

MAIN FEATURES OF BUDGET 2018: **DEPARTMENT OF EDUCATION & SKILLS**

DEPARTMENT OF EDUCATION AND SKILLS GROSS ALLOCATION 2018	
	€m
Exchequer allocation for gross current expenditure	8926
Exchequer allocation for gross capital expenditure	745
Allocation for National Training Fund	414
Total overall gross allocation	10,085

The gross 2018 budget allocation for the Department of Education and Skills is €10.085 billion. This is an increase of 5.8% (€554 million) on the amount allocated in last year's Budget and represents the largest ever budgetary allocation for the Department of Education and Skills.

The Budget will provide for over 2,300 additional posts in schools by the end of 2018. This includes 1,280 teaching posts: 545 teaching posts to cater for demographic increases, 305 posts to reduce average class sizes in primary schools, 100 additional posts arising from further enhancements to guidance, 100 additional resource teacher posts to cater for new and rapidly developing schools, and a forecast of 230 teaching posts in special classes and special schools. The Budget also provides for over 1,090 new Special Needs Assistant posts in 2018.

The Budget will allow a significant investment to be made in higher and further education and training. The National Training Fund levy will be raised by 0.1% in 2018 to 0.8% and by a further 0.1% in both 2019 and 2020. This measure allows for additional expenditure of €47.5 million from the NTF in 2018. The final two increases will be subject to the implementation of the necessary reforms to ensure that employers have a greater role in determining the priorities and the strategic direction of the Fund. Together with a €17 million additional investment from the Exchequer this will allow a higher and further education training package worth €64.5 million. This will build on last year's Exchequer investment of €36.5 million.

A range of reforms will be introduced to the National Training Fund in response to issues raised by employers as part of the consultation process on the Employer-Exchequer Investment Mechanism. This includes an independent review of the National Training Fund, greater alignment of the NTF with employer needs, including increasing "in employment" programmes to €154 million in 2018 (from €106 million in 2017) and the inclusion of certain higher education provision of direct relevance to employers, significant additional and refocused funding on skills programmes, giving a greater say for employers and enhancing transparency and evaluation.

An allocation of €236 million has been made to meet the carryover costs of the Lansdowne Road Agreement and the costs associated with the Public Service Stability Agreement 2018-2020 in the education sector.

SCHOOLS

Teaching Posts in Primary and Second Level Schools - 2018			
	PRIMARY (POSTS)	SECOND LEVEL (POSTS)	TOTAL POSTS
Projected Numbers at end 2017	36,960	31,855	68,815
Primary staffing schedule change	305		305
School demographics	145	400	545
Resource teachers	30	70	100
Guidance teachers	-	100	100
Special schools	35	-	35
Special classes	128	67	195
Projected Numbers at end 2018	37,603	32,492	70,095

€40 million is allocated to provide for **demographic growth** in the school sector, which, in addition to carryover costs from 2017, will provide for the appointment of around 545 new classroom teachers and capitation costs for an estimated 8,000 additional students from September 2018.

€4.5 million will be provided to improve the staffing schedule in primary schools by one point, from one teacher for every 27 pupils to 1 teacher for every 26 pupils.

€1.5 million will be provided to further strengthen **guidance counselling provision**, with the allocation of 100 additional posts from September 2018. Funding will also be allocated to provide for the recruitment of 10 additional **psychologist posts** in the National Educational Psychological Service.

A further €1.5 million will be allocated to provide for the further expansion of the **DEIS Plan to deliver equality of opportunity in schools**, building on the €15m additional funding for DEIS in 2018 secured in last year's Budget.

€4.5 million additional funding will be allocated to policy initiatives of strategic economic importance, including **foreign languages, STEM policy and digital learning**.

Over €1 million will be provided to continue the rollout in 2018 of the **Policy on Gaeltacht Education 2017-2022**.

€1 million will be allocated in 2018 to fund initiatives in the education sector as part of the Government's **Creative Ireland** programme.

€0.4 million will be allocated to enhance school leadership in primary schools by increasing the number of release days available to teaching principals.

€13 million will be allocated from the Exchequer and also from within the Department's existing resources to advance **Junior Cycle reform and curricular reform** in the areas of *primary language and at Senior Cycle, Politics & Society, Agricultural Science, Applied Maths, Physical Education, Computer Science and Science*.

SPECIAL EDUCATIONAL NEEDS

Funding is being allocated to provide for carryover costs of Special Needs Assistants recruited in 2017 and the recruitment of over **1,090 new Special Needs Assistants** in 2018 (based on current forecasts), including some 130 posts which will be filled in the period between January and June next year, with the remainder being appointed from September 2018.

100 additional **Resource Teachers** will be appointed from September 2018 to meet the needs of new and rapidly developing schools. Funding will also be provided to meet the costs of around 230 teaching posts in special classes and special schools.

Funding of €2 million will be allocated to develop and implement a pilot model of **in-school speech and language therapy**.

HIGHER AND FURTHER EDUCATION & TRAINING

Additional and refocused funding for higher and further education and training

Programmes	
1000 additional places available on Springboard courses	€3m
Pilot new programmes aimed at upskilling/reskilling for those in employment	€1m
Supporting Skillnets for meeting skills gaps in the economy	€3.5m
Over 6,000 new apprenticeships, 3,900 traineeships and 10 new apprenticeship schemes	€38m ¹
Foreign Languages Strategy implementation	€0.5m
ICT Incentivised Places	€1m
Progressing Technological Universities and Institutional Mergers	€10m
Performance and Innovation fund	€9.5m
Accommodating Demographic pressures - increased in places by 2,100 in 2018	€22m
Additional Post-graduate funding	€3m
Bursaries for disadvantaged students	€1m

The Government recognises the critical importance of investment in higher and further education and training system in order to realise Ireland’s economic, cultural and societal ambitions, to equip graduates with the knowledge and capabilities to meet the needs of a changing world, to deliver world-class research and to create opportunities for enhanced participation by under-represented groups.

In last year’s Budget, the Government increased Exchequer funding to higher education by €36.5 million and announced a consultation exercise to consider an Employer-Exchequer Investment Mechanism. This reflected the recommendation of the Expert Group on Future Funding of Higher Education (the Cassells report) that a structured contribution from employers should form a core element of future funding for higher education as they are major beneficiaries of higher education.

¹ Including €28 million refocused from other programmes

Arising from this consultation process, the National Training Fund levy will be raised by 0.1% in 2018 to 0.8% and by a further 0.1% in both 2019 and 2020. This measure allows for additional expenditure of €47.5 million from the NTF in 2018. The final two increases will be subject to the implementation of the necessary reforms to ensure that employers have a greater role in determining the priorities and the strategic direction of the Fund.

In addition, the Exchequer will also make an additional investment of €17m in 2018. Together this will facilitate an increase of €64.5 million in the Department's expenditure ceiling. This will be used to fund initiatives in the higher education system including targeted skills programmes, performance and innovation funding, technological university development and apprenticeship costs in the higher education sector. Additional funding will also be provided to Skillnets. These are set out in the table 1 above.

A REFORMED NATIONAL TRAINING FUND

Four major reforms will be undertaken in response to issues raised by employers during the consultation process on employer-exchequer investment in higher and further education and training:

1. **A Comprehensive Review of the NTF:** A comprehensive and independent review of the National Training Fund will be undertaken to guide strategic decisions on its structure and future direction in order to inform Budget 2019.
2. **Additional and refocused expenditure on programmes relevant to employers:** Additional funding and refocused expenditure will be deployed on programmes and initiatives directly relevant to employers. €31.5 million in FET and skills funding and €15.5 million in HE funding will be used to support 6,000 new apprenticeships and 3,900 traineeships in line with the Government's *Action Plan to Expand Apprenticeship and Traineeship in Ireland 2016-2020* – including in new apprenticeships such as culinary sector, property services and retail, 1,000 new Springboard places, pilot programmes in higher education aimed at up-skilling and re-skilling, enhanced funding for Skillnets (in areas such as Life Sciences; Brexit and International Financial Services ; Data Analytics, 'DevOps' and Cyber Security; and Sustainability, Green Finance and Responsible Investments), implementation of the foreign languages strategy in higher education and ICT incentivised places.
3. **An NTF more aligned with employer needs:** As an initial step, the composition of programmes in the National Training Fund has been reviewed to bring greater alignment with employer needs. The key elements of this in 2018 will be an increase in funding for "in employment" programmes to €153 million in 2018 (from €106 million in 2017), and the transfer of €37 million funding for higher education programmes which are aligned with the needs of the economy into the NTF. Certain programmes, totalling on the order of €26 million, which are more closely focused on social inclusion will no longer be supported from the Fund, and will instead be transferred to the Education and Skills Vote. Changes to the NTF in 2018 are set out in the table below.

Investing in Higher and Further Education and Training through a Reformed National Training Fund

Changes in National Training Fund provision	Changes in 2018
Transfer of certain Higher Education provision of relevance to employers from Exchequer funding to the NTF	€37m
Additional Expenditure on Apprenticeship and Traineeship	€38m
Transfer of Apprenticeship and skills funding from Exchequer to NTF	€19m
Additional Expenditure on Springboard	€3m
Additional Expenditure on Skillnets	€3.5m
New Expenditure on Regional Upskilling and Reskilling	€1m
<i>Reallocation within the NTF to meet increased apprenticeship costs</i>	-€28m
<i>Transfer of programmes which are less relevant to employer needs to funding by the Exchequer</i>	-€26m
Total	+€47.5m

4. **A greater say for employers, more transparency and stronger evaluation:** Pending the recommendations of the comprehensive independent review, a number of interim steps will be undertaken including: the annual prioritisation of skill needs by the National Skills Council will be used to inform spending priorities on NTF programmes. An NTF expenditure report will be published before 31 January each year, informed by consultation with the National Skills Council. This will include details of planned expenditure on each NTF-supported programme, along with appropriate targets and indicators. An annual review paper will also be published within the first quarter of each year. A formal evaluation of at least one NTF-supported programme will be undertaken each year.

CAPITAL

The capital allocation for 2018 will be €745 million, which is an increase of over €50m on the 2017 capital allocation.

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, and the continued roll-out of the investment programme to upgrade ICT infrastructure in all schools. Additional capital funding of €663m for the period 2018-2021, allocated under the Mid-Term Review of the Capital Plan, will further boost investment in our schools infrastructure, facilitate new programmes of higher education investment - orienting the sector to cater for demographic growth and to meet key skills needs – and ensure the necessary capital investment to support apprenticeship growth targets.