

## THE BASIC FUNDING OF PREUNIVERSITY EDUCATION SCHOOLS

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**Abstract.** *The article presents the basic funding issue for pre-university school system in Bucharest. There were 400 school principals involved in this study. The main goal of this research was to identify the real funding problems the participant schools have to face them.*

**Keywords:** Budget, quality, cost, legal frame, efficiency, student, resources, funds, strategy

### 1. Introduction

The legal framework governing the pre-university education system funding in Romania is the National Law of Education no.1/2011 [1] and Regulation no. 169/2019 [2] amending and supplementing the Government Decision no. 72/2013 [3] regarding the approval of the methodological regulations for determining the standard cost per pupil/preschool and establishing the basic financing of the schools.

In Romania, at least 6% of the gross domestic product is allocated annually, for funding the national education system, from the state budget and is supplemented from the budgets of the local public authorities.

The basic funding of the pre-university education system is realized according to the following principles:

- transparency of the substantiation and allocation of the funds;
- equitable funding distribution for a quality education;
- the adequacy of the volume of resources according to the objectives pursued;
- predictability, using coherent and stable financial mechanisms;
- resource efficiency;

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- "the financial resource follows the pupil" according to which the budgetary allocation for a pupil or a preschooler is transferred to the educational unit to which he / she is learning.

In Romania the body that manages the basic financing of pre-university education, is the Unit for Financing Pre-university Education (UFIP). This is subordinated to the ministry of national education and is established according to art. 99 (9) of the Law of National Education no. 1/2011 [1].

The objectives of the Unit for financing pre-University education system are:

- setting-up the framework of institutional organization;
- decentralization of the education system;
- drawing-up the formula for funding the cost standards;
- drafting studies and reports.

## **2. Methodology**

According to the goal of the improving the financial management in pre-university education system, the Unit for Financing Pre-university Education and the Municipal School Inspectorate of Bucharest elaborated a comparative analysis of the basic funding of the pre-university schools in Bucharest in 2017/2018. The study developed on the next directions:

- I. Tools for budget planning
- II. The way the available funds cover the necessary expenditure - measures taken
- III. Other indicators needed to calculate the standard cost per student
- IV. Risks and challenges in financing design
- V. The way the local authorities involve in schools funding.

The study has been implemented in 400 schools in Bucharest and the interviewers were the school principals. Due to the limited financial resources, large area where the schools are spread (there are 6 districts in Bucharest, 228 square Km) and lack of time, we chose to send the questionnaire by e-mail and the necessary explanations for fill in the answers. The interviewers could find the questionnaire on-line.

There were 395 responders that represent rate responders of 98.75%. The responders cover all the levels of the pre-university education system (kindergarten, primary, gymnasium, high-school), as well as vocational and arts and crafts schools. (Fig. 1)

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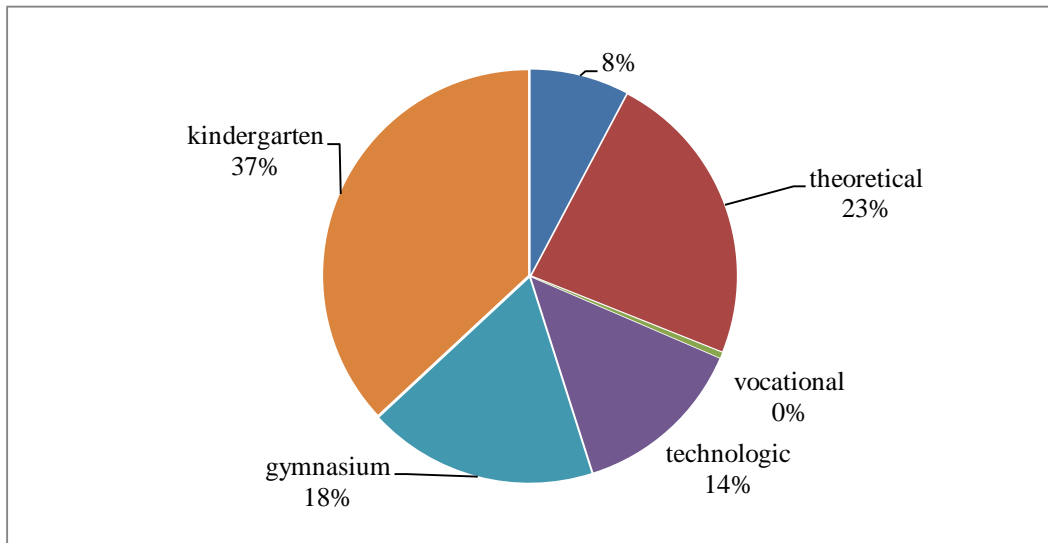


Fig. 1. Education level in Romania

The respondents were school principals who have management expertise as you can see in Fig.2

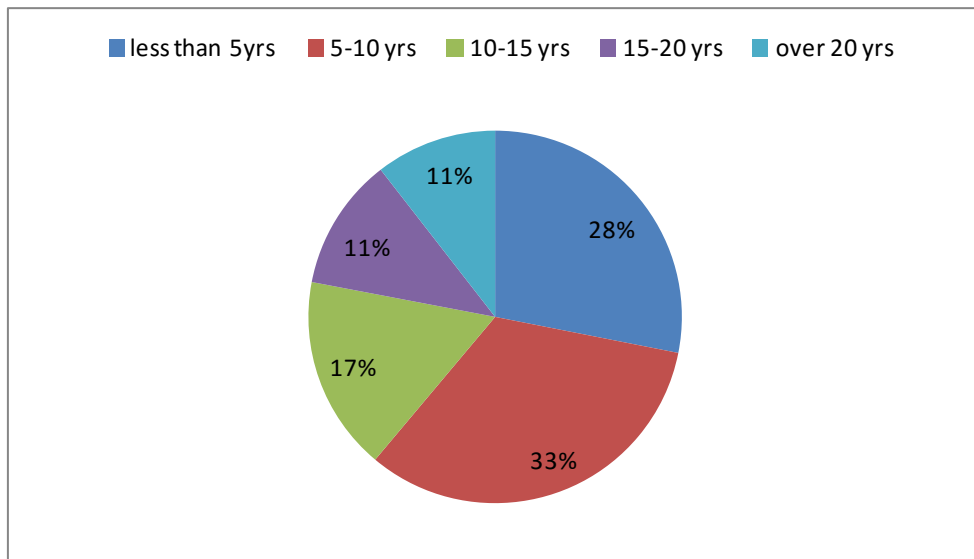
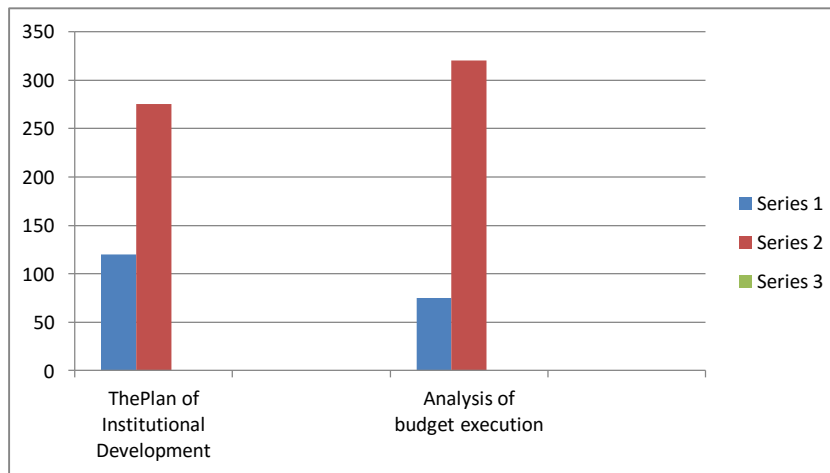


Fig. 2. Management expertise

## 2. Results

Interpreting the results of the questionnaire, as you can see in Fig. 3, the respondents consider the Plan of the Institutional Development of school (275 respondents) and the analysis of budget execution of the previous year (320 respondents), the main factors that help the school principals to plan the budget of the school.



**Fig. 3.** Tools for Budget planning

As the main objective of this study is to identify the needs of the school principals for a better planning of the budget and to help them to improve the financial skills of the directors, one of the questions of the questionnaire target this issue.

It was a multiple choice question, so the respondents could choose more answers, according to their needs. In table nor 4 it is illustrated that most of the respondents do not need assistance in planning the budget (68.35%) that points out their financial expertise in planning a budget efficiently. As regards the goods field, 14.43% of the respondents consider that they need assistance, in the services field, 15.18%, in the investment field, 16.2%, and 9.11% of the respondents cannot identify the support they need in budget planning.

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**Table 4.** Need assistance in planning the budget

<i>Fields of Assistance</i>	<i>Number of respondents (%)</i>
- No, they do not need assistance	270 (68.35%)
- Yes - Goods field	57 (14.43 %)
- Yes – Services Field	60 (15.18 %)
- Yes – Investment Field	64 (16.2%)
- Not sure	36 (9.11%)

The present study identified the negative aspects of a poor budget planning, in this case the financial resources didn't cover the costs.

The analysis of the responses pointed out the solutions the managers implemented to solve the financial issues (Table 5).

**Table 5.** Solutions for financial issues

<i>Solutions for insufficient funds</i>	<i>Number of respondents (%)</i>
- Not proceeded certain payments	24 (6.07%)
- Late payments	51 (12.91 %)
- Local authorities supplemented the budget	305 (77.21 %)
- Giving up certain activities	15 (3.79 %)

According to the data in the table 5, most of the school managers found the best solutions for the financial issues that occurred (90.12%) by setting up a priority of the expenditures and effecting late payments or apply for a supplementing budget from the Local Authorities.

## Conclusions

The research had a positive impact for all the education decision makers: school managers, Unit for Financing Pre-university Education, School Inspectorate of Bucharest, as the results have been used by the Ministry of National Education to develop more efficient financial strategies. Moreover, the research identified possible risks that can increase possible malfunctions, as it follows: discontinuity

of the decision makers' activity; changes in population distribution; excessive bureaucracy; unfair competitiveness; miscommunication between schools and local authorities.

## **R E F E R E N C E S**

- [1] National Law of Education no.1/2011
  - [2] Regulation no. 169/2019 establishing the basic financing of the schools.
  - [3] Government Decision no. 72/2013 regarding the approval of the methodological regulations for determining the standard cost per pupil/preschool and establishing the basic financing of the schools.
  - [4] [www.edu.ro](http://www.edu.ro)
  - [5] [www.ismb.edu.ro](http://www.ismb.edu.ro)
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