

POTENTIAL AND LIMITATIONS OF UNIT COSTS REFLECTED IN THE QUALITATIVE ASPECTS OF THE EDUCATIONAL PROCESS

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Abstract

The quality assurance of the educational process, the changes in its growth, as well as the direction towards a university performance represent requirements, at least in theory. The governing of the country in what regards education, irrespective of the party or coalition of parties in power, expresses through its very political program the desire to invest in the education and training of specialists in all fields of activity. This is hardly any possible except through the allocation of financial resources from the budget at a level determined by the need to achieve that goal.

The ever more limited character of the resources in this period, rich in social and political events at national and international level, the "health" of the national economy, attracting higher, diverse and multiple financial resources to the budget, as well as the mismanagement of the educational system particularly the higher education one, are just a few elements that influence directly the evolution towards a quality educational and training process. This goal is so much less feasible as the evolution of resource allocation is continuously diminishing as a result of the recessive economy and ensuing impossibility to collect financial resources at national and local levels.

Additionally, the evolution of higher education expenditure has been decreasing, as a result of the hierarchization of universities and study programs in our country. Being components of the training cost in students education, these expenses constitute a synthetic value size.

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Consequently, the cost of education and training in higher education has registered a descending trend as a result of its individual components; hence, their specific developments are offset and compensated based on the increase or decrease in the number of students in higher education institutions. In this sense, we may conclude that "the cost of education and training represents, in terms of its evolution, the specifics of a qualitatively new size"¹.

Keywords: *educational process, unit cost, qualitative aspects, limited resources, budget allocation, diversity of financial resources*

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The qualitative cost components are included in the expenses elements presented in the figure no 1 below:

Figure 1: Expenses Elements

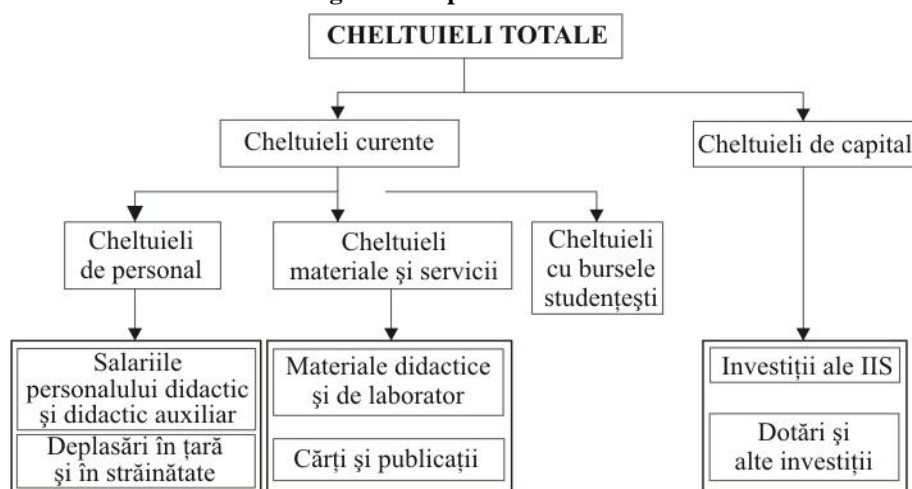


Table 1 shows the level and dynamics of the total unit cost and the qualitative components achieved by Lucian Blaga University of Sibiu between 2010-2012.

Our in-depth scientific approach regarding the evolution analysis of the indicators presented, particularly of those referring to the qualitative components of expenditure and unit costs, continues with the use of statistics based on fix and in chain base indices, reflecting the decreasing budgetary allocations.

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The allocation of financial resources, as required by the national system of higher education, was, is and will remain the most important and sensitive issue.

This has had a great influence in assuming the responsibilities of universities for achieving both the objectives and the economic and social tasks of higher education institutions.

Table 1: The level and dynamics of the total unit cost and the qualitative components achieved by Lucian Blaga University of Sibiu between 2010-2012.

INDICATORS	YEARS OF BUDGETARY EXECUTION		
	2010	2011	2012
Total expenses inclusive of qualitative components	118.253	116.723	118.825
Current expenditure inclusive of qualitative components of which:			
Personnel costs inclusive of qualitative components	76.980	75.465	72.483
Teaching and Auxiliary staff salaries	66.357	65.051	62.480
Travel in-Country and Abroad	2.155	2.113	2.029
Material expenses inclusive of qualitative components	16.855	16.026	9.506
Teaching and Laboratory Materials	1.877	1.795	1.064
Books and publications	978	929	551
Capital costs inclusive of qualitative	14.338	11.669	14.259

components			
Number of student equivalent unit	18.590,12	19.161,83	17.724,69
Total unit cost	6.361,11	6.091,70	6.703,93
Curent unit cost	5.589,83	5.482,70	5.899,68
Unit cost afferent to personnel costs	4.140,93	3.938,46	4.089,54
Unit cost afferent to material costsc	906,67	836,38	536,33
Unit cost afferent to capital costs	771,27	608,99	804,50

Source: www.ulbsibiu.ro, Financial sheets for the 2010, 2011 and 2012 years

The value, quality of human resources, as well as the performance of academic teaching staff, cannot be achieved without adequate funding. As a direct consequence of underfunding, we hold that the teaching staff's scientific and professional accumulations cannot be properly highlighted, and has consequences on the qualitative teaching of young students eager for knowledge.

The development opportunities and actual restructuring of Romanian higher education are not feasible without any improvement in the flexibility of the financial system and of its diversified funding base. The diversified funding base increases the capacity for intra-university cross-financing, which becomes the financial core of university integration, facilitating the establishment of university consortia in this respect.

The institutionalization of university autonomy, ever more necessary in our era of social and political movements, dominated by the economic crisis and ever more limited resources, determines the role of the financial management in increasing resource efficiency in what regards the use of funds necessary for the achievement of our national strategy in the field of higher education and scientific research.

The principles of university autonomy, public responsibility, quality assurance, financial and managerial efficiency, student-centered education, financial autonomy are but a few on which our national higher education system rests.

Effective financial autonomy achievement is reflected by the right to manage funds, no matter the source, as well as in the right to set the development priorities, use the financial resources according to a priorities

plan and own decisions, and set the financial indicators for own financial performance evaluation.

Higher education financing (base financing) is made on the basis of student equivalent unit cost and number of student equivalent units.

The cost per student equivalent unit reflects the budgetary allocation level which has registered a constant descending level that ultimately explains the Romanian higher education under-funding. Table 2 shows the evolution of unit cost between 2010-2012.

Table 2: The dynamics of student equivalent unit cost achieved by LBUS between 2010 and 2012.

FISCAL YEAR			
Indicator	2010	2011	2012
Unit cost per student equivalent	2.840,58	2.444,17	2.126,46

Source: www.ulbsibiu.ro, Financial situations for 2010, 2011 and 2012

The evolution analysis of the student equivalent unit cost also contains the fiscal year of 2009, considered a reference time in our comparative study.

The descending tendency of the unit cost has also been induced by the financial budgetary constraints caused by the economic crisis effects, as well as by the impossibility of achieving budgetary incomes at a national level. This growth is indicated in tables 3 and 4 by means of the fix base and chain base statistical indicators below.

Table 3: Comparative evolution of cost per student registered at LBUS, by means of fix-base indices between 2009-20

COMPARATIVE FISCAL YEARS USING FIX-BASE INDICES			
INDICATOR	2010/2009	2011/2009	2012/2009
Student equivalent unit cost	2480,58 3103,03	2444,17 2840,58	2126,46 2444,17
Cost share in yearly funding evolution %	91,54	78,76	68,53

Source: www.ulbsibiu.ro, Financial situations for 2010, 2011 and 2012

Table 4: Comparative evolution of cost per student registered at LBUS, by means of chain base indices between 2009-2012

Indicator	2010/ 2009	2011/20 10	2012/2011
Student equivalent unit cost	2480,58 3103,03	2444,17 2840,58	2126,46 2444,17
Cost share in yearly funding evolution %	91,54	86,04	87,00

Sursa: www.ulbsibiu.ro, Financial situations for 2010, 2011 and 2012

In its evolution, the student equivalent unit cost level reflects the economic crisis that has affected all higher education institutions in our country.

If university management efforts are made so as to ensure at least the minimum wage level for the teaching and auxiliary staff involved in regular educational processes, then the assurance of the financial resources for services, support materials and institutional development costs is much hampered by the budgetary constraints determined, in turn, by national budget scarcity.

Quality reflection of educational processes through student equivalent unit costs is limited by the latter's own construction.

It is well known that the university's academic level, along with its scientific value, represent the enhancer not only of quality and university performance, but also of the university's capacity for scientific research and innovation-development activities, which is why this nucleus must be well stimulated.

Well supported academic departments can find new pathways all the while developing administrative skills and open mindset towards the industrial companies and professional associations, local, regional, national and international authorities.

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- www.ulbsibiu.ro, Financial sheets for the 2010, 2011 and 2012 years