cause fluctuations in school rolls as students are supported through Te Kura, but then potentially return to school.

Options

35. We have undertaken some high-level analysis of the possible responses to the concerns raised by principals. These are outlined in the table below. Each year the calculation of the provisional entitlement staffing seeks to strike a balance between providing schools with sufficient minimum staffing levels to plan their school organisation effectively, and the need to ensure they are resourced appropriately for the number of enrolments. An estimate too low may mean schools do not have enough FTTEs and an estimate too high means we fund more FTTE than needed. Schools can seek an increase in entitlement staffing at any time during the year if their roll increases beyond what they are funded for. We are already seeing school rolls start to slowly grow again as perceptions and precautions around COVID-19 change. However, we will not have a view of this until the July roll returns have been submitted, as this is typically the peak period for schools

Options	Description	Advantages	Disadvantages
(1) Status quo	We follow the standard process for determining provisional staffing entitlements and indicative operational funding for 2023. Schools can request a roll review if they believe the roll prediction is incorrect.	The benefits of this option are: <ul style="list-style-type: none"> it more accurately reflects roll numbers it aligns with the roll projections for the coming years, which are projected to decline from 2025. Using schools' actual roll numbers will prevent the inflation of roll numbers next year which, if adjusted to normal in 2024, could cause schools to lose a much higher number of FTTE and operational funding. it benefits schools with roll growth, as they will have an accurate picture of attendance. Schools may not experience drastic drops in their roll numbers in 2023 	The downside of this option is the potential impact on schools which experience significant roll reductions. As advised by principals, this may make the transition back to school more difficult for the students, as they catch up on the curriculum after COVID-19 being in the community. There is also a risk that, if school rolls subsequently increase, then schools will have to re-employ staff to cover the increased FTTE. This will be challenging in harder to staff areas.
(2) Hold 2023 staffing and funding at 2022 levels	This option would see all schools' staffing entitlements carried over for the 2023 year. In practice: <ol style="list-style-type: none"> Staffing would be based on schools' 2022 provisional roll levels: and Operational funding would be based on 2022 provisional roll levels for the first instalment (January 2023) 	This would result in guaranteeing 1,750 FTTE more than the 2022 confirmed roll generated. Based on the top of the teachers' salary scale of \$90,000 ² per FTTE, it is estimated that this would cost the Crown \$155 million ³ , with any future surplus staffing costs - which are often met by the Crown - being deferred until 2024. The benefit of this option is that it would support schools experiencing a drop in their rolls as they work to reintegrate students back into school. We note that this could initially disadvantage schools which are experiencing roll growth, but they are able to apply to have their provisional roll reviewed before the end of the year.	This option retains schools' staffing and funding levels at a higher level, which will likely not reflect actual roll numbers and therefore continue to inflate schools' staffing entitlements for the year. Given student rolls are expected to decline from 2025 onwards, this approach could make the subsequent transition back to actual rolls more difficult for schools if they need to lose more staffing and operational funding in the future.
(3) Targeted solution using Special Reason Staffing mechanism	In this option we would use Special Reasons staffing to support schools experiencing a temporary roll reduction because of COVID-19, needing increased staffing to lift attendance and assist students to return to school. The purpose of the special reasons staffing support would be to support schools that have experienced a short-term drop in their roll. The decline in the roll must not be a natural roll reduction (e.g. due to another school opening in the area). The special reasons staffing will be designed to assist schools with the greatest needs, for example: <ol style="list-style-type: none"> Smaller schools where losing staff will have a greater proportional impact. Rural schools where it can be more difficult to hire and retain staff in positions, to smooth over staffing levels. Schools expecting high levels of year 13 students in 2023, due to the roll numbers being lower than expected in 2022 Schools with year 8 students who are not remaining in education Māori medium kura and rumaki, as there is work underway to support and grow this workforce, so any change in the staffing entitlement would impact workforce retention Schools with high numbers of Pasifika students, and/or bilingual or immersion units 	Special reasons staffing applications require an assessment from our School Financial Advisors to determine if a school needs support. We would maintain this requirement but would reduce its overall influence on the application outcome, as the support is focused more on maintaining staffing rather than managing financial difficulty. As we do not have the data available to calculate provisional rolls for 2023, we are unable to determine how many schools would likely apply for special reasons staffing, and how much it would therefore cost. The benefit of this option is that it would capture schools which are impacted most significantly by COVID-19 and will provide more targeted assistance to reintegrate students back to school.	The downside of this option is that it will be an added cost that the Crown will need to cover, which cannot be estimated in advance. There is also a risk that this approach will lead to differing approaches for schools across the country. However, this will be mitigated by having clear criteria agreed with our regional offices.

² Salary costs only – no flow on costs (e.g. superannuation, holiday pay) have been included in this estimate

³ This cost would increase if teacher salary rates increased before the beginning of 2023

Next Steps

36. It will not be possible or affordable, to maintain all staffing and funding entitlements at current levels. Holding staffing and funding at 2022 levels is problematic for schools who have been experiencing declining rolls for several years and it delays the inevitable need for some schools to manage the ongoing impact of a reduced roll in the future.
37. However, as we have done in previous years, we will make decisions on a case-by-case basis when there is good reason to adjust a school's staffing entitlement. We will be paying close attention to the July rolls and where there is a reduction in staffing entitlement, we will be looking carefully at the reasons behind this.
38. Consequently, we are planning to provide you a further briefing once the July roll information has been submitted.

Appendix One: number of schools which experienced an increase, decrease or no change to their roll from the 2022 Provisional to the 2022 Confirmed, by region

Region	Number of schools with a roll increase	Number of schools with a roll decrease	Number of schools with no change	Total number of schools
Auckland	148	354	19	521
Bay of Plenty/Waiariki	67	106	11	184
Canterbury/Chatham Islands	117	140	16	273
Hawke's Bay/Tairāwhiti	54	105	12	171
Nelson/Marlborough/West Coast	38	77	8	123
Otago/Southland	87	127	16	30
Tai Tokerau	54	87	7	148
Taranaki/Whanganui/Manawatu	90	128	11	229
Waikato	107	158	9	274
Wellington	101	158	6	275
Total	863	1,440	125	2,428