

# RGICS

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## RGICS BRIEF

(May 28, 2018)

### **Ever Increasing School Fee and Status of Fee Regulations in India**

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## Ever Increasing School Fee and Status of Fee Regulations in India

### Introduction:

Privatisation of school education and a subsequent hike in school fees is creating a huge economic burden for parents. Almost all major cities are witnessing protests against unjustifiable increase in school fees. Parents and students in cities like Delhi, Noida, Gurugram, Jaipur, Mumbai, Hyderabad, Bangalore and Chandigarh in last few months have accused schools for increasing fee 20% to 200% under various heads<sup>1</sup>. In the absence of effective regulatory system and system of grievance redressal, protests against arbitrary fee hike have been scattered and weak. However, various states have acknowledged large number of complaint against schools regarding fee hike. In response to these complaints, states governments such as Maharashtra, Gujarat, Tamil Nadu, Rajasthan, Punjab and Uttar Pradesh have enacted fee regulation policies in their respective states. Despite wide spread anger against increasing fee load, the number of complaints to central government through CBSE is negligible. According to a statement of the government, the CBSE received 16 complaints in 2015 and 8 complaint in 2016 regarding exorbitant fee hike by schools affiliated with the Board<sup>2</sup>. The Central government and CBSE do not have any mechanism to handle grievances related to exorbitant fee hike by private schools. That is why the number of complains is abysmally low compared to number of protests. This brief is an attempt to evaluate policy responses to address issue of excessive increase in school fee every year.

### Private Schools in India:

Private sector has always played a role in education in India. The share of private schools in India has progressively increased in last four decades. In the case of primary school, the share of unaided private schools has increased from mere 4.67% in 1973-74 to 12.3% in 2010-11. Similarly, the share of private unaided secondary schools has increased from 5.59% in 1973-74 to 37.3% in 2010-11 (see table below).

| Percentage Distribution of Private School in India |                |                      |                  |
|--|----------------|----------------------|------------------|
| Year   | Primary School | Upper Primary School | Secondary School |
| 1973-74  | 4.67           | 1.64                 | 5.59             |
| 1986-87  | 8.58           | 2.57                 | 9.99             |
| 1996-97  | 14.2           | 5.0                  | 18.1             |
| 2001-02  | 15.77          | 6.01                 | 23.6             |
| 2010-11  | 12.3           | 7.1                  | 37.3             |

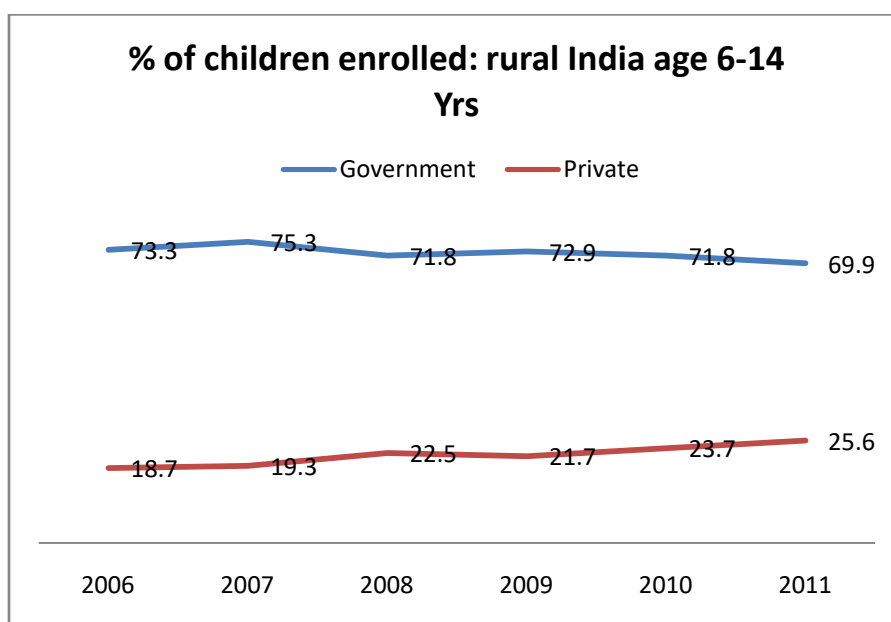
Source: MHRD

<sup>1</sup> The Quint: <https://www.thequint.com/news/india/school-fee-hike-parents-protest-gurgaon-noida-delhi>

<sup>2</sup> Lok Sabha: <http://164.100.47.190/loksabhaquestions/annex/9/AU3596.pdf>

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According to a report in 2014 by business consulting agency Ernst & Young, of the total school imparting education up to 12<sup>th</sup> standards in India, 25% schools are unaided private schools. These schools share 40% of India's total enrollment at different levels up to 12<sup>th</sup> (E&Y, 2014). The enrolment in private schools has sharply increased in last few years (see graph below).



Source: E&Y, 2014

In the five-year period from 2006 to 2011, India has witnessed a tremendous increase in enrollment in private schools for children in age group 6-14 years. During this period, the percentage share of enrolment in private school has increased from 18.7% to 25.6%. Data in above graph also suggests that the gain of private schools in this period is at the cost of loss of public schools. Public schools have observed fall in enrolment during this period for children in the age group of 6-14 years. A recent study of 20 major states of India shows that the growth of private schools further escalated between the years 2011 to 2016. In these five years, the percentage share of enrolment in private schools has increased from 25% in 2010-11 to 35% in 2015-16. During this period, enrolment in government school in selected 20 states fell by 13 million, while private school acquired 17.5 million new students<sup>3</sup>. These trends in the sector of school education indicate that state and central government's role in imparting education is rapidly shrinking, while the private sector capturing the space left vacant by the government schools. With the rapid increase in role of private schools in last few decades, the complaints regarding excessive fee charged by these schools have also increased. Parents in various parts of the country have been accusing these schools of commercializing education and earning huge profits. Despite huge investments by private sector in the education sector, the complaint related to running them for profit is a valid one. These complaints draw legitimacy from the existing policies regulating private unaided schools. The next section will briefly describe regulatory mechanism governing these schools.

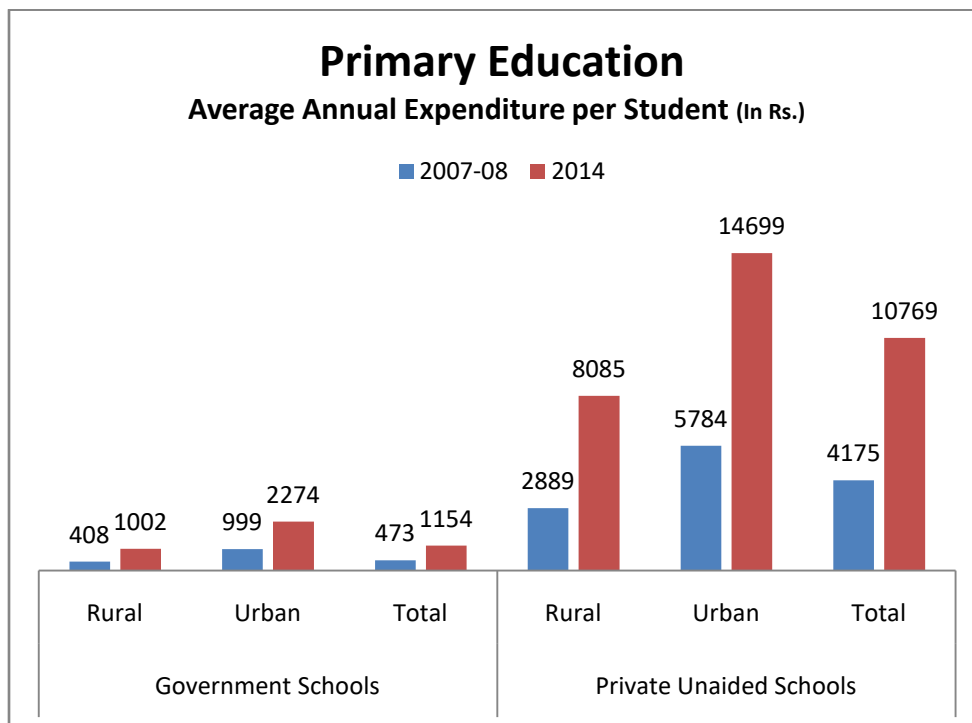
<sup>3</sup>IZA Institute of Labour Economics, Germany: [ftp://ftp.iza.org/dps/dp10612.pdf](http://ftp.iza.org/dps/dp10612.pdf)

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### Soaring Cost of Education and Socio-Economic Deprivation:

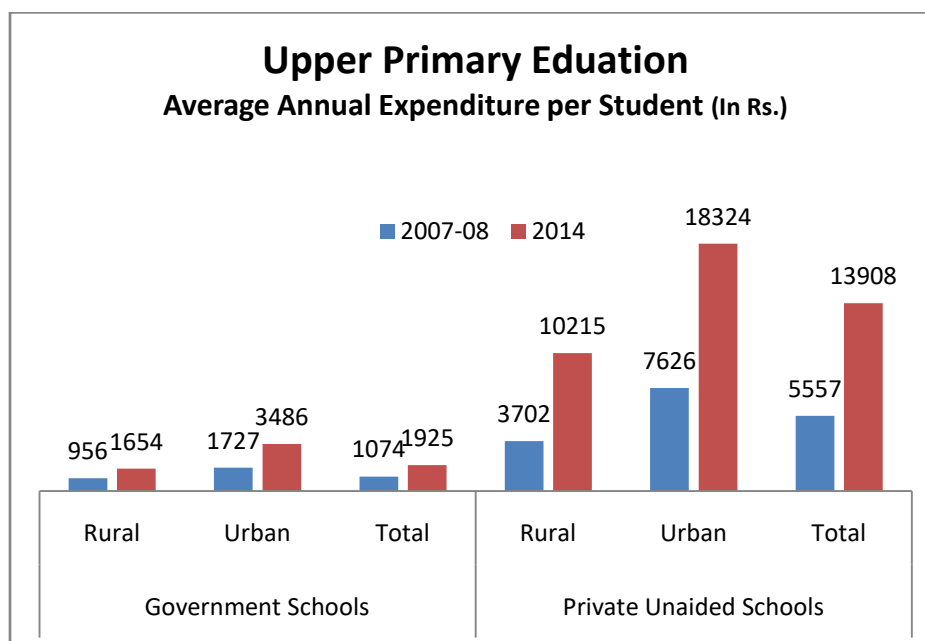
While the Constitution of India provides for free and compulsory education for all children upto 14 years, data reveals that parents have to pay substantially for their kids' schooling. In fact, the price of schooling is rapidly increasing in India. The cost of education varies from school to school, as each type of school has its own system of fee determination. Data shows that the cost of education in government schools is much less compared to private unaided schools. However, various reports suggest that the quality of education in government schools has deteriorated. It is because of this that the last few decades have seen a rapid expansion of private schools with relatively better educational outcomes.

Data in the following graphs reveal that in comparison to government schools, the average expenditure in private school is nearly ten times higher. This expenditure estimated by NSSO in 2007-08 and 2014 includes tuition fee, other school fees, uniform, transportation, private coaching and other related expenses. In rural areas, the tuition and other fee accounts for 40% of total expenditure on school education. This expenditure is higher in urban areas; 55% of total expenditure on education goes into tuition and other fees of school (NSSO, 2014).



Source: Compiled from NSS Report 532 (64 round) and 575 (71 round)

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Source: Compiled from NSS Report 532 (64 round) and 575 (71 round)

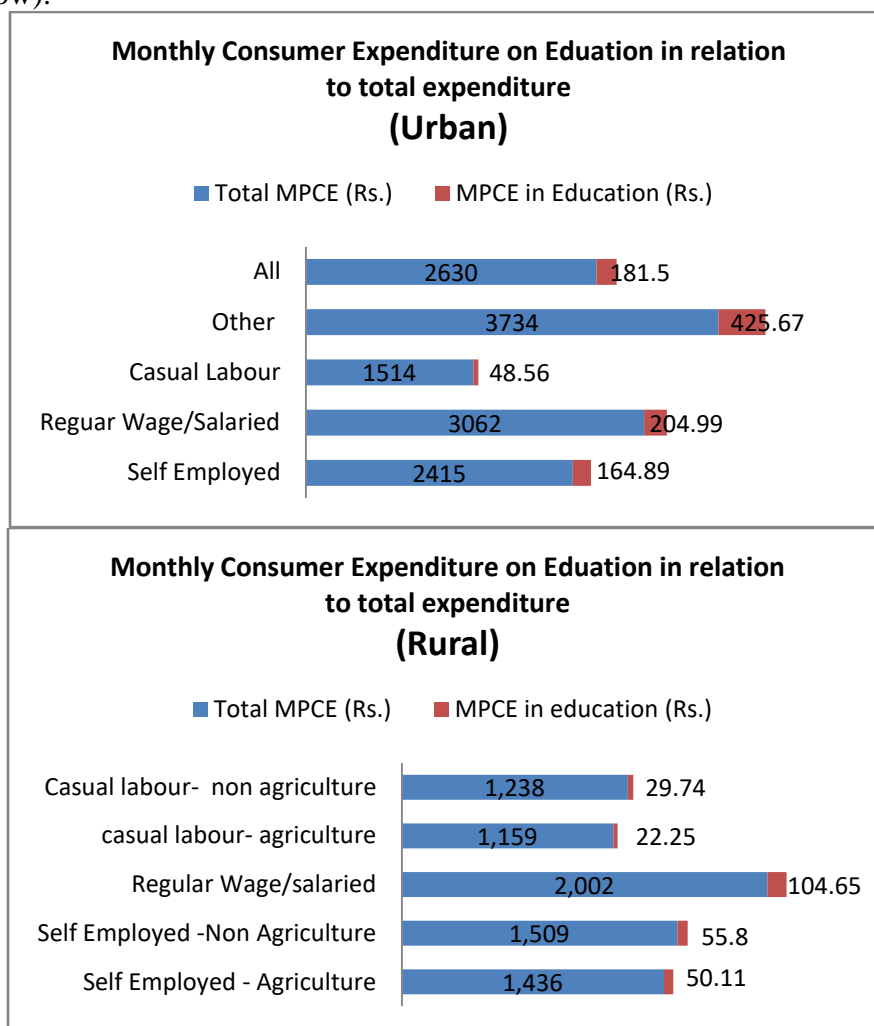
While the expenditure on education for students of both private and public funded primary and upper primary has observed a sharp increase from 2007-08 to 2014, the cost of education in private schools has recorded a relatively higher jump. For upper primary education, the annual cost for students in government schools has increased by 79% (from Rs. 1,074 in 2007-08 to 1952 in 2014). However, this cost has increased by 150% (from Rs. 5,557 in 2007-08 to Rs. 13,908 in 2014) for students of private unaided schools. In case of educational cost in primary education, both government and private schools have observed similar proportional growth. Nevertheless, the average annual expenditure for primary education in private schools is Rs. 10,769 as against only Rs. 1,154 in government schools (NSSO, 2014). According to NSSO (2014) report, the share of tuition fee in the total expenditure on education in government schools is less than 10%. However, for students in private schools, tuition fee constitutes more than 60% of the total cost. In 2014, the average annual tuition fee of government primary schools was Rs 109 per student and it was Rs. 6,089 per student in private primary schools.

Any increase in the already high tuition fee of private schools has several social and economical ramifications. In the absence of enough quality publically funded schools, people are forced to enroll their wards in private schools. However, the high cost of the education in private school and unavailability of affordable and quality public schools have serious implications on children of economically and socially vulnerable groups.

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### Economically Disadvantaged Groups:

While the data shows that the cost of education in both private and public schools is soaring, the capacity of economically vulnerable section of society to invest in education remains very low. The 66<sup>th</sup> round of NSSO survey released in 2012, calculates Monthly Per Capita Expenditure (MPCE) of people in India. According to this report, casual labourers and cultivators are economically most vulnerable. The average amount they spend on monthly consumption is very less compared to other occupational groups (see graphs below). The report further reveals that labourer households that constitute 34% of rural and 12% of urban population invest least in education from their total MPCE. A rural labourer spends 3% and urban labourer spends 2% of the total MPCES on education of their children. The spending on education of the total MPCE is relatively higher in case of salaried (7%) and self employed household (7%) in urban and salaried/fixed wage household (5%) in rural areas (see graphs below).



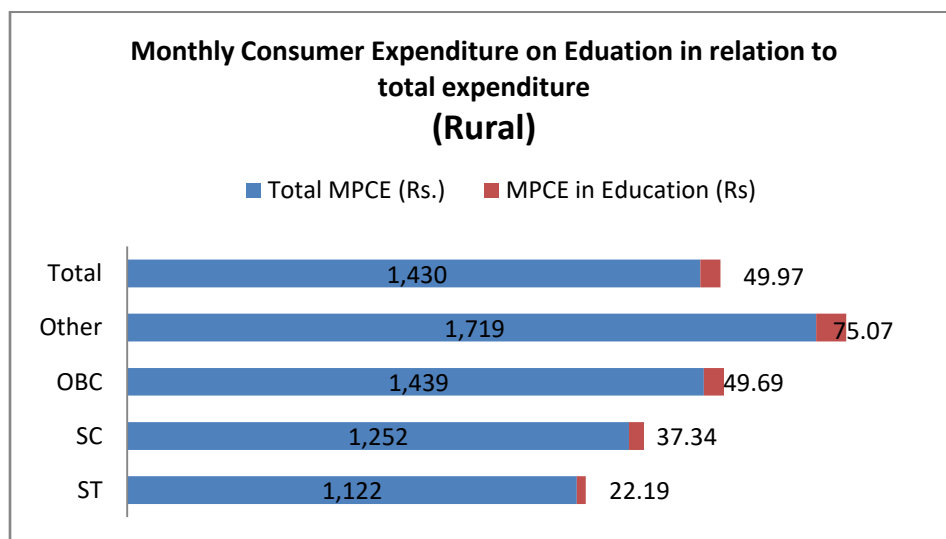
Source: Compiles from NSSO Report No 562, 68<sup>th</sup> Round

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Both in rural and urban areas, casual labourers and agricultural households have little to consume in comparison to other households. The economic constraints of these households further affect their priority of monthly consumption. From the already insufficient amount for consumption, a large part of their earning goes for food related consumption. Labourers in rural India spend nearly 60% of their MPCE on food item, which is higher than other households in rural India. Similarly, in urban areas labourer households spend 55% of their MPCE on food related expenditure, which is much higher in comparison to the national average of 44% (NSSO, 2012). The financial vulnerability of these households and ever-increasing cost of education has a direct effect on their children. It reduces chances of children in these families to avail quality education. The average per capita expenditure on education according to occupational groups is given in above graphs. Data shows that there is huge difference in people’s capacity to spend on education of their children. For instance a rural family of casual labourer spends Rs. 22 to 29 per month on its child’s education, whereas, a self-employed family spends Rs. 50 to 55 per child per month. This gap is larger in urban areas. The MPCE on education for an urban casual labourer is only Rs. 48 in comparisons to Rs. 164 spent by self-employed and Rs. 204 by a salaried urban family.

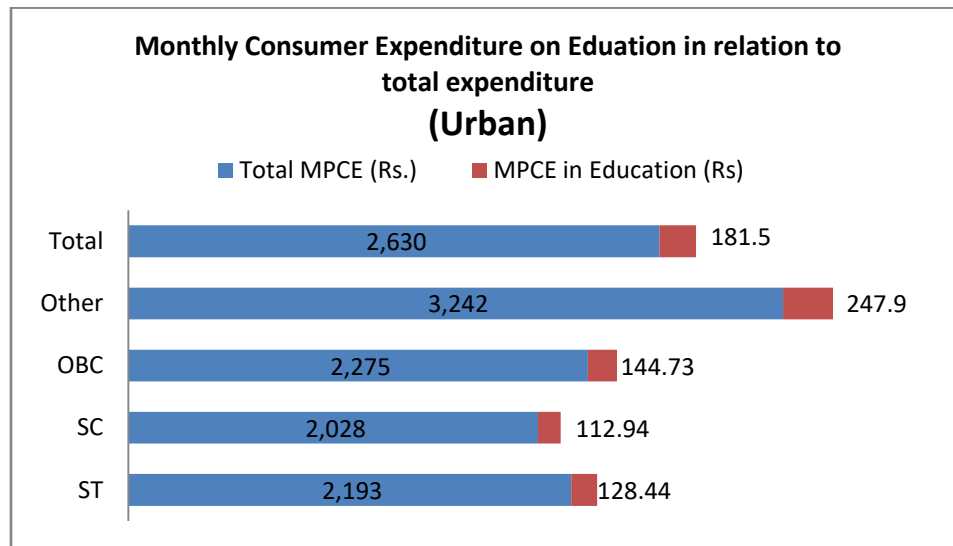
### Socially Deprived Groups:

The 66<sup>th</sup> round of NSSO survey in its report revealed that the Scheduled Caste, Scheduled Tribe and Other Backward Classes are poor and have very little to spend on their family consumption. Most of the economically disadvantaged households engaged in economic activities such as casual labour and cultivation are from these communities. The increasing cost of education in India affects these socially deprived communities the most. The total monthly per capita consumer expenditure (MPCE) according to different social groups is given in following graphs. Data shows that the economic constraints of households belonging to SCs, STs and OBC communities further affect their ability to spend on education of their children (see graphs below).



Source: Compiles from NSSO Report No 562, 68<sup>th</sup> Round

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Source: Compiles from NSSO Report No 562, 68<sup>th</sup> Round

Of all these three socially vulnerable communities the following points come across

- STs in rural areas are most vulnerable.
- The average per capita monthly expenditure of STs on education is Rs. 22.19 compares to Rs. 75 spent by households from non-disadvantaged communities.
- In urban areas, SCs are most vulnerable. The average per capita expenditure on education for urban SCs is Rs. 113, which is not even half of amount spend on education of children from socially advantaged communities (see graphs above).

Apart from various other factors, the higher school fee is also determined based on quality and standard of education provided by a particular school. Government run schools, which have low or no fee at all, are in bad shape. Some of the problems that the government schools are facing are:

- The non-accountability of teachers, massive absenteeism of teachers (especially in rural areas).
- Lack of infrastructure.
- Inadequate number of teachers.

Persistence of these problems has deteriorated education in public funded schools. Despite several quality and standard related deficiencies, private run schools are performing relatively better. However, the fee charged by these schools is unaffordable for a large section of society specially belonging to labourers, cultivators, SCs, STs and OBCs. The increasing cost of quality education and government's pull back from its obligation of providing quality free education to all is further increasing vulnerabilities of these socially deprived and economically disadvantaged communities.



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### Regulations for Private Unaided School:

School education is in the concurrent list of the Constitution. It implies that both state and centre governments share responsibility of providing education to its people. Article 45 of the Constitution under 'Directive Principles of State Policies' holds State and Union governments accountable for providing free and compulsory education for all children below the age of 14 years. Central government's initiatives such as Sarv Shiksha Abhiyan (SSA) introduced in 2001 and Right to Education Act, 2009 are two major constructive attempts to realize the constitutional goal expressed in Article 45. Such concerted efforts of state and union governments after independence helped in expanding education in India. Public policies in this sector resulted in the universalization of elementary education. The Gross Enrolment Ratio (GER) in elementary education has sharply increased from 32 in 1950-51 to 104 in 2010-11. However, various reports suggest that the educational outcomes in majority of schools (both private and public) are below average.

While providing education to all is the constitutional obligation of the government, we have seen that in last decades, the role of public sector in this regard has sharply decreased. Further, it has paved way for the private sector to expand. Those running private schools are accused of earning huge profit by commercializing school education. Those in support of private schools have argued that the constitution of India under Article 19 guarantee freedom to practice any trade or profession, therefore earning profit from schools established by them is constitutionally valid. However, the Supreme Court in various judgments has reiterated that private schools do not have the freedom to earn profit<sup>4</sup>. A constitutional Bench judgment in the case of TMA Pai Foundation and Others V/s State of Karnataka in 2002, the Supreme Court observed that, "there can be no profiteering and capitation fee and that imparting education is essentially charitable in nature (Gujarat High Court, 2017)."

Only a not-for-profit registered society, trust or company registered under section 25 can establish a school in India. This pre-condition for establishing private schools asserts the idea of non-commercialization of education and restricts those running private schools from earning a profit from fee collected from students. However, various business organizations have been lobbying to remove these restrictions. A report of FICCI in 2014 argued that policy restrictions specially related to not-for-profit is not proving beneficial for private schools. This report argues that existence of such policies along with restrictions on fee determination and compulsory EWS quota in schools are forcing operational schools to close down (E&Y, 2014). However, study of 20 major states of India by Kingdon (2017) reveals that more than 77 thousand new private schools were established during 2011 and 2016. It further reveals that except in Assam and Punjab no any other state has observed a decline in number of private schools during this period.

In addition to the constitutional obligation that the education is for public good and not for profiteering, all schools are required to be affiliated with either the state or central board of examination. This affiliation is

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<sup>4</sup> <http://www.right-to-education.org/sites/right-to-education.org/files/resource-attachments/India%20Supreme%20Court%2C%20Society%20for%20Unaided%20Private%20Schools%20v%20India%2C%202012.pdf>

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mandatory to maintain quality and standard of education. These affiliations further invite several regulations such as:

- Minimum requirement of classroom,
- Playground,
- Trained teachers,
- Other infrastructure,
- Curriculum and syllabus.

Schools can choose between a Central or State level affiliating board. At the central government level, the CBSE and ICSE are two affiliating bodies. Similarly, at state level, schools can choose for affiliation from examination board of respective state. According to E&Y (2014) nearly 16 thousand schools are affiliated with CBSE and ICSE and 14 lakh schools are affiliated with various state exam boards. It also reveals that as high as 34 thousand schools are not affiliated with any board of exam. As there is no single affiliating board, regulation related to quality and standards varies from state to state. Most of these regulations are ambiguous or silent on fee charged by private schools. For example, the CBSE Affiliation By-Laws allows schools to charge fee to commensurate facilities provided by it. It further restricts schools from diverting surplus fund to any person of management committee or any other person (CBSE, 2016). These provisions are silent on many complaints of parents or guardian related to exorbitant fee charged by them. For instance, parents have been accusing schools for determining fees arbitrarily and find the annual increase in fee is unjustifiable. The CBSE regulation does not provide mechanism to determine fee, cap on fee to be charged and ways to increase fee in subsequent years. Similarly, the Delhi School Education Act, 1973 that, regulates schools in National Capital Territory of Delhi fails to provide similar mechanisms to fix fee in private schools operating in Delhi. Such ambiguity or absences of policy provisions have allowed promoters of private schools to arbitrarily decide on issues related to fees. Some states, namely Tamil Nadu, Rajasthan, Punjab, Maharashtra, Gujarat and Uttar Pradesh have recently brought in additional regulations to control unjustifiable increase in fee by private schools. The next section of the paper discusses these state level regulations in brief.

### State Level Fee Regulations:

Parents and guardians of students have been demanding that the government step in to prevent schools from charging exorbitant fees and restrict them from unreasonable fee hike every year. State level regulation in six states attempting to address these concerns of people varies for one another. The regulation on fee determination was first introduced by Tamil Nadu government in 2009, followed by Maharashtra in 2011, Punjab and Rajasthan in 2016, Gujarat in 2017 and Uttar Pradesh in 2018. All these regulations intend to regulate determination of fee in private unaided school however; there exist huge differences in approach and mechanisms. Despite these differences, regulation of Tamil Nadu and Gujarat have some similarities, similarly regulations of Maharashtra and Rajasthan have common structure and ordinance issued by Uttar Pradesh is similar to law passed by Punjab in 2016. All these regulations are briefly described here.

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### **Tamil Nadu and Gujarat:**

The Tamil Nadu Schools (Regulation of Collection of Fee) Act, 2009 and Gujarat Self Financed Schools (Regulation of Fee) Act, 2017 regulates fee charged by private schools in their respective states. The regulation passed by state assemblies of Tamil Nadu and Gujarat provides for constitution of fee regulatory committee headed by retired High Court judge, which finalizes fee to be charged by the school. The Gujarat regulation provides for constitution of a four divisional level fee regulatory committees, whereas Tamil Nadu has only one committee for fee determination. These committees have the power of a civil court holding enquiries. Fee regulation committees decide fee based on criteria provided in these two legislations. These criteria includes location of school, salary and administrative expenditure, facilities provided by the schools, availability of infrastructure etc. Both of these laws restrict schools from diverting any surplus to its management or promoting society, trust or company. Fee determined by the committee is binding on schools for a period of three years. Agitated from the enactment of these legislations, various private schools challenged these regulations in court. The dominant argument challenging these regulations has been that such regulation is constitutionally invalid as it interferes in the autonomy of the private school. While disposing number of petitions challenging the regulation enacted by Tamil Nadu, the Madras High Court observed that law of the state does not fix fee for the school but it calls upon management of the school to forward their proposed fee structure for approval. This is called determination of fee and does not violate any provision of the constitution (Gujarat High Court, 2017). Similarly, the Gujarat High Court, while disposing several petition challenging the Gujarat Self Financed Schools (Regulation of Fee) Act, 2017 observed that the restriction imposed by the law are reasonable as per constitutional provision. It further upheld the constitutionality of the Act.

### **Maharashtra and Rajasthan:**

The Maharashtra Educational Institution (Regulation of Fee) Act, 2011 and the Rajasthan Schools (Regulation of Fee) Act, 2016 regulates fee determination in Maharashtra and Rajasthan respectively. These two laws are similar in many ways. However, the previous law of Rajasthan was very similar to the legislation of Gujarat and Tamil Nadu. The current law repealed the Rajasthan Schools (Regulation of Collection of Fee) Act, 2013 enacted by the previous state government.

Unlike Gujarat and Tamil Nadu, Rajasthan and Maharashtra gives power to school level executive committee of Parent-Teachers Association (PTA) to determine school fees. The executive committees of PTA in these two states have to decide the fee after examining the fee proposal submitted by the school management. In order to prevent schools from gaining profit, the law provides specific grounds for determining fee. The executive committee of PTA in Rajasthan requires equal number of representation from school/teacher and parents. However, committees in Maharashtra have one extra member from school management/teacher. In both states, representative of school management head these committees. Rajasthan regulation allows school to increase the fee on an annual basis, whereas the fee determined by committee in Maharashtra is binding on school for two academic sessions. Few private schools both in Maharashtra and in Rajasthan have challenged the provisions of these laws in court. All petitions in this regards are still pending in respective High Courts of the states.

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### Punjab and Uttar Pradesh:

Punjab government regulates fee determination in private schools through The Punjab Regulation of Fee of Unaided Educational Institutions Act, 2016. Uttar Pradesh has recently issued an ordinance 'The Uttar Pradesh Self Financed Independent School (Fixation of Fee) Ordinance, 2018' to regulate fee determination in private schools in Uttar Pradesh. Unlike the other four states, the Uttar Pradesh and Punjab gives full freedom to the private schools to determine their fee structure. Both states also allow schools to increase fee on annual basis. These two laws regulate two different aspects of fee determination. First, schools in these states are allowed to increase fee on annual basis. The Uttar Pradesh regulation allows annual increase in fee maximum up to percentage increase in consumer price index plus five percent of fee of last academic session. On the other hand, the regulation of Punjab allows schools to increase fee every year up to 8% of previous year's fee. Second, schools are restricted from accumulating surplus and diverting school fund. However, the Uttar Pradesh regulation allows schools to accumulate fund for establishing new branch of school. Both these laws provide for constitution of fee regulation committees at divisional level. However, these committees have no role in fee determination. The Uttar Pradesh fee regulatory committee determines fee of a school, if it intends to increase fee beyond permitted level. In the case of regulations in Punjab, the role of regulatory committee is to monitor implementation of the regulation. It has no power to determine fee or rate of fee enhancement. Few private schools in both states have also questioned constitutional validity of these two laws and challenged in the court. All petitions are pending in High Courts of respective states.

### People's Reactions and Responses:

The Maharashtra Educational Institution (Regulation of Fee) Act in 2011 has been in force from April 2015. It gives power to executive committee of PTA to determine fee for the school. Despite this, the situation has not changed. Every year parents in Maharashtra are out on the street against exorbitant fee hike in private schools. Several parent associations and organizations protesting against fee hike in March 2018 accused the schools of cherry picking representatives of parents in fee fixation committee constituted in schools. They demanded that the school should get approval of its fee hike in a meeting of PTA<sup>5</sup>. Many schools in Maharashtra are also accused of not constituting executive committee of PTA to determine fee hike. The continued protest of parents each year in Maharashtra against exorbitant fee hike despite regulation indicates that the regulations are ineffective in preventing schools from commercializing education. The Rajasthan has a similar regulation, but enacted little later. However, parent's complaints against fee hike in the state remain unaddressed, as many parents were out on the street in the beginning of the last two academic sessions.

Complaints of drastic fee hike have also been reported from Tamil Nadu and Gujarat where regulations are of similar nature. Gujarat has yet to implement the law, whereas, Tamil Nadu has already implemented it. In both states, a fee regulating committee headed by retired high court judge determines fee for schools. State

<sup>5</sup> DNA India: [www.dnaindia.com/mumbai/report-maharashtra-parents-march-against-fee-hike-2591395](http://www.dnaindia.com/mumbai/report-maharashtra-parents-march-against-fee-hike-2591395)

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regulations allow schools to raise fund for infrastructural development and this provision has been misused in the state. Parents protesting against fee hike in Chennai in 2018 complain that schools are increasing fees in the name of building more infrastructures<sup>6</sup>. Various cities in Punjab have also witnessed massive protest of parents against fee hike in last two years after enactment of fee regulation in the state. Increasing number of protest year after year even in states where fee has been regulated indicate that these regulations are ineffective. They are not reducing the pain of common parents. Further, it has been observed in various places that schools are also involved in misuse of fee regulations and violating them.

Parents across the country are up in arm against exorbitant fee charged by the private schools. Various report published in media suggests people have not benefited from fee regulations in few states. The national convener of All India Parents Association Mr. Anil Agrawal believes that these state level regulations are positive steps but are not fully effective. He demanded that the central government should come up with a robust central legislation to put end on commercialization of education in private schools<sup>7</sup>.

### Conclusion:

The constitution of India and policy frameworks in the country allows private sector to impart school education. However, it restricts the private sector from commercializing education or earning profit from fee paid by students. However, every year we see parents across the country protesting against hike in school fees. Apart from people's protest everywhere, there are very little documented evidences of excessive fee charged by schools. However, Justice Anil Dev Singh Committee constituted by the Delhi High Court found 531 out of 1092 private schools in Delhi charging excessive fee and diverting school fund<sup>8</sup>. This example shows that many private schools are openly violating the constitutional provisions and indulging in commercialization of education. Six states namely Gujarat, Tamil Nadu, Rajasthan, Maharashtra, Punjab and Uttar Pradesh claims that they have further regulated private schools to restrict them from earning profit from fees paid by students. However, the situation on ground remains unchanged. The failures of these regulations are largely attributed to problems related to policy design and their implementation.

State level fee regulations that we have today are of three categories. The first category of regulation was initiated by Tamil Nadu and latter replicated by Gujarat. This model of regulation provides for an independent system to determine school fee. The independence of regulatory body further increases chances of transparency and accountability. This model allows managements to accumulate reasonable surplus for expansion of school. However, in Tamil Nadu parents complain that this clause has been misused by various schools to charge excessive fees. The Gujarat is yet to roll out its regulation.

The second category of regulation was first initiated by Maharashtra and latter replicated by Rajasthan. This regulation provides for mutual negotiation between school management and school level joint fee fixation

<sup>6</sup> New India Express: <http://www.newindianexpress.com/cities/chennai/2018/apr/06/parents-pay-the-price-as-schools-hike-fees-arbitrarily-in-chennai-1797680.html>

<sup>7</sup> The Quint: <https://www.thequint.com/news/india/school-fee-hike-parents-protest-gurgaon-noida-delhi>

<sup>8</sup> Department of Education, Delhi Government: <http://it.delhigovt.nic.in/writereaddata/Odr2016521193.pdf>

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committee. The fee regulatory body does not interfere in fee determination unless there is any dispute between management and fee fixation committee. The management of private schools under these regulations has the power to constitute school level joint fee fixation committee. The committee consists of representatives of parents and school management. This provision provides an upper hand for school management in selecting parents for the committee and therefore determining fee. Several parents in Maharashtra have accused that schools are deciding on members of these committees.

Punjab created the third category of regulation, which was replicated by Uttar Pradesh just few months ago. These regulations give a free hand to all private schools to determine their fee. It further allows school to increase fee on annual basis. Parents or guardians of student have no space under these regulations to determine fee. While people are complaining against fee hike on annual basis, these regulations legitimizes fee hike by the schools every year. The regulation of Uttar Pradesh goes a step ahead and allows school management to collect fee for establishing new branch of school. This category of regulation actually legitimizes fee hike by private schools. Of these three categories, regulations rolled out by Tamil Nadu and copied by Gujarat ensure relatively better transparency and accountability. Other regulations have serious problem in their design. Various parents association and activist have been demanding that the central government should come up with a model law in line with regulation of Tamil Nadu. The model law of such nature from central government would eliminate state level discrepancies and ensure better results.

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### Annexure State level laws regulating fee in private unaided schools

#### Rajasthan

|  |  |
|--|--|
| <b>Name of Law</b>   | <b>The Rajasthan Schools (Regulation of Fee) Act, 2016</b>   |
| <b>Applicable to Schools</b>                                   | All School operating in the state, affiliated with any education board.  |
| <b>Power to Determine Fee</b>                                  | School management is competent to propose fee structure. However, fee proposed by the management needs approval of executive committee of PTA.   |
| <b>Basis for fee determination</b>                             | The executive committee of PTA determines fee for any private school based on following factors: <ul style="list-style-type: none"> <li>• Location of the school</li> <li>• Infrastructure made available for students for the qualitative education</li> <li>• Education standard of the school as decided by the state government</li> <li>• Expenditure on administration and maintenance</li> <li>• Salary and qualification of teaching and non-teaching staff</li> <li>• Reasonable amount for annual increase in salaries</li> <li>• Reasonable surplus revenue for the purpose of development of education and expansion of the school.</li> </ul> |
| <b>Periodical Revision of Fee</b>                              | Schools are competent to increase fee on annual basis.   |
| <b>Fee Cap</b>   | No fee cap specified under the law   |
| <b>School Level Fee Committee (Executive Committee of PTA)</b> | School Level Fee Committee is constitute of following members: <ul style="list-style-type: none"> <li>Chairperson - Representative of the management of private school</li> <li>Secretary - Principal of the private school</li> <li>Member - Three teacher nominated by the management of school</li> <li>Member - Five parents from Parent-Teachers Association</li> </ul>   |
| <b>Power of School Level Fee Committee</b>                     | <ul style="list-style-type: none"> <li>• To examine fee structure proposed by the management of the private unaided school.</li> <li>• To approve fee to be levied from student</li> <li>• To make changes in fee proposal of the management as per the law.</li> </ul>  |
| <b>Appeal</b>  | <ul style="list-style-type: none"> <li>• If the Fee committee fails to decide fee within prescribed time, the management shall refer mater to Divisional Fee Regulatory Committee headed by division commissioner of school education.</li> <li>• Parents do not have recourse to appeal against fee decided by the committee.</li> </ul>  |
| <b>People's Reaction</b>                                       | Parent's complaints against fee hike in the state remain unaddressed, as many parents were out on the street in the beginning of the last two academic sessions.   |
| <b>Reactions of Private Schools</b>                            | Few private schools in Rajasthan have challenged the provisions of the regulation in the court. All petitions in this regards are still pending in Rajasthan High Court.   |

## Ever Increasing School Fee and Status of Fee Regulations in India

### Maharashtra

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| <b>Name of Law</b>  | <b>The Maharashtra Educational Institution (Regulation of Fee) Ac, 2011</b>  |
| <b>Applicable to Schools</b>  | All private unaided schools operating in the state   |
| <b>Power to Determine Fee</b>   | Schools have to propose fee, which should be approved by the Executive Committee of Parent-Teachers Association.   |
| <b>Basis of fee determination</b>   | <p>The executive committee of PTA will determine fee based on following factors:</p> <ul style="list-style-type: none"> <li>• Location of the school</li> <li>• Infrastructure made available for students for qualitative education,</li> <li>• Educational standard of school, as the state government may prescribe.</li> <li>• The expenditure on administration and maintenance</li> <li>• Salary for qualified and teaching and non-teaching staff</li> <li>• Reasonable amount for annual salary increment</li> </ul> |
| <b>Periodical Revision of Fee</b>   | Fee approved by the executive committee of the PTA is binding on school for a period of two academic sessions.   |
| <b>Fee Cap</b>  | No fee cap specified under the law   |
| <b>Executive Committee of Parent-Teachers Association<br/>(Fee Determination Committee)</b> | <p>The executive committee of the PTA is constituted of following members:</p> <p>Chairperson – Principal of School<br/> Vice-Chairperson – One from amongst parents<br/> Secretary - One from amongst teachers<br/> Two Joint Secretary – Both from amongst parents<br/> Members - One parent, one teacher from every standard.</p>   |
| <b>Function of Executive Committee of PTA</b>   | <ul style="list-style-type: none"> <li>• Review fee proposal presented by the management of the school</li> <li>• Approve fee for the school to be levied</li> <li>• The committee has authority to decide amount of fee afresh</li> </ul>   |
| <b>Appeal against decision of executive committee of PTA</b>                                | <ul style="list-style-type: none"> <li>• The law provides for constitution of divisional fee regulatory committee for each educational division headed by retired district judge to adjudicate the dispute between school management and PTA.</li> </ul>   |
| <b>People's Reaction</b>  | Several parent associations and organizations protesting against fee hike in March 2018 accused the schools of cherry picking representatives of parents in fee fixation committee constituted in schools. They demanded that the school should get approval of its fee hike in a meeting of PTA. Many schools in Maharashtra are also accused of not constituting executive committee of PTA to determine fee hike.   |
| <b>Reactions of Private Schools</b>   | Few private schools in Maharashtra have challenged few crucial provisions of the laws in the court. All petitions in this regards are still pending in Mumbai High Court.  |



## Ever Increasing School Fee and Status of Fee Regulations in India

### Punjab

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| <b>Name of Law</b>                                  | <b>The Punjab Regulation of Fee of Unaided Educational Institutions Act, 2016</b>   |
| <b>Applicable to Schools</b>                        | All private unaided schools operating in the state and affiliated with any examination board.   |
| <b>Power to Fix Fee</b>                             | <ul style="list-style-type: none"> <li>• An unaided private school is free to fix its fee</li> <li>• Schools are also allowed annual increase in fee up to permitted level.</li> </ul>  |
| <b>Basis for Fee Determination</b>                  | <p>Schools will determine their fee based on following factors:</p> <ul style="list-style-type: none"> <li>• Infrastructure and facilities available in the school</li> <li>• Investment made and salary paid to staff</li> <li>• Future plan of betterment and expansion of school</li> </ul>  |
| <b>Periodical Revision of Fee</b>                   | Schools are competent to increase fee on annual basis. Provided that the annual increase of fee shall not exceed 8% of the fee of previous year.  |
| <b>Fee Cap</b>                                      | No fee cap specified under the law  |
| <b>Divisional Fee Regulating Committee</b>          | <p>The Act provides for constitution of regulatory body at division level to regulate fee. The regulatory body is constituted of following members:</p> <p>Chairperson - Divisional Commissioner</p> <p>Member Secretary - Circle Education Officer</p> <p>Member - District Education Officer (Secondary Education)</p> <p>Member - District Education Officer (Elementary Education)</p> <p>Nominated Member - Two eminent educationist<br/>- Deputy controller or Assistant Controller of Finance</p>  |
| <b>Power of Divisional Fee Regulating Committee</b> | <ul style="list-style-type: none"> <li>• To hear complaint of student, guardian or parents with regard to excessive fee charged by the school in any form.</li> <li>• To ensure that private unaided schools are not indulging in commercialization of education</li> <li>• To check that the fee structure is being kept within the limits as provided by the law</li> <li>• To ensure that fee increase undertaken by the private unaided schools is justifiable an necessitated by the circumstances such as increase in expenditure etc.</li> <li>• To check that the fund charged from the school is not diverted to any other purpose.</li> <li>• The regulatory body will act upon complaint of student, parent or guardian in prescribed manner.</li> </ul> |
| <b>Appeal</b>                                       | A person or school aggrieved by any direction or order passed under this Act may file an appeal to the government.  |
| <b>People's Reaction</b>                            | Even after enactment of the regulation, the issue remains unaddressed. Various cities in Punjab have witnessed massive protest of parents against fee hike in last two years after enactment of fee regulation in the state.  |
| <b>Reactions of Private Schools</b>                 | Few private schools in Punjab have questioned constitutional validity of the laws and challenged in the court. All petitions in this regards are pending in Chandigarh High Courts.   |

## Ever Increasing School Fee and Status of Fee Regulations in India

### Uttar Pradesh

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| <b>Name of Law</b>  | <b>The Uttar Pradesh Self Financed Independent School (Fixation of Fee) Ordinance, 2018</b>  |
| <b>Applicable to Schools</b>                                | It applies to all recognized and self financed independent schools affiliated with any examination board located in Uttar Pradesh. It applies to schools charging annual fee Rs. 20,000 or more per student.   |
| <b>Power to Determine Fee</b>                               | <ul style="list-style-type: none"> <li>All Private Schools are empowered to fix their fee.</li> <li>Schools are also allowed to increase fee up to permitted fee increase.</li> <li>The Divisional Fee Regulatory Committee determines annual increase in fee if it is beyond the permitted fee increase.</li> </ul>   |
| <b>Basis of fee determination</b>                           | Schools will determine their fee based on following factors: <ul style="list-style-type: none"> <li>Operational expenditure,</li> <li>Facilities provided for the students</li> <li>Future expansion of infrastructure,</li> <li>To generate reasonable surplus to be utilized for development of educational purpose including establishment of new branch or a new school.</li> </ul>  |
| <b>Periodical Revision of Fee</b>                           | Private schools are allowed to increase fee for its existing student on annual basis as follows: <ul style="list-style-type: none"> <li>The ordinance provides that the rate of such annual increase in fee shall not be more than recent available percentage increase in consumer price index + five percent of the fee realized from the student.</li> <li>The schools are further free to determine any fee for its new student for any class seeking fresh admission.</li> </ul>  |
| <b>Fee Cap</b>  | No fee cap specified under the law   |
| <b>Division Fee Regulatory Committee</b>                    | The ordinance provide for constitution of fee regulatory committee at each division level. The committee constitute of following members: <p>Chair person –</p> <ul style="list-style-type: none"> <li>- Divisional Commissioner</li> <li>- One Engineer from PWD</li> <li>- One Senior Finance and Account</li> <li>- Service Officer</li> <li>- Divisional Joint Director of Education</li> </ul> <p>Ex – officio Member –</p> <ul style="list-style-type: none"> <li>- One Chartered accountant,</li> <li>- One parent from PTA and</li> <li>- One representative of private school (Except joint</li> </ul> <p>Member-</p> <ul style="list-style-type: none"> <li>- One representative of private school (Except joint</li> </ul> <p>director of education all members are nominated by Divisional Commissioner)</p> |
| <b>Power of Fee Regulatory Committee</b>                    | <ul style="list-style-type: none"> <li>To take decision on proposals received from managing committee regarding the proposed fee increase beyond the permitted fee increase under the law</li> <li>Hear complaint of students, guardians and parent whose complaint regarding fee determination remain unheard by the head of school</li> </ul>  |
| <b>Appeal against decision of School regarding fee hike</b> | Parents, guardians and students can approach divisional fee regulating committee against violation of regulation by any school.  |
| <b>People’s Reaction</b>                                    | The fee regulation ordinance of Uttar Pradesh is newest, the purpose and provisions of the regulation are not clear to people in general.  |
| <b>Reactions of Private Schools</b>                         | Few private schools in Uttar Pradesh have questioned constitutional validity of the laws and challenged in the court. All petitions in this regards are pending in Allahabad High Courts.  |

## Ever Increasing School Fee and Status of Fee Regulations in India

### Tamil Nadu

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| <b>Name of Law</b>   | <b>The Tamil Nadu Schools ( Regulation of Collection of Fee) Act, 2009</b>   |
| <b>Applicable to Schools</b>                               | All private unaided schools in Tamil Nadu  |
| <b>Power to determine Fee</b>                              | The fee regulating committee constituted under the law has power to determine fee based on fee proposal of schools.  |
| <b>Basis of fee determination</b>                          | The fee regulating committee will determine fee for any private school based on following factors: <ul style="list-style-type: none"> <li>• The location of the private school;</li> <li>• The available infrastructure;</li> <li>• The expenditure on administration and maintenance;</li> <li>• The reasonable surplus required for the growth and development of the private school</li> </ul>  |
| <b>Periodical Revision of Fee</b>                          | Fee fixed by the committee shall be final and binding on the private school for three academic years. At the end of the said period, the private school would be at liberty to apply for revision.   |
| <b>Fee Regulation Committee</b>                            | The committee constituted to determine the fee for private school constitute of following: <p>Chairperson - A retired High Court Judge</p> <p>Ex- Officio Members - Director School Education,<br/>- Director Matriculation Education,<br/>- Director Elementary Education,<br/>- Joint Chief Engineer (PWD)<br/>- Additional Secretary (School Education).</p>  |
| <b>Power of Committee</b>                                  | <ul style="list-style-type: none"> <li>• To determine the fee to be collected by private schools;</li> <li>• To hear complaints with regard to collection of fee in excess of the fee determined by it or fixed by the Government</li> <li>• To review fee proposed by each private school</li> <li>• To verify if the fee proposed by the school is justified and it does not amount to profiteering or charging exorbitant fee.</li> <li>• Approve the fee structure of schools</li> <li>• The committee can also recommend to CBSE for disaffiliation of schools affiliated with CBSE for not complying with provisions of the regulation.</li> </ul> |
| <b>Appeal against Decision of Fee Regulating Committee</b> | Any private school aggrieved over the decision of the committee shall file their objection before the committee within fifteen days from the date of receipt of the decision of the committee  |
| <b>People's Reaction</b>                                   | People are still complaining about unjustifiable increase in fee by private schools in the state. Parents protesting against fee hike in Chennai in 2018 complain that schools are increasing fees in the name of building more infrastructures.   |
| <b>Reactions of Private Schools</b>                        | Several private schools in Tamil Nadu had challenged provisions of the regulation in Madras High court. However, the High court observed that the government is competent to issue these regulations.  |

## Ever Increasing School Fee and Status of Fee Regulations in India

### Gujarat

| <b>Name of Law</b>                                      | <b>Gujarat Self Financed Schools (Regulation of Fees) Act, 2017</b>   |                        |                                      |                                 |                      |   |                             |   |  |  |                           |
|---|---|------------------------|--------------------------------------|---------------------------------|----------------------|---|-----------------------------|---|--|--|---------------------------|
| <b>Applicable to Schools</b>                            | <p>All self financed schools in Gujarat charging fee more than following fee on annual basis:</p> <table border="0"> <thead> <tr> <th><b>Level of School</b></th> <th><b>Fee per annum per student</b></th> </tr> </thead> <tbody> <tr> <td>Pre-Primary and Primary School-</td> <td>Rs. 15,000</td> </tr> <tr> <td>Secondary and Higher Secondary School- (General Stream)</td> <td>Rs. 25,000</td> </tr> <tr> <td>Higher Secondary School- (Science Stream)</td> <td>Rs. 27,000</td> </tr> </tbody> </table>  | <b>Level of School</b> | <b>Fee per annum per student</b>     | Pre-Primary and Primary School- | Rs. 15,000           | Secondary and Higher Secondary School- (General Stream) | Rs. 25,000                  | Higher Secondary School- (Science Stream) | Rs. 27,000                                     |  |                           |
| <b>Level of School</b>                                  | <b>Fee per annum per student</b>  |                        |                                      |                                 |                      |   |                             |   |  |  |                           |
| Pre-Primary and Primary School-                         | Rs. 15,000  |                        |                                      |                                 |                      |   |                             |   |  |  |                           |
| Secondary and Higher Secondary School- (General Stream) | Rs. 25,000  |                        |                                      |                                 |                      |   |                             |   |  |  |                           |
| Higher Secondary School- (Science Stream)               | Rs. 27,000  |                        |                                      |                                 |                      |   |                             |   |  |  |                           |
| <b>Power to Determine Fee</b>                           | The fee regulating committee constituted under the law has power to determine fee based on fee proposal of schools.   |                        |                                      |                                 |                      |   |                             |   |  |  |                           |
| <b>Basis of fee determination</b>                       | <p>The fee regulating committee will determine fee for any private school based on following factors:</p> <ul style="list-style-type: none"> <li>• Location of school</li> <li>• Investment incurred to setup school</li> <li>• Infrastructure and facilities provided by school for qualitative education</li> <li>• Expenditure on administration and maintenance</li> <li>• Student strengths</li> <li>• Classes of study and course offered</li> <li>• Qualification of teaching and non-teaching staff</li> <li>• Reasonable revenue surplus for the purpose of development, education and expansion of school.</li> </ul> |                        |                                      |                                 |                      |   |                             |   |  |  |                           |
| <b>Periodical Revision of Fee</b>                       | Fee determined by the regulatory committee is binding on school for a period of three years.  |                        |                                      |                                 |                      |   |                             |   |  |  |                           |
| <b>Fee Cap</b>  | Fee Revision Committee may recommend to the government for the upper fee limit to be kept for the schools in the state. However, as of now there is no cap on fee charged by private schools.   |                        |                                      |                                 |                      |   |                             |   |  |  |                           |
| <b>Fee Regulatory Committee</b>                         | <p>A fee regulatory committee constitute of following members:</p> <table border="0"> <tr> <td>Chairperson -</td> <td>- A retired district judge, IAS, IPS</td> </tr> <tr> <td>Members –</td> <td>- One civil engineer</td> </tr> <tr> <td></td> <td>- One chartered accountant,</td> </tr> <tr> <td></td> <td>- One representative of unaided private school</td> </tr> <tr> <td></td> <td>- One reputed academician</td> </tr> </table> <p>The Gujarat government has constituted four fee regulatory committee to serve districts clubbed in four district zones.</p>  | Chairperson -          | - A retired district judge, IAS, IPS | Members –                       | - One civil engineer |   | - One chartered accountant, |   | - One representative of unaided private school |  | - One reputed academician |
| Chairperson -   | - A retired district judge, IAS, IPS  |                        |                                      |                                 |                      |   |                             |   |  |  |                           |
| Members –   | - One civil engineer  |                        |                                      |                                 |                      |   |                             |   |  |  |                           |
|   | - One chartered accountant,   |                        |                                      |                                 |                      |   |                             |   |  |  |                           |
|   | - One representative of unaided private school  |                        |                                      |                                 |                      |   |                             |   |  |  |                           |
|   | - One reputed academician   |                        |                                      |                                 |                      |   |                             |   |  |  |                           |
| <b>Power of Committee</b>                               | <ul style="list-style-type: none"> <li>• To determine the fee to be collected by private schools;</li> <li>• To hear complaints with regard to collection of fee in excess of the fee determined by it or fixed by the Government.</li> <li>• The committee while holding inquiry shall have the power of civil court under CrPC, 1908</li> </ul>   |                        |                                      |                                 |                      |   |                             |   |  |  |                           |

## Ever Increasing School Fee and Status of Fee Regulations in India

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| <b>Appeal against decision of Fee Regulating Committee</b> | Fee revision committee constituted under the law has power to hear appeal against order passed by the fee regulatory committee. Decision of the fee revision committee shall be final and binding. Retired high court judge appointed by the government heads the Fee Revision Committee.                                 |
| <b>People's Reaction</b>                                   | The government is yet to roll out its regulation; however, both parents and schools are in confusion due to several cases in court and delay in final order from Supreme Court.   |
| <b>Reactions of Private Schools</b>                        | Several private schools in Gujarat had challenged constitutional validity of the regulation in Gujarat High Court. The court upheld the constitutionality of the regulation. Schools have challenged decision of Gujarat High Court in the Supreme Court. All petitions in this regards are pending in the Supreme Court. |

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