Credit and per capita higher education financing in Kazakhstan: necessity and methods of realization

In this article it is considered the questions of financing of the higher education taking into account the credit learning technology. The author gives attempt to build a funding mechanism for higher educational institutions that are adequate to the features of the educational process organization for the credit learning system. In the article the attention is paid to the determination of learning cost per one student, to the calculation of an educational grant cost, to the feasibility of interaction of the academic process elements with instruments of financing of the higher education. The author proves the necessity of introduction of a synthetic academic indicator – «credit-students», and it is also developed the financing technique of the higher education taking into account the credit learning system.

Keywords: credit and per capita financing, planning, credit-student, educational grant, cost, academic credit, academic policy, account of the credit, number of students, tranche of financing.

Financing the higher education is urgent and topical issue in all countries. At the same time the most frequent questions discussed that concerning the amount and sources of the higher education financing. The matter is that all countries try to increase accessibility and openness of the higher education, involvement of foreign students.

In this article we try to analyze funding mechanism that as it has to be harmonized with educational process and provides its efficiency.

The actual funding mechanism for the higher education is caused by the existing model of formation of the student population of higher educational institutions. The essence of this model consists in the following:

A person who wants to be admitted by a higher educational institution of the Republic of Kazakhstan passes the centralized testing (uniform national testing or complex testing of entrants). Further by results a person participates in the Republican competition on educational grants. At the same time they can specify four specialties and four higher education institutions in an application form. Taking an educational grant a person goes to the chosen higher education institution. The Ministry of education and sciences of the Republic of Kazakhstan allocates funds of an educational grant in those higher education institutions in which entrants have been enlisted.

As for the students admitted on a paid basis, they sign the contract with the higher education institution. Thus, the key principle of per capita financing – «money follows the student».

It is known that per capita financing forces HEI staff to work better, to develop attractive and demanded educational programs, to give the qualitative knowledge allowing graduates to find a job. It increases the number of the entrants choosing this higher education institution, and thus increases its budget.

The determination of cost of tuition for one student per one academic year is important in per capita financing. Per capita financing is defined by calculation of cost of the educational grant financed from the republican budget. A student who is on a paid basis makes payment for tuition cost, that determined independently by higher education institution. According to the 62 article of the Law of the Republic of Kazakhstan «On education» (2007): «expenses of the organizations of education realizing educational programs of the higher and postgraduate education for one student on a paid basis can't be less than the cost of an educational grant or the state educational order» [1; 158].

Costing of an educational grant is estimated on the basis of the established structure of expenses on training in the higher education system. According to the Methodical recommendations concerning planning of expenses on training of the higher and postgraduate education and costing expenses on training of one student, approved by the Order of the acting Minister of Education and Science of the Republic of Kazakhstan (August 10, 2009 No. 381), the expenses on training specialists with the higher and postgraduate education consist of [2]:

– salary of academic staff, service and support staff, administrative and management staff and other staff;
– additional cash benefits and hourly wage fund;
– taxes and obligatory payments;
– expenses on professional practice and internship;
– utility costs;
– expenses on study materials;
– other expenses (banking services, computer equipment services, acquisition of office and other household goods, expenses on acquisition of food for some categories of students who are on full state providing according to the Decisions of the Government of the Republic of Kazakhstan, acquisition of medicines and products of medical appointment for medical specialties).

The cost of an educational grant, expenses included in its structure aren't an object of this research especially as the matters have already been considered in the articles [3-5].

Expenses on training of one student or the cost of an educational grant are defined by division of the general expenses on number of students and are annually approved by the resolution of the Government of the Republic of Kazakhstan together with the amount of the state educational order.

Planning of expenses for higher educational institutions is carried out proceeding from the number of students by courses of training, by forms of education studying (full-time, evening classes, distance education) and by the monetary and natural norms and standards defining expenses for education.

It is known that since 2008 all higher educational institutions have completely passed to the credit system of training which main essence is that the student independently defines the educational trajectory and forms the individual curriculum. In the context of the credit system of training which is accepted at the legislative level, all normative legal acts regulating the higher education and activity of higher educational institutions are revised [6-10].

It should be noted that higher education institutions are financed, irrespective of level of learning of the educational program by the student, disregarding quantity of the academic studies, volume of academic work. In fact, financing of the higher education is carried out by the gross principle and the amount of the used money, and has no direct link with quantity and quality of educational units and services. Therefore it is difficult to speak about the budget that focused on result; secondly, about per capita financing, that is allocation of money to a student. In this case a student acts only as the conditional subject – to whom funds of a grant are allocated. However, a student can't dispose of these means as its owner. As a student can't give «instructions» to the Ministry to transfer certain amount of money in a certain academic year from the cost of the educational grant corresponding to the amount of the credits of his individual curriculum. On the contrary, student is forced to apply annually for a certain amount of disciplines and to learn the set volume of the credits.

Thus, the operating funding mechanism for the higher education isn't joined to the credit system of training at which a student has the right independently to form the individual curriculum and to define an individual educational trajectory. Therefore a student studying on an educational grant irrespective of the individual abilities and opportunities within one academic year has to master standardly assigned amount of the credits and study the standard amount of disciplines. For the rational organization of educational process higher education institutions determine "life cycle" of students of paid training by the similar scheme.

In other words, the organization of educational process for the credit system of training gains formal character, and its full introduction in national higher education institutions is at a loss.

For full-scale transition to the credit system of training it is necessary to establish direct interaction of the academic processes with financial instruments and a funding mechanism.

In this regard it is expedient to carry out per capita standard financing of the higher and postgraduate education taking into account credit technology of training.

All factors and instruments of educational process need to be brought into accord. It is represented to us that it is necessary to change a funding mechanism and process of budgeting in the higher education. It is possible to establish interrelation of finance with the end results of educational activity and to strengthen their impact on quality of education.

In the State program of development of education and science in the Republic of Kazakhstan approved by the Decree of the President of the Republic of Kazakhstan (March 1, 2015 No. 205) it is noted that «since 2017 it will be handled the issue of transition to credit and per capita financing of the higher education with development of offers on financing of the state educational order taking into account the mastered amount of the academic credits with involvement of employers» [11].

Thus, the analysis of operating practice of financing of the higher and postgraduate education allows to draw a conclusion on need of its further enhancement taking into account credit technology of training that
will raise the effective financial mechanism and effectiveness of processes of budgeting. Changes envelop not only entities of standards of financing, but also organizational and legal bases of support of movement of financial flows.

It is known that the amount of the state educational order for training in the higher and postgraduate education is annually approved by the resolution of the Government of the Republic of Kazakhstan. At the same time the amount of the state educational order in the sphere of the higher education is approved in the form of educational grants by the training courses with differentiation of their cost and also with the differentiated cost by national higher education institutions, certain higher education institutions and other higher education institutions. The cost of the state educational order by postgraduate education is approved by total amount on magistracy and on doctoral studies separately.

At the same time, we consider it’s necessary to analyze the issue of placement of the state order according to programs of postgraduate education (magistracy, residency, doctoral studies) in the form of educational grants. Thus, to accept category «educational grant» in the form of certain stable unit of the per capita standard giving financial security to a person who obtains the higher or postgraduate education.

We consider that it is expedient to conduct costing of one academic credit in the cost of an educational grant during transition to credit and per capita financing of the higher and postgraduate education.

The cost of one academic credit characterizes the financial expenses of a student caused by learning of a training material unit, in other words it is value terms of labor input of unit of training material. The cost of one academic credit is determined by the ratio of cost of an educational grant by a specialty (educational program) to the total amount of the academic credits by this specialty (educational program).

As a rule, the cost of one academic credit is calculated for academic year proceeding from standardly assigned amount of the academic credits necessary for learning this program for one academic year.

Higher educational institution has to conduct costing of one academic credit on the basis of the approved cost of one academic credit by specialties (educational programs), courses and forms of education. It is caused by that circumstance that in higher education institution students study both by the state order and at a paid basis. In this regard the level of cost intensity and profitability of the educational program and, so, one academic credit will deviate the approved cost.

The authorized body in the education system scoping financing of the state order by each higher education institution will act from the cost of one academic credit approved by the Resolution of the Government of the Republic of Kazakhstan.

For this purpose, it is necessary to make tuition payment in higher education institutions by quantity of the credits in which the student in this academic period and academic year has registered.

Nowadays, higher education institutions make costing of one credit. However, its binding to educational process has only formal character, and only concerning students on a paid basis. The students studying on an educational grant receive financing from the state in the approved annual sum irrespective of labor input of educational program. The controlling structures survey contracts for rendering paid educational services from the point of view of compliance of the cost to the cost of an educational grant approved by the Government resolution.

It is expedient to put in a basis of a new funding mechanism for the higher education, corresponding to the credit system of training, features of the credit system of training and the cost of one credit. At the same time the cost of one credit can be calculated according to each educational program separately as the cost of the most educational program can be various that is caused by its labor input (the budget of time for learning and volume in the credits), capital intensity, resource intensity, etc.

The cost of one credit according to each educational program is calculated as the ratio between the approved training cost for the entire period of training and the quantity of the credits established by the organization of education.

Basis for charge of payment for training of each student for the academic period or for academic year at the credit system of training is his individual curriculum (IC). At the same time the sum of payment for training for the academic period or for academic year is established equal to the work of quantity of the credits planned in IC for this period on the approved cost of one credit.

In the conditions of credit and per capita financing of educational process account of the credits should be kept according to each educational program, on each student and on higher education institution in general. On this basis the total amount (quantity) the credit students is defined.

The indicator "credit student" - is the synthetic academic indicator characterizing the total amount of the academic credits mastered by all students in academic year.
This indicator needs to be counted separately on levels of educational programs (a bachelor degree, a specialist programme, a magistracy, doctoral studies) for students on an educational grant or by the state educational order and separately on students on a paid basis.

The total amount (quantity) the credit students will determine the amount of financing from the republican budget by the program 204100 «Training of specialists with the higher and postgraduate education» by an educational grant and/or the state educational order.

This mechanism assumes establishment of interrelation and interaction between financial, accounting and academic politicians of higher education institution.

In particular, the academic policy has to provide conducting accurate accounting of the credits and the number of students on forms of education, specialties, levels and conditions of training.

The office of the Registrar has to carry out quarterly verification of the number of students and on this basis – accounting of total of the credits on higher education institution in general, according to educational programs and to students.

The basis of credit and per capita financing is provided by accurately registered academic procedures of educational process of higher education institution, since planning of the academic indicators.

These procedures have to cover the following actions:

a) formation of students IC of 2-4(5) courses – March-May (hereinafter the recommended terms of the specified actions are given);

b) approval of IC of 2-4(5) courses – May;

c) settlement of total amount of credits in HEI and number of students of 2-4(5) course – June;

d) adjustments in students IC of 2-4(5) courses taking into account results of a summer semester – 10-15 of August;

e) updating the quantity of credits and number of students of 2-4(5) courses – till 20 of August;

f) costing and approval of one credit cost for all educational programs on next academic year – till 20 of August;

g) formation of 1 course students IC – from 25 till 31 of August;

h) adjustment of 1 course students IC – from 1 till 5 of September;

i) definition of total amount of credits and number of students of 1 course – 5 of September;

j) costing and approval of one credit cost for all educational programs, implemented for 1 course students – till 8 of September;

k) approval of final amount of credits and number of students for an academic year for financing – 10-15 of September.

To open the financing in new financial year the higher education institution has to send (annually in January) to the authorized body in the field of education two indicators:

1) the number of students on an educational grant and the state educational order on education levels;

2) the total amount (quantity) of the credits on higher education institution on education levels taking into account the expected number of graduates.

Per capita standard financing of the higher and postgraduate education at the expense of means of the republican budget is carried out on the basis of the contract on rendering services in training specialists with the higher and postgraduate education, put between authorized body in the fields of education and a higher educational institution in which the state educational order is placed.

This contract is signed taking into account total credit-students from January till June (inclusive) and also quantities of the credit-students from September to December.

Annually in September the authorized body in the field of education concludes the additional agreement to earlier adopted contract on rendering services in training specialists with the higher and postgraduate education taking into account correction of the number of students on graduation and new enrolment on the first course.

Forms of the contract on rendering services in training of specialists with the higher and postgraduate education and the technical specification of services within the state educational order are defined by the authorized body in the field of education. At the same time the number of students, cost of one credit and total credit-students is specified in the technical specification.

Higher educational institution in which it is placed state educational the order for training of specialists with the higher and postgraduate education:
1) counts total amount of the academic credits in which all number of students register according to programs of the higher and postgraduate education for the forthcoming academic year by each educational program (specialty), courses and forms of education;

2) makes calculation of cost of one academic credit by each educational program, courses and forms of education for the forthcoming academic year;

3) determines the total credit-students amount by higher education institution in general and presents it to the authorized body no later than 10 (ten) calendar days since the beginning of the academic period;

4) makes out the application for the sum of the amount of financing of training of specialists with the higher and postgraduate education taking into account credit technology of training;

5) conducts quarterly verification of the number of students and on this basis – the total credit-students on higher education institution in general and also by courses, educational programs and forms of education;

6) quarterly, no later than the 20th day of the previous month presents to the beginning of quarter to the authorized body the act of the performed works in which the actual number of students and quantity of the credit-students are specified.

Planning of total amount of financing of the state educational order for training of specialists with the higher and postgraduate education is carried out on the basis of an indicator of the credit-students by higher education institution and cost of one academic credit.

The total amount of financing of the state educational order for financial year by higher education institution in the conditions of credit technology of training will be determined by the work of an indicator «credit-students» (by all educational programs) and costs of one academic credit.

The authorized body in the field of education:

1) determines the amount of financing for the forthcoming period on the basis of an indicator «credit-student» according to the Technique approved by the authorized body in the field of education (further - the Technique) taking into account credit technology of training;

2) carries out quarterly verification of the number of students and on this basis – the total amount of credit-students in higher education institutions in which the state educational order for training of specialists with the higher and postgraduate education is placed;

3) carries out adoption of the act of the performed works of higher educational institutions in which the state educational order for training of specialists with the higher and postgraduate education is placed;

4) according to the signed contract carries out financing of higher educational institutions in which the state educational order for training of specialists with the higher and postgraduate education is placed, by three tranches:

   – the first tranche of financing is transferred into accounts of higher educational institutions till February 1 and its volume is 40 % of the total annual amount of financing from the republican budget;

   – the second tranche of financing is transferred into accounts of higher educational institutions till July 1 of 30 % of the total annual amount of financing from the republican budget;

   – the third tranche of financing is transferred into accounts of higher educational institutions till October 1 on the remained amount of financing taking into account the additional agreement concluded with correction of the number of students including graduation and new enrolment students.

It should be noted that studying by students of additional disciplines over the educational program has to be paid with them from own means. Besides, elimination of the academic debt, the academic difference, repeated studying of disciplines and types of study work and also studying of the additional disciplines which are absent in the educational program it is expedient to pay at the rate of the cost of one credit approved by the organization of education for this course for the current academic year.

Financing is carried out at the rate of actually available number of students and total amount of their credits for this academic period irrespective of the achieved results of training and final control. In case a student doesn’t pass examination on certain disciplines, from the academic point of view, these credits aren’t to be counted, however, from the financial point of view, financing this quantity of the credits remains and carried out.

Students on a paid basis carry out payment for training at the rate of the approved cost of one credit for this academic year and of total amount of the credits according to IC.

Frequency and payment procedure for training of the student at a paid basis are defined by the contract signed between him and higher education institution.
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Қазақстандағы жоғағы білім беруді кредиттік-жан басына шаққандығы
каражылдыру: қажеттілігі және іске асыру тәтіні

Макалада оқытудың кредиттік технологиясының есепке ала отырып, жоғағы білім беруді каржылдыру және құнының жағдайлары мен басына шаққандығын мағаны анықтауға нықтайды. Автор құрылымдама үйірмәдірек ерекшеліктерінің жоғағы керек ерекшеліктің құрылымына қарай ұсыну үшін анықтау үшін, ол жоғағыңызға шаққандығын және құнының құрылымына қарай, бағыттау үшін, ол жоғағыңызға шаққандығын және құнының құрылымына қарай, бағыттау үшін, ол жоғағыңызға шаққандығын және құнының құрылымына қарай, бағыттау үшін, ол жоғағыңызға шаққандығын және құнының құрылымына қарай, бағыттау үшін, ол жоғағыңызға шаққандығын және құнының құрылымына қарай, бағыттау үшін, ол жоғағыңызға шаққандығын және құнының құрылымына қарай, бағыттау үшін, ол жоғағыңызға шаққандығын және құнының құрылымына қарай, бағыттау үшін, ол жоғағыңызға шаққандығын және құнының құрылымына қарай, бағыттау үшін, ол жоғағыңызға шаққандық

Кредитно-подушевое финансирование высшего образования Казахстана:
необходимость и механизм реализации

В статье рассмотрены вопросы финансирования высшего образования с учетом кредитной технологии обучения. Автором сделана попытка выстроить механизм финансирования высших учебных заведений.
ний адекватно особенностям организации образовательного процесса по кредитной системе обучения. В статье уделено внимание определению стоимости обучения на одного обучающегося, расчету стоимости образовательного гранта, целесообразности использования элементов академического процесса с инструментами финансирования высшего образования. Обосновывается необходимость введения синтетического академического показателя «кредит-обучающиеся», а также разработана методика финансирования высшего образования, учитывая кредитные системы обучения.

Ключевые слова: кредитно-подушевое финансирование, планирование, кредит-обучающиеся, образовательный грант, стоимость, академический кредит, академическая политика, учет кредитов, контингент, транс финансирования.

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