

**UNIVERSITY OF LJUBLJANA
FACULTY OF ECONOMICS**

**DIPLOMA PAPER
COMPARISON OF THE FUNDING APPROACHES OF
PROFESSIONAL MUSIC TRAINING SYSTEMS in
SLOVENIA and ITALY**

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DECLARATION

I, Anita Žagar, a student of the Faculty of Economics, declare that I am the author of this diploma paper, written under the mentorship of dr. Nevenka Hrovatin, and that I approve its publication on the faculty web pages.

IZJAVA

Študent/ka Anita Žagar izjavljam, da sem avtor/ica tega diplomskega dela, ki sem ga napisal/a pod mentorstvom dr. Nevenke Hrovatin, in da dovolim njegovo objavo na fakultetnih spletnih straneh.

Ljubljana, 2 June 2008

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INTRODUCTION

The reforms, which have been occurring within the system of higher education in most European and worldwide countries over the last few years, are mainly the consequence of the emergence of knowledge societies. The countries undergoing higher education reforms have been trying to define a relation between competences and learning outcomes, assessment procedures, curriculum design, modular systems, credit-based structures, internal and external quality assurance mechanisms and more (Glossary of terms, Bologna process and music website).

When recognising all these changes it is very easy to notice a return of interest in university and a substantial rise in demand for higher education. Demand is not rising only as more high school graduates have earned the right to enter university and decided to pursue higher education, but also because there is more demand for research degrees, continuing education and continuing professional development (Study on “The financing of Higher Education in Europe” (Vol. I), 2004, p. 11).

Due to all these changes of the higher education study programmes and consequently the organisational aspects of the institutions themselves, it is crucial for these institutions to have a steady financial income to cover all of their different expenses.

The same financial situation also applies to the institutions of higher *music* education, which often deal with financial problems on a larger scale due to the fact that certain individuals still do not recognise music and consequently (higher) music education as an important part of modern society, which can contribute to its progress and overall well-being.

In order to collect and, more importantly, to compare the actual data concerning the financing of higher music education, The European Association of Conservatories – AEC offered me a wonderful opportunity to write my diploma paper about the funding approaches of professional music training systems in Italy and Slovenia.

The following diploma paper intends to determine the national regulations regarding the financing of professional music training systems and funding approaches that institutions of higher music education use to finance their work. The diploma paper will also subsequently point out which are the elements of expenditure the institutions spent the largest amount of money on.

The diploma paper has altogether 8 chapters and is constructed in the following order.

Following a short introduction, the first chapter focuses on a presentation of general information and characteristics of the public sector. This chapter also mentions various features of public goods. Public institutions as well as their foundation and management are described in the second chapter.

Different types of financing within public institutions are explained in the third chapter. Each type of financing is described into more detail in the following subchapters. The last part of the third chapter concentrates on innovative mechanisms of higher education funding.

The fourth chapter describes higher education in Slovenia in general and further on concentrates on the organisational aspects of Slovenian higher music education. The next chapter defines the funding sources of higher music education in Slovenia and explains each type of funding one by one in subchapters. The expenditure of the Academy of Music is also outlined.

Higher education in Italy is displayed in the sixth chapter, where the *Sistema dell'alta formazione e specializzazione artistica e musicale* (AFAM system) of Italian higher music education is also explained. Chapter seven explains two different types of Italian higher education founding.

In conclusion, all collected information and data is presented and displayed in the final table with additional figures. I also elaborate on my final findings with the comparison of all presented information.

1 PUBLIC SECTOR

The public sector is roughly determined as an accumulation of activities that are urgently necessary for the overall development of society. These activities are largely carried out by defined bodies of national government or organisations that are at least a part of it to some extent (Štefan, 2000, p. 6). Since every country can be positioned at a different stage of general development, public services should be accounted according to the country's development phase. It is most certain that a developed country will have different public services than an undeveloped country. Any congestion in carrying out these public services would sooner or later bring a complete decline to the country's development.

Public services are carried out to satisfy the needs of public interest. Public services should exist in the benefit of society as a whole and to the advantage of each individual within the population (Rosen, 1999, p. 5). This means that wishes and partial interests of society's individual layers are not as important as the preferences of the whole population. The country with its institutions, such as the government and non-profit organisations, are responsible for providing the protection, social security, education, etc. for the country's society.

Most public services are financed with an income, collected taxes and public contributions. This is why they are normally offered by a price that does not include all production costs and are therefore non competitive in consumption (Rosen, 1999, p. 61). As the creation of income by the sale of such assets is not possible, the assessment of the efficiency and success is very hard to measure (Coombs & Jenkins, 1991, p. 21). It is also very difficult to measure the actual work of public institutions.

Public institutions produce products that are urgently necessary for the quality life of the society's individuals. These products are included into a special segment of assets, which are usually predicted by two characteristics (Bailey, 1995, pp. 29-30):

- *Non-exclusivity* (an individual can not be prevented from consuming the good, even if he did not pay for it),
- *Non-rivalry* (several individuals can consume the same good without diminishing its value).

2 PUBLIC INSTITUTIONS

2.1 Public institutions in general

The work and activities of public institutions are defined differently in every country. For example, in the United States an organisation can become a profit or non-profit organisation through compliance with corporate governance regimes. Freeman & Shoulders (1993, p. 2) mention the concept of a non-profit organisation which includes public administration, organisations which produce public goods and other organisations which improve the quality of life.

Non-profit organisation has in general the following characteristics (Freeman & Shoulders, 1993, p. 1):

- the goal of the organisation is the production of public goods and not the accumulation of profit,
- the organisation is usually public property,
- the organisation is almost fully financed by public funds,
- the country's parliament normally sets the essential goals of the organisation,
- the activities of the organisation are regularly controlled.

The organisations are usually arranged as (Freeman & Shoulders, 1993, p. 2):

- governmental organisations: national, regional, municipal,
- educational organisations: nursery schools, primary and high schools, technical schools, universities,
- health protection: hospitals, societies for protection of children,
- religious organisations: Christian, Muslim, etc.
- charity organisations: Red Cross, UNICEF, Amnesty International, etc.
- foundations.

Public services are carried out by governmental and non-profit organisations, which exist because of the needs of society. These organisations produce goods no matter how large are their production costs and no matter how many costs they can actually cover with the sale of goods (Freeman & Shoulders, 1993, p. 2). This is the reason why a large part of such organisations try to obtain additional funding from the state. Furthermore, due to the fact that the production of non-profitable goods cannot be traced to the private sector, it is very difficult to estimate an organisation's efficiency and the accomplishment of various goals set in the past (Coombs & Jenkins, 1991, p. 21).

We place public institutions amongst non-profit organisations, as they fulfil common goals of activities and work corresponding to various organisations in the non-profit sector. These goals have social nature as they reassure certain services urgently needed for better quality of life and increasing social welfare (Rosen, 1999, p. 62).

2.2 The goals and results of public institutions

The external environment of public institutions is one of the most important factors, which influences the goals and the results carried out by institutions in past, present and future development. The government and its politics are usually considered a large element of the mentioned environment. Public institutions are often forced to work under strict programme supervision set by the government and the country's public politics. The goals set by them are frequently too general, unclear and sometimes even contradictory. Although public institutions try to meet these goals with all available financial means, they often fail to satisfy the needs of society's public interest. Public institutions can also have problems adjusting only to certain segments located in the market and satisfying merely their needs. Measurement of the institutions' actual work is therefore very hard to achieve.

The government sets goals in certain sectors corresponding to national programmes and the country's public politics. Minimal standards and the amount of money for carrying out national programmes are also defined during this process. After this process, the manager of the institution is responsible for the implementation of these goals, programmes and standards in the framework of the individual institution. As usual, the government deals with the initialization of the programmes and official politics, while the institution's management defines solutions on how to realize planned goals. Different methods and approaches are used in their implementation.

The government or individuals establish various institutions for the achievement of planned goals and benefits. The institution operates to (Kavičič, 1991, pp. 112-113):

- satisfy the interests of its employees and other individuals or groups,
- produce services or products for the satisfaction of the users needs,
- achieve efficiency and profitability: the institution should assure rational consumption of limited resources and achieve the most favourable correlation between inputs and outputs,

- invest in its own life expectancy: the first goal of the institution is to survive, therefore a part of its financial means should be kept to assure the institution's growth and further development, while the rest can be assigned for the realization of planned goals,
- consider the rules developed in the institution or its divisions, such as legal and moral rules or various norms of development,
- rationalise the work of the institution, which mostly concerns different patterns of the technological and management sectors.

The institution's management should plan its future activities. The preparation of each plan should be made in advance. The actual implementation should be under constant control and if any deviations occur, strong measures need to take place to make sure that the plan is back on track.

The organisational procedures such as planning and supervision are becoming more and more important (Rozman, 1993, p. 137). Both procedures try to assure the schedule of the necessary tasks and the efficiency of the institution's activities. The goal of planning is business efficiency, while the goal of supervision is reassuring the realization of planned tasks.

2.3 The foundation and management of public institutions

Financial and organisational regulations of institutions are defined by the foundation of public institutions. The institution's founding act in details delineates the rights and obligations corresponding to the founder of the institution. The founding act also contains other special legal acts for the realisation of better services. Furthermore, the public institution is subordinated to other additional legislation, which applies to the development of different disciplines where the institution operates.

The state or the municipality is in most cases present at the foundation of the public institution. In this case public interest of the state determines the public services, which will be carried out after the foundation of the institution. The public institution can also be initiated by private undertaking, which means that the institution is considered as a private property.

The regulations concerning organisation, management, foundation and work of the institution are set out in the Institutes Act (Institutes Act, Official Gazette of the Republic of Slovenia, 1991).

The Institutes Act sets out legal basis for the foundation and the work of the institution. The foundation act should contain the following matters:

- name and the residence of the founder,
- name and the residence of the institution,
- activities of the institution,

- legal act of the institution's supervision bodies,
- finances guaranteed for the funding and start of work,
- sources, conditions and ways to receive financial means for the institution,
- legal rights, obligations and responsibilities of the institution,
- legal act stating the founders responsibilities concerning the institution's obligations,
- mutual rights and responsibilities of the founder and the institution,
- other legal acts in accordance to the law.

The Institutes Act does not clearly define the exact managing of the institute. The statute of the founding act only mentions that the managing of the institute should not be executed by the owner, but by the board or institute's body of internal control. The board is comprised of highly skilled financial or legal representatives named by the owner. The board members should have the expertises, knowledge and professionalism of the discipline where the institution operates. The owner can also deliberately reject the guidelines of the board's formation and comprise it in his/her own way in order to obtain more political power and stability.

The board of the institution admits and approves the statutes, regulations and general acts of the institution, deliberates on the programmes and the development of work; sets the financial plan and monitors the final outcomes of the institution. The board also observes the legibility of the institution's business and analyzes the manager's work. The manager leads and organises the actual work of the institution and is responsible for the institution's legal actions. A series of legal acts such as: the programme and the organisation of work, systematization of work places, the personnel plan and the strategic plan, etc. are accepted by the manager with the agreement of the board. The manager is usually nominated for 4 years, while his/her mandate can already be terminated before, due to the following reasons: non realisation of the proceedings of the board, careless work of his/her duties, which can cause instability of the institution's work.

The law states that a public institution with more than 20 employees should have three bodies of internal control – the director, the board and the council of experts, while the board and the council of experts are united in case the institution has fewer employees.

The state also obtains certain managerial rights in relation to the institution. First of all, the state needs to guide and regulate the work of the institution's public services. This means setting up national programmes for various disciplines the institution works with. The efficiency of the programmes' implementation is regulated by the state with the consent of the institution's board.

The second role of the state is proprietorial. The proprietorial rights corresponding to the institution are seen as (Gradišar, 1997, p. 11):

- implementation of the founding rights: agreements to legal acts, rules, internal regulations and modifications or expansions of basic activities of the institution,
- development of business strategies for each individual institution: goal decision making and the review of the final results,
- appointment and dismissal of the manager and managerial bodies,
- supervisory role as the owner: supervision of financial matters of the institution, implementation of set goals and achievement of institution results.

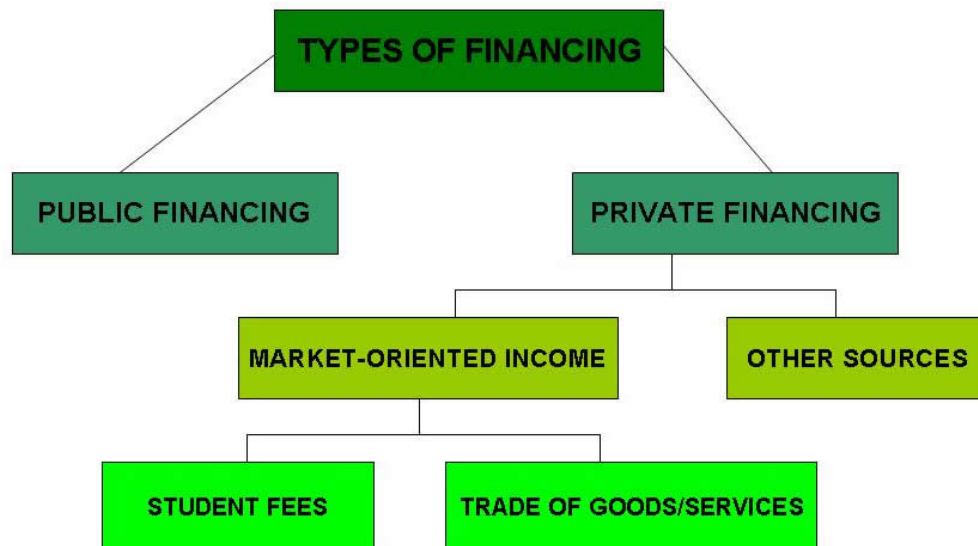
The third role of the state is financial. The detailed description of this role is presented in the third chapter.

3 FINANCING OF PUBLIC INSTITUTIONS

We can differentiate between three different types of financing in relation to public institutions:

- **public financing** – financial means of the founder (state, municipality),
- **market-oriented income** – income with trade of goods and/or services on the market and
- **other sources** – donations, endowments, etc.

Figure 1: The financing of public institutions



Source: Own display.

In general all funding sources of higher music education could be broadly grouped into two categories: *public* and *private*. Public sources come from central, regional and local authorities while private sources include students (and households) and non-governmental bodies such as foundations and charities (Study on “The Financing of Higher Education in Europe” (Vol. I), 2004, p. 6).

The relative importance of each source (public and private) varies from one country to another. For example, the role that regional authorities play in the financing of education is different in each country. Some countries also have a policy of free education (such as Denmark, Finland and Sweden), while in most other countries students are charged tuition fees. In general, historical factors in the development of higher education policies largely account for the current prevailing situation (Study on “The Financing of Higher Education in Europe” (Vol. I), 2004, p. 6).

As tuition fees account for a significant income proportion of higher music education institutions in some countries, it has to be inevitable to offset any negative effects arising from tuition fees are offset with additional public support in forms of scholarships, grants and loans.

I will briefly explain each type of the public institution’s financing in the following subchapters.

3.1 Public financing

The legislation, including a wide range of national programmes, budgetary legislations, and regulatory acts as well as founding acts of public institutions, including annual programmes of work, development and contracts, creates different regulations which divide the money from the state budget between different parties.

The various activities of the institution are financed by the competent ministry in three different approaches (Kamnar, 1999, pp. 125-128):

- financial means intended for the work of the public institution,
- financial means intended for the services of the public institution,
- financial means intended for its programmes.

The public institution receives its financial means from the ministry through standardised annual contracts. The contracts are based on the institution’s annual programme of work. The contractors have to specify the scope and the range of public services and the quantity of necessary means required for the execution of their work.

Governments exploit special methodology to designate basic financial means for all public institutions, where some disciplines with a higher number of public institutions and extensive diversity of their work require additional research and detailed methodology.

The ministry remits financial means for:

- salary of the manager and of other employees of the institution – the amount of salary is predetermined by the Act Regulating Wage Rates in Public Institutions, State Bodies and Local Community Bodies (Act Regulating Wage Rates in Public Institutions, State Bodies and Local Community Bodies, Official Gazette of the Republic of Slovenia, 1994),
- other personal allowances,
- contributions to salary,
- material costs set on the basis of standards for completed services,
- depreciation – based on the agreement between the client and the ministry.

The public institution has to use financial means according to its annual programmes of work and its financial plans. The public institution has to present the report of achieved goals and the final financial report to the ministry by the end of the year. If the ministry ascertains that a part of financial means was misused according to the legislation or used without any purpose, it has the right to reduce the institution's financial support for the misused amount.

It is necessary to take into account that the contracts usually also include the financial means deviation percentage which is not fully provided by the ministry, but is mentioned in the public institution's annual financial plan. In practice, the institution's annual financial plan, which is specified in the annual standardised contract, often differentiates from the actual financial means the public institution receives from the ministry. The public institution's financial supervision could in this case become problematic, more difficulties could also occur with the supervision of efficiency and competence with reference to financial expenditure.

The financial means intended for the institution's investments are another area of decision making that is the responsibility of the ministry. The financial means for investments are assured separately from the other means for the public institution's work. The institution can also finance its own investments, either from the excess income collected in the market, either from financial sources intended for their activities. In general, it is extremely important that the expenditure meant for the institution's investments does not have any influence or impact on the public institution's primary activities.

3.2 Market-oriented income

The public institution can also raise income with trade of goods and/or services in the market, outside of the public service frame. This income is defined as a profitable activity, where the basic goal is the maximisation of the profit (income > outcome = surplus). The institution is in this case market-oriented and the profit from these activities is taxed.

The reasons for market-oriented activities are (Trunk-Širca & Tavčar, 2000, p. 59):

- dependence on the public financial means – regardless of the sources or ways of financing the public institution faces the contraction of public expenditure,

- costs – the growth of costs is also a big concern of public institution as the public money is always given to the institution with the most economical and efficient business,
- gaining independence – public institution is trying to free itself from the bureaucratic and inflexible influence of state administration,
- competition – public institution is faced with high competition coming from profitable institutions that carry out the same activities and work.

State financing covers the institution's work and personnel costs. This amount could be altered if public institution engages in profitable activities. To prevent this from happening, the main question that should be answered is whether the employees engage in the profitable activities in their regular working hours and if the determined scope of working hours is sufficient considering the guaranteed amount of financial means.

Another relevant problem is the categorization of all material and service costs. It is very important to specify which costs are used for the work of public services and/or the work of profitable activities. The book keeping connected to different costs and individual units of responsibility for different expenditures could also present another problem.

Furthermore, the setting of the product and/or service is also questionable. Especially controversial is the current market product price setting when public institution uses its position and burdens a part of the costs on the financing party (in this case the state). This action allows the institution to set a better, competitive and lower price.

3.3 Other sources

Public institutions can acquire other financing means from different parties in the form of donations, endowments, sponsorship, heritage, etc. The institution needs to be pro-active in finding additional funds in these forms, due to the fact that the basic state funding is usually not high enough to keep up with the institution's different activities.

In conclusion, the financing of public institutions would need more standardization and more frequent use of measurements. This could provide us with enhanced opportunities for easier monitoring, efficient supervision and better regulation in the direction of improved efficiency of various public institutions and the correct usage of financial means.

3.4 Innovative mechanisms for financing of higher education

The study on "The Financing of Higher Education in Europe" (Vol. I) (2004, p. 7) states that there is no general trend towards diversification of funding sources except for a few countries such as the United Kingdom. The study shows that there are hardly any innovative mechanisms used by the EU Member States, which are not already in use somewhere else. This appears to

show that there is a tendency to be cautious in introducing new funding mechanisms and preferring to choose those which have been tried and tested elsewhere.

Nevertheless, there have been a number of important innovative mechanisms implemented in the Member States ranging from increasing efficiency in higher education systems, to various forms of student support. For example, The Netherlands offers the performance-related loan, where every student receives a loan, which turns into a grant when his/her studies are successfully completed.

The study on “The Financing of Higher Education in Europe” (Vol. I) (2004, p. 7) mentions five key objectives set as the basis for measuring innovativeness of funding initiatives. These objectives are:

1. increasing absolute levels of funding,
2. diversifying sources of income for universities,
3. making best use of resources (increasing efficiency),
4. providing extra funding for excellence in research and training and for increasing international attractiveness,
5. student aid (allowances, grants, loans).

In general, most of the innovative mechanisms defined in the member countries are transferable to others. Some of them are already in existence in some countries, of course adapted to the local situation. Mechanisms aimed at providing extra funding for additional activities, such as research, supplementary training and international attractiveness are transferable to all Member States. In practice, transferability depends on a number of factors, such as historical, social, legal, political and economic. For example – mechanisms aimed at helping students with loans to pay their tuition fees would not make sense in countries with free higher education. This means that more innovative mechanisms could face restrictions in their transferability because of the reasons mentioned above.

4 HIGHER (MUSIC) EDUCATION IN SLOVENIA

Slovenia has four universities (University of Ljubljana, University of Maribor, University of Primorska and University of Nova Gorica and 17 independent freestanding higher education institutions (Ministry of Higher Education, Science and Technology of the Republic of Slovenia website).

Due to the fact that Slovenia is a relatively small country with approximately two million inhabitants, the new study structure of higher education (Bachelor/Master system described with the so-called The Dublin Descriptors, which are being used in the Bologna process to describe the levels between the 1st, 2nd and 3rd cycles of higher education), which was slowly implemented after the Bologna Lisbon meeting in 2001, took a bit more time than expected. This is understandable given that any rapid change with the introduction of new types of study

programmes would, prior to assessment of the employability of graduates, create new problems in the labour market rather than solve current ones.

In 1998, the Constitutional Court of the Republic of Slovenia accepted the decision that the law regarding the autonomy of faculties is unconstitutional. These were bits and pieces left from the previous system, under which faculties operated as independent legal entities with the university acting only as a loose association. The decision accepted by the Court about the autonomy of higher educational institutions was amended to apply only to universities (and not to faculties) and to other free-standing higher education institutions established by the Republic of Slovenia. An amendment, defining universities as autonomous, scientific, artistic, and teaching higher educational institutions with a special status, was also adopted.

Taking into account the principle of the University's autonomy mentioned above and other principles signed by the Ministry of Higher Education, Science and Technology and the trade unions, the Council of Higher Education prepared a special study on the new funding system. The new higher education funding system moved away from the very inflexible concepts according to standards and norms set up before and introduced bulk sums of money intended for educational activities of each university. These funds are allocated by taking into account the field of study (according to UNESCO ISCED Classification, 1997), the number of students enrolled per study year and the number of graduates in the previous calendar year. The law also defines the other part of funds (Implementation of the Bologna Declaration, Principles in the Republic of Slovenia, p. 6) which are used for:

- a) extracurricular student activities,
- b) investments and maintenance,
- c) financing of development objectives.

These funds should help to increase the quality of the study, improve the age structure of higher education teachers, scientists and staff and contribute to other aims important to the development of higher education and international cooperation.

The only institution for higher music education in Slovenia is a part of the University of Ljubljana, which besides the Academy of Music, has 22 other member faculties and 2 member academies. All member institutions of the University are equal and are obliged to follow the same laws and regulations.

The University member institutions are carrying out national programmes of higher education, national research and developing programmes and all other activities mentioned in the statute of the University.

When compared to the ISCED Classification (UNESCO ISCED classification, 1997) the Academy of Music, for example, covers the education in arts (music: composition and music

theory, conduction, instruments, singing, church music, opera school) as well as education of the future music teachers/professors (music pedagogy, instruments).

The Academy of Music had the following number of students per year.

Table 1: Students of the Academy of Music in 2003-2005

| Year | 2003 | 2004 | 2005 |
|--------------------|-------------|-------------|-------------|
| Number of students | 356 | 423 | 422 |
| Index | 100.00 | 118.82 | 118.54 |

Source: Internal source of the Academy of Music.

The table shows that the number of students rose rapidly by 18.8% from 2003 to 2004, while no significant change in the number of students can be noticed from 2004 to 2005. The change of the number of students might somewhat influence the institution's funding, which will be clarified during the comparison later on.

Throughout the mentioned years the institution employed altogether 116 staff, including administrative personnel, professors and honorary professors. The administrative personnel (14.6%) had permanent contracts with the institution. Also 63.8% of professors had permanent contracts with the institution, while 21.6% of professors were involved with the institution only on an honorary or part-time basis (Internal source of the Academy of Music).

5 FINANCING OF THE ACADEMY OF MUSIC OF LJUBLJANA

The Academy of Music needs to acquire money for all of its activities, study programmes and employees' salaries from various sources. The annual financial report of the Academy of Music displays that the state is one of the largest financial contributors of the institution. The next subchapter is going to take a closer look at this type of funding.

5.1 State funding of the University and the Academy of Music

The amount of money that the Academy of Music receives from the budget of the Republic of Slovenia is first given to the University of Ljubljana and is then distributed to the member faculties and academies.

All the activities of the University, which can be considered as a part of higher education, national research and development in Slovenia, are financed by the Ministry of Higher Education, Science and Technology. For other matters and extra activities the institutions have to obtain money from other sources. Each member institution gets a share of the money from overall state budget; however the amount of money an institution receives depends on the formula (the formula for annual setting of the means for an institution of higher education) specified in the Higher Education Act (Higher Education Act; Decree on budgetary financing

of higher education and other university member institutions from 2004 till 2008, Official Gazette of the Republic of Slovenia, 2003).

The formula is set in the following order. Annual financial revenues for study activities of the institution of higher education (IHE) are composed of basic annual revenues (BAR) and normative annual revenues (NAR):

$$IHE = BAR + NAR \quad (1)$$

The basic annual revenues (BAR) for higher education institution are set as follows:

- in 2004 80% of annual revenue for a higher education institution from 2003, increased by K,
- in 2005 77.5% of annual revenue for a higher education institution from 2004, increased by K,
- in 2006 75% of annual revenue for a higher education institution from 2005, increased by K,
- in 2007 72.5% of annual revenue for a higher education institution from 2006, increased by K,
- in 2008 70% of annual revenue for a higher education institution from 2007, increased by K.

The annual financial revenues for study activities (IHE) shall increase every year at least for the actual growth of the GDP of the Republic of Slovenia. The revenues will also not increase by less than 2.5% according to the realisation of the study activity of previous year. The percentage of this increase from the decree is K. (Decree on budgetary financing of higher education and other university member institutions from 2004 till 2008, Official Gazette of the Republic of Slovenia, 2003).

Normative annual revenues of the higher education institution (NAR) are set with the consideration of the annual initial value (AIV), the sum of students (S), the number of graduates (G) multiplied with the weight (W) and the factor of the study group the institution belongs to f(S).

$$NAR = AIV * \sum ((S + G * W) * f(S)) \quad (2)$$

Annual initial value (AIV) is set as normative annual means per student in the first study group and it is calculated as a quotient between the difference of the annual budgetary means (ABM) and the basic annual means for study activities of all higher education institutions (BAM) divided by the number of students (S), number of graduates (G) multiplied with the weight (W) and the factor of the study group the institution belongs to f(S).

$$AIV = (ABM - \sum BAM) / ((S + G * W) * f(S)) \quad (3)$$

The sign S for students means full time students of undergraduate programmes, excluding senior students at the institution of higher education in the current school year.

The sign G for graduates means full time graduates of undergraduate study programmes at the institution of higher education in the previous school year.

The sign W for weight means a correlation between normative financial means for a graduate of the study programme and a student of the same study programme.

The higher education institution's revenues are changing (rising or declining) annually, which can be seen in the financial plan of the Ministry of Higher Education, Science and Technology of the Republic of Slovenia.

On the basis of the annual working plan, the University's official committee accepts the annual financial University plan.

The following table (Table 2) shows the amount of money that the Academy of Music received from the state budget in 2003-2005. As is seen in the table, the amount of money is slowly rising by 11.7% in 2004 and by 0.9% in 2005.

Table 2: State funds of the Academy of Music in 2003-2005

| Year | 2003 | 2004 | 2005 |
|--------------------|--------------|--------------|--------------|
| State funds (in €) | 3,337,721.69 | 3,726,922.66 | 3,759,196.57 |
| Index | 100.00 | 111.66 | 112.63 |

Source: Internal source of the Academy of Music.

The reason for the rising amounts of money in 2004 can be explained with the formula for annual setting of the means for an institution of higher education. The formula especially emphasises the number of students as a very important factor. Due to the fact that the number of enrolled students of the Academy of Music increased immensely in 2004, it can be expected that the amounts of money received from the state budget would ascend as well. In total, the amounts of money from the state budget increased by 12.63% compared to 2003.

5.2 Other funding sources of the Academy of Music

For other activities, not related to the education and research, the University and all of its member faculties and academies, including the Academy of Music, have to get finances from other sources such as:

- from student fees and other contributions for studying,
- payments for the services of the University,
- additional public support (e.g. for research activities),

- private funds such as donations, heritages and gifts,
- other sources.

Student fees and other contributions for studying

The University has the right to collect student fees from students who attend undergraduate and graduate programmes, which are not or are just partly financed in the framework of the national programme of higher education by the Republic of Slovenia.

The following table (Table 3) shows the amount of money the Academy of Music collected with student fees in 2003-2005. The trend of rising student fees can be explained with the enrolment of more part-time students, which have to pay a certain fee in order to study at the academy. In addition, the total fee of an individual student dramatically increased comparing to 2003. Student fees increased by 86.7% from 2003-2004 and by 14.2% in 2004-2005. In total, the funding from student fees rose by 113.26% in 2003-2005.

Table 3: Student fees of the Academy of Music in 2003-2005

| Year | 2003 | 2004 | 2005 |
|---------------------|-------------|-------------|-------------|
| Student fees (in €) | 110,849.20 | 206,952.35 | 236,394.63 |
| Index | 100.00 | 186.70 | 213.26 |

Source: Internal source of the Academy of Music.

Payments for the services of the University

The payments for the services are at the Academy of Music mostly related to the students' contributions for borrowing the institution's instruments. The contribution from this income is modest and does not influence the total academy's income.

Additional public support (e.g. for research activities)

The Academy of Music also received some money from additional public support. The money was mostly used for research activities.

Table 4: Additional public support of the Academy of Music in 2003-2005

| Year | 2003 | 2004 | 2005 |
|----------------------------------|-------------|-------------|-------------|
| Additional public support (in €) | 4,047.55 | 27,518.03 | 2,470.58 |
| Index | 100,00 | 679.87 | 61.04 |

Source: Internal source of the Academy of Music.

The amount of money the Academy receives from this source changes per year and it cannot be predetermined according to the previous year.

Private funds such as donations, heritages and gifts

The following table shows the amount of money the Academy of Music received from private funds – donations. The donations are not a steady element of income of the institution and depend on various unknown variables and time. Therefore, it is not possible to find steady pattern of received donations.

Table 5: Private funds of the Academy of Music in 2003-2005

| Year | 2003 | 2004 | 2005 |
|----------------------------------|-------------|-------------|-------------|
| Private funds – donations (in €) | 6,524.17 | 23,152.07 | 5,563.50 |
| Index | 100.00 | 354.87 | 85.27 |

Source: Internal source of the Academy of Music.

Other sources

The University has the right to receive payments from students for other contributions corresponding to study or a variety of services, which are not or are just partly financed in the framework of the national program of higher education. These contributions and services are:

- costs of selection and entry procedures,
- costs that are not a part of accredited study programmes (therein work, excursions...),
- edition of certificates, copies and transcripts of documentation from University,
- costs of the 4th take of the exam,
- entry and differential exams,
- other services.

Table 6 shows the amounts of money the Academy of Music received from other sources per year.

Table 6: Other funds of the Academy of Music in 2003-2005

| Year | 2003 | 2004 | 2005 |
|--------------|-------------|-------------|-------------|
| Other (in €) | 29,888.02 | 29,989.55 | 24,056.32 |
| Index | 100.00 | 100.34 | 80.49 |

Source: Internal source of the Academy of Music Ljubljana.

5.3 Total funding of the Academy of Music

The total revenues the Academy of Music had at its disposal in 2003-2005 are shown in the Table 7. The revenues increased by 15.06% in 2004 and by 0.33% in 2005. The total revenues of the Academy of Music increased by 15.44% in 2003-2005.

Table 7: Total revenues of the Academy of Music in 2003-2005

| Year | 2003 | 2004 | 2005 |
|---|--------------|--------------|--------------|
| Total revenues of the Academy of Music (in €) | 3,489,030.63 | 4,014,534.66 | 4,027,681.58 |
| Index | 100.00 | 115.06 | 115.44 |

Source: Internal source of the Academy of Music Ljubljana.

Table 8 shows the difference between different funding sources of the Academy of Music from in 2003-2005 (in percents). State funds cover more than 90% of academy's funding every year. The exact amount depends on the funding from previous year and formula for annual setting of the means for a higher education institution. An overall increase of student fees can also be noticed especially in 2004. Other sources of funding are not a particularly large element of the institution's income and depend on various unknown variables and time.

Table 8: The funding sources of the Academy of Music in 2003-2005 (in %)

| Source \ Year | 2003 | 2004 | 2005 |
|---------------------------|-------------|-------------|-------------|
| State funds | 95.66 | 92.84 | 93.33 |
| Private funds - donations | 0.19 | 0.58 | 0.14 |
| Additional public support | 0.12 | 0.69 | 0.06 |
| Student fees | 3.18 | 5.16 | 5.87 |
| Other | 0.86 | 0.75 | 0.60 |
| Total | 100 | 100 | 100 |

Source: Own display.

5.4 Expenditures of the Academy of Music

The Academy of Music spends the largest amount of its money on the following expenditures (Internal source of the Academy of Music Ljubljana).

Table 9: Expenditure of the Academy of Music (in %)

| Expenditure | Amount (in %) |
|--|----------------------|
| Labour costs | 80 |
| Rent for classrooms and maintenance of the instruments | 10 |
| Costs for concert subscription programme | 5 |

Source: Internal source of the Academy of Music.

Labour costs are the main expenditure of the Academy of Music, accounting approximately 80% of the total income. However, given that employees are paid directly by the state budget of Ministry of Higher Education, Science and Technology, the Academy of Music can use money from other sources for different purposes. The second largest expenditure, rent for

classrooms and the maintenance of the instruments, is according to the first one relatively smaller, as it only contributes to around 10% of the total expenditure. Costs for concert subscription programme are the third biggest expenditure, but they only take around 5 % of the total expenses.

As it is shown previously, the Academy of Music receives the largest amount of money (more than 90 %) from the state budget. The institution would be in serious financial problems if the amount of money from the state budget were to decrease. On the other hand, the education in Slovenia is a public good and it will also be most certainly mainly financed by the state in the future. Additionally, the institution cannot decide on its own what the money provided by the state will be used for. As a matter of fact, the law states specified purposes for what the money can be used. Besides that, it is not possible to get extra money for expenses outside the budget (for example: additional teaching staff, building projects, etc.).

6 HIGHER (MUSIC) EDUCATION IN ITALY

The main principles of the Italian educational system are set down in the Italian Constitution that was adopted in 1947. Especially important is the Art 33 (Woodcock, 2000, p. 10) of the constitution which states that “...art and science are free and the teaching thereof shall be free”. Furthermore, the article points out that all higher education institutions “have a right to establish their own regulations autonomously, within the limits set by national legislation”.

The Italian educational system has a long and rich history, which has been undergoing many changes and reforms. In 1989 the *Ministero dell'Università e della Ricerca Scientifica e Tecnologica – MURST* (Ministry for Universities and Scientific and Technological Research) was established. In 2001 MURST was replaced by the new *Ministero dell'Istruzione, dell'Università e della Ricerca – MIUR* (Ministry of Education, University and Research). All financial resources, staff and functions of the former MURST have been transferred to MIUR.

MIUR is responsible for the design and promotion of scientific and technological research, drafting of development plans for universities and allocating funding for these plans; coordination of universities and other research institutions, participation in international programmes, distribution of allocations included in the Ministry's budget and allocation of resources to universities on the basis of objective criteria defined by law (Italian Ministry of Education, University and Research website).

One of the most important reforms of the Italian Higher Education System was approved in 1999 (National report on the implementation of the Bologna process, 2003) granting full autonomy in management and finance to universities, as well as autonomy in teaching and course planning. The main objective of the reform was to bring the Italian Higher Educational System in line with the European university model as established in the Bologna Declaration Process (Bologna process and music website). Due to the fact that enrolment in Italian Universities has increased by 700 % in the last 50 years (Italian Higher Education,

International guide – CIMEA, 2003, p. 4), these reforms have been essential in order to transform the old elite university system into one of wider access.

The ministerial decree no. 509/99 laid down the general criteria on 3rd November 1999, which had to be adopted by universities in the reorganisation of their degree courses, establishing types of degrees and qualifications needed in order to allow universities to award. In accordance with the law, the higher education university sector is based on two main cycles (a three-year *Laurea*, followed by a two-year *Laurea specialistica* corresponding to a 3+2 framework).

This reform would help the Italian educational system to become more student centred, supporting international student mobility, free circulation of labour and international academic recognition. The system of credits, based on the European Credit System (ECTS), was also introduced (Crediti Formativi Universitari), in order to reduce the gap between legal and real duration of university courses and the curb of the drop out rate. Others objectives were to implement the teaching autonomy and increase the flexibility and quality within the educational system.

To meet these aims, Italy has reformed its higher education into two distinct sectors:

- University sector
- Non-University sector

While the University sector provides education in various studies (Database of University Programmes, Italian Ministry of Education, University and Research), the Non-University sector mainly covers the higher education in arts and music, but has also expanded into other areas such as language mediation, psychotherapy, courses at the military academies, higher educational training, vocational post-secondary professional education and training by the Regions.

The higher music education, which is a part of the Non-University sector of Italian Higher Education, has according to regulations written in the Art 33 of the Italian Constitution the same rights to autonomous regulations as the University sector. Furthermore, as I have already mentioned, one of the most important laws for higher education as well as for higher *music* education was approved in 1999, law no. 508 (Italian Higher Education, International guide – CIMEA, 2003, p. 22; Legge 21 dicembre 1999, n. 508) where it is stated that a system of higher advanced education and specialisation in the arts and music – *Sistema dell'alta formazione e specializzazione artistica e musicale* or *AFAM system* is going to be created (Decreto del Presidente della Repubblica 28 febbraio 2003, n.132).

The AFAM institutions have a juridical entity and enjoy full autonomy (statutory, scientific, teaching, managerial and financial). They have to refer to MIUR – Italian Ministry of

Education, University and Research) and the national reference authority for all matters related to planning, orientation and coordination (European education directory – EuroEducation).

The AFAM institutions may establish programmes at different levels starting from basic to advanced and specialized level of music education and promote research in the Arts and Music. In the beginning of the Bologna process implementation an attempt was made to create schools for pre-college music education, so that only higher education would be offered by the AFAM institutions. Unfortunately the attempt did not receive a good response from a broader public and the results so far are not as successful as expected in the beginning.

Higher music education and training is currently offered by two different types of music institutions belonging to the AFAM system – State Music Conservatories and Recognised Music Institutions, which give qualifications of equal level of those obtained at the end of a conservatoire study.

The two types of music institutions function in almost exactly the same way – they offer the same courses, same music programmes, same exams, etc. There are a couple of differences in the financing, which exist due to the fact that Recognised Music Institutions were created in cities which did not have an institution for higher music education and which were willing to finance the creation of one. Consequently the organisation and size of the Recognised Music Institutions differs from one institution to another, while the organisation of the State Conservatories is just an imitation of State Conservatory in Rome, which was established first.

7 FINANCING OF HIGHER MUSIC EDUCATION INSTITUTIONS IN ITALY

As already mentioned above, higher music education is offered by two types of institutions – State Music Conservatories and Recognised Music Institutions. This chapter intends to provide an overview of similarities and differences concerning their organisational and funding aspects.

I would like to point out that Italian higher music education institutions provide lessons on all levels of music education, from basic to advanced and specialised level. This means that the institutions funding is not only used for higher music education students, but for every student registered at the institutions.

The statistic office of the Ministry of Education, University and Research (Ufficio di Statistica) always publishes sum numbers of data corresponding to the funding of the entire music education. This is why it is very difficult to determine how much money is intended only for higher music education students. Furthermore, the professors employed by the higher music education institutions do not give lessons only to students attending higher levels, which makes it difficult to conclude how much money is only intended for the lessons of higher music education.

The Italian higher music education programmes are currently in a constant state of yearly changes, which means that it is hard to determine the exact number of 1st and 2nd cycle students. The institutions are also currently implementing the Bachelor/Master system and the ECTS system of credit points, which will be verified and approved by the ministry in the following year. Nevertheless, I will try to give exact numbers or if that is not possible, approximations, so that the comparison can be made in the end of the research.

7.1 State funding of the State Music Conservatory

There are currently 58 State Music Conservatories (Conservatori di Musica) where students can follow higher music education courses (Database of Higher Music Education Institutions, Italian Ministry of Education, University and Research).

The money for the funding of the conservatoires mostly comes from the state budget and is controlled by the Italian Ministry of Education.

The annual budget for the institutions is allocated on the basis of forecasts, introduced to the Parliament and to the competent commission in order to receive their point of view and additional comments. The forecasts include numbers, typology and the authorisations of the designated expenditures. The ministry can authorise necessary variations to the budget between different units on proposal of the competent minister. The forecasts are calculated on the basis of collected data from previous years. The institutions need to fill in different forms indicating the number of students, the money spent on the research, the administration costs, etc. and send all collected data to the appropriate ministry before the specified date, so that the ministry can allocate state funds for next years. The forms and the instructions on how to complete them can be found on the AFAM website. The instructions on how to formulate the institution's profit and loss accounts can also be found there.

During my interview with Mr. Giorgio Brunello¹ I discovered that the large majority of state funds are directly transferred from the Treasury (Ministero dell'Economia e delle Finanze – The Ministry of Finance) in order to compensate for employees (administrative personnel and professors) salaries. For example, if the institution employs 70 professors, the Ministry of Finance pays 70 times the individual salary; the same also applies to the administrative staff, etc. In case of the Conservatorio di Musica "E.F. Dall'Abaco" in Verona that includes around 70 professors, 2 managers, 4 secretaries and 12 technicians. These expenses are all called *fixed expenses* and they are not included in the individual conservatory's profit and loss account. The conservatory directly receives money only from the Ministry of Education, University and Research (Ministro dell'Università e della Ricerca). This sum of money is much smaller and can be included into the profit and loss accounts. These additional funds are used for other matters than employees' salaries and vary from year to year depending on the size and expenditure of the conservatory and the forecasts of the competent ministry.

¹ Mr. Giorgio Brunello is a director of the Conservatorio di Musica "E.F. Dall'Abaco" in Verona, Italy.

The regulations and principles of funding of the conservatoires do not on general differ from one institution to another, but some small differences can always be found. For example: the Conservatorio di Musica "E.F. Dall'Abaco", Verona employed 7 contract professors in the school year 2005/2006. Their salaries were sponsored by a bank (Internal source of the Conservatorio di Musica "E.F. Dall'Abaco", Verona). This means that their salaries were not paid from the Ministry of Finance, but from a private source.

Mr. Hugh Ward-Perkins² informed me that the conservatory tries to guarantee that the sponsor does not withdraw from the sponsoring within one year and that covers at least one complete cycle (e.g. three-year cycle) so that the course is not closed halfway through. Unfortunately the situation where sponsors can reduce their funding can happen quite frequently, forcing the conservatory to make economies or to find a different sponsor.

I will continue with the description of the State Music Conservatory's organisational and funding aspects. The Conservatorio di Musica "Giuseppe Verdi" di Milano³ is one of the biggest and autonomous conservatories in Italy. The description should generally apply to all State Music Conservatoires, but it is also possible that some small differences between institutions could occur.

Table 10 initially shows the total amount of students, since the Conservatory also offers lower music education. The number of students enrolled in the 1st and 2nd cycle of higher music education is specified in the third row of the table. It is very important to differentiate between lower music education students and higher music education students.

Table 10: Students of the Conservatorio "G. Verdi" in 2003-2005

| Year | 2003 | 2004 | 2005 |
|--|-------------|-------------|-------------|
| Total number of students | 1450 | 1458 | 1407 |
| Index | 100.00 | 100.55 | 97.03 |
| Number of 1 st and 2 nd cycle students | 210 | 212 | 236 |
| Index | 100.00 | 100.95 | 112.38 |

Source: Internal source of the Conservatorio "G. Verdi".

The total number of students has not changed drastically during the years, while a significant increase of higher education students by 12.4% can be noticed from 2003 to 2005.

As the State Music Conservatories offer music education from the basic to secondary and higher level, I will try to differentiate between 1st and 2nd cycle higher music education students from the total number of students and total revenues available for funding.

² Mr. Hugh Ward-Perkins is the head of international relations of Conservatorio di Musica "E.F. Dall'Abaco".

³ The name of the Conservatorio di Musica "Giuseppe Verdi" di Milano will be shortened to Conservatorio "G. Verdi".

298 full-time employees (administrative personnel and professors) worked at the institution in 2003, the number declined to 296 in 2004 and increased to 300 in 2005 (Internal source of the Conservatorio "G. Verdi").

The Conservatorio "G. Verdi" receives the largest amount of money from the state budget. This amount of money is much smaller than the state funding of the Academy of Music. On the other hand, the institution also receives some money from the Province of Milano, while the Academy of Music does not receive any local contributions.

Table 11: State funds and personnel costs of the Conservatorio "G. Verdi" in 2003-2005

| Year | 2003 | 2004 | 2005 |
|------------------------|--------------|--------------|--------------|
| State funds (in €) | 505,024.76 | 942,055.90 | 846,053.68 |
| Index | 100.00 | 186.54 | 167.53 |
| Personnel costs (in €) | 5,783,854.76 | 5,748,578.24 | 5,832,524.04 |
| Sum amount (in €) | 6,288,879.52 | 6,690,634.14 | 6,678,577.72 |
| Index | 100.00 | 106.39 | 106.20 |

Source: Internal source of the Conservatorio "G. Verdi".

Table 11 indicates that the state funding rose dramatically by 86.54% in 2004. It is possible to see that the change in the amount of money in 2004 does not correlate in any way to the change in the number of students in the same year. The financial statements of 2004 show the decrease of self-financing, which needs to be covered with other financial means, in this case with state and private funds.

In order to realize the comparison of all information, I also need to mention that the salaries of State Conservatoire's staff are not included in the Ministry of Education, University and Research funds (see Table 11), as they are directly paid from the Italian Ministry of Finance. According to the document regarding public salaries administration (Contratto Collettivo Nazionale di Lavoro relative al personale del comparto delle Istituzioni di Alta Formazione e Specializzazione Artistica e Musicale, 2003, p. 62) of the Italian agency for public administration (Agenzia per la rappresentanza negoziale delle pubbliche amministrazioni), the staff of the Conservatorio "G. Verdi" receives different amounts per year to cover the personnel costs (see Table 11). The result of adding personnel costs to state funds is shown in Table 11. The total amount of money from both ministries is increasing by 6.20% in 2003-2005.

7.2 Other funding of the State Music Conservatory

The following table shows the amount of money the Conservatorio "G. Verdi" received from private funds (donations, gifts) per year. Mr. Paolo Rimoldi⁴ explained that the institution's private funds are mostly used for concert halls renting, which is not directly connected to

⁴ Mr. Paolo Rimoldi is the head of international relations of Conservatorio "G. Verdi".

Italian national programmes the institution has to perform, but is considered as an extra activity. The funds from 2005 are used for building maintenance.

Table 12: Private funds of the Conservatorio "G. Verdi" in 2003-2005

| Year | 2003 | 2004 | 2005 |
|----------------------|-------------|-------------|--------------|
| Private funds (in €) | 48,328.12 | 412,050.00 | 2,233,791.44 |
| Index | 100.00 | 852.61 | 4,622.14 |

Source: Internal source of the Conservatorio "G. Verdi".

As it can be seen in the Table 12 private funds take a form of exponential function, because of the large contributions in 2005. On the other hand, private funds are not fixed and permanent element of the income and depend on various unknown variables and time, so it is not possible to find any correlation between the year and the money from private funds (in this case company's donations – sponsorship is considered as private funding).

Another source of money for the State Music Conservatories is student fees. Each student enrolled into various music courses of the Conservatorio "G. Verdi" needs to pay a certain amount of money, which is regarded as a fee for participation in institution's courses. This amount depends on the educational level of each student (primary, secondary or 1st and 2nd cycle of education).

Table 13: Student fees of the Conservatorio di Musica "G. Verdi" di Milano in 2003-2005*

| Year | 2003 | 2004 | 2005 |
|---------------------|-------------|-------------|-------------|
| Student fees (in €) | 446,583.04 | 410,550.00 | 416,700.00 |
| Index | 100.00 | 91.93 | 93.31 |

Legend: * Data applies to all students of the Conservatory.

Source: Internal source of the Conservatorio "G. Verdi".

The student fees are in generally decreasing due to the small decline in the overall student enrolment. The students of higher music education are on the other hand throughout the years increasing in numbers and changing the student structure of the institution.

The Conservatorio "G. Verdi" also receives money from the province of Milano. This money is not the Conservatory's primary income, as it is the case with the Recognised Music Institutions, but it does contribute a comprehensible figure to the Conservatory's final income.

Table 14: Province funding of the Conservatorio "G. Verdi" in 2003-2005

| Year | 2003 | 2004 | 2005 |
|---------------------------|-------------|-------------|-------------|
| Province di Milano (in €) | 758,672.03 | 817,928.45 | 550,000.00 |
| Index | 100.00 | 107.81 | 72.50 |

Source: Internal source of the Conservatorio "G. Verdi".

A major change in the financing can just be noticed in 2005 where the financing decreases quite drastically. The change in the financing is probably caused by the increase of private financing, which replaced the money from the Province di Milano.

The smallest amount of money the Conservatorio "G. Verdi" receives from other sources.

Table 15: Other funds of the Conservatorio "G. Verdi" in 2003-2005

| Year | 2003 | 2004 | 2005 |
|--------------|-------------|-------------|-------------|
| Other (in €) | 465,604.75 | 43,559.39 | 156,991.63 |
| Index | 100.00 | 9.36 | 33.72 |

Source: Internal source of the Conservatorio "G. Verdi".

The other sources only contribute small amounts of money to the conservatory. The exception is 2003, where other sources include self-financing of the conservatory and are thus larger than usually (more than 5% of the total funding).

7.3 Total funding of the State Music Conservatory

The total amount of money the institution had on its disposal within 2003-2005 is shown in the Table 16.

Table 16: Total revenues of the Conservatorio "G. Verdi" in 2003-2005

| Year | 2003 | 2004 | 2005 |
|---|--------------|--------------|---------------|
| Total revenues of the Conservatorio "G. Verdi" (in €) | 8,008,067.46 | 8,374,721.98 | 10,036,060.79 |
| Index | 100.00 | 104.58 | 125.32 |

Source: Internal source of the Conservatorio "G. Verdi".

As it can be seen in the table, the total amount of money of the Conservatorio "G. Verdi" is throughout all years slowly rising, while a high increase can be noticed in 2005 due to the large contribution from private funds.

Table 17 shows the structure of funding sources of the Conservatorio "G. Verdi" in 2003-2005 (in percents).

Table 17: The funding sources of the Conservatorio "G. Verdi" in 2003-2005 (in %)

| Source \ Year | 2003 | 2004 | 2005 |
|----------------------------------|------------|------------|------------|
| State funds + Personnel costs | 77.09 | 77.34 | 63.47 |
| Private funds | 0.64 | 5.54 | 24.31 |
| Province di Milano | 10.11 | 11.01 | 5.98 |
| Student fees | 5.95 | 5.52 | 4.53 |
| Other-self financing | 6.21 | 0.59 | 1.71 |
| Total | 100 | 100 | 100 |

Source: Own display.

The state funds with the personnel salaries contribute about two thirds to the institution's total amount of money. The second in line are surprisingly private funds, which grew by more than double. On the other hand, Table 17 shows overall diminishing funds of student fees, state funds and the relatively stable, but also diminishing source of money from the province of Milano. This means that the private funds have to compensate for the decline in other sources. Other sources of funding (including self-financing) are not a particularly large element of the income of the institution and depend on various unknown variables and time.

7.4 Expenditures of the State Music Conservatory

The biggest expenditures of the Conservatorio "G. Verdi" are shown in Table 18 (Internal source of the Conservatorio "G. Verdi").

Table 18: Expenditure of the Conservatorio "G. Verdi" (in %)

| Expenditure | Amount (in %) |
|---|---------------|
| Building maintenance | 23 |
| Extra teaching activities and managing of the orchestra | 5 |
| Maintenance of instruments | 2 |

Source: Internal source of the Conservatorio "G. Verdi".

The financial statements of the conservatory show that the building maintenance is the main expenditure, accounting on average 23% of the total expenditures in 2003-2005. For extra teaching activities and managing of the orchestra conservatory spent on average 5% of the total expenditure in 2003-2005. Last but not the least, the maintenance of the conservatory's instruments cost on average only 2% of the total revenue in 2003-2005. I also need to mention the expenditure regarding the personnel costs which are a large part of the total revenues

(about 70%), but were not mentioned by the institution's management, due to the fact that these costs are covered directly by the Ministry of Finance.

The institution is autonomous and has acknowledged status of complete financial independency. The decision about what the money provided by the state will be used for is made independently by the institution. The conservatory regulations also state that it is possible to look for extra financial support from private sponsors and accept money donations. The money coming from these sources is usually used for expenses outside the budget, such as additional teaching staff, building projects, etc.

The financial report of year 2005 shows that the total amount of money, according to the previous year, doubled due to the essential large private donation. The financial budget has consequently higher expenditures for building maintenance in the year 2005 than in previous one⁵.

7.5 Local funding of the Recognised Music Institution

There are currently 21 Recognised Music Institutions (Istituti Musicali Pareggiati) where students can follow higher music education courses (Database of Higher Music Education Institutions, Italian Ministry of Education, University and Research).

Mr. Carmelo Giudice⁶ explained the funding of the Istituto Musicale "Vincenzo Bellini" in Catania, Italy.

Table 19 shows the number of students the institution had per year.

Table 19: Students of the Istituto Musicale "Vincenzo Bellini" in 2003-2005

| Year | 2003 | 2004 | 2005 |
|--|-------------|-------------|-------------|
| Total number of students | 682 | 760 | 788 |
| Index | 100.00 | 111.44 | 115.54 |
| Number of 1 st and 2 nd cycle students | 195 | 248 | 274 |
| Index | 100.00 | 127.18 | 140.51 |

Source: Internal source of the Istituto Musicale "Vincenzo Bellini".

The total number of students increased by 15.54% in year 2003-2005. An increase of the 1st and 2nd cycle higher music education students is also evident, in total by 40.51% in 2003-2005. This indicates the change in the student structure towards visible growing numbers of 1st and 2nd cycle students at the institutions. The reasons for growing numbers of higher music education students at the Recognised Music Institutions and State Music Conservatoires can be explained with the ministry's initiative concerning organisational changes of the study programmes and institutions, which implies that only higher music education students should study at the higher education institutions.

⁵ See Appendix 2 – Financial report of the Conservatorio "G. Verdi" di Milano

⁶ Mr. Carmelo Giudice is a director of the Istituto Musicale "Vincenzo Bellini", Catania

The institution employed 98 workers (administration personnel and professors). 87.7% workers had a permanent contract with the institution, while 12.2% professors had a short-term contract with the institution (Internal source of the Istituto Musicale “Vincenzo Bellini”, Catania).

The Recognised Music Institutions offer higher music education like the State Music Conservatoires. The differences between State Conservatoires and Recognised Music Institutions exist because the Recognised Music Institutions were created in cities which did not have a Music Conservatory and which were willing to finance the creation of one.

The organisation and the size of the Recognised Music Institutions differ from one to another according to the size and the funding of province and commune where the institution is located. The main funding sources of the Recognised Music Institutions are student fees and the money coming from commune and province where the institution is established and located.

Due to the different funding structures of institutions, the professors of the Recognised Music Institutions are paid by the commune where the institution is located, while the professors of the State Conservatories are paid from the state budget. The buildings of the Recognised Music Institutions are normally owned by the city (and not by the Province) as it is usual with the State Music Conservatoires.

The Istituto Musicale “Vincenzo Bellini” is until the fulfilment of the process previewed from the Law no. 508/99 funded from the following sources (Internal source of the Istituto Musicale “Vincenzo Bellini”):

- annual contribution of the Commune of Catania,
- annual contribution of the Regional Province of Catania,
- the contributions of the students (student fees),
- activities carried out by the institution (market-oriented income),
- eventual contributions of other public agencies, including the European Union, the Italian State and the Sicilian Region,
- eventual contributions, donations, inheritances from private subjects or sponsors.

The board of directors and the academic council together determine the contributions from students, registration fees and the contributions of examinations.

Local funding is one of the main funding sources of the Recognised Music Institutions. The commune where the institution is located contributes most of the money; naturally the province takes the second place. The amount of money received depends on the time (the amount of money is naturally getting higher each year) and of course on the number of students. The province funding notably increased by 26.32%, while the commune funds came second with an increase of 8.11% in 2005.

Table 20: Local funding of the Istituto Musicale “Vincenzo Bellini” in 2003-2005

| Year | 2003 | 2004 | 2005 |
|----------------------------|-------------|-------------|-------------|
| Commune di Catania (in €) | 3,700,000 | 4,000,000 | 4,000,000 |
| Index | 100.00 | 108.11 | 108.11 |
| Province di Catania (in €) | 1,900,000 | 2,000,000 | 2,400,000 |
| Index | 100.00 | 105.26 | 126.32 |

Source: Internal source of the Istituto Musicale “Vincenzo Bellini”.

7.6 Other funding of the Recognised Music Institution

Another funding source of the institution is student fees.

The music institution has the right to collect student fees. The rules of collection are the same as at the conservatories – the student fee depends on educational level of student. Table 21 indicates that the amount collected with student fees did not change in 2004 and increased by 50% in 2005. The amount increased due to the higher number of enrolled higher education students.

Table 21: Student fees of the Istituto Musicale “Vincenzo Bellini” in 2003-2005*

| Year | 2003 | 2004 | 2005 |
|---------------------|-------------|-------------|-------------|
| Student fees (in €) | 200,000 | 200,000 | 300,000 |
| Index | 100.00 | 100.00 | 150.00 |

Legend: * Data applies to all levels of music education.

Source: Internal source of the Istituto Musicale “Vincenzo Bellini”

7.7 Total funding of the Recognised Music Institution

The total revenues the Istituto Musicale “Vincenzo Bellini” had on its disposal in 2003-2005 are shown in the following table. The institution’s total amount of money is constantly rising, keeping a good steady income for the institution.

Table 22: Total revenues of the Istituto Musicale “Vincenzo Bellini” in 2003-2005

| Year | 2003 | 2004 | 2005 |
|---|-------------|-------------|-------------|
| Total revenues of the Istituto Musicale “Vincenzo Bellini” (in €) | 5,800,000 | 6,200,000 | 6,700,000 |
| Index | 100.00 | 106.90 | 115.52 |

Source: Internal source of the Istituto Musicale “Vincenzo Bellini”.

Table 23 shows the difference in the individual funding sources of the Istituto Musicale “Vincenzo Bellini” in 2003-2005 (in percents).

Table 23: The funding sources of the Istituto Musicale “Vincenzo Bellini” in 2003- 2005 (in %)

| Source/Year | 2003 | 2004 | 2005 |
|---------------------|-------------|-------------|-------------|
| Commune di Catania | 63.8 | 64.5 | 59.7 |
| Province di Catania | 32.7 | 32.3 | 35.8 |
| Student fees | 3.5 | 3.3 | 4.5 |
| Total | 100 | 100 | 100 |

Source: Own display.

The funds of the commune contribute more than 60% to the total institution’s funding. The second in line is the province, which contributes around 30% of the total funding. This amount is of course increasing over the years. The table also shows that the student fees do not add a lot to the overall funding picture. A small increase of student fees can be seen, probably due to the increasing number of enrolled students.

7.8 Expenditures of the Recognised Music Institution

The Istituto Musicale “Vincenzo Bellini” spends the largest amount of its money on the matters that are specified in Table 24 (Internal Source of the Istituto Musicale “Vincenzo Bellini”).

Table 24: Expenditure of the Istituto Musicale "Vincenzo Bellini" (in %)

| Expenditure | Amount (in %) |
|-----------------------------------|----------------------|
| Professors salaries | 60 |
| Administrative personnel salaries | 10 |
| Artistic production and research | 10 |

Source: Internal source of the Istituto Musicale “Vincenzo Bellini”.

The professors’ and the administrative personnel’ salaries are by far the main expenditure for the institution, counting all together about 70% of the total amount of money. This is mostly covered with the money from the province and the commune where the institution is located. The same situation can be also noticed at the Academy of Music, where the personnel costs take up to 80% of the total expenditure. It is promising to see that artistic production and research are the third biggest expenditure, taking approximately 10% of the total money, which means that institution does care about its students and their music development.

The Recognised Music Institutions are completely autonomous and can independently decide what to spend the money on. It is also possible to get additional money from the province and commune for expenses outside the budget (additional teaching staff, contract-teachers, artistic production, research, etc.).

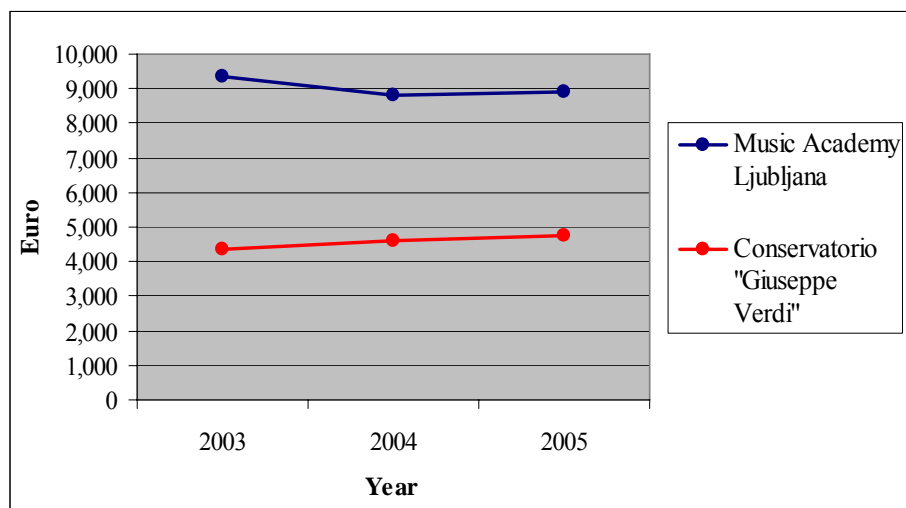
8 COMPARISON OF INSTITUTIONS' FUNDING

Describing three different funding structures of each higher music education institution made me realise that only some comparison would be possible to make. The complexity and variety of each funding is of course very interesting, but at the same time impossible to compare, especially when coming across different types of funding sources.

I will separately compare each funding source of the institution with figure and explain the disposition of each figure. The funding sources will not be compared in absolute amounts, but per number of students of the corresponding institution.

Figure 2 shows the comparison of individual institution's state funds. The state funds of the Academy of Music are the highest, which means that the Academy of Music obtains the most money per student from the state. Although the funds are high, they vary through the years. The state funds of the Conservatorio "G. Verdi" are increasing, due to the higher numbers of higher music education students, which mean more activities in the institution's national programmes. The Istituto Musicale "Vincenzo Bellini" does not receive any money from the state. The institution's main income is based on the regional and local contributions.

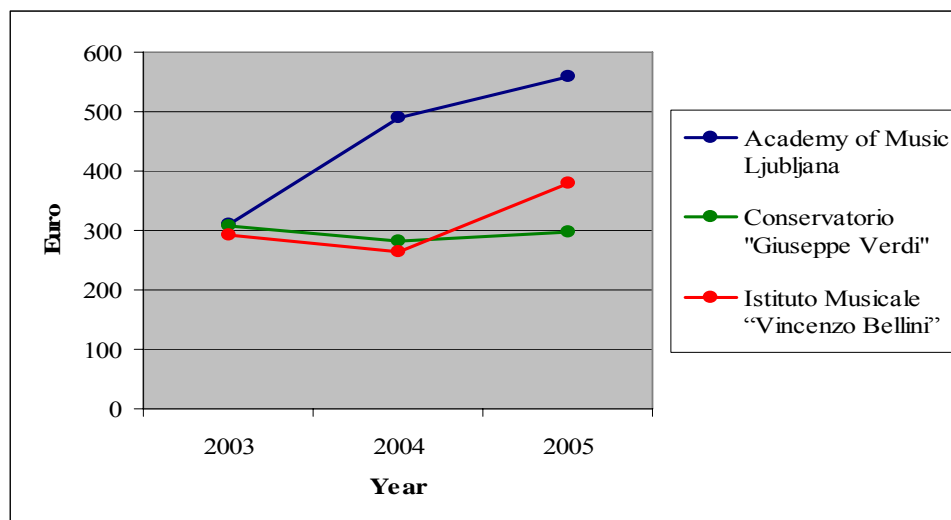
Figure 2: Comparison of the Academy of Music, the Conservatorio di Musica "G. Verdi" and the Istituto Musicale "Vincenzo Bellini" state funds per number of students (in €)



Source: Own display.

Figure 3 indicates that the collection of student fees per number of students is the highest at the Academy of Music, significantly increasing by 113.26% in 2003-2005. This trend can be explained with the enrolment of more part-time students and increase of individual student fee. The decline of student fees of the Conservatorio "G. Verdi" can be noticed, because of the small decline in overall student enrolment. The collection of student fees of the Istituto Musicale "Vincenzo Bellini" in 2005 increased due to the higher number of higher music education students by 40.5%.

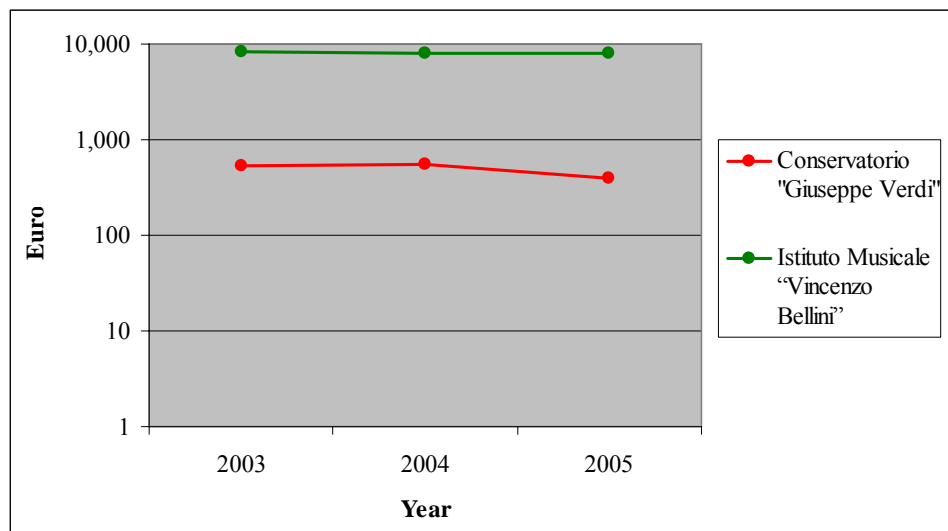
Figure 3: Comparison of the Academy of Music, the Conservatorio di Musica "G. Verdi" and the Istituto Musicale "Vincenzo Bellini" collection of student fees per number of students (in €)



Source: Own display.

The regional funds, which are shown in Figure 4, only have relevance in Italy. Higher music education in Slovenia does not receive any financial contributions from regional or local communities.

Figure 4: Comparison of the Academy of Music, the Conservatorio di Musica "G. Verdi" and the Istituto Musicale "Vincenzo Bellini" regional funds per number of students (in €)

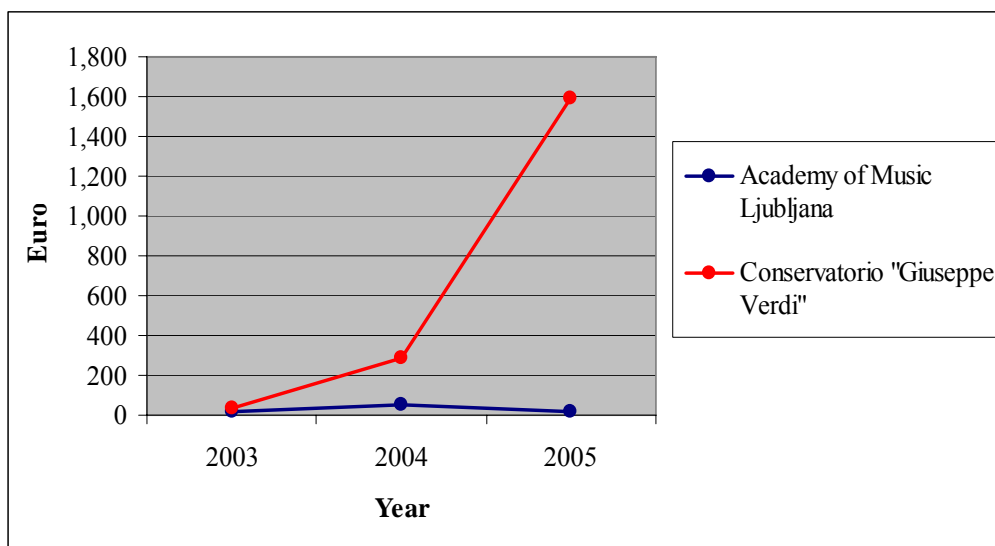


Source: Own display.

The regional funds of the Istituto Musicale "Vincenzo Bellini" are quite high; corresponding to almost the same amount the Academy of Music receives from the Slovenian state budget. The Conservatorio "G. Verdi" receives a modest amount from regional funds (less than 10% of the Istituto Musicale's amount). It is necessary to take into the account that the Conservatorio receives most of its income from the state budget and money from the province merely represents a secondary income.

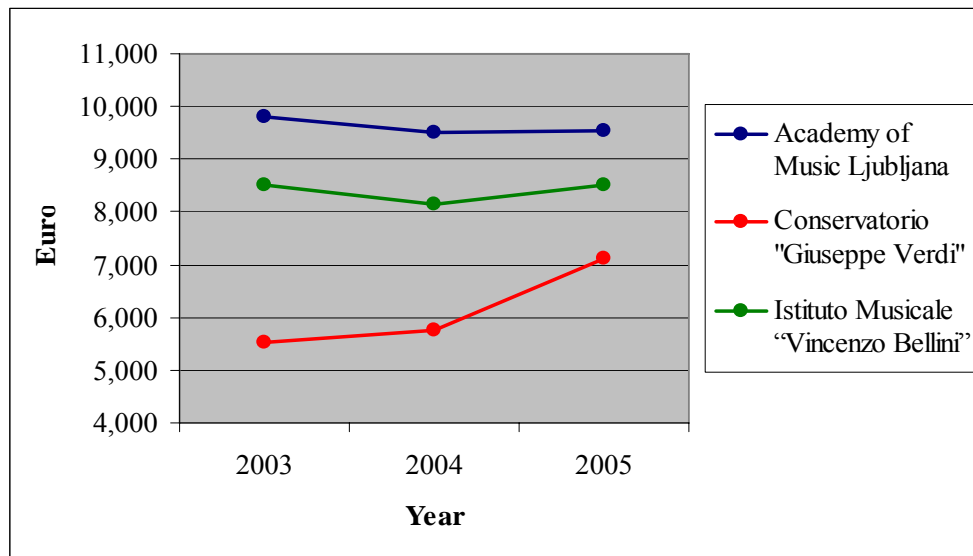
The private funds of the Academy of Music shown in Figure 5 are very small, dependent on various unknown variables and time and bring small contributions to the total revenues. On the other hand, the Conservatorio "G. Verdi" obtained a large amount of private funds in 2005 (more than 2 million €). The institutions management informed me that this money will be used for the building maintenance of the institution, so it can be counted as an external income meant for the pre-set expenditure. This indicates that the Conservatorio "G. Verdi" is more active in various market-oriented activities. While the Conservatorio "G. Verdi" tried to find different sponsors and donators, the other two institutions did not really engage in the market-oriented income. Since higher music education is a public service and is therefore mostly financed by the state budget, the Academy of Music still considers market-oriented income only as an accessory for extra activities. The Istituto Musicale "Vincenzo Bellini" is not searching for extra private funds at all. The institution's management explained that the current programmes do not require a search for extra market-oriented income. However, it seems that situation will change in the next couple of years. The institutions will have to engage in market-oriented activities in the near future in order to stay competitive in their own field.

Figure 5: Comparison of the Academy of Music, the Conservatorio di Musica "G. Verdi" and the Istituto Musicale "Vincenzo Bellini" private funds per number of students (in €)



Source: Own display.

Figure 6: Comparison of the Academy of Music, the Conservatorio di Musica "G. Verdi" and the Istituto Musicale "Vincenzo Bellini" total revenues per number of students (in €)



Source: Own display

Looking at the individual funding sources of each institution let us finally compare institutions' total revenues. Figure 6 indicates that the Academy of Music has the highest total revenue per number of students. We can observe a small decline in the amount in the beginning, which turns out into a visible increase in 2005. The total revenue of the Istituto Musicale "Vincenzo Bellini" is slightly lower than of the Academy of Music, placing the institution on the second place. Although an increase of all individual sources of the Institute can be noticed, the number of students increased more rapidly in 2004, not giving the total revenue the chance to compensate for the change in the student structure. Therefore, a small decline in the total revenue can be noticed in 2004. The lowest total revenue per number of students belong to the Conservatorio "G. Verdi", which accounts for approximately about 5,000 € per student per year. The only exception is in 2005 when the institution received additional private funds for building maintenance. The total revenue in this year is about 20% higher than in previous one.

In general, all three total revenues more or less vary through the years, ending with a slight increase in 2005 with an exception of the Conservatorio, which shows a dramatic increase in its funds, due to the significant private donation.

Comparing the expenditure of institutions, the institutions spend the most money on personnel costs, accounting for approximately about 70-80% of each institution's total expenditure. The remaining large expenditures of the institutions are the maintenance of the instruments, extra teaching activities and artistic production and research.

CONCLUSION

All the latest developments in the field of European higher education, which has been initiated with the Bologna process, effect the funding of all European higher music education institutions in one way or another. The changes in the study programmes and the organisational aspects of the institutions are very delicate and therefore need a steady income to cover all the necessary expenditures.

When comparing three different types of institutions, the following insight in the financing of higher music education can be made.

The institutions, wherever they are located, need to keep up with the latest economic and educational developments and try to find various and innovative approaches, which could help them to obtain new funds. Most of the institutions have one main source of income, such as state or regional funds, where other sources are just additional bringing little income for the institution. Some institutions have so far relied too much on their main source of income and have forgotten how to become more pro-active in finding different ways, which would bring additional funds. It is well known that the current economy demands the institutions to take part in the market-oriented activities. Of course, it is completely understandable that some institutions do it more intensively than others, but that does not mean that institutions with no experience cannot be successful at these activities.

The collection of student fees is a very important aspect of additional income the institutions can obtain. This income can cover the expenditure of hiring extra teachers, additional instruments, etc.

The expenditures of the institutions were very predictable, as all institutions spend most of their income on personnel costs. The second in line was the expenditure for the maintenance of the institution's instruments. This expenditure is logical, as the institutions spend large amounts of their income on purchasing various expensive instruments, which need to be regularly maintained.

It is also important to mention that the institutions do not engage in trying out new, innovative funding approaches. It is always easier for the institutions to accept an approach that has already been used before, especially when this concerns the source of the institution's indispensable income. Nevertheless, it is good to keep in mind that the world is full of unexplored ideas and sometimes it is just necessary to try something different that nobody has ever tried before.

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APPENDICES

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Also, I should not forget to mention Ms. Nevenka Hrovatin for accepting the responsibility of being the mentor of my thesis.

Besides my advisors I would like to thank the institutions of higher music education who contributed their data; without them the finalisation of the research could not be possible.

A special thanks goes to Mr. Hugh Ward-Perkins of Conservatory di Musica "E.F. Dall'Abaco" in Verona, Mr. Paolo Rimoldi of Conservatorio di Musica "G. Verdi" di Milano and Mr. Carmelo Giudice of Istituto Musicale "Vincenzo Bellini" for providing me with all the information I needed.

Last but not the least, I thank my family for their unconditional support, encouragement to pursue my interests and believing in me.

APPENDICES

APPENDICES

APPENDIX 1 –

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APPENDIX 1 – Questionnaire

This questionnaire is about the financing of professional music training systems in Italy, Slovenia and Croatia. With it I would like to find out the differences and similarities in the organisation and the financing of the three countries' professional music training systems.

1.) Name of the institution: _____

2.) Country of the institution: _____

3.) How many teachers does the institution have? _____

Short term contract: _____

Permanent contract: _____

4.) How many students were enrolled in the institution in:

Year 2005: _____

Year 2004: _____

Year 2003: _____

5.) Is the institution:

☐ A part of a University

☐ Autonomous

6.) What was the total amount of money that the institution had at its disposal in the year of:

2003: _____

2004: _____

2005: _____

7.) Where did the institution get the money from? (multiple answers are possible)

☐ State funds (ministry of _____)

☐ Private funds: ☐ Gifts

☐ Donations

☐ Other: _____

☐ Additional public support (e.g. for research activities)

- ☐ Student fees
- ☐ Other: _____

8.) How much money did the institution receive from each fund mentioned in the previous question:

| Name\ Year | 2005 | 2004 | 2003 |
|--|------|------|------|
| State funds | | | |
| Private funds (gifts, donations, etc.) | | | |
| Additional public support | | | |
| Student fees | | | |
| Other: _____ | | | |

9.) Please name the **3** elements of expenditure for which you spent the largest amount of money:

- 1.)
- 2.)
- 3.)

10.) Please indicate (in percentage) how much money was spent on the **3** elements mentioned in the question before:

- 1.)
- 2.)
- 3.)

11.) Can the institution decide itself what the money provided by the state will be used for or are the purposes specified by the government?

- ☐ Yes, we can decide on our own how to use the money
- ☐ No, there are specified purposes we have to use the money for

12.) Is it possible to get extra money for expenses outside the budget, like additional teaching staff, building projects, etc.?

- ☐ Yes
- ☐ No

If yes – please explain?

13.) Additional comments regarding the questionnaire:

Thank you very much for your kind assistance,

Anita Žagar

Financial report year 2003

SCHEDA RIEPILOGATIVA GESTIONE A.F. 2003

1. DATI DELL'ISTITUTO

Denominazione e sede dell'Istituto **CONSERVATORIO DI MUSICA GIUSEPPE VERDI - MILANO**

Sezioni staccate

2. REFERENTE

3. ENTRATE

1. ENTRATE Accertate (Totale delle somme riscosse e da riscuotere)

| | <i>Importo</i> | <i>% sul Totale ENTRATE Accertate</i> | <i>% sul Totale</i> |
|----------------------------------|---------------------|---|-------------------------|
| MINISTERIALI | 505.024,76 | 28.72 % | 22.71 % |
| ENTI E PRIVATI | 48.328,12 | 2.75 % | 2.17 % |
| PROVINCIA (legge n.23/96) | 758.672,03 | 43.14 % | 34.11 % |
| ALLIEVI | 446.583,04 | 25.39 % | 20.08 % |
| TOTALE | 1.758.607,95 | 100 % | 79.07 % |

2. AUTOFINANZIAMENTO

| | | |
|---------------|-------------------|----------------|
| TOTALE | 465.604,75 | 20.93 % |
|---------------|-------------------|----------------|

4. USCITE IMPEGNATE (Totale delle somme pagate e da pagare)

4a. PERSONALE

| | Importo | % sul Totale | di cui per sperimentazioni | % sull'intera voce | % sul Totale |
|----------------------------------|------------|--------------|----------------------------|--------------------|--------------|
| Supplenze | 25.424,33 | 10.72 % | | | |
| Contratti | 13.209,00 | 5.57 % | 0.00 | 0 % | 0 % |
| Modelli viventi | 0,00 | 0 % | | | |
| Esami | 19.477,00 | 8.21 % | | | |
| Fondo miglior. offerta formativa | 163.740,80 | 69.04 % | 64369.02 | 39.31 % | 27.14 % |
| Missioni | 10.341,29 | 4.36 % | | | |
| Formazione e aggiornamento | 4.972,58 | 2.1 % | | | |
| TOTALE | 237.165 | 100 % | 64.369,02 | | |

4b.1 FUNZIONAMENTO Didattico

| | Importo | % sul Totale | di cui per sperimentazioni | % sull'intera voce | % sul Totale |
|------------------------------|------------|--------------|----------------------------|--------------------|--------------|
| Borse di studio, premi, ecc. | 118.111,00 | 28.52 % | | | |
| Attività integrative | 0,00 | 0 % | | | |
| Viaggi | 13.104,56 | 3.16 % | | | |
| Esercitazioni didattiche | 67.657,76 | 16.33 % | | | |
| Direzione d'orchestra | 63.039,77 | 15.22 % | | | |

| | | | | | |
|--|------------|---------|------|-----|-----|
| Modesti rinnovi | 1.654,40 | .4 % | 0,00 | 0 % | 0 % |
| Mostre e saggi | 30.499,42 | 7.36 % | | | |
| Ricerca e produzione | 27.210,92 | 6.57 % | | | |
| Pubblicazioni illustrative e manifesti | 24.453,68 | 5.9 % | | | |
| Manutenzione strumenti | 68.472,37 | 16.53 % | | | |
| TOTALE | 414.203,88 | 100 % | | | |

4b.2 FUNZIONAMENTO Amministrativo

| | Importo | % sul Totale |
|--|------------|--------------|
| Assicurazioni | 42.739,69 | 7.8 % |
| Fitto locali | 15.491,00 | 2.83 % |
| Compensi e missioni revisori dei conti | 2.503,06 | .46 % |
| Manutenzione edificio | 375.318,52 | 68.51 % |
| Pulizie locali | 11.215,96 | 2.05 % |
| Cancelleria e stampati | 4.558,42 | .83 % |
| Modesti rinnovi | 8.006,92 | 1.46 % |
| Riscaldamento | 60.490,00 | 11.04 % |
| Utenze, posta | 27.526,34 | 5.02 % |
| Imposte e tasse | 0,00 | 0 % |
| Accertamenti sanitari | 0,00 | 0 % |
| TOTALE | 547.849,91 | 100 % |

4c. CONTO CAPITALE

| | Importo | % sul Totale | di cui per sperimentazioni | % sull'intera voce | % sul Totale |
|-----------------------|------------|-----------------|-------------------------------|-----------------------|-----------------|
| Uso didattico | 128.574,80 | 79.43 % | 0,00 | 0 % | 0 % |
| Uso amministrativo | 33.287,40 | 20.57 % | | | |
| TOTALE | 161.862,2 | 100 % | | | |

4d. RIEPILOGO USCITE

| | Importo Totale della voce | % Macro |
|----------------|---------------------------|---------|
| Personale | 237.165 | 17,42 |
| Funzionamento | 962.053,79 | 70,68 |
| Conto capitale | 161.862,2 | 11,89 |
| TOTALE | 1.361.080,99 | 100 % |

Percentuale degli Impegni (pagamenti e residui di competenza) sugli Accertamenti (riscossioni e residui attivi di competenza)

%0.00

NOTA: Indicare quali oneri sono sostenuti direttamente dalla Provincia

La Provincia non sostiene direttamente nessun onere.

Le spese sostenute e da rimborsare da parte della Provincia sono pari ad Euro 758.672,03

Situazione debitoria della Provincia di Milano

Esercizio 2002

Euro 206.583,00 Versati
Euro 666.575,87 Da Versare

Esercizio 2003

Euro 140.372,98 Versati
Euro 618.299,05 Da Versare

21/06/2004 11:48

Direttore Amministrativo

Presidente del CDA

Revisori dei conti: **Ministero Economia e Finanze** _____

Ministero Istruzione Università e Ricerca _____

Ministero dell'Istruzione, dell'Università e della Ricerca

SCHEDA RIEPILOGATIVA GESTIONE A.F. 2004
prot. SRGE0391OT

DATI DELL'ISTITUTO

Denominazione e sede dell'Istituto **CONSERVATORIO DI MUSICA GIUSEPPE VERDI - MILANO**

Sezioni staccate

1. ENTRATE Accertate (Totale delle somme riscosse e da riscuotere)

| | Importo (in Euro) | % del rispettivo totale |
|---|--------------------|-------------------------|
| MINISTERIALI (dal 4 al 10bis e 18) | 942.055,90 | 35.87 % |
| ENTI E PRIVATI (1,2,11,12,13,14/1,14/2,16,16/1,17,19) | 412.050,00 | 15.69 % |
| ALLIEVI (11,12) | 410.550,00 | 15.63 % |
| TOTALE | 1.764.655,9 | 67.2 % |

PARTITE DI GIRO

| | | |
|-----------------------------------|-------------------|---------------|
| PROVINCIA (legge n.23/96) (25/1) | 817.928,45 | 31.15 % |
| ALTRE (21,22/1,22/2,22/3,24,25/2) | 43.559,39 | 1.66 % |
| TOTALE | 861.487,84 | 32.8 % |

2. PRELEVAMENTO AVANZO DI AMMINISTRAZIONE

(solo quota effettivamente utilizzata)

| | | |
|-----------------------|---------------------|--------------|
| | 0,00 | 0 % |
| TOTALE ENTRATE | 2.626.143,74 | 100 % |

3. USCITE IMPEGNATE (Totale delle somme pagate e da pagare)

3a. PERSONALE (NETTO + QUOTE DEI RELATIVI ONERI RIFLESSI)

| | Importo (in Euro) | % del rispettivo totale |
|--------------------------------------|-------------------|-------------------------|
| Supplenze (1/1) | 26.577,21 | 11.45 % |
| Contratti (spesa complessiva) | 17.850,00 | 7.69 % |
| Modelli viventi (22) | 0,00 | 0 % |
| Esami (4) | 19.477,00 | 8.39 % |
| Fondo miglior. offerta formativa (2) | 157.724,50 | 67.92 % |
| Missioni (4 bis) | 9.653,30 | 4.16 % |
| Formazione e aggiornamento (16/1) | 925,00 | .4 % |
| TOTALE | 232.207,01 | 100 % |

3b. FUNZIONAMENTO

3b.1 DIDATTICO

| | Importo (in Euro) | % del rispettivo totale |
|---------------------------------------|-------------------|-------------------------|
| Borse di studio, premi, ecc. (20) | 131.031,45 | 22.08 % |
| Attività integrative (21/1) | 0,00 | 0 % |
| Viaggi (23) | 19.380,84 | 3.27 % |
| Esercitazioni didattiche (24) | 168.696,36 | 28.42 % |
| Direzione d'orchestra, laboratori(24) | 89.829,40 | 15.14 % |
| Modesti rinnovi (10) | 3.253,00 | .55 % |
| Mostre e saggi (25/1) | 94.767,19 | 15.97 % |
| Ricerca e produzione (25/2) | 29.594,24 | 4.99 % |

| | | |
|---|------------|--------|
| Pubblicazioni illustrative, manifesti e riviste(9,26) | 24.331,55 | 4.1 % |
| Manutenzione strumenti (7) | 32.605,16 | 5.49 % |
| TOTALE | 593.489,19 | 100 % |

3b.2 AMMINISTRATIVO

| | Importo (in Euro) | % del rispettivo totale |
|---|-------------------|-------------------------|
| Assicurazioni (5) | 30.761,52 | 9.94 % |
| Fitto locali (6) | 0,00 | 0 % |
| Compensi e missioni revisori dei conti e del C.d.A. (14,15) | 7.000,00 | 2.26 % |
| Manutenzione ordin. edificio (7) | 208.895,73 | 67.5 % |
| Pulizie locali (7) | 20.580,22 | 6.65 % |
| Cancelleria, stampati e riviste(8,9) | 8.756,51 | 2.83 % |
| Modesti rinnovi (10) | 6.240,24 | 2.02 % |
| Accertamenti sanitari (19) | 0,00 | 0 % |
| Imposte e tasse (13) | 0,00 | 0 % |
| Varie (27) | 27.225,28 | 8.8 % |
| TOTALE | 309.459,5 | 100 % |

3c. CONTO CAPITALE (29)

| | Importo (in Euro) | % del rispettivo totale |
|--------------------|-------------------|-------------------------|
| Uso didattico | 48.581,00 | 38.5 % |
| Uso amministrativo | 77.604,11 | 61.5 % |
| TOTALE | 126.185,11 | 100 |

3d. PARTITE DI GIRO

| | Importo (in Euro) | % del rispettivo totale |
|--------------------------------------|-------------------|-------------------------|
| PROVINCIA (legge n.23/96) (35/1) | 817.928,45 | 94.94 % |
| ALTRE (31,32/1,32/2,32/3,33,34,35/2) | 43.559,39 | 5.06 % |
| TOTALE | 861.487,84 | 100 |

RIEPILOGO USCITE

| | Importo Totale | % Macro |
|------------------------------|----------------|---------|
| Personale | 232.207,01 | 10,94 |
| Funzionamento Didattico | 593.489,19 | 27,96 |
| Funzionamento Amministrativo | 309.459,5 | 14,58 |
| Conto capitale | 126.185,11 | 5,94 |
| Partite di giro | 861.487,84 | 40,58 |
| TOTALE | 2.122.828,65 | 100 % |

4. RISULTATO DI GESTIONE

| |
|--|
| (Tot. entrate accertate - Tot. uscite impegnate) |
|--|

| |
|-----------------|
| 503.315,09 Euro |
|-----------------|

5. Percentuale degli Impegni (pagamenti e residui passivi di competenza) sugli Accertamenti (riscossioni e residui attivi di competenza)

80.83 %

6. NOTA: Indicare quali oneri sono sostenuti direttamente dalla Provincia

La Provincia di Milano non sostiene direttamente nessun onere

06/05/2005 13:17

Firme

Presidente del C.D.A. _____

Ministero dell'Istruzione, dell'Università e della Ricerca

SCHEDA RIEPILOGATIVA GESTIONE A.F. 2005

prot. SRGE0391OT

DATI DELL'ISTITUTO

Denominazione e sede dell'Istituto CONSERVATORIO DI MUSICA GIUSEPPE VERDI - MILANO

Sezioni staccate

ENTRATE

1. ENTRATE Accertate (Totale delle somme riscosse e da riscuotere)

| | Importo (in Euro) | % del rispettivo totale |
|---|---------------------|-------------------------|
| MINISTERIALI (dal 4 al 10bis e 18) | 846.053,68 | 20,13 |
| ENTI E PRIVATI (1,2,11,12,13,14/1,14/2,16,16/1,17,19) | 2.233.791,44 | 53,14 |
| ALLIEVI (11,12) | 416.700,00 | 9,91 |
| TOTALE | 3.496.545,12 | 83,18 % |

PARTITE DI GIRO

| | | |
|-----------------------------------|-------------------|----------------|
| PROVINCIA (legge n.23/96) (25/1) | 550.000,00 | 13,08 |
| ALTRE (21,22/1,22/2,22/3,24,25/2) | 156.991,63 | 3,73 |
| TOTALE | 706.991,63 | 16,82 % |

2. PRELEVAMENTO AVANZO DI AMMINISTRAZIONE

(solo quota effettivamente utilizzata)

| | | |
|-----------------------|---------------------|--------------|
| | 0,00 | 0 % |
| TOTALE ENTRATE | 4.203.536,75 | 100 % |

3. USCITE IMPEGNATE (Totale delle somme pagate e da pagare)

3a. PERSONALE (NETTO + QUOTE DEI RELATIVI ONERI RIFLESSI)

| | Importo (in Euro) | % del rispettivo totale |
|--------------------------------------|-------------------|-------------------------|
| Supplenze (1/1) | 28.104,30 | 7.78 % |
| Contratti (spesa complessiva) | 0,00 | 0 % |
| Modelli viventi (22) | 0,00 | 0 % |
| Esami (4) | 28.483,75 | 7.89 % |
| Fondo miglior. offerta formativa (2) | 276.150,64 | 76.46 % |
| Missioni (4 bis) | 9.459,85 | 2.62 % |
| Formazione e aggiornamento (16/1) | 18.948,57 | 5.25 % |
| TOTALE | 361.147,11 | 100 % |

3b.1 FUNZIONAMENTO DIDATTICO

| | Importo (in Euro) | % del rispettivo totale |
|---|-------------------|-------------------------|
| Borse di studio, premi, ecc. (20) | 94.318,00 | 15.82 % |
| Attività integrative (21/1) | 0,00 | 0 % |
| Viaggi (23) | 36.596,26 | 6.14 % |
| Esercitazioni didattiche (24) | 100.000,00 | 16.77 % |
| Direzione d'orchestra, laboratori(24) | 71.511,98 | 12 % |
| Modesti rinnovi (10) | 4.769,62 | .8 % |
| Mostre e saggi (25/1) | 71.372,17 | 11.97 % |
| Ricerca e produzione (25/2) | 81.174,75 | 13.62 % |
| Pubblicazioni illustrative, manifesti e riviste(9,26) | 26.885,77 | 4.51 % |
| Manutenzione strumenti (7) | 109.519,72 | 18.37 % |

| | | |
|---------------|------------|-------|
| Varie (27) | 0,00 | 0 % |
| TOTALE | 596.148,27 | 100 % |

3b.2 FUNZIONAMENTO AMMINISTRATIVO

| | Importo (in Euro) | % del rispettivo totale |
|---|-------------------|-------------------------|
| Assicurazioni (5) | 30.761,52 | 1.6 % |
| Fitto locali (6) | 0,00 | 0 % |
| Compensi e missioni revisori dei conti e del C.d.A. (14,15) | 9.267,89 | .48 % |
| Manutenzione ordin. edificio (7) | 1.828.365,68 | 95.26 % |
| Pulizie locali (7) | 602,99 | .03 % |
| Cancelleria, stampati e riviste(8,9) | 9.681,52 | .5 % |
| Modesti rinnovi (10) | 4.312,00 | .22 % |
| Accertamenti sanitari (19) | 0,00 | 0 % |
| Imposte e tasse (13) | 0,00 | 0 % |
| Varie (27) | 36.302,68 | 1.89 % |
| TOTALE | 1.919.294,28 | 100 % |

3c. CONTO CAPITALE (29)

| | Importo (in Euro) | % del rispettivo totale |
|--------------------|-------------------|-------------------------|
| Uso didattico | 35.084,00 | 100 % |
| Uso amministrativo | 0,00 | 0 % |
| TOTALE | 35.084 | 100 |

3d. PARTITE DI GIRO

| | Importo (in Euro) | % del rispettivo totale |
|----------------------------------|-------------------|-------------------------|
| PROVINCIA (legge n.23/96) (35/1) | 550.000,00 | 77.79 % |

| | | |
|--------------------------------------|------------|---------|
| ALTRE (31,32/1,32/2,32/3,33,34,35/2) | 156.991,63 | 22.21 % |
| TOTALE | 706.991,63 | 100 |

RIEPILOGO USCITE

| | Importo Totale | % Macro |
|------------------------------|----------------|---------|
| Personale | 361.147,11 | 9,98 |
| Funzionamento Didattico | 596.148,27 | 16,47 |
| Funzionamento Amministrativo | 1.919.294,28 | 53,04 |
| Conto capitale | 35.084 | 0,97 |
| Partite di giro | 706.991,63 | 19,54 |
| TOTALE | 3.618.665,29 | 100 % |

4. RISULTATO DI GESTIONE

(Tot. entrate accertate - Tot. uscite impegnate)

584.871,46 Euro

5. Percentuale degli Impegni (pagamenti e residui passivi di competenza) sugli Accertamenti (riscossioni e residui attivi di competenza)

86.09 %

6. NOTA: Indicare quali oneri sono sostenuti direttamente dalla Provincia

La Provincia di Milano non sostiene direttamente nessun onere

22/06/2006 15:25

Firme

Presidente del C.D.A. _____

Direttore Amministrativo _____

APPENDIX 3 – Final table: Comparison of funding

| Institution | Academy of Music Ljubljana | Conservatorio di Musica "G. Verdi" di Milano | Istituto Musicale "Vincenzo Bellini" di Catania |
|-------------|----------------------------|--|---|
| Country | Slovenia | Italy | Italy |
| Status | A part of University | Autonomous | Autonomous |

| Year | 2003 | 2004 | 2005 | 2003 | 2004 | 2005 | 2003 | 2004 | 2005 |
|------------------------------|-----------------------------------|--------------|--------------|--|--------------|---------------|--|-----------|-----------|
| Institution/ Source of money | Academy of Music Ljubljana | | | Conservatorio di Musica "G. Verdi" di Milano | | | Istituto Musicale Vincenzo Bellini - Catania | | |
| State funds | 3,337,721.69 | 3,726,922.66 | 3,759,196.57 | 6,288,879.52 | 6,690,634.14 | 6,678,577.72 | / | / | / |
| Private funds | 6,524.17 | 23,152.07 | 5,563.50 | 48,328.12 | 412,050.00 | 2,233,791.44 | / | / | / |
| Additional public support | 4,047.55 | 27,518.03 | 2,470.58 | / | / | / | / | / | / |
| Student fees | 110,849.20 | 206,952.35 | 236,394.63 | 446,583.04 | 410,550.00 | 416,700.00 | 200,000 | 200,000 | 300,000 |
| Other | 29,888.02 | 29,989.55 | 24,056.32 | 465,604.75 | 43,559.39 | 156,991.63 | / | / | / |
| Local funds | Commune | / | / | / | / | / | 3,700,000 | 4,000,000 | 4,000,000 |
| | Province | / | / | 758672.03 | 817,928.45 | 550,000.00 | 1,900,000 | 2,000,000 | 2,000,000 |
| Total | 3,489,030.63 | 4,014,534.66 | 4,027,681.60 | 8,008,067.46 | 8,374,721.98 | 10,036,060.79 | 5,800,000 | 6,200,000 | 6,300,000 |
| Number of Students | 356 | 423 | 422 | 1450 (210) | 1458 (212) | 1407 (236) | 682 (195) | 760 (248) | 788 (274) |
| Money per student | 9,477.90 | 9,490.63 | 9,544.27 | 5,522.81 | 5,743.98 | 7,132.95 | 8,504.40 | 8,157.89 | 8,502.54 |
| | Regulations on how to spend money | | | Can decide how to use money | | | Can decide how to use the money | | |

| Institution/ Element of expenditure | Academy of Music Ljubljana | | Conservatorio di Musica "G. Verdi" di Milano | | Istituto Musicale "Vincenzo Bellini" di Catania | |
|-------------------------------------|--|-----|--|-----|---|-----|
| 1 | Personnel costs | 80% | Maintenance of the buildings | 23% | Professors salaries | 60% |
| 2 | Rent for classrooms, Rent for classrooms, maintenance of the instruments | 10% | Teaching activities, managing of the orchestra | 5% | Administrative personal | 10% |
| 3 | Costs for concert subscription programme | 5% | Maintenance of the instruments | 2% | Artistic production and research | 10% |