

# 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. This Law stipulates that all levels of government agencies should marshal a sufficient budget for education, utilise and allocate education resources fairly, and provide subsidies to 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 expounding upon the following four main goals:**

### 1. Stable budget growth

The government should guarantee a stable growth in 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 an Education Budget Commission in charge of setting standards for drafting the total education budget, marshalling subsidies and regulating the expenditures of all government agencies.



the number of private schools increased. By FY 2007, education expenditure for the private sector reached 26.54 percent of total educational expenses, an increase of 53.33 percent over FY 1997.

In FY 2007, the government's education expenditure at all levels accounted for 23.39 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.

### 3. Announcement and audit

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

### 4. Transparency of allocation

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

## Expenditures on Public and Private Schools

In the fiscal year (FY) 1951, expenditure on public and private education at all levels totalled NT\$213 million, occupying 1.72 percent of GNP. In FY 2007, educational expenditure reached NT\$ 693.87 billion, or 5.36 percent of GNP.

Before FY 1961, private education expenditure was less than 10 percent of the total education expenses. Under government encouragement, by means of subsidies,

## Total Expenditure at all School Levels

In FY 2007, the expenditure for kindergartens accounted for 2.82 percent; compulsory education 42.59 percent; senior secondary education 15.73 percent (10.56 percent for senior high schools and 5.17 percent for vocational schools); higher education 38.26 percent (0.68 for junior colleges and 37.58 for universities or colleges); special education schools 0.59 percent.



Students test a solar-powered vehicle they designed.