



Model for financing higher education in Montenegro

Strengths, weaknesses and perspective - U of M viewpoint

U of M basic facts

- Founded in 1974
- Students ~22 000
- Staff ~1300
- Administrative staff ~350
- Faculties 20
- Institutes 2
- Study programmes ~80

Brief history of financing HE in Montenegro

- 1960-1974 only individual faculties
- 1974-1990 U of M founded, relatively stable financing
- 1990-1995 Bare survival
- 1995-2004 Tuition fees, mixed income sources
- 2003-4 New Law on HE, new organization of U of M, new financial model

- **2006** Independence accompanied with expansion of U of M
- **2004-2010** Relatively stable period
- **2010-present** Consecutive budget cuts and destabilization. Law on HE amended, financing of private universities' students allowed if a study program is of public interest

Basic system document for financing HE:

Trilateral agreement, signed by Government, Union and University called

Collective Agreement (CA)

Total income (state budget + tuitions + projects) distributed according to the internal University regulations, and regulations for each unit

- CA, when honored, provides basic salaries, and part of the material expenses and utilities.
- Internal U of M model, where the basic salaries were covered by state budget, succeeded to provide for other expenses: equipment, maintenance, literature, conferences, student activities,...

The whole system started to limp a couple of years ago, when the crises forced Government to cut the budget. Now, the basic monthly salary according to CA requires a supplement of ~300 000 €, making it ~3 mil a year that has to be provided by own income.

In the long run, it is not sustainable and some systematic changes have to be made.

Several tables with specific figures are in order, with the remark that the # of students increased substantially (e.g. 2007 ~17000, 2012 ~22000:

Table 1. Revenue of higher education institutions from national public sources

	2006	2007	2008	2009	2010	2011	2012	2013
Government funding for HE	1290000 0	1484000 0	16300000	17400000	1480000 0	13500000	13200000	12000000

Table 2. Own revenue of higher education institutions (in local currency)

	2006	2007	2008	2009	2010	2011	2012
Tuition fees	5389000	7497000	8113000	9097000	9541000	9520000	9292000
Consultancy	7090000	6620000	3616000	3290000	4530000	2530000	2780000
Leasing facilities/space	23000	24000	24000	25000	48000	54000	53000
EU non-research projects	298000	278000	518000	521000	602000	695000	1100000
EU research projects			240000	240000	300000	300000	600000
Donations from individuals	72000	45000	125000	89000	78000	85000	68000
Total revenue (should match the sum of all the above)	12872000	14464000	12636000	13262000	15099000	13184000	13893000
Currency used: euro							

Table 3. Internal allocation of core government^[1] funds for higher education

Category of expenditure	2006	2007	2008	2009	2010	2011	2012
Salaries of academic staff	7600000	8610000	10820000	11200000	11050000	10900000	11195000
Salaries for research activity only	10000	20000	150000	100000	150000	90000	120000
Salaries of administrative and support staff	1810000	2230000	2935000	3250000	2722200	2380000	2650000
Equipment	50000	90000	600000	600000	700000	600000	450000
Maintenance							
Scholarship fund for students	93000	98000	95000	100000	95000	90000	90000
Printing and publishing	56000	64000	68000	72000	65000	60000	55000
Other (please specify) utilities, part-time and guest professors, travel expenses, internet, material expenses	3422000	3884000	2732000	3078000	1317800	1720000	*
Total expenditure (should match the sum of all the above)	12985000	14996000	17400000	18400000	16100000	14400000	14200000
Currency used: euro							

Table 5. Tuition fees (in local currency)

	2006	2007	2008	2009	2010	2011	2012
Amount of tuition fee for Bachelor students	500-1000	500-1000	500-1000	500-1000	500-1000	500-1000	500-1000
Amount of tuition fee for Master students	1500-2000	1500-2000	1500-2000	1500-2000	1500-2000	1500-2000	1500-2000
Amount of tuition fee for PhD students	2000-4000	2000-4000	2000-4000	2000-4000	2000-4000	2000-4000	2000-4000
Currency used: euro							

Perspective

External factors:

Government is setting the rules both directly, by the annual budget and indirectly, by being a partner in trilateral CA.

To balance the expenditure, CA should be adjusted so that budget covers basic salaries, or to increase the budget (does not seem realistic presently).

Budget should come out from some measurable parameters and norms, absent at present

Internal factors:

Once the budget covers basic salaries, U of M should redesign the internal regulations to match the available funds, taking into account:

- equitable salaries and workload
- weight factors vs. # of students
- balanced teaching and research
- further encouraging initiatives from various departments for new and diversified income-gaining activities