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SOURCES OF EDUCATION FUNDING

Misrawita[1*],Hamdi Abdul Karim[2*]
[12] Universitas Islam Negeri Sjech M. Djamil Djambek Bukittinggi, Indonesia
EmailCorrespondence: misrawita91@gmail.com, hamdiabdulkarim@uinbukittinggi.ac.id

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ABSTRACT

Education is a major factor in the progress of the nation, so that more and more educational institutions are established by various parties who care about education, both government and private such as foundations and community organisations, limited funding sources cause many institutions to have difficulty developing and experiencing financing obstacles, therefore, this study aims to identify and optimise various sources of education funds that can be utilised by educational institutions, using the literature review method, and the results show that the sources of education funding include central and local governments, foundations, student parents (committees), student donations, foreign aid, alumni, foster parents, and non-binding donations such as zakat, infaq, sadaqah, and waqf, so it is hoped that educational institutions can run their programmes well without being constrained by funding problems order.

***Keywords*:** *Education Fund, Education Financing*

INTRODUCTION

Education has a very important role in relation to the management and preservation of the environment and natural resources, education seeks to change the behavior of students in thinking and acting or behaving. Education is also a process of learning knowledge, skills, and habits of a group of people that are passed from one generation to the next through teaching, training, and research(Susanto & Rahma, 2023).

According to Law No. 20 of 2003 Chapter 1 Article 1 states that "Education is a conscious and planned effort to create a learning atmosphere and learning process so that students actively develop their potential to have religious spiritual strength, self-control, personality, intelligence, noble character, and skills needed by themselves, society, nation and country." (KementerianPendidikan dan Kebudayaan, 2003)

In practice, education cannot be separated from financing, because funds are the main element that allows the implementation of the teaching and learning process. Without adequate financial support, educational activities will be difficult to run optimally. Therefore, funding sources are an integral part of the education system, whether they come from state budget allocations, community participation or private support.

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Education implementation requires money. This is because the organization of education and training in schools and madrasah as a whole requires offices and foundations to oversee the process, administration, program implementation, and government assistance from existing educators and representatives. All this requires an expenditure plan.

In the context of organizing education both at the macro level (state) and at the micro level (institution) which is considered important is the issue of financing, financing is an element that must be available. For example, the government of the Republic of Indonesia in accordance with the mandate of the Act each year has launched an education budget allocation of at least 20% of the total State Budget (APBN), as well as local governments every year set a budget for education such as for teacher salaries and salaries of other education personnel in the region. In the context of an institution or organization, the school annually prepares a budget for education.

School Revenue and Expenditure Budget (RAPBS) which shows how the planning of income and the use of costs for school operational purposes. The use of these costs illustrates the pattern of financing in education. Thus, at all levels of education, financing is very important to ensure the implementation of education. Education will not run without costs. Quality education is an expensive investment.

The issue of financing in education is very important, and in general the Indonesian government has not been able to cover all of its costs. Without sufficient funds, education will be difficult to progress and develop. Therefore, educational institutions must be able to find and empower possible sources of education funds so that these educational institutions can run and develop properly. This research will thoroughly discuss the sources of education funds that allow educational institutions to utilize, so that usually an educational institution only depends on one or two sources of funds, now through this research educational institutions can utilize many sources of funds at once. With this research, it is hoped that it can be part of the solution for educational institutions in overcoming financing problems.

RESEARCH METHOD

This research uses a qualitative approach, namely the literature study method. This method is used to obtain information about the sources of education financing funds. The research instrument used in this research is an analysis of the laws and regulations in force in Indonesia regarding education financing and the flow of its distribution to educational institutions such as schools, madrasas, or boarding schools.

RESULTS AND DISCUSSION

1. Definition/Concept of Education Financing

Costs are economic sacrifices made to obtain goods or services. In language, cost can be interpreted as an expenditure, in economic terms the cost of expenditure can be in the form of money or other monetary forms. In the context of education, education financing refers to the sources of funds used to support the education system, including the construction of educational facilities, teacher salaries,

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provision of learning materials, scholarships, and various other components related to the development and management of education(Sudarmono et al., 2021).

The cost of education is the amount of money generated and spent for various purposes of organizing education which includes teacher salaries, professional improvement of equipment, procurement of tools and textbooks, office stationery (ATK), extracurricular activities, educational management activities, and educational supervision. So it can be concluded that education financing is the process of providing financial resources, both in the form of money and goods, to support education and organize various educational activities. Education can include formal levels of education such as primary, secondary and tertiary schools, as well as non-formal education or skills training(Fihana, 2024).

Education financing is the process by which available revenues and resources are used to organize and run educational institutions in different regions with different levels of education. The cost of education is one of the instrumental components (instrumental-input) which is very important in the organization of education in schools. Costs in this sense have a broad scope, namely all types of expenses related to the implementation of education, both in the form of money and goods and labor(Sudarmono et al., 2021).

Educational institutions in Indonesia consist of various types, both in terms of type, management and in terms of financing. There are public educational institutions that are fully under the responsibility of the government in terms of financing, and there are also private ones whose financing is more focused on the private sector in addition to financial assistance from the government. There are even private educational institutions that refuse assistance from the government.

The financing provided by the government to educational institutions is often insufficient to meet the needs of educational institutions to the fullest, even for public educational institutions. This is evidenced by the number of public educational institutions that still lack facilities and infrastructure. Moreover, private educational institutions, which must struggle to meet the needs of their institutions independently. This condition causes educational institutions in Indonesia to not be able to fully rely on and submit their financing to the government.

2. Sumber Pendanaan Penyelenggaraan Pendidikan

Education financing must be organized because apart from APBN / APBD funds, education funds can also be collected from the community through student tuition fees. The following authors will describe the Sources of Education Funds into 8 (Eight) parts, namely Sources of funds from the central government, local government, committees, parents of students, foster parents, community groups / Alumni, students themselves and sourced from foundations.

A. Sumber Dana dari Pemerintah Pusat

Based on Minister of Education and Culture Regulation No. 3/2019, BOS is a government program to provide funding for non-personal operating costs for basic education units as implementers of the compulsory education

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program(Andriani et al., 2024). BOS is a government program that aims to ease the burden of education costs for students by providing school operational funds. These funds are allocated per student per year and their use is regulated in technical guidelines set by the government. The role of BOS funds is to finance learning activities and other activities.(Ridwan & Sakdiyah, 2022).

Based on Law Number 17 of 2003 concerning State Finance, DIPA is a budget implementation document that contains income and expenditure for each work unit (Ministry / Institution) (P. P. Indonesia, 2003). DIPA is a budget implementation document used as a reference in carrying out activities and using the budget in government agencies, including public education institutions. DIPA contains details of the approved budget allocation and becomes the basis for implementing activities and using the budget. DIPA is used to finance personnel expenditure (salaries and benefits), goods expenditure and capital expenditure in public schools.(Andriani et al., 2024).

B. Local Government Financing

In Law No. 20/2003 on the National Education System, Article 34 states that education funds other than educators' salaries and official education costs are allocated at least 20% of the state budget and 20% of the regional budget in the education sector(Utami et al., 2016). In addition to funds coming from the central government, education financing also comes from local governments. The law mandates that 20% of a region's APBD must also be budgeted for the education sector.

Some budgets come from the provincial government and some come from the district government. Provincial governments are responsible for education institutions at the senior secondary level, such as high schools and vocational schools. Meanwhile, district governments are responsible for education institutions at the lower secondary level, such as primary and junior secondary schools. For example, the local government budget is used for the salary of educators and education personnel because they are local government employees.

C. Financing through Committee

The duties and functions of the School Council/School Committee include: (1) establish the school committee's rules and regulations, provide input on the content of the RAPBS and the Strategic Development Plan and School Service Standards; (2) determine and assist personal welfare, review accountability and implementation; (3) review school performance and conduct internal auditing (school self-assessment), recommend, accept principals and teachers. The duties of the School Council are to help set the vision, mission and service standards, maintain school quality assurance, nurture, develop potential, explore funding sources, evaluate, renovate, identify and manage community contributions to the school.

It can be emphasized that the main tasks and functions of the school committee are to provide input, consideration (advisory agency), and

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recommendations to the education unit with the principle of encouraging the improvement of academic quality and the quality of learning services where the school committee is located. The main tasks and functions of the school committee provide assistance, both in the form of ideas on how to overcome various school problems and financially to support the management and teaching and learning activities needed by the school. The assistance provided will be able to advance the school in terms of competitive quality(Ninik, 2020).

D. Source from the Foundation

One of the foundations is to help in achieving national education goals. The Foundation is a legal entity that has goals in the social field, namely religion and humanity. The foundation is established not just like that, of course, it must fulfill the conditions determined by the law. In the republic of Indonesia there is a law that regulates the Foundation, namely Law No. 16 of 2001 and Law No. 28 of 2004.

According to Foundation Law No. 16/2001, a foundation is a legal entity consisting of assets that are separated and established to achieve goals in social fields such as education, religion and humanity. Of course, the foundation has rights and obligations that must be accepted and implemented. Some experts express their opinions regarding the definition of a foundation, as for some of the definitions of foundations put forward by some experts are as follows.

In the establishment of a foundation, of course, it must be able to fulfill the material requirements, as for the material requirements for the establishment of the foundation, namely the separation of wealth. Wealth that must be separated into the form of money and goods. The second requirement is the existence of a humanitarian, religious and social purpose. And the last material requirement for the establishment of a foundation is the existence of an organization consisting of supervisors, coaches, and administrators(Ridwan & Sakdiyah, 2022).

E. Funding Source from Students

Many schools apply direct education to students about instilling an attitude of giving and sharing with others. One example of the program is Gebu (movement seribu) which encourages students to give alms on a designated day with a nominal value of 1000 rupiah. There are also schools that implement giving. The funds collected from students should not be binding, only advisory in nature so as not to be considered as extortion. The use of funds collected from students can be used to help students who are economically disadvantaged for the smooth running of their education.

F. Donations from Alumni

Alumni donations as a form of social concern for their alma mater as a source of education costs need to be considered, given the large number of alumni produced each year has the potential to generate large donations. The potential for donations of education funds from alumni is very large if managed

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properly, especially if many of the school's alumni are economically successful.

To collect funds from alumni for the development of educational institutions can be done through the alumni association organization. Especially at this time, educational institutions generally already have alumni groups through social media such as WA, IG, FB and so on, making it easier to raise funds. The utilization and management of funds from alumni is very flexible according to their needs.

G. Sumber Dana dari orang tua atau wali

Education financing that comes from the community (parents of students) is currently managed by the school in the form of a school committee, the question is what exactly is a school committee, who are its members and the scope that is regulated in the school committee? This problem the author thinks is very important so as not to be a contradiction in understanding financing in schools.

Permendikbud 75/2016 on School Committees regulates what a School Committee is, including raising funds and other educational resources from the community both individuals/organizations/business world/industry and other stakeholders through creative and innovative efforts, as well as financing arrangements set by the school from income and expenditure. Budgeted costs in the development of the learning process include adding and building certain facilities, contributing certain skills personnel to attend to improve the quality of teachers and students. For private or independent educational institutions in managing costs, the source of financing is based on the needs of the school which is regulated in the realization of the school's RAPBS, so that the learning process can run.

So financing is one of the components that greatly determines the implementation of activities in the learning process along with other components.10 The components of education financing, especially in schools / madrasas, should be managed effectively. Education financing in madrasas is organized, planned, and used properly and right on target and needs. The reality is that most of the educational institutions in private schools/madrassas today still apply very simple management patterns in managing funds sourced from the community/parents.

H. Funding Sources from Foster Parents

A foster parent is someone who replaces the role of parents so that the role of parents as a source of educational financing, mentoring attitudes and relationships in everyday life, in addition to being a role model that can be emulated voluntarily monitoring the growth and development of children's feelings, minds and spirits (Apriyani et al., 2022). Foster parents basically have no specific obligation to finance the education of a foster child, but the obligation is only attached specifically after the person concerned declares himself as a foster parent for foster children who come from economically disadvantaged groups.

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Education financing from foster parents is generally found for children living in orphanages. However, there is also education financing from foster parents that is specialized in only paying for education, while the foster child continues to live with his or her parents on a daily basis. Financing from foster parents also takes the form of cross-subsidies between guardians whose children go to the same school.

CONCLUSIONS AND SUGGESTIONS

Education financing involves the concept of resource allocation to support education operational activities and programs. In this context, funding is not only the responsibility of the government, but involves all parties, including parents and communities. The legal basis for education financing in Indonesia is regulated in the 1945 Constitution of the Republic of Indonesia (Amendment IV) and the Law on the national education system. Types of education financing include direct and indirect costs, routine and development costs, private and community costs, and monetary and non-monetary costs.

Based on the study and discussion that has been done, it can be concluded that in order for educational institutions to run and develop well and not constrained in the problem of funds and financing, educational institutions must have sources of education funds. The sources of education funds that can be managed and empowered by educational institutions include: sources of funds originating from the central government, local government, foundations, parents of students (committees), student donations, assistance from abroad, alumni assistance, foster parents, and other non-binding donations such as zakat, infaq, sadaqah and waqf.

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