STUDY ON THE ALLOCATION, RELEASE AND UTILIZATION OF FUNDS UNDER SARVA SHIKSHA ABHIYAN, RASHTRIYA MADHYAMIK SHIKSHA ABHIYAN AND SAMAGRA SHIKSHA KERALA

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SUBMITTED TO

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CSES
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ABBREVIATIONS

BRC	Block Resource Centre
CRC	Cluster Resource Centre
CWSN	Children with Special Needs
DIET	District Institute of Education
DPI	Director of Public Instruction
GED	General Education Department
GoI	Government of India
IED	Inclusive Education for the Disabled
LSGIs	Local Self Government Institutions
MHRD	Ministry of Human Resource Development
PAB	Project Approval Board
RMSA	Rashtriya Madhyamik Shiksha Abhiyan
RMSA	Rashtriya Madhyamik Shiksha Abhiyan
RTE	Right to Education
SCERT	State Council of Educational Research and Training
SDG	Sustainable Development Goal
SIS	State Implementing Society
SMC	School Management Committee
SSK	Samagra Shiksha Kerala
SSA	Sarva Shiksha Abhiyan

INTRODUCTION

CHAPTER I

1.1 BACKGROUND

Sarva Shiksha Abhiyan (SSA), a Centrally Sponsored Scheme implemented by the Government of India in partnership with State Governments, was India's main programme for universalising elementary education. SSA had been operational since 2000-01 to provide for a variety of interventions for universal access and retention, bridging of gender and social category gaps in elementary education and improving the quality of learning. SSA interventions include inter alia, opening of new schools and alternate schooling facilities, construction of schools and additional classrooms, toilets and drinking water, provisioning for teachers, regular teacher in service training and academic resource support, free textbooks & uniforms and support for improving learning achievement levels/outcome.

In 2009, Government of India launched another centrally sponsored scheme to enhance access to secondary education and improve its quality viz., Rashtriya Madhyamik Shiksha Abhiyan (RMSA). RMSA aimed to increase the enrolment rate to 90% at secondary and 75% at higher secondary stages, by providing a secondary school within reasonable distance of every home. It also aimed to improve the quality of secondary education by making all secondary schools conform to prescribed norms, removing gender, socio-economic and disability barriers, and providing universal access to secondary level education by 2017.

A new centrally sponsored scheme viz., Samagra Shiksha was launched in 2018-19 by subsuming the SSA, RMSA and Teacher Education schemes. The scheme envisages the 'school' as a continuum from pre-school, primary, upper primary, secondary to Senior Secondary levels. The vision of the Scheme is to ensure inclusive and equitable quality education from pre-school to senior secondary stage in accordance with the Sustainable Development Goals (SDG) for Education.

The fund sharing pattern of Samagra Shiksha between Centre and States is at present in the ratio of 90:10 for the 8 North-Eastern States viz. Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura and 3 Himalayan States viz. Jammu & Kashmir, Himachal Pradesh and Uttarakhand and 60:40 for all other States and Union Territories with Legislature. It is 100 per cent centrally sponsored for Union Territories without Legislature.

The major objectives of Samagra Shiksha (hereinafter Samagra) are provision of quality education and enhancing learning outcomes of students; bridging social and gender gaps in school education; ensuring equity and inclusion at all levels of school education; ensuring minimum standards in schooling provisions; promoting vocationalisation of education; support state governments in implementation of the Right of Children to Free and Compulsory Education (RTE) Act, 2009; and strengthening and up-gradation of SCERTs/State Institutes of Education and DIET as nodal agencies for teacher training.

The major components of the scheme are: (i) universal access including infrastructure development and retention; (ii) gender and equity; (iii) inclusive education; (iv) quality; (v) financial support for teacher salary; (vi) digital initiatives; (vii) RTE entitlements including uniforms, textbooks etc.;(viii) pre-school education; (ix) vocational education; (x) sports and physical education; (xi) strengthening of teacher education and training; (xii) monitoring; (xiii) programme management; and (xiii) national component.

1.2 RELEVANCE OF THE STUDY

The funding pattern of Samagra is such that the Centre will provide 60 percent share as a matching grant and 40 percent has to be put by the State Governments. The fund sharing formulae was the same under SSA and RMSA since 2015-16. In Kerala, the state share of SSA and the elementary education component of Samagra were met by the Local Self Government Institutions (LSGIs) as the responsibility of primary education is vested with them under decentralised regime. Issues have been reported about the release of funds by LSGIs to SSA/Samagra. Some of the LSGIs either do not release the allocated funds fully and/or do not release the funds at the beginning of the financial year. Delayed release of state share leads to low utilization, which in turn, leads to the decrease in Central Share release of the next year. However, In the case of RMSA and the secondary education and teacher education components of Samagra, the state share is directly transferred to the implementing agency viz., Samagra Shiksha-Kerala. There has also been decline in the allocation of central share to states over the years. As result of these developments, the fund availability for interventions in the education sector witnessed a significant decline. In some years, the utilisation of available funds was also low in the case of SSA/RMSA. The situation has not changed much under the Samagra regime. It is in this context that a study on allocation, release and utilization of funds under the centrally sponsored schemes of SSA, RMSA and Samagra in the State becomes relevant.

1.3 OBJECTIVES OF THE STUDY

The specific objectives of the study are:

1. To examine the trend in release of Central Share during the last ten years and the reasons for changes, if any
2. To examine the trend in release of the state share by the LSGIs and to explore the issues faced by the LSGIs in compulsory allocation and release of SSA share
3. To examine the timing of release of the Central and State shares and to find out the issues related to delay in fund release, if any

4. The find out the trend in utilization of funds by SSA during last 10 years and explore the reasons for low utilization, if observed
5. To examine the status of interventions under SSA in a sample of schools and identify the issues, if any
6. To suggest measures to improve the effectiveness of the Samagra Shiksha funding mechanism in the state.

1.5 METHODOLOGY

The study examines the allocation, release and utilisation of Central and State shares of funds under SSA, RMSA and Samagra using data available at the state level. Data on different components of expenditure under these programmes and expenditure on different interventions were collected through multiple visits to the offices of the implementing agencies. Since there has been major changes in the programme implementation during the last ten years including the termination of SSA/RMSA and launching of Samagra, the study team faced difficulties in accessing relevant data. Data relating to different interventions were also collected from two sample districts viz., Ernakulam and Malappuram. Further, to understand the field realities, SSA interventions in a sample LSGIs and schools in one district viz., Ernakulam in the year 2017-18 were examined in detail. Seven Grama Panchayats, two Municipalities, Kochi Corporation and Ernakulam District Panchayat were covered by the study. Twenty schools from the sample LSGIs were also visited as part of the study. Both government and aided schools were included in the sample.

Several rounds of discussions were held with the Director of SSA who later became the Director, Samagra to get clarity on the funding mechanism and the issues in fund flow. Depth interviews and discussions with the following stakeholders were conducted to elicit the qualitative information.

- SSA State and district officials
- SRG members
- KILA faculty
- Elected representatives and officials of LSGIs
    - Presidents, standing committee chair persons, Secretaries, Plan clerks
- School functionaries, Head of the institutions, PTA office bearers, Development Committee members etc.

1.6 Structure of the Report

This report is divided into three chapters. This introductory chapter discusses the objectives and methodology of the study. Chapter II undertakes an analysis of the state's proposals for funding, allocation, actual release and utilisation of funds for the three centrally sponsored schemes in schools education sector viz., SSA, RMSA and Samagra. The chapter also reports the major issues relating to fund flow in these schemes. The third chapter presents the conclusions and recommendations emerging from the study.

ANALYSIS AND FINDINGS

CHAPTER II

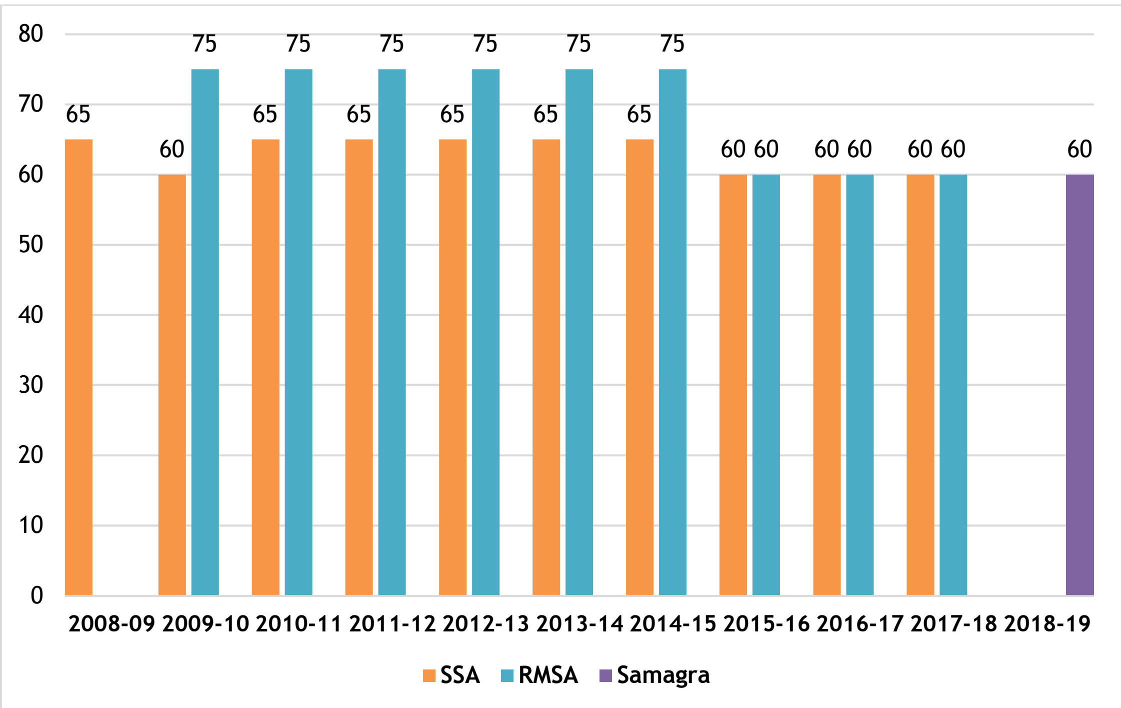
2.1 Introduction

This chapter presents an analysis of the allocation, release of funds and its utilisation in three centrally sponsored schemes in school education viz., Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and Samagra Shiksha Abhiyan (hereinafter Samagra). While SSA covered elementary education, the mandate of RMSA was in the secondary education sector. Samagra was launched as a comprehensive scheme for school education as a whole in 2017-18 replacing both SSA and RMSA.

2.2 Cost Sharing pattern in SSA/RMSA/Samagra

SSA, RMSA and Samagra are centrally sponsored schemes in which the cost is shared by the Central and the State governments. Figure 2.1 provides the proportion of cost to be borne by the Centre as per the fund sharing formula for SSA, RMSA and Samagra.

Figure 2.1: Central Share in SSA/RMSA/Samagra as per the Sharing Pattern decided at the national level for Kerala



Source:

In all centrally sponsored schemes, the share of the Centre comes down gradually. In SSA, the sharing pattern between the Centre and the States was 75:25 till 2006-07 and 65:35 for the next two years. The central share further declined to 60 percent in 2009-10 but increased in the next year to 65 per cent which continued till 2014-15. The share of the Centre was brought down to 60 per cent again in 2015-16 which continued till the end of the programme in 2017-18. In RMSA, which started in 2009-10, the fund sharing pattern between Centre and State was 75:25 from 2009-10 to 2014-15. The Central share declined sharply from 75 per cent in 2014-15 to 60 per cent in 2015-16 thereby increasing the financial responsibilities of the state government in the secondary education sector. This funding pattern continued till RMSA was discontinued in 2017-18. The sharing pattern of 60:40 is followed in the new scheme Samagra also. The changes in the fund sharing pattern were made unilaterally by the Centre.

Under all centrally sponsored schemes, the State provides its share for the schemes as a matching grant. This implies that only when the Central government commits to make available the amount as required by the sharing pattern fixed, the State will provide its share. The state share of SSA funds were provided directly to the State Implementing Society (SIS) till 2008-09. But from 2009-10 onwards, the responsibility of providing the state share was shifted to the Local Self Government Institutions (LSGIs). The logic of this decision of the state government is that the responsibility of managing government elementary schools was vested with the rural and urban local bodies. It may also be noted some of the interventions of SSA. RMSA and Samagra covers government aided schools which are not managed by LSGIs. Transferring the responsibility to LSGIs appears to be an afterthought as government schools were brought under LSGIs almost a decade earlier under the decentralised governance system. But in the case of RMSA meant for secondary education, the state share is directly provided by the State government even though secondary and higher secondary schools in the government sector are managed by District Panchayats and urban local bodies. Under the combined scheme of Samagra, the system has become more complicated with Grama Panchayats and urban local bodies providing the state share of the elementary education component while that for the secondary education component is provided by the state government directly. Continuing different systems of routing state share for elementary education and secondary education in a scheme which views school education as a whole, needs to be reviewed based on the advantages and disadvantages of both systems. It is also important to note that the Central share, which was directly paid to State Implementing Society (SIS) till 2013-14 is routed through the State Government and Education Department since then. This practice was followed in RMSA and is being followed in Samagra at present.

2.3 Process of Plan Approval and Fund Release

The release of funds for Samagra as well as the previous schemes of SSA and RMSA happens only after a series of steps starting with the preparation of annual plan and budget by SIS. The steps involved in the release of funds from the Government of India (GoI) and the State government in Samagra Shiksha are discussed in this section. The process was almost the same under SSA and RMSA.

Steps in Fund Flow under Samagra Shiksha

1. Submission of Annual Work Plan and Budget to the Samagra Shiksha at the national level by Samagra-Kerala
2. Adhoc release of up to 25% of the recurring expenditure of the previous year after adjusting for unspent balance of central share (recurring) available with the State as on March 31 to the State Treasury.
3. Samagra-Kerala submits the request for the release of Central and State share of secondary education to the General Education Department (GED) of the State government.
4. GED forwards the proposal to the Finance Department. After getting approval from the Finance Department of the State, a Government Order to release the amount to Samagra-Kerala is issued.
5. Submission of request by Samagra-Kerala to the Director of Public Instruction (DPI) for submitting the bill based on the Government Order issued.
6. Amount is transferred to the account of State Implementing Society (SIS) of Samagra-Kerala.
7. Release of the first instalment of the recurring grant: Up to 75% of approved allocation may be released as first instalment. However, the adhoc releases and closing balance of GoI share of the previous financial year will be adjusted in the first installment. The release of the first instalment of the central share is subject to the following conditions: o Proposal for release of first installment to be received from State Government. o Approval of Annual Plans by Project Approval Board (PAB); o Transfer of GoI share of previous year to SIS from State Treasury; o Release of commensurate State share for previous year; and release of full GoI share of ad-hoc release of Central Government to SIS along with matching State share by State Government. o Submission of provisional Utilisation Certificate for the previous year. o Confirmation of the state government on making provisions in the State budget towards matching State share o Provisional Expenditure Statement of the current year o Statement of outstanding advances accrued, adjusted and pending till date (The amount received from the Centre is transferred to Samagra-Kerala through Steps 3-6 mentioned above)
8. First Instalment of Non-Recurring Grant: Up to 50% of the non-recurring grant sanctioned for the financial year will be released as first instalment. However, the closing balance (non-recurring) of GoI share of the previous year as on March 31 would be adjusted in the first installment. All the conditions for release of recurring grant is applicable for non-recurring grant also. Additionally, the physical progress report for previous year (up to March 31) also has to be submitted. The amount is transferred to Samagra-Kerala through Steps 3 to 6 mentioned above.
9. Second Instalment of the Recurring Grant: Balance of funds eligible for release after adjusting the adhoc releases, first instalment release and unspent balance of previous financial year will be released as second installment. If any of the

	conditions of getting the first instalment of recurring grant was not fulfilled at that time, it should be fulfilled to become eligible for second instalment. In addition, Provisional Expenditure Statement of the current year should be submitted along with request for second instalment. The Statement of outstanding advances accrued, adjusted and pending till date should also be submitted. The Amount is transferred to Samagra-Kerala through steps 3 to 6 mentioned above.
10.	Second Instalment of Non-recurring Grant: Balance of funds eligible for release after adjusting the first instalment release and unspent balance of previous financial year will be released as second installment. The conditions precedent for the GoI release are: o At least 50% utilisation of the cumulative fund available under GoI releases. o Release of GoI share from previous instalment to SIS from Treasury. o Release of commensurate State share. o Submission of provisional Utilisation Certificate up to previous month of the current year and Expenditure statement of the previous releases during the financial year. o Submission of Annual report of one year prior to previous financial year. o Submission of audit report of the previous financial year along with separate audited Utilisation Certificate for Non-Recurring (Capital Head) is mandatory. o Physical progress up to the preceding month of submission of request for second instalment.

2.4 Approved Outlay and Release under SSA, RMSA and Samagra

The outlay of SSA/RMSA/Samagra is the amount approved by the Project Approval Board based on the Annual Work Plan and Budget submitted by the State and the availability of budgetary resources of the Centre. Thus, the approved outlay is expected to provide a reasonable estimate of the funds available with the implementing agency to undertake the interventions as per the approved work plan. If the actual amount released is less than the outlay, it affects the programme as a whole. The approved outlay and actual release from the Central and the State governments for SSA in Kerala is presented in Table 2.1 for the period from 2008-09 to 2017-18.

Table 2.1: Approved Outlay and Actual Release of SSA Funds for Kerala

Year	Approved Outlay (Rs. Lakh)			Actual Release (Rs. Lakh)			Difference in Actual Release and Approved Outlay (Rs. Lakh)		
	Centre	State	Total	Centre	State	Total	Centre	State	Total
2008-09	12260	6601	18861	10854	6143	16997	1405	458	1864
2009-10	12759	8506	21265	11990	6861	18851	770	1645	2415
2010-11	28092	15127	43219	19661	13356	33017	8431	1771	10202
2011-12	30964	16673	47636	17022	14206	31228	13942	2466	16408
2012-13	33996	18306	52302	13449	12788	26237	20547	5518	26065
2013-14	26191	14103	40294	20801	14968	35769	5391	-865	4526
2014-15	28021	15088	43109	24902	11877	36779	3118	3212	6330
2015-16	24720	16480	41200	12859	10392	23250	11861	6089	17950
2016-17	31649	21099	52748	11317	14301	25617	20332	6798	27130
2017-18	33884	22590	56474	13680	15336	29016	20204	7253	27457
Total for 10 years (2008-09 to 2017-18)	**262536**	**154572**	**417108**	**156534**	**120227**	**276761**	**106002**	**34345**	**140347**
Total for last 3 years (2015-16 to 2017-18)	**90253**	**60169**	**150422**	**37856**	**40029**	**77883**	**52397**	**20140**	**72537**

Source: Annual Reports of SSA Kerala

The approved outlay of SSA showed an increasing trend during 2008-09 to 2012-13. But 2013-14 witnessed a drastic decline in approved outlay from Rs 523 crores in 2012-13 to Rs 403 crores. But it improved again in 2014-15 to fall to Rs 412 crores in 2015-16. But 2016-17 witnessed a jump in outlay to the 2012-13 position which continued in the next year. However, this increase in approved outlay during the last two years of the SSA did not lead to an increase in the fund availability as the actual release was much lower than the approved outlay in these years. Only about half of the approved outlay was released by the Centre and State government for SSA in Kerala during 2015-16 to 2017-18. The difference in outlay and actual release during these three years together was a whopping Rs 725 crores. The difference in approved outlay and actual release was to the tune of Rs 1403 crores during the ten year period from 2008-09 to 2017-18. It is also important to examine the role of Central and State governments in leading to such a situation. The bulk of the shortfall was because of the shortfall in the release of central funds. The shortfall in the central release was Rs 1060 crores during the ten year period. As against this, the shortfall in state release was only Rs 343 crores. In the last three years of SSA (2015-16, 2016-17 and 2017-18 together), shortfall in central release was Rs 524 cores as against Rs 201 crores in state release.

It is expected that GoI and the state government release the funds to SIS as per the fund sharing formula fixed for the year. But, as seen earlier, both the Centre and the state failed to release the funds due as per the approved plan. Table 2.2 illustrates the role of the central and state government in leading to a shortage of funds to implement the approved plan.

Table 2.2: Proportion of Approved Outlay Released to SSA-Kerala (%)

Year	Centre	State	Overall
2008-09	88.5	93.1	90.1
2009-10	86.7	92.2	88.6
2010-11	70.0	88.3	76.4
2011-12	55.0	85.2	65.6
2012-13	39.6	69.9	50.2
2013-14	79.4	106.1	88.8
2014-15	88.9	78.7	85.3
2015-16	48.0	72.1	56.4
2016-17	33.0	77.5	48.6
2017-18	37.3	77.6	51.4

Source: Calculated using data provided by State Project Office, SSA, Kerala

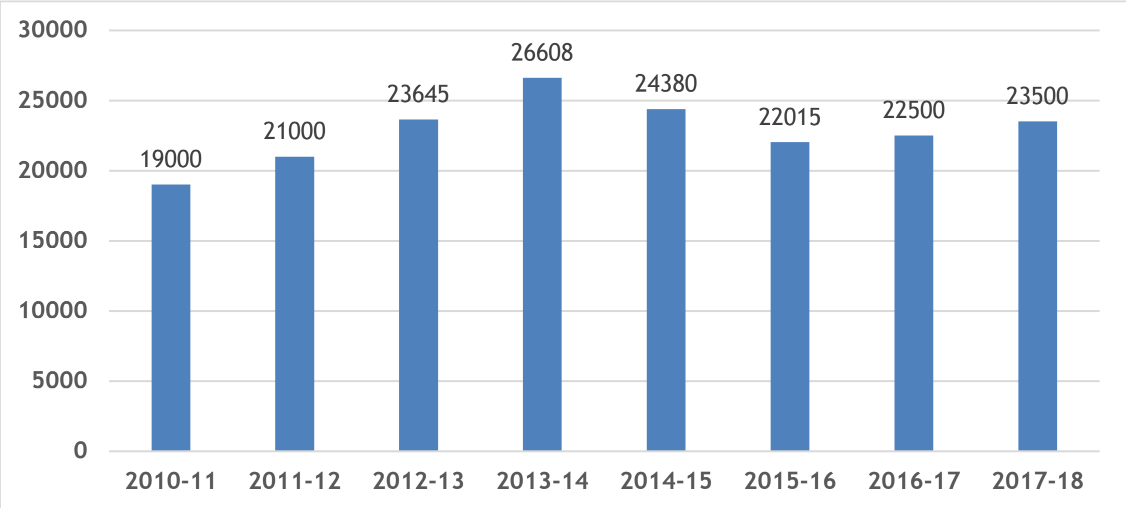
Table 2.2 reveals that during the three-year period of 2015-16 to 2017-18, the actual release was only about half of the amount approved by PAB. The proportion was about 90 per cent in the first two years under consideration viz., 2008-09 and 2009-10. Table 2.2 also indicates that only about one-third of the central share was actually released in the last two years and only about half of the outlay in 2015-16. The release of state share was also lower than the outlay but the difference was not as wide as in the case of central share. In the last three years, about three-fourths of the approved outlay w as released by the state government.

The huge difference between approved outlay and actual release in SSA has significant impact on the programme outcomes. The proposals which have been initiated after getting approval from PAB had to be abandoned midway or SSA-Kerala had to make major cuts in different items of expenditure. The utility of the annual planning exercise also diminishes as SSA-Kerala could not make a realistic estimate of the fund availability.

It is clear that the central government failed to honour its commitments on financial support to SSA. As a result, SSA-Kerala faced major financial constraints during the last three years. Part of the reason for the low realisation of outlay lies in the fact that the GoI allocation for SSA showed a decline after 2013-14. Allocation of the central government for SSA, at the national level, declined from Rs.26,608 crore in

2013-14 (when it reversed the increasing trend) to Rs.22,015 crore in 2015-16 (Figure 2.2)

Figure 2.2: Government of India allocation to SSA at the national level (Rs lakhs)



As noted earlier, the cost sharing between Centre and the State in SSA is expected to be as per the fund sharing formula fixed at the national level. Table 2.3 provides the details about the share of centre and the state for SSA as per the cost sharing formula and the shares in the actual release of funds to SSA-Kerala.

Table 2.3: Share of Centre and State in SSA: Actual and as per Fund Sharing Ratio (%)

Year	Centre		State	
	Share as per Fund sharing ratio	Share in actual release	Share as per Fund sharing ratio	Share in actual release
2008-09	65.0	63.9	35.0	36.1
2009-10	60.0	63.6	40.0	36.4
2010-11	65.0	59.6	35.0	40.5
2011-12	65.0	54.5	35.0	45.5
2012-13	65.0	51.3	35.0	48.7
2013-14	65.0	58.2	35.0	41.9
2014-15	65.0	67.7	35.0	32.3
2015-16	60.0	55.3	40.0	44.7
2016-17	60.0	44.2	40.0	55.8
2017-18	60.0	47.2	40.0	52.9

Source: Calculated using data provided by State Project Office, SSA Kerala

Table 2.4 indicates that the central government failed to honour its commitments in following the cost sharing pattern envisaged under SSA except in two years viz., 2009-10 and 2014-15. In all other years, the state government was forced to increase its share to meet the expenditure of SSA-Kerala. The share of the central government declined significantly from 2015-16 onwards. In 2017-18, only 47 per cent of the cost was met by the central government as against the 60 per cent envisaged as per the cost sharing formula. In 2016-17, only 44 per cent of the SSA funds for the state was met by GoI.

The above discussion indicates that the central government reduced its commitments in SSA significantly in 2015-16. This was mainly the result of a decision of the central government to make cuts in allocation in some of the centrally sponsored schemes including SSA and RMSA. The decision, taken in the wake of higher tax devolution (42%) recommended by the 14th Finance Commission, led to a slash in central government's allocation for SSA to Rs 22,000 crore in 2015-16 from Rs 27,758 crore in 2014-15. To operationalise the cut in central allocation, the central share in SSA was brought down from 65 per cent in 2014-15 to 60 per cent in 2015-16. The impact was higher in RMSA which witnessed a steep decline in the central share from 75 per cent in 2014-15 to 60 per cent in 2015-16. This abrupt withdrawal of the central government left RMSA-Kerala in dire straits. This fund sharing pattern continues under the Samagra also. As result, the burden of states increased as they need to spend much higher amount to keep the spending at least at the level of 2014-15. In addition to the cut in central share, the

Table 2.4: State-wise Release of Central share under SSA in 2015-16

Sl. No.	State	Central Release (Rs. Crore)		Change (%)
		2014-15	2015-16	
1	Andhra Pradesh	154566.68	66810.81	-56.78
2	Bihar	216336.05	251557.33	16.28
3	Chhattisgarh	92705.34	62219.7	-32.88
4	Goa	1310.38	813.58	-37.91
5	Gujarat	78476.48	61563.82	-21.55
6	Haryana	42110.65	34501.21	-18.07
7	Himachal Pradesh	12547.3	12139.13	-3.25
8	Jharkhand	75775.18	55863.31	-26.28
9	Karnataka	66213.52	41759.33	-36.93
10	**Kerala**	**21844.02**	**12858.86**	**-41.13**
11	Madhya Pradesh	149094.91	160197.85	7.45
12	Maharashtra	58288.54	41225.28	-29.27
13	Odisha	66695.31	82081.65	23.07
14	Punjab	36215.98	30003.82	-17.15
15	Rajasthan	248041.55	193462.09	-22.00
16	Tamil Nadu	135819.79	82111.73	-39.54
17	Uttar Pradesh	449867.53	505434.3	12.35
18	Uttarakhand	22880.56	22588.4	-1.28
19	West Bengal	97240.3	84679.41	-12.92

Source: https://data.gov.in: Open Government Data Platform India, central government effected a cut of 10 percent in the actual release of SSA funds from the Centre to the states in 2015-16. As a result, the actual release to states declined from Rs.24030 crore in 2014-15 to Rs.21590 crore in 2015-16. However, this cut in fund release was not applied uniformly to all states. Barring Andhra Pradesh, which was affected by the formation of Telangana, Kerala suffered the highest decline in central release under SSA (41.1%). The central funds to SSA-Kerala dropped from Rs.218.44 crore in 2014-15 to just Rs.128.59 crore in 2015-16, a whopping loss of about Rs.90 crore. Other southern states also lost heavily in 2015-16. Though there was 10 percent decline in the total release for the States and UTs as a whole, four major states received more funds in 2015-16 than in 2014-15, viz., Bihar, Madhya Pradesh, Odisha and Uttar Pradesh.

This drastic decline in the availability of central funds for Kerala has a long term impact as the allocation and release of the subsequent years are being decided by taking the allocation/release of 2015-16 as the base. It appears that the state government has failed to take note of this significant development which has long term implications on the school education sector in the state. Such significant policy changes in funding for centrally sponsored schemes cannot be effectively managed at the implementing agency level. There is a need for concerted efforts by the state government jointly with governments of other states which face similar disadvantages due to changes in policies of the central government.

In the case of RMSA, the approved outlay and release have been taken for the last year ie. 2017-18. For Samagra, the figures for 2018-19 have been taken for analysis.

Table 2.5: Approved Outlay and Actual Release for RMSA Kerala for 2017-18 and Samagra Kerala for 2018-19

Scheme	Year	Approved Outlay (Rs. Lakh)			Actual Release (Rs. Lakh)			Difference between Approved Outlay and Actual Release (Rs. Lakh)		
		Centre	State	Total	Centre	State	Total	Centre	State	Total
RMSA	2017-18	6169	4112	10281	2321	1695	4016	3848	2417	6265
Samagra	2018-19	44396	29597	73993	26992	18569	45561	17404	11028	28432

Source: State Project Office, SSA/RMSA Kerala

Table 2.5 shows that the actual release by centre and the state together to RMSA-Kerala in 2017-18 was Rs 63 crore less than the approved outlay. The share of central government in total release to the RMSA-Kerala was 58 per cent, 2 per cent short of the envisaged share of 60 per cent. The state government's performance in providing funds for RMSA was poorer compared to that for SSA in 2017-18. In 2017-18, Centre's commitment to SSA was Rs 339 crore (Table 2.1) and that for RMSA was Rs 62 crore as per approved plan, But the central release for these two programmes together in 2017-18 was only Rs 160 crore (47.2% of approved outlay). In 2018-19, central government was expected to provide Rs 444 crores as per approved outlay for Samagra while the actual release was just Rs 270 crores (61% of outlay). The state government's performance was also equally bad in the first year of Samagra. Just 63 per cent of its commitments as per approved plan was released to Samagra – Kerala. It is in this context that the next section discusses the fund flow process in relation to state share in the centrally sponsored schemes in education sector.

2.5 Fund Flow Mechanism for State Share

As per the financial norms of Samagra, the State has to contribute its agreed share of the programme cost within 30 days of receipt of the central contribution. Hence the state has to make suitable provision in its budget to facilitate the release of its share to the SIS. In the case of Secondary and Teacher Education components of Samagra (and RMSA earlier), the state share is directly provided from the State Treasury to the State Implementing Society. The state's share is released as and when the centre releases its share. Therefore, the share of centre and state is more or less maintained as per the approved sharing pattern. But in the case of elementary education component under Samagra (and SSA as a whole in the past), the state share is contributed by LSGIs. The share of each LSGI is decided on the basis of the cost of interventions to be executed by Samagra/SSA in the LSGI. This is decided on the basis of the Annual Plan approved by the PAB. In addition to the funds from LSGIs, a small share (Rs 11 crore in 2018-19) is directly transferred to the SIS by the state government. It is found that not all LSGIs have been giving the stipulated share to the SSA/Samagra in full. To understand the scenario, Table 2.6 provides the proportion of approved outlay actually released by the LSGIs to the implementing agency during the period 2016-17 to 2018-19. The figures for 2016-17 and 2017-18 relates to SSA and those for 2018-19 relates to the elementary education component of Samagra.

Table 2.6: Proportion of actual release (%) of State share by LSGIs to the Approved Outlay for Elementary Education

District	SSA		Elementary Education Component of Samagra
	2016-17	2017-18	2018-19
Thiruvananthapuram	63.10	61.99	66.74
Kollam	59.49	61.20	60.21
Pathanamthitta	44.24	64.80	72.20
Alappuzha	56.35	72.69	71.34
Kottayam	59.74	80.98	63.35
Idukki	52.56	56.89	77.98
Ernakulam	85.07	84.61	68.26
Thrissur	84.53	76.99	60.85
Palakkad	69.23	57.38	78.14
Malappuram	55.28	54.86	53.31
Kozhikode	53.24	41.95	41.54
Wayanad	50.05	57.61	53.77

Kannur	108.05	90.59	81.81
Kasargod	60.22	63.39	55.83
Total	**64.68**	**63.89**	**63.20**

Source: State Project Office, SSA/Samagra Kerala

Table 2.6 shows that the actual release by the LSGIs was slightly lower than two-thirds of the funds expected from them. It is also found that there is wide variation among districts in the proportion of funds released. LSGIs in Kannur district released the highest proportion of funds to SSA in all the three years both under SSA and Samagra. On the other extreme was the LSGIs in Kozhikode district. The SIS received only 42 per cent of the funds expected from the LSGIs in Kozhikkode district in 2017-18 and 2018-19.

As noted earlier, the basis of the amount to be transferred to SIS by each LSGI is based on the state contribution in approved plan. After deducting the management cost of the State Project Management Unit, the state share is divided among the LSGIs based on the interventions planned in the LSGI. The actual release from the GoI is not considered in these calculations. As a result, the contribution from LSGIs as state share is generally more than the stipulated matching state share of 40 per cent in most of the years. As noted earlier, it was more than 50 per cent in the recent years under SSA. The non-release of the central share does not affect the quantum of funds from LSGIs to SIS. Some of the elected representatives interviewed as part of the present study questioned this practice of demanding more than the matching share when centre is not giving the agreed share.

2.6 Timing of Fund Release

Timing of the release of funds from the Centre and State has a major impact on the effectiveness of implementation of centrally sponsored schemes such as Samagra/SSA. Normally the State Treasury receives the adhoc release from the GoI in April/May. Any delay in release of state delays further releases of the Central share as some of the conditions specified for the subsequent releases are related to the submission of provisional Utilisation Certificate and expenditure statement for the amount already released by the centre in the current year and the matching state share. To understand the situation, the timing of the release of different instalments from the GoI for the year 2018-19 for Samagra is examined in Table 2.7.

Table 2.7: Quantum and Timing of Fund Release from GoI under Samagra in 2018-19

Installment	Amount (Rs. Lakh)	% to total release	Time of GoI Release
1	6595.0	25.76	April-2018
2	6821.5	26.64	September -2018
3	287.4	1.12	October-2018
4	1080.8	4.22	November-2018

4	4028.3	15.73	January-2019
5	1431.8	5.59	February-2019
6	5360.3	20.93	March-2019
Total	**25605.0**	**100.00**	

Source: State Project Office, Samagra Shiksha-Kerala

More than a quarter of the central funds was received in the first month of the financial year itself. Another quarter was released in September. Thus, half of the funds was received in the first half of the financial year. However, 42 per cent of the central funds was released only in the last quarter of the financial year. One-fifth of the Central share was released only in March 2019. There is no doubt that the delayed release of funds leads to large unspent balance in the financial year. Unspent balance of funds of recurring nature lying with the implementing agencies at the end of the financial year, if any, shall be carried forward to the next financial year but will be adjusted against the Central share of recurring grants due for the next year. In effect, the state will lose the unspent amount of the previous year. As the major portion of the approved outlay (about 90% in 2018-19) and the central share is meant for meeting the expenditure on recurring activities especially in the case of Kerala, the state is losing large amounts every year on this account.

Table 2.8 provides details of the timing of receipt of the state share received from LSGIs for SSA in 2017-18 and elementary education component for Samagra in 2018-19 in two sample districts (Ernakulam and Malappuram).

Table 2.8: Month-wise release to SSA and Samagra from LSGIs in 2017-18 and 2018-19 in Ernakulam and Malappuram Districts

Month	Ernakulam				Malappuram			
	2017-18		2018-19		2017-18		2018-19	
	Amount (Rs.)	% to total	Amount (Rs.)	% to total	Amount (Rs.)	% to total	Amount (Rs.)	% to total
April	221826	0.19	0	0.00	0	0.00	1000000	0.57
May	3029458	2.55	18665931	15.95	0	0.00	49680228	28.37
June	48716591	41.00	23918408	20.44	5300000	3.32	37282148	21.29
July	20522355	17.27	10300472	8.80	97023765	60.79	57540192	32.86
August	1877914	1.58	2420346	2.07	35151000	22.02	12130000	6.93
September	3250373	2.74	4218178	3.60	10189000	6.38	3559295	2.03
October	0	0.00	6030303	5.15	5983155	3.75	5000000	2.86
November	289185	0.24	18279751	15.62	1358000	0.85	4315800	2.46
December	0	0.00	15355053	13.12	0	0.00	283392	0.16
January	15014994	12.64	13744319	11.74	4600000	2.88	0	0.00
February	1058674	0.89	519342	0.44	0	0.00	0	0.00
March	24852156	20.91	3584254	3.06	0	0.00	4328025	2.47
Total	**118833526**	**100.0**	**117036357**	**100.0**	**159604920**	**100.0**	**175119080**	**100.00**

Source: SSA, Ernakulam and Malappuram District Offices

Table 2.8 shows that there is no pattern in the release of funds by the LSGIs. The differences are observed between the sample districts as well as between the release under SSA and Samagra. While more than 90 per cent of the funds were released in the first quarter by LSGIs in Malappuram in 2017-18 (to SSA) and 2018-19 (to Samagra), two-thirds of the funds were released in the first quarter in Ernakulam district in 2017-18 and half of the funds in 2018-19. The positive aspect about the LSGI releases is that less than 3 percent of the funds were released in the last quarter in Malappuram district. In Ernakulam district while 34 per cent of the funds were released in the last quarter of the financial year 2017-18, it came down to 15 per cent in 2018-19. Thus, the proportion of last quarter release in total release is much lower than that of the release of central share. If the state government releases its share directly, the SIS would have received it only with the central share. In such a scenario, larger proportion of funds would have been available only in the last quarter. Thus, the routing of state share through the LSGIs helped the SIS in fund availability in the first three quarters of the financial year. This, in turn, also helps in reducing the spill over. However, if bulk of the state share can be transferred to the SIS in the first half of the year itself, timely submission of utilization documents can be ensured. This can help in early release of central share.

2.7 Differences in Proposed Outlay, Approved Outlay and Actual Release

Till now, the discussion in this chapter was based on the approved outlay and the release of funds by the central and state governments. But SIS preparation for the next year starts with a detailed planning exercise which will eventually bring out an annual plan based on the identification of needs at the school, district and state levels. Allocation for each state under centrally sponsored schemes like SSA, RMSA and Samagra is based on the Annual Work Plan and Budgets submitted by the state government to the Ministry of Human Resource Development (MHRD), GoI. The Annual Plan and the budget proposed by the state government is finalised in the PAB after consultations and negotiations with the State government. The final approved outlay includes both Central and State shares for the financial year. Once the Annual Plan and Outlay are approved, funds are to be shared by GoI and State government based on the decided sharing pattern which is 60:40 for Kerala. Obviously, the outlay approved by MHRD will be less than the outlay proposed by the state government. Details of the proposed outlay, approved outlay and actual release in 2017-18 for SSA and RMSA and for 2018-19 for Samagra are provided in Table 2.9 and Figure 2.3.

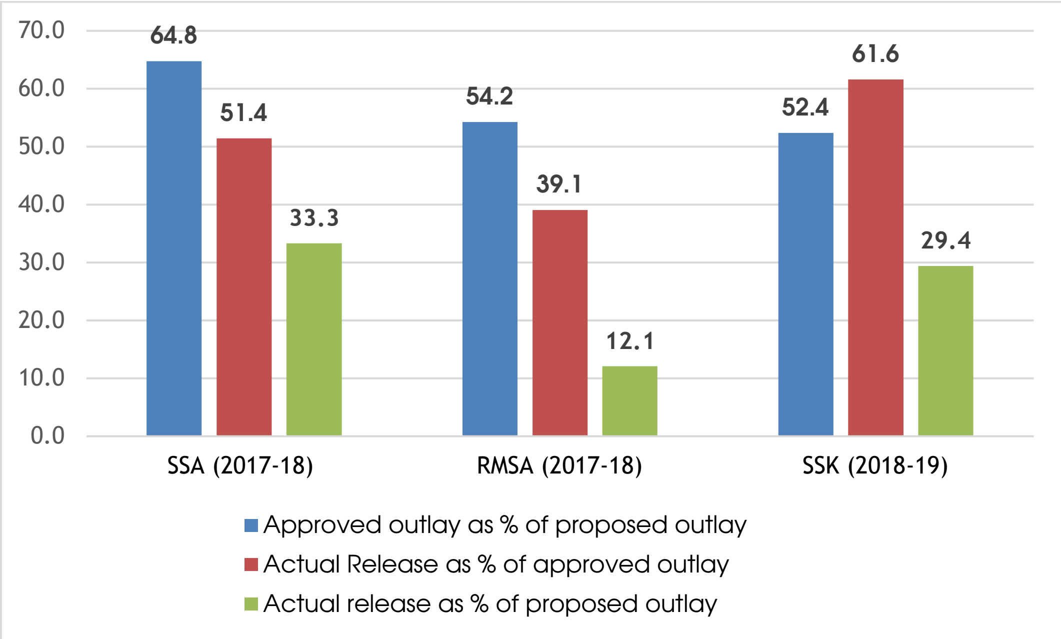
Table 2.9: Proposed Outlay, Approved Outlay and Actual Release under SSA, RMSA and Samagra in Kerala during 2017-18 and 2018-19

Scheme	Proposed Outlay (Rs. Lakh)			Approved Outlay (Rs.Lakh)			Actual Release (Rs.Lakh)		
	Spill over	Fresh proposals	Total including spill over	Spill over	Fresh proposals	Total including spill over	Centre	State	Total
SSA (2017-18)	63	87119	87182	63	56411	56474	13680	15336	29016

RMSA (2017-18)	14288	18953	33242	14288	10281	24569	2321	1695	4016
SSK (2018-19)	13701	141339	155040	13701	73993	87694	26992	18569	45561

Source: PAB Minutes for Estimates and Annual Reports for Actual Releases

Figure 2.3: Details of proposed outlay, approved outlay and actual release



Only two-thirds of the outlay proposed (fresh proposals) by the state government for SSA in 2017-18 was finally approved by the MHRD. In the case of RMSA for the same year, it was much lower with only about half of the proposed outlay receiving clearance from MHRD. In Samagra also, only half of the proposals of the state government was approved in the next year ie. 2018-19. A comparison of the actual release and the outlay proposed by the state government shows that only about one-third of the outlay proposed by the Kerala government was finally made available for implementation in SSA in 2017-18 (33%) and for Samagra in 2018-19 (29%). For RMSA in 2017-18, only one-eighth of the proposed outlay was finally released by the centre and state together. The situation raises serious questions about the Annual Plan Preparation, approval and fund release mechanism in centrally sponsored schemes in the education sector. The final implementation plan for these schemes will have to be entirely different from the Annual Plan prepared initially. As noted earlier, in addition to the difficulties caused due to major cuts in release of funds, the timing of release also adversely affects the implementation of the programme in the state. The release of a significant proportion of the funds in the last quarter of the financial year leads to lapsing of funds for recurring expenditure and spill over of funds of non-recurring nature. It may be noted from Table 2.9 that 16 per cent of the approval outlay of Samagra in 2018-19 was spill over funds from the previous year.

Table 2.10 presents the proportion of proposed outlay for different components of Samagra which received the approval from PAB.

Table 2.10: Proportion of Proposed Outlay approved by PAB for Samagra in 2018-19: Component-wise

Component	**Proposed Outlay (Rs.lakh)**	**Approved Outlay (Rs.lakh)**	**Approved Outlay as % of Proposed Outlay**	**Reason for the cut in Outlay, if any**
Strengthening of existing schools	11096	2398	21.6	Cut in the number of units (classrooms, toilets, repairs etc)
Transport/escort facility for children in remote locations	345	173	50.1	Cut in number of children
Residential hostels- recurring	150	70	46.7	Cut in per student expenditure
Sub-Total: Access & Retention	**11591**	**2640**	**22.8**	
Free Uniforms	4594	4507	98.1	-
Free text books	7218	7097	98.3	-
Special training of out of school children	232	232	100.0	-
Media & community mobilization	213	145	59.7	The rate per programme was cut
Sub-Total: RTE Entitlements	**12257**	**11977**	**97.7**	
Funds for quality (LEP, Innovation, guidance)	4259	5932	139.3	
Assessment	280	280	100.0	
Training for In-service Teachers and Teacher Educators	19119	3968	20.8	Cut in number of trainees proposed and the per trainee cost for different programmes.
Composite School Grant	5984	2234	37.3	School grant for government aided schools were also-proposed; but approved only government schools
Libraries	2716	446	16.4	Number of schools approved is much less than proposed.
Rashtriya Aavishkar Abhiyan (Exhibitions, excursions, Science Park, Twinning with premier institutions etc..)	2553	700	27.4	Numbers of programmes approved is lesser than proposed. Rates approved are also lesser for some programmes than proposed.

Support at Pre-primary level-recurring	5894	1000	17.0	Approved only in half the number of schools proposed. The approved amount per schools was also slashed.
Provision for BRC/URC/CRC	28835	19982	69.3	Change in number of centres approved and the allocation per centre.
Sub-Total: Quality Interventions	**69640**	**34543**	**49.6**	
DIKSHA (National Teacher Portal)	5000	45	0.9	Proposal was considered unrealistic
Salaries of teacher educators	5023	2262	45.0	-
Training of teacher educators	42	13	31.0	Cut in number of trainees and per trainee cost for different programmes.
Programmes & activities including faculty development of teacher educators	700	570	81.4	Cut in number of trainees and per trainee cost for different programmes
Technology support to Teacher Education Institutes	9	9	100.0	-
Annual grant of Teacher Education Institutes	315	315	100.0	-
Sub-Total: Teacher Education	**11089**	**3214**	**29.0**	
Teacher Salary (HMs/Teachers)	**12022**	**7317**	**61.0**	Only the proposal for half the number of head teachers was approved
Special projects for equity	294	294	100.0	-
Self Defence Training for Girls	989	185	18.7	Proposal was based on the total number of girl students in the State but approval was based on number schools.
Sub-Total: Gender & equity	1283	479	37.3	
Provision for Children with Special Needs (CWSN)	15950	10182	63.8	Approval received for salary of only one-fourth of the special educators. Approved rate for some components were lesser than proposed.
Management Information System (SDMIS and Shaala Kosh) for monitoring	5200	116	2.2	Proposal was considered unrealistic
Programme management	2306	3523	152.8	-
Grand Total	**141339**	**73993**	52.4	

Source: Minutes of PAB for Kerala, 2018-19

Major cuts were made in the proposed outlay in components for improving quality of school education such as training programmes for teachers, composite school grant, support for BRCs/CRCs and support for pre-primary education. As a result, only half of the proposed outlay for intervention to improve quality of education received approval from PAB. Only one-fifth of the proposed amount for strengthening existing schools got clearance from PAB. The cut in the provision of salary for resource teachers for children with special needs special mentioning. As pointed out by the Kerala Administrative Reforms Commission[1], the availability of resource teachers is very low in the state. In such a scenario, cuts in expenditure on children with special needs will further worsen their education in the state schools. Costing by the Samagra-Kerala was correctly assessed as unrealistic in the case of interventions such as National Teacher Education Portal (Rs 50 crores) and MIS (Rs 52 crores) and therefore only 1-2 per cent of the amount proposed by the state government was sanctioned. On the other hand, project management component received more amount than demanded by the state government.

As noted earlier, the Annual Plan and outlay are approved by the PAB in consultation with the SIS taking into consideration the budgetary resources. During these consultations, based on prioritisation, cuts are made in the budget of certain items while some others are completely excluded. Items such as uniform, textbooks will not face any major cuts as they are considered to be essential. In this process, often interventions to improve the quality of education do not receive high priority. It has also been found that in the case of some items, the estimates were prepared without taking into account the actual requirements. The situation calls for a detailed review of the plan preparation process, prioritisation and the process of consultation with the PAB in the case of centrally sponsored schemes like Samagra.

2.8 Long term Implications of 2018-19 Central Share Allocation to Samagra-Kerala

The school education as a whole is now under one umbrella scheme viz., Samagra Shiksha. Even though the process of devolution of central funds remains almost the same as in SSA/RMSA, some changes effected by the Centre in the implementation of Samagra has far reaching consequences on the school education system in Kerala. As mentioned earlier, from 2015-16 onwards, the fund flow from the Centre to Kerala decreased significantly. The shift from SSA/RMSA to Samagra further worsened the situation. In the first year of Samagra, MHRD issued an order[2] containing the indicative central allocation for different states and union territories. As per this order, the indicative allocation for 2018-19 was arrived at based on the following.

- 5 percent increase over the total Central Releases to the state/UT under SSA, RMSA and Teacher Education in 2017-18.

[1] Administrative Reforms Commission, 2018. Welfare to Rights: A Review of the Implementation of Selected Legislations, Third Report, Government of Kerala.

[2] D.O.No.2-10/2018-IS-1, Department of Education and Literacy, Ministry of Human Resource Development, dated 24-4-2018.

- o Rest of the available funds to be allocated to states and union territories based on a set of performance linked criteria.

It may be noted that the increase was on the actual release and not on the approved outlay. This difference was important as the actual central release in 2017-18 was only 39 per cent of what was expected from the centre as per the approved outlay in 2017-18. The proportion of outlay actually released varied from state to state and Kerala was one of the major losers. However, linking the allocation with performance was a positive feature of the calculation of indicative allocation to states and union territories. As per the indicative allocation, thus fixed, Kerala was to receive Rs 413 crores in 2018-19 for Samagra (Table 2.11). However, final allocation was just Rs 206 crores which is only half of the indicative allocation. The ratio of final allocation to indicative allocation was the lowest for Kerala (50%). Only in Goa (61%), Karnataka (62%) and Meghalaya (67%), the final allocation was less than 75 per cent of the indicative allocation. This proportion was the highest for Bihar among the 60:40 states (106 %) followed by Odisha (104%) and Madhya Pradesh (103%). For the group of states which followed a fund sharing pattern of 60:40 together, the final allocation was 94 per cent of the indicative allocation It is surprising to note that, in spite of the good performance of the state in school education sector, the final allocation was cut significantly from the indicative allocation.

Table 2.11: Difference in Indicative Budget Allocation and the Final Allocation in 2018-19 under Samagra Shiksha among states and UTs

State/UT	Indicative Budget Allocation (Rs. Crore)	Final Fund Allocation (Rs. Crore)	% of indicative allocation finally allocated
States with fund sharing pattern of 60:40			
Andhra Pradesh	1263.53	1101.73	87.19
Bihar	2954.78	3126.2	105.80
Chattisgarh	1074.48	884.6	82.33
Goa	25	15.2	60.80
Gujarat	928.78	827.96	89.14
Haryana	727.98	674.07	92.59
Jharkhand	894.18	735.21	82.22
Karnataka	926.37	577.84	62.38
Kerala	**413.43**	**206.06**	**49.84**
Madhya Pradesh	2335.49	2406.6	103.04
Maharashtra	982.54	864.72	88.01
Odisha	1141.9	1186.89	103.94
Punjab	532.63	444	83.36
Rajasthan	2780.44	2717.18	97.72
Tamil Nadu	1427.37	1422.51	99.66

Telangana	845.82	719.24	85.03
Uttar Pradesh	4907.31	4773.1	97.27
West Bengal	1221.94	1093.65	89.50
Sub Total	**25383.97**	**23776.76**	**93.67**
UTs with fund sharing pattern of 60:40			
Delhi	162.25	257.52	158.72
Puduchery	16.29	12.3	75.51
Sub Total	**178.54**	**269.82**	**151.13**
NE States with fund sharing pattern of 90:10			
Aurnachal Pradesh	346.53	361.2	104.23
Assam	1535.63	1615.04	105.17
Manipur	314.66	315.68	100.32
Meghalaya	372.9	249.88	67.01
Mizoram	208.29	197.4	94.77
Nagaland	211.76	209.52	98.94
Sikkim	100	100.08	100.08
Tripura	310.23	295.08	95.12
Sub Total	**3400**	**3343.88**	**98.35**
Hill States with fund sharing pattern of 90:10			
Himachal Pradesh	627.34	475.11	75.73
Jammu & Kashmir	2046.55	1882.24	91.97
Uttarakhand	1139.55	866.55	76.04
Sub Total	**3813.44**	**3223.9**	**84.54**

Note: UTs with 100% central assistance have not been included in the table.
Source: 1. Indicative allocation: D.O.No.2-10/2018-IS-1 dated April 24, 2018
2. Final allocation: PAB Minutes, Samagra Shiksha

In 2019-20, the State/UT wise resource envelope of Samagra of the central government was calculated by effecting an increase of 17.5 per cent of the allocation of 2018-19, according to the D.O. letter of the Department of School Education & Literacy, GoI, issued on May 1, 2019. So, it is quite evident that the decrease in the approved allocation for Kerala during 2018-19 has affected the allocation of 2019-20 also. It is likely that the 2018-19 allocation will continue as the base for allocations in the coming years also unless the state takes up the matter at the highest level. It is clear that the efforts of Samagra-Kerala alone will not be sufficient to correct this major setback to the fund availability of Kerala's school education system. It may also be noted that Kerala's demand for central share based on the student population in not only government schools but also government aided schools where students study free of cost, has not received favourable response from the central government.

2.9 Utilization under SSA, RMSA and Samagra Shiksha

This section deals with the utilization of funds available under SSA, RMSA and Samagra. Utilisation of available funds for 10 years (2008-09 to 2017-18) in the case of SSA and five years for RMSA-Integrated (2013-14 to 2017-18) in the case of RMSA and for the financial year 2018-19 of Samagra are presented in Table 2.12.

Table 2.12: Utilisation of Available Funds by SSA, RMSA and Samagra in Kerala

Year	Total Available funds
2008-09	99.43
2009-10	69.70
2010-11	52.21
2011-12	50.13
2012-13	76.47
2013-14	90.61
2014-15	66.18
2015-16	67.95
2016-17	89.46
2017-18	98.14
RMSA (Integrated)	
2013-14	66.24
2014-15	83.85
2015-16	34.81
2016-17	71.15
2017-18	78.98
Samagra (2018-19)	
Elementary Education	82.82
Secondary Education	75.57
Teacher Education	75.00
Total for Samagra	**81.48**

Source: State Project Office, Samagra Shiksha Kerala

Utilisation of available funds of SSA which includes the unspent non-recurring funds during the last year has been below 80 per cent in six out of the ten years considered. But in the last two years of the programme, it was 89 per cent and 98 per cent. In the case of RMSA, the utilisation was less than 80 per cent in all the years except 2014-15. The spill over amount on account of non-recurring components which were approved in 2009-10 but received only in 2015-16 contributed to the lowest utilization rate of available funds of just 34 percent in that year. In the case of Samagra, utilization rate was 81 per cent in 2018-19, slightly better than the figures for RMSA but lower than that of SSA for the year 2017-18. The utilisation was highest in Elementary Education component (83 %).

2.10 Component-wise Expenditure under SSA, RMSA and Samagra

The previous section discussed the utilisation of available funds under SSA, RMSA and Samagra for different years. However, the aggregate utilisation rate provides only partial information. It is important to examine the expenditure on different components to get a clear picture about the low utilisation. Since the actual release of funds is not available component-wise, the analysis has been done based on the approved outlay for different components. A comparison of expenditure and approved outlay will help to understand which all major components have been affected by the cut in approved outlay. The analysis is done for the last three years of SSA (2015-16 to 2017-18) and the first year of Samagra (2018-19). The proportion of approved outlay actually spent by the SIS of SSA in Kerala is presented in Table 2.13. The Table also provides the share of each component in total expenditure of SSA in the state.

Table 2.13: Proportion of approved Outlay spent by SSA-Kerala and the Share of different components in Total Expenditure (%)

Components	% of Outlay actually spent			Share of each component in Total Expenditure (%)		
	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18
Transport facility	0.0	0.0	82.8	0.0	0.0	0.3
Special Training for mainstreaming of out of school children	88.6	73.5	61.7	0.1	0.2	0.3
Free Text Book	99.1	96.5	104.1	18.0	13.8	13.3
Free Uniforms	92.7	94.3	92.0	11.0	8.8	7.9
Teacher Salary	15.8	17.1	21.3	9.3	9.6	11.6
Teacher Training	71.8	94.7	86.6	4.8	5.4	4.7
Academic support through BRCs/URCs	92.1	79.4	94.3	18.3	20.3	24.1
Academic support through CRCs	67.4	46.5	40.2	11.6	9.7	7.7
Computer aided learning	99.3	91.9	62.1	0.2	1.0	1.2
Teacher Grant	99.8	95.8	96.2	1.2	1.8	1.7
School Grant	98.5	98.9	99.2	3.2	2.6	2.4
Research & Evaluation	91.6			0.2	0.0	0.0
School Maintenance Grant	98.4	98.0	97.7	1.7	1.4	1.3
IED	120.4	102.3	87.9	9.6	9.0	7.4
Innovative activities		89.2	65.0	0.0	1.9	1.3
Girls Education	95.5	0.0	0.0	0.3	0.0	0.0
SC/ST Education	88.6	0.0	0.0	0.2	0.0	0.0
Minority Education	78.5	0.0	0.0	0.2	0.0	0.0
Urban deprived children	72.1	0.0	0.0	0.2	0.0	0.0
Community Training	82.2	98.9	57.5	0.3	0.3	0.1
Civil Works (including spill over)	109.1	100.9	94.1	1.2	3.6	5.5
Management Cost (District)	90.3	119.3	102.8	5.0	5.2	4.5

LEP	68.1	87.5	75.9	0.9	2.5	2.1
Community Mobilization	95.9	80.3	86.4	0.8	0.6	0.6
SPO	82.2	134.4	115.8	1.5	1.9	1.8
State REMS	71.4	61.9	25.2	0.4	0.4	0.2
Total	62.7	60.9	62.1	100.0	100.0	100.0

Source: State Project Office, SSA/Samagra Kerala

The major components of SSA in terms of share in expenditure are Academic Support through BRCs, Support through CRCs, provision of free text books, provision of free uniforms, teacher salary and Inclusive Education for the Disabled (IED) students. These six components together constituted about three-fourths of the expenditure in the three years considered for analysis. Academic support through BRCs accounted for about one-fifth of the total expenditure in 2015-16 and 2016-17 which increased to one-fourth in 2017-18. On the other hand, the share of expenditure on CRCs declined from 12 per cent in 2015-16 to 8 per cent in 2017-18. There are 168 BRCs in the state and their main activities are to conduct in-service teacher training and to provide academic support to teachers and schools on a regular basis and also to help in community mobilization activities. CRCs (numbering 1385) are the grass root level organizations working at Panchayat level and their major duties are to provide continuous support to the teachers, monitoring their performance, identifying their needs, liaison with the community etc. The utilisation of approved outlay on BRCs was more than 90 per cent in two years and 79 per cent in one year. But in the case of CRCs, the outlay actually spent was low in 2015-16 at 67 per cent which went down further to just 40 per cent in 2017-18. Thus, towards the end of SSA, the fund flow to CRCs was steeply cut which affected their performance in providing support to teachers as well as in monitoring the academic activities of schools.

Most of the outlay on free text books and uniforms was spent in all the three years. SSA/Samagra provides free text books to children of classes 2 to 8 in both Government and Government Aided Schools. For class I, the Department of Education provides the textbooks directly. SSA/Samagra also provides two sets of uniforms to all students in class I-VIII in government schools except boys from the APL families. The number of students is calculated based on the student strength on the sixth working day of the academic year. Actually, the State Government is spending much more amount for uniforms as it is provided to all the students of Government and Aided schools of classes I to VIII irrespective of gender or economic class of students. There should be efforts to get funds from Samagra for providing uniforms for students in government aided schools which is currently met from the state budget. Similar is the provision of textbooks to class I students in government and government aided schools. This can help in increasing the allocation under Samagra for the state and in decreasing the expenditure pressure of the other-wise fiscally constrained State Government.

The other major component is Teacher Salary which is meant to meet the salary of three types of part-time instructors (Physical Education, Art education and Work Experience) and the teachers posted by the Education department in the place of head teachers to make them free of class charge. It constituted more than one-tenth of the total expenditure in all the three years. This is one major component in which the expenditure is much lower in comparison with other major components, only around one-fifth of the approved outlay. Due to the cut in the salary of the part-time teachers from Rs 23000 to Rs 14000 per month, many of the contract teachers who were working earlier are not ready to take up the job. Moreover, the teachers are not appointed in the beginning of the academic year.

In the case of IED, the proportion of outlay actually spent declined from 10 per cent to 7 per cent during the three-year period. The expenditure was more than the outlay in the first two years but came down to 87 percent in 2017-18. With increasing commitments for the education of children with disabilities under the newly introduced Rights of Persons with Disabilities Act 2016, this decline warrants serious consideration.

Other components with notable share in total expenditure in which the expenditure was much lower than the approved outlay are Learning Enhancement Programme (Goal is to develop a high quality language, science, social science and Mathematics education programme for ensuring equity, inclusion, provision of learning resources, continuous assessment and child-centered instructional practices), Computer Aided Learning and Innovative Activities. In all the three components, State and Local Governments are implementing several of programmes on their own. Efforts are required to get eligible share of the amount spent by the State as wells as Local governments.

There are wide variations in approved allocation and actual release of funds under RMSA in Kerala as well as at national level during the last three years of the programme. As mentioned in Budget Brief of the Centre for Policy Research, the low utilisation of RMSA funds in the initial years of its inception led to large unspent balances accumulated over the years. As a result, total funds available with the states was consistently higher than the approved outlay. For instance, in 2013-14, while the total approved budget was Rs.4,370 crore, states had accumulated an opening balance of Rs.5,380 crore. Similarly, in 2016-17, while the total approved budget of RMSA was Rs.10,125 crore at the national level, opening balance was high at Rs.2,702 crore[3]. This huge unspent balance affects the release of the next year as the recurring component of RMSA is calculated after deducting the opening balance of the year. Another factor which affected the allocation and release was the delayed release of the non-recurring component. For example, Kerala received the GoI share of non-recurring component approved during the period of 2011-12 only in 2015-16 and the corresponding state share was released only in 2016-17. In view of such issues, we have not attempted the analysis of the utilisation in relation to the approved outlay in the case of RMSA.

The approved outlay of different components of Samagra in the state actually spent in 2018-19 and the share of each component in total expenditure are provided in Table 2.14.

[3] Budget Brief, Vol. 10, Issue 2, RMSA 2018-19, Centre for Policy Research.

Table 2.14: Proportion of approved Outlay Spent by SSA-Kerala and the Share of Different Components in Total Expenditure (%)

No.	Component	% of Approved Outlay actually spent	Share of the component in Total Expenditure (%)
Group I			
1	Teacher Salary	23.60	4.37
2	Program Management	67.79	6.24
3	Annual Grant	41.62	3.15
4	Salaries of Teacher Educators (TEIs)	33.62	1.92
5	Free Uniform	84.37	9.61
6	Academic Support to BRC/CRC	50.66	25.59
7	Residential Schools / Hostels (Recurring Cost)	83.09	0.15
8	Vocational Education (Recurring Cost)	No outlay	0.00
9	Free Textbook	48.74	8.75
	Sub Total	**49.39**	**59.77**
Group II			
1	Civil Works	25.33	9.78
2	Provision for CWSN	61.42	15.81
3	Transport & Escort Facility	82.05	0.36
4	Special Training	35.45	0.21
	Sub Total		
Group III			
1	Funds for Quality (LEP, Innovation, Guidance etc.)	43.48	6.52
2	Media and Community Mobilization	80.71	0.29
3	Rashtriya Aavishkar Abhiyan	13.76	0.24
4	Support at Pre-Primary Level	35.43	0.90
5	Training for In-Service Teachers and Head Masters	53.11	5.30
6	Assessment at National & State level	16.57	0.12
7	Other Activities	21.58	0.71
	Sub Total	**39.88**	**14.08**
Total		**45.11**	**100.00**

Source: State Project Office, SSK

Note: Calculated based on unaudited figures received from the SPO

Major components of Samagra are: Academic support to BRC/CRC (26 %), Provision for CWSN (16 %), Civil Works (10%), Free Uniform (10%), Free Text Book (9%), Quality (7%), Programme Management (6%) and In-service Training for Teachers and Head Teachers (5%). These eight components accounted for 88 per cent of the total expenditure. As mentioned earlier, the Centre is now releasing only about half of the approved outlay. Though the State is contributing much more than the matching share through LSGIs in the case of Elementary Education component and directly in the case of Secondary Education and Teacher Education, Samagra- Kerala was forced to cut down expenditure in certain heads. The major components in which expenditure is less than half of the approved outlay are Civil Works, free text books and Quality enhancement programmes. Among them, in Civil Works, only one-fourth of the approved amount was spent in 2018-19. In the case of components of non-recurring nature such as Civil Works, the balance amount can be carried forward to the next year as spill over and this will not lead to any loss in central share. But as the time over run causes cost escalation, State will have to spend more from its kitty for such works in the coming years. As per data, only half of the outlay for textbooks was spent by Samagra-Kerala in 2018-19. In reality, all the students in class I-VIII in government and government aided schools were provided textbooks free of cost. However, as a result of the shortage of funds, Samagra could not make the payment to Government Text Book Depot. Thus, the physical target was achieved but it is not reflected in financial performance. Academic support to BRCs/CRCs has been affected adversely as only half of the approved estimate has been spent. Any cut in this component will affect the grass root level academic support activities. In 2017-18, under SSA, this utilisation was higher. Another major component which was hit by the low release is Quality Enhancement Programmes. Training is another important component hit by the low release as only 53 percent of the approved outlay was spent in 2018-19. As mentioned earlier, low expenditure in these components will affect the quality of school education in the state.

2.11 Issues with regard to Interventions under SSA in sample LSGIs and Schools

As mentioned earlier, in Kerala, the state share of SSA and now the elementary education component of Samagra is provisioned by the LSGIs as the responsibility of primary education is vested with them. The share of each LSGI is decided on the basis of a set of criteria fixed at the state level which is given below:

1. Number of students
2. Number of students in different categories, viz., SC, ST etc.
3. Number of urban deprived students and students from remote habitations
4. Number of children with special needs
5. Number of teachers
6. Number of schools (government and aided)
7. Details of infrastructure facilities required by the Government Schools

To understand the field realities, the details of SSA interventions were collected from two sample districts viz., Ernakulam and Malappuram. Data was also collected a sample of 11 LSGIs and 20 schools in one district (Ernakulam) as part of this exercise. Sample LSGIs included Seven Grama Panchayats, two Municipalities, Kochi Corporation and Ernakulam District. In each LSGI, interviews were held with school functionaries to understand the issues with respect to SSA interventions. Both government and aided schools were included in the sample.

The LSGIs were expected to release the amount fixed as per the above procedure to SSA/Samagra as matching state share. However, many LSGIs failed to release the full amount though it is mandatory as per the Plan Guidelines. The proportion of the expected amount actually released by the LSGIs in the sample during 2017-18 and 2018-19 to SSA/Samagra is presented in Table 2.15.

Table 2.15: Proportion of the Amount Due from the LSGI to SSA/Samagra actually released by the Sample LSGIs in 2017-18 and 2018-19

LSGI	% of release in allocation	
	2017-18	2018-19
Asamannoor	21.1	49.0
Cheranellore	100.0	78.8
Kadungallur	100.0	100.0
Kizhakkambalam	100.0	55.2
Kottappady	17.4	39.7
Kumbalalangi	100.0	74.1
Maneed	27.4	16.4
Koothattukulam(M)	37.2	23.7
Thrikkakkara (M)	100.0	51.8
Kochi Corporation	52.8	36.3
District Panchayat	98.6	55.6

Source: District Project office of Samagra Shiksha, Ernakulam

Majority of the sample LSGIs did not give their due share in both the years. Though four sample LSGIs released the complete allocation in 2017-18, only one LSGI (Kadungallur Grama Panchayat) released the full amount in both the years. In eight out of 11 LSGIs in the sample, the percentage of actual release came down in 2018-19 compared to 2017-18. Unless this trend is reversed, the Samagra-Kerala is likely to face severe financial constraints in the coming years.

When enquired about not releasing the full amount, some of the LSGI functionaries said that releasing such large amount will adversely affect the implementation of other projects. According to them, LSGIs are undertaking other interventions in education sector in which they have better control and involvement. The LSGI functionaries were generally not aware of the criteria of deciding the contribution of their LSGI in SSA/Samagra. They generally believed that it is based on the number of students in LSGI. However, SSA/Samagra District Project Office is providing a detailed format which includes the physical and financial proposals to each LSGI such as unit cost, number of units (number of students, teachers, schools, training programmes etc.), total and LSGI share of financial contribution for different components etc. But most of the LSGI functionaries are of the opinion that LSGIs do not have any role in planning or implementing the activities under SSA/Samagra for which they give a major share of their plan or own funds. This needs to be resolved by ensuring participation of the LSGI functionaries in the preparation of proposals and implementation of some of the activities such as distribution of uniforms and text books, monitoring of civil works and maintenance etc.

The LSGIs can transfer the funds to SSA only after the approval of the LSGI Plan. Once the Plan is approved, State government releases the plan allocation to LSGIs in different instalments. The LSGIs may transfer the funds to SSA/Samagra in full when the first instalment of plan allocation from the State government is received or defers the transfer of funds to SSA. If the LSGIs are able to transfer their contribution completely in the first half of the academic year, Samagra will be able to accomplish their planned activities in the same year in a better way. In the case of components such as civil works and maintenance, if the LSGI contribution can be given in the beginning itself, the utilization can be improved. A uniform system for transferring the LSGI contribution effectively should be ensured across the state.

Another important issue raised by some of the LSGIs is about providing the utilization certificate for their contribution. This is not happening in majority of the cases. Samagra is facing an issue in this regard mainly because of the wide variation in the amount released by different LSGIs. Samagra is implementing the major components such as distribution of free text books and uniforms to students, school and teacher grants, training programmes uniformly across the state irrespective of whether the LSGI has transferred its share in full or not. Thus, even if one LSGI do not pay any amount to SSA, funds are spent in that local body by using the funds received from other LSGIs. So, in effect, some of the LSGIs are financing the SSA/Samagra interventions in other LSGIs. Providing Utilisation Certificate for the amount transferred by the LSGI has become difficult as a result of this. This issue can be solved only through ensuring that all LSGIs release their share in full.

Some of the LSGI functionaries were of the opinion that LSGIs should be asked to contribute only a matching share of the central share and not matching share of the approved outlay. If this is implemented, the LSGIs will have to transfer only lesser amounts than presently shared with Samagra. They find it unreasonable to consider approved allocation instead of actual release for deciding the LSGI share. But such a reduction in the LSGI contribution will definitely affect the elementary school education sector adversely, mainly the quality components. This also needs to be sorted out through discussions at the state level.

As part of the study, 20 schools (Primary Schools and Primary sections of the high schools/higher secondary schools) were visited and data and information were collected from the school functionaries on planning and implementation of activities under SSA/Samagra. Almost all the school functionaries are of the opinion that their role is minimal in planning activities under SSA/Samagra. The requirements of the school are usually brought to the notice of the Panchayat Education Committee. The district project office of Samagra plan the activities based on priority fixed on the requirements of the schools except in the case of major components of distribution of Text Books and Uniforms, provision of school grants etc. Training programmes for teachers were mainly based on the priorities set at the state level. Implementation of the activities under SSA/Samagra is done by the school itself through the respective School Management Committees.

Table 2.16 presents the contribution of the sample LSGIs to SSA in 2017-18 and to Samagra in 2018-19.

Table 2.16: Contribution of Sample LSGIs to SSA in 2017-18 and Samagra in 2018-19 (in Rs)

LSGI	Contribution of LSGI to SSA in 2017-18	Contribution of LSGI to Samagra in 2018-19	Increase or decrease in contribution in 2018-19 compared to 2017-18
Asamannoor	200000	350000	150000
Cheranellore	600158	800000	199842
Kadungallur	342066	393865	51799
Kottappady	300000	500000	200000
Kizhakkambalam	871076	724000	-147076
Kumbalalangi	607944	668738	60794
Maneed	200000	200000	0
Koothattukulam (M)	1075443	550000	-525443
Thrikkakkara (M)	966879	966879	0
Kochi Corporation	10000000	10000000	0
District Panchayat	45000000	31945210	-13054790

Source: Sulekha, IKM

Table 2.16 shows that of the seven Grama panchayats in the sample, only one Panchayat (Kizhakkambalam) reduced its release in 2018-19 compared to 2017-18. In another panchayat, the amount was the same for both years. Two municipalities and the Kochi corporation also released the same amount in both years. In 2018-19, Koothattukulam Municipality released only 51 per percent of the amount released in 2017-18. But the biggest loss to Samagra in 2018-19, compared to 2017-18, was in the allocation of Ernakulam District Panchayat. The difference was Rs 1.3 crores.

Academic activities under SSA/Samagra are being implemented as per the directions of SSA-Kerala. Schools have no role in planning these programmes. Schools are mainly receiving funds for providing uniforms, library books, *praveshanotsavam*, teacher grant, composite schools grant, *prathibha kendram* and maintenance grant. The discussions with school functionaries indicated that they are generally satisfied with the way text books and uniforms are distributed. In the case of civil works under SSA, only one out of the 20 schools in the sample got funds during 2017-18. As mentioned earlier, this component is given based on the priority fixed at the district level after getting the requirements from the schools in the district. As the amount allotted for the State for civil works is low, the demands of only a small proportion of the schools can be accepted by SSA. Funds for civil works are allotted only to Government schools, not for aided schools. School Management Committee (SMC) is responsible for implementing the civil works.

SMC can either implement the works directly or through contractors. As SMC is the implementing agency, there is certain amount of flexibility in utilising these funds at the school level. At the same time, some of the Headmasters are reluctant in taking up civil works because of the fear of audit objection that can affect their retirement benefits. Hence, only schools with active SMCs and Headmasters may propose civil works under SSA/Samagra. Only when the SMC and the LSGIs are also involved in the identification of projects at the school level, such issues can be sorted out. Most of the schools demanded funds from SSA/Samagra for pre-primary education. Almost all the government schools have received funds for improvement of infrastructure from the Plan funds of the LSGIs. But aided schools do not get such assistance from the LSGIs.

Apart from contributing to SSA/Samagra, the LSGIs also spends money on other interventions in the education sector. An analysis of the plan expenditure data of the sample LSGIs was undertaken to understand the share of spending on different projects in the education sector including contribution to SSA/Samagra during 2017-18 and 2018-19. Projects in the education sector have been classified as Infrastructure and Maintenance, Academic Projects and ICT, SSA/Samagra Contribution and Others. Share of expenditure under each category in total expenditure in the education sector in the sample LSGIs are provided in Table 2.17.

Table 2.17: Share of expenditure of different categories of projects in total expenditure in Education in Sample LSGIs in Ernakulam District in 2017-18 and 2018-19

LSGI	2017-18					2018-19				
	SSA Contri-bution	Infrastr-ucture & Maint.	Academic & ICT	Others	Total	Samagra Contribution	Infrastr-ucture & Maint.	Academic & ICT	Others	Total
Asamannoor	12.7	75.7	11.6	0.0	100.0	10.7	70.6	15.7	3.0	100.0
Cheranellore	38.7	15.8	38.9	6.6	100.0	41.1	30.1	26.3	2.4	100.0
Kadungallur	8.2	56.2	23.7	11.9	100.0	12.1	46.5	41.5	0.0	100.0
Kizhakkambalam	64.2	0.0	21.0	14.7	100.0	40.2	48.7	11.1	0.0	100.0
Kottappady	9.4	40.3	49.8	0.5	100.0	27.3	49.7	23.1	0.0	100.0
Kumbalalangi	56.4	6.8	22.7	14.1	100.0	49.3	0.0	32.5	18.2	100.0
Maneed	12.3	31.3	56.4	0.0	100.0	13.9	51.6	34.5	0.0	100.0
Koothattukulam(M)	38.4	37.8	21.2	2.7	100.0	22.8	71.2	6.0	0.0	100.0
Thrikkakkara (M)	19.5	62.6	13.1	4.9	100.0	46.6	23.4	30.0	0.0	100.0
Kochi Corporation	21.5	68.7	9.4	0.4	100.0	17.4	63.0	17.2	2.4	100.0
Ernakulam District Panchayat	27.2	36.9	33.0	2.9	100.0	17.2	49.9	31.6	1.3	100.0

Source: Sulekha, IKM

The share of SSA/Samagra contribution in total expenditure for education varied widely between the sample LSGIs. For instance, Kizhakkamblam contributed 64 percent of total expenditure for education sector as SSA/Samagra contribution in 2017-18 which was the highest among the sample LSGIs in the last two years. This share was only 8 percent for Kadungallur in 2017-18 which was the lowest among the sample LSGIs and 12 percent in 2018-19. But this GP has contributed 100 percent share in both the years. This means that the GP is spending a large amount in the education sector in total. It is quite evident that the LSGIs are spending a sizeable share of expenditure in the education sector in new infrastructure and maintenance of existing school infrastructure and academic and ICT related projects.

CONCLUSIONS AND RECOMMENDATIONS

CHAPTER III

This chapter presents the conclusions and recommendations emerging from an analysis of allocation, release and utilization of funds under Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and Samagra Shiksha in Kerala. The study is based on a review of programme documents and analysis of data relating to outlay proposed by the state government, outlay approved by the Project Approval Board of the Ministry of Human Resource Development (GoI), actual release of funds by the central and state governments and utilisation of the funds by the implementing society. Further, to understand the field realities, quantitative and qualitative data were gathered from 20 schools, 7 Grama Panchayats, 3 Municipalities, one Municipal Corporation and one District Panchayat were made use of.

One of the major developments which adversely affected the funding for Samagra/SSA/RMSA is the decision of the central government to cut allocation for some of the centrally sponsored schemes in 2015-16 in the wake of higher tax devolution (42%) recommended by the 14^{th} Finance Commission. Funding for SSA and RMSA was affected by this decision. At the national level, the central allocation for SSA for states and UTs was slashed from Rs 27,758 crore in 2014-15 to Rs 22,000 crore in 2015-16. The fund sharing pattern between Centre and State in SSA changed from 65:35 in 2014-15 to 60:40 in 2015-16. The impact was higher in RMSA which witnessed a steep decline in the central share from 75 per cent in 2014-15 to 60 per cent in 2015-16. This fund sharing pattern of 60:40 continues under the Samagra. In addition to the cut in central share, the central government effected an overall cut of 10 percent in the actual release of SSA funds from the Centre to the states in 2015-16. However, this cut in fund release was not applied uniformly to all states. Barring Andhra Pradesh, which was affected by the formation of Telangana, Kerala suffered the highest decline in central release under SSA (41.1%). The central funds to SSA-Kerala dropped from Rs.218.44 crore in 2014-15 to just Rs.128.59 crore in 2015-16, a whopping loss of about Rs.90 crore. Other southern states also lost heavily in 2015-16. This drastic decline in central release has a long term impact as the allocation and release of the subsequent years were decided by taking 2015-16 as the base.

The next shock for the state was in 2018-19 when the central government finalised the allocation for the first year of the new scheme Samagra. Initially, the central government decided to allocate Samagra funds for 2018-19 based on the performance of the states in the school education apart from considering a 5 per cent increase over the total release for SSA, RMSA and Teacher Education in 2017-18 (which was based on 2015-16 allocation). This was communicated to the states as 'indicative allocation' for 2018-19. However, the final outlay varied from state to state. As per the indicative allocation, Kerala was to receive Rs 413 crore in 2018-19 for Samagra while the final allocation was just Rs 206 crores which is only half of the indicative allocation. The ratio of final allocation to indicative allocation was the lowest for Kerala (50%). In fact, only three other states (Goa, Karnataka and Meghalaya) had the final allocation less than 70 per cent of the indicative allocation. The cut in final allocation was made in spite of the good performance of the state in school education sector. In 2019-20, the State/UT wise resource envelope of Samagra of the central government was calculated by effecting an increase of 17.5 per cent of the amount in 2018-19. Thus, the decrease in the allocation for Kerala during 2018-19 has affected the allocation of 2019-20 also. The allocation for 2018-19 will continue as the base for allocations in the coming years also unless the state government takes up the matter at the highest level. It is clear that the efforts of Samagra-Kerala alone will not be sufficient to correct this major setback to the fund availability of Kerala's school education system. **Kerala has to present its case strongly before MHRD at the earliest to rectify this issue. Kerala may partner with other southern states which faced similar disadvantages to exert pressure on the Centre to reconsider the present funding norms. Samagra-Kerala should also develop a mechanism to bring such issues which have far reaching consequences before the Planning Board, Finance Department and the System for monitoring the implementation of centrally sponsored schemes in the state.**

Even though the share of the centre in approved outlay is according to fund sharing formula (60% since 2015-16), its share in actual release has been lower for SSA in eight out of ten years covered by the present study. In 2016-17, it was just 44 per cent and in 2018-19 it was 47% against the stipulated share of 60 per cent. Therefore, the state government was forced to increase its share to meet the expenditure of SSA-Kerala. The huge difference between approved outlay and actual release in SSA had significant impact on the programme outcomes. The proposals which were initiated after getting approval from Project Approval Board had to be abandoned midway or SSA-Kerala had to make major cuts in different items of expenditure.

The state share of SSA funds were provided directly to the State Implementing Society (SIS) till 2008-09. But from 2009-10 onwards, the responsibility of providing the state share was shifted to LSGIs. But in the case of RMSA meant for secondary education, the state share is directly provided by the State government even though secondary and higher secondary schools in the government sector are managed by District Panchayats and urban local bodies. Under the combined scheme of Samagra, the LSGIs provide the state share of the elementary education component while that for the secondary education component is provided by the state government directly. Since the state share is to be released as when the centre releases its share, the share of centre and state is more or less maintained as per the approved sharing pattern in the case of RMSA and secondary education component of Samagra. But in the case of elementary education component under Samagra (and SSA as a whole in the past), the share of each LSGI is decided on the basis of Approved Annual Plan. Hence, the LSGIs contributed more than the share expected from them if the release (instead of outlay) was taken into consideration.

It is found that not all LSGIs have been giving the stipulated share to the SSA/Samagra in full. For instance, of the 11 LSGIs included in the sample, only one had released the amount in full to Samagra in 2018-19. Five sample LSGIs contributed less than 50 per cent of the stipulated share. While SSA/Samagra followed an objective criteria for fixing the quota for each LSGI, it appears that SSA/Samagra has failed to convince the LSGIs about the need for releasing the stipulated share. **More important is the decline in the quantum of funds by sample LSGIs to Samagra in 2018-19 compared to their transfer of funds to SSA in 2017-18. Unless this pattern is reversed, Samagra- Kerala will face major financial constraints in the future. This, in turn, will affect the quality of school education in the state. It was pointed out that the LSGIs do not have much role in planning or implementing the activities under SSA/Samagra for which they give a major share of their funds. Due to such low involvement, LSGIs do not own the Samagra/SSA interventions. This needs to be resolved by ensuring participation of the LSGI functionaries in the preparation of proposals and implementation of some of the activities such as distribution of uniforms and text books, monitoring of civil works and maintenance etc. The LSGIs release the funds in several instalments but the share of funds released in the last quarter of the financial year is lower than in the case of central releases and funds released directly by the state government. Thus, the practice of LSGIs providing the state share has helped the Samagra-Kerala in fund management. It also helped in reducing the spill over. If the LSGIs can be encouraged to transfer the funds to Samagra in full in the first half of the financial year itself, the planned activities can be accomplished in a better way. A common system for transferring the LG contribution of Samagra effectively should be put in place.**

The Annual Plan and the budget proposed by the state government is finalised in the Project Approval Board after consultations and negotiations with the State government. Only half of the proposals of Samagra in Kerala was approved in the year 2018-19. The actual release was only one-third of the outlay proposed by the state government. Similar situation existed in the case of SSA and a much worse situation in RMSA (only one-fifth) in the previous year. The situation raises serious questions about the Annual Plan preparation, approval and fund release mechanism in centrally sponsored schemes in the education sector. The final implementation plan, which is often undertaken on an ad hoc basis, for these schemes will have to be entirely different from the Annual Plan prepared initially. The utility of the elaborate annual planning exercise undertaken initially is diminished as Samagra-Kerala did not have a realistic estimate of the fund availability. During the consultations for approval of the plan outlay, items such as uniform, textbooks will not face any major cuts as they are considered to be essential. Often interventions to improve the quality of education do not receive high priority. It has also been found that in the case of some items, the estimates were prepared without taking into account the actual requirements. **The situation calls for a detailed review of the plan preparation process, prioritisation and the process of consultation with the Project Approval Board in the case of centrally sponsored schemes like Samagra. The analysis of Samagra proposals of the state for 2018-19 shows that the cost estimates for certain items such as 'National Portal for Teacher Educators' and MIS were unrealistic. There is a need to revamp the cost estimation related to proposals submitted to MHRD for approval.**

Utilisation of available funds of SSA has been below 80 per cent in six out of the ten years considered. But in the last two years of the programme, it was 89 per cent and 98 per cent. In the case of RMSA, the utilisation was less than 80 per cent in all the years except 2014-15. In the case of Samagra, utilization rate was 81 per cent in 2018-19, slightly better than the figures for RMSA but lower than that of SSA for the year 2017-18. The main reason for under-utilisation is the receipt of a major portion of central share and consequently state share in the last quarter of the financial year. More than two-fifths of the central share of Samagra in 2018-19 was released in the last quarter of the year 2018-19. One-fifth of the Central share was released only in March 2019. This kind of delayed receipt of funds affect the effective spending and may end up with large unspent balance of the funds at the end of the financial year. Unspent balance of recurring grant is adjusted against the Central share of recurring grants for the next year. In effect, the unspent amount is a loss for the state. This was partly due to delay in submitting the utilisation certificate to the central government on the funds already expended in time. **If this process can be fastened, the proportion of funds released in the last quarter of the financial year can be reduced, which in turn, will help in reducing the loss due to lapse of funds of recurring nature**.

SSA/Samagra provides two sets of uniforms to all students belonging to BPL families and all girls studying in class I-VIII in government schools. In addition, the State Government directly provides uniforms to boys in APL families studying in government schools and all students in government aided schools of classes I to VIII irrespective of gender or economic class of students. Samagra also provides textbooks free of cost to all students studying in class II-VIII not only in government schools but also government aided schools. But for class I students, the state government directly provides the textbooks. **There should be efforts to include funds for providing uniforms to all students studying in Class I-VIII in government and government aided schools under the Samagra Plan. Provision for textbooks to class I students also should be included in Samagra Plan. This can help in increasing the allocation under Samagra for the state and in decreasing the expenditure pressure of the other-wise fiscally constrained State Government. In fact, Kerala has a strong case for including interventions in aided schools in other components of Samagra also. The state government spends money on salary of teachers and staff and also**

provides maintenance grant to aided schools while the infrastructure development is the responsibility of the private management. The profile of children in government and aided schools are also not different. There is no justification for denying the benefits available to students in government schools to those in aided schools.

In the case of Secondary and Teacher Education components, after the release of the Central share to the State Treasury, Samagra-Kerala has to follow some cumbersome procedures for getting the central and state contributions to its account leading to delay in getting the central and state shares. **This can be solved to some extent by providing the funds directly to implementing society instead of routing it through the Director of Public Instruction**.

One of the complaints of the LSGIs was related to the non-issue of utilization certificate for their contribution. Samagra is implementing the major components such as distribution of free text books and uniforms to students, school and teacher grants, training programmes uniformly across the state irrespective of whether the LSGI has transferred its share. In effect, some of the LSGIs are financing the SSA/Samagra interventions in other LSGIs. **Providing Utilisation Certificate for the amount transferred by the LSGI has become difficult as a result of this. This issue can be solved only by ensuring that all LSGIs release their share in full.**

In the case of Inclusive Education for the Disabled (IED), the proportion of outlay actually spent showed a declining trend in the recent years. **With increasing commitments for the education of children with disabilities under the newly introduced Rights of Persons with Disabilities Act 2016, this decline warrants serious consideration.**