



# The SAC competitive processes: information about funding recoveries, grand-parenting and SDR coding

This document provides you with information about funding recoveries, grand-parenting, SDR coding and other information for 2017 and 2018 for SAC levels 1 and 2 and SAC levels 3 and 4 competitive processes.

## Allocations

The allocations for both the SAC competitive and non-competitive are based on specific qualifications (or type of qualification) and delivery locations. Provision delivered outside of the specific qualification and Territorial Local Authority (TLA) combination attracts a \$zero funding rate. You must ensure that delivery takes place within the parameters of your approved allocation, and that you report learners accurately.

## Mix of Provision

In exceptional circumstances, we may allow changes to a mix of provision. Proposed changes must be discussed and agreed with us. Modifications that are approved may require a Plan amendment (if the amount of funding changes), and all will require the mix of provision to be updated.

You will need to contact your TEC contact regarding any changes you propose, including changes to:

- › delivery sites / territorial local authorities (TLAs)
- › qualifications (including changes required following TRoQ)
- › levels of qualification
- › provision type (for example changing from trades to non-trades).

## Funding source codes (Single Data Return)

Please ensure that you use the correct funding source codes in your Single Data Return (SDR). We will monitor the data at the April and August SDRs and advise you of any coding issues.

If there is coding that needs fixing in the August SDR, we will request that you resubmit your SDR. This will help to ensure the data quality in the December 2017 SDR and avoid delays to the end of year processes, monitoring and reporting.

A detailed table relating to the funding source codes, including which codes to use for grand-parenting, is at the end of this document.

## Recoveries

Competitive and non-competitive allocations will be treated separately in the assessment of the value of delivery and its impact on funding recoveries. The Plan amendment for any grand-parenting will be added to the appropriate allocation and is included for the purposes of assessing under / over deliver, and recovery calculations.

## Flexible funding - over-delivery payment (102%)

The levels 3 and 4 competitive allocation will be assessed for over-delivery payments separately to general SAC L3+ allocations and delivery (although the *combined* educational performance will be used as part of the assessment for eligibility).

Please note that SAC levels 1 and 2 are not eligible for flexible funding.

## Grand-parenting

The intention of the grand-parenting arrangements is to ensure the completion of students who enrolled in qualifications before the completion of the competitive selection processes. Students who enrolled on or before 31 October 2016 may be eligible for grand-parenting arrangements.

For most providers, Plan amendments due to funding requirements for grand-parenting will be made following the August 2017 SDR. This SDR must include the full EFTS value for all of these learners through to their completion date. We will also monitor delivery in the April SDR and may make earlier adjustments if necessary.

The correct coding of learners, both grand-parented and otherwise, will minimise year-end funding recoveries.

We expect most TEOs to be able to meet the cost of grand-parented learners through current allocations in 2017 until the Plan amendments are calculated following the August 2017 SDR. Specific funding will be allocated to TEOs that do not have sufficient alternative funding.

Following the August 2017 SDR we will calculate **final amount** due for grand-parenting and compare this with the amount of delivery against other SAC funding allocations in order to determine the appropriate Plan amendments. For example:

- › If a TEO has delivered to (or above) the value of another SAC allocation(s), then the Plan amendment will provide additional funding specifically for grand-parenting.
- › If a TEO has under-delivered against the value of another SAC allocation(s), then this allocation will be reduced, and a separate funding allocation will be made for the value of the grand-parenting.

## EPIs and Performance-Linked Funding

All provision included in the various SAC funding source codes will be included in the whole of organisation EPIs and Performance Linked Funding (PLF) calculations.

## Qualifications that the TEC has declined to fund are not eligible for student support (student loans and allowances)

No government funding is available for qualifications that we have declined to fund, except for the grand-parenting arrangements as described above.

In the STEO qualification register funding eligibility flags must be changed from “Y” (Yes) to “W” (Withdraw). We will undertake these changes on your behalf and will provide you with the list of qualifications that have been changed.

Note that qualifications used for the grand-parenting of 2016 students will not be changed until all students have completed their course of study. We will provide StudyLink with the full list of declined qualifications.

Once activity has ceased in each qualification, the flags that will be changed to “W” are:

- › eligible for SAC funding
- › eligible for student loans
- › eligible for student allowances.

### **New enrolments in qualifications that we have declined to fund**

Providing you have NZQA approval for a qualification, you may offer this qualification to students even if we have declined to fund it.

In this instance, you must report the enrolment as funding source code 03: domestic full-fee paying students. These learners will not be able to access student loans and allowances.



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<i>Funding source description</i>	<i>2016 SOF</i>		<i>Description of enrolment</i>	<i>2017 SOF</i>	<i>Funding rate</i>	<i>August 2017 SDR</i>
<b>Levels 1&amp;2: Under 25s fees-free</b>	Current 2016 course enrolments	27	Courses with 2016 start date, 2017 end date. (Funding source code for current course enrolments cannot be changed)	27	New non-competitive fees-free rate (funded through grand-parenting arrangements)	<b>Final date for reporting any students.</b> Even if the enrolment has not completed by the Aug SDR submission, the full EFTS relating to the enrolment must be included in the submission.
			<b>New 2017 course enrolments for completing 2016 students:</b>	<b>New Code</b>		
			If qualification <b>not approved</b> for funding (either competitive or non-competitive)	26	New non-competitive fees-free qualification rate (funded through grand-parenting arrangements)	
			If qualification approved for funding <b>non-competitively</b>	26	New non-competitive fees-free qualification rate	
		If qualification approved for funding <b>competitively</b> in 2017	25	New competitive funding rate	Normal SDR reporting	
<b>Levels 1&amp;2: 2015 &amp; 2016 Competitive</b>	Current 2016 course enrolments	25	Courses with 2016 start date, 2017 end date. (Funding source code for current course enrolments cannot be changed)	25	Previously agreed competitive funding rate (funded through grand-parenting arrangements)	<b>Final date for reporting any students.</b> Even if the enrolment has not completed by the Aug SDR submission, the full EFTS relating to the enrolment must be included in the submission.
			<b>New 2017 course enrolments for completing 2016 students:</b>	<b>New Code</b>		
			If qualification <b>not approved</b> for funding (either competitive or non-competitive)	25	Previously agreed competitive funding rate (funded through grand-parenting arrangements)	
			If qualification approved for funding <b>non-competitively</b>	26	New non-competitive fees-free qualification rate	
		If qualification approved for funding <b>competitively</b> in 2017	25	New competitive funding rate	Normal SDR reporting	

<i>Funding source description</i>	<i>2016 SOF</i>		<i>Description of enrolment</i>	<i>2017 SOF</i>	<i>Funding rate</i>	<i>August 2017 SDR</i>
<b>Levels 1&amp;2: 2016 Non-Competitive</b>	Current 2016 course enrolments	26	Courses with 2016 start date, 2017 end date. (Funding source code for current course enrolments cannot be changed)	26	New non-competitive fees-free rate (funded through grand-parenting arrangements)	<b>Final date for reporting any students.</b> Even if the enrolment has not completed by the Aug SDR submission, the full EFTS relating to the enrolment must be included in the submission.
			<b>New 2017 course enrolments for completing 2016 students:</b>	<b>New Code</b>		
			If qualification <b>not approved</b> for funding (either competitive or non-competitive)	26	New non-competitive fees-free qualification rate (funded through grand-parenting arrangements)	
			If qualification approved for funding <b>non-competitively</b>	26	New non-competitive fees-free qualification rate	Normal SDR reporting
		If qualification <b>funded competitively</b> in 2017	25	New competitive funding rate	Normal SDR reporting	
<b>Levels 3&amp;4 Ag/Hort: 2016 Students</b>	Current 2016 course enrolments	01	Courses with 2016 start date, 2017 end date. (Funding source code for current course enrolments cannot be changed)	01	Standard SAC L3+ funding rates apply (funded through grand-parenting arrangements)	<b>Final date for reporting any students.</b> Even if the enrolment has not completed by the Aug SDR submission, the full EFTS relating to the enrolment must be included in the submission.
			<b>New 2017 course enrolments for completing 2016 students:</b>	<b>New Code</b>		
			If qualification <b>not approved</b> for funding	01	Standard SAC L3+ funding rates apply (funded through grand-parenting arrangements)	
		If qualification <b>funded competitively</b> in 2017	32	New competitive funding rate	Normal SDR reporting	