

## Reform of regional education funding

In the first half of 2016, the Ministry of Education, Youth and Sports (MŠMT) prepared a reform of regional education funding which is currently awaiting the approval by the Parliament of the Czech Republic. The reform applies to schools governed by regions and municipalities – these make for a prevailing part of the education system in the Czech Republic (more than 90% of primary schools, 70% of secondary schools<sup>1</sup>). This large group also includes public VET schools. The reform doesn't apply to the funding of private and church schools.

Funding of regional education has been derived from the number of students ("per capita" method) and the financial resources were provided from the budget of the governing bodies (mostly regions) on one side and the state budget on the other (MŠMT). This funding system has proved to have multiple issues and deficiencies. In the area of pedagogical staff funding, the system disregards different levels of teachers' salaries determined by the length of the teaching practice, expertise-dependent financial supplements, or, in the future, the differences that will arise from the career system for teachers<sup>2</sup>, etc. As a consequence, the system has worked to the disadvantage of schools with higher number of teachers qualifying for higher salaries based on their expertise and length of practice. At the national level, it was impossible to take into account specific features of individual regions, such as different sizes of schools, different field structure of secondary and tertiary VET, different participation of pupils in hobby training or varying financial demands of the support measures provided to pupils with special needs, etc. Conversely, the normative funding provided per pupil by the regions differed greatly and was rather unpredictable, which resulted in unequal conditions for comparable schools in different regions.

The system has had a negative impact on quality and efficiency of education. The schools, in their effort to acquire higher numbers of students, were lowering their quality standards when recruiting new candidates and they strived to keep in training as long as possible even those students who were showing a very poor probability of success.

The newly proposed funding system introduces a maximum number of lessons in classroom per field of study depending on the number of students in the class funded by the state budget. That would allow the schools to provide training in the required quality. Furthermore, the proposal sets the normative parts of teachers' salaries while taking into account average repletion of classes and the share of students with special educational needs. The stated coefficients will reflect increasing demands of teachers' work with a growing number of students in the classroom and also with a higher participation of students with special educational needs.

Within the newly proposed system, the schools submit data on the numbers of their teaching staff and their salary scales and other wage claims to the Ministry. Thus each school defines its own claim for allocation of financial resources from the state budget to ensure its activities. Based on the assessment of the submitted applications, the Ministry allocates to schools financial resources to cover the salary costs in the amount defined by the legislation.

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<sup>1</sup> Source: MŠMT: *Statistical Yearbook of Education 2015/2016*

<sup>2</sup> Currently, the implementation of the career system is being prepared. The career system for teachers will define teachers' career levels and their link to remuneration.

Proposed solution introduces equal conditions in individual regions. It eliminates differences in funding of the same fields of study, inequalities in staff remuneration and negative impacts on student numbers. It shall remove the need for the secondary schools to recruit as many new students as possible in order to secure the necessary volume of financial resources to cover their operation regardless the pupils' prerequisites and abilities to study the chosen field. The measure is in line with OECD key recommendations for the Czech Republic in the area of funding the public sector of regional education.