



**Special Report:**

# **Allocation of Government Resources to Education**

**By National Priority Areas and the West Bank**

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**Tel Aviv**

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## **Introduction**

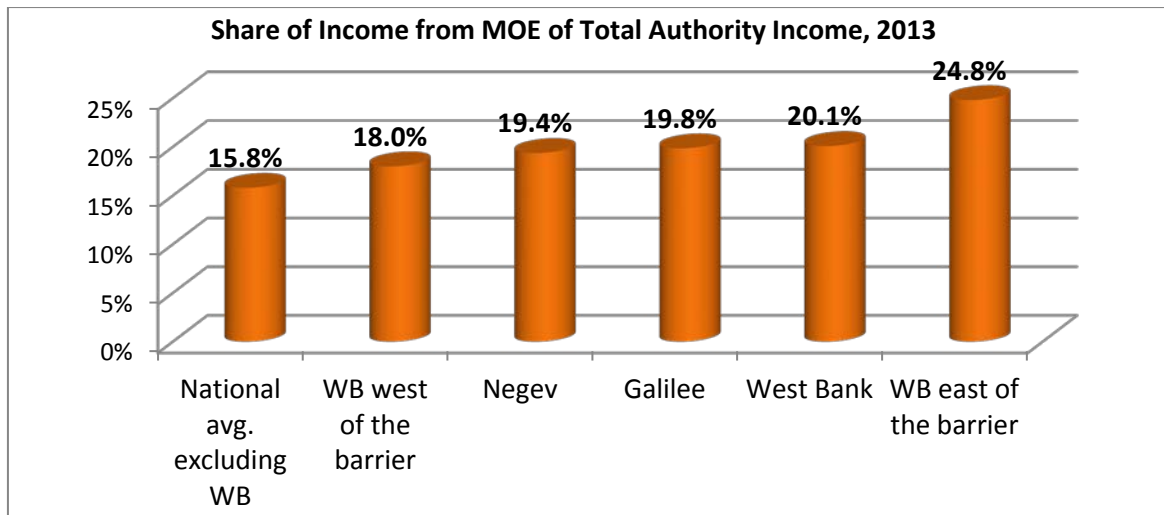
A functioning and healthy education system is the backbone in creating a civilized democratic society and a developed and egalitarian economy. Every country should aspire to design an education system capable of developing knowledge and skills at the highest level, on the one hand, and on the other hand to contribute to the progress of the future citizen based on values, cultural and moral resources. The school should lead society in directions and goals we wish to see as those which characterize the face of society - respect for others, equality of opportunity, solidarity, quality and excellence. An investment in education is a long-term investment and as such, the positive and negative produces, measured by students' contribution to society and formally by academic achievements, are harvested only after a long period of time.

The primary task of decision makers in the Israeli educational system should be comparing inputs at schools in all sectors of Israeli society, in view of the persistent distortion and inequality.

Therefore, in this study we try to estimate accurately the allocation of resources to education in the settlements in the West Bank (WB), compared to the rest of Israel and especially in comparison with the national priority areas, defined so due to their enhanced economic needs.

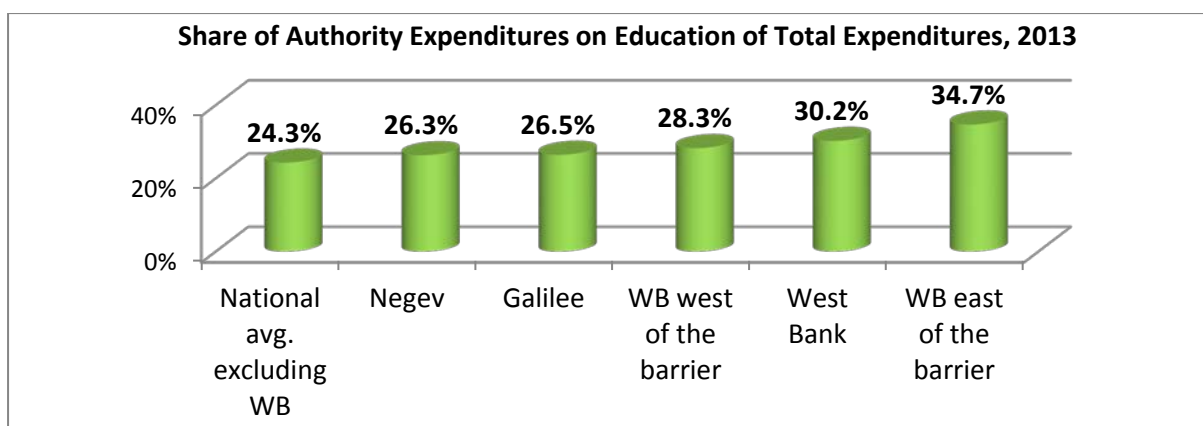
## **Formal Education**

The analysis indicates that the income of local authorities in the WB, east of the barrier, from the ministry of Education (MOE), in recent years, reached a level of between 22% to almost 25% of the total income of the authority, while the average in the WB is close to 20%. In the rest of the country this rate averaged between 14-15%; in the Negev, between 17-19%; and in the Galilee, close to 20%.

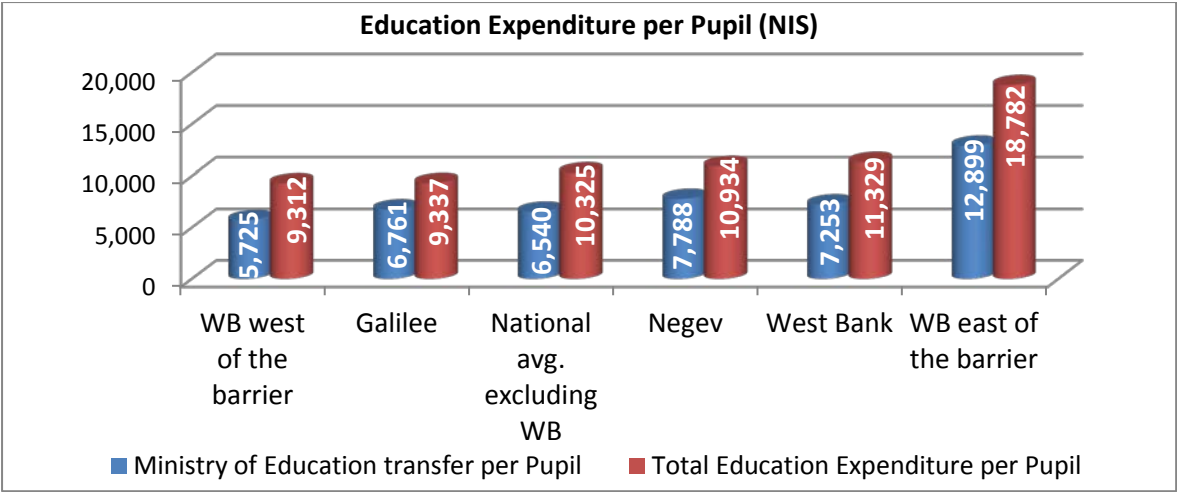


The share of income from the MOE of total education expenditures in the WB is also higher than in the rest of the country with an average of 62.2%, compared to a national average (excluding the WB) of 60.8%. The transfer from the MOE per student east of the barrier is very high in relation to the rest of the country and stands at NIS 12,899. This amount is significantly higher than the national average (excluding the WB – NIS 6,540), and the average of the Negev (NIS 7,788) and the Galilee (NIS 6,761) regions.

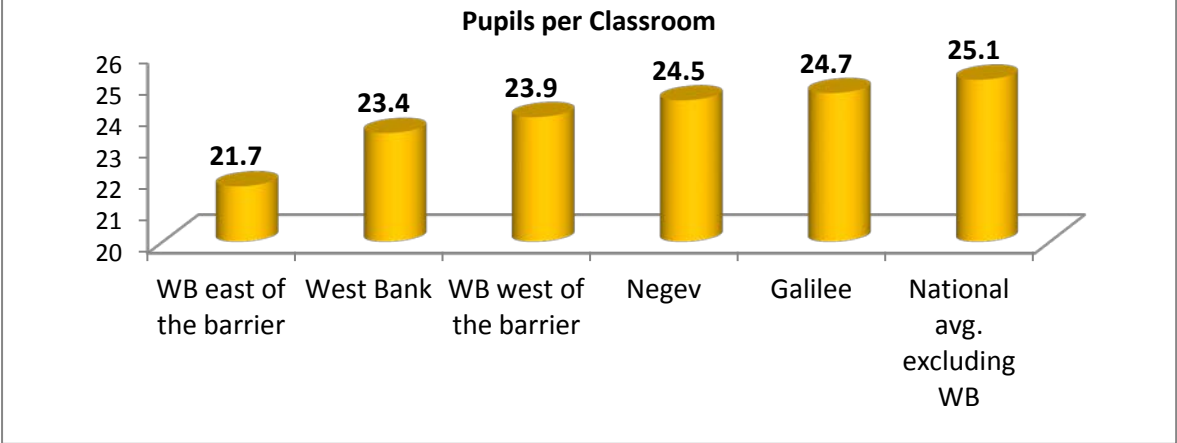
The expenditure on education of total local authority expenditures is significantly higher in the WB, in relation to the rest of the country. 30.2% of the total expenditures of local authorities in the WB were spent on education (34.7% east of the barrier and 28.3% west of the barrier), compared to the national average (excluding the WB) of 24.3%, and an average of 26.3% and 26.5% in the Negev and the Galilee, respectively.



The expenditure per student in the WB is higher by NIS 1,004 than the national average (excluding the WB) and stands at NIS 11,329 per year. This amount is much higher in localities east of the barrier, standing at NIS 18,872 per year, while the expenditure in the Negev and the Galilee stands at NIS 10,934 and NIS 9,337, respectively.

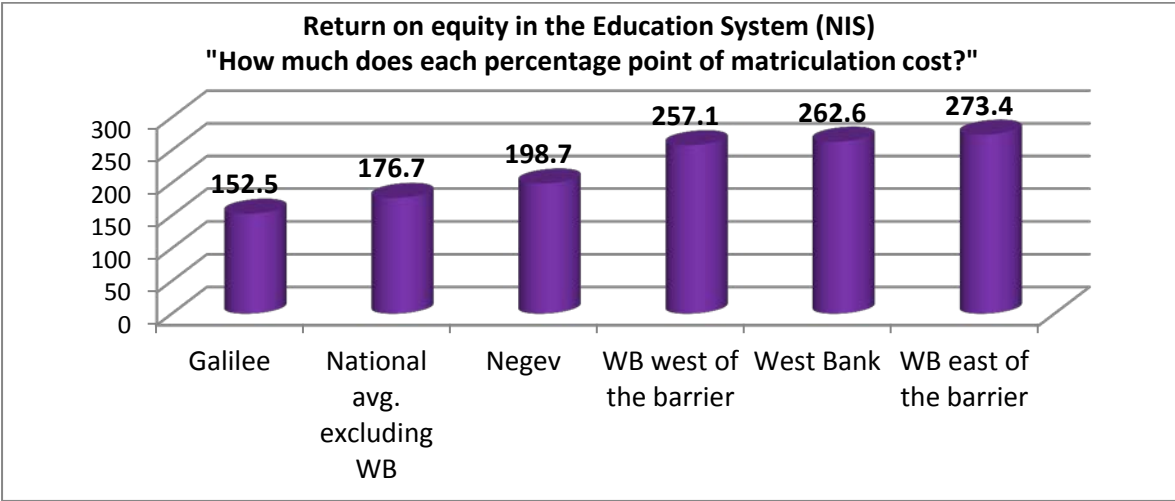


In terms of performance indices of the educational system in the WB, the average class size in the WB is lower by 7% than the national average, reaching an average of 23.4 students per class, compared to 24.5 and 24.7 in the Negev and the Galilee, respectively. In this case as well, settlements east of the barrier enjoy much smaller classes, averaging 21.7 students per class. In addition, in the state and state-religious education systems, the average number of students per educational institution in the WB is lower by 37%, and the average number of students per teaching staff in the WB is lower by 10.7%, than the national average.



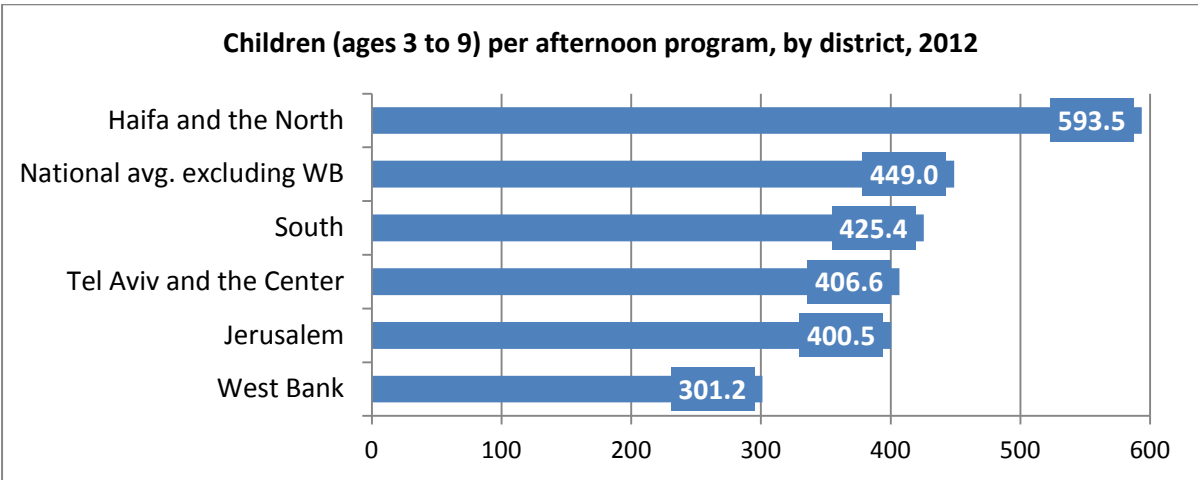
On the issue of matriculation rates the picture is not so simple due to the high rate of ultra-Orthodox Jews ('Haredi') west of the barrier, most of who do not undertake matriculation exams. However, settlements east of the barrier enjoy the highest matriculation rates in the country, standing at 68.7%, a rate higher than the national average (excluding the WB) by 11.1 percentage points. For comparison, the matriculation rates in the Negev (55.0%) and the Galilee (61.2%) are at a level closer to the national average. Another measure examined is the 'Return On Equity (ROE)' in the education system via dividing the expenditure per pupil by the matriculation rates. This index essentially measures the efficiency of the

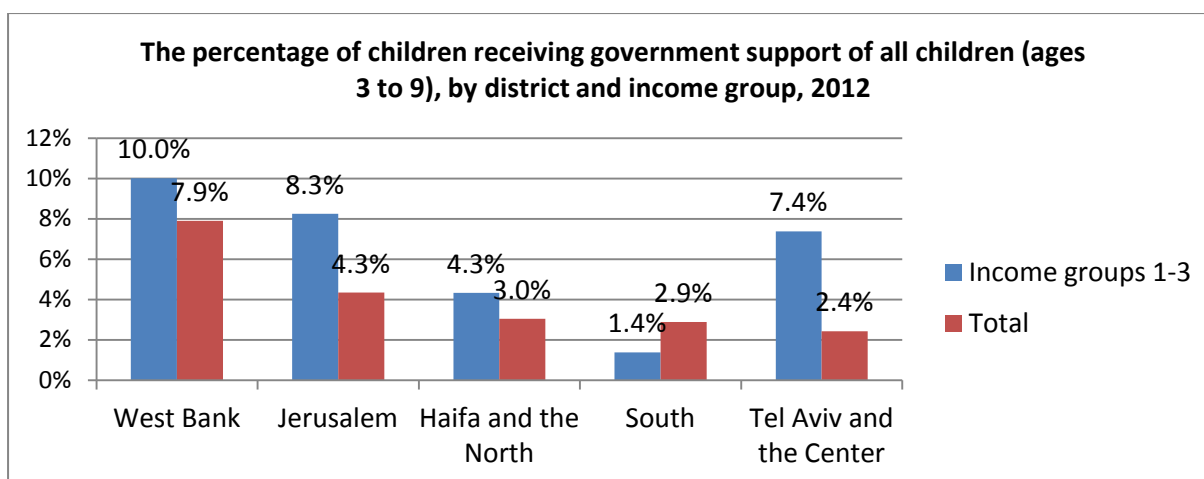
education system in the different regions. The 'Return On Equity' in the WB is higher (less efficient) than the national average by about 46% (52% east of the barrier and 43% west of the barrier).



**Informal Education**

In examining the informal education system, it was found that the lowest number of children per afternoon program (i.e. the highest availability of after-school programs) was registered in the West Bank with 301.2 children aged 3 to 9 per afternoon program, a number lower by 32.9% than the national average. By comparison, in the Southern District this number stood at 425.4 and in Haifa and the north at 593.5. It was also found that the rate of afternoon programs that receive government support out of all afternoon programs (91.1%); and the proportion of children receiving government support for afternoon programs out of all the children aged 3-9 (7.9%) is the highest in the WB, compared to all the other districts in Israel.





As for daycare centers for preschoolers, it was found that the lowest number of children per daycare center (except Northern District, which has a very similar rates) and per nursery ('Mishpachton'), was recorded in the WB (i.e. the highest availability) with 220.5 and 89.5 children aged 3 months to 3.5 years per daycare center and per nursery, respectively. These numbers are lower by 39.9% and 46.3%, respectively, than the national average. It was also found that the proportion of children integrated into recognized daycare centers and nurseries out of the total of children aged 3 months to 3.5 years, is the highest (30.7%) in the WB and the proportion of welfare children in these centers is the lowest (8.6%) in the West Bank, compared to other districts Israel.

**Distribution of children in daycares and nurseries and children aged 3 months to 3.5 years, by district, 2011**

District	Children in daycare centers	Children aged 3 months to 3.5 years	Children in daycare centers / Children aged 3 months to 3.5 years	Proportion of welfare children in daycare centers
<b>Jerusalem</b>	10.4%	15.7%	13.2%	16.6%
<b>North</b>	16.6%	16.0%	22.1%	22.1%
<b>Haifa</b>	7.5%	9.9%	16.4%	22.4%
<b>Center</b>	21.9%	23.4%	18.0%	13.2%
<b>Tel Aviv</b>	15.8%	13.9%	21.9%	13.9%
<b>South</b>	16.1%	14.1%	23.5%	19.0%
<b>West Bank</b>	11.7%	6.9%	30.7%	8.6%
<b>Total</b>	100.0%	100.0%	19.1% (excluding WB)	17.4% (excluding WB)

## Conclusions

Since the government budget funds are allocated to localities throughout the country, in order to estimate the cost of expenditures on education in the West Bank we were required to examine only the "extra costs" that are unique to this region. According to our overall estimate, the total "extra cost" of education expenditures in settlements in the West Bank in 2013 amounted to **NIS 81.186 million per year**. The analysis was conducted on 80,863 students in WB settlements with an annual "extra expenditure" of **NIS 1,004 per student and NIS 2,440 per household** (based on an average household of 4.43 persons). Settlements east of the barrier enjoy a significantly larger "extra cost" with a total of **NIS 8,547 per student**. However, probably due to the high rate of ultra-Orthodox ('Haredi') students studying in private education institutes, expenditure per student in settlements west of the Barrier is NIS 1,013 below the national average (excluding the WB).

The total value of the "extra investment" in education in the West Bank amounts to **NIS 1.303 billion**, over the past ten years.

The funding of the education system in Israel is comprised of three main sources: the Ministry of Education, local authorities and parental payments. Therefore, this is a minimal estimation which estimates only funding from local authorities (some of which comes from the Ministry of Education) and does not include funding that comes directly from the Ministry of Education without passing through the local authority.

In addition, it should be noted, that the socioeconomic status in the area of the WB is better (averaging 5.3 in the socioeconomic index of the various localities) than the situation in the southern (averaging 4.6) or northern (averaging 3.8) districts.