



# Cost sharing

Board of Governors

23.9.2013

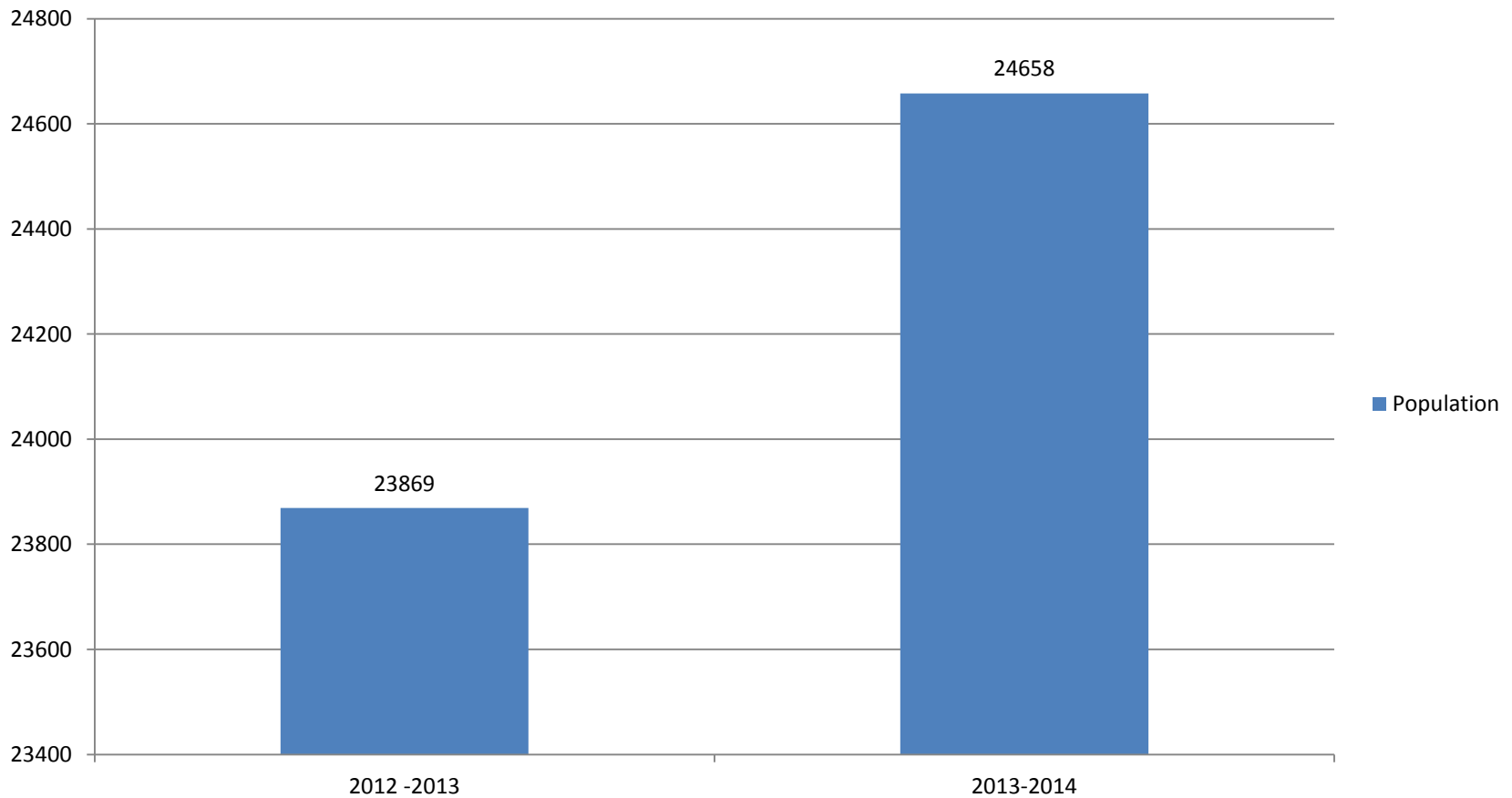
Nationality	2012 Seconded	2013	
		Seconded	Difference
Allemands	239	239	0
Autrichiens	23	23	0
Belges	205	213	8
Britanniques	219	180	-39
Bulgares	4	4	0
Chypriotes	0	0	0
Danois	33	31	-2
Espagnols	92	88	-4
Estoniens	4	7	3
Finlandais	34	32	-2
Français	184	190	6
Grecs	44	41	-2
Hongrois	16	15	-1
Irlandais	61	62	1
Italiens *	101	93	-8
Lettons	1	2	1
Lituanais	8	8	0
Luxembourgeois	21	20	-1
Maltais*	3	5	2
Néerlandais	82	83	1
Polonais	25	23	-2
Portugais	31	31	0
Roumains	0	2	2
Slovaques	4	4	0
Slovènes	3	3	0
Suédois	41	40	-1
Tchèques	15	16	1
TOTAL	1493	1456	-37

# Seconded staff members 19.9.2013

\*situation still unclear

# Population increase with 789 pupils

Population



# Convention, article 12.4

- According to Article 12.4 of the Convention,  
*“...The Board of Governors shall determine each year, on a proposal from the Boards of Inspectors, the teaching staff requirements by creating or eliminating posts. **It shall ensure a fair allocation of posts among the Member States.** It shall settle with the Governments questions relating to the assignment or secondment of the secondary school teachers, primary school teachers and education counsellors of the School.”*

# *The budget of the European Schools shall be financed*

According to Article 25 of the Convention, “The budget of the European Schools shall be financed by:

- **contributions from the Member States through the continuing payment of the remuneration for seconded or assigned teaching staff and, where appropriate, a financial contribution decided on by the Board of Governors acting unanimously;**
- the contribution from the European Communities, which is intended to cover the difference between the total amount of expenditure by the Schools and the total of other revenue;
- contributions from non-Community organisations with which the Board of Governors has concluded an Agreement;
- the School's own revenue, notably the school fees charged to parents by the Board of Governors;
- miscellaneous revenue.

The arrangements for making available the contribution from the European Communities shall be laid down in a special agreement between the Board of Governors and the Commission.”

# Budget revenue 2012-2014

Revenue	2012 (ended)	%	2013	2014	Difference 2013-2014	%
Member States	55,557,843	20%	57,679,988	59,482,104	1,802,116	103.12%
EU contribution	163,882,693	59%	171,554,083	168,987,454	-2,566,629	98.50%
EPO	18,979,623	7%	19,947,605	20,430,561	482,956	102.42%
Cat. II	12,953,535	5%	14,182,715	13,409,284	-773,431	94.55%
Cat. III and fees	17,142,810	6%	17,102,138	17,798,095	695,957	104.07%
Special levy	2,669,135	1%	2,880,404	2,788,617	-91,787	96.81%
Last year's surplus	4,118,119	1%	0	0	0	0.00%
Other revenue	2,677,297	1%	2,649,766	2,651,033	1,267	100.05%
<b>Total</b>	<b>277,981,055</b>	<b>100%</b>	<b>285,996,699</b>	<b>285,547,148</b>	<b>-449,551</b>	<b>99.84%</b>

# Cost Sharing decisions

The principle of the structural approach (and not a financial method) was agreed by the Board of Governors in April 2008. This decision opened up the possibility of teaching by non-native speakers in certain limited cases.

- In April 2009 the Board of Governors took a decision concerning the implementation of the structural approach and the sharing of the posts of seconded staff amongst Member States
- an indicative reference for determining the number of seconded teachers is calculated for each Member State on the basis of the percentage of all categories of pupils who are nationals.
- **Member States are free to exceed this indicative reference on a voluntary basis and second more staff.**
- These indicative objectives were supposed to be used to start a dialogue with Member States in order to facilitate the process designed to ensure that all Member States contribute to the system.
- According to the decision, *“in the case where there is a need to call on the EU budget to cover a possible deficit at the end of this process, this community contribution by means of the financing of locally recruited teachers shall be clearly identified and shall be subject to annual monitoring.”*

# Indicative reference summary table with Munich (situation 2012/2013)

Member States	Difference + 10
Italy	-50
Spain	-32
Romania	-20
Bulgaria	-17
Lithuania	-12
France	-12
Latvia	-11

Member States	Difference between 1-10
Estonia	-9
Finland	-9
Denmark	-9
Slovakia	-9
Greece	-8
Slovenia	-7
Portugal	-7
Slovenia	-5
Hungary	-5
Poland	-3
Cyprus	-2
Czech	-1
Malta	-1

Member States	Positive difference
Austria	2
Sweden	3
Luxembourg	2
Germany	7
Holland	14
Ireland	30
Belgium	51
UK	105



# UK POSITION

- The UK delegation formally notified the Board of Governors at the April 2013 meeting that they would not replace any teachers who were leaving the European School system in August 2013. Furthermore, the Board was also informed of the UK delegation's long-standing position regarding new Anglophone teaching posts.
- UK would currently assign only 114 teachers (for 1760 pupils), as opposed to its existing level of 217 teachers (2012-2013 situation).

# Education Council 16<sup>th</sup> of May

The situation in the European Schools was raised at the EU Education Council meeting on the 16<sup>th</sup> of May, with an Irish Presidency Statement drawing Ministers' attention to the crisis and making a call for political action.

The press release following the Council meeting stated the following:

*“A number of Member States are of the view that there are serious underlying problems with the European School system’s current model, particularly with respect to cost-sharing. Statistics show that some countries are currently sending a disproportionate percentage of staff in proportion to the number of pupils of their nationality.*

*It is in the interests of all Member States to find a solution which can find unanimous support and which is in the best interest of learners and their families. The Irish Presidency stands ready to use its good offices to assist in any way it can and the Commission agreed that a solution must be found to the imbalance in cost-sharing at the highest level.*

*The Commission underlined the importance of the European schools who have more than 25 000 pupils throughout Europe and proposed that an extraordinary meeting of EU Education ministers should be convened as soon as possible in order to discuss the current crisis.”*

# Extraordinary meeting of BoG

- It was decided by the Bulgarian Presidency to organise an extraordinary meeting of the Board of Governors in September 2013 with the explicit goal of agreeing a resolution on the basis of the options set out by the Secretary-General.
- If a satisfactory conclusion cannot be reached at September's extraordinary meeting, the outstanding issues will be referred to a meeting of the Board of Governors at ministerial level, to be organised on the margins of the November Education Council meeting.

# COST SHARING ALTERNATIVES

- UK proposal
  - (Annex 4)
- Structural model
  - (Annex 5)
- Enlarged Munich model
  - Interparents proposal and document 2012-02-D-43-en-1
- Alternative sources of funding
  - eg. The letter of Mrs Delvaux
- Other actions
  - E.g. creation of some new language section in BXL
  - Clarification of the post creation procedure (2013-09-D-39-en-1)
  - Finding economies

# UK PROPOSAL

Each Member State could pay an amount into a central fund based on the percentage of pupils they have in the system. For example a Member State with a pupil percentage of 10% would pay 10% of the €54 million Member State contribution (i.e. €5.4million) and so on.

After all Member States had contributed their share, the money received would then be used to reimburse Member States which second teachers to the school system.

UK MODEL	Pupils	%	Seconed staff members	%	Quota	Difference	% of funding	Under contribution
Czech	247	1.18%	15	1.08%	16	-1,00	0,32	-466 200,00

# Structural model

- Based on the structural indicative table of seconded staff members approved by the Board of Governors in 2009. The national average salary levels are taken account.
- The Member states could be requested to top up their seconded posts' shortfall in the form a financial contribution according to the national average salary level. Thus the total cost for a seconding country would be equivalent to the cost if they filled all their seconded posts based on their proportion of pupils.
- This model would create a credible basis for the financial contributions of around €4 million per year. This revenue would be used to offset the secondment costs for those Member States which second teachers over their quota and which request a refund.
- This arrangement would allow the Member States with few or no language sections to compensate the respective Member States for the cost of their SWALS.

Nationality	Number of pupils per country	Breakdown of pupils per Member State (%)	<u>TOTAL</u> <u>Seconded</u> <u>staff in post</u>	(%)	<u>Seconded</u> <u>staff required</u> <u>according to</u> <u>pupils of the</u> <u>Member State</u>	Difference	2013 revenue	Average national salary per seconded staff member	Deficit because of required posts unfilled
Czech	247	1,18	15	1,08	16	-1,3	197,021	13,135	-17,355

# Enlarged Munich model

## (document 2012-02-D-43-en-1)

The enlarged “Munich” financing model would be to apply the principle of the reimbursement of national salaries for the seconded staff at all schools.

Total amount of national salaries paid by the Member States and booked as receipts to the budgets of the Schools is around € 55 million.

How would that amount be financed?

1. By the European institution(s) benefiting from the presence of a European School.
  - For most schools, serving a variety of institutions, the cost would presumably fall to the Commission; i.e. this option would potentially require an increase in the Commission’s budget contribution of €55 million.
  - There are some schools where the option could be explored of seeking funding from the specific institutions which the school serves, for example the Office for Harmonization in the Internal Market (OHIM) at Alicante and the European Central Bank (ECB) at Frankfurt.
2. By the Member states following the “indicative reference” basis (structural model)
3. By the Member states using pro-rata basis (e.g. proportion of MS’s contribution to the EU budget)

# ALTERNATIVE SOURCES OF FUNDING

Inspired by the positive co-funding of the Karlsruhe School, the Secretary-General has contacted several Member States, which host a European School in their territory, in order to initiate a search for local partners in accordance with the possibilities allowed by Articles 28 and 29 of the Convention.

- A meeting with the Director of the European School, Bergen, NOB from *Noord Holland* Province, the Municipality of Bergen, the Dutch Foreign Ministry, JRC Petten, NOB and the Ministry of Education took place at the beginning of July.
- The SG had a meeting with the Luxembourgish Ministry of Education in September 2013 (see letter of Mrs Delvaux ).



# ACTIONS TAKEN:

## Increasing revenue

- BoG decided to increase the Category III school fees in December 2012 (+ 25%, and reduction of the reduction for siblings), impact still unknown
- SG has contacted several Member States looking for local partners a la Karlsruhe (article 28 and 29 of Convention). 4 Member states have been contacted.
- Looking for organisational partners a la Munich (article 28 of Convention). Dealt by Commission

# ACTIONS TAKEN:

## Finding economies

- Actions taken:
  - Salary cuts for seconded teachers (30 %) – done in April 2011 and high annual impact until 2020
  - Salary cuts for locally recruited teachers (20%) – done in 2011 and annual impact for future
  - Regrouping, limiting options – decided by BoG in 2011 and 2013
  - Reform of the European Baccalaureate – implementation in process
  - Reorganisation of secondary school studies – in progress

# OTHER ACTIONS TAKEN

- Promoting non-native teacher posts
- Helping schools to recruit Anglophone locally recruited teachers
- Creation of new language sections to decrease the number of SWALS in English section
  - Bulgarian section was created in 2012 in BXL IV
  - Romanian section will open in 2013 in BXL IV
  - The creation of some new language section is in process
- Host Country language proposal was not approved by BoG in April 2013

# NEXT STEPS

The Board of Governors is request to

1. Decide on cost sharing model
  - Is there a need for Ministerial level meeting in November and which proposal would be further developed for that meeting?
2. Give mandate to SG to negotiate with Luxembourg and other MS about the alternative financing models
3. Decide to apply for a more efficient post creation procedure
4. Give mandate to SG to prepare the creation of some new language sections in Brussels in near future.