

Finance of Education: Principles and Allocation

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Heads of State Expenditure

- ▶ **Maintenance of existing educational services**
- ▶ **Expansion of educational facility**
- ▶ **Providing ancillary services like nutritious meals , cycle, dress, Tabs. etc.**
- ▶ **New services like guidance counselling, Leadership and management, ICT etc.**
- ▶ **Helping the educationally backward groups**
- ▶ **Qualitative improvement of education at all levels**
- ▶ **Restructuring educational courses**
- ▶ **Improving the capacity of teachers**
- ▶ **Educational research**

Principles Involved in Providing Financial Help to Educational Institutions

- ▶ **Conformity to national goals(objectives laid down in new education policy)**
- ▶ **Sufficiency**
- ▶ **Frugality: when necessary, frills(unnecessary services) may be cut down**
- ▶ **Co-operation: with Govt.**
- ▶ **Flexibility**
- ▶ **Fairness: Favouritism must be avoided**
- ▶ **Accountability: U.C., proper utilization of money**

Problems in Educational Finance

- ▶ **Priority: World bank suggests-**
 - Primary: Secondary=1:3**
 - Primary: Higher=1:26 (in 2018 GER 26.3 in Higher education)**
- ▶ **Elitist or job oriented or skill oriented**
- ▶ **Merit vs social justice**
- ▶ **Vertical or horizontal expansion**
- ▶ **Efficient utilization-monitoring must be required.**
- ▶ **Urban migration**

Classifying Educational Expenditure

- ▶ **Plan and non-plan expenditure**
- ▶ **Capital and maintenance expenditure**
- ▶ **No-recurring and recurring expenditure**
- ▶ **Direct and indirect expenditure**
- ▶ **Gross and net expenditure**
- ▶ **Estimated and actual Expenditure**

Sources of Financial Support

- ▶ **Central Govt.:** central universities,, funding to UGC & NCERT etc, grants to state govt.,research and coordination, central school, Navoday vidyalaya.
- ▶ **State Govt.:**
- ▶ **Schools and colleges,** teacher training, exams., text book publications, inspections, grants to universities, local bodies and added institutions, scholarships etc.
- ▶ **Local bodies:** Free schools to the poor, donation, collection and utilization of education cess
- ▶ **Intl. Organisation:** UNESCO, UNICEF,WHO,WORLD BANK AND SOME FOUNDATIONS
- ▶ **Private Charity:** Donation, trust, societies etc.
- ▶ **Others:** Fees of all kinds, sale of products, Govt.funds-80% , local bodies-5%, endowment-12% and pvt. Sources -3%

Budgetary Allocation for Some Major Schemes on Education (in Rs. Crore)

Major Schemes	2012-13 (Actuals)	2013-14(RE)	2014-15 (IB)	2014-15 (BE)
Sarva Shiksha Abhiyan (SSA)	23873	26608	27758	28258
Mid- Day Meal (MDM)	10849	12189	13125	13215
Rashtriya Madhyamik Shiksha Abhiyan (RMSA)	3172	3123	5000	5000
Schemes for setting up of 6000 model schools at block level	717	995	1200	1200
The Scheme for Providing Education to Madrasas/Minorities	183	200	0	275
Pre-Matric Scholarship for Minorities	786	980	1100	1100
Pre Matric Scholarship for SCs	931	617	685	685
Pre Matric Scholarship for ST Students		212		
Rashtriya Uchcha Shiksha Abhiyan (RUSA)		240	2200	2200
Union Govt. Expenditure on Education	66055	74621	81441	82771

Source: Union Budget, expenditure Budget, Volume-II, various years

Source: Has the Tide Turned; Response to Union Budget 2014-15, CBGA July 2014, p. 7

Table 2 - Composition of Total Allocation for Education in Different Five Year Plans

(Figures in percent)

Plan	Elementary	Secondary	Adult	University	Technical	Others	Total
First Plan	57.6	5.5	0.0	7.8	14.2	15.0	100
Second Plan	34.8	18.7	0.0	17.6	17.9	11.0	100
Third Plan	34.1	17.5	0.0	14.8	21.2	12.4	100
Fourth Plan	50.1	0.0	1.7	25.2	10.5	12.5	100
Fifth Plan	51.7	0.0	2.1	27.9	9.4	8.9	100
Sixth Plan	32.1	20.4	5.9	21.4	10.4	9.8	100
Seventh Plan	37.3	24.0	6.2	15.7	14.2	2.6	100
Eighth Plan	47.7	24.0	5.2	9.6	10.1	3.4	100
Ninth Plan	57.1	21.3	1.7	8.7	8.1	3.0	100
Tenth Plan	65.6	9.9	2.8	9.5	10.7	1.5	100
Eleventh Plan	46.5	19.8	2.2	15.5	11.1	4.9	100

Source: CBGA 2011, Planning Commission 2008 and Planning Commission 2002

Education of Bihar

- ▶ Only 32.57% population in the 16-17 years age group are enrolled in school
- ▶ Only 44.07% students are transitioning from secondary to higher secondary
- ▶ The transition rate from elementary to secondary is 84.64%.
- ▶ In Bihar around 1,25,00,000 youth, aged between 18-23 years, will enter the job market without good quality education.
- ▶ Bihar has only 22 universities across the state, having 744 colleges. This means only 7 colleges for every lakh population with an average enrolment of 2,142 in one college, while the national average is 28 colleges per lakh population and average enrolment per college was 721 in 2015-16.
- ▶ Out of its total young population, only 1,78,833 students are enrolled in colleges and universities. Looking at a dropout rate of about 70% between grade 1 and grade 10.
- ▶ Bihar's education system has completely collapsed and requires an overhaul
- ▶ Bihar is unfortunately gearing up for a 'demographic disaster'.

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- ▶ **With a total population of around 11 crore and high population growth rate, rejuvenation of Bihar's education system should be a matter of national concern.**
- ▶ **It is interesting to note that after heavy criticism from all sections due to cheating controversies in the last few years, the state government increased budgetary allocations on education by 10.5% in 2017-18 and 25% in 2018-19.**
- ▶ **Looking at the systemic failure on indicators such as pupil-teacher ratio; quality of teaching; infrastructure and facilities; dropouts at secondary and higher secondary level; no regular classes in schools: the state education system appears to be on life support and the government is just trying to save its face by burdening the public exchequer.**
- ▶ **On the front of managing resources, the state was unable to utilise available funds under Rasthriya Madhyamik Shiksha Abhiyan, which was meant for constructing girls' hostels, to run vocational courses and teacher training.**
- ▶ **some more alarming indicators. About 31% schools do not have libraries and even if they have libraries, children in 36.6% schools were not using the library (which adds up to about 70%).**

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- ▶ Both ASER report 2016 and DISE's School :Education in India indicated that about 92% schools did not have computers.
- ▶ Only 38% schools have playgrounds, only 40% have electricity. Only 53.38% schools have boundary walls and the rest are unsafe.
- ▶ Bihar has 37.3% fewer teachers than it needs in elementary school, falling short by 2,78,602 teachers based on the RTE criteria.
- ▶ Only 55% of teachers at secondary level and 40% at higher secondary level are professionally qualified.
- ▶ There are schools without teachers for higher secondary, which leaves students at the mercy of private tutors.
- ▶ According to state education department officials, 2,400 coaching institutes are located in Patna alone.
- ▶ The government needs to finalise a short, medium and long term strategy to turn around the system and harness the energies of its young population.
- ▶ Teachers need to be trained in a phase-wise manner on a continuous basis. Private tuitions by government paid staff must be stopped from primary to tertiary levels.
- ▶ Hundred per cent computerisation will help students in their future endeavours.

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- ▶ Extra-curricular activities like: Sports, life skills, career counselling and guidance should be promoted in schools to expose students to different career choices and for overall personality development.
- ▶ Education volunteers can be mobilised and accredited to take special classes and conduct extra-curricular activities in nearby schools and colleges by giving two to three hours every week. Alumni's and other individuals' 'emotional resources' should be tapped under 'adopt a school' scheme.
- ▶ These will not only supplement government's efforts but will push the system to function and make school management committees transparent and accountable.
- ▶ Parent teacher meetings should be started and held quarterly. All of these can be game changers.
- ▶ The government must realise that some of its sincere efforts have brought positive results in the state. Girls are on a par with boys in almost all counts in education. This became possible due to the 'cycle scheme' and deliberate push by the Nitish Kumar government.
- ▶ If the same government can build roads and achieve good electricity distribution in the state, it can also fix the education system. Education is the only proven tool that brings change within a generation and opportunities to people and to the state.