



Education Report: Charter schools' access to cluster-based resourcing

To:	Hon Erica Stanford, Minister of Education Hon David Seymour, Associate Minister of Education		
Date:	14 June 2024	Priority:	High
Security Level:	In Confidence	METIS No:	1329280
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Deadline date	18 June 2024		
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Seen by the Communications Team:	No	Round Robin:	No

Purpose of Report

This report seeks your agreement on an approach to cluster-based resourcing streams for charter schools. It also seeks agreement to progress a legislative amendment 9(2)(j)

Summary

1. The Ministry has developed a funding model for charter schools. Some school resourcing is delivered and relies on schools collaborating at a cluster-level, and we require your preference for how this distinct method of resourcing should be treated.
2. Generally, cluster-based resourcing allows the Ministry to provide specialist support and services across a number of schools and benefit from economies of scale. There are four resourcing streams in particular that we have included in this work:
 - a. Communities of Learning | Kāhui Ako
 - b. Resource Teachers: Learning and Behaviour (RTLB)
 - c. Learning Support Coordinators (LSCs)
 - d. Technology staffing for year 7-8 students
3. We recommend that charter schools retain access to cluster-based resourcing and their ability to employ an allocated LSC, be a host technology centre, and for Kāhui Ako in relation to having a lead principal, and across- or within-school teacher roles. There are benefits to charter schools retaining this access, as it ensures equity of access to services for their students as well as sharing leadership and teaching expertise and learning support services across schools.
4. We recommend that charter schools retain access to RTLB services, but not as lead schools. 9(2)(j)

We are seeking your agreement for the Minister



responsible to write to the Authorisation Board to require it to ensure that State and State integrated schools cease their role as lead prior to their approval to convert.

5. We are also seeking your agreement to two legislative amendments to the Education and Training Act 2020. One amendment to deem the Sponsor of a converted charter school to be a party to any arrangement regarding the sharing of staff that the board of a converting school was a party to prior to its conversion. The other amendment mitigates the risk that teachers in State and State integrated schools may refuse to provide services to charter schools under current Collective Agreements, 9(2)(j) [redacted]. It will ensure that these teachers will be required to provide services to charter schools within their cluster, so that students can continue to receive existing support.

Recommended Actions

The Ministry of Education recommends you:

- a. **note** that the Ministry does not have control over schools joining Kāhui Ako, Learning Support Coordinator clusters, and forming technology staffing agreements

Noted

Minister of Education

Noted

Associate Minister of Education

Kāhui Ako 9(2)(f)(iv) [redacted]

- b. **indicate** your preference for Kāhui Ako in relation to converting charter schools:
- Option One (recommended): Retain access to funded services and the ability to receive funding to employ staff
 - Option Two: Retain access to funded services but remove the ability to receive resourcing to employ staff
 - Option Three: Exclude from funded services

Option One / Option Two / Option Three

Minister of Education

Option One / Option Two / Option Three

Associate Minister of Education

- c. **agree** that new charter schools that opt into existing Kāhui Ako can receive associated resourcing upon joining

Agree / Disagree

Minister of Education

Agree / Disagree

Associate Minister of Education

Resource Teachers: Learning and Behaviour

- d. **indicate** your preference for RTLB in relation to converting charter schools:
- Option One: Retain access to services within the existing clusters, and retain the ability to receive resourcing to be a lead or host school
 - Option Two (recommended): Retain access to services within existing clusters, but remove the option of being a lead school
 - Option Three: Exclude from accessing and receiving resources for services

Option One / **Option Two** / Option Three
Minister of Education

Option One / **Option Two** / Option Three
Associate Minister of Education

- e. pending your agreement to either (d)(ii) or (d)(iii), **agree** that the Minister responsible will write to the Authorisation Board to ensure that State and State integrated schools have relinquished their RTLB lead school role prior to their approval to convert

Agree / Disagree
Minister of Education

Agree / Disagree
Associate Minister of Education

- f. **agree** that new charter schools that join existing clusters can receive associated resourcing upon joining

Agree / Disagree
Minister of Education

Agree / Disagree
Associate Minister of Education

9(2)(f)(iv)

Learning Support Coordinators

- g. **indicate** your preference for LSCs for converting charter schools:

- i. Option One (recommended): Retain access to services when part of a cluster, and can receive resourcing to employ LSCs
- ii. Option Two: Remove the ability to receive resourcing to employ funded LSCs

Option One / Option Two
Minister of Education

Option One / Option Two
Associate Minister of Education

- h. **agree** that new charter schools will not receive an equivalent cashed-up rate for LSCs

Agree / Disagree
Minister of Education

Agree / Disagree
Associate Minister of Education

Technology Staffing for year 7-8 students

- i. **agree** that new and converting charter schools will receive equivalent resourcing for technology staffing

what is the cost of this?

Agree / Disagree
Minister of Education

Agree / Disagree
Associate Minister of Education

Legislative amendments

- j. pending your decisions above, **agree** to progress legislative amendments:

- i. to prevent State school employees from refusing to provide services to a charter school or charter school students

Agree / Disagree
Minister of Education

Agree / Disagree
Associate Minister of Education

9(2)(g)(i)

9(2)(g)(i)

- ii. to deem the Sponsor of a converted charter school to be a party to any arrangement regarding the sharing of staff that the board of a converting school was a party to prior to its conversion.

Agree / Disagree

Minister of Education

Agree / Disagree

Associate Minister of Education

- i. pending your agreement to (j), **note** that the 9(2)(j)

Noted

Minister of Education

Noted

Associate Minister of Education

- j. pending your agreement to (j), **note** this legislation change sits outside currently agreed Cabinet decisions, meaning Cabinet approval is needed

Noted

Minister of Education

Noted

Associate Minister of Education

- k. pending your agreement to (j), **agree** to progress this legislation change as an amendment to be considered by Select Committee

Agree / Disagree

Minister of Education

Agree / Disagree

Associate Minister of Education

Proactive release

- l. **agree** that the Ministry of Education release this paper once Cabinet has agreed to final decisions, and with employment relations advice redacted as the advice could prejudice collective agreement negotiations

Agree / Disagree

Minister of Education

Agree / Disagree

Associate Minister of Education

Jennifer Fraser
General Manager, Schools Policy
Te Pou Kaupapahere

14/06/2024



Hon Erica Stanford
Minister of Education

20, 6, 24



Hon David Seymour
Associate Minister of Education

18, 6, 24

Background

1. The Ministry has provided you with advice that set out the underpinning design principles and objectives of the charter school funding model [METIS 1325020 refers]. Our previous advice recommended not including learning support and cluster-based staffing into the broader charter schools funding model, and that instead these be provided separately. This would have provided sponsors who were host or lead schools cash funding to pay their staff's salaries, with the expectation that they provide services across their cluster included in contracts. Minister Stanford has requested further advice on whether charter schools should retain access to cluster-based resourcing.

Defining cluster-based resourcing

2. Cluster-based resourcing is a method of resourcing delivery that relies on school collaboration at a network level. These networks are typically geographically based, and they provide the system with economies of scale across each group of schools. It allows staff performing specialist roles (e.g., learning support services) the ability to work across multiple sites. It also allows for the shared use of specialist infrastructure that the Crown would otherwise need to provide for all schools. This is intended to result in:
 - a. stronger relationships between schools;
 - b. reduced costs for the Crown;
 - c. utilising staff more efficiently, particularly within areas of existing shortages; and
 - d. reduced property costs, noting that this is balanced against increased travel costs.
3. We have identified four significant cluster-based resourcing networks within the scope of this work:
 - a. Communities of Learning | Kāhui Ako (Kāhui Ako)
 - b. Resource Teachers: Learning and Behaviour (RTLb)
 - c. Learning Support Coordinators (LSC)
 - d. Technology staffing for year 7-8 students

Potential options and assessment criteria

4. To determine if a converting charter school will continue to have access to these services, we have assessed each category of staffing type. The options have been considered:
 - a. **Option One:** Converting charter schools retain access to the services within their cluster and can continue as a host or lead school. This maintains the status quo.
 - b. **Option Two:** Converting charter schools retain access to cluster-based resourcing but are unable to be a host or lead school. Depending on the type of cluster-based staffing, transition arrangements will need to be made for existing host or lead schools that choose to convert.
 - c. **Option Three:** Charter schools are removed from existing clusters and are unable to access these services. Transition arrangements would be required similar to option two, and decisions on whether to provide cashed-up resourcing will be needed.
5. Additionally, we have considered whether new charter schools will be able to either join a cluster, receive additional funding to provide these services individually, or if they will not receive any additional resourcing for these types of services.

6. We have developed four criteria to determine the arrangements of cluster-based staffing for charter schools:
 - a. *Purpose of funding*: How well does each option enable the delivery of the policy intent of the cluster-based staffing?
 - b. *Economic efficiency*: How well does each resourcing stream minimise deadweight costs?
 - c. *Horizontal equity*: To what extent does each option supply resourcing for charter schools in a way that would be broadly equivalent for that of State schools?
 - d. *Vertical equity*: This reflects how well each option can support students from varying socio-economic backgrounds.
7. Annex 2 provides an overview of the options per type of cluster-based resourcing.

Recommendations for each resourcing stream

Kāhui Ako

Purpose of Kāhui Ako

8. Kāhui Ako aim to raise educational achievement by lifting the quality of leadership and teaching so that best practice becomes universal. They are embedded in a large number of schools, with 220 Kāhui Ako clusters comprising of 1918 (79%) State and State integrated schools participating. In June 2019, Cabinet agreed to place a moratorium on establishing new Kāhui Ako [CAB-19-MIN-026 refers]. This moratorium does not impact schools joining existing Kāhui Ako or moving between clusters.
9. There are three types of roles within a Kāhui Ako:
 - a. Lead principal (total 276 roles): 0.4 FTTE release time, an allowance as per the relevant Collective Agreement, and travel and networking allowances
 - b. Across-school teacher (total 672 roles): 0.4 FTTE release time, an allowance as per the relevant Collective Agreement, and travel and networking allowances
 - c. Within-school teacher (total 3161 roles): 0.08 FTTE release time, an allowance as per the relevant Collective Agreement, and networking allowances

Recommended approach

10. We recommend retaining charter schools' ability to join an existing Kāhui Ako, and to receive funding to employ Kāhui Ako staff including the lead principal, and across- and within-school teacher roles after a successful appointment process within the cluster (option 1). We recommend applying this to both new and converting schools.
11. This option supports delivering the purpose of Kāhui Ako by allowing different types of schools to share best leadership and teaching practice. While charter schools are not required to deliver the same curriculum, providing them access to this service will help both charter and State schools to learn from each other. This may enable a greater spread of innovative practice due to the increased diversity in the way teaching and learning is organised at these schools.
12. A key component of the charter school funding model is providing equivalent resourcing compared to State schools. Option one creates equity of access for charter schools to collaborate with other schools, helping them improve the quality of education they provide which will benefit students' development.

13. We do not recommend options two or three 9(2)(j)

Options two and three do not provide similar levels of equity of access and resourcing as option one.

Implications for implementation

14. Based on the preferred option, if a charter school is successful in its appointment of a role from within its cluster, it may receive an equivalent amount of funding for the Kāhui Ako roles employed. There will be an expectation that the terms and conditions of the roles will be consistent with existing Collective Agreement terms, and that this will be included as part of their contracts.

15. 9(2)(j)

16. 9(2)(j)

- [Redacted]
- [Redacted]

9(2)(j)

[Large redacted block]

Resource Teachers: Learning and Behaviour

Purpose of RTLB

17. RTLB services aim to improve teaching and learning for year 1-10 students with learning or behaviour difficulties. The total number of RTLBs is specified in the annual Staffing

¹ Assumptions: Average rolls were taken from the school directory to determine principal salaries; step 10 (top of the band) used for teacher salaries.

Order and allocated across the 40 geographical clusters based on a formula. There are 1002 FTTE RTLB in 2024.

18. RTLB are required to be registered teachers and employed by the lead school which provides services to, and on behalf of, the schools in the cluster. All State and State integrated schools can access services (except specialist schools). Lead schools are responsible for the governance and management of each cluster including fundholding, employment, and service delivery.
19. The Ministry holds a funding agreement with the board of each lead school. Lead schools receive the following resourcing:
 - a. Operational grant funding including Administration grant, Travel grant, and Learning Support Funds.
 - b. Staffing entitlement for the RTLB, a cluster manager, and practice leaders.
 - c. Property (each lead school in collaboration with their Regional Office will ensure the RTLB have appropriate accommodation).

Recommended approach

20. We recommend option two – providing new and converting charter schools access to RTLB services but not allowing them to be a lead school. This ensures that students at charter schools will receive the learning support specialist services they need, creating equity in access across different types of schools.
21. We do not recommend retaining the ability for charter schools to become lead schools. If a charter school decides not to be a lead school post-conversion, there will be significant complexities in relinquishing its role. The requirements in the Collective Agreements that manage this process are in the Collective Agreements which will not apply to charter schools.

Implications for implementation

22. 9(2)(g)(i) [REDACTED]
23. 9(2)(g)(i) [REDACTED] Transferring RTLB to a new school is an established process and does not usually result in surplus staffing. The Ministry works with the impacted schools, staff, and education unions to transfer these responsibilities to a different host school from within its network to employ the RTLB. This process does take time and will need to be factored into a school's decision to convert.

Learning Support Coordinators

Purpose of Learning Support Coordinators

24. Learning Support Coordinators promote effective and inclusive teaching and learning practice within schools to strengthen the support to children with additional learning needs. The LSC role focuses on the identification and coordination of learning support needs within a school, with Ministry staff facilitating access to supports and services. LSCs must be registered and experienced teachers with a current practicing certificate.

25. The total number of LSC roles (623 FTTE) are specified within the Staffing Order. This allocation is fixed, with the first tranche of LSCs allocated from 2020 and targeted based on those in Learning Support Delivery Model clusters or Kāhui Ako. LSCs can work across more than one school or, if a school has a roll above 500, the school receives a specific LSC allocation.
26. Resourcing provided for LSCs is:
 - a. Operational grant funding including a Travel Grant, Networking Grant, and ability to apply for a device through the TELA+ scheme.
 - b. Staffing Entitlement of one FTTE per 500 students in a cluster.
 - c. Property funding was allocated to all state and state integrated schools included in the initial tranche (approximately 1000) for space up to 15m² per LSC.

Recommended approach

27. We recommend option one, retaining converting charter schools' access to LSC services, including their ability to receive equivalent per-FTTE resourcing to employ LSCs as a host, because:
 - a. it provides equity of access for charter schools, as students at these schools will have access to the same services as students from State schools.
 - b. there are economies of scale for the coordination of learning support services across the cluster, as not all students within a single school receive learning support.
 - c. it aligns with the principles that the resourcing provided to charter schools by the Crown should be largely equivalent to State schools, unless there is a compelling reason not to do so.
 - d. maintaining the same host schools simplifies the conversion of schools as the Crown has also provided property for these roles.
28. Option two removes the ability for the charter school to receive equivalent per-FTTE resourcing to employ an LSC, however they will still have access to services through their participation within a cluster that has an LSC allocation. Option three does not apply for LSCs, as the Ministry does not have control over school joining or moving between clusters so we cannot exclude them from receiving services.
29. We recommend that new charter schools should not be provided with equivalent per-FTTE resourcing for LSCs. There is only funding available for a set amount of LSC roles in the system. Additionally, not all State schools currently have access to LSC support because of the targeted nature of its initial roll out.

Implications for implementation

30. If a converting charter school currently employs an LSC, the school will receive an equivalent amount of funding for the role they employ. Should you prefer options two or three, there will be financial implications due to surplus staffing costs as converting charter schools will not be resourced to employ an LSC.

Technology staffing for year 7-8 students

Purpose of technology staffing for year 7-8 students

31. Technology staffing provides technology education for years 7 and 8. Students in years 7 and 8 have traditionally had a course of instruction in technology, utilising specialist

teaching in specialist facilities. Technology staffing encompasses traditional areas like hard technology (woodwork and metalwork), food tech, and soft tech (textiles and design).

32. This resourcing stream differs from the three above, as each technology centre relies on staffing transfers from other schools to staff the centre, as opposed to being a host that manages a resource across the network.
33. The resourcing provided is:
 - a. Operational grant funding (includes an historical manual teacher attachment component for technology education).
 - b. Staffing entitlement (one FTTE is allocated for every 120 students attending technology education at the school).
 - c. Property (in the form of area entitlement, based on a school's FTTE).

Recommended approach

34. We recommend providing equivalent resourcing to new and converting charter schools, as well as retaining their ability to form technology staffing agreements with other schools. In addition to the previously noted benefits of maintaining the status quo, we consider that options two and three are more difficult to implement where existing property infrastructure is already set up.

Implications for implementation

35. If the converting charter school is currently a host technology centre, the school will receive an equivalent amount of funding for the roles they employ. Should you prefer options two (retain access to cluster-based resourcing but are unable to be a host or lead school) or three (fully remove from existing clusters), there are significant infrastructure transition arrangements that will need to be worked through.

Implementation

Funding charter schools for cluster-based resourcing

36. Where charter schools receive cluster-based resourcing because of their role as a host or lead school, we recommend cashing up the equivalent resourcing, rather than delivering it as an entitlement in the same way as for State schools [METIS 1326959 refers]. This includes any components that are paid through State schools' operational grant funding, their staffing entitlement, and property. The charter school's contract will set out the provision of services that must be delivered to the schools within its cluster.

Enable continuing arrangements relating to sharing of staffing

Converting a State or State-integrated school to become a charter school will involve a change in governance structure. A Crown Entity Board (Board of Trustees) would be dissolved and replaced with a Sponsor entity with a contract with the Crown. As the Board that was a party to any arrangement relating to cluster-based staffing will cease to exist, we recommend amending the legislation to automatically deem the Sponsor to be a party to the arrangement upon conversion instead.

Legislative amendments are needed to address the risk of industrial action

37. 9(2)(g)(i)
-

[REDACTED]

38. 9(2)(g)(i)

[REDACTED]

39. To ensure that charter schools and their students continue to have access to these services where State schools are the host or lead, we recommend legislative amendments to the Education and Training Act. These amendments would require State school teachers to continue to perform educational duties for charter schools and their students within their cluster.

40. This amendment sits outside what has already been approved by Cabinet, as it includes a variation of State school employee's terms of employment. This means Cabinet approval is needed to progress.

41. 9(2)(h)

[REDACTED]

9(2)(j)

[REDACTED]

42. 9(2)(j)

[REDACTED]

Next steps

43. Should you agree with the recommended approaches for each resourcing stream, there will be a rate setting process required to operationalise this for implementation in 2025. This will be incorporated as part of the wider rate setting process that will need to be undertaken for charter schools. Further advice will be provided to you on setting the charter school funding rates. Minor changes to the Education (School Staffing) Order will need to be made.

44. Should you instead prefer to remove charter schools' ability to access existing clusters, we will provide you with further advice on transition arrangements to remove them from existing clusters.

45. If you agree with the legislation changes, an amendment paper will be drafted to be included in the Bill at the start of the Select Committee (subject to their agreement).

Annexes

The following are annexed to this paper:

- Annex 1: 9(2)(h) [REDACTED]
- Annex 2: Options analysis for cluster-based resourcing for charter schools

Proactively Released

Annex 2: Options analysis cluster-based resourcing for charter schools

Resourcing stream	Option one – Retain access including the ability to employ into roles	Option two – retain access but remove ability to employ into roles	Option three – remove access and ability to receive services from clusters
<p>Communities of Learning Kāhui Ako</p> <ul style="list-style-type: none"> Lead principal Across-school teacher Within-school teacher <p>Option one recommended</p>	<ul style="list-style-type: none"> Employees in these roles will transition with the school for the remainder of any fixed term under “terms that are no less favourable”. Kāhui Ako lead principal and across-school teacher appointments are for up to two-years; within-school teachers can be appointed permanently. The appointment process for Kāhui Ako leaders and across-school teacher roles is assessed against national criteria. Should converting charter schools continue to appoint teachers to Kāhui Ako roles, funding will be provided by the Ministry to pay for the resourcing. Schools will still be able to join and move between Kāhui Ako. 	<ul style="list-style-type: none"> Salary protection will apply consistent with the terms in the relevant collective agreement. Charter schools can remain within the Kāhui Ako and receive access to services. The Ministry cannot prevent charter schools from joining or moving between Kāhui Ako clusters. 	<ul style="list-style-type: none"> Salary protection will apply consistent with the terms in the relevant collective agreement.
<p>Resource Teachers: Learning and Behaviour</p> <ul style="list-style-type: none"> Lead school RTL B <p>Option two recommended</p>	<ul style="list-style-type: none"> Converting charter schools will hold the lead school responsibilities (fundholding, management, governance and service delivery to all cluster schools). Should a converting school choose not to be a lead school, a well-established process would be followed to select a new lead school and manage a shift of RTL B to the new employer. This process takes at least 2 school terms. Generally surplus staffing does not apply, however there are some circumstances where surplus staffing may apply depending on the relevant collective agreement. The current 40 RTL B lead school funding agreements (Jan 2024 to Dec 2025) specify that RTL B work in state and state integrated schools in years 1 to 10. To extend service coverage to charter schools the 40 current agreements could be varied for 2025 or charter schools could be included in the renewed agreement for 2026. As RTL B FTTE is determined by the school staffing order, this would need to be amended to include charter schools along with state and state integrated schools in the rolls used to generate RTL B FTTE. 	<ul style="list-style-type: none"> A well-established process would be followed to select a new lead school and manage a shift of RTL B to the new employer. This process takes at least 2 school terms. Generally surplus staffing does not apply, however there are some circumstances where surplus staffing may apply depending on the relevant collective agreement. The current RTL B funding agreement (2024 to 2025) specifies that RTL B work in state and state integrated schools in years 1 to 10. To extend service coverage to charter schools the 40 current agreements could be varied for 2025 or charter schools could be included in the renewed agreement for 2026. As RTL B FTTE is determined by the school staffing order, this would need to be amended to include charter schools along with state and state integrated schools in the rolls used to generate RTL B FTTE. 	<ul style="list-style-type: none"> A well-established process would be followed to select a new lead school and manage a shift of RTL B to the new employer. This process takes at least 2 school terms. Surplus staffing may apply depending on the relevant collective agreement.
<p>Learning Support Coordinators</p> <p>Option one recommended</p>	<ul style="list-style-type: none"> Charter schools will retain their LSC allocation and employment responsibilities on behalf of the cluster if they choose to remain in the learning support cluster. If charter schools employ an LSC that works across multiple schools in a cluster, the LSC will continue to be required to do so. LSCs employed by charter schools will continue to be required to be a registered teacher with a current practicing certificate to fulfil the role. Charter schools may choose to transfer employment of LSCs to another school in their cluster, with the LSC's and cluster's agreement and in line with the current procedure. They may also choose to leave the cluster, relinquishing any LSC allocation. 	<ul style="list-style-type: none"> Charter schools that employ an LSC on behalf of a learning support cluster will stop being the employing school. The cluster will transfer employment of LSCs to another school in their cluster, with the LSC's and cluster's agreement and in line with the current procedure. Charter schools can remain within the cluster and receive access to LSC services. Charter schools may also choose to leave the cluster, relinquishing any LSC allocation. 9(2)(h) 	<ul style="list-style-type: none"> The Ministry cannot currently prevent schools from remaining in, joining or moving between learning support clusters. Policy decisions will be required to exclude charter schools from remaining in, joining or moving between clusters that receive an LSC allocation. Charter schools that employ an LSC on behalf of a cluster will stop being the employing school. The cluster will transfer employment of LSCs to another school in their cluster, with the LSC's and cluster's agreement and in line with the current procedure. 9(2)(h)

<p>Technology staffing for year 7-8 students</p> <p>Option one recommended</p>	<ul style="list-style-type: none"> Charter schools will retain their ability to form technology agreements with other schools. The charter school will employ a technology teacher that provides services as set out in their agreement. 	<ul style="list-style-type: none"> Charter schools will no longer be host technology centres. Due to their flexibility in curriculum setting, charter schools may or may not choose to continue to provide technology education or enter into agreements with other schools that host technology centres. There will be infrastructure transition arrangements that will need to ensure continuity of provision for State school students. Charter schools will no longer receive additional resourcing from other schools. 	<ul style="list-style-type: none"> Charter schools are not able to be technology host schools. Technology agreements are informal agreements that happen between schools within a geographic area. The Ministry cannot prevent charter schools from forming these agreements.

Proactive