



GOVERNMENT OF KERALA

FINANCES OF THE KERALA UNIVERSITY
SOME CRITICAL ISSUES

OCCASIONAL PAPER

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SOCIAL SERVICES DIVISION
STATE PLANNING BOARD
MARCH 1993

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PREFACE

Financing higher education has become a matter of great concern to all those interested in higher education and development of the State. Though the State Government assistance to the universities has increased considerably in recent years the actual position is that there is a serious mismatch between income and expenditure. With this background in view an attempt has been made to collect relevant data relating to the finances of the University of Kerala to identify major development issues and problems the university is facing. The paper, it is hoped would be of interest to policy makers and administrators and to those concerned with the finances of the university. It is acknowledged that the major part of this work has been done by Shri. P. Thulasēedharan during his tenure as Deputy Director in the Social Services Division. Sat. P. Leelamma, Research Assistant has assisted in completing the work.

Chief
Social Services Division

30.3.1993.

FINANCES OF KERALA UNIVERSITIES
SOME CRITICAL ISSUES

SECTION I - SOURCES OF FUNDS

Introduction

There are five universities in the State viz, Kerala Agricultural University, University of Kerala, Mahatma Gandhi University, Cochin University of Science and Technology and the University of Calicut. Financing of these universities has become a matter of great concern to all those interested in higher education and development of the State. The State Government under plan and non-plan, have been providing funds to these universities and the actual assistance increased from Rs. 16.84 crores in 1985-86 to Rs. 47.11 crores in 1991-92 and to Rs. 63.06 crores in 1992-93. While analysing the income and expenditure it is seen that there exists a serious mismatch between income and expenditure. Very often it is brought to light that the cheques issued by the universities are not honoured by the banks, honoraria for question paper setters and the examiners are not paid regularly, quality improvement programmes are relegated to low priority, diversion of funds from provident fund of employees to payment of salary and so on. With this background in view an attempt has been made to collect data relating to the finances of the university with a view to identifying major development issues facing the university.

Students and Teachers in University of Kerala

1.2. Out of the total 173 colleges in the State, 44 colleges are affiliated to the University of Kerala with a total student strength of 1.44 lakhs. The stage-wise enrolment of students reveals that 96314 students are admitted under pre-degree, 44342 under degree and 3183 are post graduate students. Out of the total of 4063 teachers, the strength of teaching

staff required for pre-degree is calculated to be 1943. Out of the teachers about 50 percent are covered under UGC scales of pay.

1.3. With regard to the infrastructure and personnel in the Kerala University, there are 35 departments and 12 research centres. There are 243 teaching staff and about 2250 non teaching staff in the University. The fact remains that on an average for every 64 students, there is one administrative staff in the university.

Sources
of Income

1.4 The sources of income of University consist of grant from the state government, fee and other incomes raised by the university and assistance from UGC and other sources. On the expenditure side, staff cost, laboratory and equipment, development of library, cost of conducting examinations etc. constitute the major items. The commitment of the university particularly on staff cost and conduct of examinations are increasing rapidly which in turn creating a serious mismatch between the resources and expenditure. In order to have a clear picture of income and expenditure position of the universities the relevant data from 1988-89 to 1991-92 were collected and analysed.

Government
Grant

1.5. An analysis of the income of the University of Kerala reveals that major chunk of it represents grant from State government both under plan and non-plan. The amount of these grants has been increasing from year to year. The relevant data are presented in table-1. It will be seen that out of the total income of Rs. 1159.49 lakhs during 1990-91, an amount of Rs. 626.47 lakhs was received from State Government both as plan and non-plan grant constituting about 55% of the total income. This increased to 59 percent in 1991-92 and the expected grant during 1992-93 is Rs. 16.77 crores which accounts to about 78 percent of the total receipts according to its budget estimates.

Table - 1
 INVESTMENT IN MEDICAL EDUCATION DURING 1980-81 TO 1991-92

(Rs. lakhs)

Year	State Govt. Grant	% to total income	Own Resources	% to total income	Assistance from UGC and others	% to total income	Total
1	2	3	4	5	6	7	8
1980-81	108.11	22.73	317.80	66.00	49.79	10.47	475.70
1981-82	147.55	26.53	335.24	67.28	73.36	13.19	556.15
1982-83	171.37	30.69	340.37	62.39	38.59	6.91	558.33
1983-84	249.50	35.48	340.79	49.51	103.50	15.01	703.45
1984-85	271.25	39.13	365.51	52.60	58.15	8.37	694.91
1985-86	344.91	43.35	349.40	43.91	101.38	12.74	795.71
1986-87	425.61	49.53	362.41	42.13	71.20	8.29	859.22
1987-88	421.41	44.64	366.37	39.01	156.22	16.55	943.99
1988-89	454.78	45.57	367.25	36.80	175.82	17.62	997.85
1989-90	529.94	48.72	383.61	35.27	174.16	16.01	1087.71
1990-91	626.47	54.02	391.13	33.73	141.86	12.22	1159.49
1991-92	931.55	59.04	445.05	28.22	200.82	12.73	1577.62

Own resources
of the Uni-
versity

1.6. Own resources by way of tuition fee, examination fee etc. constitute another major source of income to the university. Among the different constituents, examination fee forms the major source. The own resource accounted for 28 percent of its income in 1991-92. Though there is some increase in absolute terms the rate of increase has been on a declining trend from 5.49 percent in 1981, to 3.72 percent in 1985 and 1.97 percent in 1991. The fact remains that the own resources raised by the university declined from 66.8 percent in 1980-81 to 43.9 percent in 1985-86 and to 28.2 percent in 1991-92 to total income. The decline is more sharper in recent years as highlighted in table-1.

Low fee
structure

1.7. An analysis of the fee structure of the university reveals that the rate of fee remained unchanged for years except marginal variations. The upward revision attempted marginally on selected basis has not made a deeper impact in the finances of the university which is a major reason for the failure to raise own resources in financing the development programmes. The fee structure as exists now is given in Table-2.

Income from
UGC and other
bodies

1.8. A considerable portion of the income came from UGC and other bodies including Government of India ministries. This increased from Rs. 49.79 lakhs in 1980-81 to Rs. 101.35 lakhs in 1985-86 and to Rs. 200.82 lakhs in 1991-92 of which the grant from UGC formed 55.73 percent. The relevant details are furnished in Table 1. It is seen that the contribution of UGC, etc. ranged between 10 and 16 percent of the total income of the university during the period 1980-81 to 1991-92.

Table - 2

Fee structure at various levels

(Rs.)

Courses	Rate of Examination fee	Practical fee for Science subjects	Rate of tuition fee
1. Pre-degree Ist year	42.00	8.00	124.00
II year	42.00	each practical	124.00
2. Graduation I year	59.00		144.00
II year	81.00	18.00 for	144.00
III year	49.00	each practical	144.00
3. Post Graduation I year	65.00		160.00
II year	65.00	25.00 each	160.00
4. B.Ed.	145.00	50.00 each	300.00
5. M.Ed.	175.00		350.00
6. L.L.B. I year	105.00	-	250.00
II year	105.00	-	250.00
III year	105.00	-	250.00
IV year	105.00	-	250.00
V year	105.00	-	250.00
7. L.L.H. I year	225.00	30.00 each	350.00
II year	225.00		350.00
8. Engineering Part time	145.00	22.00 each	360.00 each year
4 year semester	105.00		420.00
M. Tech	275.00		
9. M.B.N.S. I year	175.00	20.00 each	396 each year
II year	175.00		
III year	275.00		
IV year	275.00		

SECTION II - EXPENDITURE

2.1. The major components of the expenditure of the University consisted of salary cost, conduct of examinations, purchase of library books, lab and other equipment, construction etc.

The total expenditure of the university increased from Rs. 4.61 crores in 1980-81 to Rs. 11.42 crores in 1988-89 and to Rs. 14.74 crores in 1992-93. The estimated expenditure of the university for 1993-94 is Rs. 20.47 crores.

Salary cost

2.2. An analysis would show that 58 percent of the expenditure was incurred for meeting the Salary cost. The actual expenditure on salary in absolute terms increased from Rs. 561 lakhs in 1988-89 to Rs. 857 lakhs in 1990-91. In other words the increase was from 49 percent to 58 percent.

Though the staff cost increased considerably during 1991-92 and 1992-93 due to lack of break up data available, this could not be spelt out in clear terms. The huge increase in expenditure was due to implementation of JEC pay scales from 1990 onwards. The expenditure details are given in Table-3.

Table - 3
Category wise expenditure during 1988-89 - 1990-91

Category	1988-89	1989-90	1990-91
1. Staff salary	561.02	655.55	856.91
2. Examinations	158.13	172.72	149.52
3. Library books	33.17	24.10	11.04
4. Lab & other equipment	42.33	44.67	17.17
5. Construction	29.80	33.93	35.51
6. Others	317.75	335.87	403.90
	1142.20	1266.84	1474.05

Part of the expenditure on examinations was booked under others up to 1990-91.

2.3. Next to salary cost, conduct of examinations constituted the major item on the expenditure side of the university. It increased from Rs. 158.13 lakhs in 1988-89, to Rs. 172.72 lakhs in 1989-90 and Rs. 149.52 lakhs in 1990-91. The estimated expenditure for conducting examinations during

1992-93 is Rs. 529 lakhs which accounts to 25 percent of the total anticipated expenditure as per the budget estimates of the University.

2.4. It will be noted from the above table that expenditure on laboratory, library etc. has been declining year after year. The lab expenditure which was Rs. 42.33 lakhs in 1988-89 declined to Rs. 17.17 lakhs in 1990-91 even though prices of these materials have increased. For the maintenance of the laboratory of Zoology Department, the grant given is only Rs. 2000 per year. The same phenomenon was also noticed in the case of purchasing library books and other research papers. The expenditure incurred on laboratory, library etc constituted only 4 to 6 percent of the total expenditure of the university which has been reported to have declined further. Owing to financial crunch, the university is unable to modernize the existing laboratories in emerging areas of development. This would adversely affect the quality of education and research work which are the prime objectives of the university. Even the Kerala University doesn't grant facilities to full time research for want of space after completing all formalities like fee remittance, subject selection etc. University of Kerala which was in the forefront in education is now relegated to a lower profile. It is disheartening to note the fact that the Planning Working Group on Education observed the NCER research findings noted the low achievement in learning acquisition in Kerala as compared to Bihar which is an educationally backward state.

2.5. An analysis of the income and expenditure of the University of Kerala reveals that there is a serious mismatch between income and expenditure. This is reflected in Table - 4.

Table - 4
Income and Expenditure of the University of Kerala from
1988-89 to 1991-92

(Rs. lakhs)

Year	Income	Expenditure
1988-89	997.85	1142.40
1989-90	1087.71	1266.84
1990-91	1159.49	1474.05
1991-92	1577.62	2253.30

2.6. Universities are often making good of their fiscal deficits by way of diverting funds from other schemes. Instances are not rare when the Universities diverted resources earmarked for specific development schemes to other purposes like payment of salaries to their staff. Even payments due to retired employees could not be paid in due to paucity of funds. The details regarding dues to be paid by the university in 1991 is given below.

(Rs. lakhs)

1. Provident fund contribution deducted from salary of employees but not deposited in the concerned account due to want of funds	105.00
2. Arrears of examination remuneration due to teachers	128.00
3. Payments due to retired employees by way of TDRG, Provident fund etc.	5.00
4. Payments due to contractors and suppliers	30.00
5. Payment due to question paper printing	15.00
6. Audit fee due to Government	29.00
7. Amount over drawn from Bank	42.00
8. Cheques pending payment in Bank	15.00
Total	369.00

SECTION III - MAJOR ISSUES

The major issues emerging from the foregoing analysis are summarised below:-

1. Serious Gap between Income and Expenditure

There is a serious mis-match (gap) between income and expenditure of the university and the university has often been compelled to resort to unhealthy practices to make good their urgent needs. In the long run this should weaken the financial structure of the university.

2. Increasing Dependence on State grant should be minimised

The State Government grant has become the mainstay of the finance of the university. The Government grant increased from 22.73% of the total income in 1980-81 to 44.54% in 1986-87 and to 59.05% in 1991-92. It is seen from the budget estimate of the University that 73 percent of the income is anticipated as grant from government for the year 1992-93. Such undue dependence in Government grant is not in the best interest of the future of the University.

3. Sharp Decline of own Resources

The own resources of the university constituted about 67 percent of the total income of the university in 1980-81. It has sharply declined to 43.91 percent in 1985-86 and further to 28.2 percent in 1991-92.

4. Enhancement of Tuition Fees

Tuition fees form only a small proportion i.e. about 10 percent of the total amount disbursed as salary to the teaching staff. In advanced countries, like United States more than 35% of the total cost of education in higher learning institutions is met from the fees raised from students. Recently, several universities have considerably enhanced the fees but the fee structure in Kerala is abnormally low. The

Planning Commission Working Group on Education has suggested to study the fee structure in Maharashtra and suggested for an upward revision. The State Government should leave no stone unturned in preparing a ground for such a step by appraising the student bodies and parents associations on the necessity for a substantial increase in the present level of fees especially in the context of galloping inflation, if the facilities for higher education are to be improved up to the required standards. The strengthening of the resources position of the university by way of own resources is absolutely essential.

When new courses are started especially in science and technology, the fee should be fixed fairly high which at the same time should not act as a deterrent to deserving poor students. A liberal provision of scholarships for such students would take care of their interest. The exemption now being granted to SC, ST and poor students may be continued.

In this context it is worth highlighting the findings of a survey conducted in 1992 by the Department of Economics and Statistics on the expenditure of college students. The study which covered 500 students in 5 different colleges of Thiruvananthapuram found that 22 percent of the total expenditure was incurred on clothing and 8 percent on books. It was found that 18 percent of it was spent for private tuition. The amount spent on college fee was only 4 percent. Among degree students, the majority who went in for private tuition were girls and each student spent Rs. 2000 annually on private tuitions. About 90 percent of the

pre-degree science group students depended on private tuitions and the total amount spent by all the students on private tuition would be more than Rs. 150 crores as estimated. This is more than the expenditure incurred by the Government on higher education.

5. Self Financing Examination system

The university is incurring a huge expenditure for the conduct of examinations. The examination fee forms only 56 percent of the expenditure incurred every year for conducting examinations. The fee raised during 1991-92 amounted to Rs. 258 lakhs whereas the expenditure was about Rs. 459 lakhs. The gap thus was Rs. 201 lakhs. The meagre resources of the university should not thus be allowed to be drained on this account. The entire amount required for conducting examinations should come from the examination fee themselves. Therefore, the university examination fee should be enhanced upward so as to make the system self financing.

6. Quantitative Expansion not necessary

In Kerala, nearly 2.75 lakh students pass out from SSLC examination (both regular and private) annually. Of these, 54.42 percent are being enrolled under regular pattern of higher education. Besides, about 90,000 students register under private registration at the PDC level. Thus, under both regular and private registration, about 85 percent of those passing out from SSLC examinations are enrolled for higher education. It is clear that the situation as such does not warrant any further expansion at the college level and consequent increase in teaching and non-teaching staff. While taking policy

decisions, another important issue to be considered is the declining trend in school-going population. There would be a fall of about 7 lakh children in the school-going age group during 1991-2000 AD.

7. Quality Improvement - more stress needed

A review of expenditure would show that most of the funds allotted for improving the quality of higher education have been diverted to quantitative expansion. As a result the quality of higher education has deteriorated considerably in recent years. The expenditure incurred on library and laboratories has declined substantially as discussed under relevant section. This reflects to a specific situation that a major department like Zoology department of the university is given a maintenance grant of Rs. 2000 per year for laboratory. Also, in the case of academic development and research facilities, there has not been any development of a notable level. It is imperative that more academic development and research facilities are to be provided to the existing departments than starting more and more departments sacrificing the quality of education. The laboratory and library facilities are to be strengthened to a reasonable level of standards and efficiency..

8. University should not be considered as a Tutorial

The working of the University would give the impression that it functions only as a big tutorial. The Kerala University once known for its eminence now is crippled due to a variety of reasons. Though the quantum of government grant increased, it was spent only on salary. The concept of the University as a Centre of learning and research in excellence has not been kept in

view. The departments were started without any regard to quality and academic development. Of late it has been recognised that Kerala students could not come out successfully in all India and competitive examinations. It is much more painful that reports refer to the low educational attainments of Kerala students when compared to some of the most backward states in India. The fact remains that the concept of the university as a centre of research and academic excellence should be conceived in totality not as a tutorial which also produces ill equipped students. It is imperative that steps should be taken to revive the position and status of the university.

9. No expansion
of adminis-
trative staff

There are 243 teaching staff in the 35 departments and about 2250 non teaching staff in the university. This would mean that for every 64 students there is one non-teaching staff in the University. In this context it is worth pointing out that the University of Kerala and ^{the} University of Poona are comparable units. The University of Poona manages the entire functioning with less than half of the non-teaching staff in Kerala University. Eventhough the University is over staffed there is enormous amount of delay in bringing out result etc. This perhaps reflects the increasing non-working culture of a good percent of the employed in Kerala State.

10. Modernisation of the laboratories of science departments

As the University is constrained with resources, it finds it comfortable to cut on purchase and maintenance of equipment for laboratories. During informal discussions, it emerged that since Kerala is the oldest university, the laboratory equipment, costly apparatus etc. purchased in 1960's, 1970's and 1980's have become obsolete. With the advancement in technology and modern teaching methods adequate training could not be imparted due to lack of apparatus etc. Therefore improvement of facilities and modernisation of laboratories are to be done on priority basis for which the science departments should assess the requirements and a plan has to be formulated and implemented.

11. Diversion of funds should not be allowed.

The problem at present is that once the grant is given there is no system of monitoring from government and as a result a lot of diversion takes place. Once a plan programme is mutually accepted, there should be total commitment to implement the plan. There are instances that the university of Calicut utilised its limited funds provided under plan for development of departments to give house building advance to its employees. Equally important is that with Rs. 1 lakh or so the University should not merrily think of starting a major department. The starting of departments and activities should be on a project based approach with clear implementation plan.

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