



23 April 2026

Dear Derek,

I am writing to you following the Government Decision S180/20/10/3001 dated 21 April on the application of an Expenditure Levy.

Government agreed that additional funding of €646 million will be provided to the Department of Education and Youth in 2026. It was further agreed that €446 million of this additional funding will be provided by way of a levy on other Votes from 2027.

The levy supports adherence to the fixed expenditure ceilings set out in the Government's *Medium-Term Fiscal and Structural Plan*. It reflects the need to moderate the rate of expenditure growth across other Departments to facilitate Government's decision to reprioritise and provide additional investment to the Education sector within the agreed overall fiscal framework.

Delivery of Efficiencies

The expenditure allocation for your Vote Group for 2026 will remain as set out in the Revised Estimates. A levy amount of €175 million will apply to current expenditure in your Vote Group in 2027. It should be noted, and as set out in the Government memo, the distribution of the levy has been designed to protect certain areas of expenditure. However, it is a matter for your Department to determine how the levy will be applied across your Vote Group. Your Department must identify the efficiencies and reforms required to ensure this. Accounting Officers are required to implement the appropriate financial controls and take any necessary action to ensure delivery of the levy.

Your efficiency and reform proposals must be shared with the Department of Public Expenditure by 17th July and will form a key element of the Estimates engagement for Budget 2027.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'David Moloney', is placed above the printed name and title.

David Moloney
Secretary General