

Education Expenditure



The MOE's main building.

Legal Foundation of the Education Budget

Education is the foundation of a state and Taiwan's constitution sets clear guidelines for the regulation of educational objectives and methods. Efficiently allocating budget funds is one of the principles of the Education Basic Law, published by the government in 1999. That Law stipulates that all levels of government agencies should marshal a sufficient budget for education, use and allocate education resources fairly, and provide subsidies to the schools in rural or special areas. To achieve those objectives, the MOE drafted the Compilation and Administration of Education Expenditures Act, which was announced and enforced in 2000.

The Act contained eighteen articles with the following four main goals:

1. Stable budget growth

The government should guarantee a stable growth of the education budget which should not be less than 21.5 percent of the General Government Net Revenues for the previous three years. This ensures a stable growth in the education budget.

2. Set control standards

The Executive Yuan should establish the Education Budget Commission in charge of setting standards for drafting the total education budget, marshaling subsidies, and regulating the expenditures of all government agencies.



3. Announcement and Audit

To publicize education subsidies, the MOE established the Audit Commission on Education Budget Allocation, aimed at regulating the standards and announcing the procedures for granting subsidies.

4. Transparency of allocation

The central and local government agencies should monitor schools' budget balances and regularly make them public. Moreover, the government should regularly conduct evaluations and grant subsidies based on them.

Expenditures on Public and Private Schools

In fiscal year (FY) 1951, expenditures of public and private education at all levels totaled NT\$213 million, occupying 1.73 percent of GNP. In FY 2006, the educational expenditures reached NT\$ 683 billion or 5.61 percent of GNP.

Before FY 1961, private education expenditures were less than ten percent of total education expenses. Under the government's encouragement

through subsidies, the number of private schools increased. By FY 2006, government expenditure for private education reached 27 percent of total educational expenses, an increase of 19 percent over FY 1996.

In FY 2006, the government's education expenditure at all levels accounted for 23.13 percent of the General Government Net Revenues for the previous three years. This year, the MOE adopted that percentage as the basis for designing the education budget.

Total Expenditures at all School Levels

In FY 2006, the expenditure for kindergarten education accounted for 3.46 percent; compulsory education 38.6 percent; senior secondary education 16.92 percent (11.26 percent for senior high schools and 5.66 percent for vocational schools); higher education 40.25 percent (0.72 for junior colleges and 39.67 for universities or colleges).



Students test a solar-powered vehicle they designed.