Text consolidated by Valsts valodas centrs (State Language Centre) with amending regulations of:

11 March 2021 [shall come into force on 17 March 2021].

If a whole or part of a paragraph has been amended, the date of the amending regulation appears in square brackets at the end of the paragraph. If a whole paragraph or sub-paragraph has been deleted, the date of the deletion appears in square brackets beside the deleted paragraph or sub-paragraph.

Republic of Latvia

Cabinet

Regulation No. 538

Adopted 25 August 2020

**Procedures by which the State shall Finance the Work Remuneration of Teachers in Private Educational Institutions**

*Issued pursuant to*

*Section 14, Clause 3 and Section 59, Paragraph two of the Education Law, Section 4, Clause 3.3 of the General Education Law, and Section 14, Paragraph four of the International School Law*

[*11 March 2021*]

**I. General Provision**

1. The Regulation prescribes:

1.1. the procedures by which the State shall finance the work remuneration of teachers who implement pre-school education programmes for children from the age of five years until commencement of the acquisition of basic education in private educational institutions (hereinafter – the educational institution), accredited basic education and general secondary education programmes;

1.2. the procedures and criteria by which the work remuneration of teachers who implement the Latvian language, Latvian history and culture, Latvian nature and geography (hereinafter – the subject Latvian Studies) instruction in an international school shall be calculated and financed by the State.

[*11 March 2021*]

**II. Procedures and Criteria for the Calculation and Distribution of the Financing**

[*11 March 2021*]

2. The Ministry of Education and Science shall calculate the standard ratio of the number of pupils (children) to one monthly salary rate of a teacher and shall determine the amount of the State budget grant (hereinafter – the grant) for the work remuneration of teachers and mandatory State social insurance contributions for the educational institutions which implement the educational programmes referred to in Sub-paragraph 1.1 of this Regulation, except for the accredited vocational basic education programmes, in conformity with a law or regulation regarding the State budget earmarked grant for the work remuneration of teachers in general education institutions of local governments and general education institutions of State higher education institutions. When calculating the standard ratio of the number of pupils to one monthly salary rate of a teacher for the general education programmes implemented in the form of distance learning, the proportion 16.5 : 1 shall be applied.

[*11 March 2021*]

2.1 The Ministry of Education and Science shall calculate the amount of the grant for the work remuneration of teachers involved in the implementation of the subject Latvian Studies and mandatory State social insurance contributions, taking into account the following criteria:

2.11. the information referred to in Paragraph 4.1 of this Regulation on the number of educatees, applying the proportion 10 : 1 for the ratio of the number of educatees to the number of lessons intended for the implementation of the subject Latvian Studies per week – three lessons;

2.12. the lowest monthly salary rate of a teacher which has been determined in accordance with a law or regulation regarding the procedures for the determination of work remuneration of teachers, the amount of work remuneration, and the amount of workload of teachers;

2.12. the amount of workload for a teacher which has been determined in accordance with a law or regulation regarding the procedures for the determination of work remuneration of teachers, the amount of work remuneration, and the amount of workload of teachers.

[*11 March 2021*]

3. The Ministry of Education and Science or the relevant sectoral ministry shall determine the amount of the grant for the educational institution which implements accredited vocational basic education programmes, in accordance with the laws and regulations regarding the procedures by which the State budget earmarked grant for the work remuneration of teachers in educational institutions of local governments in which vocational basic education, vocational education, and vocational secondary education programmes are implemented shall be calculated and distributed.

4. An educational institution shall receive the grant for the work remuneration and mandatory State social insurance contributions for those teachers who implement the educational programmes referred to in Sub-paragraph 1.1 of this Regulation if until 5 September of the current year it has entered and confirmed the information in the State Education Information System on the number of educatees in the abovementioned educational programmes as of 1 September of the current year (by classes (groups) and education programmes) who have the right to education in accordance with Section 3 of the Education Law.

[*11 March 2021*]

4.1 An international school shall receive the grant for the work remuneration of teachers and mandatory State social insurance contributions in respect of the implementation of the subject Latvian Studies, if until 5 September of the current year it has entered and confirmed the information in the State Education Information System on the number of educatees of pre-school education age and the number of other educatees in international educational programmes as of 1 September of the current year.

[*11 March 2021*]

5. The Ministry of Education and Science or the relevant sectoral ministry shall calculate and distribute the grant to an educational institution for the teachers for whom the document certifying the level of the quality of the professional activity has been issued until 9 August 2017, taking into account:

5.1. the information which educational institutions have entered and confirmed in the State Education Information System until 5 September of the relevant year on the number of monthly salary rates of teachers as of 1 September of the current year;

5.2. the amount of a supplement in accordance with Paragraph 59 of Transitional Regulations of the Education Law;

5.3. the mandatory State social insurance contributions.

6. The Ministry of Education and Science or the relevant sectoral ministry shall calculate and distribute additional financing for the work remuneration of teachers within the scope of the financing approved for the relevant year (except for the financing for the work remuneration of pre-school education teachers employed in educating children from the age of five years who are implementing the pre-school education programme referred to in Sub-paragraph 1.1 of this Regulation, and the financing for the work remuneration of pre-school education teachers employed in educating children of pre-school education age in the subject Latvian Studies) not less than in the amount of 14.5 per cent of the grant calculated for the implementation of the plan of lessons for the remuneration for additional duties of teachers, supplements of the quality of the professional activity of teachers for those teachers who have acquired quality levels 1, 2, and 3 from 10 August 2017, and also for increasing the monthly salary rate of a teacher. The abovementioned standard for the supplements of the quality of the professional activity of teachers for those teachers who have acquired quality levels 1, 2, and 3 from 10 August 2017 shall apply to the teachers involved in the implementation of accredited basic education and general secondary education programmes.

[*11 March 2021*]

7. The Ministry of Education and Science or the relevant sectoral ministry shall calculate and distribute additional financing for work remuneration within the scope of the financing approved for the relevant year for the work remuneration of pre-school education teachers employed in educating children from the age of five years who are implementing the pre-school education programme referred to in Sub-paragraph 1.1 of this Regulation, and for pre-school education teachers employed in educating children of pre-school education age who are implementing the subject Latvian Studies, up to three per cent of the grant calculated for the implementation of the plan of lessons for the remuneration for additional duties of teachers, supplements of the quality of the professional activity of teachers for those teachers who have acquired quality levels 1, 2, and 3 from 10 August 2017, and also for increasing the monthly salary rate of a teacher. The abovementioned standard for supplements of the quality of the professional activity of teachers for those teachers who have acquired quality levels 1, 2, and 3 from 10 August 2017 shall apply to the teachers involved in the implementation of the pre-school education programme referred to in Sub-paragraph 1.1 of this Regulation.

[*11 March 2021*]

8. In conformity with the information referred to in Paragraph 4 of this Regulation on the number of educatees, the Ministry of Education and Science shall calculate the standard number of educatees on each level of education by applying the coefficient 0.6 to the number of educatees in basic education and general secondary education programmes implemented in the form of distance learning acquisition. The number of educatees which are studying for more than one school-year in the same class in the general secondary education programmes implemented in the form of distance learning acquisition, the coefficient 0.3 shall be applied.

9. The Ministry of Education and Science or the relevant sectoral ministry shall, on the basis of the information referred to in Paragraphs 4 and 4.1 of this Regulation on the number of educatees, calculate the grant for the work remuneration of teachers for the time period from 1 September to 31 December of the current year and for the time period from 1 January to 31 August of the following year.

[*11 March 2021*]

10. If an educational institution implements an educational programme developed by it which in any of the study fields or in a part of the field determines higher planned results of the acquisition of the education content than the planned results of the acquisition of the general education mandatory content specified in the State general education standard, it is entitled to apply for additional State budget financing for the work remuneration of teachers involved in the implementation of such educational programme in accordance with the law or regulation regarding the State budget earmarked grant for the work remuneration of teachers in general education institutions of local governments and general education institutions of State higher education institutions.

**III. Procedures for the Granting and Use of the Financing**

11. The Ministry of Education and Science or the minister for the relevant sector shall issue an order regarding distribution of the grant for the time period from 1 September to 31 December of the current year and an order regarding distribution of the grant for the time period from 1 January to 31 August of the relevant year. The Ministry of Education and Science or the relevant sectoral ministry shall send the abovementioned orders and the financing plans appended thereto to an educational institution in writing.

12. The founder of an educational institution shall, within five working days after the educational institution has received the order referred to in Paragraph 11 of this Regulation regarding the time period from 1 September to 31 December of the current year, send the following information to the Ministry of Education and Science or the relevant sectoral ministry:

12.1. the name of the educational institution and the founder thereof;

12.2. the registration number of the founder of the educational institution;

12.3. the current account number of the founder of the educational institution in the Treasury or, if the founder of the educational institution is an individual merchant – the current account number in a credit institution.

13. The Ministry of Education and Science or the relevant sectoral ministry shall transfer the financing to the particular educational institution to the current account of the founder of the educational institution referred to in Sub-paragraph 12.3 of this Regulation. The educational institution may use the current account in the Treasury referred to in Sub-paragraph 12.3 of this Regulation only for the administration of the financing received from the Ministry of Education and Science or the relevant sectoral ministry. A transfer for the time period from 1 September to 31 December of the current year and a transfer for the time period from 1 January to 31 August of the next year shall be made after signing the relevant orders referred to in Paragraph 11 of this Regulation. The transfers shall be made in conformity with the financing plan which has been appended to the orders referred to in Paragraph 11 of this Regulation and is an integral part of the orders.

14. The founder of the educational institution shall use the received grant in accordance with the law or regulation regarding the procedures for the determination of work remuneration of teachers, the amount of work remuneration, and the amount of work load of teachers in conformity with the following conditions:

14.1. the grant shall be used only for the payment of gross work remuneration for the teacher with whom employment relationships have been established (the employment contract has been entered into) and the mandatory State social insurance contributions of the employer. The deductions of personal income tax and mandatory State social insurance contributions of the employer shall also be made from the abovementioned work remuneration;

14.2. the grant shall not be used for the payment of royalty, service contracts, and contracts of other type.

15. The founder of the educational institution shall, by 20 September of the current year, prepare the report on the use of the grant (hereinafter – the report) (Annex) on the time period from 1 January to 31 August of the current year and by 20 January of the next year – on the time period from 1 September to 31 December of the previous year. The e-service eReports of the Treasury (hereinafter – the eReports) shall be used for the preparation, verification, signing, and submission of reports in accordance with the laws and regulations regarding the procedures by which the Treasury ensures electronic exchange of information. If the founder of the educational institution is an individual merchant, a report with an appended explanation and payment orders which confirm the use of the grant according to the purpose thereof shall be submitted to the Ministry of Education and Science or the relevant sectoral ministry. The Ministry of Education and Science or the relevant sectoral ministry shall, within a month, by using the eReports and reports submitted by individual merchants, verify the conformity of the report with the use of the granted financing, and shall approve the report.

16. The Ministry of Education and Science or the relevant sectoral ministry shall have the access right to the current account in the Treasury referred to in Sub-paragraph 12.3 of this Regulation in the read-only mode, using the e-service eKase of the Treasury.

17. When making transfers from the current account in the Treasury to the current accounts of the educational institution or the founder thereof opened in credit institutions, the founder of the educational institution shall submit the information to the Ministry of Education and Science or the relevant sectoral ministry on the use of money resources, appending an explanation and payment orders according to the purpose of the grant which has been confirmed with a signature by the founder of the educational institution or his or her authorised person.

18. When approving the report on the use of the grant in the eReports, the founder of the educational institution or his or her authorised person shall confirm that the grant has been used according to the purpose – for the work remuneration of teachers and mandatory State social insurance contributions in accordance with Sub-paragraph 14.1 of this Regulation.

19. The Ministry of Education and Science or the relevant sectoral ministry is entitled:

19.1. to request any type of information in relation to the use of the granted grant from the founder of the educational institution;

19.1. to amend the amount of the grant specified for the educational institution, if the amount of resources provided for such purpose is amended in the State budget for the current year;

19.3. to discontinue the disbursement of the grant if:

19.3.1. the accreditation of the basic education or secondary education programme has been cancelled for the educational institution or its time period has expired;

19.3.2. the decision to licence the educational programme implemented by the educational institution has been revoked;

19.3.3. the educational institution or the founder thereof fails to comply with the requirements laid down in this Regulation, including it discontinues to implement the relevant educational programme;

19.3.3.1 the permit for the implementation of the international educational programme and the subject Latvian Studies has not been issued for the time period of the accreditation of the international educational programme;

19.3.3.2 the international educational programme implemented by the international school has been suspended;

19.3.3.3 the activity of the international school has been suspended;

19.3.4. the educational institution has not submitted the report on the use of the grant within the time periods and in accordance with the procedures referred to in Paragraph 15 of this Regulation or the Ministry of Education and Science or the relevant sectoral ministry has not accepted the abovementioned report;

19.4. to reduce the amount of the grant of the next period for the amount not used in the reporting period if:

19.4.1. the balance of money resources in the current account in the Treasury or, if the founder of the educational institution is an individual merchant, the balance of the granted grant in the current account in a credit institution exceeds the amount of the grant granted for one month;

19.4.2. the balance after actual use according to the accumulation principle exceeds the amount of the grant granted for one month;

19.5. to request the founder of the educational institution to refund the grant not used within the reporting period to the Ministry of Education and Science or the relevant sectoral ministry within 30 days, if the educational institution has no justification to receive the grant in the next reporting period;

19.6. to request the founder of the educational institution to refund the grant used without justification to the Ministry of Education and Science or the relevant sectoral ministry within 30 days or to reduce the amount of the grant of the next period, if the Ministry of Education and Science or the relevant sectoral ministry detects that the grant has been used for a purpose not provided for in this Regulation.

[*11 March 2021*]

20. In addition to the obligations referred to in this Regulation the founder of an educational institution has an obligation to provide the following information to the Ministry of Education and Science or the relevant sectoral ministry:

20.1. within three working days from the day of receipt of the relevant request for information, to provide the information referred to in Sub-paragraph 19.1 of this Regulation;

20.2. to immediately provide information on the changes in the information referred to in Paragraph 12 of this Regulation;

20.3. to immediately provide information, if such circumstances have set in which hinder the performance of the obligations specified in this Regulation.

**IV. Closing Provisions**

21. Cabinet Regulation No. 420 of 25 July 2017, Procedures by which the State shall Finance the Work Remuneration of Teachers in Private Educational Institutions (*Latvijas Vēstnesis*, 2017, No. 153; 2018, No. 163), is repealed.

22. Paragraph 10 of this Regulation shall be applied from 1 September 2023.

22.1 This Regulation in respect of the procedures and criteria by which the work remuneration shall be calculated and financed by the State for teachers who implement the instruction of the subject Latvian Studies in an international school shall be applied from 1 September 2021.

[*11 March 2021*]

23. In respect of educational institutions to which the grant has been granted for the time period from 1 January to 31 August 2020, the law or regulation regarding the procedures by which the State shall finance the work remuneration of teachers in private educational institutions which was in force until the day of coming into force of this Regulation shall be applied until fulfilment of the relevant commitments. The Ministry of Education and Science or the relevant sectoral ministry is entitled:

23.1. to reduce the amount of the grant to be disbursed during the time period from 1 September to 31 December 2020 by the amount not used during the time period from 1 January to 31 August 2020 if:

23.1.1. the balance of money resources in the current account in the Treasury or if the founder of the educational institution is an individual merchant, the balance of the granted grant in the current account in a credit institution exceeds the amount of the grant granted for one month;

23.1.2. the balance after actual use according to the accumulation principle exceeds the amount of the grant granted for one month;

23.2. to reduce the amount of the grant to be disbursed during the time period from 1 September to 31 December 2021, if the Ministry of Education and Science or the relevant sectoral ministry establishes that the grant during the time period from 1 January to 31 August 2020 is used for the purpose other than provided for in the law or regulation regarding the procedures by which the State shall finance the work remuneration of teachers in private educational institutions which was in force until the day of coming into force of this Regulation;

23.3. to request the founder of the educational institution to refund the grant not used within the time period from 1 January to 31 August 2020 to the Ministry of Education and Science or the relevant sectoral ministry within 30 days, if the educational institution has no justification to receive the grant during the time period from 1 September to 31 December 2020 in accordance with this Regulation.

24. The Regulation shall come into force on 1 September 2020.

25. Paragraph 5 of this Regulation shall become invalid on 1 September 2022.

Prime Minister A. K. Kariņš

Minister for Education and Science I. Šuplinska

**Annex**

Cabinet Regulation No. 538

25 August 2020

**Report on the Use of the State Budget Grant**

Form No. 15\_PRIV\_PED

|  |  |
| --- | --- |
| Justification for data collection – Cabinet Regulation No. ...... of ...... .................. 2020 ................. “Procedures by which the State shall Finance the Work Remuneration of Teachers in Private Educational Institutions” gives the right to request such data | **Report on the Use of the State Budget Grant for the Work Remuneration of Teachers and Mandatory State Social Insurance Contributions in Private Educational Institutions** |

|  |  |
| --- | --- |
|  | CODES |
|  |
| (name of the educational institution) |  |
| (founder of the educational institution) |  |
| (reporting period) |  |

(EUR, cents)

|  |  |  |  |
| --- | --- | --- | --- |
| Classification code | Name of the indicator | Cash flow(statement on the account turnover) | Actually used according to the accumulation principle\* |
| **NL\_SAK** | **Balance as of the beginning of the reporting (grant) period** |  |  |
| 21.7.0.0 | The amount of the grant transmitted in the reporting period for the work remuneration of teachers and mandatory State social insurance contributions |  |  |
| **Izd\_KOP** | **Total expenses** |  |  |
| 1100 | Remuneration\*\* |  |  |
| 1210 | Mandatory State social insurance contributions of the employer |  |  |
| **NL\_BEIG** | **Balance as of the end of the reporting period**\*\*\* |  |  |

**Explanation:**

**Actual balance as of the end of the reporting period according to the accumulation principle**

|  |  |  |
| --- | --- | --- |
| Code | Explanation | Amount |
| NL\_BEIG |  |  |

**Balance of money resources (account statement) as of the end of the reporting period**

|  |  |  |
| --- | --- | --- |
| Code | Explanation | Amount |
| NL\_BEIG |  |  |

Notes.

1. \* Accumulation principle – revenues and expenses shall be indicated, taking into account the time of their occurrence not the time of receipt or spending of the money. Regardless of the date of receipt of the payment or invoice, the revenues and expenses related to the reporting period shall be indicated (the actually calculated remuneration and mandatory State social insurance contributions of the employer shall be indicated).

2. \*\* The remuneration consists of a gross work remuneration for a teacher from which deductions of personal income tax and mandatory Sate social insurance contributions of the employer are to be made.

3. \*\*\* Balance as of the end of the reporting period (EUR) = balance as of the beginning of the reporting (grant) period (EUR) + the amount of the grant transferred in the reporting period for the work remuneration of teachers and mandatory State social insurance contributions (EUR) – total expenses (EUR).

|  |  |
| --- | --- |
|  | **I confirm that the State budget grant has been used for the work remuneration of teachers and mandatory State social insurance contributions**(the founder of the educational institution or his or her authorised person) |

Minister for Education and Science I. Šuplinska