

Analysis Implementation of the Standard Model Higher Education Financing

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ARTICLE INFO

Keywords: Management, Education Financing, Model, Higher Education

Received : 4, March

Revised : 20, March

Accepted: 22, April

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ABSTRACT

Finance and financing own very important role in support effectiveness and efficiency management education. Due its benefits are widespread and impactful various sector, funding education should become focus main for government and society. Refers to principles that, problem financing becomes very important For investigated. Therefore that's the goal from study This is For evaluate application of the standard model financing education tall. Writing method article scientific This use approach qualitative and literature reviews. In qualitative research, literature reviews must be used consistently with methodological assumptions. Data sources include documents and literature studies. The research results show that, in general, there are three basic models of higher education financing, meaning the bureaucratic, collegial and market models. A comparative analysis of the advantages and disadvantages of these models shows that the most efficient and flexible model is the market model because it allows higher education institutions to diversify their funding sources, attract additional resources using financial markets and invite donors by guaranteeing continuous control over their donations.

INTRODUCTION

By general, Education is considered as investment in development source Power man. Economic benefits from education can seen from his contribution to progress social and economic through enhancement knowledge, skills, capacity, attitudes, and productivity. For society, education give benefit in enrich aspect life economics, politics, and culture. Education also has very important role in change and influence structure social (Rahman, 2018). As sustainable needs throughout life, education is very important for every individual, wherever and whenever they are is at. Quality education considered as worthwhile investment. Awareness public for responsible answer on cost education basically will give strength to public in manage system education. Education is seen as sector the public can serve need public through various method teaching, guidance, and training expected by students (Monita, 2019).

Higher education owns very vital role in economy a country because contribute to improvement level development and resources Power man. In developed countries, education tall considered as guarantee for get more income tall in work, pushing public for strive education more carry on to use increase riches material and social status they. Increasing demand from residents who want obtain education cause part big government difficulty for finance system education in a way full, so required source funding addition.

In the evolution of education, the issue of financing has become a serious concern for education managers. This is due to the complexity of financing problems which involve important aspects such as teaching staff, learning processes, facilities, marketing and other financial aspects. The financing function is inherently closely related to other functions in the management of educational institutions. Therefore, financing can be considered as the core in the management of educational activities. The inability of an institution to meet financial requirements can hinder the smooth learning process, which in turn can damage public trust in the institution. However, it cannot be concluded that more available funds will guarantee improved management of educational institutions.

Finance and financing play very important role in support effectiveness and efficiency management education. This becomes the more important in context application management-based institution education (MBS), where the institution education expected own ability for planning, implementing, evaluating, and taking responsibility answer in a way transparent to fund management to society and government. Especially in MBS context, where the institution education given authority for manage and utilize various appropriate funding sources with need them, remember exists general funding limitations faced by the world of education (Winarsih, 2016). Although problem finance No always impact straight to the quality institution education, especially related with facility learning, however still is factor important thing to do noticed.

Even though education reform demands affordable and quality education, quality education still requires sufficient funding. In line with the regional autonomy policy, which gives responsibility for education to the respective regions and educational institutions, financial matters are the direct

responsibility of educational institutions in their management. Because of the benefits so widespread and pervasive to various aspects, funding education must become priority main for government and society. Therefore that's a problem funding becomes very important for investigated, because effective management in matter This will impact straight to the quality education (Supriani, 2022). By Karen that, research This aim for analyze application of the standard model financing education tall.

LITERATURE REVIEW

Issue funding education height and management source Power college tall become wider in research latest. The reason Enough simple. Recently Currently, there are many educational reforms has carried out in leading countries aimed at for change source financing development education height and approach its management. Therefore that, new models are created in financing and management institution education tall. Therefore, researchers try to evaluate the efficiency of existing higher education management and financing models. For example, Goksu & Goksu (2015) conducted a comparative analysis of higher education financing models in various countries to determine their relative efficiency.

Sommer (2018) examines the higher education system in the US and shows that this system is a unique system with highly developed private financing and not only at the expense of tuition fees. On the other hand, Heller & Rogers (2006) conducted a detailed analysis of the results of the reform of the financing of the higher education system in the United States and its impact on the financing of higher education in Europe. Pranevičienė & Pūraitė (2010) tried to evaluate the efficiency of various higher education financing models by explaining their advantages and disadvantages.

Singh (2014) examines higher education financing models in different countries, and different approaches to changes in university financial structures to show how universities are adapting to reduced government spending on higher education. Hahn (2015) used a comparative analysis of several private financing methods in higher education to determine their efficiency. Kärkkäinen (2006) conducted a detailed analysis of higher education expenditure in several countries and concluded that the total amount of higher education funding tends to increase, the share of private funding tends to increase, but the amount of funding per student tends to increase. reduce. Nagy, Kováts & Németh (2014) examined evidenced best practices of higher education financing from universities in EU countries. They concluded that these universities were able to attract private funding in the form of collaborations with industry representatives, donations and grants. Additionally, if a university attracts additional private funding, this causes the amount of public funding to increase as well. Mauch & Sabloff (2018) conducted detailed research on higher education reform to show the evolution of the relationship between HEIs and the state. Recently this, Willems & De Groof (2019) made summary studies about system education the world, its problems, advantages, challenges and reforms.

Problem education still becomes challenges yet resolved completely in Indonesia. Development cost education Keep going increased, esp for group not

enough able to feel uncertainty economy everyday, esp If happen termination connection work (layoff) or circumstances the economy is not uncertain. Ascension cost education No only happened at college high, but also in level base. Although government has given operational funding assistance to school primary and secondary state through Help Operational School (BOS), however Still considered No sufficient for part big family intermediate to bottom, esp in bear cost principal education is a must borne by parents or parents (Ferdin, 2013). Problem financing education is also related tightly with economy education in a way overall, as highlighted by Johns and Morphet who stated that " education play role important in economy and progress of the country".

By general, financing education covers diverse mutual aspects related, start from level micro (eg unit education) to level macro (national). This includes diverse source financing education, systems and mechanisms fund allocation, effectiveness and efficiency its use, as well accountability measured results from changes that occur in various level, especially in institutions education. Still many problems related financing necessary education studied in a way deeper through study specifically (Sudarmono et al., 2021). Financing can define as support finances provided by other parties to support investment that has been made planned, either by the individual nor institution. In other words, financing is allocation of funds made for support investment to use reach goals that have been set. Financing be one source that power direct contribute to effectiveness and efficiency management education (Azhari & Kurniady, 2016).

Supriyadi argued that cost education play role important in functioning institution education. Expenditure This covers all type related expenses with education, good monetary and non- monetary (Smp & Banjar, 2009). Supriyono define cost as sacrifice done financially for accept commodity or service. In terms layman, cost can interpret as expenditure, which is deep environment economy can in the form of money or instrument monetary other. According to Dinda Levin, financing education is the process of using cash and resources available power for design and manage institution education in various area with degrees different education (Fattah & Gautama, 2017).

METHODOLOGY

Scientific articles This use method writing qualitative and equipped with review library (Library Research). Study This involve analysis theory and testing connection between sourced variables from various books and journals that can accessed good at the library traditional or online. Approach study qualitative aim For describe and classify condition in field study. This follows paradigm study qualitative inductive, where every question study considered as studies case micro later expanded to more context wide (Cruz, 2013). For guard objectivity and avoidance influence question research, review References in study qualitative must done in a way consistent in accordance with assumption methodological and use methodology inductive. Exploration is one of motivation main use method qualitative (Ali & Limakrisna, 2013). Primary data sources are documents and literature related. Approach data collection includes interview

For get more information specific and in-depth about various element research, as well documentation.

RESEARCH RESULT AND DISCUSSION

For realize effective and efficient learning, management financing is action utilise the best source Power existing finances There is with method allocate and distribute them For supports the learning process. How manage source finance with Good For fulfil demands provision education is objective main management financing education (Riadi, 2016). Three keywords – optimize source funding, allocation, and distribution – includes role management financing education in approach This .

1. Optimization source of funds: This refers to capabilities institution education in maximizing use all available educational funding sources.
2. Allocation : Allocation in management financing education is decision important finances. This is the process by which policy allocation of education funds set, with emphasizes priority programs in context education.
3. Distribution : Distribution is the process of distributing appropriate funds with allocation that has been set , so ensure that fund used with effective in accordance with need education that has been identified (Riadi , 2016).

In function management financing education , funds are said important in three field main : first, context economy education, which is related with shopping government in a way whole ; second, finance institution education, which is related with policy institutional in allocation of service funds student affairs ; and third, administration taxation business institution education need arranged in a way direct in line with objective policy (Riadi, 2016). How allocate source limited power For reach the goal is not limited is focus main thinking economy. Principles base need followed to get it operate role management financing in a way efficient. Accountability, openness, honesty, consistency, effectiveness and efficiency is a number of principle management of education funds (Riadi, 2016). Funding education can originate from various source, provided obtained in a way legal and acceptable explored.

Internal costs context education can shared become cost direct and cost No direct. Direct cost involve expenditure For needs implementation teaching and activities Study participant educate, like purchase equipment study, transportation, and payment wages teacher. Source cost This Can originate from government, parents, or participant educate itself (Azhari & Kurniady, 2016). Provision support adequate finances will facilitate effective management in a institution education in his business For increase quality the education it provides. Aspect finance and financing play role key in implementation education (Nurhayati et al., 2021).

There are several main models of financing and managing higher education used by leading developed countries. In most cases, these models include a combination of public and private financing with universities having varying degrees of autonomy in managing available resources. For faster and more effective development, higher education institutions want to attract more private funding, and at the same time this is an indicator of the success of higher

education institutions meaning that more prestigious and higher ranked universities have additional opportunities to receive more funding. In some cases, there are private universities that operate with funds from private resources. Education at the University is funded by students or interested organizations. Based on recent research, there are three basic models of higher education financing, namely bureaucratic, collegial and market models. Until now, in several countries, public funding for higher education still applies, but most universities use a collegial or market model. As a result of this crisis, most countries reduced their funding, and higher education institutions tended to adopt market models to diversify funding sources and gain financial autonomy.

There are several research papers dedicated to financing higher education in developing countries as well. In some cases, government funding is dominant, for example, in his article, Ahmed (2015) examines the higher education financing system in Nigeria and concludes that currently private financing is almost non-existent, and universities use most of the funds they receive inefficiently. . . In addition, these studies show that development trends in the field of financing are the opposite of the trends shown by developed countries. For example, Joshi (2007) analyzed higher education financing in the Philippines and concluded that the country's higher education system developed primarily using private resources. Sabloff (2018) dedicated his research to case studies of eight higher education institutions in post-communist countries to show their common problems and the lack of support from higher education institutions in developed countries.

Kuliev (2017) examines the impact of globalization on higher education financing models. The creation and successful operation of endowments led to discussions of this issue in the scientific literature. Proven from the Yale University endowment, Chambers & Dimson (2015) tried make rule general in operation of endowment funds. By specifically, them take notes that large universities manage source Power finance in amount big capable do active capital management, even if the funds are small more Good use management strategies passive. There are also many paper dedicated research For choice endowment portfolio. For example, Dimmock (2008) analyzed a number of endowment portfolio and based on the portfolio the He try creating an optimal portfolio model for the fund depending on the features institution education tall. In more research extensive, Dimmock (2012) analyzed impact risk background behind to formation endowment portfolio. Brown, Garlappi & Tiu (2010) tried determine How allocation source Power impact on the profitability of university endowments. Merton (1998) examines optimal investment strategies for formation University endowment portfolio and concludes that is very important For use principle diversification and protection mark.

With consider existence Universities in the environment economy a country, no Possible develop and use general models For manage source financing addition so that every Universities must adapt practice best with its features. Higher education is very important for development country's economy. System education tall advanced national need more spending tall For research and development, so possible economy For participate active in

economy global knowledge. Expenditure For education tall is total number of sources power allocated by sector public and private For finance maintenance system education tall. Enter component private in financing give rise to problem for manager The university concerned. Should government or individual? Majority researcher opinion that determine priority development system education tall is task government, regardless from use source funding private.

On the other hand, higher education institutions must have a certain degree of autonomy in allocating funds received from private sources. Goksu & Goksu (2015) studied the practical implementation of these models, analyzed the role of various sources of higher education financing, and conducted a comparative analysis of financing systems in several countries. They came to the conclusion that these countries use two general models: with the predominance of public financing, and with the prevalence of private financing. In addition, after the 1980s, many countries implemented financing system reforms and adopted shared cost models. There are four general methods of financing higher education in developed and developing countries, such as: (1) using public funds, (2) using tuition fees, (3) using private funds, (4) through collaboration between universities and companies. , and corporations.

Pranevičienė & Pūraitė (2010) assessed the financing efficiency of each university based on different financing models. The authors propose to distinguish between bureaucratic, collegial and market financing models, and conclude that the most effective is the use of multiple sources of financing because it makes it possible to react to the needs of the current education system in a timely manner in highly globalized conditions. world. Singh (2014) finds that recently, there has been a drastic change in the financing structure of higher education in favor of attracting private financing meaning financial markets, endowments, and household resources. This is caused by the increasing need for higher education. As a result, total university costs increased, and tuition fees followed this pattern. The author notes that the reduction in total public revenues leads to a tightening of controls on the efficiency of public spending, at the same time, private financing is usually provided for individual projects.

CONCLUSIONS AND RECOMMENDATIONS

Based on results and discussions that have been carried out explained, yes concluded that management financing is the process for optimizing use sources of existing funds, allocating available funds, and distributing them as facility or means supporter in the learning process, with objective creating an effective and efficient learning process. For reach standard good quality in institution education, management cost education must managed optimally. Therefore that's the stage in management financing education need get attention special. Effective use of funds by each institution education should based on plans comprehensive and prioritized financing need in a way comprehensive. In general, there are three basic models of higher education financing, meaning the bureaucratic, collegial and market models. A comparative analysis of the advantages and disadvantages of these models shows that the most efficient and flexible model is the market model because it allows higher education institutions to diversify their funding sources, attract additional resources using financial

markets and invite donors by guaranteeing continuous control over their donations. As a result, there has been a drastic change in the structure of higher education financing, favoring the withdrawal of private funding through financial instruments, endowments, and households. This was caused by the financial crisis resulting in reduced public funding, increased university spending, the inability to quickly change approved budget estimates to state funding and more efficient private capital expenditure compared to public funding.

ADVANCED RESEARCH

Based on the results and discussion, it can be concluded that education financing management is a strategic process aimed at optimizing the use of available financial resources, allocating them effectively, and distributing them as supporting facilities to ensure an efficient and effective learning process. To achieve high-quality standards in educational institutions, cost management must be carried out optimally through structured stages that require special attention. The effective use of funds should be based on a comprehensive financial plan that prioritizes institutional needs. Generally, there are three fundamental models of higher education financing: bureaucratic, collegial, and market-based. Comparative analysis indicates that the market model is the most efficient and flexible, as it enables higher education institutions to diversify funding sources, attract additional financial resources through financial markets, and engage donors by ensuring transparency and continued oversight of contributions. The shift in financing structure – favoring private funding through instruments such as endowments and household contributions – has been largely driven by financial crises, reduced public budgets, increasing university expenditures, and the relative efficiency of private capital use. Therefore, further advanced research is needed to explore adaptive strategies for higher education institutions in integrating market-based financing models without compromising educational accessibility and quality, including the analysis of financial risks, long-term sustainability, and implications for institutional governance.

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