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Strategy-making process for funding Brazilian public universities: a case study at the Federal University of Rio Grande do Sul (UFRGS)

Formação de estratégias de financiamento das universidades públicas brasileiras: um estudo de caso na Universidade Federal do Rio Grande do Sul (UFRGS)




Formación de estrategias de financiamiento de las universidades públicas brasileñas: un estudio de caso en la Universidad Federal de Rio Grande do Sul (UFRGS)

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ABSTRACT

Goal: To analyze the formation and types of strategies present in the financing process of the Federal University of Rio Grande do Sul (UFRGS), based on the concepts of deliberate and emergent strategies by Mintzberg and Waters (1985). **Methodology/approach:** An explanatory case study was conducted at the UFRGS, applying thematic analysis methodology for interpreting the results. **Originality/relevance:** This study investigated the strategy-making process in the financing of Brazilian public universities, considering the different concepts and conflicts that emerge in the formative processes. Thus, it provides information that enriches the discussion in contexts of reduction in the relative participation of National Treasury funds in the budget of federal universities. **Main findings:** In the financing of UFRGS, there coexist strategies related to Budgetary Financing and strategies related to External Financing, showing significant differences in their formations. By investigating patterns in decision flows and actions, different types of strategy are observed, along with the presence of conflict and influence systems that may relate to the implemented strategies. **Theoretical contributions:** By integrating theories on strategy formation, decision models, and influence systems, we analyze the formation of financing strategies of a federal public university, considering how emerging conflicts can interfere with the flow of decisions and actions, and consequently, the implemented strategies. **Management contributions:** We provide reflections on the formulation of financing strategies and emphasize the need to consider the role of the university and the different conceptions of the academic community in this process.

Keywords: Public University. University Financing. Strategy. Decision. Conflict.

RESUMO

Objetivo: Analisar a formação e os tipos de estratégias presentes no processo de financiamento da Universidade Federal do Rio Grande do Sul (UFRGS), apoiando-se nos conceitos de estratégias deliberadas e emergentes de Mintzberg e Waters (1985). **Metodologia/abordagem:** Foi conduzido um estudo de caso explanatório na UFRGS, aplicando a metodologia de análise temática para interpretação dos resultados. **Originalidade/relevância:** Este estudo investigou o processo de formação das estratégias de financiamento no âmbito das universidades públicas brasileiras considerando as diferentes concepções e conflitos que emergem nos processos formativos. Assim, são fornecidas informações que enriquecem a discussão em contextos de redução na participação relativa de recursos de fonte do Tesouro Nacional no orçamento das universidades federais. **Principais resultados:** No financiamento da UFRGS, coexistem estratégias relacionadas ao Financiamento Orçamentário e estratégias relacionadas ao Financiamento Externo, apresentando diferenças significativas em suas formações. Ao investigar padrões em fluxos de decisões e ações, percebe-se diferentes tipos de estratégia, além da presença de conflito e de sistemas de influência que podem se relacionar com as estratégias efetivamente realizadas. **Contribuições teóricas:** Integrando teorias sobre formação de estratégias, modelos de decisão e sistemas de influência, analisamos a formação de estratégias de financiamento de uma universidade pública federal, considerando como conflitos emergentes podem interferir o fluxo de decisões e ações e, consequentemente, as estratégias realizadas. **Contribuições para a gestão:** São fornecidas reflexões sobre a formulação de estratégias de financiamento e sobre a necessidade de considerar o papel da universidade e as diferentes concepções da comunidade acadêmica nesse processo.

Palavras-chave: Universidade pública. Financiamento universitário. Estratégia. Decisão. Conflito.

RESUMEM

Objetivo: Analizar la formación y los tipos de estrategias presentes en el proceso de financiamiento de la Universidad Federal de Rio Grande do Sul (UFRGS), basándose en los conceptos de estrategias deliberadas y emergentes de Mintzberg y Waters (1985). **Metodología/enfoque:** Se realizó un estudio de caso explicativo en la UFRGS, utilizando el análisis temático para interpretar los resultados. **Originalidad/relevancia:** Esta investigación examinó el proceso de formación de estrategias de financiamiento en las universidades públicas brasileñas, considerando las diferentes visiones y conflictos que surgen. Por lo tanto, proporciona información que enriquece el debate en contextos de reducción de recursos del Tesoro Nacional en el presupuesto de las universidades federales. **Principales resultados:** En el financiamiento de la UFRGS coexisten estrategias de Financiamento Presupuestario y estrategias de Financiamento Externo, mostrando diferencias significativas en su formación. Al investigar patrones en decisiones y acciones, se identifican diferentes tipos de estrategias, además de conflictos y sistemas de influencia que pueden relacionarse con las estrategias efectivamente realizadas. **Contribuciones teóricas:** Integrando teorías sobre formación de estrategias, modelos de decisión y sistemas de influencia, analizamos la formación de estrategias de financiamiento en una universidad pública federal, considerando cómo los conflictos emergentes pueden afectar el flujo de decisiones y acciones y, por ende, las estrategias realizadas. **Contribuciones a la gestión:** Se ofrecen reflexiones sobre la formulación de estrategias de financiamiento y la necesidad de considerar el papel de la universidad y las diferentes visiones de la comunidad académica en este proceso.

Palabras clave: Universidad pública. Financiación universitaria. Estrategia. Decisión. Conflicto.

■ INTRODUCTION

In addition to contributing to economic development and fostering the training and qualification of professionals with academic knowledge (Martins et al., 2023), universities must commit to the development of their societies, acting as agents of social transformation (Araújo et al., 2020; Ribeiro, 1969; Sousa & Coimbra, 2020). Therefore, university initiatives, particularly those of public institutions, should also be guided by their societal importance (Teixeira et al., 2023).

The Federal Constitution (1988) assigns to the Union the duty of funding federal public educational institutions. According to the Higher Education Census, of the 205 universities in Brazil, 115 are public, representing 56.09% (INEP, 2022). For Brazilian public universities, it is common to observe a high degree of dependence on environmental factors (Hardy & Fachin, 2000). Thus, maintaining the quality of services and infrastructure at federal public universities depends on adequate funding from the Union (Tumenas, 2021). However, when the financial resources provided by the state are insufficient to maintain a minimum quality standard, universities are compelled to adopt strategies to reduce expenses and supplement revenues (Fonseca & Cerquinho, 2021; Quintana & Saurin, 2005).

In the 1970s and 1980s, the notable expansion of higher education was accompanied by reflections on how to address related challenges, including financing (Neves, 2012). Initially, the proposed solution involved increasing the role of the state in improvement and expansion processes through public funding. Nevertheless, in the 1980s, as these issues persisted, international agencies began to suggest substantially different approaches. By the late 1990s, Brazil started transitioning from a traditional model of low competitiveness to a mass education model characterized by high competition and a focus on productivity (Ribeiro et al., 2023).

Thus, in line with the development of liberal policies, the World Bank and the Inter-American Development Bank, during the 1990s, began recommending that public universities seek alternative funding sources, envisioning a scenario where state resources would be supplemented by an increasing share of private funds in university budgets (Velloso, 2000). Between 2000 and 2010, there was significant expansion of public higher education, marked by the expansion of existing programs, the creation of new universities and federal institutes, and the implementation of the Program to Support Restructuring and Expansion Plans of Federal Universities (REUNI) (Bergmann et al., 2020). This expansion further strained the budget of the Ministry of Education (MEC), creating more room for discussions on alternatives. Within this context, in 2019, the MEC introduced the Future-se program. The program was promoted as a proposal to strengthen the administrative and financial autonomy of public universities (Sousa & Coimbra, 2020) but was ultimately abandoned due to societal pressure highlighting its potential to undermine public funding and university autonomy (Araújo et al., 2020). Another challenge for public universities was the budgetary constraint imposed by Con-

stitutional Amendment No. 95/2016, which established the so-called nominal spending ceiling (Mariano, 2019), more recently replaced by the new fiscal framework under Complementary Law No. 200/2023 (Brasil, 2023).

In this context, one of the alternatives adopted by federal public universities was to expand interaction with society (Rapini et al., 2014), fostering projects that could generate revenues beyond those allocated in the Annual Budget Law (LOA) from National Treasury sources. These projects, generically referred to as academic interactions, leverage the universities' institutional recognition, infrastructure, and staff expertise to provide services—usually in research and outreach—to public and private organizations as well as individuals, thereby attracting financial resources.

At the Federal University of Rio Grande do Sul (UFRGS), the focus of this research, this approach has become institutionalized. UFRGS has specific organizational and regulatory structures to manage its diverse relationships with external organizations. These interactions enable the university to receive revenues beyond those allocated by the National Treasury through law (da Fonseca & Cerquinho, 2021). Thus, UFRGS's funding structure results from a combination of Budgetary Funding, executed via the Annual Budget Law (LOA), and External Funding, achieved through the implementation of academic interaction projects (Jaeger, 2019).

Considering that universities are complex social organizations (Ensslin et al., 2016) that face numerous challenges throughout their history (Audy, 2006; Colombo & Rodrigues, 2011), it is necessary to formulate strategies and adopt management models that enable them to overcome these challenges (Ensslin et al., 2016). Although many studies have analyzed the financing of public universities from various perspectives (e.g., Alves & Pimenta-Bueno, 2014; Araújo et al., 2018; Corbucci & Marques, 2003; Duarte & de Oliveira, 2012; Quintana & Saurin, 2005; Rapini et al., 2014; Silva, 2019; Velloso, 2000), we found no research investigating the process of forming financing strategies in the context of Brazilian public universities. This search was updated during the article's review in November 2024, using the Scopus, Web of Science, and Google Scholar databases. The lack of studies in Brazil reveals a neglect gap (Sandberg & Alvesson, 2011), reinforcing that studies on university-industry relations have predominantly focused on developed countries (Puffal & Teixeira, 2014).

Thus, conceiving strategy formation as the consistency of patterns in streams of decisions or actions (Hardy et al., 1983), this research aims to analyze the formation and types of strategies in the financing process of UFRGS, drawing on Mintzberg and Waters' (1985) concepts of deliberate and emergent strategies.

To achieve this, an explanatory case study (Yin, 2015) was conducted at the Federal University of Rio Grande do Sul. Among the results, two distinct funding patterns were identified, with substantially different processes of strategy formation and organization: Budgetary Funding and External Funding. By analyzing the flow of decisions and actions at the organizational (broad) and individual (narrow) levels, different types of strategies are observed (Mintzberg & Waters, 1985). Another relevant contribution of this research stems from the analysis of the relationship between conflicts and systems of influence that emerge in decision-making processes and the strategies ultimately enacted. These conflicts often arise from differing conceptions among the actors involved regarding the role of the university

and its funding mechanisms, with the potential to influence and alter the flow of decisions and actions within the university context.

This research is justified for three main reasons. First, it contributes to advancing the literature on the financing of federal higher education institutions in Brazil. While studies are addressing Budgetary Funding in universities (e.g., Duarte & Oliveira, 2012; Silva, 2019; Tumenas, 2021), External Funding (e.g., Alves & Pimenta-Bueno, 2014; Araújo et al., 2018; Fonseca & Cerquinho, 2021), and the different perceptions of the academic community (e.g., Araújo et al., 2020; Sousa & Coimbra, 2020; Velloso & Marques, 2005), no study integrates these discussions to analyze the flow of decisions and actions that result in financing strategies holistically. Second, this research provides detailed information on the financing process of a public university with expertise in executing revenue-generating projects. Thus, the results and discussions may serve as managerial support for other educational institutions in formulating their own strategies. Finally, this study encourages new research exploring the reconciliation between the need to generate financial resources and the importance of considering the diverse conceptions of the academic community regarding university funding, which is essential to preserve the democratic nature expected of a public university.

To present its results, this article is structured into five sections in addition to the introduction. First, the theoretical foundation of the research is presented. Next, the methodological procedures used are detailed. Following that, the results are divided into Budgetary Funding and External Funding. After the results, the discussion section connects the main findings with strategy literature. Finally, the concluding remarks highlight the contributions, limitations, and suggestions for future research.

THEORETICAL BACKGROUND

Strategy Formation, Organizational Structure, and Decision-Making Processes in the University Context

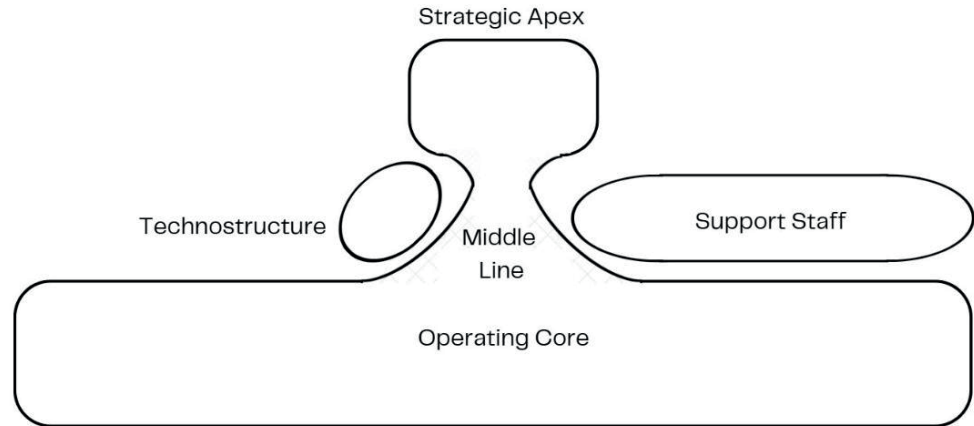
Conventional strategy formulation literature suggests that strategies are crafted before implementation and that structures should be designed to support them. However, this view does not apply to the university environment (Hardy et al., 1983). Conducting empirical research on strategy formation requires retrospective analysis. Researchers must observe patterns in streams of decisions or actions that culminate in an outcome—the strategies ultimately realized (Hardy et al., 1983; Mintzberg, 2006), allowing emergent patterns to be identified as well.

To analyze strategies in university settings, it is essential to understand the organizational structure, decision-making processes, involved actors, and systems of influence. Mintzberg (2017) describes universities as “professional bureaucracies” due to their complexity and scale, where power is decentralized because of the specialization of professionals. This decentralization results in the quasi-autonomous work of faculty and an organizational structure connecting a robust operating core to a small strategic apex, supported by a support staff for non-core activities (Cappellari et al., 2023).

The figure below illustrates the structural configuration of professional bureaucracies.

Figure 1.

Professional Bureaucracy



Note. Adapted from Mintzberg (2017)

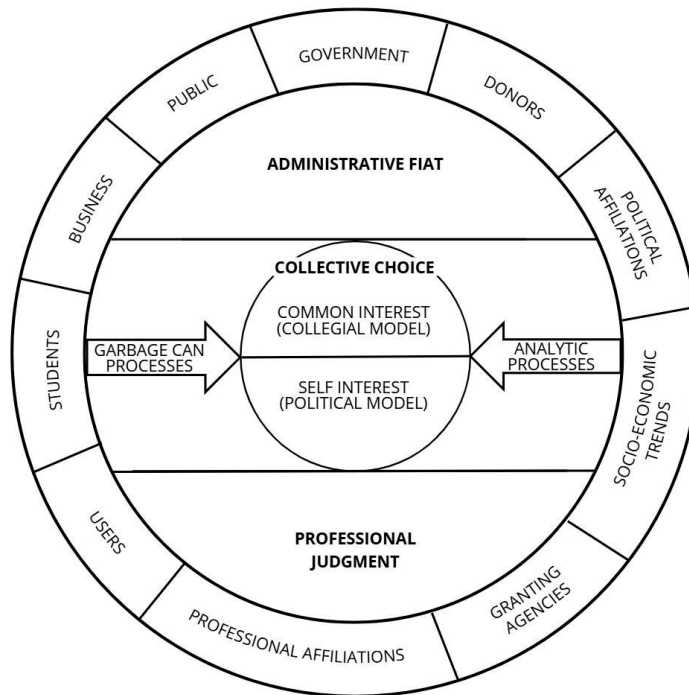
In university settings, expertise and the decentralization of power enable decisions and actions to originate from the base and ascend to the top of the hierarchical structure (Mintzberg, 2017). In this context, it is common for three levels of decision-making to coexist: administrative fiat, professional judgment, and collective choice (Hardy et al., 1983; Hardy & Fachin, 2000).

Administrative decisions are made by central management, influenced by hierarchical structures and oversight, including finances and advisory bodies. Professional judgment, predominantly exercised by professors, is based on their expertise, with significant autonomy stemming from their specialization and the trust placed in their abilities. Collective choices, made within committees or councils, reflect global decisions involving administrators, professors, students, and representative entities, shaped by social and economic dynamics (Hardy et al., 1983; Hardy & Fachin, 2000).

Four models explain university decision-making processes: the analytical-rational model, focused on hierarchies and standardized tasks; the collegial model, emphasizing consensus and faculty autonomy; the political model, characterized by conflicts and disputes; and the “garbage can” model, which portrays universities as organized anarchies with inefficient decision-making processes and marked by high inertia. These models can coexist, reflecting the complexity of university management (Hardy et al., 1983; Hardy & Fachin, 2000). Figure 2 summarizes the decision-making process in university contexts.

Figure 2.

Decision-Making Levels

**Note.** adapted from Hardy & Fachin (2000)

Universities operate within complex decision-making environments prone to conflicts due to the diversity of opinions and interests (de Andrade, 2007; Ensslin et al., 2016). When analyzing strategy formation in such environments, it is crucial to consider the different decision-making levels, systems of influence, and potential conflicts that can alter decisions and, consequently, strategies (Rodrigues, 1985). Conflicts arise from a lack of consensus, opposing interests, or resistance to the established order, manifesting through power and influence games (Hardy & Fachin, 2000; Mintzberg, 1983).

Mintzberg (1983) identifies four main systems of influence: authority, ideology, expertise, and politics. Authority derives from formal positions; ideology, from shared norms and beliefs; expertise, from qualification and specialization; and the political system, considered illegitimate, arises from divisive and conflict-driven actions that challenge the formal, ideological, or certified order. Despite its illegitimacy, the political system can play a functional role by exposing and correcting failures in legitimate systems and fostering necessary debate and change.

Thus, strategy formation in universities involves recognizing patterns in decisions and actions, understanding the organizational structure, the decision-making process, and how systems of influence and conflicts affect the environment, and the strategies ultimately realized.

Types of Strategy

Mintzberg and Waters (1985) propose that the strategies observable in organizational practice can be either deliberate, planned with clear intentions, or emergent, formed through the consistency of actions without predefined intentions. Strategies are rarely entirely deliberate or emergent; instead, they fall somewhere along this spectrum. The authors suggest eight types of strategies commonly observed in organizational contexts: planned, entrepreneurial, ideological, umbrella, processual, unconnected, consensual, and imposed.

Briefly, planned strategies arise from formal plans and centralized leadership, making them suitable for predictable environments. Entrepreneurial strategies are defined by the vision of a leader and are adaptable to new opportunities. Ideological strategies are based on shared beliefs and are normatively guided. Umbrella strategies provide flexibility in methods for achieving defined objectives. Processual strategies focus on process control, allowing desired outcomes to emerge. Unconnected strategies are characterized by isolated actions within the organization. Consensual strategies emerge from mutual adjustment without central intentions. Finally, imposed strategies are dictated by the external environment (Mintzberg & Waters, 1985). There is no strict rule for adopting one type of strategy over another. The same organization can employ multiple types simultaneously, depending on the perspective of analysis (Hardy & Fachin, 2000).

In summary, the idea of total predictability in actions and events is inconceivable in organizational practice, just as it is unwise to leave them entirely to chance. Analyzing an organization from the perspective of strategy formation bridges theory and managerial practice, highlighting the role of different actors in decision-making processes and their potential to influence organizational outcomes.

METHODOLOGICAL PROCEDURES

This research aimed to analyze the formation and types of strategies present in the financing process of UFRGS, relying on the concepts of deliberate and emergent strategies proposed by Mintzberg and Waters (1985). An explanatory case study was conducted, where the boundaries between the phenomenon and its context are blurred (Yin, 2015). The case study approach is recommended for research involving in-depth analysis of complex relationships, with numerous elements and categories involved in the subject of study (Rosa et al., 2023). Data collection was based on documents, participant observation, and interviews, following Yin's (2015) guidelines.

The main documentary sources included administrative processes, decisions of the University Council, legislation, meeting minutes, management reports, the University's Bylaws and Statutes, websites of UFRGS and its faculties, the Academic Interactions System, and the Electronic Information System (SEI). These documents helped to complement and confirm information obtained from interviews and observations. The documentary analysis was continuous, especially during participant observation. Throughout this process, folders were created to store key documents, which were consulted as needed for coding and writing the article. It was not possible to quantify

the total number of documents analyzed, as this work was ongoing from the study's conception to its finalization.

The use of participant observation techniques was important for deepening the understanding of certain phenomena and reinforcing the validity of information obtained through interviews and documents. Regarding the functioning of the University Council, we observed decision-making processes, session dynamics, political behavior of members, the flow of analysis for requests for review, among other aspects. From the study's conception to its conclusion, we sought to explore different perceptions of university funding among actors and groups within the academic community, observing patterns in discourses and opinions. Additionally, we observed decision-making patterns, including the handling of processes, informal mobilizations of groups and individuals, political disputes, and power dynamics. It was also crucial to understand the patterns of deliberative bodies regarding decisions involving funding modalities, exploring differences in analytical scopes, objectives, decision-making levels, and impacts on the strategies enacted. Lastly, we observed how conflicts materialized in strategy formation processes, identified by a lack of consensus, opposing interests, or resistance to established practices.

It is important to note that participant observation allowed the direct involvement of the researchers with the studied phenomena. Both authors are permanent staff members at the University, with one based on central administration and the other in a faculty. The main advantage of applying observation techniques was access to events and groups that would otherwise have been difficult to reach. The most relevant information was recorded as insights, which were later analyzed comparatively with information obtained from interviews or documents. These insights could be validated, modified, or excluded, reducing the possibility of interpretive bias by the authors.

Additionally, nine semi-structured interviews were conducted with seven participants between February and June 2019. Five interview scripts were prepared and are appended to the end of the article for reference. The interviews were recorded and transcribed using the oTranscribe software. The total recorded audio time was approximately 402 minutes, resulting in 102 pages of transcribed content stored with the authors. Except for Council Member 2, who was recommended by Council Member 1, all other interviewees were intentionally selected based on a prior review of documents (administrative processes related to academic interaction, opinions on review requests, Academic Interactions System) or participant observation (University Council sessions, dialogues with administrators and researchers).

For the selection of interviewees, we aimed to identify key individuals with a decisive role and deep knowledge of the flow of decisions and actions concerning University funding. Additionally, we sought to interview individuals with differing conceptions of the University's role and its funding mechanisms. Although the data were collected in 2019, they remain relevant in the current context. This claim is supported by the authors, who continue to perform their functions at the University. Figure 3 summarizes the interviews conducted.

Figure 3.

Interviews Conducted

Position/Role	Date	Identification in the Text	Recorded Audio Duration
Former Pro-Rector of Planning and Administration	Feb/19	Former Pro-Rector	00:36:21
Deputy Director of a Faculty and Project Coordinator	Feb/19	Faculty Member 1	00:32:21
Professor/Researcher and Project Coordinator	Feb/19	Faculty Member 2	01:06:08
Technical-Administrative Representative of the University Council (CONSUN)	Feb/19	Council Member 1	01:42:13
Technical-Administrative Representative of the University Council (CONSUN) and Former Member of the University-Society Interaction Committee (CIUS).	Feb/19	Council Member 2	00:59:46
Director of the Budget Programming Department (DPO)	May/2019 (2x) and Jul/2019	DPO Director	00:56:24
Director of the Department of Project Execution and Agreements (DEPROCON)	May/19	DEPROCON Director	00:49:12

The analytical strategy adopted followed Yin's (2015) guidelines, organizing the collected information into 16 distinct codes based on theoretical propositions and the study's objectives, with the support of Nvivo 14 software. The database supporting the analyses was semi-structured and stored in folders categorized by material type (Rosa et al., 2023; Yin, 2015). Accordingly, folders were created for recorded audio files, interview transcripts, collected documents, Nvivo codifications (one file per code), insights from direct observation, the preliminary structure of the article, and the final text.

Thematic analysis was used to interpret the data (Braun & Clarke, 2006), involving familiarization with the data, generation of initial categories, searching for themes, reviewing these themes, defining names for the themes, and producing the report. The use of multiple data sources enabled data triangulation. In this process, the most relevant information was categorized in Nvivo 14 and analyzed comparatively with data obtained from other sources. Based on this comparison, information could be validated, modified, or excluded. The conclusions were recorded directly in the final report, whose results and discussions are presented in the subsequent sections.

RESULTS

In UFRGS's financing structure, strategies related to Budgetary Funding coexist with those related to External Funding, showing significant differences in their formative processes. The characteristics and decision-making patterns of these two financing modalities will be presented below to provide context. Subsequently, the discussion section will analyze the strategy formation process by identifying patterns in the flows of decisions and actions at both the organizational (broad) and individual (narrow) levels and the relationships between emerging conflicts, systems of influence, and the strategies ultimately enacted.

Budgetary Funding

Budgetary Funding, unlike External Funding, follows a specific process established by law, based on objective criteria. The University's budget is an integral part of the Ministry of Education's budget, which, in turn, is part of the Union's budget. Prepared annually, UFRGS's budget is outlined in the Annual Budget Law, which provides for the projection of revenues and the allocation of expenses for the respective fiscal year (Giacomoni, 2017).

At the time of the research, between 2019 and 2020, the University's budgetary situation was a concern for administrators, particularly due to the unpredictability and uncertainty of the financing model, which was limiting its capacity to maintain the quality of services and infrastructure. This context was marked by a historical trend of declining relative participation of budgetary allocations for discretionary resources, known as OCC (Other Current and Capital Expenses). Additionally, the continued application of Constitutional Amendment No. 95/2016 indicated a potential disruption of the existing financing model, as Personnel and Social Security Expenses were growing at a faster rate than the variation of the IPCA, the index used for adjusting the budget ceiling.

An analysis of the Annual Budget Laws from 2013 to 2019 revealed that UFRGS has faced significant budgetary and financial challenges. Personnel and Social Security Expenses increased by 76.87%, surpassing the accumulated inflation rate for the same period, which was 41.59%. This highlighted a growing pressure on the budget, exacerbated by the progressive reduction of the share allocated to current and capital expenses, which in 2019 represented only 14.15% and 0.76% of the total budget, respectively. Consequently, UFRGS's central administration had been implementing cost-containment measures, such as reducing outsourced services and cutting building maintenance expenses (UFRGS, 2018 n.p.). Despite efforts to promote efficiency through managerial and technological innovations, additional cuts became unavoidable, threatening the quality of the University's operational conditions (Former Pro-Rector).

In summary, the context and outlook of the University, which relies heavily on Budgetary Funding to maintain its structure and conduct its activities, were—and remain—highly uncertain. Thus, External Funding can and has been taking on an increasingly prominent role in the University's financing model. Supporting this perspective, the then Pro-Rector for Planning and Administration stated in the 2018 Management Report that “the pursuit of directly raised funds (own resources collected under Source 250) is an important alternative to mitigate budgetary constraints” (UFRGS, 2018 n.p.).

Decision-Making Process in Budgetary Funding

According to Giacomoni (2017), the budgetary process can be summarized in four stages: the preparation of the budget proposal; discussion, voting, and approval of the Budget Law; budget execution; and monitoring and evaluation of budget execution. Under the principle of unity, each governmental agency or entity must have only one budget, ensuring that the Union's budget is also singular. Thus, the University's budget results from the alignment of internal preparation, allocation, and execution (UFRGS budget) with the

preparation, allocation, and execution of the Annual Budget Law (Union budget).

The global availability of resources from the Ministry of Education (MEC) is distributed among universities based on the Other Current and Capital Expenses Budget Matrix (OCC Matrix) (Araújo et al., 2018). To ensure equity in budgetary allocations among Federal Institutions of Higher Education (IFES), the OCC Matrix is prepared based on clear, transparent, and public criteria defined in Decree No. 7,233 of July 19, 2010 (Sant'ana, 2017), considering, among other factors, the institution's size, the number of students, the range of courses offered, and scientific production (Brasil, 2010).

Similarly, given the departmental academic structure of UFRGS, part of the discretionary budget is internally distributed among its executing units and faculties (Former Pro-Rector). The distribution model is based on parameters such as “the previous year's budget, the number of faculty members and students, the physical space used, and the average cost per student in the specific area” (Hardy & Fachin, 2000, p. 55; DPO Director). Historically, the allocation of operating costs from National Treasury resources has been distributed among Academic Units, Auxiliary and Supplementary Bodies, and Pro-Rectorates. Only executing units, those responsible for issuing commitments, receive funds. The capital resources, on the other hand, are centralized in the Office of the Vice-Rector for Planning and Administration (PROPLAN), which provides support to various executing units, prioritizing institutional units that serve the entire University, such as the Central Library, the Data Processing Center, among others (DPO Director).

In this context, the flow of decisions and actions for Budgetary Funding can be summarized in ten sequential steps, as shown in Figure 4 constructed from information obtained during interviews with the DPO Director, the Former Pro-Rector, and through documentary research.

Figure 4.

Decision-Making and Actions Flow in Budgetary Funding

Step 1	The Ministry of Education, based on its budget forecast for the subsequent fiscal year—defined by the Ministry of Economy—runs the OCC Matrix to determine the budget portion allocated to each university. Once this is completed, the Ministry informs the federal universities (IFES) about their budget allocation ceiling.
Step 2	UFRGS/PROPLAN receives information about the ceiling of its budget allocation for National Treasury resources and simultaneously requests internal executive units to estimate their own revenue collection (External Financing). This estimation is based on the revenue collection history of the last two years, the current fiscal year, and the forecast for the following year.
Step 3	With information about its budget allocation ceiling for National Treasury resources and the consolidated revenue forecast from the internal executive units, PROPLAN allocates the amounts in the Integrated Planning and Budget System (SIOP) according to government programs.
Step 4	The Rector approves the budget plan, which is then sent back to the Ministry of Education.
Step 5	The Ministry of Education consolidates its budget, including the proposals from all federal universities (IFES), and sends it to the Ministry of Economy.
Step 6	The Ministry of Economy consolidates the Union's Annual Budget Bill (PLOA) and submits it to the National Congress by August 31 for voting.
Step 7	The National Congress approves the PLOA and submits it for presidential sanction by December 15.
Step 8	The Annual Budget Bill is approved and published as the Annual Budget Law (LOA).

Step 9	UFRGS receives its budget and, considering the allocations available in the LOA, estimates the internal distribution of a percentage share of National Treasury Operating Expenses using its own metrics.
Step 10	This final step involves the actual budget execution. Global budget allocations are defined for expense groups. Throughout the fiscal year, the Ministry of Education gradually releases commitment limits for the settlement and payment of expenses funded by National Treasury Resources. This control is managed by PROPLAN, which in turn gradually allocates commitment limits to the executive units. For allocations funded by its own resources, should the University need to increase this limit, it may request the Ministry of Education to authorize a supplementary credit due to excess revenue.

In terms of power distribution within the budgetary process, the University Council is, by regulation, the highest authority; however, in practice, it is represented by the Rector. Although the Rector has the prerogative to deliberate on decisions regarding the preparation and execution of the budget, they typically focus on the overall direction of actions and negotiations with external agents, particularly the Ministry of Education. Thus, PROPLAN is responsible for budget management—including preparation, execution, monitoring, and reporting—without rigid direct oversight from the Rector, despite the hierarchical relationship between them (DPO Director).

In the relationship between PROPLAN and the executing units, there is no hierarchical line. Most decisions are made at the level of administrative fiat (Hardy et al., 1983), as the criteria for internal budget distribution (National Treasury source) are clearly defined and widely accepted by unit directors, who have autonomy to manage their resources once allocated (DPO Director).

Awareness of UFRGS's budgetary situation and the need to comply with regulations and legislation seem to limit the exercise of power and influence in Budgetary Funding. Hardy and Fachin (2000, p. 52) noted that “no one considered the resource allocation process to have political characteristics because everyone knew there was little room for negotiation,” and that “directors were officially responsible for resource allocation within their units, but university budgets were so constrained in several expense categories that very little power was involved in these matters”. Additionally, conflict tends to be more salient in collective choice decisions compared to decisions at the level of administrative fiat (Hardy et al., 1983; Hardy & Fachin, 2000). Supporting these observations, both the DPO Director and the Former Pro-Rector confirmed that conflicts are uncommon in the budgetary process, whether during preparation or execution. Neither could recall significant events of this nature.

In summary, the characteristics of the flow of decisions and actions in Budgetary Funding suggest that the prevailing system of influence is one of authority (Mintzberg, 1983). Power is perceived as something formally assigned to PROPLAN and the Rector, who centralize most decisions through administrative fiat (Hardy et al., 1983). However, due to the implicit widespread belief and acceptance of the University's budgetary constraints and the need to adhere to regulations, characteristics of the ideological system of influence (Mintzberg, 1983) are also evident. This ideological influence may be reinforced through narratives about the University's precarious budgetary situation.

With substantially distinct characteristics but significant potential for revenue generation, the findings related to External Funding will be presented next.

External Funding

The literature highlights various ways and reasons why universities engage with their external environment and other organizations (Puffal & Teixeira, 2014), which can serve as alternative sources of revenue to those provided by the National Treasury through the Annual Budget Law (Corbucci & Marques, 2003). Thus, the starting point for understanding the strategic process in External Funding is to identify how financial resources are obtained and executed. At UFRGS, these resources are primarily obtained through the execution of teaching, research, extension, or technological development projects (DEPROCON Director), in which professionals leverage their expertise to generate financial resources. In other words, the outcomes of these projects meet the needs of external parties willing to pay for the services offered by the University across various fields of knowledge. The formalization of this process occurs through the execution of legal instruments between the involved parties, generically referred to as cooperation instruments. As shown in Figure 5, there are numerous ways to establish relationships with the external environment, with varying sources for acquiring external resources.

Figure 5.

Main Interactions and Sources of External Resources

Direct Administration	Federal Government (ministries); States (secretariats); Municipalities (city halls - secretariats); Legislative Branch (parliamentary amendments); Judiciary Branch (courts); Federal Police; Federal Highway Police, among others.
Private Sector (business sector)	Dell; HP; Intel; Tramontina; Gerdau; Braskem; CMPC Celulose Riograndense; Stihl; Shell; CP Eletrônica; GKN do Brasil; Esso; AEL Sistemas; Microsoft; Vivo; Vale; Bradesco, among others.
Organizations Linked to the Government and Funding Agencies	PETROBRÁS; National Agency of Petroleum (ANP); FINEP; Banrisul; CEEE; Corsan; Eletrobrás; Embrapa; EMBRAPPII; FNDE; FDRH; CNPQ; CAPES, among others.
Revenue-Generating Projects	Specialization courses; Events, congresses, workshops, symposiums, seminars; UFRGS Store; UFRGS Publishing House; Planetarium; Extension activities (dental care, psychological care, veterinary hospital, sports classes, language and arts courses, among others).
Licensing and Royalties	Licensing (trademarks, patents, plant varieties); Royalties from incubated companies.
International Entities	Government agencies, companies, universities, among others.
Other Sources	Income from rentals, donations, asset disposals, among others.

Commonly, the financial management of these projects is handled by support foundations (Ramos et al., 2017), while the University remains responsible for delivering the technical activities. “Given the existing financial difficulties, the idea of using support foundations as a means of generating resources, already present in other larger universities, became more robust” (Council Member 2). At UFRGS, “a milestone for this was the 1990s with the creation of FAURGS” (Council Member 1), which fostered the development of the University’s External Funding processes. By 2019, this was already an institutionalized practice, with over 400 active projects and a dedicated structure to support these processes (DEPROCON Director). By 2024, the year this article was finalized, UFRGS had more than 500 active projects (Documentary Information - Academic Interactions System).

The growth of External Funding is intrinsically linked to the worsening budgetary situation at UFRGS, which has been compelled to generate its own revenue to adequately sustain its activities:

The University should have sufficient resources to sustain itself so that externally sourced funding [External Funding] could be supplementary to the University's structure. However, today we don't even have enough money to maintain the University as it is, so we must also generate funding for that purpose (Faculty Member 2).

Quantitatively, data analysis demonstrated the significance of External Funding at UFRGS compared to OCC allocations from the LOA. For example, in 2018, the total revenue raised was approximately R\$ 238.4 million, while OCC allocations from National Treasury funds were around R\$ 231.5 million, a proportion of 103% of the former relative to the latter (Documentary Information - Annual Budget Laws). Another notable figure is that in 2018, the total Capital Expenditure Allocations (External Funding source) amounted to approximately R\$ 18.5 million, compared to approximately R\$ 10.4 million from Budgetary Funding (National Treasury source). Considering that, besides construction and improvements, all capital assets must be donated to UFRGS at the end of the projects, revenues from External Funding play a crucial role in maintaining the University's infrastructure (DEPROCON Director).

As demonstrated, External Funding is primarily obtained through the execution of projects involving interactions with the external environment. However, to fully understand the strategic process, it is necessary to analyze its flow of decisions and actions, as will be addressed later.

Decision-Making Process in External Funding

Unlike Budgetary Funding, in External Funding the University plays an active role in revenue generation, with a dispersed decision-making process and relative decentralization of power. The flow of decisions and actions moves from the bottom to the top of the organizational structure. Proposals for projects originate from professionals with expertise within the operating core, through professional judgment decisions, and proceed to the strategic apex for final deliberation through collective choice by the University Council—the highest authority body. Between the initial proposal and final deliberation, projects undergo review by support staff bodies to ensure the normative adequacy of the instruments executed.

The individual who identifies a revenue-generation opportunity and proposes its formalization is referred to as the project coordinator. This individual can be any employee, whether faculty or administrative staff, who takes responsibility for the project's technical and financial execution. In an interview with a project coordinator, the participant was asked about the origin of the decision or intent to propose projects aimed at external revenue generation. The response was as follows:

They come from a few sources, primarily from the individual efforts of each professor to find calls for proposals, companies with open calls, and partners. Sometimes the calls are for specific areas, and other times they are open, but the initiative usually stems from individual intent, from personal contacts of each coordinator or research professor (Faculty Member 2).

Another key aspect of understanding this phenomenon is that External Funding is the cumulative result of all projects proposed and executed by UFRGS's 29 different academic units. Given the diverse fields of knowledge and the technical complexity of the projects undertaken, there is no overarching directive across the University to guide the pursuit of external funding. At most, the Rectorate and PROPLAN provide general encouragement and broad guidance on the importance of resource generation, usually expressed in meetings or informal conversations (Faculty Member 1). The University's strategic planning documents also lack specific directives, containing only a generic forecast regarding interactions with external stakeholders (UFRGS, 2016).

To offer a more comprehensive understanding of the flow of decisions and actions within the External Funding process, the patterns observed in the decision-making process are compiled below. Figure 6 is the result of interpreting and triangulating data obtained from interviews (with all participants), documents (physical and electronic administrative processes, the Academic Interactions System, normative instructions, among others), and observations (including the flow of administrative processes formalizing project execution, dynamics within the University Council, and the behavior and deliberations of evaluative bodies, among others).

Figure 6.

Decision-Making and Actions Flow in External Funding

Step 1	Upon identifying an opportunity to secure external funding, based on professional judgment, the professor, equipped with expertise and assigned to the operating core, gathers the necessary documentation and submits it for review by the competent authorities in a reverse flow (from the bottom to the top).
Step 2	Still within the operating core, the project is reviewed by the research or extension committee of the proposing academic unit and subsequently by the unit council. In both cases, the decision-making follows a collective decision model.
Step 3	Once approved within the operating core, the proposal is simultaneously forwarded via the system to various central administration bodies, defined as support staff. Each body evaluates the proposal according to its responsibilities, carrying out administrative fiat whenever inconsistencies regarding compliance with regulations, rules, or laws are identified. At this stage, the prevailing decision-making model is analytical-rational.
Step 4	Approved in all previous steps, the proposal is submitted to the University-Society Interaction Commission (CIUS), composed of three faculty members, one administrative staff member, and one student. The Commission issues an opinion agreeing or disagreeing with the formalization of the agreement, based only on general project data, such as identification of participants, value, and duration. After CIUS approval, the proposal is sent for final deliberation by the University Council. In this final stage, council members vote to approve or reject the CIUS opinion, with no further project details provided. However, council members, individually or in groups, may request access to project files and issue opinions, which will be discussed at the next meeting. Within CONSUN, the prevailing decision-making model is the "garbage can model", however, occasional confrontations arising from differences in actors' perspectives may lead to a political model, highlighting the emergence of conflicts.
Step 5	Once approved by CONSUN, the cooperation agreement is signed by the Rector and the legal representatives of the participating parties, enabling the project to proceed with execution.

It is important to highlight that Figure 6 demonstrates the generic decision-making flow for the processing of academic interaction projects. However, instruments formalized as contracts with values up to R\$ 475,000 are not submitted to the University Council, as academic unit directors have

delegated authority to sign them (Documentary Information - Circular Letter). For these specific cases, steps 4 and 5 are omitted.

Having analyzed the decision-making process, the following section will address the manifestation of conflicts and the configuration of influence systems related to the flow of decisions and actions in External Funding.

Conflict and Influence in the Decision-Making Process of External Funding

In the strategy formation process at UFRGS, as in any other organization, decisions are made within the context in which they occur. In the university environment, particularly in the public sector, this context is multifaceted, involving internal, external, organizational, social, and governmental aspects, all of which are in constant interplay. It is within this arena that the University's External Funding strategies are shaped. Given the structural composition and the plurality of the academic community, especially in collective decision-making bodies, confrontations based on differing conceptions of the role of the university and its funding are likely to emerge, potentially leading to conflict and altering the course of actions.

To observe the manifestation of certain conflicts, it was sufficient to follow the proposition by Velloso and Marques (2005), which suggests that two opposing perspectives often surface in interaction processes: on one side are those who advocate external revenue generation as an alternative to sustain the University amidst the relative reduction of funds allocated by the National Treasury, arguing that it brings benefits to both the institution and society; on the other side are those who view unrestricted revenue generation as a step toward privatization of public universities, creating undesirable heteronomy for these institutions.

To highlight the contrast in conceptions that underpins some confrontations, we intentionally selected two research professors with a strong history of project submission and execution, along with two members of the University Council who frequently question the merit of such initiatives.

The collected information was divided into two groups of conceptions based on their characteristics, labeled as "optimistic perspective" and "critical perspective" (Figure 7). However, while following the proposition by Velloso and Marques (2005) to identify the manifestation of conflicts, data analysis revealed that categorizing the actors involved in the decision-making process into only two opposing perspectives limits the understanding of the phenomenon. This approach overlooks contextual nuances and points of intersection between these two groups.

Figure 7.

Perspectives on External Funding

	Optimistic Perspective	Critical Perspective
Role of the University	Training professionals and generating technologies through closer ties between the University and society.	Social commitment and fostering societal emancipation.
Academic and Scientific Autonomy	No compromise, not even in interactions with private companies, as they are also part of society.	Compromised, particularly in interactions with the private sector.
Positive Aspects	For the University: financial availability enabling the purchase of equipment, infrastructure improvements, and academic qualifications. For grantors and contractors: closer ties to the university, allowing practical, cost-effective project development. For society: technologies and knowledge generated are directly or indirectly transferred.	Financial availability for the University given the current context.
Negative Aspects	Potential decline in teaching quality due to professors' engagement in projects.	Commercialization of knowledge; loss of autonomy; catering to private interests over collective needs; deviation from the University's role; privatization mechanism.
Common Ground	In a context of relatively reduced revenues from the National Treasury through the budget process, both perspectives recognize the importance of the revenue external financing provides to the University.	
Overall Perspective	Broadly favorable stance. Minimal negative consequences are anticipated, with no deviation from the University's role.	View external financing as diverting the University from its role, creating heteronomy and risk of privatization. Despite this, they acknowledge the importance of financial resources and emphasize the need to observe requirements for project agreements.

Data analysis showed that conflicts stemming from differing conceptions among actors are most pronounced when projects are evaluated by the University Council, where collective decisions are made. The political resource used to formalize points advocated by the critical perspective is the “requests for review,” through which council members attach an opinion highlighting their reservations about the initially proposed project. The prevailing decision-making model in the University Council (CONSUN) is the “garbage can” model (Hardy et al., 1983), as the projects under discussion are minimally emphasized, processes are overloaded, the information base is weak, and the system as a whole is characterized by high inertia.

In this process, actors holding critical perspectives toward the projects mobilize efforts to disrupt the system's inertia and modify decisions, blending the “garbage can” model with the political model and configuring conflicts as described by Mintzberg (1983). However, the way these efforts manifested during the investigation period did not give them sufficient strength to consistently alter the course of actions or decisions, reaffirming the high inertia characteristic of the “garbage can” model (Hardy et al., 1983; Hardy & Fachin, 2000). This finding supports Mintzberg's (2017) proposition that decisions made by professionals with expertise tend to prevail when the debated issues involve technical matters. Thus, the influence system of expertise is seen to dominate over the political system (Mintzberg, 1983).

In the support staff bodies, on the other hand, projects are evaluated at the level of administrative fiat, where the predominant decision-making

model is analytical-rational, and the prevailing influence system is one of authority (Hardy et al., 1983; Hardy & Fachin, 2000). This is because these instances aim to ensure the procedural efficiency of projects, which are evaluated impersonally. As a result, conflict tends to be moderated while projects are processed through the University's central administration.

■ DISCUSSION

The starting point for understanding UFRGS's strategic financing process is acknowledging that the University's available revenues for covering expenses come from two distinct forms of funding. Thus, we propose the theoretical proposition that in the financing of the Federal University of Rio Grande do Sul, Budgetary Funding strategies and External Funding strategies coexist, showing significant differences in their formative processes. To validate this proposition and highlight these differences, the analyses and strategic characteristics of each of these financing modalities will be presented below.

Regarding the context of Budgetary Funding, data analysis suggests a historical trend of declining budget allocations for discretionary expenses at UFRGS. This trend has been exacerbated by the continuation of Constitutional Amendment No. 95/2016 and is likely to remain under pressure due to the establishment of the new fiscal framework under Complementary Law No. 200/2023. Given this relative dependency, the University assumes a more adaptive and responsive role in its revenue-generation potential, as financial availability is determined by the Ministry of Education in alignment with the Union's fiscal policy.

In its decision-making process, administrative fiat decisions (Hardy et al., 1983) prevail, typically flowing from the top to the bottom of the organizational structure (Mintzberg, 2017), albeit without clear signs of direct supervision. This fact, combined with the apparent awareness of the actors involved regarding budgetary constraints and the need to adhere to regulations, suggests that the political influence system tends to be constrained, with the authority system prevailing (Mintzberg, 1983). Supporting this observation, interviewees reported no significant conflicts during the preparation or execution of UFRGS's budget (DPO Director; Former Pro-Rector).

In the flow of decisions and actions for Budgetary Funding, there is a clear chronological distinction between budget formulation and execution. The budget is planned and outlined in the current year for execution in the subsequent fiscal year, aligning with the concept of a planned strategy (Mintzberg & Waters, 1985), with the LOA serving as the formal instrument for this process. However, corrective budget mechanisms (Giacomoni, 2017), commonly used to reallocate budgetary allocations and request supplemental credits (DPO Director), allow the development of emergent strategies by altering initial plans (Mintzberg, 2006; Mintzberg & Waters, 1985).

Given the relative degree of external dependency, "public universities can expect imposed strategies from the governments that support them" (Hardy & Fachin, 2000, p. 40). For example, in 2018, UFRGS was forced to cut expenses, reduce the number of outsourced workers, and slow down building renovations, as reported in the Management Plan (UFRGS, 2017). While it cannot be confirmed whether the origin of these decisions and actions was

through direct imposition or preventive organizational choice, they align with the concept of imposed strategy (Mintzberg & Waters, 1985), commonly observed in Budgetary Funding.

In contrast to Budgetary Funding, where decision-making is centralized and financial execution materializes in a single instrument, the Annual Budget Law, External Funding results from the sum of individual initiatives by professionals with expertise scattered across the University's academic structure. This confirms Mintzberg's (2017) proposition that strategies in professional bureaucracies generally reflect the cumulative effect of projects or strategic initiatives that their members can advocate for implementation. Given the absence of a systematic organizational directive to guide how these actions should be carried out, the strategic process of External Funding, at a broad level, aligns with the concept of unconnected strategies (Mintzberg & Waters, 1985), which may emerge in the absence of or in contradiction to common central intentions (organizational strategies).

At a narrower level of analysis, however, other characteristics become evident. As demonstrated, academic interaction projects result from the individual efforts of project coordinators, suggesting that the intended strategy (Mintzberg, 2006) originates from the concept of entrepreneurial strategy (Mintzberg & Waters, 1985), which is driven by the unarticulated intent of a single leader. Opportunities do not actively seek the University as an institution; instead, they rely on the entrepreneurial efforts of professionals within the operating core.

Nonetheless, during the deliberation flow for each project, especially within the University Council, actors involved in the decision-making process, by mobilizing efforts (political influence system) to alter the course of actions (intended strategy), cause conflicts to adopt emergent characteristics from the individual perspective of each project coordinator (Mintzberg, 1983, 2006; Mintzberg & Waters, 1985). However, since these confrontations based on differing actor conceptions typically lack the strength to consistently alter initial projects, the strategies, even from the perspective of each coordinator, tend to be deliberate (Mintzberg, 2006; Mintzberg & Waters, 1985).

■ FINAL REMARKS

This research aimed to analyze the formation and types of strategies present in the financing process at UFRGS, relying on the concepts of deliberate and emergent strategies proposed by Mintzberg and Waters (1985). Among the findings, two distinct financing patterns were identified, each with substantially different strategy formation and organizational processes. The first pattern pertains to Budgetary Funding, implemented through the execution of the Annual Budget Law, in which the University's revenues are defined by the Ministry of Education in alignment with the Union's fiscal policy. The second pattern relates to External Funding, where the University generates revenue through its activities, generally by executing interaction projects with organizations in its surrounding environment.

In the formation of Budgetary Funding strategies, the University assumes an adaptive and responsive role in revenue generation. Decision-making is predominantly conducted through administrative fiat (Hardy et al., 1983),

flowing from the top to the base of the organizational structure in a regular manner. The awareness and acceptance of actors regarding budgetary constraints and the need to adhere to laws and regulations seem to inhibit the occurrence of conflicts, making the authority influence system prevail (Mintzberg, 1983). Regarding strategy types, there is a clear alignment with the concept of planned strategy (Mintzberg & Waters, 1985), with the LOA serving as the formal instrument for this process. However, the existence of imposed strategies (Mintzberg & Waters, 1985) was also observed.

In contrast, in External Funding, the University must take an active role in revenue generation, as it results from the cumulative initiatives of expert professionals dispersed throughout the organizational structure. Given the lack of common organizational directives, this process aligns with the concept of unconnected strategies at a broad level (Mintzberg & Waters, 1985). However, at a narrower level of analysis, entrepreneurial strategies (Mintzberg & Waters, 1985) become evident. Conflicts are more salient in External Funding, particularly when actions are subject to collective choice decisions, highlighting the presence of political influence systems (Hardy et al., 1983; Mintzberg, 1983). However, these conflicts typically lack sufficient strength to consistently alter the course of actions, aligning with the concept of deliberate strategies from the proposers' perspective and demonstrating that the expertise influence system prevails over the political system (Mintzberg, 1983; Mintzberg & Waters, 1985).

As a theoretical contribution, data analysis validates our proposition that, at UFRGS, strategies related to Budgetary Funding and strategies related to External Funding coexist, showing significant differences in their formation. Additionally, we suggest that this proposition could be extended to other federal higher education institutions that develop projects involving interactions with the external environment. Lastly, regarding the academic community's conceptions of university funding, we suggest that contextual nuances are too complex for a dichotomous methodology segregating them into two opposing groups to provide consistent data for a comprehensive understanding of the phenomenon, thus countering the proposition of Veloso and Marques (2005).

As practical and managerial implications, we suggest that managers and the academic community adopt a reflective approach to the different funding possibilities, considering the specific context of each university. Given the existence of at least two distinct financing patterns (budgetary and external), it is advisable that strategies be formulated with these differences in mind. Furthermore, to encourage External Funding as a revenue-generation alternative, fostering entrepreneurial profiles among professionals with expertise is recommended. Additionally, developing umbrella or processual strategies may be advantageous to provide a more deliberate and organizational character to the proposal of resource-generating projects. Lastly, significant attention should be given to the concerns raised by the critical perspective. In this regard, the development of mechanisms that promote debate on the role of public universities and the conditions/alternatives for their funding is highly recommended.

As possible limitations, we highlight that the absence of structured field diaries may have hindered the richness of interpreting some observed phenomena. Additionally, the time gap between data collection and the

submission of this article may represent a potential weakness for the research, although the general characteristics of the context remain unchanged.

As suggestions for future research, we recommend conducting multiple case studies within the context of financing strategies in Brazilian public universities, testing the expansion and validity of the propositions made in this study and identifying similarities and differences between institutions. Furthermore, we suggest a deeper investigation into how universities can stimulate External Funding while also considering the diverse conceptions of the academic community. Finally, we propose further exploration of the motivations behind the proposition of resource-generating projects, as well as detailed studies on the actual financial impact these projects have on universities.



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▲ APPENDIX A – Interview Protocol for Participant 1

1. INTRODUCTION
 - 1.1. Name.
 - 1.2. Role or affiliation with the University.
2. BUDGETARY PROCESS
 - 2.1. Describe the budgetary process.
 - 2.1.1. What is your assessment of UFRGS's current budgetary/financial situation?
 - 2.1.2. How is the budget prepared in collaboration with the MEC?
 - 2.1.3. What criteria are used in its preparation?
 - 2.1.4. What is the level of the University's autonomy in executing expenses?
 - 2.1.5. What is the relationship between the resources raised or generated by UFRGS through external funding and the University's budget? How are they reflected, and what is their impact?
 - 2.1.6. Is there room for negotiation with the Federal Government, or does the University take on an adaptive/responsive role?
 - 2.1.6.1. *Is there conflict or political maneuvering in this negotiation? Describe.*
 - 2.1.7. Do you believe there is a relationship between the political-economic context and the budget allocation to the University?
 - 2.1.7.1. *Do changes in government imply shifts in the University's strategic perspective?*
 - 2.1.7.2. *What other contextual factors might lead to strategic changes?*
 - 2.2. Internal allocation and execution of the budget.
 - 2.2.1. How is the internal allocation of the budget carried out, and what are the criteria for its use?
 - 2.2.2. Is there room for negotiation?
 - 2.2.3. Is there conflict or political maneuvering involved in budget allocation? Describe.
 - 2.3. How is power distributed in the budgetary process?
 - 2.3.1. What is the Rector's role in the budgetary process, and how does it relate to PROPLAN?



▲ APPENDIX B – Interview Protocol for Participants 2 and 3

1. INTRODUCTION
 - 1.1. Name.
 - 1.2. Role or affiliation with the University.
2. UNIVERSITY FUNDING
 - 2.1. General overview of the university funding context.
 - 2.2. Role of the state.
 - 2.3. Role of the university.
 - 2.4. External funding – general overview of the context.
 - 2.4.1. In your view, what is the purpose of obtaining external funding?
 - 2.4.2. What are the methods and sources of external resource acquisition?
 - 2.4.3. What is the level of autonomy for using directly raised funds?
 - 2.4.3.1. *What happens to any surplus directly raised funds?*
 - 2.4.4. What are the positive and negative aspects of the external funding process for UFRGS? Why?
 - 2.4.5. What are the positive and negative aspects of the external funding process for resource providers? Why?
 - 2.4.6. What are the positive and negative aspects of the external funding process for society in general? Why?
 - 2.4.7. Overall, what is your perspective on the external funding practices adopted by UFRGS? Do you support or oppose these practices? Why?
 - 2.4.8. In your opinion, what is the relationship between the University's autonomy and role and the external funding process? Is there any form of compromise in this regard?
3. STRATEGIC FORMATION FOR EXTERNAL FUNDING
 - 3.1. Is there any formal plan for the University as a whole linked to external resource acquisition, or any type of institutional guidance/deliberation?
 - 3.2. Is there systematic planning for obtaining external resources? How does this process usually occur?
 - 3.3. Did the decision to execute the projects you coordinate arise from your own intentions, was it deliberated by someone, a regulation, or a collective decision? How does this process typically work?
 - 3.4. Why do you undertake external funding projects? What motivates you?

- 3.5. Do you believe there is a shared consensus on the importance or lack thereof of obtaining external resources?
- 3.6. In the external funding process, is there consensus among the actors involved, or are there signs of conflict, represented by opposing interests, questioning, or attempts to counter the proposal for external resource acquisition? How are these conflicts characterized, and where do they occur?
- 3.7. Are projects submitted for review by university bodies typically approved as initially proposed, or are there modifications? What types of modifications, and who requests them?



▲ **APPENDIX C – Interview Protocol for Participants 4 and 5**

1. INTRODUCTION
 - 1.1. Name.
 - 1.2. Role or affiliation with the University.
2. UNIVERSITY FUNDING
 - 2.1. General overview of the university funding context.
 - 2.2. Role of the state.
 - 2.3. Role of the university.
 - 2.4. External funding – general overview of the context.
 - 2.4.1. In your view, what is the purpose of obtaining external funding?
 - 2.4.2. What are the positive and negative aspects of the external funding process for UFRGS? Why?
 - 2.4.3. What are the positive and negative aspects of the external funding process for resource providers? Why?
 - 2.4.4. What are the positive and negative aspects of the external funding process for society in general? Why?
 - 2.4.5. In your opinion, what is the relationship between the University's autonomy and role and the external funding process? Is there any form of compromise in this regard?
 - 2.4.6. Overall, what is your perspective on the external funding practices adopted by UFRGS? Do you support or oppose these practices? Why?
 - 2.5. In your perception, is there conflict, represented by opposing interests, questioning, or attempts to counter the proposal for external resource acquisition? What are the points that generate conflict?
 - 2.5.1. How does this conflict manifest?
 - 2.5.2. Does the conflict alter or can it alter the flow of decisions or actions? How? Do you have any examples of this?
 - 2.5.3. Is the conflict related to the external funding process expressed during CONSUN sessions? In what way? Is there a formal record?
 - 2.5.4. Do you typically raise questions about proposed projects? What kinds of questions? How does this happen? What motivates you?



▲ APPENDIX D – Interview Protocol for Participant 6

1. INTRODUCTION
 - 1.1. Name.
 - 1.2. Role or affiliation with the University.
2. BUDGETARY PROCESS
 - 2.1. Describe the budgetary process.
 - 2.1.1. What is your assessment of UFRGS's current budgetary/financial situation?
 - 2.1.2. How is the budget prepared in collaboration with the MEC?
 - 2.1.3. What criteria are used in its preparation?
 - 2.1.4. What is the level of the University's autonomy in executing expenses?
 - 2.1.5. What is the relationship between the resources raised or generated by UFRGS through external funding and the University's budget? How are they reflected, and what is their impact?
 - 2.1.6. Is there room for negotiation with the Federal Government, or does the University take on an adaptive/responsive role?
 - 2.1.6.1. *Is there conflict or political maneuvering in this negotiation? Describe.*
 - 2.1.7. Do you believe there is a relationship between the political-economic context and the budget allocation to the University?
 - 2.1.7.1. *Do changes in government imply shifts in the University's strategic perspective?*
 - 2.1.7.2. *What other contextual factors might lead to strategic changes?*
 - 2.2. Internal allocation and execution of the budget.
 - 2.2.1. How is the internal allocation of the budget carried out, and what are the criteria for its use?
 - 2.2.2. Is there room for negotiation?
 - 2.2.3. Is there conflict or political maneuvering involved in budget allocation? Describe.
 - 2.3. How is power distributed in the budgetary process?
 - 2.3.1. What is the Rector's role in the budgetary process, and how does it relate to PROPLAN?



▲ APPENDIX E – Interview Protocol for Participant 7

1. INTRODUCTION
 - 1.1. Name.
 - 1.2. Role or affiliation with the University.
2. PROJECT AGREEMENT AND EXECUTION
 - 2.1. How does the process of agreeing on external funding projects occur?
 - 2.1.1. Where does the initiative originate, and which university bodies generally agree on projects?
 - 2.1.2. What is the decision-making process flow?
 - 2.1.3. What is deliberated at each instance through which the project progresses? What is the power involved in each instance?
 - 2.1.4. Where do the resources that finance these projects come from? What happens to any surpluses?
 - 2.1.5. Do you believe these resources are important for the University? How are they used? What are the main expenses incurred?
 - 2.1.6. What legal instruments are commonly used, and who are the participants?
 - 2.1.7. What is the role of support foundations in this process?
 - 2.1.8. What is the relationship between these raised resources and the University's budget?



NOTES

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