MINISTRY OF EDUCATION
TE TĀHUHU O TE MĀTAURANGA

Education Report: Improving access to education: Budget 2022 approach for Boarding and Distance Education

To:	Hon Chris Hipkins, Minister of Education Hon Kelvin Davis, Associate Minister of Education – (Māori Education) Hon Jan Tinetti, Associate Minister of Education		
Date:	29 October 2021	**Priority:**	Medium
Security Level:	In Confidence	**METIS No:**	1273263
Drafter:	Joshua Thurston	**DDI:**	9(2)(a)
Key Contact:	Alanna Sullivan-Vaughan	**DDI:**	

Purpose of Report

This paper seeks approval for a proposed approach to two Budget 2022 bids, aimed at supporting learners who do not have access to a suitable local school to engage or re-engage in effective schooling. These bids relate to Boarding allowances 9(2)(f)(iv) and at-risk gateway enrolments to Te Aho o Te Kura Pounamu (Te Kura). You have recently seen high-level descriptions of these bids in Budget summary material, and this paper provides context and rationale for their proposed inclusion in the Budget package.

Summary

Boarding schools offer educational opportunities to ākonga who may not have a local school readily accessible, or whose local school is unable to meet their needs. Māori boarding schools also provide a unique model of education in the network. Rates for boarding allowances 9(2)(f)(iv) have been fixed for several years.

For boarding allowances, this means families are required to pay increasing portions of the costs 9(2)(f)(iv) There are a number of options to scale the cost by phasing in the increase over time.

Te Kura is an increasingly important part of the education system for at-risk ākonga, but does not receive additional funding to meet the additional needs of this cohort. Ākonga enrolled in at-risk gateways include approximately 50% Māori and Pacific learners. The Ministry is developing a Budget bid which will better align funding rates between Alternative Education settings and at-risk gateway-enrolled ākonga at Te Kura to scale up delivery of the proven Big Picture model of blended (distance and face-to-face) learning for these learners.

This bid will enable Te Kura to deliver more intensive and personalised education services to the growing number of these students, improving rates of re-engagement and achievement in schooling. Te Kura has been a key part of the Ministry's COVID response, particularly through the TK400 initiative for disengaged ākonga. The proposed funding for Te Kura is part of the Ministry's broader wellbeing package for Budget 22. Again this initiative could be scaled by phasing in the proposed increase funding rates over time.

Proactively Released

Recommended Actions

The Ministry of Education recommends you:

a. **note** that the Multiple and Access barrier boarding allowance 9(2)(f)(iv) [redacted] are no longer sufficient to meet their original intent due to increases in hostel fees;

Noted

b. **agree** that the Ministry of Education continue developing a Budget bid to increase funding for boarding allowances 9(2)(f)(iv) [redacted] with options for phasing over time;

Associate Minister of Education Hon Kelvin Davis

Agree / Disagree

Minister of Education

Agree / Disagree

c. **note** that Te Aho o Te Kura Pounamu (Te Kura) is enrolling an increasing number of students through at-risk gateways who need intensive support;

Noted

d. **agree** that the Ministry continue developing a Budget bid to increase per-place funding for all referred at-risk ākonga, to better support effective delivery and more closely align funding with other alternative education settings, with options for phasing over time; and

Associate Minister of Education Hon Jan Tinetti

Agree / Disagree

Minister of Education

Agree / Disagree

e. **agree** that this briefing will not be proactively released as it is Budget sensitive.

Minister of Education

Agree / Disagree

John Brooker
Group Manager
Te Puna Kaupapahere | Policy
29/10/2021

Hon Chris Hipkins
Minister of Education
__/__/____

Hon Kelvin Davis
Associate Minister of Education
29/11/2021

Hon Jan Tinetti
Associate Minister of Education
__/__/____

Proactively Released

Background

1 Some learners do not have access to a suitable local school, and in these instances, boarding schools and Te Kura are alternatives. Providing support for ākonga in these settings aligns with the aims of the Education Work Programme, in particular supporting barrier-free access, as well as in improving engagement and attendance.[1]

The Ministry provides specific boarding support and allowances

2 Boarding has advantages over distance learning in developing social, cultural, and practical skills, building relationships among teachers and students, and delivering specialised services. The Multiple and Access Barrier boarding allowances were established in 2014 to support access to schooling for those who need to board.[2] Around 1,700-2,000 students receive an allowance annually, a majority being Māori.

3 9(2)(f)(iv)

Te Kura's funding model has not kept pace with its changing cohort

4 In 2020, we advised you of Te Kura's 'funding gap' (METIS 1247008 refers). If the ratio of Te Kura's funding per student to that of secondary schools had been maintained after Te Kura's funding model took effect in 2007, Te Kura would have received more than $2.6m additional funding in 2019. You agreed in principle to seek funding to partially address the gap through Budget 2021 (although this bid was unsuccessful). The gap increased significantly in 2020, partly due to temporary factors such as COVID 19-related payments to schools, and the way an extra pay period was accounted for. Te Kura's base funding has also been diluted by roll growth.

5 While Te Kura costs less than boarding, works well for many students, and can also be a short-term option, effective schooling frequently requires a suitable environment and supervision, which may not always available at home where most Te Kura students study. The Ministry of Education and Te Kura have worked closely over the last year to better understand their population of students and their needs, and how an increase to Te Kura's funding might best support growing numbers of priority 'at-risk' learners.

6 Up to 80 student places per year for 'at-risk' ākonga in Te Kura's Big Picture initiative are funded at $8,000 each on top of Te Kura's core resourcing. Evaluations show improved NCEA outcomes from this programme, and the similar short-term TK400 COVID response initiative showed increased engagement. The model includes:[3]

- more intensive in-person services;
- individualised programmes; and
- greater pastoral care.

1 Education Portfolio Work Programme 2021

2 Criteria for the Access Barrier allowance involve minimum distances and travel times from a local school. The multiple barrier allowance criteria have five dimensions (school participation, relationships, behavioural issues, achievement, and environment). Most successful applicants score well above the minimum threshold for eligibility. Students' applications must be referred by a person who knows them such as a teacher or social worker, giving confidence that boarding is the best option for the student's achievement and wellbeing.

3 The Big Picture approach, and the short-term TK400 intervention (below) have both been reviewed by ERO with promising results. The Big Picture led to higher NCEA achievement compared to Te Kura's standard approach, while TK400 had success engaging and retaining previously disengaged ākonga.

Proactively Released

Boarding allowances and 9(2)(f)(iv) have not kept up with fees

Boarding allowances aim to make boarding affordable for those who need it

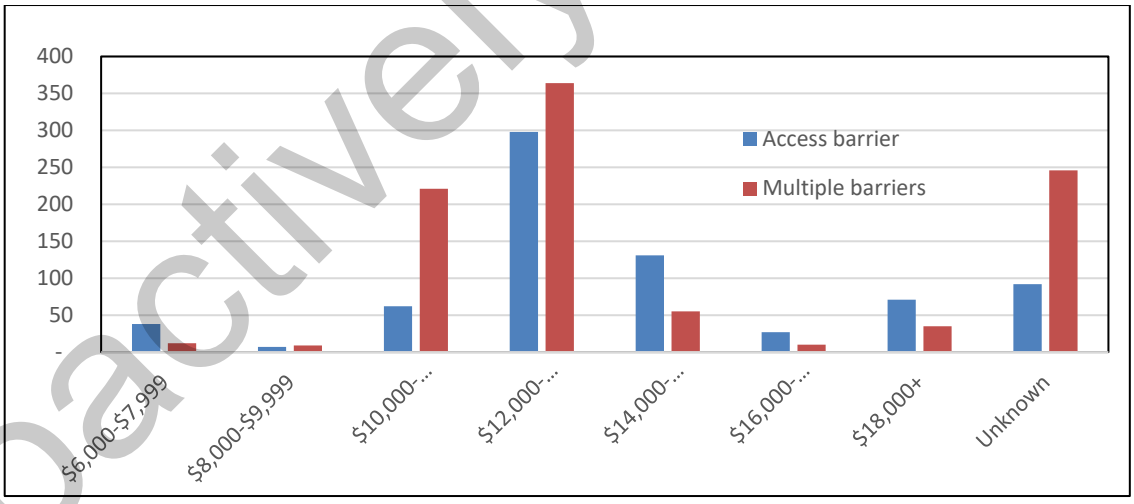
7 Boarding allowances support remote students and those facing significant barriers to educational success in other settings. Māori learners receive a majority of multiple barrier allowances, a majority of access barrier allowances for private boarding, and about a quarter of access barrier allowances for hostel accommodation. These allowances indirectly support the viability of the Māori boarding schools, hostels at some other schools with high Māori rolls, and the special character school Manukura (which has around 50 private boarders).

The growing gap between the allowances and boarding fees has reduced their impact

8 Hostel fees have increased on average by 3.5% annually since 2014 while allowance rates have not changed. The average hostel fee is likely to be over $14,000 by 2023. The access and multiple barrier allowances cover around 24% and 55% respectively, of current average fees.

9 The combination of support from the access barrier allowance and savings in food cost leave families with a net cost of at least $4,000 - $7,000 for one student to board at a low-to-mid-priced hostel. The multiple barrier allowance would leave a net cost of at least a few thousand dollars for most hostels. Few recipients board at private schools, which tend to have high fees. Most, especially multiple barrier allowance recipients, are not in high decile schools (around 42% of schools with a hostel are decile 9 or 10). Some schools offer additional scholarships or discounts.

Figure One: 2019 allowance recipients (hostel only) by 2021 hostel fees band



9(2)(f)(iv)

Remote and disadvantaged communities are affected by the growing gap in funding

11 The growing gap between allowances and fees is making boarding less affordable, especially for low or middle income and large families. Over time, unaffordability will

Proactively Released

increase without changes to the allowance rates. We expect this to have increasing social, economic, and fiscal costs:

- whānau/families experiencing higher financial stress;
- reduced viability of some hostels if student numbers decrease;
- increased school transport costs;
- whānau/families discouraged from living in rural communities;
- increased long-term enrolments in Te Kura; and
- reduced student participation in secondary school.

12 Federated Farmers, Rural Women of New Zealand, the New Zealand Boarding School Association and COMET Auckland have sought changes during reviews of the allowances. Increases would also align with Government's rural-proofing policy.

We recommend increasing boarding allowances from 2023

13 9(2)(f)(iv) [redacted]

14 The bid assumes higher uptake due to the rate increases and uses a current underspend in the funding pool. If volume growth is likely to exceed expectations in a year, we expect to have a reasonable period of warning in which to respond. We propose, through Budget 22, seeking Cabinet agreement to clarify that the Ministry may make minor adjustments to rates or criteria to keep costs within baselines.[5]

15 In February 2021, we advised you against direct support for hostels on the grounds that strengthening distance education and increasing boarding allowances were more equitable, efficient, and learner-centred options (METIS 1247918 refers). This Budget bid would indirectly support the most affordable hostels, serving the least advantaged students, by reducing non-payment of fees and allowing fees to be set at sustainable levels. The bid would also mainly benefit at-risk students and rural communities. It also more generally supports ākonga Māori to access boarding schools.

16 Scaling options for this bid include

- Phasing-in the increase to allowance rates over the forecast period to the full proposed value, or
- focusing only on the multiple barriers allowance.

17 Phasing is preferred, given the high proportion of Māori, rural and remote communities (e.g. Great Barrier and the Chathams) that rely on the access barriers allowance.

Table one: Current and full proposed allowance rates

Allowance type	Boarding type	Current rate	9(2)(f)(iv) [redacted]	Students (2019)	Decile 9-10 (2019)	Private school (2019)
Access barrier	Hostel	$3,200		726	37%	6%
	Private board	$3,200		115	17%	1%
Multiple barriers	Hostel	$7,500		952	18%	3%
	Private board	$4,000		188	9%	1%

[4] 9(2)(f)(iv) [redacted]

[5] This would be done as a 'condition' on the appropriation and published in the Estimates.

Proactively Released

9(2)(f)(iv) [redacted]

Te Kura is an increasingly important part of the 'alternative education' system

20 We seek your support for an approach that will enable Te Kura to better support at-risk ākonga to re-engage in school or other positive pathways. This proposal is part of the Ministry's wellbeing package, and is a priority for five reasons:

- enrolment at Te Kura through at-risk gateways is increasing and it is the largest education provider to at-risk ākonga in New Zealand;
- Te Kura is not currently funded to meet the additional needs of at-risk ākonga
- the Big Picture model of blended education is proven, and has formed part of our short-term response to COVID, supporting disengaged ākonga
- the at-risk cohort includes high proportions of Māori and Pacific learners (more than 50%); and
- parity of service provision should be available to all learners at-risk of poor educational outcomes rather than depending on which provider they enrol with.

21 This proposal would increase funding for delivery to students enrolling through the below five gateways through which 'at-risk' students enrol with Te Kura, referred by the Ministry:

- non-enrolled;
- excluded/expelled;
- psychological/psychosocial;
- young parent; and
- placement through Oranga Tamariki.

22 In 2020, more than 3,500 individual students were referred through these gateways, up from approximately 1,800 in 2015. Of these 3,500 students, 48% were Māori, while 5% were Pacific. All of Te Kura's enrolled students currently generate the same core per-place funding, regardless of need[6]. This funding does not enable the delivery of the proven blended model of distance and face-to-face education to at-risk ākonga.

Alternative Education is funded at a higher per-place rate than the at-risk gateways

23 The redesign of Alternative Education provision is Action 6 of the Learning Support Action Plan (LSAP), and an ideal state for the redesign has been approved by Cabinet [SWC-19-MIN-0129]. Implementation of the redesign was interrupted by COVID-19, and progress is now being undertaken incrementally, with changes to the referrals process

[6] Te Kura is mainly funded with base and 'per-Equivalent Full Time Students' ('per-EFTS') components. Some individual ākonga generate learning support funding, but this is unrelated to their gateway enrolment, or 'at-risk' status.

Proactively Released

and funding model for the at-risk education provider sector being the priority areas for Budget 2022.

24 Per-place funding in Alternative Education is $12,380, while at Te Kura average funding per EFTS is approximately $7,000 for a similar cohort of learners. An increase in the rate for learners enrolled through Te Kura's at-risk gateway is well aligned with the direction of proposed changes to the broader Alternative Education funding model work.

25 There are 86 Alternative Education providers across Aotearoa New Zealand, but many communities do not have Alternative Education providers readily accessible. Aligning funding rates for these similar cohorts of ākonga will help improve equity of access to adequate education outside of mainstream schooling. Reducing disparity between the settings will also enable more flexibility around referrals, ensuring ākonga enrol in the service that best suits them without concerns about the adequacy of funding.

This bid provides an expansion of the Big Picture model to all at-risk ākonga

26 This bid proposes a 'top up' of approximately 9(2)(f)(ii) on the total standard per-place funding that Te Kura currently receives for at-risk gateway enrolled ākonga, to broadly align with Alternative Education funding rates. This is less than the current Big Picture pilot rate, reflecting Ministry expectations that Te Kura will be able to benefit from some economies of scale in scaling up the Big Picture model of more intensive support.

27 Addressing Te Kura's funding gap in this targeted way would see a twofold shift:
- further intensity of support for ākonga enrolled through at-risk gateways; and
- flow-on benefits for the remainder (and majority) of Te Kura's ākonga from expanded service provision and regional presence.

28 Future changes to Te Kura's role in the network could require further changes to its overall funding model, but waiting for these decisions before adequately resourcing Te Kura's current student population would have significant costs in terms of student outcomes.

29 We are working closely with Te Kura to ensure that the proposal and implementation timeframes are feasible. Te Kura's support for the COVID response highlights the school's benefits to the schooling network in providing an alternative option at short notice and at scale and we consider that a phased increase to funding as proposed in this bid can be implemented by Te Kura. Funding will also be sought to evaluate the impact of this targeted increase in support for at-risk ākonga.

30 Scaling options for this bid include:
- a smaller increase to the per-place rate for eligible ākonga, or
- phasing-in the increased funding rate in over the forecast period.

31 It would also be possible to scale the bid by only increasing place numbers in the Big Picture pilot, however this would not result in improved support for the majority of ākonga and is therefore not recommended.

Next steps

32 We are continuing to refine these bids, including the phasing and scaling options. If you agree, these bids will continue to be included in the development of an Education Budget package.

Proactively Released