

# Real equity funding: resourcing schools to support at risk learners

## SUMMARY

The current resourcing review is an opportunity to improve the way our schools are funded. We know that we have a challenge in New Zealand with equity of achievement, and there is good evidence to suggest that the way we resource schools can make a difference to this. Currently we only dedicate a few percentage points of total resourcing to specific funding for equity: this paper explains why this should increase. It suggests some ways in which need can be assessed and funding delivered, establishing a PPTA position on some of the proposals put forward as part of the review of school funding.

## RECOMMENDATIONS

1. That the report be received.
2. That PPTA advocate for equity funding that recognises a range of objective and measurable characteristics of students at risk of not achieving, with higher levels of funding for students who exhibit multiple factors.
3. That PPTA advocates for equity funding which includes both staffing and operational resourcing.
4. That PPTA advocate for equity funding to increase from 2-3 percent of total school funding to at least 10 percent, by increasing the total school funding budget, without any schools losing public funding.
5. That PPTA advocates for a scale of equity funding that increases baseline resourcing levels by between 1.1 and 1.5 times for students with increasing numbers of risk factors.
6. That PPTA advocate for additional concentration factor equity funding for schools serving higher proportions of at-risk students.



## Contents

<b>1. Why equity funding?</b> .....	2
<b>2. Background</b> .....	2
<b>3. What happens now with equity funding?</b> .....	3
<b>4. What funding is required to promote equity?</b> .....	4
<b>5. Targeting schools or targeting students?</b> .....	6
<b>6. Measures of need</b> .....	7
<b>7. Multipliers for need</b> .....	10
<b>8. Concentration factor</b> .....	11
<b>9. Ensuring stability of funding</b> .....	12
<b>10. Why the equity funding component needs to be increased</b> .....	12
<b>Recommendations</b> .....	13



## 1. Why equity funding?

- 1.1 There is a body of evidence which supports the argument that a more equitable society, without a vast chasm between the wealthy and poor, and high levels of social mobility, is good for individuals and good for a country<sup>1</sup>. The state has a critical role to play in achieving this. Tax settings, redistribution, social welfare and other policies all matter. The education system is also a vital component. Providing, if not a completely level playing field, at least a starting line where there are lanes for everyone and a reasonably flat track, is a goal that successive governments have shared for at least 80 years, and is widely supported by the public.
- 1.2 The Coleman Report of 1966<sup>2</sup> shed light on a truth that still stands – learners don't come to the starting line all equally ready to run, nor are the hurdles along it of equal height for each runner. Students from low socio-economic backgrounds have a greater risk of educational underachievement than their more privileged peers. The impact of this is wasted potential, high economic cost and social division.
- 1.3 Whether a government prefers to aim for equality of opportunity or equality of outcome, there is a general agreement that some learners need more assistance than others to achieve at school. Even when Ministers of Education have publicly denied or down-played the link between out-of-school factors and achievement, no government of the last 30 years has intended to simply treat every student at school exactly the same, whatever their needs.
- 1.4 PPTA has a longstanding interest in greater equity for our students. Collective agreement claims for increased staffing for schools that serve disadvantaged students, conference papers<sup>3</sup> on schools as community hubs, and other initiatives have all been endorsed by PPTA members over the years.
- 1.5 There is no one determining factor that will close the 'achievement gap' between advantaged and disadvantaged students, but there is increasing evidence that equity funding can make a contribution, and it is one that we should not ignore.

## 2. Background

- 2.1 In 2014, the PPTA annual conference approved a paper calling for a national discussion with sector leaders about a needs-based funding system. A group, the National Education Leaders Partnership was formed as a result and developed a set of

---

<sup>1</sup> For example, Pickett, K., & Wilkinson, R. 2009 *The Spirit Level: Why Equality is Better for Everyone*, Penguin Books; London, and Stiglitz, J. 2012, *The Price of Inequality* Penguin Books; London

<sup>2</sup> Coleman, J. 1966. *Equality of Education Opportunity* Available from <http://www.icpsr.umich.edu/icpsrweb/ICPSR/studies/6389>

<sup>3</sup> E.g. *A needs based model of resourcing: time for a national discussion?* PPTA Conference Paper, 2014 Available from <http://www.ppta.org.nz/resources/publication-list/3191-needsbased-model-school-resourcing>



principles to take to the Minister of Education to initiate a discussion about school funding.

- 2.2 The government has now begun the review and presented some proposals for change. There are elements of the proposals that look like they meet the principles established by PPTA and the other organisations, and others that do not.
- 2.3 This paper addresses the issue of equity funding, or 'funding for students at risk of not achieving', as the ministry of education papers call it, which is one element of the proposed funding model. It develops the model into something that fits with our understanding of equity and a fair and adequate funding model.

### **3. What happens now with equity funding?**

- 3.1 Overall the current system of funding New Zealand schools favours fairness rather than equity. This means that students in broadly similar situations, e.g. age or the type of school they are at, attract the same level of public funding. This is a result of the staffing formula, which generates around 70 percent of the total value of resourcing, and formula-based operations funding. This 'algorithm' driven system has many advantages, which should not be discounted, in that it is transparent and there is little room for local idiosyncrasies, cronyism or corruption.
- 3.2 The component of funding that is specifically related to compensating for disadvantage, the equity component, is small, only 2- 3 percent of the total amount of school funding, or approximately \$120 million a year. This is what is delivered through the decile (Targeted Funding for Educational Achievement, part of the Special Education Grant, and Careers Education Grant) component of the operational grant. There is no equity-based staffing component<sup>4</sup>.
- 3.3 One way to evaluate the adequacy of equity of resourcing is through self-reporting by principals. This is available from the OECD through their PISA reports<sup>5</sup>, where principals were asked about their ability to recruit appropriate teachers and have access to quality educational materials, internet, devices and such like. According to the OECD, New Zealand has low equity in this regard, in that pupils from low socio-economic status (SES) backgrounds are more likely to attend schools where principals' report problems with access to resources. This is consistent with the findings of the 2015 NZCER survey of secondary schools.<sup>6</sup> The table below shows that despite the inequity of resource distribution, New Zealand students perform relatively well, with no country that distributes resources as unequally as us performing as well in the PISA tests.

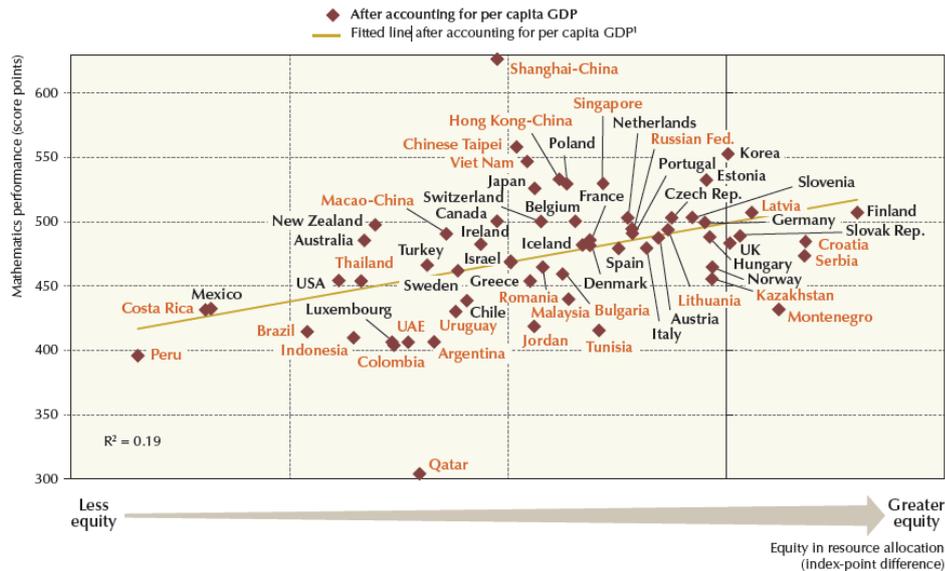
---

<sup>4</sup> There is a small number of school staff, funded by other agencies such as Ministry of Health, which are targeted by deciles. These are not teaching staff.

<sup>5</sup> Pisa in Focus 44, 2014. *How is equity in resource allocation related to student performance?* Available from [https://www.oecd.org/pisa/pisaproducts/pisainfocus/pisa-in-focus-n44-\(eng\)-final.pdf](https://www.oecd.org/pisa/pisaproducts/pisainfocus/pisa-in-focus-n44-(eng)-final.pdf)

<sup>6</sup> Wylie, C. & Bonne, L. 2016 *Secondary Schools in 2015*, available from <http://www.nzcer.org.nz/research/publications/secondary-schools-2015>

### Students perform better when school systems allocate resources more equitably



Note: Equity in resource allocation refers to the difference in the *Index of quality of schools'* educational resources between socio-economically advantaged and disadvantaged schools.

Another way to evaluate how well current equity funding works is to ask, how equitable are outcomes for students from disadvantaged backgrounds? New Zealand does not fare well in this regard. Report after report<sup>7</sup> demonstrates that New Zealand students from low SES backgrounds continue to lag behind their peers. It is worth noting that while some commentators<sup>8</sup> continue to claim variation in the quality of teachers is the cause of this variable achievement, there is no evidence to support this<sup>9</sup>.

## 4. What funding is required to promote equity?

- 4.1 How much would it take to give students who are most at risk of not achieving due to factors out of their control, the same chance as other students to succeed? This is difficult to answer, but there is emerging evidence to look towards.

<sup>7</sup> E.g. Education Counts, School Leavers with NCEA Level 2 or above, 2015 Available from <https://www.educationcounts.govt.nz/indicators/main/education-and-learning-outcomes/1781>

<sup>8</sup> For example, rich-lister Steven Jennings on TVNZ Q&A programme, July 17, 2016. Available from <http://www.nbr.co.nz/article/nbr-rich-lister-calls-govt-fix-inequality-and-education-191726>

<sup>9</sup> A comprehensive, New Zealand exploration of this is Snook, I., et al. 2013, *The Assessment of Teacher Quality, An Investigation into Current Issues in Evaluating and Rewarding Teachers*, available from [http://www.massey.ac.nz/massey/fms/Massey\\_percent20News/2013/9/docs/EPRG2013\\_Treasury.pdf](http://www.massey.ac.nz/massey/fms/Massey_percent20News/2013/9/docs/EPRG2013_Treasury.pdf)



## Netherlands

A recent report<sup>10</sup> based on analysis of PISA 2012 data showed that the Netherlands has the lowest rates of variance as a result of students' SES of all the countries in the test. In the Netherlands, according to the measurement used in PISA tests, being in the lowest SES quartile made no statistical difference in regards to students' likelihood to be in the low performing group. The contrast with New Zealand is stark, where students from the lowest quartile were six times as likely to be low performers.

One of the strategies that is used in the Netherlands, highlighted in the report, is "...allocating additional resources to schools based on the number or proportion of disadvantaged students enrolled..." and that this "...can be an effective and equitable way of supporting low performers."

The amount dedicated by the Netherlands to achieving this is at a different scale from what New Zealand allocates. There, the nearly 15 percent of schools that serve the highest proportion of disadvantaged students receive 80-90 percent extra funding, as Ladd and Fiske have described in a 2010 paper.<sup>11</sup> This is overall funding, not just operational funding, which is not separated out in that jurisdiction. In practice what this means is that the schools that serve the most disadvantaged students have much lower teacher:student ratios (around 60 percent more teachers) and many more support staff, along with after-school programmes and so forth. This means that the Netherlands' equity funding component makes up at least 12 percent of total school resourcing.

## USA

The impact of court-mandated funding reform in the USA provides an interesting experimental model for the impact of school resourcing changes.

A series of court cases, beginning in the 1970s, meant that some states and school districts had to dedicate extra resources to areas of low achievement that were traditionally relatively underfunded.

The abstract from a 2015 paper by Jackson, Johnson and Persico<sup>12</sup> sets out some remarkable findings:

*We use the timing of the passage of court-mandated reforms, and their associated type of funding formula change, as an exogenous shifter of school spending and we compare the adult outcomes of cohorts that were differentially exposed to school finance reforms, depending on place and year of birth. Event-study and instrumental*

---

<sup>10</sup> OECD, 2016 *Low-performing Students. Why the fall behind and how to help them succeed*. Available from <http://www.oecd.org/education/low-performing-students-9789264250246-en.htm>

<sup>11</sup> Ladd, H., & Fiske, E. 2010 *Weighted student funding in the Netherlands: A model for the US?* Available from <http://onlinelibrary.wiley.com/doi/10.1002/pam.20589/abstract>

<sup>12</sup> Jackson, C., Johnson, R., & Persico, C. 2015 *The effects of school spending on educational and economic outcomes: evidence from school finance reforms* Available from <http://www.nber.org/papers/w20847>



*variable models reveal that a 10 percent increase in per-pupil spending each year for all twelve years of public school leads to 0.27 more completed years of education, 7.25 percent higher wages, and a 3.67 percentage-point reduction in the annual incidence of adult poverty; effects are much more pronounced for children from low-income families. Exogenous spending increases were associated with sizable improvements in measured school quality, including reductions in student-to-teacher ratios, increases in teacher salaries, and longer school years<sup>13</sup>.*

Similar results have been found in other research on funding reform in the USA, where resources were increased and directed at traditionally underfunded schools serving low SES communities, most of them focusing on shorter run outcomes such as SAT scores and college entry, rather than the longer run outcomes of this study. The results are consistent in their general findings, with specific details of effect size and spending differences varying.

Furthermore, research on US funding reforms undertaken in the 1990s showed that reforms which focused on 'adequacy of funding', which led to levelling up of school funding across districts, rather than simply redistributing from wealthy districts to poorer ones, also led to significant test-score gains, in particular for students from those poorer districts.<sup>14</sup>

## **5. Targeting schools or targeting students?**

- 5.1 There are advantages and disadvantages to both options. Currently we target resourcing to schools that serve relatively higher proportions of the lowest quintile of SES students, through the decile system, and each student in the school attracts the extra resource, irrespective of their actual situation. The government is proposing changing that to targeting resources only to students who meet the 'at risk' criteria<sup>15</sup>. This involves both a change to the criteria and a change to how it is delivered.
- 5.2 Directing resources to the whole school on the basis of where it sits in a continuum of relative SES has advantages, in that it does recognise that concentrations of low SES students in a school face significant extra challenges. There is an implicit concentration factor, which means that schools with high proportions of at-risk students are able to provide greater resource at a level which is able, to some extent,

---

<sup>13</sup> We must be careful not to read this too simplistically (for example, by assuming if a 10 percent increase in school spending leads to 7.25 percent higher wages as an adult, a 20 percent increase must lead to a 14.5 percent increase in wages) or by simply taking this to be true in a different time and context. And it is also worth pointing out that many of these jurisdictions were coming from much lower levels of spending on low SES students and schools. It is also important to note that a significant difference from what is being discussed in New Zealand to the US funding reforms is that there extra funding has been directed at school districts rather than individual schools, or students.

<sup>14</sup> Lafortune, J., Rothstein, J & Scanzenbach, D. 2016 *School Finance Reform and the Distribution of Student Achievement* Available from

[http://eml.berkeley.edu/~jrothst/workingpapers/LRS\\_schoolfinance\\_feb2016.pdf](http://eml.berkeley.edu/~jrothst/workingpapers/LRS_schoolfinance_feb2016.pdf)

<sup>15</sup> See 'Measures of Need' below.



to make a difference. However, one downside of the current system is that schools with very different profiles of students can sometimes be in the same decile, and some schools with a small number of very disadvantaged students may not receive any extra resource to assist them.

- 5.3 On the other hand, schools that are serving high proportions of very low SES students (Decile 1A or 1B) for example would very likely lose resourcing under a model that targets resources to individual students rather than the whole school, particularly if the resource is simply redistributed within the current pot of 2-3 percent of total school funding, rather than increased. This is because a number of students at any low decile school would not meet the criteria, whereas under the current system every student attracts funding.
- 5.4 Funding targeted at individual students also runs the risk of not making much of a difference for those individuals as well, particularly if there are few of them in each school. How equity funding is spent is very relevant to this – as equity funding is not proposed to be tagged directly to the students who attract it, schools will use this funding in a variety of ways, generally on things like employing more staff (teachers or support staff) running programmes (breakfast clubs, homework clubs) or such like. Very small numbers of students at risk in a school will be unlikely to attract enough resourcing to make these possible. It is important therefore that student targeted equity funding does not make it more difficult to undertake these initiatives, i.e. if it is uncertain year to year (or potentially over even shorter timeframes, if at risk students are more mobile than their peers, which is likely) then schools will be wary about committing to staff or programmes if the students who attract the resource could move away, taking the resources with them.
- 5.5 If funding changes are not to fall woefully short of expectations, moving resources away from schools that are already struggling to make ends meet (as the OECD report referenced above indicates) it is essential that student-targeted funding does not leave these schools worse off.
- 5.6 Student targeted funding has the advantages of removing blunt profiling of schools (and the associated negatives of stigmatising schools) and getting resources to those most at risk whatever school they are at. However, the design needs to recognise that they are educated in institutions that have to employ people and plan for the future. It must not cause greater uncertainty that undermines schools. It is worth noting that schools would not be told which students were attracting the extra funding. In effect therefore the equity funding resource is on a school profile, and as ever, teachers would need to make professional judgements about which students require extra interventions, and what those interventions should be.

## **6. Measures of need**

- 6.1 Whether equity funding is targeted to students or to schools as a whole, there needs to be measures that are used to identify who is at risk. Currently the decile system uses



census data to do this, relying on five measures to create an overall profile for a community that a school serves. These five measures are:

- the percentage of households with
  - income in the lowest 20 percent nationally;
  - employed parents in the lowest skill level occupational groups;
  - household crowding;
  - parents with no educational qualifications;
- and parents receiving income support benefits.

6.2 The 10 percent of schools with students from meshblocks - areas containing roughly 50 households - with the highest proportion of those indicators are decile 1. The 10 percent with the lowest are decile 10, and so forth.

6.3 The proposal to move to student targeted funding that the government has put up suggests four measures for identifying at risk students, which are absolute rather than relative measures, in that whether a student meets the test or not does not depend on their situation relative to the rest of the country. These were identified through research by the Treasury and Ministry of Education which looked into factors that correlated with not achieving NCEA level 2, as well as longer run poor outcomes, using administrative data that the government holds.

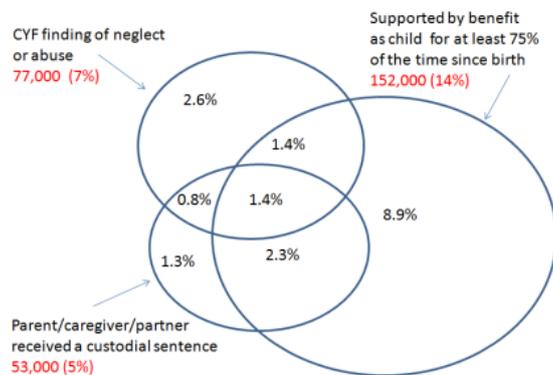
6.4 The four factors that are proposed are:

- Living in a household dependent on a benefit for 75 percent of a child's first 5 years, or most recent five years ( Held by MSD, 14 percent of young people in 2012)
- Having a parent with a custodial sentence ( Held by Corrections, 5 percent of young people)
- Having a CYF finding of abuse or neglect (Held by MSD, 7 percent of young people had CYF finding of abuse or neglect and around 15 percent have had a notification)
- Low level of maternal qualifications (currently not held centrally for all parents, would have to be collected by schools or through other mechanism)

6.5 The diagram below shows the interaction of the three of these factors that are currently held, in terms of percentages of the cohort and how they intersect, showing that 18.7 percent of the whole cohort meets one or more of the three first factors.<sup>16</sup>

---

<sup>16</sup> McLeod et al. for NZ Treasury. 2015 *Using integrated administrative data to identify youth who are at risk of poor outcomes as adults*. Available from <http://www.treasury.govt.nz/publications/research-policy/ap/2015/15-02>



These factors have the advantage of being objectively determined, and the ‘data entry’ for them does not rely on people who will directly benefit from the outcome of them, i.e. they are unlikely to be gamed.

6.6 Some of the other factors, in Treasury’s own papers, also have high predictive value (i.e. failing to achieve NCEA level 2 or equivalent) for negative outcomes later in life (such as long periods of time dependent on a benefit, custodial sentences or such like). Some of these which are objective, could be centrally collected and potentially are good measures of being at risk include:

- Having a household address that is in a lowest decile meshblock on the social-deprivation index
- Being from a single parent family
- Having a primary parent or caregiver who holds a community services card.

6.7 Using a range of measures, such as the initial four plus the three proposed above, with at least one of them having high correlation with low income (such as holding a community services card) will identify a high proportion of students as at risk. This would have the disadvantage of potentially having a larger number of ‘false positives’, that is, students who are presumed to be at risk, who may not actually be, and spreading the resource too thinly to make much of a difference. However, using this wide range of measures and requiring that two are matched to trigger the equity funding, and four matches trigger a higher level of funding, may mitigate this, and would recognise that some students are in much higher risk groups than others and require extra support<sup>17</sup>.

6.8 Aiming to target around 15-20 percent of students with ‘moderate’ risk with some equity funding, and a smaller group, 5-10 percent with a higher level of equity funding could be a way of achieving balanced targeting, and would generate funding for around the proportion of students that currently fail to achieve school benchmarks. The suggestion of these seven factors does not preclude funding also being triggered

<sup>17</sup> It is also worth noting, and will come as no surprise to any teachers, that there are relatively significant proportions of students who don’t meet any of these criteria who do not achieve NCEA level 2 and/or go on to have long term negative outcomes.



for other reasons, such as non-English speaking backgrounds, special education needs or the extra resources required to deliver Māori immersion education.

- 6.9 Using these seven measures and requiring at least two matches to trigger equity funding and four to trigger a higher level of funding is an approach that PPTA would like to see modelled and potentially trialled. However using these risk factors comes with some cautions; in particular being careful to avoid confusing criteria that correlate with risk of underachievement and those that actually predict it. This is a problem of 'social investment' approaches across health, social welfare and education.

## **7. Multipliers for need**

- 7.1 One of the criticisms of the decile system is that it only attracts operations funding and does not also provide extra staffing to schools. As the US and Dutch examples of equity funding changes show, extra teaching staff are some of the most important resources that schools use to compensate for disadvantage.
- 7.2 An equity funding model that attracts extra resources that are both staffing and operational funding provides greater support for these students, and also gives schools more of an incentive to try to take on, and keep, these students.
- 7.3 A system whereby a student with at least two factors (in the 15-20 percent at risk group) attracts, for example, 1.1 times the staffing and operational funding of a 'not at risk' student, and one in the higher risk (5-10 percent) group attracts 1.5 times as much would be one answer to this. Setting the 'at risk' resourcing ratios at this level would require, according to PPTA calculations, that the total amount of equity funding is increased to 7 percent of the total school funding, i.e. more than doubling the \$120 million currently spent.
- 7.4 A 'multiplier model of 'at-risk student' funding has inherent within it the notion that there is a certain level of funding that is required to deliver an adequate education to the average student and that an amount is required above this to achieve the same outcomes for those who come to our schools with significant disadvantages.
- 7.5 The use of multipliers for students at risk is the mechanism suggested in the Gonski<sup>18</sup> review, which also recommends a range from 1.1 to 1.5. It has also been used historically in New Zealand for different groups of students (identified by ethnicity), when, for example, in the 1970s, schools with over a certain proportion of Māori students attracted 1.2 staffing and operational funding for each Māori student.
- 7.6 It is worth noting that the multipliers suggested may be at the low end to achieve the goal of increasing achievement for at-risk students. US research indicates that around

---

<sup>18</sup> Australian Government, 2011. *Review of Funding for Schooling*. Available from <https://docs.education.gov.au/system/files/doc/other/review-of-funding-for-schooling-final-report-dec-2011.pdf>



a 1.3 multiplier is accepted as standard for students in poverty, and outliers put the ratio as high as double standard funding.<sup>19</sup>

## 8. Concentration factor

- 8.1 As explained earlier, concentrations of disadvantage provide extra challenges to schools to meet their students' needs. The evidence for peer effects is well documented, i.e. students from low SES backgrounds generally perform better at schools with fewer low SES peers.<sup>20</sup> A system which targets at-risk students would also need to compensate for the additional effects of concentration.
- 8.2 Under the current system schools in the lowest decile band receive overall around 8 percent of funding as equity funding, down to 0 percent in the highest. This is likely to be inadequate, both from the persistent gap in achievement, the reports of principals of adequacy of resources, and the international evidence around how much it takes to make a difference.
- 8.3 The comprehensive 2011 Gonski report made recommendations about concentration factors based on their research, which could be a useful model to consider.
- 8.4 Its recommendations were that a sliding scale be developed with the following as the top and bottom end of the range:
- 10 percent for each low SES student in schools with under 10 percent of students in the lowest SES quarter
  - 50 percent for each low SES student in schools with more than 75 percent of students in the lowest SES quarter
- 8.5 Translating that to using the risk factors proposed here, and recognising that it is unlikely that many schools will have large proportions of students with 4+ risk factors, a scale for use with the proposed risk-factors could have at the top and bottom end:
- An extra 10 percent loading for each student with 2 or more risk factors in a school with over 30 percent of students having 2 or more risk factors (as 30 percent would be around the system wide average) .
  - Research from California on high-poverty schools suggest that concentration loadings should kick-in at above 55 percent of students at-risk, so a middle weighting of around 30 percent extra in this case.
  - An extra 50 percent loading for each student with 2 or more risk factors in a school with over 75 percent of students having 2 or more risk factors.
- 8.6 Calculating the extra cost of this would be something that the Ministry of Education would need to model in its proposed changes, and it undoubtedly would increase the

<sup>19</sup> Imazeki, J 2007., *School funding formulas: what works and what doesn't? Lessons for California* Available from [http://www.csus.edu/calst/frfp/school\\_funding\\_formulas\\_final.pdf](http://www.csus.edu/calst/frfp/school_funding_formulas_final.pdf)

<sup>20</sup> E.g. School Finance 101: Cost adjustments for poverty and English learners, blog post available at <http://www.edpolicyinca.org/blog/school-finance-101-cost-adjustments-poverty-and-english-learners>



equity funding total above 10 percent of total school funding. Phasing this in over time, developing the sector and public's understanding and political buy-in would all be required to make this work, but it is worth aiming for.

## **9. Ensuring stability of funding**

9.1 One of the challenges that many schools face is uncertainty of funding from year to year, or even within years since the introduction of quarterly funding of operational grants. Institutions require predictable and stable resourcing to plan for the long term, to make appointments, create a thriving professional community with stable teacher-student relationships, and invest in programmes and on-going professional learning.

9.2 A risk of shifting from the current system to a student-targeted funding model is that it creates greater uncertainty of school funding. Students who are at higher levels of risk and attract more resourcing are more likely to be mobile (shifting schools regularly). Schools who struggle to develop initiatives and programmes for these students may find the funding is not there the next year. Recent US research has highlighted the impact of completely student-driven funding formula that shifts resourcing around schools very flexibly:

*"As Hammer explains in his paper, the short-term costs of losing a student are far greater than the average cost of educating a student. When a child leaves a school district ... the money follows them, but overhead costs, such as heating a school building, don't suddenly drop. As Hammer puts it, losing a kid can put a "strain on local budgets because annual enrolment losses generally cannot be translated into immediate cost reduction that match the per-pupil funding loss."<sup>21</sup>*

9.3 To mitigate the risk of this it may be advisable that funding for at risk students is determined on an 'average number of students' basis rather than purely on actual numbers each year. This could be achieved by calculating the median number of students who meet the criteria at a school over a 3-5 year period. This would mean that annual changes would be smoothed out, in that a dramatic spike or dip in one year would have less of an impact on on-going funding. The actual average could either be 're-normed' every 3-5 years or could be a moving average.

## **10. Why the equity funding component needs to be increased**

10.1 Whatever resourcing changes occur, it is essential that all schools maintain an adequate level of resourcing to meet their students' needs. Currently we have little understanding of the adequacy of funding to our schools.

---

<sup>21</sup> Gross, A. 2016. *Study: The proliferation of charter schools in Michigan hurt traditional districts.* Detroit Metro Times, available from <http://m.metrotimes.com/Blogs/archives/2016/07/18/study-the-proliferation-of-charter-schools-in-michigan-hurt-traditional-districts>



10.2 Simply increasing the equity funding component within the current baselines of public funding will inevitably shift some funding away from some schools to others. Whether there is 'fat in the system' to achieve this without losing some of the strengths of the current system is at the very least arguable, and from school reports of adequacy, unlikely. As has been pointed out in previous PPTA papers<sup>22</sup>, New Zealand's per student spending is relatively low. Education Counts states:

*In 2012 New Zealand's annual public and private per student expenditure by primary education institutions was well below the OECD mean across 33 countries. Per student expenditure on secondary education institutions was slightly below the OECD mean, across 32 countries.*

*New Zealand's annual education expenditures for primary school students and secondary students (US\$7,069 and US\$9,409 respectively, converted using purchasing power parities for GDP) ranked 22nd and 17th respectively in the OECD, below Australia, Ireland, the United Kingdom and the United States.<sup>23</sup>*

10.3 What this tells us is that we already have a relatively cost-effective education system, and it would be risky to shift funding on the assumption that there are areas which receive more public funding than they require.

## Recommendations

- ~~1. That the report be received.~~
- ~~2. That PPTA advocate for equity funding that recognises a range of objective and measurable characteristics of students at risk of not achieving, with higher levels of funding for students who exhibit multiple factors.~~
- ~~3. That PPTA advocates for equity funding which includes both staffing and operational resourcing.~~
- ~~4. That PPTA advocate for equity funding to increase from 2-3 percent of total school funding to at least 10 percent, by increasing the total school funding budget, without any schools losing public funding.~~
- ~~5. That PPTA advocates for a scale of equity funding which increases baseline resourcing levels by between 1.1 and 1.5 times for students with increasing numbers of risk factors.~~
- ~~6. That PPTA advocate for additional concentration factor equity funding for schools serving higher proportions of at risk students.~~

---

<sup>22</sup> Eg needs-based resourcing paper, referenced above

<sup>23</sup> Available from <https://www.educationcounts.govt.nz/indicators/main/resource/2043>

# 2016 Annual Conference Minutes

Minutes of the Annual Conference of the New Zealand Post Primary Teachers' Association (Inc) held at the Brentwood Hotel, Kilbirnie, Wellington, commencing at 9.45 a.m. on Tuesday 27 September, continuing at 9.00 a.m. on Wednesday 28 September and 9.00 a.m. on Thursday 29 September 2016.

## Real equity funding: resourcing schools to support at-risk learners

### C16/71/16

1. THAT the report be received; and
2. THAT PPTA advocate for equity funding that recognises a range of objective and measurable characteristics of students at risk of not achieving, with higher levels of funding for students who exhibit multiple factors; and
3. THAT PPTA advocate for equity funding which includes both staffing and operational resourcing; and
4. THAT PPTA advocate for equity funding to increase from 2-3% of total school funding to at least 10%, by increasing the total school funding budget without any state or integrated schools losing public funding; and
5. THAT PPTA advocate for a scale of equity funding that increases baseline resourcing levels by between 1.1 and 1.5 times for students with increasing numbers of risk factors; and
6. THAT PPTA advocate for additional concentration factor equity funding for schools serving higher proportions of at-risk students.

**Carried**