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

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**Cost sharing: new proposal**

**BOARD OF GOVERNORS OF THE EUROPEAN SCHOOLS**

Meeting from 4 to 7 December 2018 in Brussels

**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:



**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**

****

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.

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| --- | --- | --- | --- | --- | --- |
| School Year | LRT | % | SEC | % | TOT |
| 2014-15 | 707 | 32.9 | 1441 | 67.1 | 2148 |
| 2015-16 | 825 | 36.6 | 1428 | 63.4 | 2253 |
| 2016-17 | 911 | 39.4 | 1401 | 60.6 | 2312 |
| 2017-18 | 1007 | 42.7 | 1351 | 57.3 | 2358 |

It is perhaps important to draw attention to the fact that figures on seconded teachers differ from the ones used in the cost sharing table, because here data for the Munich School are also included.

In any event, they unquestionably show a decrease in the overall number of secondments, which is accompanied by an even more substantial increase in the total number of full-time equivalent locally recruited teachers.

The overall increase in the number of full-time equivalent teachers (seconded and locally recruited) can be considered overall to be in line with the increase noted in the number of pupils in the System:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| School Year | Full-time equivalent teachers | Annual % increase | Pupils | Annual % increase |
| 2014-15 | 2148 |   | 25385 |   |
| 2015-16 | 2253 | 4.9% | 25903 | 2.0% |
| 2016-17 | 2312 | 2.6% | 26691 | 3.0% |
| 2017-18 | 2358 | 2.0% | 26877 | 0.7% |

Last year a large number of teaching posts, corresponding to the teaching of languages, 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 announced their intention of filling only a small proportion of these posts, meaning that an increasing number of full-time teaching posts will remain covered by teachers recruited locally.

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

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| --- | --- | --- | --- | --- | --- |
|   |   | **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 an 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 | 78.1 | 1139.0 | 4.5 | 4423.0 | 17.4 | 25385 |
| 2015-16 | 20530 | 79.3 | 1085.0 | 4.2 | 4288.0 | 16.6 | 25903 |
| 2016-17 | 21310 | 79.8 | 1077.0 | 4.0 | 4304.0 | 16.1 | 26691 |
| 2017-18 | 21874 | 81.4 | 1011.0 | 3.8 | 3992.0 | 14.9 | 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.

**RATIONALE**

Inside the Working Group “Extended Presidencies”, some aspects of the present “cost-sharing” agreement have been criticized:

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 2140 posts. 10 years ago the ratio seconded teachers – locally recruited teachers was 70-30. So, 70% of 2140 has been considered, according to the traditional ratio 70-30 in among respectively secondments and local recruitments. The obtained result of 1498 posts to be seconded, has been rounded up to 1500.

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 calculated, so to let the target level remain unchanged.

These two modifications have produced the following table of cost-sharing agreement, in which a simulation is presented, based on the figures of this year.



Member States would be given a period of 5 years to reach the expected level of secondments.

Year by year, Member States that could not reach the expected level of secondments, would be requested to compensate the lacking secondments with the corresponding financial contribution.

It has to be noted that the target level of secondments will need to be recalculated every year, on the basis of the overall number of full time equivalent teachers in the European Schools, without Munich.

**OPINION OF THE BUDGETARY COMMITTEE**

The Budgetary Committee took note of the changes made to the Cost Sharing model mechanism. The Budgetary Committee invited the members of the enlarged meeting on 15 November to revise the document and to present a new proposal for discussion at the Board of Governors’ forthcoming meeting in December.

**PROPOSAL**

The Board of Governors is invited to approve the proposal for a modified cost-sharing agreement and implement it on a period of 5 years, starting from 2019 (secondments for the school year 2019-20).