INVESTMENT ATTRACTIVENESS AND DEVELOPMENT OF A HIGHER EDUCATION INSTITUTION

Prof. Dr. Stoyan Stoyanov

Introduction

Over the last years the system of higher education in Bulgaria has found itself in a rather unfavourable environment. This environment has been formed as a result of a number of factors, many of them being of an objective character for the national education field. What matters is, above all, the processes of globalization and Europeanization resulting in effects such as the opening of the educational systems of various states; the free movement of individuals seeking educational services across Europe and across the world and other. These processes, along with the effect of factors specific for Bulgaria, such as the decline in birth rate and a drop in the total number of secondary school leavers, cause the educational system and in particular the institutions of higher education to face problems of new character. For this reason universities in this country find themselves in a new and highly competitive environment that European universities have long been familiar with. This requires from the higher education institution to seek successful alternatives for its development.

The subject of the present study is the higher education institution and Varna University of Economics in particular.

The purpose of the present article is to research investment activity as one of the possible measures for developing the higher educational institution and to analyze the effects of investment on the institution’s attractiveness as well as outline the possibilities for enhancing the attractiveness of the higher educational institution by means of investment.

The defined objective can be achieved by: researching the higher school’s investment costs; studying the state of the higher education institution facilities and last but not least, developing a system of measures to improve the effectiveness of investments and the state of the facilities.

1. Nature of investments

Investments are a major factor for the development of the economy. Together with investment activity they have long been a subject of study of the economic science. Over different time periods investments have been given definitions varying in
content and scope that have been continually broadened and made more precise. At present a large number of authors provide interpretations of the notion of investment. G. Page, for example, defines investments as a purchase of securities and other outlays that are expected to generate returns in the form of regular dividends and/or larger incomes on a later date.¹ Fr. Reilly views investment as a current depositing of funds over a period, whereby the investor will be compensated for the funds being tied up, the estimated rate of inflation and the insecurity of future earnings.² The Anglo-Saxon financial theory considers investing as the process of exchange of past (paid) income and current (present) one with an asset that is expected to bring income in the future.³

Modern Bulgarian specialists also define the notion of investment. Thus, for example, Ivan Georgiev defines investments as finances spent on the purchase of assets, which, with sufficient likelihood will guarantee the receiving of income, capital gains and other positive results over a long period.⁴ Plamen Oresharski believes that every investment is driven by the desire to acquire more consumable benefits in the future compared to the opportunities of consumption today.⁵

On comparing the opinions of the Bulgarian and foreign authors quoted, the following conclusions come forward:

1. All authors assume that investments are possible on condition that there are funds provided through past labour with material results, and these funds can be disposed of. Therefore, one of the most complicated issues in investing is the problem of providing cash resources or their material equivalents.
2. Realization of investments is associated with the spending of funds for the acquisition or building of assets with investment purpose. This characteristic determines investments’ need of cash flow movement or its equivalent in the investment activity;
3. The motive of investors is to acquire larger future incomes;
4. Investors strive to seek better positions and more benefits in future periods. It is not only a strong motivating factor for investing, but also an essential characteristic of investment to ensure development and advantages for investors which is a compensation for the funds invested;
5. The field of investment is not limited.

² See: Reilly, F.K., E. N. Norton. Investments, South-Western College Pub, 7 edition, 2005
The general conclusion is that investing can be applied and developed in all fields and on all levels. Investment activity or investment process is the beginning of every enterprise in the socio-economic life seeking new and effective approaches to solving arising problems. These advantages of investing can be found in every sphere – economy, health care, culture and education. This is a major meaningful feature highlighting the comprehensive character of investment activity. This feature can be used by both legal entities and individuals. Undoubtedly, the form and scope of investment activity can vary widely, as can its impact.

Revealing and organizing investment funds is among the hardest and most accountable stages in the overall investment process. Sources can be numerous and of various origin. They can be grouped as follows:

1. External to the institution concerned:
   - **The State budget** – predominantly investments of national importance. Here priority is given to structure-defining infrastructure and social objects, including those related to higher education. Through the mechanisms of redistribution part of the funds allocated by the state budget is directed to particular sectors, municipalities, enterprises and institutions. The capacity of this source is determined by the size of the national income and by the ratio between accumulation and consumption;
   - **Municipal budget** – shares certain characteristics with the state budget but differs from it in its smaller scope and capacity. It serves projects of municipal and regional importance;
   - **International financial sources** – accession funds, EU operational programme funds, international projects and foreign investments;
   - **Securities issued by the State**, which can replace bank loans.

2. Internal sources which can be subdivided into three types:
   - **Own funds** – resulting from finances accumulated through the economic activity of the enterprise: retained profit, growth of equity, share capital, etc.;
   - **Borrowings/loan funds** – funds that the enterprise borrowed against compensation paid to the funds’ owner. When using these, provision should be made for adding the cost of servicing the loans to the remaining investment costs. The group also includes all types of investment and mortgage funds borrowed from financial institutions;
   - **External funds** – acquired by the enterprise as a result of its connections with other business entities: investor obligations, foreign investments, European funds, debenture loans and other.

Based on the essential features of investments, the following conclusions can be made:
1. Part of the sources mentioned cannot be used in the investment activity of the state-owned higher education institutions because of the form of ownership and the specifics of these institutions core activity. Naturally, this fact creates additional difficulties higher schools have to take into consideration.

2. Higher education institutions fall within the range of the investment process. They can act as investors and implement investment projects. The investment process is a major opportunity for higher education institutions to enhance their attractiveness.

2. Analysis of the budget and the financial position of Varna University of Economics

The financial stability of Varna UE is a result from the planned development of the processes taking place in the university. Draft budgets are developed by teams under the leadership of the Vice Rector for Finance and University Facilities and based on the planned budget subsidy and the estimated own revenues of the university. Costs are consistent with the particular needs and the necessary investments.

Efforts have always been made to draw-up a well balanced budget, without substantial deviations between income and expenses. As far as such deviations exist, they only refer to investment costs that are secured by the available own financial resource. Draft budgets are annually ratified by the Academic Council. All changes in the statement of revenue and statement of expenses, as well as the final budget implementation in years have been approved by the Academic Council and the budget, therefore, reflects the priorities in the activity of the university. (table 1).

Table 1

Actual implementation of the budget over the period 2011 – 2015

<table>
<thead>
<tr>
<th>Year</th>
<th>Subsidy</th>
<th>Own funds</th>
<th>Total</th>
<th>Actual costs</th>
<th>Incl. capital expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>10 628</td>
<td>7 194</td>
<td>17 822</td>
<td>18 057</td>
<td>1 928</td>
</tr>
<tr>
<td>2012</td>
<td>10 575</td>
<td>7 594</td>
<td>18 169</td>
<td>19 486</td>
<td>1 158</td>
</tr>
<tr>
<td>2013</td>
<td>10 872</td>
<td>7 357</td>
<td>18 229</td>
<td>19 693</td>
<td>869</td>
</tr>
<tr>
<td>2014</td>
<td>11 272</td>
<td>7 044</td>
<td>18 316</td>
<td>22 585</td>
<td>2 829</td>
</tr>
<tr>
<td>2015-plan</td>
<td>11 551</td>
<td>6 556</td>
<td>18 107</td>
<td>24 086</td>
<td>5 203</td>
</tr>
</tbody>
</table>

The system for financial management and control facilitates the observance of strict financial discipline at Varna UE. This has resulted in cost optimization which has been recognized by auditing bodies. All annual financial statements have been certified without any reservations whatsoever by the Court of Auditors audit teams.
Expenditures under budget are made in accordance with the existing legislation and control is exercised by all the officials involved. The statement of revenue has made it possible to meet all the urgent needs of the higher education institution, while accumulated reserves have facilitated the renovation, reconstruction and modernization of the university facilities. A note should be made that over the last four years a different structure of budget expenditures has been formed, one that should secure activities leading to the enhancement of the attractiveness of the university. These activities involve, above all, the growth of investments.

As seen in table 1, a large proportion of the budget funds are directed towards covering investment costs. The approximate amount of investment throughout the years of the mandate period varies between 1500 thous. BGN and 2000 thous. BGN. The smaller investment amount for 2013 (869 thous.BGN) and the larger one for 2014 (2829 thous.BGN) is due to the fact that a large part of the costs for these two years are paid in 2014. We should emphasize here on the priority status of investment within the framework of the higher education institution activity. This is particularly clear when we compare investment amounts to the amount of funds for capital expenditure provided by the government subsidy. Over the four years of the mandate period, the capital expenditure funds provided through the subsidy system do not exceed 170 thous. BGN; in practice the funds invested have come from the higher school’s own revenues.

In this case an important element of the analysis is the comparison between the subsidy and the institution’s own revenue. Analysis of the data on budget implementation for particular years shows that 39% of income comes from university’s own sources. Efforts are made so that their share grows through effective use of vacant premises, contracts for joint activities with partners, getting rid of ineffective activities and other. In this aspect, we believe that the increase in the institution’s own income is among the main sources for investment costs growth.

According to reporting data, as of 31 May 2011 deposits amount to 10 000 thous. BGN and of 30 April 2015 they are 6 100 thous. BGN and over 2 000 thous. BGN in current accounts, with capital expenditures for the reporting period amounting to 8 784 thous. BGN as of 31Dec.2014. The financial resource accumulated in this case not only secures the investment costs incurred at the university’s own expense, but also those made while the higher education institution implements European projects.

The work on European projects is central to the activities of this particular higher education institution. Over the mandate period 11 projects have been implemented in Varna UE, with utilized resources amounting to 14 745 thous. BGN (incl. 14 578 thous.BGN financed by EU and 167 thous.BGN university’s own funds). Founded in 2011, the special Projects Sector, as well as the entire Academic
Governing Body have put in a lot of efforts to utilize these funds, which has led to immense improvement in university facilities, career advancement for university employees and a substantial income growth for the employees involved in the projects. The actual utilization of European project funds is presented in table 2.

**Table 2**

**Actual utilization of European project funds**

<table>
<thead>
<tr>
<th>Project</th>
<th>For the period 2011-2014</th>
<th>EU financing</th>
<th>Own financing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated project for improving the conditions for educational services provision at Varna UE</td>
<td>2 259 002</td>
<td>118 928</td>
<td>2 377 929</td>
<td></td>
</tr>
<tr>
<td>Project manager: Assoc. Prof. Dr. Ivan Zhelev</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EU Excellence Scholarships</td>
<td>5 191 351</td>
<td>0</td>
<td>5 191 351</td>
<td></td>
</tr>
<tr>
<td>Project manager: Prof. Dr. Stoyan Stoyanov</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distance learning</td>
<td>345 714</td>
<td>11 063</td>
<td>356 777</td>
<td></td>
</tr>
<tr>
<td>Project manager: Assoc Prof. Dr. Teodorina Turlakova</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partnership network</td>
<td>93 936</td>
<td>6 657</td>
<td>100 594</td>
<td></td>
</tr>
<tr>
<td>Project manager: Assoc. Prof. Dr. Mariya Stanimirova</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business modeling</td>
<td>165 977</td>
<td>0</td>
<td>165 977</td>
<td></td>
</tr>
<tr>
<td>Project manager: Assoc. Prof. Dr. Bistra Vasileva</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student internship</td>
<td>2 866 457</td>
<td>0</td>
<td>2 866 457</td>
<td></td>
</tr>
<tr>
<td>Project manager: Assoc. Prof. Dr. Ivan Zhelev</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Career advancement</td>
<td>103 257</td>
<td>0</td>
<td>103 257</td>
<td></td>
</tr>
<tr>
<td>Project manager: Assoc. Prof. Dr. Evgenya Tonkova</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Doctoral and Post-doctoral students</td>
<td>202 294</td>
<td>109</td>
<td>202 402</td>
<td></td>
</tr>
<tr>
<td>Project manager: Assoc. Prof. Dr. Vesselin Hadjiev</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Erasmus</td>
<td>1 983</td>
<td>1 956</td>
<td>3 939</td>
<td></td>
</tr>
<tr>
<td>Project manager: Assoc. Prof. Dr. Petya Dankova</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Applied research</td>
<td>162 547</td>
<td>28 685</td>
<td>191 232</td>
<td></td>
</tr>
<tr>
<td>Project manager: Prof. Dr. Dancho Danchev</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Erasmus</td>
<td>3 185 176</td>
<td>0</td>
<td>3 185 176</td>
<td></td>
</tr>
<tr>
<td>Project manager: Prof. Dr.of Econ. Sciences Dimitar Radilov</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>total</td>
<td>14 577 693</td>
<td>167 397</td>
<td>14 745 090</td>
<td></td>
</tr>
</tbody>
</table>
As a result of the implemented EU projects in Varna UE, the university has acquired a number of fixed and current assets, as well as intangible assets, presented in table 3.

### Table 3

**Assets acquired by projects**

<table>
<thead>
<tr>
<th>№</th>
<th>Name of project</th>
<th>Fixed assets</th>
<th>Cost</th>
<th>Current assets</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Integrated project for the improvement of the conditions to provide educational services at the UE - Varna</td>
<td>Major renovation of main Building 1 and Building 2</td>
<td>1629734,10</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Computers, hardware equipment, software and furniture</td>
<td>644831,84</td>
<td>Equipment and furniture</td>
<td>103363,06</td>
</tr>
<tr>
<td>2</td>
<td>Distance education - a modern approach to the system of academic education towards the improvement of the human resources capacity</td>
<td>Computers and hardware equipment</td>
<td>35129,31</td>
<td>Equipment</td>
<td>4836,69</td>
</tr>
<tr>
<td>3</td>
<td>Quality of the education for PhD and post- PhD students</td>
<td>Computers and hardware equipment</td>
<td>27648,00</td>
<td>Furniture</td>
<td>2304,00</td>
</tr>
<tr>
<td>4</td>
<td>Business modeling of the curricula and study programs in the professional sector 3.8. Economics at the UE - Varna</td>
<td>Software product</td>
<td>20940,00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>Development of the applied research for commercial goods’ safety at the UE - Varna</td>
<td>Facilities and equipment</td>
<td>218080,80</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>Innovative partner network for sustainable cooperation</td>
<td>Computer</td>
<td>1297,00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total:</strong></td>
<td></td>
<td><strong>2577661,05</strong></td>
<td><strong>-</strong></td>
<td><strong>110503,75</strong></td>
</tr>
</tbody>
</table>

In the subsequent periods the efforts for increasing the number of implemented projects in EU programmes should continue in compliance with the enhanced management by the appointed teams.
As a result of the above budget analysis and financial position the next conclusions can be drawn:

1. The higher education institution has improved the structure of its expenditures by increasing the relative share of investments;
2. EU projects - based work is prioritized in university activities as it allows growth of funds for investments.

3. Development of facilities at the University of Economics - Varna

The investments during the mandate period (2011-2015) are structured in four underlying aspects in the specific years in respect of the directions of university activities, as stated below:

- investments related to improving the conditions for implementing instruction;
- investments related to improving the instruction itself, including research activity;
- investments related to improving the conditions for carrying out the teaching activity;
- investments related to improving the facilities, providing comfortable sports and recreation environment.

The objective of the implemented investment program is to enhance the quality of instruction whilst stimulating students’ and lecturers’ potential by finding new architectural and project solutions for qualitative improvement of facilities. Efforts are being made to improve the conditions for research activity of the academic staff as well as for students’ curricular and extracurricular activities. The functionality of the created facilities is being constantly improved by an opportunity to implement innovative technologies leading to higher rating and better competitiveness of UE-Varna. Tangible conditions are being created to engage students, academic and administrative staff in cultural and sport activities, too. The outcome pursued by the higher school is to improve the attractiveness of the university educational institution by developing its investment programme.

In this respect the facilities enhancement at the University of Economics- Varna is directed to:

- Developing projects and providing funds for them by means of national and international funds for extension and modernization.
- Finding and taking advantage of opportunities for increasing the beds availability in student hostels.
- Implementation of program for improving the interior facilities and their efficient use.
- Developing a program for providing funds for social and daily activities at the university.
- Organisational and financial support of students’ clubs and initiatives in the field of art, culture, sports, learning, research, educational and other activities. The measures undertaken for enhancing the facilities are directed towards the next trends: supply and assembly of equipment; general construction work related to building and renovating the existing facilities; renting; other supplies and services.

**Supply and installation of equipment**

There were 5 calls for tenders held in compliance with the Public Procurement Act for supply of equipment, as well as a multitude of smaller direct award contracts. Over the period 2011-2015 our own funds have financed the purchase of the following equipment: personal desktop computers – 685; notebook computers – 312; servers – 10; monitors - 265; communication equipment - 22 communication cabinets, 45 switches, 14 wireless routers; printers and multifunction devices – 90; multimedia projectors – 66; screens – 25.

The supply and installation of computer and multimedia equipment have been financed by funds from European programs, too:

- Project “Integrated Project for the Improvement of the Conditions to Provide Educational Services at UE - Varna”, funded by the Operational Programme „Regional development“ 2007-2013;
- Project „Distance Education – a Modern Approach to the System of Academic Education towards the Improvement of the Human Resources Capacity”, funded by the “Human resources“ Operational Programme 2007-2013;
- Project „Quality of the Education for PhD and Post-PhD Students – University and Business Social Responsibility “ funded by the “Human resources” Operational Programme 2007-2013.

A digital copier system XEROX WORK CENTRE 5855 C FE, comprising a digital black and white copier A3, a laser network printer and a colour image network scanner has been purchased under the buy-back programme of an obsolete old copier office system KONICA MINOLTA BIZHUB 500.

The issue with the university publishing programme is solved in a complex manner by purchasing full equipment for digital production printing, comprising „Black and white sheet digital system for printing paper items“, „Colour sheet digital system for printing paper items“, „Software integrating the two production solutions into a unified system“, „A machine for paperboard cover overlay with warm adhesion“.

We completed a project „Supply of equipment for developing applied research for commercial goods’ safety at the UE - Varna” under Contract BG161PO003-1.2.04-0092-C0001 „Development of the Applied Research for Commercial Goods’
Safety at the UE - Varna“, funded by the Operational Programme „Development of the competitiveness of the Bulgarian economy” 2007-2013, comprising the provision of liquid chromatographer, materials and consumables for its needs before it is placed in service, climatic camera, spectrophotometer, microwave system for dry or wet mineralization of samples, a bi-distiller, an electrophorous tube, a water activity equipment, a professional benchtop combined pH meter with ion selective electrodes, analytical scale, a rotational vacuum evaporator and a Kjeldahl apparatus. In conjunction with the project completion our own funds have been used to finance a major renovation of a designated room in Study campus 2 which was intended to be a laboratory.

A telecommunication service is granted by means of a mobile network of GSM standard and the additional services, related to it. The academic and administrative staff is connected by a mobile and unlimited talks group.

**General construction works for building and renovating the existing facilities**

The west wing (crescent) of University building 1 has undergone a major renovation and reconstruction. The activities comprise thorough modernization of spaces and establishment of a test centre in the Basement in the west wing (crescent). In order to provide accessible environment a lift for the disadvantaged has been installed.

The food establishments in building 1 and building 2 of the university have been fully renovated and modernized.

The “Sports complex” in building 1 has been totally renewed. The energy efficiency has been improved and accessible environment for disadvantaged people has been provided.

The facades of building 1 which are considered to have architectural and cultural significance have been thoroughly restored and lit by energy efficient lighting. The main entrance and the Rectorate stairs well have been renovated and refurbished. The classic and academic aspect of the central entrance of the historic building is supplemented with reproductions of two paintings with multi-figural compositions. The architectural elements on the stairs are restored and highlighted by placing three classical painted stained glasses.

The sanitary units in the basements on floors 1, 2I, 3 and in the top extension on floors I and II in building 1 have been thoroughly renovated in compliance with the rules for accessible environment.

New heating, air-conditioning and ventilation systems have been installed in building 1, halls 50, 51, 52, 53, 55, 56 and 58, in lecture halls 122 and 316 and conference hall 446, in the „Master students“ front office and conference hall 116, in the


„Bachelor students“ front office and consulting offices 201, 202, 203, 204, 205, 206, in rooms 220, 221, 222, 223 (floor 2) and 319, 320 (floor 3).

The lighting has been substituted with energy efficient one in lecture halls 122 and 316, as well as on floor 1, floor 2, floor 3 and in the top-floor extension in building 1.

New electrical wiring has been installed in the halls in the top-floor extension H-1 and H-2 which have also been renovated and new furniture bought. The café in the top-floor extension has been refurbished, too.

The offices from 110 to 115 have been renovated and a new electrical wiring installed.

A separate structure „Front office for Master students“ has been established.

The study halls from 301 to 312 have been thoroughly renovated with new electrical wiring, new fire alarm notification system and modern energy efficient lighting. Halls 301 and 312 are supplied with new projectors and sound systems.

The finance and accounting department is positioned in a newly built and furnished accounting centre.

A major renovation has been carried out in room 106 which was designated for guest-lecturers and room 116 which has become a modern air-conditioned conference hall with multimedia equipment. Both have been furnished with completely new furniture.

The establishment of a new Information centre in the University has totally changed and renewed the image of the west lounge in a Crescent style.

On the first floor in building 1 two premises are completely renovated and designated to be bookstores and stationeries.

Cabinet furniture, office furniture and sofas/upholstered furniture are provided and installed in offices and lecture halls.

Additional objects have been accomplished in building 1, such as:
- café „Sportsman”, changing rooms, a door-keeper room and rooms for the auxiliary staff in the Sports complex;
- a café and rooms for the auxiliary staff in the basement whose task is to guarantee the proper holding of the University sports events and the convenient use of the facility in students’ and lecturers’ free time.

A new sewage system for purifying domestic waste water has also been installed in the university recreational facilities in the village of Shkorpilovtsi, the ”Metcho uho” neighborhood.
Outsourcing

The procedure was carried out to outsource the renovated food outlets in building 2. This provided an income which amounts to 5 520.00 BGN a month. Savings have been made in the wage and salary budget. At the same time the University is spared the extrinsic activities while keeping its social responsibilities to students, lecturers and administrative staff by providing variable high quality menu. The students at the University received 8 000 magnetic cards which check in every meal at the food outlet. The above changes lead to leveling off the conditions of the two academic buildings.

The food outlet in building 1 has been outsourced. Provision of food is carried out by an outsourced company which is specialized in the sector of public catering. The next advantages are present as a result of:

- continuing the best practices of 2013 based on outsourcing the food outlet in building 2;
- improving the quality of students’ nutrition by outsourcing the activity to a contractor specialized in the sector of canteens and catering;
- gaining income from rents;
- making savings from budget expenses by avoiding the employment of 12 people.

Other supplies and services

A feasibility study has been carried out related to the overall development of the grounds of the UE-Varna University building 1. A technical project is drafted concerning analysis of internal space organization and designing a new reception lounge. The solutions which were offered were related to: analysing the area of the building projects in UE – Varna, the adjacent area and connections, analysis of inner space organization; a proposal for designing a new reception lounge and reshaping the existing interior space (corridors – stage part “Crescent”).

In compliance with the contemporary requirements a certification ISO 9001:2008 procedures was conducted in UE- Varna. Auditing energy efficiency and certifying the existing buildings were assigned for completion.

Solving social and daily problems has always drawn the attention of the academic authorities in their term of office. The results in that aspect constitute a tangible proof. Projects have been completed concerning: maintenance and restoration of students’ hostels; renovation of students food outlets; improving the water supply system in hostels; enhancing the security activities by video surveillance, optimizing the control systems; performance of checks; optimizing the system for precise reporting of overheads /expenses for consumables, electricity, water, etc./

The amount of the investment expenses for facility enhancement during the term of office is as follows:
Total sum for the year 2011 – 990 030.56 BGN incl. VAT.
Total sum for the year 2012 – 2 817 397.63 BGN incl. VAT.
Total sum for the year 2013 – 2 113 429.30 BGN incl. VAT.
Total sum for the year 2014 – 2 485 327.82 BGN incl VAT.
The total investment sum exceeds 8 400 000.00 BGN.

It could be admitted that the process of providing quality food service is completely accomplished. The food outlet halls in University building 1 and building 2 have been completely refurbished. Both the preparatory blocks and the food halls in buildings 1 and 2 have been totally renovated. Lecturers, students, administrative staff and guests, all can take advantage of this. The expenditures for the benefit exceed 2 mln BGN. The catering service is outsourced and the Students’ council retains its right to control by limitless number of checks, ending with a record of opinions and remarks. Furthermore, the control is fulfilled by the implemented magnetic card system, which is relevant to rendering the account of students’ food subsidy.

The newly renovated sports centre in UE-Varna is widely popular in the sports circles in the city. As such, the sports facility has modern European characteristics and provides conditions for students’ sports activities, which is practically unfamiliar in many higher education institutions in Bulgaria.

There is an ongoing renovation of recreation facilities near the village of Shkorpilovtsi and “Grebsna basa”/ Rowing centre. The water and sewage systems have been reconstructed. As it was stated above a new sewage treatment system was built and brought into use in the recreation centre near the village of Shkorpilovtsi.

By an Act of the Head of Regional administrative centre Varna we were granted 27 hectares of land in the “Rowing centre” where a new recreation facility is planned to be built. Three new playgrounds for tennis, basketball and volleyball will be constructed. All students, lecturers and administrative staff will be given the opportunity to perform their creative tasks and relax in a modern refurbished facility. The project can be completed in the next term of office.

Implementation of the above stated initiatives is enhanced with the attendant effect of the large number of completed investment projects.

The issue with the insufficiency of the students’ hostels is still pending. For that purpose we are trying to develop building sites for new hostels or obtain ones that have already been completed.

During the period covered in the report a lot of efforts were made to solve the existing problem with the building of the College of Tourism. The necessary steps have been taken by UE-Varna and at present, the issue is to be solved by the Council of Ministers in the Republic of Bulgaria.
The next significant conclusions can be drawn on the basis of the analysis made:

1. The condition of University facilities has improved its quality after the implementing a multitude of investment projects during the whole term of office May 2011 – May 2015;

2. The range of the implemented projects encompasses all fundamental university activities which constitute the attractiveness of the higher education institution.

3. Guidelines for developing the attractiveness of the University of Economics - Varna by enhancing investments in facilities

The analysis made in the present article indicates that by undertaking initiatives such as efficient funds management and accelerated facility enhancement in the higher education institution a proper condition is maintained which comprises: optimization of budget structure; increasing the existing stock of buildings; enhancing the qualitative characteristics of facility – installing modern technical network in some lecture halls; improving the facilities related to extracurricular activities of students-sport, culture. Undoubtedly, all mentioned above has its impact on the attractiveness of the higher education institution. Although a lot has been done, this conclusion should not lead to the impression that all that is required has been attained and the possibilities are depleted. Moreover, the educational environment is constantly changing and requires adequate activities from the universities. Accordingly, it should be mentioned that basically, impact processes continue their negative trend in the development, thus increasing the obstacles to the higher schools. Having in mind the outlined above and based on experience, it should be recommended that the University of Economics - Varna should enhance its attractiveness by developing the investment activities in few fundamental trends outlined in the next groups:

First. In the field of investments and their financial security.

It is necessary to highlight the particular character of measures in this field because of their significance and role in the development of each system including the higher education institutions. We take into account that the higher schools in Bulgaria are required to quickly overcome differences concerning the facilities which guarantee the academic and extracurricular activities of lecturers and students when compared to those at European universities. The analysis carried out provides us the basis to make the next suggestions in this field:

- The relative share of the investment costs funded by European projects are set slightly higher in order to release financial resources for supporting other university activities;
- financing expenses for renovation of the information system and enhancing it to a level which corresponds to the achievements in the European educational sector;
- directing expenses related to presenting the best UE-Varna practices to external audiences;
- improving the social and sports activities by enhancing the cultural and sports schedule as well as by refurbishing the facilities for them.
- developing different and wider variety of sports in order to meet the needs of a wider students’ audiences.

We think that it would be correct to make regular analysis of environment before preparing the draft budget and the investment costs budget. This analysis will allow the precise definition of priorities for the higher school development.

**Second.** In the sector of facility enhancement.

The measures stipulated here represent the next stage concerning the implementation of the investment intentions. They concern the need for organizing all steps when choosing an investment project and effective measures for their implementation. Having made the analysis the most important steps could be:

- Designing a system for maintaining the buildings in good technical and technological repair by: planning the main and ongoing renovations; improving all parts and engineering networks; providing new equipment and technologies for the lecture halls.
- Extending the facility and achieving conditions for better and quality learning process, thus providing instruction to students which is near or equal to European achievements;
- Construction of new research and sports centre;
- Using the facilities for organizing events of regional character. The University should become a centre for science and culture.
- Construction of a new recreational facility on the designated site for relaxation and research work of lecturers, students and administrative staff. There will also be an opportunity to develop academic sport clubs – rowing, tennis, basketball, volleyball, etc.
- Improving the activities of units and departments concerning the reduction of the time for organizing and holding public procurement procedures providing for the investment projects.

**Conclusion**

A conclusion can be drawn that the investment activity is one of the possibilities for higher schools to solve a number of issues which are typical for the modern education sector. During the period covered in the research the University of Economics – Varna has made significant steps in this direction. A lot of investment projects have been completed which made the higher school take an advantage