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STRENGTHENING EDUCATION COST MANAGEMENT

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ABSTRACT
Effective and efficient education financing management is key to improving the quality of education in Indonesia. Although the education budget allocation has reached 20% of the total government budget, challenges related to efficiency, equity, and performance in education financing remain significant. In addition, the uneven distribution of allocations per student between provinces indicates disparities in the management of education funds. This study is categorized as qualitative research. Interviews and document studies were used in data collection. The information obtained shows that strengthening education cost management, such as establishing transparent and accountable School Budget Work Plans (RKAS) and Annual Work Plans (RKT), can improve transparency and accountability in education fund management.

Keywords: **Strengthening, Governance, Education Costs**

INTRODUCTION

Education plays a central role in human resource development and the progress of a nation. In Indonesia, the government has demonstrated its commitment to the education sector by allocating 20% of the total State Budget (APBN) to education, as mandated by the 1945 Constitution. However, the high budget allocation has not been fully reflected in improvements in education quality. There are still various challenges in the management of education funding, particularly regarding the efficiency of fund utilization, equitable distribution, as well as transparency and accountability in its management.

One of the issues that has emerged is the imbalance in the distribution of education funds between provinces, which has an impact on the quality of education services in various regions. In addition, the weak supervision and budget planning systems at the educational unit level are also obstacles to the optimal use of funds. In this context, strengthening the governance of education financing is very important. Good budget planning practices, such as the establishment of transparent and accountable School Budget Work Plans (RKAS) and Annual Work Plans (RKT), are believed to improve the effectiveness and efficiency of education fund management.

This research was conducted using a qualitative approach to explore how education financing governance can be strengthened to support improvements in education quality. Through in-depth interviews with stakeholders in the education sector, accompanied by document reviews, this study aims to identify best practices in

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education budget management and uncover the challenges faced in realizing good governance at various levels of education administration.

1. Education Costs

Educational institutions are organizations that aim to oversee and coordinate various aspects of intellectual, spiritual, and skill-based education, including social, cultural, religious, research, and skill development. Educational institutions are structured environments where individuals gather to collaborate in a rational and methodical manner (Zulwiddi & Karim, 2024). An educational institution requires effective financial management to ensure that its finances are well-managed, enabling the institution to achieve its objectives efficiently and effectively. Therefore, the role of financial management is highly influential in the progress of an educational institution(Rina Andriyeni, 2024).

Education costs are all forms of expenditure incurred for the provision of education, whether by the government, the community, or individuals (parents or students). These costs include expenditures for infrastructure, educators, teaching materials, and educational operations to create a quality education system. According to Law No. 20 of 2003 concerning the National Education System, education costs are the provision of funds necessary for the implementation and management of education in order to achieve national education goals.

2. Education Cost Management

Good management of education costs requires principles to ensure that activities are carried out properly and in an orderly manner in accordance with standards, namely transparency, accountability, effectiveness, efficiency, use of funds, supervision and evaluation, and accountability.

A. Transparency

Transparency means openness. Transparency in management means openness in managing an activity. In educational institutions/schools, transparent financial management means openness in financial management, which means openness in educational institutions, namely: openness in financial sources and amounts, details of use, and accountability must be clear so that interested parties can easily access this information. Financial transparency is essential to enhance support from parents, the community, and the government in implementing all educational programs at schools. Additionally, transparency fosters mutual trust between the government, the community, parents, and school staff through the provision of information and ensuring ease in accessing accurate and adequate information.

B. Accountability

Accountability is the condition of a person being evaluated by others based on the quality of their performance in completing tasks to achieve the goals for which they are responsible. Accountability in financial management means that the use of school funds can be accounted for in accordance with established plans, with

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three main pillars that are prerequisites for accountability, namely: 1) transparency among school administrators by accepting input and involving various components in managing the school, 2) performance standards for each institution that can be measured in carrying out its duties, functions, and authority, 3) participation in creating a conducive atmosphere for providing community services with easy procedures, low costs, and fast service.

C. Effectiveness

Effectiveness is often defined as the achievement of predetermined goals. Garnet (2004) defines effectiveness more deeply because effectiveness does not stop at the achievement of goals but extends to the qualitative results related to the achievement of the institution's vision. Effectiveness “characterized by qualitative outcomes” thus emphasizes qualitative outcomes. Financial management is said to meet the principle of effectiveness if the activities carried out can manage finances to fund activities in order to achieve the objectives of the institution concerned and the qualitative outcomes are in line with the established plan.

D. Efisiensi

Efficiency is related to the quality of the results of an activity. Efficiency is “characterized by quantitative outputs” (Garner, 2004). Efficiency is the best comparison between input and output or between power and results. The effort referred to includes labor, thought, time, and cost. The comparison is as follows: a. From the perspective of time, labor, and cost usage. An activity can be considered efficient if the use of time, labor, and cost is minimized while achieving the set results. b. From the perspective of results. An activity can be considered efficient if the use of a certain amount of time, effort, and cost yields the maximum possible results in terms of both quantity and quality. High levels of efficiency and effectiveness enable the provision of satisfactory services to the public by utilizing available resources optimally and responsibly.

E. Use of Funds

The proper use of funds must be aligned with previously established plans to avoid overlapping needs, ensuring that allocated funds can be effectively utilized. The use of BOS funds must be efficient, adhering to the technical guidelines set by the government, as certain needs cannot be funded using BOS funds, which are intended to waive education costs for underprivileged students, enabling them to access quality educational services. BOS funds can be used to finance needs such as the procurement of textbooks, funding for educational institutions, the procurement of consumable supplies, student internship activities, and other school-related activities involving teachers and students.

F. Monitoring and Evaluation

Supervision is one of the management functions that can prevent irregularities in the implementation of educational activities, so that resources can be used effectively and efficiently and losses can be minimized. Supervision is carried out by internal and external parties. Internal parties consist of the school principal and the school committee, while external parties are the government,

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namely the education office and the Central Inspectorate. Internal oversight is independent and responsible for monitoring the progress of educational activities, unlike the education department, which receives financial reports from schools regarding activities planned for the coming year. The Central Inspectorate conducts annual surprise inspections and conducts comprehensive reviews, including RAKS, employee performance, and other matters. Researchers also found that evaluations at both schools are conducted annually with the involvement of the RAKS drafting committee, followed by analyzing the programs to be implemented, conducting checks, and comparing them with the budget. The committee is responsible for collecting transaction evidence, which will be used to prepare accountability reports, then analyzing the strengths and weaknesses of the programs that have been implemented to ensure that future activities or programs do not encounter obstacles. Accountability Accountability must be carried out by the school principal to submit financial reports on the school's income and expenses. The funds used will be accounted for to the source of funding, for example, school development donations will be accounted for to the school principal and parents. Similarly, funds sourced from the foundation will be accounted for to the foundation. Accountability aims to ensure that funds are spent in accordance with the plan, expenditures are made by utilizing available resources, so that they are not spent on activities that are not approved or given to other parties without approval. (Hasibuan, 2021)

G. Regulations and Policies Related to Education Costs

Education financing in Indonesia is regulated through various regulations and policies aimed at ensuring the availability of adequate funds for the implementation of education.

a. The 1945 Constitution of the Republic of Indonesia

Article 31 paragraph (4) of the 1945 Constitution mandates that the state prioritize at least 20% of the State Budget (APBN) and Regional Budget (APBD) for education to meet the needs of national education.

b. Law No. 20 of 2003 concerning the National Education System

This law stipulates that education funding is a shared responsibility between the government, local governments, and the community. The government and local governments are responsible for providing education budgets in accordance with the constitution, while the community can participate through donations and other forms of participation.

c. Government Regulation No. 48 of 2008 concerning Education Funding

This regulation explains the sources of education funding, including the allocation of funds from the state budget, regional budget, and the participation of the community and the private sector. This regulation also emphasizes the importance of transparency and accountability in the management of education funds.

d. Government Regulation No. 57 of 2021 concerning National Education Standards

This regulation establishes national education standards covering content, processes, graduate competencies, teaching staff, facilities and

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infrastructure, management, financing, and educational assessment. Education financing standards are regulated to ensure equal quality of education throughout Indonesia.

e. Regulation of the Minister of Education and Culture Number 44 of 2012 concerning Education Fees and Contributions

This regulation distinguishes between fees and donations in the context of education costs. Fees are costs imposed by educational institutions on students or parents/guardians, while donations are voluntary and non-binding. This regulation aims to prevent illegal fees and ensure that donations are made without coercion.

f. Regulation of the Minister of Education, Culture, Research, and Technology Number 18 of 2023 concerning Funding Standards for Early Childhood Education, Primary Education, and Secondary Education

This regulation establishes financing standards that must be met to ensure the provision of quality education at various levels of education. These standards cover operational costs, investment costs, and personnel costs required in the education process.

g. Regulation of the Minister of Education, Culture, Research, and Technology Number 2 of 2024 concerning Higher Education Operational Costs

This regulation governs the components of higher education operating costs, which are grouped into direct and indirect costs. Direct costs are related to academic activities, while indirect costs include other supporting costs.

With these various regulations and policies in place, it is hoped that the management of education costs in Indonesia can be carried out in a transparent, accountable, and effective manner, so that national education goals can be achieved properly.

RESEARCH METHOD

This study uses a qualitative approach. SD Negeri 08 Gadut is the location of the study. Interviews with the principal and treasurer as well as document studies are the main focus of the study. The interviews were conducted on May 5, 2025.

RESULTS AND DISCUSSION

Strategy for Strengthening Education Cost Management

1. Optimization of Education Cost Planning and Management

Efforts to maximize the use of financial resources in the education sector in order to achieve educational goals effectively and efficiently. Strategic measures that can be implemented include a) Targeted Budget Planning, Identification of Work Programs that Support the Vision and Mission: The first step is to identify and formulate work programs that directly support the achievement of the vision, mission, and strategic objectives of the educational institution. Each program must be designed to improve the quality of education, research, student services, and other aspects that are the main focus of the educational institution. Preparation of

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Activities for Each Work Program: Once the work programs have been established, the next step is to detail specific, concrete, operational, and measurable activities to realize these programs, thereby significantly supporting the achievement of the educational institution's strategic goals and vision. b) Efficient and Transparent Financial Management, Accurate Bookkeeping: Maintain neat and accurate financial records to monitor cash flow and ensure that funds are used according to plan. Use of Information Technology: Utilizing financial management information systems to improve efficiency and accuracy in managing educational funds. c) Evaluation and Optimization of Expenditures Periodic Evaluation: Conducting regular evaluations of expenditures to assess the effectiveness and efficiency of fund use, as well as identifying areas that require improvement. Cost-Benefit Analysis: Applying a cost-benefit analysis approach to understand the financial impact of education policies and programs, so that more informed decisions can be made in fund allocation. d) Improving Financial Literacy. Training and Development: Providing training for staff and financial managers to improve their understanding of effective financial management. Socialization to Stakeholders: Involve all relevant parties in understanding the budget planning and management process to create transparency and accountability. e) Diversification of Funding Sources. Partnerships with External Parties: Establish cooperation with the private sector, alumni, and the community to obtain additional financial support. Grant and Aid Applications: Submitting proposals to donor institutions or the government to obtain additional funds for educational program development. By implementing the above steps, educational institutions can optimize the planning and management of educational costs, thereby achieving educational objectives effectively and efficiently.

2. Improving Transparency and Accountability in the Use of Funds

Crucial steps to ensure that financial resources are managed effectively, efficiently, and in line with educational objectives. The following are strategies that can be implemented to achieve this a) Involvement of School and Community Components Involve all school components, including school committees representing the community, in the process of planning and managing funds. This active participation ensures that decisions reflect the needs and aspirations of all relevant parties. b) Preparation of the School Work Plan and Budget (RKAS), Preparing the RKAS as a transparent and accountable financial plan. This document serves as a guide in fund management, ensuring that all expenditures are in accordance with the agreed plan. c) Publication of Financial Information Providing open access to the community for school financial information, such as reports on fund receipts and expenditures. This transparency allows the public to know how funds are used and increases trust in school management. d) Utilization of Information Technology Using a financial management information system to record and report financial transactions in real-time. This technology facilitates monitoring, increases efficiency, and minimizes the potential for errors or misuse of funds. e) Internal Oversight and Auditing Conducting regular internal oversight and auditing to ensure that fund management complies with applicable accounting standards and

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regulations. This step helps detect and prevent fund misuse and ensures accountability. f) Improving the Competence of Financial Managers Providing training and development for staff involved in financial management to improve their understanding of the principles of transparency and accountability. Good competency ensures more effective and efficient fund management. By implementing the above strategies, educational institutions can improve transparency and accountability in the use of funds, which in turn will increase public trust and the overall quality of education.

3. Supervision and Evaluation in Education Cost Management

Supervision and evaluation in education cost management is an important process to ensure that education funds are used effectively, efficiently, and in accordance with the objectives that have been set. The following are the main steps in this process: a. Transparent Budget Planning, Preparation of School Work Plans and Budgets (RKAS): This document serves as a guide in managing funds, ensuring that all expenditures are in line with the agreed-upon plan. b. Accurate Implementation and Bookkeeping, Accounting: Keeping neat and accurate financial records to monitor cash flow and ensure that funds are used according to plan. c. Internal Oversight and Audit, Controlling: Conducting regular supervision of the use of funds to ensure compliance with the established budget and prevent misuse of funds. Internal Audit: Conducting regular internal audits to check the accuracy of financial reports and compliance with applicable procedures. d. Evaluation of Effectiveness and Efficiency, Evaluation of Education Financing: Measuring, comparing, and assessing cost allocation and usage levels to ensure that funds are used effectively and efficiently in achieving educational goals. e. Reporting and Accountability, Accountability Reports: Preparing transparent reports on fund receipts and expenditures, and submitting them to relevant parties as a form of accountability.

4. The Role of Technology and Digitalization in Education Cost Management

Technology and digitization play an important role in improving education cost management. Here are some key aspects that demonstrate this role: a. Operational Efficiency. The application of technology in school financial administration can improve operational efficiency. Processes such as transaction recording, report generation, and budget management become faster and more accurate with digital systems, thereby saving time and effort. b. Data Accuracy. Digital systems reduce the likelihood of human error in calculations or record-keeping. Automation features in financial software ensure more accurate and reliable data. c. Financial Transparency. The use of technology enables more transparent recording, where interested parties can easily access financial information. This increases trust and accountability in the management of education funds. d. Better Management of BOS Funds Applications such as the School Activity and Budget Plan (ARKAS) help schools to effectively, efficiently, and integrally design, budget, and report on the use of School Operational Assistance (BOS) funds. This supports digital transformation in the education sector and ensures more

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transparent and accountable fund management. e. Cost Reduction and Increased Efficiency. Digitalization in education administration can reduce expenses and increase efficiency because many activities can be done online, such as student data management, attendance, and communication between staff and parents. f. Development of an Educational Technology Ecosystem. Rather than implementing full-scale education digitalization, which is costly and time-consuming, focusing on developing a technology ecosystem can unlock the potential of human resources, particularly teachers and school principals, and enable rapid implementation when urgent interventions are needed.

5. **Enhancing the Role of the Community in Monitoring and Managing Education Costs**

Increasing the role of the community in monitoring and managing education costs is essential to ensure transparency, accountability and effective use of education funds. The following steps can be taken to improve community participation: a. Involvement in Budget Planning. Communities, through school committees or education boards, can be involved in the budget planning process. This active participation ensures that the needs and aspirations of the community are reflected in education financial planning. b. Transparency of Financial Information Schools and education institutions should provide the community with open access to financial information, such as revenue and expenditure reports. This transparency allows the community to know how funds are used and increases trust in school management. c. Establishment of Independent Supervisory Teams: Communities can establish supervisory teams or committees consisting of parents and community leaders to oversee the use of education funds. This ensures that funds are managed in a transparent and accountable manner. d. Training and skills enhancement: Providing training to communities on financial management and oversight of education funds can improve their capacity to participate effectively. With a good understanding, the community can make a more meaningful contribution to the management of the education fund.

CONCLUSIONS AND SUGGESTIONS

In conclusion, strengthening education cost management requires transparency, accountability, and active participation from various parties, including the government, schools, and the community. Several key points that can be concluded from this discussion are 1) The Importance of Transparency and Accountability: Education funds must be managed openly with a clear reporting system to prevent misuse of funds and increase public trust. 2) Efficiency and Effectiveness in Cost Management: Education funds must be used optimally in accordance with educational needs, avoiding waste, and focusing on improving the quality of education. 3) The Role of Technology and Digitalization: The application of technology in education financial management can improve efficiency, accuracy of record-keeping, and facilitate real-time monitoring of fund usage. 4) Continuous Oversight and Evaluation: Internal and external audits, as well as regular evaluations, are essential to ensure funds are used in accordance with

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established objectives. 5) Enhancing the Role of the Community: The community needs to be involved in the supervision and management of education funds through school committees, independent oversight, and active participation in fundraising efforts. By applying the principles of good governance and leveraging technology in education financial management, it is hoped that education funds can be managed more effectively and efficiently, thereby improving the quality of education and ensuring equitable access to education for all segments of society.

To improve the management of education costs in a more effective, efficient, transparent, and accountable manner, here are some policy recommendations that can be implemented: 1. Improving Financial Transparency and Accountability. The government should require schools and educational institutions to present financial reports that are easily accessible to the public through digital platforms. Strengthen routine audit mechanisms, both by internal inspectors and independent institutions, to ensure that funds are used in accordance with regulations. 2. Optimizing Digital Systems in Education Cost Management. Developing and implementing integrated digital systems such as the Education Management Information System (SIM Pendidikan) to improve efficiency in financial recording and reporting. Utilizing blockchain technology or digital-based financial transparency systems to prevent data manipulation and corruption. 3. Improving the Effectiveness of Education Fund Allocation and Use. Use a performance-based budgeting approach in the allocation of education budgets so that funds are actually used to improve the quality of education. Implement a key performance indicator (KPI)-based evaluation system to ensure the effective use of budgets. 4. Strengthening Public Oversight and Participation. Require every school to have an education fund oversight committee consisting of community members, parents, and academics to oversee the allocation and use of education funds. Encourage more active community involvement in oversight through online reporting mechanisms or school financial complaint hotlines. 5. Improving Financial Management Capacity in Schools. Provide training and guidance to school principals and treasurers in good budget management in accordance with the principles of good governance. Update the training curriculum for education personnel to improve their understanding of financial regulations and budget accountability. 6. Diversification and Optimization of Education Funding Sources. Encourage Public-Private Partnership (PPP) policies in education financing by involving the private sector in the development of education infrastructure. Optimizing the use of grants, CSR, and educational philanthropy from the community to increase sustainable funding sources for schools. 7. Reforming Regulations and Policies on Education Fund Management. Simplifying regulations on education fund management to make them more flexible yet transparent, thereby facilitating schools' use of funds without being hindered by bureaucratic red tape. Enhancing synergy between the central and local governments in education funding to ensure more equitable distribution of funds and alignment with the needs of each region. By implementing these policy recommendations, it is hoped that the management of education costs in Indonesia will improve, ultimately enhancing the quality of education and creating more inclusive access to education for all members of society.

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