

INVESTMENT FOR EDUCATION

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Abstract

Any public policy has the purpose of improving people's lives. A person is more productive not due to technology but due to the education harnessed in time. A quality education has significant implications in a nation's economy, it is a benefit for the individual but also for the society he is a part of.

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JEL classification: *H52, H75, I25*

Motto:

“One child, one teacher, one pen and one book can change the world.
Education is the only solution”

Malala Yusafzai

According to the provisions of art. 10 of the Law no. 1/2011 The law on national education, education is a service of public interest and, in order to ensure equal access to education and training, the local authorities, based on the notice of the school inspectorates, approve the organization, functioning and/or dissolution of some educational structures, without legal personality.

All educational establishments within a town's territory are subordinated to the same credit authorizing officer. The authorizing officer has the obligation to ensure the proper conduct of the educational activity in the pre-university education units within the territorial jurisdiction where he / she carries out his / her authority.

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Education is a fundamental human right, education could be a public right and public responsibility because the level of education of every citizen brings benefits to society as a whole.

Given that pre-university education units are subordinated to local authorities, they should seriously consider having the responsibility for the whole educational system. The responsibility with which Local Authorities treat education is its funding, as the funding itself determines the quality and performance of the education. Education is not a cost but a long-term investment.

Funding for pre-university education follows the principles of:

- a) transparency of fund basis and allocation;
- b) fair distribution of funds for a quality education;
- c) reasonable resource deployment according to the objectives pursued
- d) predictability, using consistent and stable financial mechanisms;
- e) efficient resource deployment.

Funding of pre-university education institutions includes basic funding, complementary funding, and additional funding.

The State provides basic funding for all pre-school and primary school pupils in primary, secondary, professional and high-school education, whether state funded, private or confessional, for all pupils in the state post-secondary education, as well as, as the case may be, for the beneficiaries of the national exam preparation courses.

Basic funding is made within the standard cost per pupil / pre-school, according to the methodology developed by the Ministry of National Education, so that the budgets of the educational units result from multiplying the standard cost per pupil.

Basic funding includes staff costs, professional training expenses, regular student review expenses, goods and services costs.

Investment costs, major repairs, reinforcements, subsidies for boarding schools and canteens, expenditures for the national periodic evaluation of pupils, expenses with students' scholarships, expenses for the transport of pupils, according to the provisions of art. 84 par. (1) of Law 1/2011 The Law of National Education, expenditures for teachers and educational staff's commute, according to the law, expenditures for the periodical medical examination of employees in the pre-university education system, except those which, according to the law, are performed free of

charge, expenditure on school competitions and extra-curricular educational activities organized within the education system, costs for ensuring occupational safety and health coverage, for staff employed, preschoolers and pupils, emergency management, expenditure on participation in European cooperation projects in the field of education and professional training, other expenditure with goods and services, which are not part of the basic funding, are provided by complementary funding from local budgets.

Expenditure on education is the most important expenditure out of the cultural social spending.

The municipality of Satu Mare allocates additional funds for the good progress of the educational process.

In the school network of Satu Mare County, approved by the LCR there are 41 school units with legal entity and 13 structure units (without legal entity).

The educational establishments are subordinated to the Local Council and the chief credit officer is the mayor.

The amounts allocated to Chapter 65 Education from the Revenue and Expenses Budget of Satu Mare in the financial year 2018 is presented as follows:

Table 1. Budget 2018 to Chapter 65 Education.

Additional financing	Used at 31.12.2018
Goods and Services	14.353.801
Scholarships	515.000
Social vouchers for kindergarten	10.500
Payment of rights for children with special educational needs	714.000
Capital expenses (Investments)	2.690.474
TOTAL	18.28.775

Figure 1. Budget 2018 Analysis – working section

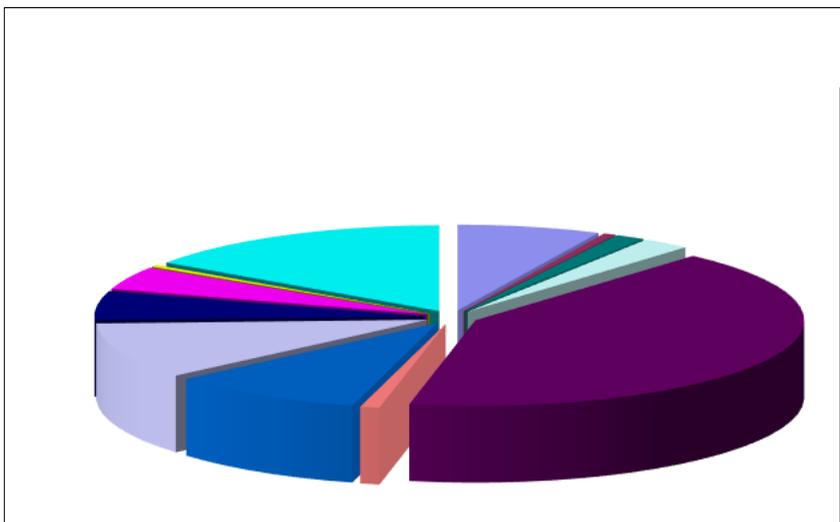
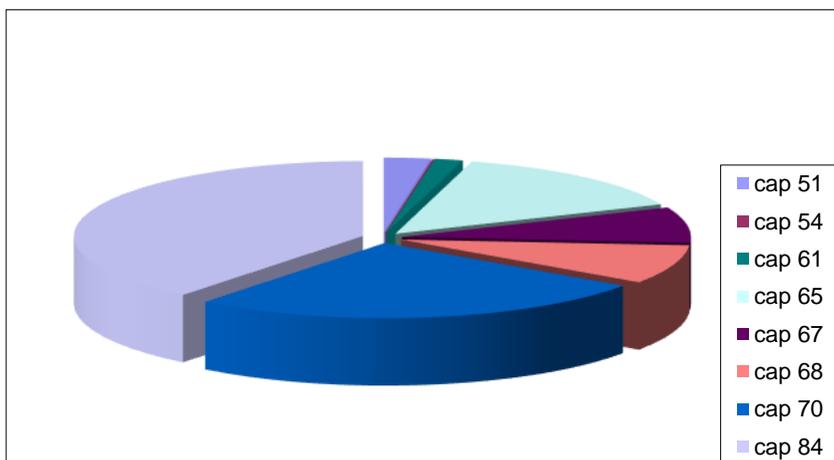


Figure 2. Budget 2018 Analysis – development section



Amounts allocated to Chapter 65 Education, title II Goods and services, are amounts covering maintenance and operation costs, supplying the

units with inventory items, office supplies, staff commute costs, etc. The allocation of the amounts was made taking into account the number of pupils enrolled in the educational establishment.

Some educational establishments carry out their educational process in retroceded buildings and their owners benefit from the rent. Thus, in the financial year 2018, the rent expenses amount to 1,553,952 RON.

In addition to the budget initially allocated, some educational units benefited from additional amounts for repair works worth 1,918,838 RON.

Scholarships:

Starting with the financial year 2018, the budget allocated for scholarship spending has increased considerably. Also, this year the City Council approved the increase of the amount of the scholarships as follows:

- performance scholarships worth 80 RON
- studies and merit scholarships worth 40 RON
- social aid scholarships amounting to 50 RON

1,205 scholarships have been funded as follows: 392 social scholarships, 63 performance scholarships, 750 studies and merit scholarships.

Social vouchers for kindergarten:

Taking into account the provisions of Law 248/28.10.2015 on stimulating the participation of children from disadvantaged families in pre-school education, a contract was concluded for the supply of these vouchers according to the number of children present in the previous month. In 2018, 406 pre-school children benefited from these social vouchers.

Capital expenditures:

The budget allocated to this spending title is 2,690,474 RON. The statement of expenditure is as follows:

1. Equipment worth 248.175 RON
2. Feasibility studies amounting to 647,700 RON

From the above, we believe that the local authority has allocated fairly and transparently the amounts for Chapter 65 Education. It does not only take into account the correction indicators established by the Government Decision, but also the particularities and needs of each school in Satu Mare.

Local public authority is aware of the fact that quality education must be supported financially and "the spending" is in fact an investment in the future.

Although the local authority allocates important funds from the Satu Mare Municipality's income and expenditure budget, funding is not enough.

An in-depth cost analysis could lead to a change in education management and funding. It is imperative to analyze the financing possibilities of the education sector, a good manager should anticipate the needs of his own educational institution, request and manage the allocated funds with maximum efficiency.

At national level, education funding is affected by the level of poverty and social differences found in society.

Another problem that we face in financing education is that funding is not directed to a student but to the educational institution, the manager of the educational unit (the director) should have notions in financial management, use and manage the funds allocated with a greater responsibility. For quality education, it is not only necessary to increase budgets but also to increase the effectiveness of the learning activities. Financial resources are the key factor in the development of education.

For efficient funding, we do not have to adopt the models of other countries, but to analyze the current situation in Romania and to take into account country-specific conditions.

According to the provisions of the National Education Law no. 1/2011, art. 9, the state provides basic funding for all preschoolers and all pupils in general compulsory education based on the standard cost per pupil/preschooler, but an analysis of the cause of under funding based on standard cost can only be determined by an on-site analysis, at a local community. The local authority has at its disposal concrete data on the need of each pre-university education unit within the territorial range and can decide on the modification of the school network and can develop measures for modernizing and equipping the educational institutions.

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