



BUDGET BRIEFS

Vol 8/Issue 1

Sarva Shiksha Abhiyan (SSA) GOI, 2016-17

This brief uses government reported data to analyse SSA performance along the following parameters:

- Overall trends in allocation and expenditures
- Expenditure performance across key SSA activities
- New learning initiatives under SSA
- Outputs and outcomes

In addition, this brief reports on findings from a fund tracking survey (PAISA) conducted in December 2015. The survey covered 300 schools, spread across 10 districts in 5 states in India.

Cost share and

implementation: From FY 2010-11 till 2014-15, GOI contributed 65% of total SSA funds. From October 2015, this has been revised to 60% with states contributing 40%.

Complete expenditure data is available for FY 2014-15.

HIGHLIGHTS

₹22,500cr

GOI allocation for SSA
in FY 2016-11

57%

of GOI allocation
released in FY 2015-16

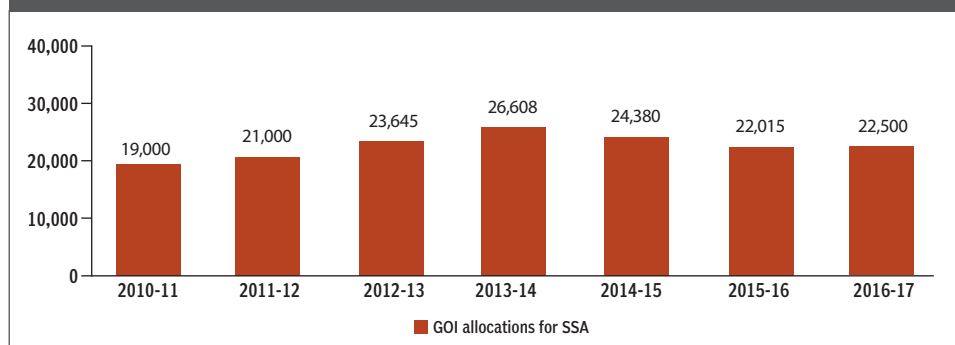
SUMMARY & ANALYSIS

- In FY 2016-17 Government of India (GOI) allocated ₹22,500 crore to SSA. This is an 2 per cent increase from the previous year.
- The contribution of the education cess to the SSA budget rose from 62 per cent in FY 2015-16 (revised estimates) to 65 per cent in FY 2016-17.
- The pace of fund release in FY 2015-16 was slow. GOI released 57 per cent of its allocation till September 2015. However, this constituted only 33 per cent of GOI's share of total approved budgets. State government releases for SSA were also slow. By September 2015 only 27 per cent of the state share, on average across states, had been released.
- Consequently expenditure was also slow. By September 2015, only 23 per cent of the approved plans had been spent.
- Sluggish releases and low expenditure at the GOI and state levels affected the flow of money to schools. According to a survey undertaken by Accountability Initiative in December 2015, as many as 31 per cent of schools surveyed across 10 districts in 5 states were yet to receive their annual school grants.
- Infrastructure activity at the school level was also slow. In FY 2015-16, 23 per cent of the schools surveyed needed to build at least one classroom to meet Right to Free and Compulsory Education Act (RTE) norms. However, only 1 per cent of these schools received money to start construction.

TRENDS IN OVERALL ALLOCATIONS AND EXPENDITURES

- **Allocations:** SSA, GOI's primary mechanism for implementing RTE, accounts for 69 per cent of the total elementary education budget. In FY 2016-17, GOI allocated ₹22,500 crore to SSA. This is an 2 per cent increase from the previous financial year.

GOI ALLOCATIONS FOR SSA INCREASED BY 2% BETWEEN FY 2015-16 AND FY 2016-17



Source: Union Expenditure Budget, Vol. 2, FY 2010-11 to FY 2016-17 Available online at: www.indiabudget.nic.in. Accessed on 29 February 2016.

Note: All figures are in ₹ crore and include the North East component. Figures up to FY 2015-16 are revised estimates. For FY 2016-17, the figure is the budget estimate.

- GOI's allocations for SSA are primarily funded through a 2 per cent education cess, called the Prarambhik Shiksha Kosh (PSK). PSK is a tax-on-tax paid by the public. In FY 2015-16, 62 per cent of SSA funds came from PSK. This has increased marginally to 65 per cent in FY 2016-17.
- Historically, there have been a number of inconsistencies in the planning and budgeting process for SSA. One illustration of this is the wide gap between budgets approved by the Ministry of Human Resource Development (MHRD) and the actual allocation made by GOI. In FY 2013-14 there was a 54 per cent gap between the approved SSA budget and the actual allocations made by GOI. In FY 2015-16 the approved SSA budget increased by 12 per cent from ₹56,529 crore in FY 2014-15 to ₹63,408 crore in FY 2015-16. Consequently, the gap between the approved budget and GOI allocations was even higher. In FY 2015-16, GOI allocations accounted for only 35 per cent of the total approved budget.
- **Per-student SSA allocations:** Per-student SSA allocations (including GOI and state share) are calculated by dividing the total allocation by the number of children enrolled in government schools. In FY 2013-14, the all-India per-student SSA allocation (excluding union territories) stood at ₹4,044. In FY 2015-16, (using 2014 enrolment numbers) this increased to ₹5,330. This increase is partly driven by a 2 per cent drop in enrolment numbers.
- **Fund release:** Till FY 2013-14, funds for SSA were released directly by GOI and state governments to autonomous implementing bodies known as State Implementation Societies (SIS). In FY 2014-15, a new fund flow mechanism was introduced. Under this system, GOI allocations are first released to the state treasury. Money is then routed to SIS.

In FY 2015-16 GOI allocation accounted for

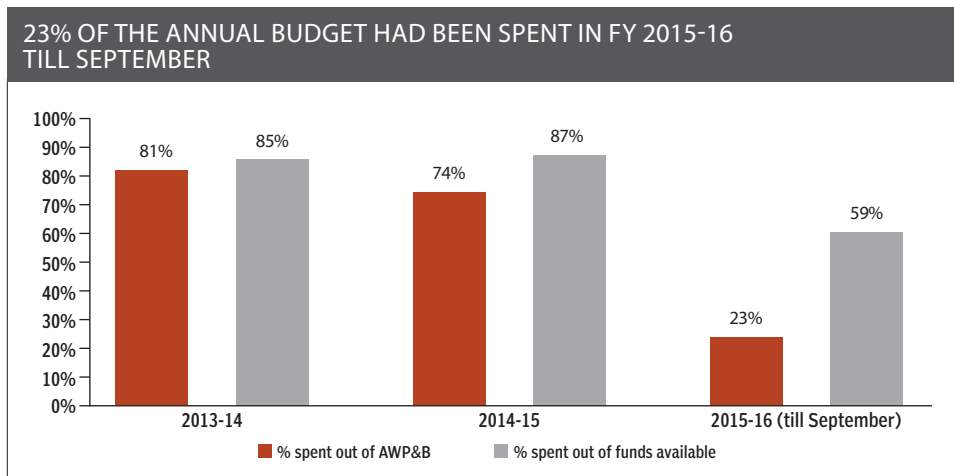
35%

of the total budget approved by the MHRD

23%

of the approved plan had been spent by September 2015

- There are gaps between approved plans and release of funds. In FY 2013–14, 74 per cent of the total approved plans were released. This decreased to 62 per cent in FY 2014–15.
- Moreover, the pace of releases has also been slow. In FY 2014–15, till September, only 31 per cent of the year's budget was released. This pattern has been repeated in FY 2015–16.
- **Expenditure performance:** Expenditure has always been lower than approved funds. In FY 2013–14, 81 per cent of the approved budget was spent. This has dropped to 74 per cent in FY 2014–15. As a result states have a large pool of “available funds” (opening balances and releases) to spend in any given year.
- In recent years, the gap between annual expenditure and funds available (opening balances and releases) has reduced. This is a consequence of a reduction in fund releases rather than improvements in state level absorption capacity.
- In FY 2013–14, 85 per cent of total funds available were spent. This improved marginally to 87 per cent in FY 2014–15.
- In FY 2015–16, halfway through the financial year, 59 per cent of funds available were spent. However, this accounted for only 23 per cent of the approved plans.



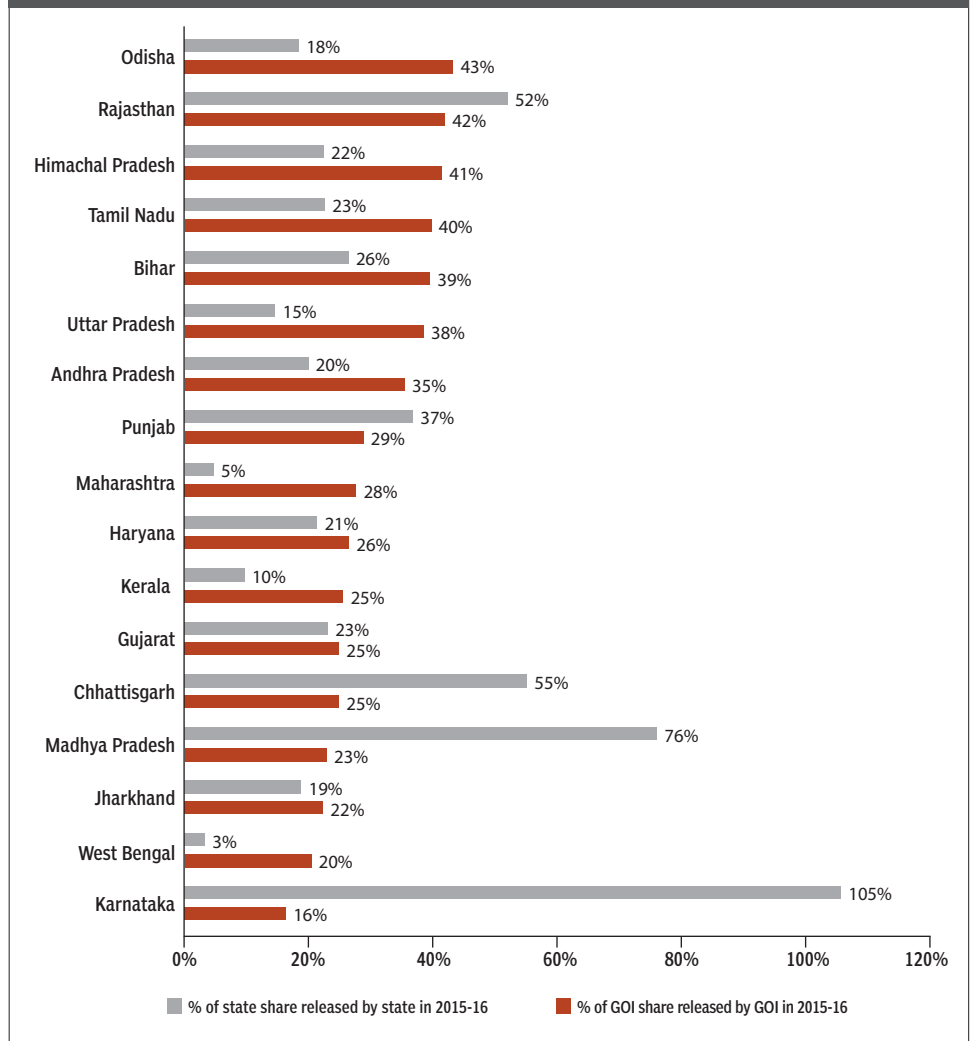
Source: RTI filed by Accountability Initiative.
Note: AWP&B is Annual Work Plan and Budget

TRENDS IN ALLOCATIONS AND EXPENDITURES AT THE STATE LEVEL

- **Releases:** In 2015 GOI changed the fund sharing ratio for Centrally Sponsored Schemes (CSS), including SSA. The revised ratios were communicated to state governments only in October 2015.
- As a result of the delay in determining the fund ratio, both GOI and state governments were slow to release funds for the first two quarters of FY 2015–16.

GOI released only
16%
of its share for Karnataka
till September 2015. In
contrast, the state released
over 100% of its share

GOI RELEASED 20% OF ITS SHARE IN WEST BENGAL WHILE THE STATE RELEASED 3% TILL SEPTEMBER 2015

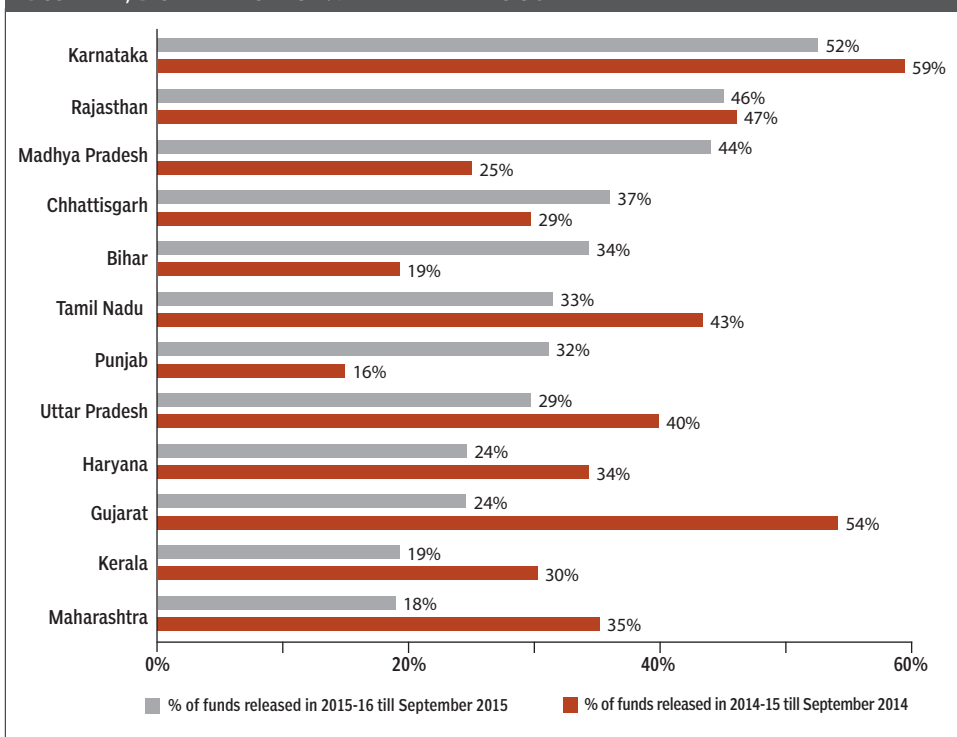


Source: RTI filed by Accountability Initiative.

Note: Fund sharing ratio has been assumed to be 60:40 between GOI and states.

- In FY 2015-16, GOI released 20 per cent of its share for West Bengal. Releases were even lower for the state share, with the state releasing only 3 per cent. On the other hand, GOI released only 16 per cent of its share for Karnataka, while the state released over 100 per cent. The GOI-state releases have been calculated on the basis of the revised 60:40 sharing ratio.
- The quantum of money released to states (as a percentage of approved budgets) has been slow compared with previous years. For instance, only 24 per cent funds had been released to the Gujarat SIS by September 2015 compared with 54 per cent in FY 2014-15. Similarly, in Uttar Pradesh while 40 per cent had been released in FY 2014-15 by September, in FY 2015-16 only 29 per cent had been released.
- There are some exceptions. In FY 2014-15, only 19 per cent of total approvals had been released in Bihar by September 2014. This improved to 34 per cent by September 2015. Similarly, in Madhya Pradesh 44 per cent of funds had been released till September 2015, up from 25 per cent the previous year.

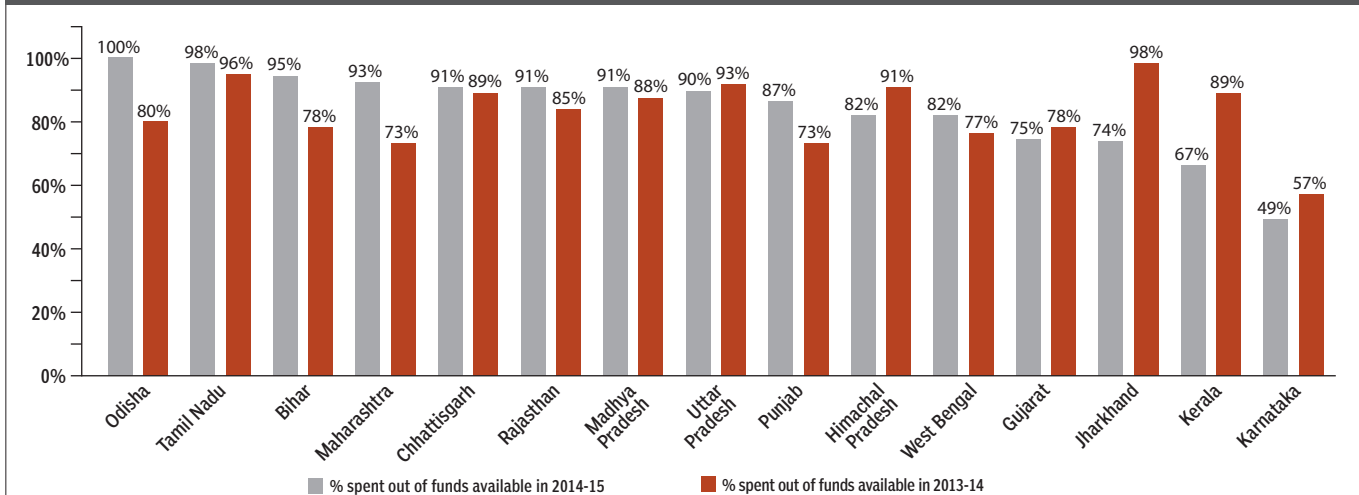
IN FY 2015-16 HALFWAY THROUGH THE YEAR, 24% OF FUNDS WERE RELEASED FOR GUJARAT, DOWN FROM 54% IN THE PREVIOUS YEAR



Source: RTI filed by Accountability Initiative. SSA portal. Minutes of the 43rd quarterly review meeting of State Finance Controllers, Annex B. Available online at: http://ssa.nic.in/financial-management/minutes-of-review-meeting-finance-controllers-of-sis/Minutes%20of%2043rd%20Quarterly%20Review%20Meeting%20of%20State%20Finance%20Controllers/at_download/file. Accessed on 15 February 2016.

- **Expenditure performance:** Owing to cuts in budgets and delays in fund releases from GOI, there have been improvements in the proportion of funds spent out of total funds available (opening balance and releases) in most states. In FY 2014-15, Odisha spent 100 per cent of its funds available, up from 80 per cent in the previous year. Similarly, expenditures improved in Maharashtra from 73 per cent to 93 per cent between FY 2013-14 and FY 2014-15.
- However, expenditure slowed down in Karnataka and Kerala with only 49 per cent and 67 per cent of funds available spent in FY 2014-15, down from 57 per cent and 89 per cent in FY 2013-14, respectively.

ODISHA SPENT 100% WHILE MAHARASHTRA SPENT 93% OF FUNDS AVAILABLE IN FY 2014-15



Source: RTI filed by Accountability Initiative.

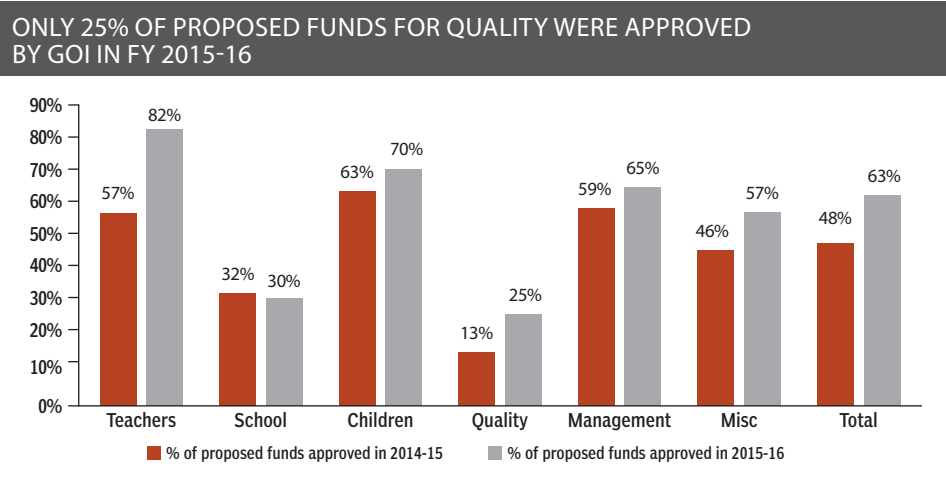
- Low releases in FY 2015-16 have resulted in many states spending their available funds halfway through the financial year. Till September 2015, Chhattisgarh had already spent 91 per cent of its available funds. Similarly, Kerala, Punjab, Rajasthan and Jharkhand have also spent over 60 per cent of funds available till September 2015.

COMPONENT-WISE BREAK-UP OF ALLOCATIONS AND EXPENDITURES

- The SSA budget can be broadly classified into six categories:
 - **Teachers**, which include teacher salaries, teacher training and teacher learning materials or equipment
 - **Schools**, including infrastructure expenses such as construction of civil works and maintenance grants
 - **Children**, including allocations that directly benefit children enrolled in school, such as transport allowance, uniforms, textbooks and mainstreaming activities to get out-of-school children back into school. In addition, reimbursement of per-child costs for 25 per cent reservation of economically weaker sections in private schools has been added to this category
 - **Quality**, covering largely untied monies for activities to improve learning, such as the learning enhancement programme and innovation grants to districts
 - **Management** allocations related to administration and management activities
 - **Miscellaneous**, including allocations made for community training and mobilisation
- There are differences in allocations proposed by states and those approved by GOI. However, more funds have been approved in FY 2015-16, compared to the previous year. In FY 2014-15, overall only 48 per cent of total proposed funds were approved. This increased to 63 per cent in FY 2015-16.
- A close look at the gaps across components gives a sense of which activities are prioritised when there are budget cuts.
- In FY 2015-16, a greater share of proposals have been approved across most components compared with FY 2014-15. For instance, 82 per cent of the proposed budget for teacher salaries was approved by GOI compared with 57 per cent in the previous year. 25 per cent of proposals for quality related activities were approved in FY 2015-16 compared with 13 per cent in FY 2014-15.

82%

of the proposed budget for teacher salaries was approved by GOI in FY 2015-16 compared with 57% in the previous year



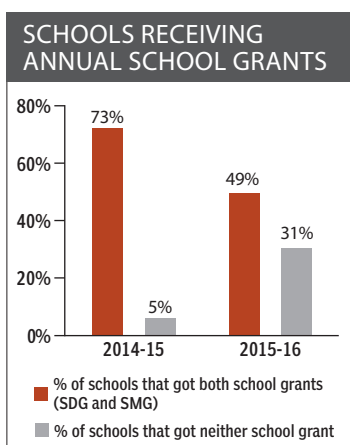
Source: Calculated from SSA portal. Planning, Project Approval Board (PAB) minutes. Available online at: http://www.ssa.nic.in/page_portletlinks?foldername=planning. Accessed on 16 February 2016.

NOTES FROM THE FIELD

In December 2015, Accountability Initiative conducted a facility level expenditure tracking survey (PAISA survey). The survey aimed to capture the flow of monies at the facility level across key social sector schemes. These are the Sarva Shiksha Abhiyan (SSA), Integrated Child Development Scheme (ICDS) and the Swachh Bharat Mission (SBM). In this section we report on some of our key findings from the SSA survey. The survey covered 300 schools, spread across 10 districts in 5 states in India. These include Bihar - Nalanda and Purnea, Himachal Pradesh - Kangra and Solan, Madhya Pradesh - Sagar, Maharashtra - Satara, Rajasthan - Jaipur, Udaipur, Jhalawar and Jhunjhunu.

In December 2015, 31% of the schools surveyed were still awaiting their annual school grants

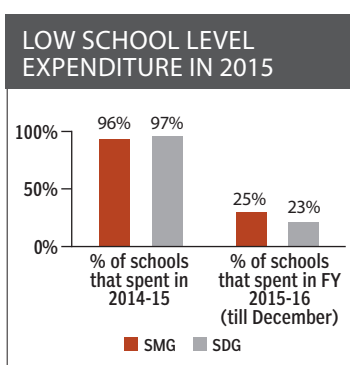
- Schools across India are expected to receive two annual grants amounting to approximately ₹15,000. These are the School Development Grant (SDG) for purchasing essential items like blackboards, chalk, etc. and the School Maintenance Grant (SMG) for minor repairs.
- In FY 2015-16, by December, only 49 per cent of schools had got their annual school grants (compared with 73 per cent for all of FY 2014-15). In fact, 31 per cent of schools had not received any school grants till December.



Source: Accountability Initiative Fund Tracking Survey (PAISA), December 2015.

School level expenditure was extremely low in 2015 compared with the previous year

- Expenditure was slow in FY 2015-16. Only 23 per cent of schools that received SDG and 25 per cent that received the SMG had spent their grants by December, compared to 97 per cent and 96 per cent in FY 2014-15.



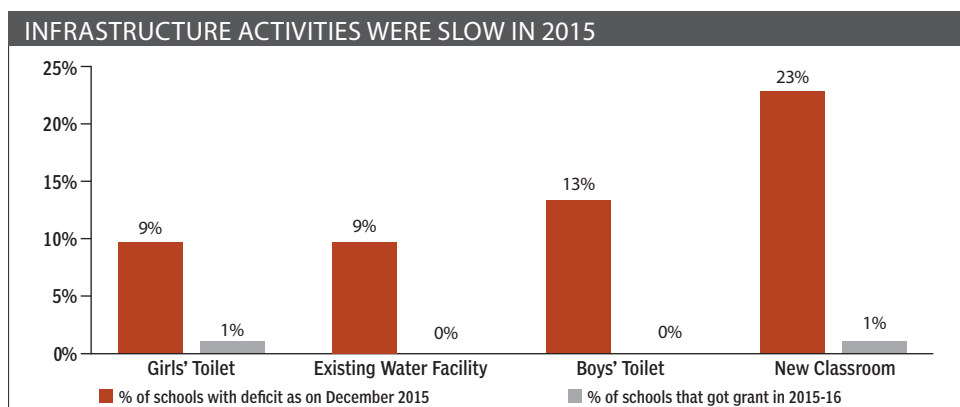
Source: Accountability Initiative Fund Tracking Survey (PAISA), December 2015.

Infrastructure activities were slow in 2015

- In FY 2015-16, 23 per cent of schools surveyed needed to build at least one classroom in order to meet the RTE norms. However, only 1 per cent schools received money from SSA during the financial year to construct new classrooms.

There are gaps in the usability of toilets in schools

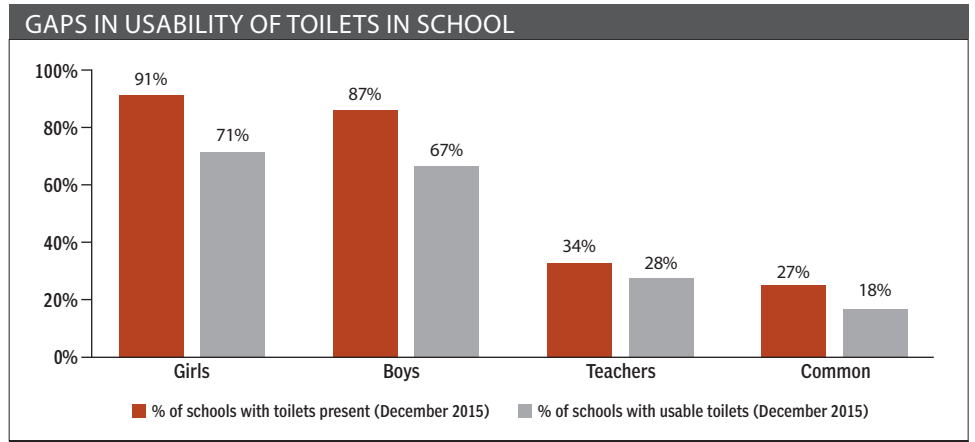
- Similarly, while 9 per cent of schools required girls' toilets, approximately 1 per cent received a grant for building a girls' toilet in FY 2015-16.



Source: Accountability Initiative Fund Tracking Survey (PAISA), December 2015.

Schools across India are expected to receive two annual grants amounting to approximately **₹15,000**

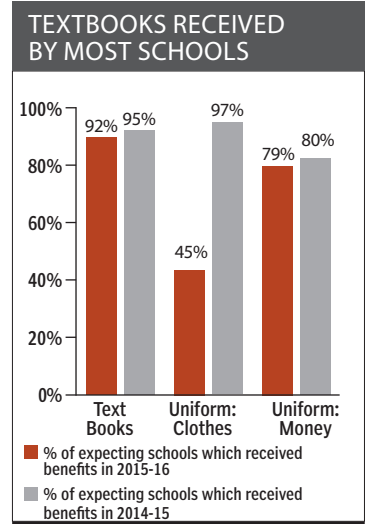
- 71 per cent of schools surveyed had a usable girls' toilet.



Source: Accountability Initiative Fund Tracking Survey (PAISA), December 2015.

Nearly all schools surveyed received textbooks from the state government in 2015

- In FY 2015-16, 92 per cent of schools had received money for textbooks, while 79 per cent of schools received uniforms.



Source: Accountability Initiative Fund Tracking Survey (PAISA), December 2015.

3 month long delays in transferring monthly salaries for contract teachers

- 39 per cent of contract teachers received their monthly salaries in 3 month intervals.

39%
of contract teachers received their monthly salaries in 3 month intervals

Type	Mean salary	Delay in receipt (months) in 2015-16				
		No delay	1	2	3	4 or more
Headmaster	43,034	94%	3%	2%	1%	1%
Regular	35,797	96%	2%	1%	0%	0%
Contract and others	12,590	23%	13%	21%	39%	4%

Source: Accountability Initiative Fund Tracking Survey (PAISA), December 2015.