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Financial flows  
in compulsory education  
in Europe  
(diagrams for 2001)



European Commission



## *Eurydice Focus*

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# **Diagrams showing financial flows in compulsory education in Europe, 2001**

Eurydice  
The Information Network on Education in Europe

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## P R E F A C E

The financing and management of school resources are at the heart of debate on the future of compulsory education. This is a concern shared by all policy-makers in the European Union. The issues at stake relate to the scale of resources, the extent to which decision-making is centralised or decentralised, the most appropriate kind of allocation, and the method of calculating how resources should be distributed among schools to cater for their varied needs as effectively as possible.

Exchanging and sharing information on methods of financing schools throughout Europe is essential to all-round understanding and the promotion of good practice. It is for this reason that Eurydice has conducted an exceptionally thorough study on this topic. It was published in 2000 and covers the EU and EFTA/EEA countries <sup>(1)</sup>.

As part of its content, the foregoing study includes an overall view of financing and management systems in the form of country diagrams showing the financial flow paths along which resources reach schools. Because the diagrams are especially helpful in enabling readers to take in school funding methods at a glance, Eurydice considered it appropriate to update them and publish them separately in its *Eurydice Focus* series. They have also been supplemented with information on financial flows from non-public sources of funding.

A further helpful feature of the present publication is the valuable information it contains on school financing in the 12 pre-accession countries taking part in the Socrates programme. By gathering material specially from the Eurydice National Units in these countries, it has been possible to prepare diagrams that illustrate their own particular funding methods and add a broader European and geographical dimension to the book.

The publication begins with an account of its content and aims, as well as limits to the information contained in it and a short comparative overview. This introductory section concludes with a guide to reading the diagrams and a key to their symbols and underlying logic, which are essential if they are to be correctly interpreted.

By making available in an interesting and convenient form this basic information covering 30 European countries, the Eurydice Network hopes to fuel national and international debate and discussion on the financing and management of resources invested in compulsory education.

Luce Pépin

Head of the Eurydice European Unit

October 2001

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<sup>(1)</sup> Eurydice; European Commission. The financing and management of resources in compulsory education. *Key topics in education in Europe*, vol. 2. Luxembourg: Office for Official Publications of the European Communities, 2000.

# INTRODUCTION

## Coverage of the diagrams

The diagrams illustrate the flow paths along which human and physical resources reach schools providing full-time compulsory education, corresponding more specifically to ISCED (educational) levels 1 and 2<sup>(2)</sup>. They cover all EU and EFTA/EEA countries, as well as the 12 pre-accession countries. The schools considered are all in the public sector except in Belgium, Ireland, the Netherlands and the United Kingdom (England, Wales and Northern Ireland), in which grant-aided private schools are also taken into account, as they represent at least half of all schools providing compulsory education. By **public-sector school** is meant any school financed and directly administered by the public or governmental authorities. By **private grant-aided school** is meant any school which is administered and owned by a private body (such as a foundation, non-profit-making association, board of governors, etc.) and receives some or all of its finance from public funds.

The category of the school with which each diagram is concerned is indicated in its upper right-hand corner in the corresponding national language. The reference year is the calendar year 2001.

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<sup>(2)</sup> For details on the International Standard Classification of Education, see: [http://unesco.org/en/pub/pub\\_p/method.htm](http://unesco.org/en/pub/pub_p/method.htm)

## A twofold objective

The first objective is to show the origin of the resources received by schools, specifying clearly whether they come from the public or private sector.

- Public-sector resources: the diagrams indicate which one or more public authorities finance them, and from which precise source (allocations received from a higher level, taxation, the ministry's own budget, etc.). The public authorities are represented in the diagrams at two levels. The top or central level includes central or federal government bodies and the top-level authorities for school education in Germany (where schools are the responsibility of the *Länder*), as well as in Belgium and Spain, in which responsibility for educational policy has been decentralised to their respective Communities.

The second (intermediate) level may comprise administrative divisions of the top or central level, as well as regional/local authorities and/or bodies whose members are appointed by them. The public-sector funds shown in the diagrams are in most cases awarded to schools as a matter of course, the exceptions being allocations for which they have to submit a special application.

- Private resources: the diagrams illustrate the kinds of activity or source on which schools may rely (organisation of events, fund-raising campaigns, donations, sponsoring, etc.) and the one or more

categories of resources for which the money obtained may be used (teaching equipment and materials, extracurricular activities, building repairs, etc.). Non-public resources are represented differently from public allocations in so far as, unlike the latter, they only correspond to funding which actually reaches schools if schools deliberately act to obtain it. The inclusion of private funding in a diagram therefore means that it is possible for schools to use such funding to supplement its resources but not that it is transferred to them systematically. The actual level of private financing obtained by a school will depend on a range of factors, such as the involvement of its staff in fund-raising, possible advantages which the school may represent for those who subsidise it, and characteristics of the school infrastructure conducive to the letting of premises, etc.

The second aim of the diagrams is to show which particular entity – corresponding to one of the public authorities or schools – undertakes the remuneration of the staff and the acquisition of operational goods and services and capital goods available to a school. This is important because, in the majority of cases, the de facto acquisition of resources by a school means that it exercises managerial responsibility vis-à-vis an amount in cash that has to be converted into resources in kind and that it has therefore been endowed with some degree of autonomy.

## DEFINITIONS

### Categories of resources considered

School resources corresponding to the financial flows in the diagrams are divided into five categories, namely **staff, operational goods and services, capital assets** (movables and immovables), **specific resources** and **other resources**. Specific resources cover physical and human resources allocated solely to some schools as part of geographic, social, linguistic or other forms of positive discrimination programme (such as education action zones, teaching of minority languages, and special programmes for children whose mobility is impaired, etc.). 'Other' resources comprise those used by schools to provide services subsidiary to their prime responsibility for education (such as school transport and catering, or even accommodation, for pupils and extracurricular activities).

The five foregoing categories may also be broken down into further subdivisions depending on circumstances relating to a particular category of school. For example, staff resources are divided into teaching staff resources and non-teaching staff resources where allocations for the two kinds of staff come from different sources or in different forms, as occurs for example when teachers are remunerated by the Ministry of Education and administrative staff by the school.

### Illustrating variations

In some countries, schools providing compulsory education are not all financed in the same manner. This may be the case when compulsory education comprises distinct levels or types of education.

Other variations may stem from the fact that schools for compulsory education are not financed and administered in any nationally uniform way, because local authorities exercise some discretion in this respect, such as that of deciding whether or not to delegate the management of certain resources to schools.

Variations which are limited in number but reflect major differences are illustrated in different diagrams. Where a wide variety of possibilities exist, the most frequent situation throughout the country concerned is illustrated, with the others referred to in footnotes.

Certain minor variations may also be shown in the same diagram using the word 'or' to highlight an alternative possibility.

Besides providing information on variations with respect to the situation shown in a diagram, the footnotes also clarify its acronyms. They also draw attention to major reforms expected to have a bearing on financial flows in the near future. In addition, the notes provide for a clarification of complex situations which a diagram cannot clearly illustrate. For example, where the use of private funds depends on local authorities, the situation

may require an explanation to supplement what is indicated in a diagram.

### Limits to the diagrams

The diagrams provide key information about the financing of schools for compulsory education but cannot indicate the finer details. It is important for readers to realise this so that they do not embark on a fruitless search for more elaborate information.

### Information not contained in the diagrams

- Parental contributions.
- Financing from European subsidies.
- Quantitative flow data: the diagrams include neither amounts nor proportions indicating how the budget for different resource categories is broken down.
- Expenditure from the budgets referred to in the diagrams which is unrelated to schools. However, it should not be forgotten that parts of some of these budgets/allocations may be for other public services.

### **Information not in the diagrams but included in the study published by the European Commission <sup>(3)</sup>**

- The real room for manoeuvre of a body in charge of transferring resources. Whether it has to break down an allocation among various public authorities or schools, or acquire resources, the room for manoeuvre of the body concerned may vary in accordance with the significance of the regulations governing the exercise of its responsibilities. Thus when a local authority has to break down a cash allocation among schools for which it is responsible, in response to their staffing requirements, it is not possible to tell from the diagram whether it acts entirely as it wishes or whether it is restricted by regulations concerned (for example) with staff/pupil ratios.
- Bodies with no autonomy because they simply apply rules or formulas for calculation determined by other agencies. Where there is this kind of distinction between official and real responsibility, the diagrams only reflect the latter. For example, a local authority may undertake the acquisition of resources in accordance with instructions forwarded to it by a school which determines both the amount and the nature of the resources concerned. In this particular case, it is the school which exercises real responsibility and is shown in the diagram.
- Levelling mechanisms to ensure that allocations to local authorities from a higher authority result in a fair distribution of resources. This is of significance in so far as decentralisation of the financing of education to local authorities in some parts of Europe has drawn attention to the need for fairness in public funding whenever the scale of locally available resources in a particular country differs to any significant extent.

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<sup>(3)</sup> Eurydice; European Commission. The financing and management of resources in compulsory education. *Key topics in education in Europe*, vol. 2. Luxembourg: Office for Official Publications of the European Communities, 2000.

## COMPARATIVE OVERVIEW

### 1. To what extent are policies for financing and managing public resources for schools which provide compulsory education decentralised?

The diagrams reveal the extent to which the financing and management of resources for schools which provide compulsory education are decentralised.

#### Decentralisation of financing

The decentralisation of financing implies a downward shift of authority from the top-level or centre towards intermediate-level players corresponding to regional or local authorities. The intermediate players involved in financing resources for schools that provide compulsory education come to a decision regarding the amount of these resources and other forms of public expenditure and distribute the former among the schools concerned. In doing so, their room for manoeuvre depends on the regulations but, as pointed out above, this aspect is not a feature of the diagrams. In allocating amounts to schools, the area authorities generally make use of a global allocation from the central or top-level authorities for education, which is meant to cover a variety of public services, and their own resources such as taxes and other forms of income. In Romania, this has only been the case since September 2001. During 2000/2001, it was the sole country in which the

financing of compulsory education by the local authorities came solely from their local resources, thus ruling out the use of any levelling mechanism for more uniform nationwide distribution. It is this previous situation which is represented in the diagram.

In some countries, decentralisation is less clear-cut. Amounts of money for some categories of educational resources which the regional or local authorities receive from the central or top-level authorities for education are predetermined by the latter. The area authorities may then supplement these amounts from their own resources or be obliged to do so. This applies to the French Community of Belgium (in the case of education administered by the municipalities or provinces), Liechtenstein (in primary education) in the case of allocations for operational and capital resources, Germany for specific capital allocations and France in the case of allocations of school facilities and equipment for *collèges*.

In the five Nordic countries, the United Kingdom, Bulgaria, Lithuania and Poland, decentralisation of financing to the local authorities (and, in the case of Poland, the regional authorities as well) is very extensive, since they are in charge of funding school staff, operational and capital resources. The same applies to Hungary and Slovenia but, in these two countries, schools are also provided with funds for these resources from other public bodies.

The most widespread situation is one in which the financing of school capital and/or operational resources – and rather less frequently non-teaching staff resources – is decentralised, but that of the biggest

single item of school expenditure, namely teaching staff, is not. This applies to the French Community of Belgium (in the case of schools administered by the provinces and municipalities), Germany, Spain (in the case of primary education), France, Italy, Portugal (in the case of schools providing the first stage of *ensino básico*), primary education in Luxembourg (in which the local authorities also finance a share of teacher salaries), the Netherlands (solely for immovables), Austria (in the case of the *Volkschulen*, *Hauptschulen* and *Polytechnische Schulen*), Liechtenstein in the case of primary education, the Czech Republic, Estonia, Latvia and Romania

In a limited number of countries, namely Greece, Ireland in the case of the *vocational* schools and *community colleges*, and Slovakia, the financing of compulsory education is only decentralised in the sense that the regional and local authorities are responsible for distributing to schools allocations whose amounts are determined at the top level. Finally, the financing of resources is almost entirely the responsibility of the Community in the French Community of Belgium, in the case of schools administered by the Community authorities, and grant-aided private education, and in the Flemish Community of Belgium in the case of all schools. It is also highly centralised in Austria at federal government level (in the case of the *allgemeinbildende höhere Schulen*), Portugal (schools offering the second and third stages of *ensino básico*), Ireland (in the case of primary and some lower secondary education), Cyprus and Malta.

In contrast to the many instances in which the financing or distribution of school resources is decentralised, it should be noted that, in some countries, the central or top level of authority still transfers teaching materials (mainly school textbooks) in kind to schools, in the belief that they constitute a resource that should be reasonably uniform and consistent throughout the country as a whole. This applies to Greece, Austria (in the case of the *Volkschulen*, *Hauptschulen* and *Polytechnische Schulen*), Iceland, Bulgaria (in the first year of compulsory schooling), Lithuania, Romania and Slovakia.

### **Decentralisation of the acquisition of goods and services**

Alongside the various ways in which financing is decentralised to area authorities, many countries delegate to schools the financial management of certain resources. In doing so, they grant schools significant managerial autonomy since, as a result, the latter are provided with amounts in cash covering one or several categories of resources. Using these sums of money, schools acquire goods and services. Where a cash allocation covers several categories of resources, the autonomy and responsibility of schools is that much greater, since they have to decide on the relative amounts earmarked for various budgetary headings.

In several countries, there is virtually no decentralisation of financial management to schools, as it is in most instances the responsibility of the local authorities. This is the situation in the French Community of Belgium (in schools administered by the municipalities and the provinces), Germany, France (in the case of primary education), Luxembourg, Austria (in the *Volkschulen*, *Hauptschulen* and *Polytechnische Schulen*), Portugal (in schools offering the first stage of

*ensino básico*), Iceland, Liechtenstein and Romania. It also applies to the Czech Republic and Slovakia, in the case of schools which have not yet acquired the status of a legal entity.

In countries which decentralise financial management to schools, operational resources and movables are, in most cases, the resource categories involved. Staff resources are not often decentralised and fixed capital resources (immovables) even less frequently so. The latter tendency is readily attributable to the fact that the forward planning of fixed capital investment is spread over several years.

The management of operational resources, in the strict sense, is decentralised in primary schools in Greece and the *vocational schools* and *community colleges* in Ireland.

Decentralisation extends to the management of capital goods (movables), and/or to the remuneration of some or all of the non-teaching staff in schools administered by the French Community in Belgium, all schools in the Flemish Community of Belgium, all schools in Spain, lower secondary education in France, Italian schools, the *allgemeinbildende höhere Schulen* in Austria, schools offering the second and third stages of *ensino básico* in Portugal, lower secondary education in Liechtenstein and in Latvian schools.

The management not only of operational resources and movables, but also of staff resources, is decentralised in primary schools in the Netherlands.

Decentralisation in the form of a global allocation to cover staff and operational resources in the broad sense exists in the Netherlands in lower secondary education, as well as in the United Kingdom and Poland.

The management of fixed capital assets (immovables) is less often a school responsibility. However, it applies to grant-aided private education in the French Community of Belgium, certain capital resources in schools in England (low-cost minor building or conversion, and building repair and maintenance), primary and *voluntary secondary schools* in Ireland, as well as Latvian schools and some schools in Poland (depending on the local authorities). Local authorities in the Netherlands may also delegate to secondary schools the financial management of external building maintenance. Capital allocations are not generally bracketed with other resources, except in Bulgaria, in which schools receive a single allocation covering expenditure on both the greater part of their operational resources and on capital, and in Hungary where the management of all resources, which are allocated globally, is decentralised.

Finally, decentralisation applies to the management of all resources in the case of schools which have the status of a legal entity in the Czech Republic and Slovakia, as well as schools in Slovenia. These establishments receive separate allocations for each category of resources, which are sometimes supplemented by the allocation of resources in kind.

It should be noted that, in the five Nordic countries and Lithuania, local authorities decide on whether and how the management of resources will be decentralised to schools. The pattern of decentralisation, therefore, is not the same for all schools in each of these countries. Decentralisation of the acquisition of goods and services in Denmark, Finland and Sweden may be relatively extensive. These variations appear in the diagrams.

## 2. How many bodies are involved in financing schools for compulsory education?

**B**odies responsible for the public financing of schools for compulsory education may be considered in terms of their range and variety, for each country in turn. Indeed, it is of interest to examine whether an educational policy relies on many different bodies for the financing of compulsory education. The concern here is whether funding is unified or somewhat fragmented. This question is relevant to each country but also, within it, to each type of school for compulsory education associated with a particular method of funding (public-sector schools, grant-aided private schools, primary or lower secondary schools, schools which do/do not have the status of legal entities and so forth).

In some countries, there is no variation in the sources of public financing because this is the exclusive responsibility of a single public authority. This may apply to funding for which solely the central government or top-level authorities for education are responsible, as in the case of education administered by the French Community of Belgium and all schools in the Flemish Community of Belgium, Greece, Ireland, Luxembourg (in lower secondary education), Austria (in the *allgemeinbildende höhere Schulen*), Liechtenstein (in lower secondary education) and Slovakia. It may also be the case where the financing of all categories of resources is undertaken solely by the local authorities, as occurs in the Nordic countries, Bulgaria, Lithuania and Poland, although it should not be forgotten that the Finnish and Polish municipalities receive certain

predetermined central government allocations that they can supplement with their own income.

Where compulsory education is financed by several different bodies, the funding of teaching staff and/or non-teaching-staff resources, is in most cases assumed by the central or top-level authority for education, whereas operational and/or capital resources are allocated by the local authorities or other intermediate bodies. This applies to the vast majority of EU countries and a few pre-accession countries, namely the Czech Republic, Estonia, Latvia and Romania.

Alongside the most conventional model in which the financing of resources is shared by the central government and local authorities as explained above, it is worth noting that some categories of resources in some countries are financed from a variety of different public sources. Among the pre-accession countries, Slovenia is one in which teaching staff and non-teaching-staff resources, operational resources, movables and immovables are each financed both by the central government and the local authorities. In Hungary, much the same applies to movables and immovables and, among the EU countries, to immovables in Italy and Portugal (in schools offering the second and third stages of *ensino básico*).

## 3. What is the scale of private as compared to public financing?

**I**n the majority of European countries, schools are able to seek non-public sources of financing. Their freedom in this respect is often governed by legislation but may still exist in the absence of any legal provision.

The few countries in which schools do not seek non-public sources of funding are the German-speaking Community of Belgium, Greece, Luxembourg, Iceland and Cyprus. In Denmark, Germany, Finland, Sweden, Norway, and Lithuania, their room for manoeuvre in this respect is determined by the local authorities. In Lithuania and Poland, the use of funds raised by schools from non-public sources is also determined by the local authorities. Schools in the Czech Republic and Slovakia have to have the status of legal entities in order to undertake fund-raising from non-public sources. In some countries, such as Denmark and Finland, there is scope for fund-raising by schools but this only rarely occurs in practice.

In most cases, opportunities for schools to raise money from non-public sources involve the organisation of events, fund-raising campaigns, donations and sponsorship. Rather less frequently, they may let out school property to third parties, provide services and engage in advertising. Less frequently still, schools may accumulate financial reserves, undertake investment, or raise loans as in the French Community of Belgium (in grant-aided private schools), the Flemish Community of Belgium, Spain, France (lower secondary education), Ireland, the Netherlands, Austria, Portugal (schools offering the second stage of *ensino básico*), the United Kingdom (England, Wales and Northern Ireland) and Bulgaria. Only in the Netherlands, the United Kingdom (England, Wales and Northern Ireland) for grant-aided private schools, and in Bulgaria, are schools allowed to sell assets.

Where schools are able to raise non-public sources of funding, they may generally use the money obtained to acquire operational goods and services (teaching and other equipment and materials) and movables, and to carry out extracurricular activities. Funding from private

sources is less frequently used for expenditure on staff. This may nonetheless occur in Italy, the Netherlands and the United Kingdom (England, Wales and Northern Ireland) and in several pre-accession countries, namely the Czech Republic, Lithuania, Hungary, Poland and Romania. As to the use of private sources of funding to finance fixed capital expenditure, this applies to grant-aided private schools in the French Community of Belgium, all schools in the Flemish Community of Belgium, public-sector schools in Italy, public-sector and private grant-aided schools in the United Kingdom. Among the pre-accession countries, public-sector schools in the Czech Republic, Hungary and Slovenia are in the same situation.

The budget that schools can draw up on the basis of privately obtained funds is generally distinct from the one based on allocations from the public authorities. However, grant-aided private schools in the French Community of Belgium, and all schools in Spain, Italy, the Netherlands, the United Kingdom (England, Wales and Northern Ireland), Latvia, Hungary and Romania may combine funds from non-public sources with allocations they receive from the public authorities and earmark them for most categories of resources which they can manage autonomously. Finally, in the French Community of Belgium (in schools administered by the municipalities and provinces), Austria and United Kingdom (Wales, Northern Ireland and Scotland), schools may also use money obtained from non-public sources of funding to purchase goods and services they are unable to acquire from their public-sector allocations.

#### 4. How is information and communication technology in schools financed in the various countries?

Some diagrams contain information on the financing of information and communication technology (ICT) in compulsory education. They thus indicate which countries earmark funding specifically for ICT, rather than funding it from one of the other main school resource categories.

In some pre-accession countries (Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia), ICT receives funding in its own right. Although the financing of operational and capital resources, and sometimes staff resources, in these countries is in most cases decentralised to intermediate level, while the resources themselves are either managed at this level or by schools, their ICT resources are funded by special central government allocations which may or may not reach schools via intermediate authorities. In the United Kingdom, ICT is financed through schools' delegated budget which also covers other main categories of resources. However, additional specific funding is made available in England through the *Standards Fund*, in Wales through *GEST*, and in Scotland through the *Excellence Fund*. Another source of funding for ICT in England, Wales and Northern Ireland is the *New Opportunities Fund* provided by the National Lottery.

In Lithuania, Hungary, Poland in the case of the newly established *gimnazja*<sup>(4)</sup> and Slovenia, in all of which funding is largely decentralised, ICT resources are

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(4) The *gimnazja* are new schools introduced in 1999/2000 which offer three years of lower secondary education from the ages of 13 to 16.

allocated directly by the government to schools. Allocations are in kind, except in Lithuania. And in Slovenia, they only correspond to some school ICT resources.

Throughout the United Kingdom, except for some categories of school in Northern Ireland which are funded directly by the Department of Education, specific allocations for ICT are in cash and reach schools via the local authorities.

In Latvia, the central authorities allocate ICT resources to the municipalities from which they are transferred to schools in kind, while the municipalities also draw on their own budget to award ICT resources to schools.

In the case of some schools in Slovakia, ICT resources are allocated directly in kind by the government, whereas the remainder receive theirs via the intermediate bodies responsible for acquiring them.

#### 5. What have been recent or on-going trends in the financing of compulsory education?

In the last 30-40 years, a very sizeable majority of EU and EFTA/EEA countries have taken steps to reform their methods of financing and awarding resources in compulsory education. In most cases, changes in this respect have reflected decentralisation towards local authorities or schools. However, in the last few years as such, it is clear that methods of financing and managing resources have changed little overall. A limited number of countries are experiencing changes: in the Netherlands, Portugal, the United Kingdom (England

and Wales), some schools have been granted greater autonomy in the area of financial management.

In recent years, it has become possible for municipalities in the Netherlands to delegate to secondary schools expenditure associated with the external maintenance of buildings.

In England and Wales, funding for building maintenance and repairs is now managed by schools. In addition, all schools in England now receive a *Formula Capital Grant* based on pupil numbers which can be used on small capital projects or can be saved to fund future larger scale works. Furthermore, schools in England are being encouraged to initiate and manage capital works through the *Seed Challenge Grants* provided by the DfEE via *local education authorities* (LEAs). Schools may apply to the LEA for money from these grants provided that they meet a percentage of the expenditure from their own funds.

In Portugal, the status of schools offering the first stage of *ensino básico* is currently being amended to give them some degree of financial autonomy. This has no bearing whatever on their autonomy as regards public financing (since the schools concerned administer none of their public resources), but it enables them to raise and use money obtained from private sources. At present, 65 % of schools offering the first stage of *ensino básico* are completing the formalities necessary to secure this kind of administrative autonomy which is likely to be extended to all of them in due course.

During the 1990s, methods of awarding and managing resources for compulsory education underwent major changes in most pre-accession countries, reflecting two distinct trends. The first corresponded to decentralisation of the funding of some or all categories of educational resources to local or regional authorities. This applied in particular to Hungary (1990), the Czech Republic and Slovakia<sup>(5)</sup>, Poland (1990 in the case of primary education and 1999 in the case of lower secondary education) and Romania (1999).

The second trend to emerge concerns managerial autonomy which has been granted in the last ten years to schools in Bulgaria (in the form of a pilot project launched in 1998), in the Czech Republic (an ongoing development), Slovenia (1996), Slovakia (an ongoing development) and Malta (1995/96). Transfers of responsibility to schools from either the central government or local authorities may be involved.

In two pre-accession countries, the Czech Republic and Slovakia, these moves to increase the autonomy of schools are part of a process to change their status. Some of them have already been granted a form of legal status under which they can themselves administer their expenditure on the basis of a variety of allocations and, in the case of the Czech Republic, engage in fund-raising. Schools with no legal status receive all their resources in kind.

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<sup>(5)</sup> In the Czech Republic and Slovakia, the transfer of responsibilities was more marked between administrative divisions of their ministries. However, the most recent reform in the Czech Republic is seeking to transfer responsibility for funding to the autonomous regional authorities. The regions concerned were formally established in 1997 and were entrusted with regional autonomy, carrying with it financial responsibility, on 1 January 2001.

## GUIDE TO READING THE DIAGRAMS

Each diagram shows the transfers of resources awarded to schools for a particular country or for a category of schools within a particular country. It is recommended that the information be read from the bottom of the diagram up. The different types of resources used by the school are illustrated in this part of the diagram, grouped into three broad categories. The arrows leading to one type of resources (human or material) represent the arrival of the latter at the school. Moving up each arrow, the actor involved in acquiring this type of resource can be identified. This could be the school itself (more specifically, the school head or the school governing body), or an intermediate or higher authority. If this actor itself receives resources in order to fulfil its responsibilities, this other transfer is also shown by an arrow, which is continuous or broken to indicate whether it is a transfer in cash or in kind. The reader will note that all the arrows which arrive at the categories of resources indicated at the bottom of

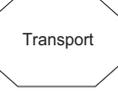
the diagram correspond to transfers in kind. It should be remembered that these arrows are situated downstream from the acquisition of resources. The school can thus be represented at two levels. It is always present at the bottom of the diagram in its role as the body that uses resources. It can also be shown as an actor involved in the financial transfer when it acquires the resources itself. Thus, a school head who undertakes the payment of his staff himself from a cash allocation received from an intermediate or higher authority (shown by a continuous arrow from the authority in question towards the school budget) would have the task of converting this sum of money into people physically present within the school (shown at the bottom of the diagram by a broken arrow from the school budget to the category of resources).

The way in which budgets are represented also gives an idea of the leeway of the actor in defining the

amount of the allocation. If a school receives allocations for particular purposes, its budget is shown as several thick broken lines, each being the result of a transfer emanating from an intermediate or higher authority. If a school receives a global allocation which it distributes across the different categories of resources as it wishes, or particular allocations with possibilities for transfers between budgetary headings, its budget is shown as a thick continuous line.

The diagrams relate primarily to transfers of funds from public, but also private, sources using different colours for each (greyish blue backgrounds and dark blue arrows for the former, and white backgrounds and white arrows for the latter).

## LEGEND

 <p>Public authority (or public law body) at central level or the top-level authority for education, which is involved in financial transfers.</p>	 <p>Transfers in kind may occur, a) from a school with a budget of its own based exclusively on funds raised from non-public sources, to the school in its capacity as user of the resources in kind; b) from non-public sources of funding, to the school in its capacity as user of the resources in kind.</p>
 <p>Public authority (or public law body) at local or regional level, which is involved in financial transfers.</p>	 <p>Budget of the body involved in financial transfers, which draws on higher level sources of public financing, possibly supplemented by funds from non-public sources.</p>
 <p>The school regarded as a body that has its own budget and is involved in financial transfers.</p>	 <p>Budget which the school may use and which is based solely on money obtained from non-public sources of funding.</p>
<p><b>Nnnn</b> <b>Nnnn</b></p> <p>Name of the public authority, the public law body or the school body or staff member involved in financial transfers.</p>	 <p>Block grant</p> <p>Name of a transfer (in cash or in kind).</p>
 <p>Transfer in cash from the public authority (or public law body) which finances resources to the body which distributes them or converts them into resources in kind through the acquisition of staff, goods and services.</p>	 <p>Donations</p> <p>Nature of the non-public sources of funding to which a school may turn.</p>
 <p>Transfer in kind from the body (public authority, public law body or school regarded as a body that has its own budget) which undertakes the remuneration of staff and the acquisition of goods and services, to the body which distributes them or to the school in its capacity as user of the resources in kind.</p>	 <p>Transport</p> <p>Category of the resources awarded to the school in its capacity as user of those resources.</p>
 <p>Transfers in cash may occur from non-public sources of funding towards the body that distributes them, or converts them into resources in kind through the acquisition of staff, goods and services.</p>	

## Categories of schools corresponding to ISCED levels 1 and 2

SINGLE STRUCTURE				
	PRIMARY EDUCATION / ISCED 1		LOWER SECONDARY EDUCATION / ISCED 2	
<b>B fr</b>	<i>Enseignement primaire</i>	6 years	<i>Enseignement secondaire</i>	2 years *
<b>B de</b>	<i>Primarunterricht</i>	6 years	<i>Sekundarunterricht</i>	2 years *
<b>B nl</b>	<i>Lager onderwijs</i>	6 years	<i>Secundair onderwijs</i>	2 years *
<b>DK</b>	<i>Folkeskole/Grundskole</i>			9 years
<b>D</b>	<i>Grundschule</i>	4 years	<i>Orientierungsstufe, Gymnasium, Gesamtschule, Realschule, Schularten mit mehreren Bildungsgängen Hauptschule</i>	5/6 years
<b>EL</b>	<i>Dimotiko scholeio</i>	6 years	<i>Gymnasio</i>	3 years
<b>E</b>	<i>Educación primaria</i>	6 years	<i>Educación secundaria obligatoria</i>	4 years
<b>F</b>	<i>École élémentaire</i>	5 years	<i>Collège</i>	4 years
<b>IRL</b>	<i>Primary school</i>	6 years	<i>Secondary/Vocational/comprehensive School/ community school and college</i>	3 years *
<b>I</b>	<i>Scuola primaria</i>	5 years	<i>Scuola media</i>	3 years
<b>L</b>	<i>Enseignement primaire</i>	6 years	<i>Lycée</i>	3 years *
<b>NL</b>	<i>Basisonderwijs <sup>(6)</sup></i>	8 years	<i>VWO</i>	3 years *
			<i>HAVO</i>	3 years *
			<i>VMBO</i>	2 years *
<b>A</b>	<i>Volksschule</i>	4 years	<i>Hauptschule</i>	4 years
			<i>Allgemeinbildende höhere Schule</i>	4 years *
<b>P</b>	<i>Ensino básico</i>			
	<i>1° e 2° ciclos</i>	6 years	<i>3° ciclo</i>	3 years
<b>FIN</b>	<i>Perusopetus/ Grundläggande utbildning</i>			9 years

SINGLE STRUCTURE				
	PRIMARY EDUCATION / ISCED 1		LOWER SECONDARY EDUCATION / ISCED 2	
<b>S</b>	<i>Grundskola</i>			9 years
<b>UK (E/W)</b>	<i>Primary school</i>	6 years	<i>Secondary School</i>	3 years *
<b>UK (NI)</b>	<i>Primary school</i>	7 years	<i>Secondary School</i>	3 years *
<b>UK (SC)</b>	<i>Primary school</i>	7 years	<i>Secondary School</i>	4 years *
<b>IS</b>	<i>Grunnskóli</i>			9 years
<b>LI</b>	<i>Primarschule</i>	5 years	<i>Oberschule, Realschule, Gymnasium</i>	4 years
			<i>Unterstufe</i>	
<b>NO</b>	<i>Grunnskole</i>			9 years
<b>BG</b>	<i>Natchalno utchilishte</i>	4 years	<i>Progimnazialno utchilishte</i>	4 years
<b>CZ</b>	<i>Základní škola</i>			9 years
<b>EE</b>	<i>Põhikool</i>			9 years
<b>CY</b>	<i>Dimotiko scholeio</i>	6 years	<i>Gymnasio</i>	3 years
<b>LV</b>	<i>Pamatskola</i>			9 years
<b>LT</b>	<i>Pradinė mokykla</i>	4 years	<i>Pagrindinė mokykla</i>	6 years
<b>HU</b>	<i>Altalános iskola</i>		8 years	
			<i>Gymnázium</i>	4 years *
			<i>Gymnázium</i>	2 years *
<b>MT</b>	<i>Skejjel primarji</i>	6 years	<i>Skejjel sekondarji</i>	5 years
<b>PL</b>	<i>Szkoła podstawowa</i>	6 years	<i>Gimnazjum</i>	3 years
<b>RO</b>	<i>Școală primară</i>	4 years	<i>Gimnaziu</i>	4 years
<b>SI</b>	<i>Osnovna šola</i>			8 or 9 years
<b>SK</b>	<i>Základná škola</i>			9 years

\*: x years\* = first x years in this type of education/school.

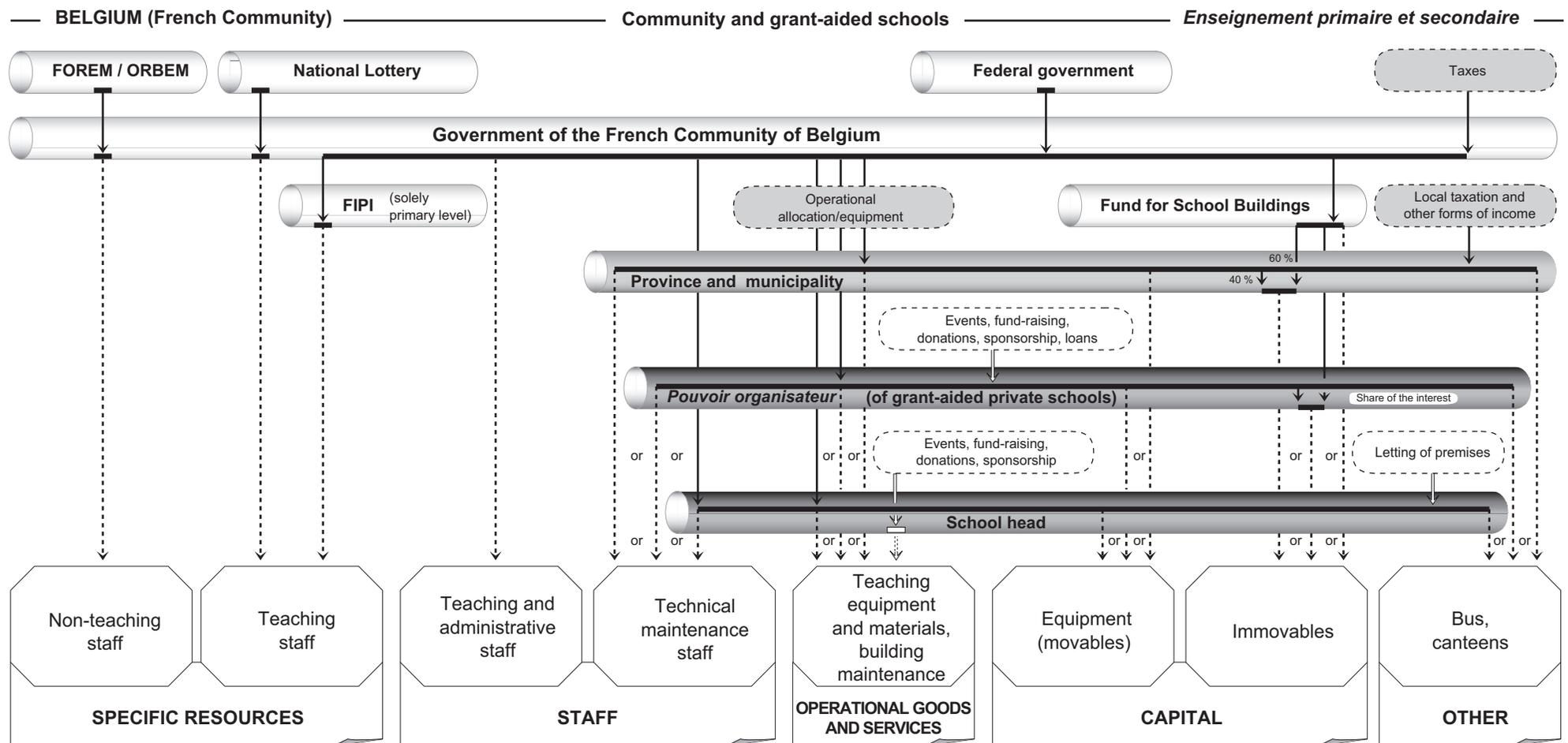
<sup>(6)</sup> *Basisonderwijs* in the Netherlands comprises two years corresponding to ISCED 0 and six years corresponding to ISCED 1.

## DIAGRAMS BY COUNTRY

Belgium .....	19
French Community .....	19
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# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



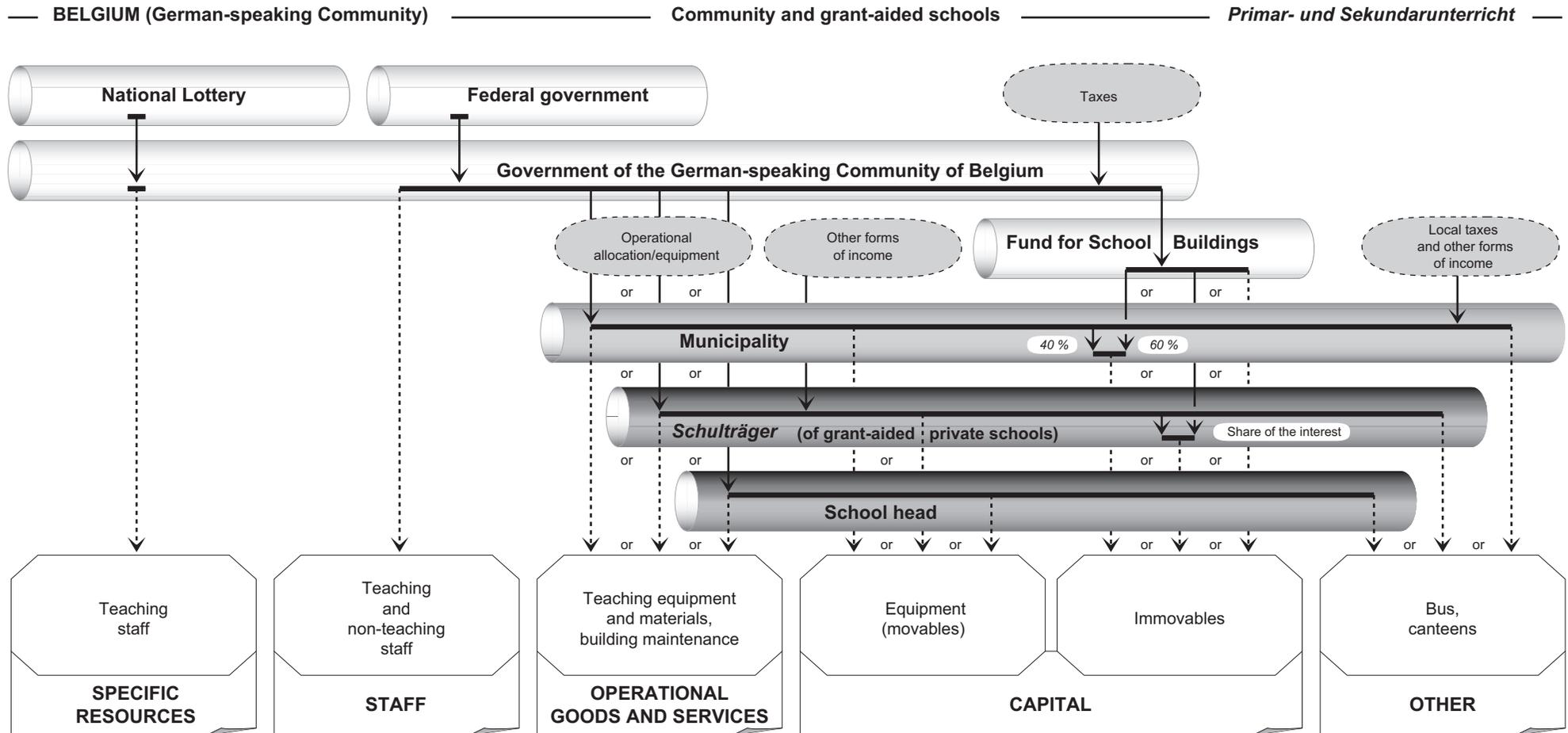
Source: Eurydice, 2001.

FOREM = *Formation Emploi* (this is a public service body for vocational training and employment in the Region of Wallonia); ORBEM = *Office régional bruxellois de l'emploi* (Brussels Region Employment Office); FIPI = *Fonds d'impulsion à la politique des immigrés* (fund to support policies for immigrants).

The diagram illustrates financial flows relating to schools administered by the Community, schools administered by the provinces and *communes* and grant-aided private schools. The provinces, *communes* (municipalities), and the bodies that maintain private schools are only involved in transfers on behalf of the schools they administer.

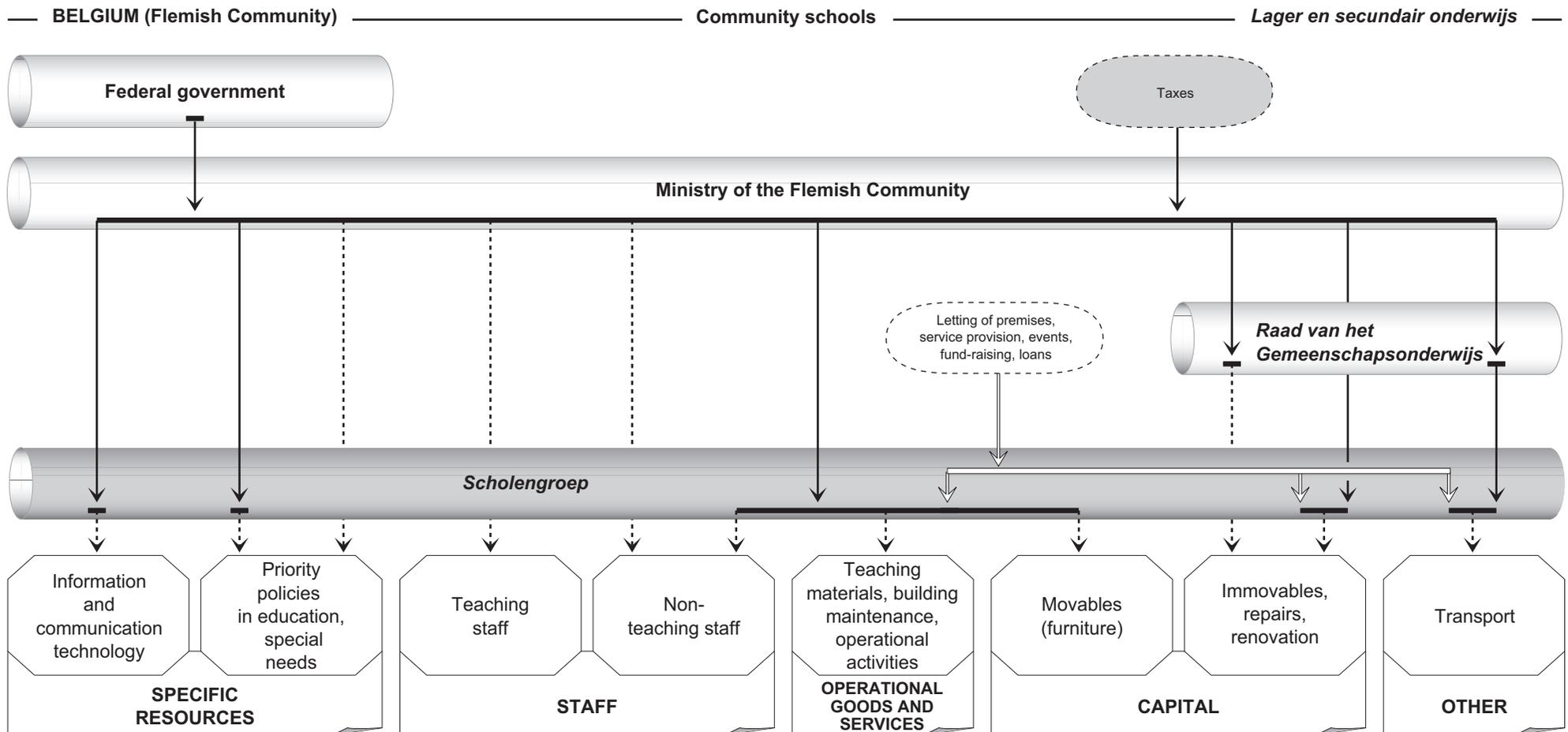
Schools administered by municipalities and provinces may raise money from non-public sources by organising events or fund-raising campaigns, as well as by means of donations or sponsorship. These funds are used to cover operational expenditure and support extra-curricular activity.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



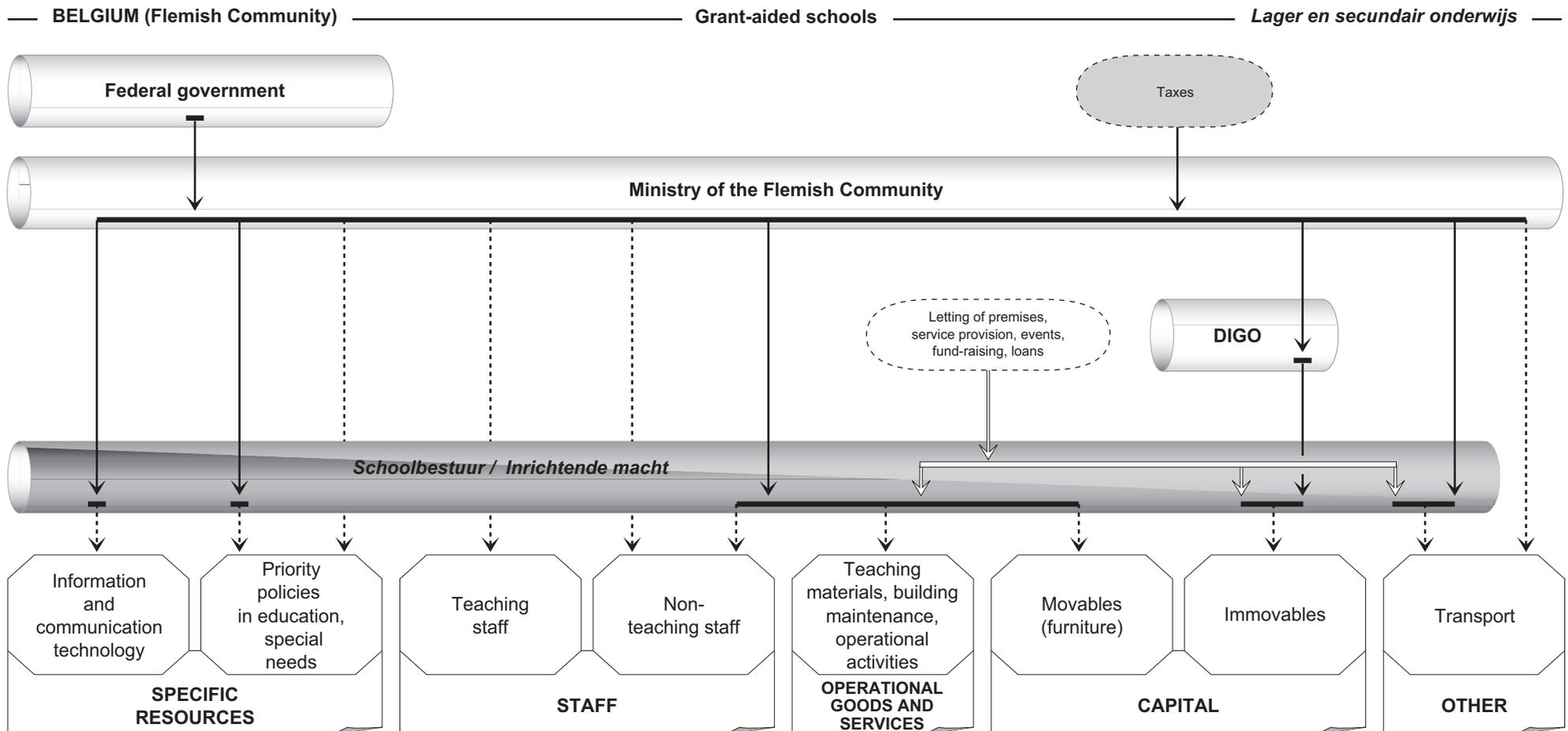
Source: Eurydice, 2001.

Cash allocations for immovable capital expenses received by the *scholengroepen* from the Ministry of the Flemish Community, are intended for building repairs and renovation, the cost of which is no greater than BEF 2.5 million (EUR 61,973).

Resources for educational priorities and special needs, which are allocated in kind to the *scholengroepen*, cover the salaries of teaching staff designated specifically for work in those areas.

Resources for educational priorities and special needs, which are allocated in cash to the *scholengroepen*, cover teaching materials and equipment used in schools for pupils who are the focus of the priorities concerned or receiving 'integrated' special needs provision.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

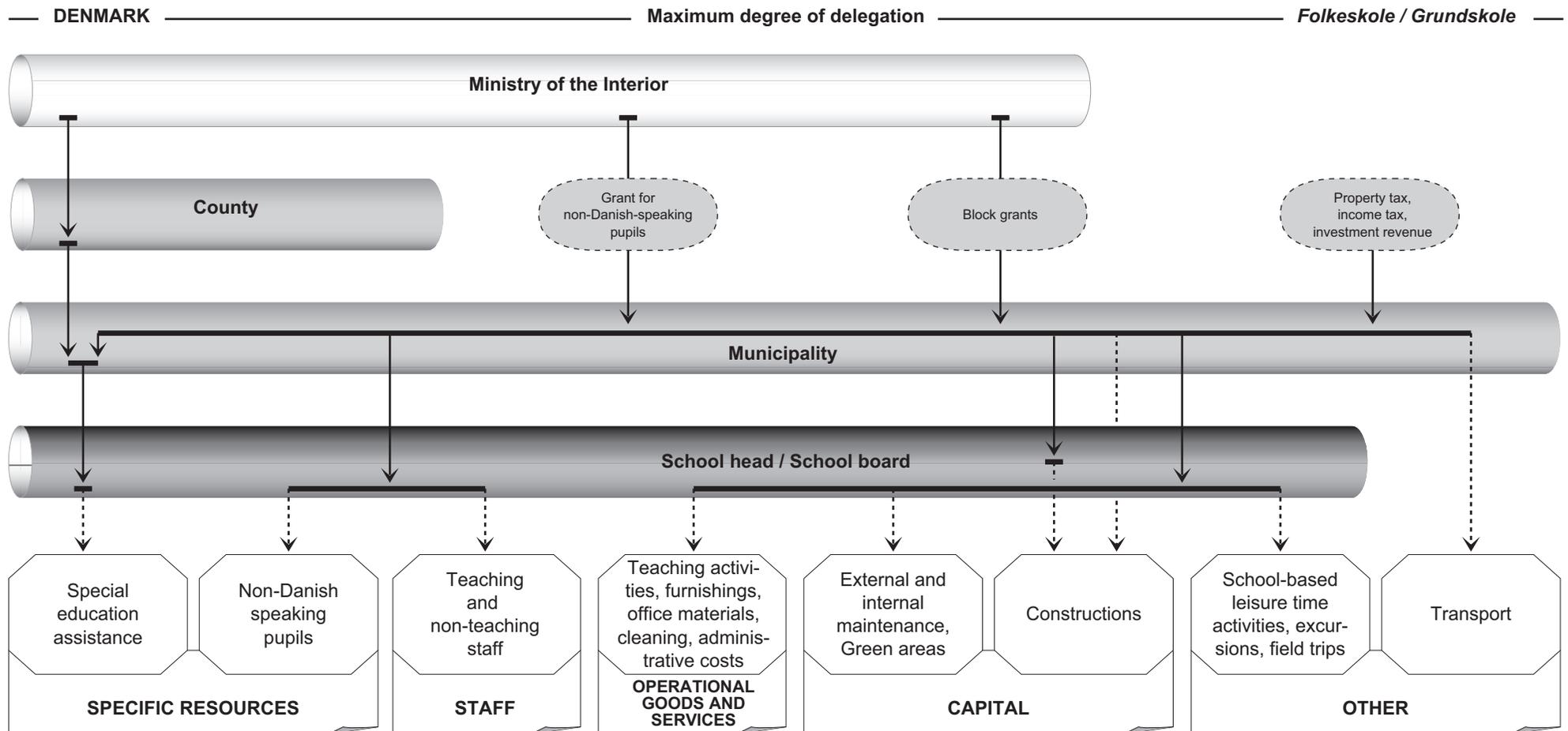
DIGO = *Dienst voor infrastructuurwerken van het Gesubsidieerd Onderwijs* (a body responsible for managing resources for expenditure on infrastructure for grant-aided schools in the public and private sectors). The administrative authority (*schoolbestuur* in the case of primary schools/*inrichtende macht* in the case of secondary schools) is a local authority (province or municipality) in the case of the grant-aided public-sector schools and a local-level body (situated visually at school level in the diagram) in the case of the grant-aided private schools.

Resources for educational priorities and special needs, which are allocated in kind to the *schoolbestuur/inrichtende macht*, cover the salaries of teaching staff designated specifically for work in those areas.

Resources for educational priorities and special needs, which are allocated in cash to the *schoolbestuur/inrichtende macht*, cover teaching materials and equipment used in schools for pupils who are the focus of the priorities concerned or receiving 'integrated' special needs provision.

As regards non-public funding, only grant-aided private schools may take out loans.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



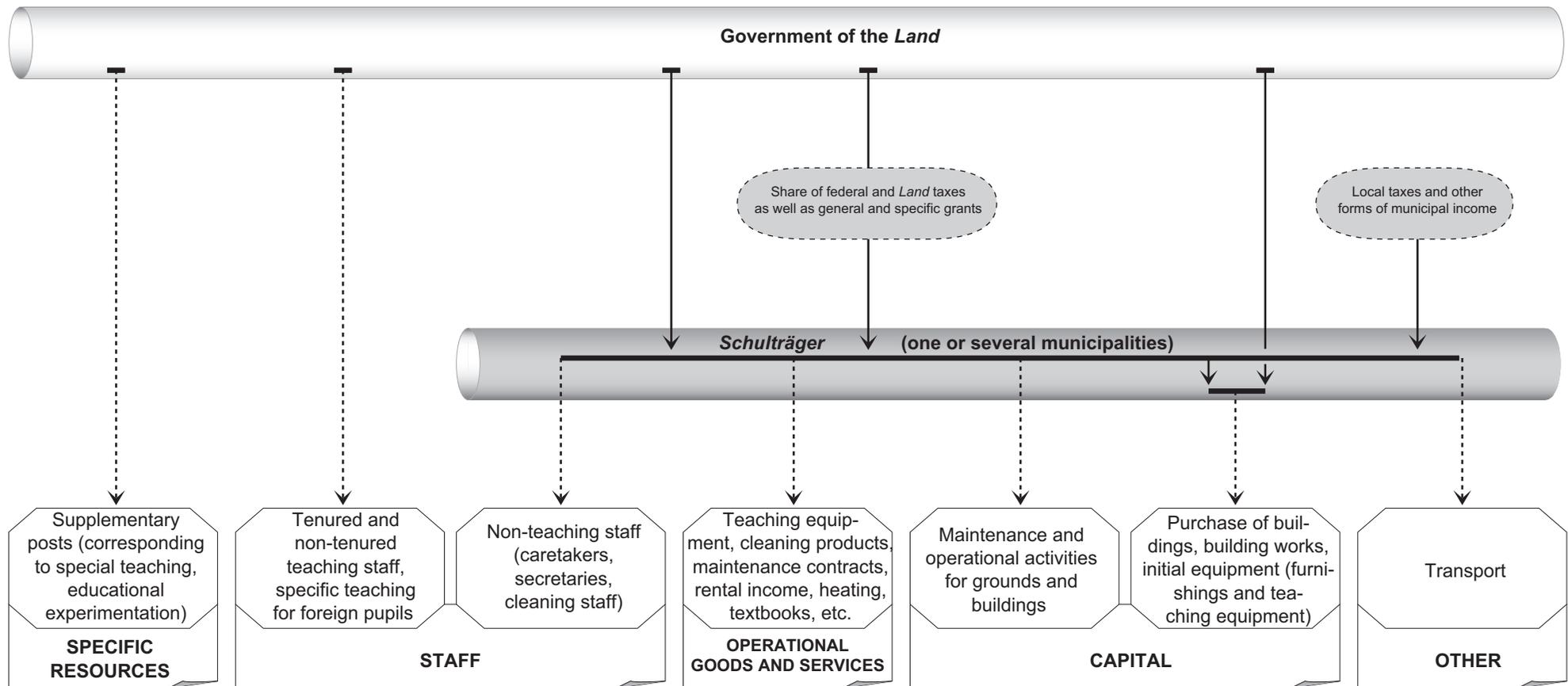
Source: Eurydice, 2001.

The extent to which budgets are delegated to schools varies from one municipality to the next. The diagram illustrates a situation in which there has been the fullest possible delegation.

There is no legislation dealing explicitly with school funding from non-public sources. With the permission of the local authorities, schools may seek non-public funds from sponsoring and donations but this is not common practice.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001

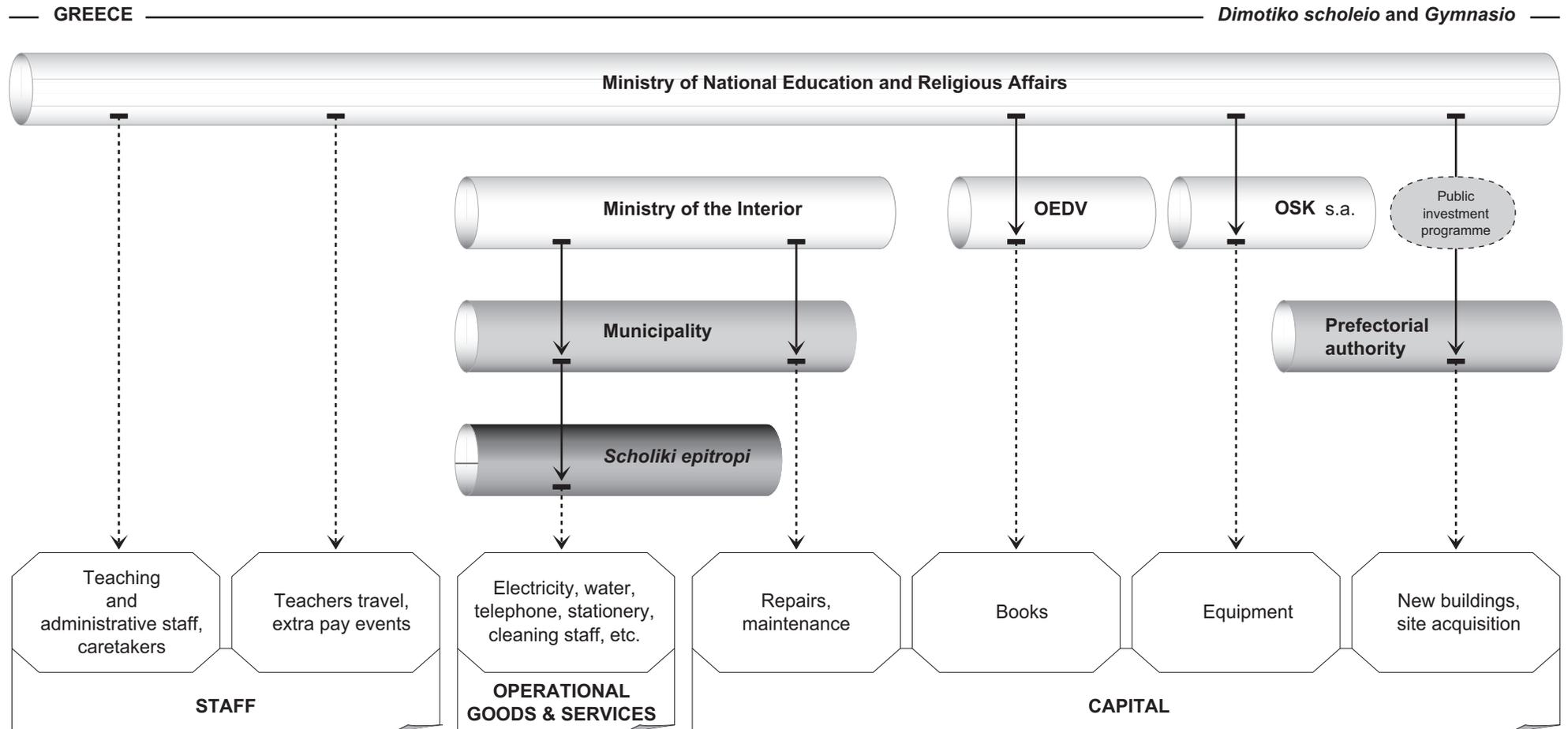
— GERMANY — *Grundschule, Orientierungsstufe, Gymnasium, Gesamtschule, Realschule, Schularten mit mehreren Bildungsgängen, Hauptschule* —



Source: Eurydice, 2001.

In their educational legislation, the majority of the *Länder* have established the basis for educational reform resulting in greater management autonomy for schools, while the municipalities (as *Schulträger*) have implemented pilot projects or introduced forms of school budgeting to the same end, in all cases in accordance with the budgetary laws of the *Land* concerned. Fund-raising from private sources is a relatively new development and both legislation and current municipal practice may vary. But schools in the majority of the *Länder* may now receive additional resources from sponsors and acknowledge their support. These resources are initially the property of the *Schulträger* which may in turn transfer the money or donations in kind to the schools. Nevertheless, there have to be firm assurances that the benefit to school activities will be greater than any gain derived by the sponsor concerned.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001

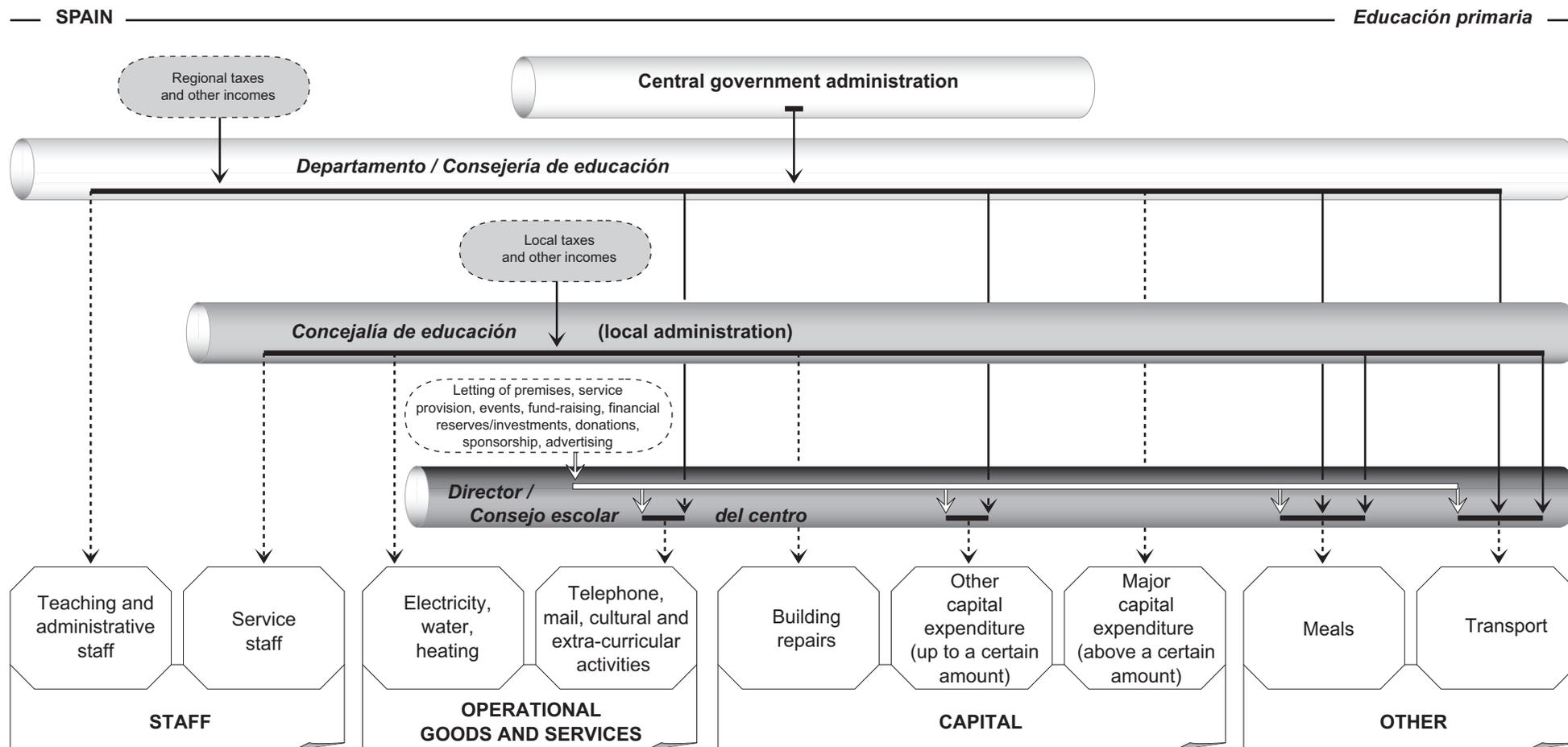


Source: Eurydice, 2001.

OEDV = *Organismos Ekdoseos Didaktikon Vivlion* (Organization for the Publishing of School Books); OSK s.a. = *Organismos Skolikon Ktirion société anonyme* (Organisation for the Building of Schools, a limited company).

Schools are not allowed to raise money from non-public sources.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001

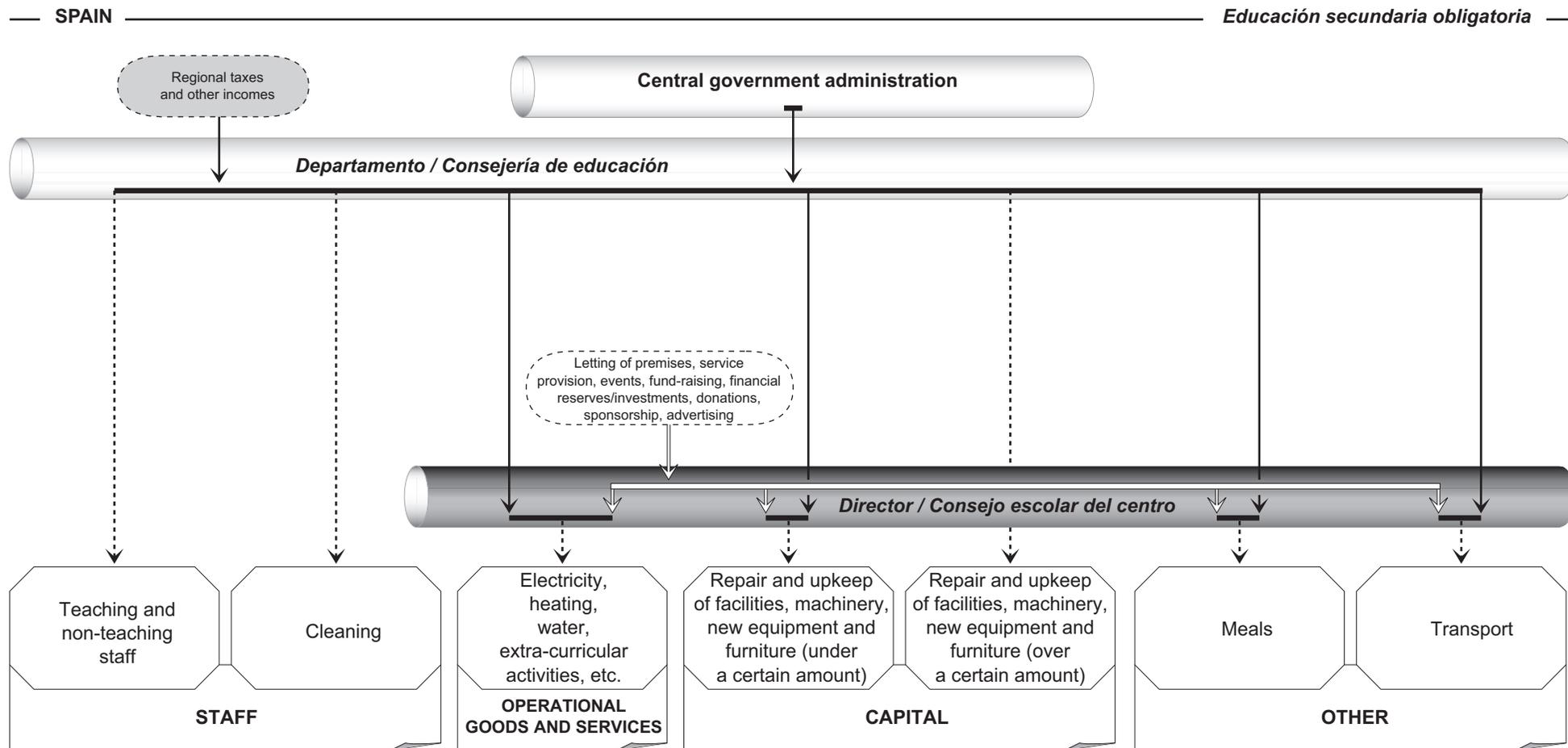


Source: Eurydice, 2001.

The resources of local administrative authorities come from different sources that may vary from one Autonomous Community to the next. In general, they consist of global allocations from the central authorities, the administrative authorities of the Autonomous Community concerned and local taxes.

The opportunities provided by law for obtaining money from non-public sources are hardly ever exploited, so almost the whole school budget is based on public funding.

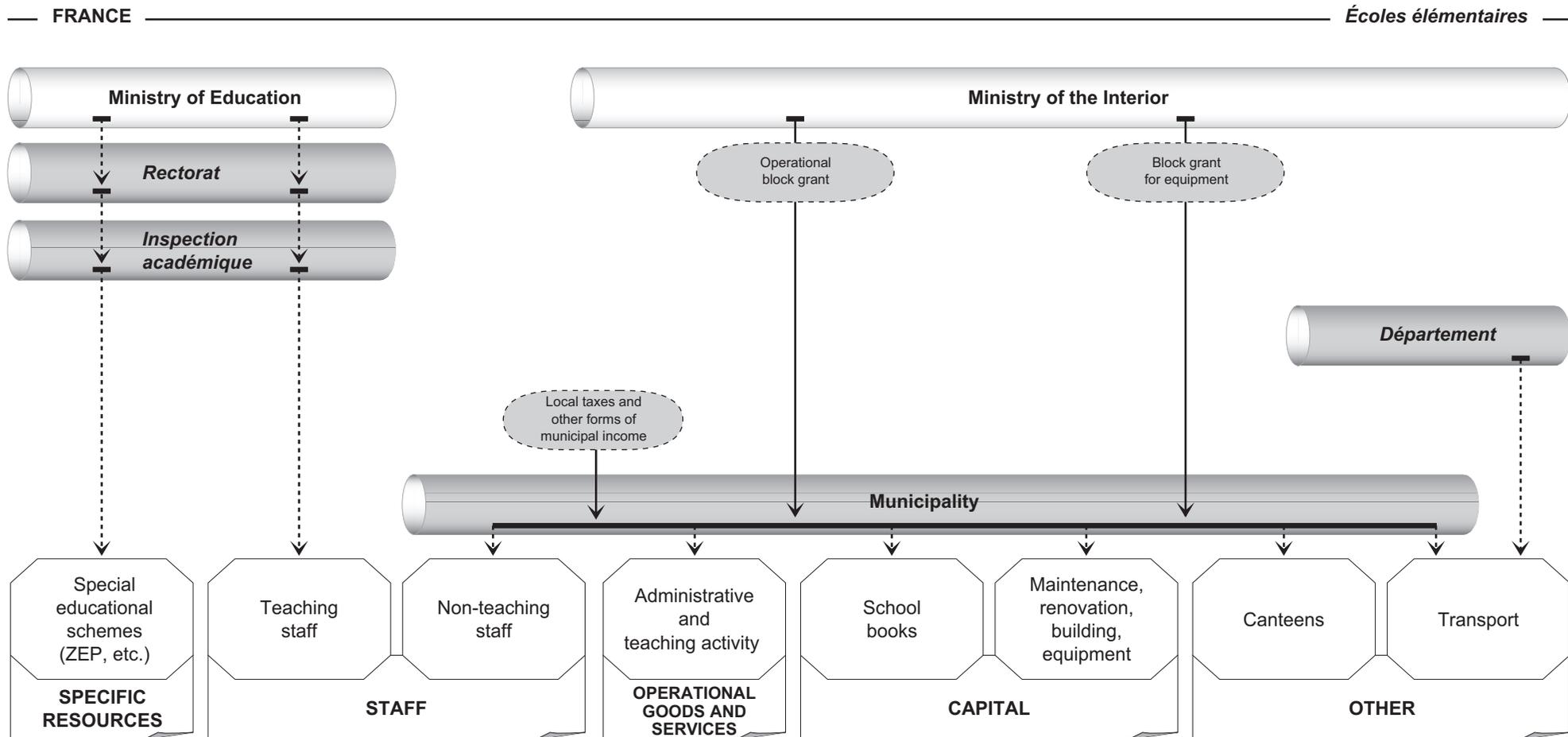
# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



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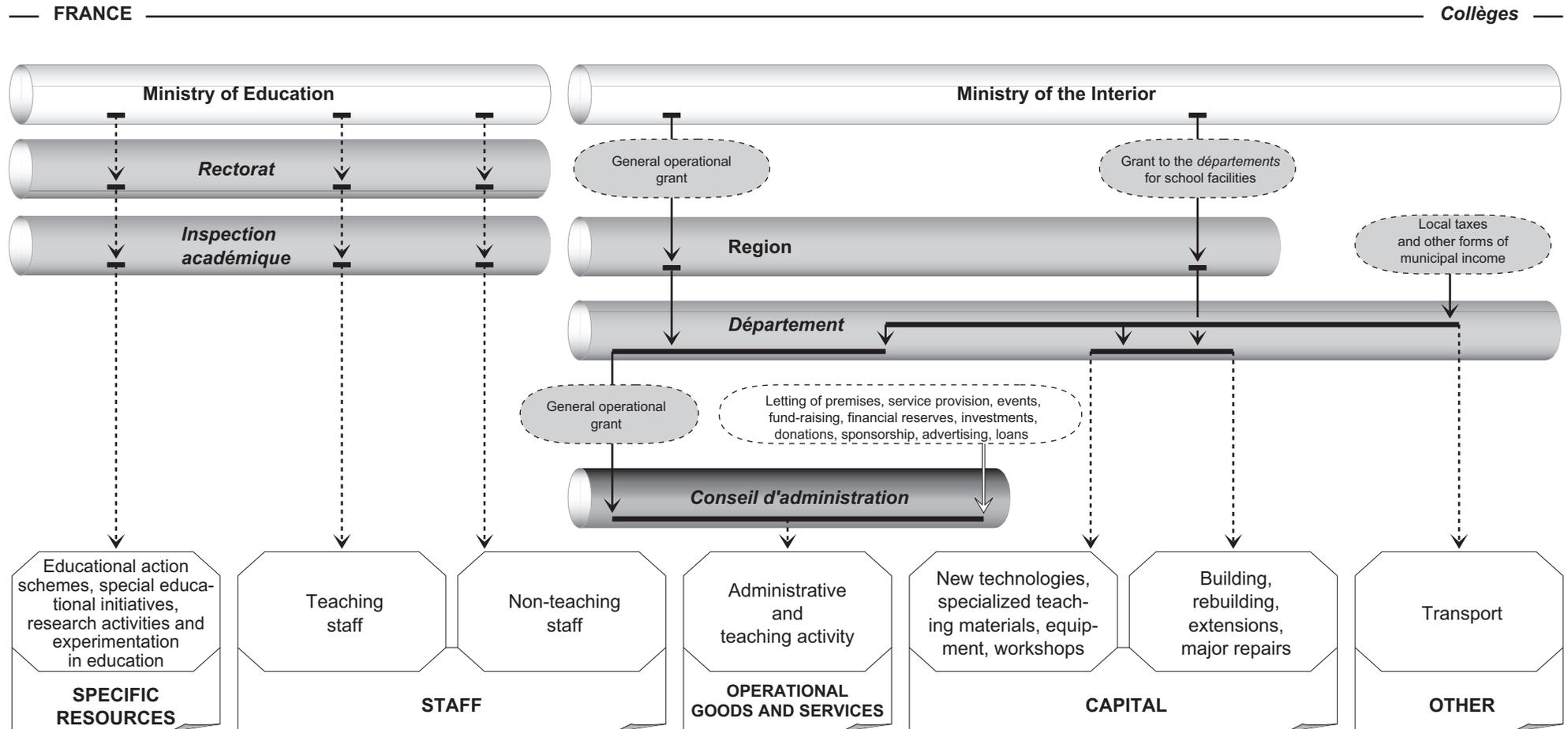
# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

ZEP = *Zones d'éducation prioritaires* (priority education areas).

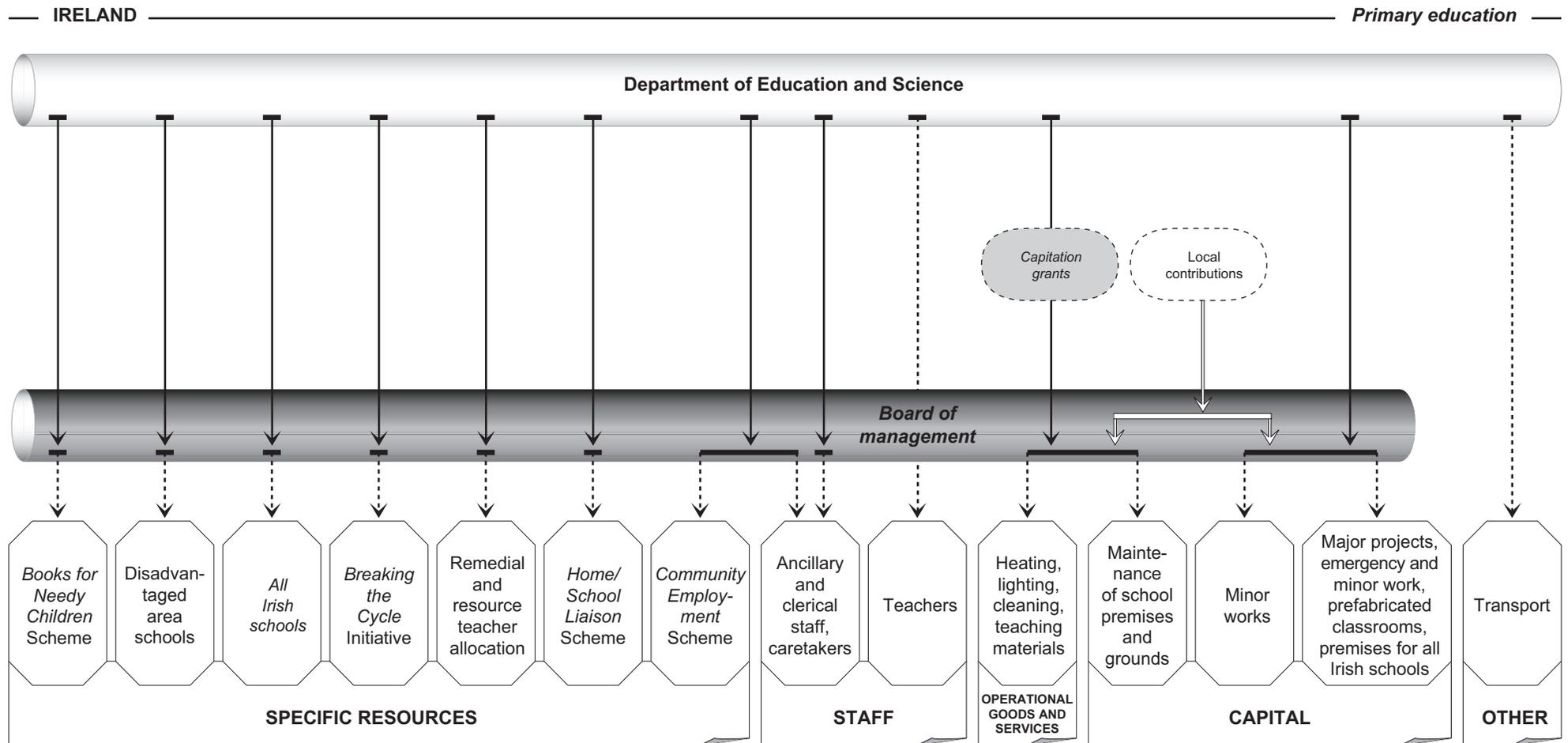
# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

As regards fund-raising from non-public sources, *collèges* can only take out loans with the permission of the government, the *département* and the supervisory authorities. This is most uncommon.

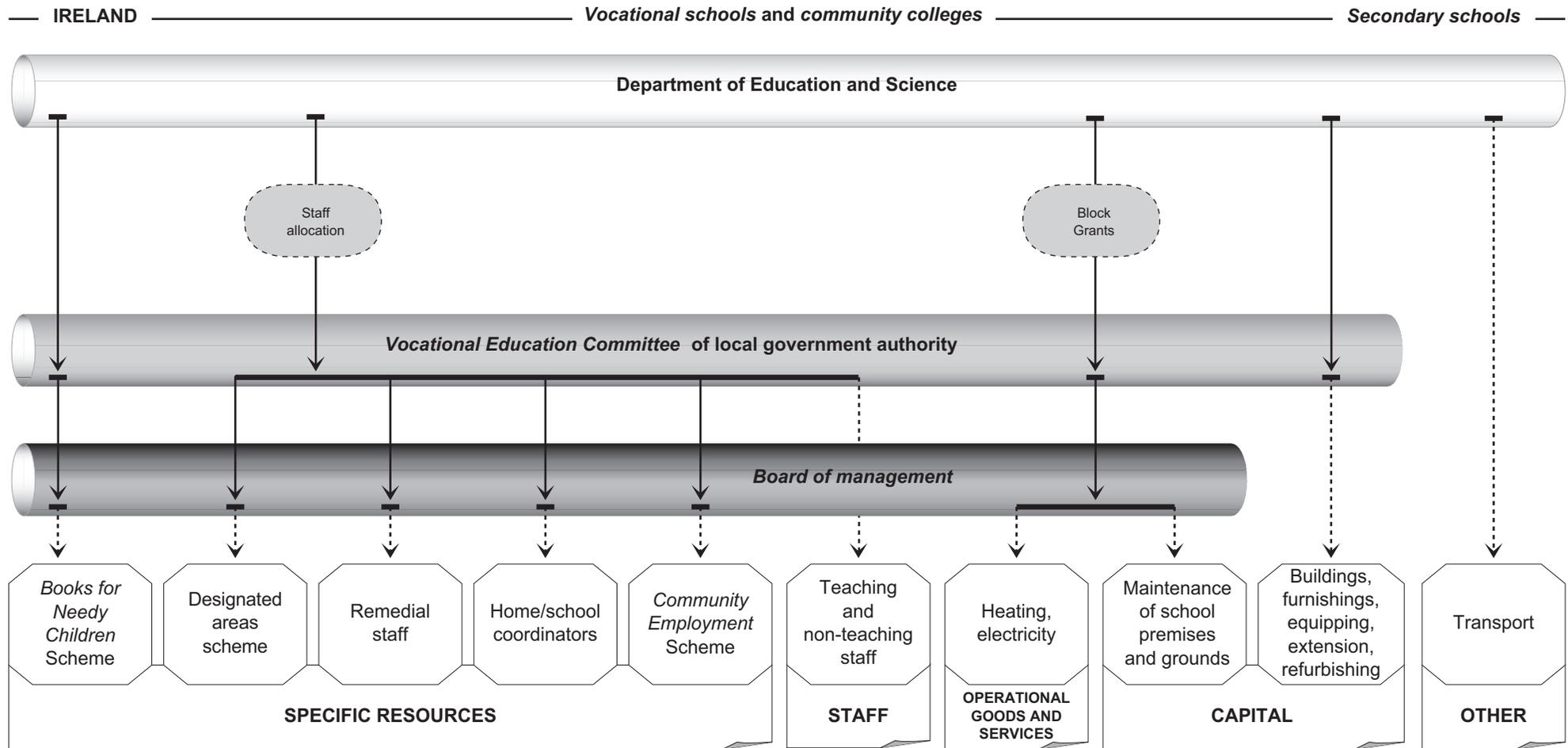
# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

Local contributions received by schools can come from several non-public sources. Depending on the school concerned, non-public funds may be derived from service provision, events, fund-raising, donations, sponsorship or loans. The local contribution at primary level is compulsory and is defined as a contribution to the day-to-day running costs. Schools are free to raise additional non-public funds and each individual school *Board of management* decides how such funds should be used.

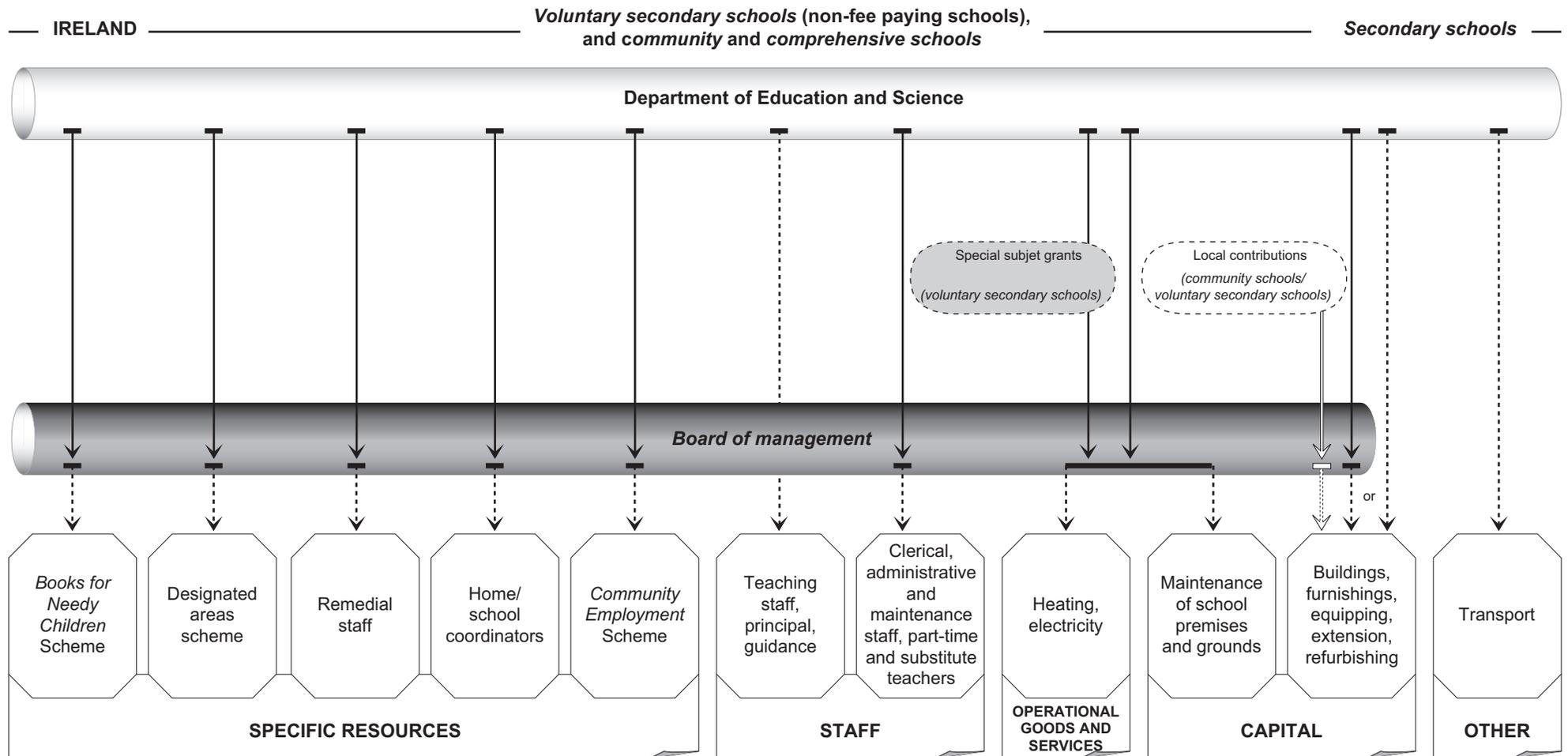
# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

Vocational schools and community colleges may seek non-public funds from service provision, events, fund-raising, donations and sponsorship and use them for a wide range of resources.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001

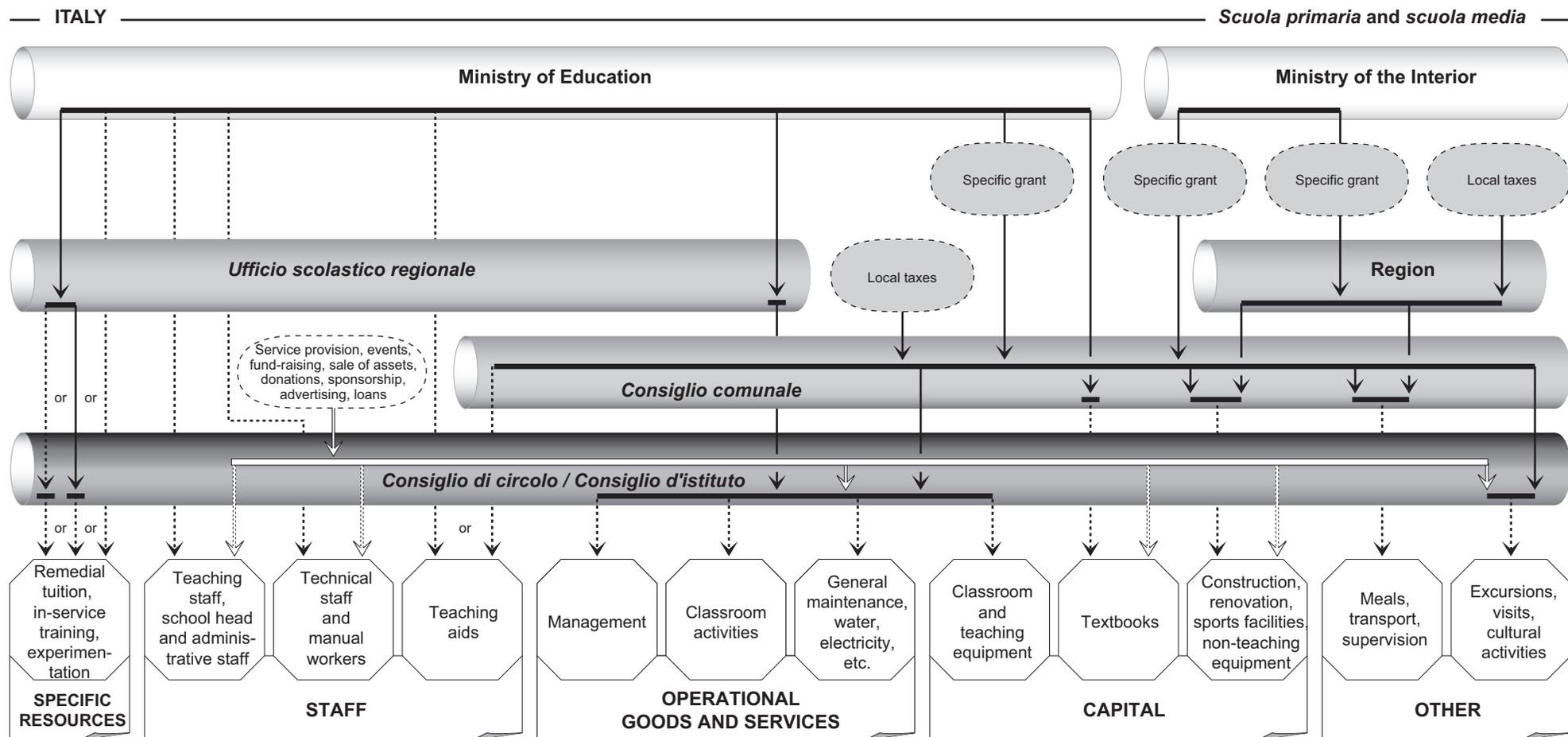


Source: Eurydice, 2001.

The *voluntary secondary schools* and the *community schools* receive their capital allocations in cash, whereas the *comprehensive schools* obtain theirs in kind. The *voluntary secondary schools* get subsidies for some subjects requiring special equipment (technological and artistic courses, etc.). *Voluntary secondary schools* which charge fees get no allocations for non-teaching staff.

Local contributions schools may receive can come from several non-public sources. Depending on the *voluntary secondary school* or *community school* concerned, non-public funds may be derived from the letting of premises, service provision, events, fund-raising, financial reserves, donations, sponsorship or loans. The same applies to *comprehensive schools* except that they cannot seek non-public funds from the letting of premises and financial reserves. It is up to individual school *Boards of management* to decide how such funds should be used.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001

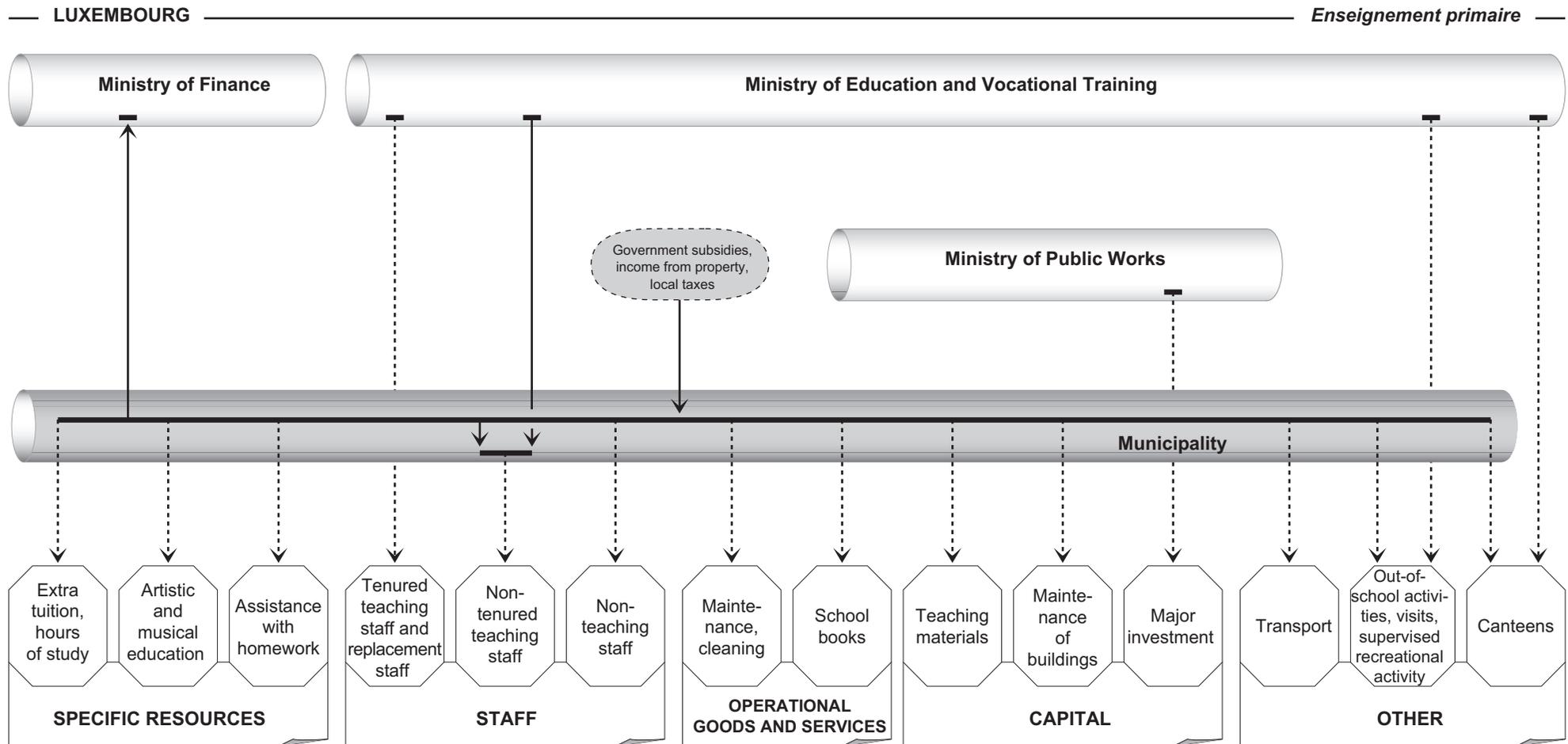


Source: Eurydice, 2001.

As regards capital resources, regions may be involved in transfers of funding for sports facilities.

The *Consiglio di circolo* is the school board for primary schools. The *Consiglio d'istituto* is the school board in lower secondary education.

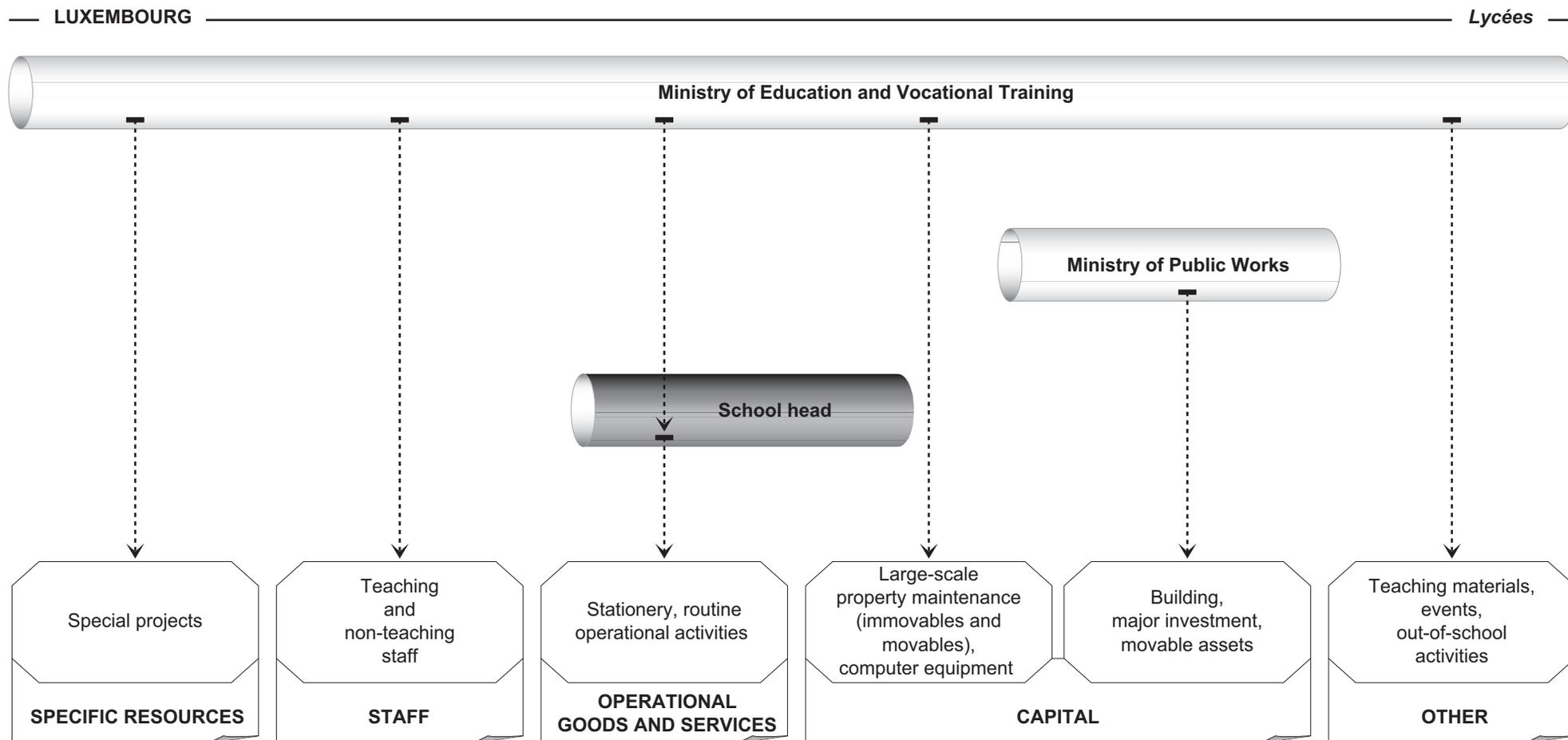
# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

The municipalities reimburse the Ministry of Finance one third of the amount of teaching staff salaries paid for by the government.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



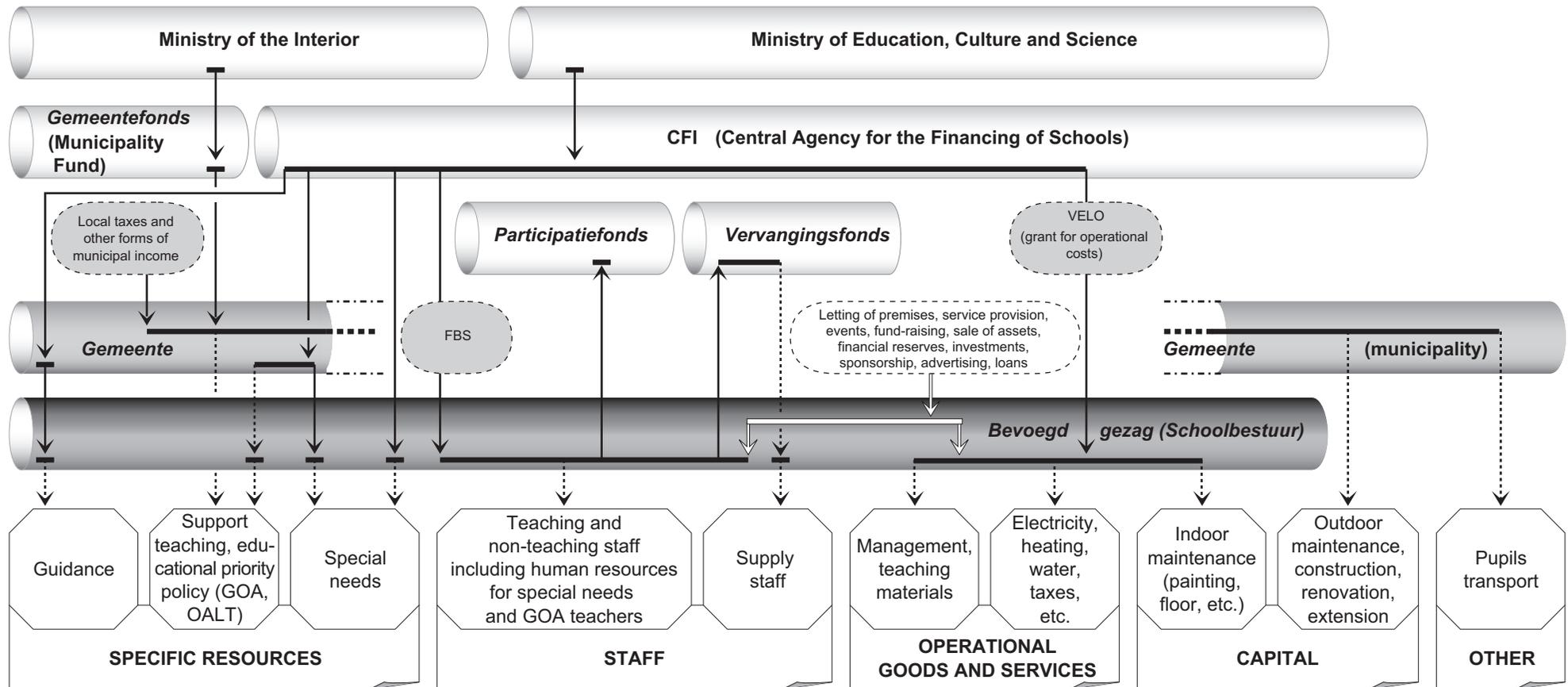
Source: Eurydice, 2001.

Schools may obtain some kinds of private funding linked to formal school schemes, through partnerships with firms. However, the number of schools that do so is relatively limited.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001

THE NETHERLANDS

Basisonderwijs



Source: Eurydice, 2001.

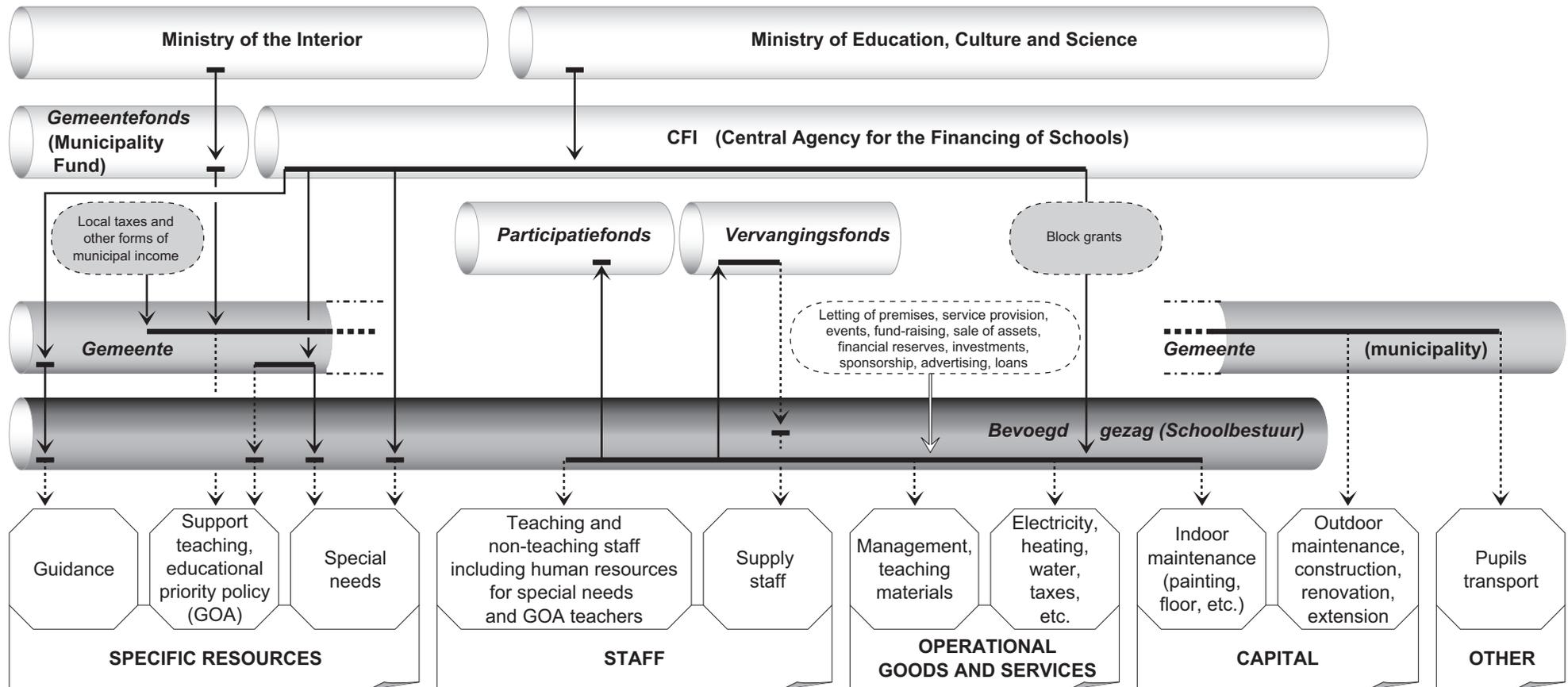
GOA = *Gemeentelijk Onderwijsachterstandenbeleid* (municipal policy for fighting underachievement at school); OALT = *Onderwijs in allochtone levende talen* (teaching of minority languages), FBS = *Formatiebudgetstelsel* (system for the award of staff resources); VELO = *Vereenvoudigd Londo* (system for the award of operational resources).

As regards school funding from non-public sources, the diagram refers to the entire range of possibilities, without specifying what schools actually do in practice.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001

— THE NETHERLANDS —

— VWO, HAVO and VMBO —



Source: Eurydice, 2001.

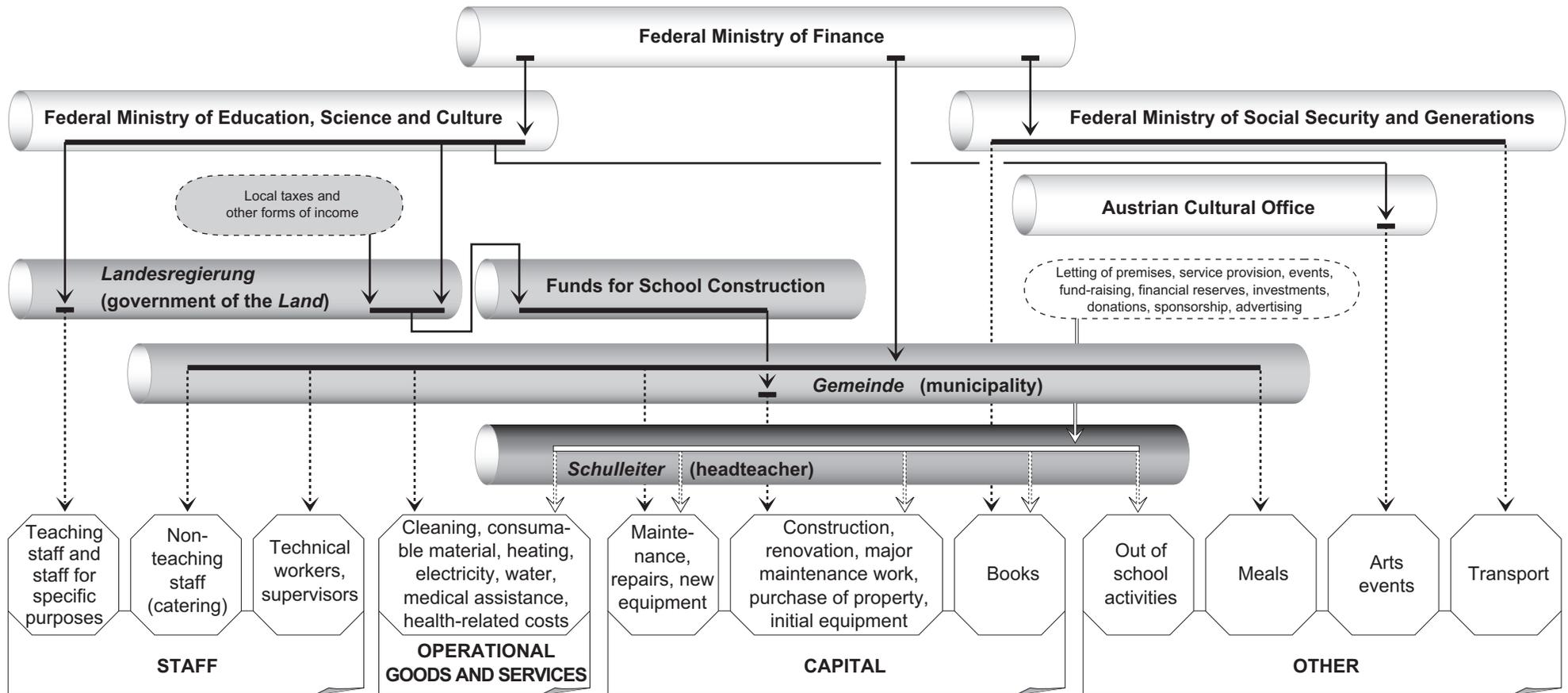
GOA = *Gemeentelijk Onderwijsachterstandenbeleid* (municipal policy for fighting underachievement at school).

The municipality may delegate to schools the management of the external maintenance of buildings.

As regards school funding from non-public sources, the diagram refers to the entire range of possibilities, without specifying what schools actually do in practice.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001

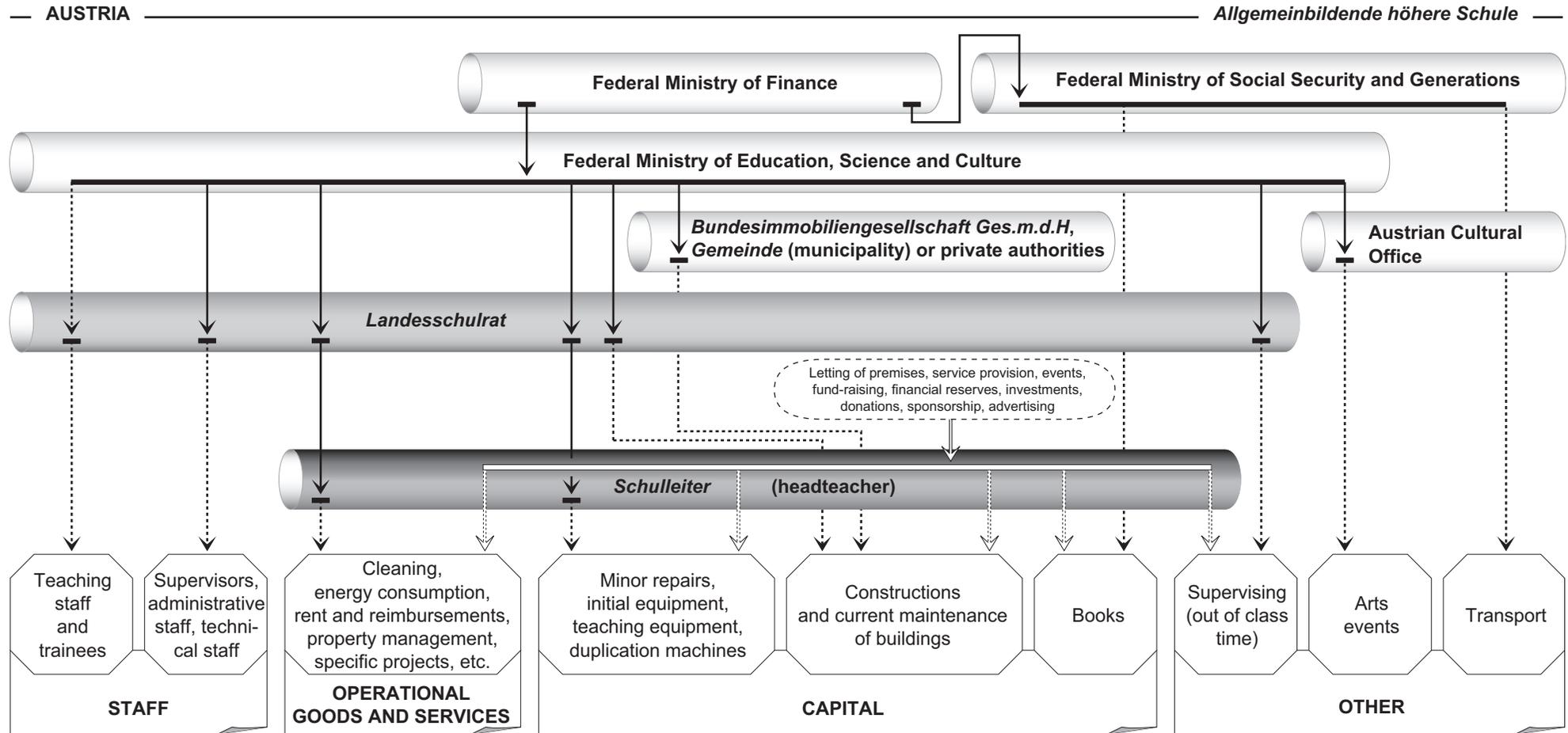
— AUSTRIA — *Volkschule, Hauptschule and Polytechnische Schule* —



Source: Eurydice, 2001.

Forms of funding from non-public sources open to *Volkschulen, Hauptschulen* and *Polytechnische Schulen* depend on the *Landesschulräte* in each *Land*.

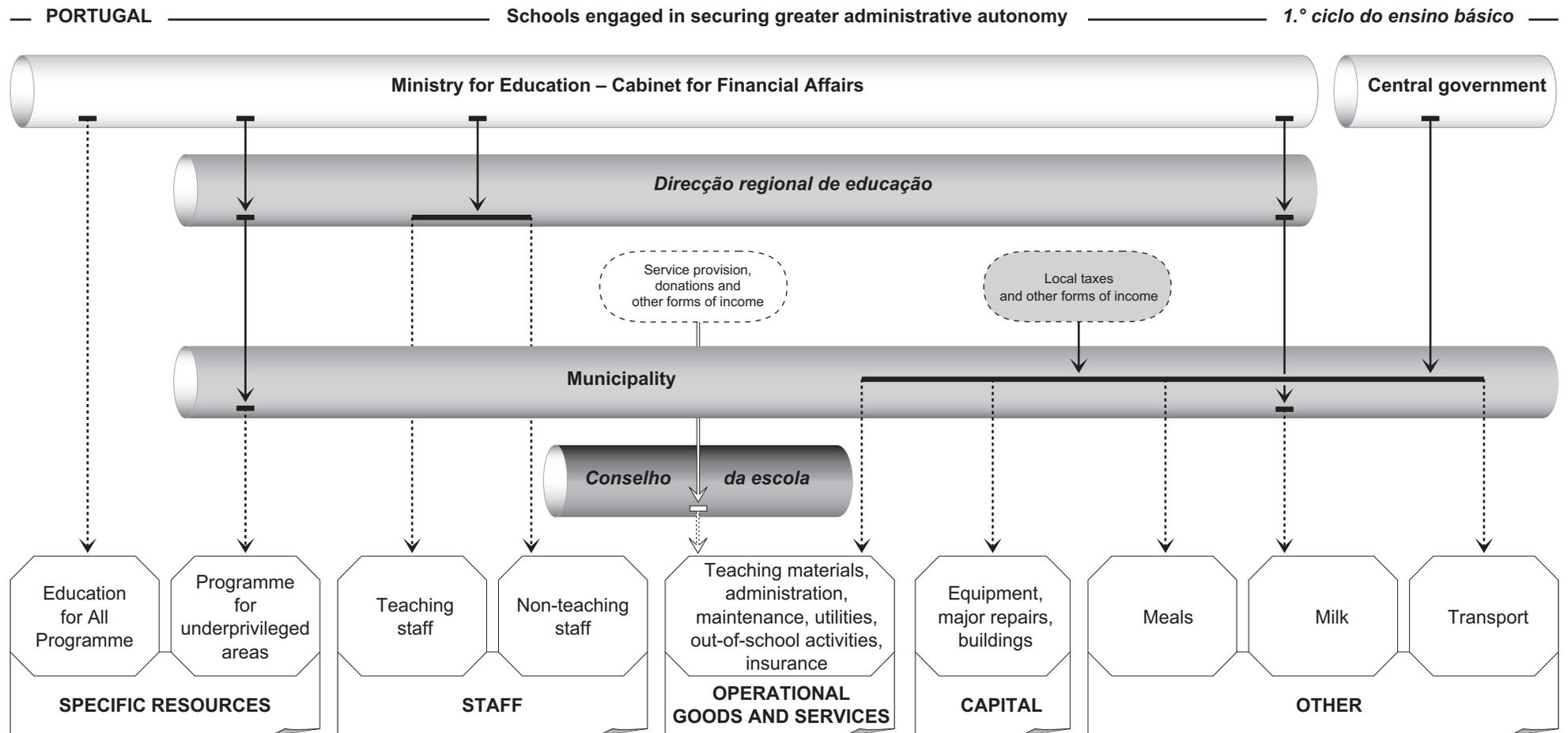
# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

To raise funds from non-public sources by providing services or organising events, the *allgemeinbildende höhere Schulen* have to acquire limited legal autonomy. The *Bundesimmobiliengesellschaft Ges.m.d.H* (National Estate Agency) is a public limited company. As far as arts and cultural events are concerned, these academic secondary schools may also apply for a special budget from the Austrian Cultural Office. This budget is directly transferred from the Ministry of Education to the school.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

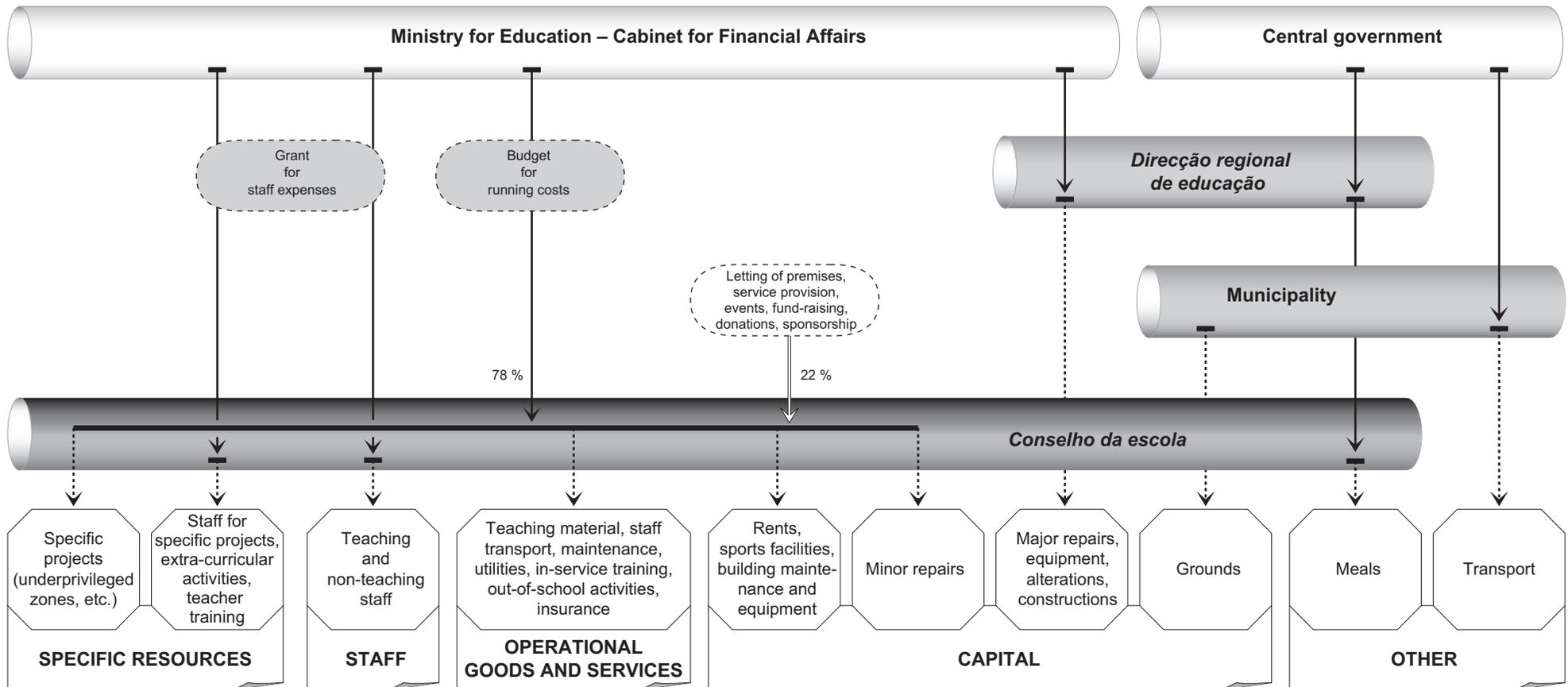
All pupils in the first stage of *ensino básico* receive two decilitres of milk funded by the Ministry of Education and a Community subsidy from the European Agricultural Guidance and Guarantee Fund.

Moves are under way to grant some administrative autonomy to schools offering the first stage of *ensino básico*. As a result, 65 % of these schools have some room for manoeuvre in seeking and managing non-public funds. However, only small amounts of money are involved. The remaining 35 % of the schools still have no financial autonomy.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001

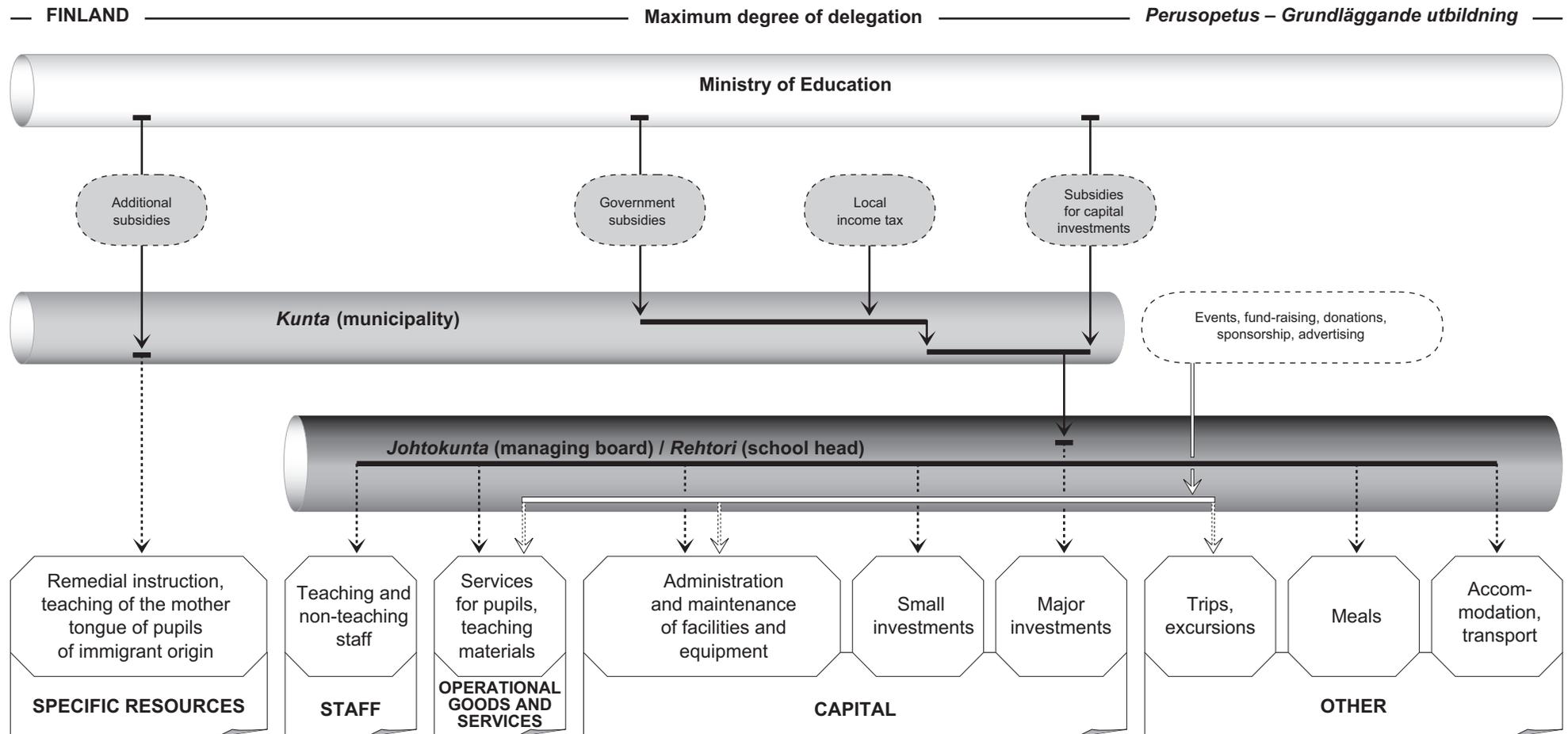
— PORTUGAL —

— 2.º e 3.º ciclos do ensino básico —



Source: Eurydice, 2001.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

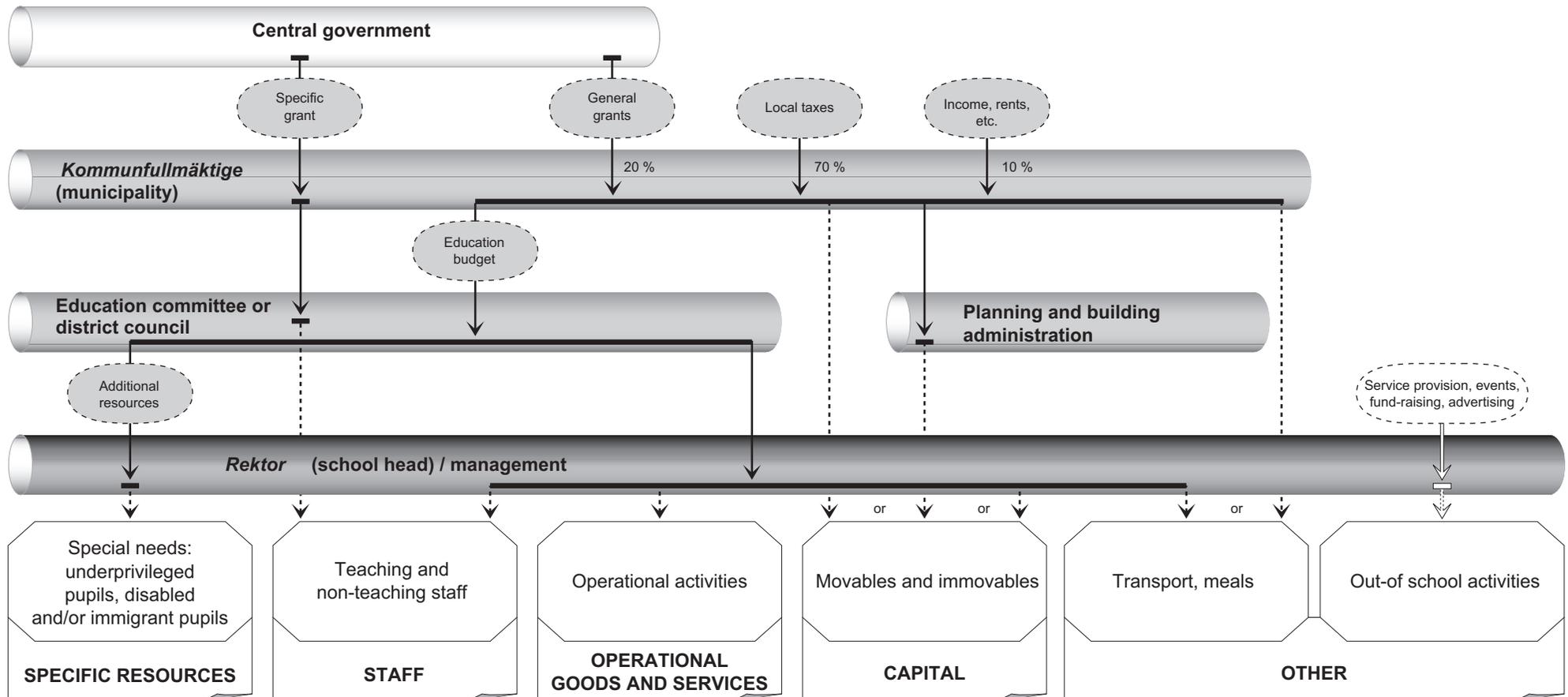
The extent to which responsibility for their budgets is delegated to schools varies from one municipality to the next. The diagram illustrates a situation in which there has been the fullest possible delegation. Budgets relating to school building (fixed assets/immovables), school transport and accommodation are very frequently the responsibility of the municipalities.

The municipalities also decide on the freedom of action of schools as regards seeking funds from private sources and use of the funds so obtained.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001

SWEDEN

Grundskola



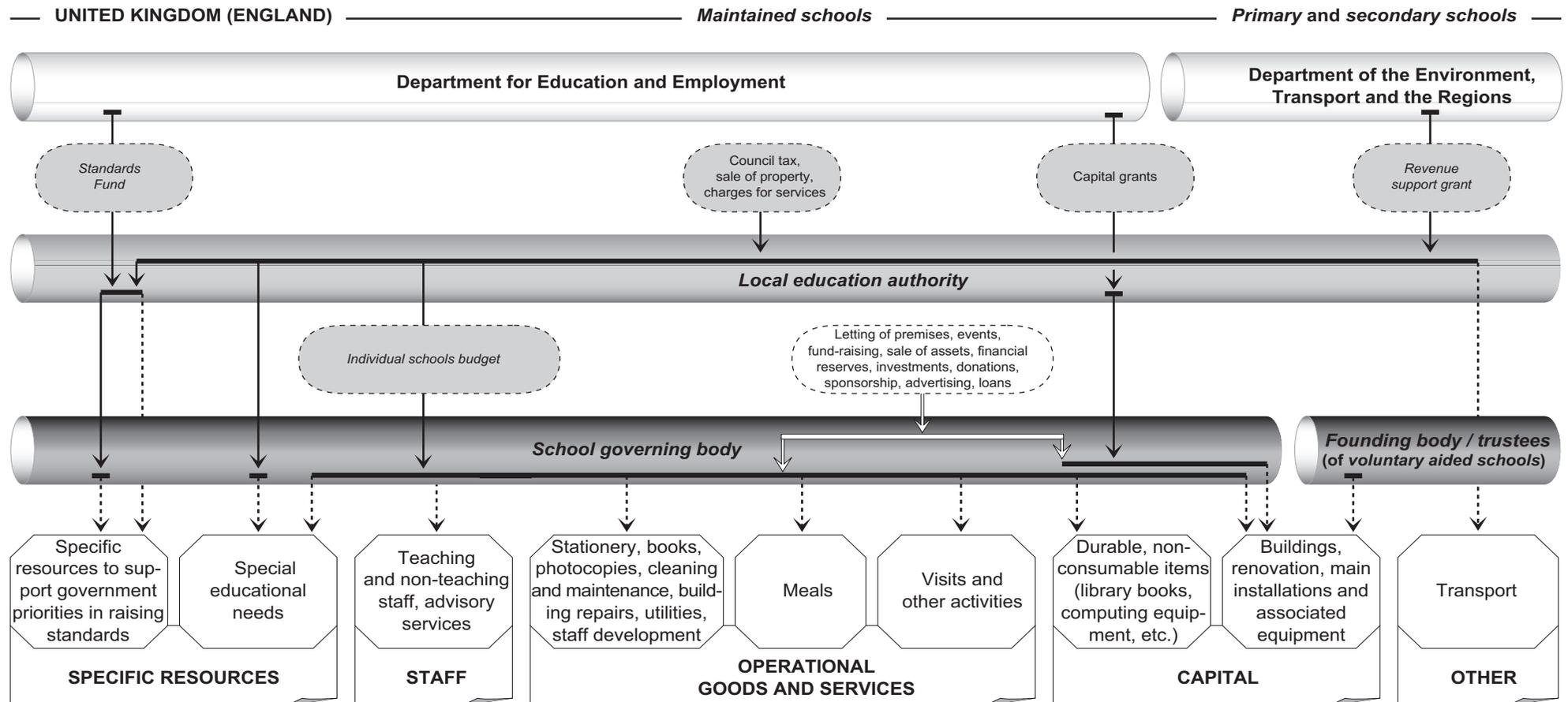
Source: Eurydice, 2001.

The extent to which responsibility for their budgets is delegated to schools varies from one municipality to the next. In general, delegation occurs in the case of staff and operational resources, whereas the pattern of transfer in the case of capital resources is more varied. In certain instances, budgets are delegated to schools whereas, in others, they are administered by the municipality, either by the municipal council, or its planning and building works department.

From 2001-2006, the government is allocating municipalities a special grant for employing school staff. To receive this grant, a municipality must fulfil certain requirements laid down by the National Agency for Education. From 2006, this grant will be included in the general state grant to municipalities.

In municipalities that grant them permission, schools can seek funds from non-public sources through the letting of premises, donations and sponsorship.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001

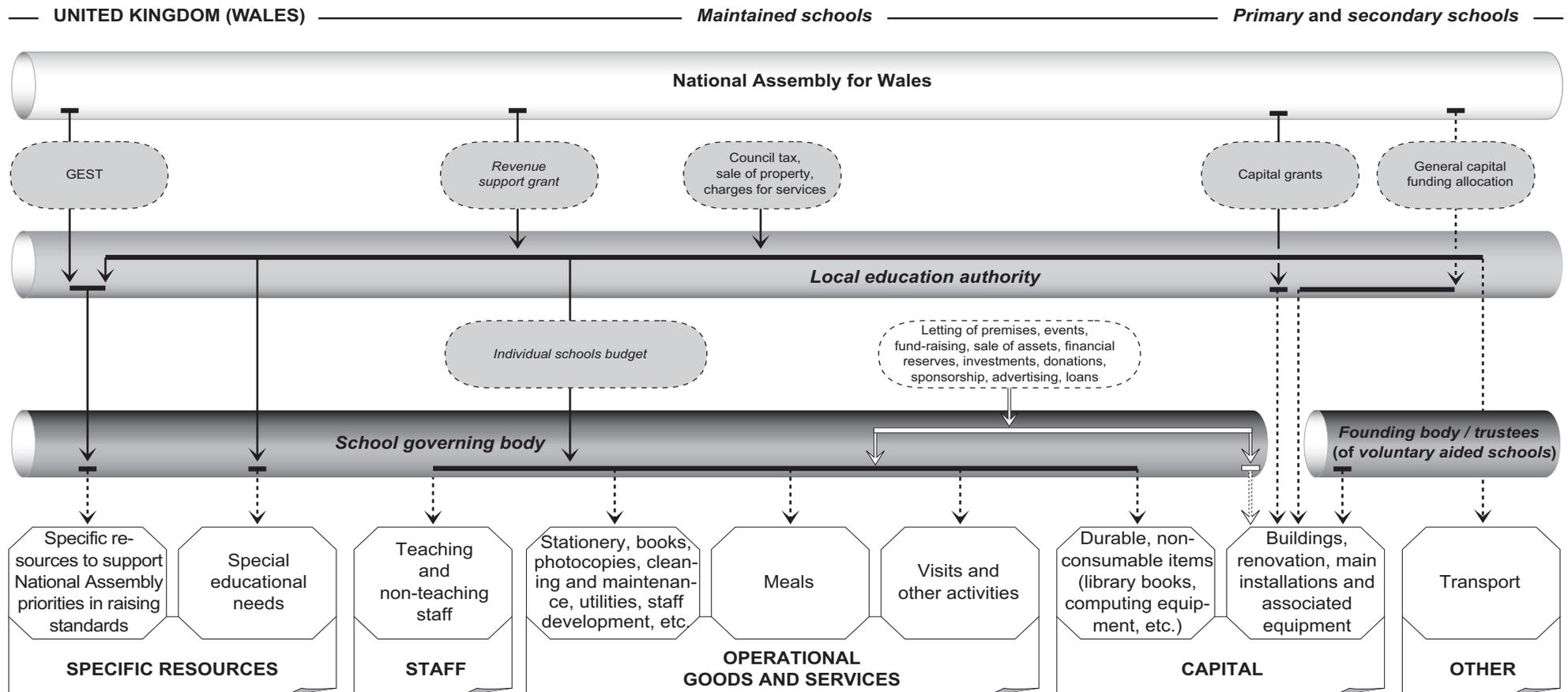


Source: Eurydice, 2001.

In June 2001, the Department for Education and Employment (DfEE) became the Department for Education and Skills (DfES), while the Department of the Environment, Transport and the Regions (DETR) became the Department of Transport, Local Government and the Regions (DTLR). Expenditure on durable, non-consumable items such as books, furniture and computer equipment is generally considered to be recurrent rather than capital expenditure and, as such, is funded from the schools' own budget. However, furniture and equipment associated with new and renovated buildings are generally incorporated into the capital costs for the project. In order to permit LEAs to borrow money to finance capital education projects, the DfEE issues credit approvals. Capital expenditure on fixed assets for *voluntary aided schools* is provided directly by DfEE grants (not shown in the diagram). Government priorities in raising standards embrace measures to support the inclusion of disadvantaged pupils (including those from ethnic minorities), measures to support school effectiveness, professional development of teachers, and information and communication technology etc. *Formula capital funding* is also paid through the *Standards Fund*. LEAs must delegate funding for school meals to secondary schools whereas, in the case of primary schools, funding is only delegated if schools themselves request it. As far as non-public funding is concerned, loans taken out by schools must be used for large capital projects. Private sources of funding shown are theoretically available to schools but, while all schools probably benefit from fund-raising from events, very few schools are likely to benefit from advertising revenues.

For further information on the funding of schools, see item 2.14 in the United Kingdom national dossier in Eurybase ([www.eurydice.org](http://www.eurydice.org)).

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

GEST = *Grants for Education Support and Training in Wales*.

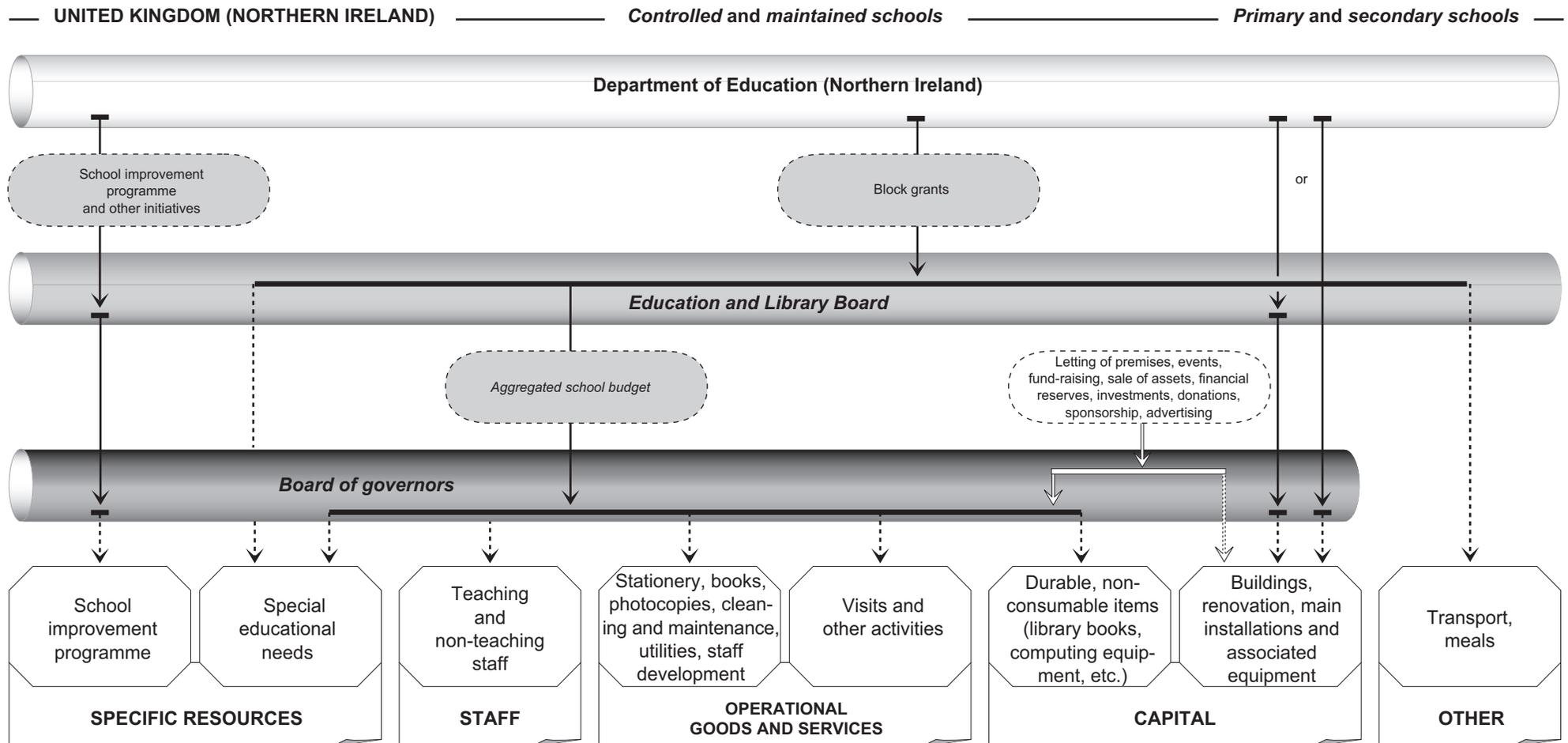
Expenditure on durable, non-consumable items such as books, furniture and computer equipment is generally considered to be recurrent rather than capital expenditure and, as such, is funded from the schools' own budget. However, furniture and equipment associated with new and renovated buildings are generally incorporated into the capital costs for the project. Capital expenditure on fixed assets for *voluntary aided schools* is provided directly by grants from the National Assembly for Wales (NafW).

The National Assembly priorities in raising standards include tackling social disadvantage, including the ethnic minorities achievement grants, special educational needs, professional development of teachers, measures to support effectiveness, and information and communication technology, etc. LEAs must delegate funding for school meals to secondary schools whereas, in the case of primary schools, funding is only delegated if schools themselves request it.

As far as non-public funding is concerned, loans taken out by schools must be used for large capital projects. Private sources of funding shown are theoretically available to schools but, while all schools probably benefit from fund-raising from events, very few schools are likely to benefit from advertising revenues.

For further information on the funding of schools, see item 2.14 in the United Kingdom national dossier in Eurybase ([www.eurydice.org](http://www.eurydice.org)).

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



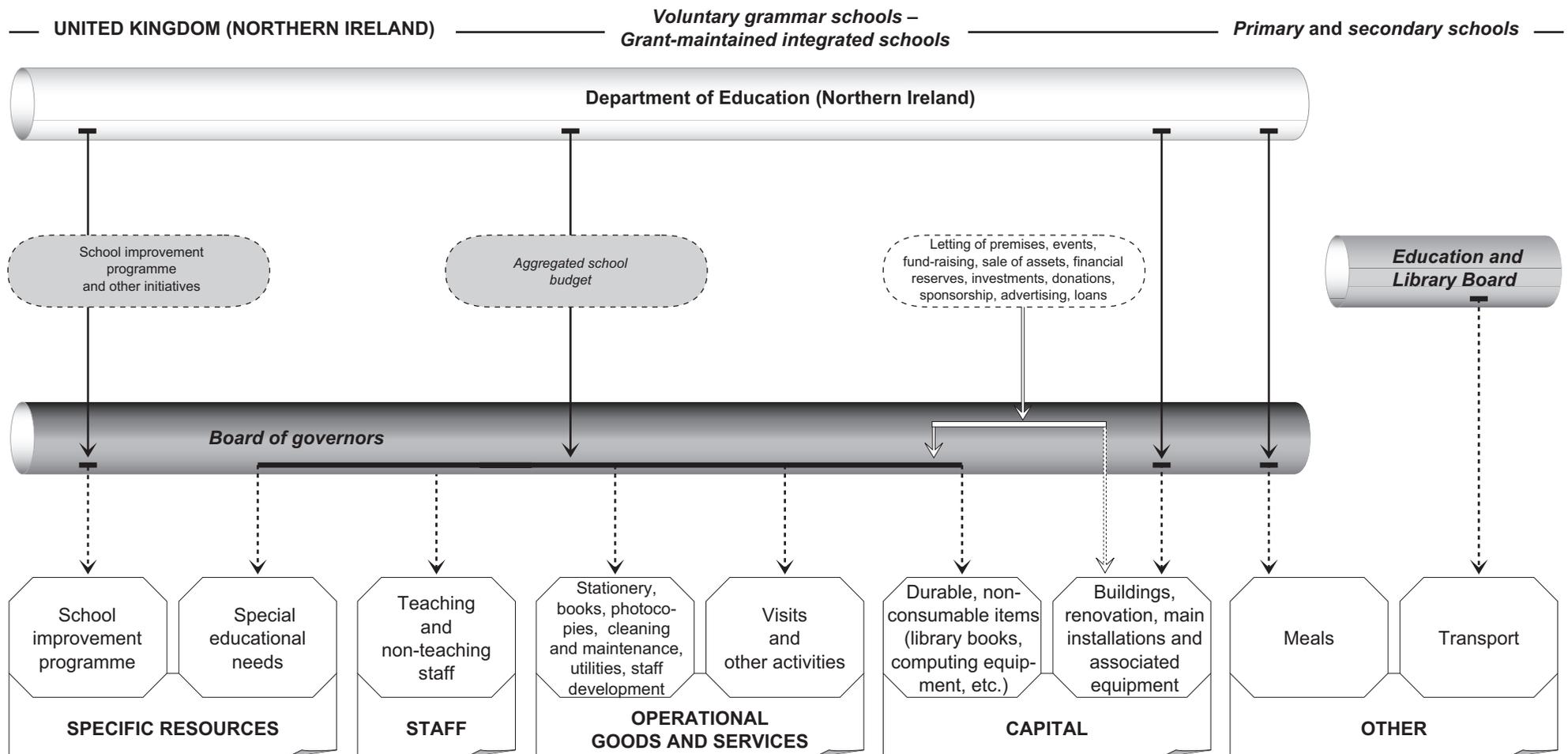
Source: Eurydice, 2001.

Expenditure on durable, non-consumable items such as books, furniture and computer equipment is generally considered to be recurrent rather than capital expenditure and, as such, is funded from the schools' own budget, subject to a limit of GBP 3 000 (around EUR 4 973). However, furniture and equipment associated with new and renovated buildings are generally incorporated into the capital costs for the project. Grants for capital expenditure are provided directly by the Department of Education to *maintained schools*, while *Education and Library Boards* meet the capital expenditure of *controlled schools*.

Consultation is currently taking place on a new common funding formula for all schools in Northern Ireland. The new system is expected to be introduced in April 2002. Private sources of funding shown are theoretically available to schools but, while all schools probably benefit from fund-raising from events, very few schools are likely to benefit from advertising revenues.

For further information on the funding of schools, see item 2.14 in the United Kingdom national dossier in Eurybase ([www.eurydice.org](http://www.eurydice.org)).

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

Approved capital expenditure is directly grant aided by the Department of Education for *grant-maintained integrated* and *voluntary grammar schools*. However, the trustees of some *voluntary grammar schools* contribute up to 15 % of capital costs. Expenditure on durable, non-consumable items such as books, furniture and computer equipment is generally considered to be recurrent rather than capital expenditure and, as such, is funded from the schools' own budget. However, furniture and equipment associated with new and renovated buildings is generally incorporated into the capital costs for the project.

Consultation is currently taking place on a new common funding formula for all schools in Northern Ireland. The new system is expected to be introduced in April 2002.

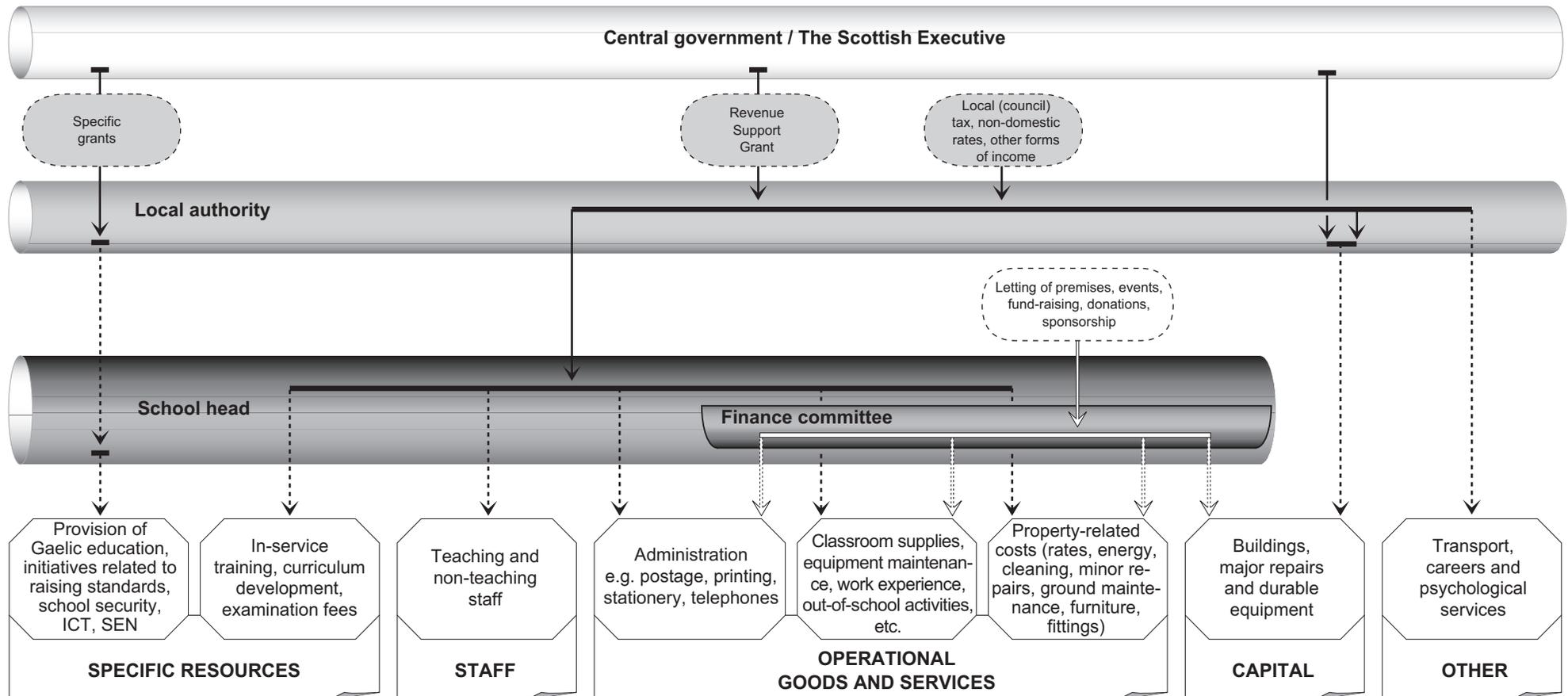
As far as non-public funding is concerned, loans taken out by schools must be used for large capital projects. Private sources of funding shown are theoretically available to schools but, while all schools probably benefit from fund-raising from events, very few schools, if any, benefit from advertising.

For further information on the funding of schools, see item 2.14 in the United Kingdom national dossier in Eurybase ([www.eurydice.org](http://www.eurydice.org)).

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001

UNITED KINGDOM (SCOTLAND)

Primary and secondary schools



Source: Eurydice, 2001.

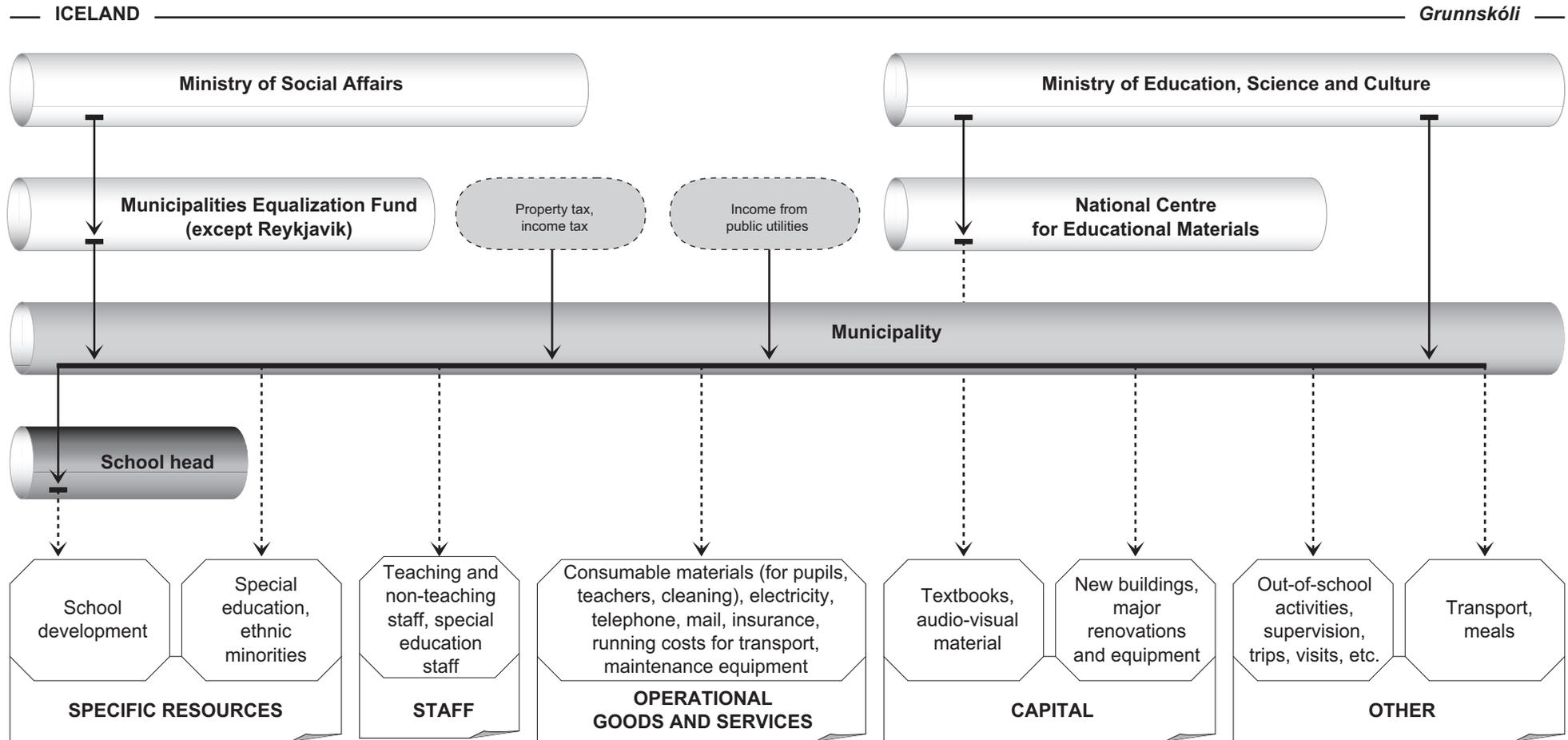
ICT = Information and Communication Technology.

SEN = Special Educational Needs.

'Initiatives relating to raising standards' refers to schemes such as the *Excellence Fund*. Funding is targeted on specific activities such as early intervention, classroom assistants, national grid for learning, alternatives to exclusion and others.

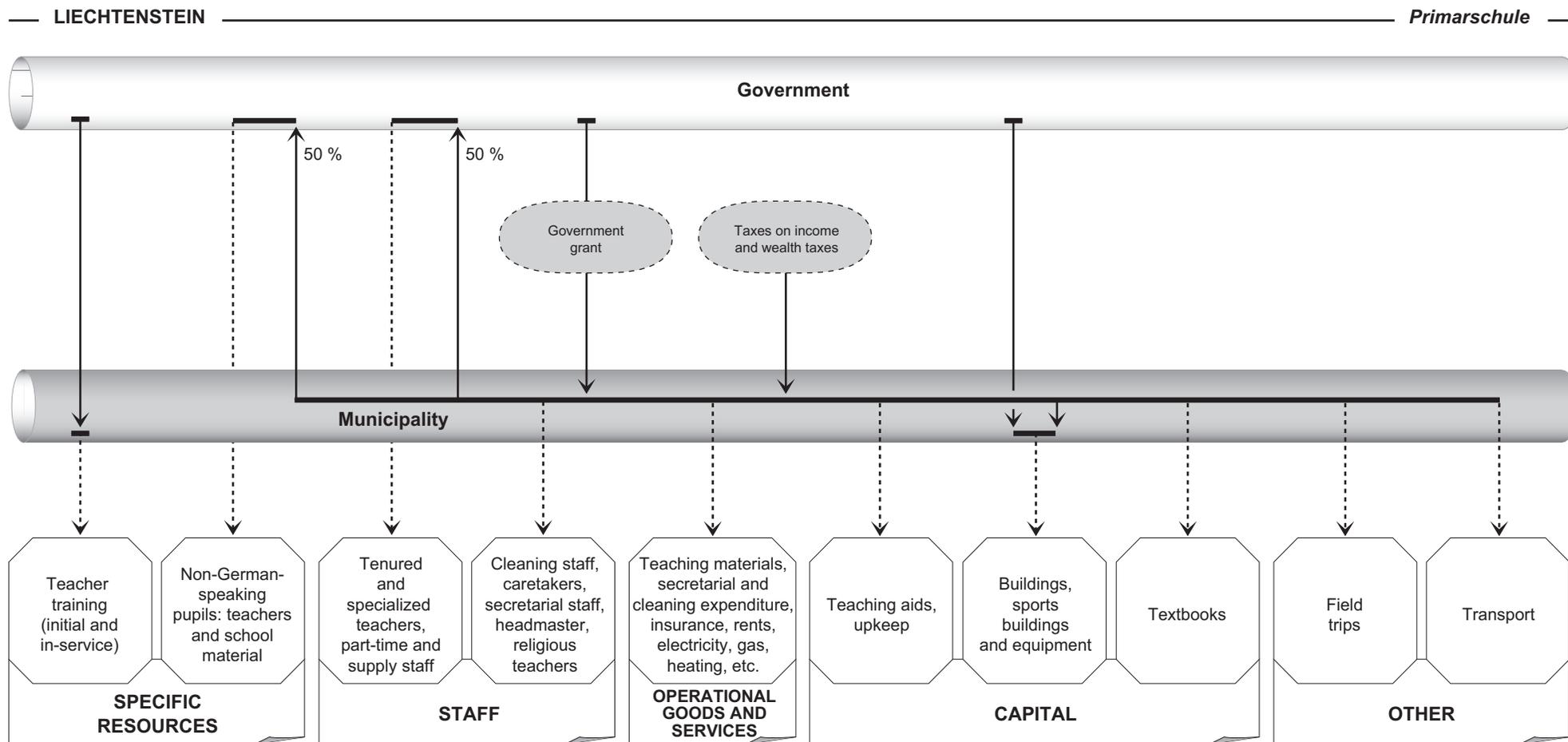
A finance committee, made up of teachers and sometimes the school head, administers the budget for non-public resources.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



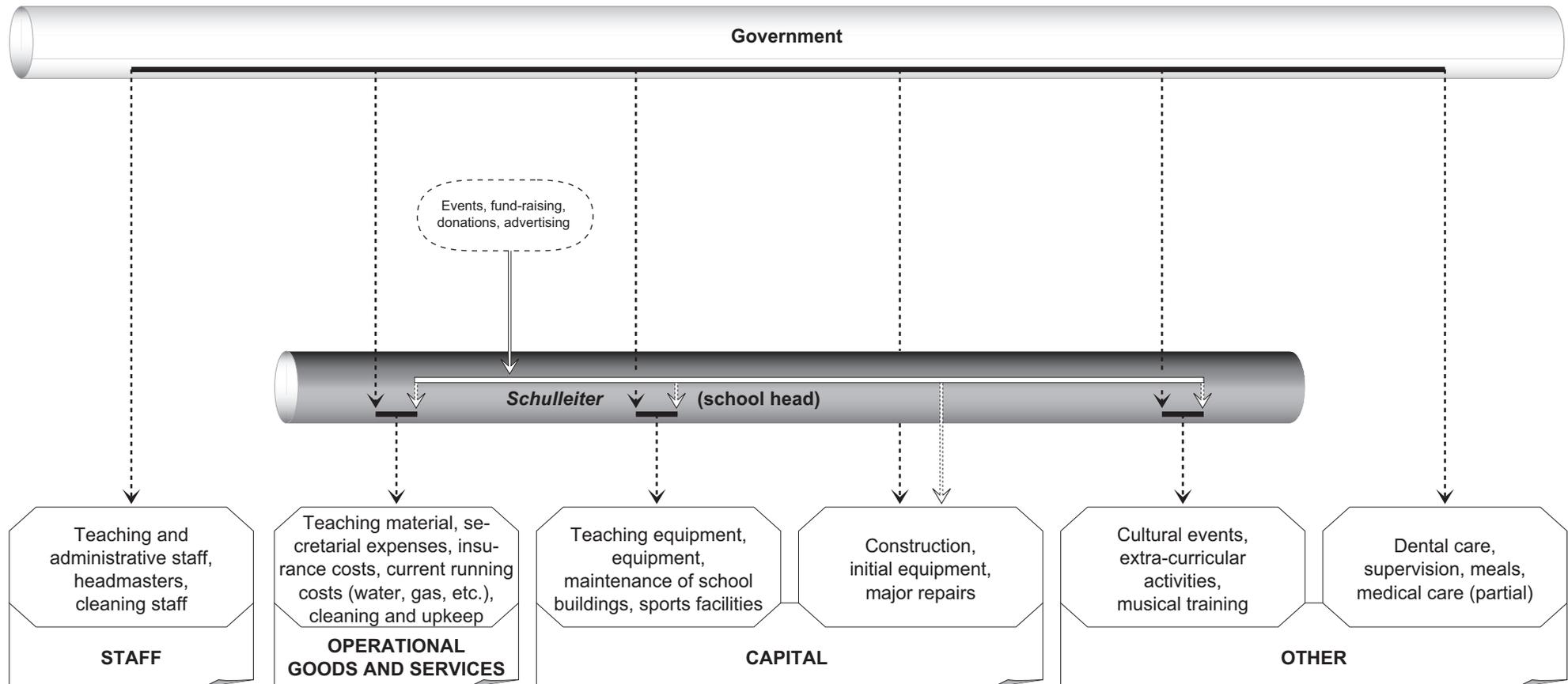
Source: Eurydice, 2001.

Schools may acquire funds from non-public sources as a result of donations or through advertising. However, in practice, they do not resort to advertising.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001

LIECHTENSTEIN

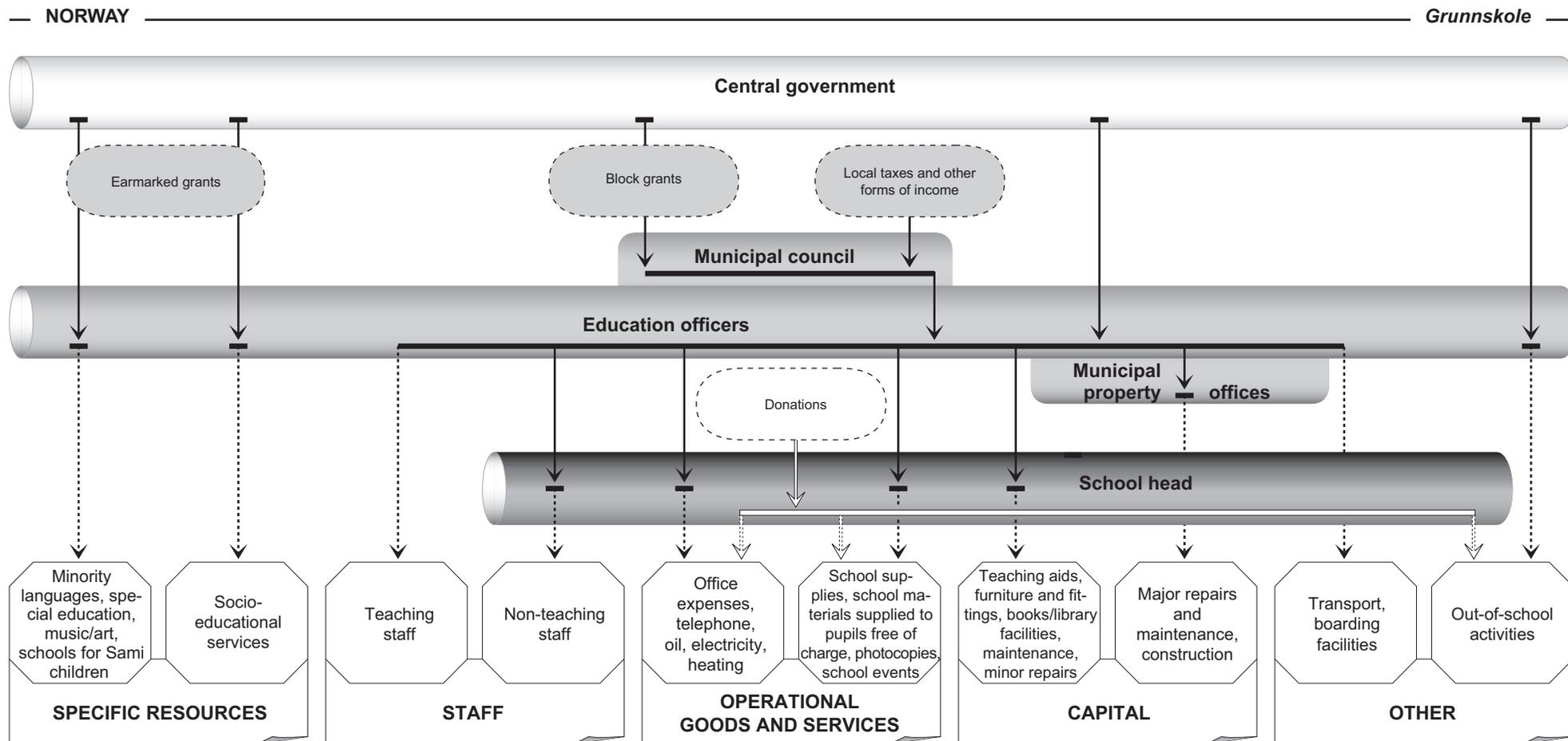
Oberschule, Realschule, Gymnasium Unterstufe



Source: Eurydice, 2001.

In practice, schools do not rely on advertising to acquire funds from non-public sources.

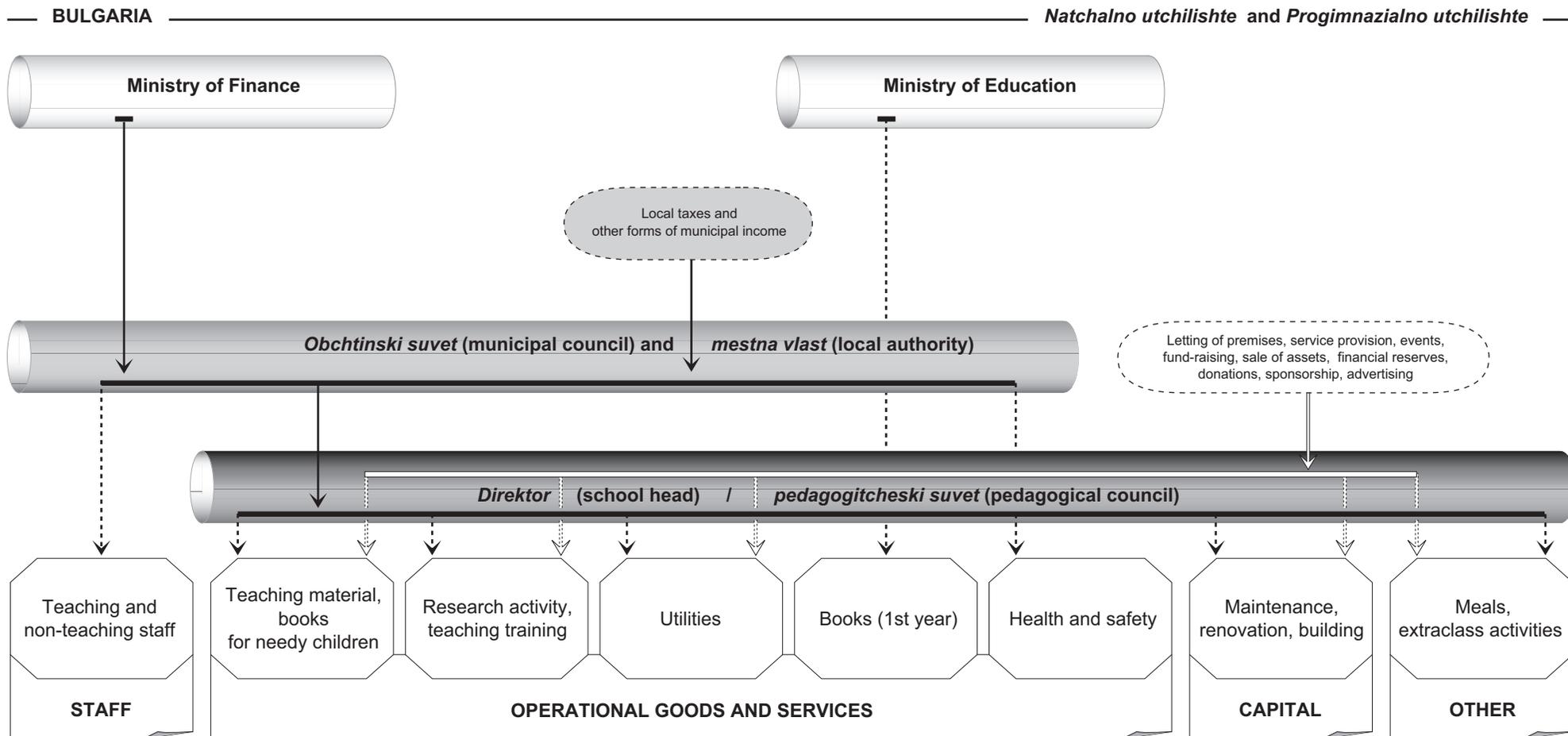
# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

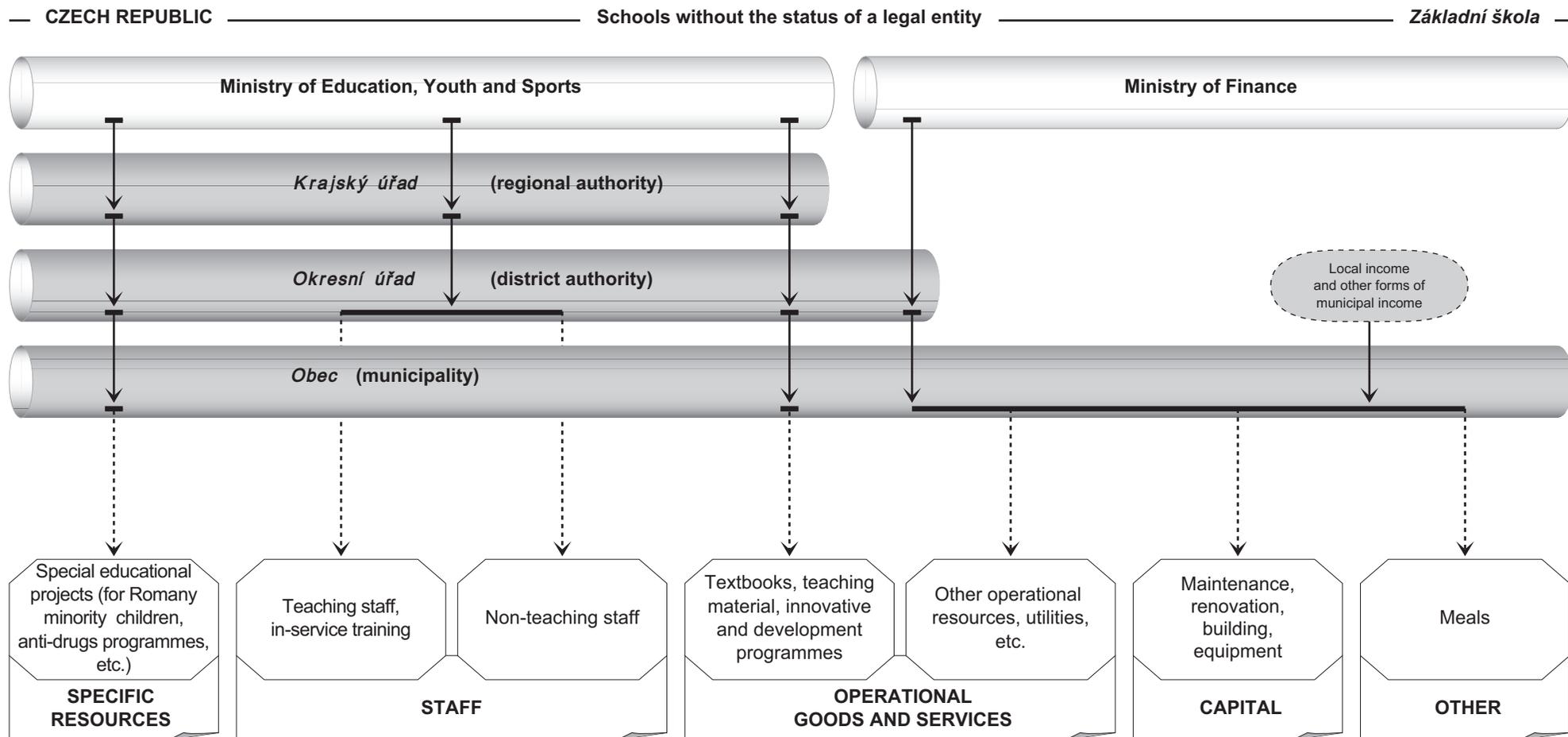
In some municipalities, the budgets for staff salaries are also transferred to the schools. Schools are allowed to receive donations, but are not allowed to actively seek non-public resources of this kind.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

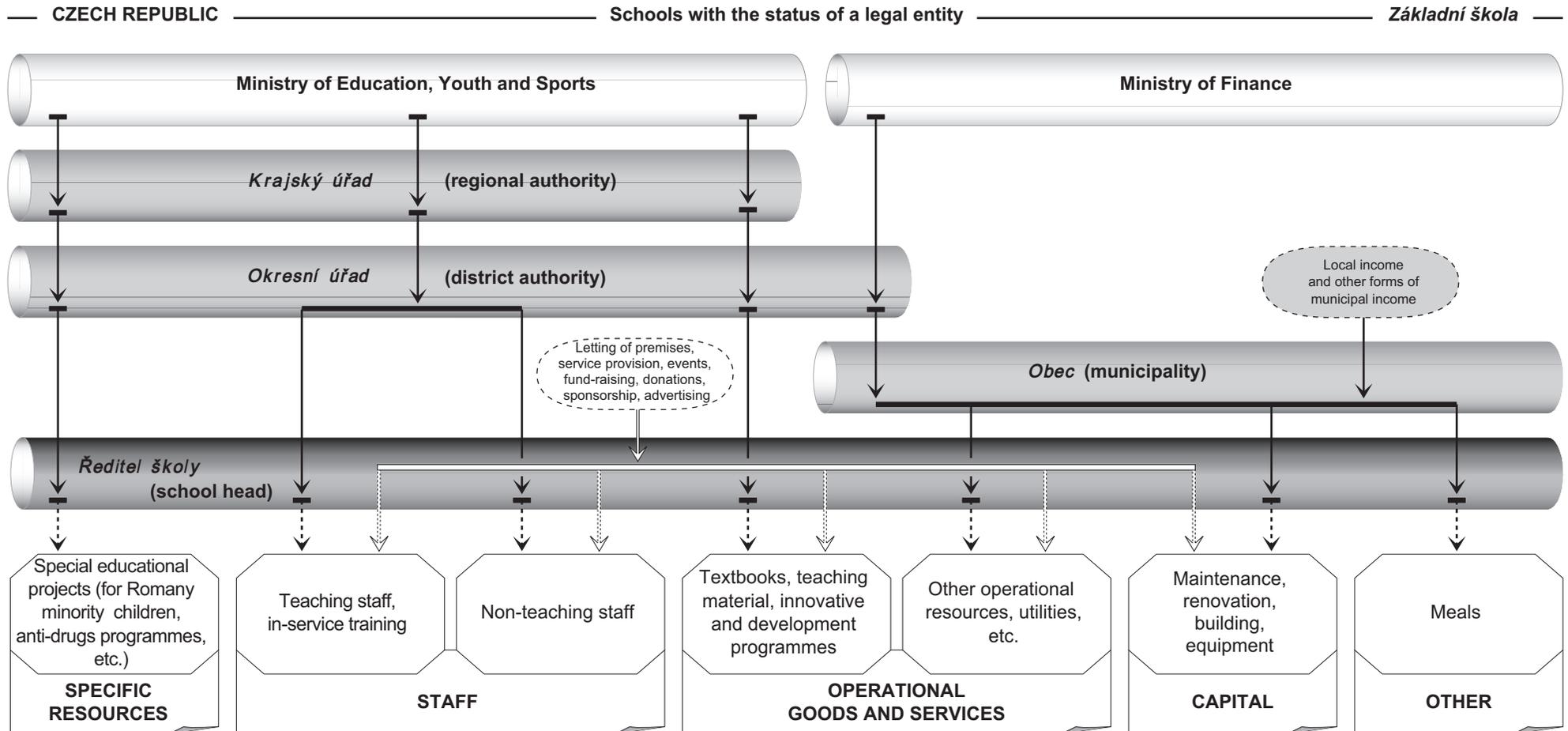
Among the 4 036 *Základní škola*, 2 560 are schools without the status of a legal entity. This number is decreasing.

Municipalities can also make allocations for special educational projects, teaching staff, non-teaching staff, textbooks and teaching equipment and materials from the budget of the Ministry of Finance, as well as from their own local income.

The Ministry of Education, Youth and Sports can finance special educational projects directly.

Operating costs of meals and capital expenditure on refectories are covered by the municipality, whereas staff salaries are covered by the Ministry of Education via the district authority.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

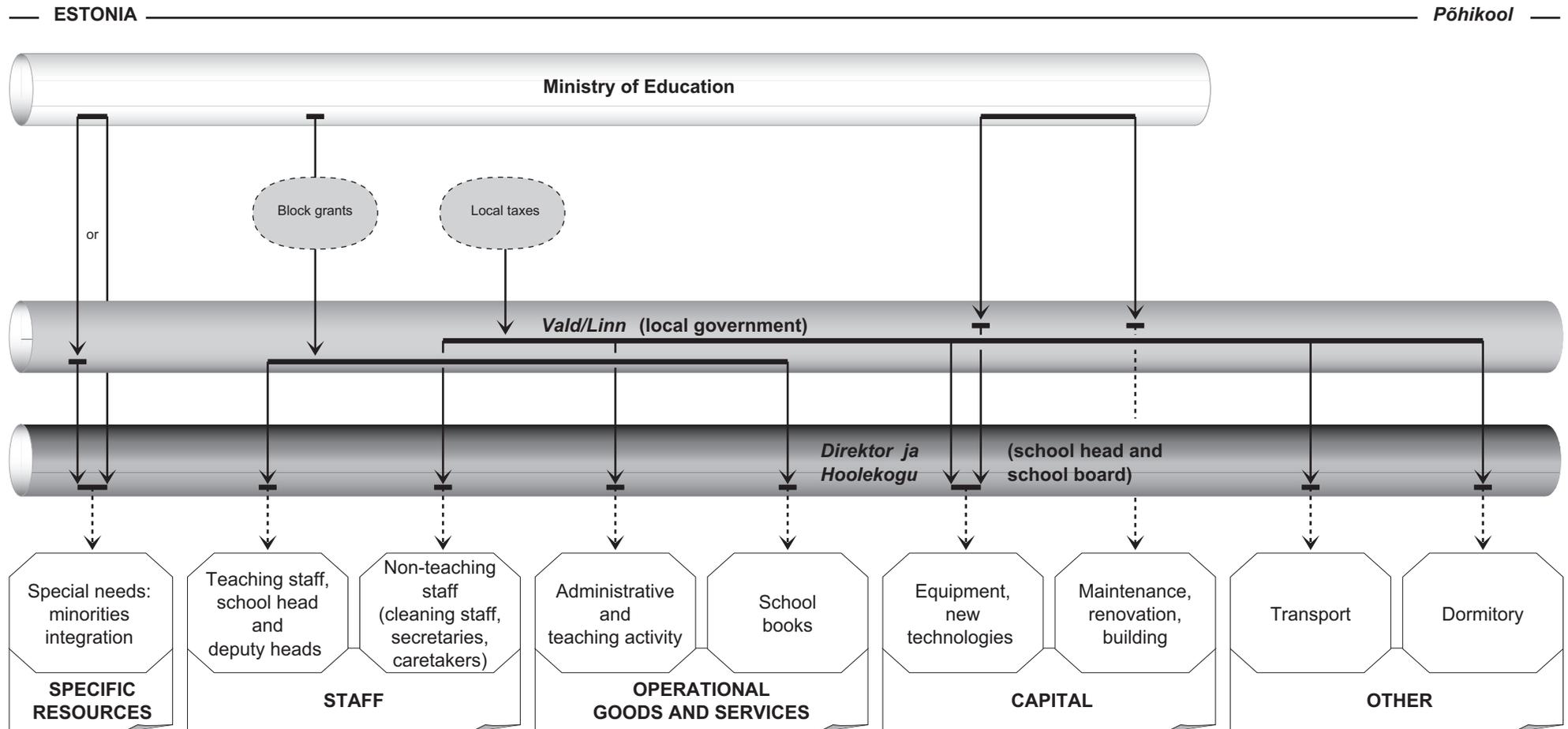
Among the 4 036 *Základní škola*, 1 476 are schools with the status of a legal entity. This number is increasing.

Municipalities can participate in financing special educational projects, teaching staff, non-teaching staff, textbooks and teaching equipment and materials from the budget of the Ministry of Finance, as well as from their own local income.

The Ministry of Education, Youth and Sports can finance special educational projects directly.

Operating costs of meals and capital expenditure on refectories are covered by the municipality, whereas staff salaries are covered by the Ministry of Education via the district authority.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

The diagram relates to municipal schools. It does not represent the state schools (5% of the total of primary and lower secondary schools) which are financed directly by the central government.

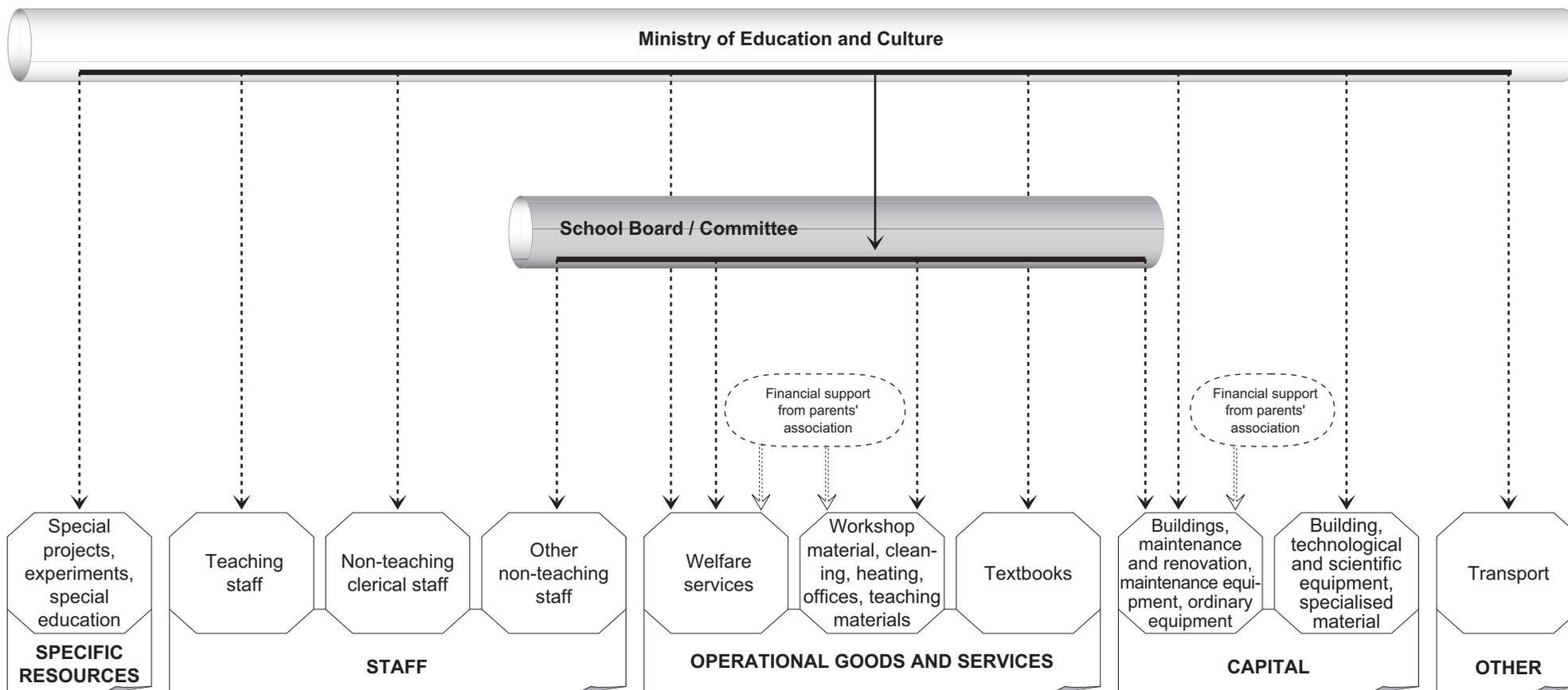
The resources for special needs are provided for schools by the Ministry of Education. The Ministry distributes them to the local government authority or directly to schools.

Capital resources, including equipment, are provided for schools by the local government authority. The authority uses a budget comprising local taxes, or one allocated to it from the Ministry of Education for that purpose.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001

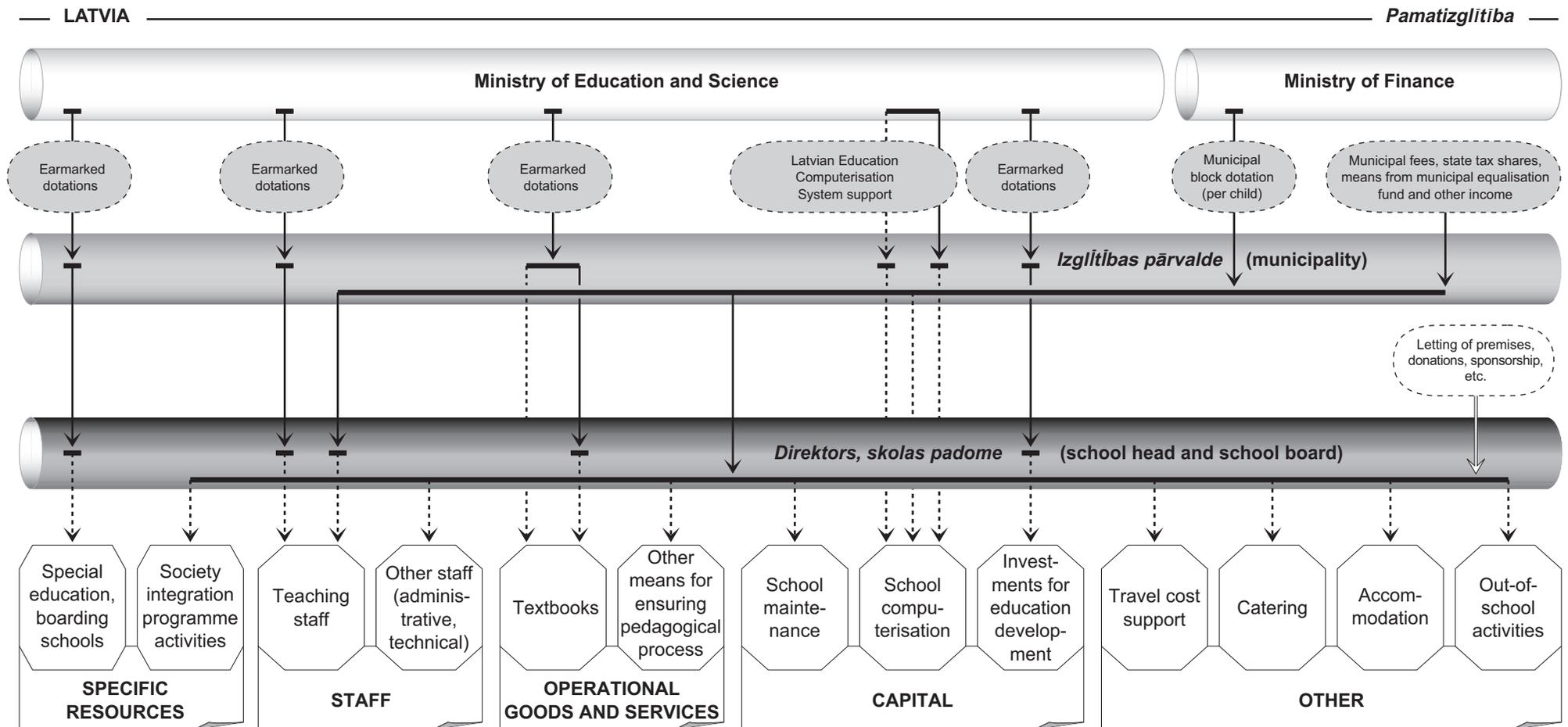
CYPRUS

*Dimotiko scholeio and Gymnasio*



Source: Eurydice, 2001.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

In several municipalities, all financial dealings are carried out by the municipality itself although, in some mixed schemes, both schools and municipalities are involved in such dealings.

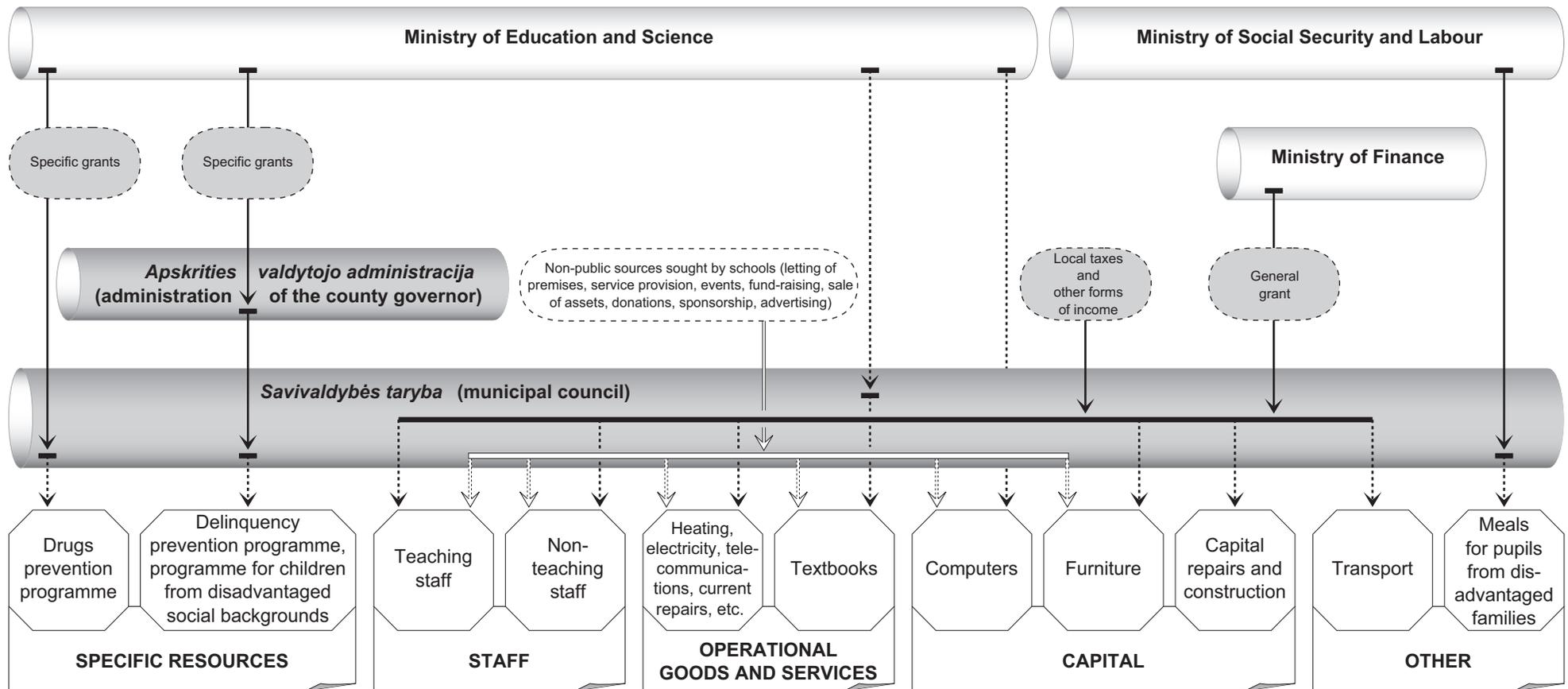
Municipalities may decide to cover travel costs for pupils from rural areas and to award them a single grant when they start school.

Almost all schools are municipal except for some specialised schools which are the responsibility of the Ministry of Education and Science. It is expected that, following ongoing regional reform, all state schools will be transferred to municipal ownership.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001

LITHUANIA

Pradrinė mokykla and Pagrindinė mokykla



Source: Eurydice, 2001.

Municipalities may award the heads of all or some of their schools earmarked cash amounts for staff, operational goods and services, equipment and/or transport and meals. Subject to approval of the education administration department, school heads may make transfers between those amounts within fixed percentages.

In some municipalities, education administration departments manage a budget based on a block financial transfer from the municipal budget.

Municipalities with sufficient budgetary resources award schools an extra supply of school books.

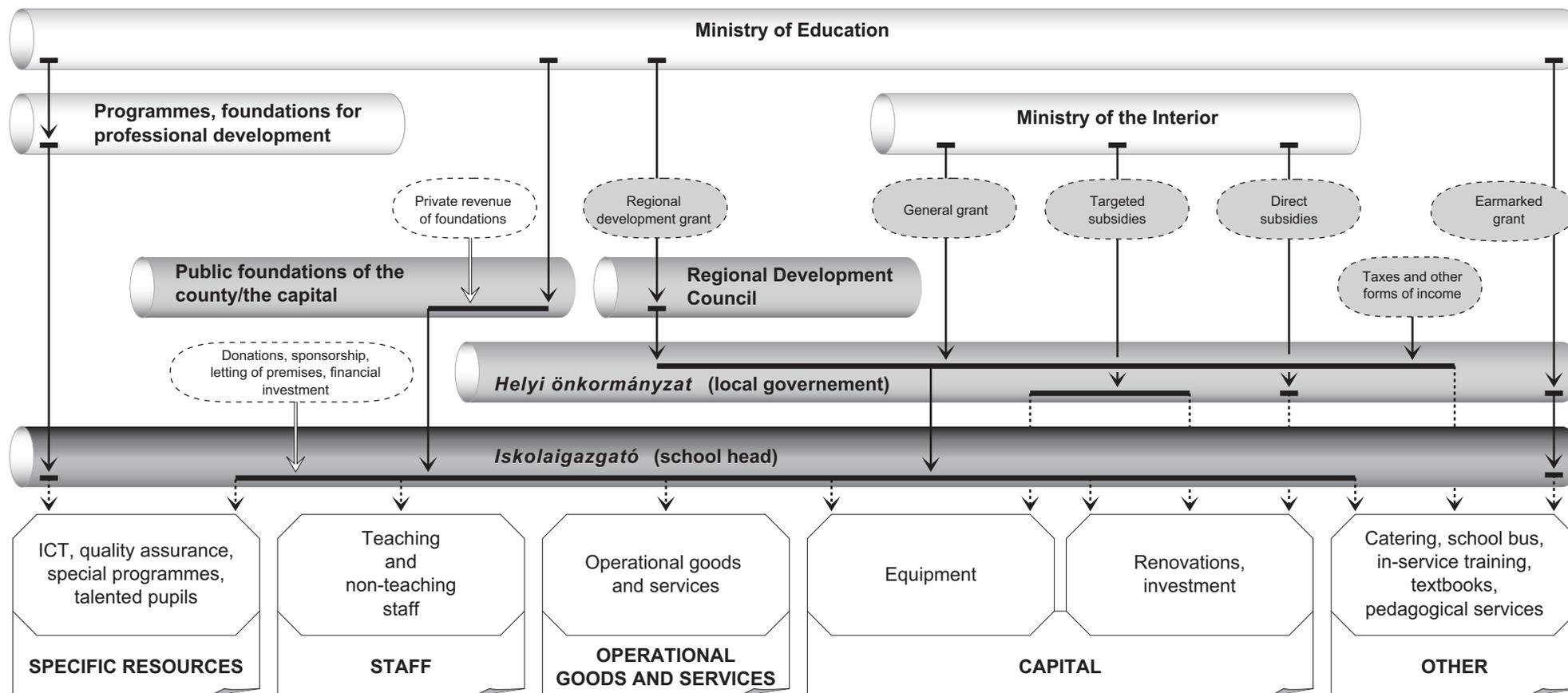
The municipal council decides which sources of non-public resources may be sought, as well as the categories of resources for which they may be used. The municipality manages those resources but they are included in the individual budget of the school concerned, and their use is subject to the approval of the school head. Schools to which municipalities have delegated financial autonomy (which are not shown in the diagram) themselves manage the funds they raise from 'non-public' sources.

Following the School Building Renovation Action Plan, selected schools receive additional resources in kind from the Ministry of Finance via the municipalities.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001

HUNGARY

Általános iskola and Gimnázium



Source: Eurydice, 2001.

ICT = Information and Communication Technology.

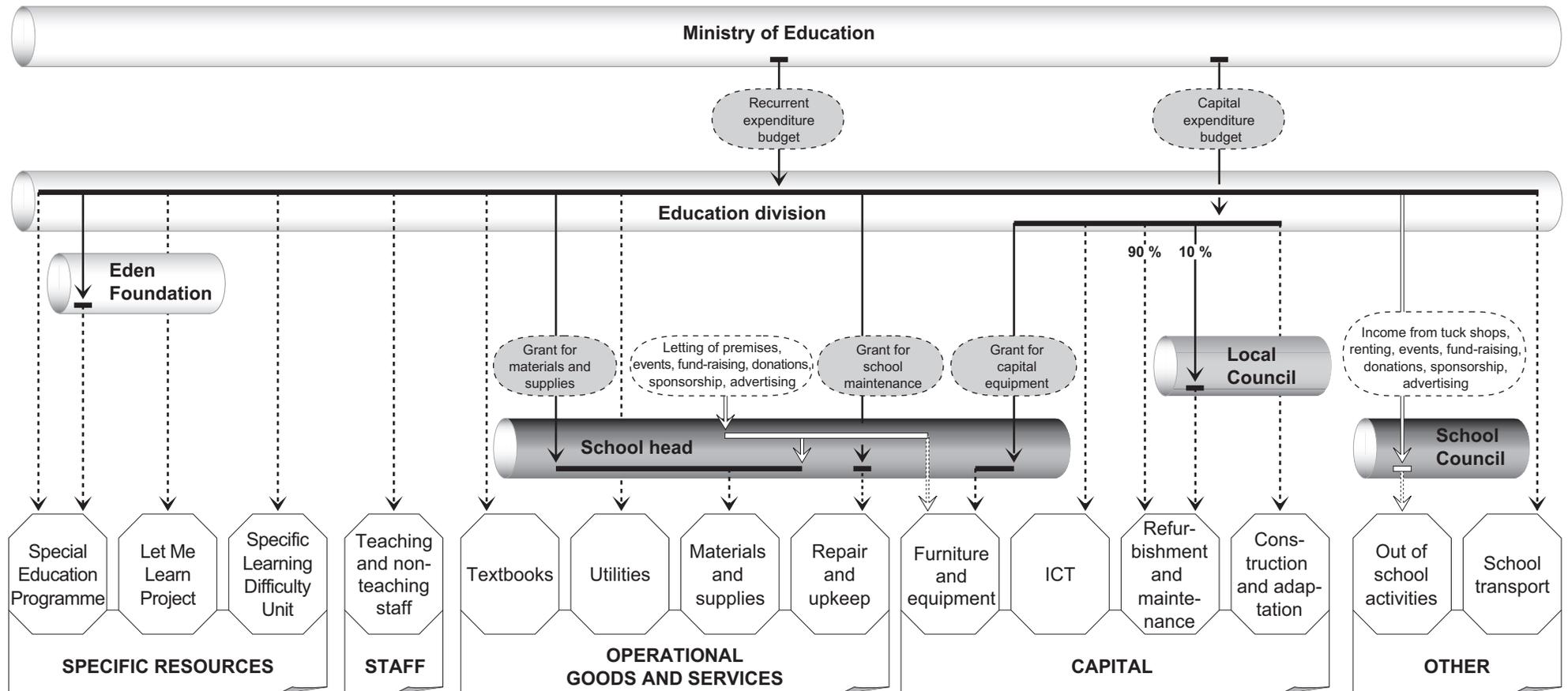
Direct and targeted subsidies are awarded to local government authorities if they meet standards set by the Parliament.

The provision of services and organisation of events may also be undertaken by schools seeking to raise their own funds, but there is less reliance on them than on the other sources of non-public funding shown in the diagram.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001

MALTA

Skejjel primarji and Skejjel sekondarji

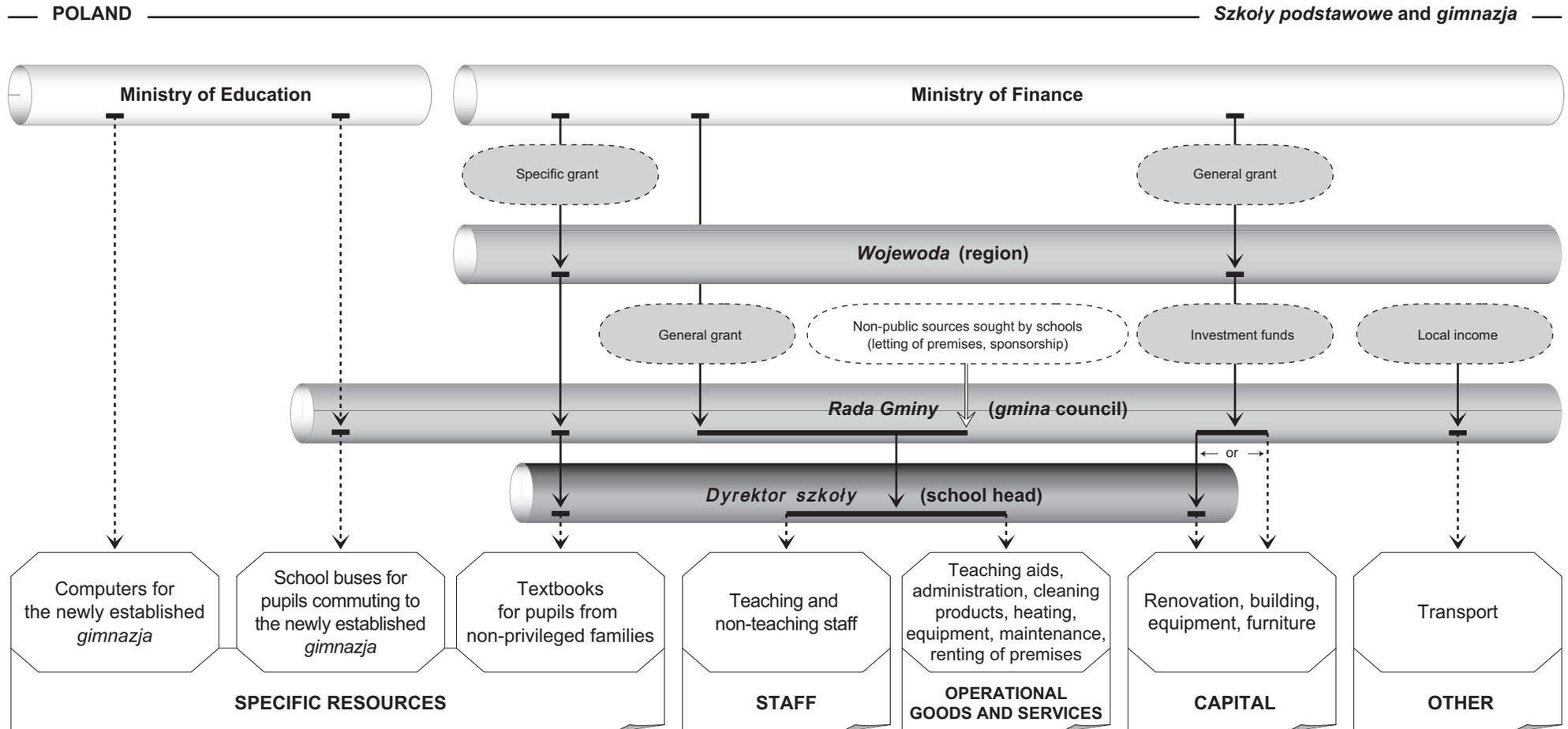


Source: Eurydice, 2001.

ICT = Information and Communication Technology.

In most cases, tuck shops are run by private contractors which distribute allocations to the school council. There are also instances in which school councils run tuck shops. In such cases, all proceeds from sales are kept by the school.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

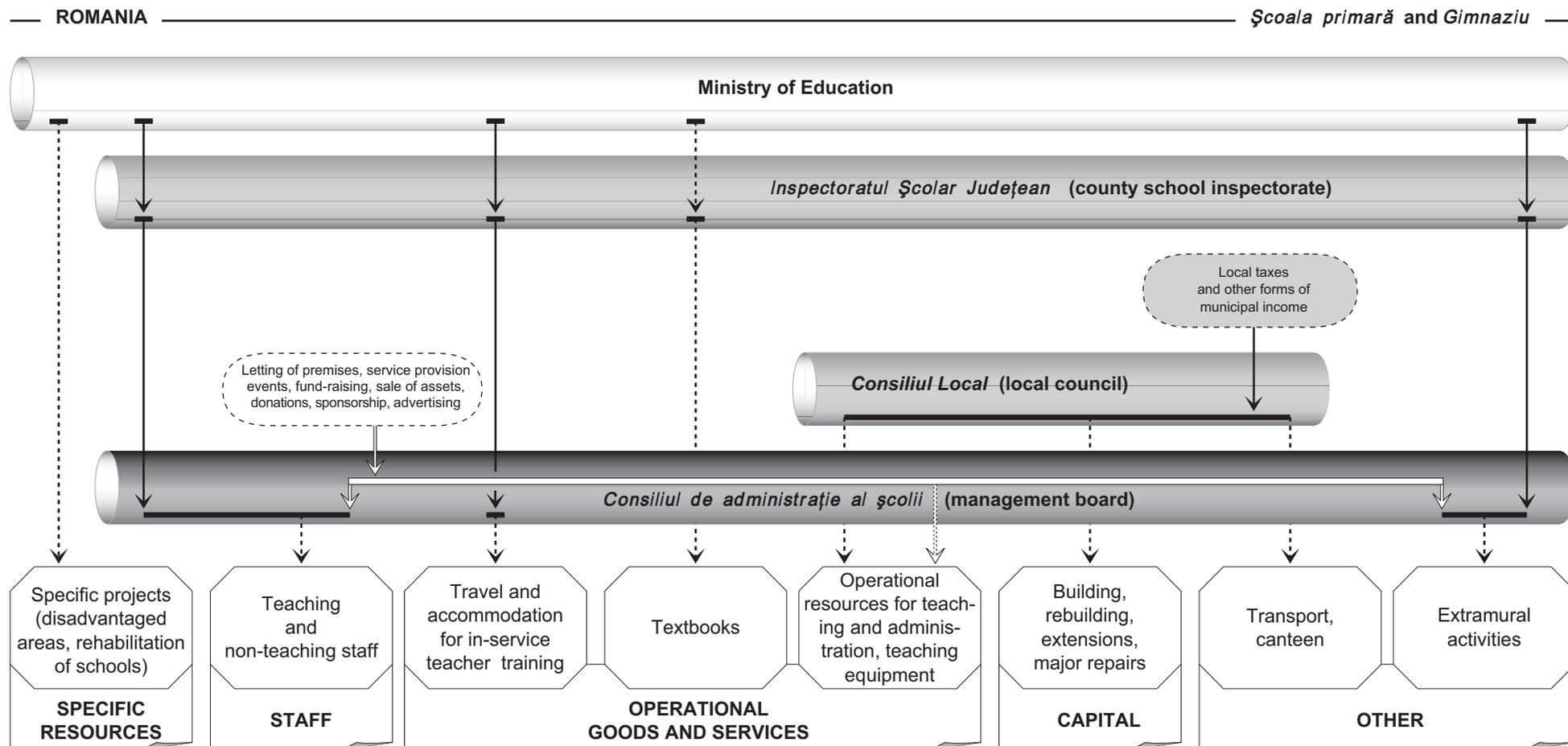
In some *gminy*, a small proportion of income raised by the schools comes from non-public sources. The use of these funds is decided by the *gmina* council and, in most cases, they are earmarked for educational purposes. However, in the case of sponsoring, the donor can define the purpose for which funds allocated to schools must be used.

Besides the letting of premises and sponsorship, the legislation also provides for the acquisition of funds by schools through the provision of services, the organisation of events, the sale of assets, donations and advertising. Whether schools use any of the methods in this latter group depends on the local situation.

The *gmina* council generally allocates capital resources to schools in cash, in the case of major renovation or improvements to existing schools or their grounds. When new schools are built, the *gmina* is in charge of the investment and manages the budget.

Some *gminy* may partly cover the costs of school meals by awarding an allocation in cash to the school head from their own income.

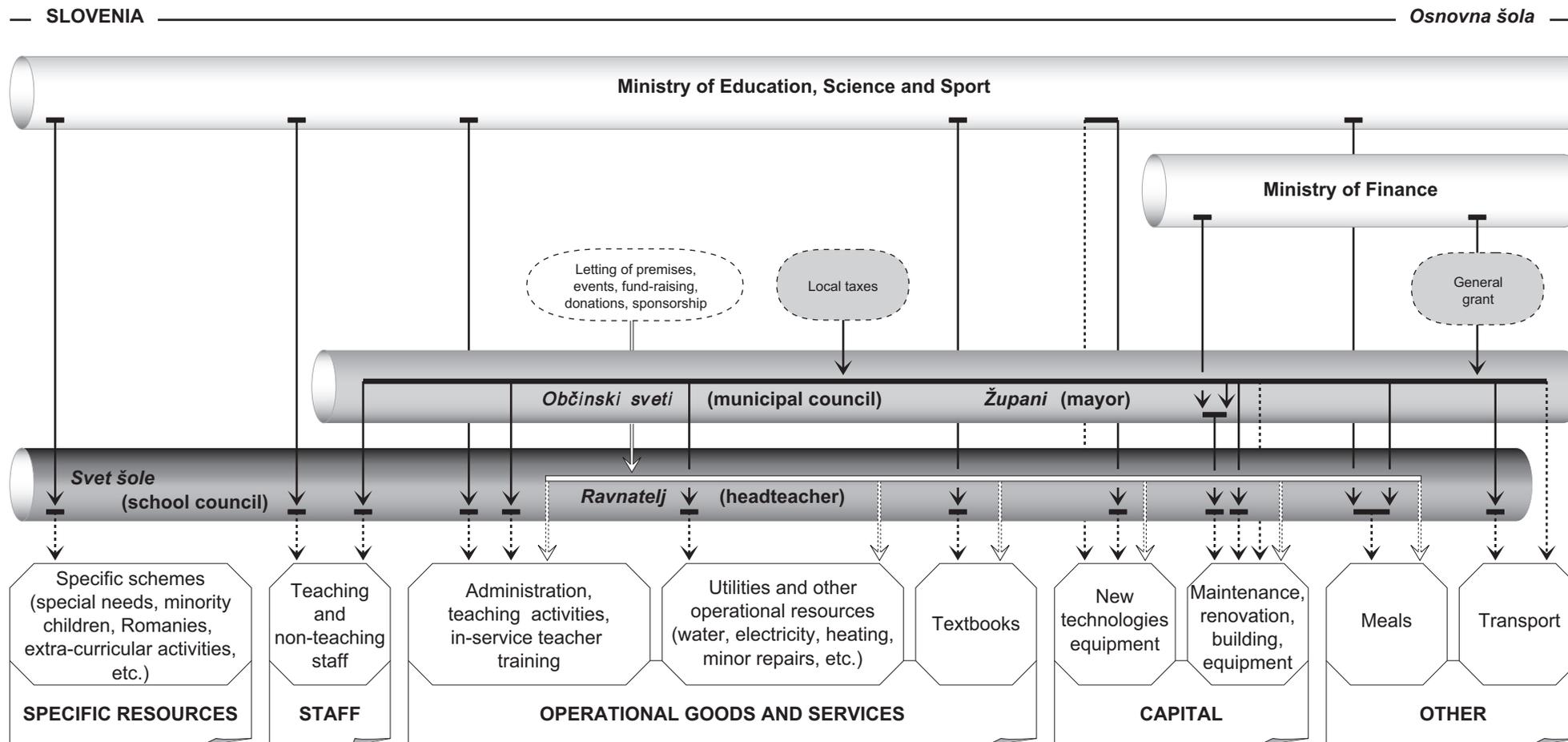
# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

The financing of operational and capital resources was decentralised to the local authorities in 1999. During the 2000/2001 school year, they undertook this financing solely from their own resources. This is the situation shown in the diagram. From the 2001/2002 school year, local authorities are receiving from the government a global allocation to cover several public services, including education, which they can use to finance schools.

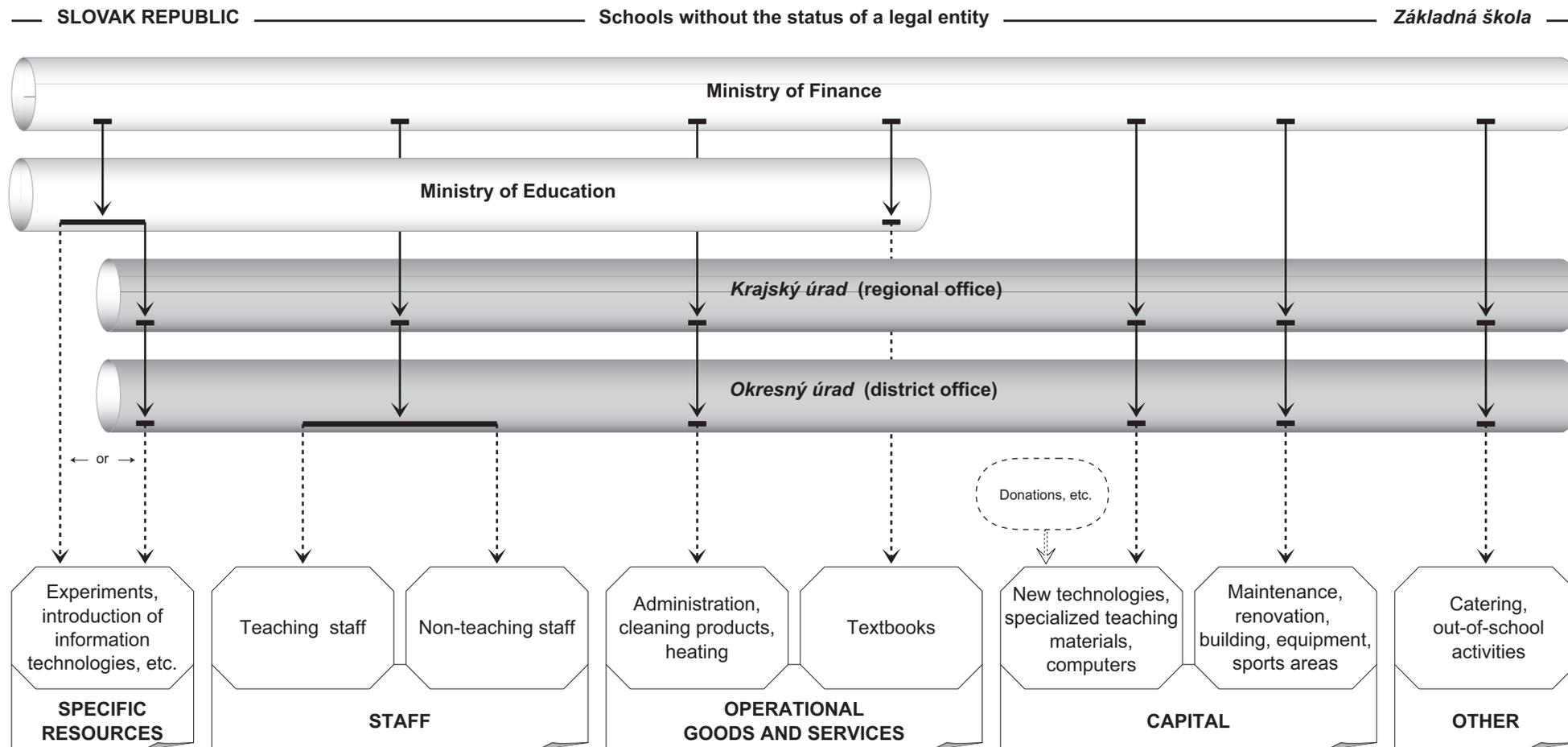
# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

Schools may offer non-compulsory courses and extra-curricular activities for which additional staff might be needed (for instance, additional teachers, social workers, watchmen, cooks, caretakers, etc.). Such additional posts are approved and financed by the municipal council.

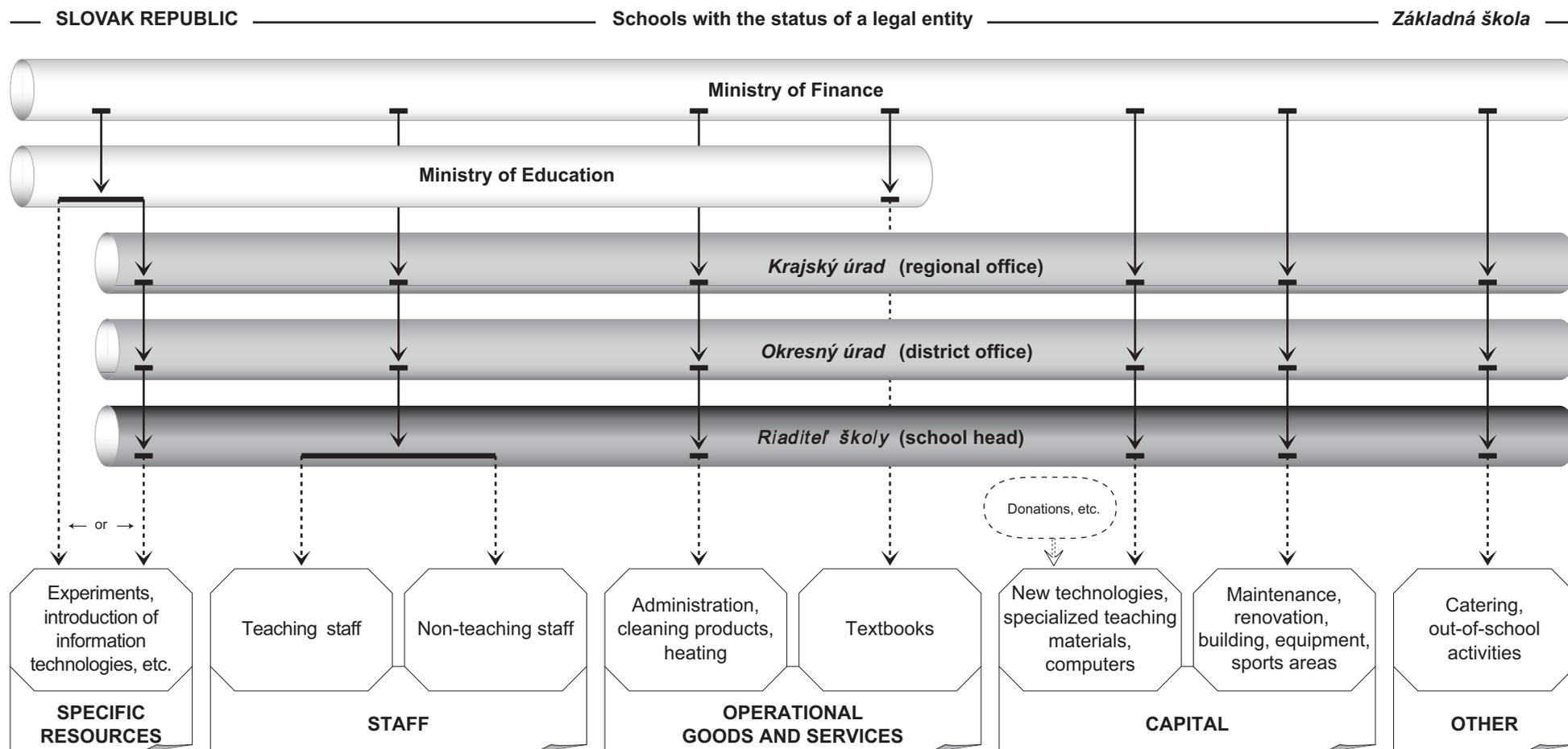
# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

Schools without the status of a legal entity are directly managed by the district office. In 2001, 83% of primary and lower secondary schools are in this category.

# FINANCIAL FLOWS IN COMPULSORY EDUCATION, 2001



Source: Eurydice, 2001.

A school may ask for the status of a legal entity if it provides for a complete phase of education by giving classes at the first and second levels and is able to administer its activities from its own resources. In 2001, 16.7% of primary and lower secondary schools have the status of a legal entity. Schools with this status carry out all work, investment and administration within the framework of allocated finances but may also transfer these activities to the district office.

# ACKNOWLEDGEMENTS

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**Graphic design and lay-out:** Patrice Brel - Web pages: Brigitte Gendebien

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Danmark	Joint responsibility of the Unit
Bundesrepublik Deutschland	
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Österreich	Joint responsibility of the Unit

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Liechtenstein	Joint responsibility of the Unit
Norge	Joint responsibility of the Unit

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## **EURYDICE**, the information network on education in Europe

The **EURYDICE** Network produces reliable, readily comparable information on national education systems and policies. **EURYDICE** also acts as an observatory, highlighting both the diversity of systems and their common features.

Working on behalf of policy-makers and the world of education, **EURYDICE** prepares and publishes:

- regularly updated descriptive analyses of the organization of education systems;
- comparative studies on specific topics of European interest;
- indicators on the various levels of education from pre-primary to tertiary education.

**EURYDICE** also has its own database, **EURYBASE**, which constitutes a further highly detailed reference source on education systems in Europe.

By circulating the results of its work, **EURYDICE** promotes better mutual understanding of these systems and the common issues that run through them.

Established in 1980, **EURYDICE** is an integral part of Socrates, the Community action programme in education. The Network comprises National Units and a European Unit. National Units set up by the corresponding education ministries now exist in 30 countries, namely the 15 EU Member States, the three EFTA/EEA countries, ten central and eastern European countries, Cyprus and Malta. These Units provide and check the basic information needed to sustain network activity. The Brussels-based European Unit set up by the European Commission is responsible for management of the network, co-ordination of its activities, preparation of the comparative analyses, and database design and administration.

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