

Abstract

A Study on Securing the Government's Finance for Higher Education

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The overall size of Korea's higher education budget has been steadily expanding. However, the fiscal conditions and financial difficulties of the university are emerging as a persistent problem in the field of higher education. This is because the government's policy to limit tuition increases has made it difficult for university finances, and the expansion of national scholarships has led to a decrease in the actual higher education funding. Moreover, the Demographic Changes pose challenges for Higher Education rapidly. As the school-age population continues to decline, universities, government departments, and related institutions are emphasizing the need for improving the financial conditions of higher education, a key factor of national competitiveness, and stressing the necessity of direct and continuous financial support at the national accountability level.

With this backdrop in mind, this study suggests the four necessities of the study on securing the government finance of higher education: First, accurate Basis for the Establishment of Higher Education financial scale, Second, need to develop specific financial plans corresponding to the expansion of higher education finance, Third, Identifying the influence of government funding on

universities and the financial deficits of universities, and Fourth, the need to seek indirect measures such as university deregulation other than direct government financial support.

This study attempts to come up with various actionable policy alternatives that are necessary for the development of higher education how to set the level of financial size and how to secure in order to oversee the alternatives studied by subtopics of higher education finance.

Korea has secured higher education finance through the form of a project budget and now was faced with the task of securing stable and sustainable finance for higher education based on its legal and institutional frameworks for universities. Then this study also looked at the logic of the relative proportion of public sector support, the method of support, the funding, and the sharing agents. In addition, cost estimation based on cost is the most rational way to analyze the transaction(financial support) between the public sector and a nonprofit organization, such as universities.

To find out the total amount of higher education finance, it was analyzed through education expenditure by university from 2010 to 2018. Using the results, Monte Carlo simulation used cost estimating relationship were conducted and standard cost in Higher education was derived. Then, the Delphi Panels have analyzed several estimating factors as considerations when estimating the total amount of financial needs using the standard cost. As a result, the below factors were utilized; educational expenditure per student, the number of school-age expected by 2030 when first grade students go to college, the ratio 3:7 of private to government burdens of finance. These factors were used to draw four scenarios that could estimate the finances.

On the other hand, by analyzing overseas cases, this study examined the Higher Education resources and budgets for university from the United States, the U.K., and Japan. The three countries have high government support and interest despite being similar to Korea in terms of higher education enrollment and private burden. There is no separate higher education tax in all three

countries, but the government has ensured sustainability by securing certain resources and using various tax sources.

Based on the above analysis results, this study suggests an improvement plan to secure the government finance of higher education. Under the vision and goal of strengthening and improving the financial conditions of the university, five basic directions and improvement measures were presented. Improvement measures are divided into direct, indirect, and infrastructure. First, in the case of direct funding, it was proposed to find resources, enact and amend laws, and strengthen the role of local government. Second, in terms of indirect funding, the government should propose financial deregulation and tax benefits for universities. Third, in relation to infrastructure investment, it was proposed the establishment and operation of a higher education finance review committee. In addition, in consideration of the actual policy implementation, the roadmap was presented in the short, medium and long term.

In this study, the government's optimal investment in tertiary education is calculated most scientifically and objectively, and the government's investment in governmental population is calculated using the concept of standardized cost of tertiary education. It was. In order to enhance the effectiveness of these findings and government policies, the below factors were required : the establishment of a higher education cost management system, expansion of communication and consultation among related ministries, systematic management of higher education financial data, and the establishment of support system for faltering College and University.

Keyword : Higher Education Finance, Higher Education Financial Support Policy, Deregulation of University Finance, Improvement of Financial Conditions, Securing Financial Resources, Cost Estimating, Parametric Cost Estimation Technique, Monte-Carlo Simulation