

Analysis on the Source and Investment Structure of Educational Funds in China's Colleges and Universities

Yu Chen

School of Economics and Management, Chongqing University of Posts and Telecommunications, Chongqing 40065, China.

cquptchenyu@163.com

Abstract

Based on academic research on educational funds in recent years. A summary of education funding has been formed from the perspective of education funding input and education funding sources. This paper mainly explores the connotation of education funding and the source structure of education funding, education funding input, and the source and structure of education funding, and then provides policy recommendations for the government.

Keywords

Source of education funding; Funding structure.

1. Introduction

At present, the situation of higher education in China is very complicated owing to the limitation of national financial capacity(Jiang, 2017). On the one hand, in recent years, in order to adapt to the trend of the popularization of higher education, the scale of higher education in China has been continuously expanding. However, state finance has not enough to satisfy the needs of higher education, so the overall investment in higher education is relatively insufficient, leading to the general lack of development funds in the educational undertakings of various universities in China. On the other hand, there are obvious differences and many unreasonable problems in the sources of educational funds between different regions and different levels of colleges and universities, as well as the structure of educational funds within colleges and universities themselves.

In the context of the development of higher education in China, it is urgent to solve the problem of how to broaden the sources of funds and meet the educational funds required by the development of colleges and universities. Based on the relevant theories of higher education funds, it is extremely important to find and solve the existing problems by analyzing the current structure of higher education funds as well as the differences between different levels of colleges and universities. This process is not only an extension and enrichment of the related theories of higher education funding but also can further enrich the research on the source structure of higher education funding in China, providing a theoretical basis for the improvement of the source structure of higher education funding.

2. Research Status

2.1. Education funding

XiaoTong based on ten years from 2005 to 2014 panel data of 31 provinces throughout the country, for the same price, excluding inflation factor, the analysis of China rural compulsory education expenditure in China balanced situation, results show that the gap between urban and rural compulsory education funds investment continues to expand, at the same time China

rural education between the provinces with the level of regional economic development level of financial investment and the significant difference(Xiao and Wu, 2018). Zhang Ziwei took 1,608 local colleges and universities in 31 provinces and cities in China in 2014 as the research object. By using the Gini coefficient, the Tyr index and decomposition method, she found that the Gini coefficient of education expenditure per student in local colleges and universities was relatively large, and there was a phenomenon of "central collapse". The budget expenditure per student was the main reason for this difference(Zhang et al, 2018). Parada by super-efficiency DEA model to measure the efficiency of each province of higher education, and in terms of regional higher education funds income regional higher education fair and the Markov chain model is constructed to our higher education fairness and efficiency in the area of Matthew effect in the same empirical analysis framework, the study found that the education fair Matthew effect is more serious(Zhang and Zhou, 2015). It is particularly obvious that the areas with low per capita expenditure are in low level for a long time and the areas with high total expenditure income are in high level.

2.2. Sources and structure of education funding

From 1995 to 2016, Yang Rongji made a systematic analysis of the changing trend of the structure of the source, distribution, and use of educational funds along with China's economic development and educational financial reform, and analyzed the structural characteristics of China's educational funds from an international perspective(Yang and Liu, 2019). Based on the historical stage of the source of higher education funds in China, Guo Lingling analyzes the problems existing in the source structure of higher education funds in China and puts forward corresponding suggestions. The diversification of the source structure of higher education funds in China needs further exploration(Guo, 2016). Chen qun from the perspective of regional differences in recent years, local university education funds quantitative analysis and horizontal comparison, the reasons of differences occurring from establishing the fiscal expenditure on education growth mechanism, the relevant policy tilt, tuition standard elasticity, perfecting the financing system in local colleges around the optimization of local colleges and universities in China from the perspectives of education funds source of advice(Chen, 2016). Through longitudinal analysis and horizontal comparison of education expenditure data in recent years, Zhang Jing found that the total input of higher vocational education does not match its scale, the structure of funding sources is dualistic, the per-student education expenditure allocation is insufficient, and the government does not provide enough support to private higher vocational colleges(Zhang, 2018).

3. Related Concepts And Theoretical Basis

3.1. Education funding

There are many opinions on the interpretation of the concept of educational funds, which are integrated with various viewpoints. The concept of educational funds used in this paper refers to the funds actually used for educational undertakings in the financial budget of the state and government departments at all levels, as well as the expenses of various social forces and individuals directly used for education. Including the state financial education funds, social organizations, and individual citizens school-running funds, social donations and other funds.

3.2. Higher Education Funds

The higher education fund in this paper refers to the monetary performance of the material conditions provided for the development of China's higher education, and it is the sum of the funds actually used for the development of higher education in the financial budget of the state and government departments at all levels, as well as the expenses of various social forces and individuals directly used for higher education(Ren and Ying, 2007).

3.3. Education funding sources university structure

The understanding of the source structure of higher education funds is the proportion of each source part of the higher education funds in the whole higher education funds. The educational funds of Chinese colleges and universities mainly include financial education funds, tuition, and miscellaneous fees, the self-generated income of colleges and universities, social donations, and other educational funds.

4. Results and Discussion

4.1. Results

There are obvious differences in the structure of funding sources and the proportion of each funding source in the total income of universities at different levels in China. There are many differences, but they are mainly reflected in three aspects, namely, the government's financial allocation, the self-generated income of universities, and the input of social donation (Le, 2019). First of all, the higher the level of the higher the total amount of financial allocations, the different levels of colleges and universities to obtain the government support of the disparity; In terms of the proportion of fiscal appropriations in the total income, the lower the level of the higher the proportion of colleges and universities, the greater the dependence on the state's fiscal appropriations. Secondly, there are obvious differences in the self-earning ability of colleges and universities, including the business income of colleges and universities (income from extra-budgetary funds and students' tuition and miscellaneous fees, etc.) and other income (income from school-run industries, social donation, foreign investment, and interest income, etc.) (Ni and Yao, 2015). The higher the level of the university, the more career income total income, the lower the level of the school, the less career income total income. Finally, the gap between different levels of colleges and universities is also reflected in other income, and in other income projects, the difference in donation income of colleges and universities is huge.

4.2. Enlightenment

(1) For the government, policies should be appropriately tilted in favor of ordinary colleges and universities. Although China is currently implementing the education development strategy of "concentrated investment" and "key support" in the field of higher education, the cultivation, and support of several key universities is by no means the only way to build a powerful country in higher education. At present, most preferential policies issued by the government in the field of higher education are in favor of high-level key universities (Bi, 2014). Through the analysis of collected materials and data, the higher the level of higher universities, the weaker their dependence on government funding and the stronger their self-generating ability. Low-level colleges and universities do not have strong competitiveness in the whole field of the higher education market, they cannot win more national educational resources, and their advantages and abilities in self-financing are relatively weak. Therefore, it is necessary for the state to consciously and actively provide more opportunities for low-level colleges and universities.

(2) Colleges and universities: Colleges and universities should increase revenue and reduce expenditure to improve the utilization efficiency of educational funds. On the one hand, the higher education funds in China are short; on the other hand, they are not rationally used. Therefore, it is also very important to improve the use efficiency of higher education funds and reduce and avoid waste (Li, 2013). Therefore, Chinese colleges and universities should enhance the awareness of education costs, expand the capital operation of colleges and universities, and enhance the sustainable financial ability of colleges and universities.

References

- [1] Jiang Jie. The research on revenue sources structure of different levels higher education [D]. Southwest University, 2017.
- [2] Xiao Tong, Wu Zhihui. Research on the Balance Situation of Funding Investment for Every Student in the Rural Compulsory Education in China——Based on Panel Data of 31 Provinces between 2005 and 2014 [J]. *Theory and Practice of Education*, 2018, 38(28): 22 -27.
- [3] Zhang Ziwei, Niu Fengrui, Chen Xiaoyu. Difference and Its Decomposition of Local Regular Universities' Educational Funds in China [J]. *Educational Science*, 2018, 34(06): 1-9.
- [4] Zhang Hu, Zhou Di. The comparison of equity and efficiency in China's higher education and the Matthew effect and the coordinated development of the implementation path——An empirical study based on the data of provinces from 1995 to 2012 [J]. *Educational Development Research*, 2015, 35 (Z1): 12-18+28.
- [5] Yang Rong, Liu Tingting. Analysis of the Structure of Education Funding in China: Discussion Based on Historical Trend and International Perspective [J]. *Global Education*, 2019, 48(06): 46-61.
- [6] Guo Lingling. Analysis on the Diversified Sources of Funds for Higher Education in China[J]. *The Science Education Article Collects*, 2016(07): 131-132.
- [7] Chen Qun. Comparison of the sources of education funding for local colleges and universities in my country and optimization suggestions——Based on the perspective of regional differences[J]. *China Economic & Trade Herald*, 2016(23): 21-22.
- [8] Zhang Jing. A Comparative Analysis and Optimization of Higher Vocational Colleges Funding in China: Based on Data Form 2010-2017.[J]. *Journal of Guangdong Polytechnic Normal University*, 2018, 39(04): 7-12.
- [9] Ren Xiuxia, Ying Ruoping. Analysis of the Structural Change of the Funds' Source for Higher Education [J]. *Meitan Higher Education*, 2007(03): 68-69+103.
- [10] Le Yile. Research on the Influence Mechanism of Education Funding Source Structure on Expenditure Equity and Efficiency[D]. *Southwestern University of Finance and Economics*, 2019.
- [11] Ni Jiamin, Yao Xiaofeng. The changing trends and characteristics of China's general higher education funding structure-based on statistics and analysis from 1999 to 2011[J]. *Journal of Ningbo University(Educational Science Edition)*, 2015, 37(04): 43- 47.
- [12] Bi Shanshan. Analysis of the structural changes in the source of education funding in my country[J]. *Business*, 2014(14): 49.
- [13] Li Wenjun. Research on the evolution of China's fiscal education expenditure: 1995-2011 [J]. *Journal of the Party School of CPC Xiamen Municipal Committee*, 2013(03): 27-32.