# LEGAL REGIME OF REGULATION OF SCHOOL FEES WITH SPECIAL REFERENCE TO KARNATAKA

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## ABSTRACT

Education plays a key role in the vision of social justice and welfare outlined in the Indian Constitution. The addition of Article 21A through the Constitution (86th Amendment) Act, 2002 changed elementary education from a guideline into a fundamental right. However, the growing commercial emphasis on private education and the widening gap between government and private schools have raised serious concerns about access, affordability, and equality in education. Karnataka, like many other Indian states, has seen ongoing discussions about sudden fee increases, lack of regulation for private schools, and declining public trust in government educational institutions. This article looks closely at the constitutional framework that governs the right to education, the courts' approach to regulating private educational institutions, and the real challenges the Karnataka Government faces in enforcing fee regulation policies. The article argues that while the State has a constitutional duty to provide affordable education, too much interference with school independence could infringe on rights protected under Article 19(1)(g). Therefore, a balanced regulatory framework that includes transparency, accountability, and measures against profit-making is crucial for aligning educational access with institutional freedom.

## INTRODUCTION

Education constitutes one of the most significant instruments for achieving social transformation, equality and democratic participation. In a country that takes care of its people and follows rules education should not be something that only rich people can get. The Indian Constitution says that education should help make things fair for everyone and reduce the differences between people.[1] Now a lot of private schools are more interested in making money than in helping people. This is changing education into something that people have to pay for than something that is available, to everyone.[2]

In Karnataka, the issue of school fee regulation has emerged as a major public policy concern due to recurring allegations of arbitrary fee hikes by private schools, lack of transparency in fee structures and widening disparities between private and government educational institutions.[3] Urban regions such as Bengaluru have witnessed significant growth in private unaided schools, largely driven by parental dissatisfaction with infrastructure and educational quality in government schools.[4] This shift has intensified socio-economic stratification within the educational sector.

The constitutional challenge lies in balancing two competing interests. On one hand, the State possesses an obligation to ensure affordable and accessible education under Articles 21A, 38 and 46 of the Constitution. On the other hand, private educational institutions enjoy constitutional protection under Article 19(1)(g), which guarantees the freedom to practise any profession or occupation.[5] Judicial decisions of the Supreme Court have consistently attempted to strike a balance between these competing interests by permitting reasonable regulation while prohibiting excessive governmental control.[6]

This article critically analyses the constitutional foundations of educational rights, the Karnataka Government's attempts to regulate school fees, the judicial interpretation of educational autonomy and the practical difficulties associated with implementing a uniform fee structure.

[1] M.P. Jain, Constitutional Law of India (8th edn, LexisNexis 2018) 1287.
[2] D.D. Basu, Introduction to the Constitution of India (22nd edn, LexisNexis 2019) 254.
[3] Karnataka Government Education Policy Reports (2024)., Visited on 2026-05-23.
[4] J.C. Aggarwal, Development and Planning of Modern Education (Vikas Publishing 2011) 214.
[5] *T.M.A. Pai Foundation v State of Karnataka (2002) 8 SCC 481.*
[6] *Islamic Academy of Education v State of Karnataka (2003) 6 SCC 697.*

## RIGHT TO EDUCATION

Right to education in India has not been provided as a statutory right but is considered a constitutional right that serves as an instrument in achieving social justice and equality.[7]The Right to education in India is enshrined in Art.21A that was inserted through the Constitution (86th amendment) Act, 2002.[8] This amendment ensures that children aged between 6 and 14 years have a fundamental right to elementary education.[8] Additionally, the right of children to free and compulsory education Act 2009 makes it obligatory to the part of the state to provide free and compulsory education without discrimination to children of such ages.[9] While dealing with the regulation of school fees, it is pertinent to highlight certain principles of RTE scheme since arbitrary and unreasonable fees pose economic hurdles in the way of access to quality education.[10] Indirectly , the constitutional rights to equality and dignity that can be traced to Art.14 and 21 would be rendered meaningless due to unaffordable education. Private educational institutions enjoy complete administrative freedom. However, it should not be forgotten that education cannot be treated as a mere business in welfare state.

## COMPARATIVE INTERNATIONAL MODELS

### Finland

Finland is known for its education system that is paid for by the public and focuses on making sure everyone has a chance.[11] Most schools in Finland are funded by the government and the private schools have to follow a lot of rules. They are mostly free for the students to attend.[12]

Suggestions Karnataka can adopt from Finland are Strengthening public school quality , Improving teacher training , Reducing dependence on private institutions , Investing in rural educational infrastructure.

### United Kingdom

United Kingdom follows a mixed educational system where independent schools possess

[7] V.N. Shukla ,the Constitution of India ,13th ed.,eastern book company,2017, pg.
328 [8] Supra note 1.
[8] Shailesh Kumar and Alok Ranjan, Right to Education and the Law (Universal Law Publishing 2015) 67–69.
[9] Anup Surendranath and others, The Oxford Handbook of the Indian Constitution (Oxford University Press 2016) 1008.
[10] S.P. Sathe, Judicial Activism in India: Transgressing Borders and Enforcing Limits (Oxford University Press 2003) 223.
[11] PasiSahlberg, Finnish Lessons (Teachers College Press 2015) 41.
[12] Ibid.

autonomy but remain subject to regulatory inspections and financial transparency requirements.[13] Publicly funded academies and state schools receive government support while being monitored for educational standards.[14] Suggestions Karnataka can adopt from United Kingdom are Independent educational regulators Periodic quality inspections, Transparency in school administration, Public accountability frameworks.

**United States**

United States follows a decentralised education system where public schools are primarily funded through local taxation while private schools operate independently.[15] Charter schools function as publicly funded but independently managed institutions.[16]

Suggestions Karnataka can adopt from United States are Decentralised school management, Community participation in governance , Public-private educational partnership , Need to avoid funding-based inequality.

**Singapore**

Singapore maintains strong governmental control over educational quality while allowing limited institutional flexibility.[17] Heavy state investment in teacher training, infrastructure and technological integration has produced high educational outcomes.[18]

Suggestions Karnataka can adopt from Singapore are Technology integration in government schools, Merit-based teacher recruitment , Strong educational planning , Centralised quality standards.

## COMPARATIVE REGULATORY MODELS: INDIAN STATES

### Maharashtra

Maharashtra enacted the Maharashtra Educational Institutions (Regulation of Fee) Act, 2011

[13] Education Act 2011 (UK).
[14] UK Office for Standards in Education (Ofsted) Reports .Visited on 14.05.2026
[15] Diane Ravitch, The Death and Life of the Great American School System (Basic Books 2010) 87.
[16] Ibid.
[17] Singapore Ministry of Education Policy Frameworks.Visited on 14.05.2026
[18] Ibid.

to regulate fee hikes in private schools.[19] The legislation established Fee Regulation Committees

empowered to examine whether proposed fee increases were justified based upon infrastructure, operational expenditure and institutional development needs.[20]

Suggestions Karnataka can adopt from Maharashtra are Mandatory Parent-Teacher fee committees, Annual audited financial disclosure , Prior approval for major fee hikes, Transparent infrastructure expenditure reporting and Online complaint mechanism for parents

**Tamil Nadu**

Tamil Nadu introduced the Tamil Nadu Schools (Regulation of Collection of Fee) Act 2009. to control excessive fee collection in private schools.[21] A specialised committee headed by retired judicial officers determines permissible fee structures after evaluating school facilities, staff salaries and operational costs.[22]

Suggestions Karnataka can adopt from Tamil Nadu are Independent judicial fee determination committees, Categorisation of schools based on infrastructure, Periodic review of fee structures, Strong penalties for hidden charges and Mandatory publication of approved fee schedules.

**Rajasthan**

Rajasthan enacted legislation regulating private school fees through School Level Fee Committees and Divisional Fee Regulatory Committees.[23] Schools are required to justify fee increases through documentary evidence.[24]The Rajasthan framework also permits parents to challenge arbitrary fee hikes before appellate authorities.[25]

Suggestions Karnataka can adopt from Rajasthan are Appellate mechanism for fee disputes, Mandatory cost justification by schools, Legal remedies for parents, Prohibition of compulsory

[19] Maharashtra Educational Institutions (Regulation of Fee) Act 2011.
[20] Ibid.
[21] Tamil Nadu Schools (Regulation of Collection of Fee) Act 2009.
[22] Ibid.
[23] Rajasthan Schools (Regulation of Fee) Act 2016.
[24] Ibid.
[25] Rajasthan Educational Appellate Procedures (Rajasthan Non-Government Educational Institutions Act, 1989)

commercial add-ons.

**Delhi**

Delhi adopted strong scrutiny measures regarding private school finances, particularly concerning schools established on subsidised public land.[26] Courts in Delhi have repeatedly directed private schools to avoid profiteering and ensure transparency in utilisation of funds.[27]

Suggestions Karnataka can adopt from Delhi are Linking fee regulation to land subsidies, Mandatory reserve funds for student welfare, Regular government audits, Restrictions on diversion of educational funds.

## KARNATAKA GOVERNMENT INITIATIVES ON SCHOOL FEE REGULATION

The Karnataka Government has periodically attempted to regulate private school fees in response to public complaints regarding arbitrary fee increases.[28] Several administrative notifications and regulatory proposals sought to introduce transparency in fee determination and prevent profiteering by educational institutions.

One important proposal involved empowering educational authorities to scrutinise fee structures and examine whether schools were charging excessive amounts beyond operational requirements. The government also explored mechanisms for parental participation in fee-related decision-making processes.

However, these regulatory efforts encountered significant opposition from private educational institutions, which argued that excessive governmental interference violates institutional autonomy protected under Article 19(1)(g).[29] Private schools contended that operational costs vary considerably depending upon infrastructure, staff salaries, curriculum standards and urban land costs, making uniform fee regulation impractical.

The Karnataka High Court, while examining certain regulatory measures, observed that direct fee fixation by the State may infringe constitutional protections available to private unaided

[26] Delhi High Court decisions relating to private school fee regulation.
[27] *Ibid.*
[28] Karnataka Education Department Circulars on School Fee Regulation 20232025)
[29] *Ibid.* J.C. Aggarwal, Educational Administration (Shipra Publication-2015)

institutions.[30] The Court reiterated that although the State may prevent profiteering and commercial exploitation, it cannot impose unreasonable restrictions that undermine institutional independence.[31]

The Karnataka experience illustrates the complexity of balancing affordability with institutional autonomy within the educational sector.

## JUDICIAL APPROACH TOWARDS FEE REGULATION

### T.M.A. Pai Foundation v. State of Karnataka

It represents the constitutional foundation governing private educational institutions in India.[32] The Supreme Court recognised the right of private institutions to establish and administer educational institutions under Article 19(1)(g).[33]

### Islamic Academy of Education v. State of Karnataka

The Supreme Court further clarified the regulatory framework by permitting the establishment of fee committees to examine whether institutions were indulging in profiteering.[34] The Court emphasised transparency and accountability in fee determination while preserving institutional autonomy.[35]

### P.A. Inamdar v. State of Maharashtra

The Supreme Court reaffirmed the autonomy of unaided private educational institutions and limited the extent of governmental intervention.[36] The Court held that compulsory quotas and

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[30] Karnataka High Court observations on private school fee regulation, reported in The Indian Express.
[31] *ibid.*
[32] *(2002) 8 SCC 481.*
[33] *ibid.* ; At the same time, the Court clarified that education cannot become a business enterprise aimed solely at profit generation. Reasonable surplus for institutional development was considered permissible, but profiteering and capitation fees were held unconstitutional.
The judgment therefore established a dual principle that the Private institutions possess administrative autonomy. The State may regulate education to prevent commercial exploitation.
[34] *(2003) 6 SCC 697.*
[35] *ibid.*; private unaided educational institutions possess autonomy in administration, including fee structure and admissions, but such autonomy is subject to reasonable State regulation to prevent commercialization, profiteering, capitation fees, and arbitrary admissions, thereby ensuring transparency, fairness, and merit in professional education.
[36] *P.A. Inamdar v State of Maharashtra (2005) 6 SCC 537.*

excessive regulation may violate constitutional protections available to private institutions.[37]

**Modern School v. Union of India**

The Supreme Court examined whether private unaided schools in Delhi could independently determine their fee structure or whether the Government had authority to regulate such fees under the Delhi School Education Act, 1973.[38]

**Tamil Nadu Nursery Matriculation and Higher Secondary Schools Association v. State of Tamil Nadu[41]**

"The Court emphasized that  private educational institutions do not possess absolute autonomy reasonable regulation by the State is valid when connected to public welfare and educational standards. Education is not merely a commercial activity but a constitutional and social obligation."

**Delhi Abhibhavak Mahasangh v. Union of India**

The Delhi High Court mandated that private schools cannot charge arbitrary fees and established that admission fees cannot be realized repeatedly from the same student. It directed the government to form fee regulation committees.[39]

Collectively, these judgments indicate that the judiciary supports regulation against exploitation but opposes excessive governmental control over private educational administration.

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[37] *Ibid.* The State cannot enforce reservation or compulsory seat-sharing in private unaided professional institutions; however, admissions and fee structures remain subject to fairness, transparency, merit, and prohibition of profiteering.

[38] *(2004) 5 SCC 583 ;* Schools may generate a reasonable surplus for development, infrastructure, expansion, and better educational facilities. The surplus cannot become a mechanism for profit-making or commercialization. Collection of capitation fees or diversion of school funds for personal gain is unconstitutional and impermissible. [41] *(2010) 4 SCC 425* ; the Madras High Court recognized the authority of the State to impose reasonable regulations in matters affecting public welfare and educational standards. The Court observed that private institutional autonomy cannot override broader constitutional goals relating to social justice and child welfare. This reasoning supports legislative measures promoting breastfeeding and maternal-child health protections.

[39] *Delhi Abhibhavak Mahasangh v. Union of India(1997) 7 SCC 4* Though private unaided schools enjoy autonomy in administration and fee fixation, the State may regulate fees to prevent profiteering and commercialization of education.

**COMMERCIALISATION OF EDUCATION AND GROWTH OF PRIVATE SCHOOLS IN KARNATAKA**

The liberalisation of the Indian economy and increasing urbanisation contributed significantly to the growth of private educational institutions.[40] In Karnataka, private schools expanded rapidly due to increasing demand for English-medium education, advanced infrastructure and competitive academic environments.[41] While private participation helped address limitations in public educational infrastructure, it simultaneously introduced market-oriented practices into the educational sector.

The commercialisation of education has resulted in substantial fee escalation, mandatory ancillary charges and differential access based upon socio-economic status.[42] Educational sociologists argue that such developments contribute to "educational stratification," where educational opportunities become linked to economic class and social privilege.[43]

Government schools and elite private schools operate within vastly unequal structural conditions. Private institutions generally possess superior infrastructure, lower student-teacher ratios, technologically advanced classrooms and enhanced extracurricular facilities.[44] Government schools, particularly in rural areas, frequently face shortages of teachers, inadequate sanitation facilities, limited digital infrastructure and poor maintenance.[45]

This disparity creates long-term social consequences. Students studying in elite private institutions often enjoy greater linguistic advantages, professional exposure and social networking opportunities compared to students from government schools.[46] Consequently, educational inequality reinforces broader social and economic inequalities.

Paulo Freire criticised educational systems that reproduce social hierarchies rather than dismantling them.[45] Similarly, sociological studies on education demonstrate that unequal schooling structures perpetuate class divisions and restrict social mobility.[46] The increasing dependence upon private institutions therefore raises constitutional concerns regarding equality

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40 J.P. Naik, Education Commission and After (Allied Publishers 1982) 172.
41 S.P. Ruhela, Educational Administration (Sterling Publishers 2010) 301.
42 M.L. Sharma, Educational Management (Anmol Publications 2012) 244.
43 Melvin Tumin, Social Stratification (Prentice Hall 1967) 28.
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45 Paulo Freire, Pedagogy of the Oppressed (Continuum 1970) 44.
46 Emile Durkheim, Education and Sociology (Free Press 1956) 71.

and inclusive access to quality education.

## CONSTITUTIONAL BASIS OF THE RIGHT TO EDUCATION

The constitutional foundation of educational rights in India evolved gradually through judicial interpretation and constitutional amendments. Initially, the Constitution treated education primarily as a Directive Principle under Article 45, which required the State to provide free and compulsory education for children.[47] Although Directive Principles were non-justiciable, the Supreme Court progressively expanded the interpretation of Article 21 to include educational rights within the broader concept of the right to life and dignity.[48]

In ***Mohini Jain v. State of Karnataka***, the Supreme Court recognised education as an essential component of the right to life under Article 21.[49] The Court observed that the right to education flows directly from the right to live with dignity and condemned the practice of capitation fees in private medical institutions. The judgment emphasised that the State cannot permit commercialisation of education in a manner that excludes economically weaker sections from accessing educational opportunities.[50]

Subsequently, in ***Unni Krishnan v. State of Andhra Pradesh***, the Supreme Court partially modified the reasoning in Mohini Jain while affirming that children possess a fundamental right to free education up to the age of fourteen years.[51] This decision laid the constitutional groundwork for the insertion of Article 21A through the Eighty-Sixth Constitutional Amendment.[52]

Article 21A now mandates the State to provide free and compulsory education to all children between the ages of six and fourteen years.[53] In addition to Article 21A[59], several Directive Principles reinforce the constitutional obligation of the State towards educational welfare. Article 38 directs the State to minimise inequalities, Article 39(f) protects the development of

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[47] Indian Constitution, Art 45 mandates that the State shall endeavor to provide early childhood care and education for all children until they complete the age of six years.
[48] H.M. Seervai, Constitutional Law of India (4th edn, Universal Law Publishing 2015) 1962.
[49] *(1992) 3 SCC 666.*
[50] Ibid.
[51] *(1993) 1 SCC 645.*
[52] Constitution (86th Amendment) Act 2002.
[53] Indian Constitution, Art 21A, the State must provide free and compulsory education to all children aged 6 to 14. [59] Article 21A requires the state to provide free and compulsory education to all children of the age of 6-14 years in such manner as the state may, by law, determine.

children, while Articles 41[54], 45[55] and 46[56] collectively emphasise educational advancement and social justice.[57]

The constitutional framework therefore establishes that education is not merely a policy objective but an integral constitutional commitment associated with equality, dignity and social welfare.

## GOVERNMENT SCHOOLS AND EDUCATIONAL STRATIFICATION

The coexistence of poorly funded government schools and elite private schools has generated a stratified educational system in India.[58] Educational opportunities increasingly depend upon economic capacity rather than constitutional equality.

Government schools frequently cater to economically weaker sections, rural populations and socially marginalised communities.[59] Private schools, especially urban elite institutions, attract economically privileged families and provide significantly superior educational resources.[60] This creates a gap in the kinds of jobs people can get how well they can speak languages and how well they can move up in society.

When the COVID-19 pandemic happened it became even harder for some students to learn because they did not have the access to computers and the internet as others. Students from schools could usually use digital devices and online platforms to learn but many students from government schools did not have internet and the technology they needed.[61]

This is not fair because Indias constitution says everyone should have opportunities and be treated equally as stated in Articles 14 and 21A. Just because everyone can go to school it does not mean they are getting the education. The quality of education is very different, in

[54] Article 41 requires the state, within the limits of its economic capacity and development, to make effective provisions for securing right to work, to education, and to public assistance in case of unemployment, old age, sickness and disablement, and in other cases of undeserved want.
[55] Article 45 provides that the state shall endeavour to provide early childhood care and education for all children until they complete the age of 6 years.
[56] Article 46 obligates the state to promote with special care the educational and economic interests of weaker sections of the people, and, in particular, of the SC and STs , and to protect them from social injustice and all forms of exploitations.
[57] Indian Constitution Arts 38, 39(f), 41, 45 and 46.
[58] Krishna Kumar, What is Worth Teaching? (Orient Blackswan 2009) 89.
[59] Government of India Educational Surveys (2023).Visited on 12.05.26
[60] *ibid.*
[61] UNESCO India Education Reports (2022).Visited on 12.05.2026

government schools and private schools.[62]

## CHALLENGES IN IMPLEMENTING A UNIFORM FEE STRUCTURE

One of the most debated policy proposals involves implementing a uniform fee structure across private educational institutions. However, several practical and constitutional challenges complicate such proposals.

First it costs a lot of money to run a school. Some schools have to pay a lot more than others. For example schools in cities have to pay more for buildings and upkeep than schools in the country. Private educational institutions, like these have high costs.[63] Similarly, Schools that offer programs or have really good technology also have to spend more money. Private educational institutions that offer these programs are affected by this.[64]

Second, teacher pay varies a lot. High-quality institutions often employ specialised staff and provide higher salaries to maintain educational standards.[65] Uniform fee restrictions may adversely affect institutional quality and discourage educational investment.

Third, minority educational institutions enjoy additional constitutional protections under Article 30.[66] So any system to regulate fees must respect these protections for minority rights and school independence.

Fourth, strict fee control can indirectly discourage schools from operating. This puts pressure on government schools that are already overcrowded.[67]

The challenge therefore lies not in imposing rigid uniformity but in developing transparent antiprofiteering mechanisms that balance affordability with institutional sustainability.

## FINANCIAL CHALLENGES FACED BY THE GOVERNMENT

The State's ability to provide affordable and quality education remains constrained by financial

[62] Upendra Baxi, The Future of Human Rights (Oxford University Press 2006) 112.
[63] Economics of Education texts and institutional expenditure studies. Eric A. Hanushek.
[64] *Ibid.*
[65] S.P. Ruhela, Educational Administration (Sterling Publishers 2010) 265.
[66] Indian Constitution, Art 30  Grants all minorities, whether based on religion or language, the right to establish and administer educational institutions of their choice.
[67] P.A. Inamdar v State of Maharashtra (2005) 6 SCC 537.

limitations.[68] Public expenditure on education in India continues to remain comparatively lower than several international standards recommended for welfare-oriented educational systems.[69]

Government schools often have problems like buildings, not enough teachers, repairs that are delayed and limited access to technology.[70] To make education better the government needs to spend a lot of money on building schools training teachers giving people access to computers and making sure the administration is working well.

The implementation of the Right of Children to Free and Compulsory Education Act, 2009 also generated reimbursement obligations for private schools admitting economically weaker section students.[71] Delays in reimbursement payments have created financial disputes between governments and private institutions.[72]

These fiscal challenges demonstrate that educational reform cannot rely solely upon fee regulation. Long-term improvement requires sustained public investment in government educational institutions and effective utilisation of educational budgets.

## CONCLUSION

The regulation of school fees remains one of the most significant constitutional and policy challenges in contemporary Indian education law. Karnataka's experience highlights the continuing tension between the State's constitutional obligation to ensure accessible and equitable education and the autonomy guaranteed to private educational institutions under Articles 19(1)(g) and 30 of the Constitution. Judicial pronouncements from Mohini Jain v. State of Karnataka to P.A. Inamdar v. State of Maharashtra have consistently emphasized that education occupies a unique constitutional position where neither unrestricted commercialization nor excessive governmental control can be permitted. The constitutional framework therefore requires a balanced regulatory approach that preserves institutional autonomy and educational quality while preventing profiteering, exploitation, and exclusion based on economic status.

[68] Government Budget and Education Expenditure Reports (2024).Visited on 14.05.2026
[69] UNESCO Global Education Monitoring Reports. (2025) Visited on 14.05.2026
[70] Government school infrastructure surveys . Visited on 14.05.2026
[71] Right of Children to Free and Compulsory Education Act ( 2009).Visited on 14.05.2026
[72] Education finance reports relating to RTE reimbursement delays .(2025) Visited on 14.05.2026

To achieve this balance, a transparent and accountable educational regulatory framework must be developed through the establishment of State and District Level Fee Regulatory Authorities comprising judicial members, educational experts, parent representatives, NGOs, and government officials. Such authorities should be empowered to determine reasonable and non-exploitative fee structures, conduct audits and inspections, adjudicate complaints relating to arbitrary or unauthorized fee collection, and recommend measures to improve institutional accountability. Effective grievance redressal and appellate mechanisms are equally necessary to protect students and parents from practices such as capitation fees and coercive fee collection. Educational institutions should also be mandated to publicly disclose financial information to ensure transparency, while permitting only reasonable institutional surplus for developmental purposes and strictly prohibiting profiteering and commercialization of education.

At the same time, regulation alone cannot address the deeper structural inequality that exists between government and private schools. Sustained governmental investment in public education is essential through improved infrastructure, teacher training, technological integration, centralized quality standards, and timely reimbursement under the Right to Education framework. Ultimately education should be a right, not a privilege. The government and schools should prioritize education ensuring that all students have access, to quality education regardless of their background.