

Government per pupil expenditure in Uttar Pradesh:
Implications for the reimbursement of private schools under the RTE Act

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Section 12(1) of the Right to Education Act 2009 requires private schools to allocate at least 25% of their seats to children from designated weaker sections and disadvantaged groups. Clause 12(2) of the Act provides that reimbursement to private schools for teaching RTE children will equal the per-pupil-expenditure (PPE) incurred by the state government in its own schools, or the actual amount charged in fee by the private school, whichever is the lower.

Different state governments of India have notified through Government Orders (GOs) the amount they will reimburse for each RTE child admitted to private schools: Himachal Pradesh has fixed reimbursement at Rs 1593, Rajasthan at Rs 1383, Delhi at Rs 1190, Karnataka at Rs 987, Uttarakhand at Rs 860 and Uttar Pradesh at Rs 450 per month per child. These amounts are meant to represent the states' PPE in their respective government elementary (primary + upper primary) schools. However, there has been some doubt about the correctness of these estimates. There has also some research estimating PPEs in the different states of India, by Dongre et al (2014) of the Centre for Policy Research, New Delhi, and by Pritchett and Aiyar (2014) at the Centre for Global Development, for the year 2011-12. By extrapolation – using the national inflation rate – one can also obtain a fairly reasonable estimate of PPE in elementary education in years 2012-13 and 2013-14. However, in Uttar Pradesh the regularisation of 176,000 para teachers in 2014 has added significantly to its elementary education budget after 2013-14 onwards, and thus revised estimates of PPE are needed for UP since one cannot rely on a simple inflation of the earlier years' figures by the Consumer Prices Index.

This short note estimates the PPE in government elementary schools in Uttar Pradesh. Table 1 presents the PPE calculation using education expenditure data from the UP education budget for 2015-16, and using official data on government elementary school student numbers from the District Information System on Education (DISE) data for Uttar Pradesh.

The estimated annual PPE in the second last column (Rs 12,760) for 2013-14 is fairly consistent with Pritchett and Aiyar (2014). They report the PPE in UP in 2011-12 to be Rs 10,997, which, when inflated by the long-term average 10.3% national inflation rate (average Consumer Price Index from 2008 - 2014), comes to Rs 13,306 in 2013-14, which is only 4% higher than our estimates. However, in 2014-15, UP government's elementary education budget rose significantly due to the regularisation of 176,000 para teachers.

The Table 1 is self-explanatory. The methodology for the calculation of the government elementary schools' PPE is to divide 'Total Revenue expenditure on government elementary education' in column D by the 'Number of Students only in classes 1-8, within government elementary & secondary schools' in column E. Further to get monthly PPE in the last column, we divide the annual PPE by 12.

Table 1
Calculation of per pupil expenditure in UP government elementary schools

Year	Revenue expenditure on govt. primary and upper primary schools	Revenue expenditure on govt. upper primary classes in secondary schools	Revenue expenditure on pensions of govt. elementary teachers*	Total Revenue expenditure on govt. elementary education	Number of students in classes 1-8 in govt. elementary & secondary schools	Annual per pupil expenditure	Monthly Per pupil expenditure
	(‘crore)	(‘crore)	(‘crore)	(‘crore)		(Rupees)	(Rupees)
	(A)	(B)	(C)	(D = A+B+C)	(E)	(F = D/E)	(G = F/12)
2013-14	18622	597	3382	22601	17712153	12760	1063
2014-15	24272	514	4020	28806	16844258	17101	1425
2015-16	31758	604	4500	36862	16018889	23012	1918

Source: For columns (A), (B) and (C), the source is the Uttar Pradesh Budget 2015-16, which gives actual expenditure for 2013-14, revised expenditure for 2014-15 and estimated expenditure for 2015-16. For student numbers in government elementary schools, the source is the UP government’s District Information System on Education (DISE) data from www.dise.in. A detailed description of the Sources with the relevant page numbers etc. and some explanatory notes about the data in the table are given in the fuller paper downloadable from <http://ccs.in/sites/default/files/research/research-per-pupil-expenditure-up-govt-schools-long.pdf>

Table 1 shows that PPE in government elementary schools is Rs 1918 per month, which is 4.3 times the reimbursement amount fixed (Rs 450 pm per child) by the Government of Uttar Pradesh in clause 2(kha) of its GO dated 20th June 2013. In other words, the UP government’s reimbursement is less than a quarter of the per pupil expenditure on government elementary schools.

The source for the student enrolment figures (column E) in Table 1 above was data from the District Information System on Education (DISE). DISE is school-returns data and questions have been raised – from time to time – about its veracity and trustworthiness because there are economic incentives for government schools to over-report enrolments since grains for mid-day meals, cloth for school uniforms, scholarship money for SC/ST students, and the number of teachers appointed, all these increase with the reported number of enrolled children in a school, and there are no penalties for over-reporting enrolments. Three different surveys in Uttar Pradesh show that the DISE enrolment data inflate the actual enrolment numbers by upto 18% (survey in Sept. 2015 by the district Basic Education Officer of Lucknow district; the SchoolTELLS survey in 5 UP districts of 2007-08; and a joint survey by the Comptroller and Auditor General (CAG) and the Mid Day Meal Authority (MDMA) in Oct-Nov. 2015 in all districts of UP) – for details see the full paper <http://ccs.in/sites/default/files/research/research-per-pupil-expenditure-up-govt-schools-long.pdf>

When we adjust downward the DISE government school enrolment figure by 18% in each year, and present a revised calculation of per pupil expenditure, the adjustment results in the PPE estimate for 2015-16 rising to Rs 2340 per month per child, which is 5.2 times the reimbursement amount fixed (Rs 450 pm per child) by the Government of Uttar Pradesh in clause 2(kha) of its GO dated 20th June 2013. In other words, the UP government’s reimbursement is less than one fifth of the per pupil expenditure on government elementary schools.

The reimbursement amount needs to be fixed at the accurately estimated and annually updated actual government per pupil expenditure. This is important for three reasons. Firstly, in order for state governments to be compliant with the legal requirement in clause 12(2) of the RTE Act. Secondly, large financial losses due to low government reimbursement may force private schools to reduce the quality of their provisioning, which would be worrying in the context of the grave concerns about the already low quality of schooling in the country. Thirdly, some private schools may see the RTE children as a burden and be tempted to discriminate against them if they attract an unfair and illegally-low reimbursement amount, which would be contrary to the inclusive intention of the RTE Act.