

**EXPENDITURE ON THE RESIDENTIAL CARE OF CHILDREN  
IN THE REPUBLIC OF MOLDOVA**

**A FINANCIAL ANALYSIS  
based on 2005 budget data**

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## **ABBREVIATIONS**

MEY	Ministry of Education and Youth
MHSP	Ministry of Health and Social Protection
MF	Ministry of Finance
LPA	Local Public Authorities
MDL	Moldavian Lei

## Executive Summary

- i. This report analyses and comments upon the expenditures from public funds on the residential care of children for the financial year 2005. The analysis uses outturn data for 2005 supplied by the Ministry of Education Youth and Sport, the Ministry of Health and Social Protection. We acknowledged the co-operation we have received from colleagues in those Ministries and in the Ministry of Finance which has made this analysis possible.
- ii. The analysis is primarily of current expenditure but includes a review of special resources, including donations, and capital expenditure.
- iii. Expenditures for each type of institution are analysed separately, the results being expressed, where appropriate, either separately by type and responsible authority and/or in aggregate. Details of the analyses are given in Annexes (annexes 1 – 2 & 5 - 9).
- iv. We have taken as our context the Presidential and Governmental initiative announced on 29<sup>th</sup> May 2006 to initiate a reformed system for the care and protection of children which included the intention to reform the system for the residential care of children.
- v. The report summarises the present position, both in terms of overall expenditure and of the numbers of children in the present system, this figure being approximately 12 thousand children.
- vi. Following the sections of analysis and commentary the report concludes with a series of conclusions drawn from the analysis. These conclusions are not in themselves recommendations. To the extent which we make recommendations they are included in this summary.
- vii. Overall the analysis of expenditures reveals a system of residential care that is:
  - (1) costly;
  - (2) poorly managed;
  - (3) follows no consistent policies;
  - (4) whose terms of reference are widely abused (21% of all children are day pupils and should not be attending residential schools); and
  - (5) which occupies real estate which is costly to maintain and poorly maintained.The very considerable volume of donations which supports this system is evidence that the true cost of sustaining it would be very much higher than at present and would certainly be substantially in excess of the State's ability to support a financially effective system of residential care.
- viii. It is apparent that the expenditure is not regularly audited and that no steps are taken to ensure its financial efficiency even within present constraints and levels of expenditure.
- ix. Setting those comments in a broader context than the merely financial it is both evident and accepted that residential care is inimical to the social and psychological development of children, an understanding which informs the President's and Government's impetus for reform. At present the system of residential care is the primary vehicle for the care and protection of children which draws into its orbit more children than need a form of residential care. It is fundamentally a costly overreaction to children's needs.
- x. Against that there is a widespread, if poorly evidenced, understanding that community services for children are severely underdeveloped, while it is also clear that community education is itself under resourced and stands in great need of

improvement in order to provide proper educational opportunity for the nation's children.

- xi. One might observe that the system of residential care bleeds resources away from communities in order to provide high cost and ineffective services to only 1.5% of the child population. Leaving aside any social or moral considerations this concentration of resources cannot be justified on financial grounds. It is also clear that the very large amount of donations to the residential care sector deprives communities and community services of a greater opportunity to benefit from donor generosity.
- xii. Our view, based upon the evidence on the published financial data, is that a reform programme for residential care should assume closure of institutions as its primary objective, redeploying resources into new or improved community services on alternative sites, retaining or redeveloping existing facilities only when there is an overwhelming case for their retention and reuse.
- xiii. We have earlier, and reiterate, that the future sustainability of the revised child protection system depends almost exclusively on the release of resources from the residential sector. We remain concerned about any proposal for a superficial examination of the residential sector and any hypothesis which preallocates any given institution to a particular future without detailed examination and especially an examination of the relationship between the hypothetical proposal and local community need and without a detailed understanding of the financial viability of any such hypothesis. In our view a reform programme must be based upon a detailed, institution by institution evaluation.
- xiv. To reiterate our reasons are threefold:
  - a. We accept as given that residential care is hostile to the welfare and proper development of children, there being widespread and universal evidence for that.
  - b. The present system overprovides and is extremely costly. The evidence is that it is not sustainable within the Republic of Moldova's own resources.
  - c. The present real estate used to provide these services are not financially viable, being of high cost to run and maintain and frequently in poor condition.
  - d. Other more need sensitive services are possible of achievement at lower unit cost.
- xv. In summary the following data show the scale of the residential sector (see *Table 1*):

*Table 1. Summary data on residential care*

Indicators	2005 year data	
	MDL	EURO <sup>1</sup>
Average number of children, persons	12568	
Total number of staff establishment for residential sector	5805	
Total Expenditure from public funds, thousand lei, euro	151566.5	€9655.2
Total donations reported in the residential sector, thousand lei, euro	16571.6	€1055.7

Source: Ministry of Education and Youth, Ministry of Health and Social Protection, 2005

<sup>1</sup> The conversion rate is annual average calculated by the National Bank of Moldova of the Euro 1 = MDL 15.6978

## Conventions

- I. In the text and tables in this report staff costs and salaries are treated in two different ways dependent upon the context of the analysis. References to Staff costs are expressed as inclusive of salaries, employers' social fund contributions and employers' contributions to compulsory health insurance. In the analysis of salaries the figures denote only direct payments to staff by way of basic salaries and salary enhancements.
- II. The partition of costs per child between education and care assumes 30% for education and 70% for care. Detailed exploration of the data indicates that a more detailed measure has only marginal impact.
- III. This analysis is based upon 2005 outturn data and all costs are given at 2005 prices.

## Introduction

- (1) In this paper we develop the work published in 2005<sup>2</sup> which compared and contrasted the costs of residential care in Gymnasium Internats financed from the State budget with the costs of providing basic services in the community for families and children in difficulty.
- (2) Our canvas this time is a review of overall spending in the Republic of Moldova in the financial year 2005 for all residential care establishments for children funded by public funds, whether from the state or local authority budgets. The review is based upon data provided by the Ministry of Education & Youth (MEY), the Ministry of Health and Social Protection (MHSP) and the Ministry of Finance (MF) giving outturn figures for 2005. The analysis is primarily of current expenditure. Donations and capital expenditure are dealt with in Chapters 9 and 10 respectively.
- (3) We examine overall expenditure patterns and compute the relative costs of the provision of educational services and the provision of care services. We examine the position for each type of institution and draw comparisons between them.
- (4) We consider the amount, targeting and effect of donations to residential establishments.
- (5) There is a brief review of capital expenditure; a commentary upon the costs of running and maintaining buildings, while we have analysed staffing patterns and salaries and considered their importance to the process of reform.
- (6) The background to this report is informed both by our own earlier work, by the developments undertaken by the TACIS project Capacity Building in Social Policy Reform in Moldova and, most importantly by the intention of the President and Government of Moldova, announced on 29<sup>th</sup> May 2006<sup>3</sup>, to introduce major reforms of the nation's system for the care and protection of children.
- (7) Specifically, we also take account of the data given on that occasion and the views expressed by Finance Minister Mihai Pop.

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<sup>2</sup> Paper on Services for children in difficulty: residential care vis-à-vis community based services, October 2005, TACIS project "Capacity building in social policy in Moldova".

<sup>3</sup> On May 29, 2006 the TACIS project "Capacity building in social policy in Moldova", EveryChild Moldova and UNICEF organized the National Conference "Social Dimension of the Child Protection System in the Republic of Moldova" where decision makers from the Government, Parliament, Presidency, civil society, international organizations took part.

- (8) The report draws conclusions from the evidence of expenditure patterns and comments upon them from the standpoint of opinions we have expressed in earlier work. Specifically these views propose:
- Separating the responsibilities of the MEY from its present responsibilities for the care of children, leaving it with exclusive concentration on its educational responsibilities;
  - Vesting responsibility for care services in the MHSP; and
  - Pursuing the model of decentralisation with LPA having responsibility for the provision of services, leaving line Ministries with responsibility for national policy.

## 1. An Overview

- 1.1. The analysis of expenditure on residential care under the aegis of educational services covers a total of 59 institutions, of which 34 are financed from the State budget and 25 financed from local Authority budgets. Of this total 19 are Gymnasium Internats (13 state / 6 local authorities), 38 are special schools (19 State/19 local Authority), 1 sanatorium and 1 institution for young offenders. These last two are financed from the State budget.

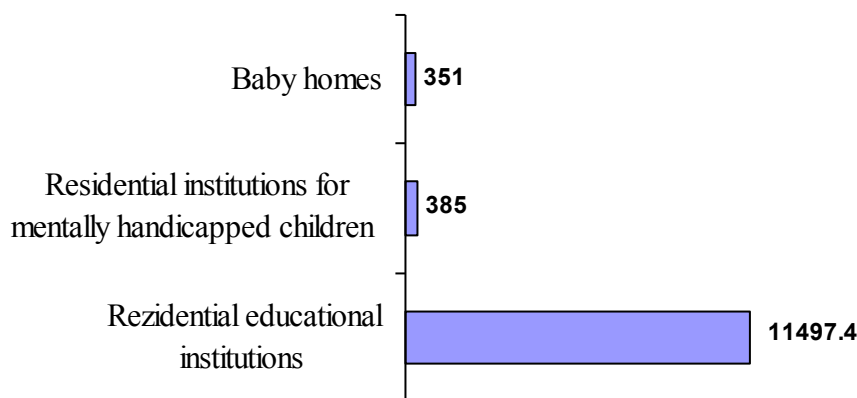
Table 2: Number of residential institutions by type of services

Institution type	Total	From the state budget	From LPA budgets
Boarding schools	19	13	6
Special boarding schools	38	19	19
Sanatorium	1	1	
Institution for young offenders	1	1	
Establishments for mentally handicapped children	2	2	
Baby homes	3	2	1
<b>TOTAL</b>	<b>64</b>	<b>38</b>	<b>26</b>

Source: Ministry of Education and Youth, Ministry of Health and Social Protection, 2005

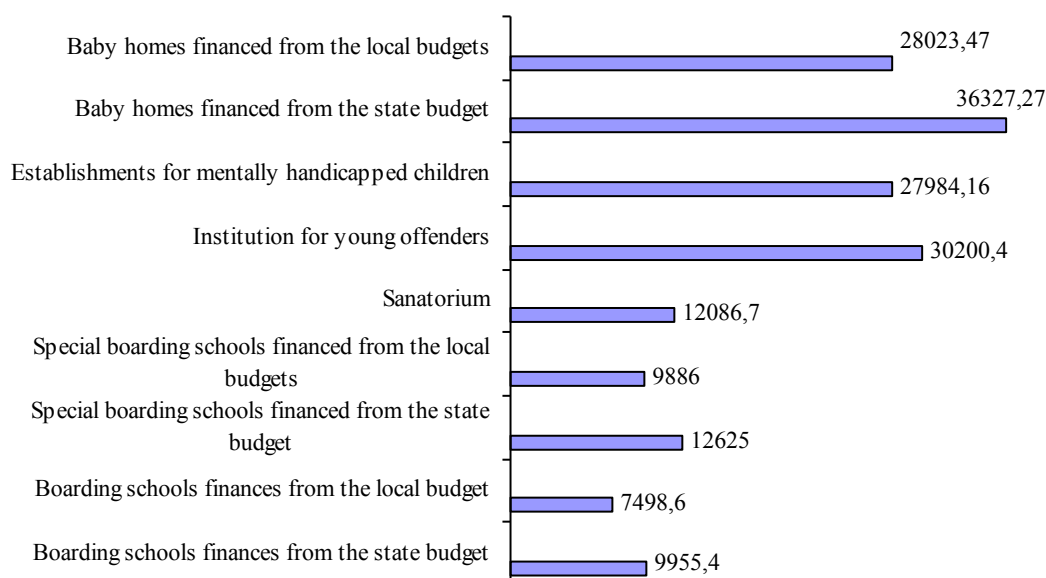
- 1.2. In this analysis Family Type Homes are treated separately since the care regime they provide is qualitatively different from all other types of residential care. There are 21 Family type homes, accommodating in total 104 children. All these Homes are financed from local authority budgets.
- 1.3. There are also 2 establishments for mentally handicapped children run by the MHSP and 3 Baby Homes, 2 financed by the State budget through the Ministry of Health and Social Protection and one financed by Chisinau Municipality.
- 1.4. The 2005 current expenditure for residential schools was 122,140.0 MDL Thousands, of which 84,310.0 was expended in the State budget and 37,830.0 in Local Authority budgets.
- 1.5. The average number of children attending educational institutions was 11,831.9, of which 7554.4 at institutions financed from the State budget and 4277.5 at institutions financed from Local Authority budgets.

Chart 1: Number of children in residential institutions



- 1.6. The average cost per child year at a State funded institution was, according to the data supplied 11160.4 MDL, and at a Local Authority financed institution 8844,0 MDL. For reasons which will be made clear later these figures are an underestimate.

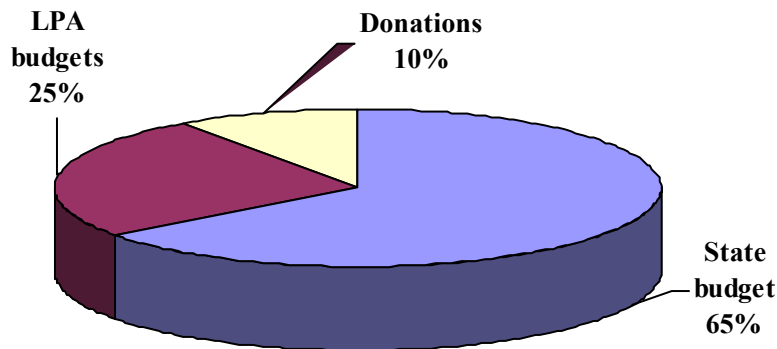
Chart 2: Annual average cost per 1 child in 2005, lei



- 1.7. It can be immediately seen that State funded institutions are more generously funded than those financed by Local Public Authorities. A detailed comparison of expenditures, costs per child and costs for education and care are shown at Annexes 1 and 8.
- 1.8. This discrimination in favour of State funded institutions is also evident in the allocation of donations. An analysis of the impact of donations is set out in Chapter 9. Financial details of the distribution and use of donations is shown at Annex 3.
- 1.9. The two major residential institutions for mentally handicapped children managed by the Ministry of Health and Social Protection and financed from the State budget add 10773.9 MDL Thousands to current expenditure and 5895,7 MDL thousand to capital expenditure, overall budget being 16669,6 MDL thousand lei.



Chart 3: Total budget for residential care



- 1.10. The three Baby Homes add 11937.1 MDL Thousands to current expenditures, 1229.3 MDL Thousand to capital expenditures and 301.1 MDL thousand to donations.
- 1.11. The total expenditure from public funds was 151566.5 MDL thousands, of which 144651 MDL thousand are current expenditures and 6715.5 MDL Thousand are capital expenditures..
- 1.12. The two institutions for mentally handicapped children accommodated 385 children, the three baby homes 351 children, bringing the total number of children attending residential establishments to 12567.9 children.
- 1.13. The total of donations received and reported for all institutions for supplements both to current expenditure and for capital expenditure was 16571.6 MDL Thousands (€1055.7).
- 1.14. We observe here than the analysis shows that, with the exception of the Young Offenders Institution (2%), educational residential institutions' expenditure on medical supplies (average 0.6%) does not support the claim that residential schools provide health care.

## 2. Gymnasium Internats – General Boarding Schools

- 2.1. There are 19 of these institutions, 13 funded by the State budget and 6 by Local Public Authorities. The average number of children attending each State funded Internats is 338, while for Local Public Authority financed institutions the average number of children is 284.
- 2.2. The average cost per child year is given, for State funded Internats, as 9955MDL and for Local Public Authority funded Internats as 7498 MDL.
- 2.3. These figures are misleading. Of 4398 children attending State funded Internats 1174 (25%) were attending as day pupils only. Taking account of the differential use of resources as between day pupils and resident children the true cost for a child resident in a State funded Gymnasium Internat is 12500.9 MDL (+25%). (See Annex 8)
- 2.4. Since day pupils are not sleeping in a residential institution all of these children could be immediately transferred to community schools.
- 2.5. Expressed in numbers this action would be the equivalent of closing 3.5 Gymnasium Internats. Given the average spend per Internat of 3368.4 MDL Thousands this reduction in numbers would provide, in principle, an immediate saving of 11789.4 MDL Thousands which could be transferred to other areas of child support and community education.

Table 3. Calculation savings of state budget funded boarding schools

1. Current expenditures for boarding schools financed from the state budget, thousand lei	43788.7
2. Number of institutions	13
3. Average spend per boarding school, thousand lei (line1/ line 2)	3368.4
4. Average number of children per year in 13 intitutions	4398.5
5. Average pupils per gymnasium internat (line 4/ line 2))	338
6. Number of the day pupils	1174
7. Number of schools available for closure (line 6/ line 5)	3.5
8. Savings, thousand lei (line 3 * line 7)	11789.4

- 2.6. The same picture does not hold for Local Public Authority funded Gymnasium Internats. There, according to the data given the number of children resident is equal to the numbers on the roll. Thus the differential in cost per child year as between State funded Gymnasium Internats and those funded by Local Public Authorities demonstrates clearly the funding discrimination in favour of State funded Internats. This discrimination is not founded upon any assessment of the needs of children entering, or resident in Gymnasium Internats.
- 2.7. Capital expenditure for these institutions is set out in Chapter 10. It is sufficient to say here that Local Public Authority budgets expend, pro rata, more on capital repairs than does the State budget.
- 2.8. An analysis of donations to the Gymnasium Internats is set out in Chapter 9.

### 3. Special Boarding Schools

- 3.1. Of these Schools, intended for children with special needs there are 19 funded from the State budget and 19 funded from Local Public Authority budgets.
- 3.2. In the State sector the average number of children is 153, while the equivalent figure for Local Public Authority funded Special Schools is 130.
- 3.3. The average cost per child year at a State funded institution is given as 12626MDL, at a Local Public Authority funded institution as 9886MDL.
- 3.4. These figures, in both the State and the Local Public Authority sectors are misleading in the same way as those given for Gymnasium Internats. In the State run institutions 758 (25%) are day pupils. Again, adjusting for the differential use of resources the true cost per child year in these institutions is 15748MDL (+25%). (See Annex 8)
- 3.5. The picture is similar in Local Public Authority funded Special Schools. Here, although the percentage is somewhat lower, still 20% of children (510 of 2467) attending are day pupils, the effect upon the cost per child year is also upward from that given, 9886MDL to 11689 MDL (+18%).
- 3.6. With respect to Special Boarding Schools it is surprising to find so many day pupils. It must be assumed that children attending Special schools have, prima facie, a higher level of personal need than children attending a Gymnasium Internat. The apparently

obvious conclusion is that the Special Schools are to a significant degree admitting children inappropriate to the purposes for which the school is established.

- 3.7. Children attending as day pupils could likewise be transferred to community schools without risk to their well-being. They may need special programme provision in mainstream schools.
- 3.8. Again, expressed in numbers terms, this would allow the immediate closure of 5 Special Boarding Schools from the State funded institutions and 4 from among those funded by Local Public Authorities.
- 3.9. Given the average spend per Special Boarding School of 1930.0 MDL Thousands in State run Special Boarding Schools and 1283.6 MDL Thousands in Local Public Authority financed Special Boarding Schools this represents an immediate saving, in principle of 14784.4 MDL Thousands.

Table 4: Calculation savings for special schools

	State budget	Local budgets	Total
1. Current expenditures for gymnasium internat financed from the state budget, thousand lei	36669.4	24388.8	X
2. Number of Special boarding schools	19	19	X
3. Average spend per institution, thousand lei (line1/ line 2)	1930.0	1283.6	X
4. Average number of children per year	2904.5	2467.0	X
5. Average pupils per gymnasium internat (line 4/ line 2))	153	130	X
6. Number of the day pupils	758	510	X
7. Number of institutions available for closure (line 6/ line 5)	5	4	X
7. Savings, thousand lei (line 3 * line 7)	9650.0	5134.4	14784.4

- 3.10. Again the funding regime clearly demonstrates discrimination in favour of State run institutions. Why this is so could be established only after a full evaluation of the institutions. .
- 3.11. Capital expenditure for these institutions is dealt with in Chapter 10 the analysis of donations in Chapter 9.

## 4. The Sanatorium

- 4.1. The Sanatorium provided accommodation for 206.5 children in the year under review at a total current cost of 2495.9 MDL Thousands, a cost per child year of 12086.7 MDL.
- 4.2. The detailed financial breakdown is shown at Annex 2b.
- 4.3. Expenditures worthy of comment are:
  - a) Staff salaries at this establishment are higher than at any other save for the average salary for teachers in the Young Offenders Institution.
  - b) Average managers salaries were 18040MDL p.a; for teachers 18454.5MDL p.a. and for educators 17500MDL p.a.

- c) The costs per child year were 12086MDL, representing 3626 MDL for education and 8460MDL for care.
- d) The sanatorium is one of only 2 institutions in the education sector whose expenditure on medical care exceeds 1% of total current spending.

## **5. The Young Offenders Institution**

- 5.1. There is one such institution catering for 45 children. The detailed financial breakdown is shown at Annex 2c.
- 5.2. Elements in the financial analysis which give rise to comment are:
  - a) The low salaries of managers and educators by comparison with similar staff in other types of residential care.
  - b) The very high earnings of teachers in this institution which are more than 100% greater than the earnings of the unit's managers and educators. These earnings figures contribute to the very high cost of educating a child in this institution.
  - c) The high ratio of educators to children by comparison with other forms of residential care. In spite of their comparatively low earnings this ratio contributes to the high costs of a child's care in this institution.
  - d) The high overall cost per child year at 30200 MDL.
  - e) The very high building running costs expressed in costs per child year which are significantly higher than any other institution.
- 5.3. Comment on this data is speculative without a clear understanding of the institution's culture and purpose. However, given the assumed special circumstances of the resident children and the probability that the institution's professional staff will need a particular understanding of juveniles who have been convicted of criminal offences and of their rehabilitative needs, the salary scales operating here do seem anomalous.
- 5.4. It may be significant that this institution, together with the Sanatorium, spends 2% of its budget on medical treatments by comparison with an average elsewhere in the residential education sector of 0.6%.
- 5.5. The building running costs, at a cost per child year of 11787MDL, is 39% of the annual cost of a resident child. This suggests that the real estate used for this institution is either significantly too large for its function or that the range of buildings required to accommodate the scale of the institution's rehabilitative activities is extensive.
- 5.6. Donations and Capital expenditure is dealt with in Chapters 9 and 10 respectively.

## **6. Family Type Homes**

- 6.1. There are 21 such homes, which are of a different character to other types of institution. They are small, with an average of 5 resident children. It is not discernible from the financial data whether the homes are established for, and limited to 7 resident children at any one time.
- 6.2. That would certainly represent a maximum for an establishment with only one salaried staff member, while even this ratio assumes, as does the title, that they are intended to replicate, as far as practicable, the experience of family living. These homes are in private homes. They are staffed by a single educator, an adult member of the household, who is responsible for the care of the children. The responsible person is extremely poorly paid both absolutely and by comparison with educators in other parts of the residential sector. Their average earnings are 500MDL per month.

- 6.3. The cost per child year is shown as 6685.20 MDL. 48.7% of the budget is made up of allowances for the care of children which includes as well allowances for feeding the children. Contributions in amount of 156.1 thousand lei (22%) are also made to the running costs of the home.
- 6.4. All school age residents attend community schools.
- 6.5. All are financed by Local Public Authorities from the local budgets.

## **7. Institutions for Mentally handicapped Children Managed by the Ministry of Health and Social Protection**

- 7.1. There are two institutions for mentally handicapped children managed by the Ministry of Health and Social Protection and funded by the State budget.
- 7.2. The data supplied by the Ministry of Health and Social Protection is less complete than that provided by the Ministry of Education Youth and Sport so that the analysis and comment will be more restricted than that for education establishments.
- 7.3. The two institutions for mentally handicapped children are at Orhei, for boys and Hincesti for girls. Unlike the Ministry of Education and Youth, the Ministry of Health and Social Protection defines the numbers of children for whom these institutions are established. For Orhei the figure is 310, for Hincesti 300.
- 7.4. They are the only two institutions of their type in the country. Both are located in the centre of the country. Their location and size indicate that they owe their existence to an outmoded attitude to mental disability. They are distant and inaccessible from most of the Republic and, even in relation to the Raions in which they are situated are distant from the main centre of population.
- 7.5. In addition there is no provision in their staff establishment for pedagogic staff.
- 7.6. Location and the absence of teaching staff indicate two possible cultural attitudes to mental handicap. One is the principle of asylum, which mentally disabled children need to be protected from the stresses of a normal childhood, the second that mental disability is a matter of shame to be hidden and that children with a mental disability have fewer human rights than others.
- 7.7. Either of these social principles is outmoded, out of touch with the sentiments expressed by President of RM Vladimir Voronin in his speech of 29<sup>th</sup> May 2006 and for this reason alone these institutions should be included in the reform programme.
- 7.8. Additional to those reasons the institutions are, because of their location, certain to fracture the relationship between both the child and his/her family and between the child and the local community.
- 7.9. The institutions are established, as noted, for 310 and 300 children. 2005 plans projected a lower occupancy rate than that and the achieved occupancy rate was lower than that planned. Orhei had 205 residents (67%), Hincesti 180 (60%).
- 7.10. The cost per child year was 25937MDL (Orhei) and 30311MDL (Hincesti). These figures represent care costs only, there being no formal educational provision.
- 7.11. Staff costs represent 41% of total current expenditures, a lower percentage than for establishments providing education, the difference being largely accounted for by the absence of pedagogic staff. Staffing provision is extremely high but salaries tend to be significantly lower than in institutions under the aegis of education services. (See Annex 9).

- 7.12. The assessment of building running costs indicates expenditure for Orhei of 906.6MDL Thousands and for Hincesti 1473.66 MDL Thousands. These figures are estimates since the incorporation of relevant staff costs are based upon the planned budget for 2005. Both are significantly higher than all other residential institutions.
- 7.13. Other comparisons both between the two institutions and expenditures in other residential sectors are the data for capital expenditure and donations. Both expended significantly more on capital construction than other sectors, indicating capital investment by the Ministry of Health and Social Protection.
- 7.14. Taking both institutions together the total of donations was 4555 Mdl Thousands. Of this amount 4234.8 was received by Hincesti. This is a very significant volume of donations, far in excess of any other single institution. However, the partition of expenditures from donations as between supplements to current or capital expenditure was not made available. No comparison of their use with that in other sectors can be made. It may also represent a one year investment.
- 7.15. It should also be remarked that expenditures for the Hincesti institution was in almost every particular significantly higher than that for Orhei, despite having a lower number of resident children.

## **8. Baby Homes**

- 8.1. There are three Baby Homes: 2 funded from the State budget and one by the Municipality of Chisinau. Baby Home is a slightly inaccurate name for these institutions since, although babies are admitted the resident population is aged between 0-6 years.
- 8.2. They have 450 places but in 2005 accommodated 351 children (78% occupancy).
- 8.3. The annual cost per child is 36327 MDL for the two establishments financed from the State budget and 28023 MDL for the home financed by the Municipality of Chisinau. These homes also reflect the earlier observation that financing discriminates in favour of State funded institutions.
- 8.4. The number of established posts is 545.5, giving a ratio of staff to children of 1.5 employers per 1 child. Concomitant with this ratio staff costs account for 60% of total expenditure.
- 8.5. The costs of running and maintaining buildings are shown at Annex 7. They account for 20% of all expenditure. The two State financed establishments, together with the Sanatorium have the highest building running and maintenance costs in the residential sector, closely followed by running and maintenance costs for Gymnasium Internats funded from the State Budget.
- 8.6. Donations and Capital expenditures are dealt with in chapters 9 and 10.

## **9. The Effect of Donations**

- 9.1. In present paper under the donations we consider as well the special resources and humanitarian aid.
- 9.2. The overall volume of reported donations to residential educational institutions in 2005 was significant, amounting to a total of 11715.5 MDL thousands. (€746.3 thousands). This represents an overall addition of 8% to total national expenditure. Specifically, in terms of capital expenditure the increment amounted to 34%.
- 9.3. However, the data available may not be complete since Local Public Authorities do not, or perhaps are not required to, report the totality of their extra budgetary resources. Anecdotal evidence suggests that they are not required to do so. If so that is a legal

lacuna which should be adjusted so that all sources of income and all expenditure are reported.

- 9.4. Evidence of this underreporting is shown by the report of the Children's' Christian Fund (USA) (See Annex 4) which between July and December 2005 made donations to Family Type Homes of 42720 MDL (€2721.4) and who, in 2006 have already, (beginning of September 2006), contributed 131750 MDL (€8069.5<sup>4</sup>) of a 2006 programme of €12000. Data supplied by the Ministry of Finance showed no donations to Family Type Homes in 2005.
- 9.5. It is also noticeable that donations discriminate heavily in favour of State funded institutions. Donations to Local Authority funded institutions amounted to only 10% of those received by State funded establishments (See Annex 3). We remain confident of this assertion in spite of part reporting by Local Public Authorities.
- 9.6. The increment to capital expenditure demonstrates the inability of public resources to maintain real estate and other capital assets. Specifically it illustrates one of only two possibilities. One is that the State cannot afford to maintain its capital assets; the other that the capital assets used in these services are very high cost and are not, in essence, financially viable. It is likely that both these hypotheses are true in part. In terms of financial evaluation it suggests that large high cost establishments should cease to be part of the strategy of service provision in favour of lower cost less capital intensive provision.
- 9.7. Donations to current expenditure, 10805.5 MDL thousands (€688.3 thousand) (see annex 3) are targeted at, principally, teaching materials & supplies, alimentation and equipment. The volume of these donations represents the State's inability adequately to finance the costs of care and education in residential institutions. They give further weight to the view that residential care is a financially non-viable and unsustainable option in its present form and scale.
- 9.8. Increments of this kind, to both current and capital expenditure are targeted to a very small minority of the community's children and it is arguable that they could be better deployed targeted toward community education and other services.
- 9.9. Donations to the Ministry of Health & Social Protection's homes for mentally handicapped children amounted to 4555.2 MDL thousands and to Baby Homes 301.1MDL thousands. The total donations reported for the year 2005 are, therefore 16571.6MDL thousands (€1055.7 thousand).

## **10. Capital Expenditure**

- 10.1. Details of capital expenditure are given at Annex 5.
- 10.2. There are a number of observations to make. Capital expenditure covers three areas of activity; reconstruction; equipment procurement and capital repairs.
- 10.3. A significant proportion of all capital expenditure in educational institutions is attributed to equipment procurement. For Gymnasium Internats financed by the State budget it represents 38% of expenditure and 92% of all donations for capital purposes. For those financed by Local Public Authorities it represents 19%.
- 10.4. For Special Schools financed from the State budget equipment procurement accounts for 75% of expenditure and 100% of capital donations. For those financed from Local

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<sup>4</sup> The conversion rate used is an average for the period January 1<sup>st</sup> 2006 till September 30<sup>th</sup> 2006 in amount of Euro 1 = MDL 16.3269

Public Authority budgets the figures are respectively 12% and 19% of reported extra budgetary capital resources.

- 10.5. For the Sanatorium 100% of all capital expenditure, both State funding and donations, were attributed to equipment procurement, while for the Young Offenders Institution there was no capital expenditure from the State budget and all capital donations were for equipment procurement.
- 10.6. It is observable that Local Public Authorities made a proportionately greater investment in capital repairs than did the State.
- 10.7. It has been earlier observed that capital donations overall amounted to an increment of 34% over and above capital expenditure from public funds. It was also observed that public funds were inadequate to maintain and upgrade buildings. In this analysis of capital expenditure the relatively high proportion attributed to equipment procurement emphasises this finding.

## **11. Staff Establishments and Salary Levels**

- 11.1. The staff employed in education based residential institutions fall into one of four groups; management, pedagogical (essentially teaching staff), educators (basically care staff) and auxiliary staff. This last group comprises administrative support, technical staff, and, for example, cooks, gardeners, seamstresses.
- 11.2. The actual establishment may show some variation from institution to institution, while an apparent anomaly is that in Special Boarding Schools, where resident children might be assumed to have higher care needs than children resident in Gymnasium internats the ratio of educators to children is lower than that for educators in Gymnasium internats.
- 11.3. The conclusions which might be drawn from that are, firstly that the culture of residential educational provision values children with special needs less highly than those “normal” children resident in Gymnasium Internats or that there is an over investment in educators in Gymnasium Internats. This anomaly is exaggerated by the fact that a higher proportion of children in Gymnasium Internats spend more of their time not in residence than children resident in Special Boarding Schools.
- 11.4. Whatever the reasons for this anomaly its existence raises serious questions about the value base operating within the residential care system and also serious question about the volume and appropriateness of financial investment in care staff in the different types of institution.
- 11.5. Leaving aside the average salaries of auxiliary staff, which are broadly comparable across the sector, there are also significant variations and apparent anomalies between the average earnings of management, pedagogical staff and educators. (See Annex 8).
- 11.6. The actual distribution of staff as between different kinds of institution is shown at Annex 10. The total number of staff employed in the residential sector, excluding family type homes, is 5805, that is an overall ratio of staff to children of approximately 1:2.
- 11.7. One significant feature is the very high proportion of auxiliary staff to the whole staff complement which, across the sector is close to 50%. Although the individual salaries of auxiliary staff are approximately half of those for other staff groups, in total they contribute significantly both to the costs of the establishment and to the overall costs per child.
- 11.8. The institutions for mentally handicapped children and the Baby Homes both employ significant numbers of medical staff, medical auxiliaries, nurses and nursing assistants. The staffing establishments for these institutions clearly reflect the cultural approach to



caring for these two beneficiary groups which is medically dominated. There is a question as to whether medical staff provision on this scale is necessary or whether medical oversight could not, or should not, be provided from mainstream health care services. The effect of in-house medical oversight is both to exclude the beneficiaries from access to ordinary health care services and to increase the costs of their care.

- 11.9. An analysis of average salaries reveals some apparent anomalies between different staff groups in different types of residential educational establishment. For example, management staff in schools funded from LPA budgets is more highly paid than those in schools funded by the State budget. Sanatorium staff is more highly paid on average than any others with the exception of management staff in Local Public Authority funded Gymnasium Internats and, the grossest anomaly of all, than teachers in the Young Offenders Institution. In the Young Offenders Institution management staff and educators are paid between 70 and 75% of the average for the sector while teachers are paid 50% more than the sector average and almost twice as much as the institutions managers and educators.
- 11.10. Salary payments can be made up of a number of elements, for example increments for length of service and/or for level of qualification, so that a detailed explanation of these variations and anomalies is beyond the scope of this analysis without reference to the salary records of every individual, which would clearly be inappropriate.
- 11.11. There are, however, implications for a reform programme where the redeployment of staff is an issue. In terms of current vacancies in the nation's education service there should be no difficulty in redeployment in terms of numbers of teachers and to some extent educators with teaching qualifications. Equally a reform programme which seeks to increase the numbers of Social Assistants in the public service is inherently capable of offering reemployment to educators. For these two professional groups the numbers of staff needing redeployment as a consequence of reform does not present a problem. In general redeployment opportunities for management staff are likely to be more difficult, while auxiliary staff are the group most likely to be difficult to place.
- 11.12. The bigger problem lies with the salary scales and conditions of service enjoyed by professional staff in the education sector. Their salary scales and average earnings are significantly higher than those for teachers in community schools and for Social Assistants in the public service. Careful consideration will need to be given to staff redeployment issues in the reform process. These issues, such as approaches to salary protection and, where appropriate to early retirement, are fully set out in the TACIS paper (unpublished but supplied both to the Ministry of Education Youth and Sport and to the Ministry of Finance) dealing with the reform and closure of residential institutions.

## **12. The Costs of Running and Maintaining Buildings**

- 12.1. Details of the running costs of buildings from current expenditure net of donations are shown at Annex 7. The level of capital expenditure and its contribution to the costs per child are also shown but, since levels of capital expenditure are erratic no specific conclusions have been drawn from them.
- 12.2. In general terms comparing State financed establishments with those financed from Local Public Authority budgets it can be seen that running costs and costs per child are lower for Local Authority financed institutions (Gymnasium Internats and Special Boarding Schools). Running costs in LPA schools are 62.5% of those for State financed schools and 73.5% of the costs per child for this aspect of expenditure.

- 12.3. However in both cases the costs per child contributed by running costs are approximately 24% of the total costs per child year. For Family Type Homes the proportion is marginally lower.
- 12.4. Both the Sanatorium and the Young Offenders Institution differ from this pattern. Sanatorium running costs contribute 34% of the total costs per child year, while for the Young Offenders Institution the figure is 39%.
- 12.5. Our view is that these proportions are high. Taken together with the analysis of the contribution of donations (Chapter 9) and the erratic nature of capital expenditure they are reinforcing of our view that the institutions themselves are financially unsustainable.
- 12.6. Specifically the proportion and volume of expenditure attributable to running costs for the Sanatorium and the Young Offenders Institution are, in our view, unacceptable.

### **13. Conclusions**

- 13.1. 21% (2442 of 11497) of all children attending educational residential institutions are non-resident – i.e. they go home every day. The admission of children as day pupils cannot be justified in terms of meeting the needs of children in difficulty. Given the Government's intended reform programme these children could be transferred to community schools without the need of a complex social needs assessment. To be consistent with the reform programme such a step would have to be accompanied by a moratorium on the replacement of transferred day pupils by new resident admissions.
- 13.2. Returning day pupils to community schools would have the effect, in terms of numbers, of reducing the residential care sector by 12.5 schools resulting in an in principle release for redistribution of 26500MDL Thousands per year.
- 13.3. The high proportion of day pupils distorts the costs per child year given in ministries financial reports. The true cost per resident child is between 18% and 25% higher than that given in the data.
- 13.4. Analysis of the data shows quite clearly that funding regimes discriminate in favour of institutions funded from the State budget and against those funded from Local Public Authority budgets. There is no evidence to suggest that this discrimination is based on a comparative assessment of children's' needs.
- 13.5. Local Public Authorities do not report the totality of their extra budget expenditures. If they are not required by law to do so, it is our view that this may be a legal lacuna and that amendments to law should be made to require 100% accounting and reporting.
- 13.6. In spite of under-reporting of extra budget expenditures by Local Public Authorities, for which some evidence has been offered, it is clear that donations discriminate heavily in favour of institutions financed from the State budget and against those financed by Local Public Authorities. In resource use terms the effect is to make institutions financed from the State budget significantly more expensive than those run by Local Public Authorities.
- 13.7. The relatively low volume of capital expenditures, taken together with the significant proportion of those expenditures directed toward equipment procurement supports the conclusion that buildings are not adequately maintained and that there is no planned maintenance programme for fixed assets.
- 13.8. Building running costs contribute 24% of the overall costs per child year. In our view this proportion is high and supports earlier findings from detailed analyses of two institutions (Orhei Gymnasium Internat and A. Ion Cuza Special Boarding School in Cahul raion) that, in the main, current buildings are financially non-viable and that their continued use, irrespective of all other considerations, cannot be justified.

- 13.9. There are a number of anomalies in payments to professional staff, i.e. managers, teachers and educators. Some of those anomalies may be accounted for by varying levels of qualification, length of service and payment associated with those elements, but generally the anomalies suggest a lack of coherent policy for guiding salary payments.
- 13.10. An apparent anomaly in staffing levels is the comparison between the ratio of educators to children in the Special Schools and in the Gymnasium Internats. Ratios in the Special Schools, where it might be assumed that the resident children might have greater care needs than children resident in Gymnasium Internats, indicate a lower level of care in the Special Schools.
- 13.11. We have noted that the volume of donations received and reported was very high. We have earlier commented that Local Public Authorities do not report all their expenditures from donations. Full reporting from this source would probably increase the overall total. We conclude that, in the light of the proposed reform programme, steps should be taken both to restrict and redirect donations currently enjoyed by the residential sector towards community based services, including general education.

## Annexes

### ***Annex 1. Expenditure for residential system in 2005 year***

Indicators	State budget		Local budgets		Total		General
	main budget	donations	main budget	donations	main budget	donations	
Educational institutions, total	86497.9	10699.3	39787.6	1016.2	126285.5	11715.5	138001.0
current expenditures	84310.0	9644.3	37830.0	645.5	122140.0	10289.8	132429.8
capital expenditures	2187.9	1055.0	1957.6	370.7	4145.5	1425.7	5571.2
Establishments for mentally handicapped children, total	12114.6	4555.0	0.0	0.0	12114.6	4555.0	16669.6
current expenditures	10773.9	n/a			10773.9	n/a	n/a
capital expenditures	1340.7	n/a			1340.7	n/a	n/a
Baby homes, total	10258.1	32.9	2908.3	268.2	13166.4	301.1	13467.5
current expenditures	9190.8	32.9	2746.3	199.2	11937.1	232.1	12169.2
capital expenditures	1067.3		162.0	69.0	1229.3	69.0	1298.3
TOTAL, general	108870.6	15287.2	42695.9	1284.4	151566.5	16571.6	168138.1
current expenditures	104274.7	n/a	40576.3	844.7	144851.0	n/a	n/a
capital expenditures	4595.9	n/a	2119.6	439.7	6715.5	n/a	n/a

Source: Ministry of Education and Youth, Ministry of Health and Social Protection, 2005

**Annex 2. Overall Picture: Educational Residential Institutions.****Annex 2A. Institutions under the Ministry of Education and Youth and LPA subordination, net of Family Type Homes**

	State budget	Local Budgets	TOTAL
Current expenditures	84310,0	37830,0	122140,0
Nr. of institutions	34	25	59
Nr. of children	7554,4	4277,5	11831,9
Average cost per child	11160,38	8844,00	11192,60
Education (30%)	3348,11	2653,20	3357,78
Care (70%)	7812,27	6190,80	7834,82
<i>Informational :</i>			
a) Day/ children	1579596	748600	2328196,0
b) Number of catered children	5643	3129	8772
c) Number of days (a:b)	280	239	265
d) Catering of 1 child per day, lei	12,68	10,60	13,84
e) Cost per child per day, lei	39,9	37,0	42,2
f) Current cost per child per year, lei	11160,4	8844,0	11192,6

Note:

Discounting the two highest cost institutions – the Sanatorium and the Young Offenders Institution makes only marginal difference to the calculation since they account for only 2.18% of children in institutions and 3.17% of total expenditure.

## **Annex 2B: The Sanatorium data**

### **I. Current expenditures 2495,9 thousand lei**

Average number of children 206,5 children

Annual cost per child 12086,70 lei

Of which:

Education 3626,00 lei

Care 8460,70 lei

(1) Staff costs 1177,5 thousand lei

Of which staff salary:

	Paid salary, thousand lei	Staff number	Average salary per employee, lei	Ratio child per employee
Managers	90,2	5	18040,00	41,3
Teachers	203,0	11	18454,50	18,7
Educators	280,0	16	17500,00	12,9
Auxiliary staff	345,2	57	6056,10	3,6

(2) Building running costs are 628.8 thousand lei, including:

Electricity 149

Gas 0,7

Heating -

Building current repairs 27,0

Inventory current repairs 12,5

Fuel, coal 432,7

Water supply -

Sewage system 6,9

(3) Alimentation 540,3

(4) Drugs 50,5

(5) Administrative costs 98,8

### **II. Capital expenditures: 35,0 thousand lei**

(Expenditure exclusively for Equipment)

### **III. Donations, total 100,7 thousand lei**

including:

teaching materials 21,5 thousand lei

alimentation 78,1 thousand lei

other 1,1 thousand lei

## Annex 2C: Institution for Young Offenders

### I. Current expenditures **1356,0 thousand lei**

Average number of children 44,9 children

Annual cost per child 30200,44 lei

Of which:

Education 11217,10 lei

Care 19115,78 lei

(1) Staff costs 701 thousand lei

Of which staff salary:

	Paid salary, thousand lei	Staff number	Average salary per employee, lei	Ratio child per employee
Managers	57,8	5	11560,00	9,0
Teachers	167,5	8	20937,50	5,6
Educators	144,7	13	11130,77	2,8
Auxiliary staff	183,3	30	6110,00	1,5

(2) Building running costs are 412.2 thousand lei, including:

Electricity	93,6
Gas	-
Heating	-
Building current repairs	8,3
Inventory current repairs	-
Fuel, coal	310,3
Water supply	-
Sewage system	-

(3) Alimentation 189,8

(4) Drugs 5,0

(5) Administrative costs 48,0

### II. Capital expenditures: NIL

### III. Donation

In current expenditures, total 74.5 thousand lei

Teaching materials	33.5 thousand lei
Alimentation	18,8 thousand lei
Bed linen	15.8 thousand lei
Other	6.4 thousand lei

In current expenditures (Equipment procurement) 10.8 thousand lei

### ***Annex 3: Donation structure***

#### **Annex 3A: Donation in education institutions in 2005 year, thousand lei**

	State budget	Local budgets	Total
Donations for current expenditures:	<b>9644,3</b>	<b>645,5</b>	<b>10289,8</b>
Teaching materials	1844	252,7	2096,7
Alimentation	4174,1	88,3	4262,4
Drugs	272,5	9,7	282,2
Bed linen	2812	12,9	2824,9
Other	541,7	281,9	823,6
Direct benefits		260,6	260,6
Donations for capital expenditures	<b>1055,0</b>	<b>370,7</b>	<b>1425,7</b>
Reconstruction			
Equipment procurement	1010,8	72,4	1083,2
Capital expenditures	44,2	298,3	342,5
<b>TOTAL donation</b>	<b>10699,3</b>	<b>1016,2</b>	<b>11715,5</b>

*Source: Ministry of Education and Youth*

#### **Annex 3B: Donation for capital expenditures per different type of educational residential institutions in 2005 year, thousand lei**

	Capital expenditures for		Total
	Equipment procurement	Reconstruction	
Boarding schools financed from the state budget	516,3	44,2	560,5
Boarding schools financed from the local budgets	-	-	-
Special boarding schools financed from the state budget	451,3	-	451,3
Special boarding schools financed from the local budgets	72,4	298,3	370,7
Sanatorium	32,4		32,4
Institution for young offenders	10,8		10,8
<b>Total</b>	<b>1083,2</b>	<b>342,5</b>	<b>1425,7</b>

*Source: Ministry of Education and Youth*



**Annex 3C: Donations for residential institutions for children from Ministry of Health and Social Protection in 2005 year, thousand lei**

	State budget	Local budgets	Total
<i><b>Establishments for mentally handicapped children</b></i>			
TOTAL donations	<b>4555,0</b>	<b>x</b>	<b>4555,0</b>
<i><b>Baby Homes</b></i>			
Donations for current expenditures:	<b>32,9</b>	<b>199,2</b>	<b>232,1</b>
Salaries	32,9		32,9
Teaching materials		15,4	15,4
Alimentation		118,5	118,5
Drugs		18,7	18,7
Bed linen		4,8	4,8
Other		34,4	34,4
Direct benefits		7,4	7,4
Donations for capital expenditures		<b>69,0</b>	<b>69,0</b>
Reconstruction			
Equipment procurement		69,0	
Capital expenditures			
<b>TOTAL general</b>	<b>4587,9</b>	<b>268,2</b>	<b>4856,1</b>

*Source: Ministry of Health and Social Protection, Ministry of Finance*

*Annex 4. Donation Report for Family type Homes*

CCF MOLDOVA-CHILDREN, COMMUNITIES, FAMILIES  
Donation Report for FTH (July, 2005 – August, 2006)

No.	Nr. & date of the contract	Type of Sponsorship	Form of Sponsorship	Amount
1	Nr.1 20 iulie 2005	Sponsorship	Cash – after mother's death	\$500
2	Nr.2 13 oct.2005	Sponsorship	Cash – food supplement	\$630
3	Nr.1 15 oct.2005	Donation	Materials for Heating system installment	\$1725
4	Nr.2 05 dec.2005	Donation	Materials for water system installment	\$286
5	Nr. 05 05.01.2006	Sponsorship	Cash – for surgery	\$3000
6	Nr.07 03.02.2006	Sponsorship	Cash – for medicines	\$120
7	Nr.12 28.03.2006	Donation	Water pump	\$222
8	Nr.13 30.03.06	Donation	Materials for Heating system installment	\$1395
9	Nr.14 03.02.2006	Donation	Materials for Heating system installment	\$1860
10	Nr.26 15.06.2006	Donation	Materials for Bathroom	\$1885
11	Nr.8 02.08.2006	Sponsorship	Cash for Bathroom building	\$506
12	December 2005-January 2006		Christmas gifts for children	\$282
13	June 2006		Art supplies for children	\$127
14	August 2006		School supplies for children	\$284
			<b>TOTAL</b>	<b>\$12 822</b>

**Anexa 5. Cheltuieli capitale, mii lei**

	State budget		Local budgets	
	Main budget	Donation	Main budget	Donation
Boarding schools, total	1518,0	560,5	550,1	-
Reconstruction	358,2	-	106,6	-
Equipment Procurement	580,5	516,3	443,5	-
Capital repairs	579,3	44,2	-	-
Special boarding school, total	634,9	451,3	1395,3	370,7
Reconstruction	-	-	1,0	-
Equipment Procurement	474,4	451,3	174,0	72,4
Capital repairs	160,5	-	1220,3	298,3
Sanatorium, total	35,0	32,4		
Reconstruction	-	-		
Equipment Procurement	35,0	32,4		
Capital repairs	-	-		
Institution for Young Offenders, total	-	10,8		
Reconstruction	-	-		
Equipment Procurement	-	10,8		
Capital repairs	-	-		
Baby Homes, total	1067,3	-	162,0	69,0
Reconstruction	-	-	-	-
Equipment Procurement	257,3	-	53,5	69,0
Capital repairs	810,0	-	108,5	-
Establishments for mentally handicapped children, total	1340,7	4555,0		
Reconstruction	-	N/A		
Equipment Procurement	410,8	N/A		
Capital repairs	929,9	N/A		
<b>TOTAL</b>	<b>4595,9</b>	<b>5610,0</b>	<b>2107,4</b>	<b>439,7</b>
Reconstruction	358,2		107,6	
Equipment Procurement	1758,0		671,0	
Capital repairs	2479,7		1328,8	

***Annex 6. Average Salaries Educational Institutions– MDL per month***

	Boarding schools (State budget)	Boarding schools (Local budgets)	Special boarding schools (State budget)	Special boarding schools (Local budgets)	Sanatorium	Young Offenders	Family Type Homes
Managers	1267	1616	1145	1255	1503	963	-----
Teachers	1092	812	1131	1298	1538	1745	-----
Educators	1348	1171	1325	1201	1458	928	500
Aux Staff	557	618	520	527	505	509	-----

***Annex 7: Running costs, thousand lei***

**Annex 7A: Boarding schools, thousand lei**

Budget item	State budget	Local budgets
Electricity	2007,0	593,2
Gas	707,8	39,2
Heating	578,7	798,8
Current repairs of building	385	110,8
Current repairs of equipment	85,7	104,9
Fuel, coal	2438,2	-
Water supply	829,1	377,7
Sewage system	69,0	53,8
1. Total	7100,6	2078,4
2. Auxiliary staff cost	3325,1	937,5
3. TOTAL (line 1+ line 2)	10425,7	3015,9
4. Cost per school, thousand lei	802,0	502,7
5. Cost per child, lei	2370,28	1767,82
Capital expenditures, thousand lei	1518	550,1
Capital cost per child, lei	345,12	322,45

*Note*

Number of institutions	13	6
Average number of children	4398,5	1706,0

**Note:**

Auxiliary staff costs assume 50% of such staff are concerned with buildings/grounds and their maintenance.

**Annex 7B: Special boarding schools, thousand lei**

Budget item	State budget	Local budgets
Electricity	1423,3	836,5
Gas	535,4	310,3
Heating	376,3	1012,1
Current repairs of building	394,6	296,7
Current repairs of equipment	132	58,2
Fuel, coal	2551,9	455,2
Water supply	592,3	228,7
Sewage system	31,1	55,2
1. Total	5736,9	3252,9
2. Auxiliary staff cost	3085,6	2220,9
3. TOTAL (line 1+ line 2)	8822,5	5473,8
4. Cost per school, thousand lei	464,3	288,1
5. Cost per child, lei	3037,53	2221,51
Capital expenditures, thousand lei	634,9	1395,3
Capital cost per child, lei	218,59	565,59

*Note*

Number of institutions	19	19
Average number of children	2904,5	2467,0

*Note:*

Auxiliary staff costs assume 50% of such staff are concerned with buildings/grounds and their maintenance.

**Annex 7C: Sanatorium, Institution for young offenders, family type homes, thousand lei**

Budget item	Sanatorium	Institution for young offenders	Family type homes
Electricity	149,0	93,6	23,1
Gas	0,7	-	40,6
Heating	-	-	2,5
Current repairs of building	27	8,6	38
Current repairs of equipment	12,5	-	-
Fuel, coal	432,7	310,3	46,3
Water supply	-	-	5,5
Sewage system	6,9	-	0,1
1. Total	628,8	412,2	156,1
2. Auxiliary staff cost	222,6	118,2	-
3. TOTAL (line 1+ line 2)	851,5	530,4	156,1
4. Cost per child, lei	4123,49	11812,92	1493,78
Capital expenditures, thousand lei	35,0	-	12,2
Capital cost per child, lei	169,5	-	117,0
<i>Note</i>			
Number of institutions	1	1	21
Average number of children	206,5	44,9	104,5

Note:

Auxiliary staff costs assume 50% of such staff are concerned with buildings/grounds and their maintenance.

**Annex 7D: Baby Homes, thousand lei**

Budget item	State budget	Local budgets
Electricity	503,2	215,2
Gas	107	33,5
Heating	250,6	64,2
Current repairs of building	37	-
Current repairs of equipment	31,9	-
Fuel, coal	4,3	2,8
Water supply	100,5	31,4
Sewage system	12,6	7,7
1. Total	1047,1	354,8
2. Auxiliary staff cost	720	198
3. TOTAL (line 1+ line 2)	1767,1	552,8
4. Cost per child, lei	883,6	
	6984,58	5640,82
Capital expenditures, thousand lei	1067,3	162,0
Capital cost per child, lei	4218,58	1653,06

*Note*

Number of institutions	2	1
Average number of children	253	98

*Note:*

Auxiliary staff costs assume 50% of such staff are concerned with buildings/grounds and their maintenance.

***Annex8. True Costs per Child Year Educational Institutions– Current Expenditure***

	Boarding schools (State budget)	Boarding schools (Local budgets)	Special boarding schools (State budget)	Special boarding schools (Local budgets)
A Children Average	4398.5	1706	2904.5	2467
B Children Resident	3224	1706	2146	1957
C Total Expenditure	43788.7	12792.6	36669.4	24388.8
D Education (30%)	13166.6	3837.78	11000.82	7316.64
E Care (70%)	30652.1	8954.82	25668.59	17072.16
F Per Child Year Mdl Education (D/A)	2993.43	2249.57	3787.5	2965.8
G Per Child Year Mdl Care (E/B)	9507.47	5294.02	11961.11	8723.63
H Per Child Year Total Mdl (F+G)	12500.9	7498.6	15760.57	11689.43
Costs given in published data	9955.4	7498.6	12625	9886

***Annex 9: MOHSP Institutions Orhei / Hincesti Staff Establishment and Salaries***

	Hincesti			Orhei		
	Staff Numbers	Salary Bill per Month	Average Salary	Staff Numbers	Salary bill per Month	Average Salary
Management	4	2624.05	656	4	2624.05	656
Medical Staff	5.5	5671.52	1031.18	4	3641.04	910.26
Paramedic - Pharmacist	25	18166.77	726.47	26	16794.69	645.94
Nurses/Assistants	111	54204.84	488.33	124	60643.08	489.06
Educators	22	17189.17	781.32	20	16114.17	805.71
Aux Staff	64	26624.95	416	50.5	19597.96	388
Total	230	123491.3	-----	230.5	120489.99	-----



***Annex 10: Staffing Establishments – All Sectors except Family Type Homes***

Education Sector

	Boarding schools (State budget)	Boarding schools (Local budgets)	Special boarding schools (State budget)	Special boarding schools (Local budgets)	Sanatorium	Young Offenders	Total
Managers	66	23	86	51	5	5	236
Teachers	305	202	345.6	300	11	8	1172.6
Educators	372	88	333.9	233	16	13	1055.9
Aux Staff	771	196	706.6	545	57	30	2305.6
Total	1514	509	1472.1	1129	89	56	4770

Institutions for Mentally handicapped Children/Baby Homes

	Mental handicap	Baby Homes	Total
Managers	8		8
Medical	9.5	22	31.5
Medical Auxiliaries + Pharmacists	51	181.5	232.5
Nurses/Assistants	235	153	388
Educators/Speech Therapists	42	50.5	92.5
Aux Staff	114.5	78	192.5
Total	460	575	1035

Total Staff Establishment for Residential Sector: 5805.