

Chapter 13

Targeted Funding for Disadvantage

Overview

Introduction Targeted Funding for Disadvantage (Targeted Funding) is a targeted funding mechanism for licensed early childhood education (ECE) services and ngā kōhanga reo (early learning services).

Targeted Funding is paid to eligible early learning services in addition to the ECE Funding Subsidy, 20 Hours ECE and Equity Funding.

More information can be found on the [Targeted Funding page on the Education website](#).

GST inclusive All Targeted Funding payments are GST inclusive

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13-1 What is Targeted Funding for Disadvantage?

Targeted Funding

Targeted Funding is a targeted funding mechanism for all licensed early learning services. Targeted Funding is paid to eligible early learning services in addition to the ECE Funding Subsidy, 20 Hours ECE and Equity Funding.

Key objective

The objective of Targeted Funding is to improve educational equity by improving the quality and affordability of early learning for children/tamariki from disadvantaged backgrounds.

'Tagged Funding'

Targeted Funding is 'tagged'. This means that it is identifiable as an amount additional to a service's ECE Funding Subsidy, 20 Hours ECE and Equity Funding.

Targeted Funding **must** be spent on activities, staff or equipment that will benefit children/tamariki from disadvantaged background.

The [Guidelines for Targeted Funding](#) [PDF, 681KB] detail the areas Targeted Funding must be spent within.

When is funding paid

Eligible early learning services will receive Targeted Funding in three instalments each year alongside the ECE operational funding payments (i.e. March, July and November)

What period does it cover

In 2018, Targeted Funding is provided for the period 1 January 2018 to 28 February 2019.

For all subsequent years, Targeted Funding is provided for the period 1 March to 28/29 February the following year.

How is it calculated

Targeted Funding is based on an estimate of the number of Funded Child Hours (FCH) generated by children/tamariki from disadvantaged backgrounds in eligible early learning services. These are referred to as **Targeted Hours**.

The 20% of children/tamariki attending early learning services who have spent the largest portion of their life as the dependent of a beneficiary are considered to be from disadvantaged backgrounds. This is for the purpose of the funding calculation only.

All Targeted Hours in eligible early learning services generate a fixed amount of funding. For additional information on the [funding calculation process, see our website](#).

13-1 What is Targeted Funding for Disadvantage?,

Continued

When is it calculated

Each year, the Ministry will calculate the Targeted Funding entitlement of all eligible early learning services. Any change in funding entitlement will be effective from the start of the next funding period on 1 March.

All early learning services will be assessed for their eligibility each year. There is no application process required.

The Ministry will notify eligible early learning services of their Targeted Funding entitlement in February each year.

13-2 Eligibility for Targeted Funding

Eligible services

Licensed early learning services that meet the criteria outlined in this chapter are eligible to receive Targeted Funding.

Early learning services that have an estimated 20% or above Targeted Hours as a proportion of total FCH are eligible for Targeted Funding.

Ineligible services

The following early learning service types are not eligible to receive Targeted Funding:

- Casual education and care services
- Hospital-based services

Certificated Playgroups are not eligible to receive targeted funding.

Early learning services with fewer than six children/tamariki are not eligible to receive Targeted Funding. This is to protect the privacy of children/tamariki considered to be from disadvantaged backgrounds.

Early Learning Information (ELI) data

To complete the eligibility assessment, the Ministry will extract child-level attendance data from ELI. Early learning services should ensure their ELI data is kept up-to-date. Failure to do so may affect their funding entitlement.

Early learning service should ensure they enter the names of children/tamariki correctly and in full into ELI. This should be based on official documentation, such as birth certificates or passports.

Closures and suspensions

To be entitled to the full amount of Targeted Funding, early learning services must not close or be suspended during the period that Targeted Funding is provided for.

Any over funding of Targeted Funding is repayable by the early learning service to the Ministry.

13-3 How to Use Targeted Funding

Targeted Funding

Targeted Funding must be used to improve the early learning experiences of children/tamariki early learning services consider to be from disadvantaged backgrounds.

Guidelines for Targeted Funding

Services must use Targeted Funding in line with the requirements specified in the [Targeted Funding Guidelines](#) [PDF, 681KB].

The Ministry has identified four areas for spending:

- Working with families/whānau
To extend relationships with families and whānau to support learning and development in the home
 - Removing barriers to learning
To remove barriers to participation in early learning and meet the basic needs of children/tamariki so they are well positioned to develop and learn
 - Enriching learning environments
To provide rich learning opportunities that support the development of children/tamariki, specifically their oral language and literacy development
 - Tailored teaching approaches
To support teachers, kaiako and parents to understand and respond to the learning and development needs of children/tamariki
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Planning

The Targeted Funding Guidelines provide exemplars for how early learning services can use Targeted Funding.

They also provide a quality improvement cycle, self-review template and planning questions. These are intended to help early learning services plan for and review their use of Targeted Funding.

Services must spend Targeted Funding in the funding period it was allocated

Restrictions on spending Targeted Funding

Targeted Funding cannot be used for general operating expenses or profit.

This includes:

- General property maintenance (for example: painting, heating systems, roofing and gardening)
 - Rental costs
 - Paying off debt
 - General education resources (for example: playground equipment and furniture)
 - Investment in a separate account or entity and to accumulate interest or generate profit
 - General operating costs (for example: police vetting, teacher certification costs and electricity or water bills)
 - Professional development for courses/seminars that are not aimed at improving the outcomes for priority learners
 - Marketing and promotional activities/resources
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Pooling of Targeted Funding

Early learning services can combine their Targeted Funding with other services receiving Targeted Funding.

Service providers, umbrella organisations or Kāhui Ako can only pool Targeted Funding if each individual service agrees and provides written consent that details how much of their Targeted Funding entitlement they wish to pool.

Targeted Funding must be spent on those early learning services that generated the Targeted Funding entitlement.

13-4 Reporting requirements for Targeted Funding

Reporting on Targeted Funding

Each year, early learning services are required to report to parents on how they have spent Targeted Funding and why management chose to use the funding in this way.

How early learning services or service providers choose to communicate this information to parents is at their discretion.

However services must at least specify:

- The total amount of Targeted Funding received
- Their key objectives for Targeted Funding
- How they have spent Targeted Funding
- How Targeted Funding benefited the children in their service.

Reporting to the Ministry

Each year, early learning services must report to the Ministry on their use of Targeted Funding and how the funding benefited children/tamariki from disadvantaged backgrounds.

A [reporting template](#) [PDF, 161KB] is available on the Education website. This must be submitted in February each year for the funding received for the previous calendar year.

Exact due dates will be advertised in [He Pānui Kōhungahunga – Early Learning Bulletin](#)

Services must keep a record of how they have used Targeted Funding. Details on how Targeted Funding was used must be provided at the individual service level.
