

Reform of regional school funding

POLICY DEVELOPMENT

REGULATION/LEGISLATION

 CZECHIA

Timeline



ID number 36176

Background

In the Czech governance system, the decision-making power is with self-governing bodies: regions (founders of public VET schools at upper secondary and tertiary professional levels) and municipalities (founders of pre-school and basic schools). Until 2020, the Ministry of Education, Youth and Sports had covered, in the education budget, direct costs except investments. School founders covered operational and investment costs. Funding of schools and school facilities from the public budget (for direct and operational costs) was based on the per-capita principle and depended on the school type and educational field. The per-capita funding had often been criticised. Schools were motivated to admit many students to reach higher funding levels, which often led to lowering selection criteria and decreasing school quality.

One of the main principles of the reform is the increased level of centralisation in regional education funding. A part of the existing national and regional normative amounts has been replaced by a scheme of normative amounts defined centrally by the Ministry of Education, Youth and Sports.

Objectives

The system is expected to ensure transparency and predictability in funding, to eliminate inequalities in employee remuneration and to eliminate the negative effects of reducing the number of pupils. In secondary schools, the new system should also eliminate lowering their academic requirements in order to increase the number of newly admitted students. Often, even the candidates with evidently very slim chances of successful graduation used to be admitted to study programmes and schools were striving to keep these students as long as possible.

Description

On 1 January 2020, the Czech Republic introduced long-expected changes into its system of regional education funding. The main modification the new system has brought about is that the school funding is no longer based on the number of students (per capita approach).

It is based on the financing of the real volume of teaching (the number of lessons taught) and the financial resources are allocated according to the real amount of teacher salaries. This opens the option of dividing classes into smaller groups in order to improve the quality of teaching and learning. The funding of private and denominational schools remains unchanged for the time being.

2019 Design

In 2019, the Ministry of Education prepared a methodology for financing all types of schools. Seminars for school directors and representatives of regional authorities were organised by the Ministry of Education in 2019 and early 2020 across the country.

2020 Implementation

New financing was embedded in the Amendment to the School Act in late 2018 and came into effect in January 2020. The measure is operational and runs as a regular practice.

2021 Implementation

Funding for public schools is determined for each individual legal entity: it is not possible to distinguish the exact salary amounts for individual fields of study provided by the school. For salaries for non-teaching staff it is not possible to separate the amount of funds intended for individual types of activities of the legal entity.

In 2021, the Ministry of Education, Youth and Sports worked intensively towards creating a 'transition bridge' between the normative-cost system of financing public secondary schools and conservatoires and the normative system of financing private and church schools. The transition of the new system of public schools funding to the normative system of private and church schools proved significantly more complicated and needed to be discussed with the representatives of private and church schools. The education system of public upper secondary schools and conservatoires was subject to a detailed analysis with regard to individual fields of study in line with Government Decree No 211/2010 Coll. as well as expenditures related to the financing of pedagogical and non-pedagogical working activities in these schools in 2020. The aim was to identify a systemically correct, justifiable, transparent and stable manner of determining unit expenditure per student as the basis for private and church school standards for 2021.

The financial requirements of the proposed solution are very high, particularly in the upper secondary school segment, and such a significant year-on-year financial impact had not been foreseen in the medium-term outlook of the State Budget chapter planned for the Ministry of Education, Youth and Sports. This financial impact will now be spread over several years.

2022 Implementation

The state budget continues to allocate funds to the tertiary professional schools (VOŠ) on a normative basis according to the number of their students. The corresponding volume of funds to increase the salary tariffs of teaching staff in these schools is reflected in the "central" standards set by the MŠMT. The salary tariffs of all teaching staff were increased by 2% as of 1st January 2022 and the school headmasters received the corresponding amount of funding from the MŠMT depending on the number of teachers reported as of the end of September 2021.

The balance of the total amount of funds for the salary increase for teaching staff was transferred to the standards for the non-entitlement components of salary. Thus the MŠMT continued to create scope for school headmasters to financially motivate and reward excellent, pro-active and progressive teachers and other members of teaching staff.

The schools educating at least 10 Ukrainian students admitted in relation to the armed

conflict in the territory of Ukraine were eligible for an extra funding of 25% of the allocation for non-teaching staff (the so-called adaptation coordinator).

2023 Implementation

Private school and school facility funding continued under the separate law governing subsidies for private schools, preschools, and school facilities. Direct educational costs, operating expenses, and development programmes were funded from the state budget. Founders covered capital expenditures and any difference between actual expenditures and the amount of subsidy provided from the state budget through their own budgets and other sources (primarily tuition fees). Statutory funding covered direct educational costs and operating expenses. The education ministry set annual non-investment expenditure norms for private schools (covering direct education costs and operating expenses), distributing funds through regional authorities.

Church schools and school facilities were financed directly by the education ministry according to the same normative as private schools. The subsidy excluded funds for non-state-owned property maintenance.

Higher vocational education funding retained the normative method from the state budget, which was in place until 2020, based on national and regional norms linked to student numbers. From 2020, however, the relevant normative for students are set centrally, directly by the education ministry, not by regional authorities.

2024 Implementation

In April 2024, the government decided to cap state-funded teaching hours at 95% of the original values. It was the first significant revision of the regional education financing system, which intended to address budgetary concerns by managing the increase in teaching positions while ensuring teacher salaries remain sufficient.

The amendment to Government Regulation No 110/2024 Coll. (amending Regulation No 123/2018 Coll.) capped state-funded teaching hours in public schools (effective 1 September 2024). Two additional amendments (October 2024) to the regional education financing system were approved:

- (a) Regulation of growth in the number of teaching hours or direct pedagogical activities financed from the national budget by adjusting the maximum number of school hours;
- (b) The proposal for a legislative measure will make it possible to respond flexibly through a government regulation to possible increases in the maximum number of hours, i.e. based on the actual scope of pedagogical workload reported by the school, by fixing or adjusting the number of teaching hours financed from the state budget to the given schools. The issuance of this government regulation is not intended to serve as a permanent solution, but as an ad hoc tool in times of need for extraordinary austerity measures.

The possibility of indexing schools according to the difficulty of the education provided was introduced.

Since all students in the Czech Republic have the same right to access to quality education, it is proposed that the Ministry of Education, Youth and Sports should have the possibility to determine correction coefficients to the normative for other non-investment expenses for public schools, and correction coefficients to the normative for personal allowances, rewards and target rewards according to the Labour Code, as well as mandatory levies.

At the same time, the government decree establishes the possibility to increase the maximum number of hours of teaching or direct pedagogical activities of a school psychologist or a school special pedagogue in public schools, based on educational needs.

2025 Completed

The Amendment to the School Act approved in June 2025 introduced school indexation aiming for fairer funding based on the complexity of education. Schools with higher proportions of students from disadvantaged backgrounds will receive more funding. These funds can be used for split classes, higher teacher workloads, or support positions. Indexation will come into effect from January 2026.

Under the new system, the state undertakes to finance only teaching work in public schools and educational institutions, while founders, i.e., municipalities, regions, and voluntary associations of municipalities, will be responsible for non-teaching work, most other non-investment expenditures, and operating costs. This change will enable founders to better plan their budgets and focus on optimising their operational activities. For teachers, the new system will provide certainty and stability. Funds allocated from the state budget for teachers' salaries will be used solely to finance teaching work, and there will be no transfers for the purpose of supplementing non-teaching roles. This will allow teachers to focus on improving teaching and professional development.

The Ministry of Education, Youth and Sports provided methodological support to directors and founders throughout 2025, not only through methodological recommendations, but also through the Middle Component of Support. For VET fields, it is important that expenses related to professional training to obtain a driver's or welder's license can be financed from the state budget if the obligation to provide this is stipulated by the framework educational programme for the relevant field of education.

Bodies responsible

- Ministry of Education, Youth and Sports

Target group

Learners

Learners in upper secondary, including apprentices

Education professionals

Teachers
School leaders

Entities providing VET

VET providers (all kinds)

Thematic categories

Governance of VET and lifelong learning

Optimising VET funding

Subsystem

IVET

Further reading

[Website of the Ministry of Education - methodologies, charts and information for schools on regional school funding](#)

Related policy developments

2023 Completed

Long-term plan for education and the development of the education system of the Czech Republic (2019-23)

The Long-term plan for education and the development of the education system of the Czech Republic (the Long-term plan) covers the entire system of regional education (pre-school, basic, secondary, tertiary professional education).

 CZECHIA

Type of development

Strategy/Action
plan

Subsystem

IVET CVET

2025 Completed

Additional funding for teaching special education needs learners

An amendment to the School Act came into force in September 2016, which legally guarantees targeted support for children with special needs. Schools (including VET schools) are now legally entitled to additional funding for the necessary measures for teaching children with special needs.

 CZECHIA

Type of development

Regulation/Legislation

Subsystem

IVET

2023 Completed

New approach to teacher remuneration

A change in the regional education funding system was approved by the Parliament in 2017 and planned to come into force in January 2020. The per capita funding in use, built on regional and national budgets, does not take into account seniority or expertise.

 CZECHIA

Type of development

Regulation/Legislation

Subsystem

CVET

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