Education Report: Progressing an outcomes evaluation for Targeted Funding for Disadvantage

To: Hon Chris Hipkins, Minister of Education

Date: 6 April 2018

Priority: Medium

Security Level: In Confidence

METIS No: 1113343

Drafter: Rebecca Scollard

DDI: 439 6407

Key contact and number: Damian Edwards, 39(2)(a)

Round robin: No

Messaging seen by Communications team: No

Purpose of report

This report seeks your decision on progressing an outcomes evaluation for Targeted Funding for Disadvantage (Targeted Funding) and your decision on the timing and scope of the evaluation.

Recommended Actions

The Ministry of Education recommends you:

a. agree to progress an outcomes evaluation for Targeted Funding

Agree / Disagree

b. indicate your preference for the timing of progressing the initial stages of an outcomes evaluation

Either

i. starting phase 1 in 2019, after the strategic plan for early learning is complete (recommended)

Yes / No

Or

ii. starting phase 1, the development of an assessment tool to measure early learning outcomes, in 2018

Yes / No
c. **agree** to revise the scope of the outcomes evaluation and conduct a one-off evaluation on how ECE participation impacts learning for children from disadvantaged backgrounds

   **Agree / Disagree**

d. **direct** the Ministry of Education to consult the Early Childhood Advisory Committee (ECAC) at key milestones for the development of the evaluation

   **Yes / No**

---

Damian Edwards  
Associate Deputy Secretary  
Education System Policy

---

Hon Chris Hipkins  
Minister of Education

---

I would like to defer any further decisions on this until after the Strategic Plan has been finalised. I would like the MAG to provide advice on this as part of the process.
Background

1. Targeted Funding for Disadvantage (Targeted Funding) was introduced in 2018. This funding is distributed to early childhood education (ECE) services and ngā kōhanga reo with children/tamariki from disadvantaged backgrounds.

2. To assess the impact of this initiative, Budget 2017 allocated $0.490 million for evaluation. This included $0.200 million for a pre-implementation evaluation and $0.290 million for an outcomes evaluation. The funding profile is outlined in Table 1 below.

<table>
<thead>
<tr>
<th>Table 1: Current funding profile for the evaluation for Targeted Funding for disadvantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding profile (millions)</td>
</tr>
<tr>
<td>----------------------------</td>
</tr>
<tr>
<td>0.200</td>
</tr>
</tbody>
</table>

3. We have completed the pre-implementation evaluation, which involved service interviews, and has cost $0.069 million to date. We are finalising a report summarising the findings, which we will provide you in late April 2018. We do not envision incurring any additional expenditure for this component of the evaluation.

4. We have undertaken initial planning work for an outcomes evaluation of Targeted Funding. On 30 November 2017, we provided you with a briefing seeking your direction on the scope of the outcomes evaluation [METIS 1090095 refers]. We now seek your agreement to progress the outcomes evaluation and revise its scope.

Progressing an outcomes evaluation

5. We seek your decision to progress an outcomes evaluation of Targeted Funding.

6. A decision now is necessary to determine how the funding appropriated for an evaluation in 2018 will be used. If you do not wish to progress the outcomes evaluation, the funding could be either reprioritised or returned to the Crown as savings.

7. If you agree to progress an outcomes evaluation, it will be conducted in two phases. Phase 1 involves the Ministry of Education working with ECAC to determine:

   - **what learning domains are assessed:** the Ministry’s Science Advisor has recently finalised a paper identifying the core domains of child development.\(^1\) This provides a useful basis for the Ministry to engage with ECAC and seek agreement to which domains should be assessed in the evaluation.

---

\(^1\) These are: language, early numeracy, inter-personal skills and self-control. See: McNaughton, 2017, ECE Measure Brief, *Children in the preschool years: domains of development and implications for measurement.*
how those domains will be assessed: we recommend seeking the assistance of researchers from Growing Up in New Zealand (GUINZ).² The GUINZ study is well regarded and their researchers have experience with similar evaluations.

8. Phase 2 is the implementation of an outcomes evaluation. We will update you after phase 1 is complete and you will have the option to continue with the evaluation and progress phase 2.

Benefits and risks of an outcomes evaluation

9. Conducting an outcomes evaluation will:

• improve our understanding of the quality of ECE in New Zealand by addressing the lack of outcomes information

• help us evaluate existing policy settings and the extent to which they contribute to positive outcomes for children and educational equity

• contribute to our understanding of how and when educational disparities emerge.

10. The outcomes evaluation could inform other strategies, such as the Child Wellbeing Strategy’s proposed focus area of ensuring children are thriving socially, emotionally and developmentally in the early years (ages 0-6).

• Phase 1 would provide agreement on social, emotional and developmental areas valued in the early years and identification of assessment tools that could be used to evaluate these.

• Phase 2 would provide information on the effect of ECE on these areas for New Zealand children from disadvantaged backgrounds.

11. The primary risk of conducting an outcomes evaluation is that parts of the early learning sector will likely have concerns about the assessment of children. These concerns may include: the evaluation will involve testing that will narrow the curriculum; it will be overly focused on cognitive skills; and, it will not be suitable to the New Zealand context.

12. We consider that the sector’s likely concerns can be appropriately mitigated with careful design and consultation. We outlined the risks and our response to those risks on 30 November 2017 [METIS 1090095 refers].

² The GUINZ Study is based in the Centre for Longitudinal Research in Auckland University.
Timing options for progressing an outcomes evaluation

13. If you agree to progress an outcomes evaluation there are two timing options:

- **Option A**: progress phase 1 and phase 2 after the strategic plan is complete, with phase 1 starting in 2019 (**recommended**).

- **Option B**: progress phase 1 in 2018 and phase 2 in 2019.

14. Option A would delay the availability of information that would be useful to the wider early learning work programme. However, it provides an opportunity to align this work more closely with the Prime Minister’s Child Wellbeing Strategy and the Early Learning Strategic Plan.

15. Conducting an outcomes evaluation within the earlier timeframe (Option B) means that the evaluation could be used to inform future work on learning progression and any subsequent evaluations that we are required to do. However, there is a risk that the proposed engagement with ECAC could impact on sector engagement on the development of the Strategic Plan.

Scope of the outcomes evaluation

16. If you agree to progress the outcomes evaluation, we seek your agreement to revise its scope. Changing the scope of the evaluation requires us to alter how funding for the evaluation is allocated across financial years.

17. The evaluation initially intended to assess how the introduction of Targeted Funding affects children’s learning outcomes. However, for most services Targeted Funding will make up a small proportion of their total funding and is therefore unlikely to have an observable impact.

18. We therefore recommend the evaluation focus more broadly on how ECE participation impacts the learning outcomes of children from disadvantaged backgrounds. We have provided two options for the revised scope of the evaluation below.

- **Option One**: One-off evaluation: how ECE participation impacts early learning outcomes for children from disadvantaged backgrounds (**recommended**)
  - We would gain insight into the benefits of ECE participation by comparing the learning outcomes of children from disadvantaged backgrounds who attended ECE for a long period of time relative to children with little attendance.
  - Due to being a one-off assessment, this evaluation would be limited by a lack of baseline data on children’s learning.
  - It is likely that this evaluation can be conducted within the exiting funding appropriation.
• **Option Two**: Before and after study: understanding learning progression for all children

• This would provide insight into children’s early learning before and after an extended period of ECE attendance. This would help us understand how educational disparities emerge and the impact of ECE participation over time.

• This evaluation would involve two data collection waves (two years apart) and it might require additional funding outside what has been appropriated.

### Next steps

19. If you choose to progress the evaluation in 2019 (Option A):
   
   a. in late 2018, we will provide you with advice on redistributing the funding

   b. in mid-2019, we will seek your approval in to progress phase 2 of the evaluation.

20. If you decide to progress phase 1 in 2018 (Option B), in mid 2018 we will provide you with advice how to redistribute the funding. We will also seek your final approval to undertake the evaluation (phase 2) of children at that time.