

**FINANCIAL AUTONOMY AT THAI NGUYEN UNIVERSITY OF EDUCATION,
VIETNAM****Dr. Dang Quynh Trinh¹, Le Thi Hai Yen²**¹Planning and finance Department, Thai Nguyen University of Economics and Business
Administration, TNU²Planning and finance Department, Thai Nguyen University of Education, TNU**Abstract**

Higher education is a public service, provided with financial resources by the State to serve the common interests and implement social equity policies. In recent years, public universities have been required to implement university autonomy in accordance with the Party and State's integration policies. Thai Nguyen University of Education is one of the public universities that train pedagogical disciplines. It is a public non-business unit with a rate of self-funding for recurrent expenses below 70%. This article discusses the results achieved in implementing financial autonomy at Thai Nguyen University of Education in the 2021-2023 period and the difficulties and challenges that the University is facing in the coming time in the context of financial autonomy implementation.

Keywords:

Financial autonomy, public university.

1. INTRODUCTION

Higher education is a public service, provided with financial resources by the State to serve the common interests and implement social equity policies. In recent years, public universities have been required to implement university autonomy in accordance with the Party and State's integration policies. University autonomy can be understood as the ability of universities to operate in the manner they choose to achieve their mission and target. The components of university autonomy include: organizational autonomy, financial autonomy, human resource autonomy, and training (academic) autonomy. Among them, financial autonomy is considered an important factor to ensure the implementation of autonomy in other aspects. Financial autonomy in higher education helps the State reduce budget pressure but creates pressure on public universities, especially those training pedagogical disciplines, as state budget allocations gradually decrease while training quality must still be ensured.

As one of the public universities training pedagogical disciplines, Thai Nguyen University of Education is facing difficulties and challenges in the current period of implementing university autonomy.

Thai Nguyen University of Education, formerly Viet Bac Pedagogical University, was established on July 18, 1966 under Decision No. 127/QD-TTg of the Government. In 1994, the Government established Thai Nguyen University, and Viet Bac Pedagogical University became a member higher education institution of Thai Nguyen University, with the new name of Thai Nguyen University of Education. Over nearly 60 years of development, the University has expanded its training scale with 13 doctoral programs, 23 master's programs, 27 undergraduate programs, and training programs for educational certificates for teachers and educational managers in the Northern midlands and mountainous regions and across the country. The University's organizational structure includes the University Council, the Rectorate Board, the Advisory Council, 08 departments, 13 faculties, and 06 research and service units. In addition, there are organizations and unions such as the Party Committee, Trade Union, Youth Union, Student Association, and Veterans' Association.

Currently, the University has a total of 408 staff members, including 267 lecturers, 13 teachers at Thai Nguyen High School, and 128 staffs. The number of lecturers with the title of Professor is 1, and Associate Professor is 36, accounting for 13.9% of the total number of lecturers. Out of 267 lecturers, there are: 167 with doctoral degrees, accounting for 62.5%; 90 with master's degrees, accounting for 33.8%; and 10 with bachelor's degrees, accounting for 3.7%.

The University always strives to improve training quality, provide many new short-term training services, and open more training programs to serve social needs. As a result, the University's students in the 2021-2023 period have tended to increase (2021: 3,907 students; 2022: 4,278 students; 2023: 4,576 students).

The University has enhanced training quality, opened new majors and training programs such as Natural Sciences, Educational Management and Educational Psychology, History - Geography, Mathematics Education

Program taught in English, Biological Education Program taught in English, etc. Thanks to this, the University has attracted many domestic and international students from Laos, Mongolia, Modambique, China, etc. As a result, in the 2021-2023 period, thousands of bachelor's, master's, and doctoral graduates have completed their studies at the University. The University has also received many prestigious awards from the Party and State, such as Labor Hero, First-Class Labor Order, Friendship Order of the Lao People's Democratic Republic, etc.

2. RESULTS OF IMPLEMENTING FINANCIAL AUTONOMY AT THAI NGUYEN UNIVERSITY OF EDUCATION IN THE 2021-2023 PERIOD

As a public non-business unit in the education sector, the University operates under the management of Thai Nguyen University, one of the three regional universities in Vietnam. The University is a public non-business unit which cover part of their own recurrent expenses. The University's level of self-funding for recurrent expenses is below 70% (2021: 62%, 2022: 66%, 2023: 69%). Every year, the University receives a part of their own expenses from the state budget, including funding for recurrent expenses (accounting for 20.8%), funding to subsidize pedagogical tuition fees (accounting for 26.9%), and funding for non-recurrent activities (accounting for 52.3%) such as funding for training foreign students under study agreements in Vietnam, living allowances for pedagogical students, and funding for scientific research projects.

Current situation of autonomy regarding revenue sources and revenue norms

The University's revenue sources include the state budget, tuition fee revenue, and other revenue sources. In the 2021-2023 period, the state budget that allocated to the University accounted for the highest proportion of the University's total revenue (50%), tuition fee revenue accounted for 49% of total revenue, and other revenue sources (including parking fees, swimming pool fees, dormitory fees, canteen service fees, etc.) accounted for a very small proportion of the University's total revenue (around 1%).

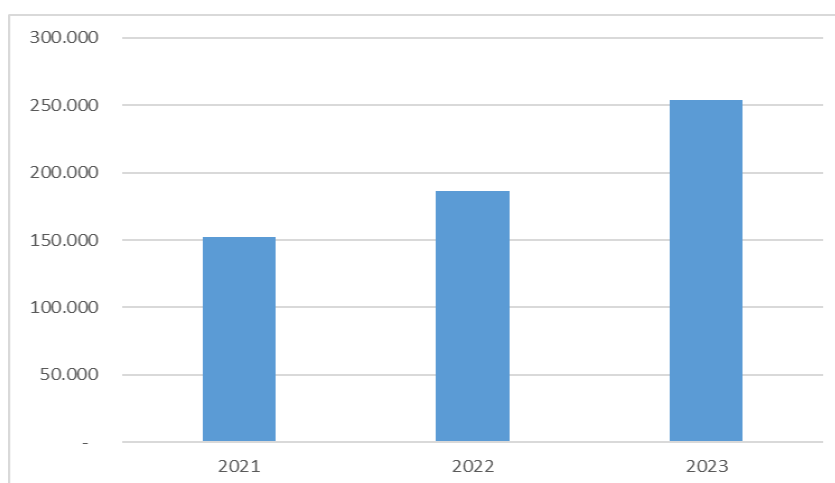


Figure 1. Fluctuation in the University's revenue sources in the 2021-2023 period (unit: million VND)

(Source: Financial reports of University of Education, TNU)

Tuition Fee Revenue: To encourage public universities to improve their financial autonomy through revenue from business activities, the State allows mobilizing all social resources to invest in education in order to reduce pressure on the state budget. The State allows collecting tuition fees, expanding training forms, establish training linkages, and provide training services, etc. to help public universities to increase their off-budget revenue sources. This revenue source is playing an increasingly important role in the University's total funding sources, including: regular undergraduate tuition fees, non-regular undergraduate tuition fees, postgraduate tuition fees, tuition fees from Thai Nguyen High School, and short-term training fees. Among these, non-regular tuition fees accounted for a large proportion of the University's total tuition fee revenue in the 2021-2023 period (from 66% to 81%).

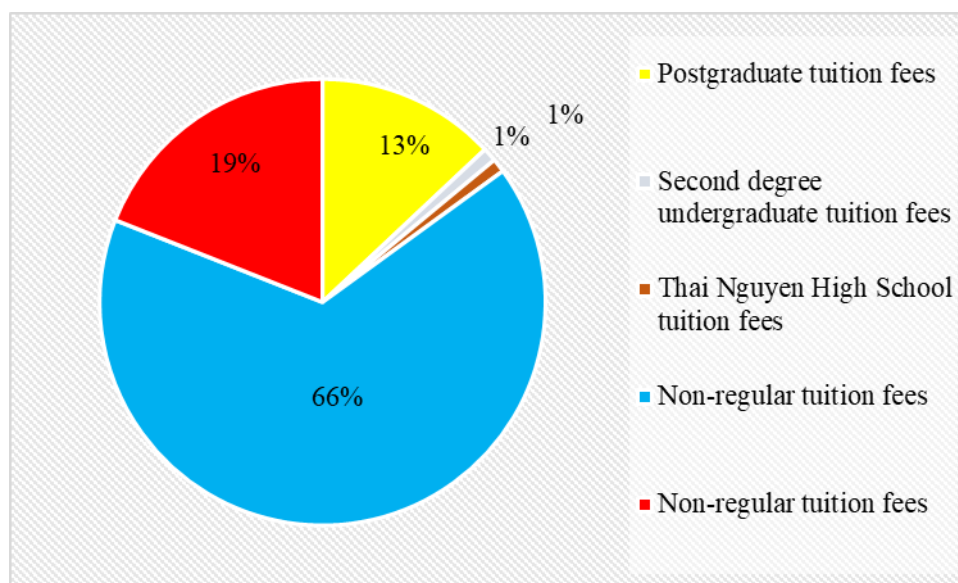


Figure 2. Structure of tuition fee revenue in 2023

(Source: Financial reports of University of Education - Thai Nguyen University)

The government regulates the tuition fee framework under Decree 81/2021/ND-CP dated August 27, 2021. The University has the right to proactively develop and decide tuition fee levels, ensuring they do not exceed the levels stipulated by the Government.

In addition, Thai Nguyen University of Education also has revenue from short-term training, including: Vietnamese language training for foreigners; Pedagogical training; Training according to teacher professional title standards; Training in Natural Sciences, History – Geography, Informatics, and Technology for teachers at all levels. The fee levels for these training programs are stipulated in the University's internal spending regulations.

Other Revenue (including parking fees, swimming pool fees, dormitory fees, canteen service fees, student canteen fees, etc.): The University has developed regulations on the management and use of public assets, and has also proposed regulations for the use of leased assets for business purposes for certain support and student services such as dormitories, canteens, parking, swimming pools, etc. The fee levels are specifically determined in the contracts.

In the 2021-2023 period, the University's revenue tended to increase. In 2023, it increased by 36.1% compared to 2022 and 66.9% compared to 2021. This shows that the University's revenue has been maintained stably and developed over the years, providing a foundation to ensure the University's normal operations and create new breakthroughs in its activities.

Current situation of autonomy regarding expenses and spending norms

Implementing the financial autonomy mechanism has allowed Thai Nguyen University of Education to proactively make financial plans, use financial resources effectively to carry out tasks based on compliance with state regulations and the University's internal spending regulations. The University stipulates expenditure lists and spending norms in its internal spending regulations.

Based on state regulations, Thai Nguyen University of Education established internal spending regulations and prepares estimates to determine expenditures for activities and implementation them. The University's expenditures include recurrent expenses (accounting for 71.5%) and non-recurrent expenses (accounting for 28.5%). As an educational training unit in the pedagogical sector, the structure of recurrent expenses at Thai Nguyen University of Education has similarities with other units. The highest and main proportions are professional and operational expenditures (43%) and expenditures on salaries, wages, and contributions (43%).

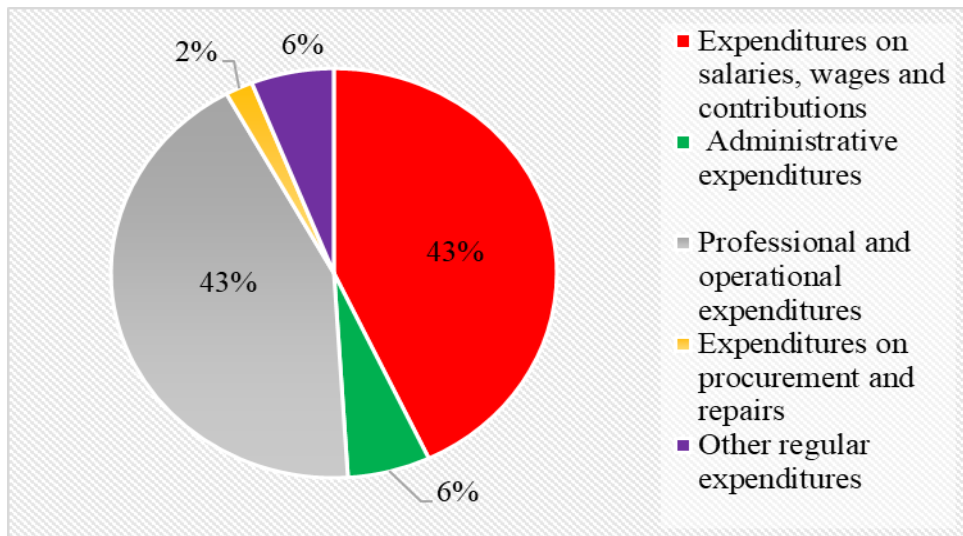


Figure 3. Structure of the University's recurrent expenses in 2023

(Source: Financial reports of University of Education – Thai Nguyen University)

Current situation of autonomy regarding in the distribution of financial results

Based on the financial performance results for the year, after fully accounting for expenses, paying taxes and other state budget contributions (if any) as prescribed, if there is a surplus of revenue over recurrent expenses, the University can proactively decide on the provisioning and use of funds suitable to the unit's situation, but must ensure control levels according to state regulations depending on the level of autonomy, following this order:

- Provision for the fund for developing operational activities;
- Provision for the fund to supplement income;
- Provision for the reward and welfare fund;
- Provision for other funds prescribed by law;
- Any remaining surplus after provisioning the above funds is supplemented to the fund for developing operational activities.

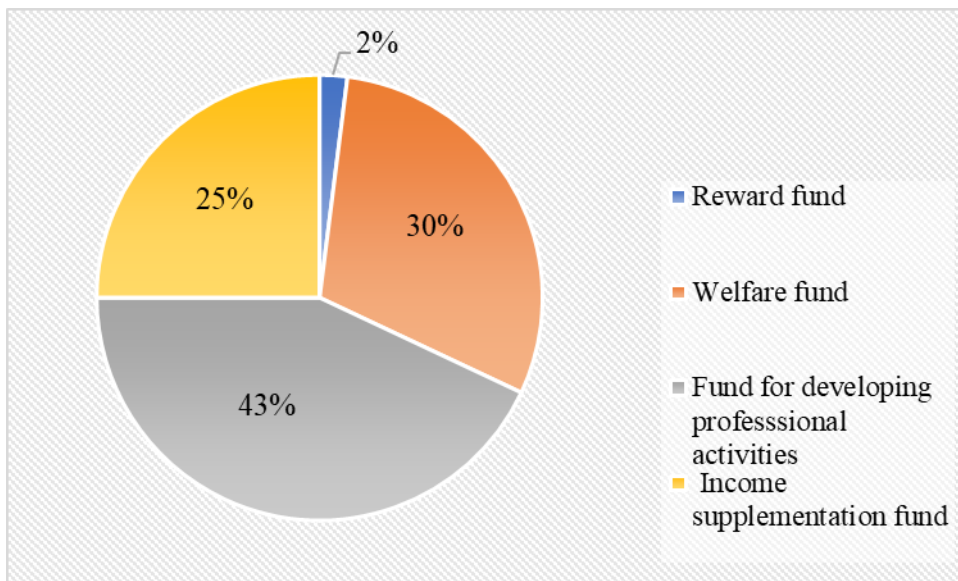


Figure 4. Proportion of fund provisioning from the distribution of revenue-expenditure surplus at the University in 2023

(Source: Financial reports of University of Education – Thai Nguyen University)

Among the provisioned funds, the University's fund for developing operational activities always accounted for the highest proportion, ranging from 40% to 50% of the total provisioning for various funds in the

2021-2023 period. The reward and welfare fund was also given reasonable attention and allocation by the University, within the framework stipulated in Decree No. 60/2021/ND-CP on the financial autonomy mechanism for public non-business units, aiming to partially create additional income from the University's welfare policies for staff and lecturers. Every year, the University provisions around 25% of the revenue-expenditure surplus to supplement the income fund in order to provide additional income for officials and employees at the University.

3. DIFFICULTIES, SHORTCOMINGS AND RECOMMENDATIONS

First, although the University's revenue has increased annually, it is mainly due to the increase in state budget revenue for student living allowances, while tuition fee revenue and other revenue sources remain low and not diversified. Although tuition fee revenue has increased according to the levels stipulated in Decree No. 81/2021/ND-CP of the Government, it remains low, while the inflation rate and the base salary have increased many times in recent years. Revenue from business activities, scientific research, technology transfer, joint ventures, bank interest, etc. accounts for a very small proportion of the University's total revenue. Under the condition of enrollment quotas being controlled by regulations of the Ministry of Education and Training, in order for tuition fee revenue to increase, the tuition fees of public universities must be raised because the current tuition fee levels do not fully cover salary costs and fixed asset depreciation costs.

Second, the University needs to take measures to adjust the structure of recurrent expenses more appropriately, reducing the proportion of salary, wage and contribution expenditures, and increasing the proportion of expenditures on procurement and asset repair to strengthen facilities and meet the University's development requirements. One of the main solutions that needs to be implemented is to restructure the University's subordinate units, cutting unnecessary units, reducing redundant labor, and recruiting highly qualified personnel capable of handling multiple job positions. In addition, plans should be made to invest in new equipment, build smart classrooms and lecture halls to improve training quality.

Third, expenditures for scientific research activities remain low and ineffective. The University has not been able to attract external funding for scientific research. As a result, the University's current scientific research activities have not been promoted, and staff have not fully utilized the available laboratory facilities for scientific research. The University needs mechanisms to encourage and motivate lecturers, especially young ones, to actively engage in scientific research and access international knowledge and experience. On the other hand, the University needs to proactively establish linkages with enterprises, especially large and foreign companies, to create investment capital for building laboratories, practice facilities, and research centers to enhance the research capacity of lecturers. In addition, universities should encourage and support scientists to carry out research projects in the form of research collaboration with domestic and international organizations to build capacity and reputation; proactively invite competent managers and scientists from enterprises to participate in the University's training and scientific research activities.

Fourth, the income of the University's officials and employees remains low and unstable. Although the University has made efforts to improve their income, in reality, the salary regime for officials and employees in general remains low and there are still many inadequacies, especially for lecturers in teaching positions. With the granting of financial autonomy, the University needs to combine various solutions to increase revenue and save expenditures in order to have resources to improve income, especially additional income for its officials and employees.

CONCLUSION

Financial autonomy plays a foundational role in effectively and sustainably implementing other aspects of university autonomy. For Thai Nguyen University of Education, proactively dealing with difficulties and challenges in implementing financial autonomy has helped the University effectively implement the mechanism of partially self-funding recurrent expenses, progressing towards gradually increasing the level of self-funding for recurrent expenses from below 70% to 100%, and becoming a fully self-funding unit for recurrent expenses in the next few years.

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