

## **Government Financing through Rashtriya Uchchatar Shiksha Abhiyan (RUSA) for Capacity Building in Higher Education Institutions: A Study in Assam**

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**Abstract:** Capacity building in higher education would imply sustainable social, political and economic development of the society. With the rapid expansion of higher education institution all over the country, the important role played by the State higher education cannot be understated. Hence, there is a need to empower the State Higher education Sector. But the system of higher education suffers from many shortcomings one of the reason for such shortcomings is that it lacks proper funding. Against this backdrop a study has been designed to understand the process of fund flow as well as the financing strategy of one of the major financing scheme of the Central Government viz Rashtriya Uchchatar Shiksha Abhiyan (RUSA) which was given birth by the Ministry of Human Resource Development in 2013 for providing strategic funding to eligible state higher educational institutions. The study also aims to know the degree of implementation of the planned policies and programs of RUSA in select colleges of Assam. The research is done through details study of primary data collected from interview with the personnel involved in utilization of such fund of Select colleges and secondary data collected from various blogs, newspapers, publications and websites etc. The proposed study will help significantly to find out a solution to the problems faced by the Higher education institution in availing and utilizing such fund since empowerment of Higher education would require adequate funding by the Government.

**Key words:** Economic development, financing strategy, strategic funding, empowerment of State Higher Education.

### **INTRODUCTION**

The term capacity building emerged in the lexicon of international development during the 1990s. Since then, the term has widely been used in various national and international organisations (*Mallick 2013*). In the field of education, Capacity building has been basically understood as a process of enhancing the overall development of organisation which also includes the development of its human resource by equipping them with adequate skill and training to fulfil the tasks of an organisation. More recently, the notion of capacity building has incorporated broader dimensions which include, but go beyond, the human resource issue. An

organisation may thus have suitably trained personnel, but if it lacks a clear mission and strategic goals, and has inadequate governance and management structures to support those personnel, it is unlikely that it will function optimally (*Chet 2002*). Similarly, an organisation or an institution would fail to achieve its targeted growth and development process, if it lacks a sound system of funding. There are two Central Universities, ten state Public Universities and 381 number of Government Colleges in Assam (*AISHE 2014-2015*) and one of the major problems being faced by the State higher educational sector is lack of transparency in the funding process, there is a burning need for reform in the in the State Higher Education sector. Hence, the Planning Commission recommended a new Centrally Sponsored Scheme to use central funds in a strategic and transparent manner to ensure holistic planning at the state level and enhancement of allocations for state institutions with an aim of achieving equity, access and excellence. This has led to the formulation of the ambitious Centrally Sponsored Scheme (CSS), called the Rashtriya Uchchatar Shiksha Abhiyan (RUSA)

## SIGNIFICANCE OF THE STUDY

Finance plays a vital role in the smooth functioning of any educational institute; the unavailability of finance may crumple the developmental process of the institute. Many state colleges are in a poor shape today as they need greater financial support from the states and center, greater responsibility and accountability for the utilization of funds. 'Financial scarcity has been the main source of strained relations between public higher educational institution and the government' (*Wandiga 1997*). Hence it is of utmost importance to see whether the grants and finances have been properly used or not.

UGC, which is the primary fund allocating body to state institutions, is unable to fund new institutions or even fund all the existing ones since Section 12B of the UGC Act has to be followed. This creates a vicious cycle which restrains the emergence of new institutions in states. Section 12B pre supposes all facilities and infrastructure to be in place before the funding by UGC begins. But the colleges and universities which lack such facilities are the ones which should be supported first. UGC was created when there were very few institutions of higher learning in the country. It has become practically impossible for the UGC to manage and monitor fund disbursements to a large number of institutions.

The present system of grant disbursement is archaic. The system that started in 1956 has continued unchanged till now (*Sharma 2002*). Therefore, a need for a radical shift in funding criteria has been felt in an acute way. Instead of allocating funds on the basis of demands made by higher education institutions under specific schemes, normative and performance linked funding should be made which would improve their performances. Such funding would lead to better utilization of public funds and increase transparency and accountability within the system.

## OBJECTIVES OF THE STUDY

1. To study the process of flow of fund from centre to state for capacity building in higher education.
2. To study the financing strategy adopted by RUSA for capacity building in higher education.
3. To study the degree of implementation of the policies and programmes of RUSA in select colleges of Assam.

## METHODOLOGY ADOPTED FOR THE STUDY

The research is conducted through the study of the secondary data collected from various sources such as Guidelines and Handbook of RUSA, Statistics from websites related to the Ministry of Human Resource Development, PAB Reports and various publications, newspapers etc.

A total of 36 Colleges had received RUSA Funding in Assam out of which Primary data have been collected from the following 4 colleges located in Nagaon and Guwahati by using interview method:

1. Nowgong College, Nagaon

2. Handique Girls College, Guwahati
3. Cotton College, Guwahati
4. Gauhati Commerce College, Guwahati

### **RUSA- AN OVERVIEW**

Rashtriya Uchchatar Shiksha Abhiyan (RUSA) is a Centrally Sponsored Scheme (CSS), launched in 2013 aims at providing strategic funding to eligible State Higher Educational institutions. The Central funding (in the ratio of 65:35 for general category States and 90:10 for special category states) would be norm based and outcome dependent. The National Development Council (NDC) had approved the Scheme as part of the 12th Plan proposal for the MHRD. The Central Advisory Board on Education (CABE), the highest advisory body of the Government of India in education on policy matters, in its meeting dated 08.11.2012 in-principle gave approval to RUSA. Subsequently it was included in the list of 66 schemes approved by Cabinet on 20.06.2013, as part of the restructured CSSs for implementation in the 12th Plan. The Expenditure Finance Committee (EFC) appraised the Scheme on 11th September 2013 and recommended it for approval. Finally, with the approval of Cabinet Committee on Economic Affairs (CCEA) on 3rd October, 2013, RUSA became the final tier of the CSSs of the MHRD, which began with Sarva Shiksha Abhiyan (SSA) and graduated subsequently to Rashtriya Madhyamik Shiksha Abhiyan (RMSA).

RUSA would be spread over the 12th and 13th Plan period for funding the States Universities and colleges to achieve equity, access and excellence in higher education. The allocation of funds under RUSA would be based on well-defined norms and parameters and linked to certain key academic, administrative and governance reforms in the State higher education system which currently enrolls over 96% of the students. The Scheme will be implemented through the Ministry of Human Resource Development (MHRD) with matching contributions from the State governments and Union Territories (UTs).

The vision and mission of RUSA is to attain higher levels of access, equity and excellence in the State higher education system with greater efficiency, transparency, accountability and responsiveness

### **INSTITUTIONAL HIERARCHY:**

RUSA is implemented and monitored through an institutional structure comprising the National Mission Authority headed by the Union Human Resource Development Minister as Chairperson, Project Approval Board headed by Secretary Higher Education Board as Chairman and the National Project Directorate and Technical Support Group at the centre and the State Higher Education Council and State Project Directorate and Technical Support Group at the state level

### **COMPONENTS OF RUSA**

The following are the primary components of RUSA that capture the key action and funding areas that must be pursued for the fulfillment of the targets:

- Up gradation of existing autonomous Colleges to Universities
- Conversion of colleges to Cluster Universities
- Infrastructure grants to Universities
- New Model Colleges (General)
- Upgradation of existing degree colleges to model colleges
- New Colleges (Professional)
- Infrastructure grants to colleges

- Research, innovation and quality improvement
- Equity initiatives
- Faculty Recruitment Support
- Faculty improvements
- Vocationalisation of Higher Education
- Leadership Development of Educational Administrators
- Institutional restructuring & reforms
- Capacity building & preparation, data collection & planning

### **PROCESS FLOW OR APPROACHES TO RUSA**

1. State should indicate their Willingness to Participate and Commitment to Fulfilling the Prerequisites.
2. Appraisal of Preparedness of States by Technical Support Group and Project Approval Board (PAB) at National Level.
3. Memorandum of Understanding between Mission Authority and States/State Higher Educational Council
4. Submission of State Higher Education Plan (including Perspective Plan, Annual Plan and Financial & Work Plan)
5. Appraisal by Technical Support Group
6. Appraisal by Project Approval Board
7. Final Agreement between State and Mission Authority
8. Fund Allocation and Disbursement to State
9. Monitoring

### **FLOW OF FUNDS**

There has been a strategic shift in the manner in which State universities and colleges, which account for 40% enrolment, will be funded and supported by the Central Government. In place of central funds directly or via the UGC for individual universities and colleges across different States, central funding would be done for the State's higher education system as a whole. The central funding would be used to induce the States to increase government spending on higher education.

### **Key Sources of Funds**

The funds given to the State Consolidated Fund mainly consist of the following components:

- Grants-in-aid-made by or through MHRD, Government of India
- Contribution by the State Government. Centre-State funding to be in the ratio of ratio of 90:10 in the North Eastern states, Sikkim, J&K Himachal Pradesh & Uttarkhand, and 65:35 for other states and UTs.

### **Key requirements:**

- The state contribution made by the State Government will be booked as expenditure in the State Budget at the time of its release to the State Higher Education Council (SHEC)/Institutions
- The states would have to ensure availability of sufficient land for new construction activities free of cost. The cost of land acquisition, if any cannot be made a part of the total outlays.

- For utilization, the state contribution must be proportionately utilized among the different programs.
- For reporting, the same may be reflected separately in the periodical Financial Management Reports and Statement of Funds Position (SFPs) and a separate Utilization Certificate of the total amount utilized along with unspent balance, if any, would be required to be furnished at the end of the financial year.

#### **Fund Flow from MHRD to State:**

FMG at the Government of India level puts a proposal to the Integrated Finance Division (IFD) for fund release.

- Approval of Appropriate Authority would be taken for fund release to State/UTs concerned.
- The funds will flow to the State Consolidated Fund. Only upon receiving the state contribution into this account, resources will flow to SHEC and from SHEC to institutions based on the approved State Higher Education Annual Plan.
- After the approval, sanctions are issued to respective States after uploading on the website of the Controller General of Accounts (CGA). After this, funds are transferred online to the states/ UTs.
- The states should contribute their share along with central share to the SHEC within 15 days. Non-compliance will lead to charging of interest.
- The funds with the SHEC/Institutions do not lapse at the close of financial year. SHEC/Institutions are empowered to utilize the unspent balance during the next financial year for the same purpose for which the funds were allocated. The amount shall however be taken into account while releasing grants-in-aids for the next year. Also, the amount remaining unutilized at the close of the program shall either be refunded or utilized in a manner as decided by the Government of India.

#### **Fund Flow from State to Institutions (Universities and Colleges):**

State/SHEC should transfer the funds to the districts/institutions/executing agencies within 15 days of the receipt of funds from Central Government. Non-compliance of release of money by the State to the State Council/Institutions within the stipulated period of 15 days may lead to charging of interest and may further affect allocation of grants in the future these funds include all components agreed to in the State Higher Education Plan as agreed to by the Government of India.

- SHEC should directly credit to the bank account of the institutions.
- The releases made to Institutions should be as per the approved Institutional Action Plans and after adjusting unspent balances from the previous year

#### **Banking Arrangements:**

To facilitate movement of funds, proper banking arrangements at all levels is crucial. All funds are transferred through RBI approved banks. The transfer takes place through the Central Plan Scheme Monitoring System.

#### **Central Plan Scheme Monitoring System:**

The Central Plan Scheme Monitoring System (CPSMS), is a Central Sector Plan Scheme of the Planning Commission and is being implemented by the Office of Controller General of Accounts. The scheme aims at establishing a suitable on-line Management Information System and Decision Support System for all plan schemes of the Government of India. With 139 Central Sector Schemes (CSS) and more than 800 Central Sector Schemes (CS), along with State Plans and Additional Central Assistance (ACA), the CPSMS aims to track almost Rs.300,000 Crores. The system is envisaged to track the fund disbursement from Government of India up to the last beneficiary under Plan Schemes and ultimately report utilization under these schemes at

different levels of implementation on a real time basis.

#### Objectives of CPSMS

1. Release of Funds
2. Utilization of Funds
3. Reforms in the area of Public Financial Management

#### FINANCING STRATEGY OF RUSA:

Centre-state funding for the scheme will be in the ratio of 90:10 for North-Eastern States, All funding under the RUSA would be norm based and performance based, further the future grants would also be outcome dependent.

#### NORM BASED FUNDING:

The funding from the centre would be done strategically. The most transparent and objective way to do so would be through norm-based funding for state universities and colleges. The overall norm-based funding scheme should apply filters at the primary, secondary and tertiary levels to determine the eligibility of institutions to receive funding. At every level, the kind of funds for which the institution becomes eligible will be defined. The norms, which would determine the eligibility of institutions to receive funding, would also grade the institutions based on their level of compliance to regulations to determine the quantum of funding. The institutions will be given an objective score against these norms and it will decide the quantum of funds they will be eligible for. This funding would necessarily have to be expended in the higher education sector in the state and would not substitute state funding, since the state government would have to necessarily increase its annual investment by a fixed percentage. As such, the funding will not be cost-based in which the Centre finances specific investments, rather the centre's funding contributes to the state's investment program in higher education.

#### PERFORMANCE BASED FUNDING:

The other component of RUSA would be performance-based funding. The State Higher Education Councils will create State Higher Education plans. These would serve as the benchmark against which the performance of the state and particular institutions will be graded. Depending upon the level of achievement in various spheres of the plan, the funding for the future would be decided. Of course, the funding for the future would also take into account the new Plans submitted by the States. This assessment would clarify the state and institutions' ability to fulfil the targets it sets for itself; it will also trigger healthy competition amongst the institutions.

#### RUSA FUND RELEASED TO ASSAM

Component	Date of Sanction	Total Amount Released (Rs.)
Preparatory Grants	27.02.2014	36,000,000
MMER Grants	31.3. 2013	3,60,000
Model Degree Colleges (12)	31.3. 2014	600,00,000
Infrastructure grants to Universities (2)	2015	234,00,000
Infrastructure grants to Colleges (36)	19.1. 2015	810,00,000

(Source: Status of funds released to states under RUSA, MHRD)



## FINDINGS

1. The introduction of RUSA has facilitated a strategic shift in the process of flow of fund. Prior to RUSA, all the funds release to the colleges were Demand-based and colleges were required to apply for the fund as per their requirement. But after RUSA in place of Central funds directly or via the UGC for individual universities and colleges across different States, central funding were done for the State's higher education system as a whole wherein all State public Universities and colleges {both 12B and 2(f) as well as non-12B and non-2(f)} are included and the share of Center to state will be in the ratio of 90:10 for Assam.
2. Funding under Rusa were based on two strategies viz. Norm Based and Performance Based competitive funding. Priority were given to colleges considering their accreditation status on the basis of NAAC grade received. Quantum of funding for the states and institution were be based on norms specified. Further future grants in RUSA is totally dependent upon previous utilisation
3. There are 381 number of Government Colleges in Assam out of which only 36 Colleges located in various parts of Assam have received the RUSA fund released in first phase. A total of Rs. 2 cr. has been sanctioned to these colleges out of which only 25 lakhs has been released till now for each college in two instalments. The first part of the instalment amounted to Rs 18.6 lakhs and were released on November 2015 and the second part instalment amounted to Rs 6.4 lakhs were released in March 2016.
4. It was also found that no developmental grants were released by the UGC since 31<sup>st</sup> march 2014. The amounts were utilised by the colleges mainly for infrastructural development such as upgrading of libraries, constructions, equipment, hostels and toilets etc.
5. RUSA would be spread over the 12th and 13th Plan period for funding the States universities and colleges to achieve equity, access and excellence in higher education but the 12<sup>th</sup> plan period is about to come to an end in march 2017, given that the fund utilization period were too less, it became difficult to make proper utilization of the fund.
6. Assam falls in the category of states where the Centre has released its share for preparatory, MMER (Management Monitoring Evaluation and Research) and Model degree Colleges Grant but no further action were taken by the state government on its behalf.

## SUGGESTIONS

1. The first step towards the approach of RUSA is that the State should indicate their willingness to participate in it. To make a Centre-State allocation of 90:10 possible; even after the Centre releases the fund at a time the state takes a slow approach to make its part of release which results in a kind of delay in receiving of funds by the colleges. Therefore, the state should adopt an approach to make the process of fund flow speedy.
2. The utilization period of the fund should be increased, taking into consideration the time of fund released so that proper utilization of fund could be made.
3. The Centre and the state should take immediate steps to make the release of the remaining part of the sanctioned amount since the 12<sup>th</sup> plan outlay will only remain till 2017.
4. There is an urgent need for greater Centre-State coordination to gain the benefit of RUSA fund. Over the years, even though the central fund had been increasing at an impressive rate, the state funding has not kept in pace with the central expenditure.

## CONCLUSION

It is mainly due to globalization, that there is a cut-throat competition between the higher educational institutions – mostly in the private and public sector. Hence, capacity is of utmost importance in the public sector higher educational institutions. This necessitates the Centre Government to allocate special funds for the public sectors educational institutions so as to fulfill the needs of capacity building. Even though a greater amount of fund is required for the development of the State Colleges and Universities, the capacity of the State Colleges and Universities to absorb such funds is also an important factor which needs due consideration. Providing larger quantum of funds may not be the only solution, reforms in the entire state education sector must be initiated simultaneously. Emphasis must be laid on removing the hurdles in fund absorption such as restrictive bureaucratic processes, slow decision-making and archaic administrative systems etc. Hence, the scheme must incentivize reform processes in the higher education system, which can only ensure optimum and timely utilization of funds.

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