



Education Report: Increase to schools' guidance staffing entitlement

To:	Hon Chris Hipkins, Minister of Education		
Cc:	Hon Tracey Martin, Associate Minister of Education		
Date:	18 June 2020	Priority:	High
Security Level:	Budget Sensitive	METIS No:	1228956
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Messaging seen by Communications team:	N/A		

Purpose of report

The purpose of this paper is to seek your agreement to an updated proposal for delivering the increase to schools' guidance staffing entitlement.

Recommended Actions

The Ministry of Education recommends you:

- a. **agree** to increase the guidance staffing entitlement for schools with over 450 secondary students by 0.4 FTTE

☒ Agree ☐ Disagree

Proactive Release Recommendation

The Ministry of Education recommends you:

- b. **Not release** this Education Report at this time because final decisions on the guidance counsellors initiative are still to be made.

☒ Release ☐ Not release


Damian Edwards
Deputy Secretary
Evidence, Data and Knowledge

18/6/20


Hon Chris Hipkins
Minister of Education

23/6/2020

Background

1. On 12 June, the Ministry provided advice on options for changing the counselling component of the Wellbeing and Mental Health budget initiative [METIS 1230312 refers]. You decided to seek Cabinet agreement to change the budget initiative by reducing the guidance staffing entitlement increase, and using the remaining funding to fund community organisations to provide guidance counselling for primary and secondary students.
2. Following discussions with Minister Martin, this paper provides follow up advice on the methodology for calculating the guidance staffing increase.
3. You are presenting an oral item at Cabinet on Monday 22 June on changing the counselling component of the Wellbeing and Mental Health budget initiative. This advice does not change the recommendations to Cabinet.

Methodology for allocating the guidance staffing increase

Previous proposal

4. The changes that Ministers have agreed to for the counselling component of the Wellbeing and Mental Health budget initiative provide \$31.9 million over four years to increase the guidance staffing entitlement for schools with secondary students.
5. The Ministry's previous advice [METIS 1230312 refers] was to allocate the increase as follows:
 - a. Schools with at least 1,000 secondary students would receive a 0.5 FTTE increase;
 - b. Schools with between 200 and 1,000 secondary students would receive a tapered increase at a rate of 0.00055 FTTE per student above 200, leading to increases of between 0.1 and 0.4 FTTE for these schools;
 - c. Schools with 200 or fewer secondary students would not receive an increase.
6. This allocation method would have resulted in a system-wide increase of around 91 FTTEs. Around 82 schools would have received a 0.5 FTTE increase, with around 187 schools receiving a smaller increase. Approximately 220 schools with secondary students would not have received an increase.

Updated proposal

7. Minister Martin has requested that we set a minimum increase of 0.4 FTTE, to ensure that the funding provides meaningful increases for the schools that receive it.
8. The allocated funding is not sufficient for all schools to receive a 0.4 FTTE increase. We have therefore calculated the impact of creating a minimum student number threshold above which schools would see an increase of 0.4 FTTE, and below which they would see no increase. Within the allocated funding, we can maximise the number of schools that would receive an increase by allocating the additional FTTEs to schools with 450 secondary students or more.
9. Our modelling suggests that this would result in:

- a. A system-wide increase of 91 FTTEs (the same as under the previous proposal);
- b. Around 210 schools receiving a 0.4 FTTE increase (compared to 28 under the previous proposal);
- c. No schools receiving a 0.5 FTTE increase (compared to 82 under the previous proposal) ;
- d. 282 schools with secondary students not receiving an increase (compared to 220 under the previous proposal).

Analysis

- 10. The new allocation methodology outlined in this report ensures that no school receives an increase of less than 0.4 FTTEs, reducing the risk that some secondary schools will complain about getting a meaningless increase.
- 11. It does, however, create a cliff-edge in the allocation methodology. This means that schools with around 450 secondary students could see their guidance staffing entitlement change significantly year-on-year from 2.3 to 2.7 FTTE and back, because of only small changes in their number of secondary students.
- 12. This option also means that a greater number of schools would not receive an increase in guidance staffing.

Financial implications

- 13. The change outlined in this report is fiscally neutral. It will result in a very small reduction in the funding required for the guidance staffing increase (approximately \$0.03m per annum) due to differing flow on impacts for salary units and management allowances. This funding can instead go towards the community provision of guidance counselling for primary and secondary students. This does not require a transfer between appropriations.