**Comparative analysis of normative grants for practical training and the actual costs of practical training**

**Executive Summary**

The *Act CLV of 2011 on Vocational Training Contributions and Support for the Development of Training Programs* regulates the possible ways, conditions and cases of the completion of the obligation on vocational training contribution (VTC) which may be fulfilled by organizing school-based practical training based on the choice of the subject. This practical training should be organized on the basis of the provisions of *Act CLXXXVII of 2011 on Vocational Education and Training*. The *Government Decree 280/2011 (XII. 20.) on the applicable training norms and discounts considering the calculation of the costs of organizing practical training on the expense of the Vocational Training Contribution* describes the scale and application method of the enforceable normative rates and reductions, only if the VTC is performed in the practical training and it includes weighted multipliers for every vocational specialization.

These VTC related regulations were elaborated with the purpose to motivate the subjects to organize practical training as an obligation fulfillment. The important question is the ratio in between the vocational specializations’ practical training norms (annual value of the calculation of basic norms altered by weighted multipliers) and their actual costs of practical training performed thought apprenticeships considering the size of the training organizers.

**The original assumption of the research was that the normative funding of practical training counted with each vocational specialization's current weighted multiplier covered mostly the actual costs and this way the incentive for the VTC obligation fulfillment with organizing practical trainings was sufficient.**

The purpose of the primary research was that the interviewees would reflect the situation of the practical trainings other than in the school system, explain their opinion on the funding of such trainings and mention any occurring problems. Based on their answers, recommendations could be collected and presented. The questionnaires were sent to more than 900 practical training organizers through the chambers of economy, but the involvement rate was quite low as less than 10 percent of them (89 organizers) sent back the survey.

More than half of the participants (49/89), 55% thought that the amount of the monthly normative funding was a little bit more or just enough to cover the monthly costs of the practical trainings. On the other hand, the 63% of the interviewees mentioned (56/89) that an increase of the norms applicable for apprenticeships in practical training would be necessary. Of those who required this raise, 23% of the answerers (13/56) referred to the annual increase of minimum wage as the reason, because the allowances provided to the apprentices are determined in a percentage of the minimum wage, but the norms do not follow the annual changes of the minimum wage.

According to 66% of the organizers (37/56) the other cause was the current normative funds which did not support the procurement of the needed materials and tools for the training. Furthermore 24% of the participants (14/56) did not consider enough the current normative funds enough for covering the losses of production due to the trainers involvement in the education as well as compensating their extra and administrative work. Finally, the 76% of the interviewees (43/56) supposed that annual enlargement of the norms would be essential by the same ratio of the increase of material costs and minimum wage, plus 30% of the answerers (17/56) insisted on complementing this raise with an additional amount in the normative funds specifically applicable for tools and the incentive for the trainers.

**The active organizers in the survey verified the hypothesis of this study such as the current normative funds covered mostly the expenses of the practical trainings in 2014 and the incentive for practical trainings were mostly sufficient. Consequently, by professional overview, the problematic issues mentioned by the participants in the primary research may be solved not by the change of the current vocational specializations’ weighted multipliers, but by the increase of the basic norms altered by the same amount of raise of the minimum wage in every year.**

Budapest, 2015