Union Budget - Announcements for the Education Sector

What does the budget hold for the Education sector?

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- Union budget has allocated Rs85,010 crores for the sector for 2018-19.
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- This was less than 4% increase from the previous year's estimate, which was probably because the government didn't have enough fiscal room.
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- The budget has intended to focus on education holistically without segmentation from pre-nursery to Class XII.
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- This would imply that the government is viewing an integrationist approach by merger of several school schemes in the near future.
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- 3% education cess will be replaced with a 4% education and health cess, which is expected to enhance revenue by about Rs.11,000 crores.
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What are Ekalavya Schools?

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- The union budget has proposed for the comprehensive expansion of the "Ekalavya Residential School" to every tribal majority block in the country.
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- Asserting it's committed to provide the best quality education to the tribal children in their own environment, the budget envisions an ambitious mission.
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- By 2022, it has been targeted that every block with more than 50% ST population and at least 20,000 tribal persons, will have an Ekalavya school.
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- Ekalavya schools will have special facilities for preserving local art and culture, besides sports and skill development initiatives.
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What is the RISE scheme?

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- Revitalising Infrastructure and Systems in Education (RISE) scheme, was launched to revitalize the infrastructure of higher educational institutions.
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- RISE scheme will be financed via a restructured “Higher Education Financing Agency (HEFA) that has been constituted as a non-bank finance company.
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- HEFA was created to infuse fiscal discipline among government higher educational institutions by giving loans rather than budgetary grants.
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- Its purpose is to lend low-cost funds to government higher educational institutions, and will rise Rs1 trillion for the purpose.
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- While HEFA was granted a budgetary allocation of Rs250 crores in the current budget, for FY19, an allocation of Rs2,750 crores is envisioned.
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- Significantly, the mechanism by which HEFA raises funds and the capacity of institutions to repay loans (taken from HEFA) needs to be closely watched.
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How does the fund distribution across the sector look?

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- Of the total Ed-fund, school education has Rs50,000 crores, and the rest Rs35,010 crores has gone to the higher education sector.
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- In the school sector, SSA has been allocated a budget of Rs26,128 crores up from Rs23,500 crores in the previous budget.
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- Similarly, “Rastriya Madhyamik Shiksha Abhiyan” (RMSA) will be provided with Rs4,213 crores, up by Rs300 crores from the previous budget.
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- The flagship school meal programme of Mid-day-Meal will get Rs10,500 crores in FY19, an increase of Rs500 crores from the previous budget.
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- Notably, allocation for both central school chains of Kendriya Vidyalayas and

Jawahar Navodaya Vidyalayas has gone down.
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- In the higher education space, the total budgetary allocation has been reduced for IITs and IIMs considerably.
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- Despite its digital education push, Budget 2018 has cut fund allocation for e-learning from Rs518 crores to Rs456 crores.
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Source: Live Mint

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