

Budgetary Analysis of Samagra Shiksha

(National Education Mission)
2018-19 to 2022-23

Presented to the Ministry of Education
September 2023

Key Findings

1. THERE IS A HUGE GAP BETWEEN WHAT IS PROPOSED AND APPROVED.
 - Only **two-thirds (67.4 percent)** of the proposed budget is approved by the Project Approval Board (PAB) on average.
 - Approved budgets are **skewed especially against Access and Retention**, where only **one-third** is approved. In 2022-23, the gap was over **₹9000 crores**.
2. THE ACTUAL SPENDING IS SIGNIFICANTLY LOWER THAN WHAT IS BUDGETED.
 - On average, spending (Actual) lags behind the allocation (Budget Estimate) by **20 percent (over ₹7000 crores)**.
3. DESPITE COVID EXIGENCIES, THE REAL VALUE OF ALLOCATION HAS ACTUALLY GONE DOWN.
 - Post-COVID (2022-23), the real value of the Budget Estimate was **14 percent less** than Pre-COVID (2019-20).
 - In six years, there has been a **25 percent reduction** in real value (i.e., inflation adjusted) actual **spending**.

Allocation and *Spending* imply figures for **Budget Estimate (BE)** and **Actual** as per the Union Budget respectively.
Real value denotes the inflation-adjusted amount calculated using the Consumer Price Index (CPI).

Key Findings

4. BUDGETS DO NOT ACCOUNT FOR CHANGES IN ENROLMENT: WHILE ENROLMENTS ARE GOING UP, BUDGETS ARE GOING DOWN.
 - State budgets in **12 states/UTs** have declined by **over ₹300 crores on average** despite increases in government-school enrolment.
5. PER-STUDENT ALLOCATION AND SPENDING ARE SKEWED AGAINST GOVERNMENT SCHOOLS, ESPECIALLY AT SECONDARY LEVEL.
 - The inflation adjusted per-student spending (central share) was **30 times more** in a Kendriya Vidyalaya (KV) than in a government school in 2021-22.
 - On average, the per student allocation (central share) has been **20 times more** in a KV than in a government school.
 - Per-student spending for government schools fell to a **six-year low** of **₹1000** in 2021-22.
 - Allocation at Elementary level is several times more than at Secondary.
 - In 2021-22, in **Bihar**, for example, for every **₹1** allocated for a Secondary student, **₹9.6** were allocated for an Elementary student.
6. BUDGETS REVEAL A SKEW AGAINST SECONDARY AND TEACHER EDUCATION.
 - **Elementary Education** gets the lion's share with nearly **80 percent** of total allocations.
 - **Secondary Education** gets **17 percent** share of the total allocations. In some states, **over 50 percent** of this amount goes **towards Vocational Education**.
 - Allocation for **Teacher Education** is under **3 percent**.

Spending implies the figures for **Actual** as per the Union Budget.

Real value denotes the inflation-adjusted amount calculated using the Consumer Price Index (CPI).

Key Findings

7. RECURRING EXPENSES DOMINATE MOST OF THE BUDGET.
 - In 2022-23, **nearly one-third (32.1 percent)** of the total budget was allocated for **Teacher Salaries**.
8. NATIONAL PRIORITIES HAVE MAJOR IMPACT ON THE BUDGET ALLOCATIONS.
 - National Achievement Survey (**NAS**) 2021 **reduced the financing** for state-level assessments **impacting state assessment surveys**.
 - In **some** states, **allocations for Quality** have **reduced** since the launch of **NIPUN Bharat Mission**.
 - Focus on Vidya Samiksha Kendra (**VSK**) has increased the allocations for Monitoring by **2.5 times**.
9. QUALITY-RELATED COMPONENTS ARE NEGATIVELY IMPACTED.
 - Subcomponents related to quality education often get **dropped** in PAB appraisal **despite prioritization by states**.

Allocation/Financing implies the figures for approved budget as per PAB appraisal documents.

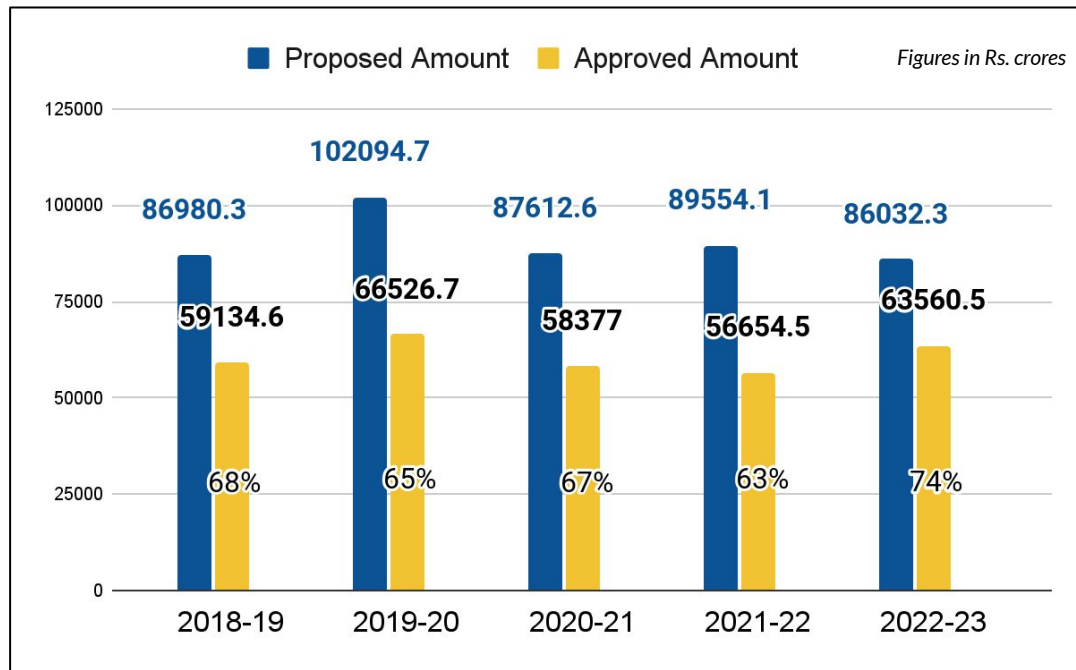
Detailed Analysis

There is a huge gap
between what is Proposed
and what is Approved.

Source: PAB appraisal documents, 2018-19 to 2022-23

Only two-thirds of the proposed budget is approved by the PAB on average.

Gap between Proposed and Approved amounts in PAB

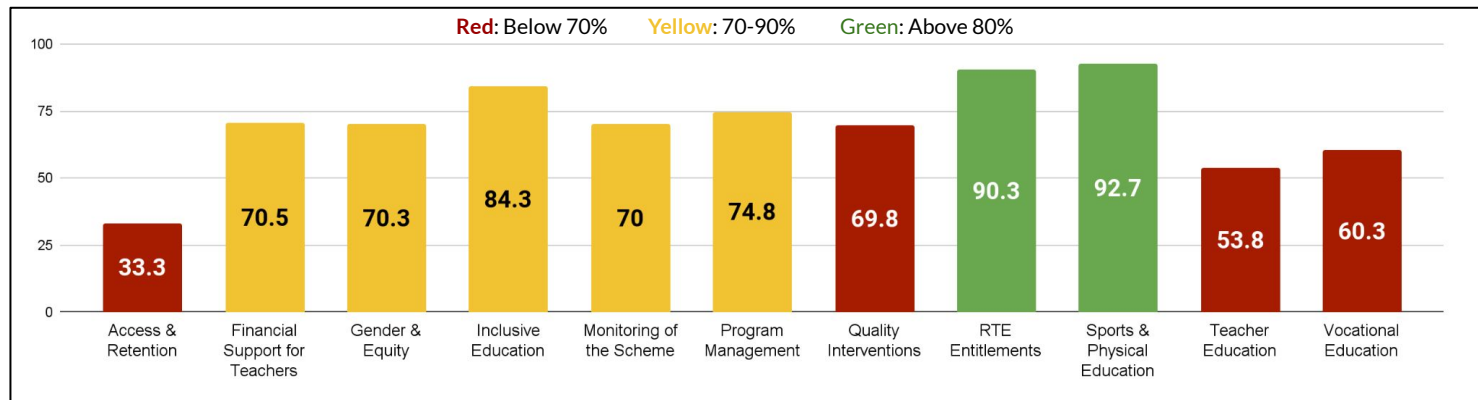


Proposed amount for 2021-22 calculated using average amounts for teacher salaries for the preceding and following years, as data was missing from the PAB documents.

- Since the launch of Samagra Shiksha, an **average 67.4 percent** of the proposed amount has been approved by the PAB.
- On average, there has been a gap of **₹29604.1 crores** between the proposed and approved amounts.

Approved budgets are skewed especially against Access and Retention.

Percentage of Proposed budget Approved by the PAB
(on average between 2018-19 to 2022-23)



- For every **₹100 proposed** by states for Teacher Education, **only ₹53.8 is approved** by the PAB on average, since the introduction of Samagra Shiksha.
- **Only one-third (₹33.3)** of the proposed amount for Access & Retention has been approved on average. In 2022-23, the approved amount was **₹9327.9 crores lesser** than the proposed amount for Access and Retention.

The figures are calculated based on the cumulative amounts under each component for all states/UTs based on the PAB appraisal documents.

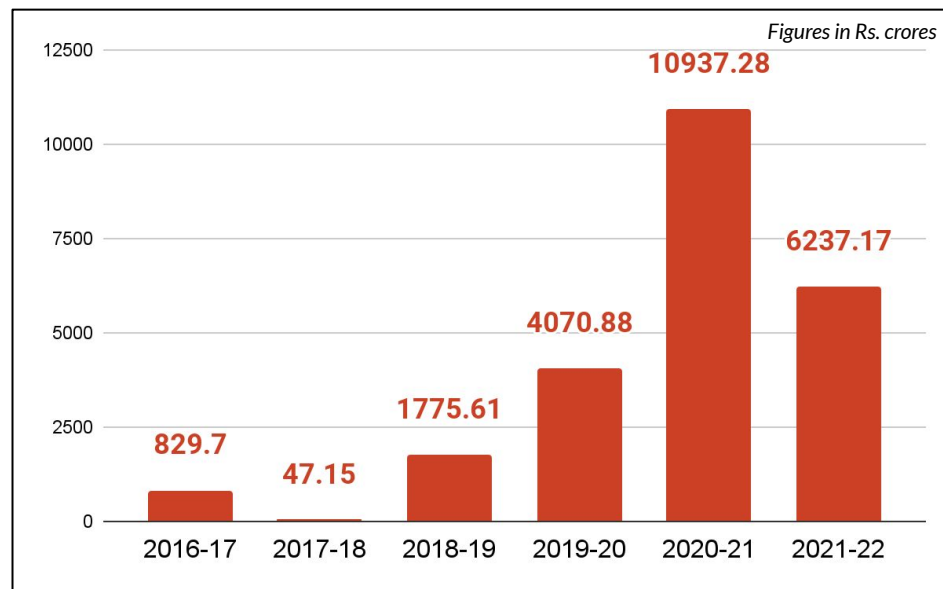
The actual spending is
significantly lower than
what is budgeted.

Comparing figures for Budget Estimate against figures for Actual between 2019-20 and 2021-22.
Source: Union Budget, 2016-17 to 2021-22

On average, spending lags behind the allocation by 20 percent.

- Since 2019-20, the **Actual spending** has been **19.8 percent (₹7081.8 crores) less*** than the Budget Estimates (BE) on average.
- Since the inception of Samagra Shiksha, Actual spending and Revised Estimates (RE) have had a **difference of over 8 percent**. **This shows that the revised estimates are unable to reliably predict the actual spending.**
- In 2021-22, Actual spending was **19.9 percent (₹6237.2 crores) less** than BE and **16.5 percent (₹4939.8 crores) less** than RE.

Difference between Allocation and Spending



Spending implies figures for **Actual** and *Allocation* implies figures for **Budget Estimate** as per the Union Budget.

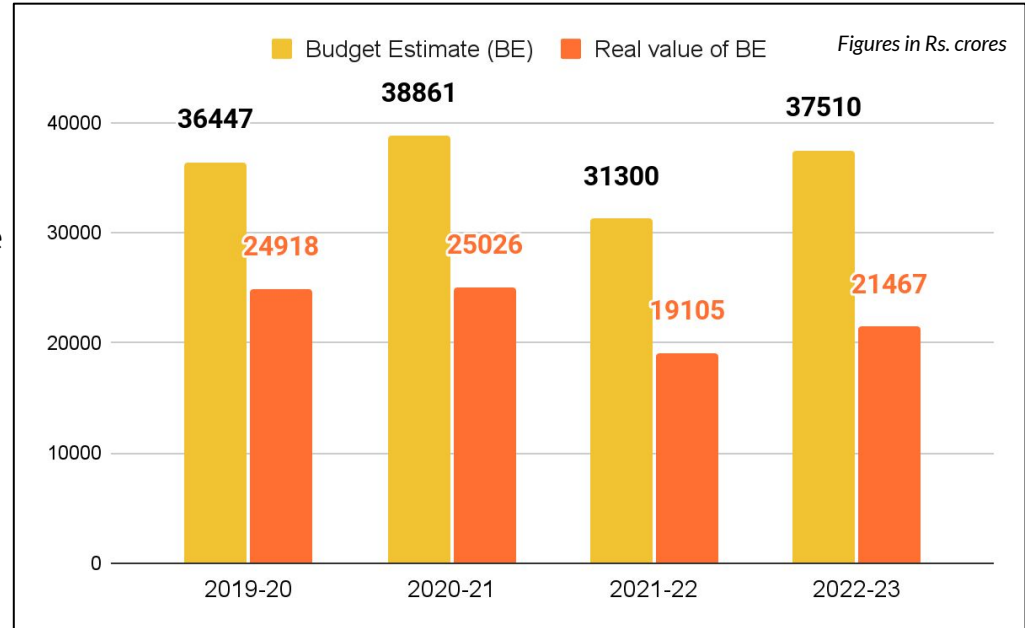
* Spending in 2020-21 and allocation in 2021-22 may have been impacted by COVID-19.

Despite post-COVID exigencies, the real value of allocation has actually gone down.

Comparing the inflation-adjusted value of Budget Estimates in 2022-23 against that in 2019-20.
Source: Union Budget, 2019-20 to 2022-23

Post-COVID (2022-23), the real value of the Budget Estimate was 14 percent less than Pre-COVID (2019-20).

- Between 2019-20 and 2022-23, though the Budget Estimate (BE) for the National Education Mission (NEM) has increased by ₹1062 crores (2.9 percent), the real value after inflation-adjustment has **decreased** by ₹3451 crores (13.9 percent).

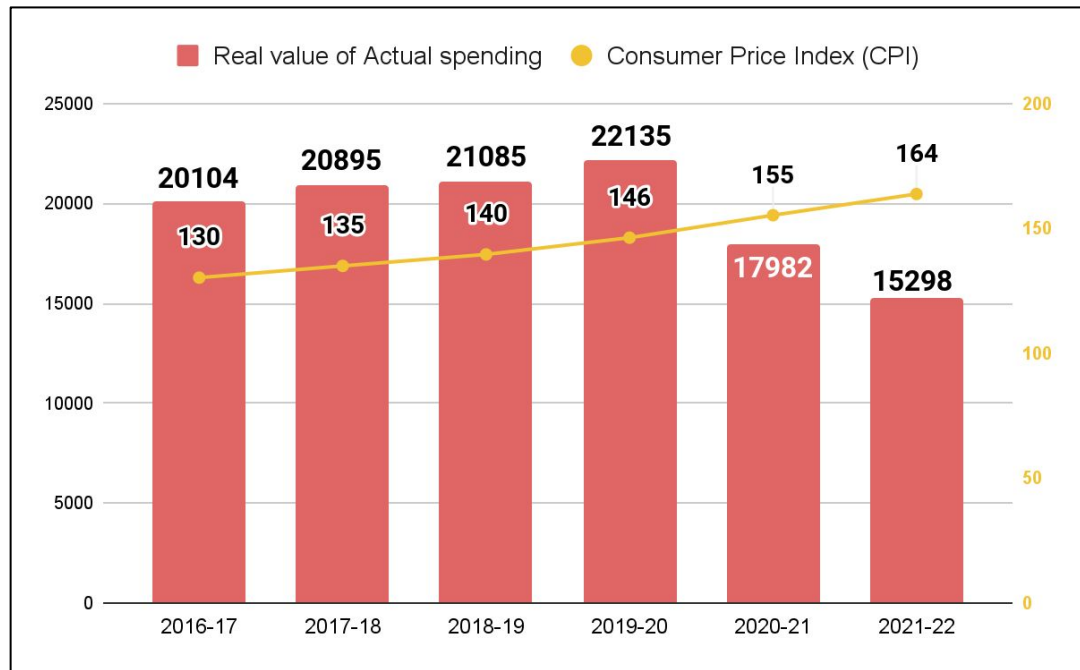


National Education Mission includes the line items of *Samagra Shiksha* and *Teachers Training and Adult Education* as per the Union Budget.

Real value implies inflation-adjusted figure calculated using Consumer Price Index (CPI).

In six years, there has been a 25 percent reduction in inflation-adjusted (real value) Actual spending.

Trends in Real value of Actual Spending and Consumer Price Index



Figures for spending in Rs. crores

Consumer Price Index (CPI) is shown as an indicator of inflation.

Real value denotes the inflation-adjusted amount calculated using the CPI.

Actual Spending implies the figures for **Actual** as per the Union Budget.

Nominal Budget Estimates denotes the amount without inflation-adjustment.

- Between 2016-17 and 2021-22, the real value of **Actual spending** has decreased by one-fourth (₹4800 crores).
- Between 2019-20 and 2021-22, the real value of Actual spending **fell by nearly one-third** (₹7000 crores).
- In 2021-22, the inflation-adjusted Actual spending (₹15298 crores) was **less than half** of the nominal Budget Estimates (₹31300 crores).

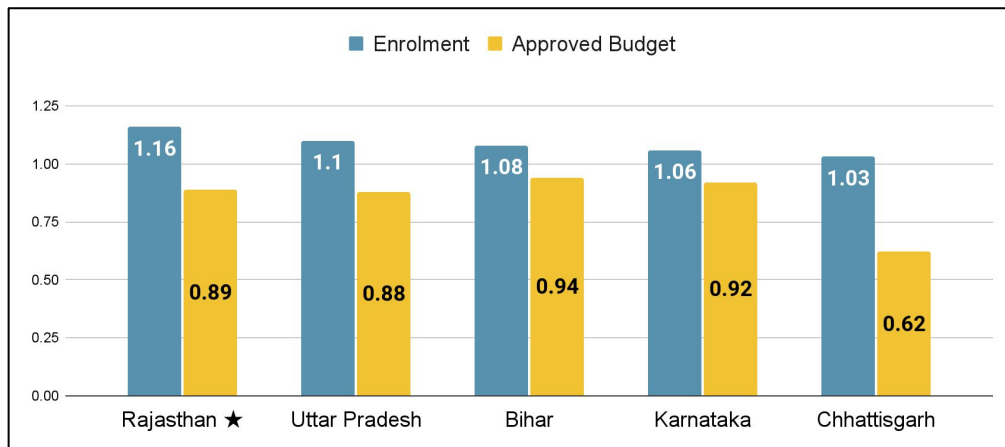
While Enrolments are
going up, budgets are
going down.

Source: PAB appraisal documents and UDISE+, 2018-19 to 2021-22

State budgets in 12 states/UTs have declined by over ₹300 crores on average despite increases in government-school enrolment.

- Between 2018-19 and 2021-22, while enrolment increased across almost all states/UTs, the budget actually **shrunk in 12 states/UTs** by an average **₹306.6 crores**.
- In Chhattisgarh, while enrolment increased by **3 percent** (over 1 lakh students), the approved **budget reduced by 38 percent (₹814.7 crores)**.
- In Rajasthan, though enrolment increased by **16 percent** (over 12 lakh students), the **budget decreased by 11 percent (₹630.8 crores)**.

Ratio of Enrolment and Budget in 2021-22 to 2018-19



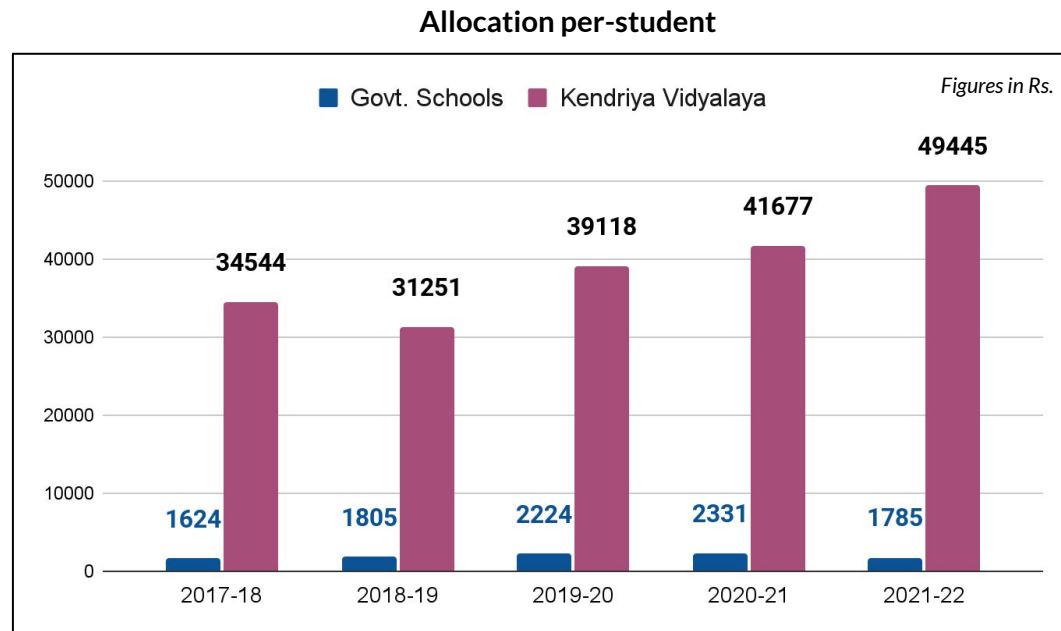
The chart shows 5 states as a representative sample of the total 12 states/UTs.
Enrolment represents the ratio of enrolment in 2021-22 vs 2018-19.
Approved Budget represents the ratio of approved PAB allocations in 2021-22 vs 2018-19.

Poor allocation to govt schools: Per student spending in KVs is 30 times that of govt. schools.

Source: Union Budget, PAB appraisal documents and UDISE+, 2016-17 to 2021-22

Per-student spending is 30 times more in a Kendriya Vidyalaya than in a government school.

- In 2021-22, the inflation-adjusted per-student spending in Kendriya Vidyalaya schools (KVs) was nearly **30 times more (₹30,180.2)** than in government schools (**₹1,030.7**).
- On average, the per-student allocation for KVs is **20 times more** than the allocation for government schools (between 2017-18 and 2021-22).

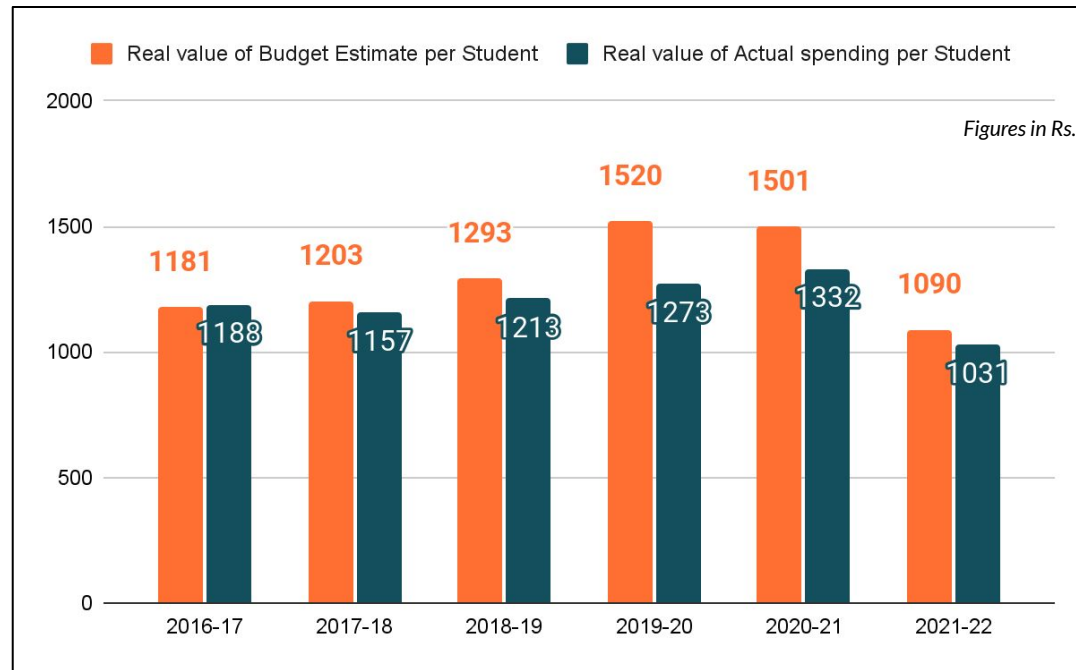


Figures in the chart are calculated by dividing the Budget Estimate for the given year by the enrolment as per UDISE+.

Allocation and **Spending** imply figures for **Budget Estimate** and **Actual** as per the Union Budget respectively. Government Schools includes all managements except Pvt. Unaided, Jawahar Navodaya Vidyalayas and Kendriya Vidyalaya/Central Schools (as per UDISE+).

Per-student spending for government schools fell to a six-year low of ₹1031 in 2021-22.

- The inflation-adjusted real value of both allocation (BE) and spending (Actual) hit a six-year low in 2021-22.
- Before the pandemic, between 2016-17 to 2020-21, real value of allocation (BE) increased by ₹320.3 (27.1 percent). But, the real value of spending (Actual) increased by only ₹143.2 (12.1 percent).



Allocation and *Spending* represent figures for **Budget Estimate** (BE) and **Actual** as per the Union Budget respectively.

Real value denotes the inflation-adjusted amount calculated using the Consumer Price Index (CPI).

Allocation at Elementary level is several times more than at Secondary.

Enrolment and Budget allocation in Elementary vs Secondary

Bihar	2018-19	2019-20	2020-21	2021-22
Enrolment Ratio	5	4.7	4.4	4.4
Per Student Budget Ratio	11.4	9.6	9.8	9.6
Chandigarh	2018-19	2019-20	2020-21	2021-22
Enrolment Ratio	2.1	2.2	1.9	1.9
Per Student Budget Ratio	3.8	6.3	8.4	5.8
Gujarat	2018-19	2019-20	2020-21	2021-22
Enrolment Ratio	2.9	2.8	2.8	2.8
Per Student Budget Ratio	2.2	5.7	6.7	5.1
Maharashtra	2018-19	2019-20	2020-21	2021-22
Enrolment Ratio	2.2	2.3	2.2	2.2
Per Student Budget Ratio	4.8	2.5	5.4	4.4

Elementary includes Pre-primary to Class 8, while **Secondary** includes Class 9-12.

Enrolment Ratio is the ratio of enrolment in Secondary vs Elementary (as per UDISE+).

Per Student Budget Ratio is the ratio of budget allocated for Secondary level vs Elementary level (as per PAB appraisal documents).

- In **Bihar** in 2021-22, for every ₹1 allocated for a **Secondary** class student, ₹9.6 were allocated for an **Elementary** class student.
- This trend spans across both large and small states including Bihar, Chandigarh, Delhi, Daman and Diu & Dadra and Nagar Haveli, Gujarat, Karnataka, Kerala, Maharashtra, Odisha, Tamil Nadu, Uttar Pradesh and West Bengal.

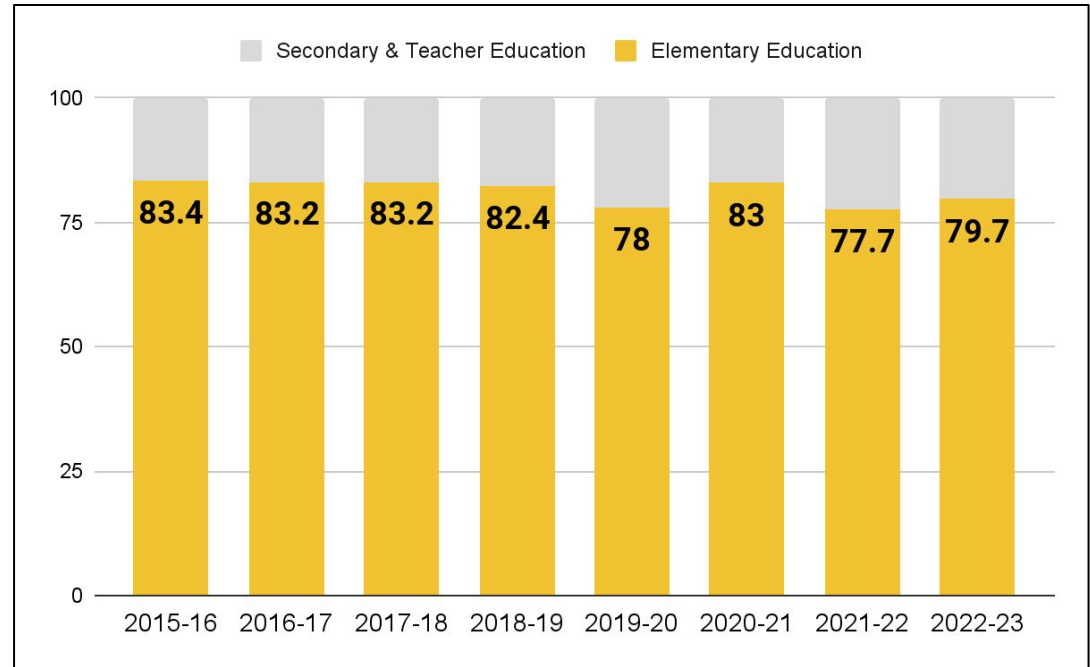
Budgets reveal major
allocations to Elementary
Education - little to
Secondary and Teacher
Education.

Source: Union Budget and PAB appraisal documents, 2016-17 to 2023-24

Elementary Education gets the lion's share with nearly 80 percent of total allocations.

- The allocation towards Elementary education has **remained high even after the introduction** of Samagra Shiksha.
- In 2022-23, more than **half the states allocated 80 percent or more** of their total budget towards Elementary education.

Percentage Allocation to Elementary Education

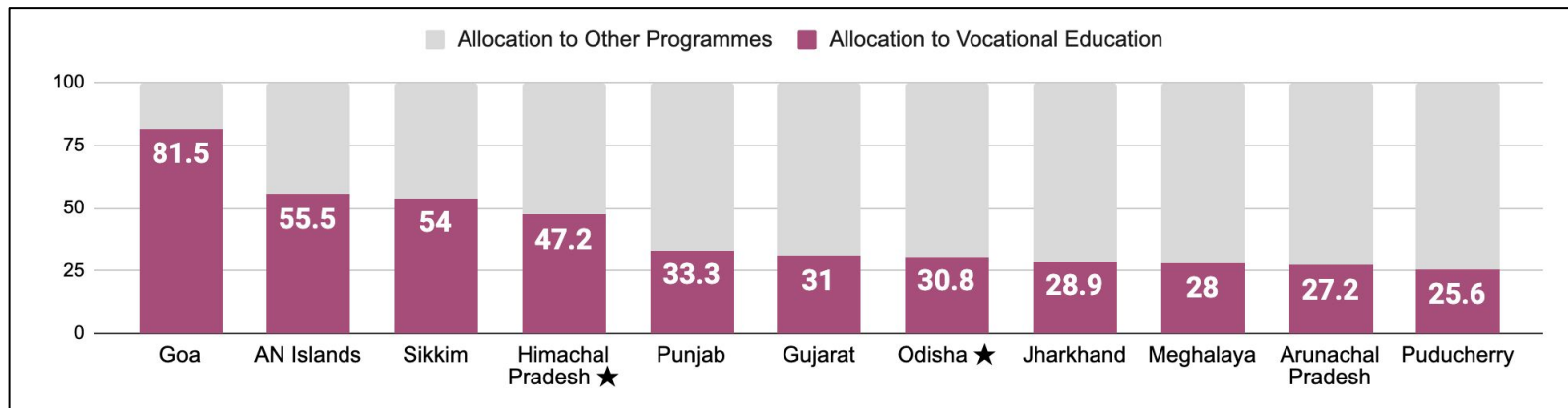


Figures before 2018-19 are the average allocation to the *Sarva Shiksha Abhiyan* scheme in the Union Budget.

Figures after 2018-19 are the median allocation to *Elementary Education* by states/UTs in PAB.

States are allocating over 50 percent of Secondary budget for Vocational education.

Share of Vocational Education out of Secondary Education budget (2022-23)

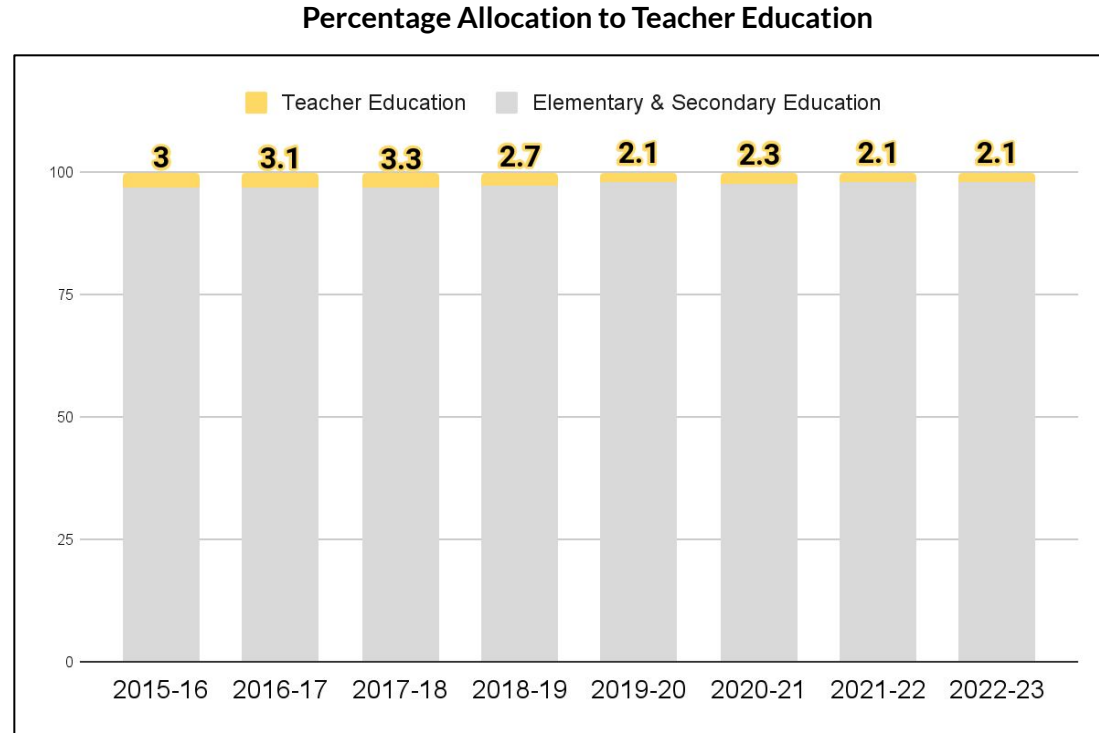


Figures show the percentage of budget for Secondary Education approved in PAB allocated to Vocational Education in 2022-23.

- In 2022-23, **16 states/UTs allocated over 20 percent of their Secondary Education budget on Vocational Education.**
- Goa is an outlier as it has allocated **nearly 25 percent (₹1098 crores on average)** of its total approved PAB budget on Vocational Education every year since 2018.

Teacher Education gets less than 3 percent allocation.

- The allocation towards Teacher Education **has reduced since the introduction of Samagra Shiksha.**
- The amount allocated has also decreased from **₹925.7 crores** in 2017-18 to **₹857.6 crores** in 2022-23.



Figures before 2018-19 are average allocation to the *Teacher Training and Adult Education* scheme in the Union Budget.

Figures after 2018-19 are the median allocation to *Teacher Education* by states/UTs in PAB.

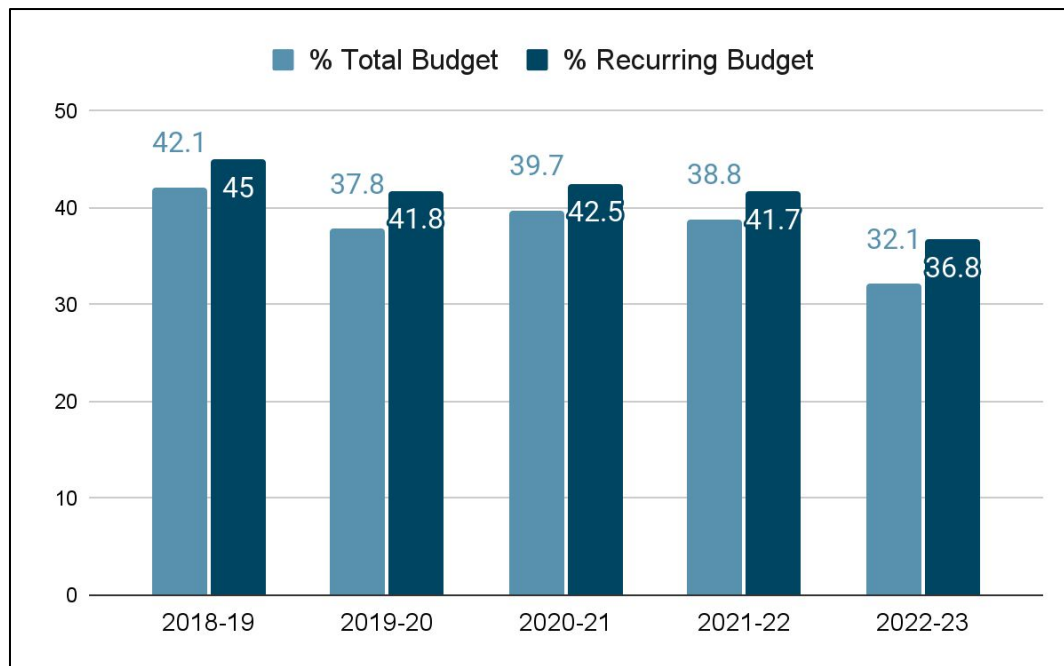
Recurring Expenses
dominate most of the
budget.

Source: PAB appraisal documents, 2018-19 to 2022-23

In 2022-23, 32.1 percent of the total budget was allocated for Teacher Salaries.

- On average, teacher salaries* make up **41.6 percent (₹23125.4 crores)** of the budget allocated for recurring expenses.
- These figures are slated to decrease in the coming years as the central share for salaries is reduced to **75 percent** of total by 2026-27.

Percentage of Budget Spent on Teacher Salaries*

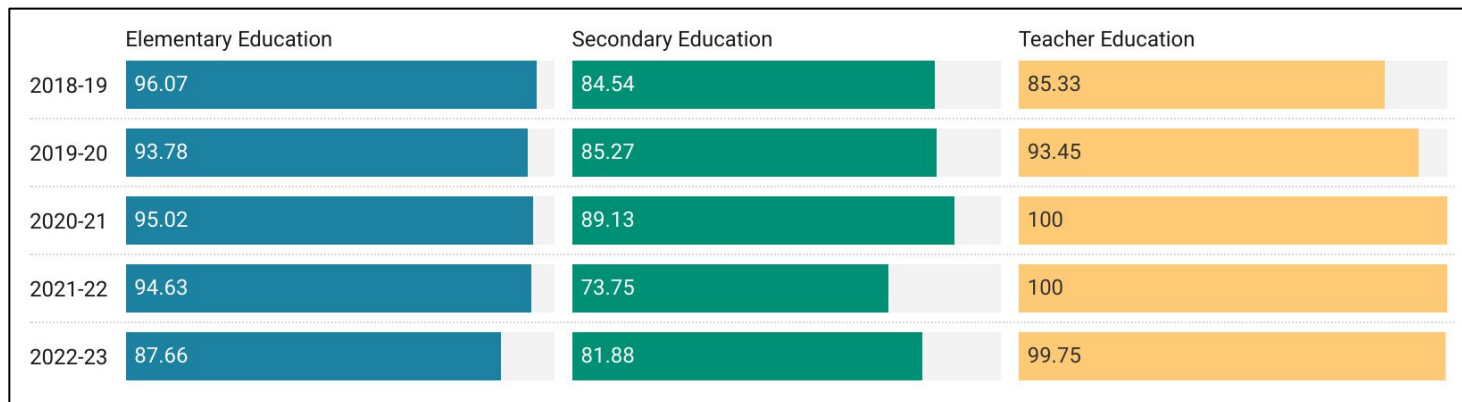


* **Teacher Salaries** includes financial support for teachers, HMs and teacher educators across Elementary, Secondary and Teacher Education.

Budget represents the approved amount as per PAB appraisal documents.

Recurring Expenses take up most of the total budget.

Median Allocation to Recurring Expenses in PAB



Figures shown are calculated by taking the median of the percentage of the approved budget allocated to recurring expenses by each state/UT in their respective PAB appraisal documents.

- In 2022-23, across Elementary, Secondary and Teacher Education, **80-100 percent** of the allocation is on recurring expenses.
- A few North-Eastern states or new UTs like Ladakh have allocation for non-recurring expenses in Teacher Education but that is mostly for setting up of new hostels or institutions.

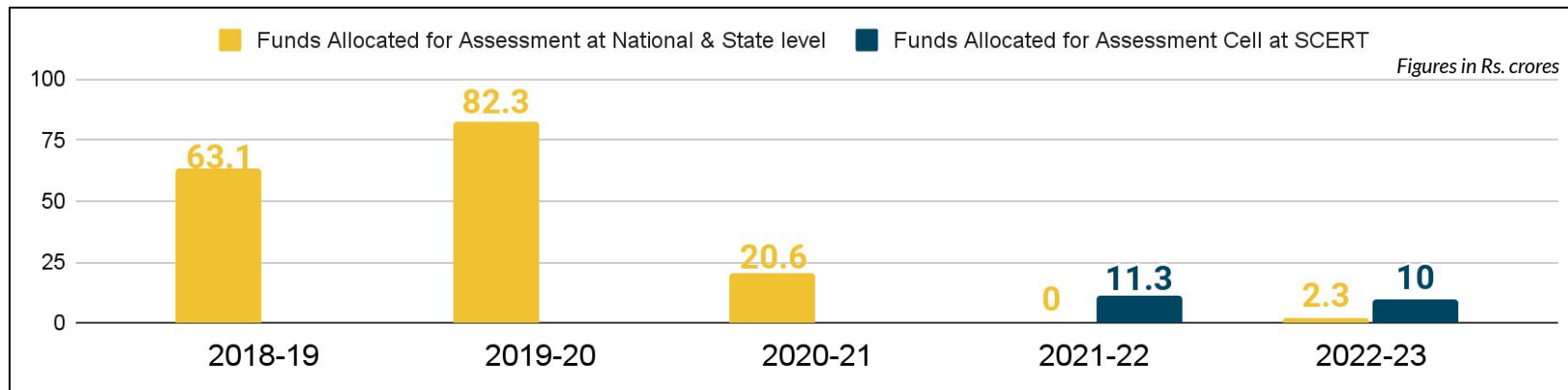
Allocation represents the approved amount as per PAB appraisal documents.

National priorities majorly
impact the budget.

Source: PAB appraisal documents, 2018-19 to 2022-23

NAS 2021 reduced the financing for state-level assessments.

Amount Approved for Assessments in the PAB



Figures shown are the total amount approved for **Assessment at National and State level** in the PAB across all states/UTs.

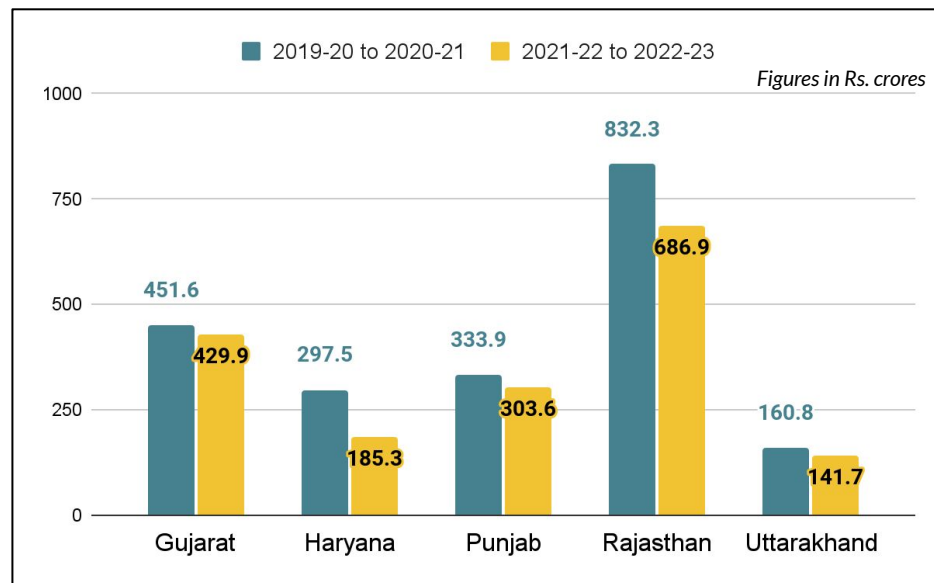
- In 2021-22, **no funds were approved** for **Assessment at National and State level** as National Achievement Survey (NAS) 2021 was to be conducted that year.
- Instead, funds were allocated for setting up of an Assessment Cell at the SCERT. These cells would be involved in preparing test materials, conducting achievement surveys, and disseminating the results at the district and sub-district levels.

NAS: National Achievement Survey
SCERT: State Council of Educational Research & Training
Funds represents the approved amount as per PAB appraisal documents.

In some states, allocations for Quality have reduced since the launch of NIPUN Bharat.

- Since the introduction of the NIPUN Bharat Mission, the budget allocated for quality programmes has **increased by 86.6 percent (₹153.7 crores) on average** in 29 states/UTs.
- But some states like Gujarat, Haryana, Punjab, Rajasthan and Uttarakhand saw a **decrease of total 328 crores** in their budget for quality programmes.

Budget Allocation to Quality Programmes*
(inc. NIPUN Bharat)



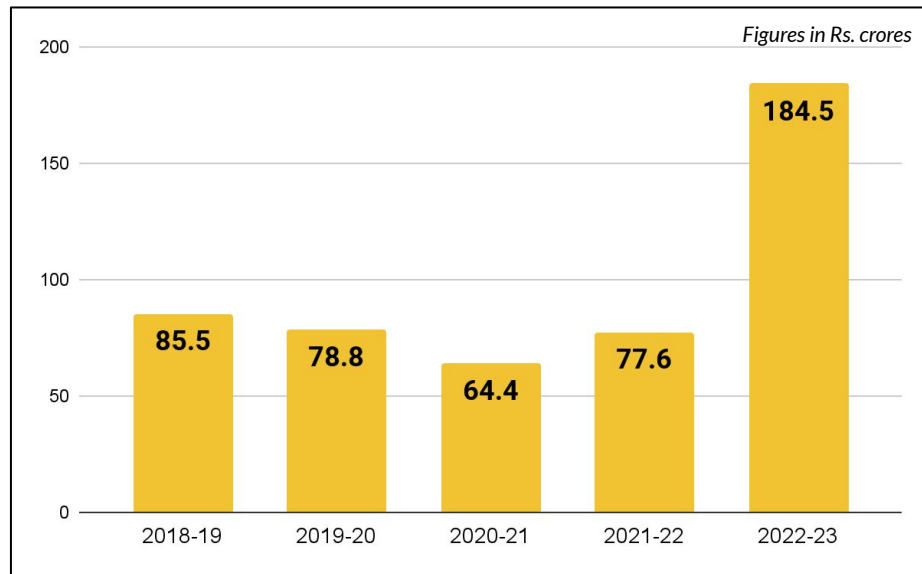
* **Quality Programmes** includes the subcomponents of Funds for Quality, ECCE, and (for 2021-22 and 2022-23) NIPUN Bharat.

Budget represents the approved amount as per PAB appraisal documents.

Focus on VSK has increased the allocations for Monitoring by 2.5 times.

- The budget allocated for Monitoring of the Scheme in 2022-23 was **nearly 2.5 times (₹106.9 crores) more** than the amount in 2021-22.
- In 21 states/UTs, the amount in 2022-23 was **more than the the previous four years combined.**
- This change can be attributed to the addition of Vidya Samiksha Kendra (VSK) in PAB 2022-23.

Budget Allocation for Monitoring of the Scheme



VSK: Vidya Samiksha Kendra

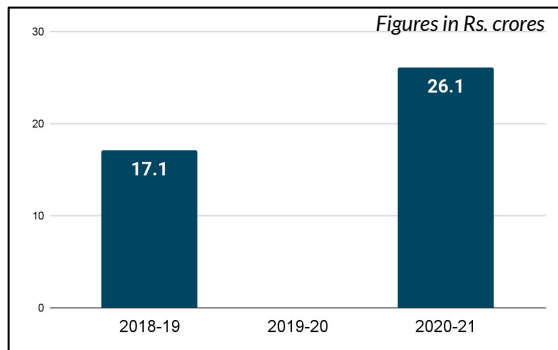
Budget represents the approved amount as per PAB appraisal documents.

Quality-related
components are
negatively impacted.

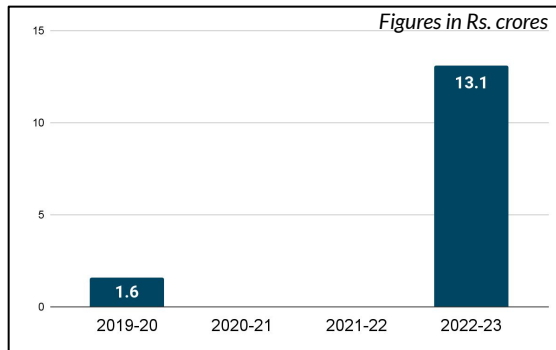
Source: PAB appraisal documents, 2018-19 to 2022-23

Subcomponents related to quality education get dropped in PAB appraisal.

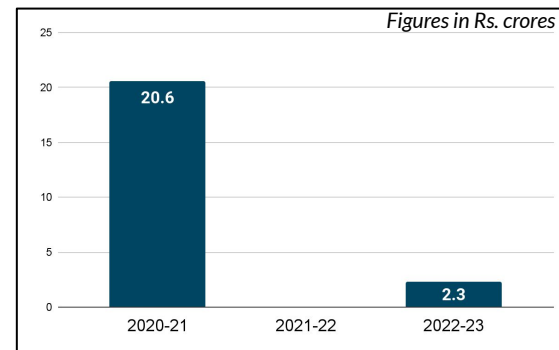
Funds Approved for DIKSHA (National Teacher Portal) in the PAB



Funds Approved for Training of Teacher Educators in the PAB



Funds Approved for Assessment at National and State level in the PAB



- Since the introduction of Samagra Shiksha, from one year to the next, only items related to quality education have been dropped.
- For example, though funds were allocated for DIKSHA in 2018-19, no funds were allocated in 2019-20.
- Similarly, no funds were allocated for Training of Teacher Educators for two years (2020-21, 2021-22).

Dropped implies no state/UT was allocated any funds for the given component.
Funds represents the approved amount as per PAB appraisal documents.

Challenges Impacting Budgetary Decision-Making

1. Planning is **centrally driven**. There is a need for Annual Work Plan & Budget (AWP&B) to be planned at district and sub-district levels.
2. **Limited capacities** for planning, budgeting, appraisal and financial management.
3. Planning and budgeting is **not adequately responsive** to changes in enrolment, inflation, policy prioritizations or fiscal discipline of states.
4. States may be leveraging **other sources of financing** (e.g. state schemes), besides Samagra.
5. **Prioritization** does not reflect state-needs. (Compromising on Access, Quality, Teacher Education and Secondary Education)
6. **COVID-19** pandemic and changes in financial management compliance has caused challenges.
 - a. **SNA* mapping** has massively impacted allocations and utilisation.
 - b. There has been an **insufficient utilisation capacity** of states, **poor fiscal discipline** of states, and spillovers from previous years.

Recommendations

1. Decentralised planning and financial budgeting to be prioritised.
 - a. Large-scale training programmes are required on decentralised planning and budgeting for states. Budgeting at school-level may be strengthened.
2. Preparation of Annual Work Plan & Budget has to be organic rather than mechanical.
 - a. Training on realistic and need-based appraisal is required for national and sub-national appraisal teams.
 - b. Flexible and responsive budgeting processes are required to adjust for inflation, enrolment and fiscal discipline of states.
3. Appraisal needs to be done by external domain experts.
4. Standardised formats for audit reports may be implemented for uniformity and comparability.
5. A review of the Samagra Shiksha costing framework may be undertaken to make it responsive to evolving needs.

Annexures

Methodology

Data Sources

- **Expenditure Budget** documents for Ministry of Education (MoE) in the Union Budget from 2016-17 to 2023-24
- **PAB appraisal documents** from 2018-19 to 2022-23 for all states and UTs
- **UDISE+ reports** on student enrolment from 2018-19 to 2021-22
- **Consumer Price Index (CPI) data** (base 2012) from 2013 to 2022 by Ministry of Statistics and Programme Implementation (MOSPI)

Notes

- Figures for **National Education Mission (NEM)** were used as a proxy for school education in certain calculations. The overall trends remain unaffected by the teacher training and adult education component.
- **Spending** implies figures for Actual and **Allocation** implies figures for Budget Estimate as per the Expenditure Budget documents in the Union Budget.
- Latest available data on Actual spending and Enrolment is from 2021-22.
- Inflation-adjusted figures, or **Real values**, were calculated using the formula: $Real\ Value = \frac{Nominal\ Value}{Average\ CPI} \times 100$
- Enrolment for government schools was calculated using data for all school managements were considered except Private Unaided, Jawahar Navodaya Vidyalaya (JNV) and Kendriya Vidyalaya (KV)/Central Schools.

Real value denotes the inflation-adjusted amount calculated using the Consumer Price Index (CPI).

Nominal value denotes the amount without inflation-adjustment.

Glossary

- **Budget Estimate (BE):** The amount allocated for the upcoming financial year.
- **Revised Estimate (RE):** The revised allocation for the previous financial year.
- **Actual spending:** The actual expenditure in the financial year before the previous one.
- **Real BE / Real RE / Real Actual:** The inflation-adjusted amount based on the Consumer Price Index (CPI).
- **Nominal Figure:** The amount without inflation-adjustment.
- **National Education Mission (NEM):** The component under Expenditure Budget for Ministry of Education covering school education and teacher training and adult education.
- **Sarva Shiksha Abhiyan (SSA):** Compared with Elementary Education under Samagra Shiksha.
- **Rashtriya Madhyamik Shiksha Abhiyan (RMSA):** Compared with Secondary Education under Samagra Shiksha.
- **Teacher Training and Adult Education:** Compared with Teacher Education under Samagra Shiksha.