



**An Roinn Oideachais  
agus Scileanna**  
Department of  
Education and Skills

# **Main Features of Budget 2019: Education & Skills**

**Information Note**

**Department of Education and Skills**

**9 October 2018**



# Overview

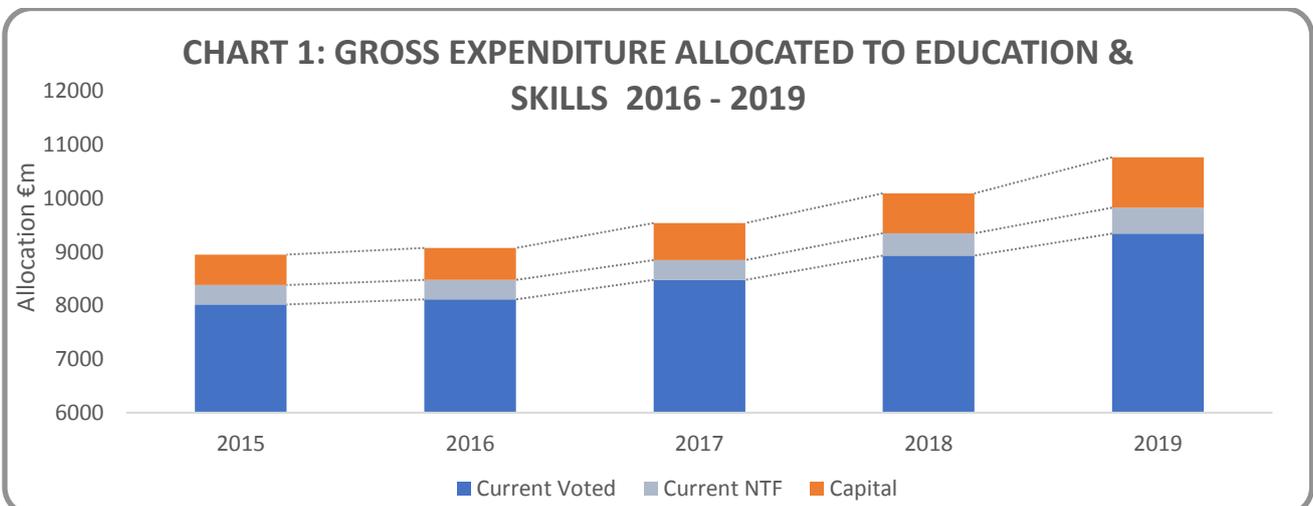
## Delivering on the Action Plan for Education through enhanced investment

Education and Skills expenditure in 2019 will support the delivery of commitments under the Action Plan for Education, which sets out the national ambition of becoming the best education and training service in Europe by 2026.



The 2019 gross expenditure allocation for the Department of Education and Skills will be €10.763 billion (table 1). This is €674 million (6.7%) above the Department’s 2018 allocation and represents the **highest ever expenditure on education and skills, as well as the largest-ever capital allocation** for the Department (€941 million). This will be €1.7 billion (18.6%) above 2016’s allocation (chart 1).

| Department of Education and Skills<br>Table 1: Gross Allocation 2019 |                 |                    |
|--|-----------------|--------------------|
|  | <u>REV 2018</u> | <u>Budget 2019</u> |
| <b>Exchequer allocation for gross current expenditure</b>            | €8,928m         | <b>€9,338m</b>     |
| <b>Exchequer allocation for gross capital expenditure</b>            | €745m           | <b>€941m</b>       |
| <b>Allocation for National Training Fund</b>                         | €415m           | <b>€484m</b>       |
| <b>Total overall gross allocation</b>                                | €10,088m        | <b>€10,763m</b>    |



## Summary of Budget 2019 measures

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**Additional posts in schools:** Over 1,300 additional posts in schools, including 950 SNA posts and 372 teaching posts catering for demographics and additional special classes.

**Increased capitation & performance funding:** 5% increase in schools capitation from September 2019, with an increase of €10 million in school funding over the 2019/20 school year (€4 million in 2019). Enhanced funding for the schools excellence fund to bring it to over €2.5 million per annum.

**Support for school leadership & wellbeing:** Support for school leadership with additional release days for teaching principals in primary schools and administrative deputy principal posts for special schools. An additional 10 psychologists for the National Educational Psychological Service.

**Improving outcomes for children with additional care needs:** €4.75 million to commence the implementation of the Comprehensive SNA review.

**Schools capital:** Continued delivery of an ambitious school building programme which will deliver up to 23,000 permanent school places in 2019 and roll-out of the ICT investment programme in schools. Projects in over 700 schools will proceed in 2019 under the Summer Works Scheme.

**Enhanced Investment in Higher Education:** €57 million package to provide for demographic increases (3,500 additional places), provide for 1,000 additional places on Springboard courses, capacity-building, increased provision of flexible learning options and research funding.

**Apprenticeship and traineeship:** Provide for over 7,000 apprenticeship registrations, 5,000 traineeship enrolments and 10 new apprenticeship schemes

**Skills:** Provide additional funding for workforce development (Skillnet Ireland and employee development initiatives).

**Human Capital Initiative:** A major new Human Capital Initiative is to be established within the National Training Fund to allocate €300 million from the NTF surplus to meet the future skills needs of the economy and provide additional investment at levels 6-8 in higher education.

**HE/FET Capital:** €150m for higher and further education and training and research. New projects to be advanced in the higher education sector next year include an engineering campus for LIT, a significant upgrade of STEM and teaching facilities at Dundalk IT, and the E3 Institute at TCD.

**Pay deals & pension costs:** €122 million to provide for implementation of pay deals & €147 million to provide for pension costs in the education sector

## Schools & Special Education

### Enhancing school Funding

Schools capitation will increase by 5% from September 2019. This means that **over the school year 2019/2020 an additional €10 million will be provided in funding to schools**, €4 million of which will be provided in 2019.

Capitation costs for over 4,500 new enrolments will also be provided as part of the Department's demographics allocation.

### Supporting excellence and innovation

An additional €0.5 million will be added to the **Schools Excellence Fund**, bringing the fund to over €2.6 million. This is targeted funding to support excellence, innovation and collaboration through school clusters. (table 2).

| Table 2: Priorities of the Schools Excellence Fund & Clusters   |  |
|---|--|
| <b>DEIS:</b> Support participating clusters of schools to explore new, innovative solutions to tackle educational disadvantage and improve learning outcomes for students.  |  |
| <b>Digital:</b> supports schools to work together on projects which use inventive methods to enhance teaching and learning through digital technology.  |  |
| <b>Creative:</b> supports clusters of schools to use art and creativity to address shared challenges or to achieve better learning outcomes.  |  |
| <b>STEM:</b> supports schools to collaborate on projects in line with the Government's plans to promote the teaching and learning of STEM subjects.   |  |
| <b>Step-up:</b> encourages self-evaluation and improvement in teaching and learning in selected priority areas.   |  |
| <b>Gaeltacht:</b> allows primary schools participating in the Gaeltacht School Recognition Scheme can combine their additional part-time Irish language support hours to create a full-time temporary shared teaching post. |  |
| <b>Leadership:</b> facilitates schools to work together on innovative projects to improve school leadership   |  |

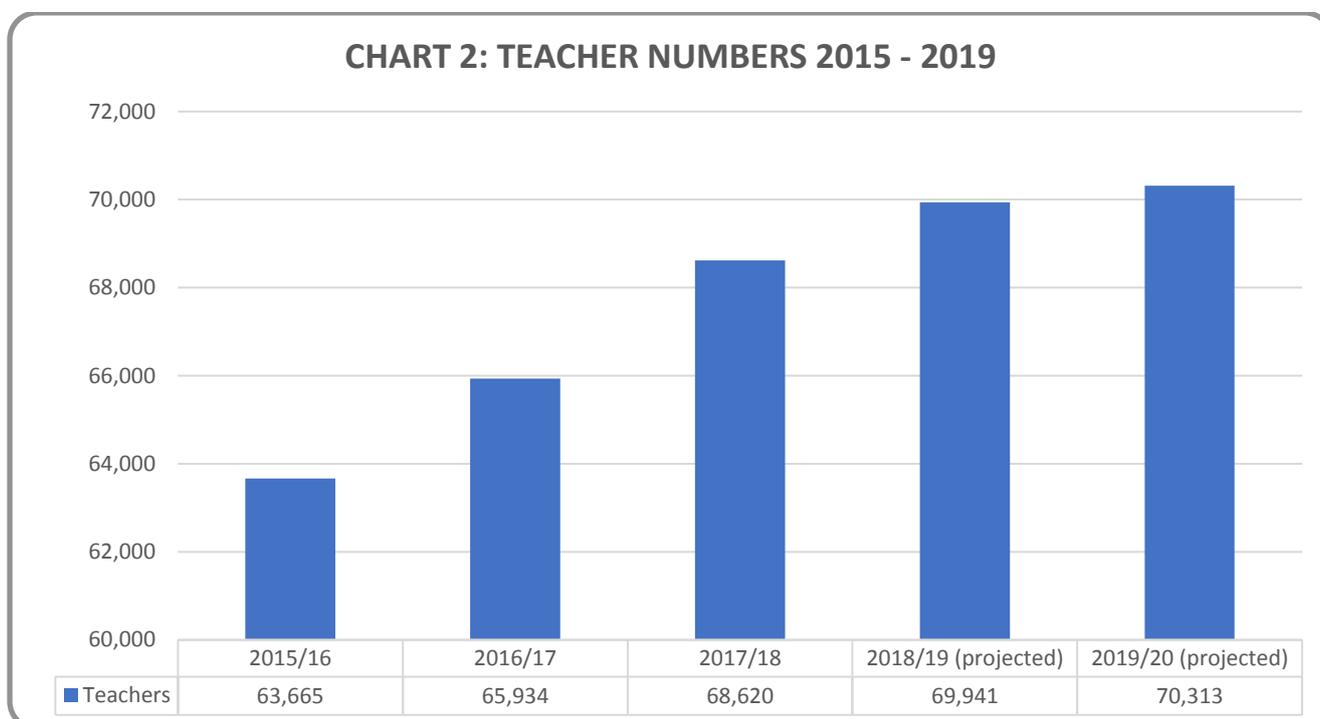
### Increasing teacher numbers to provide for demographics

€41.2 million additional funding will be provided for school demographics in 2019. In line with the demographic projections produced by the Department of Education and Skills<sup>1</sup> and the Spending Review on pay drivers in primary and post primary schools published by the Department of Public

<sup>1</sup> <https://www.education.ie/en/Publications/Statistics/projections-of-full-time-enrolment-primary-and-second-level-2018-2036.pdf>

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Expenditure and Reform<sup>2</sup>, this will provide for a **net additional 271 teachers** from September 2019. The total number of teachers will exceed 70,000 in 2019, compared to 63,665 at the end of 2015 (chart 2).



### *Supporting children with additional care needs*

Funding provision will be made for **950 additional** new special needs assistants to be recruited in 2019. In addition, funding will also be provided for **101 teachers** in special classes.

€4.75 million in funding will also be provided to commence implementation of the **Comprehensive Review of the Special Needs Assistant Scheme**, which is intended to support a new school inclusion model to deliver the right supports at the right time to students with additional care needs. A more detailed announcement regarding implementation of the Review will be made in due course.

### *School leadership*

School leadership will be supported with an **additional release day for teaching principals in primary schools and four additional release days for those in schools with special classes** (5 days in total).

In order to take reasonable account for the additional administrative burden related to the management of special schools, from September 2019 funding will be provided for the **allocation of administrative deputy principals to special schools** with a Principal + 15 or more class teachers. 23 posts will be available for this purpose.

<sup>2</sup> <https://www.per.gov.ie/wp-content/uploads/6.-Pay-Expenditure-Drivers-at-Primary-and-Secondary-Level.pdf>

### *Wellbeing in schools*

**An additional 10 psychologists** will be recruited to the National Educational Psychological Service, building on an additional 21 posts over the past two budgets. This expansion will also allow NEPS to further prioritise support for especially vulnerable children and young people, including the provision of more tailored responses to supporting and meeting needs at key points of transition within the school system and will support implementation of the *Wellbeing Policy and Framework for Practice 2018 – 2023* in schools.

### *Curricular reform*

Funding will be made available from within existing resources and carryover costs to support a range of curricular reform initiatives:

- Support for primary curricular reforms: primary maths & science (commenced in 2018);
- Junior cycle reform;
- Support for senior cycle reforms: Politics & Science, PE and Computer Science (commenced in 2018) and Economics, Agricultural Science, Arts and Applied Maths (commencing in 2019);
- Further implementation phases of the STEM school policy, Foreign Languages strategy and Gaeltacht Education Strategy
- Creative Ireland initiatives

### *Existing level of service provision*

The Department will also receive an additional €82 million to provide for carryover of previous budget measures and to meet existing level of service demands (excluding superannuation, which is provided for separately) in a number of areas including school transport.

## Higher and Further Education and Training

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### *Increasing investment in HE, FET and Skills to support Ireland's human capital*

The Government continues to recognise that Ireland's human capital as one of our core economic strengths and is a key enabler of our future economic, social and cultural development. **An additional allocation of €85.3 million** will be made in higher and further education and training in 2019. In addition, €13.6 million of FET expenditure will be reallocated within existing resources, giving a total package for new measures totalling €98.9 million (table 3). An overview of how the additional funding will be allocated is set out in table 4.

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**Table 3: Funding for new HE/FET measures (additional and reallocated)**

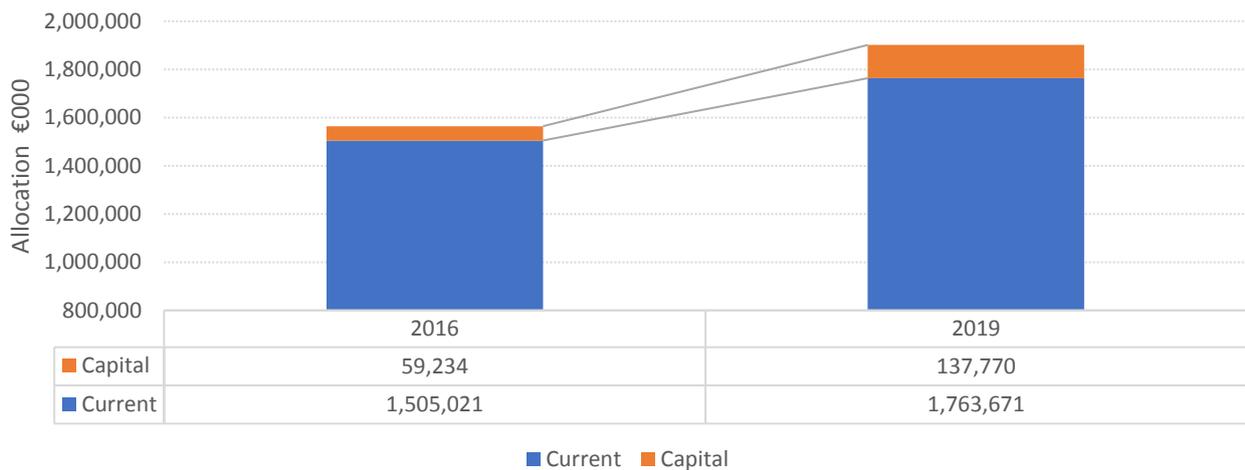
|   |               |
|---|---------------|
| <b>Additional yield from the 0.1% increase in the NTF Levy in 2019</b>          | €69m          |
| <b>Additional Exchequer allocation for demographics in higher education</b>     | €16.3m        |
| <b>Reallocation of funding with FET to reflect changing economic priorities</b> | €13.6m        |
| <b>Total</b>  | <b>€98.9m</b> |

**Table 4: Allocation of total funding package (additional and reallocated)**



Investment in higher education in 2019 through the Exchequer and National Training Fund will be 17% higher on the current side<sup>3</sup> and 132% on the capital side compared to 2016 (chart 3).

**CHART 3: HE EXPENDITURE COMPARISON: 2016 AND 2019 (€000)**



<sup>3</sup> This includes provision for pay deals and superannuation.

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### Summary of HE/FET programmes and outputs

This significant level of investment will be used to fund demographic demand and a range of initiatives in the higher education system, delivery of the Government’s apprenticeship and traineeship targets, enhancement of targeted skills programmes and increased expenditure on workforce development and support for SMEs. A summary of programmes is set out in table 5.

|  |              |
|--|--------------|
| <b>1000 additional places available on Springboard courses: €34m allocation in 2019, increased from €30m in 2018</b>                                 | €4m          |
| <b>Higher Education Performance and Innovation fund: This is in addition to €7m allocated in 2018</b>  | €10m         |
| <b>Research fund for Institutes of Technology/Technological Universities</b>   | €5m          |
| <b>Teaching and learning capacity building in Higher Education Institutions</b>  | €5m          |
| <b>Increased provision flexible learning/ weighting for online provision in HE</b>   | €4.5m        |
| <b>Management and leadership capacity building in Higher Education Institutions</b>  | €0.5m        |
| <b>Other policy measures</b>   | €1.5m        |
| <b>Accommodating Demographic pressures in HE (3,500 additional places)</b>   | €21.3m       |
| <b>HEA additional staffing to implement initiatives in HE</b>  | €0.6m        |
| <b>7,000+ apprenticeship registrations (increase of 1,200), 5,000 traineeship enrolments (increase of 1,100) &amp; 10 new apprenticeship schemes</b> | €29m         |
| <b>ETB Employee Development Programme for 5,000 workers</b>  | €11m         |
| <b>Supporting Skillnet Ireland to meet skills gaps in the economy<br/>(€28 million allocation in 2019, increased from €21.7m)</b>                    | €6.3m        |
| <b>Other NTF funded programmes</b>   | €0.2m        |
| <b>TOTAL</b>   | <b>€98.9</b> |

There will be also be an enhancement of counselling services in higher education institutions. The strategic dialogue process and the performance compacts between the HEA and HEIs will be used to assess existing provision and delivery in this area, and in order to determine the most appropriate means of strengthening counselling services in the course of 2019.

### Human Capital Initiative – Skills for the Economy

From January 2020, a new ring-fenced funding line, the Human Capital Initiative, will be established within the National Training Fund to invest €60 million per annum from the accumulated surplus, over a 5-year period. The ring-fenced allocation, totalling €300 million over the period 2020-2024 will:

- Form a key part of the Government’s strategic response to Brexit and other challenges facing the economy;
- Meet the future skills needs of the economy and provide additional investment at levels 6-8 in Higher Education;

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- Address skills needs at a regional level via the Regional Skills;
- Give employers a greater role in determining the strategic direction of the Fund; and
- Allow the Education sector to take a more medium-term approach to budgeting through an agreed multi-annual allocation.

Strict criteria in the oversight and use of the fund will ensure that the funding is consistent with overall fiscal policy and will guarantee that an adequate surplus is maintained in the Fund at all times. Further information of the initiative will be made available in due course, including details of competitive calls for new programmes to be funded under the initiative.

### *Investing through a reformed National Training Fund*

An independent review of the National Training Fund was commissioned by the Department of Education and Skills as part of a package of reforms announced to accompany the decision in Budget 2018 to raise the NTF levy. This followed a consultation process with key stakeholders, during which issues were raised regarding the transparency of the use of the Fund, the alignment of expenditure for employer needs and the role of employers in informing expenditure priorities.

The independent review, which was undertaken by Indecon was published by the Minister for Education and Skills on 17 August 2018<sup>4</sup>. The report made 14 specific recommendations across 4 key areas:

- Reform of the future direction of the NTF.
- Utilising the NTF to support investment in Higher Education.
- Enhancing enterprise engagement and input to NTF priorities.
- Improvements in monitoring/evaluation of the NTF.

An Implementation Plan to deliver these recommendations is being published alongside the Budget. Furthermore, a number of steps are being taken as part of Budget 2019 to align with the recommendations set out in the report:

- **Additional support for close to labour market skills requirements:** additional funding has been provided to continue the expansion of apprenticeships and traineeships, increase the number of places on Springboard, support Skillnet Ireland to meet the skills gaps in the economy, and invest in a new ETB employee development programme.
- **The Human Capital Initiative will use part of the NTF surplus to develop labour market skills.**
- **Increased focus on supporting in-company training:** The NTF is delivering €6.3 million in extra funding to Skillnet Ireland in 2019 and supplying a new funding line of €11 million for the

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<sup>4</sup> Available at: <https://www.education.ie/en/Press-Events/Press-Releases/2018-press-releases/PR18-08-17.html>

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implementation of the new SOLAS/ETB framework to upskill lower skilled workers and support SMEs.

- **Reallocation of NTF funding of FET for employment programmes below NFQ Level 5 to the Exchequer:** This process, begun in Budget 2018, has been accelerated in Budget 2019. €57 million in investment in programmes with significant activity below level 5 on the NFQ, previously resourced from the NTF, will now be funded from the Exchequer
- **NTF is being deployed to support close-to-labour-market skills programmes in areas of identified skills needs:** Support for enterprise-focused higher education programmes has been increased from €37 million in 2018 to €120 million in 2019. This investment will be made in areas with identified skills needs as outlined in the National Skills Bulletin and in line with the priorities established by the National Skills Council. As was the case in Budget 2018, the NTF will fund all of some programmes as part of this investment. Table 6 sets out major changes to NTF provision in 2019,

| Table 6: Changes in National Training Fund provision                            | Changes in 2019 |
|---|-----------------|
| Transfer of certain HE provision of relevance to employers to NTF from the Vote | €83.1m          |
| Additional Expenditure on Apprenticeship and Traineeship                        | €29m            |
| Additional Expenditure on Springboard   | €4m             |
| Additional Expenditure on Skillnet Ireland                                      | €6.3m           |
| New Expenditure on ETB Employee Development Programme                           | €11m            |
| Other increases   | €0.2m           |
| <i>Reallocation within the NTF to meet increased apprenticeship costs</i>       | <i>-€7m</i>     |
| <i>Transfer of programmes less relevant to employer needs to the Vote</i>       | <i>-€57.6m</i>  |
| <b>Total</b>  | <b>€69m</b>     |

# Capital investment

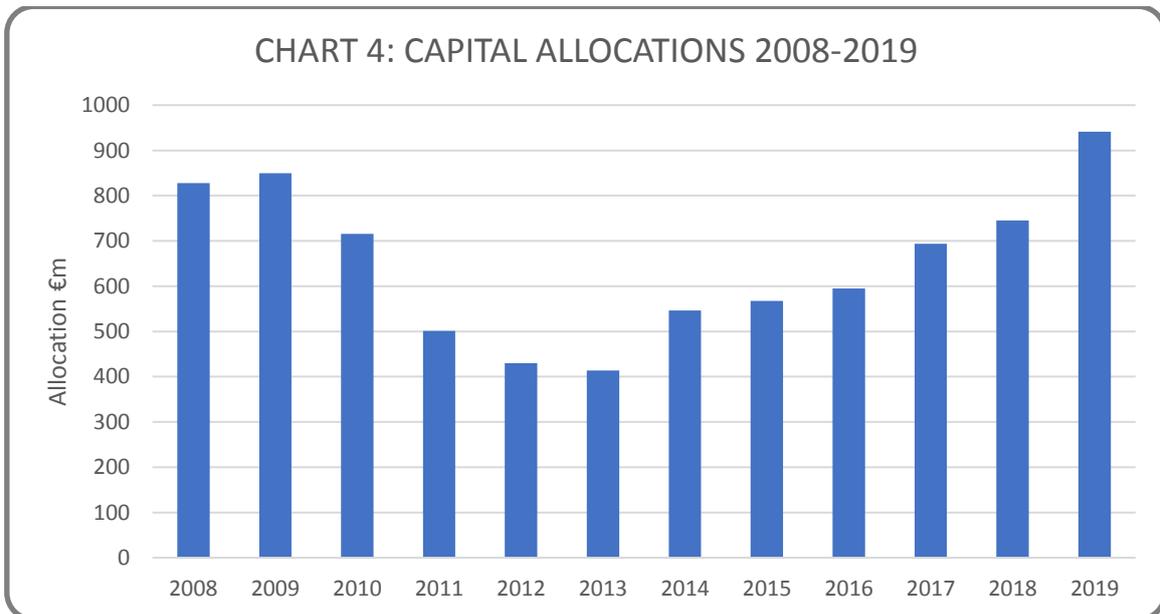
## Project Ireland 2040



*Project Ireland 2040 provides for a €11.9 billion investment in the education and training sector over the period 2018 to 2027. This level of funding allows investment in modern, state of the art facilities in our schools, higher and further education and training institutions and will have a transformative impact on the education system.*

## 2019 capital allocation

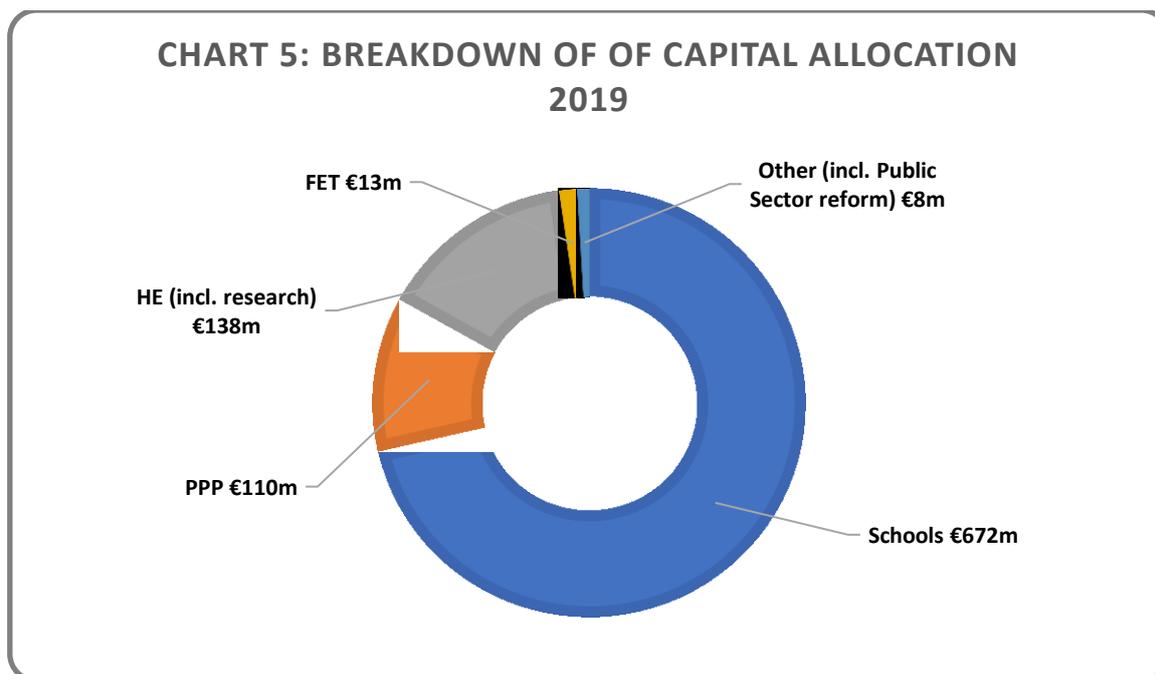
The Department's capital allocation for 2019 will be €941 million, which is an increase of over €196m on the 2018 capital allocation. This is the largest ever annual capital allocation for the education sector (chart 4 shows the trend in recent years).



\* Note: Outturn in 2016 was €100m higher due to a Supplementary Estimate being granted to increase capital expenditure.

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The breakdown of the €941m allocation for 2019 is set out in chart 5.



### *Investing in schools*

This will facilitate next year the continued delivery of an **ambitious school building programme**, to ensure that sufficient places are available for our school going population. This will deliver up to 23,000 permanent school places in 2019. €50 million will also be allocated to deliver the continued roll-out of the investment programme to upgrade ICT infrastructure in all schools.

Projects in over 700 schools will proceed in 2019 under the Summer Works Scheme, consisting of window replacement, curricular requirement projects, other structural improvements and external environment projects.

All primary schools will receive the €29 million minor works grant in either December or early January of each school year.

### *Investing in higher and further education*

The allocation for 2019 also includes over €150m for **Higher Education, Further Education and Training and Research**. New projects to be advanced in the higher education sector next year include an engineering campus for LIT, a significant upgrade of STEM and teaching facilities at Dundalk IT, and the E3 Institute at TCD.

## Pay Deals & Pensions

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### *Public Service Stability Agreement and new entrant salary scale issue*

€122 million has been allocated to provide for the Public Service Stability Agreement 2018-2020, the New Entrants Salary Scale issue and the 2019 phase of the arbitration in respect of school secretaries, caretakers and cleaners. The funding includes:

- The cost of the recently announced agreement on salary restoration for new entrants;
- The carryover cost of the 1% payment made on 1 October 2018 to all public servants;
- The cost of the 1% payment due to be made on 1 January 2019 to public servants earning less than €30,00 per annum;
- The cost of the 1.75% payment due to be made on 1 September 2019 to all public servants;
- The carryover and 2019 cost of pay restorations to higher earners;
- The cost of increases in the salary thresholds for payment by public servants of the Additional Superannuation Contribution (formerly the Pension-Related Deduction).

The new entrants deal complements the improvements to starting pay already agreed, which mean the current starting salary of a teacher is €36,318 and increases further to €37,692 in October 2020.

### *Superannuation requirements*

In recent years, supplementary estimates have been required to fund certain costs associated with retirements. Following engagement between the Department of Education and Skills and the Department of Public Expenditure and Reform, underpinned by the actuarial review of public service pension liabilities recently completed by DPER and the Spending Review paper on pay expenditure drivers at primary & secondary level, an additional €147 million will be provided for superannuation to meet projected ongoing pension costs and projected gratuity payments.

Forecast retirements and pensioner numbers for 2019 are broadly in line with trends of recent years.