

ANNEX C

Notes on country profiles

Austria

Current expenditure for early childhood education and care (ISCED 0): Early childhood education and care is the responsibility of the states. Funds for current expenditure are therefore decided at the state level.

Earmarked grants from central authority to state authorities for federal policy priorities specifically agreed with states (ISCED 0, ISCED 1-3 state schools): Specific agreements can be concluded between the federal and the state authorities to foster the implementation of federal government priorities in policy areas under state competence. These agreements are referred to as “Art. 15a agreements” as they are based on article 15a of the federal constitution. The states are usually required to develop a concept for implementation and receive substantial funding from the federal level for implementing this federal policy priority. It is at the discretion of the state to allocate the money to staff costs and/or infrastructure. Agreements are negotiated for a fixed time period only.

For instance, the federal level and the states have agreed on federal co-funding to support the states in offering places in the last year of kindergarten for all children free of charge. Further Art. 15a agreements have been concluded to co-fund the expansion of institutional childcare provision (with a focus on children aged 0-3 years) and the promotion of early language learning for children aged 3-6 in institutionalised childcare. Funding for the Art. 15a agreements on early language support and the expansion of early childhood education and care provision is distributed to the states proportionate to the number of children at the relevant age residing in the respective state. Another example for an Art. 15a agreement is the provision of federal funding for the expansion of all-day schooling which is distributed to the states proportionate to their population size.

Earmarked grant from central authority to state authorities for teaching purposes, special needs education and learning support staff (ISCED 1-3 state schools): The states are almost exclusively funded by a transfer mechanism, the Fiscal Adjustment Act (*Finanzausgleichsgesetz*), which allocates financial means raised by the central government to states and local authorities. The Fiscal Adjustment Act is the key instrument for the distribution of revenues across different levels of administration, that is, from the federal level to the state and local level. This mechanism is based on demographic criteria and

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

negotiated approximately every four to six years between the federal government represented by the Federal Ministry of Finance, the state governments, represented by their governors, and the municipalities represented by the Association of Cities and Towns and the Association of Municipalities. The result of these negotiations is adopted by the Federal Parliament. The agreements according to this redistribution constitute a kind of “automatic” entitlement of the states and municipalities to receive a certain amount of the federal taxes: 21% for the states and 12% for municipalities, as of 2016. Owing to the complex distribution of responsibilities for education, these structures of Austrian federalism are a very important element of education financing.

The Fiscal Adjustment Act also sets out the general principles for the transfer of funds from the federal to the state level for teaching resources for state schools. For Years 1-8, the federal government fully compensates the states for their expenditures on teachers within the limits of staff plans approved by the Federal Minister of Education and the Federal Minister of Finance. The applied funding formula for the establishment of staff plans includes the following parameters: i) Basic contingent of teachers, based on numbers of students and adjusted for type of school, i.e. primary schools – 14.5 students/teacher, general secondary schools – 10 students/teacher, special needs schools – 3.2 students/teacher; ii) To cover the higher resource needs for special needs education, the 3.2 students/teacher formula is flat-rated to 2.7% of all students, who are deduced from the basic contingent; iii) Additional means are earmarked for policy priorities such as language support classes, day care, and class-size reduction to a maximum of 25 students. For example, in 2010/11 there were 10 different priorities for which additional teaching posts had been earmarked.

All monetary transfers for teaching resources from the federal to the state level are earmarked, that is they have to be used by the states for teaching purposes and specified education policy priorities only. The distribution of resources to federal schools is the sole responsibility of the Federal Ministry of Education and is largely administered by the state school boards. Part-time compulsory vocational schools (*Berufsschulen*) are a special case. For this type of school, 50% of personnel costs are funded by the federal authority, the other 50% by the states (out of their overall state budget).

Dedicated grant from state authorities to staff (ISCED 1-3 state schools): There are no national regulations for the distribution of teaching resources to state schools by state governments. State authorities establish their own procedures and principles for the development and implementation of staff plans. While the precise basis for allocation is the decision of the states, states have typically put in place (varying) funding formulas (e.g. sometimes including also socio-economic aspects). The Federal Ministry of Education has no influence on the amount of resources deployed to an individual state school. Funds provided on the basis of the assumed number of students with special needs or language support classes are not earmarked and therefore not subject to controlling by the federal government. During the school year, the Federal Ministry of Education also covers the excess sums of salaries if the states exceed the pre-set staff plans. The amount of the compensation to the federal level is calculated on the basis of the salary level of a beginning teacher. Since the states also hire many experienced teachers at higher levels of the salary scale, the compensation usually falls short of the real cost advanced by the federal ministry.

Dedicated grant from central authority to staff (ISCED 2-3 federal schools): Teaching resources measured as “value units” (*Werteinheiten*) are allocated by the Federal Ministry of Education to the state school boards. A budget plan for current investments has to be

elaborated for each school year and requires consultation of the concerned staff members. Federal schools have to deliver data on the numbers of students that are enrolled. Only a very limited share of teaching resources is earmarked for specific schools. The redistribution to individual schools is administered by the individual state school boards. Procedures and criteria to distribute funding for individual schools differ, but formula funding is the predominant mechanism and the distribution usually take into account specificities of schools such as the number of students with a migration background, and language deficits. Administrative discretion is relevant, in particular, to deal with unplanned staff shortages, such as those resulting from the enrolment of refugees and asylum seekers during the school year.

Capital expenditure (ISCED 0-3): For early childhood education and care (ISCED 0), responsibility for capital expenditure lies with the state or the private provider (e.g. associations, churches, etc.). For school education (ISCED 1-3), the main responsibility for capital expenditure lies with the owner of the school. For state schools, most tasks associated with the provision and maintenance of schools have in practice been devolved to the municipal level, including the provision of school buildings, infrastructure and non-teaching staff such as janitors. States typically support municipalities in carrying out these duties by administering allocated funds and have retained their responsibility for vocational, agriculture and forestry schools at upper secondary level (ISCED 3). In the case of federal schools, as a general rule, the Federal Ministry of Education is responsible for providing and maintaining the school infrastructure. A large share of the school infrastructure for federal schools (around 320 school locations) has been outsourced and buildings are administered and maintained by the Federal Real Estate Company (*Bundesimmobiliengesellschaft*) owned by the Federal Republic of Austria. Buildings are rented by the Federal Ministry of Education. Some school buildings of federal schools are owned by other proprietors, mainly municipalities and social partners. Regular funding for current expenditures at all levels of the education system also includes some funds for maintenance and small investments.

Ad hoc grants and infrastructure investment programmes from state and local authorities (ISCED 0, ISCED 1-3 state schools): The municipalities build, maintain and own the school buildings. The state governments have in place programmes to support municipalities in the construction and renovation of schools. The adequacy of school infrastructure in relation to type of school is subject to state legislation and can be further broken down into detailed guidelines for school construction and room equipment. Expert commissions are established to assess the suitability of planned infrastructure.

Infrastructure investment programme from central authority (ISCED 2-3 federal schools): The federal government has adopted a long-term school development programme (*Schulentwicklungsplan*) for the decade 2008-18. The focus is on the modernisation of existing infrastructure and school architecture to provide students and teachers with adequate classrooms and workplaces. Investments are transferred to the owners of the school buildings, i.e. the Federal Real Estate Company and others, mainly municipalities, via (increased) rental payments.

Belgium (Flemish and French Communities)

Lump sum from the central authority to the state authorities for all policy domains (ISCED 0-3): The transfer from the federal budget to the Communities involves some degree of political negotiation on the total amount of the lump sum transferred which cannot be

explained by a funding formula only. Moreover, the budget of the Communities entails other (fiscal) sources than the transfer from the federal level, while taxes levied at the local level (provinces, cities and municipalities) may contribute to infrastructure or non-teaching related services. The lump sum can be used for all policy domains at the competence of the Communities, not only for education, and can be distributed across policy domains at the discretion of the Community. There are no transfers from the Communities (state level) to regional or local levels. Funds are transferred rather directly to school providers.

Capital expenditure in the Flemish Community (ISCED 0-3): Access to capital funding is organised through two public agencies. A dedicated public body, GO! Education of the Flemish Community, finances the creation or improvement of buildings in the Flemish Community school network as public assets. The Agency for Educational Infrastructure (*Agentschap voor Infrastructuur in het Onderwijs*, AGIO) finances building works in schools of other public school providers (municipal and provincial) as well as publicly-subsidised private schools. AGIO meets 70% of their capital requirements in primary education and 60% in secondary education. The unsubsidised balance, in turn, can be met by a state-guaranteed loan. The asset remains privately owned for publicly-subsidised private schools. For other public school organising bodies, the asset remains owned by the regional and local authorities (municipalities and provinces). In addition, there is the possibility of public-private partnerships.

Capital expenditure in the French Community (ISCED 0-3): The school building fund allocates funds to public schools. Publicly-subsidised private schools do not receive resources from this fund. However, a guarantee fund grants them a capital repayment guarantee for the financing of construction, renovation, modernisation and expansion (Decree 05/02/1990 on school buildings). With regard to emergency works, the priority programme of works (*Programme prioritaire de travaux*, PPT) makes it possible to remedy essential needs by allocating funds to all school providers (under the same funding mechanisms: ISCED level 0-1: 70%, ISCED levels 2-3: 60% by the French Community, the remainder by the school provider) (Decree 16/11/2007 on the priority work programme).

Chile

Block grants from central authorities for early childhood education and care (ISCED 0): These block grants refer to central funding from the central education authority (*Junta Nacional de Jardines Infantiles*, JUNJI) for pre-school providers that operate based on fund transfers (*via transferencia de fondos*, VTF) and from the central education authority (Integra) for pre-school providers that operate based on agreements. Both JUNJI and Integra also transfer funds directly to ECEC centres. The transfers are regulated by specific regulations and agreements with each provider.

Current expenditure for school providers (ISCED 02-3): In addition to the funding allocations in the table, there is also a grant to public schools with delegated administration to non-profit corporations. This, however, only concerns 70 schools, that is, less than 1% of schools (Decree Law No. 3.166). It is, therefore, not presented in this country profile.

General school subsidy (ISCED 02-3): This block grant is paid on equal conditions to all school providers based on average attendance of students at each individual school. The funding follows the student and is spent at the discretion of school providers within a regulated framework.

Pro-Retention Educational Subsidy (Law No. 19,873) (ISCED 02-3): This block grant is paid annually to school providers that have managed to retain their students in schools of highly disadvantaged students in Years 7 to 12.

The Strengthening of Public Education Fund (FAEP, Resolution No. 11, Chilean Ministry of Education) (ISCED 02-3): This block grant aims to support the educational services provided by local authorities as public school providers and is to be used exclusively for initiatives related to such service and their improvement. It is defined by the National Budget Law and regulated by the Ministry of Education (Resolution No. 11, 2016) and transferred to municipal school providers based on specific agreements. Its regulation allows financing a variety of areas such as municipal management improvement, pedagogical resources and student support, infrastructure and equipment improvement, financial restructuring (debt reduction) and educational community participation. In the case of a surplus of resources, central authorities can redistribute funds to local authorities facing extraordinary difficulties which endanger the continuity of educational provision.

Earmarked grants from central authority to local authorities and publicly-funded private providers for students with special educational needs and disadvantaged students (ISCED 02-3): These earmarked grants refer to subsidies for specific purposes, namely, the improvement of schools with a large share of socio-economically disadvantaged students (SEP), the integration of students with special needs education in regular schools (PIE), boarding school operating cost, learning support and maintenance of infrastructure.

Salary incentives for staff in best performing schools (ISCED 02-3): This earmarked grant provides a salary incentive of education professionals (teachers and support staff) of schools with the best performance within a comparable group in each region. It is determined by the National Performance Evaluation System of Subsidised Schools (*Sistema Nacional de Evaluación del Desempeño*, SNED). According to the Law 19.410 (Articles 15-17), the subsidy goes to school providers, but the distribution is decentralised. Every trimester, the school provider distributes 90% of the subsidy among the school's teachers, and the remaining 10% is used for salary incentives for remarkable teachers. The distribution of these 10% is defined by the teachers, not the school provider.

Dedicated grants from local authorities and publicly-funded private school providers for salaries and operational costs (ISCED 02-3): School providers can only use the school allocation for educational purposes. The Inclusion Law (Law No. 20,845, 2015) specifically allows 11 operations, including salaries for management, teaching staff and teaching assistants; management and operations costs for running the school; services and materials for teaching and learning; maintenance and repair of school property; and improvement of school's educational service. A large share (88%) of publicly-funded private school providers is in charge of one school only.

Infrastructure investment programme from central authorities (ISCED 02-3): The National Fund for Regional Development incorporates provisions which are additional resources detailed in each year's Budget Law. These funds are transferred to the regions in order to promote the investment in priority areas defined at the national level. One of these provisions is the Fund for Educational Infrastructure (*Fondo de Infraestructura Educativa*, FIE).

Czech Republic

Restricted block grant from regional authorities to schools to cover direct costs (ISCED 0-3): Each of the fourteen regions develops a funding formula to allocate funding to regional and

municipal schools. There may be negotiations between regional and local authorities regarding the allocation to municipal schools. Regional funding formulas vary, but typically include the criteria presented in the table.

Discretionary funding from regional or local authorities (as school providers) to schools to cover operational costs (ISCED 0-3): Schools at ISCED 1-2 (most managed by local authorities) have several sources of funding. Besides the allocation for direct costs from the regional budget, there are i) additional funding for direct costs (negotiated between the municipal and the regional levels, in their function as school provider [founder]); ii) add-ons to direct costs from the municipal budget; and iii) funding for operational, fully financed from the municipal budget.

Denmark

Current expenditure for early childhood education and care (ISCED 0): Early childhood education and care is partially financed by municipal grants and partially by parental payment. Municipalities can use funds transferred from the central government in the form of a lump sum for the general funding of public services also to finance early childhood education and care. Parental payments must not exceed 25% of the gross operating cost for the individual day care facility or of the average gross operating costs for operating similar day care facilities in the municipality.

Lump sum from the central authority to local authorities for any type of expenditure (ISCED 0, ISCED 1-2): Based on the definitions for the qualitative survey on school funding, the allocation mechanism has been classified as a lump sum. In Denmark, general grants from the central government to municipalities to finance public services are typically referred to as “block grants”.

The overall framework for local government service expenditure is determined in the annual negotiations of the municipalities’ economy between the central government and Local Government Denmark (LGDK). Within this framework, it is possible to prioritise expenditure partly internally between the municipalities and partly across the sectors in each municipality. The economic agreement between the central government and LGDK is an agreement of the tax and expenditure level for the municipalities collectively. No frames are set for the individual municipality, and the agreement is not binding for the individual municipality. However, in order to keep the collective budgets of the municipalities within the agreed level, LGDK co-ordinates the budget processes of the individual municipalities.

The general grants from the central government are mainly allocated to the individual municipalities according to an equalisation scheme aimed at evening out the differences in the economic situation in the municipalities due to differences in tax base, composition of age groups and social structure. The aim is not to equalise the service levels, as that is a local policy priority, but to give the municipalities approximately the same financial basis on which to solve their tasks.

Current expenditure for the public Folkeskole (ISCED 1-2): In financing the Folkeskole, the municipalities are not allowed to finance schools by user fees, but are to finance school expenditures by revenues from local taxes and general grants from the central government. These two sources of revenue account for 71% and 26% of the total municipal revenue respectively in the municipal budgets for 2014. No central funding is directly allocated to the Folkeskole and there are no central reimbursements of school expenditures. However, the central level may fund particular programmes additionally through earmarked grants. For

instance, DKK 1 billion has been earmarked by the central level for competency development of teachers and school leaders in relation to the 2014 *Folkeskole* reform.

Earmarked grants from the central authority to local authorities to promote policy priorities (ISCED 1-2): The allocation of earmarked grants only happens occasionally, typically in the context of new legislation and always within a limited timeframe. The basis of allocation differs from one grant to another. For example, an earmarked grant for teacher development was negotiated as part of the parliament's agreement on a reform of the *Folkeskole* in 2014. After the reform had passed in parliament, a council was established at a national level to distribute the funds and to monitor and evaluate the use of these funds.

Discretionary funding from local authorities to schools for current expenditure (ISCED 1-2): Funding models for the allocation of current expenditure to schools vary across municipalities. Some municipalities allocate a given amount per student, while most take account of the students' or area's socio-economic characteristics (although with different measures and weightings). School size is typically accounted for. Some municipalities use the number of students, others the required number of classes. Typically, school principals have a high degree of autonomy to use school funding, in consultation with the school board, within the central regulatory framework. Although typically funds for special educational needs are not earmarked, municipalities can apply for additional funding targeted for special needs education.

Block grant from the central authority to private schools for current expenditure (ISCED 1-3): Private basic schools (ISCED 1-2) and continuation schools (private boarding schools that typically offer teaching from Year 8 to Year 10 at ISCED 2) are alternatives to the public *Folkeskole*. Both types are self-governing institutions financed by central subsidies and student contributions. The municipalities are obliged to fund private primary and lower secondary schools. The municipal grant per student in private schools is fixed across municipalities and set each year in the Finance Act of the central government and calculated as a percentage of the average municipal expenditures per student in the *Folkeskole*. The contribution of the municipalities is paid to the central government. The private schools receive their funding from the central government based on the taximeter system. Private upper secondary schools (ISCED 3) have the same public grant system as the private basic schools.

Current expenditure for upper secondary education (ISCED 3): Upper secondary schools are self-governing educational institutions with two sources of revenue for financing their educational programmes: central grants and their own income from income-generating activities. Central grants amount to approximately 80% of the total funding and are thus the primary source of revenue for upper secondary schools. A taximeter system determines the largest share of central grants (92%) according to political priorities. The taximeter system makes funding dependent on the activity level and direct results of the school, measured in terms of the annual number of full-time students or full-time student equivalents. The funds distributed according to the taximeter are not subject to negotiations or administrative redistribution.

These funds are complemented with activity-independent funds. Activity-independent funds include basic grants designed to finance the basic expenditures of the educational institutions, which take into account the distribution of educational opportunities and compensates small schools. Other activity-independent funding includes earmarked grants to supplement the taximeter system and to promote political priorities.

The school-based part of vocational education and training programmes is financed by the central authorities on the basis of the taximeter system. Students receive wages from the company for their work during their internship. The Employers' Reimbursement Fund reimburses the company for the trainees' wages when the student is attending school. All companies, both public and private, contribute with a fixed amount to this fund for each of their employees.

Capital expenditure for early childhood education and care (ISCED 0) and public primary and lower secondary education (ISCED 1-2): The allocation of funding for capital expenditure for public institutions is at the administrative discretion of municipalities. Private schools at ISCED 1-3 receive an activity-based "building/capital" grant from the central authorities.

Capital expenditure for upper secondary education (ISCED 3): Public schools receive an activity-based building/capital grant. The schools own their own buildings so that capital expenditures can be financed by the schools loaning money on the market. If the school board makes capital dispositions for more than DKK 60 million, it has to be approved by the Ministry of Education.

Estonia

School funding in Estonia (ISCED 0-3): The approach to allocating funding for each of the different components of general education has evolved and been contested since the late 1990s. 1998 saw the introduction of a relatively simple per student formula, including initially six and then eight coefficients to adjust per student payments on the basis of differing demographic and socio-economic characteristics among municipalities. Due to a dramatic demographic decline and with a new policy concern to protect rural schools, in 2008 the formula was revised to allocate funding on a per class basis to all schools. In 2012, the formula was revised again to allocate funding on a per student basis.

Earmarked funds from the central level to local authorities (ISCED 0-3): For municipalities which are not school owners (school providers), no grants are provided for general education purposes.

Earmarked funds from the central level to the four largest towns and regional/municipal unions for teachers' professional training (ISCED 0): Regional municipality unions are unions which include municipalities in one county.

Earmarked funds from the central level to all local authorities for different policy priorities and programmes (ISCED 1-3 general education): Policy priorities and programmes include the Language Immersion Programme; the Teaching Estonian for new immigrants and for students whose mother tongue is Russian; and the International Baccalaureate (IB) diploma programme and accommodation costs for children from the most disadvantaged families, among others.

Earmarked funds from the central level to the three local authorities that own VET schools for state commissioned study places in VET (ISCED 2-3 pre-vocational and vocational): The number of state commissioned places ordered from schools in different study fields which is part of the funding formula is based on labour market and social needs.

Restricted block grant from local authorities to private pre-schools and/or other local authorities which are pre-school providers for operating costs (ISCED 0): The grant to private pre-schools is paid only if the municipalities' own pre-school(s) does not have sufficient capacity in terms of pre-school places.

Restricted block grant from local authorities to private schools and/or other local authorities for operating costs (ISCED 1-3): The funding depends on an agreement between the private school owner and the municipality. The government establishes a monthly limit of operational expenses.

Infrastructure investment programme from central-level dedicated agencies to local authorities for the creation of new pre-school places (ISCED 0): Enterprise Estonia (Ettevõtluse Arendamise Sihtasutus, EAS) is an agency responsible for promoting business and regional development and co-ordinates the implementation of EU structural funds. Innove Foundation is responsible for implementing relevant projects in the area of lifelong learning and for mediating EU structural funds.

Iceland

Block grant from central authorities to local authorities for any type of expenditure in compulsory education (ISCED 1-2): A proportion of total income taxation is allocated to education at the local level (2.07%).

Block grant/earmarked grant from central authorities to local authorities to even out the differences in expenditure and income of local governments with greater needs (ISCED 1-2): 71% of the grant are for any type of expenditure, the remaining 29% are for earmarked support. Allocation criteria were under review in 2015 with the intention to make them more general.

Block grant/earmarked grant from local authorities to compulsory schools for salaries and operational costs and extra support for specific student groups (ISCED 1-2): As each local community is an independent financial authority, it determines also the discretion of the individual school leader in deciding the use of the funding received, within the requirements of laws and regulation. Some municipalities allocate a block grant; others earmark part of the funding for specific purposes. Thus some school leaders can use the funding as they see fit as long as they remain within the total budget provided, while others cannot transfer funding between different cost areas without approval from the local community.

School-specific block grant from the central level to upper secondary schools for any type of expenditure (ISCED 3): According to the law, the central education authority funds each school offering upper secondary education individually for teaching and other costs as required, i.e. through a school-specific grant. The proposed funding is based on a comprehensive funding model taking into account general criteria that apply to all schools, as well as specific criteria taking into account the specific circumstances of each school.

Capital expenditure (ISCED 0-3): A portion of block grants for any type of expenditures can be used to cover capital expenditures. In pre-primary and compulsory education (ISCED 0-2), the local authorities are entirely responsible for capital expenditures. For upper secondary schools (ISCED 3), construction costs and initial capital investment for equipment are generally divided between the central government and the relevant municipalities based on a negotiated settlement between central and local authorities. The central government and the relevant municipalities pay 60% and 40% respectively. There are no formal provisions for funding capital expenditure of private schools at any school level.

Israel

Earmarked grants from the central level to local authorities for non-teachers' salaries and other operational costs (ISCED 0-3): The central government allocates funding to local

authorities according to several distribution criteria. Local authorities have certain flexibility to the execution of the budget.

Dedicated grant from central authority (ISCED 0-2) for staff salaries: Public primary and lower secondary schools receive detailed information on the number of instruction hours by categories of subjects at their disposal. The regional administration of the Ministry of Education has a bank of teaching hours to allocate to schools to solve specific problems, such as the completion of study hours, the completion of teachers' salaries, and the provision of support for teachers, at its administrative discretion.

Block grants from central authority to publicly-funded private schools for any type of current expenditure (ISCED 0, ISCED 1-3): Self-managed non-public schools receive a flexible budget for which they give a detailed report. In primary education, funding is distributed according to student numbers, which helps the Ministry of Education to calculate a number of standard classes and the number of learning hours. The ministry also knows the cost of a teaching hour according to the teachers' average profile (experience, diploma, part-time job, etc.). In upper secondary education, the distribution of funds is calculated per student and based on the cost of teaching hours according to the teachers' average profile in a school.

Capital expenditure (ISCED 0-3): Multi-year plans for the construction of schools and classrooms are based on forecasts of student numbers and the lack of existing buildings. The Ministry of Education participates in the planning of the budget. The criterion is the number of classes in accordance to price charts. Local authorities are responsible for the execution and completion of the budget.

Kazakhstan

Earmarked grant from central to regional authorities for equalising differences in regional revenues and implementing specific government programmes and initiatives (ISCED 0-3): The amount of the transfer is provided strictly according to an annual financial plan of the region, which includes a budgetary application with detailed information on the need of funding. Central (republican) funding is directed towards the regions, and then further to the local level. The amount of finances cannot be freely regulated by the regions. In case the budget is not fully spent, the surplus is returned to the regional level, and then further to the central (republican) level.

Capital expenditure (ISCED 0-3): Funding for capital expenditures in schools is mainly guaranteed by ad hoc decisions and discretionary funding. According to the State Programme for Education and Science Development for 2016-19, the top priorities are to decrease the number of schools that provide triple-shift education, to decrease the number of schools that are in state of emergency and to decrease the student place deficit. These are the schools that receive funding first.

Lithuania

School funding in Lithuania (ISCED 0-3): The school council is the self-governing body of the school. The school council collegially discusses issues of school activity and funding and, within the scope of its competence, as defined in the school statutes, adopts decisions.

Earmarked grant from central authorities to local authorities for covering teaching and operational costs (student basket scheme) (ISCED 0-3): Central regulations define an interval of coefficients' variation for teachers' pay, calculated over the basic monthly salary from which the salaries of public servants in Lithuania are calculated. The coefficients vary with the

teacher's type (e.g. non-certified, senior, methodologist, expert teacher) and years of experience. The school management then has to adapt the pay-scale to the available number and type of teachers. Municipalities have a restricted degree of discretion to reallocate a proportion of the grant from the central level. The central government grant is calculated taking into account the average teachers' salary, and is defined on an hourly basis. Annual school budgets are then balanced for the actual teacher salary expenses, regulated by a national salary scale.

Capital expenditure (ISCED 0-3): The bulk of funding for investment in school infrastructure comes from specific central government and EU Structural Fund investment grants, supplemented by local government funding. These funds have been mainly allocated to the development of vocational training centres, establishment of multifunctional centres in rural locations, investment in pre-school education and upgrading technology, natural sciences and art facilities in general education.

Portugal

School funding in Portugal (ISCED 0-3): The information contained in the country profile for Portugal mainly refers to the administrative agreements in the continental territory. The autonomous regions of Madeira and Azores have their own government. It is the competence of each regional parliament to legislate on matters related to the education system of each of the regions.

Organisation in school clusters: As of 2015, school clusters represented 83% of the entire school offer, and 98% of primary, lower and upper secondary public schools.

Targeted support: Support to specific groups of students or schools is guaranteed through targeted programmes, such as the National Plan of School Achievement (*Plano Nacional de Sucesso Escolar*) aiming at enhancing student performance and reducing dropout rates or the Education Territories for Priority Intervention programme (*Programa Territórios Educativos de Intervenção Prioritária, TEIP*), directed at schools in socio-economically disadvantaged locations. As of 2016, the TEIP programme involved about 18% of school clusters, which present projects for school and student performance improvement. The approved projects are then funded by the Ministry of Education according to the budgetary needs for implementation of such projects.

Block grant from central authority to local authorities for operating costs, extracurricular activities and subsidised meals, excluding teachers' salaries (ISCED 0-1 first 4 years, ISCED 2): The municipal social fund (*Fundo Social Municipal*) is a central budget block grant to municipalities, aimed at covering current expenses in public pre-schools and public schools offering the first 4 years of ISCED 1, namely non-teaching staff salaries, meals, extracurricular activities, school transport and other operating costs, besides teaching and monitoring staff in extracurricular activities in sports and the arts, student curricular support, health support at school and socio-educational support to students in ISCED 1. Furthermore, it also aims to cover expenses with school transport at ISCED level 2. If the municipality presents expenditure exceeding the budget in a given year, the excess is deducted in the grant of the following year.

Slovak Republic

Block grants from central authorities to school providers (ISCED 1-3): The salary and operational school specific grants are given to school providers (regional authority, local

authority, private providers) together as one block grant. The grants are calculated to cover corresponding types of costs, but can be spent on any type of expenditure.

Block grant from central authority to local authorities, regional authorities and private school providers as top up funding when school-specific grant does not cover staff and operational costs (ISCED 1-3): The central education authorities decide the amount of the grant, but do not allocate it for individual schools. The regional and local levels take responsibility, but no mechanism is formally defined.

Infrastructure investment programme from central authority to local and regional authorities for infrastructure construction (ISCED 02-3): The central infrastructure programme focuses on the extension of school capacities in the form of modular schools (construction of new infrastructure or extension of current infrastructure), e.g. in areas where schools have introduced double shifts to respond to demographic changes (e.g. because of people relocating from Bratislava to the suburbs, or in Eastern Slovak Republic). The programme began in 2013 and between 2013 and 2016 new capacities for more than 6 000 students had been built. A similar infrastructure programme was started for kindergartens to extend the capacities by 5 000 places.

Slovenia

Earmarked grant from the central authority to local authorities for transport of students to schools in areas with brown bears (ISCED 1-2): The central level provides funds to municipalities for the transport of students that could be in danger on the way to or from school (if they walked) because of brown bears and other wild animals. These funds are only given to municipalities situated in the area of the habitat of the brown bear. The area is determined in the brown bear management strategy adopted in 2006. The transport is then organised by the municipalities which usually hire a transport company. Funds received by the municipalities are based on the number of students that use this type of transport.

Discretionary funding by local authorities for infrastructure construction, renovation and maintenance, non-instructional and instructional material (ISCED 0-3): Local authorities are mainly responsible for capital expenditure at ISCED 0-2, exceptionally also at ISCED 3.

Discretionary funding from the central authority to local authorities for partial financing of capital investment (ISCED 0-2): In schools of the Italian and Hungarian national communities, the central level covers 100% of the capital investment.

Spain

Lump sum from the central authority to regional authorities for any type of public expenditures (ISCED 0-3): In the basis to determine the level of the grant, other needs of public educational services supply are also generally considered, such as transport, school canteen, school catering, school libraries, school books, school equipment, infrastructure, pedagogical material, school supplies, among others.

Earmarked grants from the central authority to regional authorities for educational support and other several specific purposes (ISCED 0-3): Earmarked grants are allocated for the following purposes: special needs education and special needs schools, operating costs, some especial programs for maintenance of infrastructure, foreign language learning, learning support for disadvantaged students and programs for VET education. These transfers are the result of special agreements with the Autonomous Communities related to the quality of education.

Earmarked grants from the central authority to local authorities for educational support and other several specific purposes (ISCED 0-3): Earmarked grants from central to local authorities are channelled through the Spanish Federation of Municipalities and Provinces (*Federación Española de Municipios y Provincias, FEMP*). These are targeted at the following purposes: dropout, shared school environment, disability and training in educational themes.

Earmarked grant from regional authorities to local authorities for early childhood education and care (ISCED 0): The transfer of these funds is related with the progressive rise of public offer. Regional educational authorities establish the conditions for agreements with local corporations (municipalities) for the provision of ISCED 01, other administrations and private non-profit entities. Transfers are also made from the regional to the local level in order to guarantee a sufficient supply of public offer in public pre-schools or publicly subsidised private pre-schools offering the ISCED 02 level of education.

Earmarked grants from the regional authorities to local authorities for educational support and other several specific purposes (ISCED 0-3): Earmarked grants from regional to local authorities are allocated for the following purposes: special needs education, learning support staff and staff not involved in instructional activities, ICT, school transport and programs against truancy. These are agreed with the municipalities based on the needs of educational supply, and according to regional and local educational planning.

Dedicated grant from regional authorities for teacher and non-teacher salaries (ISCED 0-3): Characteristics of teachers considered in the funding formula include: different professional categories, level of education taught, status as an official (civil servant) or a contracted (no civil servant) teacher.

Earmarked grant from regional authorities to schools for supporting additional costs with students with special educational needs (ISCED 0-3): Regional authorities are responsible for providing funds to cover additional costs with SEN students. These earmarked grants also include funds for co-operative programs with non-profit educational institutions for specific actions with students with SEN. Other specific criteria considered in the basis to determine the level of the grant include: number of teachers required, the curricular level of students with SEN, number of other specialised professionals required, maintenance of supports materials in ordinary schools and maintenance of (medical) support materials in specialised schools.

Sweden

Earmarked grants from the central authority to local authorities to promote policy priorities (ISCED 0-3): The municipalities apply for funding through these earmarked grants from a central education authority, the National Agency for Education.

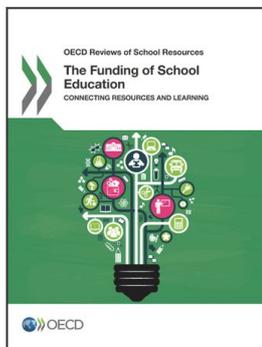
Discretionary funding from local authorities to schools (ISCED 0-3): The criteria for allocating funds to schools are at the discretion of the municipality or district. The Education Act stipulates that the municipal funding mechanism should account for the number of students enrolled and also the “different precondition and needs of different students”.

Uruguay

Capital expenditure (ISCED 0-3): Regular funding of schools for current expenditure includes some funds for maintenance and small investments.

Infrastructure investment programme from the central authorities for extra support for capital expenditure (ISCED 1 full-time primary schools and ISCED 2-3): The Support Programme

for Public Primary Education (*Programa de Apoyo a la Escuela Pública Uruguay, PAEPU*), funded by the World Bank, supports infrastructure and equipment for full-time schools. The Support Programme for Secondary Education and Training in Education (*Programa de Apoyo a la Educación Media y Técnica y a la Formación en Educación, PAEMFE*), funded by the Inter-American Development Bank, supports infrastructure and equipment in secondary education and teacher training institutions. Both PAEMFE and PAEPU are administered by the National Public Education Administration (*Administración Nacional de Educación Pública, ANEP*).



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