Partnership Schools | Kura Houra: Monitoring and Evaluation, Proposed New Funding Model, Operational Review, and Further Application Round

Portfolio: Education

On 3 August 2015, following reference from the Cabinet Social Policy Committee, Cabinet:

1 noted that Partnership Schools are focused on improving educational outcomes for those groups of students whom the system has not served well and have contributed to the government’s social investment framework;

Partnership Schools monitoring and evaluation

2 noted that early indications suggest that overall, the Partnership Schools are making good progress in terms of student progress and achievement, and innovative operation;

3 noted that the Ministry of Education and the Authorisation Board are seeking a stronger emphasis and a more prescriptive requirement for schools to establish robust baseline data and to measure student achievement progress;

4 noted that:

4.1 the Parliamentary Under-Secretary to the Minister of Education (the Under-Secretary) has indicated that he would like the independent evaluation of Partnership Schools to have a stronger focus on quantitative analysis of student achievement and school performance;

4.2 the Minister of Education (the Minister) will continue to work with the Under-Secretary to develop the application to Partnership Schools of existing tools that do this;

Partnership Schools funding model

5 noted that in February 2013, Cabinet agreed to the components of a funding model for Partnership Schools that gave them broadly the same amount of funding as an equivalent state school, fully cashed-up to maximise flexibility [CAB Min (13) 5/9];
noted that the current funding model has not incentivised roll growth or encouraged sponsors to partner with private or non-government partners in the way which the model originally envisaged;

noted that the Under-Secretary has recommended a new funding model that will share a greater proportion of the risks with the sponsors of Partnership Schools, and incentivise them to seek third-party funding;

Establishment rate

noted that the current funding model provides set-up grants based on estimated actual establishment costs for new schools in the state system, plus six months of property funding (based on a school’s maximum roll) and six months’ salary to employ a principal to set up the school;

agreed that a new funding model include an establishment rate comprising:

9.1 a fixed contribution to set-up costs of $250,000 for primary schools and $400,000 for secondary schools;

9.2 six months of property funding, calculated on the new property per-student rate for the number of students expected to be enrolled in the school’s first year of operation;

9.3 six months of principal’s salary;

noted that the establishment rate in paragraph 9 above would reduce the start-up costs of new schools, and increase sponsors’ incentives to secure external funding;

Property rate

noted that the current funding model calculates property funding using Cash for Buildings, a methodology for cashed-up property funding that is equivalent to comparable state school property entitlements provided through an annual rate over 40 years;

agreed that the funding model continues to use Cash for Buildings to determine property funding for Partnership Schools, but that the amounts be converted to per-student rates to make property funding sensitive to actual student numbers;

noted that as a result of moving to per-student property funding:

13.1 in the early years when a school is building up its roll, it may have to move sites as the school grows, or lease a larger space in anticipation of future growth;

13.2 schools will need to have sufficient reserves to provide a financial buffer to cover the possibility of falling or fluctuating rolls;

Teaching and operating rate

noted that the current funding model provides for teaching and operating costs using a base grant and a per-student rate derived from the way state schools are funded;

agreed that the new funding model include two teaching and operating per-student rates: a higher rate for the first 50 primary and 100 secondary students, followed by lower marginal rates for each subsequent student (where each subsequent student over the threshold of 50 primary and 100 secondary attracts the lower rate);
noted that the new rates referred to above will incentivise roll growth, and enable small schools to be viable while not over-funding larger schools;

Professional development and resources rate

noted that centrally-funded support is provided to Partnership Schools on a cashed-up basis and no changes to this approach are proposed at this time;

Overall costs of the proposed funding model

noted that under the proposed new funding model, Partnership Schools funding will at times be less than that of a comparable state school as the schools build up towards their maximum rolls, but once the schools have reached their maximum roll, the schools will be receiving funding broadly equivalent to that of a similar state school;

noted that, under the proposed new funding model, it will be possible to fund two new Partnership Schools from within the agreed Budget contingency;

Round three Partnership Schools applications process

noted that in November 2013, the Cabinet Social Policy Committee noted that Round Three would commence, subject to Cabinet’s approval, with Partnership Schools opening in 2017 [SOC Min (13) 24/4];

agreed that the Minister commence Round Three of the Request for Applications process for Partnership Schools in August 2015;

agreed that any sponsors approved in Round Three open new Partnership Schools in 2017;

Partnership Schools contracts

noted that the Minister proposes to make a number of changes to the Partnership Schools contract to strengthen reporting, accountability and risk management; S 9(2)(h) OIA

Eligibility for new funding initiatives

noted that decisions on whether a Partnership School is eligible to benefit from a new education initiative need to be made on a case by case basis;

agreed that, as a general rule, if an initiative is directly targeted to support priority learner group(s), the Minister will consider Partnership Schools for inclusion while making sure that there is no double funding;

Financial implications

noted that Budget 2015 established a tagged contingency for a third round of Partnership Schools applications;
noted that it is advantageous to spread the funding for the support entity over more than one year to give sponsors the support they need over a sustained period to build capability and implement robust systems;

agreed that, once drawn down, the expenses incurred under paragraph 30 above, will be charged against the Partnership Schools Further Funding tagged contingency, established as part of Budget 2015;

noted that the tagged contingency for Partnership Schools support entity will be used to contract services in time to support any sponsors approved through Round Three and therefore needs to be drawn down now;

agreed to the drawdown of re-profiled funding from the Partnership Schools Further Funding tagged contingency, for the following change to appropriations and baselines, with a corresponding impact on the operating balance:

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<thead>
<tr>
<th>Vote</th>
<th>$m increase/(decrease)</th>
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<tbody>
<tr>
<td>Non-Departmental Output Expenses</td>
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<tr>
<td>Provision of Information and Advisory Services</td>
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agreed that the proposed changes to appropriations for 2015/16 above be included in the 2015/16 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;

noted that, when the Minister informs Cabinet later this year of the schools proposed for approval under Round Three of the Partnership Schools applications, the Minister will also seek agreement to appropriate their operating costs from the above contingency;
Publicity

36 noted that following Cabinet’s agreement, the implications of the paper (tabled at Cabinet) will be announced as part of the communications related to the next round of Partnership Schools applications;

37 noted that the Minister intends to release the paper (tabled at Cabinet) and related Cabinet decisions, online, subject to any deletions that would be justified if the information had been requested under the Official Information Act 1982.

s 9(2)(a) OIA

Secretary of the Cabinet