

Education Expenditure



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. In order to allocate an education budget effectively, the government published the Education Basic Law in 1999, stipulating 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 Ministry of Education 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 % of the General Government Net Revenues for the previous three years, to ensure 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.

3. Announcement and Audit

To publicise education subsidies, the MOE established an Audit Commission on Education Budget Allocation, aimed at regulating 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.

Educational Expenditure

In the fiscal year (FY) 1951, expenditure on public and private education at all levels totalled NT\$ 213 million, occupying 1.72% of GDP. In FY 2008, educational expenditure reached NT\$ 748.57 billion, or 6.07% of GDP.

Before FY 1961, private education expenditure was less than ten percent of the total education



expenses. Under government encouragement, by means of subsidies, the number of private schools increased. By SY 2007-2008, education for the private sector reached 31.18% of total educational expenses, while that of public education amounted to 68.82%.

In FY 2009, the government's education expenditure at all levels accounted for 24.96% 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 Educational Expenditure at all School Levels

In SY 2007-2008, expenditure for kindergartens accounted for 2.88% of total expenditure; compulsory education 42.54 %; senior secondary education 15.81% (10.64% for senior high schools and 5.17% for vocational schools); higher education 38.14% (0.72 for junior colleges and 37.42 for universities or colleges); and others 0.63%.

