Financial Resources Allocation and Its Implication for Students Performance in Rivers State, Nigeria

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ABSTRACT
This study examines financial resource allocation to Education and how it impact on students outcomes of the senior secondary schools in Rivers State. In the literature review scholars view on financial resource allocation were cited. A short history of Education financing was made, that was traced from the pre-colonial era through the colonial era to the present era. The study adopted Ex post factor research design. Some recommendations were made as regards how to allocate financial resources to the education sector. 

Keywords: Allocation, financial resource, student outcomes/performance, secondary education.

INTRODUCTION
Fanfuwa (2006) defined Education as all effort, conscious and direct, incidental and indirect, made by a given society to accomplish certain objectives that are considered desirable in terms of the individual’s own needs as well as the needs of the society where the education is based. Education has been identified to play significant and important role in national development, for no meaningful development is realistically possible without education (building assets in human resources). To this the Late Nelson Mandela (former president of South Africa) alluded that “education is the most powerful weapon which you can use to change the world. No country can really develop unless its citizens are educated (Olugbemiro Jegede 2016).

Presently Education in Rivers State is majorly financed by the state government and secondary education is tuition free. However the budgetary allocation to education in Rivers State is dismal and as such do not support the effective achievement of the goals of secondary education. The right to education demands appropriate funding for the building of schools, training of teachers, payment of teachers’ salaries and the provision of teaching materials among others.

Under international law, states are obligated to use the maximum of their resources to realize/achieve the right to education. Even when the resources of the state are limited, the state is under obligation to prioritize certain immediate obligations, such as the introduction of free primary education and to guarantee education for all without discrimination. The state it also obligated to progressively provide free secondary and tertiary education and to see to the improvement of the quality of education continuously. This implies that the state have to take measures to realize the right to education. To implement this right to education, states have to ensure that sufficient proportion of their national budget is allocated to funding of education and that the fund have to be appropriately and equitably utilized to guarantee the “education for all” and also address inequalities. The 2011 Jomtein International declaration statement noted that states should spend at least 6% of their GDP/or at least 20% of their national budget on education in order to achieve quality education for all. UNESCO in this wise recommended 26% of annual budget be allocated to education. Either of these recommendations are not implemented in the
federal republic of Nigeria and the federating states. Funding of secondary education in Rivers State is
dismal resulting in attendant poor quality of education.

Formal Western Education in Nigeria dates back to 1840, when the Christian missionaries: Methodist Missionary (Weslayan), Church Mission Society (CMS), Roman Catholic Mission among others established schools in Nigeria. (Bonny and Calabar 1840, Badary 1843, Abeokuta 1846, Greek town 1853, Onitsha 1858), the missionaries who owned these schools were responsible for the funding through school fees, subscription from churches and grant from missionary societies. (Adesus 1981). The colonial government did not fund education until 1882 when the education ordinance was enacted which provides for the financing and maintenance of schools established by the colonial government. The ordinance also made provision for assistance through a system of grant in-Aid to schools established by the missionaries and private individuals (Adesina, 1977).

Literature Review
Education finance refers to governmental and or organizational processes by which revenues are
generated (through taxation, tuition fees and philanthropy) distributed and expended for the operation and capital support of formal schooling. It also involves public policy issues at the dynamic core of society regarding equity, efficiency and freedom of choice (Guthrice, J.W, and Schuermen, P.J. 2017). Ricardo Lorrea Gomes (2014) findings indicates that financial resources are paramount in producing performance to the extent that resources availability increase educational effectiveness and dependence on inter-governmental transfer of resource reduce the effectiveness a great deal. Odden and Busch (1998) stated that as education systems are redesigned to create high performance in all schools, finance system must also be redesigned for greater efficiency and effectiveness. Olowowe, olodutun and Adetayo (2015) cited Olowu (2002) Emphasis that fund is a crucial prerequisite which enable an organization to maintain itself effectively and meets its commitment to individuals and groups who consume its output of goods and services. Further he stated that absolutely nothing can be done in the world without the availability of adequate funds, funds are financial resources which are monetary inputs available for and expended on the education system.

Nwide Onuma (2016) found that financial resources allocation to secondary schools significantly
influence student performance and also noted positive relationship between human resource allocation
and student performance. This is consistent with Omolade (2007) and Hinchcliffe (2002) that financial
constraints in the country have made education to suffer setback. Again the poor funding of secondary
education is based on the refusal to evolve educational policy and educational goals as it suits Nigeria.

Sources of Finance to Education

Domestic Financing - In the constitution of the Federal Republic of Nigeria, 1999 as amended.
Education is a concurrent responsibility of both federal and state governments. There are four main source
of public funding for the public (non federal) education sector. Direct allocation from the federal
government (through the universal basic education intervention fund and the education trust fund); State
Government, Local Government and private individuals or organization, including no governmental
organizations and international donors in some states.

The federal government makes nationwide policies and runs junior and senior secondary and post
secondary institutions. The Federal Government funds these institutions through budgetary allocation and
several interventions funds including tertiary education trust fund (TET fund) Debt relief grant
(DRG/MDGS) and constituency projects of Federal Legislators Chinedum Nwoke (2015). State Governments funded education through budgetary allocation and state Legislators Constituency projects.

**Local Governments** - The role of Local Government is Participatory in the provision and maintenance of primary, Adult and vocational education. Primary education is a state responsibility in which Local Government may participate. In practice state use Federal allocation to Local Government to pay for primary school teacher’s salary and use Local Government funds to pay counterpart contribution to Universal Basic Education Commission (UBEC) grants.

Private Sector Contribution: The private sector plays a major role in providing education services at all levels. Their main source of finance is the fee they charge. Therefore households contribution to education financing is significant. (Chinedum Nwoke 2015).

The National Institute of Educational Planning and Administration (NIEPA, 2012) categories sources of funding education into two:

- **Capital Cost Allocation:** This is allocation for the construction of building and classrooms.
- **Recurrent Cost Allocation:** This is allocation for the improvement of immovable capital and repairs that relates to maintenance and repairs to building.
- Easily separate recurrent cost that includes supplies and services to school
- Other recurrent and small capital equipment cost including learning materials to learner (books, stationery etc.)

**Hostel Cost** - The recurrent cost allocation (transfer payments) are targeted as far as possible on the basis of need. This is determined on the basis of physical condition, facilities and crowning of the school as well as relative poverty of the community around the school.

While Olowoye et al (2005) noted the following as sources of funding education in Nigeria.

- Allocation from government
- Levies
- School fees
- Taxes
- Loans
- Endowment and scholarships
- Philanthropists
- External/international Assurance

**Alternative Source of Financing Secondary Education in Rivers State** - According to Adewunnu et al., (1985) inadequacy of financial resources will certainly have the effect of both the state and local governments. The fact that the state government cannot adequately fund secondary education implies that the school Administrators (principals) must work for sources of fund available to their schools.

Alternative source of fund generation to run secondary schools includes the following.

1. **Parent Teacher Association (PTA):** In Rivers State Schools, Parent Teachers Association assist and contribute in management of the schools. PTA levy are imposed which are jointly managed by the school authority and PTA officers. The funds are used in the provision of school facilities and repairs
2. **Use of Direct Labour:** The administrator (Principal) in order to reduce cost, can apply direct labour in executing certain school projects.
3. **Payment for Extra Lesson:** Proceeds from extra lessons could be applied to some works in the school.
4. **Proceed from School Activities:** Such as sale of student handcraft, farm products from the school farm, proceeds from drama staging etc could be source of fund to the school.
5. **Donation and Appeal Fund Raising:** Fund raising for specific project could be arrange and firms and wealthy members of the school community and societies could be written for donations and financial assistance.
6. **Community Involvement**: this has to do with using the community to provide free and cheap labour in the development of the school.

7. **Old Students Association**: Old students of the school and the association if effectively used by the administrator can assist the school with cash and materials.

8. **Non Governmental Organizations (NGOs)**: The funding of education is a joint responsibility and involves the private sector. A good school Administrator must avail himself the opportunity of involving any NGO (Company) in the State in funding his school in any form. (Martins, 2011).

In support of the above alternative sources of funding secondary education in Rivers State. Okunamiri in Nwagu (2001) posit that education could be financed through the following sources: Educational levy, Donations, Rentals, Old Students Financial Assistance, Registration Fees.

**Budget**

Ezeugo B. (2016) cited Roe (1961). Education budget is the translation of educational need into a financial plan which is interpreted to the public in such a way that when formally adopted, it would express the kind of educational programme the community is willing to support financially and morally for one year period. Further Ezeugo cited Adesina and Fagbamiye (1988) that a budget is the financial blue print for the operation of the school for the fiscal year. In its broadest sense, the term school budget means a plan for financing a school system for a given period. Budget is the formulation of plans for a given future period in numerical terms. As such budgets are statements of anticipated results in financial terms: as in revenue and expenses and capital budget or in non financial term: as in budget of direct labour hour, material physical sale volume or units of production.

**There has been three Generation Formula for the Allocation of Resources:** Under the first generation or historic formula. Allocation is based on pupils/teachers and staff ration, without increment from year to year – this is based on the believe that all the educational needs of all students at a given grade level in school are the same and as such cost per student is the same. Samuel (2002) stated that historic funding is based on what has been happening in the funding agency allocation to education without any regard to the actual educational needs of the students. Basic needs are likely to be eroded because of budget pressure, competing political values and inflationary needs.

The second generation formula accounts for the differences in the needs of students. That is some students cost more to educate than others. Ross index from Australia which indices made up of variables such as lack of fluency in language of instruction among other factors which correlates with student’s level off education (Obadara Olabanji and Abayomi Alaka 2010).

The third generation or modern formula; Rose et al (1999) observed that this formula was developed in the 60s and 70s. In order to guide resource allocation decision for educational programme in the U.S.A, France and United Kingdom. Moss and Gurther (1976) held that is the best practice due to its cost based incentive appropriateness, its detailed structure. There has been clear departure from the generational funding to other methods as follows:

1. **Bidding Method**: The schools present a business case for the funding based on specific criteria. The schools are funded based on findings of the funding agency who considered the funding necessary.
2. **Discretionary Method**: The schools are funded according to the opinion and judgment exercise by funding agencies or administrator.
3. **Need Base Funding Method**: This is a method that seeks to ensure that the resources allocated to each school are derived from a systematic analysis of what each school needs in order to provide a specific quality of education to schools.
4. **Activity Led Funding Method**: This approach is based on the analysis of the actual cost of the activities required to provide and support specifies educational programmed in schools.
Bischalf (1997) cited in NIEPA (2012) affirms that budget is the mission of the education expressed in monetary terms. Budget is described as a management task or process of reflecting the revenues and expenditures of various programmes in education which is related to the financing, planning of the education programmes.

**NIEPA (2012) listed the following as the budget system.**
- Operating/Cash Budget: This covers the day to day operations of keeping the education programme going. It includes things like materials, services, stationery and repairs.
- Activity/Departmental Budget: Covers various activities (including curricula as well as extra-curricular).
- Capital Budget: Cover the purchase of certain assets for the use in the educational sector e.g. transport and equipment.
- Project budget: Covers large projects that are planned by the education ministry.

**NIEPA further categories budget into three as presented.**
- Zero Budget: It is the most comprehensive form of budgeting, where each of the expenses in an education sector is re-evaluated and re-considered each year.
- Incremental Budget: Here the governing body builds the yearly budget on the previous year’s budget.
- Activity Based Budget: Focuses on the importance of the school activities.

**METHODOLOGY**
The study adopts ex post factor research method that allows for the systematic collection of the budgetary allocation to Senior Secondary Schools in Rivers State for the year 2014 to 2016.

<p>| Table of Budget Allocation to Senior Secondary School in Rivers State for years 2014 to 2016 |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|</p>
<table>
<thead>
<tr>
<th>Year</th>
<th>No of Schools</th>
<th>Total Personnel Cost</th>
<th>Total Overhead Cost</th>
<th>Total Recurrent</th>
<th>Total Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>247</td>
<td>8,641,256,645</td>
<td>40,200,000</td>
<td>8,681,456,645</td>
<td>8,681,456,645</td>
</tr>
<tr>
<td>2015</td>
<td>247</td>
<td>8,437,800,856</td>
<td>40,200,000</td>
<td>8,480,000,856</td>
<td>8,480,000,856</td>
</tr>
<tr>
<td>2016</td>
<td>247</td>
<td>11,606,567,651</td>
<td>41,004,000</td>
<td>11,647,571,651</td>
<td>11,647,571,651</td>
</tr>
</tbody>
</table>

From the table above it could be seen that the financial allocation released to the 333 Senior Secondary schools in the years 2014 to 2016 total twenty eight billion eight hundred and Nine million, Twenty nine thousand, One hundred and Fifty two naira only (28,809,029,152). Out of this stated amount eight billion, six hundred and eight one million, four hundred and fifty six thousand, six hundred and forty five naira only (8,681,456,645) was allotted in the year 2014, this represent 30.13% of the total allocation for the three years. The year 2015 allocation was eight billion, four hundred and eighty million and eight hundred and fifty six naira only (8,480,000,856) representing 29.44% of the total allocation for the three years. The year 2016 allocation was eleven billion, six hundred and forty seven million, five hundred and seventy one thousand, six hundred and fifty one naira only (11,647,571,651) representing 40.43% of the total allocation for the three years? The indication is that the year 2016 was allotted much allocation than the year 2014 and 2015 respectively.

**CONCLUSION**
The study examines financial resource allocation as it affects students’ performance in senior secondary schools in Rivers State for the years 2014, 2015 and 2016. The research method adopted is the ex post factor research and the result indicates that the year 2016 had the highest percentage of 40.43% that is eleven billion, six hundred and forty seven million, five hundred and seventy one thousand, six hundred and fifty one naira only, this means more students performance is expected from the schools in the year.
2016. This goes to collaborates with the findings of Nwite Onuma (2016) that financial resource allocation to secondary schools significantly influence students’ performance. And consistent with, Omoladde (2007) and Hinchcliffe (2002) that financial constraints in the country have made education to suffer set back. Baker (2012) stated that, average, aggregate measure of per-pupil spending is positively associated with improved or high students learning outcome and Greenwald et al reported that a broad range of school inputs are (sic) positively, related to students outcomes and that the magnitude of the effect are significantly, large to suggest that moderate increase in spending may be associated with significant increase in achievement.

RECOMMENDATIONS

i. In the state budget, education should be given top priority by implementing UNESCO benchmark of 26% funding of education using annual budget of the state resource for a period of six years and measure the impact.

ii. The ministry of education (Secondary Education Department and the School Authority (Principal)) should network and collaborate with private multi-national firms and other productive sectors operating in the state for the generation of income for development and provision of school facilities.

iii. There should be periodic audit report on diversion of education fund by government officials and school principal for non education purpose.

REFERENCES


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