

INTERNATIONAL PERSPECTIVES ON GOVERNMENT FUNDING OF NON GOVERNMENT SCHOOLS

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Introduction

This paper outlines government funding arrangements for non-government schools in a number of countries setting these in the wider context of the regulatory framework for these schools. The arrangements in New Zealand, England and Wales, the USA and Canada where Australian independent schools tend to have the strongest links are examined as well as those in the Netherlands, Belgium, Denmark and France. This latter group has been selected because of the relatively generous level of government funding.

New Zealand

The New Zealand school sector can be divided into three major parts: state schools, state integrated schools and independent schools. The focus here is state integrated and independent schools.

State integrated schools are former private schools that have been integrated into the state system. The integration policy emerged in the 1970s as a response to problems with the viability of Catholic schools, but is not limited to Catholic schools. State integrated schools are owned by private organisations, such as churches, but receive government recurrent funding on the same basis as state schools.

The integration agreement places various requirements on the school. The structure of the school Board is specified in legislation, reflects the wider policy for substantially parent elected boards in state schools and is structured so that the proprietor does not have majority control. The school is required to teach the New Zealand curriculum but retains its special character, usually a philosophical or religious belief. Preference in enrolment may be given to the children of parents who have a general philosophical or religious connection with the school, but schools may not refuse entry on the grounds of religious belief or an unwillingness to make financial contributions. As a condition of enrolment students must participate in the general programme that gives the school its special character. Schools must, however, respect parents wishes for their child not to participate in specific religious observances or instruction associated with those observances.

A state integrated school cannot charge fees, but may seek voluntary contributions from parents and undertake fund raising on the same basis as state schools. In addition the school may charge attendance dues to meet property costs but these must be approved, and may not result in facilities of a standard higher than approved as appropriate for a comparable state school. There are also provisions to protect the Crown's interest in a school's capital assets should the agreement be terminated or the school liquidated.

The integration policy has become more restrictive in recent years, with the Minister obliged to consider the nature, character and capacity of the existing network of schools in assessing an integration application – effectively a “new schools” policy.

Independent schools must be registered. For registration the school must have suitable premises, staffing, equipment and curriculum; provide tuition to at least 9 students; provide suitably for the inculcation in the minds of students sentiments of patriotism and loyalty and provide tuition of a standard no lower than in a comparable state school. Independent schools are subject to publicly reported, three yearly inspections by the Education Review Office, which is separate from the Ministry of Education. Similar inspections apply to state and state integrated schools. There are also financial accountability requirements for government funding.

Compared to Australia, there is less bipartisan political support for government funding of independent schools. Government funding reached its highest level in the late 1990s when general subsidies reached 30 per cent of the cost of a government school student for year 1-11 students and 40 per cent for year 12 and 13 students*. The total budget for private school subsidies was capped from the 2001 school year, resulting in falling per student subsidy rates.**

England and Wales

There are two broad categories of schools – government maintained and non-maintained schools. Only the non-maintained schools – independent schools – are regarded as private schools. Other privately owned schools – voluntary controlled schools, foundation schools and voluntary aided schools – are part of the public education system. Many of these schools are associated with the Church of England or the Catholic Church.

Maintained schools all operate within the same broad regulatory framework, which, in recent times has allowed increased levels of local management. The composition and autonomy of the Board of Governors varies between the categories of maintained schools. In all cases the Board includes representatives of the “private owners or founders”, but only in the case of voluntary aided schools are these representatives the majority of members. Differences in autonomy relate to the appointment of staff and admissions policy with this directed in part to maintaining religious character. All maintained schools face the same curriculum (except with slight variations in regard to religious instruction) and inspection requirements. They cannot charge fees but may seek voluntary contributions.

Maintained schools are fully funded for recurrent and capital needs, except for voluntary aided schools which are expected to meet 15 per cent of capital costs. In contrast, independent schools*** do not receive general government subsidies and are financed through fees and donations. Since 1981 some funding has been provided for specific students attending independent schools via the Assisted Places Scheme but this is being phased out.

Independent schools must be registered and comply with requirements relating to standards of premises, instruction and staffing. They are required to have regard to the National Curriculum but need not fully implement it. Teachers in independent schools are not required to have Qualified Teacher Status. Schools are subject to inspection, which in the case of those accredited to the Independent Schools Council is undertaken by the Independent Schools Inspectorate, which conducts inspections under a government approved framework.

* In addition schools were able to participate in the Targeted Individual Entitlement Scheme which provided funding (set equivalent to the cost of a student in a government schools) for a limited number of students from disadvantaged backgrounds to attend independent schools. This is being phased out by the current Labour Government.

** GST is levied on fees charged by independent schools.

*** Excluding city technology colleges (CTCs) and city colleges for the technology of the arts (CCTAs)

United States of America

The separation of the state and church and the freedom of religion provided for in the US Constitution have significant implications for the regulation and funding of private schools, many of which have religious links.

As education is a State government responsibility, the regulation and funding of private schools varies across the USA. There tends to be limited regulation of religious schools, and often regulation provides the opportunity for schools to be accredited and sets down attendant requirements. These vary from state to state in terms of curriculum requirements, teacher certification, participation in state-wide assessment etc. At a minimum the regulation is designed to give effect to policies for compulsory school attendance.

There are no direct grants to private schools because of the likelihood that these will be found unconstitutional. A number of school districts, such as Cleveland and Milwaukee, have experimented with voucher programs. Generally eligibility is restricted to students from low-income families in “failing schools”. Initially vouchers were redeemable only at secular schools but have now been extended to religious schools. The value of voucher is related to the cost of students in the public school system and schools accepting voucher students may not levy an additional fee.

A number of states have tax credit arrangements but these are restricted to donations by individuals or businesses to organisations that provide scholarships for students to attend non-government schools, for example the Arizona and Pennsylvania programs. The Minnesota tax rebate for education expenses specifically excludes private school tuition.

A significant development over the last ten years has been the emergence of charter schools. The policy has been a response to issues of diversity in provision, parent choice, school improvement and education innovation. Charter schools are established by private individuals or organisations, are publicly financed but self-governed under the terms of a performance contract. They are part of the public education system, may not be religiously based and may not charge fees. The level of government funding is generally related to some measure of the cost of provision in other public schools.

Canada

The regulation and funding of private schools varies across Canada because school education is the responsibility of provincial governments. Private schools that existed at Confederation in 1867 have special protected status and receive funding on the same basis as the public school system. Catholic schools in Ontario are fully funded alongside secular public schools, as are Catholic schools and a few Protestant schools in Alberta.

The Atlantic provinces provide no government funding for independent schools. In British Columbia independent schools are classified into one of four groups, two of which receive government funding. Group 1 schools are funded at 50 per cent of per student operating costs in public schools and Group 2 at 35 per cent. The education program of these schools must comply with instructional time and program requirements set by the Minister, the school must have a satisfactory evaluation programme, participate in provincial assessment and teachers must be certified. The operating cost of Group 1 schools must be the same or below that of public schools. Group 3 schools must meet only very basic requirements. Group 4 schools substantially satisfy Group 2 requirements, but the majority of students are ineligible for education funding and only 80 per cent of teachers must be certified.

In Alberta, accredited independent schools receive basic instructions grants equal to 35 per cent of public school costs. These schools must use the Alberta Program of Studies or one that

meets its general objectives and are subject to broadly similar accountability requirements as public schools. Tuition fees and admission policies are not regulated.

After longstanding controversy about the favourable position of Catholic schools, in 2001 Ontario introduced a tax credit for parents whose children attend independent schools. It is available irrespective of parental income and when fully implemented in 2006 will provide tax relief of \$3,500 per child. There is currently limited regulation of independent schools.

The Netherlands

Article 23 of the Dutch Constitution guarantees the freedom of education, which encompasses the freedom to set up schools without prior approval, to determine the religious, philosophical and/or educational principles on which teaching is based, and to determine the content and method of teaching. Since 1917, there has been equal government funding of privately run and public schools. The majority of privately run schools are associated with the Roman Catholic or Protestant churches but there are also Islamic, Hindu, humanist and non-denominational schools. Sixty five per cent of students attend privately run schools.

Subsidies to private schools are based on costs in comparable public schools. Private schools must be not for profit institutions and school fees are regulated with education free below the age of 16. Private schools may, however, receive voluntary contributions from parents and some have their own resources.

Privately run and public schools are subject to similar regulatory requirements, with all schools having considerable autonomy within a framework of statutory standards set down by the Dutch Ministry of Culture and Education. These relate to the quality of education provision and include prescribed subjects, attainment targets, the content of national examinations, the number of teaching periods per year, teacher training and qualifications and the rights of parents and pupils to have a say in school matters and planning and reporting obligations of the school. Both private and public schools are subject to inspection by the Education Inspectorate – a semi-independent body – that supervises the manner in which schools fulfil their responsibilities.

Private schools can impose criteria on admission, but must admit a child if there is no public authority school within a reasonable distance. In practice most schools pursue non-restrictive admission policies. Private schools also have freedom to determine the membership of their governing body.

Belgium

Article 24 of the Belgium Constitution guarantees freedom of education and, in principle, the right for anyone to establish a school. In 1989, the responsibility for education was transferred to the respective French, Flemish and German speaking communities, but the regulatory framework for schools remains very similar for all three communities. School education can be organised by public authorities (the communities, municipalities, provinces) or by private associations. The majority of privately run schools are affiliated with the Roman Catholic Church, but there are also schools affiliated with the Protestant, Jewish, Islamic and Hindu faiths, non denominational schools and schools associated with specific educational philosophies. In Belgium the vast majority of privately run schools are “grant aided” - only a few schools do not receive government funding and are subject to less regulatory supervision.

Grant aided schools receive recurrent funding on the same basis as public authority schools. Staff salaries are paid directly by government and funding is provided for other operating expenses. Assistance for the development of capital infrastructure is provided via grants, loan guarantees and favourable interest rates.

Grant aided schools may design their own curricula, but this must meet basic skills and achievement standards, comply with minimum timetabling requirements and be approved by the Minister of Education. Schools must have the necessary teaching materials and equipments to support the curriculum, have a minimum number of pupils, comply with health and safety regulations, adopt a structure approved by the Minister and submit to inspections which are comparable between private and public authority schools. Grant aided schools may not charge fees of a direct or indirect nature.

Denmark

Under the 1849 Constitution, general education and not school attendance is compulsory so parents can choose to educate their children in municipal public schools, private schools or at home (though in practice few children are educated at home). Some 12 per cent of students are educated in privately run schools. Compared to other countries, denominational schools play a less significant role in private school provision.

The regulatory environment differs significantly between privately run primary and lower secondary schools (compulsory schooling) and upper secondary schools. At the level of compulsory education, privately run schools have considerable flexibility as to educational content as long as the teaching of core subjects – Danish, English and maths - is comparable to standards in municipal schools. In contrast, there is extensive regulation of education content and school organisation for upper secondary schools. Private gymnasia, or university preparatory schools, must comply with conditions applicable in government schools, in terms of curriculum, syllabus, timetabling, teacher qualifications, and the appointment of staff (the appointment of the head must be approved by the Ministry of Education) and inspections.

Privately-run schools must have a parent elected Board, as is the case in public schools. In the case of primary and lower secondary schools, parents are also responsible for organising inspections and may fulfil this obligation by asking the municipality to undertake the process. Schools are able to determine their own enrolment policy.

Private schools receive government funding equal to approximately 80-85% of their expenditure. The grants take into account property related costs as well as operating costs. The grant per student – taximeter - varies between schools depending on size, the age distribution of students and the seniority of teachers. The funds are provided in the form of a block grant allowing schools flexibility in use, but schools must pay teachers the same as in municipal school. Privately run schools are required to levy fees with minimum levels set by government. The requirement for a private contribution is seen as ensuring appropriate parental involvement and monitoring of the school. In practice fee levels are modest.

France

The French Constitution provides for freedom of education, allowing the establishment of private schools and funding by government where private schools meet certain legislated requirements. Some 15 per cent of primary students and some 20 per cent of secondary students are educated in private schools, the majority of which are Catholic schools.

There are three categories of private school defined by different contractual relationships to government, namely schools with no contract; schools with a *contrat simple*, and those with a *contrat d'association*.

Non contract schools account for a very small share of total enrolments and are subject to the least government regulation. They must comply with compulsory attendance requirements and meet the standard of required knowledge and skills of compulsory education. Inspections are confined to matters of staff qualifications, public order, moral standards and health and

social regulations. Non contract primary schools receive no government funding while certain types of secondary schools may receive limited assistance from regional authorities.

Only primary and special education schools may operate under a *contrat simple*. The teaching of basic subjects must be organised with reference to the curricula and general regulations governing timetables in public education. While the private school authority can nominate staff for appointments these are subject to approval. Such schools may not discriminate in their admission policies in regard to religious belief, background or national origin and fees are regulated. Inspections are more extensive focusing on compliance with curricula and timetabling requirements and the quality of teaching. These schools are also subject to government financial and administrative audits.

The state pays the salaries and other associated employment expenses of teaching staff in schools operating under a *contrat simple*. In addition, the municipal authority may contribute to meeting other operating costs where there is an agreement between it and the school.

Primary or secondary schools can operate under a *contrat d'association*, which has more rigorous requirements than a *contrat simple*. Teaching of basic subjects must be in accordance with the rules and curricula of public education. Staff are appointed by the district school authority in consultation with the private school authority and are employed as temporary civil servants. These schools cannot discriminate in admission policies, are subject to extensive inspections as well as financial and administrative audits. They may not charge fees for general tuition but may do so to meet building costs, religious instruction and other extras.

The state assumes responsibility for paying salaries and related employment costs for teachers, certain other teaching expenses and the salaries of some non-teaching staff of schools in *contract d'association*. For primary schools, the local authority is required to contribute to operating costs (in the form of a lump sum payment). For secondary classes the departments and regions are required to contribute to operating costs at an amount equal to 105 per cent of the average cost of a student in public education.

Conclusion

Internationally there exists a variety of funding and regulatory arrangement for non-government schools, often shaped by constitutional and historical factors. In a number of countries, however, a relationship can be observed between the level of government funding and the extent of regulation of non-government schools.

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