
The diversification of income sources in the higher education public institutions budgets

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Abstract

The formation of public institutions income has been approached nationally and internationally alike. In concrete terms, the dependence on a single financing source can cause financial instability at the level of public universities. That is the reason why strategic management in education institutions needs to focus on attracting revenue sources, other than subsidies from state budget, and their use in the context of financial autonomy can ensure the achievement of goals in the institutional strategy.

This research is based on literature review on the need to diversify universities' financing sources and the means to achieve that. The identification of complementary sources for financing education – a real challenge for universities – can lead to an increase of their competitiveness nationally and internationally.

Our research highlights the relevance and the problematic of diversifying financing sources of public universities. To this end, it centralizes types of extra-budgetary revenue sources: revenues from educational taxes, from registration and enrolment taxes, from resits taxes, from services taxes, etc. Various policies on educational taxes are also analysed, in the context of the competition among universities, as well as ways of ensuring provisions in the case of a decrease in the attractiveness of programs.

Keywords: Public sector, education, financing education, budget, higher education

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