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|  | **European Schools**  Office of the Secretary-General  General Secretariat |

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**Cost sharing and the Financing Agreement between Luxembourg and the European Schools**

Board of Governors of the European Schools

Meeting in Brussels on 1-3 December 2015

Cost sharing and the Financing Agreement between Luxembourg and the European Schools

## INTRODUCTION

At its April 2014 meeting in Sofia, the Board of Governors approved a Financing Agreement between the Luxembourg Government and the European Schools.

The Government of Luxembourg contributes financially to the creation and operation of additional classes, going beyond the existing regulatory framework, thus allowing more Category III pupils to attend the Luxembourg European Schools. These additional Francophone and Anglophone classes have been created since 1 September 2014, starting from the Nursery and Primary 1 levels. In September 2015 Primary 2 levels were created. So far, 3 Anglophone and 3 Francophone classes in total have been created on the basis of the agreement (see Annex 1). This arrangement has been a great success in all respects.

The Luxembourg Government undertook to pay, for each additional class, a financial contribution corresponding to 40% of the actual cost per pupil, multiplied by the average number of pupils per class. The actual cost per pupil is determined annually by the Board of Governors of the European Schools.

The normal school fees will be payable for Category III pupils admitted under the Financing Agreement.

It was estimated that the Luxembourg financial contribution and the increase in the amounts of school fees collected as revenue as a result of the enrolment of these additional Category III pupils would cover all the costs resulting from these additional classes and groups. That estimate has proved to be correct.

## Cost sharing mechanism

According to the cost sharing procedure, the creation and elimination of seconded posts for the next school year will be discussed every year at the December Board of Governors’ meeting. The Board of Governors will decide which of these posts are cost sharing posts, which will be refunded to the seconding Member State using the fund.

It has been agreed that, “Member States’ financial cost sharing contributions will be collected as revenue in the special fund kept in the budget of the Office of the Secretary-General. In accordance with Article 4 of the Financial Regulation, the revenue will be used to cover expenditure on the creation of cost sharing seconded posts in the first instance.  The remaining funds will be used to refund, proportionately and incrementally, those Member States which ‘oversubscribe’ in terms of seconded posts, the ultimate aim being to achieve true cost sharing by 2020.”

## Cost sharing and the Financing Agreement between Luxembourg and the European Schools

The two Luxembourg Schools have taken on locally recruited teachers to teach these six additional classes. The European School, Luxembourg II is proposing to create 1 Anglophone Nursery teacher’s post and 2 Anglophone Primary teachers’ posts for September 2016.

It is now proposed that 1 Anglophone post (P1) at Luxembourg I and 2 Anglophone posts at Luxembourg II (Nursery and P2) would be seconded posts, whose national salaries would be paid (refunded) out of the revenues from Luxembourg according to the cost sharing principle, and the Luxembourg I and II Schools would refund the national salary to the country which seconded teachers to fill those posts.

## Financial implications

The cost of a full-time locally recruited Nursery and Primary teacher is dependent on the teacher’s status. The overall cost ranges between €56 000 and €71 000.

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| Locally recruited teacher salary in Brussels - New Conditions of Employment (after 31.8.2011) | | | | | | |
| Cycle | Salary | Amount | Period/Hours | Total month | Total year | With social charges 30% |
| Primary | Salary/hour/month | 141.87 | 25.5 | €3 617.69 | €43 412.22 | €56 435.89 |
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| Locally recruited teacher salary in Brussels – Old Conditions of Employment (before 1.9.2011) | | | | | | |
| Cycle | Salary | Amount | Period/Hours | Total month | Total year | With social charges 30% |
| Primary | Salary/hour/month | 178.96 | 25.5 | €4 563.48 | €54 761.76 | €71 190.29 |

Seconded Nursery and Primary teachers are paid according to the Regulations for Members of the Seconded Staff. They are placed on scale 7 and, because of our rather complex steps system, most new teachers are not granted a step higher than step 4. Depending on the allowances for which they qualify, the salaries of seconded teachers can vary greatly. So the possible cost of a seconded Nursery and Primary teacher depends on the step and allowances of the staff member in question.

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|  | STEP 1 | STEP 2 | STEP 3 | STEP 4 | STEP 5 | STEP 6 | STEP 7 | STEP 8 | STEP 9 | STEP 10 | STEP 11 | STEP 12 |
| Scale 7 / month | 3 507 | 3 618 | 3 731 | 3 848 | 3 969 | 4 094 | 4 222 | 4 355 | 4 492 | 4 633 | 4 778 | 4 928 |
| Year/salary | 42 089 | 43 411 | 44 774 | 46 180 | 47 630 | 49 125 | 50 668 | 52 259 | 53 900 | 55 592 | 57 338 | 59 138 |
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A locally recruited teacher coming under the new set of Conditions of Employment would cost more or less the same as an unmarried seconded Primary teacher (step 4) without children but qualifying for the expatriation allowance.

The average class size is around 20 pupils. The real cost of pupils in Luxembourg is around €10 000/year. The Luxembourg Government’s contribution is around €80 000 per class. This contribution covers 100% of the staffing costs of posts.

## OPINION OF BUDGETARY COMMITTEE

The Budgetary Committee, which met on 3 and 4 November 2015, encouraged the partnership between Luxembourg and the European Schools and recommended that the Board of Governors should approve refunding of the national salary to the Member State which would second the three teachers indicated in the document.

Italy entered a reservation, having received the document too late.

## PROPOSAL

It is proposed that the additional classes – created and subsidised in the Anglophone section of the Luxembourg II School in accordance with the Financing Agreement with the Luxembourg Government – should be ‘cost sharing posts’ pursuant to the decision of the Board of Governors. This would mean in practice that the national salary of these seconded teachers should be refunded to the seconding Member State by the School.

The members of the Board of Governors are invited to communicate their opinion.

Timetable followed for the creation of additional classes

The following will be created and subsidised in the Francophone and Anglophone sections of the two Luxembourg European Schools:

**2014-2015 school year**

One nursery class (N1+N2) and one primary year 1 (P1) class

**2015-2016 school year**

One N1+N2 class, one P1 class and one primary year 2 (P2) class

**2016-2017 school year**

One N1+N2 class, one P1 class, one P2 class and one primary year 3 (P3) class

**2017-2018 school year**

One N1+N2 class, one P1 class, one P2 class, one P3 class and one primary year 4 (P4) class

**2018-2019 school year**

One N1+N2 class, one P1 class, one P2 class, one P3 class, one P4 class and one primary year 5 (P5) class

**2019-2020 school year**

One N1+N2 class, one P1 class, one P2 class, one P3 class, one P4 class, one P5 class and one secondary year 1 (S1) class

**2020-2021 school year**

One N1+N2 class, one P1 class, one P2 class, one P3 class, one P4 class, one P5 class, one S1 class and one secondary year 2 (S2) class

**2021-2022 school year**

One N1+N2 class, one P1 class, one P2 class, one P3 class, one P4 class, one P5 class, one S1 class, one S2 class and one secondary year 3 (S3) class

**2022-2023 school year**

One N1+N2 class, one P1 class, one P2 class, one P3 class, one P4 class, one P5 class, one S1 class, one S2 class, one S3 class and one secondary year 4 (S4) class

**2023-2024 school year**

One N1+N2 class, one P1 class, one P2 class, one P3 class, one P4 class, one P5 class, one S1 class, one S2 class, one S3 class, one S4 class and one secondary year 5 (S5) class

**2024-2025 school year**

One N1+N2 class, one P1 class, one P2 class, one P3 class, one P4 class, one P5 class, one S1 class, one S2 class, one S3 class, one S4 class, one S5 class and one secondary year 6 (S6) class

**2025-2026 school year**

One N1+N2 class, one P1 class, one P2 class, one P3 class, one P4 class, one P5 class, one S1 class, one S2 class, one S3 class, one S4 class, one S5 class, one 66 class and one secondary year 7 (S7) class