UGC FUNDING
OF
INSTITUTIONS OF HIGHER EDUCATION

Report of

Justice Dr. K. Punnayya Committee -- 1992-93

University Grants Commission

New Delhi

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Letter of Submission

November 30, 1993

Dear Professor Ram Reddy,

It gives me great pleasure to present the Report of the "Committee to examine the present financial situation in regard to Central Universities, institutions deemed to be universities, colleges affiliated to Delhi and Banaras Hindu Universities and to make recommendations about appropriate methods to be adopted for determining their financial needs and changes, if any, to be introduced in the system of grants to these bodies in future."

The Committee had its first meeting in the office of UGC, New Delhi on December 2, 1992. In this meeting the broad strategies for dealing with the various terms of reference were sought to be determined. It was decided in this meeting to send the terms of reference of the Committee to the Vice-Chancellors/Heads of Central Universities, Institutions deemed to be Universities and Colleges of Delhi and Banaras Hindu University, to obtain their considered views on the present funding pattern, its disadvantages and suggestions for improvements in the pattern. It was also decided to prepare a standardised format for getting certain vital statistical information from the institutions fully funded by UGC. The Committee invited the Union Education Secretary, former Secretary of UGC, Vice-Chancellors/Heads of Central Universities, Institutions deemed to be Universities and colleges of Delhi University and Banaras Hindu University (which are fully funded by UGC), as well as other eminent educationists to present their perceptions before the Committee on various issues addressed in the terms of reference.

The Committee also had the benefit of obtaining the views of the Union Ministers of Human Resource Development and Finance when it called on them and apprised them of its terms of reference and had a very useful informal discussion with them.

The scope of work of the Committee, as spelt out in its terms of reference, was wide. An in-depth study of the various issues, which perhaps the Committee was called upon to attempt for the first time, needed the collection of a large amount of reliable and comparable statistical data from the institutions, to be followed by their analysis. I must frankly admit that mainly due to the constraint of time as well as the non-availability of certain essential information from the institutions, the Committee had been greatly handicapped in its work.

The Committee met 13 times at Delhi. It also visited 8 Central Universities for getting feedback from various recognised associations like Teachers Associations, Students Unions and Non-teaching Staff Associations on its terms of reference. It interacted with 25 academics and eminent educationists in addition to the Union Ministers of Human Resource Development and Finance, and 12 Principals of colleges of Delhi and Banaras Hindu Universities.

These discussions were of great help to us in identifying some of the critical issues with which the universities/colleges are confronted, and helped us in crystallizing our thoughts.

The Committee had detailed and wide ranging discussions on the various terms of reference. Though at times, there were divergent views among the members, ultimately we could arrive at a consensus on all the terms of reference.

The Committee was conscious that its final report on all the terms of reference was likely to be delayed while some of the issues were urgent. It, therefore, submitted a number of interim recommendations.

I, on behalf of the members, express our gratitude to the Commission for showing great patience in waiting for the final report and granting the Committee the necessary extensions.

Though I am not an educationist per se, I have learnt a lot about the system of higher education during the discussions of the Committee. The learned members of the Committee, with their rich experience in education and educational planning and administration, provided different perspectives on various issues which enabled the Committee to make recommendations on some major issues. I am hopeful that these would be found acceptable to the Commission and the academic community at large.

Yours sincerely,

(K. PUNNAYYA)

Professor G. Ram Reddy
Chairman
University Grants Commission
NEW DELHI 110 002.

Acknowledgements

The Committee is indebted to -

-- the Chairman, University Grants Commission and his colleagues for the excellent facilities offered by them for holding meetings of the Committee in the office of the University Grants Commission;
-- Shri P.K. Umashankar, member of the Committee, for his invaluable contribution in preparation of the draft report;
-- the Director, Consortium For Educational Communication (CEC) for his continued cooperation in sparing the services of Dr. P.B. Tripathy, Chief Administrative Officer of the Consortium, who has been the Secretary of the Committee;

-- the Director, Nuclear Science Centre, New Delhi for making it possible for the Committee to hold some of its meetings in the campus of the Nuclear Science Centre which provided a serene and tranquil atmosphere.

Needless to mention, the Committee is grateful to the Vice-Chancellors of Central Universities for the warm hospitality which they extended to the Committee during their visits. It also expresses its gratitude to a large number of Experts who participated in the discussions on various issues with which the Committee was confronted.

The Committee expresses its appreciation to the work done by the Secretary of the Committee Dr. P. B. Tripathy of C.E.C. and Shri R.L. Sondhi, Shri M.M. Abrol and Shri V.K. Jaiswal of UGC, who have made significant contributions in ensuring timely organisation of the meetings and the final preparation of the report.

The Committee is also grateful to Shri T.N. Dhar and Shri J.L. Azad who, as its consultants prepared the questionnaire for collecting statistical data from the institutions and analysed the same.

It also wishes to thank a team of dedicated CEC staff comprising Mrs. Gowri Palachandran, Mr. Pawan Kumar, Ms. Bharti, Mr. James P. Chacko, Ms. Sugandhi and Mrs. Kavita whose relentless secretarial support has made it possible to bring out this report.

Members of the Committee

1.	Justice (Dr.) K. Punnayya, B-2-351/1/12, Road No. 3, Banjara Hills, Hyderabad.	Chairman
2.	Prof. Tapas Majumdar, Zakir Husain Centre for Educational Studies Jawaharlal Nehru University, New Delhi - 110 067.	
3.	Professor Emeritus (Dr.) M.V. Pylee, Moolamattam House, H.M.T Colony Post, Cochin - 683 503.	
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6.	Shri P.K. Umashankar, Meenakshi, Plot No. 857, 13, Main Road, Anna Nagar West, Madras - 600 040.	
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ABBREVIATIONS

AIU	Association of Indian University
AMU	Aligarh Muslim University
BHU	Banaras Hindu University
CIEFL	Central Institute of English & Foreign Languages
CSIR	Council of Scientific and Industrial Research
CVCP	Committee of Vice-Chancellors and Principals
DAE	Department of Atomic Energy
DNES	Department of Non-Conventional Energy Source
DST	Department of Science and Technology
ICAR	Indian Council of Agricultural Research
ICHR	Indian Council of Historical Research
ICMR	Indian Council of Medical Research
ICPR	Indian Council of Philosophical Research
ICSSR	Indian Council of Social Sciences Research
IGNOU	Indira Gandhi National Open University
ISRO	Indian Space Research Organisation
JMI	Jamia Millia Islamia
JNU	Jawaharlal Nehru University
JRF	Junior Research Fellowship
MHRD	Ministry of Human Resource Development
NCERT	National Council of Educational Research & Training
NEHU	North Eastern Hill University
NIEPA	National Institute of Educational Planning & Administration
NTS	National Talent Search
OECD	Organisation for Economic Cooperation, and Development
TISS	Tata Institute of Social Sciences
UGC	University Grants Commission
VC	Vice-Chancellor

I

INTRODUCTION

Terms of Reference

1.1 The UGC in its order no. F.1-78/92(CPPII), dated 11 November, 1992, set up a High Powered Committee under the Chairmanship of Justice Dr. K. Punnayya to examine the present financial situation in regard to central universities, institutions deemed to be universities, colleges affiliated to Delhi University and Banaras Hindu University, and technical institutions funded by the Government of India. It also asked the Committee to make necessary recommendations and suggest methods to determine their financial needs, and to suggest changes, if any, which could be introduced in the system of grants to these bodies in future (Annex I).

1.2. In the operative part of the order mentioned above, the Commission observed that the system of covering the deficit for determining non-plan assistance was proving difficult to continue because it discourages raising of internal resources and its implications for larger assistance every year. The Commission also regarded the scheme of plan assistance as ad hoc. The Commission, therefore, desired that the Committee should examine the manner in which plan and non plan grants should be determined, the rationale norms that should be adopted, and look into the pattern and system of expenditure of institutions fully funded by UGC. The terms of reference for the Committee are reproduced below with the number (s) of the chapter (s) dealing with each term of reference given in paranthesis.

i. To examine the present policy, norms and the pattern of providing development and maintenance grants to central universities, deemed universities, Delhi colleges and technical institutions from the University Grants Commission/Ministry of Human Resource Development, and to suggest policies and norms for determining grants in future. (Chapters IV, V, XII)

ii. To examine the inter-university variations in development and maintenance grants (per student, per department, and any other relevant criterion) with a view to develop objective parameters governing such grants. (Chapter VII)

iii. To examine the pattern of utilisation of the grants. (Chapter IV)

iv. To examine the pattern of allocation of grants between teaching, research and non-teaching functions and to suggest norms relating to expenditure on the above functions. (Chapter VII)

v. To examine the feasibility of developing norms for individual items of expenditure under the development and maintenance grants and, to suggest such norms; and specifically, to examine whether students/research students strength should be related to faculty strength and the strength of non-teaching employees or any other criteria in this regard. (Chapters VI, VII)

vi. To consider the extent to which flexibility should be available to the institutions for increasing or decreasing expenditure on the individual items under the maintenance grants. (Chapter IV)

vii. To explore and recommend ways of improving overall cost efficiency of the institutions. (Chapter VIII)

viii. To study the extent to which the institutions are raising their own resources, and to suggest specific measures for augmenting the proportion of resource raising by the institutions. (Chapter IX)

ix. To recommend incentives to institutions to raise a higher proportion of internal resources and to develop norms for utilisation of internally generated resources. (Chapter IX)

x. To review existing scheme of financial assistance for needy students such as free studentship, scholarships, students loans and to recommend measures for initiating such a scheme with a view to assisting students from disadvantaged sections of the community, and promoting equity in higher education. (Chapter X)

xi. To consider any other item ancillary to the above which the committee may consider relevant. (Chapter VIII)

1.3. The Committee was given six months' time to finalise its recommendations. This was subsequently extended by another six months.

1.4. Initially, the Committee was asked to include in their study technical institutions funded by the Government of India. Subsequently, on the setting up of another Committee to look into this issue, these institutions were withdrawn from the purview of the present Committee. (Annex II)

1.5 The Committee held its first meeting on 2-12-1992. Chairman, Vice Chairman and Secretary of UGC attended the meeting. They briefed the Committee on the background and emphasised the desirability of making a comprehensive approach in examining the manner of assessing the financial requirements of the institutions fully funded by UGC and in determining the criteria on which assistance could be extended to them.

1.6. As the Committee felt that the information required to examine the terms of reference would not be readily retrievable from the records of the UGC within the limited time at its disposal, it decided to canvas a detailed questionnaire, specifically structured for the purpose, from the concerned universities/institutions. The Committee addressed the Vice-Chancellors of the Central Universities, the Heads of the institutions of deemed to be universities, and the Principals of Delhi University and Banaras Hindu University colleges receiving maintenance assistance from UGC seeking their views on the terms of reference of the Committee.

1.7. The Committee also visited most of the Central Universities and met various sections of the university community, viz. students, faculty, administrative and supportive staff, deans and senior academicians, and heads of departments to elicit their views. To discuss the financial problems of the affiliated colleges of Delhi and Banaras Hindu universities, the Committee met the principals of these institutions to exchange views.

1.8. The Committee met on several occasions and deliberated with number of experts to give the Committee the benefit of their specialised knowledge in the relevant areas. The dates of the meetings of the Committee, the dates of its visits to the various institutions and also a list of invitees with whom the Committee had the advantage of interacting at Delhi are given in Annex. III, IV & V respectively.

1.9. The Committee had the benefit of informal discussions with Shri Arjun

Singh, Union Minister of Human Resources Development and Professor Manmohan Singh, Union Minister of Finance. The Committee records its deep appreciation of the interest evinced by Shri Arjun Singh and Professor Manmohan Singh in the work of the Committee and the openness with which they dealt with every question.

1.10. The Chairman and members of the Committee perused a large volume of documents made available to them. Publications and research papers on the related subjects were also consulted. A representative list of documents consulted by the Committee is given in Annex. VI.

Discussions with the Institutions

1.11. The Committee would like to refer to some of the important issues raised by the heads of institutions, apart from their views on other matters, which they considered it necessary to apprise the Committee in the course of the discussions.

i) The universities are heavily dependent on state funding. Over a period of time, and almost as a result of the government's own policy decisions, the universities have not developed the ability to raise income on their own and operate their internal financial system autonomously. The freezing of and cuts in the maintenance grants have thus had the effect of debilitating the academic activities of the institutions. With budget cuts, the institutions are in no position to bear the increases in the DA and other allowances, which take place periodically at the instance of the Central Government. Moreover, a major portion of the maintenance expenditure (70-75% in most central universities) is on salaries and allowances alone.

ii) Central universities are in different stages of development. Moreover many of them have large campuses for which a variety of municipal and local services have to be provided for but are not normally projected in an educational system. These are not adequately provided for in the schemes of UGC assistance.

iii) The funding system of universities, both on the maintenance and development sides, does not allow for flexibility and the institutions are rigidly controlled and narrowly directed by financial rules that do

not easily accommodate changing needs.

iv) The heads of institutions were of the opinion that unless adequate financial support commensurate with the multi dimensional activities of the universities and functional autonomy in regard to financial decisions are provided, it would be difficult for them to change their pattern of functioning. While smaller institutions complained of relatively larger support to bigger institutions, larger institutions complained of inadequate support for their stage of development. New universities complained of inadequate support to achieve their desired levels of development. The absence of an open system of support to these universities and also failure to adopt norms and standards related to their activities has resulted in a system which neither satisfies the giver nor the recipient.

v) The heads of the institutions deemed to be universities felt that they have been largely ignored by the UGC. They pointed out that although the nature of the deemed universities varied considerably, adequate concern was not shown in the funding pattern for the goals and objectives of each institution.

vi) Delhi colleges felt that they were caught in between the competing pulls of the UGC, Delhi University, College mangements and Delhi Administration. While UGC provides financial support, Delhi University lays down the academic standards. Local management provides limited supervision and Delhi Administration has its own rules applicable to them. Detailed parameters for the grants to these colleges have been laid down, yet the colleges complained of rigidity of the rules, inadequacy of the grants and multiplicity of authorities controlling them which cumulatively resulted in confusion and inefficiency.

vii) The colleges affiliated to Banaras Hindu University pointed out that they receive grants from two sources i.e., the U.P. Government and UGC (apart from the management contribution) and this created problems and confusion, delay and inefficiency. They sought an early end to this situation.

1.12. Having felt that the deliberations on all the terms of reference would necessarily take considerable time, the Committee decided to make interim

recommendations to the UGC on some of the pressing issues as they arose during the early stage of its discussions.

Interim Recommendations

i. The Committee strongly felt that the present practice of adjusting income against the block grant acted as a disincentive to the universities for mobilisation of additional resources. The Committee therefore proposed that the additional income generated should not be adjusted while determining the annual maintenance grant. Any additional resources generated by a university may be kept in a separate fund to be utilised for furtherance of the objectives of the university institutions.

ii. The Committee recommended that the UGC may find a mechanism of providing an appropriate incentive grant, perhaps in the nature of a matching grant, as an incentive to universities generating their own resources.

iii. The Committee also recommended hundred per cent income tax concessions on all endowments and contributions made to the universities and additional concessions to donors sponsoring selected research projects in the universities.

Basic Premises

1.13. The Committee expects that these interim recommendations would provide the necessary motivation for the universities to initiate measures for generating resources in many innovative ways. But it recognises that no viable university system can exist in any country entirely on its own without substantial societal subsidisation, be that in the shape of budgetary support by governments or private endowments created by individuals, industries or foundations. However, the Committee accepts as a concomitant premise that no society determined to fight poverty and social inequality can countenance subsidisation of wasteful expenditure in the universities, or exempt affluent sections of society from paying the reasonable costs of their higher education. The Committee feels that while universities must be encouraged to augment their resources for covering a larger proportion of

costs of education than what prevails now, th ough the increased burden must be borne mainly by those who can afford. Access to higher education must be, in fact, made wider than now for the poorer students through tuition -waivers, scholarships and other means. All these aspects have been dealt with more elaborately later in the body of the report. But the Committee would like to state here its basic stand clearly with regard to the sources of funding which has become an important issue considering that a significant part of the terms of reference relates to procedure for determination of grants to the universities.

1.14. Taking into consideration the historical background, the present stage of development and the role of higher education, the availability of alternative sources of funding and the global experience, the Committee unequivocally reiterates that State funding must continue to be an essential and mandatory requirement to support higher education. It is the perception of the Committee that the State must continue to accept the major responsibility for funding the essential maintenance and development requirements of the universities. Nevertheless, the universities also must be encouraged to supplement the State efforts by raising their own resources and thus stabilise their functioning and development. Further, the need for the universities to accept accountability in terms of quality, cost consciousness and cost effectiveness is imperative. These attributes would themselves, in the view of the Committee, lead to efficient and economic use of the resources available and result in the gradual removal of both wastage and unsustainable subsidies in the university system.

1.15. The Committee understands that this is the first time that an enquiry of this nature has been initiated by the UGC into the system of funding of universities and the academic and cost parameters of the internal functioning of the institutions. The enquiry into the costing of activities of the universities, internal deployment of resources and determination of various academic indicators requires a detailed and extensive examination. Considering that this is the first effort of its kind, and also taking into account the limitation of information both at the level of the universities and UGC and also the differing and non-comparable nature of the information, the Committee found its task quite challenging and in many cases baffling. While it has been possible to propose certain departures from the existing procedures and norms, it has not been possible to get into greater quantitative details in regard to specific activities for the reasons mentioned above.

The directions for future course of action have been tentatively spelt out but detailed analysis of some aspects of future course of action have been limited by the information made available to the Committee. However, given the terms of reference and the time constraint, it has been possible for the Committee to make recommendations sufficiently specific and also give clear indication of lines on which further action needs to be pursued.

1.15. It would now depend on the funding authorities ---- the UGC as well as the Government ---- to consider the lines of action indicated by the Committee for laying down parameters and norms and for bringing into existence a new pattern of internal management of universities which will support quality, promote cost effectiveness, prevent wastage and duplication and encourage raising of resources, as a step towards greater financial viability of the higher education system.

II

BACKGROUND

ROLE OF UGC

2.1. The University Grants Commission (UGC) Act, 1956 empowers the Commission to allocate and disburse grants to central universities and institution deemed to be universities for their maintenance and development and for any other general and specific purpose.

2.2. There are 10 central universities but one of them, i.e. the Indira Gandhi National Open University (IGNOU) is regulated directly from the Ministry and is, therefore, not under the purview of the UGC. The other nine, viz. Delhi University, Jawaharlal Nehru University, Jamia Millia Islamia, Aligarh Muslim University, Banaras Hindu University, Visva Bharati, Hyderabad University, North Eastern Hill University, and Pondicherry University are under the UGC umbrella. UGC is, therefore, responsible for maintenance and development support (financial) to these nine central universities. The Committee is informed that four more new central universities, two in Assam, one each in Nagaland and U.P. are being established. These would be due for development grants immediately and maintenance grants in due course.

2.3. Section 3 of the UGC Act defines an institution deemed to be university. It lays down that Government of India may confer the status of Deemed to be University on an institution which is not a university. The Government does so on the recommendation of UGC. So far 34 institutions have been conferred institutions deemed to be university status. This is an ongoing process and there are always 10-20 applications with UGC seeking institutions to be deemed university status. For historical reasons UGC provides eight of these full maintenance and development grants while others get

partial grants. Of late, due to financial reasons, the UGC has not been assuming financial responsibility for any more institutions deemed to be universities.

2.4. The colleges affiliated to Delhi and Banaras Hindu Universities which were originally assisted directly by the Government, later came under direct UGC assistance. As a result, UGC took over the responsibility to provide maintenance and development grants to these colleges.

2.5. Thus nine central universities, 57 Delhi colleges, and 8 institutions deemed to be universities depend fully on UGC for their maintenance and development expenditure. UGC has no source of income other than what is allocated to it by the Government of India through the Ministry of Human Resource Development. Therefore, the capability of UGC to provide grants to the universities /institutions is dependent on the resources made available to it by the Government of India.

BASIS OF MAINTENANCE GRANT

2.6 The exact amount of maintenance grant payable to central universities, institutions deemed to the universities and Delhi colleges for any year is determined on "covering the deficit " basis, i.e., the internal receipt is deducted out of the actual expenditure incurred in any year. The general financial principles also require that public funds should not be allowed to accumulate as reserves. Accordingly, no institution can build up any reserve out of the maintenance grant paid to it. Because of wide variations in costs and needs in different parts of the country and also due to largeness of the institutions, norms for expenditure for different variables under maintenance grant have not been introduced. Therefore, in assessing the reasonableness of next years' requirement there is considerable subjectivity. The maintenance grant increases incrementally for each institution every year, with the size of increment varying from institution to institution.

2.7. Till 1988-89, however, it was possible for UGC, by and large, to provide grants to these institutions on the basis of the recommendations of their respective Finance Committees. Since then the increasing strain on the financial resources of Government has resulted in reduced levels of grant to UGC which in turn adversely affected the size of the maintenance grants sanctioned to these institutions.

CRISIS REGARDING MAINTENANCE GRANTS

2.8. In 1990-91 as a result of financial crisis, due to the Gulf war, a 10% cut was imposed by the government in the non-plan expenditure of all government departments and autonomous bodies in receipt of government grant. Accordingly, in 1990-91, though at the beginning of the year the non-plan budget of UGC was kept at Rs.238.20 crores, due to the economy cut it was reduced by Rs.17 crores. This made it impossible for the UGC to provide maintenance grant to cover the full deficit as recommended by Finance Committees of the respective universities/institutions.

2.9. In 1991-92, the budget provision for the UGC remained at the same level as initially provided for in 1990-91. However, realising that universities, institutions deemed to be universities and Delhi colleges could not possibly manage with the maintenance grant at 1990-91 level, the UGC provided 5% increase in salary component and 10% in non-salary component over the 1990-91 disbursement. This caused an additional liability to UGC which it met by diverting Plan funds.

2.10. During 1992-93, UGC was provided with a non-plan grant of Rs.247.00 crores in the budget as against the total expenditure of Rs.266.27 crores incurred by it during 1991-92. In order to apprise the Institutions of the impending crisis and to enable them to make necessary financial adjustments well in time for the financial year, the Chairman, UGC, addressed the Vice-Chancellors of central universities, Vice-Chancellors/Directors of institutions deemed to be universities and Principals of Delhi colleges on 1.4.1992, informing them that UGC could pay them only as much maintenance grant as was paid to them in 1991-92. The Chairman also suggested that these institutions might economise and augment their income to the extent possible, keeping in view the specific situation in each individual institution.

MEETINGS WITH THE VICE-CHANCELLORS

2.11. The Commission organised a series of consultations with the Vice-Chancellors, directors of institutions and Principals of colleges who are in receipt of non-plan grant. As per the consensus arrived at these meetings, a Committee was constituted comprising representatives from these institutions to suggest specific measures for economy as well as for

augmenting income. The report of this Committee was considered at a meeting of the Vice-Chancellors of central universities and institutions deemed to be universities. At this meeting, the Heads of the institutions felt that since the situation in regard to each institution is different, a common pattern for measures of economy or for augmenting income was not feasible and therefore this should be decided by the institutions themselves.

2.12. The Vice-Chancellors/Directors also emphasised the following three major issues:

(i) Since the UGC Act specifically provides for "maintenance of such institutions", UGC and Government should provide sufficient funds required for the purpose. UGC and the Government should not make partial-funding for maintenance.

(ii) As the scope for economy and augmenting of income is limited, this would only be a short term remedy and it will not be possible for the universities to manage with inadequate maintenance grants for a long period of time.

(iii) The present formula of deducting income for providing maintenance grant should be changed, in which case the augmentation of income will be meaningful and, similarly, no itemwise limits within the maintenance grant be enforced.

MEETING WITH THE MINISTER OF HUMAN RESOURCE DEVELOPMENT

2.13. Keeping in view the seriousness of the matter, the Minister of Human Resource Development had a meeting with the Chairman, UGC and the Vice-Chancellors of central universities on 7-8 July, 1992. At this meeting the Minister pointed out that in the present financial situation no institution could keep itself totally insulated from its effect. Each university and college has to make necessary structural adjustment to cope with the situation. The Minister, however, announced "de-freezing" of the maintenance grant which was conveyed to all institutions in July, 1992. In pursuance of this announcement the Government provided an extra amount of Rs.39 crores to UGC to meet its non-plan requirements for the year 1992-93.

2.14. In fact, this extra allocation amounted to only Rs.19 crores over and above the actual grant disbursed. Keeping this in view the Commission advised the institutions that the extra amount provided should cover 7.5% more for salary component compared to 1991-92 and 5% for non-salary components. The pensionary benefits would be supported in full, as per actuals. The requirement of the universities, however was much more because:

a) the annual increment on salary is about 3-4% every year;

b) the increments and two DA instalments for January and July, 1992 announced by the government in July 1992, equalled to about 14% of the salary component. This was much more than what UGC had projected earlier on the basis of the size of earlier DA instalments;

c) in addition to the salary component, the maintenance grant includes provision for non-salary components like maintenance of buildings, roads, water and electricity charges, subscription to journals, consumables and chemicals in laboratories. Inflationary expenditure on these items increased by almost 10-15% every year and in fact, in respect of imported equipment and journals the increase was as high as 100-200% compared to 1989-90 figures. The increase of 5% provided by UGC was inadequate to meet the expenditure of these items.

PROBLEMS AND ISSUES

2.15 The present system of financial assistance to the universities is decades old. While there has been profound changes in recent times with regard to various aspects of management and financial environment, assistance to universities and their internal management have so far not undergone any substantial structural reform or change.

2.16. For instance, the fee structure in most of the universities has not changed during the last 40-50 years. Though reliable data is not readily available, during the 1950s the tuition fees accounted for about 15-20% of the total expenditure of a higher educational institution. But today, tuition fees amount to only 2-3% of the total recurring expenditure.

2.17. Similarly, no uniform norms have beenevolved about the ratio which should be maintained between the teachers and students and between teachers and non-teaching staff. Different viewpoints are expressed by different universities and colleges for the maintenance of ratio of students to teachers and teachers to non-teaching staff.

2.18. Development grants (Plan grants) are intended to facilitate expansion and diversification of activities in the universities. They are not intended to supplement the requirements under maintenance (non-plan) grant. Considering the restrictive nature of maintenance grants, the universities have depended mainly on plan grants for their development. In the nature of things, the Plan grants have not been designed to partly absorb the cuts in the non plan grants. Nor are these grants large enough to provide relief for the impact caused by cuts in the non plan grants.

2.19. Under these circumstances the question of adequacy of maintenance grant has become critical. At the same time the entire approach to the sanction of maintenance and development grants merits reconsideration in the light of developments narrated above.

2.20. The whole question of funding Central Universities requires a fresh look. It has to be a comprehensive review. The funding of a university must have a direct relationship to its objectives and should be designed to promote quality, efficiency, autonomy, accountability and relevance. The Committee endeavours to propose measures to facilitate the fulfillment of these objectives.

III

ROLE OF GOVERNMENT IN FINANCING HIGHER EDUCATION

NATIONAL PERSPECTIVE

3.1. It is necessary to have a clear perception of the role of the state in financing higher education in our country as a whole and financing of the central universities, in particular.

INTERNATIONAL EXPERIENCE

3.2. There is a popular impression that in many countries higher education sector is relatively self-sufficient, that is, it does not have to depend on either the state support or support from outside funding agencies. This, however, is not borne out by actual situation as prevailing in various parts of the world today. Table-III.1 shows that higher education institutions depend on public funds and other outside incomes to a much large extent. Even in the well known private universities and institutions in the United States, the share of fees is less than 40% and in public institutions it is around 15%. In British universities it is less than 14% and in France the corresponding figure is less than 5% of the total income of the institutions. However, global trend is increasingly to make institutions of higher education be dependent on a larger share from fees and sales of services both to students and to other users, such as industry and government.

Table - III.1

PERCENTAGE WISESOURCES OF INCOME OF HIGHER EDUCATION INSTITUTIONS

	YEAR	GENERAL PUBLIC FUNDS	FEES	OTHER INCOME
France*	1975	93.00	2.90	4.20
All institutions	1984	89.50	4.70	5.80
Germany*				
All higher education	1986	68.50	0.00	31.50
Japan				
Private 4-yr institutions	1971	9.00	75.80	15.10
	1985	15.00	65.80	19.10
Public institutions	1970	83.10	2.00	14.90
	1987	63.10	8.80	28.00
All institutions	1971	53.06	31.69	15.20
	1985	41.99	35.78	22.20
Netherlands*				
All institutions	1985	80.00	12.00	8.00
Norway	1975	95.00	n.a.	5.00
Public institutions	1987	90.00		10.00
Spain				
Universities	mid-1980s	80.00	20.00	n.a.
United Kingdom	1970-71	71.20	6.30	22.40
Universities	1986-87	55.00	13.70	31.30
Polytechnics (England only)	1986-87	72.40	16.20	11.40
United States				
Private institutions	1969-70	20.70	38.60	40.60
	1984-85	18.40	38.70	42.90
Public institutions	1969-70	61.10	15.10	23.70
	1984-85	59.30	14.50	26.30
All institutions	1969-70	46.50	20.50	29.90
	*1986	44.80	22.40	32.80

Notes:

France* : Expenditure of National Ministry of Education.

Japan : 73 per cent of other income is revenue of hospitals attached to universities.

Norway : Figures for fees not available but very small.

United Kingdom : Almost all the fees of undergraduate students are paid out of public funds. This amounts to about half the fee income of universities and probably a greater proportion of the fee income of polytechnics.

United States : Figures include all government expenditure at all levels. Loans and grants to students amounted to about 80 per cent of fees in 1969-70 and 95 per cent in 1984-85.

*** Source:** *Financing Higher Education: Current Pattern*, OECD.

3.3. All over the world the state makes substantial funding for higher education. But the states increasingly feel that equity and social justice can be ensured better through direct support of students through scholarships and grants. Similarly, accountability and pursuit of national priorities in higher education and research are seen to be secured more through contractual agreements with institutions and through selected programmes and specific projects rather than through open-ended subsidies to institutions.

3.4. The Indian attitude towards educational development has been influenced by our perception of the role of higher education. The establishment of the Banaras Hindu and Aligarh Muslim Universities has a national significance which has been influenced by our freedom struggle to establish an Indian identity in the sphere of higher education. The establishment of the central universities is unique Indian experiment influenced by the federal character of the state polity emphasising regional linkages, the need to preserve and promote national integration and achievement of quality performance comparable to international standards.

3.5. In the past, we viewed the development of each sector of education in parts, but after the Education Commission (1964-66) we began to view education in totality, the different sectors fitting into a common pattern. This holistic view is duly reflected in the National Policy on Education (1986).

3.6 The growth and development of higher education sector has been viewed by Indian policy makers and planners from the very early times as not merely an effort to establish India's cultural identity on the international scene but also as a means to enhance the quality and productive capacity of our manpower. It is perceived also as a crucial input in our efforts to achieve self reliance and autonomy in many frontal areas of strategic activity. The success of these are seen to-day in the advancements made in many areas, such as: Food and Agriculture, Nuclear Science, Space Science and Technology, Computer Development, etc., which are of vital importance for the scientific and technological development of the country. It would be unfortunate if in the present debate on allocation of resources between sectors of education, this perception of the crucial role and importance of higher education is lost sight of. There is no denying, that while primary education is fundamental to the nation, higher education determines its economic and technological progress. While it is mandatory that the nation achieves universal elementary education and total literacy, at the same time

it cannot afford to neglect and relegate to a neglected position our quest to achieve global standards in higher education. The Committee deprecates the tendency which views education in a truncated fashion and sets one sector against another. The advancement of quality primary and secondary education itself depends upon the quality of higher education. Equity and social justice demand that the newly emerging beneficiaries from the secondary education sector, who increasingly represent vulnerable groups, are able to afford an access to higher education. In a democracy broad based education will promote expectations and ambitions which must be supported by access to higher education.

3.7. Broadly putting it, the Committee has viewed the role of higher education :

i. as an essential input for meeting the manpower requirement for important and crucial areas of national development and for the integral part of national effort at human resources development;

ii. as a critical input to ensure social justice and equity for providing upward mobility and access to higher levels of economic and social activities for the weaker sections; and

iii. as an important input for improving the quality of life by making higher levels of knowledge available to a wider base of population and for preserving our cultural heritage.

3.8. Viewed in this context the role of higher education will continue to be a very important element of national endeavour and will fully justify support and intervention by the State.

ROLE OF CENTRAL UNIVERSITIES

3.9. We will now consider the role of central universities against this background. The central universities are a special feature of our federal system and represent the response of that system on a national level to many different cultural and intellectual aspirations of Indian society. Not all our central universities fit into a common pattern. For example, the Banaras Hindu and Aligarh Muslim Universities have strong foundations rooted in

our national and cultural traditions and represent a particular stage of development in our national aspiration. The Delhi University was largely designed to cater to the needs of a capital region with its cosmopolitan character. And it was chosen to fulfil the twin role of providing higher education as per the model and demands of the state policy and, at the same time, develop high traditions of scholarship at the national and international levels. Jawaharlal Nehru University was aimed at promoting the ideals for which Nehru stood for and was designed as a unitary university to promote national integration, social justice, secularism, democratic way of life, international understanding and scientific approach to the problems of society. Visva Bharati was to attain the objectives set out by the institution founded by Rabindranath Tagore. The North Eastern Hill University aimed to pay special attention for the improvement of the social and economic conditions and welfare of the people of hill areas of the North Eastern region, and for the promotion of their intellectual, academic and cultural advancement. The objectives of the University of Hyderabad lay in the circumstances of its creation at the time of the formation of the State of Andhra Pradesh. The Pondicherry University has been set up very recently for the intellectual and cultural development of the region with particular reference to the French language and culture of the area.

3.10. All central universities have certain common features of being centres of excellence and promoters of national integration. They all strive to maintain an all-India character in regard to recruitment of staff and admission of students. They are all expected to function as centres of innovation for programmes and courses which may be beyond the reach of state universities. The Committee would like to refer to the reports of the various committees in the past in regard to the central universities, but restrict to giving only the following extract from the Report of Banaras Hindu University Enquiry Committee, 1969.

> "Central universities should not be regarded as central merely because the Central Government finance them. They should have distinguished character of their own. They should seek to supplement and not always duplicate the facilities and achievement of the state universities. In the case of central universities, their role and responsibility is clear - it is to function effectively and vigorously on an all India basis to help build up a corporate intellectual life in the country to further national integration. Broadly speaking the central universities should provide courses

> which need facilities on demands beyond the reach of the state universities or for which the demands would be too small if limited only to the requirement of an individual state. The central universities should regard it as a part of their special function to contribute towards the removal of imbalances from the academic life of our country, and take suitable action to help deserving students from the educationally backward areas. In order to achieve this object such facilities as may be necessary should be made available to the central universities."

3.11. The Committee feels that in determining grants to central universities one must bear in mind the specific goals assigned to them by their founders or by historical circumstances, of their national character and of being the pioneering and model institutions for the whole country.

IV

PRESENT PATTERN OF FUNDING UNIVERSITIES

PLAN AND NON PLAN

4.1. Budgeting in India distinguishes two sets of activities, one as non-plan or non development or maintenance budget, and the other as plan or development budget. In actual practice, the difference is more procedural than real, although conceptually the plan budget provides for growth, diversification and innovation while the non-plan takes care of sustenance of the ongoing system. All activities of recurring nature taken up during a five year plan period are classified as non plan or maintenance activities after the plan is over. Thus the non plan or maintenance budgets grow in size after successive five year plans are completed the commitment is transferred to non plan part of the budget. The funding of central universities also reflects this praetice. Support to the universities is classified separately as maintenance or non plan, and development or plan grants.

MAINTENANCE GRANTS (NON-PLAN GRANTS)

Authority

4.2. Section 12(b) of the UGC Act authorises the UGC to allocate and disburse out of the fund of the Commission, grants to universities, established or incorporated by or under a Central Act, for the maintenance and development of such Universities. This authorises the Commission to allocate and disburse maintenance grants to the central universities.

Policy

4.3. Each central university and institution deemed to be university has a Finance Committee comprising representatives of the university, local educationists and a nominee each from UGC and the Ministry of Human Resources Development (usually the Financial Adviser). The Finance Committee is a statutory authority in the central universities headed by the Vice Chancellor, which apart from its other concerns, is responsible for the preparation of the budget both for its maintenance and development. Normally, all ongoing activities of the universities, except programmes covered under the current five year plan and projects funded from sources outside the development plan, come under the maintenance expenditure. This is also termed as the non plan budget which includes salary and allowances of teaching and non teaching staff, and expenditure on libraries, laboratories, workshops, services, estate and general infrastructural maintenance.

4.4. The prevailing practice is that all items of recurring expenditure incurred during a current plan period and sanctioned by the UGC on the basis of approved norms is included at the end of the plan period in the maintenance or non plan sector on the same norms and patterns. The non plan expenditure, therefore, evolves out of the pattern and system which is based on the plan programmes approved for the university. We are informed that there are no separate norms and patterns of providing maintenance grants apart from this accepted practice. The maintenance grant budget for every year provides for an increased outlay on the various items which takes into consideration the annual incremental impact of salaries, DA and wage increases and any increase in tariff rates relating to other service charges and a general provision for inflation.

4.5. We quote from the *Report of the Committee to Enquire into the Working of the Central Universities* (Madhuri Shah Committee) the exact position.

"Maintenance Grants

5.207 For quite a long time the maintenance grants to central universities had been paid on the basis of the Block Grant System fixed for a specified period. With the rapid development of the central universities, and in the absence of well defined norms for proper assessments and fixation of levels of expenditure for different items, it had been decided that the block grant for the year be determined by the UGC on the basis of an examination of the Budget Estimates

received from the universities. This had become all the more necessary because of several additional Dearness Allowance instalments announced by the Government, and the steep increase in prices of books, journals and other items. While fixing the annual Block grant for particular year, the following conditions were also prescribed:

(a) The opening balance of a university out of the block grant fixed for a particular year would be carried forward to the succeeding year, which would however be adjusted by the end of the third year.

(b) To ensure that expenditure is incurred within the total resources available, in the best interest of its academic function, the following guidelines were prescribed for reappropriation within the Budget Estimates prepared on the basis of the grant payable and the resources generated from its own income:

(i) No appropriations may be made which would have the effect of augmenting the provision for salaries and allowances.

(ii) The provision made in the estimates for scholarships and fellowships should not be reapropriated to any other head, and

(iii) If there are any savings in Non-Plan recurring budget, they could be utilised for meeting critical academic non-recurring requirements.

The above guidelines were prescribed in addition to the following instructions issued earlier in relation to the payment of Block grants for which prior approval of the UGC was a condition.

(i) Creation of posts with a maximum of the scale of pay beyond Rs.1000.00 per month,

(ii) Revision of existing scales of pay,

(iii) Upgrading of posts,

(iv) Granting of more than five increments above the initial salary at the time of appointment, and

(v) Sanctioning/payment of unusual allowances other than those approved by the Commission."

PATTERN

4.6. The increase in the maintenance grant in the last twelve years for the central universities is shown in Table IV.1:-

It may be seen that the grants have been increasing at varying rates. The sharp increases observed in 1986-87 and 1987-88 were due to the pay revision. It may also be noted that the magnitude of increase varies from institution to institution.

TABLE IV.1

TAELE SHOWING MAINTENANCE GRANT PAID TO UNIVERSITIES DURING THE PERIOD 1981-82 TO 1992-93

Sl.	University	81-82	82-83	83-84	84-85	85-86	86-87	87-88	88-89	89-90	90-91	91-92	92-93
		(Rs.in crores rounded)											
1.	Aligarh Muslim University	9.2	11.6	13.2	15.0	16.2	18.90	25.40	27.50	29.10	33.80	36.70	41.80
2.	B.H.U.	12.1	16.0	17.9	21.9	24.8	28.10	33.70	33.90	35.60	41.10	45.60	53.20
3.	Delhi Univ.	6.6	7.9	9.8	10.6	11.7	14.30	16.60	18.90	19.30	24.70	25.60	28.90
4.	Hyderabad Univ.	1.3	1.4	1.7	2.1	3.0	3.60	4.20	4.90	5.70	6.70	7.80	8.60
5.	J.N.U.	3.6	4.1	5.0	5.2	6.2	7.40	9.50	10.20	11.30	13.20	13.90	16.00
6.	N.E.H.U.	1.1	1.2	1.8	1.9	5.5	6.70	7.5	8.5	8.8	9.9	11.00	12.70
7.	Visva Bharati	2.7	2.8	3.9	4.1	4.9	5.2	7.1	7.7	8.3	9.6	10.70	12.30
8.	Jamia Millia Islamia**									5.3	6.8	7.80	9.00
9.	Pondicherry										2.9	2.30	0.30

* The University was declared as Central University in 1989-90.

** Pondicherry University was established as Central University in 1985 and its non-plan grant is due from 1990-91.

Practice

4.7. The procedure followed in the case of maintenance grants for the university is to prepare the budget and revised budget in September - October and get them duly approved by the Finance Committee and Executive Council. The presence in the Finance Committee of the university of a UGC representative and the representative of Department of Education who is usually the Financial Adviser (who also has a link with the Ministry of Finance), is crucial for the deliberations. They ensure that the proposals included in a budget are in accordance with the guidelines on the subject. The proposals are usually finalised after detailed and extensive discussions which are then forwarded to the UGC. As the representative of UGC sits on the Finance Committee, UGC does not go into further detailed scrutiny. The proposals received from the university are consolidated and presented to the government for sanction of appropriate funds for the maintenance grant in the budget. Usually, the requirements of maintenance grants are subject to negotiations between the UGC and the Ministry of Human Resource Development and also Planning Commission. It has been the experience of UGC that excepting in cases where steep rises are noticed in respect of individual items, the government accepts the proposals of UGC with little modifications.

4.8. In 1991, as a result of budgetary crisis, a 10% cut was imposed on the departments of government and autonomous institutions. This resulted in a cut in the maintenance grant sanctioned to UGC for 1991 and UGC had therefore to excercise cuts in the then non plan grants to the universities. In 1991-92, maintenance grant was sanctioned at 1990 -91 level because of continuing difficult resource position, with the result that normal incremental expenditures involved in the maintenance costs could not be sanctioned. The UGC, however, had to provide partial relief to the universities by diverting plan funds. While the Government ultimately provided some relief, there had to be diversion of plan funds to meet the crisis. During the financial year 1992-93, the reduction in the maintenance grant resulted in financial hardship for the universities. The Government decided that the half-yearly increase of DA, increase in conveyance, overtime allowances, daily wages, bonus and other benefits extended to Central Government employees which are applicable to autonomous institutions would not be supported by supplementary grants and would have to be managed from within the maintenance grant. The fixation of the maintenance grant at

levels lower than the predicted levels and the discontinuance of support for the periodical increase in DA and other benefits resulted in heavy deficits in the non plan funds of the universities. The net impact of these cuts in the maintenance grants resulted in diversion of very slender resources, available with the universities in the form of maintenance grant for support to libraries, equipment and essential academic activities, to meet the commitments on payments such as salaries, remuneration and service charges etc. This resulted in adverse impact on the quality of the academic programmes.

4.9. Since a large portion of maintenance grant covers salary and allowances of the staff a ten per cent cut on the maintenance grants, results in large cuts on the academic items which constitute a relatively smaller proportion of the maintenance grant.

NATURE AND STRUCTURE OF MAINTENANCE GRANTS

4.10. The pattern of maintenance expenditure in central universities has become complex because of the nature and development of these universities. In their earlier stages only basic infrastructural expenditures incurred by the universities during a plan period were reflected in the maintenance budget, but with the development of universities' academic, research and other programmes, many of their other activities also came under maintenance expenditure.

4.11. Universities undertake research and constancy projects for various agencies, departments and organisations of the government. These projects demand employment of staff, purchase of equipment and in many cases construction of buildings. When these projects are completed, the equipment is taken over by the universities. Some of these are costly equipments and require maintenance for subsequent use. While the staff employed on the project is usually retrenched, core staff required for maintenance and functioning of the equipment is retained. Similarly buildings require maintenance costs for their upkeep and utilisation. Sometimes projects offered by sister organisations and departments of government to the universities are terminated midway and the control of the projects transferred to the universities with the liabilities for maintaining the equipment and core staff. This again leads to additional burden on the maintenance budget of the universities.

4.12. It has been reported that for many plan programmes approved by the University Grants Commission, even minimum staff required is not provided and in some cases programmes are sanctioned on the undertaking that universities would manage them with their own resources. The universities in these cases have no alternative but to create positions within their power of delegation and operate these programmes with the support of maintenance grant.

4.13. The nature of the system of appointment of staff in the universities and conditions regarding job security in regard to the academic and non academic staff in various departments, make it difficult for universities to dispense with their services when not required or shift them to new set of activities. The net result has been that the staff is retained causing heavy burden on the maintenance expenditure. In many cases staff on research projects retained on humanitarian grounds or on court orders becomes an additional load on the university budget.

4.14. The effect of all this has resulted in steep increase in the maintenance grants of the universities year after year. The increase in salary, DA and other allowances results in an increase by 14% to 15% annually in the maintenance grant. Besides these, increase in tariffs, costs and prices is estimated at about 10%. The increase in the cost of maintenance of equipment, particularly imported equipment, and purchase of journals is very high. The maintenance expenditure has gone up further at comparatively high rates in recent years. To understand maintenance grant, the special problems affecting different universities has to be kept in mind. In the case of many universities, maintenance of buildings more than ten years old and replacement of equipment which has out-lasted its normal life require special support.

4.15. The internal administrative and financial management of the university systems has undergone little change to adapt itself to the challenges offered by changes externally. The fee structure in most universities has not changed in the last 40 to 50 years. The practice of adjusting income generated internally by the university against the non plan grant due to them and also setting off the savings towards grants has resulted in discouraging the universities from generating additional resources and promoting internal efficiency In fact the existing system has led to practices in which an inefficient institution secures greater support. And because of wide variations in the costs and in the nature of the institutions, it has not been

possible to evolve common norms for expenditure for the various activities in the maintenance grant. Considering the incremental nature of the grant, there has been no effort to link activities to financial norms. The result has been the presence of considerable measure of subjectivity in the determination and operation of maintenance grant.

4.16. It is clear from above that maintenance grants by their very nature increase annually and are negotiated by the universities with the UGC and UGC in turn negotiates the same with the Government. As in the case of all incremental grants, there were no problems till the recent crisis in the budget allocations. In the nature of things, the procedure and method of sanctioning maintenance grants has provided little scope for exercising economy, promotion of efficiency and developing savings. As the pattern of grants sanctioned to each university is based on negotiations, common pattern of sanction has not been evolved. It has not been possible to compare per student, per department, per activity, outlays within the universities and among the central universities in absence of application of unit cost system.

UTILISATION

4.17. The utilisation of the maintenance grants has not posed problems to the universities. While there may have been individual cases of failure to utilise the grants in certain activities, by and large, maintenance grants have been fully utilised as they generally cover ongoing activities. The procedure for grants also provides for adjustment of unutilised grant in the grant for the succeeding year.

DEVELOPMENT GRANTS (PLAN GRANTS)

4.18. Development grants, also called plan grants, are sanctioned to universities for expansion of their activities and for developing new programmes. The support covers expenditure on staff, buildings, equipment, libraries and other related activities. As the universities develop, the size of their maintenance grants becomes larger and larger but the size of development grant does not grow proportionately. The development grants have comparatively less recurring items of expenditure than non plan grants. As on 1991-92 the annual plan grants of central universities

represent approximately 30% of the total maintenance grants to the universities.

Table-IV.2

Central Universities During 1991-92.

Universities	Non Plan	Plan
		(Rs. in lakhs)
1. Aligarh Muslim Univ.	3672.92	494.00
2. Banaras Hindu Univ.	4558.68	607.97
3. Delhi University	2557.58	351.34
4. Hyderabad University	780.64	332.76
5. Jawaharlal Nehru Univ.	1386.86	304.39
6. Jamia Millia Islamia	782.24	162.93
7. N.E.H.University	1097.84	2173.42
8. Pondicherry Univ.	224.65	104.46
9. Visva Bharati Univ.	1062.38	265.76
TOTAL	16123.79	4797.03

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PROCEDURE

4.19. In the case of development grants, UGC fomulates its proposals for the plan period which includes plan programmes of central universities and presents them to government. These programmes are based on UGC's analysis of past performance of central universities, their lines of development and needs. UGC also estimates the availability of resources based on allocation made in the past. These proposals are then finalised after detailed discussions between UGC and Government. They then go before the Planning Commission for final allocation. The experience of UGC has been that the plans formulated by them are considerably trimmed by the Planning

Commission. After the allocation of plan funds, the UGC tentatively apportions the funds among central universities and between the various other schemes of the Commission. After indicating the provisional allocation of funds to each of the central university, UGC calls for detailed proposals. The earlier practice was to send visiting Committees to these universities for finalization of the Five Year Plan of universities. This procedure was time consuming and resulted in delayed formulation of plans. Later the system was changed. Now the plans are scrutinised by expert committees at the Head Quarters after holding discussions with universities. While initially indicated allocations could be modified in this process changes are marginal.

4.20. Table IV.3 gives the proposed requirements of the central universities and the actual allocation made.

TABLE IV.3

Central Universities -

Eighth Plan Requirements & Allocation Made

Name of University *	Requirements proposed by the University	Allocation Approved by UGC **
		(Rs. in lakhs)
1. Aligarh Muslim Univ.	1100.00	721.00
2. Banaras Hindu Univ.	4374.74	1100.00
3. Delhi University	1929.22	1285.00
4. Hyderabad University	1615.40	988.00
5. Jawaharlal Nehru Univ.	1500.00	1235.00
6. Jamia Millia Islamia	1732.84	1057.00
7. N.E.H. Univ.	11170.35	1640.00
8. Pondicherry Univ.	3458.00	1016.00
9. Visva Bharati	2391.00	800.00
TOTAL	**29271.55**	**9842.00**

* Excluding grant for Agriculture, Engineering and Medicine.

** This is likely to be enhanced subject to increase in over-all allocation of UGC.

4.21. Apart from allocation under general development in a Five Year Plan, the central universities are also eligible for plan assistance under a variety of schemes of UGC for development of specific activities intended for upgrading standards. These are available for the university sector as a whole and central universities also appear among them. While these allocations are not substantial, nevertheless, they form a strategic input to promote quality in teaching and research.

NATURE AND CHARACTER

4.22. It can be seen that the development grant is essentially in the nature of ad-hoc grant provided once in five years by UGC to the central universities on the basis of negotiations. Undoubtedly, there would be elements in these programmes which are based on standard costs and pattern. The UGC while providing grants to individual central universities takes into consideration their special needs and circumstances. These do not constitute any common pattern and this remains largely an ad-hoc exercise.

4.23. After approval of the five year plans of the universities the UGC determines their annual plan programmes and the releases of funds.

4.24. We find that the grants for central universities are considered under the following broad heads: general development, medical colleges and hospitals, campus development, Delhi college buildings and new central universities. Apart from this the central universities having engineering/ technology departments receive separate grant available to UGC from AICTE. The categorisation has perhaps been necessitated by developments in the central universities and pressures which have emanated from different sectors. It appears that this will require revision in future so that there is a measure of uniformity in regard to the pattern of assistance to be provided to the central universities.

4.25. We would like to quote from the report of the Madhuri Shah Committee regarding the mode of preparation of development plans of central universities.

"We have examined, where we have been supplied the information by the universities, the manner in which the plans for development are prepared by the universities. The procedure adopted is not satisfactory and usually amounts to an uncritical collection of separate proposals made by different departments and units. There is no perspective planning and no delineation of desirable directions of growth. No university has a machinery to evaluate or monitor its programmes. It has been observed that practically in all universities there has been considerable spill over from one plan to another and they have not shown a satisfactory performance in implementing the different schemes approved".

IV.26 Considering that this Committee was headed by the then Chairman of UGC, and the then Vice Chairman of UGC, and the present Chairman of UGC were members, we have no doubt that these observations merit serious consideration. The whole planning process appears ad hoc and fragmented.

4.27. The universities have their own views in regard to these observations. The delay in sanctioning schemes, irregular release of funds, inadequate delegation of powers to universities in the implementation of plan schemes are cited as reasons for delay in implementation of plan programmes.

V

PATTERN OF FUNDING THE UNIVERSITIES WITH SPECIAL REFERENCE TO CENTRAL UNIVERSITIES

The Committee would like to briefly discuss the different patterns of funding higher education sector.

NEGOTIATED FUNDING

5.1. Majority of countries, including India, still persist in continuing with what is termed as negotiated funding. This is done by basing the allocation on the previous year and providing incrementals on broadly laid down formula. The actual extent of support depends upon availability of funds, extent of requirements, negotiating skills of the institution and its political influence. This measure appears to be popular because it gives the fund -providing authority some measure of discretion and a fair degree of control over the institutions. The institutions are happy, when their needs are met and they are not under pressure. This method has proved adequate so long as resources were not a problem. But with growing pressures of numbers on higher education and the shrinking size of the education budget, this pattern of funding is increasingly being questioned. Uncertainty of allocation disrupts university activities and causes alarm. There are other aspects of this method which cause concern. This approach does not reward efficiency and quality. It does not promote internal efficiency and savings. Where this method also incorporates the principle of covering the deficit, it discourages income generation. In an environment, where quality,

efficiency, accountability and returns for investment are emerging as important factors in the determining all public funding, this system of funding seems to have lost its justification.

INPUT FUNDING

5.2. Some countries are changing over to a pattern of funding which is related to inputs. This establishes a relationship with costs and efficiency. The general approach is to have the enrolment multiplied by contents of unit cost. There are variations of this approach to cover requirements of institutions and funding authority. The cost parameters take into account student - teacher ratio, staff student ratio, space allocation etc. Various other costs like library, laboratory, accommodation are built into the system. It is possible to develop a set of cost inputs adopting weightage system relating to funding, depending upon the requirements of funding authorities. However, there is one major requirement in regard to this system, which the Indian system may find initially difficult to satisfy. That is, reliable and regular flow of information relating to university's internal system and its costing. Development of an effective institutional information system is a basic requirement of successful input funding.

5.3. Input funding has put institutions under pressure and promotes cost consciousness and accountability. But quality still remains a problem. While input funding promotes autonomy, it may limit innovation and diversification. Research may also suffer unless it is specially taken care of. There is some leverage with funding agencies as they can consciously influence extent of reimbursement of costs. While, this pattern of funding encourages enrolment, it may ignore market- employment requirement and cause problems. But negotiated funding has also all these weaknesses and none of the advantages.

OUTPUT FUNDING

5.4. A few countries are now exploring output - based funding. Here institutions are paid for their output, in terms of graduates and post graduates. This certainly covers both costing and partly efficiency factors.

But even here, the issue of quality would still remain open. It also implies further refinement of the internal information system.

STUDENT FUNDING

5.5. Of late, some countries are experiments with the student - based funding. Here, broadly speaking, institutions are free to fix the fees and the state funds students, to meet their tuition and living costs. Funding of students may be based on merit. It could be combined with the requirement of social justice. Funding for tuition fees and living costs could be separated and living costs linked to economic criteria. Student -based funding may ensure cost effectiveness and quality. But it could lead to development of different levels of institutions based on quality and cost factors.

5.6. Once we decide to move away from negotiated funding, it is possible to bring in formulae suited to Indian requirements. The basis of funding of a central university may be linked to its specific objectives and to its pursuit of excellence, inovativeness all-India character and ability to provide access to weaker sections. Innovation and excellence can be supported through due weightage in input cost structure to aspects which require additional or higher levels of funding. All-India character of these institutions and their access to students from weaker sections and backward areas may be promoted through student - funding. We may also develop a system by which central universities can also compete for funds for innovative courses. Research funds may be provided in the development grant as special inputs for strengthening the university's research infrastructure.

RELEVANCE TO CENTRAL UNIVERSITIES

5.7. The Committee is of the view that the central universities may switch to an appropriate mix of input - funding and student funding systems. While, cost input may be determined by individual universities in the first instance, they may be standardized for comparable courses of study by UGC over a period of time.

5.8. In actual funding, a part may be based on input costs and the rest on the basis of student funding. The details may have to be worked out by the universities and standardized wherever possible by UGC. In regard to

student funding, consideration of merit as well as economic and social backwardness should be taken into account. To promote all India character of these institutions, students from different states may be compensated on different scales consciously, favouring students from distant States.

OBJECTIVE OF FUNDING

5.9. The objective of funding universities must be to promote institutions to develop their own internal assessment regarding admissions, courses of study, internal allocation, deployment of funds and generation of resources with adequate functional autonomy. In the case of central universities, their objectives, all-India character, excellence, innovation and access by weaker sections have to be ensured. The relaxation of controls over internal systems should encourage cost consciousness, savings and accountability. Quality, efficiency and innovativeness must be consciously rewarded. Institutions failing to improve financial and academic discipline should face disincentives.

APPROACH IN FUTURE

5.10. From an analysis of data used in the chapter on 'Norms' the Committee is aware that even within a university unit costs may vary among similar departments and similar activities. But even with limited information at its disposal it has been possible for the Committee to show areas where reasonable norms can be adopted initially. Hence the Committee is of the view that the introduction of unit cost system of calculation within the university should be possible in the next 3-5 years, preferably within the current plan period.

1. The Committee recommends that the unit cost system of calculation of eligibility for grants should replace the existing incremental system which may be retained till the end of the current five year plan period. Meanwhile the universities may be asked to develop unit-cost system and try to bring costs to uniform patterns for similar activities within the university.

II. All grants from the next five year plan period onwards should be closely related to unit cost of activities as a rule, except in cases like starting of new programmes for which unit costs are not determined would be difficult to determine.

III. The Committee recommends that UGC/Government must ensure that maintenance grant covers the wage bill of the university, including the periodical increase in increments and DA and also be sufficient to cover service charges to be laid down in consultation with the university authorities and experts. This may include water supply, consumables and libraries. It is very clear that the impact of the periodical increase in DA and other allowances on the salary structure is considerable and financial systems of the universities cannot bear this except at the cost of essential academic inputs.

5.11. The Committee recognises that heavy subsidies in many of the activities covered under maintenance grants such as supply of electricity, transport, water, and in many other items have to reviewed. It should be possible for university authorities to identify them and reduce them to a substantial extent so that the maintenance grants can be stabilized at certain acceptable level. We would expect that with the adoption of unit cost system, many sources of wastage, and unintended or unjustified subsidies are likely to be identified and discontinued. Concurrently more efficient and fuller utilisation of facilities, avoidance of waste and adoption of new cost-effective measures may emerge.

VI

PROPOSALS FOR FUNDING CENTRAL UNIVERSITIES IN FUTURE

MAINTENANCE GRANTS

Basis

6.1 The Committee suggests replacement of the incremental nature of maintenance grants by a more rational system of grants, to ensure accountability, efficiency and adequate incentive for savings and generation of income. The Committee recommends adoption of a pattern of per unit cost and activity oriented grants which should be related to teaching programmes of the various departments and centres. It should also include expenditures on administration, maintenance of estate, maintenance of buildings, hostel administration, and all other non academic activities. While, in the initial stages, it may be difficult to quantify proportionately the non teaching costs, the Committee is of opinion that with the support of experts it should be possible to quantify these costs and adapt them into per unit cost. Ultimately maintenance grants to a university based on unit costs of all its activities would require revision from time to time. Details of our proposals are given in chapter VII.

Curbing Increase in Staff Strength

6.2. One of the causes for increase in the maintenance grants has been the increase in the staff costs due to additional employment. While incremental changes in salary and remuneration structure and periodical increases in

allowances and costs are inevitable, expenditure due to increase in the number of staff has to be reviewed and curbed firmly wherever necessary. Developing detailed internal information system and per unit cost in regard to non academic activities and enforcement of an optimum division between academic and non academic costs should be arrived at to help in stabilizing the maintenance expenditure.

Powers of University

6.3. The university should be competent to operate its maintenance grant flexibly except for the creation of any new posts in any category. The universities should be authorised to shift and exchange posts to meet the needs of emerging and changed circumstances.

Release of Grants

6.4. The grievance of the universities that the pattern of release of maintenance grants strains their resources and often place them in very delicate situation appears valid. We recommend that 20% of the annual maintenance grants should be released to the universities in April-May, 60% in September-October and the remaining 20% in December.

DEVELOPMENT GRANTS

Nature

6.5. The plans of the central universities should cover the following aspects in regard to the development of the universities:-

i. A part of the support must flow to institutions and universities for organisation of new academic programmes and development of existing programmes. This should, however, be linked to the academic audit system and performance indicators which have been discussed separately (Chapter VIII). The findings of internal academic audit system would determine the needs and scope for new courses of study. We are of the view that central universities must

avoid offering conventional courses except where they are specially needed. In the case of new academic programmes, support must also be extended for providing infrastructural facilities for these activities in terms of space, staff, furniture and equipment.

ii. Increased support should be extended for infrastructure development of the universities for services such as water, electricity, communication and for technological upgrading in the case of offices, laboratories, libraries, etc.

iii. Student welfare programmes in terms of hostel facilities particularly hostel for girls and the associated infrastructural provisions for sports, health, canteen, and similar other activities must get full support.

iv. There must be also support for developing the basic academic infrastructural facilities of universities such as libraries, laboratories and workshops. It is not desirable to create new facilities but of extending and developing existing facilities. It has been pointed out to the Committee that new facilities are provided while existing facilities covered under non-plan programmes stagnate. It has to be emphasised that viewing the basic academic infrastructure facilities no distinction should be made in regard to the plan and non-plan grants and the entire system must be viewed as a whole. There also appears to be unjustified pressure for introducing new programmes and developing new areas without providing necessary support for consolidating existing programmes. It has been the experience of some of these institutions that stagnation of current programmes and development of inadequately planned new programmes have created problems for both the plan and non-plan grants.

Issues

6.6. The universities and the UGC should consider in greater detail the implications of new programmes for maintenance expenditure. Because of the introduction of a variety of new programmes during a plan period, organisation of infrastructure for them tend to influence the maintenance provisions in due course and also casts a heavy burden on the already over stretched maintenance grant.

6.7. One of the problems of plan grant has been the effort to provide promotional opportunities for staff in existing departments covered under the maintenance grant. Though, our suggestions elsewhere for giving freedom to the university to shift and exchange posts on the non-plan side, may to some extent mitigate this problem but the efforts of universities to provide for expansion and development of existing departments without adequate academic justification for ensuring promotions will adversely affect the academic efficiency of the institutions. The Committee is of the view that efforts of central universities to introduce standard conventional courses of study for which ample facilities exist in neighbouring state universities and whichhaveno relevance to the objectives of these universities deserve no support.

6.8. As in all other activities of government, the central universities are also seen to be in a frenzy for seeking additional resources and expanding their activities without a clear focus or specific direction and growth.

Perspective Plan

6.9. The absence of a well spelt out perspective plan and a documentation system in the universities and UGC has often led the universities to expand their activities without clear directions. The universities and UGC need to get together to look at this issue closely and decide on the future course of action. The Committee suggests that:

i. Each university must have a perspective plan which must be linked to its objectives, environment and potential.

ii. UGC must have a well developed system for defining objectives and profile of each central university and also monitoring their developments.

iii. UGC should constitute a Standing Advisory Committee of experts,who should continue on a reasonably long term basis, for evaluating the perspective plans drawn up by the central universities and monitoring them.

iv. UGC should have special provision of funds in the plan for which all universities may compete and undertake research in identified areas. UGC may identify areas for such courses of study and research. This would promote quality as well as cost effectiveness. The selection of

the institutions for funding must be on clearly identified parameters.

iv. We would also recommend the provision of specified discretionary fund with the Vice-Chancellor to be used for promoting excellence in teaching and research without incurring any recurring liability.

Sanction and Release of Funds

6.10. The heads of the universities have pointed emphatically to the delays in the sanction of schemes, irregularity in the release of grants and inadequate delegation of power. The Committee recommends that once the five year plan of universities is finalised and approved, the university must be considered competent to implement those schemes subject to broad guidelines in regard to pattern of staff, standardised items of expenditure, equipments, building and other facilities. Where such guidelines are not available the university may be given the authority to evolve the pattern, in consultation with UGC. With the sanction of plan schemes of the central universities for the Plan as a whole, there should be no necessity for issuing of annual sanction in the case of annual plan. The annual plans and their provisions must be treated as a stage of action in the Five Year Plan programmes and the sanction of the scheme must be presumed to cover their annual plan provisions also. With the approval of the Five Year Plan and annual plan, 20% advance funds must be released at the beginning of the financial year (April-May), 60% in Sept.-October and the remaining 20% in December. The universities should be required to submit completion certificates in respect of the schemes where the provisions have been fully utilised and objectives realised.

Building Programmes

6.11. In the building programmes delays are reported because of the clearances required from CPWD and UGC at different stages. Detailed guidelines have been laid down by UGC including specifications for various categories of buildings in central universities and the mode of construction. It is also mandatory to constitute a building committee with representation from the CPWD. The Committee supports the statutory establishment of a

building committee with adequate representation from CPWD and UGC. In our opinion, subject to approval of the building committee, the Vice-Chancellor should have full authority to execute and get the work completed according to the schedule. There is no need for the university authorities to seek UGC's approval for construction of building in stages. Earlier, there were only limited number of construction agencies such as the State and Central PWD; there are now a number of State/Centre - sponsored autonomous organisations providing such services. It should be open to universities to utilise the services of these organisations. It would be desirable for the UGC to exercise any scrutiny it requires, through the presence of its representative on the building committee rather than through correspondence. The Committee is not convinced by the approach that detailed control necessarily contributes to better implementation. On the other hand, it appears to have robbed the universities of the necessary initiative and involvement.

6.12. There is need for the UGC and universities to develop openness in respect of development grants both in regard to their operations and funding. The university s internal information system must be geared to provide a clear picture of the deployment of resources and details of implementation. The UGC must base the assignment of funds on the plan side to specific norms and cost pattern and indicate reasons where departure from the norms are necessitated. The UGC should have an overall understanding of the magnitude of its operations in the deployment of funds. Allocation of relatively larger funds to institutions in and around the UGC headquarters and Government in the centre conveys an impression of inequitable distribution and unjustified concentration. An openness in the distribution of the plan funds will help to dispel these impressions.

6.13. The development plans of the universities should be prepared with greater care and should be linked to the perspective plans of the universities. A certain measure of scepticism was noticed during the discussions with universities for the preparation of plans for expansion of universities because of inadequate grants. The universities prepare ambitious plans, while allocations are modest. UGC and universities have to adapt themselves to modest allocations and yet design relevant programmes.

PLANNING AND MONITORING COMMITTEE

6.14. The Committee recommends formation of a statutory Planning and Monitoring Committee for each central/deemed university. This committee headed by the Vice Chancellor should have representation from academics and experts from both within and outside the institution. Carefully chosen members from the academic wing of the universities may be given adequate relief from their normal job to devote time for this work. This Planning and Monitoring Committee should prepare a perspective plan related to the objectives of the university. It should be pragmatic, implementable and related to the available financial and human resources. It should not be a mechanical aggregation of proposals from departments. Planning and Monitoring Committee may then undertake the preparation of five year and annual plans. These must not be regarded as one time activity but as continuing process. This committee should review all activities of the university including those covered under maintenance grant. The findings of the academic audit system and performance indicators must be taken into account by the Planning and Monitoring Committee in their plan proposals. The statistical units of the university must help the Planning and Monitoring Committee to develop a strong institutional information system. Planning and Monitoring can also help in the smooth implementation of proposals and recommendations made by our Committee in regard to a change in the pattern of grants and organisation of internal information system in the universities. The Planning and Monitoring Committee must ultimately assume responsibility for the various measures proposed by us for promoting quality, efficiency and cost effectiveness.

VII

NORMS

INFORMATION SYSTEM

7.1 The Committee was required to examine by the terms of reference placed before it, various academic and financial parameters which determine sanction of development and maintenance grants to different universities and various departments in terms of student enrolment and other relevant criteria, and the allocation of grants between teaching, research and non-teaching sectors. Accordingly, the Committee was asked to suggest norms for allocation and sanction of expenditure and link the allocations to the strength of students, teaching and non-teaching staff at different levels/faculties, and any other criteria.

7.2. This required collection of relevant, reliable and comparable information from the institutions. UGC, however, has paid little attention to the collection and analysis of such data; and retrieving the data already collected was difficult because of the lack of systematic storing of data. The Committee is of the strong view that without the organisation of an efficient, reliable and prompt information system it would not be possible to make quantitatively well defined recommendations taking into account the various parameters in the determination of the quanta of maintenance and development grants payable to the institutions.

7.3. UGC must take immediate steps to standardise the statistical tables in regard to information relating to academic, administrative and financial matters as provided in the Annual Reports of all institutions. All institutions/ universities should have format of its own for presenting or highlight-

ing the work done by it. Freedom must be given to universities to do so. But in regard to the statistical information there must be standardisation as far as possible for data storage, retrieval for easy comparability. The universities would be free to offer additional information as they may consider it necessary.

7.4. Some of the information which should be in a standardised format for presentation by the institutions is outlined below:

i. An Academic calendar indicating number of days that an institution worked in a year.

ii Information on admissions made to the universities during the year, to include the number applications received and the numbers actually admitted -- their breakup in terms of sex, scheduled castes and scheduled tribes. There may also be analysis of these in terms of those belonging to the state where the institution is located, those from the neighbouring states and those from distant states. Foreign students may also be categorised separately.

7.5. The university should present the total student roll strength in the year in the same pattern as indicated above. This may also be classified under research, postgraduate, graduate, diploma/certificate, distance learning and other courses. Part-time students and full-time students should be shown separately. The students in the affiliated/ constituent colleges of the university should also be shown separately. The results of academic courses and success, repeat and drop out rates must also be computed. The tuition fees charged for courses at different levels and other fees should also be indicated.

7.6. Another statement should indicate the details of academic staff in the same pattern as suggested for the students. The breakup of the non-teaching staff in the institution may be shown under A, B, C and D categories. The daily wagers may be shown separately. Moreover, there is a need to distinguish among the non-teaching staff, between those associated with teaching purpose such as technicians, technical assistants, library staff, laboratory attendants, etc. and those who are purely ministerial: watch and ward, maintenance, etc., We suggest that a further classification of non-teaching staff into academic support staff and administrative and ministerial staff be attempted.

7.7. The financial estimates of the universities indicating the maintenance expenditure of the institution should include in detail the following information which is required for analysis: expenditure on teaching and non-teaching staff; per student expenditure at different levels viz., research, postgraduate, undergraduate and other levels. Attempt may be made to calculate the per student expenditure on libraries, hostels, estates, examinations, administrative and municipal activities. On this subject the UGC should set up an expert group to identify the direct and indirect expenditure as indicated in different budget documents which goes to calculate the expenditure on these items and lay down the exact pattern or modalities for calculating the per capita expenditure. The financial details are often complex and the expenditure needs to be carefully identified so that there is neither inflation nor omission of important factors. The expenditure under different items for the maintenance and development grants should be incorporated. The income generation by the universities may also be shown.

7.8. The details of fellowships, scholarship, freeship and other student support systemsmust be collated and indicated.

7.9. We suggest, as has already been done by one university, the presentation of students in terms of income groups. This is useful as discussions revolve around the access of the weaker sections to higher education and in this context an analysis of income pattern of parents/ guardian of students is necessary.

7.10. We recommend that UGC should collect and collate this information and bring out an annual publication presenting these details. With the availability of computer facilities both in the universities and UGC, it should not be difficult. We propose that UGC through computer networking arrangement with the universities get this information generated in the universities which can simultaneously be stored at the host computer at head quarters and easily retrieved for analysis.

7.11. We now pass on to a more detailed consideration of the various academic and financial parameters. Realising the dearth of information readily available, we canvassed a questionnaire to the universities for securing information directly as per the terms of reference. The proforma was designed after considerable consultation with the senior officials of the universities . Unfortunately, the information received was rather late and some institutions failed to respond. The information supplied in some cases

was incomplete and was not in the form prescribed. To analyse this information posed severe problems. The figures given in the Annual Report, those available with UGC, and those compiled on the basis of the questionnaire often did not tally, raising serious problems for data comparison and authenticity.

7.12. The efforts at collation of reliable data was time-consuming and had to be confined to a limited area as per the requirements and needs of the Committee. We feel that the Statistical Unit of the UGC is not being used effectively and efficiently. The Unit has not been able to provide basic statistical support for current policy decisions often leading to multiple and piecemeal collection of needed information because of the back-log of work to be cleared, collated and analysed.

7.13. Statistics on higher Education in India published by UGC statistical unit is a voluminous work which warrants compilation of massive data and is time consuming. In view of the time-lag involved we suggest that UGC should develop a system to present annually a set of selected information on academic, administrative and financial parameters of the institutions particularly those which are funded fully by UGC. These must cover all the aspects we have mentioned and the suggested parameters. UGC must also develop a practice by which the latest available information is utilised in the current decision-making process. If our recommendations regarding the determination of basing grants on per unit cost system and the organisation of academic audit unit and review of performance indicators are to be brought into operation, the functioning of an efficient statistical cum monitoring unit in the UGC would be an essential requirement. Considering the importance of the Unit, it must be placed under the direct and immediate control of the Secretary, UGC.

Suggested Pattern for Determining Maintenance Grant

7.14. The Committee feels that it is important and urgent to spell out the norms for the sanctioning of maintenance grants to institutions funded directly by UGC. The norms for determining different types of expenditure which are incurred in a university are related to well defined parameters. UGC should conduct an in-depth study on the types of revenue earned and the pattern of expenditure as also to suitably apportion the expenditure

between the actual teaching cost and other costs which are not directly related to teaching or research.

7.15. In the absence of reliable available information, the Committee relied on the budget estimates and annual reports of the universities. Lack of precise information made it difficult for the Committee to suggest definite quantitative norms for the sanction of maintenance and development grants.

7.16. The Committee is aware of the fact that the central universities and institutions deemed to be universities are getting maintenance grant without any well defined norms for decades. Introduction of precise norms for purposes of funding may not always be acceptable to the university community as there is often resistance to any departure from past practices. The Committee, however, feels that grants payable to any central university or institutions deemed to be university must have a definite relationship with the nature of their activities, the student strength, and the institutions stage of development.

7.17. On the basis of the information available in the budget estimates of various universities, we found that most of the central universities follow a common format for preparing their budget estimates for submitting the same to UGC/Government. In the budget estimates for the year 1993-94 and the revised estimates for 1992-93 which were submitted by the central universities to UGC, the actual expenditure for the year 1991-92 for various non-plan and plan activities have been spelt out.

7.18. In regard to the central universities, the Committee felt that it is necessary to reclassify the items of non-plan or maintenance expenditure in order to segregate different types of activities. These can be classified under four broad heads.

1. Expenditure directly related to teaching and research.
2. Expenditure to support academic administration.
3. Expenditure on pension, Additional DA, arrears of pay, bonus, etc.
4. Expenditure for other departments, maintained institutions auxiliary services, miscellaneous expenses, etc.

Two Broad Principles of fixing the University's Non-Plan Expenditure Norms

7.19. The Committee suggests two parallel quantitative norms for determining the non-plan grants:

(a) the optimum proportion of the total maintenance grant for the category in question (e.g. 65% on expenditure directly related to teaching and research); and

(b) the optimum per student absolute cost for the category.

Both are suggested in tentative terms based broadly on weighted means of actuals as observed in selected universities. Each needs continuous in-depth study over time. In any actual allocation of grants the two norms have to be made compatible with each other as far as practicable. The details of actual expenditure under the four categories are given in the Table VII.1 (see next page).

7.20. It was observed that whereas the academic expenditure of most of the central universities is quite transparent as it reflects the salary and allowances of the teaching and non teaching staff working in different teaching departments/schools, expenditure on other academic inputs like library, student facilities, scholarships, hostel, chemicals, consumables, field work, contingency, etc., there is some degree of opacity in the administrative expenditure. There is even greater opacity in the costs shown under the heads like "other departments", "auxiliary services" and "miscellaneous expenditure". In regard to costs under the 4th head i.e. pension, etc. the Committee observes that this expenditure is beyond the control of universities for reasons stated at the later part of this chapter.

7.21. We have taken seven parameters as far as academic expenditure is concerned which are listed below.

a. Costs involved in teaching departments (salaries of teaching and non-teaching staff in teaching departments plus other expenses).
b. Costs on examinations.
c. Library expenses.
d. Student facilities.
e. Expenses on hostels.
f. Scholarships and fellowships.
g. Publications.

Table: VII.1 ACTIVITYWISE MAINTENANCE EXPENDITURE IN SELECTED CENTRAL UNIVERSITIES

Sl.No	Activity	BHU *	BHU %	JNU*	JNU%	AMU*	AMU %	Hyd*	Hyd.%	Delhi*	Delhi%	V.B*	V.B.%
1	Admn.	695.00	14.30	115.00	7.80	526.00	13.40	135.00	17.50	439.00	15.30	152.00	15.00
2	Acad,Dep.	2041.00	42.00	421.00	28.50	1426.00	36.20	269.00	34.70	1124.00	39.00	331.00	32.50
3	Exam.	71.00	1.50	7.00	0.50	98.00	2.50	8.00	1.00	278.00	9.70	13.00	1.30
4	Library	53.00	1.00	116.00	7.80	97.00	2.50	76.00	9.80	238.00	8.30	40.00	3.90
5	Stud. Facl	49.00	1.00	24.00	1.60	35.00	0.80	3.00	0.40	82.00	2.80	12.00	1.20
6	Sch'ship	88.00	2.00	201.00	13.60	135.00	3.40	7.00	1.00	40.00	1.40	4.00	0.40
7	Hostel	116.00	2.40	36.00	2.40	272.00	7.00	32.00	4.10	67.00	2.30	21.00	2.10
8	Publication	7.00	-	5.00	0.30	7.00	0.20	-	-	-	-	6.00	0.60
	Sub Total	2425.00	49.90	810.00	54.70	2070.00	52.60	395.00	51.00	1829.00	63.50	427.00	42.00
9	P.F & Pension	354.00	7.30	39.00	2.60	253.00	6.40	8.00	1.00	208.00	7.20	112.00	11.00
10	ArrearADA&Bonus	69.00	1.50	-	-	-	-	-	-	-	-	22.00	2.00
11	ArrearRev.Pay	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total	423.00	8.80	39.00	2.60	253.00	6.40	8.00	1.00	208.00	7.20	134.00	13.00
12	Oth.Depts.	335.00	7.00	153.00	10.30	225.00	5.70	113.00	14.50	141.00	5.00	141.00	13.90
13	Aux.Services	315.00	6.50	268.00	18.10	195.00	5.00	77.00	10.00	259.00	9.00	83.00	8.10
14	Maint.oth.Inst.	108.00	2.20	-	-	160.00	4.00	15.00	1.90	-	-	-	-
15	Hospital	402.00	8.00	-	-	307.00	7.80	-	-	-	-	-	-
16	Capital Exp.	86.00	1.80	1.00	-	-	-	10.00	1.30	-	-	-	-
17	MIsc	73.00	1.50	93.00	6.30	203.00	5.10	22.00	2.80	-	-	81.00	8.00
	Sub Total	1319.00	27.00	515.00	34.70	1090.00	27.60	237.00	30.50	400.00	14.00	305.00	30.00
	Grand Total	4862.00	100.00	1479.00	99.80	3939.00	100.00	775.00	100.00	2876.00	100.00	1018.00	100.00

** Rupees In Lakhs*

7.22. This expenditure ranges between 42% to 63.5%, the lowest being that of Visva Bharati (42%) and the highest is seen with Delhi University (63.5%) (vide from Table VII. 1).

7.23. Considering the vital importance of this sector of expenditure for the quality and efficiency of university education and research, the Committee recommends that its proportion should be between 60-65% of the total non plan expenditure.

7.24. The academic cost includes well defined items of expenditure which are essential for imparting good quality education & research; assessing the performance of students as well as providing essential support needed by the students. Of all these items the maximum expenditure is incurred in teaching departments which is but natural.

7.25. The Committee however, exphasises the importance of distinguishing between departments where teaching and research are necessarily cost intensive because of the use of equipment and materials (for example science departments) compared to other departments where cost on equipment and material is small, for example in History and Philosophy.

7.26. The variation of costs is clearly borne out by our attempt to arrive at recurring unit cost per student in some selected teaching departments/ schools of five sample central universities which is given in Table VII. 2. The cost involved are on salary and allowances of teaching and non-teaching staff and other expenses like chemicals, consumables, field work, contingencies (generally shown in the university's expenditure statement as "other expenses of teaching departments).

7.27. However, it may be seen from the Table VII. 2 (next page) that even for similar courses of study there is wide variation in unit cost per student between universities. This may be attributed to the difference in the number of student enrolment at different levels (certificate, under-graduate, post-graduate and research) which determines the over-all enrolment. From the sample study it seem that there is some degree of comparability in unit cost per student in the faculties of sciences as well as in social sciences/ Humanities in A.M.U and B.H.U. In case of JNU the unit cost for comparable departments is high. This is possibly because there are no undergraduate courses (except languages) in JNU and proportionately there are more Ph.D. students. In case of Visva Bharati the recurring unit cost per student in science departments is close to that of A.M.U. But that for Humanities department it is high and is comparable to Hyderabad university, perhaps because of low enrolment.

Table VII.2

RECURRING COST ON SELECTED GROUPS OF TEACHING DEPARTMENTS IN FIVE CENTRAL UNIVERSITIES

Rs. in Lakhs

Univ.		Faculty/Dept.	Salaries	NI	Total	Other Exp.	Total	Dept.	U/G	P/G	M.Phil	Ph.D	Unit Cost Students	
BHU	1	- Faculty of Arts	116.53	35.60	152.13	1.62	153.75	155	1359	972	-	440	2926	5255
	2	Fac. of Soc.Sc.	53.95	16.35	70.30	1.38	71.68	-	735	597	-	262	1594	4496
	3	- Fac. of Commerce	-	-	21.79	-	21.79	-	496	197	-	25	718	3050
		Fac. of Science	190.13	107.60	297.69	28.93	326.62	11	941	637	-	344	1933	16897
JUN	4	- Sch. of Soc.Sc.	77.60	17.14	94.74	4.83	99.57	-	-	445	-	742	1187	8388
	5	- Sch. of Int.St.	67.82	6.44	64.26	6.19	80.45	-	-	137	-	648	782	10288
	6	- Sch. of Lang.	75.92	13.50	89.42	2.78	92.20	737	-	337	-	292	1366	6749
		Sch. of Life Sc.	20.34	9.66	30.00	20.40	50.40	-	-	37	-	107	144	35000
		Sch. of Environ.	15.70	5.42	21.12	6.50	27.62	-	-	24	-	89	113	2442
AMU	7	- Faculty of Arts	82.44	10.80	93.24	1.52	94.76	-	-	-	-	-	1441	6576
	8	- Fac. of Soc.Sc.	103.74	34.86	138.60	4.36	142.96	-	-	-	-	-	2058	6946
		Sch. of Sciences	117.64	75.32	192.96	24.81	217.77	-	-	-	-	-	1495	14566
		Fac. of Life Sc.	48.62	28.92	77.56	7.57	85.13	-	-	-	-	-	725	11742
HYDER	9	- Sch. of Humanitics	35.23	4.52	39.75	2.49	42.24	-	-	192	67	116	375	11264
	10	- Sch. of Soc.Sc.	39.23	4.93	44.16	2.51	46.67	-	-	249	73	124	446	10464
		Sch. of Physics	15.13	7.26	22.39	7.19	29.58	-	-	63	10	39	112	26410
		Sch. of Chemistry	11.59	7.60	19.19	8.66	27.85	-	-	50	12	49	111	25090
		Sch. of Life Sc.	15.04	10.56	26.50	13.74	39.34	-	-	79	11	74	164	23987
V.B	11	- Dept. of History	6.55	-	6.55	0.03	6.80	-	22	25	-	16	63	10793
	12	- Dept. of Philos.	10.06	1.84	11.90	0.30	12.20	-	20	23	-	34	77	15844
		Dept. of Physics	14.46	1.50	15.96	2.12	18.80	-	59	60	-	19	138	13043
		Dept. of Chemistry	11.88	1.56	13.44	3.20	15.64	-	53	45	-	16	114	13719

7.28. The Committee felt that the relatively high unit cost per student in comparable departments (particularly in the low cost disciplines) may be an indication of under utilisation of capacity. Similarly, relatively low unit cost in high cost disciplines may be an indicator of low quality educational inputs like equipment, books and journals, consumables and inadequate faculty strength.

7.29. We suggest that an expert committee should analyse such anomalies and find out the unit cost for Social sciences and Humanities and Sciences in different central universities. Accordingly, for provision of maintenance grant to meet the cost of teaching departments differential norm has to be evolved for Science departments & that for Humanities and Social Sciences departments.

7.30. We calculated the total expenditure incurred by 12 Schools/departments of Humanities/Social Sciences and Commerce as given in Table VII.2. and divided the same by the total student enrolment in these departments/ schools. It will be noticed that the total cost on such departments/schools comes to Rs 865.07 lakh annually and the total enrolment in these being 13,033, the weighted mean unit cost per student comes to Rs.6637 or say Rs.6640/- The weighted mean unit cost per student in Science departments/schools comes to Rs.16,597/-

7.31 The academic cost also involves expenses on library, examination students facilities, scholarship, student hostel, and publication. Expenditure on these items have been computed for five sample universities which come to about Rs. 1639 lakh and the student enrolment being 32,495 the weighted mean unit cost per student comes to Rs. 5043 or say Rs. 5040. Since these facilities are equally enjoyed by the students of all departments/ schools, this has to be uniform for students of all disciplines.

7.32. If we look at all the seven parameters, we would recommend that till further compilation and recalculation the academic cost be fixed at Rs 11,680 per student per annum for Humanities & Social Sciences students and at Rs.21,640 per student per annum for Science students at the current price level.

7.33. We feel that similar weighted mean cost for other faculties like engineering, medicine and agriculture should be calculated before deciding on actual funding pattern for any given university. The total academic cost for six sample universities (for all departments) divided by the total number of students, the average per unit academic cost comes to about Rs. 17,000/

- per student per annum as shown in Table VII.3. Though enrolment in the Humanities Social Science, Commerce is higher as compared to that in Sciences, the high value of weighted mean unit cost can be attributed to the high cost involved in Medical and Engineering education which are included in the total expenditure incurred by Banaras Hindu University and Aligarh Muslim University.

Table VII.3

University	Enrolment	Academic Cost (Rs) in Lakhs	Cost per Student (Rs)	Weighted Mean (Rs)
A.M.U.	10891	2070	19000	16827 or say 17000 per student
B.H.U.	13074	2425	18550	
J.N.U.	3904	810	20750	
Hyderabad	1720	395	22965	
Visva Bharati	2906	427	14690	
Delhi	14784	1829	12370	
	47279	7956		

7.34 It may be seen from the Table VII. 1 that out of 6 central universities for which data could be complied the expenditure on academic administration ranges between 7.8% to 17.5% of the total non-plan expenditure. The expenditure under this head for JNU is lowest and stands at 7.8% whereas that for Hyderabad is highest and stands at 17.5%. University of Delhi which is not only a teaching university but also has a large number of affiliated and constituent colleges spends 15.3% for its academic administration.

7.35. Interestingly what is booked in the expenditure statement under the head "auxiliary services" ranges between 5% to 18.1% of the total non-plan expenditure for these 6 central universities. The lowest (5%) being that of AMU and highest is (18.1%) for the JNU. In case of JNU, perhaps, the "other expenses" cover some of the academic administrative costs, thus lowering

relatively the cost on academic administration support.

7.36 The academic administration costs in our calculation have been taken to include the establishment charges for the Vice-Chancellor's office, Registrar's office, Director's office, finance office, information and public relations office, proctor's office and also non-establishment charges like common services, electricity, water, telephone, liveries and uniform including washing charges and in some cases repair and upkeep of electrical and water connections, etc. Apportioning of some of the latter costs to academic administration alone would be arbitrary and would need careful re-examination in each case. It may be mentioned that some universities have apportioned these costs between this head and auxiliary services/other departments as well as miscellaneous expenditure. This has naturally affected the inter-se comparability of our calculation, though, it is hoped, not substantially.

7.37. We are of the view that there is some room for economising under the academic administrative charges. While administration plays a pivotal role in the management of the university, the academic administrative expenditure should be kept as low as possible. Seeing that the proportion of this expenditure in our sample varies from approximately 8% to 18%, the Committee recommends that the tentative norm for this part should be around 10-12% of the maintenance grant.

7.38. Here again, the costs of administration should be related to the student strength. It may be seen that cost of administration per student is as under for different universities.

TABLE VII.4.

COST ON ACADEMIC ADMINISTRATION (1991-92)

University	Enrolment	Adm.Cost Rs. in lakhs	Cost per Student	Weighted mean (Rs)
			(Rs)	
A.M.U.	10891	526	4830	4361 or say
B.H.U.	13074	695	5315	4500 per student
J.N.U.	3904	115	2945	
Hyderabad	1720	135	7848	
Visva Bharati	2906	152	5230	
Delhi	14784	439	2969	
	47279	**2062**		

7.39. The data in Table VII.4 show that there is some degree of comparability in this cost among AMU, BHU, and Visva Bharati and that between Delhi and JNU. The high administration cost at BHU, AMU and Visva Bharati could be attributed to large number of maintained institutions. But that of Hyderabad is quite out of proportion and gives a clear indication that its academic administration manpower and other expenses are quite large in comparison to student enrolment.

7.40. Taking the total academic administrative cost of the six sample universities and dividing the same with the number of students enrolled in all these universities, as shown in Table VII.4, we found that the academic administration cost per student comes to about Rs.4,360/-. We recommend that at the present cost the administrative expenses may be determined @ Rs. 4,500 per student per annum (only taking the university department enrolment) which is roughly the weighted mean of the per student unit cost on academic administration in the universities.

7.41. The other expenditure relates to payment of provident fund, pension, arrears of ADA, arrears on account of revised pay, etc., which ranges between 1% to 13% of the total non-plan expenditure as can be seen at Table VII.1. The central universities by their very nature follow the same rules of pay and allowances as applicable to similar categories of employees in the government sector. As and when there is an announcement for providing additional DA or revision of pay, these have their own repercussions in the university system. Further, all central universities have schemes for GPF-cum-pension. As these are commitments of the universities to their employees, there cannot be any compromise on actual expenditure incurred under these heads and the same has to be paid on actual basis by UGC.

7.42. It may be said in this connection that in recent years, the Central Government has invariably called upon different ministries to absorb the increases in the pay and allowances within their respective budget.

7.43. While it may be possible for organisations which have large amounts of funds for other activities other than meeting the staff salaries to absorb the increases on account of rise in salaries, etc., this is not practical in the case of universities where almost 80% of non-plan expenditure is on salaries and allowances only. Therefore, any increases in periodical allowances like DA, bonus etc. without additional support to bear the burden, would force cuts in expenditure on crucial academic activities.

7.44. We now turn to the heads of expenditure like other departments,

auxiliary services, maintenance of other institutions etc. As can be seen from Table VII. 1. This expenditure varies between 27% to 34.7% of the total non-plan expenditure. The Committee is aware that though large part of this expenditure is not vitally related to university education either through teaching and research but at the same time it can not be denied that certain portion of this expenditure is utilised both for teaching and research as well as even for the benefit of the students and the employees of the universities. For example, in some universities under the head of "other departments" or "auxiliary services" the expenditure on central computational facilities is also clubbed which is a service utilised for teaching, research as well as for administration. Similarly, under the head "other departments" and "miscellaneous expenditure", the expenses on student health services, facilities for games and sports have been included in one university. By and large such expenditure is marginal compared to the total bulk of the expenditure incurred under this head. In any case, because of the lack of clarity in the clubbing of many of these items it is quite possible that some expenditure under this head could have been posted under academic expenditure. The Committee is of the view that expenditure on these heads should be 20-25% of the total maintenance expenditure.

7.45. Though further studies are warranted to make the picture clearer the following observations can be made from a study of the information available from different universities.

I There are significant differences in the nature of costs incurred under these heads for a variety of reasons. For example, Visva Bharati is obliged to maintain national treasure and monuments connected with Tagore. It is also obliged to provide municipal services even to house holds that are not within the university but in undefined areas of the campus having been given out in the past to "Ashramiks" i.e. past members of Visva Bharati since Tagore's time. Similarly, BHU conventionally maintains many institutions including a school, a temple and a hospital, Bhartii Kala Bhawan the cost of which may not have any direct relationship with the university 's main activities.

II The Committee wants to make it clear that it does not consider any of these seemingly unrelated expenditure as unjustified. But UGC should consider whether the responsibility for bearing some of these costs could belong to other agencies.

III The Committee reiterates the need to carefully analyse these non-academic expenditures - university-wise, it also feels that the university's attempts to economise and cut down on wastages is likely to be successful mainly in this segment. Furthermore, the universities' search for seeking new avenues of raising additional income is possible for some of the maintained institutions like Rabindra Bhawan of Visva Bharati and the museum of BHU which have magnificent collections and can run partly on commercial basis at least to realise the actual cost of their maintenance and upkeep.

IV. The Committee is also of the opinion that universities having large areas with plantations can negotiate with the Department of Horticulture or Environment for their maintenance rather than employing a large contingent of daily wagers/gardeners.

V. A large workforce in the universities, consisting mainly of group III and IV staff and daily wagers is deployed on a variety of municipal, cleaning, security horticultural and similar other operations. This casts additional burden on the administration and financial load on the institutions. The institutions may be advised to consider handing over some of these activities to local bodies to lighten their direct responsibilities. This may also provide them relief, in the long run, in terms of provision of service benefits, quarters, municipal and other services and maintenance of discipline and order in the campus.

VI. While hospitals in BHU and AMU are providing clinical training facilities to students the beneficiaries are primarily people from U.P neighbouring areas and its. There is no reason as to why substantial amount of funds for maintaining these hospitals should not be provided by the State Governments.

7.46 The Committee feels that the total expenditure on this head does not have any direct bearing on the number of students as all the facilities are not exclusively meant for university students. From the data given in Table VII.1. it may be seen that BHU incurred an expenditure of Rs 510 lakh for the maintenance of hospital and the maintained institutions. The expenditure for similar purposes in AMU was Rs 467 lakh. In case of Visva Bharati, the expenditure for maintenance of Rabindra Bhawan was Rs 18.5 lakh. Though it has maintained schools (Primary and Secondary), we have not excluded expenditure incurred for the same as the university's philosophy is to have a composite educational system. Therefore, we have taken out the

expenditure on the maintenance of hospitals, museums from the sub-total. Accordingly, the expenditure on auxiliary services and other departments miscellaneous purpose has been recalculated for our sample universities as under:

Table VII.5

OTHER EXPENDITURE

(EXCLUDING HOSPITAL & MAINTAINED INSTITUTIONS OF BHU, AMU AND RABINDRA BHAWAN OF VISVA BHARATI)

FOR 1991-1992

University	Total Enrolment	Other Depts/ auxilliary Services (Rs in lakhs)	Cost per student Rs.	weighted mean
AMU	10891	623	5720	
BHU	13891	809	6200	
JNU	3904	515	13,191	6072 or say
Hyderabad	1720	237	13,780	6070
Visva Bharti	2906	287	9876	
Delhi	14784	400	2705	
TOTAL	**47279**	**2871**		

7.47. Accordingly, at current price and till further refinement in analysis is done, we would recommend that under this category, i.e. "for other departments", "auxiliary services", "capital expenditure" and "misc. expenditure", the maintenance grant be provided @ Rs. 6070/- per student at least, for the next 3-4 years.

7.48. Thus, the total maintenance grant payable to central universities has to be related to unit cost per student for various activities as summarised below:

Table VII.6

SUGGESTED PATTERN OF PAYMENT OF MAINTENANCE GRANT ON UNIT COST BASIS

Activity	Soc.Sc/Hum. Faculty/Dept *Cost per student (Rs)*	Science Faculty Dept *Cost per student (Rs)*
1. Administrative cost	4,500	4,500
2(a) Teaching depts/school	6,640	16,600
2(b) Other Teaching costs	5,040	5,040
3. Other departments, auxilliary services miscellaneous expenses	6,070	6,070
Total	**22,250 or 22,300**	**32,210 or 32,200**

7.49. For the sake of comparison if the actual total non-plan expenditure incurred during 1991-92 by all the six universities/ (vide Table VII.1) is taken (excluding the expenses on Hospitals at BHU AMU and Rabindra Bhawan of Visva Bharati) the unit cost per student on the basis of the percentages suggested under different items is given in the Table -

TABLE VII.7

Activity	Total Expenditure	Suggested %	Total Enrolment	Unit Cost per student (Rs.)
Administration	13954	10%	47279	2,950 = 3,000
Academic	13954	65%	47279	19,183 = 19,000
Other Depts. Auxilliary Service	13954	25%	47279	7,400 = 7,000
Misc. Expenditure				
	Total			**29,000**

7.50. It may therefore, be seen that the unit cost calculated on the basis of suggested per cent wise allocation is in between the unit cost suggested for the faculties of Humanities and Social Sciences and Sciences.

7.51. In addition, the cost for hospitals and other maintained institutions in BHU, AMU and Rabindra Bhawan at Visva Bharati may be paid on incremental basis pending implementation of our earlier recommendation to explore the possibilities of meeting the expenditure from other means and funding agencies.

Teacher Student Ratio

7.52. The other aspect which requires further analysis is the ratio between student to teacher and teacher to non-teaching staff. As far as teacher to student ratio is concerned, there is not much variation among the universities. In our sample readings the ratio is as under:

AMU	1:9
BHU	1:9.8
JNU	1:10
Hyderabad	1:8
Visva Bharati	1:9

In this regard we are reproducing on next page student/teacher ratios in commonwealth universities.

STUDENT/TEACHER RATIOS IN SOME COMMONWEALTH UNIVERSITIES

Faculty	India in 1977	Britain in 1978	Australia La Trobe as at 30.0 '.82	Australia Melbourne as at 30.04.81
Humanities	15.87	9.70 3	12.52	15.83
Social Sciences/Arts	15.87	10.37 4	20.42 2	15.83 (11.48)
Law	47.45	13.93	14.98	25.25
Education	13.83	7.22	16.05	17.53
Biological Science	9.12	8.42	12.64	12.08 1
Physical Science	9.12	8.42	11.30	
Medicine	6.48	5.19	n.a.	9.27
Dentl Surgery	n.a.	7.30	n.a.	5.65
Veterinary Medicine	4.71	5.65	n.a.	6.67
Agriculture	8.40	10.35	8,74	17.96
Engineering	11.03	10,56	n.a.	10.65
Architecture	n.a.	12,00	n.a.	13.09

1. Overall Science
2. Economics only
3. Language, Literature and Area Studies.
4. Arts other than Languages, while Adminisrtrative, Business and such studies together is 11.34

Notes : (1) Within brackets Social Sciences.

(2) The grouping of departments is slightly different in the different universities and these ratios may not be strictly comparable but they indicate the rough order of magnituede.

Sources :

(i) Annual Statistics of Australian Universities

(*ii*) British Data—UGC, Britain "Staff and Students"

(iii) Indian Data—University Development in India Basic Facts and Figures 1972/73—1976/77

7.53. A uniform norm for student to teacher ratio is difficult to arrive at, as it depends on various factors which include, enrolment at different levels, the specialisations offered in different courses of studies, and the stage of development of universities. The Committee suggests that the ideal average teacher to student ratio (including all disciplines) should be 1:12. A newly established university may have a high proportion of this ratio at the initial stage, say for five years, but they should try to achieve proportionate enrolment within 10 years. If any university fails to have the recommended ratio, an expert committee may review the situation and on the basis of its findings the future grant-in-aid pattern should be determined.

7.54. UGC should examine and fix teacher/student ratio for different disciplines or groups of disciplines as early as possible. Till such time the gross average suggested by us should be enforced.

Ratio Between Teaching to Non-Teaching Staff

7.55. In regard to the ratio between teaching to non-teaching staff there is a marked variation between the universities. In our sample readings the ratio of teaching to non-teaching staff is as under:

AMU	1:4
BHU	1:5
JNU	1:3
Hyderabad	1:5
Visva Bharti	1:5

7.56. It may be observed that the variation ranges between 1:5 at BHU Visva Bharati and Hyderabad followed by 1:4 at AMU and 1:3 at JNU. The Committee is informed that most of the central universities have employed a large number of class-IV employees on daily wages, though the exact data could not be made available to it. The Committee recommends that in course of time the ratio between teaching to non teaching staff should be brought to the level of 1:3 and some of the employees particularly the watch & ward staff, gardener, safaiwalla could be appointed on contract basis to the extent possible.

WORK LOAD OF TEACHERS

7.57. In regard to work load of the teachers of central universities, the Committee feels that the general principle of the work load applicable to the teachers of the colleges having P.G. Departments should be applicable to the university teachers also. The Committee recommends that the work load for Professors, Readers and Lecturers for departments not having laboratory work may be as under:

Activity	Average No. of hours per week		
	Professor	Reader	Lecturer
Teaching	6	8	10
Testing/Examination	1	1	1
Tutorials	1	2	4
Preparation for Teaching	6	8	10
Research/Research Supervision	14	14	10
Own Reading/ Admn work/	12	7	5
Total	**40**	**40**	**40**

For Science subjects or where field work is involved the work distribution can be suitably adjusted.

VIII

EFFICIENCY

BACKGROUND

8.1. The Committee was asked to recommend ways of improving overall cost efficiency of universities. The Committee feels that efficiency of an institution is directly related to its objectives. Undoubtedly, cost efficiency is an important element of institutional efficiency, but efficiency of the university system has to be determined first in terms of its academic objectives. It may sound simplistic but nevertheless true to say that universities are expected to provide appropriate academic programmes of quality at reasonable cost. In assessing academic efficiency of a university system, it would certainly be relevant to look at its cost structure and impact. Considering that universities are large academic systems with a large clientele comprising students, parents, community and funding agencies, they are required to explore and adopt cost effective measures for delivery of cost effective academic programmes.

PERCEPTION

8.2. The terms quality and efficiency are not easy to define. They lie mainly in the domain of the perception of users. They can be misleading, prove controversial and raise interminable discussions. Yet, educational institutions are seen both by the public and experts as providing quality or sub standard products. They are perceived as efficient or otherwise. The grounds on which such perceptions are based may vary with different clientele groups. Nevertheless, it must be acknowledged that such perceptions do emerge. It can be argued that they ignore realities and are value based and culture influenced. It is also true that the matrix of an educational institution and its environment influence its impact and results so much

that comparisons may be unfair. In spite of these limitations, institutions are not only seen as centres of quality but also cost effective. And there is a large measure of consensus in such a view among the clientele in this area.

8.3. Education was once viewed as à noble endeavour beyond precise definition. This perhaps is no longer true. In an increasingly consumer-cost and result -conscious community, education particularly at higher levels, is perceived as procurer of services and benefits. In the new economic atmosphere, which is assuming global proportions, all public funded activities are being asked to justify support to them and they are also coming under greater scrutiny in regard to their standards and performance. Table VIII.1 shows success indicators of some universities. These are uneven and deserve closer scrutiny.

Table VII-1

SUCCESS INDICATORS IN SOME SELECTED UNIVERSITIES

PASS PERCENTAGE (1991-92)

Course	***Aligarh***	***Banaras***	***Jamia***
Undergraduate			
Arts	94.3	73.5	33.8 (Pass Course)
Social Sciences	93.2	N.A.	95.4 (Hons Course)
Science	92.2	96.9	65.7 (Pass Course)
Commerce	100.0	60.8	-
Medicine	100.0	N.A.	-
Engineering	100.0	97.9	-
Law	N.A.	42.2	-
Others (Life Sciences)	93.7		-
Postgraduate			
Arts	82.0	98.4	91.7
Science	96.0	75.4	94.2
Commerce	80.9	61.0	-
Social Sciences	91.6	-	-
Law	86.0	-	-
Engineering	100.0	-	-
Medicine	100.0	-	-

QUALITY ORIENTATION

8.4. The Committee shares the view that all public funded activities should be accountable, quality oriented and cost effective. The universities should gear up their efforts to ensure quality and cost effectiveness. While, university efficiency has to be measured in academic terms, cost efficiency should become an important factor underlying all activities of the university. Academic efficiency implies constant and steady improvement in the quality of the academic programmes of the university, which we will take up first.

British Example

8.5. The Indian university system is based on the British university system. The value system of the British practice is followed in the Indian system. The British system, which earlier had upheld the inviolability of its university system, changed its stance later because of the demand for accountability and value for money. Under mounting pressures, British universities with the support of its community of Vice-Chancellors and principals initiated a series of efficiency studies that ultimately culminated in the setting up of an Academic Standards Group, under the chairmanship of a Vice-Chancellor. Noting the slow progress of action on the recommendations of the Academic Standards Group, an Academic Audit Unit was set up to pursue action. Meanwhile, the Universities Funding Council, the successor to UGC in UK, built up its own pressure on this subject. As a sequel the University Academic Audit Programme has been set up in U.K.

Academic Audit System in U.K.

8.6. We can do no better than to quote from the paper on the programme by the Director, Audit Unit, UK.

> "Until the mid 1980s, little formal attention was given to the quality of programmes of studies offered by the universities. A general assumption of their excellence prevailed, and favourable comparisons were made with international standards."

8.6(1).

"Beyond that, a high degree of self confidence (if not complacency) within the universities, legitimised in their eyes by the selective student entry system and impressive graduate success rate, militated against any significant internal or external scrutiny of the quality of the teaching function. Difficult questions were dismissed by reference to academic freedom and autonomy and by an assertion that none but the expert practitioner was in a position to pass judgement on academic matters. Few outside the system were bold enough to dispute this in public."

8.6(2).

"Against this background, the changes in the regulation of public life in the United Kingdom which followed the general election of 1979 posed a particular challenge and potential threat to the universities. All areas of public funded activity became subject to scrutiny and discipline which they had not experienced before."

8.6(3).

"The cultural changes in public life for which the new Government acted as a catalyst have been lasting and profound. The universities first felt them in 1979 and again in 1981 when public financing of higher education was severely reduced. This was followed by a series of criticisms from a variety of quarters which portrayed the universities as unaccountable, unresponsive, non relevant, badly managed and generally illfitted to meet the needs of the new entrepreneur world."

8.6(4).

"The universities responded to these assaults individually and on a system wide basis. The Council of Vice-Chancellor and Principals (CVCP) which is an independent association of the heads of UK universities established a series of thematically based efficiency studies jointly with UGC. It also set up in 1983 an Academic Standards Group to look at the whole question of academic standards"-... The report of the Group can fairly be said to have

started a widespread effective discussion about quality and standards in British University.

8.6(5).

The Academic Standard Group subsequently recommended the creation of an Academic Audit unit to be owned by the universities themselves through CVCP, whose task would be to monitor the quality assurance mechanism in place in the universities.

8.6(6).

The Academic Audit Unit's full terms of reference are -

i. To consider and review the university mechanism for monitoring and promoting academic standards which are necessary for achieving their stated aims and objectives.

ii. To comment on the extent to which procedures in place in individual university reflect best practice in maintaining quality and are applied in practice.

iii. To identify and commend to universities good practices in regard to the maintenance of academic standards at national level.

iv. To keep under review nationally the role of the external examiner system.

8.6(7).

It is too early for the Academic Audit Unit to claim many achievements for itself, other than its establishment and the successful development of the pilot stage of its work. Nevertheless, its mere existence and the knowledge that all universities are to be scrutinised by it have already had a remarkable effect. It is no exaggeration to say that the question of quality has burst upon the university scene in a way which few would have predicted five years ago.

RELEVANCE TO INDIAN SYSTEM

8.7. The Committee has taken note of the readiness with which the universities in UK have accepted the responsibility of academic audit and is aware that this approach has been critically viewed by many academicians in UK

8.8. The Committee notes three important features of the academic audit programme of UK.

i. It has been mainly on the initiative of the universities themselves (though prodded by external pressures) and is largely a self directed exercise.

ii. The individual institution has been given the responsibility for adopting quality improvement programmes thus retaining their autonomy and initiative.

iii. A small External Audit Unit oversees that the practice is widely adopted in U.K. The unit is expected to monitor universities' quality assurance mechanisms by examining and commenting upon the adequacy of four main areas:

   a) Mechanism for quality assurance, improvision and design of courses and programmes of study.

   b) Mechanism for quality assurance in teaching, learning and communication.

   c) Mechanism for quality assurance in relation to academic staff.

   d) Mechanism for quality assurance by taking account:

      i) external examiners' reports

      ii) students' view on programme of studies

      iii) views of external bodies, professional accrediting bodies, employers and validating institutions.

The Academic Audit Unit's work is concerned only with programmes of study, and not research, although post graduate education (including Doctorate and Master's research programmes) does fall within its scope.

8.9. It is interesting to note the aspects which are looked into by the Academic Audit Unit. It includes very detailed analysis of proposals for new programmes of study taking into account the evidence of student demand and response to the programmes, its academic content, its place in institution's programmes and the availability of resources. The Unit undertakes detailed monitoring and review of existing programmes of study including teaching standards, students' progress and mechanism for discontinuance of courses. There are elaborate check points covering student progress, postgraduate training, supervision of research, staff development, career review, role of external examiners and their reports, views of students, and external bodies and allied matters. It is in the nature of an introspection

to help institutions develop their own mechanism for constantly improving their standards.

We suggest the following Reports to the readers:

(1) Reynolds P.A. (Chairman) (1986) *Academic Standards in Universities* London, CVCP.

(2) The CVCP Academic Audit Unit Peter.R. Williams. Director CVCP Academic Unit. The University, Birmingham.

(3) CVCP Academic Audit Unit. *Notes for the Guidance to Auditors* Birmingham CVCP Academic Audit Unit.

(4) Department of Education and Science (1991) Higher Education. *A New Frame Work*, London HMSO.

Adoption in India

8.10. The Committee is of the view that the Indian university system can adopt this practice with appropriate modifications to suit our requirements. The Committee recommends UGC to consult Vice-Chancellors to pursue action in this direction.

8.11. The Committee notes that even in UK, it is acknowledged that the real motivating force behind the adoption of the system is the expectation that question of quality will help in formulation of funding decisions of the appropriate bodies. We hope UGC and the government would take note of this aspect. In the initial stages, both government and UGC should take the initiative to ensure wider acceptance of this programme. It is likely to become an integral part of the activity of an university, once the initial reluctance and reservation have been overcome. This requires formulation of careful and persuasive measures for the universities/institutions to agree on adoption of this programme. Financial incentives to promote and support the system may not be out of place. In the view of the Committee, adoption of this system must be one of the highest priorities of the UGC, because adoption of this system will not only promote academic efficiency but also cost effectiveness.

Performance Indicators

8.12. While the Committee has suggested highest priority for adoption of the Academic Audit System, it also recommends introduction of a monitoring

system for performance indicators. These indicators cover the academic, financial and administrative operations of the universities. By themselves, these indicators may not directly reflect quality or efficiency; but in totality they will convey a clear picture of the functioning of an university. Inter-departmental comparison and review of the functioning of an university over a period of time will result in growth of internal pressures for improved performance. Inter-university comparisons may not be fair at present but may become relevant and necessary in the long run.

8.13. Performance Indicators can cover a wide range of activities in an university. The extent of utilisation of infrastructure capacities, determination of unit input costs of different activities and at different levels, assessment of output, efficiency of administrative operations, can be expressed in terms of performance indicators. Utilisation rate of class rooms, library, laboratories, workshops, per student input costs at different levels of education for different courses of study, cost of central facilities and administration analysed in detail can result in indicators which can convey a clear picture of the manner in which an institution is managed. No doubt the quality of academic activities and programmes may not lend itself for such assessment but the Academic Audit system proposed by us earlier would be adequate for that purpose.

Standardisation

8.14. A paper on performance indicators (unpublished) by Dr. Mridula Sharma, Assistant Director, A.I.U. explains the role of performance indicators of different kinds in determining the effectiveness of an institution. The Committee within the time available to it has not found it possible to consult experts for preparing a list of performance indicators. We recommend that an expert committee be set up to evolve a set of performance indicators in consultation with the institutions and experts. Wherever necessary the expert committee may also lay down the procedures for determining these indicators so that inter-university comparability is possible. The Committee has separately suggested how some of these factors could be built into the considerations for determining the financial support.

IX

INCOME GENERATION BY UNIVERSITIES AND UTILISATION

BACKGROUND

9.1. The Committee notes that the income generated by the universities on their own, at present, constitutes a negligible portion of its total income. The statement given below conveys the actual position.

Table IX.1

SOURCES OF INCOME (1991-92) (IN PERCENTAGES)*

University	Government		UGC	Fees	Endow- ments	Others	Total
	Central	State					
Aligarh	-	0.05	93.30	5.91	-	0.74	100.0
B.H.U.	0.49	0.03	91.60	0.62	0.08	7.18	100.0
Delhi	-	-	88.68	9.88	0.62	0.82	100.0
J.N.U.	-	-	95.75	0.59	-	3.66	100.0
Jamia	-	-	94.90	4.24	-	0.86	100.0
Hyderabad	-	-	94.82	2.03	-	3.15	100.0
Pondicherry	-	-	90.05	9.66	-	0.29	100.0
Visva Bharati	-	0.04	97.60	0.56	-	1.80	100.0

***Source**: From the data supplied by Universities*

9.2. While UGC provides overwhelming support to the universities, income from fees and other sources is very limited. The Committee is of the view that while government /UGC may continue to be the major funding agency, the universities must generate internal resources which should be sizeable in course of time.

FEES AND SUBSIDIES

9.3. As there has been no increase in the fees for decades, income from fees has now become an insignificant part of the total income as well as expenditure of the universities. There is also a historical background to this issue. The universities are regarded in India largely as noble and charitable ventures, as an essential part of the welfare programme, with little concern for cost effectiveness and income generation. Consequently, over a period of time, universities are regarded as cost free activities. Most of university services are provided free and in many cases even the costs are not recovered. The beneficiaries, apart from the students include a wide variety of users including the public. They have also view the universities in this light.

9.4. A statement of fees charged is given below which is self explanatory.

Table-IX.2

RATES OF TUITION FEE CHARGED (RUPEES PER ANNUM)

	Diploma/ Certificate	Undergraduate	Postgraduate	M.Phil	Research
Aligarh					
Arts/Science/ Commerce/Edn./ Law/Fine Arts.	110	132 (except Law) 165 (Law)	165 176	220	
Banaras					
Arts	120	120	140	125	125
Science	400	120	140		
Law			125		
Fine Arts			150		
J.N.U.					
All Subjects	120	216	216	240	240
Jamia					
All Subjects	144	180	240	300 for Education/ Fine Arts	240
Hyderabad					
All subjects	200	N.A.	200	250	250
Pondicherry					
Arts/Commerce	N.A.	N.A.	500	300	300
Science	N.A.	500	N.A.	500	500

Table IX.3

RATES OF FEES CHARGED (RS.PER ANNUM) - ARTS COURSES

Levels/Items	B.H.U. Arts	J.N.U. Arts
Diploma/Certificate		
Tuition	120	120
Examination	32	
Sports	12	11
Library	3	6
Others	13	37
Undergraduate		
Tuition	120	216
Examination	40	
Sports	12	11
Library	3	6
Others	13	29
Postgraduate		
Tuition	140	216
Examination	32	-
Sports	12	11
Library	3	6
Others	13	2
M.Phil		
Tuition	125	240
Examination	40	25
Sports	12	11
Library	3	6
Others	13	29
Research (Ph.D)		
Tuition	125	240
Examination	220	100
Sports	8	11
Library	3	6
Others	31	29

9.5. The fees for prospectus, admission, magazine, examination and such other activities hardly recover their costs. The fees for library, laboratories, games and similar other activities have been designed in a manner that they are not self-supportive or support the activities in any significant manner. The hostels have been subsidised to an extent that even charges on consumables like electricity and water are not recovered. We are informed that while electricity charges are going up, there is no monitoring of its use in most of the universities. The consumers are not identified nor billed, where necessary. Electrical appliances including heaters, often unauthorised, are in extensive use but electricity utilised to operate these are not paid for by a large number of consumers. The municipal services extended to the universities are also not paid for. There are many other aspects of university activities where subsidy have been built in, which has made permanent inroads into the budgets of universities. Universities, in many cases, are in a position to let out their facilities and services and generate income and they can design and operate courses of studies to mobilise additional resources. But, over a period of time, the need to generate their own income seems to have lost its emphasis.

GENERATION OF INCOME

9.6. One of the major deterrent, universities encounter in their efforts to generate income is the practice that any earnings so mobilised is adjusted against payable maintenance grants. This also retards universities' measures to effect savings. Resources saved are also adjusted against the maintenance grants, thus robbing these efforts of any impact. The Committee strongly recommends that universities must be allowed to retain additional earnings and savings raised by their own efforts and these should not be adjusted against their maintenance grants. The income so generated may be kept in a separate fund and utilised by the universities for furtherance of the objectives of the universities. By savings, the Committee imply resources economised by efficient management. UGC should also develop a mechanism of providing an appropriate incentive grant in the nature of a matching grant to encourage universities to explore and mobilise additional resources.

9.7. The Committee recognises that income generation programmes are essentially an internal exercise of the universities. These need to be designed

and operated to suit university's circumstances and environment. However, the Committee would like to broadly identify the possible sources for generating additional income. These are illustrative and not exhaustive.

REVISION OF FEES

9.8. *Tuition Fees*: Tuition fees have not been revised for a very long time in spite of the costs of all services going up. Tuition fees may be revised upwards with immediate effect and may be periodically adjusted, keeping in view the rate of inflation. A mechanism must also be evolved by universities whereby these fees are regularly and periodically adjusted to the rise in the costs. The revised fees should be made applicable to the new entrants to a course of study. The revision of fees must be related in a meaningful manner to the recurring cost of the course of study and employment opportunities offered by the course, that is, that the tuition fees will be different within an university for different courses of study.

9.9. *Other Fees*: The universities must also review all other fee structures. Fees for admission, examination etc. must be so charged as to recover the recurring costs on the operations. Fees for library, laboratory, sports and similar other facilities must be revised upwards to recover a significant part of the recurring cost.

9.10. *Hostel and Mess fees*: These are not only heavily subsidised but some of the items of subsidy, such as use of electricity, water, etc. are often not even quantified. These fees should be revised with immediate effect to meet all the actual recurring costs and in due course of time part of the capital cost as well. *The Committee recognises that this is a sensitive issue and recommends that the student community should be involved in the discussions to raise resources where their interests are affected.*

9.11. *Municipal, Civil and other Services*: The universities must review all their municipal, civil and other services extended to individual members of the university in their personal capacity and charge appropriately to recover costs. These may include cost of transport, phone, postage and stationery, typing, computing, photocopying, etc.

STUDENT SUPPORT

9.12. There is a genuine apprehension that raising of fees and removal of subsidies may result in denial of access to sections of students who are not in a position to meet the increased rates. We are separately proposing development of a student support system. We would also recommend that the income derived from the enhancement of fees may be utilised to augment fellowship and scholarship programmes for ensuring access to weaker sections.

OTHER SOURCES OF INCOME

9.13. The universities may initiate measures to rent out their facilities such as auditoria, class rooms, computer services, playgrounds, guest houses, hostels, lawns, messes, etc. This should be done judiciously and without any detriment to the academic interest and atmosphere of the institution.

9.14. Universities should encourage individual departments to design programmes and short-term courses of study, etc. to generate resources without any adverse impact on their main academic activities. These units should be allowed to retain a substantial portion of the income so earned for supporting their main academic activities.

9.15. The universities may accept endowments, contributions, large investments, etc. to support and promote their academic activities and infrastructural development.

9.16. The universities should take concrete steps to seek support for research programmes and offer constancy services to a wide spectrum of sponsors, including departments of central and state governments, public and private sectors, industries and other bodies. These project proposals should always incorporate specific allocations for reimbursement for staff, facilities and infrastructure support. This must be used to strengthen the basic infrastructure of the universities.

CONSULTATIVE MECHANISMS

9.17. The universities may constitute appropriate consultative mechanisms within the system to plan and operationalise measures for mobilising resources. This must be viewed as an effort by the institution and its members as a whole and not a function of the management alone and hence should include representatives of faculty students, alumni, and non-teaching staff.

9.18. The UGC may constitute in consultation with the Government appropriate organisational mechanism to facilitate this and must extend full support to the universities. Universities which initiate and implement these measures must be given not only support and encouragement but positive incentives in the form of supporting grants, etc.

PROPORTION OF INCOME TO EXPENDITURE

9.19. The Committee recommends that the resources generated by the universities should constitute at least 15% of the total recurring expenditure at the end of the first five years and at least 25% at the end of ten years. Universities may draw up specific plans and modalities for this purpose.

ALUMNI ASSOCIATION

9.20. Each university should take the initiative to organise and set up an effective Alumni Association with a view to mobilising resources from all over the country and abroad. An Advisory Body consisting of the well wishers of the university may be set up to pursue action in this regard.

ROLE OF UGC

9.21. The Committee would like to point out that Section 12 A of the UGC Act, 1956 empowers UGC to prescribe fees and indicate the scale of fees also. This power has never been excercised. Discussions with Vice-Chancellors, and other authorities showed that they are receptive to these proposals. However, keeping in view the background and responses in the past towards

efforts to raise fees, they have indicated that the initiative and approval should come from UGC and higher authorities. We recommend that UGC may in consultation with Central Government and universities initiate action in this matter urgently. UGC should also under the statutory authority vested in it, advise the universities to take appropriate action.

ROLE OF UNIVERSITIES

9.22. We have indicated in our recommendations the extent to which resources raised by the universities must cover expenditure incurred by the institutions. We have also indicated the period of time over which this may be done. However, we expect each university to prepare specific modalities and plan for this purpose. *We would recommend that UGC must have a machinery to closely monitor and review the developments in this regard.* We are also aware that all the universities may not have appropriate arrange ments to mobilise resources by seeking support for research programme and offering consultancy services. UGC may like to, with the support of the governmental agencies, advise the various State and Central Government agencies to utilise the services of the central universities in this regard. We have already recommended universities to set up an organisational mechanism to pursue action in this direction and UGC to monitor this development closely. The channels of raising resources suggested by us are only initial measures. It is possible that various other alternative measures of generating income can be designed and implemented. UGC may like to set up a group to pursue this matter.

SEPARATE FUND

9.23. In continuation of our suggestion that the fund generated additionally by the universities may be maintained as a separate fund and that universities may use this fund in furtherance of their objectives, we recommend that UGC may in consultation with the universities identify the crucial areas where these funds may be used. There are common services of the universities which form the basis of support for research and teaching activities of universities, such as the library, laboratories and workshops. We suggest that specific proportion of this income generated should

supplement resources sanctioned to these services. The Committee is not in favour of these funds being used to make up any short fall of the normal requirement of these activities which is the responsibility of the normal funding mechanism. These resources may be used to develop these services to a higher standard.

CORPUS

9.24. A portion of additionally generated fund may be kept aside for building up a corpus fund. The interest from the corpus may be utilised to support the activities of the university. The incentive grant may also be credited to the corpus fund. The proportion of the earning which may be credited to the corpus may be laid down by UGC in consultation with universities. This would not bar the universities to allocate larger proportion to the corpus on their own. The proportion of incentive grant to be credited to the corpus fund may also be earmarked. Apart form maintenance and development grants, UGC may provide corpus fund grant which may help institutions to build the corpus into a sizeable fund.

9.25. We would like to clarify that these resources as far as possible be used to build up the assets but recurring items of expenditure should not be covered by these resources particularly staff appointments. The income may be used to build up the basic academic infrastructure apart from providing support to needy students.

X

REVIEW OF EXISTING SCHEME OF FINANCIAL ASSISTANCE FOR NEEDY STUDENTS AND MEASURES FOR SCHEME OF FREESHIPS AND SCHOLARSHIPS

GENERAL

10.1 We have studied the existing scheme of financial assistance for students in central universities. We admit that information on this is not widely available nor do we have a comprehensive picture of measures adopted for student welfare. We recommend that UGC may look into this comprehensively look into expanding and/ appropriately targeting the existing schemes for providing fellowships, scholarships, freeships and student concessions. Considering that our terms of reference concern only central universities, we have not looked at the picture in the states. We find that each central university has its own programme of fellowships, scholarships, freeships and student concessions. However, information on these are not always given in their annual reports.

SCHEDULED CASTE AND TRIBE STUDENTS

10.2. As far as the central universities are concerned the students belonging to the scheduled castes and scheduled tribes are entitled to tuition and living expenses as sanctioned in the scheme operated by the Department of Welfare through the state governments. We understand that students belonging to these categories in central universities are eligible and secure

this assistance. There are two issues in regard to this programme which need streamlining. The first one is regarding late receipt of financial support. The procedures in regard to the system are such that the entire process of application for assistance by students and their sanction by the Department of Welfare is time consuming. We understand that universities usually allow these students the concessions and necessary financial support pending sanction and receipt of support from the competent authority. Apart from the delay involved in this process, this also causes anxiety to both students and institutions. We suggest that this issue may be taken up with the Ministry of Welfare through the Department of Education and they may be requested to consider releasing an advance grant in April on the basis of previous year's expenditure. The advance grant can be adjusted at the time of final payment. This would lessen the burden on the finances of the university and at the same time ensure a sense of security for the students. The second issue is regarding adequacy of the amount. We are informed that the standardised amounts for certain courses fall short of the actual fees charged by institutions. In such cases, the institution provides some limited support and the student bears the rest. Considering that there are only few fully centrally funded institutions, we recommend that the Department of Welfare may be advised to sanction the actual amounts involved in consultation with the concerned institutional authority. While we have no evidence, we have an impression that the proposed pattern of support may encourage more students belonging to these sections to pursue higher education in central universities.

10.3. Besides these, UGC has a programme of Junior Research Fellowships (JRF) which is awarded to candidates who qualify in a national level test conducted by UGC/UGC-CSIR

1) Relaxation upto 10% in the cut off marks in the JRF test is given to SC/ST candidates. In May 1989 UGC decided that since the number of JRF qualified SC/ST candidates was rather small all candidates qualifying the JRF test would be awarded Junior Research Fellowship. Though each university has a fixed quota for JR s, UGC decided to provide supernumerary positions of JRF to the universities. to accommodate all eligible candidates.

* *National Talent Search of National Council for Educational Research and Training*

2. 50 Junior Research Fellowships are also awarded every year in Science and Humanities including Social Science to SC/ST candidates through open selection without qualifying in the test.

10.4. Concurrently, there is need to develop a good book bank scheme for assisting these students in the central universities. UGC may in consultation with the Welfare Ministry develop a programme in this direction.

J.R.F. AND N.T.S.* SCHEMES

10.5. We understand that the Junior Research Fellowships given by UGC are available only for the research scholars pursuing Ph.D and M.Phil programmes. As these fellowships are operated on the basis of the selection of students, the pattern of their utilisation in central universities varies considerably. The placement of scholars depend on the stage of development of the universities and their reputation and potential to attract scholars. While some central universities have excellent record in these matters others are yet to attract research scholars.

10.6. The candidate qualifying in the National Talent Search Programme of NCERT can pursue higher education up to and beyond post graduation in any institution of their choice. Many of them seek admission in central universities which enjoy high reputation. However, the number varies from institution to institution and in many cases is not significant.

Fellowship programmes are also offered by organisations, such as ICSSR, ICAR, CSIR, ICPR, ICHR, DAE, DST, ICMR, DNES, ISRO and others. Here again the scholars select the universities of their choice depending the area of research offered and facilities available. Some of these are offered in selected universities for pursuing specific areas of study.

STATE POST MATRIC SCHOLARSHIP SCHEME

10.7. The scheme of post matric scholarship is operated by the Central Government through the states. This scheme provides for full support to the first ten rank-holders in the qualifying examinations without the means test and the rest of the scholarships are provided on the basis of merit cum means test. Specific number of scholarships are allotted to each state. The

students belonging to the state who pursue their graduate education in the central universities are also eligible for this assistance. However we are informed that the process of securing this assistance is quite elaborate. Besides these, the states in the case of some central universities have utilised their own fellowship/scholarship programmes.

10.8. Some of the central universities have their own Post Graduate fellowship programme built into their maintenance expenditure. The numbers and coverage vary. They are generally means-cum-merit based. This enables these institutions to encourage bright and needy students from different parts of the country and makes access to higher education possible for them. Such initiative of these institutions deserves encouragement and support.

10.9. We recommend that UGC should introduce a broad based student scholarship scheme for the postgraduate students studying in central universities. We are aware that there are students in degree, diploma and secondary school courses in central universities but we do not favour a UGC scheme of scholarship for students at these levels excepting where the secondary school is an integral part of the scheme. The proposed scheme may cover tuition and living costs where necessary. The tuition cost may be met fully or partly in relation to the income of the guardians. The sanction of the fellowship should be strictly on the basis of merit and must be available to those whose income is below a prescribed level. In the case of students hailing from distant states the fellowship as far as living costs are concerned may be generous. This is with the objective of promoting the all-India character of central universities. We also recommend that living cost may, apart from including hostel and mess charges provide for meeting some of the other essential expenses. In the first instance Post Graduate scholarship may be sanctioned to 20% of the strength of students pursuing various courses of study in central universities at postgraduate levels.

10.10. It has not been possible for the Committee to workout the financial implications of this proposal because of the varying nature of costs in the different central universities and also the differing student strength in different courses of study. This has to be studied by an expert committee in detail after collecting the required information from the various institutions, assessing the strength of various courses and the actual attendance in these courses. The objective of this fellowship programme should be to encourage meritorious students belonging to weaker sections from all parts

of the country to seek admissions in the central universities.

10.11. The experience gained in a scheme of this pattern implemented on a pilot basis in the central universities may guide us for operating it on a wider basis in all the universities. Here, we are keeping in view, the recommendations in the Programme of Action on the National Education Policy (1992) which recommends an elaborate and effective system of providing freeships, scholarships and loans to students belonging to the weaker sections of society. In actual operation of this fellowship scheme, the individual university may be given discretion to appropriately modify them to extend the benefit to a larger number of students. This may involve, in some cases, provision of fellowships at lower rates so that a larger number of students who qualify could be benefited. It must be impressed upon the universities that the criteria for determining the award of fellowship must in all cases be merit.

FREE OR CONCESSIONAL STUDENTSHIP

10.12. We have elsewhere proposed an increase in the entire fee structure of the universities. There is an apprehension that such upward revision in the fee structure of the universities may result in denial of access to weaker sections particularly those who belong to socially and economically backward sections. We recommend that along with the implementation of revision of fee structure, central universities should award freeships or admit students at concessional rate of fee to meritorious students belonging to socially and economically weaker sections of society. The extent of such concession may in the first instance be limited to 10% of the entire student strength of the institution. However the university can operate this with flexibility.

FREESHIP

10.13. We are aware that many central universities have a freeship scheme. But these have not been operated upon except in individual cases due to the prevalent low fee structures. We expect these freeship schemes to be extended to all the central universities and brought into force to mitigate the difficulties, if any, encountered by the students belonging to weaker

sections when the fee structures in the central universities are revised upwards on our recommendations. This scheme may continue to operate beside the scheme of free or concessional studentship proposed by us earlier.

LOAN SCHEME

10.14. UGC may also explore the possibilities of introducing a soft loan scheme in collaboration with the nationalised banks. The success of such a scheme in central universities on experimental basis will enable UGC to decide the scope of extending it to all the universities. The sole criterion for selection of a student in this case must be merit and economic backwardness. The extent and manner of assistance may be determined by the universities. In other words, the extent of tuition and living costs to be supported by the loan programme will be determined in each individual case by the university based on economic need and local circumstances. The bank would need to satisfy itself in regard to the credit worthiness. We recommend that this should not be rigorous and that interest charges should be low, period of return should be long and appropriately phased. Government may also consider bearing the interest charges and allowing generously phased return of loan. It should be made amply clear that the university should not be made responsible for the recovery of the loan or pursuing of action for this purpose. However we would expect that the universities and banks to act in close collaboration.

10.15. We are of the opinion that all the present schemes of assistance to students which are routed through different departmental agencies have a lot of administrative problems. The procedures are elaborate, the system of sanction and actual payment are delayed. We expect that banks with their expertise in this area , would be able to operate this scheme in a more imaginative and efficient manner. UGC would in the initial stages require the support of the Ministries of Human Resource Development and Finance for developing the scheme. The successful operation of such a scheme would open the possibilities of assistance to students on a wider and flexible scale for the country as a whole.

10.16. It must however be recognised that loan schemes are difficult to administer. While these are intended to promote equity, the rigidity of

conditions governing sanction, the burden of elusive employment opportunities are factors which may act as deterrent unless the scheme is designed carefully and pursued earnestly. The programme must be flexible enough to suit adequately the requirements of the weaker sections. The interest charges and repayment system should not discourage applicants. While recovery is essential for the success of the programme, imaginative and resourceful planning of recovery measures may ensure the success of such a programme. Its administration must not be left to a routine system and requires skillful and imaginative handling. In a developing country like India where access is still an acute problem, a loan programme can never substitute freeships and scholarships. These will continue to play a crucial role for some time to come. The loan programme may supplement the current schemes of open assistance and in due course may assume a larger role.

10.17. We are of the view that the Government should in course of time may shift the funding of universities to a system of students funding. In such a case the student will be given support for tuition and living costs and costs reimbursed in the institutions of their choice. The reimbursement will be made in terms of vouchers made out in favour of the institutions. This would enable universities to fix appropriate fees and attract students based on universities' reputation and also remove considerably their dependence on state support and instead give them freedom to innovate and also respond to market needs. We, in our country, are perhaps at the very initial stages of this development, but we could experiment and develop a scheme of student aid which will also help us to meet one of our priority objectives of support to weaker sections of the society. In other words, students funding system in Indian situation may be the best method for ensuring access of higher education to socially and economically weaker sections. We would strongly recommend that UGC and the government should pursue action purposefully in this area.

XI

INSTITUTIONS DEEMED TO BE UNIVERSITIES

BACKGROUND

XI.1. Section 3 of the UGC Act provides that the Central Government may on the advice of the Commission, by notification in the official Gazette, declare any institution for higher education other than a university as deemed to be university. Such a declaration entitles the institution of all support as provided for in the UGC Act. The institution also has the power to confer degrees and develop and innovate academic programmes on its own.

XI.2. This provision is mainly intended to encourage and promote academic institutions pursuing higher education and research in specialised areas. While they may not be patterned on the conventional university systems, they achieve recognition through excellence in their academic pursuits and innovative practices.

XI.3. The nature of their pursuits requires large measure of academic autonomy and functional freedom. The status of a Deemed University allow these institutions the necessary autonomy and freedom to pursue programmes related to their objectives and facilitates attainment of academic excellence and innovation. Many of them take up extension programmes, bringing them close to the community and contributing to developmental efforts.

UNIQUENESS

XI.4. These institutions differ from one another considerably it is difficult to compare their parameters because of the uniqeness of each of these

institutions. In fact uniqueness is their source of strength and their very status is designed to protect this. However, UGC insists upon a corpus of academic staff with high qualifications and a minimum level of teaching, research and extension programmes to qualify for availing the status. Subject to these basic features, each institution develops its own programmes and activities. No doubt, many of these institutions also provide the normal run of academic courses.

XI.5. We give below a list of some of the institutions whose names and student strength would indicate the variation in their nature. (vide Table XI.1)

Table XI.1

S.No	Name of the Institution	Enrolment During 1991-92
1.	Indian Institute of Science (Bangalore)	1546
2.	Central Institute of English and Foreign Languages (Hyderabad)	1635
3.	Indian School of Mines (Dhanbad)	426
4.	Gandhigram Rural Institute (Gandhigram)	1325
5.	School of Planning and Architecture (New Delhi)	663
6.	Banasthali Vidyapith (Banasthali)	2569
7.	Indian Veterinary Research Institute (Izatnagar)	97
8.	International Institute for Population Science (Bombay)	108
9.	Thapar Institute of Engg. and Technology (Patiala)	1029
10.	Rajasthan Vidyapith (Udaipur)	1690
11.	Tilak Maharashtra Vidyapith (Pune)	6762*
12.	Shri Lal Bahadur Shastri Rashtriya Vidyapith (New Delhi)	557
13.	Avinashilingam Institute for Home Science and Higher Education for Women (Coimbatore)	2435
14.	Central Institute of Fisheries Education Versova (Bombay)	77
15.	Jamia Hamdard (New Delhi)	202

S.No	Name of the Institution	Enrolment During 1991-92
16.	Jain Vishwa Bharati Institute (Ladnun)	53
17.	Forest Research Institute (Dehradun)	6
18.	Tata Institute of Social Sciences	174

Includes enrolment of Open Education Centre (5792) and distance Education Board (27).

Source - *UGC Annual Report.*

FINANCIAL SUPPORT

XI.6 The assistance given to these institutions varies considerably, unlike central universities, where the source of finance is mainly from UGC.

XI.7 Table XI.2 gives the details of grants given by UGC to some of these institutions.

Table XI.2

Non Plan and Plan Grants Provided to Institutions Deemed to be Universities during 1991-92

	Non-Plan	Plan
	(Rupees in lakhs)	
1. Avinashillngam Institute for Home Science	110.04	46.73
2. Banasthali Vidyapith		20.54
3. Central Institute of English & Foreign Languages Hyderabad	215.14	82.66
4. Central Institute of Higher Tibetan Studies		0.33
5. Dayal Bagh Educational Institute	64.86	53.69
6. Gandhigram Rural Institute	140.07	40.68
7. Gujarat Vidyapith	168.82	96.08
8. Gurukul Kangri Viswavidyalaya	110.55	12.52
9. Indian Institute of Science	1894.01	

	Non-Plan	Plan
10. Indian School of Mines	463.86	
11. Jamia Hamdard	36.02	131.47
12. Rajasthan Vidyapith		15.77
13. Sri Sathya Sai Institute of Higher Learning		38.25
14. Sh. Lal Bahadur Shastri Rashtriya Sanskrit Vidyapith, New Delhi		1.04
15. Tata Institute of Social Sciences	176.65	21.31
16. Tilak Maharashtra Vidyapith		6.00
17. Jain Vishwabharati		2.00
TOTAL	**3380.02**	**569.07**

Source : *UGC Annual Report (1991-92)*

XI.8 It is clear from the Table XI.2 , that all these institutions are not fully dependent upon UGC for financial support. Some of them are funded by other Ministries, and agencies of central government, state governments and trusts, etc. Many of these institutions are supported by private sources.

SOURCES OF INCOME

XI.9 Table XI.3 lists the sources of income of some of the institutions. It can be seen that while some institutions are mainly dependent upon UGC, others have support from state governments and private agencies.

Table XI.3

Percentage Income from Different Sources 1991-92

UNIVERSITY	U.G.C.	STATE GOVT	FEES	PUBLIC CONTRIBUTION	OTHER
Avinashilingam	52.51	27.0	16.7	3.6	0.2
C.I.E.F.L.	87.2	-	10.3	-	2.5
Dayalbagh	18.3	72.5	9.2	-	-
Gandhigram	88.7	-	7.5	-	3.8
Indian School of Mines	89.4	-	1.1	-	9.5
Jamia Hamdard	19.5	3.2	3.5	-	73.8
Tata Instt.of Social Sciences	91.3	0.1	1.5	1.3	5.8
Tilak Maharashtra		25.0	72.4	0.7	1.9

* **Source:** *Expert Group of the Committee*

NATURE OF GRANTS

XI.10 It is clear that institutions deemed universities unlike central universities and Delhi colleges do not have a large measure of uniformity in the matter of funding.

XI.11 We understand that UGC provides full maintenance grant to eight such institutions. The grant to these institutions is also determined on the basis of deficit after taking into account income from other sources. The development grants are ad-hoc grants, allocated to each institution based upon UGCs appreciation of its programmes and requirements.

XI.12 The cost per student as is shown in Table XI.4 reveals remarkable variation, partly because of the nature of activities carried on by the institution and its objectives. These would require further detailed study to determine the outlay on academic and other activities, the extent of subsidy, and elements of other costs which may be special to each institution.

Table XI.4

COST PER STUDENT - 1991-92

(RECURRING & NON-RECURRING) EXPENDITURE (*RS.IN LAKHS*) *

University	Recurring	Non-Recurring	No.of Students	Cost Per Student Recurring	Non-Recurring
Avinashilingam	173.05	11.46	2536	6824	452
C.I.E.F.L.	176.93	209.27	1359	13019	888
Dayalbagh	62.17	Nil	888	7001	
Gandhigram	166.15	1.93	1341	5292	144
Indian School of Mines	509.10	12.47	795	6404	1569
Jamia Hamdard	326.19	32.16	674	48396	4772
Tata Instt.of Social Sc.	194.10	9.11	194	1005154	4696
Tilak Maharashtra	39.67	0.84	5605	708	15

* **Source**: *Experts Report*

STAFF PATTERN

Table XI.5

EXPENDITURE BY OBJECTS 1991-92

PERCENTAGE DISTRIBUTION OF EXPENDITURE

UNIVERSITIES	SALARIES		SCH.	EXAMS.	APPARATUS	FURNI-	BOOKS &	OTHER
	T.	N.T.			MATERIAL	TURE	JOURNALS	
Indian School of Mine	23.7	28.8	5.8	0.6	6.8	-	1.6	32.7
Jamia Hamdard	10.4	40.9	1.2	0.3	6.0	-	2.1	39.1
Tata Instt. of Social Sc.	38.2	27.8	1.5	-	-	1.8	4.1	26.6
Tilak Maharashtra	39.4	52.4	0.4	3.6	-	0.2	-	2.0
Avinashilingam	76.4	14.5	-	-	2.5	-	0.1	6.5
C.I.E.F.L.	45.4	43.2	2.0	-	-	-	2.3	7.1
Dayalbagh		93.1	-	-	-	2.8	3.1	1.0
Gandhigram	43.2	33.3	0.3	1.5	0.5	-	0.2	21.0

XI.14 The variations reflect partly the differing nature of the institution. But they may also reflect inadequate concern with norms for staffing, work load and cost effectiveness.

Table XI.6

PERCENTAGE DISTRIBUTION OF

TEACHING & NON-TEACHING STAFF 1991-92

UNIVERSITIES	TEACHING	NON-TEACHING	TOTAL
Avinashilingam	63.4	36.6	100.0
C.I.E.F.L.	22.5	77.5	100.0
Dayal Bagh	38.0	62.0	100.0
Gandhigram	17.6	82.4	100.0
Indian School of Mines	21.3	78.7	100.0
Jamia Hamdard	26.4	76.6	100.0
Tata Institute	33.8	66.2	100.0
Tilak Maharashtra	59.9	40.1	100.0

Table XI.7

PERCENTAGE DISTRIBUTION OF

NON-TEACHING STAFF BY CATEGORIES

UNIVERSITY	A	B	C	D	
				Regular	Daily Wages
Avinashilingam	4.8	6.7	74.1	14.4	-
C.I.E.F.L.	8.9	25.1	37.7	26.7	1.3
Dayal Bagh	3.4	0.7	68.8	27.1	-
Gandhigram	2.0	-	21.9	70.3	5.8
Indian School of Mines	2.6	15.2	27.8	47.7	6.7
Jamia Hamdard	2.2	4.5	49.1	40.6	3.7
Tata Institute	2.8	19.4	28.3	41.7	7.8
Tilak Maharashtra	1.3	2.6	82.2	11.3	2.6

XI.15 The proportion of teaching staff to non-teaching staff vary sharply. In some institutions, special activities like farms and extension work are offered as explanation for the large size of non-teaching staff. What is more disturbing is the large proportion of staff in C and D categories and sizable presence of daily wagers. The teacher pupil ratio varies sharply from 1:5 to 1:14. The work load for the academic staff also varies considerably.

RECOMMENDATIONS

Financial Assistance

XI.16 (i) The Committee would recommend replacing the present mode of determining maintenance grant by grants based on input costs. Unlike central universities, it is not possible to lay down common norms. They may have to be determined for each institution taking into account its academic

and extension activities and the extent of subsidies and measures for promoting cost effectiveness. Wherever these institutions run conventional courses, the norms in respect of such courses may be the same as in the case of central universities. Considering the nature of the institutions, and their activities, it is possible to bring in a new system of grant in aid before the next five year plan. The Committee would recommend that the UGC may set up a group to do this. Our recommendations in regard to the freedom for institution to deploy the grant as it considers best, the ban on creation of new posts out of maintenance grant, would apply to these institutions also.

ii. The Development grants would continue to be ad-hoc, in the sense of being, relevant to each institution. It should be linked to the objectives of the institution and promote quality and innovation. Our recommendation in regard to development grants in respect of central universities would by and large apply in the case of the institutions deemed to be universities except that the purposes of the grant may vary depending upon the role and needs of the institution.

Income generation

XI.17. Our recommendations in regard to income generating measures and the constitution of a corpus fund will apply fully in the case of these institutions.

Academic Audit and Performance Indicators

XI.18 We would urge the setting up of Academic Audit Units and development of Performance Indicators for these institutions. These may have to be institution specific, the main objective being to promote academic standards and efficiency, and cost effectiveness.

Student Support

XI.19. The access of these institutions to weaker sections must be monitored constantly. While holders of NTS and JRFs may seek admission in these institutions, each institution would need to draw up a scholarship

cum freeship programme. These may again have to be institution specific and would need to be decided in terms of the activities offered.

Mode of Support

XI.20. The most important feature of aninstitution deemed to be university must be its uniqueness. UGC must provide all support to promote these institutions to achieve excellence in the areas for which they were established. The institutions should be persuaded to undertake periodical review (once in five years) of their activities in consultation with UGC as a measure of introspection and evaluation. The institution's internal information system and UGC's information system must be linked to assemble and analyse information in regard to these institutions which convey their performance in terms of selected academic, financial and administrative parameters. Our suggestions in regard to information system of central universities may be appropriately modified to suit the requirements of institutions deemed to be universities.

XI.21. While our recommendations in regard to financial assistance may not apply to these institutions which do not receive assistance, our recommendation in regard to other matters such as Academic Audit system, income generating programmes, introduction of Performance Indicators and development of internal information systems will apply to all the institutions. UGC has a responsibility for ensuring that these institutions maintain the standards expected of them at the time of conferment of Deemed University' status. Their academic activities such as admission policies, students' performance, support for staff, constant concern for academic excellence, accountability and cost effectiveness must reflect national concern and UGC must satisfy itself on this score.

Special Attention to Institutions Deemed to be Universities

XI.22. The grievance of the institutions deemed to be universities is that they do not receive adequate consideration appear, to some extent, to be justified. We strongly urge that a group of academics and experts may assist UGC, for suggesting on a long term continuing basis, measures and programmes for

supporting the efforts of these institution to attain levels of excellence. The group would have special responsibility in the case of institutions which are fully assisted by UGC.

Publication

XI.23 UGC should bring out a periodical publication on the institutions deemed to be universities, giving the features of each institution, its academic, extension and innovative pursuits and notable achievements. Important academic financial and other parameters of these institutions may also be incorporated there. UGC could well commission a competent organisation to undertake this task and make available to it the necessary information for such purpose.

XII

DELHI COLLEGES

XII.1. The Committee has been asked to study the financial and academic parameters relating to Delhi colleges. The Delhi colleges which were earlier funded directly by the Government came later under UGC's support.

XII.2. The Delhi colleges broadly fall into three categories -

i. Colleges established by Educational or Charitable Trusts.

ii Colleges maintained by Delhi Administration which acts as trust for them.

iii Colleges maintained by Delhi University.

Financial Support by UGC

XII.3. The university - maintained colleges get 100% deficit maintenance grant while the day colleges run by trusts get 95% deficit grant. Besides maintenance grants, Delhi colleges also get plan or development grants on the basis of same norms as applicable to colleges in the States.

XII.4. Unlike the central universities, the grant-in-aid pattern for Delhi colleges is elaborate and spelt out in great detail. The staff pattern, salary scales, teacher-student ratio and academic accessory support are clearly laid down. The pattern has proposed to be revised in 1985 on the recommendations of the Kulaindaiswamy Committee report but we understand that this was not done.

XII.5. The problems of Delhi colleges appear to stem more from managerial issues than the financial support system. Many of these problems have been analysed very well in the Madhuri Shah Committee report on the functioning of the central universities.

XII.6. Briefly stated, managerial authority is diffused and decisions

emanate from different sources namely UGC, Delhi University, Delhi Administration and management committees. The management committees do not appear to enjoy adequate powers and authority to administer these institutions. The elaborate staff pattern and strong union action seem to favour proliferation and waste rather than efficient management of resources. Each trivial issue of internal administration appears to invite and engage university's intervention. In regard to academic issues, while work load has been laid down and staff pattern elaborated, practice and precedents have developed which do not appear to support accountability and quality. The tutorial system has not functioned effectively. The grant-in-aid system has not helped to promote quality, efficiency and cost effectiveness.
XII.7. 47 colleges had responded to the questionnaire sent by the Committee. However, information supplied by many colleges was incomplete and inconsistent. Information on academic, administrative and financial aspects of twelve colleges is presented in a Table XII.1 at the end of this chapter. Enrolment of students has increased from 1986 to 1992 but the range of increase varies from institution to institution. The Principal is in the scale of pay of professor. The rest of the academic staff comprise of readers, lecturers (senior scale) and lecturers. Readers and lecturers in senior scale constitute majority of teaching staff. The ratio of teaching staff to non-teaching varies and the reasons are not clear. The teacher student ratio ranges from 1:7 to 1:22. The cost per student per annum varies from Rs.6000-Rs.9000/- The expenditure on salaries exceed 70% of the total expenditure and items like equipment, furniture and library receive negligible share. We must add a word of caution here that the information has not been standardised and variations could be due to defective and incomplete reporting.

XI. 8. UGC burdened by its role in regard to the university system in general and the Central and State universities in particular, does not have the necessary time and support to look in detail into the affairs of these colleges. The Delhi University's concern appears to be limited to academic matters. The Delhi Administration seems to be more concerned with local issues. The Management Committees with their authority eroded seem helpless. Taking all these aspects into consideration the Committee would like to make the following recommendations.

Management:

9. We are convinced that UGC is not the appropriate body to administer or provide grant to these colleges. This work not only detracts its attention from serious issues concerning development of higher education in our country but also involves it in various disputes and claims which are normally none of its concern. Further UGC's direct concern with the colleges only in Delhi has not been well received by colleges in other parts of the country and also universities in general.

XII.10. We would therefore recommend the constitution of a statutory body for extending financial assistance to Delhi Colleges. This may be called the Delhi Colleges Grants Council and may be headed by an eminent academic. The other members of the Council may be the nominee of the Vice Chancellor of Delhi University, Education Secretary of Delhi, educationists and experts. Government may sanction grants direct to this body delinking UGC from the process. The Council should be a lean and efficient body. It must disburse grants on the basis of norms and review selectively performance indicators and academic parameters of these institutions. It should encourage colleges to become autonomous and function freely and efficiently.

XII.11. The Governing Bodies should be reorganised and conferred adequate powers and authority. They should be allowed to administer the institutions without interference, except in terms of appeals and reviews provided, in specific cases. Their constitution should be such as to assist the institutions to maintain high standard of scholarship and efficiency.

XII.12. UGC may in consultation with the Government of India set up a committee to make detailed and specific recommendations regarding the future set up for the Delhi Colleges in the light of our recommendations. The committee may have to clearly identify the roles of the proposed Council, the Delhi University, Delhi Administration and the management committees.

XII.13. We are informed that the number of colleges in the Delhi region would rise to above 200 in about two decades from now. This will imply a heavy burden on Delhi University. We recommend that the authorities may consider developing a multi campus structures with each campus enjoying full autonomy. This will enable the sharing of administrative and academic responsibilities by the different campuses and promoting academic excel-

lence. Alternatively the question of starting new universities in the National Capital Territory of Delhi may be explored.

Financial Matters

XII.14. The recommendations the Committee has made in regard to maintenance and development grants, and generation of income in the case of Central Universities, should apply to the Delhi Colleges with appropriate modifications. The grants must be based on input costs. It should be easier to bring the system into force as details of staff, salary pattern and academic, para academic and administrative norms have been laid down. It is possible to work out per unit costs and apply them to different courses and activities of these colleges. They must be allowed to raise resources and such additional earnings must not be adjusted against the grants. The income generated should be utilised to develop the infrastructure like libraries, laboratories and workshops. They should also be encouraged to develop a corpus fund. The development grants must in future relate to specific needs of the institutions and based on cost and need parameters.

Academic Issues

XI.15. The Council may constitute a small group to develop an appropriate Academic Audit System for Delhi colleges. This may comprise Audit Units in individual colleges and a small external unit in the Council. The elements of Academic Audit System and Performance Indicators may be finalised in consultation with the colleges. The findings of the Academic Audit System and Performance Indicators should, in due course influence the funding on the development side. The annual reports of colleges must convey information on standardised academic, administrative and financial parameters. The Council, in future may bring out an annual report incorporating selected academic, administrative and financial parameters of Delhi colleges.

Table XII.1

Selected Statistics in the Respect of Delhi Colleges: 1991-92

01. ENROLMENT	HINDU	MIRANDA	VENKATESH	KIRORIMAL	GARGI	JESUS & MARRY	ZAKIR HUSSAIN	RAJDHANI	BHARTI MAHILA	DAYAL SINGH	DESH BANDHU	SATYA WATI
A. ARTS/SCIENCE/ COMMERCE												
a. PASS	298	476	586	600	807	636	1,042	595	439	1,232	755	1,005
b. HONOURS	1,347	1,366	1,263	1,218	698	1,189	300	971	296	1,127	1,190	549
T O T A L	1,645	1,842	1,849	1,818	1,505	1,825	1,342	1,566	735	2,359	1,945	1,554
B. PERCENTAGE												
a. PASS	18.12	25.84	31.69	33.00	53.62	34.85	77.65	37.9	59.72	52.23	38.82	35.33
b. HONOURS	81.88	74.16	68.31	77.00	46.38	65.18	22.35	62.01	40.28	47.77	61.18	64.66
c. CHANGE FROM 1986	23.31	7.34	48.51	6.82	1.14	0.61	0.02	5.95	3.81	11.96	18.39	2.08
02. TEACHING STAFF BY CATEGORY												
a. PRINCIPAL	1	1	1	1	1	1	1	1	1	1	1	1
b. READERS	58	0	56	70	84	29	52	82	33	79	66	46
c. LECTURES	16	105	32	27	17	46	3	0	1	12	14	41
d. SR. LECTURES	22	22	68	27	108	22	4	20	6	43	67	118
e. OTHERS	0	0	0	0	0	0	0	0	0	0	0	0
T O T A L	97	128	157	125	210	98	60	103	41	135	148	206
PERCENTAGE OF BY STAFF CATEGORY												
a. PRINCIPAL	1.03	0.78	0.64	0.80	0.47	1.02	1.64	0.96	2.44	0.74	0.68	0.49
b. READERS	60.00	0	35.67	56.00	40.01	29.59	85.25	0	80.49	58.52	44.59	22.23
c. LECTURES	16.49	82.17	20.38	21.60	8.04	46.94	4.92	78.85	2.44	8.89	9.46	19.90
d. SR. LECTURES	22.68	17.05	43.31	21.60	51.43	22.45	22.45	19.23	14.63	31.85	45.27	57.28
e. OTHERS	0	0	0	0	0	0	0	0	0	0	0	0
T O T A L	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
PERCENTAGE TOTAL	42.17	48.13	60.85	47.35	69.30	64.90	68.54	55.61	47.13	49.82	53.24	86.19
03. NON-TEACHING STAFF												
a. NO.	133	139	109	139	93	53	26	83	46	136	130	33
b. PERCENTAGE TO TOTAL STAFF	53.83	51.87	39.15	52.65	30.7	35.09	31.46	44.51	52.87	50.18	46.76	13.81

Table XII.1 (Continued)

	HINDU	MIRANDA	VENKATESH	KIRORIMAL	GARGI	JESUS & MARY	ZAKIR HUSSAIN	RAJDHANI	BHARTI MAHILA	DAYAL SINGH	DESH BANDHU	SATYA WATI
04. INCOME BY SOURCES												
PERCENTAGE TO TOTAL INCOME												
a. UGC	90.04	93.18	87.01	90.97	29.46	53.84	94.88	0	87.63	94.73	90.4	96.28
b. MINISTRY	0	0.31	0.13	0	0	0	0	0	0	0	0	0
c. STATE (DELHI ADMN.)	1.33	0	0	0	70.54	2.47	0	41.1	0	0	0	3.72
d. FEES	6.28	3.64	6.06	9.03	0	1.75	0	25.23	2.55	2.56	0	0
e. OTHERS	2.36	2.87	6.79	0	0	1.94	5.12	33.36	9.82	2.71	9.6	0
T O T A L	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
05. EXPENDITURE BY MAJOR HEADS												
A. RECURRING												
a. SALARIES												
01. TEACHING STAFF	54.89	59.93	67.77		66.19	72.52	65.75	72.22		65.96	61.1	76.83
02. NON-TEACHING STAFF	23.29	20.25	18.67		22.09	15.67	11.91	21.86		19.78	21.6	19.6
b. SCHOLARSHIPS			0.68		0.65	0.08				0.89		
c. EXAMS	0.05	0.05	0.73		0	0.21	0.99					
d. APPORATUS	0.72	0.59	1.25		0.93						1.1	
e. FURNITURE	0.09	0.09	0		0.09		2.63					
f. LIBRARY BOOKS	1.19	1.4	0.72		0.64	1.55	0.72	0.15		1.7	0.77	
g. OTHERS	19.76	100	11.43		9.16	9.96	18.26	5.76		11.31	15.52	3.56
	100.00	100.00	100.00		10 .00	100.00	100.00	100.00		100.00	100.0	100.00
B. NON-RECURR												
a. BUILDING										93.24	97.5	
b. EQUIPMENT		92.41	52.44							5.46		
c. FURNITURE		7.59	19.81								2.5	
d. LIBRARY BOOKS			27.75							1.29		
OTHERS												
		100.00	100.00							100.00	100.00	
T.S. PUPIL RATIO	1:17	1:14	1:12	1:15	1:7	1:19	1:22	1:15	1:18	1:3	1:11	1:8
PER STUDENTS COST (RECURRING)	8229	5167	7203	NA	4963	5445	3667	824	NA	6[illegible]	8751	5625

XIII

Colleges affiliated to Banaras Hindu University

XIII.1. The Committee notes that the future of the four colleges affiliated to Banaras Hindu University has been considered from time to time and committees in the past have made specific recommendations in this regard. It is regrettable to note that the matter has been allowed to drift in spite of clear suggestions for specific action.

XIII.2. The Committee is of the view that the Colleges must be allowed to continue their affiliation to the Banaras Hindu University until they voluntarily relinquish it. However, it would be necessary to have a single funding agency for purposes of coordination of academic, administrative and financial matters.

XII.3. The Committee recommends formation of a Banaras Hindu University Colleges Funding Council. This may be located in Banaras Hindu University and served by it. The members of the Council may be Pro-Vice-Chancellor of the Banaras Hindu University (Ex-officio Chairman), Director of Higher Education U.P. Government and such others as UGC and U.P. Government may in consultation decide. The grant due to the colleges on the present norms as determined by the Director of Higher Education U.P. and UGC may be released to the Council which will disburse it to the Colleges. This will ensure single agency channelising the funds and the requirements of U.P. Government and university being coordinated simultaneously. The Council will help to resolve disputes conflicts and difficulties which may arise in the process of sanction and administration of grants and funding of these institutions.

Appendix - I

SUMMARY OF RECOMMENDATIONS

1. Any additional resources generated by a university/institution may be kept in a separate fund to be utilised for furtherance of the objectives of the university/institution. (1.12.)

2. UGC may provide a matching grant as an incentive to universities generating additional resources. (1.12.)

3. There should be 100% income tax concession on all endowments and contributions made to the universities, and additional concessions to donors sponsoring selected research projects in the universities. (1.12.).

4. While universities should be encouraged to augment their resources for covering a larger proportion of costs of education than what prevails now, the increased burden must be borne mainly by those who can afford. (1.13).

5. State or Government funding must continue to be an essential and mandatory requirement for support to higher education. The Government/ State must continue to accept the major responsibility for funding the essential maintenance and developmental requirements of the universities. (1.14).

6. The basis of funding of a central university may be linked to its specific objectives and to its pursuit of excellence, innovativeness, all-India character, and ability to provide access to weaker sections. (5.6).

7. Research funds may be provided in the development grant as special inputs for strengthening the university's research infrastructure.(5.6.).

8. Central universities may switch to appropriate mix of input funding and student funding systems which may be standardised for comparable courses of which study by UGC over a period of time. (5.7)

9. In regard to student funding, consideration of merit as well as social and

economic backwardness should be taken into account. (5.8).

10. Quality, efficiency and innovativeness must be consciously rewarded and institutions failing to improve financial and academic discipline should face disincentives. (5.9).

11. The unit cost system of calculation of eligibility for grants should replace the existing incremental system which may be retained till the end of the current five-year plan period (5.10.)

12. From the Ninth Plan onwards, grants should be related to unit cost of activities as a rule except for new programmes for which unit costs are not determined, or would be difficult to determine. (5.10.II)

13. The Government must ensure that the maintenance grant covers the wage bill of universities including periodical increases in increments, D.A. and other service charges. (5.10.). 14. Heavy subsidies in many of the activities covered under maintenance grants, such as supply of electricity, transport, water supply etc. and in many other items have to be reviewed and reduced to a substantial extent so that the maintenance grant can be stabilized at a certain acceptable level. (5.11).

15. Maintenance grants to a university based on unit costs of its activities would require periodical revision. (6.1)

16. Expenditure due to increase in the number of staff has to be reviewed and curbed firmly wherever necessary. (6.2.)

17. An optimum division between academic and non-academic costs should be arrived at to help in stabilising the maintenance expenditure. (6.2).

18. The universities should be competent to operate its maintenance grant flexibly except for the creation of any new post of any category. (6.3).

19. 20% of the annual maintenance grant may be released to the universities in April-May, 60% in September-October and remaining 20% in December. (6.4).

20. Part of the development grant may be provided for organisation of new academic programmes and development of existing programmes.

21. Development grants should be linked to an academic audit system and performance indicators to be developed by each university (6.5.) 22. Central universities must avoid offering conventional courses except when they are specially needed. (6.5.)

23. In viewing academic infrastructural facilities, no distinction should be

made in regard to the plan and non-plan grants and the entire system must be viewed as a whole. (6.5.).

24. Each university must have a perspective plan which must be linked to its objectives, environment and potential. (6.9.).

25. UGC must have a well developed system for defining objectives and profile of each central university and also of monitoring their development. (6.9.).

26. UGC should constitute an Standing Advisory Committee of experts who would continue on a reasonably long term basis for evaluating the perspective plans drawn up by Central Universities and monitoring them. (6.9.).

27. UGC should have special provision of funds in the plan for which all universities may compete to organise new courses of study and undertake research in identified areas. UGC may identify areas for such courses of study and research. Selection of institutions for funding must be on clearly identified parameters. (6.9.)

28. The Vice-Chancellors may be provided with specified discretionary fund to be used for promoting excellence in teaching and research without incurring any recurring liability. (6.9.).

29. Once the Five Year Plan of a university is finalised, the university should be competent to implement these schemes within the broad guidelines of UGC. (6.10).

30. Each university should have a Statutory Building Committee it should not be required for universities to seek the approval of UGC for construction of building, once plan and the estimates are approved by the Building Committee. (6.11).

31. The University must have an efficient system for dissemination of information regarding deployment of resources and implementation of academic and non-academic plan programmes. (6.12).

32. The development plans of the universities should be linked to the perspective plans of the universities and there should be a statutory Planning and Monitoring Committee for each central/deemed university. (6.13, 6.14).

33. The universities and UGC must improve its organisation of an efficient reliable and prompt information system of storage, retrieval and analysis of the same. (7.1 - 7.3)

34. UGC must develop a system of presenting annually a set of selected information on academic, administrative and financial parameters of the institutions, particularly, which are fully funded by it. This information should be utilised in decision making processes. (7.12 - 7.13)

35. Two parallel quantitative norms for determining the Non-Plan grants viz. (a) the optimum proportion of total maintenance grant for particular activity and (b) the optimum per student recurring cost p.a. have been suggested. (7.19)

36. The academic cost i.e. expenditure directly related to teaching and research should be 60-65%, academic administration should be 10-12%, on other departments, auxiliary services etc. be within 20-25% of the total maintenance grant. Till further refinement in calculation the basis of maintenance grants is calculated as under: (7.47.)

Activity	**Social Sc./Humanities**	**Service**
	Cost per student per	
i) Academic/Teaching Cost	Rs.11,680/-	Rs.21,640/-
ii) Academic/Admn. Cost	Rs. 4,500/-	Rs. 4,500/-
iii) Other department/ auxiliary services & miscellaneous expenses	Rs. 6,070/-	Rs. 6,070/-
Total	**Rs.22,250 or 22,300**	**Rs.32,210 or 32,200**

37. ADA, Pension, Arrear pay etc. be provided on actual basis. (7.41)

38. The maintained institutions in A.M.U, B.H.U. and Visva-Bharati be paid maintenance expenditure on incremental basis till meeting the same from other agencies is finalised. (7.50)

39. The student teacher ratio should be 1:12. (7.52)

40. The teaching to non-teaching staff ratio should be brought to 1:3 and employees like gardeners, safaiwalas, watchward etc. be engaged on contract basis to the extent possible. (7.55).

41. The minimum work-load for Professors, Readers and Lecturers should be 40 hours per week and the work distribution for actual teaching and

tutorial, examination, research, own reading, administrative work, assistance to students have been spelt out in detail. (7.57.).

42. On the pattern of the U.K., the Indian Universities should adopt Academic Audit system and UGC may give highest priority to it as this will not only promote academic efficiency, but also cost effectiveness. (8.19).

43. Priority should be given to introduce a monitoring system for Performance Indicators. (8.20).

44. While the Government/UGC may continue to be the major funding agency, the universities must generate internal resources which should be sizeable in course of time. (9.2).

45. The tuition fees may be revised upwards with immediate effect and may be periodically adjusted, keeping in view the rate of inflation. The tuition fee may have to be different within a university, for different courses of study. The revised fee should be made applicable to the new entrants. (9.8).

46. Fees for library, laboratory, sports should be revised upwards to recover a significant part of the recurring cost. (9.9).

47. Hostel fees should be revised with immediate effect to meet all the actual recurring cost and in due course of time, a part of capital cost as well. The student community should be involved in the discussions to raise resources where their interests are affected. (9.10).

48. There is a need to review the municipal, civil and other services which are extended to individual members of the university, in their personal capacity and they should be charged appropriately to recover the cost. (9.11).

49. The income derived from enhancement of fees should be utilised to augment fellowship and scholarship programmes for ensuring access to weaker sections. (9.12).

50. For generating income, the universities should let out their infrastructural facilities like playgrounds, auditoria etc. and also organise short-term courses for which there is demand. They should also solicit endowments, contributions and actively participate in consultancy. without affecting the academic activity of the institutions. (9.13.)

51. The resources generated by the universities should constitute at least 15% of the total recurring expenditure at the end of the first five years and at least 25% at the end of 10 years. (9.19).

52. With a view to mobilising resources from within the country and abroad the Alumni Association may be set up in each university with the assistance of an Advisory Body consisting of the well wishers of the University. (9.20).

53. A significant proportion of the internally generated resources and incentive grant from UGC for the purpose be put in a corpus fund. UGC may also provide corpus fund grant to institutions in addition to maintenance and development grant. (9.24)

54. The income from the corpus fund be utilised for infrastructural development of the university. (9.24).

55. Income generated by the university be used to built up the basic academic infrastructure without having any recurring liability (particularly staff appointment) besides providing support to needy students. (9.25). 56. UGC may comprehensively look into expanding and/or appropriately targeting the existing schemes for providing fellowships, scholarships, freeships and student concessions. (10.1.)

57. The existing scheme of the Department of Welfare to provide tuition and living expenses to SC/ST students needs streamlining. (10.2).

58. There is a need to strengthen the "Book-Bank" scheme in institutions. (10.4).

59. UGC may introduce broad-based student scholarship schemes for postgraduate students studying in central universities; this may be extended to 20% of the total student enrolment at postgraduate level. (10.9).

60. Central universities should award freeships or admit students at concessional rate of fee to meritorious students belonging to socially and economically weaker sections of the society. (10.12).

61. UGC may explore the possibilities of introducing soft loan scheme in collaboration with the nationalised banks. (10.14). 62. Government in course of time may shift the funding of universities to a system of students funding for ensuring access of higher education to socially and weaker section of the society. (10.17).

63. In respect of institutions deemed to be universities the present mode of determining the maintenance grant may be replaced by grants based on input cost, the modalities for which could be determined by a group to be set up by UGC. (11.16.i).

64. The pattern of provision of development grant suggested for Central Universities should apply by and large to the institutions deemed to be universities. (11.16.ii).

65. A statutory body for extending financial assistance to Delhi colleges be constituted and UGC may not directly fund Delhi colleges. (12.10).

66. The Governing Bodies of Delhi colleges should be reorganised and conferred adequate powers and authority. (12.11).

67. UGC in consultation with Govt. of India should set up a Committee regarding the future set up for the Delhi colleges in light of the foreseeable demand for new colleges in the National Capital Territory of Delhi. This may inter-alia require multi campus structure or alternatively starting new universities. (12.12 & 12.13).

68. Recommendation made for resource generation in respect of Central Universities should be applicable to Delhi colleges. (12.12).

69. The Academic Audit System and Performance Indicators should be finalised in consultation with the colleges and made applicable to them. (12.15).

70. The 4 colleges affiliated to BHU may continue their affiliation to BHU until they voluntarily relinquish it. (13.2).

71. A Banaras Hindu University College Funding Council be constituted under the Chairmanship of Pro-Vice-Chancellor, BHU, which will receive funds both from UGC and U.P. State Govt. for disbursement to these colleges. (13.3)

ANNEX 1

Copy of UGC's Order on Appointment of the Committee

UNIVERSITY GRANTS COMMISSION
BAHADUR SHAH ZAFAR MARG
NEW DELHI-110002

No.F.1-78/92(CPP II) November 11, 1992

OFFICE ORDER

Subject: Constitution of a high powered committee to examine present financial situation in regard to central universities, deemed universities, Delhi Colleges and technical institutions funded by the Government of India and to make recommendations about their financial needs and systems for the future.

The Central Universities, the Deemed Universities and Delhi Colleges are assisted for plan and non-plan needs by the University Grants Commission and the technical institutions are supported by the Departmnt of Education - Ministry of Human Resource Development likewise. The system of "covering the deficit" for determining the non-plan assistance is proving difficult to continue because of its implications for raising internal resources by the institutions and also because of steadily larger assistance it implies every year. The budgetary provision determining the plan assistance to the institutions, in the absence of an objective, perspective plan is increasingly felt to be inadequate and adhoc. Therefore, in order to examine the exsisting financial situation of the central universities, deemed universities, Delhi Colleges and technical institutions funded by the Government of India including the manner in which plan and non-plan grants to these institutions are determined, the reasonability of norms in

this regard and also to examine the pattern and system followed by the institutions in meeting their expenses and to make appropriate recommendations in this regard for future, the UGC, in consultation with the Government of India (Ministry of Human Resource Development) is pleased to appoint a high powered committee with the following members :

1. Justice K. Punnaiah
   B-2-351/1/12. Road No.3
   Banjara Hills
   Hyderabad.

2. Prof. Tapas Majumdar
   Zakir Husan Centre for Educational Studies
   Jawahar Lal Nehru University
   New Delhi - 110067.

3. Prof. M.V. Pylee
   Director & Dean
   School of Management
   Cochin University of Science & Technology
   Cochin.

4. Shri M.R. Kolhatkar
   Adviser
   Planning Commission
   Yojna Bhawan
   New Delhi.

5. Prof. N.S. Bose
   C/o Dr.S. Basu
   19, Lindsay Court
   Sherwood Park Road
   Sullon
   Surrey SM21N
   London
   U.K.

6. Shri P.K. Umashankar
Meenakshi, Plot No.857
13, Main Road
Anna Nagar West
Madras - 600 04.

7. Prof. C.S. Jha
Vice-Chancellor
Banaras Hindu University
Varanasi - 221 005.

8. Prof.S.C. Dube
D - 504, Purvasha
Mayur Vihar Phase I
Delhi 110 091.

9. Prof. Izhar Husain
Professor of Mathematics
Aligarh Muslim University
Aligarh 202 001.

The terms of reference for the Committee would be as below:

1. To examine the present policy, norms and the pattern of providing development and maintenance grants to central Univesities, Deemed Universities, Delhi Colleges and Technical institutions from the University Grants Commission/ Ministry of Human Resource Development and to suggest policies and norms for determining grants in future.

2. To examine the inter-university variations in development and maintenance grants (per student, per department, and any other relevant criterion) with a view to develop objective parameters governing such grants.

3. To examine the pattern of utilisation of the grants.

4. To examine the pattern of allocation of grants between teaching, research and non-teaching functions and to suggest norms relating to expenditure on the above functions.

5. To examine the feasibility of developing norms for individual items of expenditure under the development and maintenance grants and, to sugest such norms; and specfically, to examine whether students/ research students strength should be related to faculty strength and the strength of non-teaching employees or any other criteria in this regard.

6. To consider the extent to which flexibility should be available to the institutions for increasing or decreasing expenditure on the individual items under the maintenance grants.

7. To explore and recommend ways of improving overall cost efficiency of the institutions.

8. To study the extent to which the institutions are raising their own resources, and to suggest specific measures for augmenting the proportion of resource raising by the institutions.

9. To recommend incentives to institutions that raise a higher proportion of internal resources and to develop norms for utilisation of internally generated resources.

10. To review existing scheme of financial assistance for needy students such as free studentship, scholarships, students loans and to recommend measures for initiating such a scheme with a view to assisting students from disadvantaged sections of the community, and promoting equity in higher education.

11. To consider any other item ancilliary to the above which the committee may consider relevant.

Dr.P.B. Tripathi, Joint Director in the UGC will be the non-member Secretary of the Committee. He will be assisted by Shri R.L. Sondhi, Under Secretary in the UGC.

The members of the Committee will be entitled to TA/DA at par with the members of the University Grants Commission (copy enclosed) for meetings of the Committee and for any travel they may undertake in connection with the work of the Committee.

The Committee will be empowered to commission any study in connection with its work to any individual/individuals as it may consider appropriate on rates of payment to be decided in consultation with the UGC.

The Committee will be free to determine its own procedures and to regulate its working.

The Committee will submit its report within 6 months of its first meeting, to the University Grants Commission.

(V.N. Chaturvedi) 11.11.92.
Secretary

Copy to:

1. Chairman and all Members of the Committee

2. Chairman and Vice-Chairman, UGC.

3. Members of UGC.

4. Secretary, Department of Education, M/HRD

5. Educaton Adviser (Technical), Deptt. of Education
Ministry of Human Resource Development, Shastri Bhawan, New Delhi.

6. All Central Universities, Deemed Universities, Delhi Colleges, Technical Institutions supported by the Government of India and AIU.

ANNEX. - II

Ministry of Human Resource Development's Letter Regrading Non-Inclusion of Technical Institutions

Copy of D.O. Letter No. F.4-35/92-U1 Dated 24 May, 1993 from Shri S.V. Giri, Secretary, Govt. of India, Ministry of Human Resources Development, Department of Education, New Delhi, addressed to Justice Dr. K. Punnayya, Chairman, UGC, High-Powered Committee on Financing of Higher Education.

I am in receipt of your letter no. F.1-4/93 (HPC/Desk-P) dated 12 May, 1993 regarding the Committee and other issues relating to technical institution including IITs.

I understand that your Committee had not looked into the funding pattern of the technical institutions so far and that it might delay the submission of your report significantly, if this question were to be addressed by you at this point of time. It is considered essential to have your report without loss of time. We would prefer the questions relating to the technical institutions be left to be dealt with by the other Committee.

ANNEX. - III

Dates of the Meetings of the Committee

.....

1. 2nd December, 1992
2. 5-6 January, 1993
3. 10-11 February, 1993
4. 10-12 March, 1993
5. 12-13 April, 1993
6. 10-11 May, 1993
7. 9th June, 1993 (A/N)
8. 22-23 July, 1993
9. 20-21 August, 1993
10. 15-16 September, 1993
11. 27th to 30th September, 1993 & Ist October, 1993
12. 13th to 15th October, 1993
13. 16th to 18th November, 1993

All meetings were held in New Delhi.

ANNEX. - IV.

Dates of the Visits of the Committee to the Central Universities

.....

NAME OF UNIVERSITY	DATE(s) OF VISIT
1. Delhi University	7.6.1993
2. Jawaharlal Nehru University	8.6.1993
3. Jamia Millia Islamia	9.6.1993
4. Hyderabad University	20-21.6.1993
5. Pondicherry University	23-24.6.1993
6. Banaras Hindu University	17-18.8.1993
7. Aligarh Muslim University	19.8.1993
8. Visva Bharati	13-14.9.1993

ANNEX. - V.

List of the Persons with whom Committee Had Individual Meetings in Delhi

S.NO.	NAME
1.	Shri S.V. Giri, Edn. Secy., Govt. of India.
2.	Prof. A.J. Kidwai, Ex-VC, JMI
3.	Prof. Amrik Singh, Ex-Secretary, AIU
4.	Prof. S.Z. Quasim, Member Planning Commission
5.	Shri R.K.Chhabra, Ex-Secretary, UGC
6.	Prof. M.N. Faruqui, VC, AMU
7.	Shri S.P. Verma, VC, Dayalbagh Educational Instt.
8.	Prof. B.H. Krishnamurti, VC, Hyderabad University
9.	Prof. Ramlal Parikh, VC, Gujarat Vidyapith
10.	Dr. Bashiruddin Ahmed, VC, JMI
11.	Dr. Rasheeduzafar, VC, Jamia Hamdard
12.	Dr. (Miss) A.S. Desai, Director, TISS.
13.	Prof. J.B.G. Tilak, NIEPA
14.	Prof. S.K. Verma, VC, CIEFL
15.	Prof. C.R. Pillai, IGNOU
16.	Prof. A. Gnanam, VC, Pondicherry University
17.	Dr. Barrister Pakem, VC, NEHU
18.	Prof. P.N. Srivastava, Ex-VC, JNU
19.	Dr.(Mrs.) Rajammal P. Devadas VC, Sri Avinashillingam Instt. for Home Science and Higher Education for Women.

20. Dr. S.R. Gowarikar, Director
Thapar Instt. of Engineering and Technology.

21. Prof. Yoginder K. Alagh, VC, JNU

22. Prof. Gurbaksh Singh, Ex-VC, Delhi University

23. Shri D.K. Oza, VC, Gandhigram, Rural Instt. Gandhigram (TN).

24. Prof. S.K. Agrawala, Ex-Secretary, AIU

25. Prof. A.P.S. Alusihare, Chairman, Srilanka UGC.

ANNEX. - VI.

Documents Consulted

1. Memorandum and papers presented by Universities, Institutions Deemed to be universities, Colleges affiliated to Delhi and Banaras Hindu Universities.
2. A representation from the recognised associations of different institutions fully funded by UGC.
3. UGC Act 1956; rules and regulations.
4. The background paper submitted by the Secretariat, UGC.
5. Funding of Higher Education - AIU 1990-91.
6. Details of UGC sponsored schemes and their funding pattern as available from Secretariat, UGC.
7. The cost analysis in Higher Education - Dr. B.P. Garg.
8. Perspective on the financing of Higher Education - Zamil Salman.
9. Financing Higher Education - current pattern (1990-91) Organisation for Economic Cooperation and Development (OECD).
10. Funding mechanism for higher education - Douglas Allerecht and Adreen Federman.
11. Resources and Higher Education - Alfraid Morrise and Mr. John Seyar.
12. Reports on the working of the Central Universities under the Chairmanship of Dr. Smt. Madhuri R. Shah.
13. Academic Standards in University, London CVCP, 1986.
14. CVCP Academic Audit Unit. Notes for the guidance to auditors Birmingham. CVCP Academic Audit Unit.
15. Department of Education and Science, 1991, Higher Education. A new framework, London.
16. Various papers and monographs published by the World bank on Education.

Annex VII

तार यूनीग्रान्ट्स
विश्वविद्यालय अनुदान आयोग
बहादुरशाह ज़फर मार्ग
नई दिल्ली-११० ००२

GRAMS UNIGRANTS
UNIVERSITY GRANTS COMMISSION
BAHADURSHAH ZAFAR MARG
NEW DELHI-110 002

Justice Dr. K. Punnayya
Chairman
UGC High Powered Committee
on Central Universities Financing etc.

D.O. No. F.1-1/93(HPC)/Desk-P **11 February, 1993**

Dear Prof. Ram Reddy

You are aware that a Committee has been set up under my chairmanship to go into the finances of Central Universities. It had its deliberations and is grappling with complex and complicated issues of University management in all its aspects. During our delibrations it has been brought to our notice that while the Commission is deternmining the Block Grant payable to a University, the income of the University is deducted for the purpose of determining the said grant. One of the main concerns of the Committee is to study the extent to which thee institutions are raising their own resources, and to suggest specific measures for augmenting the proportion of resource raising by the institutions as also to recommend incentive to these institutions for raising higher proportion of internal resources.

The Committee observes that the present practice of adjusting income against the Block Grant payable is a disincentive to the universitiies for mobilisation of additional reesources. Further this is a matter which is agitating all Vice- chancellors.

The Committee having considered the matter in detail unanimously of the view that pending final recommendations, which may take some time, the University Grants Commission may be advised that :-

1. Any additional resources generated by a University may be kept in a separate fund and be utilised for furtherance of the objectives of the University;

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नई दिल्ली-११० ००२

GRAMS UNIGRANTS
UNIVERSITY GRANTS COMMISSION
BAHADURSHAH ZAFAR MARG
NEW DELHI-110 002

2. The additional income generated shall not be deducted while determining the annual maintenance Grant. The UGC may also find mechanism of providing an appropriate incentive grant in the nature of a matching grant as an incentive to encourage universities to explore and mobilise additional resources;

You may like to pursue the matter expeditiously.

With regards,

Yours sincerely,

(K. Punnayya)

Prof. G. Ram Reddy
Chairman
University Grants Commission
New Delhi.

UGC HIGH POWERED COMMITTEE ON FINANCING OF HIGHER EDUCATION

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UNIVERSITY GRANTS COMMISSION
BAHADURSHAH ZAFAR MARG
NEW DELHI-110 002

DR. P. B. TRIPATHY
SECRETARY

D.O. No. F. 1-4/93 (HPC/Desk-P) 14th May, 1993

Sir,

As desired by the Chairman of the high-powered Committee, appointed by the Commission to examine the present Financial situation in regard to Central Universities, Deemed Universities, Delhi colleges and Technical Institutions funded by the Government of India. I am enclosing herewith the interim recommendations of the Committee for your kind consideration and favourable action.

With regards,

Yours sincerely,

(P.B. Tripathy)

Enclosures enclosed
1. Chairman, UGC.
2. Vice-Chairman, UGC.
3. Secretary, UGC.

Interim Recommendations of the UGC High-powered Committee

The Committee welcomes the recent measures for income tax concessions on contributions to universities and investments on research in Universities and the decision to allow the Universities to retain their additional earnings through resource mobilisation against the annual maintenance grants. The Committee is of the view that these steps will now provide the necessary motivation and atmosphere for the Universities to initiate measures for generating resources.

The Committee recognises that these measures may comprise a series of internal decisions by the individual Universities taking into consideration their circumstances.

However, the Committee would like to broadly identify the possible sources of generating additional income.

a) *Tuition fees*: The Committee observes that tuition fees have remained the same for a very long time in spite of the costs of all services going up. There is a strong case for revising the tuition fees upwards with immediate effect and at all stages in all Central Universities and centrally funded institutions. The recent revision of tuition fees at IITs and IIMs serve as a model for this purpose. A mechanism must also be evolved by the Universities whereby these fees are regularly and periodically adjusted to the rise in the cost of living. The revised fees should be made applicable to the new entrants to a course of study.

b) *Other fees*: The Universities must also review all the other fee structures. Fees for admission, examination etc. must be so set as generally to meet the recurring costs on the operations. Fees for library, laboratory, sports and similar other facilities must be revised upwards to recover a significant part of the recurring cost in providing these services.

c) Hostel and mess fees are not only heavily subsidized but some of the items of subsidy, such as use of electricity, water, etc. are often not even quantified. These fees should be revised with immediate effect to meet all the actual recurring costs and in due course of time a part of the capital cost as well.

d) The Universities must review all their municipal, civil and other services extended to individual members of the university in their personal capacity and charge them appropriately to recover the cost. These may include cost

of transport, phone, postage and stationery, typing, computing, photocopying, etc.

e) The Universities may initiate measures to hire out their facilities such as auditoria, class rooms, computer services, play grounds, guest houses, hostels, lawns, messes, etc. This should be done judiciously and without any disturbance to the academic atmosphere of the institution.

f) Universities may encourage individual departments to design programmes and short term courses of study etc. to generate resources without any adverse impact on their main academic activities. These units will be allowed to retain a substantial portion of the income for supporting their main academic activities.

g) The Universities may solicit endowments, contributions, large investments to support and promotes their academic activities and infrastructural development.

h) The Universities may also take concrete steps to seek support for research programmes and offer consultancy services to a wide spectrum of sponsorers including departments of Central and State Governments, Public and Private sectors, Industries and other bodies.

The Universities may constitute appropriate consultative mechanism within the system to plan and operationalise measures for mobilising resources. This must be viewed as an effort by the institution and it members as whole and not a function of the top management alone and hence should include representatives of faculty, students, alumni, and non-teaching staff.

The UGC may also constitute, in consultation with the Government appropriate organisational mechanism to facilitate these measures and extend full support to the Universities. The Universities which initiate and implement these must be given not only support and encouragement but positive incentives in the form of supporting grants etc.

The Committee recommends that the resources generated by the Universities must constitute at least 15% of the total recurring expenditure (Plan and Non-Plan at the end of five years and at least 25% at the end of ten years. Individual Universities may draw up specific plans and modalities for this purpose.

Each university should take the initiative to organise and activate an effective Alumni Association with a view to mobilizing resources from all over the world.

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