

## Content

Title :	The Compilation and Administration of Education Expenditures Act <b>Ch</b>
Date :	2013.12.11
Legislative :	<p>1.Promulgated pursuant to Hau-Zong-Yi-Yi No. 8900295700 on December 13,2000</p> <p>2.Addition of Articles 3-1, amendment to Article 18 of The Compilation and Administration of Education Expenditures Act per Presidential Decree No. Hua-Zong- Yi-Yi-Zi- 10000067811 dated April 13, 2011.</p> <p>3. Amended promulgated pursuant to Zong-Tung (100) Hau-Zong-Yi-Yi No.10000291451 on December 28, 2011, with a total of 18 articles.</p> <p>4. Amended promulgated pursuant to Zong-Tung (102) Hau-Zong-Yi-Yi No.10200225071 on December 11, 2013, with a total of 18 articles.</p>
Content :	<p><b>Article 1</b></p> <p>This Act is promulgated to protect the wholesome development of education and improve the performance of education expenditures in accordance with Paragraph 2, Article 5 of the Educational Fundamental Act.</p> <p>The compilation and administration of education expenditures shall be governed by this Act. Matters that are not covered by this Act shall be governed by other relevant laws.</p> <p><b>Article 2</b></p> <p>Education expenditures in this Act refers to those expenditures designated for education that are allocated to the central or local competent authority, or the educational institutions and public schools under the jurisdiction of that central or local competent authority under government budget.</p> <p>Competent authorities in this Act refers to the Ministry of Education of the central government, Education Bureau of the city government of a municipality under the Executive Yuan, and the HsienHsien (city) government of a Hsien (city).</p> <p><b>Article 3</b></p> <p>The central government, governments of special municipalities, and Hsien (city) governments (hereinafter referred to as “governments of all levels”) shall substantiate, guarantee and promote the steady growth of national education expenditures within the financial capacity of the country.</p> <p>The aggregated education expenditures of governments of all levels shall be no less than 22.5% of average net annual revenue over the previous three years of the budgeting year.</p> <p>The additional education budget stipulated in the preceding Paragraph, has been revised and will take effect on 1 January 2012, and shall receive priority in promoting the 12-year compulsory education program.</p> <p>The net annual revenue as calculated in the formula described in Paragraph 2 refers to final accounting of revenues for governments of all levels, with government borrowings or appropriation of annual balance from last fiscal year excluded and all double-listed entries deducted.</p>

The government of a special municipality or a Hsien (city) has its self-owned sources of revenue, which is defined as its annual gross revenue deducted by grants from the central government, and shall make education expenditures its priority in line with the needs of basic education within its financial capacity. Its self-funded education expenditures shall increase year by year, except for a decrease in self-owned sources of revenue.

#### Article 3-1

The amount of tax increase levied by the central government by law on salaries of the members of teaching and administrative staffs of public and private kindergartens as well as of public primary and secondary schools is not to be calculated as part of the 22.5% stipulated in Paragraph 2 above; rather, it is to be placed in a special fund to be used exclusively for enhancing the quality of kindergarten and compulsory education.

#### Article 4

The government of a special municipality or a Hsien (city) shall make expenditures of compulsory education the priority in its compilation of budget in accordance with Paragraph 10, Article 10 of the Amendments to the ROC Constitution.

If, in administering national compulsory education, the government of a special municipality or a Hsien (city) has fulfilled any of the criteria listed below, the designated authority of the central government shall appropriate grants at a proportionate amount in recognition of :

1. As stipulated in Article 16, they have undergone evaluation and found to have outstanding performance.
2. Has registered a significantly high annual growth rate in the percentage of education expenditures for the final accounting of its annual expenditures.
3. As stipulated in Paragraph 1 of Article 16 of the National Education Law and Paragraph 1 of Article 18 of the Act Governing the Allocation of Government Revenues and Expenditures, have levied a supplementary tax to fund the expenditures required for administering national compulsory education.

#### Article 5

In order to develop education in a balanced way across all regional areas, governments at all levels shall make subsidies for education expenditures in remote and special areas a priority budget item, in accordance with the Educational Fundamental Act.

In order to ensure the sustainable development of education in remote and special areas and to promote the maintenance and continuation of local native languages, local governments may put forward plans for tailored sustainable development of education in remote and special areas and plans for development of local schools with teaching tailored for their area, subsidized by central government as approved special projects.

#### Article 6

In order to ensure education for aboriginal peoples, the physically or mentally challenged, and other disadvantaged groups and to assist in their education development, governments of all levels shall compile liberal education budgets in accordance with the Indigenous Peoples Education Law, the Special Education Law and other relevant laws and regulations.

#### Article 7

To promote a balanced development of public and private education, the government shall encourage the private sector to establish schools, and provide appropriate financial assistance and incentives, and give priority to assisting and providing incentives to private schools with well-established mechanisms for providing scholarships and bursaries for their students.

#### Article 8

Education subsidies from the central government to local governments are divided into general education subsidies and special education subsidies:

- A. General education subsidies are designated for education expenditures of a special municipality government or a Hsien (city) government, and they may be spent on any expenditure categories in any manners provided that they fulfill the purpose of a balanced allocation of education resources.
- B. Special education subsidies are designated for specific uses in accordance with the purposes of such subsidies.

#### Article 9

The Executive Yuan shall establish a Standard Education Expenditures Committee, whose mandate comprise the following:

- A. Developing standards for the calculation of education expenditures
- B. Calculating basic needs of education expenditures for governments of all levels
- C. Calculating respective shares of education expenditures of governments of all levels

The foresaid committee shall consist of 13 to 17 members that represent scholars, experts, special municipality governments and Hsien (city) governments, Directorate General of Budget, Accounting and Statistics and Ministry of Finance of the Executive Yuan, the central Competent authority and other concerned agencies, of which scholar and expert members shall account for no less than one-third of the total seats. The organization and meetings as well as other matters concerning this board shall be promulgated separately by the Executive Yuan.

#### Article 10

The Standard Education Expenditures Committee of the Executive Yuan shall develop standards for the calculation of education expenditures that take into consideration of local population, student population, the level, type, scale, and location of all public and private schools and other educational institutions, education quality indicators, unit cost per student, among other contributing factors of education costs; shall use these standards to calculate basic needs for education expenditures for governments of all levels; shall calculate the respective shares of education expenditures of governments of all levels in light of their financial capacity; and then, shall report to the Executive Yuan for approval.

Competent authorities of governments of all levels shall compile their annual education budget in accordance with these standards and their respective shares of education expenditures. Education budgets compiled by governments of all levels may not be less than their approved basic needs for education expenditures.

The central government shall compile budget for its general grants to governments of a special municipality or a Hsien (city) in accordance with the basic needs for education expenditures of governments of a special municipality or a Hsien (city), with shares of expenditures of governments of a special municipality or a Hsien (city) deducted.

If the government of a special municipality or a Hsien (city) violated the regulations in Article 3 or Article 4 during the previous year, in calculation of the current year's education expenditures, the self-funded share of education expenditures shall be increased, or its general education subsidy reduced.

The actual amount of the increase or reduction referred to in the previous Paragraph will be determined by the Educational Funding Committee of the Executive Yuan.

The government of a special municipality or a Hsien (city) shall not be subject to an increase in the self-funded share of calculated education expenditures, as described in Paragraph 1, due to its having levied supplementary taxes in accordance with Item Paragraph 2 of Article 4.

#### Article 11

Except for those expenditures required for maintaining the necessary operations of a central competent authority and those of educational institutions and public and private schools under the central government, categorical grants for public and private education businesses shall be reviewed by the Review Committee for the Allocation of Education Expenditures under the central competent authority upon the legislative approval of its education budget.

The aforesaid committee consists of 13-17 members that include scholars, experts, impartial personalities, and representatives of central competent authority and other concerned agencies. Members Scholars, experts and impartial personalities combined shall account for at least half of the total seats of this committee. Items and procedures for review and regulations for establishing this committee shall be formulated by the central competent authority.

#### Article 12

Educational institutions and public and private schools under the jurisdiction of the government of a special municipality or a Hsien (city) shall formulate mid-term and long-term development plans for education, have them reviewed and approved by the governing competent authority, and then submit them to Education Review Committee of that government established in accordance with Paragraph 1 of Article 10 of the Educational Fundamental Act.

Upon approval by the aforesaid Education Review Committee, proposed budgets for educational institutions and public and private schools under the jurisdiction of the government of a special municipality or a Hsien (city) shall be made in accordance with the approved basic needs and shares of expenditures of that government stipulated in Paragraph 1 of Article 10 of this Act to serve as the basis for compiling annual education budget by the governing competent authority.

#### Article 13

With respect to its education revenues and expenditures, the government of a special municipality or a Hsien (city) shall establish Local Education Development Fund, which shall be set up and administered as a dedicated account. Monies for education

expenditures self-funded by local governments, general education subsidies, and special education subsidies shall be included in the fund, and at the end of each year, any surplus shall be rolled over for meet expenditures in subsequent years; regulations concerning the revenues and expenditures, safekeeping, and uses of such funds shall be formulated by the special municipality or Hsien (city) government concerned.

#### Article 14

Schools under the jurisdiction of governments at all levels may establish School Development Fund, the regulations for which shall be formulated by the governing designated authority, unless other regulations apply.

#### Article 15

Governing competent authorities of all levels shall supervise the finances of public and private schools and other educational institutions in accordance with relevant laws and regulations.

Public and private schools and other educational institutions shall prepare on a regular basis financial reports that describe their revenues and expenditures and submit them to the governing competent authority for public announcement.

Governing competent authorities of all levels may dispatch personnel or commission a certified public accountant to review the financial reports and revenues and expenditures of public and private schools and other educational institutions in accordance with relevant laws and regulations, and may make public announcement of the review outcomes. Any violation of regulations in the preceding paragraph or other laws and regulations shall be handled in accordance with relevant laws and regulations and made known to the public.

The central competent authority may suspend categorical grants for public and private schools or other educational institutions as described in the preceding paragraph for a period of one year to three years, depending on the seriousness of such violations. This regulation also applies to the government of a special municipality or a Hsien (city) in the administration of public and private schools or other educational institutions under its jurisdiction.

Formats of the financial reports and means of their public announcements as described in Paragraphs 2 and 3 of this article shall be formulated by the central competent authority.

#### Article 16

Governing competent authorities of all levels shall establish evaluation system for public and private schools or other educational institutions to improve performance of education expenditures.

The aforesaid evaluation may be commissioned to a pertinent academic group.

However, public announcements should be made concerning items for review prior to the review and review outcomes after the review. Approaches, procedures, grants and assistances, and other matters concerning the review shall be formulated by governing competent authorities of all levels.

#### Article 17

Governments of all levels shall have all items along with their respective monetary amounts of their education budget, development fund for local education, and school development fund publicized on the Internet after the final accounting of their annual budget has been completed.

#### Article 18

This Act shall take effect within one year after its promulgation.

This Act was amended on 29 March 2011 and the date of implementation is to be determined by the Executive Yuan.

The articles in this Act were amended on 29 December 2011 shall take effect on 1 January 2012.

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Data Source : Laws and Regulations Retrieving System