

## Questions and answers on decile change

### **What's changing?**

The decile/EQI mechanism is being replaced with a Risk Index that will be used to estimate the number of children in each school or service who are at greater risk of educational underachievement due to disadvantage and to fund schools and services on this estimate.

The Risk Index would estimate the likelihood that a child or young person will not achieve NCEA Level 2 based on information about that child's life. Analysis indicates that the index would more accurately assess a child's likelihood of underachievement than the decile/EQI of the school or service that child attends.

The index estimates a child's risk of not achieving, it is not a determination. Some children and young people estimated to be at higher risk will go on to achieve and some who are estimated at lower risk will not.

Schools and early learning services will be advised of their estimated proportion of children and young people predicted to be at greater risk of educational underachievement.

### **What will be in the Risk Index**

The index will be finalised as part of the next stage of work, including which factors are included. The factors being considered include:

- Proportion of time spent supported by benefits since birth
- Child has a Child, Youth and Family notification
- Mother's age at child's birth
- Father's offending and sentence history
- Ethnicity
- Youth Justice referral
- Benefit mother unqualified
- Proportion of time spent overseas since birth
- Mother's average earned income over the previous 5 years
- School transience
- Country of birth
- Father's average earned income over the previous 5 years
- Migrant /New Zealand born
- Number of children (mother)
- Mother received third tier benefits (payments directed to alleviating hardship)
- Most recent benefit male caregiver is not the birth father.

These factors are all known to be correlated with whether or not children achieve.

Over time the index will be updated and improved using the achievement information of new cohorts of children and incorporating new administrative data sets that become available.

The Risk Index will be reviewed by the Social Investment Agency and the Chief Science Advisors.

### **When will the new system be implemented?**

The Government currently plans to implement the change from 2019 or 2020 but this will be consulted on with the sector.

### **What are next steps from here for implementation?**

The implementation plan will change depending on whether 2019 or 2020 is chosen.

There is a large programme of work that will include the Ministerial Advisory Group, the technical advisory group, ERO and other agencies as appropriate to ensure the best possible implementation of the new system.

### **Why is the Government replacing the decile system?**

The decile system is a blunt instrument that has led to schools being stigmatised and unfairly judged.

By funding schools for the estimated number of children and young people they have who are at greater risk of educational underachievement due to disadvantage, we will be able to better support schools to lift achievement.

Advances in data and analytics mean that we are now able to use information about the circumstances of children rather than the neighbourhoods in which they live to better target funding to schools and early learning services.

The new approach will enable more frequent reassessments so that funding can be targeted on an ongoing basis to where the need is greatest. Currently, decile/EQI recalibrations are only possible every five years.

This new methodology does not require any additional information to be collected from parents or schools.

### **Who's been involved in developing the new system?**

The Risk Index is being developed by the Ministry of Education, drawing on earlier analytical work by the Treasury. The work has also been informed by engagement with the wider sector through the Cross Sector Forum as well as consultation with a technical reference group, which is largely made up of principals, and the Ministerial Advisory Group which is made up of 18 education leaders.

The Ministry is also working with Statistics New Zealand and has consulted with the Office of the Privacy Commissioner to ensure the privacy of individual children is protected.

## Potential impact on schools and early childhood education services

### **What will be the potential impact on schools and ECE?**

It is too early to say what the specific impact will be for individual schools.

The amount of funding that a school will receive will be dependent on the school's roll closer to when the new funding method is implemented.

However, no school, early learning service or ngā kōhanga reo will see a reduction in their funding as a result of this change. In fact, we expect some will gain significantly.

Further decisions are required about the details of the funding mechanism and the Ministry of Education will report back to Cabinet in late 2017 on these details, with decisions taken as part of Budget 2018.

### **What will be the ongoing impact of the Risk Index on school funding?**

School funding is recalculated regularly to reflect changes such as increased or reduced school rolls.

Under the current system schools' deciles are reviewed every five years and the resulting changes to their disadvantage funding can cause significant disruption.

Using the Risk Index to estimate the proportion of children in a school or service at greater risk of underachievement is likely to mean recalculations are done annually, so that funding is targeted on an ongoing basis to where the need is greatest.

We do not expect there to be such big changes from year to year as occurred every five years under the decile system.

### **What will be the impact on other programmes from replacing the decile system?**

Some other government agencies and non-government organisations use decile to target programmes or services. For example, Nurses in Schools, Fruit in Schools, Social Workers in Schools, Youth Workers in Secondary Schools, KidsCan and Duffy Books in Home.

The Ministry will work with agencies and organisations prior to implementation of this change to ensure programmes and services continue to reach those schools and services where the need is greatest.

There is an agreement that with regard to core resources such as Social Workers in Schools and Nurses in Schools there will be no loss in overall resources.

## **What do schools currently spend their decile money on?**

The funding that is attached to their decile rating accounts for about 3% of their operational resources. Schools have flexibility about how they use this funding.

They use it in a range of ways to mitigate the risks faced by their students and to support their learning and progress.

This includes employing additional teaching staff, teacher aides, community liaison staff, providing experiences, such as meeting the cost of school trips, outdoor educational camps and subsidising co-curricular activities, and providing assistance with school uniforms and stationary.

## **Will that change under the new system?**

It is envisaged that schools will continue to have flexibility in how they spend this funding.

## **The potential impact on children and young people, their family and whanau**

### **Will the data on individual children be anonymised?**

Information on estimated risk of not achieving of individual children or the factors that contribute to that risk cannot be provided to the Ministry of Education, schools or services.

The Risk Index will operate within the Statistics New Zealand hosted Integrated Data infrastructure (IDI). Individual information cannot be disclosed from the IDI. The information which will be extracted from the IDI is the estimated number of children in each service or school who are at higher risk of educational underachievement.

In addition, confidentiality rules are being developed to further restrict what can be reported from the IDI to strengthen the protection of individual privacy. For example, these rules will restrict what can be reported about schools/services with small rolls and where there are very small or very large proportions of children identified as at risk of underachievement in a school. This reduces the possibility that individual children could be inadvertently identified.

### **How will parents know which school to send their child to without the decile system?**

It is not, and was never, intended that decile serve as a measure of school quality and a guide for parent's decisions on the school that will best meet the needs of their child. Parents should continue to use information that's available to them such as reports from the Education Review Office, school visits, and their own networks.

### **What work will be done to improve information about schools?**

We are working on a number of initiatives to make it easier for parents to find and assess information about schools. This includes a project with ERO that improves their reports and key information as well as making it more accessible to parents. This will involve some investment in greater online tools.