

# Cutting State support from fee-paying schools makes no financial sense

**EOGHAN MURPHY**

**Opinion:** The purpose of the Department of Education's report published on Tuesday – Fee Charging Schools: Analysis of Fee Income – is to inform future policy decisions about the nature and extent of exchequer funding provided to fee-charging schools in the context of the current financial correction.

In other words, given that we have less money, with at least three more years of cuts coming, what should our policy in relation to fee-paying schools be from a financial point of view? The report does not address anything else in the wider debate on education.

In that context, the figure the report provides as the potential saving to the State from parents paying for their children to attend fee-paying schools is key.

The figure presented on page 14 of the report is €23.55 million, which represents the recurrent cost to the exchequer if all 55 fee-paying schools were admitted to the free scheme today. However, this figure does not take into account any capital loan repayments, unpaid fees or discounts provided to students (worth a further €12 million, according to the report). Nor does it include things such as the cost of school buildings and land, or any other resources involved in the running of the school, that would have to be taken on by the State.

Whatever the true figure, it is an undeniable fact that sending children to fee-paying schools saves the State money.

According to a report in 2011 by PwC, and based on figures from the Department of Education, which have not been refuted, the total saving is as much as €91 million a year.

In a fee-paying school the State pays for most but not all of the teachers from taxpayers' money, but pays for nothing else. This is a subvention and it costs the taxpayer about €100 million a year. It is important to bear in mind that this would still be paid if the school was in the free scheme as the children would still need teachers.

## **Spend to save**

However, when parents choose to use whatever additional income they may have to send their child to a fee-paying secondary school, it represents a saving to the State – savings on buildings, utilities, maintenance, land, additional resources etc. So we spend money to save money. If we go on the PwC figures, we spend €100 million to save €91 million. Or, for every child taken out of the free scheme and put in to a fee-paying school, it saves the State roughly €3,500 per child.

Any policy move that might make it less financially tenable for a fee-paying school to stay outside of the free scheme, say by reducing its teacher allocation further, should be resisted. The same too for any policy that would increase fees, sending more pupils back to the free scheme.

Fee-paying schools place less of a burden on the taxpayer and on the Department of Education's shrinking budget. From a savings point of view, they make financial sense. And this was why the report was drafted: to inform future funding policy in light of continuing cuts.

But what about the equality and discrimination argument? If State support for teachers was removed or weakened, this would drive fees up, making fee-paying schools incredibly elitist and our education sector less equal. At the same time parents who could afford to send their children to a fee-paying school today but who could not if fees went up as a result of cutbacks, would find their children's education being wholly subsidised by the State. Is that fair?

## **Perform better**

Fee-paying schools traditionally perform better in the league tables and send more students to university. Advocates of abolishing the State subvention to fee-paying schools claim they do better because they have more money, some of which comes from the State, and they want this money back for the free schools.

But if the money argument is correct, then by sending more children to fee-paying schools, we make savings and free up resources, meaning better schools for children in the free scheme. All pupils then move up as it were to better opportunities for better education.

So, on this logic we should be sending more children to fee-paying schools, not less.

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