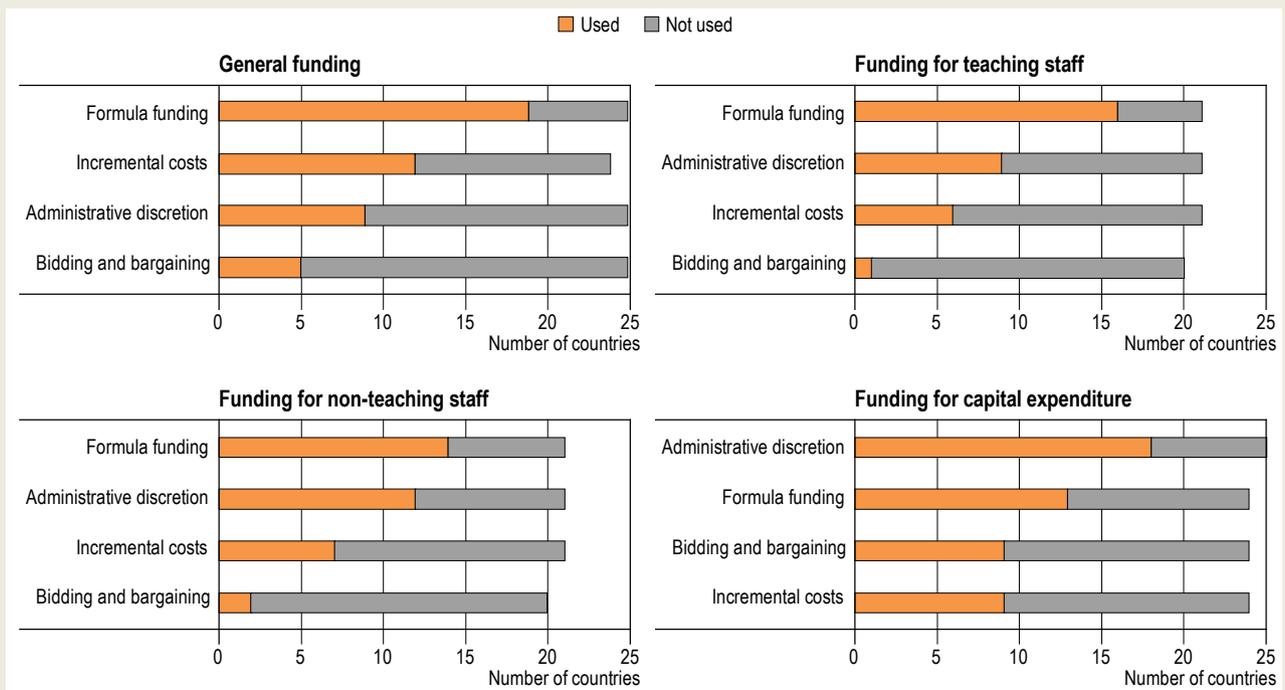


# Indicator D6. How are public funds allocated to schools?

## Highlights

- The frameworks for allocating and distributing public funding to public primary and lower secondary educational institutions vary greatly across OECD member and partner countries and economies.
- Funding formulas are the most commonly used basis for allocation among OECD and partner countries and economies. Most countries use funding formulas to some extent.
- Among the multiple equity criteria used in funding methodologies, the most commonly used relate to characteristics of students, and in particular to low-income students or students with disabilities.

**Figure D6.1. Basis used to allocate funding to public primary educational institutions, by category of funding (2019)**



**Note:** The category of general funding includes funds not allocated for particular kinds of expenditure or where it is not possible to disaggregate information by category of expenditure. The category "Funding for other current expenditure" is not included here but is included in Figure X3.D6.1

The bases used to allocate funding are ranked in descending order of the number of countries using them.

**Source:** OECD (2021), Table D6.1. See *Source* section for more information and Annex 3 for notes and figure relating to other current expenditure ([https://www.oecd.org/education/education-at-a-glance/EAG2021\\_Annex3\\_ChapterD.pdf](https://www.oecd.org/education/education-at-a-glance/EAG2021_Annex3_ChapterD.pdf)).

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## Context

The level of school funding matters, but so does the framework and strategy for allocating it. The mechanisms through which school funding is governed, distributed and monitored play a key role in ensuring that resources are directed where they can make the most difference (OECD, 2017<sup>[1]</sup>). The choices made in the design of school funding frameworks can also help to promote more equity among schools and in outcomes for learners.

In recent years, the organisation of OECD school systems has become increasingly complex and characterised by multi-level governance, where the links between multiple actors operating at different levels are more fluid and open to negotiation (Burns and Köster, 2016<sup>[2]</sup>). This may impact on the levels of government involved in school funding. It may also impact on the complexity and diversity in their interactions, as each level of government involved in the allocation of funding can use different bases to determine the amount of funding allocated to schools (or the most local level of governance) (OECD, 2017<sup>[1]</sup>), different criteria to operationalise the basis for allocation and different mechanisms used to distribute funding. The various restrictions with which local or regional authorities may need to comply also provide a good indication of their autonomy in decision making (Atkinson et al., 2005<sup>[3]</sup>).

The frameworks for school funding are based on four dimensions: the levels of government involved in the allocation of funding, the basis used to decide the allocation of funding, the criteria used in the allocation and the mechanisms used to distribute funding. Differences between countries in these four dimensions result in large differences in the systems used to allocate and distribute public funds to schools (or the most local level of governance) and in the ways equity issues are taken into account.

This indicator focuses on the frameworks for the public funding of public primary and lower secondary educational institutions rather than the amount of resources allocated to or spent on education (for an analysis of how much is spent on education, see Indicators C1, C2, C3, C4 and C6).

## Other findings

- It is possible to identify five distinct groups of countries and economies based on how many levels of government are involved and which level(s) directly fund (i.e. after transfers) expenditure on educational institutions. However, this does not imply any similarity in the bases used to allocate resources nor in the funding mechanisms used to distribute funding.
- The way funding is allocated to current and capital expenditure is quite different. It is far more common to use discretionary methods when allocating resources for capital expenditure.
- Formula funding plays an important role in the amount of resources received by primary and lower secondary educational institutions from local governments, but there is greater use made of administrative discretion, incremental costs, and bidding and bargaining than is the case at higher levels of government.
- Earmarked grants are the most commonly used mechanism to distribute funding. This implies in many cases that funding is spent by a level of government (or school) that has limited discretion over how funds are spent.

## Analysis

### Box D6.1. Key concepts related to funding frameworks

#### Basis used to allocate funding

The basis for allocating funds to educational institutions (or the most local level of government) refers to the way decisions are taken about the amount of funds to allocate to sub-central authorities or schools (or most local level of governance). The basis for allocation is distinct and separate from the way funds are actually transferred (which is referred to as the funding mechanism). Four main bases are used throughout the analysis:

- **Administrative discretion** is based on an individual assessment of the amount of resources that each sub-central authority or school needs. While it might involve the use of indicators, the final allocation might not necessarily correspond to the calculations and these would not be universally applied to all sub-central authorities or schools. Administrative discretion and incremental costs (see below) are often combined.
- **Incremental costs** take into consideration the historical expenditure to calculate the amount of funds to allocate for the following year, with minor modifications to take into account specific changes (e.g. student numbers, school facilities, input prices).
- **Bidding and bargaining** involves open competitions for additional funding offered via the participation of sub-central authorities or schools in a particular programme or making a case for additional resources.
- **Formula funding** involves the use of objective criteria with a universally applied rule to establish the amount of resources that each recipient is entitled to. The relevant authority uses a formally defined procedure (a formula) to determine the level of public funds allocated based on a set of predetermined criteria, which in most cases are input-, output- or performance-oriented. These predetermined criteria are impartially applied to each recipient (e.g. sub-central authority or school). Formula funding relies on a mathematical formula which contains a number of variables, each of which has a coefficient attached to it to determine school budgets. Formulas typically contain four main groups of variables: 1) basic: student number and grade level-based; 2) needs-based; 3) curriculum or educational programme-based; and 4) school characteristics-based.

#### Criteria used for allocation

Many of the bases for allocation described above depend on specific criteria. For example, student numbers might be used in funding formulas or for incremental cost methods. The criteria included in this analysis refer to any qualitative or quantitative data that are used to determine how many resources (money, staff, equipment, etc.) are allocated to a particular sub-central authority, school or most local level of governance.

#### Funding mechanism used to distribute funding

The funding mechanism refers to the way funds are transferred from one level of government to another (or to schools). In particular, the focus is on the extent to which the body that receives the funds has discretion to specify how (and for what purpose) the money should be spent. The funding mechanisms are unrelated to the allocation method, all different combinations of allocation method and funding mechanism are possible.

- **Lump sum transfer:** Funds that recipients can use at their own discretion. They are completely free to spend the money as they wish. “Lump sum” refers to the method of transfer, not to the allocation method; the amount being transferred may vary between sub-central authorities or between schools.
- **Restricted block grant:** Funds that recipients can use at their own discretion, but within given areas of spending (e.g. operating costs). This, therefore, leaves a high degree of discretion over the proportion of the grant that will be allocated to different categories of expenditure, such as salaries and operational costs, and also over the amount allocated to lower levels of governance.
- **Earmarked grant:** Funds that recipients are required to use for specific elements/items of current expenditure (e.g. teacher professional development, extra funds for special needs education). For example, central authorities may provide a range of grants to sub-central authorities which are earmarked for particular items of expenditure

in order to allow the central authorities to shape policy while allowing sub-central authorities to take operational decisions.

- **School-specific grant:** Funds that recipients are required to use for current expenditure in specific schools (or most local level of governance). This is the most restrictive type of transfer from the central to lower level authorities and implies reduced or no administrative discretion to reallocate funding among different schools.
- **Dedicated grant:** Funds which are not administered by the recipients (e.g. teacher salaries which are directly paid by the relevant authority; operating costs directly paid by the relevant authority). In this case, funds are not transferred to individual schools (or most local level of governance). This would apply to situations where the central government directly pays teachers' salaries or where it (re)builds schools.

## **Funding frameworks for educational institutions**

### *Levels of government involved*

In this indicator, five distinct levels of government or education authority at which decisions on the funding of schools (or the most local level of governance) can be taken are distinguished: central, state, provincial or regional, sub-regional or inter-municipal, and local levels (see *Definitions* section). However, for the purpose of describing funding frameworks for primary and lower secondary educational institutions and to ease the comparison between federal countries and non-federal ones, the levels of decision making are grouped into three categories: central or state governments, provincial/regional or sub-regional/inter-municipal authorities or governments, and local authorities or governments.

Not all levels of decision making exist in all countries, and where they do exist, they are not necessarily involved in decisions about school funding. In some cases, the levels of government involved in decision making also vary according to the level of education and/or programme orientation. Five distinct groups of countries can be identified based on the number of levels of government involved in decision making and the level(s) that directly fund (i.e. after transfers) expenditure on educational institutions.

In a small group of four countries (Austria, Ireland, the Netherlands and Turkey), a single level of government (the central level) takes decisions on the funding of schools (or lowest level of governance). In Lithuania, this framework applies to lower secondary vocational programmes only, whereas in Ireland and the Netherlands it applies to both primary and lower secondary level.

In the majority of countries, decisions related to the allocation and/or distribution of funds are taken at two levels. Among these countries, the highest level transfers funds to the lowest level of governance involved, which takes decisions on all categories of expenditure (Australia, Chile, Denmark, Estonia, Finland, Hungary, Korea, Latvia, Lithuania [primary and lower secondary general programmes], Norway, the Russian Federation [lower secondary vocational programmes], Sweden and Turkey), whereas the decisions on funding are shared between these two levels of government in a smaller number of countries and economies (England [United Kingdom], France [primary and lower secondary general programmes], Israel, Mexico, Slovenia, Spain [lower secondary] and Switzerland).

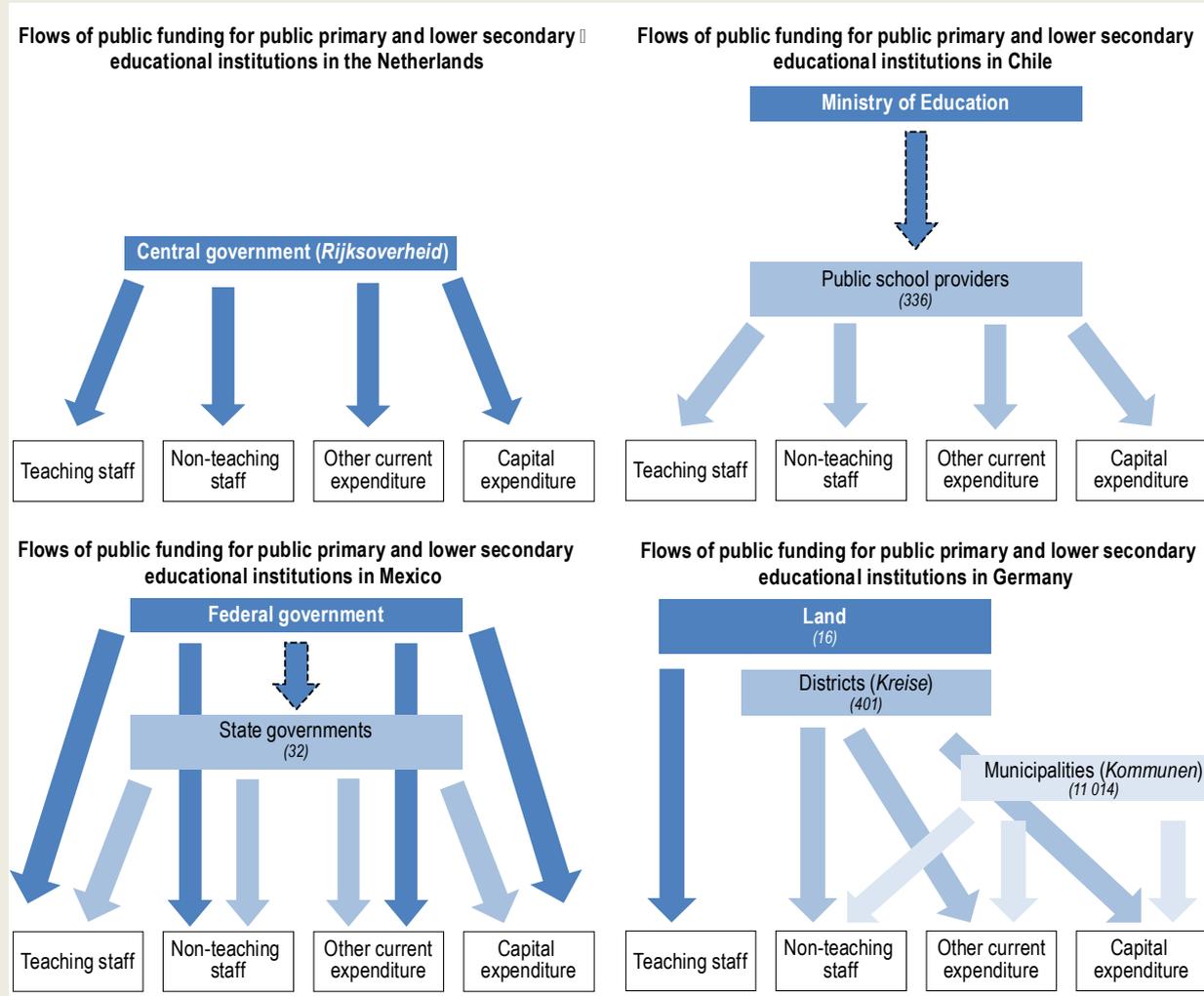
In the remaining countries and economies, three levels of government are involved in decisions about school funding. In five countries (Austria, the Czech Republic, France [primary], Poland and the Russian Federation [primary and lower secondary general programmes]), funding is shared between two levels of government whereas funding is shared between all three levels in Brazil, Colombia, the French Community of Belgium, Germany, Japan, Spain (primary) and the United States.

Although countries can be grouped based on the levels of government involved in funding educational institutions, this does not imply any similarity in the bases used to allocate resources nor in the funding mechanisms used to distribute funding to schools (or the most local level of governance) in each of these groups. For example, in Finland and Turkey, funding flows from one level of government to a lower one, which then distributes funds between different categories of expenditure, but the autonomy of the lower level of government is much greater in Finland than in Turkey. In Finland, central government funding accounts for about 25% of total public expenditure on educational institutions. The allocation of funds to local authorities is based on formula funding and the local level then has complete autonomy to allocate funds to categories of expenditure. This contrasts with Turkey, where a combination of administrative discretion and incremental costs are used by the central government to allocate resources for current expenditure to provincial governments. The central government then distributes funding using a combination of restricted block grants, earmarked grants, school-specific grants and dedicated grants. This means that the provincial level in Turkey has less discretion in how funding is allocated and spent because of the restrictions and earmarks associated with the funding it receives (Table D6.1, Table D6.2 and Table D6.5, available on line).

### Box D6.2. How public funding flows from government to educational institutions

#### Figure D6.2. Examples of funding flow diagrams

Flows of public funding for public primary and lower secondary institutions in the Netherlands, Chile, Mexico and Germany



**Note:** The diagram is indicative of the flows of public funding for public educational institutions between levels of government and the final education provider (which may be educational institutions or the most local level of governance). The size of the arrows is not representative of the magnitude of the flows - flows may vary greatly in magnitude but this is not shown in the diagram.

Where funding is shared between different levels of government, these levels of government can be responsible for funding different categories of expenditure or they can share the responsibility for funding each category. For example, in France for primary education, the central government funds teaching staff while local government funds all other expenditure (after receiving transfers from the central and regional governments). This contrasts with Spain, where the central and regional governments share responsibility for funding all categories of expenditure on lower secondary educational institutions, because the central government directly manages educational institutions in the autonomous cities of Ceuta and Melilla.

The flows of funding through each country's system can be seen in the funding flow diagrams associated with this indicator (see examples in Figure D6.2). Each arrow refers to a flow of funding between two levels of government. The direction of the arrows shows the level of government that distributes the funds and the level that receives it. The flow diagrams intend to show the way public funds flow from the most central level to the schools (or most local level of governance). They also display the flows of public funds in the other direction where relevant. In the diagrams, the width of the arrows does not

vary based on the amount of funds flowing between the two levels (for a distribution of funds between levels of government, see Indicator C4).

Full-size versions of funding flow diagrams for all OECD and partner countries and economies with available data can be found in Annex 3.

### *Bases used to allocate funding*

The basis for the allocation of funds to educational institutions (or the most local level of government) refers to the way decisions are taken about the amount of funds to allocate to sub-central authorities or schools (or most local level of governance). Four main bases are used to various extents in countries: administrative discretion, incremental costs, bidding and bargaining, and formula funding (see Box D6.1 for definitions).

Countries do not tend to use one basis exclusively for allocating all funding; in many cases, they use two or more bases together. For example in Estonia, a combination of incremental costs (using previous expenditure per student) and formula funding (using student enrolment) is used to allocate funds for the various categories of expenditure related to educational institutions.

The bases used for funding and their prevalence also vary by type of expenditure. Among the 31 OECD and partner countries and economies with available information, formulas is the most commonly used basis for funding (particularly for teaching staff), compared to the other three bases to allocate current resources, while administrative discretion is the most commonly used basis to allocate funding for capital expenditure. Bidding and bargaining is not a common way of allocating funding for any type of expenditure (Figure D6.1).

Several bases are commonly used in combination with each other and the combinations used vary substantially between countries and economies (and there is no clear pattern that these combinations vary depending on the number of levels of government involved in the allocation of funds). Austria, England (United Kingdom), France, Slovenia, Spain and the United States reported all four bases being used in at least one category of expenditure. Only six countries reported only one basis being used; Mexico uses administrative discretion only, while Brazil, Finland, Israel, the Netherlands and Norway use funding formulas exclusively. All other countries and economies use some combination of two or three bases. Overall, it is very common for formula funding to be used in combination with administrative discretion. Seventeen countries and economies use these two bases together; four of these use this combination exclusively (the French Community of Belgium, Germany, Japan and Latvia).

### *Funding mechanisms used to distribute funding*

The mechanism used to actually distribute funding is distinct from the basis used to allocate it (and there is no clear pattern that specific mechanisms are associated with specific basis used to allocate funds). There are five main mechanisms used: lump sum transfer, restricted block grant, earmarked grant, school-specific grant and dedicated grant (see Box D6.1 for definitions).

An analysis of funding mechanisms aims to understand how funds are actually transferred from one level of government to another, or from a level of government to a school (or lowest level of governance). It also sheds some light on the extent to which a specific level of government (or school) has autonomy in deciding how and on what categories of expenditure the funds should be spent.

Among the 31 OECD and partner countries and economies with available information, earmarked grants are the most commonly used mechanism: 26 countries and economies use them for at least one category of expenditure (Table D6.5, available on line). This implies, in many cases, that the level of government (or school) receiving this funding has limited discretion on the way these funds can be spent. However, there is considerable variation in the most commonly used mechanisms between categories of expenditure. For general funding, a similar number of countries distribute (at least some of) their funding as lump sums (i.e. allowing complete discretion) (13 countries and economies) and as earmarked grants (15 countries). For capital expenditure, school-specific grants are a fairly popular mechanism and are used by 11 countries and economies, but they are less likely to be used for dispersing funds for teaching (only in Hungary) and non-teaching staff (only in Hungary, Lithuania and Turkey).

Although earmarked grants are very common and are even the only mechanism used in Japan and the Russian Federation for all categories of expenditure, five countries do not use this mechanism in their funding system of educational institutions.

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Funding is distributed using a combination of restricted block grants and lump sums in Australia, only lump sums in Finland and Norway, dedicated grants in Mexico, and restricted grants in Brazil.

In most cases, combinations of multiple funding mechanisms are used. Four countries use all five funding mechanisms, for at least one category of expenditure (Hungary, Ireland, Israel and the United States). The remaining 21 countries and economies use a combination of two, three or four funding mechanisms. There are no obvious patterns of combinations (other than the prevalence of earmarked grants) associated with specific categories of expenditure.

### ***Use of funding formulas in allocating funding to educational institutions***

Funding formulas are the most commonly used basis for allocation among OECD and partner countries and economies. Most use funding formulas to some extent. Among the 31 countries and economies for which data are available, only 6 countries did not report using them for any category of expenditure (the Czech Republic, Denmark, Hungary, Mexico, Switzerland and Turkey). On the contrary, 17 countries use them for all categories of expenditure, and 8 use them for some categories of expenditure only (Table D6.1).

The wide-scale use of funding formulas suggests that they have a substantial effect on the amount of funding allocated to sub-central levels of government, schools or the most local level of governance.

### ***Use of funding formulas by level of government***

The use of funding formulas is most common for all categories of expenditure at the highest levels of government (i.e. central or state). For example, among the 17 countries and economies with available data on general funding of educational institutions, formulas are used to allocate all public funding from central government to public primary and lower secondary educational institutions in 5 countries and most public funding in a further 12 countries (Table D6.2).

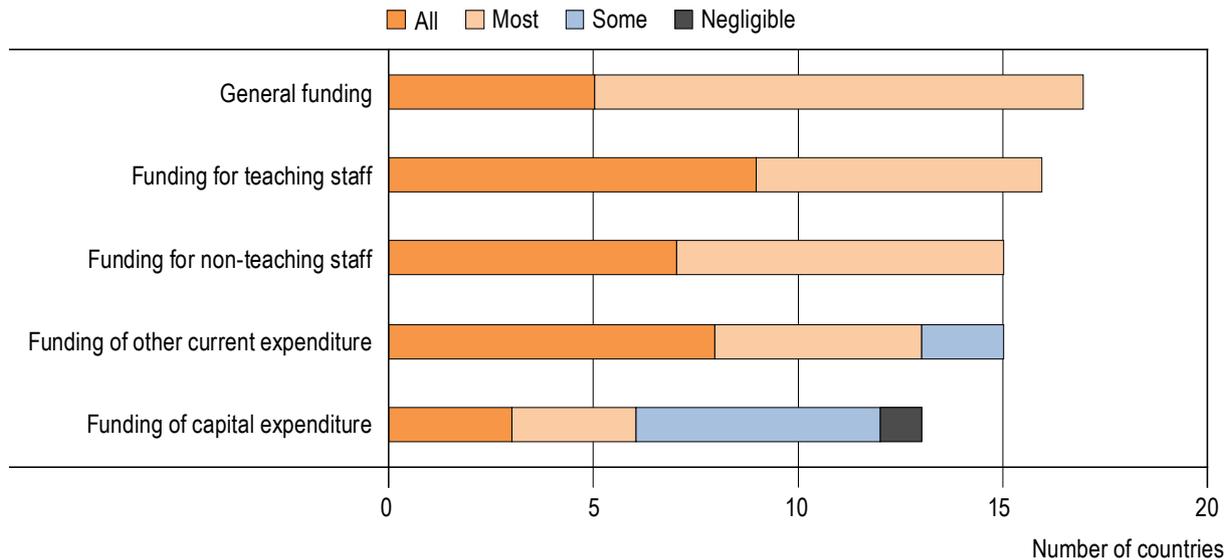
At lower levels of government, smaller proportions of public funding are allocated to educational institutions through formulas. Among the 13 countries and economies with available data for general expenditure, local government allocates all public funding through funding formulas in only one country. Among the other countries, formulas are used at the local level to allocate most public funding in nine countries, some of the public funding in one country and only a negligible amount of funding in two countries. Therefore, formula funding plays a big role in the resources received by educational institutions from local governments. However, there is greater use made of the other bases (measured in terms of the proportion of funding received) at the local level than is the case at higher levels of government. This may result from the different responsibilities of the different governments, or may simply reflect a trend of greater discretion being used in funding decisions (Table D6.2).

### ***Use of funding formulas by category of expenditure***

In the vast majority of countries and economies, funding formulas are used by central or state governments to allocate all or most funding for all categories of expenditure, with the exception of funding for capital expenditure. Capital expenditure is the category of expenditure where funding formulas are least often used compared to other three mechanisms used to fund educational institutions. It is therefore not surprising that a relatively small share of funding is allocated using them. The variation in the share of funding allocated by funding formulas is similar to the variation in the use of funding formulas. For instance, among the five categories of expenditure, funding for teaching staff is the category for which funding formulas are used the most often, and it is also the category for which the largest share of funding depends on formulas. This shows that when funding formulas are used, they tend to have a substantial impact on the share of funding (Figure D6.3 and Table D3.2).

Local governments are less likely to use funding formulas than central or state governments, but the extent of the difference varies by category of expenditure. Funding for non-teaching staff is the category of expenditure with the biggest difference between levels of government in the proportion of funds allocated based on formulas. At the central or state level, 15 countries and economies use funding formulas to allocate all or most of their funding to expenditure on non-teaching staff, and none use funding formulas to allocate some or a negligible amount of funding to this category of expenditure. At the local level, five countries use funding formulas to allocate all or most of their funding to this category of expenditure, compared to three using funding formulas to allocate some or a negligible amount of funds to this category of expenditure. This means that local governments are more likely to use methods based on discretion to allocate funding for non-teaching staff. This is quite different from capital expenditure, for which the proportion of funding allocated using formulas is lower at all levels of government, but there is little variation between levels of government (Table D6.2).

**Figure D6.3. Proportion of public funding allocated by central or state governments to public primary educational institutions (or the lowest level of governance) using funding formulas, by category of funding (2019)**



Source: OECD (2021), Table D6.2. See Source section for more information and Annex 3 for notes ([https://www.oecd.org/education/education-at-a-glance/EAG2021\\_Annex3\\_ChapterD.pdf](https://www.oecd.org/education/education-at-a-glance/EAG2021_Annex3_ChapterD.pdf)).

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### Criteria used to address equity issues

Educational equity is a broad concept and is not easily definable. The pursuit of equity in education usually takes into account three different possible strategies underpinning policy making: seeking equal opportunities, equal treatment or equal results across students and schools (Castelli, Ragazzi and Crescentini, 2012<sup>[4]</sup>). This is reflected in the choices countries make about how to allocate resources to educational institutions.

There are two main ways of considering equity in terms of education funding: horizontally and vertically. While horizontal equity refers to the provision of resources across units with similar needs (students or institutions), vertical equity refers to the distribution of resources across units of different needs. Horizontal and vertical equity can be complementary goals. While horizontal equity is assessed by minimum variability in the distribution of resources for similar students, vertical equity focuses on providing differential funding for different student groups based on their needs (OECD, 2017<sup>[1]</sup>).

The data presented below focus on the criteria that countries use to address equity when allocating resources. These criteria could be used in bidding and bargaining, funding formulas, or incremental cost methods of allocation. The choice of criteria reflects the strategies to address equity as well as the aims of horizontal and/or vertical equity.

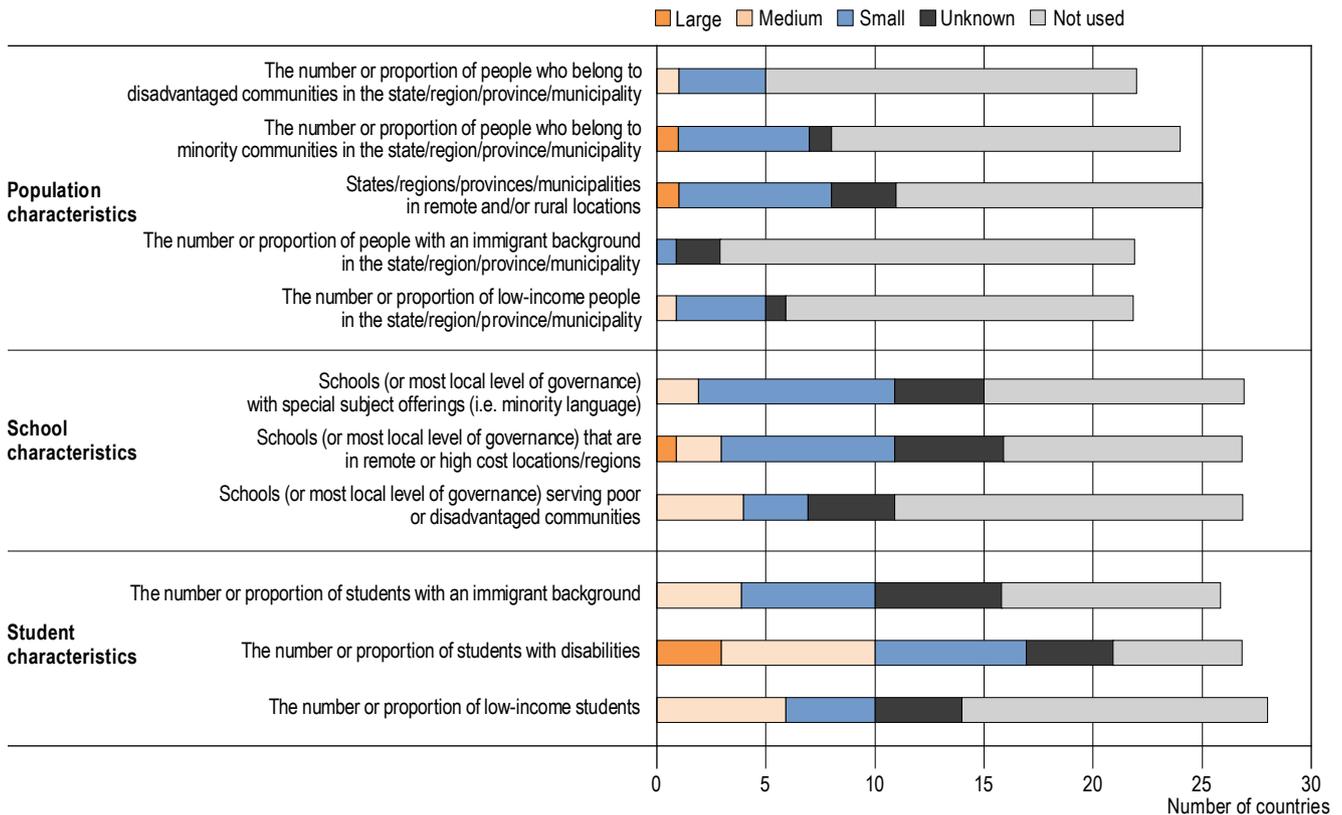
### Differences in equity criteria used by reference groups

Among the 31 OECD and partner countries and economies with available information, equity criteria used in funding the different categories of expenditure tend to relate to one of three reference groups: the population of the locality (state/region/province/municipality), the schools or the students enrolled. Criteria that relate to characteristics of the population of the locality are the least commonly used, whereas criteria relating to schools and students are more common. Of the 26 countries and economies with available data on allocation of funding by central and state governments, 25 use at least one criterion related to student characteristics, 23 use at least one criterion based on school characteristics and 14 use at least one criterion based on population characteristics (Table D6.3).

It is very common for countries to use a combination of criteria that relate to different reference groups. Twelve countries and economies use a combination of criteria including at least one criterion related to each group (students, schools and population characteristics). A further 11 countries and economies use a combination including at least one criterion that relates to student,

and school characteristics only. This means that countries and economies using a population-based criterion usually also use a criterion based on student and/or school characteristics. Denmark is an exception to this pattern, as the number or proportion of low-income people in the locality and the existence of localities considered remote and/or rural are used as equity criteria, but no student- or school-based criteria are used (Figure D6.4 and Table D6.3).

**Figure D6.4. Share of total funding allocated by central and state governments to primary and lower secondary educational institutions by equity criteria (2019)**



Source: OECD (2021), Table D6.3. See Source section for more information and Annex 3 for notes ([https://www.oecd.org/education/education-at-a-glance/EAG2021\\_Annex3\\_ChapterD.pdf](https://www.oecd.org/education/education-at-a-glance/EAG2021_Annex3_ChapterD.pdf)).

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### *Differences in equity criteria used, by characteristic*

As well as grouping the criteria by the population to which they refer, it is also possible to group them based on five broad characteristics to which they relate: poverty (low-income, poor or disadvantaged populations/schools/students), disability (students with disabilities), location (remote, rural or high-cost locations), immigrant status (Immigrant background of students or population) and minority communities (people who belong to minority communities and schools offering minority languages).

Criteria related to disability are the most commonly used. Of the 27 countries and economies with available data, only central and state governments in the Czech Republic, Denmark, England (United Kingdom), Mexico, Norway and Sweden do not use this equity criterion. These countries and economies tend to either give large autonomy in the way to allocate funding to schools (or most local level) to more local levels of government (Norway and Sweden), use discretionary allocation methods instead of funding formulas (the Czech Republic, Denmark and Mexico) or use other criteria to address equity (England [United Kingdom]) (Table D6.3).

Many countries and economies provide specific support to schools or localities that are either remote, expensive or both, by including criteria in funding allocation methodologies that take account of this. Central or state governments in 18 countries include in their methods to allocate public funds to schools (or most local level) criteria related to the location, compared to 8

who do not include such criteria. Across the countries using a location criterion, there is some variation in whether the criterion refers to schools (in remote or high-cost locations) or to localities (remote or rural states/regions/provinces/municipalities). Eight countries and economies (Australia, Brazil, Chile, England [United Kingdom], France, Hungary, Korea and Latvia) allocate resources based only on the school's location, whereas four countries (Colombia, Denmark, Israel and Turkey) only allocate resources based on the remoteness or rurality of the locality. The remaining six countries (Estonia, Ireland, Japan, Poland, the Russian Federation and Switzerland) use both criteria (Table D6.3).

Most countries allocate funding using some measure of low-income or disadvantage. Of the 28 countries and economies with available data on the criteria used for the allocation of funds from central or state governments, 18 use at least one poverty-based criterion compared to 10 that do not. The most frequently used criterion is the number or proportion of low-income students, which is used by central or state governments in 14 countries and economies. However, it is very common among countries to use multiple poverty-based criteria. For example, nine countries and economies use the number or proportion of low-income students as well as schools (or most local level of governance) serving poor or disadvantaged communities (Table D6.3).

Among the five broad characteristics that have been identified to group equity criteria, criteria relating to immigrant status and minority communities are the least commonly used by central and state governments to allocate funds, even if they are still very commonly used. Immigrant status is used by central or state governments in 16 out of the 27 countries and economies with available data. When immigrant status is used, they far more often refer to students than to the population of the locality. This means funding is directed to where schools have significant numbers of students with an immigrant background enrolled rather than to areas of the country where there is a high number of people with an immigrant background living (Table D6.3).

### *Share of funding allocated by equity criteria*

Many criteria may be used in funding formulas (or other allocation methods), but countries can give different relative weights to each of these criteria, which means they can impact to a varying extent on the amount of funds allocated. For the allocation of funds under the responsibility of central or state governments, each criterion tends to have a modest impact on the amount or proportion of funds allocated. On average across all equity criteria, the use of an equity criterion has a large impact on funding in 5% of the countries and economies using it, a medium impact in 20% of countries and economies using it and a small impact in 50% of countries and economies using it. This suggests that equity criteria on their own have a limited impact on the funding received by schools (or the most local level of decision making) and that other criteria have a greater effect (Table D6.3).

There is some variation between criteria in their impact on funding. Among the 14 countries and economies where the central or state government uses the number or proportion of low-income students in the allocation of funds, this criterion has a medium impact on the funding allocated in 6 countries and economies and a small impact in 4 (the impact is unknown in the remaining 4 countries). In comparison, the number or proportion of students with disabilities has a large impact on funding in three countries and economies, a medium impact in seven countries and a small impact in seven countries (the impact is unknown in the remaining four countries). The result is that where the number or proportion of students with disabilities is used as a criterion in funding allocations, it has a greater impact on funding than where the number or proportion of low-income students is used (Figure D6.4).

## Definitions

See Box D6.1 for definitions related to **bases for allocation**, **criteria used to allocate funding** and **type of funding mechanisms**.

### **Levels of decision making**

**Central government:** The central government consists of all bodies at the national level that take decisions or participate in different aspects of decision making.

**State government:** The state is the first territorial unit below the nation in “federal” countries or countries with similar types of governmental structures. State governments are the decision-making bodies at this governmental level. For all other countries, this level does not exist.

**Provincial/regional authorities or governments:** The province or the region is the first territorial unit below the national level in countries that do not have a “federal” (or similar) type of governmental structure and the second territorial unit below the national level in countries with “federal” (or similar) types of governmental structures. Provincial/regional authorities or governments are the decision-making bodies at this level.

**Sub-regional or inter-municipal authorities or governments:** The sub-region is the second territorial unit below the national level in countries that do not have a “federal” (or similar) type of governmental structure. Sub-regional or inter-municipal authorities or governments are the decision-making bodies at this level.

**Local government:** The municipality or community is the smallest territorial unit in the country with a governing authority. The **local authority** may be the education department within a general-purpose local government, or it may be a special-purpose government whose sole area of authority is education.

## Coverage

Thirty-one OECD and partner countries and economies contributed to the 2020 OECD-NESLI survey on school funding frameworks used to develop this indicator: Australia, Austria, Brazil, Chile, Colombia, the Czech Republic, Denmark, England (United Kingdom), Estonia, Finland, France, the French Community of Belgium, Germany, Hungary, Ireland, Israel, Japan, Korea, Latvia, Lithuania, Mexico, the Netherlands, Norway, Poland, the Russian Federation, Slovenia, Spain, Sweden, Switzerland, Turkey and the United States.

The information collected on funding frameworks was limited to the main funding mechanisms used to allocate and distribute public funding to public educational institutions (or the most local level of governance). This means that some funding is not covered by the analysis. However, in around half of the countries with available data, all of the public funding for public educational institutions is covered by the analysis and most public funding for public educational institutions is covered by another third of countries. See Annex 3 for more information and for country-specific notes ([https://www.oecd.org/education/education-at-a-glance/EAG2021\\_Annex3\\_ChapterD.pdf](https://www.oecd.org/education/education-at-a-glance/EAG2021_Annex3_ChapterD.pdf)).

## Source

Data are from the 2020 OECD-NESLI survey on school funding frameworks, which refers to the year 2019.

## References

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# Indicator D6 tables

## Tables Indicator D6. How are public funds allocated to schools?

<b>Table D6.1</b>	Basis used to allocate funding to public primary educational institutions (2019)
<b>Table D6.2</b>	Use of funding formulas to allocate public funding to public primary educational institutions (2019)
<b>Table D6.3</b>	Equity criteria used in allocating central or state government funding for primary and lower secondary educational institutions (2019)
<b>WEB Table D6.4</b>	<i>Basis used to allocate funding to public lower secondary educational institutions (2019)</i>
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<b>WEB Table D6.7</b>	<i>Levels of government involved in funding public primary educational institutions (2019)</i>
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<b>WEB Table D6.9</b>	<i>Use of funding formulas to allocate public funding to public lower secondary educational institutions (2019)</i>
<b>WEB Table D6.10</b>	<i>Equity criteria used in allocating provincial or regional government funding for primary and lower secondary educational institutions (2019)</i>
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StatLink  <https://stat.link/vmbd2w>

Cut-off date for the data: 17 June 2021. Any updates on data can be found on line at: <http://dx.doi.org/10.1787/eag-data-en>. More breakdowns can also be found at: <http://stats.oecd.org>, *Education at a Glance Database*.

Table D6.1. Basis used to allocate funding to public primary educational institutions (2019)

Allocation of all public funds from all levels of government to educational institutions or the most local level of governance

	General funding				Funding for teaching staff			Funding for non-teaching staff			Funding of other current expenditure			Funding of capital expenditure						
	Administrative discretion	Incremental costs	Bidding and bargaining	Formula funding	Administrative discretion	Incremental costs	Bidding and bargaining	Formula funding	Administrative discretion	Incremental costs	Bidding and bargaining	Formula funding	Administrative discretion	Incremental costs	Bidding and bargaining	Formula funding	Administrative discretion	Incremental costs	Bidding and bargaining	Formula funding
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>OECD Countries</b>																				
Australia	No	No	No	Yes	No	No	No	Yes	No	No	No	Yes	No	No	Yes	Yes	Yes	No	Yes	Yes
Austria	a	a	a	a	No	No	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No
Canada	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Chile	No	No	Yes	Yes	No	No	No	Yes	No	No	No	Yes	No	No	Yes	Yes	No	No	Yes	Yes
Colombia	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	No	Yes	No	No	No	No	Yes
Costa Rica	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Czech Republic	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	No	No	No	No	Yes	No
Denmark	Yes	Yes	No	No	a	a	a	a	a	a	a	a	a	a	a	a	a	a	a	a
Estonia	No	Yes	No	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	No	No	No
Finland	No	a	No	Yes	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
France	a	a	a	a	Yes	Yes	m	Yes	Yes	Yes	m	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	a
Germany	No	No	No	Yes	No	No	No	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	No	No	Yes
Greece	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Hungary	Yes	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes	No	Yes	Yes	No	No
Iceland	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Ireland	No	Yes	No	Yes	No	No	No	Yes	No	No	No	No	No	No	Yes	Yes	No	No	No	Yes
Israel	No	No	No	Yes	No	No	No	Yes	No	No	No	Yes	No	No	No	Yes	No	No	No	Yes
Italy	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Japan	a	a	a	a	Yes	No	No	Yes	Yes	No	No	Yes	Yes	m	m	m	Yes	m	m	Yes
Korea	Yes	No	Yes	Yes	a	a	a	a	a	a	a	a	a	a	a	a	a	a	a	a
Latvia	a	a	a	a	No	No	No	Yes	Yes	No	No	Yes	No	No	No	Yes	Yes	No	No	No
Lithuania	Yes	No	No	Yes	Yes	No	No	Yes	Yes	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	No	No
Luxembourg	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Mexico	Yes	No	No	No	m	m	m	m	m	m	m	m	Yes	No	No	No	Yes	No	No	No
Netherlands	No	No	No	Yes	No	No	No	Yes	No	No	No	Yes	No	No	No	Yes	No	No	No	Yes
New Zealand	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Norway	No	No	No	Yes	a	a	a	a	a	a	a	a	a	a	a	a	a	a	a	a
Poland	Yes	Yes	No	Yes	a	a	a	a	a	a	a	a	Yes	Yes	No	Yes	Yes	Yes	No	Yes
Portugal	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Slovak Republic	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Slovenia	a	a	a	a	No	No	No	Yes	No	No	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No
Spain	No	Yes	Yes	Yes	No	No	No	Yes	No	No	Yes	Yes	Yes	Yes	No	Yes	No	No	Yes	Yes
Sweden	No	Yes	No	Yes	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Switzerland	a	a	a	a	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	No	No
Turkey	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes	Yes	No	Yes	Yes	Yes	No
United States	No	Yes	Yes	Yes	a	a	a	a	a	a	a	a	a	a	a	a	Yes	Yes	No	Yes
<b>Economies</b>																				
Flemish Comm. (Belgium)	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
French Comm. (Belgium)	No	No	No	No	No	No	No	Yes	No	No	No	Yes	No	No	No	Yes	Yes	No	No	Yes
England (UK)	Yes	Yes	No	Yes	a	a	a	a	a	a	a	a	No	No	No	Yes	Yes	Yes	Yes	Yes
Scotland (UK)	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
<b>Partners</b>																				
Argentina	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Brazil	No	No	No	Yes	a	a	a	a	a	a	a	a	a	a	a	a	a	a	a	a
China	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
India	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Indonesia	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Russian Federation	No	No	No	Yes	Yes	No	No	No	Yes	No	No	No	No	Yes	No	No	Yes	No	No	No
Saudi Arabia	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
South Africa	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m

**Note:** The basis for allocation of funds to educational institutions (or the most local level of government) refers to the way decisions are taken about the amount of funds to allocate to sub-central authorities or schools (or most local level of governance). The basis for allocation is distinct and separate from the way funds are actually transferred (which is referred to as the funding mechanism).

**Administrative discretion** - is based on an individual assessment of the amount of resources that each sub-central authority or school needs. While it might involve the use of indicators, the final allocation might not necessarily correspond to the calculations and these would not be universally applied to all sub-central authorities or schools. Administrative discretion and incremental costs are often combined.

**Incremental costs** - takes into consideration the historical expenditure to calculate the amount of funds to allocate for the following year, with minor modifications to take into account specific changes (e.g. student numbers, school facilities, input prices). Administrative discretion and incremental costs are often combined.

**Bidding and bargaining** - involves sub-central authorities or schools responding to open competitions for additional funding offered via participation in a particular programme or making a case for additional resources.

**Formula funding** - involves the use of objective criteria with a universally applied rule to establish the amount of resources that each school is entitled to. The relevant authority uses a formally defined procedure (a formula) to determine the level of public funds allocated based on a set of predetermined criteria, which in most cases are input-, output- or performance-oriented. These predetermined criteria are impartially applied to each recipient (e.g. sub-central authority or school). Formula funding relies on a mathematical formula which contains a number of variables, each of which has a coefficient attached to it to determine school budgets. Formulas typically contain four main groups of variables: i) basic: student number and grade level-based; ii) needs-based; iii) curriculum or educational programme-based; and iv) school characteristics-based.

**Source:** OECD (2021). See *Source* section for more information and Annex 3 for notes ([https://www.oecd.org/education/education-at-a-glance/EAG2021\\_Annex3\\_ChapterD.pdf](https://www.oecd.org/education/education-at-a-glance/EAG2021_Annex3_ChapterD.pdf)).

Please refer to the Reader's Guide for information concerning symbols for missing data and abbreviations.

StatLink  <https://stat.link/o2j80e>

Table D6.2. Use of funding formulas to allocate public funding to public primary educational institutions (2019)

Extent to which public funding is allocated based on funding formulas, by level of governance of funds and by category of expenditure

	Central/state government					Provincial/regional government					Local government				
	General funding	Funding for teaching staff	Funding for non-teaching staff	Funding of other current expenditure	Funding of capital expenditure	General funding	Funding for teaching staff	Funding for non-teaching staff	Funding of other current expenditure	Funding of capital expenditure	General funding	Funding for teaching staff	Funding for non-teaching staff	Funding of other current expenditure	Funding of capital expenditure
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
<b>OECD</b>	<b>Countries</b>														
Australia	Most	Most	Most	Most	Some	a	a	a	a	a	a	a	a	a	a
Austria	a	a	a	a	a	a	All	m	m	a	a	m	m	a	a
Canada	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Chile	Most	Most	Most	Most	Most	a	a	a	a	a	Most	Most	Most	Most	Most
Colombia	Most	All	Most	Some	Some	a	a	a	a	a	Some	Negl.	Negl.	Some	Negl.
Costa Rica	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Czech Republic	a	a	a	a	a	a	a	a	a	a	a	a	a	a	a
Denmark	a	a	a	a	a	a	a	a	a	a	a	a	a	a	a
Estonia	a	All	All	All	a	a	a	a	a	a	Most	Most	Most	Most	a
Finland	Most	a	a	a	a	a	a	a	a	a	m	m	m	m	m
France	a	Most	Most	a	a	a	a	a	a	a	a	a	m	m	a
Germany	Most	Most	a	a	Some	Most	a	Some	Some	Some	Most	a	Some	Some	Some
Greece	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Hungary	a	a	a	a	a	a	a	a	a	a	m	m	m	m	m
Iceland	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Ireland	Most	All	All	All	All	a	a	a	a	a	a	a	a	a	a
Israel	Most	Most	Most	Most	Most	a	a	a	a	a	Most	Most	Most	Most	Most
Italy	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Japan	a	All	All	m	All	a	m	m	m	m	a	m	m	m	m
Korea	Most	a	a	a	a	Most	a	a	a	a	a	a	a	a	a
Latvia	a	All	All	All	a	a	a	a	a	a	m	m	m	m	m
Lithuania	Most	Most	Most	Some	m	a	a	a	a	a	Negl.	a	Negl.	Negl.	Negl.
Luxembourg	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Mexico	a	a	a	a	a	a	a	a	a	a	a	a	a	a	a
Netherlands	All	All	All	All	Some	a	a	a	a	a	a	a	a	a	a
New Zealand	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Norway	All	a	a	a	a	a	a	a	a	a	m	m	m	m	m
Poland	Most	a	a	All	All	Most	a	a	All	All	Most	a	a	All	All
Portugal	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Slovak Republic	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Slovenia	a	Most	Most	Most	m	a	a	a	a	a	a	m	m	m	m
Spain	Most	All	Most	Most	Some	Most	All	Most	Most	Some	Negl.	a	Most	Negl.	Negl.
Sweden	Most	a	a	a	a	a	a	a	a	a	Most	a	a	a	a
Switzerland	a	a	a	a	a	a	a	a	a	a	a	a	a	a	a
Turkey	a	a	a	a	a	a	a	a	a	a	a	a	a	a	a
United States	All	All	All	All	Negl.	Most	Most	Most	Most	Most	Most	Most	Most	Most	Some
<b>Economies</b>															
Flemish Comm. (Belgium)	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
French Comm. (Belgium)	a	All	All	All	Some	a	a	a	a	a	a	a	a	a	a
England (UK)	All	a	a	All	Most	a	a	a	a	a	Most	a	a	All	Most
Scotland (UK)	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
<b>Partners</b>															
Argentina	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Brazil	All	a	a	a	a	All	a	a	a	a	All	a	a	a	a
China	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
India	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Indonesia	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Russian Federation	a	m	m	m	m	m	m	m	m	a	Most	a	a	a	a
Saudi Arabia	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m
South Africa	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m

**Note:**

**All:** All of the public funding allocated to public educational institutions is allocated by funding formulas: all (or nearly all) of the funds allocated by this level of government depend on one or more funding formulas to decide the allocation to the lower level of government (or school).

**Most:** Most of the public funding allocated to public educational institutions is allocated by funding formulas: at least half (but not all) of the funds allocated by this level of government depend on one or more funding formulas to decide the allocation to the lower level of government (or school).

**Some:** Some of the general public funding allocated to public educational institutions is allocated by funding formulas: less than half of funds allocated by this level of government depend on one or more funding formulas to decide the allocation to the lower level of government (or school).

**Negl.:** A negligible amount of the general public funding allocated to public educational institutions is allocated by funding formulas: a very small (typically less than 5%) share of funds allocated by this level of government depend on one or more funding formulas to decide the allocation to the lower level of government (or school).

**Source:** OECD (2021). See *Source* section for more information and Annex 3 for notes ([https://www.oecd.org/education/education-at-a-glance/EAG2021\\_Annex3\\_ChapterD.pdf](https://www.oecd.org/education/education-at-a-glance/EAG2021_Annex3_ChapterD.pdf)).

Please refer to the *Reader's Guide* for information concerning symbols for missing data and abbreviations.

Table D6.3. Equity criteria used in allocating central or state government funding for primary and lower secondary educational institutions (2019)

Extent of use of equity criteria for the allocation of public funding, and by central or state governments

		Use of criteria for the allocation of public funding									
		Student characteristics			School characteristics			Population characteristics			
		The number or proportion of low-income students	The number or proportion of students with disabilities	The number or proportion of students with an immigrant background	Schools (or most local level of governance) serving poor or disadvantaged communities	Schools (or most local level of governance) that are in remote or high cost locations/regions	Schools (or most local level of governance) with special subject offerings (i.e. minority language)	The number or proportion of low-income people in the state/region/province/municipality	The number or proportion of people with an immigrant background in the state/region/province/municipality	States/regions/provinces/municipalities in remote and/or rural locations	The number or proportion of people who belong to minority communities in the state/region/province/municipality
(1)	(3)	(5)	(7)	(9)	(11)	(13)	(15)	(17)	(19)	(21)	
OECD	<b>Countries</b>										
	Australia	Med	Med	a	No	Med	Sma	No	No	No	No
	Austria	No	Med	Med	No	No	Sma	a	a	No	a
	Canada	m	m	m	m	m	m	m	m	m	m
	Chile	Med	Med	a	a	Sma	a	a	a	Lar	a
	Colombia	No	Sma	No	No	No	No	No	No	Lar	No
	Costa Rica	m	m	m	m	m	m	m	m	m	m
	Czech Republic	No	No	No	No	No	No	No	No	No	No
	Denmark	No	No	No	No	No	No	Sma	No	Sma	No
	Estonia	No	Sma	No	No	Sma	Sma	No	No	Sma	Sma
	Finland	m	m	m	m	m	m	m	m	Sma	Sma
	France	Unk	Unk	Unk	Unk	Unk	Unk	m	m	m	m
	Germany	a	a	a	a	a	a	a	a	a	a
	Greece	m	m	m	m	m	m	m	m	m	m
	Hungary	Med	Lar	No	Med	Sma	Med	a	a	a	Lar
	Iceland	m	m	m	m	m	m	m	m	m	m
	Ireland	Med	a	Unk	Med	Sma	No	Med	No	Sma	Sma
	Israel	Sma	Med	Sma	Sma	Sma	Sma	Sma	No	Sma	Sma
	Italy	m	m	m	m	m	m	m	m	m	m
	Japan	Unk	Unk	No	Unk	Unk	Unk	m	m	Unk	m
	Korea	Unk	Unk	Unk	No	Unk	No	No	No	No	No
	Latvia	No	Lar	Sma	No	Lar	No	No	No	No	No
	Lithuania	No	Sma	Sma	No	No	Sma	No	No	No	No
	Luxembourg	m	m	m	m	m	m	m	m	m	m
	Mexico	No	No	No	No	No	No	No	No	No	No
	Netherlands	No	Sma	Med	No	No	Sma	No	Sma	No	Sma
	New Zealand	m	m	m	m	m	m	m	m	m	m
	Norway	No	No	Sma	No	No	No	No	No	No	No
	Poland	No	Med	Sma	Med	Sma	Sma	No	No	Sma	Sma
	Portugal	m	m	m	m	m	m	m	m	m	m
	Slovak Republic	m	m	m	m	m	m	m	m	m	m
	Slovenia	Sma	Sma	Sma	No	No	Sma	No	No	No	No
	Spain	m	m	m	m	m	m	m	m	m	m
	Sweden	Unk	No	Unk	Unk	No	No	No	Unk	No	No
	Switzerland	No	Unk	Unk	Unk	Unk	Unk	Unk	No	Unk	No
Turkey	Sma	Sma	Unk	Sma	No	No	Sma	Unk	Sma	No	
United States	Med	Med	Med	Med	Sma	Sma	No	No	No	No	
Economies											
	Flemish Comm. (Belgium)	m	m	m	m	m	m	m	m	m	m
	French Comm. (Belgium)	Sma	Lar	Med	Sma	a	No	a	a	a	a
	England (UK)	Med	No	No	No	Sma	No	Sma	No	No	Sma
	Scotland (UK)	m	m	m	m	m	m	m	m	m	m
Partners	Argentina	m	m	m	m	m	m	m	m	m	m
	Brazil	No	Med	No	No	Med	Med	No	No	No	No
	China	m	m	m	m	m	m	m	m	m	m
	India	m	m	m	m	m	m	m	m	m	m
	Indonesia	m	m	m	m	m	m	m	m	m	m
	Russian Federation	No	Sma	No	No	Unk	Unk	No	No	Unk	Unk
	Saudi Arabia	m	m	m	m	m	m	m	m	m	m
South Africa	m	m	m	m	m	m	m	m	m	m	

Note: This table refers to criteria used with all basis for allocation (i.e. it is not limited to only those used in funding formulas). Information on the extent of use of criteria by central and state governments (i.e. Columns 2, 4, 6, 8, 10, 12, 14, 16, 18, 20 and 22) is available for consultation on line.

#### Extent of use for funding allocation

**Lar:** A large share of total funding allocated based on this criterion: this criteria has a substantial effect on the amount of funding allocated by this level of government. This is typically at least half of the funding provided by this level of government to schools (or the most local level of governance) depends on this criterion.

**Med:** A mid-sized share of total funding allocated based on this criterion: this criteria has a moderate effect on the amount of funding allocated by this level of government. This will mean that at least 10% (approximatively) but less than half of the funding provided by this level of government to schools (or the most local level of governance) depends on this criterion.

**Sma:** A small share of total funding allocated based on this criterion: this criteria has a minimal effect on the amount of funding allocated by this level of government. This is typically less than 10% of the funding provided by this level of government to schools (or the most local level of governance) depends on this criterion.

**Unk:** An unknown share of funding allocated based on this criterion: this criteria is used to allocate funding but it is not known how much funding depends on it.

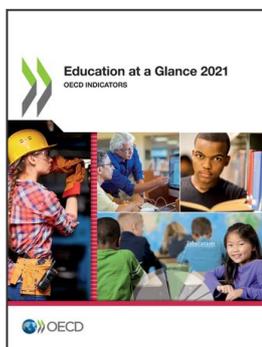
**No:** No funding allocated based on this criterion

Source: OECD (2021). See Source section for more information and Annex 3 for notes ([https://www.oecd.org/education/education-at-a-glance/EAG2021\\_Annex3\\_ChapterD.pdf](https://www.oecd.org/education/education-at-a-glance/EAG2021_Annex3_ChapterD.pdf)).

Please refer to the Reader's Guide for information concerning symbols for missing data and abbreviations.

StatLink  <https://stat.link/0sw612>





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