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|  | **Schola Europaea**Office of the Secretary-General |

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**Original: EN**

**Sharing of the costs of seconded staff amongst the Member States (Cost sharing)**

**Board of Governors**

**Meeting on 9 to 12 April 2019 – Athens**

**BACKGROUND**

The Board of Governors approved the cost sharing procedure by means of a written procedure initiated on 3 June 2014.

The agreed cost sharing target level calculation model is based on four main elements:

1. the number of pupils by nationality,
2. the number of seconded staff members by nationality,
3. the language section structure of the system,
4. the average annual national salary costs of seconded staff from each EU Member State.

The number of pupils on roll is recorded on 15 October each year. All – and only – pupils with EU nationality are taken into account – except the pupils of the European School, Munich. Pupils with dual nationality or more are calculated as shares (dual nationality as 0.5+0.5, triple nationality as 0.33+0.33+0.33).

All types of seconded posts, both teaching and managerial posts, are taken into account when defining the allocation of posts and funding. The seconded staff members of the European School, Munich are excluded from implementation of the Cost Sharing Structural Model on account of its special regime, laid down in the Agreement signed in 1977, according to which the Munich School refunds the national salaries of seconded staff members to the seconding Member States.

The language section coefficients are based on the fact that there are Member States with a language section in all or nearly all schools and there are Member States without a language section or with some language sections. Based on this categorisation, two correcting coefficients have been introduced. The language section coefficients are:

* + 0.8 for Member States without any or with some language sections
	+ 1.0 for Member States with language sections in all or most of the schools

The average annual national salary costs of seconded staff from each EU Member State are based on the average of the total annual salary costs of seconded staff of each Member State. Total salary costs are divided by the average number of seconded posts in the respective financial year. All salary costs of seconded staff will be taken into account when defining the average annual salary of each Member State. Those costs have been updated on 2018.

The Member States were given five years to reach their target level, with the objective of reaching 20% of the target level per year by making a financial contribution linked to the average national salary or by seconding additional teachers.

At the December Board of Governors’ meeting, each Member State is requested to take a position on the creation of new posts.

If the Member State prefers to second teachers, it can indicate this at the meeting.

If the Member State prefers to top up its secondment with a financial contribution, it should indicate its wish to that effect at the meeting also, so that the possible revenue can be included in the draft budget proposal for the following year.

A Member State can also decide to use both measures at the same time.

**Cost Sharing Mechanism**

The cost sharing process was initiated at the December 2014 meeting. Each Member State below the target level chose the option of sending additional seconded teachers.

According to the decision, the evolution of the cost sharing measures should be monitored annually and the Board of Governors is on the point to review the situation.

The last table produced (Autumn 2018) presents the following results:



Here below follow some data on the evolution of the situation over the first four years of the Cost Sharing agreement implementation.

**Development of the pupil population in the European Schools by Member State,**

**without the Munich School pupil population**

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**Development in the number of seconded staff in the European Schools**

**by Member State, without the seconded staff of Munich**

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An increase in the number of pupils enrolled in the European Schools, with a decide break in 2017-18, certainly also due to the closure of the European School, Culham, parallel to a decrease of the total number of secondments, which again has known an acceleration in 2017-18.

Some other observations can also be made.

If the pattern of development of the number of pupils is compared with that of the number of seconded teachers:



It can be seen that while the pupil population increased from 21314 to 23629 pupils, i.e. a positive difference of 2315 pupils, corresponding to a total increase of 11%, the number of secondments decreased from 1 342 to 1 220 teachers, i.e. a difference of -122, corresponding to a total decrease of 9%.

This phenomenon is also confirmed when the total number of secondments, compared with the total number of full-time equivalent locally recruited teachers, is considered.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| School Year | LRT | % | SEC | % | TOT |
| 2015-16 | 1315 | 63.83 | 745 | 36.17 | 2060 |
| 2016-17 | 1286 | 60.83 | 828 | 39.17 | 2114 |
| 2017-18 | 1233 | 57.78 | 901 | 42.22 | 2134 |
| 2018-19 | 1220 | 55.56 | 976 | 44.44 | 2196 |

Data unquestionably show a decrease in the overall number of secondments, which is accompanied by a parallel increase in the total number of full-time equivalent locally recruited teachers.

Overall the number of full-time equivalent teachers (seconded and locally recruited) has also increased, somewhat in line with the increase in the number of pupils in the System.

Last year a large number of teaching posts have been proposed for creation:

|  |  |
| --- | --- |
| EN | 114 |
| FR | 64 |
| DE | 33 |
| NL | 3 |
| BG | 2 |
| DK | 1 |
| EL | 2 |
| ES | 8 |
| FIN | 1 |

|  |  |
| --- | --- |
| HU | 1 |
| HR | 2 |
| IT | 3 |
| LT | 3 |
| RO | 4 |
| EN/FR/DE | 44 |
| **Total** | **285** |

Delegations have filled in only a small proportion (53) of these posts, meaning that an increasing number of full-time teaching posts had to be covered by teachers recruited locally.

The contribution to the System’s budget from the Member States and the European Commission over the same years:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|   |   | **2014** | **2015** | **2016** | **2017** |
| **Member** | € | 54 479 484 | 55 008 107 | 53 339 888 | 51 626 805 |
| **States** | % | 19.60% | 19.60% | 18.11% | 16.67% |
| **Commission** | € | 167 205 308 | 168 938 943 | 177 859 779 | 189 878 637 |
| % | 60.10% | 60.00% | 60.38% | 61.67% |

shows a decrease in the Member States’ contributions, in both absolute and percentage terms, and a parallel increase in the European Commission’s contribution, again in both absolute and percentage terms.

As a point of reference, it might be interesting look at the pattern of development of the pupil population and of their categories over the same years:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| School Year | Cat1 | % | Cat2 | % | Cat3 | % | Total |
| 2014-15 | 19823 | 78.09 | 1139.0 | 4.49 | 4423.0 | 17.42 | 25385 |
| 2015-16 | 20530 | 79.26 | 1085.0 | 4.19 | 4288.0 | 16.55 | 25903 |
| 2016-17 | 21310 | 79.84 | 1077.0 | 4.04 | 4304.0 | 16.13 | 26691 |
| 2017-18 | 21874 | 81.39 | 1011.0 | 3.76 | 3992.0 | 14.85 | 26877 |

Given the political relevance of the decision, the Board of Governors has decided to give the mandate to evaluate and propose a revision of the “cost sharing” to the newly created Working Group “Extended Presidencies”, which gathers the former and the present Presidencies and the three future ones, together with the European Commission, the Secretary general and the Deputy Secretary General.

The proposals that follow are the outcome of the reflections conducted inside the working group and of the feedback received during the meetings of the decision making bodies of the System.

**RATIONALE**

Inside the Working Group “Extended Presidencies”, some aspects of the present “cost-sharing” agreement have been criticized and in the last meeting on March 19th some last proposals, leading to different scenarios, have been discussed and included in this version of the proposal:

**Correcting coefficient:** in the present “cost-sharing” agreement a correcting coefficient is used in order to balance contribution from MSs who have a section in all or almost all schools (and whose language correspond to the languages used as L2 in the System) and other MSs. A coefficient 1 is used for the first and a coefficient 0.8 for the others. This has the unwilled result that the target level is reduced for the MS who do not have a section in the vast majority of schools.
In order to overcome this shortcoming, it has been proposed that, while the difference between the two coefficients should remain 0.2, coefficients would be determined, so to let the target level remain unchanged.

**Application of the agreement**: the agreement reached on 2014 foresees a 5 years period of implementation and a balance drawn at the end of the 5 years.

A different period of 8 years has also been discussed. This lapse of time would cover the last year of the current Multiannual Financial Framework (MFF) and the whole future MFF.

In both cases, Member States would be given a period of X years to reach the expected level of secondments.

Year by year, Member States would be requested to operate 1/X of the secondments expected at the end of the X years. Fractions would be rounded to the closer integer.

It has to be noted that the target level of secondments that each Member State would need to operate will need to be updated (recalculated) every year, on the basis of the updated number of pupils’ nationality and number of seconded teachers.

In this respect, during the BoG meeting in December 2018 several delegations have expressed the need to know in advance the expected contribution in terms of secondments. It is true that, at present, we use the figures of pupils population and seconded teachers for the year N to calculate the expected contribution in terms of secondments for the year N+1. Since the results of these calculations are available only in December of the year N, delegations do not dispose of the necessary time to make the resources available, in order to honor their obligation.

In order to address this problem, it is proposed to use the figures for the year N to calculate the expected contribution for the year N+2.

In this way, the expected contribution will be known enough in advance and, nevertheless, the dynamicity of the process could be respected.

This means that the BoG would be already able to decide on the expected contribution for September 2020, based on the new model of Cost-Sharing and on the figures of pupils’ nationality and seconded teachers for this year (situation on October 18).

**Target level of secondments:** use the number of secondments in the system as starting point to calculate the target level of secondments, has weakened the effectiveness of the agreement. While a considerable number of Member States (MSs) has done an honest effort to operate more secondments, some MSs who have used to second over quota have in parallel decided to reduce the number of over quota secondments. This has produced the overall result of a reduction of secondments.

In order to overcome this problem, inside the WG it has been proposed to fix the target level of secondments. In order to fix the target level, as basis for the calculations the number of seconded staff currently in place has been taken and added the number of Full Time Equivalent (FTE) Locally Recruited Teachers (LRT). This gave a total number of 2196 posts.

In order to calculate the target level, again two alternatives have been discussed.

10 years ago the share seconded teachers – locally recruited teachers was 70-30. That share would produce a target that would be too difficult to be accepted by some Member States. So, a share of 65-35 has been preferred. 65% of 2196 has been considered, according to the traditional ratio 70-30 in among respectively secondments and local recruitments. The result would be 1427 posts to be seconded.

On the basis of the number of pupils enrolled in the English speaking sections in the school year 2018-19 in all schools without Munich, the number of posts that require native speakers and that will no longer bee published for secondments has been estimated to 160. These posts could be subtracted from the total of 2196 and then the share 70-30 would be applied. So, 70% of 2036 would result in 1425 posts to be seconded.

These modifications can give origin to the following scenarios for the table of cost-sharing agreement, always based on the figures for pupils’ nationalities and seconded staff on October this year.

**SCENARIO 1: share 70-30; native EN speakers deducted:**



**SCENARIO 2: share 65-35; all full time equivalent teachers included**

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| **REVISED COST SHARING AGREEMENT** |
| **PUPILS COMING FROM THE MEMBER STATES/SECONDED TEACHERS BY MEMBER STATE IN ALL SCHOOLS AUTUMN 2018 WITHOUT MUNICH** |
| **A**  | **B** | **C** | **D** | **E** | **F** | **G** | **H** | **I** | **J** | **K** |  |
| **Nationalities / Member States**  | **Pupils with an EU nationality enrolled 15.10.2018** | **%** | **Seconded Staff in post per Member State in October 2018** | **Staff share required in function of pupils**  | **Language section coefficient**  | **Target level (F\*E)** | **Difference (D-G)** | **National average salary** | **Total calculated financial contribution (I\*K)** | **OR Total expected seconded posts contribution**  |  |
| AT | 292.67 | 1.2 | 16 | 18 | 1.11 | 20 | -4 | € 49,365 | € 197,460 | 4 |  |
| BE  | 2,811.17 | 11.9 | 157 | 170 | 1.11 | 189 | -32 | € 49,796 | € 1,593,486 | 32 |  |
| BG | 479.33 | 2.0 | 14 | 29 | 0.91 | 26 | -13 | € 4,633 | € 60,231 | 13 |  |
| CY | 54.16 | 0.2 | 2 | 3 | 0.91 | 3 | -1 | € 30,815 | € 30,815 | 1 |  |
| CZ | 495.83 | 2.1 | 18 | 30 | 0.91 | 27 | -9 | € 12,184 | € 109,660 | 9 |  |
| DE | 2,501.17 | 10.6 | 186 | 151 | 1.11 | 168 | 18 | € 59,661 | € 0 | 0 |  |
| DK | 435.83 | 1.8 | 28 | 26 | 0.91 | 24 | 4 | € 59,924 | € 0 | 0 |  |
| EE | 238.50 | 1.0 | 10 | 14 | 0.91 | 13 | -3 | € 15,945 | € 47,836 | 3 |  |
| EL | 1,018.67 | 4.3 | 38 | 62 | 0.91 | 56 | -18 | € 17,896 | € 322,121 | 18 |  |
| ES | 2,145.00 | 9.1 | 90 | 130 | 0.91 | 118 | -28 | € 31,784 | € 889,946 | 28 |  |
| FI | 508.83 | 2.2 | 29 | 31 | 0.91 | 28 | 1 | € 38,877 | € 0 | 0 |  |
| FR | 2,952.58 | 12.5 | 191 | 178 | 1.11 | 199 | -8 | € 32,032 | € 256,256 | 8 |  |
| HR | 171.17 | 0.7 | 1 | 10 | 0.91 | 9 | -8 | € 20,489 | € 163,912 | 8 |  |
| HU | 566.42 | 2.4 | 17 | 34 | 0.91 | 31 | -14 | € 6,606 | € 92,490 | 14 |  |
| IE | 402.00 | 1.7 | 57 | 24 | 1.11 | 27 | 30 | € 51,935 | € 0 | 0 |  |
| IT | 2,526.50 | 10.7 | 99 | 153 | 0.91 | 139 | -41 | € 28,197 | € 1,156,084 | 41 |  |
| LT | 401.33 | 1.7 | 15 | 24 | 0.91 | 22 | -7 | € 6,638 | € 46,463 | 7 |  |
| LU | 237.42 | 1.0 | 18 | 14 | 1.11 | 16 | 2 | € 83,184 | € 0 | 0 |  |
| LV | 279.83 | 1.2 | 4 | 17 | 0.91 | 15 | -11 | € 7,718 | € 84,898 | 11 |  |
| MT | 85.08 | 0.4 | 5 | 5 | 1.11 | 6 | -1 | € 24,378 | € 24,378 | 1 |  |
| NL | 756.58 | 3.2 | 58 | 46 | 0.91 | 42 | 16 | € 50,977 | € 0 | 0 |  |
| PL | 944.58 | 4.0 | 32 | 57 | 0.91 | 52 | -20 | € 9,428 | € 188,558 | 20 |  |
| PT | 697.00 | 2.9 | 31 | 42 | 0.91 | 38 | -8 | € 25,924 | € 207,388 | 8 |  |
| RO | 591.17 | 2.5 | 13 | 36 | 0.91 | 33 | -20 | € 8,184 | € 163,671 | 20 |  |
| SE | 541.08 | 2.3 | 28 | 33 | 0.91 | 30 | -2 | € 46,455 | € 92,910 | 2 |  |
| SI | 251.00 | 1.1 | 7 | 15 | 0.91 | 14 | -7 | € 20,831 | € 145,819 | 7 |  |
| SK | 329.17 | 1.4 | 13 | 20 | 0.91 | 18 | -5 | € 7,753 | € 38,766 | 5 |  |
| UK | 915.17 | 3.9 | 43 | 55 | 1.11 | 62 | -19 | € 38,018 | € 722,336 | 19 |  |
| TOTAL | 23,629.2 | 100.0 | 1,220 | 1,427 |   | 1,427 |   |   | € 6,635,482 | 279 |  |
|  |  |  | **1,427** |  | 1.11 |  |  |  |  |  |  |

**Depending on the length of the period of application, four different scenarios would result:**

**SCENARIO 1.1: share 70-30; native EN speakers deducted; period of 5 years**

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**SCENARIO 1.2: share 70-30; native EN speakers deducted; period of 8 years**

**SCENARIO 2.1: share 65-35; all full time equivalent teachers included; period of 5 years**

**SCENARIO 2.2: share 65-35; all full time equivalent teachers included; period of 8 years**



It should be noted that the column L in the tables does not any longer indicates the number of more secondments to be operated, but the total number of secondments that each MS should reach. The reason being that the situation of secondments in September 2018 has been used as a basis for the calculations and it will necessarily change in September 2019. So that the total number of secondments to be reached would constitute a better reference for the Member States.

**OPINION OF THE BOARD OF GOVERNORS (meeting 4-7 December 2018)**

The Board of Governors took formal note of the new proposal for a change to the cost sharing proposal that had been submitted to it. This proposal gave rise to fairly wide-ranging questions, many delegations indicating their support. Some expressed reservations about the total number of secondments sought, about the insights in the total costs of cost sharing about the actual correctness of the correcting coefficients and about the language proficiency level required of non-native speaker teachers. The Board of Governors invited the ‘Enlarged Presidency’ Working Group to continue its reflections and discussions so that the proposal was clarified and revised if necessary, in order to be presented at the April 2019 meeting for approval and implemented as from the 2020 financial year or the 2020-2021 school year, for a further period of five years.

**OPINION OF THE BUDGETRARY COMMITTEE (Meeting on 5-6 March 2019)**

**With reservations entered by Italy, Belgium, Germany and Spain, the Budgetary Committee expressed a favourable opinion on the new cost sharing mechanism and recommended that the Board of Governors should agree to its adoption, with a view to calculation of the Member States’ contribution with effect from the financial year 2020.**

**PROPOSAL**

The Board of Governors is invited to adopt the revision of the cost sharing mechanism as presented in this document according to one of the scenarios presented for the calculation of the secondments to be operated by each Member State, starting from the school year 2020-21.