

# **FINANCIAL MANAGEMENT IN QUASI-PUBLIC UNIVERSITIES**

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## **ABSTRACT**

In response to increasing financial pressures, state governments are changing how public universities are funded. State legislatures are abandoning the subsidized, low-cost public tuition model in favor of a high tuition, quasi free market-oriented model. In the face of substantial declining state funding and increasing dependence on student tuition, some universities are responding to higher public expectations, including demands for greater access, by leveraging their large fixed cost structures and adopting non-traditional financial planning techniques. This paper takes a look at traditional financial planning techniques within universities, discusses their strengths and weaknesses relative to the changing environment, and proposed a revised financial planning model based on a more competitive market environment. Also presented are an actual application of this model in a public university and a discussion of its strengths and weaknesses.