



Education Report: Proposed Approach to Equity Resourcing

To:	Hon Chris Hipkins		
Date:	25 September 2019	Priority:	High
Security Level:	In Confidence	METIS No:	1200266
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Messaging seen by Communications team:	No	Round robin:	No

Purpose of report

This paper seeks your agreement to the high-level funding approach for funding allocated using the Equity Index and to the transition approach. It also provides an update on work underway to explore what other supports beyond staffing should be included in an Equity Package, including staffing entitlement.

Summary

1. The Equity Index can be implemented as a replacement for school deciles from the 2021 school year. In order to do this, detailed decisions are needed around how the transition should be managed, how funding should be allocated to schools using the Index, and what other supports should form part of a broader equity package. Additional funding will need to be secured through Budget 2020 for these purposes.
2. Previous modelling you have received used a marginal rate approach for distributing funding. We recommend instead implementing a funding curve. The funding curve is more flexible, far simpler to understand, and better aligned with the new methodology of measuring a school's mean level of disadvantage. We also recommend distributing funding to all schools, albeit at a very low rate for schools with a low level of disadvantage. This differs from the current approach for decile-based funding, which does not provide any funding for decile 10 schools. However, our analysis shows that there are a significant number of the most disadvantaged students attending schools with low levels of disadvantage. Funding all schools recognises this, and prevents cliff faces in funding where a school's level of disadvantage decreases.
3. This paper also discusses potential options for the initial transition from decile to the Equity Index and provides indicative costings for smoothing the transition for those schools that lose funding. We consider that the most reasonable option for these schools is to cap losses at a set percentage of their operational grant funding each year. The majority of schools will transition within two years; however, for schools with a decile that is lower than their level of disadvantage suggests, the transition will need to be managed over a number of years.

4. We are continuing to investigate what other supports could be included in a broader equity package, and will explore this further through the upcoming regional engagement. An additional weighting could be included in school's staffing entitlement to allocate additional teaching staff to schools with higher levels of disadvantage. Analysis of the workforce implications is underway, as there is a potential risk in allocating resourcing through staffing entitlement rather than operational grant funding, should these positions be difficult to fill. We are also completing further analysis on the school-level entitlement, as some small schools may generate an entitlement level that is too low to be practical.
5. Any additional investment in equity is an opportunity to measure the effectiveness of this investment and support best practice in schools through evaluation of what works for learners facing greater socio-economic challenges. We intend to develop an evaluation plan and will report back to you on this.

Recommended Actions

The Ministry of Education recommends you:

- a. **note** that the Equity Index will be ready to implement as a replacement for school deciles from the 2021 school year

Noted ✓

- b. **note** that additional funding will be needed to transition to the Equity Index, both as an ongoing investment in equity and to smooth the transition for schools that lose funding

Noted ✓

- c. **note** that modelling completed to date has used a marginal rate approach which better reflected the previous Index methodology of identifying the proportion of the most disadvantaged students in each school

Noted ✓

- d. **agree** that equity funding be allocated to schools using a funding curve, which will be used to set a per-pupil rate that increases as the school level of disadvantage increases

Agreed

- e. **note** that a significant number of students facing high socio-economic barriers attend schools with a low mean level of disadvantage

Noted ✓

- f. **agree** that equity funding be allocated to all schools, with funding beginning at a low per-pupil rate for schools with a low mean level of disadvantage

Agreed

- g. **agree** that transition funding be provided for schools that lose funding in the shift from deciles to the Equity Index

Agreed

- h. **indicate** a preferred option for transition funding

- a. Option 1: Schools that receive an increase in funding receive the full amount of this increase immediately. For schools that lose funding, losses are capped at a maximum amount of their operational grant funding (*recommended*).

- b. Option 2: As for option 1, but with no losses in the first year
- c. Option 3: Schools that receive an increase in funding receive the full amount of this increase immediately. Schools that lose funding are transitioned over two years, moving to 75% of the difference in funding in the first year of transition and 25% in the second year (not recommended).

Cap losses at 5% per year for a max of 5 years.

Option 1 / Option 2 / Option 3

- i. **note** that for the small number of schools that currently have a decile rating that is much lower than their level of disadvantage suggests, this transition will need to be managed over a number of years (should option 1 or 2 above be selected)

Noted

- j. **note** the Ministry is exploring the allocation of equity resourcing through staffing entitlement, including workforce implications and a school-level analysis to determine whether the level of entitlement generated would be sufficient

This is a longer-term option, not B2020.

Noted

- k. **note** the Ministry will continue to seek feedback on what other supports should be included in an equity package through the upcoming regional engagement

Noted

- l. **agree** that the Ministry investigate potential evaluation options to support a cycle of continuous improvement and to ensure that equity resourcing is used effectively by schools to support student achievement

Noted ✓

Proactive Release Recommendation

- m. **agree** that this Education Report is not proactively released at this time as final decisions are yet to be made on the broader Equity Index work programme.

Agreed


Damian Edwards
Associate Deputy Secretary
Education System Policy

23/9/19


Hon Chris Hipkins
Minister of Education

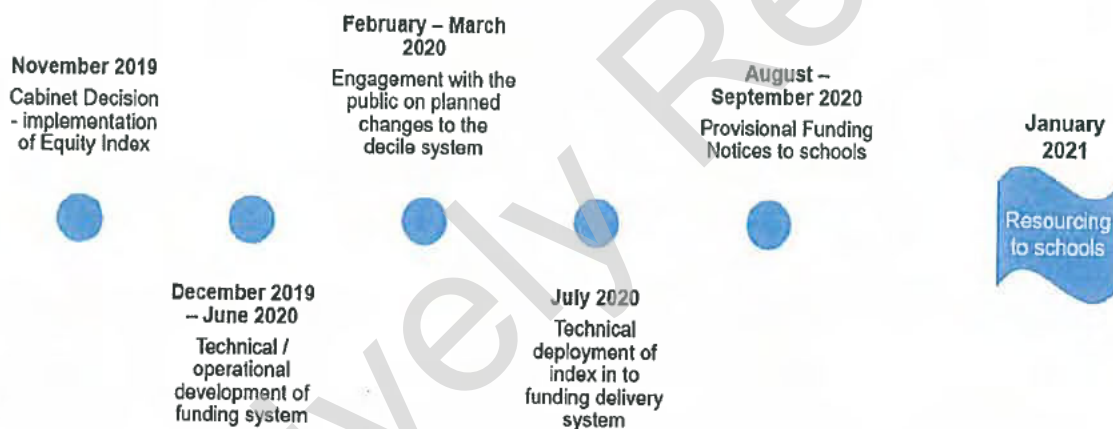
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These decisions are provisional and may be refined/revised as detailed work continues to evolve. CH

Background

1. We know students from disadvantaged backgrounds face barriers to educational success. You intend to implement the Equity Index as a replacement for deciles in the allocation of resourcing to mitigate socio-economic disadvantage. This was approved in principle by Cabinet on 16 September 2019 [CAB-19-MIN-0472 refers]. This shift supports a wider focus on achieving equity and lifting the overall wellbeing of disadvantaged students.
2. From a technical standpoint, the Equity Index will be ready to implement for schools from the 2021 school year. You have previously indicated that you will seek decisions from Cabinet in November 2019 in order to enable sufficient lead-in time to engage with the sector and make the relevant system and process changes [METIS 1183599 refers].
3. Figure 1 below gives an indicative timeline of key milestones that will follow these Cabinet decisions. Note that a significant lead-in period is needed ahead of funding being allocated to schools in the first week of January – in order for provisional funding notices to go to schools, technical deployment of IT changes is required in July.

Figure 1: Indicative timeline for implementation of Equity Index in 2021



4. The decisions in this Education Report will inform the Cabinet paper, and the associated Budget bid for additional equity resourcing.

Equity funding at present

5. The current level of equity resourcing across the schooling system is 2.9% (\$150m per annum) of operational resourcing. The two main components are Targeted Funding for Educational Achievement (TFEA) and the Targeted At Risk Grant (TARG), both delivered through schools' operational grants:
 - TFEA is a per pupil amount determined by decile. TFEA funding is stepped, with lower decile schools receiving a higher per-pupil amount than higher decile schools. Funding rates range from \$26.15 (excl. GST) per pupil in decile 9 schools to \$818.78 (excl. GST) per pupil in decile 1A schools. Decile 10 schools do not receive TFEA funding.

- TARG is a per-pupil amount allocated to schools for students who have been dependents of a beneficiary for at least 75% of the first five years of their life or 75% of the most recent five years. These students are identified annually through a data match with the Ministry of Social Development and schools receive a per-pupil amount (\$98.10, excl. GST) for each 'at risk' student enrolled at the school.
6. Decile is also used to weight portions of two other operational grant components: the Special Education Grant (SEG) and Careers Information Grant (CIG).

The distribution of equity funding post-transition to the Index

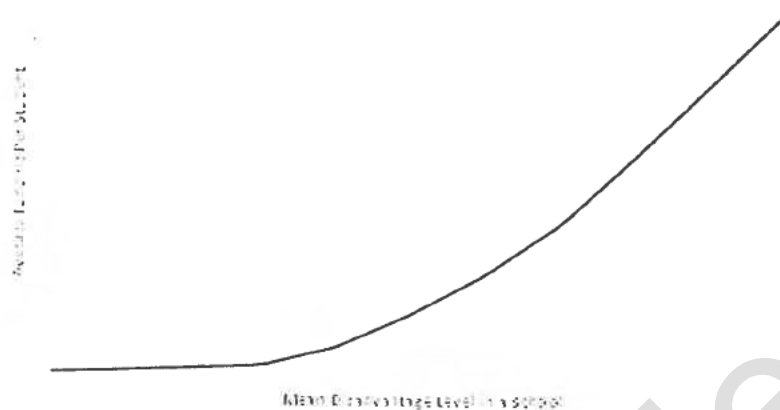
7. The analysis in the following sections is based on the latest Equity Index output. The latest Equity Index release occurred in August 2019 and included technical refinements [METIS 1204646 refers]:
- allocating a measure of mean disadvantage to schools which uses the average disadvantage level of all its students. The previous method used a percentage of students at each school who were among the 25% most disadvantaged children in New Zealand. This new method will capture and reflect the circumstances of all students at a school.
 - refining the 'outcome' measure to better reflect the possible spectrum of achievement at NCEA Level 1 and 2. The 'pass/fail' methodology was too blunt and simplistic.
 - updating the variables included in the Index.
8. The current analysis accurately captures the disconnect between decile and the equity challenge in some schools. It also reflects the complexity of rebalancing funding to where it is most needed, without large funding losses for some schools. While the specific school-level results of the Index will fluctuate somewhat until all Index refinements are confirmed, the broad patterns and cost parameters will not.

Proposed funding approach

Using a funding curve

9. Our previous modelling used a marginal rate approach to allocate equity funding to schools [METIS 1172683 refers]. Under this approach, schools would receive set equity funding for every additional student in the school, at a different rate per bracket of disadvantage level. This approach was used because it would mean that schools do not experience large funding changes when their level of disadvantage changes, as currently occurs with decile recalculations. However, it is a very complex funding model. It was also more aligned with the previous Index methodology of identifying the proportion of the most disadvantaged students in each school, rather than measuring each school's mean level of disadvantage.
10. We recommend shifting to a funding curve, as illustrated in figure 2 that follows. Under this approach, the funding curve would be used to set a per-pupil rate that increases as the school level of disadvantage increases.

Figure 2: Illustrative curve for equity funding



11. We recommend this approach over the marginal rate approach for a number of reasons:
 - A funding curve approach enables more flexibility in how funding is applied. Funding can be increased gradually at lower levels of disadvantage and at a greater rate as the level of disadvantage increases, to better recognise the impact of concentration.
 - It is far simpler to understand. Schools will be able to determine the per-pupil rate based on their level of disadvantage. Under the marginal rate approach, schools would potentially receive a range of different rates.
 - Funding can be spread smoothly so will reduce funding shock when/if a school's level of disadvantage changes.
 - It better reflects the change in methodology to measure the mean disadvantage level in each school, taking into account the circumstances of all students in that school.

Spreading funding to all schools

12. Our previous modelling using the marginal rate approach did not allocate any funding to schools with lower levels of disadvantage. This left schools with lower levels of disadvantage without equity funding.
13. TFEA is not currently allocated to decile 10 schools, meaning that 10% of schools do not currently receive equity funding. However, our analysis shows that 14% of the most disadvantaged students attend schools with lower levels of disadvantage (i.e. those schools with a mean level of disadvantage of 35 or lower). This is consistent with feedback from our Sector Reference Group, where we have heard that high decile schools also have students who face a range of socio-economic barriers to learning but do not consider they are adequately resourced to support them. The marginal rate approach that we have modelled to date would not allocate any funding towards these students.

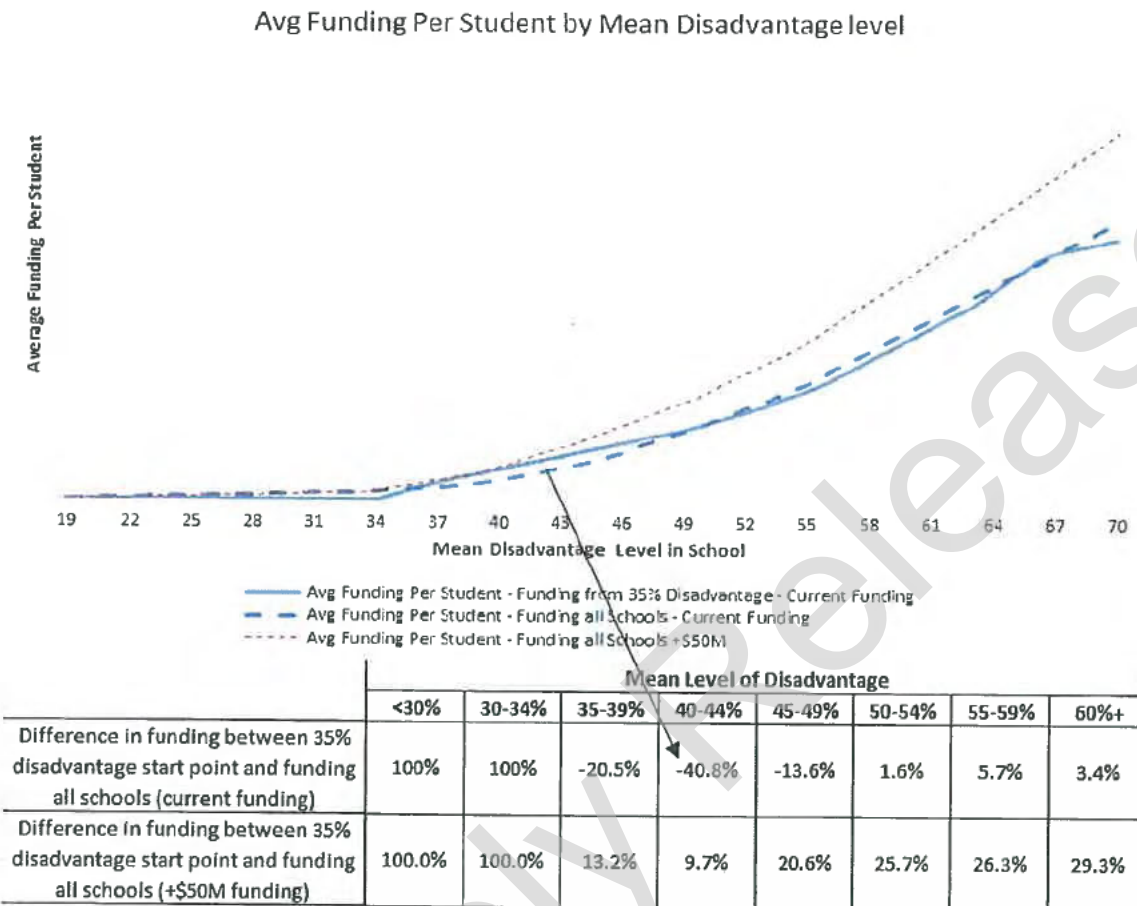
14. To recognise the presence of students from disadvantaged backgrounds in schools with a low mean level of disadvantage, we recommend that funding should instead be directed to all schools. The use of a funding curve, as described above, enables this approach. Funding would increase exponentially from low levels of funding for schools with low levels of disadvantage to a higher level of funding as the concentration of disadvantage in a school increases. This achieves a balance between funding towards the concentration of disadvantage in schools and funding the most disadvantaged students in each school.
15. Another key benefit of this approach is that it means schools do not fluctuate between receiving equity funding one year and losing all equity funding the following year, if their level of disadvantage were to reduce beyond the point where funding starts. For example, if funding were only to be allocated to schools with a mean level of disadvantage of 35% and above, schools near this threshold could have a very minor decrease in their level of disadvantage (from 35% to 34%) but would lose all equity funding. This occurs currently with decile recalculations; however, it is a five-yearly event and transition funding is provided.
16. As discussed in the section that follows, additional funding will be needed to distribute funding to all schools without increasing the distributional effects for schools with moderate levels of disadvantage. The funding curve would need to start at a per-pupil rate of around \$5 in order to minimise these impacts, which may be perceived as tokenistic; however, the alternative is that they would receive no equity funding at all.

Distributional impacts

Additional funding is required

17. As we have previously advised [METIS 1183599 refers], additional funding will be required to ensure that equity resourcing is allocated effectively. Even schools and services with moderately high levels of disadvantage may lose some funding if there is no overall increase.
18. Figure 3 that follows shows how funding would be distributed under current funding, and the impact of an additional \$50m of equity funding. At lower levels of disadvantage (less than 35% mean disadvantage), funding to all schools is very low when shown on a per head basis. In this scenario average funding per student is around \$35. However, this would equate to around \$400 for the most disadvantaged students in these schools.
19. There is a cost to distributing funding to all schools. In this scenario the cost is to schools with moderate levels of disadvantage of 35%-49%, as shown in red in the table in figure 3 (the difference between the dotted blue line and the solid blue line). Additional funding of \$50m (represented by the red dotted line) enables more funding to be distributed to higher levels of disadvantage, whilst also allocating funding to all schools.

Figure 3: Average funding per student by mean disadvantage level at different settings



20. Figure 4 overleaf shows the indicative spread of funding gain and loss at current levels of equity funding and with an additional \$50m of funding, with funding directed to all schools. This is reflective of the impact on schools based on the blue dotted and red dotted funding curves in Figure 3 above.
21. With an additional \$50m of equity funding, by manipulating the funding curve the level of funding remains mostly unchanged at lower levels of disadvantage (less than 35% mean disadvantage) and the additional funding is targeted towards schools with moderate to high levels of disadvantage.
22. Even with an additional \$50m, some schools with mean disadvantage measures of up to 55% would lose funding. These are decile 1 schools that have moderate levels of disadvantage under the Equity Index.

Figure 4: Percentage change in operational grant funding on transition to Equity Index

% Change to Op Grant Funding	Funding to all levels of disadvantage - Current Funding												Grand Total	Funding to all levels of disadvantage - +\$50M												Grand Total
	Mean Disadvantage Level													Mean Disadvantage Level												
	15-20	20-25	25-30	30-35	35-40	40-45	45-50	50-55	55-60	60-65	65-70	15-20		20-25	25-30	30-35	35-40	40-45	45-50	50-55	55-60	60-65	65-70			
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Transition funding

23. Transition costs arise because some schools currently have a level of disadvantage that is lower than their decile suggests. These schools will lose funding in the transition to the Equity Index.
24. Balancing a swift reallocation of funding through the Equity Index and ensuring schools do not face radical decreases to their budgets will require transition funding in addition to any structural increases to equity funding [METIS 1172683 refers].
25. Transition funding is part of the standard process in decile recalculation. The sector will therefore expect a transitional approach as part of the shift to the Equity Index.
26. Transition funding for the 2014/15 Decile recalculation was applied over a two year period, with 75% of any funding loss offset in year one and 25% in year two. In this transition, \$8.7m of transition funding was utilised over the two year period (\$6.5m in year one and \$2.2m in year two).
27. The impact of transition funding will largely be dependent on the quantum of additional equity funding introduced, the shape of the funding curve, and what resourcing any additional funding will be used for. For example, if all additional funding is applied to staffing, any shortfall in operational grant funding would not be offset in any way by the funding increase.
28. The scenarios below illustrate the indicative cost of transition using the curve shown in Figure 3. This updates the information we provided to you in January [METIS 1172683], in which scenarios were given which showed transition of equity funding over a five year period, with the majority of schools transitioning in a two-year period. This approach mitigated transition costs, but meant that funding to the most disadvantaged schools would not be fully realised for several years.

29. We have identified three options for managing the transition from deciles to the Equity Index, which are discussed and costed below:
- Option 1: Schools that receive an increase receive the full amount of this increase immediately. For schools that lose funding, losses are capped at a maximum amount of their operational grant funding (e.g. 3% or 5%)
 - Option 2: As for option 1, but with no losses in the first year
 - Option 3: Schools that receive an increase receive the full amount of this increase immediately. All schools that lose funding are transitioned over two years, moving to 75% in the first year of transition and 25% in the second year.
30. You have indicated that you intend to implement changes to the isolation index and Targeted Funding for Isolation (TFI) alongside the shift to the Equity Index. Our initial advice on the change to TFI proposed transitioning schools gaining funding *and* schools losing funding over a two year period, meaning that the transition incurred no additional costs [METIS 1175977 refers]. However, we understand that you intend to manage the transitions together and that additional funding would be included as part of the budget bid. Note that the indicative transition costs in this paper are only for the shift from decile to the Index and do not include a TFI component. Once you have indicated a preferred option to manage the transition from deciles, we will overlay the TFI information.

Option 1: Full increase from year one with losses capped at a maximum amount of operational grant funding (recommended approach)

31. Our recommended approach is to fund all schools that gain under equity funding from year one, and to transition the shift for schools that lose funding, with a maximum year-on-year loss of total operational grant.
32. Figure 5 overleaf shows two scenarios for transitioning schools that lose funding under the index - one option limits school losses in funding to a maximum of 3% of their operational grant; the other limits losses to 5%. These are modelled on both current and additional \$50m funding scenarios. Note that the scenario modelling an additional \$50m assumes that this entire amount is allocated to the operational grant (i.e. not through other mechanisms such as staffing entitlement).
33. Transitioning on 3% maximum loss on operational grant funding vs 5% increases the amount of schools that would receive transitional funding and increases the transition time from approximately 6 years to approximately 10 years.

Figure 5: Option 1: Transition costs of moving to the Equity Index capped by maximum funding loss

Transition to Equity Index - Limiting maximum funding loss year as a percentage of Operational Grant Funding - CURRENT FUNDING											
	3% Maximum loss year on year										TOTAL
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Transitional Funding Provided	(15,367,000)	(8,764,000)	(5,058,000)	(2,946,000)	(1,702,000)	(942,000)	(509,000)	(223,000)	(74,000)	(17,000)	(35,602,000)
Funding loss for Schools	(15,428,000)	(6,603,000)	(3,706,000)	(2,112,000)	(1,244,000)	(760,000)	(433,000)	(286,000)	(149,000)	(57,000)	(30,778,000)
Number of schools with negative transition	1,015	407	201	108	69	42	25	18	10	5	
Number of schools covered by transitional funding (transition > 3% of Op Grant Funding)	407	201	108	69	42	25	18	10	5	2	

	5% Maximum loss year on year										TOTAL
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Transitional Funding Provided	(10,437,000)	(4,172,000)	(1,653,000)	(616,000)	(148,000)	(15,000)	-	-	-	-	(17,041,000)
Funding loss for Schools	(20,358,000)	(6,265,000)	(2,518,000)	(1,038,000)	(468,000)	(133,000)	(15,000)	-	-	-	(30,795,000)
Number of schools with negative transition	1,015	246	94	41	19	8	2	-	-	-	
Number of schools covered by transitional funding (transition > 5% of Op Grant Funding)	246	94	41	19	8	2	-	-	-	-	

Transition to Equity Index - Limiting maximum funding loss year as a percentage of Operational Grant Funding - 450M FUNDING											
	3% Maximum loss year on year										TOTAL
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Transitional Funding Provided	(7,123,000)	(3,566,000)	(1,947,000)	(1,112,000)	(559,000)	(292,000)	(90,000)	(14,000)	-	-	(14,643,000)
Funding loss for Schools	(9,485,000)	(3,557,000)	(1,719,000)	(735,000)	(513,000)	(306,000)	(203,000)	(75,000)	(14,000)	-	(16,607,000)
Number of schools with negative transition	679	239	107	49	28	13	11	8	2	-	
Number of schools covered by transitional funding (transition > 3% of Op Grant Funding)	239	107	49	28	13	11	8	2	-	-	

	5% Maximum loss year on year										TOTAL
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
Transitional Funding Provided	(4,447,000)	(1,528,000)	(577,000)	(138,000)	(7,000)	-	-	-	-	-	(6,697,000)
Funding loss for Schools	(12,161,000)	(2,919,000)	(950,000)	(439,000)	(131,000)	(7,000)	-	-	-	-	(16,607,000)
Number of schools with negative transition	679	125	36	18	8	1	-	-	-	-	
Number of schools covered by transitional funding (transition > 5% of Op Grant Funding)	125	36	18	8	1	-	-	-	-	-	

Option 2: No schools lose funding in year one, with losses capped thereafter

34. Alternatively, Option 1 could be adopted but with no losses in the first year of transition. This would enable additional lead-in time for the sector to build trust in the model and adjust to the new method of allocating equity funding.
35. This scenario would incur the same costs to Option 1 in terms of phasing losses, however to have no losses in year one would require an additional \$31M and \$17M transitional funding under current and additional \$50M funding scenarios respectively.

Option 3: Decile transition approach (not recommended)

36. The same approach as was taken for the last decile recalculation could be taken for the transition to equity funding. This would mean that all schools that gain funding receive this from year one, and schools that lose funding would have this offset at 75% in the first year and 25% in the second year.
37. While this approach means that all schools that experience a loss receive some transition funding (rather than only those over a specific threshold, i.e. 3% or 5%), due to the shortened timeframe schools with greater levels of funding loss would have a much more extreme decline in funding over a shorter period. This option is not recommended as the losses would likely not be manageable for some schools.
38. Figure 6 shows transitional costs at both current and +\$50m funding scenarios. The cost of transition through this approach is a similar cost to Option 1 (when schools are funded for a loss greater than 3% of Operational Grant funding). However, Option 1 allows for a longer transitional period for schools with higher losses.

Figure 6: Option 3: Transition costs of moving to the Equity Index following approach from last Decile recalculation

Transition to Equity Index - Transition as per last Decile Recalculation - CURRENT FUNDING				
	Year 1	Year 2	Year 3	
Transitional Funding Provided	(23,096,000)	(7,699,000)	-	(30,795,000)
Funding loss for Schools	(7,699,000)	(15,398,000)	(7,699,000)	(30,795,000)
Number of Schools covered by transitional funding	1,015	1,015	-	
Transition to Equity Index - Transition as per last Decile Recalculation - + \$50M FUNDING				
	Year 1	Year 2	Year 3	
Transitional Funding Provided	(12,456,000)	(4,152,000)	-	(16,608,000)
Funding loss for Schools	(4,152,000)	(8,304,000)	(4,152,000)	(16,608,000)
Number of Schools covered by transitional funding	679	679	-	

Additional supports in the equity package

39. As part of the shift to the Equity Index, the Ministry is exploring the allocation of resourcing for equity through a number of other mechanisms. These include teaching staffing entitlement, other school staffing, Professional Learning and Development, property funding and social services in schools. These mechanisms are considered below.
40. An option the Ministry is exploring further is including some or all of these forms of resourcing in wraparound packages of support to eligible schools.

Staffing weighted using the Equity Index

41. We are continuing work on the possible use of the Equity Index to weight staffing entitlement. Applying the Equity Index to staffing resource allows additional funding to be allocated toward schools with higher levels of disadvantage. Figure 7 below shows how an additional \$10m and an additional \$50m could be distributed toward disadvantage, using the same weighting as the funding curve illustrated in Figure 3. In the scenario showing an additional \$10m, only schools with a mean disadvantage of 41 or above receive additional staffing to ensure that those schools with the most concentration of disadvantage are adequately resourced.

Figure 7: Allocation of an additional \$10m and \$50m to staffing entitlement, weighted using the Equity Index

School Mean Level of Disadvantage	Additional \$10m in staffing entitlement		Additional \$50m in staffing entitlement	
	Additional FTTE	Students per additional FTE	Additional FTTE	Students per additional FTE
<20%	-	N/A	0	N/A
20-30%	-	N/A	14	13,184
30-40%	-	N/A	83	3,688
40-50%	42	4,344	208	873
50-60%	56	1,481	220	376
60-70%	21	664	66	206
Total	119		592	

42. Figure 7 provides a view of the total number of additional teachers that could be funded at different levels. Note that this is a national-level snapshot and, due to the high cost of providing staffing resource and the number of small schools with higher levels of disadvantage, the additional FTTE generated for each school can be extremely small. For example, some schools generate an entitlement of 0.1 FTTE, which is unlikely to be a practical application of resource.
43. This effect is worse with a lower level of investment, as the resource has to be spread across a larger number of schools. While this could be mitigated by targeted staffing entitlement only at schools with higher levels of disadvantage (by creating an eligibility threshold), this introduces the risk of a cliff face when schools' level of disadvantage decreases and they lose this entitlement.
44. Any allocation of staffing resource would need to consider workforce implications, particularly in regional areas where it may be more difficult to fill vacancies and given the recent increase to staffing entitlement with the introduction of the first tranche of Learning Support Coordinators.

45. We are now further analysing this information at a regional level to inform our future advice. This analysis will also look at trends in retention and turnover in schools with high levels of disadvantage, and whether additional supports (such as staffing incentives) may be needed, if resourcing is allocated in this way.
46. Additionally, there is a trade-off between providing additional resourcing through the operational grant and through staffing. If the majority is allocated through staffing, this would mean a lesser amount is available to increase equity funding provided through the operational grant. As shown in figure 3, this exacerbates distributional impacts for schools with moderate levels of disadvantage. While these schools would likely receive additional staffing entitlement, this reduces flexibility for schools and may still be perceived as a loss.
47. If schools found that they could not fill these additional vacancies, this would potentially mean the additional resourcing could not be used (i.e. it is locked into staffing entitlement rather than being available as cash in their operational grant). We are investigating whether there are possible mechanisms to transfer equity-weighted staffing to operational grant funding should schools not be able to fill the new positions, or if the entitlement generated is extremely low.

Other supports

48. Through our upcoming engagement with the sector, we intend to gain greater insight into what other supports schools and their communities consider should be included in the package of supports to address equity [METIS 1202233 refers].
49. Initial feedback from the Sector Reference Group has indicated a preference for operational grant funding and staffing. We have discussed non-educational supports with the group, such as nurses and social workers in schools, and while these are seen as crucial to supporting children to be ready to learn, some operational challenges in the way these services are organised and allocated have been highlighted.
50. We intend to continue these discussions with the Sector Reference Group and, as indicated, will use the regional engagement as an opportunity to gather further feedback.

Measuring effectiveness of additional investment

51. Additional investment in equity provides an opportunity to better understand what practices and supports make the biggest difference for learners from disadvantaged backgrounds.
52. We recommend implementing an evaluation of changes that are made to equity resourcing, to support a cycle of continuous improvement and to ensure that equity resourcing is used effectively by schools to support student achievement. This would likely involve some form of reporting from schools to provide the Ministry with the information it needs. However, as the Ministry is aiming to reduce compliance exercise for schools, any reporting requirements would need to be minimal. Existing channels, such as annual reports and ERO reviews, could be harnessed for this purpose.
53. We will report back on a plan for evaluation. This will incorporate feedback from the sector and other key stakeholders, which we will gather through upcoming engagement.