

State Level Committee for the Fee Structure of Private Teacher's Training Institutions (B.Ed., M.Ed., B.P.Ed., M.P.Ed. Courses)

Block No.12/2, Dr. Jivraj Mehta Bhavan, Gujarat State, Gandhinagar.

Order No.FRC/SFI/EDU/ FEE /ISC4/7772-7882

Date: 2/3/2019

Read:

1. NCTE (Guidelines for regulations of tuition fees and other fees chargeable by unaided teachers' education institutions) amendment regulations 2010,
2. GR by Education Department No. NCT/2010/3/KH.1 dated 23-2-2011 and
3. Resolution of even number dated 9-3-2011 and 4-7-2012.
4. Committee meeting held on 11/12/2018.

Preamble:

The State Level Committee for the fees fixation of private teachers' training institutions formed vide GR referred to 2 and 3 above was convened on 11/12/2018 for consideration and approval of fees structure of Self Financed B.Ed. / M.Ed. / B.P.Ed. / M.P.Ed. Colleges of the state for the period 2018-19, 2019-20 and 2020-21. The Committee applying following approach and process, considering analysis and recommendations of Chartered Accountant and after detailed deliberations in the meeting held on 11/12/2018 makes following order.

Approach:

1. It was decided in the meeting held of the committee on 5/4/2018 the detailed information in the prescribed formats of infrastructure, staff profile, latest approvals from the concerned statutory regulatory bodies, cost statements, audited accounts of 2015-16, 2016-17 and provisional/audited accounts of 2017-18 and other necessary details from colleges. The information called for, included the details justifying the proposed fees. The prescribed format was uploaded on the *e-gyan* portal for wide publicity and effective communication and this was effectively communicated to each and every concerned college through e-mails/telephonic calls and also through personal communication as and when the representatives of some colleges came for the inquiry regarding the fee structure. As a follow up procedure, reminders were also sent to those colleges which failed to respond to earlier communication.
2. It was realized by the committee during the meeting held on 11/12/2018 that of the data submitted by 177 colleges, 26 colleges did not submit certain required necessary details and hence fees structure could not be determined concomitantly. Accordingly, these colleges were informed for personal hearing along with necessary details and documentary evidences vide **Letter no. FRC/SFI/EDU/ISC4/33398-33423 dated 27/12/2018**. For the rest of the 151 colleges whose fees were determined by the committee on the basis of available data submitted by the colleges were issued provisional fee order vide **Letter no. FRC/SFI/EDU/ISC4/1781-1931, dated 07/01/2019** with an opportunity of being heard for representing before the committee in case the provisional fee order is not acceptable to them. Of which, 40 colleges remained present before the sub-committee for personal hearing.

Process:

The data submitted by the institution were analyzed by the Chartered Accountant, especially the financial analysis based on the audited accounts submitted by the concerned college was made and the resultant cost structure emerging was suggested. In cases where deficiencies/ irregularities observed; they were communicated to the concerned institution to comply with the same.

Final Analysis :

1. While suggesting the possible fee structure of self financed B.Ed. / M.Ed. / B.P.Ed. / M.P.Ed. colleges, the Committee has adopted similar approach, methodology and guiding principles as are normally adopted from time to time in fixing fee structure of Medical/Para Medical, Technical and Professional courses. The Committee considered the data of basic infrastructure like land, Building, Labs, Staff Profile, Payment of salary etc. submitted by the colleges with respect to norms prescribed by NCTE. However, the Committee has relied upon the affiliation of the college to concerned university as compliance of norms prescribed by NCTE.

2. In addition, the Committee has considered the audited accounts of the colleges in order to determine the cost structure of the colleges based on the actual cost/expenses that are directly attributable to teaching education. Expenses not related to education directly or expenses or in the nature of capital expenditure have been either ignored completely or have been treated differently. Accordingly, the Committee has disallowed or reconsidered its treatment in light of correct accounting and costing principles and practices for the following expenses.

- a. Expenses incurred on running and maintaining the hostel is not considered as relevant cost.
- b. Expenses incurred on running other courses like M.Ed./M.P.Ed/B.P.Ed/PTC etc. are not considered.
- c. Interest paid on loan being in the nature of finance cost.
- d. Donations made to other institutions not considered as relevant cost.
- e. Development fund/expense claimed on ad-hoc basis not allowed.
- f. Rent charged as expense for building and other infrastructure of related parties if found excessive. The same was restricted to depreciation on the same.
Unrelated legal expense, penalty, fine etc. not considered as relevant expense.
Capital expenditure (Amount spent on acquiring capital assets like building, furniture, equipments, books etc. for which depreciation has to be allowed.)
Depreciation is allowed on major repairs resulting into modification and improvements of enduring nature in infrastructure.
Fee refund is not an item of expense but reduction in income hence not considered
- k. Impact of abnormal item expense or onetime expense of substantial amount is either not considered or spread over 3/5 years.



3. The Committee also made inter-college comparison of major cost elements and then moderated or readjusted wherever found excessive or unreasonable as compared to other similar colleges.
4. Building and other rent shown as paid to trust and other agencies related to the college is considered as unreal expense being payment not made on arm's length basis. However adequate depreciation on the entire infrastructure is considered. This is based on the average depreciation on entire infrastructure claimed by the colleges during the period.
5. It is observed that few colleges have collected other fees under various heads over & above prescribed tuition fees. Such other fees include computer fee, library fee, stationery fee, practical fee, form fee, sports fee, kit fee, uniform fee, orientation fee, transportation fee, breakage fee etc. Such practices need to be stopped and the college will be asked to collect only fees fixed by the Committee except those allowed by the university to which the college is affiliated. Wherever such fee is found to be in the nature of reimbursement of the concerned expense, such expense is disallowed in final working of admissible costs.
6. Scholarship paid is not considered as relevant expense as it amounts to cross subsidization and is not an expense directly related to imparting education. In case the scholarship is paid out of scholarship received for specified class of students, the same is also not considered as relevant expense.
7. In the circumstances where the actual number of students on roll is substantially lower than the number of students on normative intake basis, we have adjusted the cost structure by considering appropriate number of students for deriving cost per student to be fair with both the students as well as management.
8. Since the major cost of imparting quality education is towards manpower, the committee has given appropriate weightage to salary cost. This means if the employee cost is lower than the other costs; the committee has discounted other costs appropriately.
9. The committee has considered an allowance of 7.5% for growth and development on the actual cost structure emerging of past 3 years.
10. While finalizing the fee structure, the committee has considered the actual cost structure emerging from the audited accounts with the fee structure declared of preceding block of 2015-18. The committee has also considered the projections of 2018-19 projected rises in cost is found commensurate with the actual cost structure of preceding 3 years.

Conclusion:

With the background and approach mentioned in the following paragraphs, the Committee considered the details of infrastructure, staff etc. and cost structure submitted by institutions based on the audited financial statements of 2015-16, 2016-17 and 2017-18 and projections for the year 2018-19 as adjusted on account of specific treatment of certain items of cost of education as mentioned in (a) to (k) of Point no.2 that were excessive, not relevant to the cost of education etc.

In case of your college, the Committee has observed that:

General:

1. We have considered 7.5% of total cost towards surplus for future growth and development.
2. College has submitted combined audited accounts of B.Ed. BCA and B.Sc. . However, we have relied upon cost statement of only B.Ed. duly certified by CA.

Actual/Audited

2015-16

1. College has claimed depreciation Rs. 5.73 lacs. We have allowed total depreciation Rs. 2.00 lacs.
2. Since the no. of students on roll is only 39 as against 100 students on roll in preceding year hence cost structure meant for 100 students is high for 50 students.

2016-17

1. College has claimed depreciation Rs. 5.88 lacs. We have allowed total depreciation Rs. 4.00 lacs.

2017-18

1. College has claimed depreciation Rs. 6.10 lacs. We have allowed total depreciation Rs. 4.00 lacs.

2018-19(Projections)

1. College has projected depreciation Rs. 6.10 lacs. We have allowed total depreciation Rs. 4.00 lacs.
2. Projections are excessive, we have moderated allowing reasonable rise for inflation over actual cost of 2017-18.

Order

In this way the Committee has reviewed all the documents and information supplied by the college, analyzed the accounts and cost statements and in the final analysis based on the cost structure duly adjusted as mentioned above, fees for the college works out as under.

Sr. No.	Name and Address of the College	Affiliating University	Fee Determined by the Committee for the Year 2018-19, 2019-20 and 2020-21
1	2	3	4
21	<u>Shree Dharmajivanasji Swami</u> <u>B.Ed. College, Taravada</u>	Saurashtra University	Rs.36,000/-



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