



## Education Report: COVID-19 Additional Relief Funding for Schools and Kura

<b>To:</b>	Hon Jan Tinetti, Associate Minister of Education		
<b>CC</b>	Hon Chris Hipkins, Minister of Education		
<b>Date:</b>	19 July 2022	<b>Priority:</b>	High
<b>Security Level:</b>	In Confidence	<b>METIS No:</b>	1290148
<b>Drafter:</b>	Janine Chung	<b>DDI:</b>	(04) 463 8441
<b>Key Contact:</b>	Natasha Barnett	<b>DDI:</b>	(04) 463 8126
<b>Messaging seen by Communications team:</b>	No	<b>Round Robin:</b>	No

### Purpose of Report

The purpose of this report is for you to:

**Note** that schools and kura continue to experience operational funding and staffing pressures because of COVID-19 related absences and other winter illness.

**Note** that schools and kura are finding the application-based process for additional relief funding time consuming, cumbersome and a barrier to applying for needed additional funding.

**Note** that an automated funding process will be implemented for Terms 3 and 4 of 2022, to provide top-up funding for schools and kura who have incurred relief costs in excess of the relief funding provided as part of in their operational grants.

**Note** that for non-teaching staff, schools and kura will need to continue claiming relief funding for COVID-19 related absences via the current claims process.

**Agree** to extend additional relief funding for teachers to the end of the 2022 school year for COVID-19 related absences and other winter illness.

**Agree** to extend additional relief funding for non-teachers to the end of the 2022 school year for COVID-19 related absences.

## Summary

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We have provided previous advice on the anticipated increases in relief costs for 2022 resulting from the spread of the COVID-19 Omicron variant. This advice was first provided in Term 1, 2022 [METIS 1280883 refers] and then again in Term 2, 2022 [METIS 1286197 refers].

We have utilised the centrally managed Additional Relief Teacher Fund (ARTF) budget to fund increases in COVID-19 relief costs. This included:

- increasing access to ARTF to support schools and kura with relief teacher costs for COVID-19 related absences; and
- providing additional relief funding to support schools and kura to manage COVID-19 related absences for non-teaching staff.

We indicated that we would provide further advice should we anticipate a need to extend the COVID-19 relief schemes in 2022 past Term 2, and review requirements to consider long COVID. It is likely schools and kura will continue to be significantly impacted by staff absences in Terms 3 and 4 this year, due to first, second or subsequent COVID-19 infections, long COVID and other winter illness.

We are now seeking your agreement to extend additional relief teacher funding for COVID-19 and other winter illness absence to the end of Term 4, for schools and kura that incur relief costs in excess of relief funding provided as part of their annual operational grant.

We are also seeking your agreement to extend additional relief funding for non-teaching COVID-19 absences when a reliever is employed to cover the absence.

## Recommended Actions

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The Ministry of Education (the Ministry) recommends you:

- a) **Note** that first, second or subsequent COVID-19 infections, long COVID and other winter illness are likely to continue to impact on staff absences and relief costs for schools for Terms 3 and 4, 2022.

**Noted**

- b) **Note** that we will implement an automated funding process in Terms 3 and 4, 2022 that will replace the current claims process. Top-up funding will be automatically provided to schools and kura that incur relief teaching costs that exceed the amount they are already funded via their operational grant.

**Noted**

- c) **Note** that the 2022/23 ARTF budget is currently \$15.5 million and moving to an automated funding process is affordable within this budget.

**Noted**

- d) **Agree** to extend additional relief funding for teachers to the end of the 2022 school year for COVID-19 related absences and other winter illness.

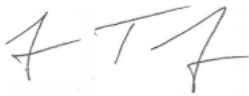
**Agree / Disagree**

- e) **Agree** to extend additional relief funding for non-teachers to the end of the 2022 school year for COVID-19 related absences.

**Agree / Disagree**

- f) **Agree** that the Ministry release this briefing in full once it has been considered by you.

**Agree / Disagree**



Sean Teddy  
Hautū | Deputy Secretary  
Te Pae Aronui | Operations and Integration

26/07/2022



Hon Jan Tinetti  
Minister of Education

30/07/2022

## Background

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1. State and state-integrated schools and kura receive operational funding each year to employ relief teachers when a teacher is sick. The cost of sick leave for non-teaching staff is normally expected to be met from within schools' operational funding.
2. The Ministry also manages a central funding pool to provide Additional Relief Teacher Funding (ARTF) to schools when a teacher has been absent on paid sick leave due to illness, for more than eight consecutive days in one school year or was absent due to a recurring illness for more than eight days in the same school year.
3. In Term 1, 2022, the Minister of Education agreed to expand the existing ARTF criteria to support schools and kura managing increased relief costs due to the spread of the COVID-19 Omicron variant and Ministry of Health requirements for isolation. The expanded criteria made funding available to schools and kura from the fourth day of absence for teaching staff and from the first day of absence for non-teaching staff [METIS 1280883 refers]. As COVID-19 continued to impact on schools and kura this support was extended to the end of Term 2, 2022 [METIS 1286197 refers].
4. In METIS 1286197, we indicated that we would provide further advice should there be a need to extend the criteria post Terms 1 and 2 during 2022, and whether we need to consider long COVID to be included for additional relief funding.
5. Schools and kura have largely remained open during 2022 while managing unprecedented levels of staff and student absences. Schools and kura have managed curriculum delivery through a mixture of in-person, distance, and hybrid learning. Some schools and kura have reported pressures on their budgets and that they have already used most of their 2022 relief teaching budgets due to COVID-19 and other winter illness absences.
6. With COVID-19 remaining in the community, and the predicted emergence of secondary and subsequent infections as well as long COVID and other winter illness, it is likely that schools and kura will continue to face disruption to their staffing levels and that in-person, distance and hybrid learning will continue for the remainder of 2022.

## Additional Relief Funding - Terms 1 and 2

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7. Each year schools and kura are provided relief funding based on their staffing entitlement. This equates to approximately 9 to 13 days of relief funding per Full-Time Teaching Equivalent (FTTE). For the 2022 school year, \$145.8 million in relief funding has already been provided to schools and kura as part of their operational grant to manage their relieving costs. The cost of sick leave for non-teaching staff is normally expected to be met from within schools' operational funding, regardless of the length of service.
8. The Ministry also manages a central pool to provide additional relief funding to schools and kura when a teacher has been absent on paid sick leave for more than eight consecutive days. In Terms 1 and 2 the criteria was temporarily reduced from eight days to four days to support schools and kura to manage increased relief costs for teachers, due to the likely spread of the Omicron variant. In addition, relief funding for non-teaching staff has been provided from the first day of absence in Terms 1 and 2 of 2022.

10. Relief funding is only available to schools and kura if they have hired a reliever to cover a staff member who is on leave due to requirements of Public Health Authorities because they are:
- confirmed as an infectious COVID-19 case; or
  - required to care for a person dependent on them for care as a result of a COVID-19 diagnosis, or in COVID-19 isolation, or
  - required to self-isolate due to public health advice such as being in contact with someone who has contracted COVID-19 and is unable to work from home.

### Claims Process for Additional Relief Funding

11. Schools and kura are required to apply for each absence separately. This application-based process has resulted in thousands of claims being submitted for approval and a large back log in processing times. Schools have advised that the application-based process to submit a relief claim is time-consuming and onerous.
12. Additionally, schools and kura are experiencing long delays in receiving payment after submitting their claims, due to the high number of applications we have received this year. The requirement to submit evidence (for example, medical certificate) for ARTF claims is also onerous and adds additional pressure to a health system that is already under pressure.
13. The current application-based process has been designed to service a low volume of claims and is based on a high trust model where schools and kura can make numerous claims without needing to submit evidence that additional relief costs have been incurred. The process also does not consider the funding schools have already received as part of their operational grant and there is a risk that schools and kura are being double funded.
14. As part of the 2022 March Baseline Update (MBU), the ARTF budget was increased from \$13 million to \$28 million as claims for COVID-19 related absences were expected to increase significantly. As of 30 June 2022, we have committed to paying \$38 million in relief claims. The Ministry was able to offset the \$10 million overspend against an underspend within its Crown appropriations.

### Extending Additional Relief Funding - Terms 3 and 4

15. For Terms 3 and 4, 2022, we anticipate that schools and kura will continue to be impacted by staff absences due to long COVID, first and subsequent infections of COVID-19 as well as other winter illness. This will continue to place pressure on school budgets.
16. Given the feedback from the sector, from Term 3 we will be implementing an automated funding process by using the relief costs captured in the schools' payroll system. Under this approach, top-up funding will be automatically provided to schools and kura who have incurred reliever costs, which exceed the amount already funded via their operational grant. An adjustment will be made for any relief claims that the school has already paid for this year.
17. The new funding methodology means schools and kura will no longer need to apply for additional relief funding, except for non-teaching staff. Under this approach, schools

and kura will be fully funded for relief costs incurred in 2022, through their operational funding first, and then via top-up funding if required.

18. The burden to obtain and submit evidence will also be removed. Schools and kura still need to keep appropriate evidence for their records to support a teacher's absence.
19. Our current data indicates that just over 50% of schools and kura have submitted relief claims this year. There are many eligible schools who have not applied for funding under the current process. Removing the administrative burden barrier is likely to result in a more equitable distribution of relief funding and target additional funding to where it is most needed.
20. Under this approach we will mitigate the risk of double funding schools and kura for relief costs, by factoring in the relief funding they have already received as part of their operational grant. However, there is a risk that some schools may have reallocated their relief budget to other priorities. Schools that find it difficult to manage their operational budget will be encouraged to contact their local School Finance Advisor for support.
21. Across all schools and kura for the first six months of the year, \$69.4 million of relief costs have been incurred compared to annual relief funding of \$145.8 million. The remaining \$76.4 million of funding can be used to manage staff absences over the next six months. Once we include the total amount of claims we are expecting to pay (\$38 million) this increases the total relief funding available to schools and kura over the next six months to \$114.4 million.
22. As of 14 June 2022, we know that approximately 60% of schools and kura have used less than 50% of their relief funding to cover relieving costs this year. For the same time period, there were 57 schools that had incurred relief costs in excess of their relief funding by a total of \$408,000. Under the new process these schools will automatically receive top-up funding.
23. Under the automated process, we will continue to process outstanding relief claims submitted by schools and kura for Terms 1 and 2 whilst we transition to the new automated process. Schools and kura will still be able to submit a relief claim for Terms 1 and 2 up until the end of the school year if they choose to do so.
24. I can confirm that shifting to an automated funding process is affordable within the \$15.5 million 2022/23 budget for ARTF and we are now seeking your agreement to extend the COVID-19 additional relief teacher funding to the end of Term 4, 2022.

#### Relief funding for non-teaching staff for COVID-19 related absence

25. In METIS 1286197, we recommended a term-by-term review of access and criteria for COVID-19 non-teaching absences for 2022 only. Approximately 20% of schools and kura have accessed the relief fund for non-teaching staff at a cost of \$0.7 million. Based on this, we estimate that about \$1.4 million may be required for Terms 3 and 4. This can also be met from the 2022/23 \$15.5 million budget for ARTF.
26. We recommend extending funding for non-teaching relief costs in Terms 3 and 4, 2022. Schools will need to continue to submit claims to receive a contribution towards their non-teaching relief costs, where a reliever has been employed to cover a non-teacher's absence due to COVID-19.

## Emerging COVID-19 stressors

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27. There are now emerging COVID-19 stressors on the health of those who have had COVID-19. This includes reinfection and long COVID. Both will impact on staff absences and relief costs for the remainder of the year.

### Reinfection

28. A reinfection of COVID-19 requires isolation under the Ministry of Health's isolation guidelines. School staff may be impacted by secondary and subsequent COVID-19 reinfections during Terms 3 and 4, 2022.
29. The Ministry of Health updated its isolation criteria for possible COVID-19 reinfection of recently recovered cases on 30 June 2022<sup>1</sup>. The number of days that a person must isolate after having COVID-19 and then showing symptoms of possible reinfection has reduced from 90 days to 29 days. As school staff adhere to health rules for isolation, this could see an increase in staff absences. The flow on could put pressure on relief budgets for some schools.
30. Reinfection with COVID-19 is an emerging situation. The Ministry of Health is including reinfection in their daily COVID-19 reporting, however as of 5 July 2022, reinfection cases are not reported separately. There is currently not enough information available to forecast the number of teachers who might be absent with second or subsequent COVID-19 reinfections this year.

### Long COVID

31. In METIS 1280883 we advised that long COVID should be treated as a regular illness and the regular ARTF criteria would apply. Current Ministry of Health guidance about long COVID indicates it may impact on staff absences over time.

*"Although it is difficult to precisely predict the likely burden of long COVID in New Zealand, given the large number of people who have now had COVID-19 in New Zealand (particularly recently with the Omicron variant), this may result in significant impacts on individuals, families and whānau, and the healthcare system over time"*<sup>2</sup>.

32. Instances of long COVID are likely to be more apparent during Terms 3 and 4 of 2022, and next year. In all other situations where an employee has a longer-term illness, employers will work with them to find the best work arrangements.
33. The top-up funding mechanism will be able to support schools and kura as they support staff diagnosed with long COVID or other longer-term illness. When a reliever has been hired to cover a teacher who is absent due to long COVID, additional funding will be provided to the school. Funding is available if the school has fully exhausted their relief funding provided as part of their operational grant.
34. For non-teaching staff, schools and kura will be able to claim additional relief funding for absences due to long COVID to the extent that the staff member has taken sick leave and a reliever has been employed to cover the absence.
35. We will continue to actively consider the employment and funding implications for long COVID and will follow developments and guidance from Te Kawa Mataaho.

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<sup>1</sup> <https://www.health.govt.nz/covid-19-novel-coronavirus/covid-19-health-advice-public/covid-19-testing/catching-covid-19-again>

<sup>2</sup> <https://www.health.govt.nz/covid-19-novel-coronavirus/covid-19-health-advice-public/about-covid-19/long-covid#:~:text=Although%20it%20is,system%20over%20time.>