

ANNEX A

Country profiles

This annex presents the approaches of individual OECD review countries for funding early childhood and school education. Country profiles describe national frameworks for the distribution of funding for current and capital expenditure. They illustrate the financial flows across levels of administration and the allocation mechanisms used to determine and distribute funding to school providers and to individual schools. This does not include information on funding targeted at individual students. Country profiles present information for 2016 and draw primarily on the data countries provided for the review's qualitative survey of school funding frameworks as well as country background reports of participating countries and country review reports conducted by the School Resources Review. Annex B provides a glossary of terms and definitions which aid in interpreting the information in the country profiles. Annex C provides further explanations and notes on countries' approaches to funding of early childhood and school education.

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.

Austria

Austria is a federal state based on the principle of local self-administration. It is divided into four administrative tiers: the federal (*Bund*), province (*Länder*), district (*Bezirke*) and municipal (*Gemeinden*) levels. For international comparability, the provinces are considered as the state level, the districts as the regional level, and the municipalities as the local level. The “provinces” are therefore referred to as “states” in the tables below. Early childhood education and care (ISCED 0) is the responsibility of the provinces (states). The distribution of governing and financing responsibilities for school education (ISCED 1-3) differs between so-called federal schools (*Bundesschulen*) and provincial schools (state schools, *Landesschulen*). Federal schools at ISCED levels 2-3 comprise academic secondary schools (*Allgemein bildende höhere Schule*, AHS) as well as upper secondary vocational schools and colleges (*Berufsbildende mittlere Schule*, BMS, and *Berufsbildende höhere Schule*, BHS). Provincial schools at ISCED levels 1-2 include primary schools (*Volksschule*, VS), New Secondary Schools (*Neue Mittelschule*, NMS), special needs schools (*Allgemeine Sonderschule*, ASO), and at ISCED level 3 the pre-vocational schools (*Polytechnische Schule*, PTS) and part-time upper secondary vocational schools (*Berufsschule*, BS).

Federal schools receive their funding directly from the federal government via its agencies, the nine provincial school boards (state school boards, *Landesschulräte*), while provincial schools are financed by the provinces and municipalities using funds which are, however, to a significant extent raised at the federal level and transferred to the provinces in accordance with the general Fiscal Adjustment Act (*Finanzausgleichsgesetz*) based on a negotiated distribution coefficient. The provincial school boards are responsible for administering federal schools. The school departments of the offices of the provincial governments (school departments of the offices of the state governments, *Schulabteilungen in den Ämtern der Landesregierung*) are responsible for the administration of provincial schools. Five out of nine provinces have, however, transferred some of their responsibilities for provincial schools to the provincial school board in their province.

For in-depth information on school funding in Austria, see the OECD country review report (<http://dx.doi.org/10.1787/9789264256729-en>) and the country background report (www.oecd.org/education/schoolresourcesreview.htm).

Current expenditure

Block grants from the state authorities to municipalities for current expenditure and dedicated grants from the state authorities for teacher salaries and from the municipalities for other current expenditure (early childhood education and care)

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 0	Block grant from state authorities to local authorities	For current expenditure	At the discretion of state authorities
ISCED 0	Earmarked grants from central authority to state authorities	For federal policy priorities specifically agreed with states	Negotiated process
ISCED 0	Dedicated grant from state authorities to staff	Mainly for the allocation of teaching resources	At the discretion of state authorities
ISCED 0	Dedicated grant from local authorities	For current expenditure other than teachers' salaries, such as operating and maintenance costs, including salaries for administrative staff	At the discretion of local authorities

Earmarked grant from the central level to the state authorities to cover expenditure for salaries of teachers and dedicated grants from state authorities for teacher salaries and from municipalities for other current expenditure (state schools)

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 1-3 (state schools)	Earmarked grant from central authority to state authorities	For teaching purposes, special needs education and learning support staff	Funding formula <ul style="list-style-type: none"> ● Basic contingent of teachers based on numbers of students and adjusted for type of school ● Profile of student population (students with special educational needs) ● Policy priorities
ISCED 1-3 (state schools)	Earmarked grant from central authority to state authorities	For federal policy priorities specifically agreed with states	Negotiated process
ISCED 1-3 (state schools)	Dedicated grant from state authorities to staff	Mainly for the allocation of teaching resources	Varies. Basis is decided by state authorities. Varying funding formulas are used.
ISCED 1-3 (state schools)	Dedicated grant from local authorities	For current expenditure other than teachers' salaries, such as operating and maintenance costs, including salaries for administrative staff	At the discretion of local authorities

Dedicated grant from central authorities for teacher salaries combined with earmarked grants for supporting special needs students and a restricted block grant from the central level to schools (federal schools)

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 2-3 (federal schools)	Dedicated grant from central authority to staff	For the direct payment of teachers' salaries	Funding formula <ul style="list-style-type: none"> ● Number of students ● Class size ● Central policy priorities ● Administrative discretion
ISCED 2-3 (federal schools)	Earmarked grant from central authority to state school boards which determine distribution of teachers to schools	For support for students with SEN	Funding formula <ul style="list-style-type: none"> ● Number of students ● Type of school ● Students with SEN
ISCED 2-3 (federal schools)	Restricted block grant from central authority to schools	For some budget autonomy for schools	Negotiated process

Capital expenditure: Ad hoc grants and infrastructure investment programmes by individual states and municipalities for state schools and an infrastructure investment programme by central authorities for federal schools

Education level	Allocation mechanism	Purpose of funds	Basis to determine the level of the grant
ISCED 0, ISCED 1-3 (state schools)	Ad hoc grants and Infrastructure investment programmes from state authorities and local authorities	For the construction and maintenance of school infrastructure	Administrative discretion , generally based on an assessment of needs
ISCED 0, ISCED 1-3 (state schools)	Earmarked grant from central authority to state authorities	For the implementation of federal policy priorities specifically agreed with states	Negotiated process
ISCED 2-3 (federal schools)	Infrastructure investment programme from central authority	For the construction and maintenance of school infrastructure	Assessment of needs

Belgium (Flemish and French Communities)

In Belgium, education policy is the responsibility of the three Communities (Flemish, French and German-speaking Communities). For international comparability, the Communities are considered as state authorities. The Flemish and the French Communities participated in the OECD review and information for both Communities is presented in this country profile. Each of the Communities has its own autonomous education system, even though aggregate funding in each of the Communities is partially dependent on a negotiated lump sum transfer from the federal level. Schools are governed by a legally recognised competent authority, typically referred to as school board or school governing body (school provider in the tables below). School providers are responsible for the organisation of the education in accordance with legislation and regulations. School boards can oversee one or several schools and typically administer all resources allocated to their school(s). In each of the two Communities, there are three educational “networks”, which are not legal entities but rather classification principles of schools according to legal status: a Community education network; a grant-aided public education network; and a grant-aided private education network. For public schools, the school providers are typically the state educational authority (French Community) or an autonomous public body (Flemish Community Education, *Gemeenschapsonderwijs GO!*), besides – for the case of grant-aided public schools – regional (provincial) and local authorities (cities and municipalities). For government-dependent private-schools, the school providers are private entities such as religious communities or associations. However, the different legal status of schools – whether public or private, municipal or provincial – has no bearing on the funding entitlement for current expenditure and staff. Differences exist for the entitlement for funding for school buildings. Only Community education receives funding for 100% of capital costs, while grant-aided public education and private education can only apply for co-funding from the state authorities. In the country profile presented here, the central level refers to the federal state, the state level to the Community or region, the regional level to the provinces, and the local level to cities and municipalities.

For in-depth information on school funding in the Flemish Community of Belgium, see the OECD country review report (<http://dx.doi.org/10.1787/9789264247598-en>) and the country background report (www.oecd.org/education/schoolresourcesreview.htm).

For in-depth information on school funding in the French Community of Belgium, see the country background report (www.oecd.org/education/schoolresourcesreview.htm).

Current expenditure in the Flemish and the French Communities of Belgium: lump sum transfer from the central government to the Communities, block grants from the Communities to school providers for operational costs and direct payment of staff by the Communities

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 0-3	Lump sum from central authority to the state authorities (Communities)	For all policy domains, including education	Negotiated process, Funding formula (based on demographic criteria): <ul style="list-style-type: none"> • Size of total population under the age of 18 • Population at the age of compulsory education
ISCED 0-3	Block grant from the state level to school providers	To cover operational costs (salaries of technical maintenance staff, instructional materials), work-based learning (as part of vocational programmes) and maintenance of infrastructure	Funding formula <ul style="list-style-type: none"> • Number of students • Student socio-economic characteristics • School size • School location • Level of education provided • Fields of study • General or vocational education • Grade levels offered • Students with special educational needs • Number of apprentices with work-based placements
ISCED 0-3	Restricted block grant from the state level to school providers	For extra support for specific student groups: disadvantaged groups, newly arrived immigrants and refugees, children on sick leave and students following specific religion or non-confessional ethics classes	Funding formula <ul style="list-style-type: none"> • Number of students • Number of newly arrived immigrants • Student socio-economic characteristics • School location • Level of education provided • Fields of study • Grade levels offered • Students with SEN
ISCED 0-3	Dedicated grant transferred directly from the state level to educational staff	Salaries for teachers, school management and administrative staff	Funding formula <ul style="list-style-type: none"> • Number of teachers • Teacher characteristics (career level, qualification, experience) • Number of students • Student socio-economic characteristics • School size • School location • Level of education provided • Fields of study • General or vocational education • Grade levels offered • Students with SEN • Number of apprentices with work-based placements

Capital expenditure in the Flemish Community of Belgium: ad hoc grants to school providers

Education level	Allocation mechanism	Purpose of funds	Basis to determine the level of the grant
ISCED 0-3	Infrastructure investment programme based on public/private partnerships	Infrastructure construction and renovation	Administrative discretion <ul style="list-style-type: none"> • Decision from the Flemish Agency for Educational Infrastructure after investment decision of private partners • Autonomous authority for Flemish Community Education Go! may also choose to transfer a public grant for their own schools
ISCED 0-3	Ad hoc grant from autonomous public authority for Flemish Community Education Go! to its own school providers	Infrastructure construction, renovation and maintenance	Administrative discretion
ISCED 0-3	Ad hoc grant from the Flemish Agency for Educational Infrastructure to school providers (provinces, municipalities, cities and private entities)	Infrastructure construction, renovation and maintenance	Administrative discretion: <ul style="list-style-type: none"> • Based on application dossier • High population density can be a criterion

Capital expenditure in the French Community of Belgium: ad hoc and annual grants to school providers

Education level	Allocation mechanism	Purpose of funds	Basis to determine the level of the grant
ISCED 0-3	Ad hoc grant from the state education authority to schools run by the French Community	Infrastructure construction, renovation and maintenance	Administrative discretion based on application dossier Criteria that might be considered include: <ul style="list-style-type: none"> • Socio-economic characteristics of students • School location (e.g. densely populated areas)
ISCED 0-3	Annual grant from the state level to school providers (provinces, municipalities, cities and private entities)	For instructional and non-instructional equipment bought with the grant for operational expenditures	Not specified

Chile

Schools operate in a fairly decentralised environment, but within a centrally regulated framework. The Ministry of Education (*Ministerio de Educación*, MINEDUC) is responsible for co-ordinating and regulating all aspects regarding education and oversees the implementation of education policy through its regional and local bodies (*Secretarías Regionales Ministeriales* [SEREMI], *Departamentos Provinciales* [DEPROV]). With the implementation of the 2009 General Education Law (*Ley General de Educación*), an Education Quality Assurance System (*Sistema Nacional de Aseguramiento de la Calidad de la Educación Escolar*) was introduced and three further central bodies were created: the National Education Council (*Consejo Nacional de Educación*, CNED), the Agency for Quality Education (*Agencia de Calidad de la Educación*, ACE) and the Education Superintendence (*Superintendencia de Educación*, SIE). Within this central framework, the operation of schools that receive public funding is the responsibility of public and private-subsidised school providers (*sostenedores*). In the public sector, schools are administered by local authorities (municipalities) and their municipal education administration departments (*Departamento Administración de Educación Municipal*, DAEM) or municipally controlled non-profit corporations with delegated authority. In the subsidised private sector, schools are managed individually or as a group of schools. In terms of administration and funding from the central government, public and publicly-subsidised private school providers are treated equivalently. There are also independent private providers that do not receive public funds. These are not considered in this country profile. At the time of the qualitative survey, Chile was planning a reform of its governance arrangements and the recentralisation of public schools through a national system of public education.

For early childhood education and care at ISCED levels 01-02 that is not provided in schools, Chile reported data for publicly-funded provision, specifically for early childhood education and care provided through the central authorities “JUNJI” and “Integra”. JUNJI (*Junta Nacional de Jardines Infantiles*) is a specialised institution supervised by the Ministry of Education. It has two modalities to offer early childhood education and care, either by direct administration or through the transfer of funds to partner entities running early childhood education and care centres (known as *via transferencia de fondos*, VTF) based on specific agreements. Integra (*Fundación Nacional para el Desarrollo Integral del Menor*) is an institution which is part of the Networks of Foundations Socio-cultural Office of Presidency of the Republic. Integra has two modalities to offer early childhood education and care, either by direct administration or by “agreement” which consists of transfers of fund to associated entities. The budget for Integra comes from the Ministry of Education.

For in-depth information on school funding in Chile, see the OECD country review report (forthcoming) and the country background report (www.oecd.org/education/schoolresourcesreview.htm).

Current expenditure

Block grants from central authorities for early childhood education and care (ECEC)

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 0	Block grant from central authorities to public ECEC centres directly administered by central authorities	For current expenditure	Funding formula <ul style="list-style-type: none"> Based on monthly value per child and attendance
ISCED 0	Block grant from central authorities to local authorities and publicly-funded private ECEC centres	For current expenditure in public and publicly-subsidised private ECEC centres	Funding formula <ul style="list-style-type: none"> Based on monthly value per child and attendance

A mix of block grants and earmarked funding from central authorities to school providers with school providers distributing funding between their individual schools

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 02-3	Block grant from central authority to local authorities and publicly-funded private school providers	General school subsidy Pro-retention Educational Subsidy	Funding formula <ul style="list-style-type: none"> Average monthly attendance of children at school School student profile (child, youth, adult) Educational level provided Vocational education Special or adult education Full day educational provision Higher weighting for rural/highly isolated schools For pro-retention Educational Subsidy: Student from highly disadvantaged socio-economic background For schools with delegated administration: The main basis is student enrolment
ISCED 02-3	Block grant from central authority to local authorities	For the strengthening of public education	Negotiated process (the transfer is based on specific agreement with the local authority and depends on the characteristics of the local authority)
ISCED 02-3	Earmarked grant from central authority to local authorities and publicly-funded private school providers	Complement for teacher salaries	Funding formula <ul style="list-style-type: none"> Education professionals in schools classified as difficult due to geographic location, marginalisation, extreme poverty or other comparable characteristics Year of teaching service, teaching advance training, assessed teaching competence
ISCED 02-3	Earmarked grant from central authority to local authorities and publicly-funded private school providers	For students with special educational needs and disadvantaged students	Funding formula <ul style="list-style-type: none"> Household socio-economic characteristics Age/Education level the student attends Concentration of socially disadvantaged students in individual schools and historic school performance Number of teachers Labour market outcomes of graduates
ISCED 02-3	Earmarked grant from central authority to local authorities and publicly-funded private schools	Salary incentives for staff in best performing schools (National Performance Evaluation System of Subsidised Schools, SNED)	Funding formula <ul style="list-style-type: none"> Monthly value per child and attendance Comparison with schools within a comparable group of schools in each region, concentrating up to 35% of the enrolment
ISCED 02-3	Dedicated grant from local authorities and publicly-funded private school providers	For salaries and operational costs	Administrative discretion within a regulated framework

Capital expenditure: Allocation of funding through discretionary funding, infrastructure investment programmes and annual grants on a competitive basis

Education level	Allocation mechanism	Purpose of funds	Basis to determine the level of the grant
ISCED 0	Discretionary funding from central authorities to their regional administrative entities	Infrastructure repairs, construction and maintenance	Competitive basis
ISCED 02-3	Infrastructure investment programme from central authorities (School Infrastructure Department of the Ministry of Education and the National Fund for Regional Development) to pre-schools and schools	Infrastructure construction, renovation and maintenance; Instructional and non-instructional materials	Competitive basis
ISCED 3 (pre-vocational and vocational)	Annual grant from the central education authority to delegated administration schools	Construction, renovation and maintenance of school infrastructure	Competitive basis

Czech Republic

At the central level, the Ministry of Education, Youth and Sports (MŠMT) establishes the legal framework for the school system and sets parameters for the organisation of schooling. At the regional level, the 14 Czech self-governing regions are responsible for setting long-term development plans for their school systems. They are primarily responsible for organising upper secondary educational provision (ISCED 3) and they distribute the central funding for “teaching costs” to all schools in their region, including those run by local authorities (municipalities). Czech municipalities are the most common public school providers (founders) of basic education schools (ISCED 0 [98%], ISCED 1 [92%], ISCED 2 [80%]). However, less than half (2 560) of the municipalities operate more than one school. On the other hand, regions are the most common public school providers (founders) of ISCED 3 schools (94%). Although municipalities are primarily responsible for providing basic education, in 2013/14, 4.6% of students in the second stage of basic education (lower secondary education) were in schools run by the Czech regions, following either eight-year programmes (4.1%) or six-year programmes in a gymnasium, that is, an academic secondary school. In 1990, an amendment to the Education Act introduced the possibility to establish privately-managed schools. This includes “church schools” and “private schools”.

For in-depth information on school funding in the Czech Republic, see the OECD country review report (<http://dx.doi.org/10.1787/9789264262379-en>) and the country background report (www.oecd.org/education/schoolresourcesreview.htm).

Current expenditure: Restricted block grants from the central level to regions and from regions to schools and additional discretionary funding at the sub-central levels

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 0-3	Restricted block grant from the central level to regional authorities	For direct costs with school education	Negotiated process, funding formula <ul style="list-style-type: none"> ● Profile of student population ● Characteristics of school network
ISCED 0-3	Restricted block grant from regional authorities to schools	To cover direct costs (teacher salaries, learning support staff involved in instructional activities, textbooks and teaching aids, teacher further professional development, support for students with SEN and special needs schools)	Varies. Negotiated process , but each region decides the exact funding formula . Typically these include: <ul style="list-style-type: none"> ● Number of students ● School size ● School location ● Specific infrastructure ● Level of education provided ● Fields of education provided ● General or vocational education ● Grade level ● Students with SEN
ISCED 0-3	Discretionary funding from regional or local authorities (as school providers) to schools	Additional funds to cover operational costs (maintenance of schools, energy expenditures, communal services and small repairs)	At the discretion of school providers which may rely on funding formulas <ul style="list-style-type: none"> ● Based on an assessment of needs

Capital expenditure: infrastructure investment programme and ad hoc decisions at the discretion of the school provider

Education level	Allocation mechanism	Purpose of funds	Basis to determine the level of the grant
ISCED 0-3	Infrastructure investment programme at the responsibility of the central education authority and central authority (the Ministry of Regional Development for the investment of EU funds)	For infrastructure construction	Assessment of needs
ISCED 0-3	Annual grants and ad hoc decisions	For infrastructure construction, renovation and maintenance and the provision of instructional and non-instructional equipment	At the discretion of the regional and local authorities in their role as school providers , Assessment of needs

Denmark

The central government is responsible for the overall framework and objectives of day care, primary and lower secondary education, and upper secondary education. The Ministry for Children and Social Affairs is responsible for the overall national framework for day care. The Ministry of Education is responsible for setting the legal and financial governance framework for primary and lower secondary and upper secondary education. Within these general national frameworks and national legislation, the financial and organisational operation of day care (ISCED level 0) and public primary and lower secondary education, the *Folkeskole*, (ISCED levels 1-2) is the full responsibility of the local authorities (municipalities). Municipalities have full financial and organisational responsibility for the *Folkeskole*. Schools are responsible for providing education in line with the national aims for the *Folkeskole* and the requirements of their municipality, and for planning and organising their education programme. School leaders develop proposals for the activities in their school and for the budget within the financial framework laid down by the municipality. Upper secondary schools (ISCED 3) have the status of self-governing institutions with different histories and academic profiles. Schools finance the implementation of one or more of the upper secondary education programmes by means of grants from the Ministry of Education provided mainly on the basis of the number of students (taximeter system). The school leader answers to a board, the composition of which reflects the school's specific profile.

For in-depth information on school funding in Denmark, see the OECD country review report (<http://dx.doi.org/10.1787/9789264262430-en>) and the country background report (www.oecd.org/education/schoolresourcesreview.htm).

Current expenditure

Co-financing through local grants provided by the local authority and parental payments for early childhood education and care (ISCED 0)

Education level	Allocation mechanisms	Purpose of grant	Basis to determine the level of the grant
ISCED 0	Lump sum from the central authority to local authorities	For any type of expenditure, including sectors other than education	Negotiated process, Funding formula <ul style="list-style-type: none"> ● Demographic characteristics (municipality's population size, age composition) ● Economic characteristics (index of the socio-economic structure of the municipality)
ISCED 0	Discretionary funding from local authorities to public day care centres	For current expenditure	Varies. Basis is decided by each municipality

Lump sum from the central to local authorities and various mechanisms for transfers to public schools (ISCED 1-2)

Education level	Allocation mechanisms	Purpose of grant	Basis to determine the level of the grant
ISCED 1-2	Lump sum from the central authority to local authorities	For any type of expenditure, including sectors other than education	Negotiated process, Funding formula <ul style="list-style-type: none"> • Demographic characteristics (municipality's population size, age composition) • Economic characteristics (index of the socio-economic structure of the municipality)
ISCED 1-2	Earmarked grants from the central authority to local authorities	To promote policy priorities	Differs across grants
ISCED 1-2	Discretionary funding from local authorities to schools	For current expenditure	Varies. Basis is decided by each municipality
ISCED 1-2	Block grant from the central authority to private schools	For current expenditure in private schools	Funding formula <ul style="list-style-type: none"> • Demographic characteristics (number of students) • Characteristics of the school network (Education level offered, fields of education offered, type of programme offered, year levels offered)

Funding by a block grant based mostly on an activity-based taximeter system for upper secondary education (ISCED 3)

Education level	Allocation mechanisms	Purpose of grant	Basis to determine the level of the grant
ISCED 3	Block grant from the central authority to schools as self-governing institutions	For current expenditure	Funding formula <ul style="list-style-type: none"> • Demographic characteristics (number of students) • Characteristics of the school network (Education level offered, fields of education offered, type of programme offered, year levels offered)
ISCED 3	Earmarked grants from the central authority to schools as self-governing schools	To promote policy priorities	Differs across grants
ISCED 3	Block grant from the central authority to private schools	For current expenditure in private schools	Funding formula <ul style="list-style-type: none"> • Demographic characteristics (number of students) • Characteristics of the school network (Education level offered, fields of education offered, type of programme offered, year levels offered)

Capital expenditure: Discretionary funding from local authorities for public schools (ISCED 0-2) and annual grants from the central authority for self-governing institutions (ISCED 3)

Education level	Allocation mechanisms	Purpose of funds	Basis to determine the level of the grant
ISCED 0-2	Discretionary funding from municipalities to schools	For infrastructure construction, renovation and maintenance	Administrative discretion
ISCED 3	Annual grant and Negotiated process from central authority to self-governing institutions	For capital costs	Not specified

Estonia

The central government and the Ministry of Education and Research are responsible for the national education policy and the overall strategy for the education system. There are three types of school providers: the central state, the local authorities (municipalities) and private providers. Pre-primary education (ISCED 0) is guaranteed by private providers and municipalities. In ISCED 1-3, for general and vocational education, the three types of providers offer competing education services. While municipal provision is dominant in general education, central provision is dominant in vocational education. The central government provides an earmarked grant for general education with the purpose to support the funding of study materials (i.e. textbooks), school lunches, professional development of teachers and school leaders, and salaries of teachers and school leaders. The distribution of funding for current expenditure from the central government to municipalities (in their role of school provider) is further complemented by a set of other earmarked grants for commissioned study places and study allowances in VET schools and different programmes in general education.

For in-depth information on school funding in Estonia, see the OECD country review report (<http://dx.doi.org/10.1787/9789264251731-en>) and the country background report (www.oecd.org/education/schoolresourcesreview.htm).

Current expenditure

Earmarked funds from the central level to local authorities (in their role as school providers)

Education level	Recipient	Purpose of funds	Basis to determine the level of the grant
ISCED 0	All local authorities (which are school providers)	For teaching Estonian to pre-school children whose study group's language is not Estonian	Funding formula ● Number of study groups
ISCED 0	Four largest towns and regional/municipal unions (who allocate the grant to local authorities or organise training directly)	For pre-school teachers' professional training	Funding formula ● Number of students
ISCED 1-3 (general education)	All local authorities (which are school providers)	For covering teachers and school leaders salaries, teachers and school leaders professional training, students' school lunches and study materials	Funding formula ● Number of students in municipal schools and regional coefficients ● Student's profile (including distinction between stationary [full-time] and non-stationary [part-time] students, and students studying at home) ● School size ● School location ● Type of education offered: mainstream or special education ● Students with SEN
ISCED 1-3 (general education)	All local authorities (which are school providers and as appropriate)	For different policy priorities and programmes	Funding formula As appropriate: ● Mother tongue of student or family migrant background ● Type of studies ● Family socio-economic background
ISCED 2-3 (pre-vocational and vocational)	Three local authorities that own three VET schools	For state commissioned study places in VET	Funding formula ● Number of state commissioned places ordered from schools in different study fields ● Students with special educational needs
ISCED 2-3 (vocational)	Three local authorities that own three VET schools	For study allowances, including compensating student accommodation and travel costs; school meals	Funding formula ● Students' place of residence (concerning accommodation and travel costs) ● Students' age (concerning school meals)

Restricted block grant from the central authority to schools owned by the central authority

Education level	Allocation mechanism	Purpose of funds	Basis to determine the level of the grant
ISCED 1-3	Restricted block grant from the central authority to schools (owned by the central authority)	For general and vocational education	Funding formula , using similar principles as for the funding of schools owned by local authorities (both for general education and VET schools)

Discretionary funding and restricted block grants from the local level to schools

Education level	Allocation mechanism	Purpose of funds	Basis to determine the level of the grant
ISCED 0	Restricted block grant from local authorities to private pre-schools and/or other local authorities (which are pre-school providers)	For operating costs of private pre-schools, or other local authorities as pre-school providers	Funding formula <ul style="list-style-type: none"> • Number of students in municipalities pre-school whose place of residence is in other municipality • Number of students in private pre-schools
ISCED 0-3	Discretionary funding from local authorities to their own schools	Additional funding from municipalities to their schools for covering any type of expenditures	Administrative discretion
ISCED 1-3	Restricted block grant from local authorities to private schools and/or other local authorities	For operating costs of private general education schools, or other local authorities as school providers	Negotiated process, Funding formula <ul style="list-style-type: none"> • Number of students in private schools or in other municipality schools whose place of residence is the municipality • Type of education offered

Capital expenditure: ad hoc decisions and infrastructure investment programmes

Education level	Allocation mechanism	Purpose of funds	Basis to determine the level of the grant
ISCED 0	Infrastructure investment programme from central-level dedicated agencies (EAS, Innove) to local authorities (as pre-school providers)	For the creation of new pre-school places	Assessment of needs <ul style="list-style-type: none"> • Local authorities that require more pre-school places
ISCED 0-3	Ad hoc decisions by local authorities (as school providers)	Infrastructure construction, maintenance and renovation	Assessment of needs
ISCED 0-3	Infrastructure investment programme from central authority to school providers	Infrastructure construction, maintenance and renovation and instructional material	Competition for funds <ul style="list-style-type: none"> • School and pre-school providers compete for funds

Iceland

The 74 local authorities (municipalities) are responsible for setting and governing pre-primary (ISCED 0) and compulsory schools (ISCED 1-2), including the provision of special education. Municipalities allocate funds to schools (ISCED 1-2). Funds are raised through public taxation at the central level and transferred directly to the municipalities. Private schools are funded by the municipalities according to a funding formula defined in the Compulsory School Act. The central authority is responsible for the operation and funding of upper secondary schools (ISCED 3) and textbooks. Publicly accredited private schools at upper secondary level (ISCED 3) receive funds from the central government comparable to public schools. Private schools can also charge school fees to a limited extent at all levels of schooling.

For in-depth information on school funding in Iceland, see the country background report (www.oecd.org/education/schoolresourcesreview.htm).

Current expenditure

Block grants combined with earmarked grants from the central level to local authorities which distribute block grants and earmarked grants to pre-primary and compulsory schools (ISCED 0-2)

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 0	Block grant from local authorities to schools	For any type of expenditure	Administrative discretion , but based on criteria such as: <ul style="list-style-type: none"> • Number of students • School size • School location • Students with special educational needs
ISCED 1-2	Block grant from central authorities to local authorities	For any type of expenditure in compulsory education	Administrative discretion
ISCED 1-2	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	Funding formula <ul style="list-style-type: none"> • Students with special educational needs • Educational support to new arrivals in the country • Student transportation costs
ISCED 1-2	Block grant/Earmarked grant from local authorities to schools	For salaries and operational costs, extra support for specific student groups Some local authorities allocate a block grant; others earmark part of the funding for specific purposes	Varies. The basis is decided by local authorities. Either a specific funding formula developed by the local authority or at the local authority's discretion , according to its general budget framework. Criteria primarily include: <ul style="list-style-type: none"> • Number of students • School size • School location • Fields of education offered • Proportion of low achievers

School-specific block grant from central authority to upper secondary schools (ISCED 3)

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 3	Block grant (specific to each school) from the central level to schools	For any type of expenditures	Funding formula , including the following criteria: <ul style="list-style-type: none"> ● Number of students ● School size ● School location ● Fields of education offered ● Type of education offered ● Characteristics of teachers ● Students with special educational needs

Capital expenditure: discretionary funding and negotiated process between central, local authorities and schools

Education level	Allocation mechanism	Purpose of funds	Basis to determine the level of the funds
ISCED 0	Discretionary funding from local authorities to pre-schools	Infrastructure construction, maintenance and renovation	Assessment of needs
ISCED 1-2	Negotiated process between local authorities and schools	Infrastructure construction, maintenance and renovation	Assessment of needs
ISCED 3	Discretionary funding from central and local authorities to schools	Infrastructure construction, maintenance and renovation	Administrative discretion

Israel

The education system is administered by the Ministry of Education and local authorities (municipalities). The Ministry of Economy and Industry is in charge of part of kindergarten for children age 0-2 and a small percentage of vocational education and training in the upper secondary education. Funding for schools is mostly provided by the central and local authorities. The Ministry of Education provides schools with grants for teaching services, either directly or through municipalities, and funds infrastructure investments for all schools. It also provides financial support for transport services for school children. Municipalities are responsible for the direct maintenance of schools at all levels of the education system. They often provide additional funding for the recruitment of supplementary teachers and education and welfare services not covered by the central government. Some reforms have given schools greater autonomy, also for the management of their resources, and increased teachers' salaries and working time. Schools also receive some funding from municipalities and the Ministry of Education to use at their discretion, with a possibility to create new programmes and activities.

Primary to upper secondary education is provided in four main educational streams: two state secular streams (one Hebrew-speaking and one Arabic-speaking), one state religious stream (Hebrew-speaking) and one independent stream (ultra-orthodox Hebrew-speaking). All streams have separate schools, common core subjects and a partially separate curriculum (mainly at upper secondary) and separate management. The ultra-orthodox independent stream, while partially funded by the central state, is less supervised by government policies (but under inspection of the Ministry of Education) and has a partially independent management and curriculum. Funding varies between schools according to the school stream and the local government. This country profile describes the funding framework for the three state streams. The description of publicly-funded private schools mainly refers to schools in the ultra-orthodox independent stream.

Current expenditure

Earmarked grants from the central level to local authorities for non-teachers' salaries and other operational costs at all levels and for teachers' salaries at ISCED 3

Education level	Allocation mechanisms	Purpose of grant	Basis to determine the level of the grant
ISCED 0-3	Earmarked grant from central authority to local authorities	For non-teachers' salaries and other operational costs	Funding formula <ul style="list-style-type: none"> ● Number of students ● School size ● Education level offered ● Transportation for students with special educational needs
ISCED 3	Earmarked grant from central authority to local authorities	For teachers' salaries	Funding formula <ul style="list-style-type: none"> ● Demographic characteristics ● Profile of student population (students with special educational needs) ● Characteristics of school network ● Economic characteristics

Direct funding of staff salaries through dedicated grants from central and local authorities, and earmarked grants for other operational costs from local authorities to schools

Education level	Allocation mechanisms	Purpose of grant	Basis to determine the level of the grant
ISCED 0-2	Dedicated grant from central authority to staff	For staff salaries (teaching staff, principal and deputies)	Funding formula <ul style="list-style-type: none"> ● Number of students ● Socio-economic characteristics ● School location ● Education level offered ● Characteristics of teachers ● Students with SEN Administrative discretion
ISCED 3	Dedicated grant from local authorities to staff	For staff salaries (teaching staff, principal and deputies)	Administrative discretion
ISCED 0-3	Earmarked grants from local authorities to schools	For non-teachers' salaries and other operational expenditures	Administrative discretion
ISCED 0-1, ISCED 3	Block grants from central authority to publicly-funded private schools (principally in the ultra-orthodox stream)	For any type of current expenditure	Funding formula <ul style="list-style-type: none"> ● Number of students ● Teacher characteristics

Capital expenditure: Ad hoc decisions by local and central authorities

Education level	Allocation mechanisms	Purpose of funds	Basis to determine the level of the grant
ISCED 0-3	Ad hoc decisions by local and central authorities	Infrastructure construction, renovation and maintenance	Assessment of needs

Kazakhstan

The central government and the central education authority (Ministry of Education and Science) are responsible for national education policy and the development of rules and methodologies of education system funding. School resources are distributed by the administration level (authority) that has the jurisdiction over the school/educational organisation. Therefore, funding from the local authority is distributed to ISCED 0-3 educational organisations that are under the local authority jurisdiction. Similarly, funding from the regional authority is distributed to ISCED 0-3 educational organisations that are under their jurisdiction, as well as to ISCED 3 pre-vocational and vocational and educational organisations that meet the needs of students with special educational needs. The major share of financial resources for educational organisations/schools comes from the local and regional budgets (over 70% of all spending on education) due to the fact that most of public schools are under the jurisdiction of local and regional authorities. Finally, funding from the central (republican) authority is distributed to ISCED 0-3 educational organisations that are under central jurisdiction. In terms of transfers across administration levels, general transfers can be transferred from the higher level budgets to the lower level budgets for equalising differences (subventions) in local revenues (per capita) and ensuring that all administration levels have enough resources, whereas targeted transfers are used for the implementation of specific reforms or initiatives, indicated in government programmes.

A proposed reform to school funding, specifically the introduction of a per student funding formula, was postponed and currently the approbation takes place in 73 schools (Years 1-11). The State Programme of Education and Science Development in the Republic of Kazakhstan for 2016-19 states that per student funding formula is to be implemented in 2019. The proposed reform would include a school-specific transfer for current expenditures from the central administrative level to each school via the respective regional and local authority.

For in-depth information on school funding in Kazakhstan, see the OECD country review report (<http://dx.doi.org/10.1787/9789264245891-en>) and the country background report (www.oecd.org/education/schoolresourcesreview.htm).

Current expenditure: Earmarked grants and discretionary funding from the central to the regional level, and the regional to the local level, and annual grants and earmarked grants from authorities at each administration level to their own schools

From central to regional authorities

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 0-3	Earmarked grant from central to regional authorities	For equalising differences in regional revenues and implementing specific government programmes and initiatives	Administrative discretion, Negotiated process, Based on historical expenditures and according to differences in regional revenues
ISCED 0-3	Discretionary funding from central to regional authorities	For financing school construction and operational costs of specific schools not covered by regional budget	Administrative discretion, Negotiated process, Based on historical expenditures

From regional to local authorities

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 0-3	Earmarked grant from regional to local authorities	For equalising differences in local revenues and implementing specific government programmes and initiatives	Administrative discretion, Negotiated process, Based on historical expenditures and according to differences in local revenues
ISCED 0-3	Discretionary funding from regional to local authorities	For financing school construction and operational costs of specific schools not covered by local budget	Administrative discretion, Negotiated process, Based on historical expenditures

From authorities at each administration level to their own schools

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 0-3	Annual grant from either central, regional or local authorities (as school providers) to schools (schools receive funding from the administrative level directly responsible for their operation)	For any type of current expenditure	Administrative discretion and negotiations. In accordance with the schools' annual budget calls, the administrative levels' annual financial plan and based on historical expenditures
ISCED 0-3	Earmarked grant from central or regional authorities to regional or local administrations (as school providers) and schools	For equalising differences in regional/local revenues and implementing specific government programmes and initiatives	Administrative discretion, Negotiated process, Based on historical expenditures

Capital expenditure: discretion from each administrative level based on an assessment of needs

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 0-3	Earmarked grant from the central budget and National Fund (2015-17)	Infrastructure construction, maintenance and renovation Instructional material	Administrative discretion based on the assessment of needs
ISCED 0-3	Ad hoc decisions, negotiations and discretionary funding from either the central, regional or local authority	Infrastructure construction, maintenance and renovation	Administrative discretion based on the assessment of needs

Lithuania

The school system is divided into three main governance levels: the central level (Ministry of Education and Science), the local level (municipalities) and the school level (at which decisions regarding budget management are usually taken by the school council). The central government is the main source of school resources, although local authorities have a fundamental role by providing additional funding. The central formula-funding scheme, also called “student basket scheme”, covers teaching costs, the salaries of school management, administration and professional support staff, as well as textbooks, some school materials and teacher in-service training. The major determinant of funding is the number of students in the school. The grant is calculated as a fixed per-student amount (referred to as the “student basket”) multiplied by the number of equivalent students. The grant is made available by the central to local governments, not directly to schools. Municipalities fund salaries of maintenance staff, communal and communication expenses, student transportation and expenditures with materials and repair works, besides having a restricted degree of discretion to reallocate a proportion of the central grant among schools. Municipalities also supplement capital expenditures normally guaranteed by central government and EU structural funds, and manage the student basket share over which authority is granted.

For in-depth information on school funding in Lithuania, see the OECD country review report (<http://dx.doi.org/10.1787/9789264252547-en>) and the country background report (www.oecd.org/education/schoolresourcesreview.htm).

Current expenditure: Earmarked grant from the central level to local authorities and discretionary funding from local authorities to schools and pre-schools

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 0-3	Earmarked grant from central authorities to local authorities which have a restricted degree of discretion to reallocate a proportion of the grant	Student basket scheme for covering teaching and operational costs	Funding formula <ul style="list-style-type: none"> ● Number of students ● Student characteristics (distinctive minority, migrant status) ● School size ● School location ● Level of education offered ● Fields of study offered ● General or vocational education ● Students with SEN ● Average teacher’s salary
ISCED 0	Discretionary funding from local authorities to pre-schools	For covering a part of teachers’ salaries	Administrative discretion
ISCED 0-3	Discretionary funding from local authorities to pre-schools and schools	For covering other operational expenditures (salaries of maintenance staff, communal and communication expenses, student transportation and expenditures with materials and repair works)	Varies. Basis is decided by each local authority

Capital expenditure: Infrastructure investment programme for school construction and ad hoc decisions and discretionary funding for maintenance and renovation

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 0-3	Infrastructure investment programme from the central level to local authorities	For infrastructure construction	Not specified
ISCED 0-3	Ad hoc decisions taken by local authorities	For infrastructure maintenance and renovation	Assessment of needs
ISCED 0-3	Discretionary funding from local authorities to schools	For maintenance of infrastructure	Administrative discretion

Portugal

The central government is the main source of funding for education and the Ministry of Education is responsible for the education budget at all levels of the education system. Portugal has, however, been gradually increasing decision making at sub-central levels while trying to improve the efficiency of public services. Since 2008, local authorities (municipalities) have been given more responsibilities, mostly from pre-primary to lower secondary education. As part of the decentralised approach, local authorities can finance costs for managing educational facilities, transport and extracurricular activities. Furthermore, a pilot project involving some schools has been put in place to provide full municipal autonomy in the distribution of funding for capital and current expenditures – excluding teacher’s salaries – to those schools. Portugal has also re-organised its public school network starting in 2005 around school clusters (school providers, in the tables below), aggregating schools from one or more education levels under the same leadership and administration, according to location criteria. School cluster leadership is guaranteed by decision boards composed of representatives – mainly teachers – of the different clustered schools. In terms of funding, schools offering basic education (*Ensino básico* – corresponding to the first four years of ISCED 1) do not have any management responsibilities nor their own budgets. The administrative, budgetary and pedagogical management of these schools is the responsibility of the school cluster the school belongs to. The Ministry of Education directly transfers funds to the school clusters to pay teachers’ salaries and non-teaching staff. In some cases, the payment of non-teaching staff salaries is guaranteed through funds transferred from municipalities (raised by the local or central level), namely for pre-schools and schools offering the first four years of ISCED 1. The Ministry of Finance can also transfer funds for capital expenditure, transport and school meals indirectly through municipalities.

Current expenditure: Block grants from the central level to local authorities, and funding from the central and local level to school providers

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 0-1 (first 4 years), ISCED 2	Block grant (municipal social fund) from the central authority to local authorities	For operating costs, extracurricular activities and subsidised meals, excluding teachers’ salaries	Funding formula, Administrative discretion (based on spending justification by the local authority)
ISCED 0-3	Block grant (execution contracts) from the central level to local authorities	For operating and capital costs, excluding teachers’ salaries	Administrative discretion, Negotiated process
ISCED 0-3	Earmarked grant from the central authority to school providers and schools	For covering teachers’ salaries	Administrative discretion based on historical trends
ISCED 2-3	Restricted block grant from the central authority to school providers and schools	For covering operating costs	Administrative discretion based on historical trends
ISCED 3	Earmarked grant from the central authority to school providers and schools	For non-teaching staff salaries	Administrative discretion based on historical trends
ISCED 0-3	Discretionary funding from local authorities to school providers and schools	For additional support to any type of current expenditure, except teachers’ salaries	Administrative discretion based on historical trends
ISCED 0-2	Dedicated grant from local authorities to non-teaching staff	For covering the salaries of non-teaching staff	Administrative discretion based on historical trends

Capital expenditure: Ad hoc decisions at the central level and an infrastructure investment programme for upper secondary schools

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 0-1 (first 4 years)	Infrastructure investment programme from local authorities to school providers and schools	For infrastructure construction, maintenance and renovation, provision of non-instructional and instructional equipment	Assessment of needs
ISCED 1-2	Ad hoc decisions at the central level	For infrastructure construction	Assessment of needs
ISCED 1-3	Ad hoc decisions at the central level	For infrastructure maintenance and renovation, provision of non-instructional and instructional equipment	Assessment of needs
ISCED 3	Infrastructure investment programme co-ordinated by a dedicated agency (<i>Parque Escolar</i>)	For infrastructure construction	Assessment of needs
ISCED 3	Ad hoc decisions from a dedicated agency (<i>Parque Escolar</i>)	For infrastructure maintenance and renovation, provision of non-instructional and instructional equipment	Assessment of needs

Slovak Republic

The Slovak Republic is composed of 8 regional authorities (self-governing regions) and 2 890 local authorities (municipalities). Municipalities are the school providers (founders) of public pre-primary, primary and lower secondary educational institutions (ISCED 0-2). The regional level authorities are the school providers (founders) of public schools providing upper secondary education (ISCED 3). There are also private school providers at all education levels and there are regional state authorities (deconcentrated state administration) as school providers of special schools. The source of funding for primary and secondary school education and its distribution to individual schools is centralised. School providers act as intermediaries and have some scope for reallocation of centrally calculated resources among individual schools. At the school level, there is a considerable degree of financial autonomy. Private school providers receive public funding like public school providers.

For in-depth information on school funding in the Slovak Republic, see the OECD country review report (<http://dx.doi.org/10.1787/9789264247567-en>) and the country background report (www.oecd.org/education/schoolresourcesreview.htm).

Current expenditure: block grant from central authorities to school providers for each school, but school providers have some discretion to reallocate a specified proportion

Education level	Allocation mechanisms	Purpose of grant	Basis to determine the level of the grant
ISCED 1-3	Block grant (school-specific) from central authority to local authorities (ISCED 1-2), to regional authorities (ISCED 3), and to publicly-funded private school providers	For salaries	Funding formula <ul style="list-style-type: none"> ● Number of students ● Teacher qualification level ● Personal intensity (national average student teacher ratio and other coefficients) special schools ● SEN students integrated in mainstream education ● Language of instruction For ISCED 1-2: <ul style="list-style-type: none"> ● If Year 0 is offered ● School size ● Sports programmes For ISCED 3: <ul style="list-style-type: none"> ● Bilingual programmes ● Sports programmes ● Priority VET programmes (with insufficient graduates compared to labour market needs) ● Apprentices in work-based placements
ISCED 1-3	Block grant (school-specific) from central authority to local authorities (ISCED 1-2), to regional authorities (ISCED 3), and to publicly-funded private school providers	For operational costs	Funding formula <ul style="list-style-type: none"> ● Number of students ● Students with special educational needs integrated in mainstream education ● Heating intensity requirement (8 different temperature zones) ● Operational intensity requirement other than heating (6 different categories) ● Further education for teachers ● Intensity of educational process (based on personal intensity) ● Language of instruction For ISCED 1-2: <ul style="list-style-type: none"> ● School size For ISCED 3: <ul style="list-style-type: none"> ● General or vocational education ● Sports programmes ● Priority VET programmes (with insufficient graduates compared to identified labour market needs) ● Bilingual programmes

Education level	Allocation mechanisms	Purpose of grant	Basis to determine the level of the grant
ISCED 1-3	Earmarked grant (school-specific) from central authority to local authorities (ISCED 1-2), regional authorities (ISCED 3) and publicly-funded private school providers	Support to students with special educational needs	Administrative discretion/at request by the school provider , typically includes number of students with special educational needs, type of special educational needs and historical trends
ISCED 1-2	Earmarked grant from central authority to local authorities	For socially disadvantaged student groups	Funding formula <ul style="list-style-type: none"> • Number of students with poor socio-economic background
ISCED 1-3	Earmarked grant (school-specific) from central authority to local authorities (ISCED 1-2), regional authorities (ISCED 3) and publicly-funded private school providers	For student competitions or participation in international projects	Funding formula <ul style="list-style-type: none"> • Number of students placed in the first three positions in the competition, number of international projects the school participates in
ISCED 1-3	Earmarked grant (school-specific) from central authority to local authorities (ISCED 1-2), regional authorities (ISCED 3) and publicly-funded private school providers	For development projects in educational areas defined by the central education authorities	Administrative discretion
ISCED 1-3	Earmarked grant (school-specific) from central authority to local authorities (ISCED 1-2), regional authorities (ISCED 3) and church school providers	For maintenance	Administrative discretion , including an assessment of needs
ISCED 1-3	Block grant from central authority to local authorities (ISCED 1-2), regional authorities (ISCED 3) and private school providers	Top up funding when school-specific grant does not cover staff and operational costs	Administrative discretion (based on request and justification)

Capital expenditure

Education level	Allocation mechanisms	Purpose of funds	Basis to determine the level of the grant
ISCED 02-3	Infrastructure investment programme from central authority to local authorities (ISCED 02-2) and regional authorities (ISCED 3)	Infrastructure construction	Administrative discretion , based on assessment of needs and other published criteria
ISCED 1-3	Earmarked grant from central authority to local authorities (ISCED 1-2), regional authorities (ISCED 3)	For maintenance and renovation	Administrative discretion , based on assessment of needs
ISCED 1-3	Discretionary funding from local authorities (ISCED 1-2) and regional authorities (ISCED 3) to school providers	Infrastructure construction, maintenance and renovation	Administrative discretion

Slovenia

Governance of the education system is mainly shared between the central government and schools. The Ministry of Education, Science and Sport is responsible for drafting, evaluating and implementing regulations and outlining national programmes in education. Pre-school education (ISCED 0) is provided by public and private kindergartens for students aged one to six – the starting age of compulsory basic education. Public kindergartens are founded by local authorities (municipalities). Primary and lower secondary education (ISCED 1-2) is organised in a single-structure nine-year basic school attended by students aged 6 to 15 years. Public basic schools (ISCED 1-2) are established by municipalities, while the system of upper secondary education (ISCED 3) is governed by central education authorities. The central level is the predominant funder in the areas of basic school (ISCED 1-2 [82%]) and upper secondary education (ISCED 3 [99%]), while the municipalities mainly finance pre-school education (ISCED 0 [92%]). For basic and upper secondary schools (ISCED 1-3), the local level can give additional funds for higher standards of education and other additional services.

For in-depth information on school funding in Slovenia, see the country background report (www.oecd.org/education/schoolresourcesreview.htm).

Current expenditure

A lump sum from the central to the local level for use at the discretion of local authorities not specifically for education

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 0-3	Lump sum from the central authority to local authorities	Funds not specifically targeted at education	Not specified

A set of earmarked grants to public pre-schools and basic schools

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 0	Earmarked grant from the central authority to pre-schools	For students with special educational needs in kindergartens founded by the central level; extra costs with bilingual classes for Italian and Hungarian national communities and Romani children; 50% of salaries for kindergarten teachers who work in hospital kindergartens	Administrative discretion
ISCED 0	Earmarked grant from local authorities to pre-schools	For any type of expenditure	Administrative discretion
ISCED 1-2	Restricted block grant from the central authority to schools	For operating costs directly related with the educational programme	Funding formula <ul style="list-style-type: none"> ● Number of students ● School location (in the case of funds for professional development of teachers) ● Number of teachers ● Characteristics of teachers (e.g. qualification) ● Students with special educational needs ● Students' linguistic background
ISCED 1-2	Restricted block grant from local authorities to schools	For operating costs not directly related with the educational programme, and additional funds	Administrative discretion
ISCED 1-2	Earmarked grant from the central authority to local authorities	For transport of students to schools in areas with brown bears	Administrative discretion, Historical basis

A block grant combined with earmarked grants to upper secondary schools

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 3	Block grant from the central authority to schools	For any type of expenditure, except for students with SEN and organisation of the school meals	Funding formula <ul style="list-style-type: none"> • Number of students • Type of education offered
ISCED 3	Earmarked grant from the central authority to schools	For funding additional costs with students with SEN and organisation of school meals	Funding formula <ul style="list-style-type: none"> • Number of students with special educational needs • Number of students with supported school meal
ISCED 3	Earmarked grant from local authorities to schools	Additional funds for higher standard of education and other additional services	Administrative discretion

Capital expenditure

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 0-3	Discretionary funding by local authorities	For infrastructure construction, renovation and maintenance, non-instructional and instructional material	Administrative discretion
ISCED 0-2	Discretionary funding from the central authority to local authorities	For partial financing of capital investment	Administrative discretion
ISCED 3	Competition for funds and discretionary funding (for urgent cases) guaranteed by the central authority	For infrastructure construction, renovation and maintenance, non-instructional and instructional material	Schools compete for funds In urgent cases that need immediate investment, e.g. leaking roof, leaking pipes, etc.

Spain

In Spain, the management of the school education system is decentralised. The central education authority (Ministry of Education, Culture and Sport) has exclusive competences about basic rules that develop the right to education, but also ensures the development of the legal regime of public teaching and the policy orientation, design and planning of scholarships and study grants. In turn, regional educational authorities (Ministries or Departments of Education of the Autonomous Communities) have exclusive competence over education management in their territory. In general, local authorities (municipalities or groups of municipalities) have no direct governance of schools, even though the Autonomous Communities can agree on the delegation of management competences for certain education services to the local level. Municipalities are also generally responsible for the maintenance of primary school buildings. The organisation of the public financing system is in line with the decentralisation of educational responsibilities - the Autonomous Communities manage public funds in their territory and decide the amounts allocated to school education and their distribution. The funds are guaranteed by tax revenue, transfers from the central level and other forms of income available to the Communities.

For in-depth information on school funding in Spain, see country background report (www.oecd.org/education/schoolresourcesreview.htm).

Current expenditure

Lump-sum transfer and earmarked grants from the central government to each Autonomous Community

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 0-3	Lump sum from the central authority to regional authorities (Autonomous Communities)	For any type of public expenditures. Regional authorities decide the percentage allocated to educational purposes	Negotiated process, Administrative discretion <ul style="list-style-type: none"> Demographic characteristics (total population, population in school and pre-school age, urban/rural population) Characteristics of the school network (number of schools and pre-schools) Other needs of educational supply
ISCED 0-3	Earmarked grants from the central authority to regional authorities (Autonomous Communities)	For educational support and other several specific purposes	Negotiated process, Funding formula <ul style="list-style-type: none"> Demographic characteristics Profile of student population Characteristics of the school network Economic characteristics

Earmarked grants from the central government to municipalities

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 0	Earmarked grant from central authority to local authorities	For early childhood education and care	Assessment of needs, Negotiated process <ul style="list-style-type: none"> Demographic characteristics (number of students in ISCED 0)
ISCED 0-3	Earmarked grants from the central authority to local authorities	For educational support and other several specific purposes	Assessment of needs, Negotiated process <ul style="list-style-type: none"> Demographic characteristics Profile of student population

Earmarked grants from the Autonomous Communities to municipalities

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 0	Earmarked grant from regional authorities (Autonomous Communities) to local authorities	For early childhood education and care	Assessment of needs, Negotiated process <ul style="list-style-type: none"> Demographic characteristics (number of students in ISCED 0)
ISCED 0-3	Earmarked grants from regional authorities (Autonomous Communities) to local authorities	For educational support and other several specific purposes	Assessment of needs, Negotiated process <ul style="list-style-type: none"> Demographic characteristics Profile of student population

Dedicated grant from Autonomous Communities for salaries at all levels of education and restricted block grant for operating costs in lower and upper secondary schools

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 0-3	Dedicated grant from the regional authorities (Autonomous Communities) to staff	For teacher and non-teacher salaries	Funding formula <ul style="list-style-type: none"> Number of students Number and characteristics of teachers and non-teachers Number of classes Identified needs of the students Population projections and other economic indicators
ISCED 2-3	Restricted block grant from regional authorities (Autonomous Communities) to schools	For operating costs and maintenance of services	Funding formula <ul style="list-style-type: none"> Number of classes in each level of education School size Levels of education offered Type of educational programmes Rural location Proportion of immigrant students Proportion of students with curricular delay or with educational support needs.
ISCED 0-3	Earmarked grant from regional authorities (Autonomous Communities) to schools	For supporting additional costs with students with SEN	Funding formula <ul style="list-style-type: none"> Number of students with SEN Type of SEN Ages of children Degree of dependency Children/professionals ratio Other specific criteria related to children and schools
ISCED 0-3	Earmarked grant from regional authorities (Autonomous Communities) to schools	For teachers' professional development	Administrative discretion , based on teachers' working groups or specific development programs in schools

Restricted block grant from municipalities for operating costs in pre-primary and primary schools and earmarked grants for support of special needs education

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 0-1	Restricted block grant from local authorities to schools	For operating costs and maintenance of services	Administrative discretion based on schools' specific needs
ISCED 1-2	Earmarked grant from local authorities to schools	For supporting additional costs with students with SEN	Administrative discretion . Criteria considered include: <ul style="list-style-type: none"> Number of students with SEN Type of special need

Capital expenditure

Education level	Allocation mechanism	Purpose of grant	Basis to determine the level of the grant
ISCED 0-1	Earmarked grant (school-specific) from local authorities to schools	For infrastructure construction, maintenance and renovation	Assessment of needs
ISCED 0-3	Ad hoc grant from regional authorities (Autonomous Communities) to schools	For the provision of instructional material and infrastructure renovation	Administrative discretion, Assessment of needs
ISCED 0-3	Infrastructure investment programme from regional authorities (Autonomous Communities) to schools	For infrastructure construction, maintenance and renovation	Assessment of needs

Sweden

Sweden has a decentralised education system. The central government is in charge of developing the curriculum, national objectives and guidelines for the education system. Within this framework, the local authorities (municipalities) and independent providers are responsible for implementing educational activities, organising and operating school services, allocating resources and ensuring that the national goals for education are met. This includes pre-school, (*förskola*) (ISCED 0), compulsory school (*grundskola*) (ISCED 1-2), and upper secondary school (*gymnasieskola*) (ISCED 3). The Education Act stipulates that the municipal funding mechanism should account for the number of students enrolled and also the “different preconditions and needs of different students”. However, the Swedish government believes that it is not possible to further specify a general model for funding allocation, including what proportion of municipal school funding should be reallocated to differentiate for the school’s student composition. The major part of funding, including for grant-aided independent schools (*fristående skolor*), comes from municipal tax revenues, although the municipalities also receive funds from the central state budget for their various services.

For in-depth information on school funding in Sweden, see country background report (www.oecd.org/education/schoolresourcesreview.htm).

Current expenditure: lump sum to local authorities and various mechanisms (typically a block grant) for local transfers to schools

Education level	Allocation mechanisms	Purpose of grant	Basis to determine the level of the grant
ISCED 0	Earmarked grant from central authority to local authorities	Compensation to cover maximum parental fees in early childhood education and care	Administrative discretion by the central authorities
ISCED 0-3	Lump sum from central authority to local authorities	For any type of expenditure, including sectors other than education	Administrative discretion
ISCED 0-3	Earmarked grants from central authority to local authorities	To promote policy priorities	Administrative discretion, Negotiated process
ISCED 0-3	Discretionary funding from local authorities to schools (typically a block grant)	For any type of expenditure; typically provides for salaries, buildings, material and equipment	Varies. Basis is decided by local authorities, but must account for the number of students and their preconditions and needs

Capital expenditure: Infrastructure investment programmes and ad hoc decisions by individual municipalities

Education level	Allocation mechanisms	Purpose of funds	Basis to determine the level of the grant
ISCED 0-3	Infrastructure investment programmes from local authorities to schools	Infrastructure construction, renovation and maintenance	Varies. Basis is decided by local authorities.
ISCED 0-3	Ad hoc decisions by local authorities	Infrastructure construction, renovation and maintenance	Assessment of needs (varies across local authorities)

Uruguay

The school system in Uruguay is highly centralised. The framework for the operation and the organisation of schools is taken at the central level by the Central Governing Council of the National Public Education Administration (*Consejo Directivo Central de la Administración Nacional de Educación Pública*, CODICEN-ANEP) and the individual education councils for the different sub-sectors of the system (*Consejos de Educación*). This includes the Pre-primary and Primary Education Council (*Consejo de Educación Inicial y Primaria*, CEIP), the Secondary Education Council (*Consejo de Educación Secundaria*, CES), the Technical and Professional Education Council (*Consejo de Educación Técnico-Profesional*, CETP), and the Teacher Training Council (*Consejo de Formación en Educación*, CFE). Funds for current expenditure are allocated from the CODICEN to the individual Education Councils based on negotiations and a historical basis. Each education council allocates funding to the schools for which it is responsible via a set of grant transfers at its discretion. However, there are numerous targeted funds administered directly by the central authorities and not via the education councils.

Early childhood education and pre-primary education (ISCED 0) is provided as part of public schools operated by the Pre-Primary and Primary Education Council (CEIP) and through public early childhood care centres (*Centros de Atención a la Primera Infancia*, CAPI) and private Childcare and Family Centres (*Centros de Atención a la Infancia y la Familia*, CAIF) administered and regulated by the Child and Adolescent Institute of Uruguay (*Instituto del Niño y Adolescente del Uruguay*, INAU). Private Childcare and Family Centres are private institutions that are fully publicly funded and provided free of charge for families. They do not cover education for four year-olds.

For in-depth information on school funding in Uruguay, see the OECD country review report (<http://dx.doi.org/10.1787/9789264265530-en>) and the country background report (www.oecd.org/education/schoolresourcesreview.htm).

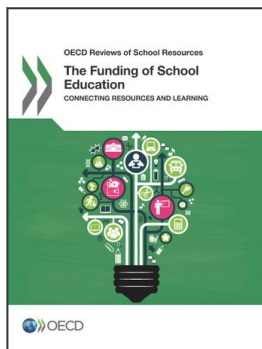
Current expenditure: Annual grant to transfer funds for current expenditure from the Central Governing Council (CODICEN) to individual education councils and a mix of different grants from education councils to individual schools

Education level	Allocation mechanisms	Purpose of grant	Basis to determine the level of the grant
ISCED 0	Dedicated grant from central authority (INAU) to private early childhood education providers (CAIF)	For non-teacher salaries	Administrative discretion , taking into account type of schools, type of educational programme, enrolment rate
ISCED 0-3	Annual grant from central authority (CODICEN) to central authorities (Education Councils)	For current expenditure	Negotiated process and Historical basis
ISCED 0-3	Dedicated grant from central education authorities (CODICEN, Education Councils)	For teacher salaries and teachers' professional development	Administrative discretion , taking into account the type of school and the educational programmes provided; the number of teachers is determined also by the enrolment rate
ISCED 0-3	Restricted block grant from central education authorities (Education Councils) to schools	For operating costs	Administrative discretion , taking into account the type of school and the educational programmes provided
ISCED 0-3	Dedicated grant from central authorities (Education Councils)	For instructional materials; telephone expenses	Administrative discretion , taking into account the type of school and the educational programmes provided; Allocation of instructional materials based on historical parameters
ISCED 0-3	Dedicated grant from central authorities (Education Councils)	For teacher training to support students with special educational needs	Administrative discretion , taking into account the type of school and the educational programmes provided Allocation to special primary education accounts for the type of disability, which would have implications for the type of human and material resources required
ISCED 2-3 (only for some specific programmes in general education and for some types of schools in pre-vocational and vocational education [agrarian schools])	Earmarked grant from central authorities (Education Councils)	For school meals	Administrative discretion , taking into account the type of school and the educational programmes provided

Capital expenditure: A mix of infrastructure investment programmes, ad hoc decisions and discretionary funding

Education level	Allocation mechanisms	Purpose of funds	Basis to determine the level of the grant
ISCED 0-3	Negotiated process between Central authorities (CODICEN and Education Councils)	Minor infrastructure construction, maintenance and equipment	Historical basis
ISCED 0-3	Infrastructure investment programme from central authority (CODICEN) to schools	Infrastructure construction, and major infrastructure works	Administrative discretion , including an assessment of needs
ISCED 0-3 (pre-vocational and vocational)	Residual funds from regular funding for current expenditure from central authorities (Education Councils)	For instructional and non-instructional materials	Not specified
ISCED 0-1	Negotiated process (between regional inspectorate, architects teams of Education Council and CODICEN)	Infrastructure renovation, maintenance, and minor infrastructure construction	Assessment of needs
ISCED 0-1	Discretionary funding from central authorities (Education Council) to schools	Instructional equipment	Assessment of needs
ISCED 2-3	Ad hoc decisions from central authorities (Education Councils) to schools	Infrastructure renovations and maintenance	Administrative discretion , including an assessment of needs
ISCED 2-3 (general)	Discretionary funding from central authorities (Education Council) to schools	Instructional equipment	Administrative discretion

Education level	Allocation mechanisms	Purpose of funds	Basis to determine the level of the grant
ISCED 1 (Full-time primary schools)	Infrastructure investment programme from central authority (Education Council, PAEPU)	Extra support for capital expenditures	Not specified
ISCED 2-3	Infrastructure investment programme from central authorities (Education Councils, PAEMFE)	Extra support for capital expenditures	Not specified
ISCED 1-3	Discretionary funding from a dedicated agency (Ceibal Centre)	For instructional material	Administrative discretion (based on need for replacement)



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