

FUNDING SCHOOLS BASED ON STATE EDUCATION STANDARDS COST PER STUDENT

Prof. Marta Christina SUCIU, PhD
Academy of Economic Studies Bucharest
Elena GLODEANU, PhD student
University of Craiova
Cristinel GLODEANU, PhD student
Academy of Economic Studies Bucharest

1. General

Currently, in Romania financing of expenditure on wages, bonuses, allowances and other remuneration in money, for pre-university schools, is based on standard cost per student / preschool, having regard to the provisions of GD nr.1618/2009. These standards are determined for each level of education, succession, profile, specialization / area, the number of students, language teaching, education and other specific indicators of urban / rural.

Financing these costs is provided by local budgets territorial administrative units belonging to schools, the amounts deducted from value added tax.

The foundation needed to finance personal expenses of pre-university schools the following **steps**:

- *state of school education units* with legal personality and *school inspectorates* **Mayor transmitted the number of students / preschoolers** on education level, succession, profile, specialization / field for the entire unit with legal personality;

- **Mayors transmitted county public finance departments in the number of students** by level of education, succession, profile, specialization / field for the entire administrative-territorial unit;

- *any amount* deducted from value added tax, approved by the state budget law, the villages, towns, cities and

districts of Bucharest is the **decision of the Director General Directorate of public finances each county**, that of Bucharest, with technical assistance specialty school inspectorates.

2. The procedure for setting standards of cost per student

- Calculation of amounts of administrative territorial unit is made by weighting the number of students / preschool cost standards. Standard cost per student / preschool coefficients were determined by differentiation, the standard cost / student of secondary education, urban environment, which is a factor. Standard cost / pupil ratio is 2.857 lei 1. Education in minority languages standard cost / student has been determined by applying standard factors additional cost / student for education level, succession, profile, specialization/area.

In determining costs per pupil have been taken into account several elements, such as:

- gross monthly salary standard teacher / auxiliary teaching staff / non-teaching staff;
- number of students per class;
- number of hours per week, per student and teaching, number of students per teacher/auxiliary teaching staff/non-teaching staff/director / deputy director.

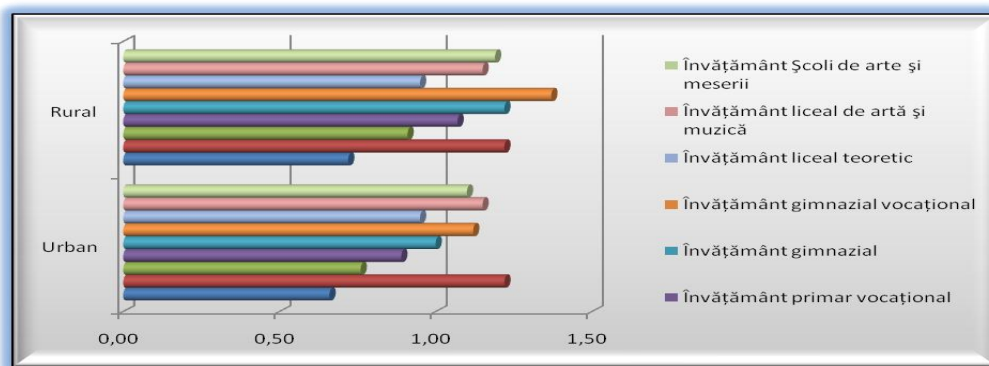
Analyzing the cost per student standards, or preschool, a year on each of the 15 levels, pathways, namely

profile, differences in urban and rural areas, including education in minority languages resulting variations in the standard cost per pupil, between levels of education (with a minimum of 0.39% for "low frequency secondary education" and a maximum of 1.22% in 'early education with overtime), and between rural and urban areas (where

"vocational secondary education "in rural areas where the standard cost is 0.25% higher than in urban areas). The explanation is found, on the one hand the number of students in different classes (less in rural than in urban areas), but also higher standard salaries for teachers teaching at higher levels, given the qualifications of them.

Standard cost variation between education levels and the averages

Graph nr.1



Source: CSI Harghita and personal calculations based on standard costs

County budgets for 2010, expenditure on personal finance education were constructed based on standard costs down by level of education and teaching environments and the equivalent number of students.

Comparing the amount of expenditure so obtained for 2010, with the owner of the previous year shows an average decrease of 7% to the level of

funding, with deviations of plus and minus 10% from one county to another. Also, analysis of the expenditure allocated in 2010 under the standards of cost per pupil, while those allocated in 2009 to fund salaries and other rights, it appears that only 10 counties (only one quarter) are level, or above (up to 15 percent, most with only two or three percent) expenditure last year (Chart 2).

Comparison between the amounts allocated in 2010, 2009 respectively for personnel costs of education

Graph nr.2

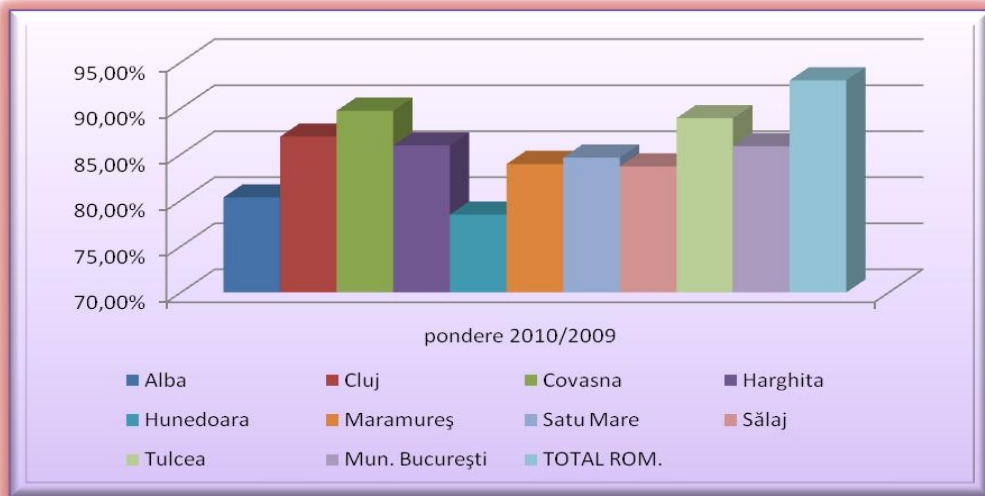


Source: Personal calculations based on standard costs

If the national average for the country to reduce personnel expenses is 7%, more than half the counties are above this level, with a maximum of 22% in Hunedoara county. With a volume of

personal expenses calculated on the basis of standard cost almost 86% of the year 2009, Harghita county is the seventh level of funding as below average (Chart 3).

Graph nr.3



Source: CSI Harghita and personal calculations based on standard costs

3. Proposals to improve the cost-based funding system standard

If any amount to finance expenditure on salaries and other pre-university schools on the basis of cost per student standards / preschool can be considered acceptable (with a variance of plus and minus ten percent between counties), we consider the problem particular is linked to significant differences between the real level of funding in the county, between municipalities and schools. These variations are very high, between plus and minus 50% and the current legislative framework do not allow any re-settle in the municipalities and / or schools, to the extent that their budgets are likely to be exhausted even after the first semester funded.

Of the 154 pre-university educational institutions with legal personality in Harghita County, using

standard cost, 11% for 2010, a budget of less than 70% of that of 2009, the reduced funding being two art schools in the county, from kindergartens and some primary schools, particularly those in rural areas. Given the alarming situation that creates this new funding scheme to relieve consider that budgets could use the following methods:

- + application of new differentiation factors for distribution in the districts, taking account of more objective criteria for differentiation;

- + Budget rebalancing can spread, at least in the first year of this funding and that in the fourth quarter, taking into account fluctuations in pupil numbers from September 1 of each year, and unused amounts may be some schools redeployed within the county.

Regarding the use of new factors we propose solutions to:

+ additional funding to primary education of alternative Step by step, whereas currently this level of education was not funded separately although second positions may be normal classroom teacher

+ additional funding art education, since this form of education that the real cost is 1.8 times higher than high school education, and children are enrolled in various forms of education in art schools are only teaching specialized disciplines;

+ application of differential coefficients by the county council decision: schools where teaching is conducted in two or more languages of instruction (usually in these units the number of students in a class is below average);

+ schools have removed structures, inaccessible or dispersed units (in these structures is very small number of pupils, but those classes should be maintained);

- high schools included in the PHARE program (in these schools take practice groups);

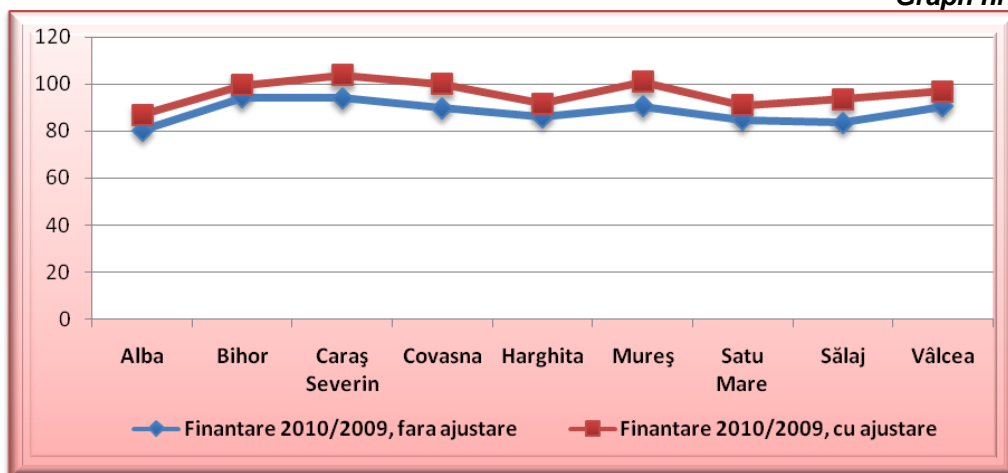
- boarding high schools, cafeteria, gym and other specific infrastructure targets that require additional maintenance personnel, or funding from other sources such specific activities;

- The degree of qualification of teachers, which differ greatly from one facility to another, resulting in different budgets virtually identical even if the class number of schools and students.

Given the above, we proposed to make a simulation of finance staff, with derogation from the minimum number of students per class in state schools which have structures remote, inaccessible or dispersed units, taking calculation and those classes that do not fall within the set.

By using this adjustment achieved an average funding increase of 2010 over 2009, from 93% to 96%, achieving an approximation is only four percentage points by the year 2009. More than halved the number of districts with funding below the national average, only 22 to 10 counties and those with a budget or level over that of 2009 increased from 10 counties to 14. As shown by the chart below, with this adjustment, nine counties have a five percent increase, half of them managing to reach the level of 2009, while the other 15 counties will register a higher growth percentage (chart 4).

Graph nr.4



Source: CSI Harghita and personal calculations based on standard costs

These suggestions relate to the technical aspect of funding but in the sense of-to provide more realistic budgets and without large fluctuations and not touching upon the need to rethink the school network and zoom classes by increasing the number of

students per class action we consider necessary to be considered in the interests of rationalizing the school network. Proposals for diversification outside of the formula above, we consider that it takes effort and both local authorities and the executive.

REFERENCES

Caspar, Pierre	<i>L'investissement intellectuel</i> , Editura Economică, Paris, 1989;
Dogaru, Ilie	<i>Sinteze și studii privind finanțarea învățământului preuniversitar de stat</i> , Editura Tipopress, București, 2001;
Eicher, J.C.	<i>L'éducation comme investissement: fin des illusions</i> , Revue d'économie politique, no special, 1972;
Malița, Mircea	<i>Modele matematice ale sistemului educațional</i> , Editura Didactică și Pedagogică, București, 1972;
Marinescu, Cosmin	<i>Educația – perspectiva economică</i> , Editura Economică, București, 2001;
*****	H.G. nr.1618/2009, privind finanțarea unităților de învățământ preuniversitar de stat, finanțate din bugetele locale, pe baza standardelor de cost pe elev/preșcolar pentru anul 2010;
*****	www.edu.ro .