

### Distribution of Funds at the University of Maribor

The distribution of funds at the University of Maribor is laid down in the Statute of the University.<sup>1</sup> In accordance with Article 351 of the Statute, UM is obliged to conclude a relevant agreement with the competent Ministry; university members lack such powers. The University's Management Board<sup>2</sup> thus decides on financial matters following a proposal of the Rector, which is submitted after being agreed on by the deans. The highest academic body, i.e. the Senate of the University, does not have the authority to decide on the distribution of funds or the criteria for distribution, even though this document is considered a regulation. Although the adoption of regulations is indeed within the competence of the Senate, the regulation on the distribution of funds governs a specific subject matter (*lex specialis*) and must therefore be adopted by the Management Board in accordance with paragraph 5 of Article 350 of the Statute. Funds are not distributed among university members in accordance with the criteria laid down in the Decree since universities enjoy autonomy of distribution.

Decisions concerning the funding of university members is thus within the competence of the Management Board, which decides in accordance with the Statute<sup>3</sup>. Pursuant to Article 267 of the Statute, the Management Board is composed of members representing different interests. Decisions are reached by a majority vote of the members present. The method of decision-making ensures the representation of interests of the University, students, the economy and the funder (State). This also reflects the University's autonomy. The decision-making process is transparent since the State is acquainted with the distribution of funds within UM via its representatives in the Management Board.

Despite adopted rules, the distribution of funds is usually an extremely difficult task. University members are independent and autonomous in their operations; they have a different system of inner functioning as well as different opinions concerning the diversity and abundance of degree programmes, their content, extent, etc. Such circumstances put university members in a unique position. In addition, the implementation of certain degree programmes is more expensive than the implementation of others due to specific features (labs, field work, etc.). If we also consider different managing styles, the willingness to streamline degree programmes, etc., it becomes quite obvious that university members are not in identical situations and must therefore be treated differently. For this reason, deans have a tough time coming to an agreement on the proposal concerning the

---

<sup>1</sup> Official Gazette of the Republic of Slovenia, no. 46/2012 - official consolidated text no. 10

<sup>2</sup> Paragraph 5 of Article 350 of the Statute: "The University's financial system and operation is regulated by a general act adopted by the Management Board."

<sup>3</sup> Article 267: "The nine-member Management Board is the highest managing authority of the University.

Members of the Management Board:

- three representatives of the founder
- four representatives of the University, of which three must be appointed from the ranks of employees involved in the teaching process (university teachers, researchers and other employees in higher education) and one representative of administrative staff
- one student representative
- one representative of the employer

The duration of the term of office of the Management Board is four years, whereas the duration of the term of office of the student representative is two years. The same person may be re-appointed after expiry of the term of office.

The Rector, vice rectors, deans and members of management boards of university members cannot be elected to the Management Board.

The representative of employers is appointed by the Rector in agreement with the founder among candidates referred to in paragraph 2 of Article 4 of the Ordinance on the Transformation of the University of Maribor (Official Gazette of the Republic of Slovenia, no. 79/04)."

## Appendix 39

distribution of funds, putting the University's Management Board in an extremely difficult position.<sup>4</sup>

In the past (at least since 2004), funds were distributed with regard to the number of enrolled students (capitation grant) both at national and university level. This led to a number of new and more attractive degree programmes in order to boost enrolment. In general, the capitation grant caused damage to the Slovene academic community. At UM, this system has been abandoned. In addition, the management aims to reduce the number of degree programmes and eliminate similar ones. The rationalisation of degree programmes, which also means reducing the costs of operating activities, is necessary due to growing pressure from the Government, which aims to reduce the amount of funding for both public and private higher education institutions. The Government can reduce funding at any time, while ignoring the fact that funding and the relevant Decree have been deemed unconstitutional and unlawful by the Constitutional Court. This has a negative impact on the implementation of degree programmes. The situation would be acceptable if funding could be guaranteed for several years in advance since this would enable normal planning of activities conducted by the University and its members. Long-term planning should also be stable and constant irrespective of the executive, which means that it should depend on the legislature and be regulated for several years in advance. Since this is not the case, UM should set up a reserve fund to be drawn on if the Government would decide to reduce funding. However, this is not an option since national subfunding has been going on for several years.

The *Rules on the Distribution of Funds for Education at the University of Maribor*<sup>5</sup> lay down the amount of funds and distribution criteria for development tasks. After receiving the Ministry's decision on the allocation of annual funding for educational activities, two per cent at baseline are set aside for UM's development fund. Following a proposal of the Rector, the exact amount can be adjusted with regard to the estimated annual amount of funding required. The Management Board determines the final annual amount following a proposal of the Rector.

Guidelines for the allocation of funding for UM's development fund:

- solidarity fund - funds are allocated in accordance with the roles of university members; priority is given to those members exhibiting disproportionate underfunding of extracurricular activities. For this purpose, the so-called equalisation fund (within the framework of the solidarity fund) is drawn on. The amount of funding is determined by the Management Board on the proposal of the Rector.
- international cooperation
- extracurricular activities at UM - funds for the implementation of extracurricular activities under UM's work programme (sports; Student Council)
- other development tasks - funds are allocated in accordance with the responsibility for individual development tasks under UM's work programme

The Council of Deans approves the allocation of resources for the development fund. However, the Council is not obliged to strictly adhere to the abovementioned guidelines.

UM must calculate the totals costs of scientific research and educational activities in accordance with the Ministry's instructions for the preparation of the annual financial plan. On the basis of accounting policies:

- legal framework for the preparation of financial statements,

---

<sup>4</sup> It is a common practice, but not a rule, that the Rector submits a proposal concerning the distribution of funds to the Management Board after discussing it with the Council of Dean, which is not a university body.

<sup>5</sup> available at [www.uni-mb.si/dokument.aspx?id=29502](http://www.uni-mb.si/dokument.aspx?id=29502)

## Appendix 39

- principles for the preparation of financial statements and assessment,
- criteria for distinguishing between income for the provision of a public service and income from the sale of goods and provision of services,

UM formulates an annual accounting report reflecting the costs of scientific research and educational activities. In addition, a separate report covering both fields must be formulated and submitted to the funder. This report examines the realisation of the annual plan.