

## RESEARCH ARTICLE

## Analysis of the Local Administration Cicarlau of Education Expenses, Maramures County-A Case Report

Constantin Cucosel\*

Technical University of Cluj-Napoca –the Northern Academic Center of Baia Mare “Vasile Goldis” West University of Arad –Baia Mare subsidiary

\*Corresponding Author: E-mail: [cucoselc@yahoo.com](mailto:cucoselc@yahoo.com)

### Abstract

According to the National Education Law no. 1/2011, the Romanian educational system is regulated by the Ministry of Education and Research (MER). Each level has its own form of organization and is subject to applicable law. Kindergarten is optional between 3 and 6 years. Schooling starts at the age of 7 (sometimes 6 years), and it is compulsory until the tenth grade (which usually corresponds to the age of 16 or 17 years). Primary and secondary education is divided into 12 or 13 classes. Higher education is aligned with the European higher education area.

**Keywords:** *Education, Budget, Budget expenditure, Pre-school, Primary education.*

### Introduction

Since the Romanian Revolution of 1989, the Romanian educational system has been in a continuous process of reorganization which was both praised and criticized.

Aside from the official schooling system, to which has been added the equivalent private sector, there is also a tutoring system, semi-legal and informal. Meditations are used more often in leisure time as a preparation for the various examinations, which are notoriously difficult.

Meditations are widespread and can be considered as a part of the education system.

Meditations existed and even prospered during the Communist regime.

In 2004, about 4.4 million of the population is enrolled in school. Of these, 650,000 in kindergarten, 3.11 million (14% of population) in primary and secondary education, and 650,000 (3% of population) in tertiary level (universities). In 2009, in Romania there are 3.3 million students as opposite to 4.8 million in 1990. In 1990, the number of precollege teachers is about 260,000, in 2001 the number exceeds 275,000, and in 2007 it is less than 250,000. In August 2010, in Romania there are 4,700 schools.

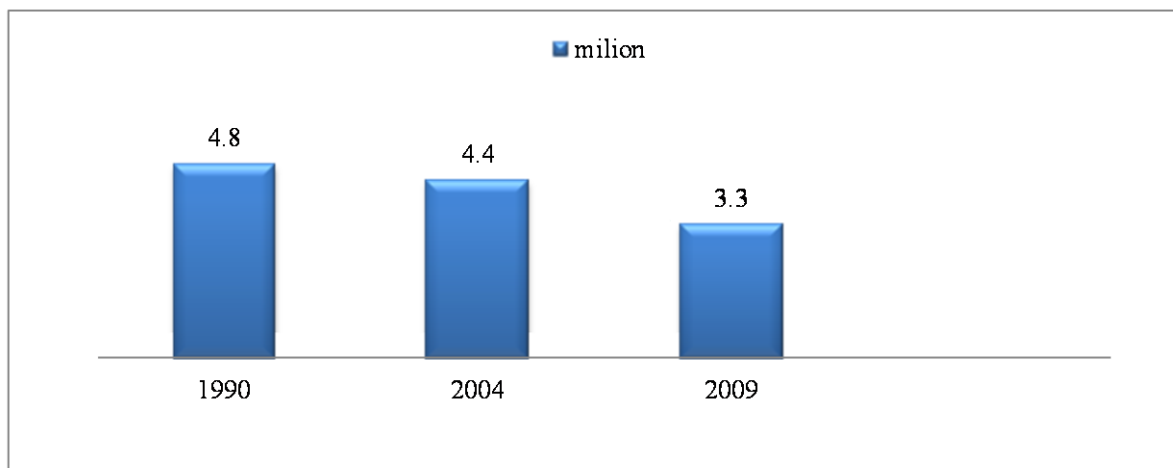
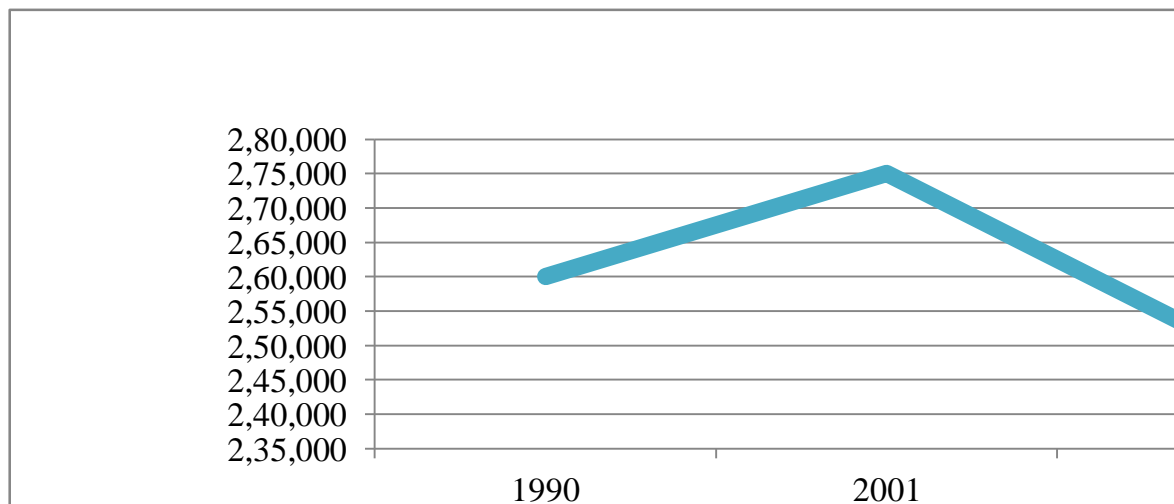


Figure 1: Population enrolled in school



**Figure 2: The number of precollege teachers**

## General Overview Regarding the Budget

The term "budget" has its origin in Latin where - bulgo- mean a purse or a bag of money. The ancient term "bulga" was used by the Romans to refer to the leather bag that patricians used to wear around their arm.

Over time, the concept becomes increasingly related to the income and expenses of the state, hence the enshrined expression -'state's budget.

The concept of budget enters the economic vocabulary much later than that of finance, namely at the beginning of capitalism when the bourgeoisie try to clean up public finances. In formal language, the term is introduced only after the French Revolution, at the same time getting legal and financial sense as well.

The state budget is defined as an act, a document or a list of state revenue and expenses provided and authorized to be performed in a given period, usually a year, with the approval of Parliament.

In practice the budget is approached from two points of view as it follows:

- \* As the core of financial system;
- \* As the main financial balance.

In the market economy companies have become autonomous subjects of economy so that relations between companies and the state have become purely fiscal and the state expresses its fiscal sovereignty, forcing these companies to provide for the state budget a part of the net product that they create or acquire on the market in the form of taxes.

The budget, as well as finances, fulfills two functions:

- \*The distribution function which considers setting up budget funds and their allocation and destination;
- \*The control function which seeks correlations that occur between the public budget and the subjects that contribute to its formation and use of resources.

The budget is the organizational framework in which the procurement of budget revenues, budget allocation and destination take place.

Currently, in Romania, the structure of the budget system corresponds to the organizational structure of the state budget, being suited for the proper organization of its administrative-territorial.

## Public Spending

Public expenditure expresses social and economic relations, in cash, which occurs between the state, on the one hand, and individuals and businesses, on the other hand, in the context of allocation and use of financial resources of the state to fulfill its functions.

Public expenditures are influenced by the following factors:

- Demographic factors;
- Economic factors;
- Social factors;
- Factors of urbanization;
- Military factors;
- Historical factors;
- Political factors.

Public expenditure can be classified as it follows: The administrative or departmental

classification is based on the criterion of institutions which perform public expenditure, a criterion that is used in budgetary allocations on budget authorizing officers.

Cheltuielile publice se pot clasifica, după o serie de criterii, astfel:

**A. Economic classification:**

1. Current or operating expenditure;
2. Capital or investment expenditure;
3. Expenditure on public or administrative services;
4. Expenditure on transfer

**B. Functional classification uses as criterion areas, departments and sectors to which public resources are allocated:**

1. The social field;
2. Priority research programs;
3. The economic area;
4. Defense, public order and national security;
5. Financing of local government;
6. Interest on the public debt.

**C. Financial Classification using two criteria:**

a) When public expenditure is made under this criterion:

1. Final expenditure which state the distribution of financial resources;
2. Temporary expenses are followed by the completion of certain maturity payments;
3. Virtual or possible expenditures are expenses that the state has undertaken to perform under certain conditions.

b) Manifestation:

1. The expenses without counter performance have the character of budgetary allocation and it means final funding;
2. Expenses with counter performance take into consideration the state cashing money under the conditions such expenditures occur;
3. Final expenses which do not involve the repayment of money allocated;
4. Interim expenses represented by loans and advances which are followed by reimbursement, delivery of goods or provision of services for state institutions.

**D. Classification based on the role of public spending in the social reproduction:**

1. Actual expenditure which means consumption of GDP permanently;
2. Economic costs that include the state making investments that have the effect of creating value which represents an advancement for GDP.

**E. Classification used by UN specialized agencies:**

1. Functional classification;
2. Economic classification.

**Case Study on the Costs of Education in the Commune Cicirlau, Maramures County**

Cicirlau commune is located in the western part of Maramures county, a distance of 15 km from the county capital, Baia Mare and 54 km from Satu Mare. Access is provided by the national road DN 1C (E58) and communal roads DC 101 and DC 102.

The common residence is Cicârlău and it consists of the following villages: Birgau, Ilba, Handalu Ilbei. Cicirlau neighbors are as follows: in the North Vama (Satu Mare), in the South - East Tăuți Măgherauș city, in the South there is Somes River which forms the boundary of the village Pomi (Satu Mare County) and eventually, in the North – West there is Sabisa village and the city of Seini.

The name of the village was taken from Cicârlău Valley that crosses the village from North to South. Cicirlau is documented since 1407, but the first families settled here in ancient times. The commune of Cicirlau is mentioned since the beginning of feudalism and together with Seini city belongs to the citadel of Medius.

For the analysis of local budget expenditures for education in Cicârlău commune we start from the overall spending situation in Cicârlău during 2011-2012-2013, and then we analyze the structure of local government spending.

**Year 2011**

**Table 1: Total expenditures on education**

CODE	Indicators	Cumulative Budgetary	Payments	%Achievement
Indicators	Name	Credits	(achievements)	Percentage
6502	Education	2.855.000	2.723.134	95,38

**Table 2: 1st quarter**

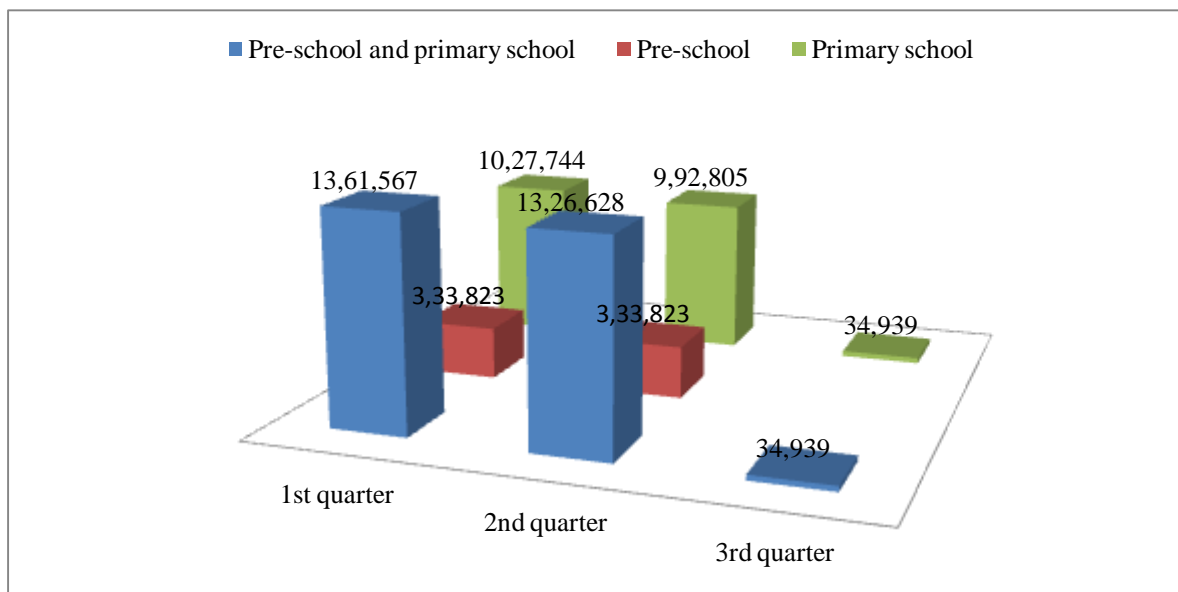
CODE Indicators	Indicators Name	Quarterly Cumulative Budgetary Credits	Payments (achievements)	%
650203	Pre-school and primary school	1.427.500	1.361.567	100,00
65020301	Pre-school	336.800	333.823	24,52
65020302	Primary school	1.090.700	1.027.744	75,48

**Table 3: 2<sup>nd</sup> quarter**

CODE Indicators	Indicators Name	Quarterly Cumulative Budgetary Credits	Payments (achievements)	%
650203	Pre-school and primary school	1.422.000	1.326.628	100,00
65020301	Pre-school	364.000	333.823	25,16
65020302	Primary school	1.058.000	992.805	74,84

**Table 4: 3<sup>rd</sup> quarter**

CODE Indicators	Indicators Name	Quarterly Cumulative Budgetary Credits	Payments (achievements)	%
650203	Pre-school and primary school	35.000	34.939	100,00
65020302	Primary school	35.000	34.939	100,00

**Figure 3: Expenditure on education in 2011**

We observe that in 2011 more money were spent on primary education and in the third quarter money were spent only for primary education. In the first quarter expenses were higher than in the second one with 34,939 USD, and in the

third quarter expenses were even smaller than in the second one with 1,291,689 lei.

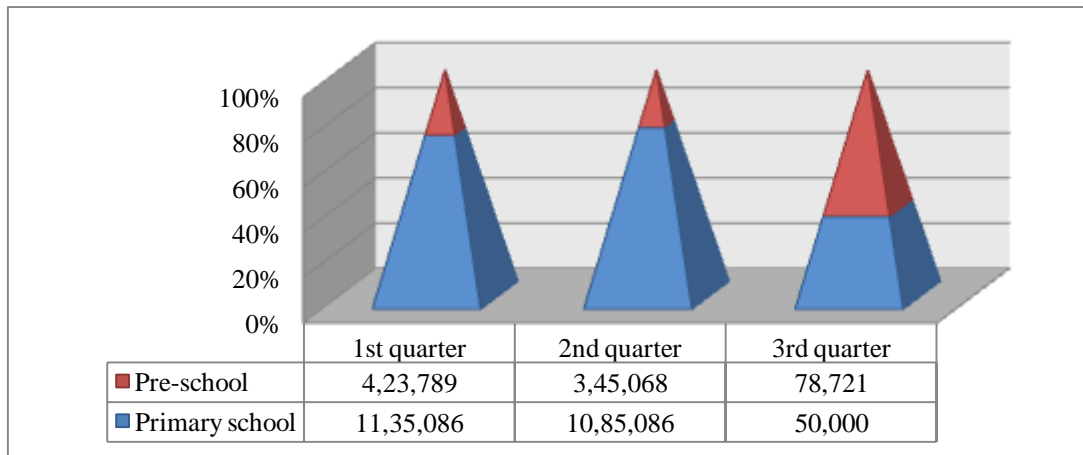
### Year 2012

**Table 5: Total expenditures on education**

CODE Indicators	Indicators Name	Cumulative Credits	Budgetary	Payments (achievements)	% Achievement Percentage
6502	Education	3.132.000		3.117.750	99,55

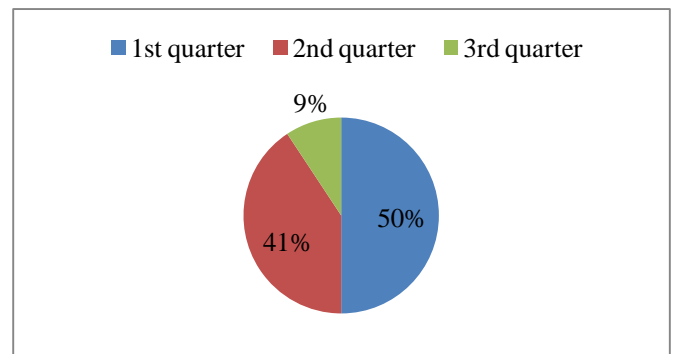
**Table 6. Quarterly Expenditure**

Indicator s	1st quarter			2nd quarter			3rd quarter		
	Quarterly Cumulative Budgetary Credits	Payments (achievements)	%	Quarterly Cumulative Budgetary Credits	Payments (achievements)	%	Quarterly Cumulative Budgetary Credits	Payments (achievements)	%
Pre-school and primary school	1.566.000	1.558.875	100,00	1.433.000	1.430.154	100,00	133.000	128.721	100,00
Pre-school	428.080	423.789	27,19	345.080	345.068	24,13	83.000	78.721	61,16
Primary school	1.193.420	1.135.086	72,81	1.087.920	1.085.086	75,87	50.000	50.000	38,84



**Figure 4: Expenditure on pre-school and primary school**

In the first quarter of total expenditure on preschool and primary education, primary education accounts for 68% and pre-school education for 32%. In the second quarter, 70% of total expenditure is part of the costs on primary and the other 30% refers to the expenses on pre-school education. Eventually, in the third quarter the situation changes, that is only 30% are primary school expenditure, while the remaining of 70% of expense is on pre-school education. We note that in the first and second quarter the costs are higher for primary education; thereupon the third quarter increase preschool costs.



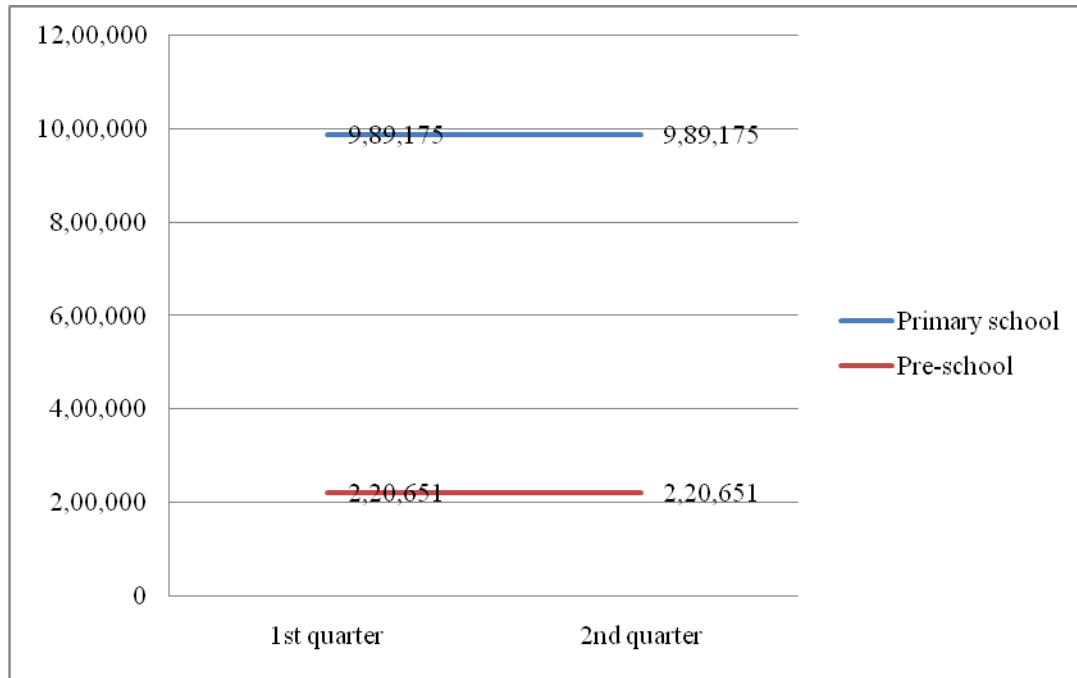
**Figure 5: Expenditure on education in 2012**

Of the total expenditure on education in 2012, expenditure in the first quarter have a 50% share, while in the second quarter 41% and 9% in the third quarter.

**Year2013**

**Table 7: Quarterly expenditure**

Indicator s	1st quarter			2nd quarter			3rd quarter		
	Quarterly Cumulative Budgetary Credits	Payments (achievements)	%	Quarterly Cumulative Budgetary Credits	Payments (achievements)	%	Quarterly Cumulative Budgetary Credits	Payments (achievements)	Rest payment
Pre-school and primary school	1.348.000	1.209.826	100,00	1.298.000	1.209.826	100,00	50.000	-	-
Pre-school	275.840	220.651	18,24	225.840	220.651	18,24	50.000	-	-
Primary school	1.072.160	989.175	81,76	1.072.160	989.175	81,76	-	-	-



**Figure 6: Expenditure on education in 2013**

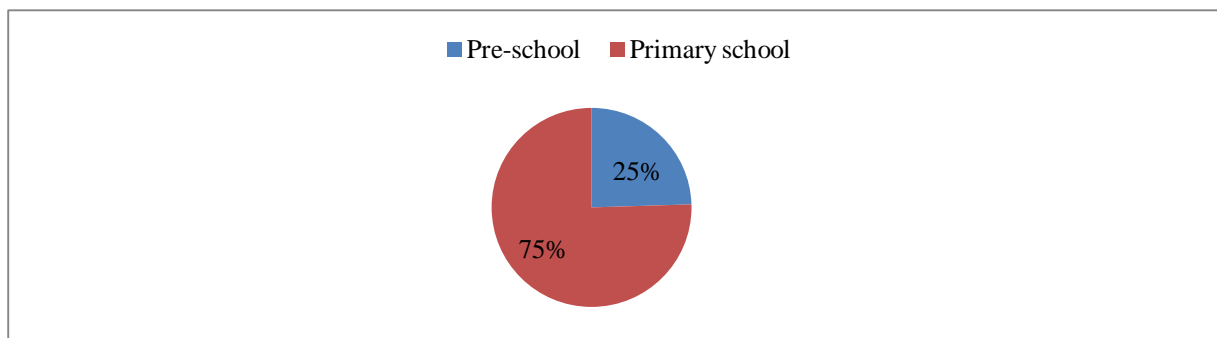
We can observe that we have the same costs in the first quarter as in the second one.

### Conclusions

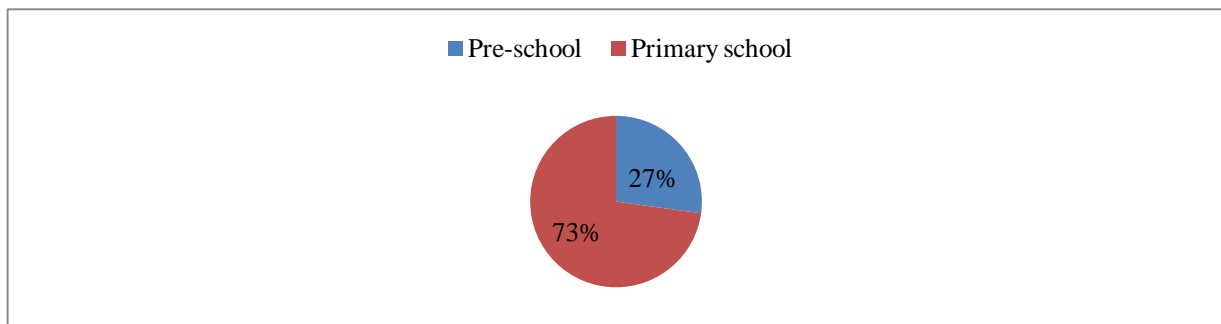
#### Expenditure evolution between 2011-2012

**Table 8. Expenditure comparison 2011-2012**

Indicators	2011 Expenditure	2012 Expenditure
Pre-school and primary school	2.723.134	3.117.750
Pre-school	667.646	847.578
Primary school	2.055.488	2.270.172



**Figure 7: Expenditure in 2011**



**Figure 8: Expenditure in 2012**

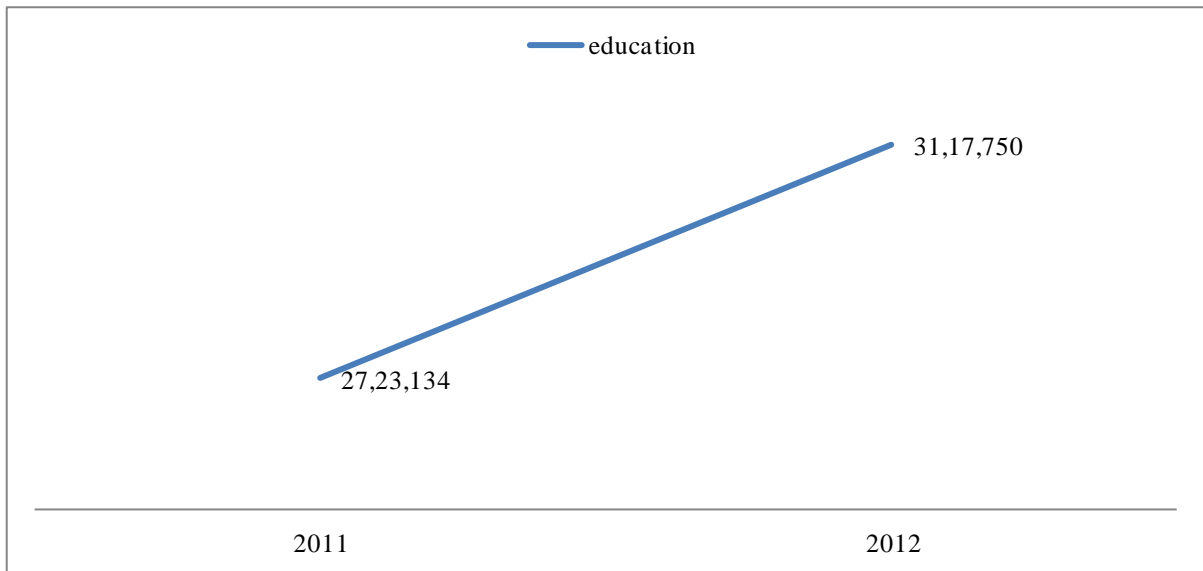


Figure 9: Expenditure 2011-2012

### Expenditure evolution between 2011-2012-2013

Even if for 2013 we only have presented expenditures in the first two quarters, in order to calculate total expenditure on education, we assign the third quarter the cumulative credits as payments (estimated payments will be 100%).

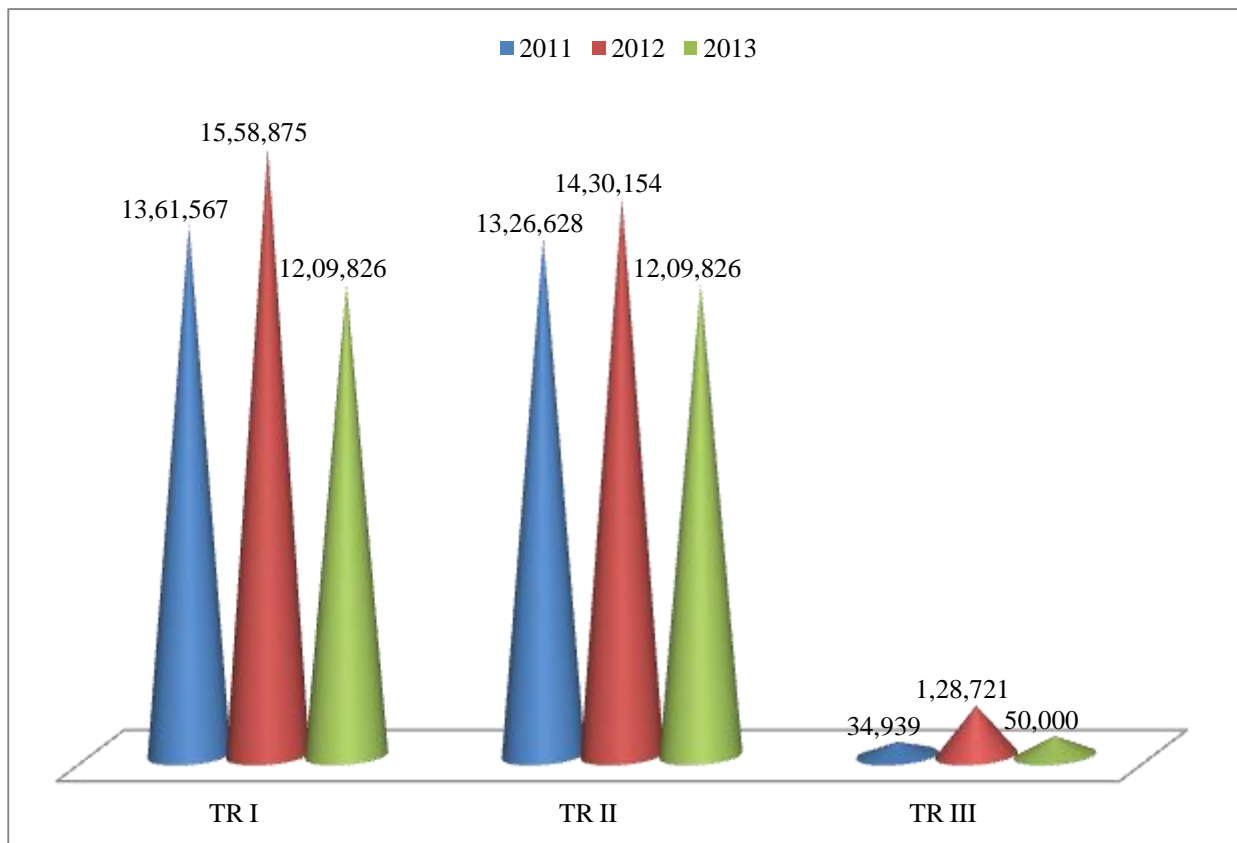
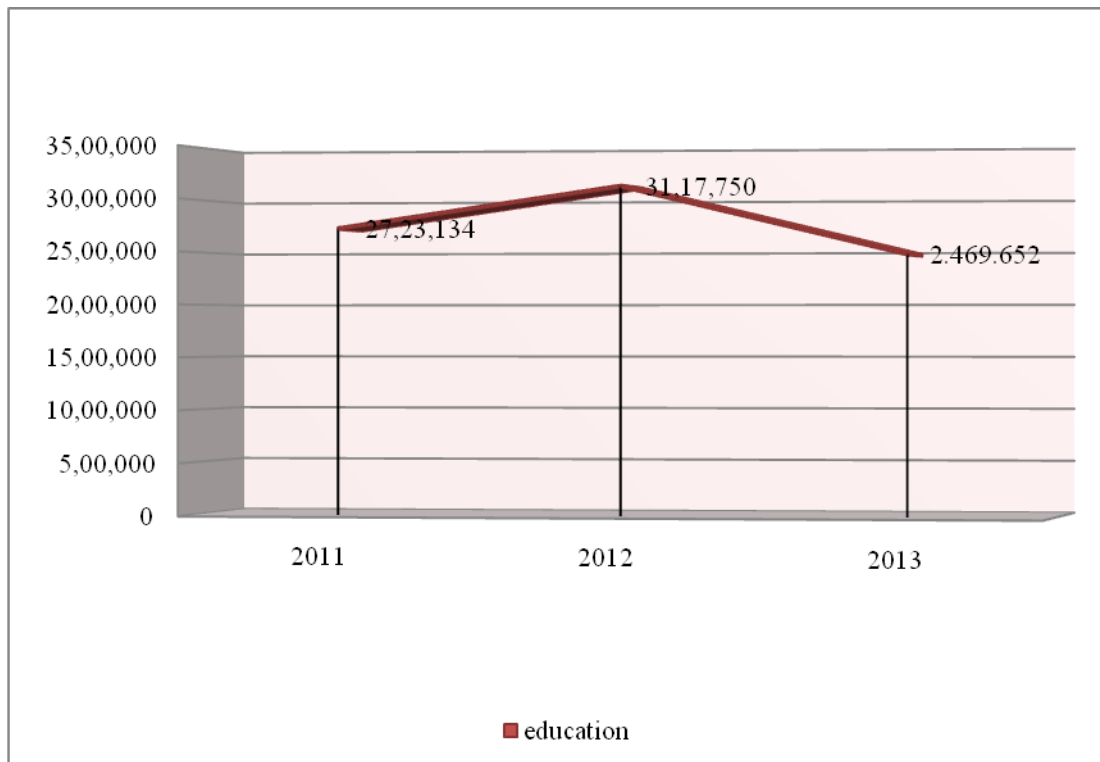


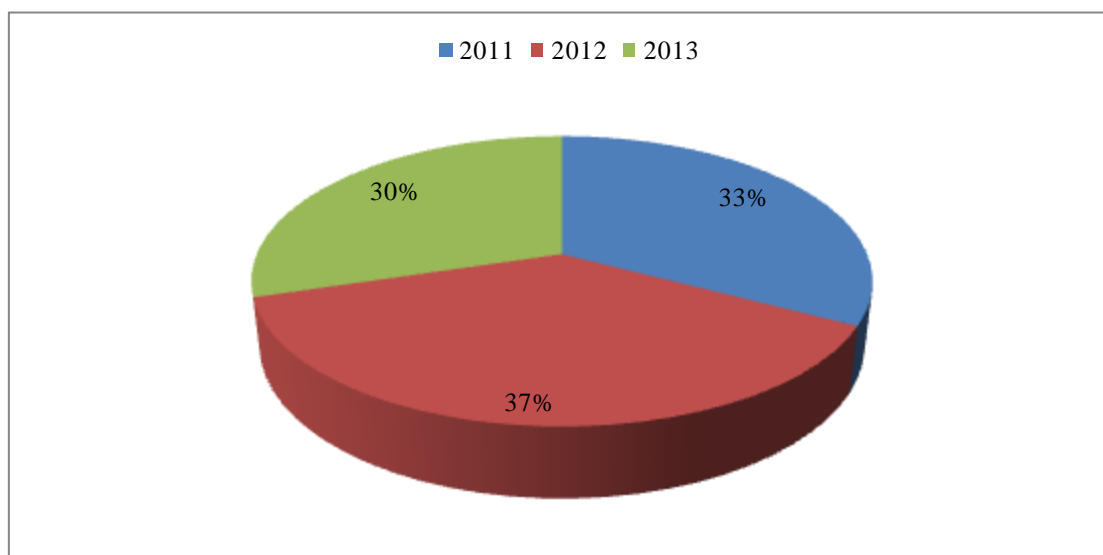
Figure 10: Comparison between quarterly expenditure

Table 9. Expenditure comparison 2011-2013

Indicators	2011 expenditure	2012 expenditure	2013 expenditure
Pre-school and primary school	2.723.134	3.117.750	2.469.652



**Figure 11: Education Expenditure evolution between 2011-2013**



**Figure 12: The share of education expenditure in the period 2011-2013**

After assessing the budgetary account during 2011-2012-2013 we draw conclusions for educational expenses. In 2012, in comparison with 2011 expenses increased to 394,616 lei. In 2013 in comparison with 2012 expenses decreased to 648,098 lei and in comparison with

2011 expenses decreased to 253,482 RON (we estimate that in 2013 costs are 2,469,652, cumulative credits as payments are added to the third quarter, assuming that payments will be equal with accumulated credits). In 2012 expenditure accounted for 37% in 2011 for 33% and in 2013 for 30%.

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