Financing Quality Higher Education:

A Multi-Country Study of the Financial Sustainability of Higher Education Institutions in LMICs

March 13, 2024

Introduction of Country Teams

- **Kenya: University of Nairobi & ResilientAfrica Network**

  PI: Prof. Peterson Magutu (Univ. of Nairobi)

- **Indonesia: Smart City Universitas Indonesia**

  PI: Prof. Ahmad Gamal

  Presenter: Prof. Nanda Wijayanti

- **Philippines: Philippines Institute for Development Studies**

  PI: Dr. Connie Dacuycuy

Overview

1. Background: SHARE
2. HEIGHTS - Financial Sustainability (FS) multi-country study
3. Methodology
4. Presentation of Country Study Findings: Indonesia, Kenya, and the Philippines
5. Synthesis of Cross-national Findings
6. Discussion: Implications for Policy
7. Q & A

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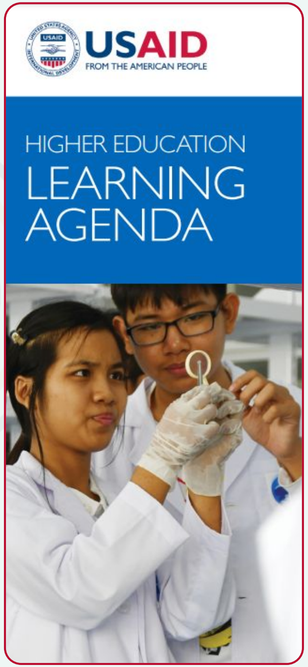
About HEIGHTS

- HEIGHTS (*Higher Education Institutions Generating Holistic & Transferable Research*) is a multi-country study aiming to produce research evidence to inform policy and practice to strengthen higher education systems in LMICs.
- HEIGHTS operates as two independent studies in the same three geographic regions: HEIGHTS-Financial Sustainability (FS), and HEIGHTS-Innovation Ecosystems (IE).
- Financial Sustainability (FS): aims to produce evidence-informed strategies that can strengthen financial sustainability in higher education systems in LMICs.

Study Countries

HEIGHTS Research Question



- **USAID Learning Agenda Question 2**
  - How can financing of HE systems & institutions become more sustainable?

- **HEIGHTS-FS Overarching Research Question**
  - How do governments and HEIs in the countries under study understand financial sustainability, and what approaches and risk management strategies are sampled HEIs pursuing to strengthen their financial sustainability?

What is *HEI financial sustainability?*

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- Ability of HEIs to maintain its financial capacity "to produce desired outcomes over time" (USAID, 2021)
- Directly linked to the performance of HEIs in their ability to provide quality education and to grow
- Linked to HEIs' ability to address access issues for marginalized and underrepresented groups, who often face financial barriers to HEIs, especially in LMIC contexts – thus, to a more inclusive higher education

Why is this study important?

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- **The important roles of higher education institutions (HEIs) in development of human capital and economy is well-established around the world** (Altback & Salmi, 2011; Bok, 2003; Etzkowitz et al., 2000; Gumport, 2000; Marginson, 2016)
    - Limited literature on the financial sustainability of HEIs that enables HEIs to be able to play these important roles in the context of LMICs
- **Many HEIs in LMICs struggle to maintain quality of education due to a variety of factors** (e.g., rapidly growing demand and insufficient budgets in a context of structurally under-financed HE sector (Jalmi, 2017))
- **Importance of HEI FS to achieve a more inclusive higher education**
    - Link between financial sustainability of HEIs and access issues for marginalized and underrepresented groups with monetary barriers in LMICs

HEIGHTS-FS Research Questions

1. How do HEI leaders and government actors in the countries under study **understand HEI financial sustainability**?
2. How are sampled HEIs **financed to operate and what are their various revenue streams**?
3. What are the factors that sampled HEI leaders and government actors perceive to **determine or shape HEIs' financial sustainability**?
4. What strategies do sampled HEIs undertake to **promote their financial sustainability**?
5. What **risk management strategies**, if any, do HEI stakeholders undertake for navigating unexpected shocks (e.g., COVID-19)?

Research Phases

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PHASE 1:
Scoping & Ecosystem Diagnostic

- Desk Review
- KIIs
- Surveys

PHASE 2:
Systems Thinking Workshops & Formation of EAG

- Conduct systems thinking workshops with major stakeholders to map out the innovation ecosystem
- Engage key stakeholders to serve as the Ecosystem Advisory Group (EAG)

PHASE 3:
Contextualization, Data collection & analysis

- Tailor study to country
- Develop global codebook
- Collect data and analyze
- Validation workshop

Analytic Strategies & Sample

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- **Qualitative** data collected through **KIIs**, analyzed in Dedoose using **both deductive and inductive** codes

- **Quantitative** data collected through **Financial Surveys**

	FGD	KII
Indonesia	43	14
Kenya	71	41
Philippines	29	16
TOTAL	**143**	**71**

Financing Quality Higher Education: Findings from Indonesia

Cross-National Analysis of the Financial Sustainability of Higher Education Institutions in LMICs

March 13, 2024

Indonesian Context: Landscape of Higher Education Institutions

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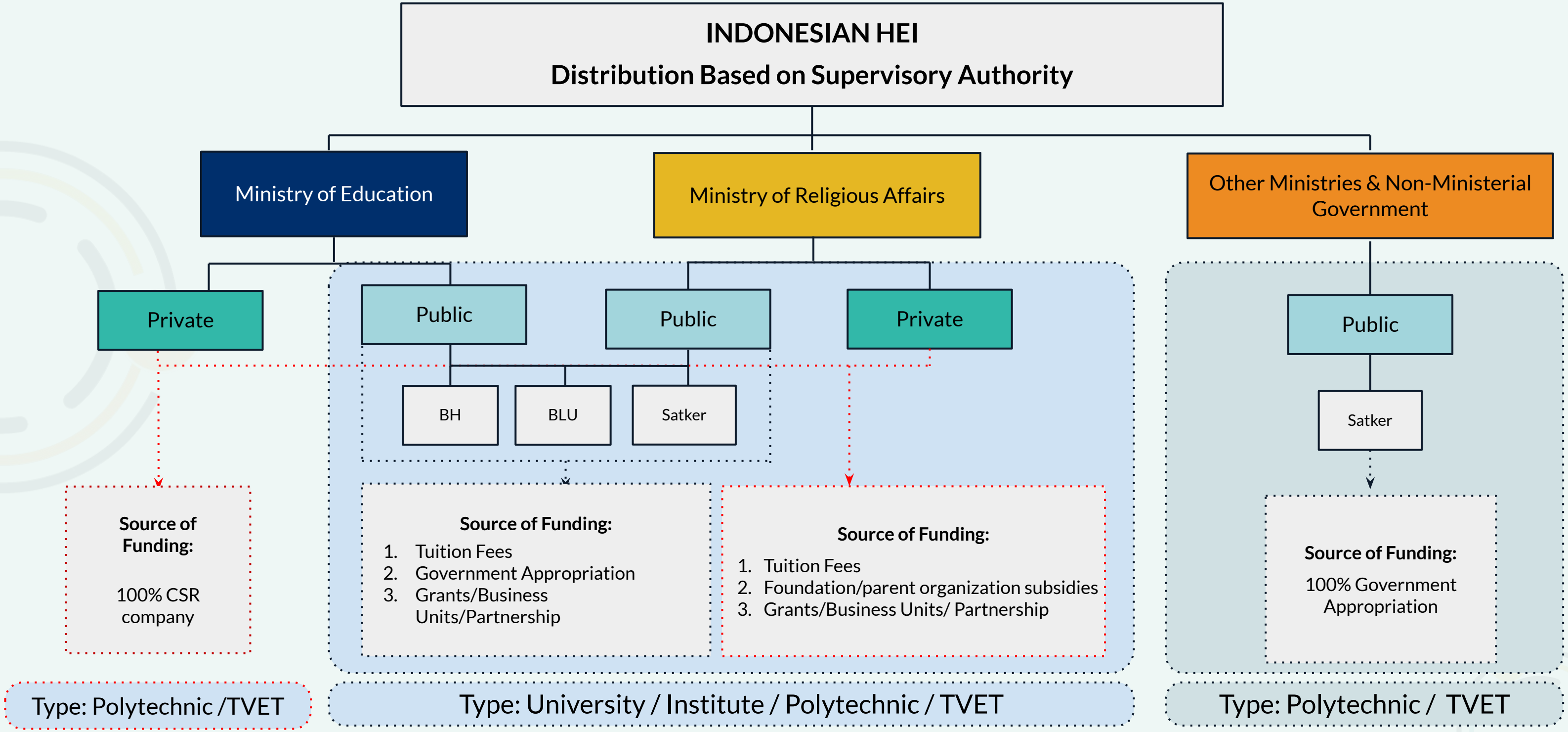

Indonesian Context: Types of Public Higher Education Institutions

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Type of Public HEIs

Elements	BH	BLU	Satker
Status	Incorporated Legal Entity	Technical Ministry Work Unit (Public Service Organization)	Technical Ministry Work Unit under a certain ministry.
Management Authority	Broad autonomy for both academic and non-academic/ operations	There is autonomy in managing tuition fees	No autonomy in finance
Budget	Prepared based on the strategic plan and determined by the Board of Trustees (Majelis Wali Amanah/MWA)	Prepared based on the strategic plan and proposed to the Ministry of Education & Ministry of Finance	
Spending	Spending according to the Annual Activity Plan and Budget (RKAT) compiled.	Funding from the tuition fees can be spent to finance the operating activities	Every expenditure are handled by the KPPN (State Treasury Service Office)
Income	Revenue management is regulated by Public-BH itself.	All income that is not PNBP (Non-Tax State Revenue) must be deposited to the Beneficiary Treasurer of the BLU Work Unit. Every quarter, the realization of funding is ratified through the KPPN mechanism.	All income derived from PNBP must be deposited into the state treasury
Tuition fee rates	The rate of tuition fee is regulated by the Rector/President.	Proposed by the PTN BLU and determined by the Ministry of Education & Ministry of Finance	Given and Regulated by the Ministry of Education & Ministry of Finance

Indonesian Context: Private Higher Education Institutions

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Type of Private HEIs' Foundations Authority

- Corporations
- Family-owned/ Individual
- Religious Organizations

Indonesian Context: Current National Government Funding Allocation for HEIs

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Indonesian National Government annually allocates 20% of the National State Budget (APBN) to the education sector.

The 20% of funding from the National State Budget (APBN) is distributed among the departments of education and development, including pre-schools, elementary schools, middle schools, high schools, and higher education institutions.

Including for public HEI (258 HEIs) under MoE & MoRA, for salaries & incentives of lecturers with civil servant status, operational cost, and HEI development

Including for private HEI (4.455 HEIs), but limited only for salaries & incentives of lecturers with civil servant status

Including for public HEI under other ministries, 100% for operational cost

Allocation of Education Funding from National State Budget
(Source: https://npd.kemdikbud.go.id/)

Sample

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Stakeholder Type	KIIs	Financial Survey
National Government	8	-
HEI Researcher	5	-
Private HEI - Polytechnic/TVET	5	1
Private HEI - University/Institute	8	0
Public HEI - Polytechnic/TVET	8	4
Public HEI - University/Institute	9	9
Total	**43**	**14**

FINDINGS

RQ 1: How do HEI leaders and government actors in Indonesia understand HEI financial sustainability?

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Government

- Have diversify income through grants, research commercialization, and industry partnerships
- Don't rely on the government's national state budget (APBN)

Public HEI

- Able to independently manage finances and fund HEI's operations
- Can maintain liquidity and its core business, much like a company (Good Corporate University)

Private HEI

- Generating other activities to secure their continuous income
- Has a solid foundation/parent organization to support, manage and finance the HEI
- Have a good public recognition, reputation and perceived high quality of education to maintain enrollment
- Have diversified income and not rely heavily on one source

Common understanding across 3 stakeholders:

- **Financially sustainable HEIs are the ones that have diversified income and do not rely on a single source.**
- **Financially sustainable HEIs are those that have independence and autonomy in the governance of their financial management.**

RQ 2: How are sampled HEIs financed to operate and what are their various revenue streams?

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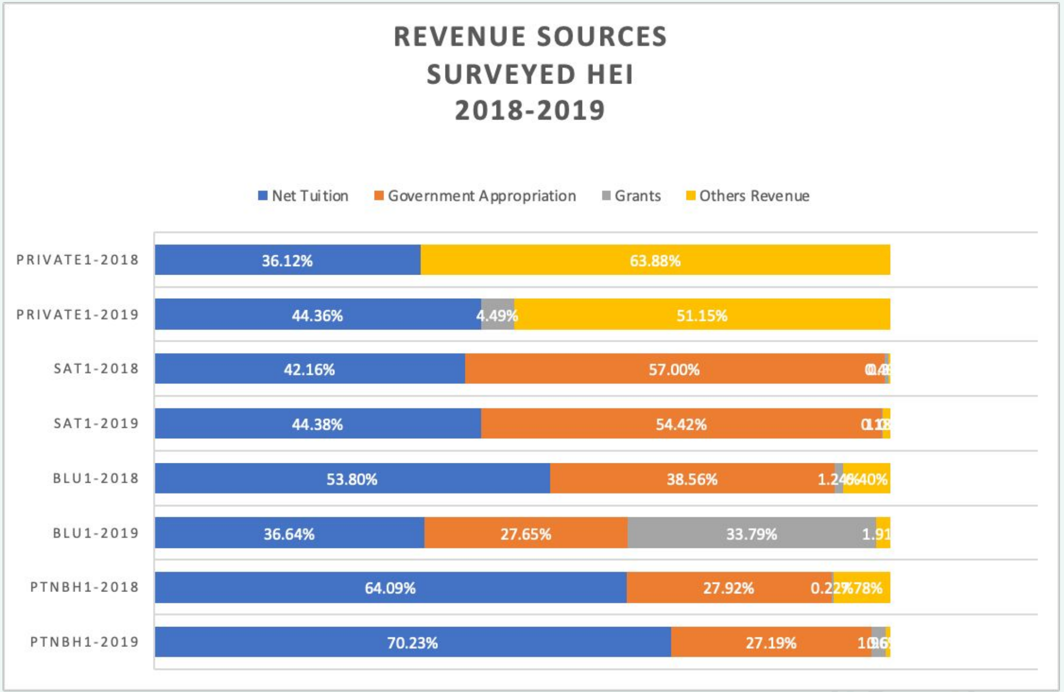
The dependence on tuition fees and government appropriation as revenue sources occurs in most sampled HEIs, especially, Public HEIs.

Many PTN-BH implement strategies to increase enrollment for gaining more income from tuition fee.

> *"The primary source of income for our HEI is through the Single Tuition Fee, also known as UKT. This allows us to increase the number of students as there is potential for our growth."*
>
> — Director of the Directorate of Budget and Treasury in PTN-BH



RQ 2: How are sampled HEIs financed to operate and what are their various revenue streams?

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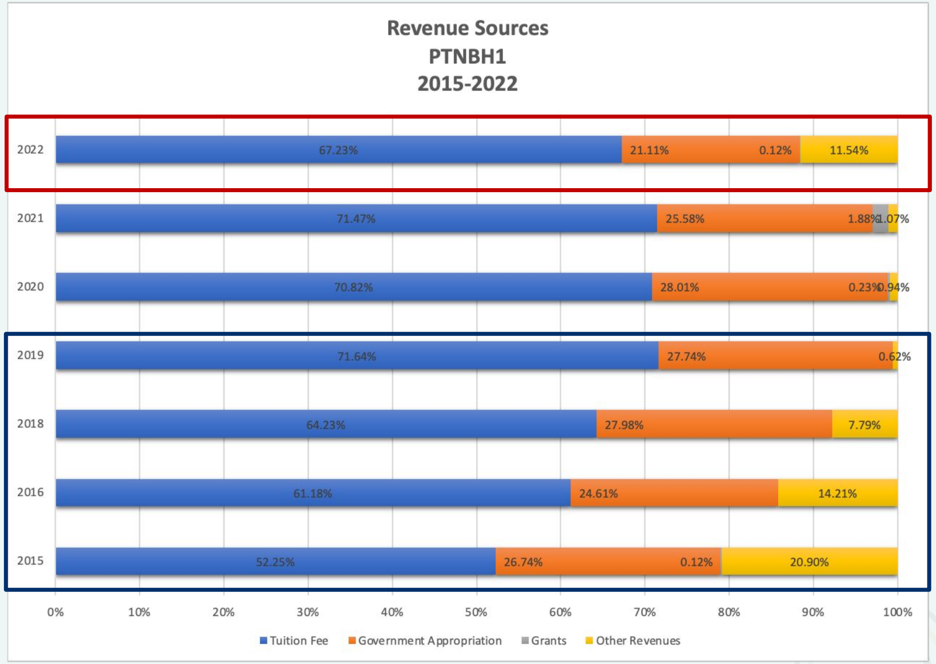
The researcher and leader in Public-BH has found that government funding for Public HEIs tends to decrease after they change their form from Public-BLU to Public-BH.

This was confirmed by the national government in an interview, stating that the government transferred funding subsidies to Public HEIs that did not yet have the status of a Public-BH.

"Once they are a PTN-BH, the government will automatically ask for a reduction, if possible, even as minimal as possible. The government will distribute the funding to other campuses that are not yet PTN-BH"

— Institutional Director in MoE

This phenomenon was validated by an example of a surveyed public HEI that underwent a transformation from Public-BLU to Public-BH at the end of 2021.



Transformed to Public-BH

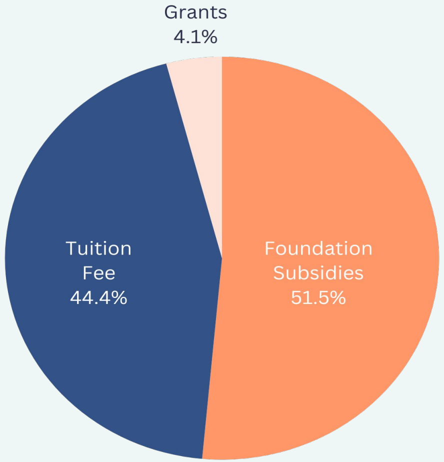
COVID-19 Pandemic fiscal year

Public-BLU status

(Before Public-BH)

RQ 2: How are sampled HEIs financed to operate and what are their various revenue streams?

The main income of **private HEIs**, apart from tuition fees, comes from foundation subsidies, as exemplified in the following survey of private HEIs.



For example, the revenue stream from a Private HEI in 2019

This is in line with the opinion expressed by the representative of private HEI that to operate their HEI, the funding resource from private HEI must guarantee support from their foundation/parental organization.

"The first is that the source of funding must be guaranteed from the foundation."

— Treasurer in Private TVET

RQ 3: What are the factors that sampled HEI leaders and government actors perceive to determine or shape HEI's financial sustainability?

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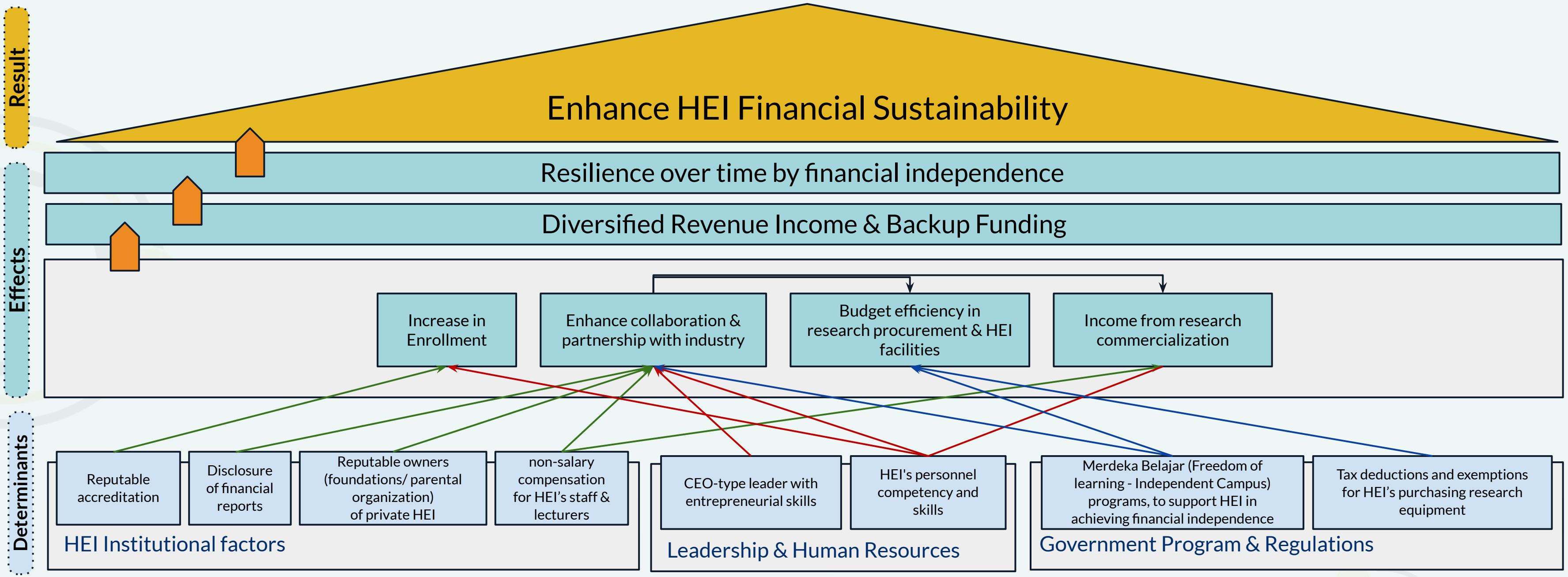

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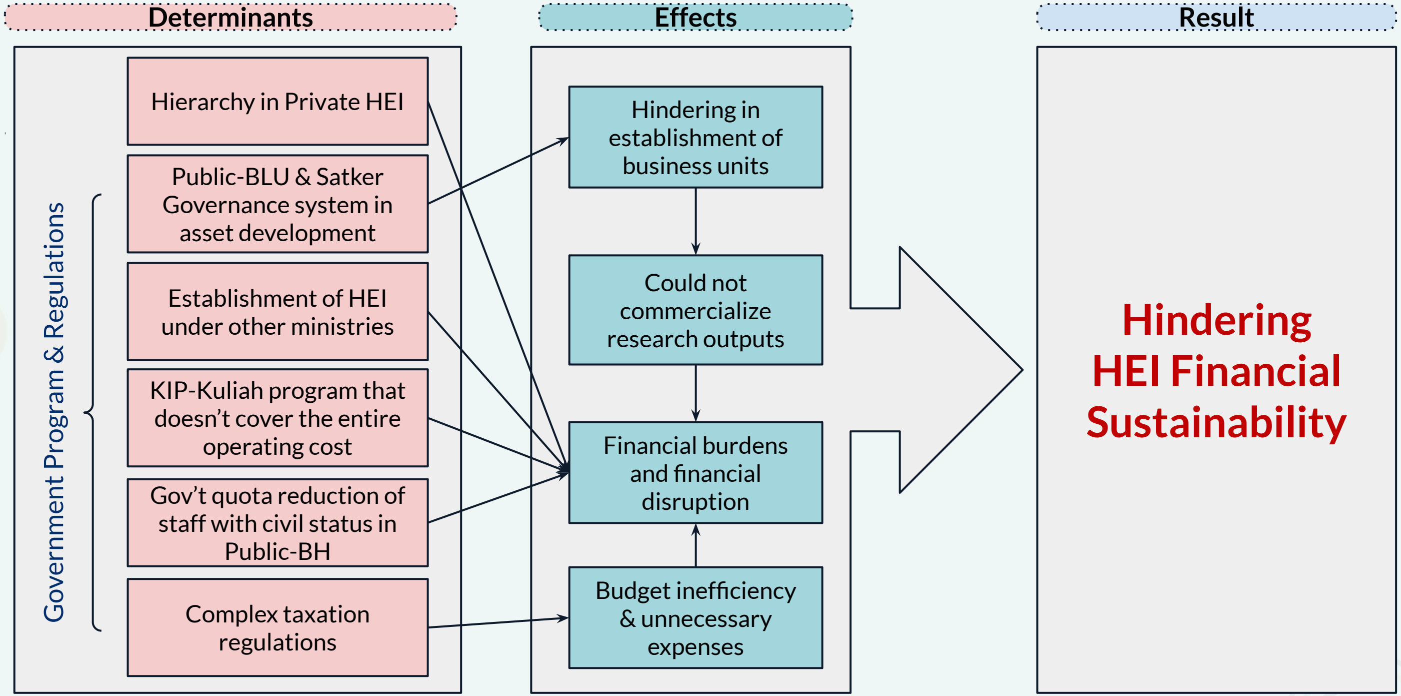

RQ 4: What strategies do sampled HEIs undertake to promote their financial sustainability?

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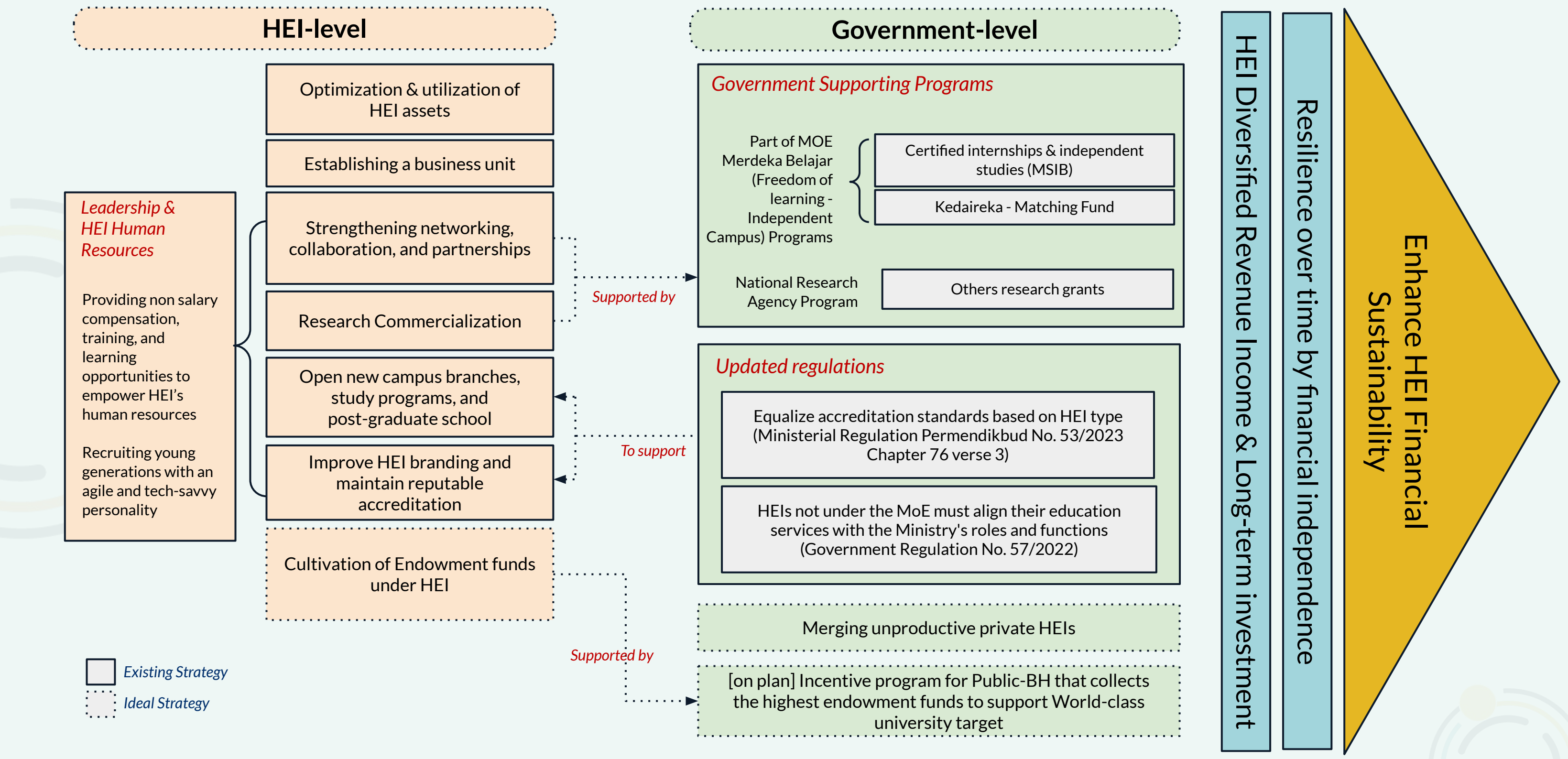

RQ 5: What risk management strategies, if any, do HEI stakeholders undertake for navigating unexpected shocks (e.g. COVID-19)?

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Budget Management Schemes

Budget Reallocation & Efficiency

HEI reallocated their budget by prioritizing activities, reducing unnecessary spending, using internet-based activities to reduce administrative costs, and focusing on producing good graduates during COVID-19 pandemic.

Advanced budgeting plan

The advanced budgeting plan help the HEIs identify which budget items can be shifted, removed, or added in such a situation.

Salary Reduction

Sampled private HEI also took an extreme strategy such as salary reduction for HEI & foundation board members to maintain the financial sustainability of their HEI during the challenging time

Mapping and Identifying Existing Risks

HEI has developed a comprehensive budgeting system for proper management based on the PDCA cycle (Plan, Do, Check, Act). This system reflects the belief that HEIs should identify potential risks and determine appropriate responses for each risk.

The monitoring section list all corrective and preventive actions for each scenario. The completed list, along with budget allocation planning, will be delivered and reviewed in HEI's annual policy management.

This information will be used to inform strategic and operational planning for the next 5, 10, and 20 years.

Adopting innovative technology and digital learning methods

- With digital transformation, such as online classes, the number of students accepted has increased, and this has proven to be a way to increase revenue during COVID-19 pandemic.
- The integration of digital systems has proven effective in enhancing budget efficiency by reduced administrative costs and streamlining administrative processes within HEIs, marking a shift towards modernization and adaptability in navigating the unexpected shock in the future.

Preliminary Recommendations for the Indonesian Government

1. **Conduct a thorough investigation and review of regulations mandating HEIs to reinvest their surplus for investment/development activities within 4 years**, potentially leading to unnecessary spending. Consider extending the timeframe or revising the regulations to allow for more flexible and strategic use of funds without compromising fiscal responsibility.
2. **Investigate and re-evaluate of regulation address the reduction of civil servants' allocation in Public-BH** by reassessing the impact on Public-BH financial burdens to allocate more of the budget for human resources expenditures and long-term financial sustainability of Public-BH.
3. **Expand government funding to include private HEI operational costs and development,** not just salaries and non-salary compensation of lecturers with civil servant status based on performance-based criteria, such as student outcomes, research productivity, community engagement, and innovation when determining funding allocations. This approach incentivizes excellence and accountability across all HEIs.
4. **Rearrange the scheme for Kartu Indonesia Pintar (KIP) to be fully funded by the government**, alleviating financial strain on HEIs and ensuring equitable access to education for students from low-income backgrounds. This reform will enhance inclusivity and support students' academic endeavors and ease HEI financial management.
5. **Provide capacity-building initiatives and awareness campaigns to educate HEI administrators, faculty, and students about the rationale and benefits of regulatory reforms.** Foster a culture of transparency, accountability, and innovation to drive positive change and sustainable development in the higher education sector.

Preliminary Recommendations for HEIs

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1. **Encourage HEIs to explore various funding models.** This could include renting out campus facilities for events, offering consultancy services, or developing commercial ventures aligned with academic expertise.
2. **Foster an entrepreneurial culture within HEIs by providing support for faculty and students to develop innovative ideas and startups.** Establish incubation centers, mentorship programs, and seed funding opportunities to nurture entrepreneurial initiatives.
3. **Deploy a centralized operational framework to optimize processes and strengthen monitoring and evaluation systems.** This ensures efficient resource allocation, improved accountability, and better decision-making across all departments and campuses.
4. **Invest in professional development programs aimed at fostering a sense of belonging and entrepreneurship among faculty and staff.** Offer training in innovative teaching methods, research commercialization, and project management to enhance capabilities and motivation.
5. **Ensure diversity in the composition of the board of trustees by including members from different generations**. This facilitates the exchange of innovative ideas and perspectives, driving strategic decision-making and long-term sustainability.
6. **Formulate investment and strategies that prioritize technology implementation** to enhance teaching, learning, and administrative processes.

Questions & Comments?

For additional information on HEIGHTS Indonesia FS, contact Dr. Ahmad Gamal at a.gamal@ui.ac.id

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Financing Quality Higher Education: FINDINGS FROM KENYA

Cross-National Analysis of the Financial Sustainability of Higher Education Institutions in LMICs

March 13, 2024

Peterson O. Magutu, PhD.
Associate Professor of Operations and Supply Chain Management

HEI Landscape in Kenya

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Types of HEIs

- 31 ***public universities*** (6 colleges, 111 campuses)
- 31 ***private universities***
- 89 ***TTIs*** and 10 ***National Polytechnics***

Financial Challenges

- Chronic ***underfunding***
- ***Insolvency***
- Inability to cover ***basic expenses*** (salaries, utilities, taxes, pensions)

In March 2014, the Chair of Ethics and Anti-Corruption Commission stated that HEIs led in ***ethical malpractices*** like ***corruption***, ***embezzlement*** of funds, ***misappropriation*** of bursary funds, and ***false certifications***.

Stakeholders Sample

	KIIs	*Financial Survey*
HEIs	41	41
Government	10	
Civil Society	5	
Private Sector	5	
Researchers	5	
Non-State Funders	5	
TOTAL	**71**	**41**

RQ1

Understanding of ***HEI Financial Sustainability (FS)***

Definition of HEI FS

1. Ability to ***invest in operations and continued growth***
2. ***Independence*** of government funding
3. ***Infrastructure, equipment,*** and ***training staff***

"A university is sustainable if it ***pays decent wages*** to its workers and ***provides research funds*** to faculty. A university involves both teaching and research."
– HEI representative

"A financially sustainable university translates to ***well-equipped infrastructure*** ."
— Government stakeholder

RQ2

Financing model & revenue sources for HEIs

Tuition Fees

Capitation and loans through the Higher Education Loans Board (HELB)

"***Our main source is tuition*** because ***we don't have any graduate courses***. As graduate courses and research grows, eventually you should be able to get ***revenue from consultancies*** and other sources."
— Private HEI representative

RQ3

Determinants of HEI FS

Government Policies and Regulation

- ***Capitation***
- Policy changes in favor of ***STEM courses***
- Establishment of at least one ***TVET institution*** per constituency

HEIs Human Resources and Leadership

- ***Overstaffing of support staff*** at the expense of faculty
- ***High wage bill***, especially for TVETs
- Limited experience in ***HEI governance***

HEIs Autonomy and Resources

- ***Limited autonomy of public HEIs*** in leadership and finances
- ***Infrastructural capacity*** limits enrollment
- ***Urban HEIs*** attract higher enrolments

RQ4

Strategies to promote ***HEIs FS***

Alternative income-generating activities

- Agriculture and ***production***
- ***Monetization*** of assets and offering of ***courses***
- ***Business*** incubation

Research Grants and Consultancies

Partnership Building

Challenges

- Intensive ***capital***, ***asset***, and ***staff*** requirements
- Government and HEIs ***policies***, ***regulations***, and ***structures***
- ***Climate change***

RQ5

Financial ***risk management*** strategies

Potential Risks

- ***Loss of income*** in the revenue collection process
- ***Misappropriation*** in procurement and allocation of funds
- ***Misalignment*** with financial goals and objectives
- Unforeseen global ***crises*** (e.g., COVID-19)

Strategies

- Increasing ***use of technology*** (online classes, financial management, communication)
- Improving institutional ***planning and budgeting***
- Strengthening ***procurement and tender committees***
- Operationalization of internal and external ***risk management committees***
- ***Building capacity*** of staff in risk management

"COVID-19 taught us to be flexible in the way we deliver learning activities to students. The demand for physical facilities can go down — and, if this is exploited fully, operational costs can decrease."
— ***Public HEI Representative***

Preliminary Recommendations

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For the Kenyan Government

1. Improve ***timeliness and allocation of capitation***
2. Review and update ***policies and guidelines on tuition***
3. Create a ***favourable policy environment and incentives*** for private TVETs and Technical Universities
4. Strengthen the ***legal and regulatory framework***
5. Harmonize ***fundraising and resource mobilization efforts by HEIs***
6. Streamline ***governance and management structures*** to ensure coordination and synchronization between HEIs

Preliminary Recommendations

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For HEIs

1. Enhance ***diversification of revenue streams*** through collaboration, fundraising, grants, and income generating activities
2. Encourage ***entrepreneurial activities*** through commercialization of research
3. Invest in ***sustainable infrastructure***
4. Enhance ***risk management and develop*** contingency funds
5. Review ***human resource staff structures***
6. Enhance ***governance systems***
7. Build ***capacity in financial management***

Questions & Comments?

For additional information on HEIGHTS Kenya FS, please contact Peterson Magutu @ magutumop@uonbi.ac.ke

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Financing Quality Higher Education:
Findings from the Philippines

Cross-National Analysis of the Financial Sustainability of Higher Education Institutions in Low-Middle-Income Countries (LMICs)

UNIVERSITY OF NOTRE DAME

March 13, 2024

Philippines Context: Financial Sustainability of Higher Education Institutions

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National development context and the role of HEIs

The Philippines aims to become a high-income economy and inclusive society.

***AmBisyon Natin* 2040--document outlining Filipino aspirations to be attained by 2040 (Strongly rooted, comfortable, secure life)**

- Needed investments in human capital development in key sectors
- Education services, one of the key sectors identified to have a direct impact on the *AmBisyon*

The Philippine Development Plan (PDP) 2023-2028, the country's national development blueprint, outlines strategies to achieve these goals

HE-related laws

- Universal Access to Quality Tertiary Education in 2017
- Transnational Higher Education Act in 2019 to encourage, promote, and accelerate the establishment of transnational higher education (TNHE) programs, the internationalization of HE.
  - ✔ Offering Joint and double degrees;
  - ✔ Delivery using online, blended, and distance learning, open distance learning;
  - ✔ Validation (confer degree to students completing a program form partner HEIs abroad)
  - ✔ Permits foreign HEIs to establish branch campuses in the PHL, offer educational programs and qualifications

HEI ecosystem context

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Based on the funding source: Private or Public HEIs (SUC or LUC)

- Mostly private: 88% (1975 HEIs excl SUC satellite campuses) or 72% (2396 HEIS incl SUC satellite campuses)
  - SUC, nationally funded; LUC funded by the local government unit
  - Private, mainly relies on enrolments and tuition fees, experiencing a decline in enrolment

Based on CHED status: Private HEIs can be autonomous, deregulated, or regulated

- Criteria: Commitment to excellence (presence of COE and COD and accreditation) and the sustainability and viability of operations
- AY 2019-2020, 8% have COEs/CODs
- Majority of accredited programs are level 2 or 3 only (4 being the highest)
- 4.3% are autonomous/deregulated

10-year CAGR of the number of and enrollment in HEIs

Number of HEIs	2009-2010	% of total	2019-2020	% of total	10-year CAGR, %
Total HEIs (including SUCs Satellite campuses)	2180		2396		0.95
Public HEIs, including satellite campuses	607	28	667	28	0.95
Private	1573	72	1729	72	0.95
Autonomous and Deregulated Private HEIs	60		74		2.12
Enrollment	**2009-10**	**% of total**	**2019-20**	**% of total**	**10-year CAGR, %**
All Disciplines	2774368		3408425		2.08
Public	1087983	39	1575645	46	3.77
Private	1686385	61	1832780	54	0.84

Source: Authors' computations based on the data from https://ched.gov.ph/wp-content/uploads/Higher-Education-Data-and-Indicators-AY-2009-10-to-AY-2019-20.pd

SAMPLE

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Key informant interviews

Categories	Number of interviews
Private HEI	8
Private HEI offering TVET courses	1
Public HEI, LUCs	3
Public HEI, SUCs	6
Total respondents from HEIs	***18***
Civil Society Organization	4
Government Stakeholders	2
Other Stakeholders*	3
Individual Researchers	2
Total non-HEI respondents	***11***

Notes: Interviews were conducted from June 9 to September 19, 2023.
*Includes a representative each from non-State/non-bank student loan provider, a private sector group with stakes in the sector, and an association in the hospitality industry

Financial survey

	HEIs that participated in KIIs	Additional HEIs
Private HEI	6	2
Private HEI offering TVET courses	1	
Public HEI, SUCs	6	1
Total	***13***	***3***

Note: LUCs have no financial statements. LUC-related items are aggregated in the financial statements of LUCs' host local government units

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Findings

RQ 1: How do HEI leaders and government actors in the Philippines understand HEI financial sustainability?

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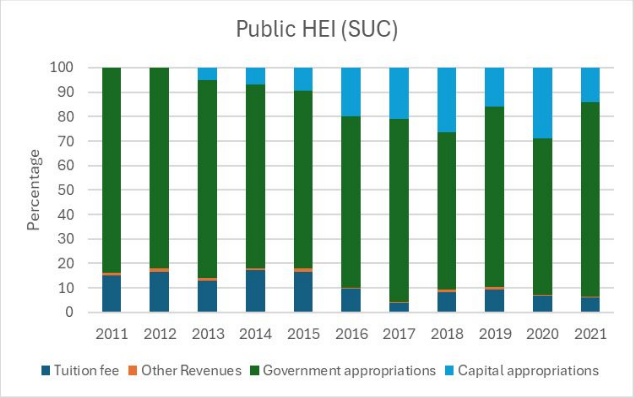
- **HEI administrators, researchers, and government officials viewed HEI FS as meeting present needs while fulfilling mandates and attaining academic aspirations.**

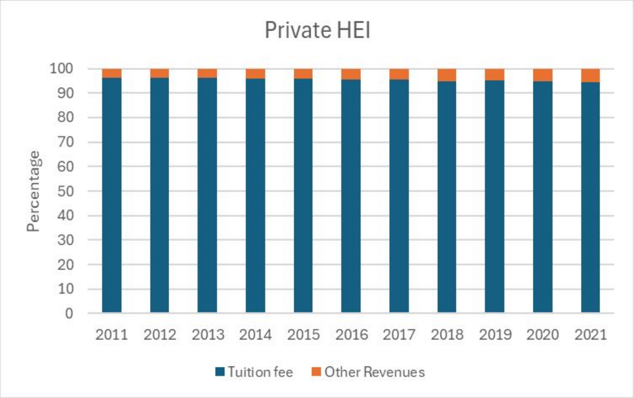
- **Understanding FS is nuanced depending on the type and location of HEIs.**
  - Public vs private
  - SUC vs LUC
  - Among LUCs: SE vs. LEE
  - Among private: profit or non-profit, listed or non-listed, and autonomous or regulated

- **Various challenges to HEIs' FS exist.**
  - Competition among HEIs
  - Disruptions (technological and political)
  - Inflation - Increasing operating costs, eroded households' income

RQ 2: How are sampled HEIs financed to operate and what are their various revenue streams?

- **Public HEIs heavily rely on**
  - government subsidies to fund their operations and infrastructure development.
  - tuition fees, reimbursed by the national government if eligible under the 2017 Universal Access to Quality Education Law.
- **Private HEIs heavily rely on**
  - tuition fees, although some have supplemental incomes from certificates and non-degree programs
- **Other revenue sources but disproportionately small %**
  - Donations: Limited to big and popular schools
  - Endowment funds: Only few HEIs harness these sources
  - Commercialization of research output: Infancy
  - Auxiliary services to earn rents: Only few HEIs have adequate resources (i.e., idle lands, competent manpower) to implement lucrative ventures





RQ 3: What are the factors that sampled HEI leaders and government actors perceive to determine or shape HEI's financial sustainability?

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National level

- **National policies and regulations**
  - 2017 Free Higher Education Law
  - No-permit-no-exam policy (proposed)
  - Revision of curriculum taking a long time
  - Procurement rules (for public HEI)
- **Demographic and macroeconomic trends**
  - Aging society
  - Advancements in technology and innovation
  - Global political uncertainties

HEI level

- **Pursuit of quality education aligned with the HEI's mission and vision**
- **Leadership and managerial competency**
- **Autonomy in decision-making**
- **Technical capacity and integrity of financial personnel**

RQ 4: What strategies do sampled HEIs undertake to promote their financial sustainability?

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- **Establishing planning and monitoring systems to ensure fiscal discipline and accountability**
- **Pursuing resource optimization and green initiatives**
- **Promoting transparency and demonstrating accountability**
- **Expanding campuses and programs to reach more clients**
- **Adopting digitalization strategies to reach clients and address procurement bottlenecks**
- **Strengthening industry linkages**

RQ5: What risk management strategies, if any, do HEI stakeholders undertake for navigating unexpected shocks (e.g. COVID-19)?

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Developing institutional resilience and adaptability by preparing business continuity plans to ensure minimal disruptions when shocks occur

- Emergency funds and preparedness programs
- Well-established communication protocols and training simulations
- Human resource development

Ensuring adequate financial reserves to support existing and new initiatives

- Employing prudent investment strategies to grow their reserves over time.
- Joining consortiums, pooling funds and engaging professional investment bankers to manage the funds.

Preliminary Recommendations

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National level

Commission on Higher Education: Provide stability and direction to the sector, Issue a comprehensive, long-term policy on tertiary education.

Policymakers and Commission on Higher Education: Address competition, implement a voucher system, allowing qualified students to choose their program and university.

Policymakers:

- Address political disruptions in LUCs, enact a national policy on its establishment and governance.
- Promote greater efficiency in SUCs' resource use, establish more regional university systems.
- Improve resource generation, encourage private citizens and corporations to support public and non-profit HEIs by offering tax breaks on donations.
- Enhance financing, provide incentives for the development of a capital market that finances HEIs.

Preliminary Recommendations

HEI level (HEI leaders): Attract students and donors by improving the quality of education services they provide.

- **Navigate uncertainties, develop a culture of foresight and futures thinking.**
  - Planning is key to stay relevant and and respond to the evolving HEI landscape.
  - Need for systematic approaches and explore possible and probable future characteristics, events, and behaviors vs more traditional models that make linear forecasts based on current trends
  -
- **Enhance the quality of program offerings, leverage transnationalization efforts**
  - Opportunities to expand academic and extension programs
  - More research collaborations by partnering with foreign HEIs.
    - enhancement of the instruction and research quality of due to exposure to international standards.

Questions & Comments?

For additional information on HEIGHTS Philippines FS,
please contact **Connie Bayudan-Dacuycuy** at cdacuycuy@pids.gov.ph.

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Cross-national Synthesis

Cross-national Findings (1)

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Understanding of HEI FS as the ability to:	Financing mechanism & revenue streams		Determinants of HEI FS	
Meet current financial & operational obligations	Public	Private	National-level	HEI-level
Maintain diversified revenue streams	Government appropriations	Indonesia: Funds from the private entity that founded the HEI's + tuition & fees	Higher ed policies & regulations	Competent and effective leadership & finance personnel
Be independent from gov't funding	Tuition & fees	Kenya: Tuition & fees	Demographics & macroeconomic factors related to supply & demand	Reputation based on quality education
Manage finances autonomously	Private funding sources	Philippines: Tuition & fees		Autonomy in financial decision-making
Invest in infrastructure & faculty for quality education				Infrastructure for both teaching & financial management (e.g., FM s system)
				Financial planning & management with transparency & integrity

Cross-national Findings (2)

Current strategies to promote HEI FS	Risk management strategies
Strengthened FM system for planning, monitoring, and optimized utilization of assets with transparency & accountability	**Adopting innovative technology** and digital learning platforms / methods
Establishment of business units for alternative income-generating activities	Conducting internal & external **audits**
Expansion of branch campuses and programs to attract more students	Establish **risk management committees**
Partnership building (with industry, etc.)	**Mapping & identifying existing risks**, planning for unexpected shocks
Research Commercialization	**Ongoing and continued capacity strengthening** for staff on risk management, communication protocols, and use of technology
Others ◦ branding to enhance reputation ◦ maintaining reputable accreditation ◦ cultivation of endowments ◦ adoption of digitization strategies to reach more students & improve procurement	Indonesia: **Adaptable budget management** for reallocation of budgets efficiently for 5, 10, 20 years plans) Kenya: **Automation** of financial processes Kenya, Philippines: **Building financial reserves** for shocks

Implications for policy, directions for future research, and limitations

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<table>
<tr><th>Implications for Policy</th><th>Directions for Future Research</th><th>Limitations of the Study</th></tr>
<tr><td>Comprehensive & long-term policy that lays out clear plans and financing for HEIs</td><td>Selection & recruitment of a larger number of LMICs</td><td rowspan="5">Findings cannot be generalized:

• Small number of countries participating in the study & qualitative methodology
• Views of respondents in the sample are not representative of the population
• Extremely limited availability of and access to HEI financial data in LMICs
• Difficulties in obtaining financial information from HEIs, especially private ones</td></tr>
<tr><td>Increased efficiency in governance and resource management in financing HEIs</td><td>Mixed-method design incorporating both standardized surveys for a greater number of LMICs and qualitative approaches to understand the nuances</td></tr>
<tr><td>Provision of enhanced financing to HEIs</td><td>HE policy (and funding) analysis of over a period of time</td></tr>
<tr><td>Expanded autonomy and incentives for HEIs to develop income-generating strategies</td><td rowspan="2">Financial data analysis from HEIs on financial viability for varying term lengths and strategies that have worked well in their FM over a period of time</td></tr>
<tr><td>Improved capacity & awareness of stakeholders about:

1. The importance of HEI financial sustainability for national development
2. Evidence-informed strategies for policy reforms to strengthen HEI FS</td></tr>
</table>

Implications for Policy

- Comprehensive and long-term policy that lays out ***clear plans and financing*** for HEIs
- Increased efficiency in ***governance and resource management*** in financing HEIs
- Provision of ***enhanced financing*** to HEIs
- Expanded ***autonomy and incentives*** for HEIs to develop income-generating activities
- Improved ***capacity and awareness of stakeholders***:
    - Importance of ***HEI financial sustainability for national development***
    - Contextually relevant and evidence-informed ***strategies for policy reforms*** to strengthen HEI FS within their own country context
- Sustained capacity strengthening on ***FM & risk management strategies*** at all levels of government and HEIs

Looking Forward: Upcoming Publications and Dissemination Events

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Upcoming publications:

- Country reports: Kenya, Indonesia, and the Philippines
- Multi-country report

Upcoming dissemination events:

- Global Education Conference, Washington, D.C. (April 2024)
- HELN webinar (July, 2024)

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Thank you!

Please contact HyoJung Jang (hjang@nd.edu) for questions.

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