

**Education and Skills – Vote 26**

**Revised Estimates 2015**

**Opening Statement**

**by**

**Minister for Education and Skills**

**Jan O’Sullivan, T.D.**

**to**

**The Dáil Select Committee on**

**Education and Skills**

**4th March, 2015**

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## **Introduction**

Thank you Chairperson for this opportunity to discuss the 2015 Estimate for my Department. My officials provided some background briefing material for the Committee so I propose to keep this Opening Statement brief. However, I am happy, together with Minister of State English, to provide further details as we work our way through the various programmes that make up the Estimate.

Expenditure in 2015 is set against the background of an improving overall economic situation. I fully appreciate the sacrifices that all education partners have made in recent years and their commitment to provide quality education, against a very difficult financial backdrop and continuing upward demographic pressures. It is my intention that the improving economic situation will pay a very real dividend to education, an investment that has enormous economic and social benefits.

The 2015 Estimate for my Department is a start in that process. The net Voted sum proposed for the Department for 2015 is just over €8,012 million, made up of current expenditure of €7,447 million and capital expenditure of €565 million. This is a 0.8% increase compared to 2014. In addition to Voted expenditure, there is a non-Voted allocation in 2015 of €362 million in current expenditure under the National Training Fund. The Fund is financed by a National Training Fund Levy paid by employers.

## **Current Expenditure**

Gross current expenditure for my Department in 2015 will represent 17% of total gross Government spending. Of this, €6.44 billion, or over 80% of my Department's gross current allocation, will be spent on pay and superannuation costs. This is not surprising, given that some 96,000, or one-third of all public service employees, are found in the education sector. The superannuation bill, which covers retirement lump sum payments as well as on-going pension costs, will provide for a total of some 44,200 pensioners by the end of 2015.

### Funding for increasing numbers of children

My priority in 2015 was to secure additional funding to maintain class sizes, ensure that the education system can recruit more permanent teachers, and provide the expanding numbers of children at school with the education they deserve. To this end, an additional €57 million over the 2014 gross allocation is being invested to meet growing numbers of children starting school in 2015. It is projected that an additional 13,000 pupils will be enrolled in school next year. This additional funding will go towards providing for approximately 900 new classroom teachers, 480 new resource teachers and 220 new Special Needs Assistant posts. This is a total of some 1,700 new posts. These additional posts will mean that, by the end of 2015, there will be some 63,600 teachers and 11,330 SNAs in our schools.

### Reform Agenda

I am also providing funding to continue the important reform agenda in education. An additional €13 million is being provided in 2015 to continue with the Literacy and Numeracy Strategy, Junior Cycle Reform, Music Generation and the recruitment of ten new pre-school inspectors. A further €3 million is also being made available to fund the provision of high-speed broadband in post-primary schools. I am also providing, from the capital budget, the second tranche of €5 million in a three-year additional investment in school book funding for primary schools.

Our investment in the Literacy and Numeracy Strategy 2011-2020 is beginning to bear fruit, as evidenced by the significant improvements announced in the recent Report on the 2014 'National Assessments of English Reading and Mathematics'. This report was prepared by the Educational Research Centre in Drumcondra.

The Report found that overall performance in reading and maths in second and sixth classes was significantly higher in these assessments than in the 2009 assessments. These are the first significant improvements recorded by the national assessments in over thirty years. In 2014, there was a reduction in the proportion of lower-achieving

pupils and an increase in the proportion of higher achievement pupils in both English reading and mathematics, compared to 2009.

I am particularly pleased that the 2015 financial allocation will allow for the immediate recruitment of a new team of early childhood education inspectors. This new team will work with the early childhood sector to promote and enhance good educational practice. This initiative is being driven in partnership with the Minister for Children, Dr. James Reilly and I appreciate his support for this reforming measure.

### Higher Education

I will also be restoring €25m in funding to the Higher Education Institutions which previously had been withheld in 2013 and 2014.

Changes have been made to the tranching of payments under the Student Grant Scheme. Students who are entitled to grants will from 2015/16 receive four months of maintenance payments before the end of December, and the balance of five months payments in the following year. This is a change to the current arrangement whereby only three months payments are made before end-December and six months payments are made the following year. The change takes account of requests to alleviate financial difficulties being experienced by students, due to the fact that the academic year now starts earlier in many higher education institutions.

From the 2015/16 academic year, payments to the Higher Education Institutions, in respect of the student contribution for those students receiving student grants, will be paid in two instalments - in December 2015 and January 2016, rather than in one single instalment in December, as was previously the case. This arrangement will mirror the arrangement for payments to the Higher Education Institutions under the Free Fees initiative. There will, however, be no change to the total amount of student contribution payments in respect of the 2015/16 year, nor in any subsequent year.

### Apprenticeships

The Government is fully committed to renewing and significantly expanding the apprenticeship system in Ireland. SOLAS are projecting nearly 3,000 new apprentices this year, more than double the rate seen in 2012. An additional €10 million is being allocated through the National Training Fund to ensure that our current apprentices get the most up-to-date training in their specialist areas. By the summer, I am also looking forward to receiving the report of the recently established Apprenticeship Council, chaired by Pat O'Doherty. This report will pave the way for new types of apprenticeships to be developed by the end of the year.

### Savings measures from previous Budgets impacting in 2015

2015 will see the implementation of the final phase of three savings measures from previous Budgets - a €250 increase in the student contribution to €3,000 per annum, the final 1% reduction in pay and non-pay funding for the third level sector, and a 1% reduction in capitation payments in schools and further education.

### Capital Expenditure

My Department's €568 million gross capital expenditure allocation for 2015 will be mainly used in the ongoing delivery of the five-year 2012-2016 school building programme.

This involves 275 major school building projects and an additional 80,000 school places to meet continuing demographic increases. In addition, to maintain the necessary infrastructure in existing schools, 28 school building projects were included under the 2013 Stimulus Package, and a further 16 projects have been included in the 2015 building programme.

There are 70 school projects scheduled to commence construction this year as part of the five-year plan, delivering 27,800 permanent school places, of which some 23,700 are additional places. The projects will support 3,000 direct jobs and 500 indirect jobs in 2014. Projects include:

- 44 new schools and 11 extensions at primary level;
- 5 new schools and 8 extensions at second-level;
- 2 new special schools.

Including these 70 school projects, a total of 196 major school projects now have approval to advance to construction. This represents significant investment by any measure.

Funding is also contained in the capital allocation for investment in the devolved Additional Accommodation Scheme. Under this scheme, my Department considers applications on an ongoing basis from individual schools for funding to meet an immediate accommodation requirement because of increased enrolments and where an additional teacher is being appointed.

Under the Department's Prefab Replacement Initiative, approval has been given for 209 primary schools and 8 post-primary schools to replace 614 prefab units with permanent accommodation. Of the total 217 approved school projects, 155 projects have been completed and a further 21 projects are on site. In addition to the prefab replacement initiatives, prefab accommodation continues to be replaced with permanent structures on an on-going basis as part of the Department's large scale school building programme.

Spending of more than €70 million was approved for the 2014 Summer Works Scheme which allowed over 770 schools throughout the country to undertake improvement works to improve their physical infrastructure. This allowed for the funding of applications received under categories 1-6. Schools which had applied under categories 7-10 were advised that their applications would be retained for prioritisation, if funding for further summer works projects could be secured for 2015. The feasibility of making further funding available to facilitate consideration of those applications is currently being considered.

Primary schools are also benefitting in the 2014/15 school year from the payment of the Minor Works Grant. The €28.5 million made available to

schools in December last will enable such schools to undertake small scale repair works without the need to interact with the Department.

Within the Higher Education sector there are projects underway at DIT Grangegorman, the University of Limerick, NUI Galway, and minor works funding for the Institutes of Technology.

### **Conclusion**

Chairperson, I do not intend at this stage to go into further detail regarding my Department's Estimate. I am happy, together with Minister of State English, to respond to any matters raised by committee members. I commend the Estimates to the committee.

Thank you.