

The developments of the national student assistance policy: an investigation at the Federal University of Viçosa between 2016 and 2023

Os desdobramentos da política nacional de assistência estudantil: uma investigação para a Universidade Federal de Viçosa entre 2016 e 2023

Beatriz Linhares de Carvalho¹ⁱ, <https://orcid.org/0000-0002-6473-3903>; Gustavo Figueiredo Campolina Diniz²ⁱⁱ, <https://orcid.org/0000-0002-2626-0260>.

1. Universidade Federal de Viçosa/Campus Florestal/Instituto de Ciências Humanas e Sociais, Florestal, Minas Gerais, Brasil.
E-mail: beatrizcarvalho@ufv.br

2. Universidade Federal de Viçosa/Campus Florestal/Instituto de Ciências Humanas e Sociais, Florestal, Minas Gerais, Brasil.
E-mail: gustavo.figueiredo@ufv.br

Abstract

This study analyzes the developments of the national student assistance policy at the Federal University of Viçosa, considering the context of expansion and budgetary instabilities resulting from the allocation of financial resources by the federal government. The investigation covers the period from 2016 to 2023, relying on theoretical aspects related to tax policy and the structure of a regressive Brazilian model. The starting period is justified by the trend of systematically reproducing fiscal policies marked by austerity. The study also relies on document analysis and data usage to understand how fluctuations in student assistance investments increase socioeconomic vulnerability and compromise students' academic activities.

Keywords: student assistance; public budget; Federal University of Viçosa.

Resumo

Este trabalho analisa os desdobramentos da política nacional de assistência estudantil na Universidade Federal de Viçosa, considerando o contexto de expansão e instabilidades orçamentárias, decorrentes dos repasses de recursos financeiros do governo federal. A investigação abrange o período de 2016 a 2023, apoiando-se em aspectos teóricos relativos à política tributária e à estrutura de um modelo regressivo brasileiro. O período inicial é justificado pela tendência de reprodução de políticas fiscais sistematicamente marcadas pela austeridade fiscal. O trabalho também se apoia em análise documental e no uso de dados, para compreender como as oscilações nos investimentos assistenciais direcionados aos estudantes ampliam a vulnerabilidade socioeconômica e comprometem as atividades acadêmicas dos estudantes.

Palavras-chave: assistência estudantil; orçamento público; Universidade Federal de Viçosa.

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1 Introduction

Since the 1990s, the Federal Government of Brazil has been proposing measures to make universities more socially diverse and inclusive, democratizing access to higher education. Starting in 2001, public policies were developed to expand the availability of spots, build new public universities, establish ethnic-racial and social quotas, and implement student retention programs. Among the government's initiatives, the following stand up: the Programa Universidade Para Todos [University for All Program] (PROUNI), the Fundo de Financiamento ao Estudante do Ensino Superior [Higher Education Student Financing Fund] (FIES), the Programa de Apoio a Planos de Reestruturação e Expansão das Universidades Federais [Program to Support Plans for Restructuring and Expanding Federal Universities] (REUNI), and quota policies (Barros, 2015).

According to Ristoff (2014), data from the Instituto Nacional de Estudos e Pesquisas Educacionais [National Institute for Educational Studies and Research] (INEP) indicate that the number of Higher Education Institutions increased significantly from 893 in 1991 to 2,416 in 2012, representing a growth of 171%. Simultaneously, enrollments saw rapid growth, rising from 1.5 million to over 7 million during the same period, an increase of approximately 350%. The significant increase in opportunities for higher education admission has led to a growing concern regarding student retention in universities. This is due to democratization policies that enabled the inclusion of students from disadvantaged socioeconomic backgrounds and diverse educational trajectories at this level of education (Eloi, da Silva, Silveira & Baêta, 2019).

In this context, to ensure the right to education and implement effective student retention actions while responding to a growing demand from leaders of Instituições Federais de Ensino Superior [Federal Higher Education Institutions] (IFES), through the Fórum Nacional dos Pró-reitores de Assistência aos Estudantes [National Forum of Pro-Rectors for Student Assistance] (FONAPRACE), the Programa Nacional de Assistência Estudantil [National Student Assistance Program] (PNAES) was created by Brazil's Ministério da Educação [Ministry of Education] (MEC) Ordinance No. 39, dated December 12, 2007. It is governed by Decree No. 7,234, of July 19, 2010, and was sanctioned by President Luiz Inácio Lula da Silva (Fórum Nacional dos Pró-reitores de Assistência aos Estudantes *et al.*, 2007). PNAES aims to democratize access and retention in higher education for low-income students enrolled in in-person undergraduate programs at IFES, with objectives that include promoting social inclusion through education, enabling equal opportunities among students, improving academic performance, and reducing dropout and graduation-delaying rates (Ministério da Educação, 2007).

According to Lima (2021), PNAES, being supported by a decree rather than a law, is not a consolidated policy, as it is constantly contested by different groups with diverse interests, many of which oppose its principles. Defending PNAES should focus on combating inequalities and, primarily, ensuring student retention until graduation. Continuous vigilance and coordination among social actors were necessary to defend and expand PNAES, given that Brazilian policy is highly unstable, advancing and retreating in the realm of rights (Lima, 2021).

However, with the expansion of contractionary fiscal policy proposals that intensified 2016 onwards, the federal government, citing the financial crisis, reduced the budgetary resources allocated to IFES. The prioritization of public spending over other expenditures was used as a justification for cutting funds to public universities. To curb public spending, Proposta de Emenda à Constituição [Constitutional Amendment Proposal] No. 241/55 was approved, which became Emenda Constitucional [Constitutional Amendment] No. 95 (EC 95) in December 2016, commonly known as the Emenda do Teto dos Gastos [Spending Cap



Amendment]. This amendment established limits on the federal government's primary expenditures for a period of twenty fiscal years. With the approval of EC 95, a significant portion of the funding for operational costs and investments in universities was cut, affecting the payment of research scholarships, the execution of teaching, research, and extension projects, as well as student assistance programs.

The implementation of public education policies is a recent and crucial issue in public administration, requiring effective actions to ensure student retention in IFES. The number of spots, enrollments, and courses in Higher Education Institutions has been increasing over the years. According to the Higher Education Census, published in 2013 by INEP, there was a positive variation between 2009 and 2012 in the number of undergraduate courses across all academic organizations. The most significant variation occurred in universities (in absolute terms), with an increase of 1,477 undergraduate courses, from a total of 3,195 courses (Ministério da Educação, 2013). According to a report by the Secretaria de Educação Superior [Secretariat for Higher Education] (SESU) of MEC, PNAES experienced consistent budget growth, increasing sevenfold between 2008 and 2014 (from R\$101.2 million to R\$742.7 million). These indicators highlight the critical importance of this issue for the government and, consequently, for Brazilian IFES (Lima & Davel, 2018).

Regarding the specific context of the Federal University of Viçosa (UFV), the institution's 2021 Management Report indicates that Budgetary Action 4002 - Higher Education Student Assistance aimed to support 12,835 students with PNAES funds, but only 2,198 students were assisted, considering that classes were held remotely during this period due to the pandemic, with university restaurants and dormitories remaining closed. Nevertheless, financial aid for socioeconomically vulnerable students was maintained, along with the creation of other emergency assistance for housing, food, and digital inclusion to facilitate access to UFV's remote classes. However, PNAES funds are insufficient to meet student assistance demands, placing the institution in a critical situation due to successive budget cuts over the years (Universidade Federal de Viçosa, 2022).

Thus, based on UFV's criteria, currently the university offers different scholarship and service modalities are currently offered, adhering to the vacancy limits in each category, including food assistance, emergency aid, daycare assistance, learning and student improvement scholarships, maintenance grants, and housing and meal services (Universidade Federal de Viçosa, 2024).

As mentioned, given that PNAES funds are insufficient to cover the entire demand for student assistance, students who are not supported by the program and cannot afford transportation, food, and housing costs are likely to interrupt their studies, contributing to an increase in the dropout rate (Dutra & Santos, 2017).

In this context, this study seeks to answer the following question: How have the budget cuts imposed by EC 95 affected students benefiting from PNAES at UFV between 2016 and 2023?

From this inquiry, the main objective of this article is to understand the effects of PNAES at UFV in light of frequent budget cuts and funding constraints for higher education from 2016 to 2023. It also highlights the need for improvements and strengthening of student assistance, given the importance of this policy for socioeconomically vulnerable students. For these students, financial aid is crucial for their psychosocial and academic well-being, contributing to their retention in the university and addressing the issue of dropout, especially in the current post-pandemic context.

To achieve this objective, this study explores the theoretical aspects of public policy that influence the continuity of student assistance programs and investigates the variations in student



assistance at UFV between 2016 and 2023. To understand this relationship, the article deepens into public budget discussions, based on the hypothesis of a budget constraint model, considering Brazil's tax structure and the adoption of economic policies marked by fiscal austerity, without analyzing the context in which such policies were implemented, especially during economic crises. Therefore, in addition to this introduction, the article reviews theoretical aspects of tax policy, examining trends associated with the regressive tax model that impacts social policies and, consequently, education policies.

To meet the objectives proposed in this research, which aims to understand the national student assistance policy and its developments at the Federal University of Viçosa, this investigation is theoretically based on discussions on public policy, considering the persistent rigidity of the Brazilian tax structure, which affects the stability of policy implementation. Additionally, the theory proposed here is based on reviews of studies that highlight the need for further investigation into Brazilian tax policy, given its significant impact on social policies.

The article also draws on theoretical discussions regarding the effects of budgetary fluctuations on Brazilian public higher education institutions and the potential consequences of these fluctuations on student assistance policies within higher education institutions, with a specific focus on the Federal University of Viçosa. The analysis covers the period from 2016 to 2023, justified by the intensification of discussions on fiscal contractions and the tendency to reproduce fiscal policies marked by austerity, despite the maintenance of mandatory constitutional minimums. This allows the research to observe the repercussions of these measures on student assistance policy. However, while the focus is on understanding the period from 2016 to 2023, data on the evolution of the PNAES budget has been analyzed since 2008 to ensure sufficient temporal scope for examining the development and expansion of this instrument as a potential means of improving student retention in higher education institutions.

This research is qualitative in nature, incorporating quantitative data on the budget, the number of scholarships granted, and the proportion of resources allocated at UFV compared to PNAES guidelines. Data were extracted from UFV's institutional reports and public agency records, with descriptive and comparative analyses of annual data and budgetary categories included in student assistance. The analysis covers budget execution, discretionary spending, and other relevant aspects to understand the national student assistance policy within the context of the Federal University of Viçosa.

2 Discussions on Public Budget in Light of Tax Policy Limitations

This section aims to provide a brief analysis of tax policy in a general context, comparing regressive and progressive tax policies, examining tax policy within the Latin American context, and, finally, specifically addressing the Brazilian context by presenting the challenges posed by Brazil's regressive tax model. The importance of this theoretical approach lies in the fact that this investigation seeks to deepen the budgetary discussion, emphasizing the necessity of understanding the public budget not only from the perspective of expenditures but also from a revenue standpoint (tax revenue). Thus, the analysis does not focus solely on expenditures but considers both dimensions comprehensively.

According to Sader (2010), tax policy in Latin America is a crucial topic with profound implications for economic development, social justice, and political stability in the region. The author highlights that, among the general aspects of tax policy, Latin America is characterized by high levels of income inequality. Many Latin American countries have tax systems that are not sufficiently progressive, meaning that wealthier individuals often contribute a smaller



proportion of their income in taxes compared to lower-income populations. This scenario can exacerbate economic disparities (Sader, 2010).

Moreover, some Latin American countries have a relatively low tax burden compared to more developed economies. This limitation can hinder the state's ability to fund high-quality public services, such as education and healthcare. Striking the right balance between tax collection and economic growth stimulation remains a persistent challenge. At the same time, it is crucial to allocate collected revenues toward investments in education, healthcare, and infrastructure to reduce inequalities and promote sustainable development. The author also emphasizes that tax policy in Latin America is inherently linked to issues of social justice, economic development, and inclusion. Therefore, any analysis or reform proposal must consider the specific realities of each country while seeking to foster a more equitable distribution of resources and opportunities (Sader, 2010).

3 Brazilian Tax Policy: Challenges of the Regressive Model

Tax policy in Brazil has been the subject of extensive debate and analysis over the years, with the regressive taxation model standing out as one of the primary challenges. This model has direct impacts on income distribution and fiscal justice, disproportionately affecting low-income taxpayers compared to those with higher earnings. The heavy reliance on indirect taxes on the consumption of goods and services, coupled with low taxation on income and wealth, contributes to this regressivity, exacerbating social and economic inequalities in the country (Orair & Gobetti, 2018).

Authors such as Orair and Gobetti (2018) highlight this issue, emphasizing how poorer families end up spending a larger proportion of their income on indirect taxes, which restricts their ability to meet basic needs and invest in areas such as education and healthcare. Additionally, they point out the distortions present in the Brazilian tax system, including the complexity of tax regulations, the existence of multiple tax exemptions, and a lack of transparency, which render the system inefficient and prone to tax evasion.

Various tax reform proposals have been discussed, including system simplification, the introduction of a unified Value-Added Tax (VAT), a review of tax exemptions, and an increase in income and wealth taxation. However, as noted by Zugman (2016), the complexity of Brazil's political system—characterized by a large number of parties and coalitions—hampers the formation of a consensus around significant reforms. Furthermore, resistance from certain sectors of society and interest groups represents an additional barrier to change.

Zugman (2016) also highlights the lack of a strong narrative and public support for tax reform as another obstacle, as well as the influence of economic interest groups and elites in shaping tax policies. These groups have the power to influence the political process and safeguard their interests, making it difficult to pass reforms that could potentially harm them.

Moreover, Fandiño and Kerstenetzky (2019) argue that Brazil's regressive tax structure undermines the realization of social rights guaranteed by the Constitution, perpetuating social and economic inequalities and disproportionately affecting historically marginalized groups, such as women and Black Brazilians. They advocate for measures that promote tax progressivity and fairness as essential steps toward building a more equitable society.

Larazzi (2021), in turn, identifies several factors contributing to Brazil's regressive tax system, including taxation on goods and services, income taxation, and the relatively low magnitude of property taxes. He also mentions the phenomenon of *pejotização* (the widespread classification of workers as independent contractors rather than employees) as a factor that negatively affects social security revenue. Meanwhile, Oliveira (2021) underscores the

complexity of the Brazilian tax system and its lack of progressivity, suggesting the need for reforms that include progressive taxation on income, wealth, and large fortunes.

Beyond these perspectives, Salvador (2012) emphasizes the importance of budgetary policy in fostering both economic growth and social policies within the framework of contemporary capitalism. He argues that Brazil's tax system is unjust, benefiting the wealthiest classes while disadvantaging the poor. Furthermore, he highlights how the country's tax structure directly impacts the financing of social policies, limiting their redistributive capacity. The author also stresses the need to analyze social policy financing from multiple perspectives, including taxation, financial management, and indirect financing. He demonstrates how Brazil's tax structure directly affects the sources of funding for social security, contributing to the system's overall regressivity (Salvador, 2012).

Siqueira (2001), in contrast, proposes a broader tax and social reform, advocating for the implementation of a uniform Value-Added Tax (VAT) and a Universal Basic Income (UBI). She argues that these measures could promote fiscal and social equity, reducing poverty and fostering social inclusion. The author discusses the political and institutional challenges that a tax reform and the implementation of a Universal Basic Income would face in Brazil, emphasizing the need for extensive public debate and consensus-building to ensure the success of such reforms. Siqueira (2001) presents a comprehensive and innovative proposal for reforming Brazil's tax and social policies.

However, as evidenced by the diverse body of literature discussed, Brazilian tax policy faces significant challenges, including the system's regressivity, political complexity, and resistance from interest groups. Overcoming these challenges will require extensive public debate and the construction of political consensus around reforms that promote a fairer and more equitable tax system, aligned with the constitutional principles of social rights and aimed at reducing social and economic inequalities in the country.

Amid these discussions, there is also the noticeable trend of austerity policies, often implemented without necessarily being adapted to the specific context under analysis. Authors such as Krugman (2010) question the rationale behind fiscal austerity, highlighting the lack of solid evidence and careful analysis supporting its effectiveness. Krugman criticizes the notion that cuts in public spending automatically inspire confidence and stimulate economic growth. Conversely, Henrique (2018) examines the implementation of fiscal austerity in Brazil, highlighting the complex relationships between political agenda-setting and public policy formulation. He emphasizes how austerity measures can lead to significant cuts in social spending and the reduction of welfare programs, further deepening social inequalities.

According to Rossi, Oliveira, Arantes, and Dweck (2019), public expenditure stagnation does not keep pace with the increase in income and population growth. When the government reduces spending, several sectors of the economy that depend on public investment begin to experience financial shortfalls. This occurs because, in accounting terms, public spending translates into revenue for the private sector—an easily understandable relationship. Thus, public expenditure serves as a resource for the private sector, just as public debt represents an asset for private entities, and a public deficit ultimately results in a surplus for the private sector (Rossi, Oliveira, Arantes & Dweck, 2019).

On the other hand, Gonçalves and Da Conceição (2022) illustrate how proponents of austerity measures argue that, in response to an economic crisis that leads to rising public debt, the government should implement fiscal adjustments, prioritizing spending cuts over tax increases. According to this perspective, such cuts and fiscal adjustments can stimulate economic growth by fostering confidence among economic agents. This, in turn, would lead to increased investment by the government, positively influencing consumption and attracting



foreign investment. From the standpoint of austerity advocates, the adoption of these measures not only contributes to the balance of public finances but also creates a favorable environment for economic growth (Gonçalves & Da Conceição, 2022).

The topics and studies presented in this section highlight the crucial role of political context in advancing fiscal austerity, demonstrating how political discourse is used to legitimize these policies—often invoking the rhetoric of fiscal responsibility and economic stability. However, questions arise regarding the validity of these arguments, particularly in light of the significant social costs associated with austerity. In the post-pandemic context, these discussions have expanded to rigorously explore the possibilities of budgetary revenue generation, moving beyond a focus solely on public expenditure. There is an increasing emphasis on analyzing improvements in budget composition as a means to mitigate gender and racial inequalities in Brazil (Silveira, Passos, Cardomingo, Gomes, Rada, Pereira & Marques, 2024).

To deepen these discussions and provide theoretical insights that help analyze budgetary debates—particularly within higher education institutions—it is essential to further examine these issues in the post-pandemic context, as explored in the following section.

4 Student Assistance Policy in Brazil

The student assistance policy has existed since the inception of universities, but only became recognized as a social right after the 1990s, when it began to be directed toward students in public universities to support their retention and completion of undergraduate studies (Lago & Gonçalves, 2022). The presence of initiatives addressing these policies is considered an essential criterion in institutional evaluations, which assess how students are integrated into academic life and how minorities receive support. In this regard, student assistance refers to a set of government actions aimed at reducing social inequalities (de Assis, Sanabio, Magaldi & Machado, 2013).

According to de Assis, Sanabio, Magaldi, and Machado (2013), student assistance extends beyond addressing students' material and financial needs. Supporting a student means providing access to social benefits, such as physical and psychological health services, sports, leisure, dignified housing, transportation, and cultural opportunities, with a particular focus on minimizing the social inequalities imposed by poverty. Institutional support for various aspects of student life is crucial. In this sense, student assistance is part of a broader public social policy and can consist of one or more institutional action programs. A significant milestone in the history of public policies in higher education was the creation of PNAES.

In the absence of specific legislation regulating student assistance initiatives in federal, state, municipal, or private universities, the scenario remains one of student aid, understood here as the “provision of services through donations, favors, interest, or goodwill from others,” as defined by the Social Assistance Guide of the Federal Council of Social Work (CFESS). When scholars argue for expanding student assistance as a public policy in higher education, they refer to the right to equal conditions regarding the necessary resources for completing an undergraduate degree (de Assis, Sanabio, Magaldi & Machado, 2013). While the policy already exists in its initial form—evidenced by PNAES—its programs and actions require improvements, starting at their foundation (Lago & Gonçalves, 2022).

PNAES policies focus on assistance in areas such as student housing, food, transportation, health, digital inclusion, culture, sports, and pedagogical support (Ministério da Educação, 2007). Student assistance has come to be seen as necessary to ensure that students



with limited financial means can enter and complete their studies at IFES, supported by measures in specific areas. It was through social movements that student assistance transitioned into a government policy, broadening access and ensuring retention in higher education (Lima & Davel, 2018).

According to de Assis, Sanabio, Magaldi, and Machado (2013), specific programs implemented through decrees are often characterized by discontinuity, stagnation, or even complete elimination, making them merely government policies rather than state policies. Chiari (2012) emphasizes that there is no single definition of public policy evaluation, just as there is no singular concept of public policy itself, as previously discussed. Each evaluation has its own objectives; according to the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD), the purpose of public policy evaluation is to assess whether objectives are being met, as well as to measure efficiency, effectiveness, and the impacts on development (Lago & Gonçalves, 2022).

Vargas (2011) argues that there is no doubt about the public value of student assistance policies, not only for enabling access to higher education for socioeconomically disadvantaged groups but also for ensuring their retention throughout their studies. Therefore, student assistance should be analyzed as a policy that extends beyond an individual right, simultaneously serving as an investment, given the significance of education for regional development and the social advancement of individuals, enabling them to assume strategic roles in society (Lima & Davel, 2018).

It is important to highlight that the approach in this study is qualitative in nature, incorporating quantitative data related to budget allocation, the number of scholarships granted, and the proportion of resource allocation at UFV compared to PNAES guidelines. The data were sourced from UFV's institutional reports and public agencies. The analysis was conducted descriptively and comparatively, examining annual data and budgetary categories related to student assistance. The study covers aspects such as budget execution and discretionary spending, among other relevant factors, to provide insight into the national student assistance policy at the Federal University of Viçosa.

The period of analysis spans from 2016 to 2023, justified by the intensification of discussions on fiscal constraints and the continued implementation of fiscal policies marked by austerity, despite the maintenance of constitutionally mandated minimum expenditures. This timeframe allows the study to observe the repercussions of these fiscal measures on student assistance policies. However, while the research primarily focuses on the period from 2016 to 2023, data on PNAES budget trends have been analyzed since 2008 to ensure sufficient temporal coverage for assessing the program's evolution and its potential to enhance student retention in higher education institutions.

5 What Are the Institutional Implications of Recent Budget Fluctuations on the Federal University of Viçosa?

The Federal University of Viçosa was founded in 1926, initially operating as the Higher School of Agriculture and Veterinary Medicine (ESAV). In 1969, it was officially renamed the Federal University of Viçosa. Since its inception, the institution has accumulated experience and tradition in teaching, research, and extension activities across its three campuses—Viçosa, Florestal, and Rio Paranaíba (Universidade Federal de Viçosa, 2024).

Certain aspects of budget cuts and financial contingencies in education, as outlined in the Annual Budget Law (LOA), have had effects on the student assistance policy at the Federal University of Viçosa. It is essential to clarify that budgetary resources are allocated to federal



universities by the Ministry of Education (MEC) to cover both operating expenses (basic budget) and investment expenses (investment budget), using academic indicators from the Andifes Matrix in collaboration with MEC. Based on the application of this matrix, universities receive their discretionary budget, which is subsequently approved by the LOA (Universidade Federal de Viçosa, 2024).

It is important to highlight that UFV's funding sources are as outlined in Figure 1.

Figure 1 – Main Funding Sources of UFV

Source	Resource
Annual Budget Law (LOA)	Treasury and Parliamentary Amendment.
University Restaurants, administrative educational service fees, reimbursements, property usage fees, sale of movable assets, among others.	Own Revenue
National Council for Scientific and Technological Development (CNPq), Coordination for the Improvement of Higher Education Personnel (Capes), Research Support Foundation of the State of Minas Gerais (Fapemig), Studies and Projects Financing Agency (Finep).	Agreements and Partnerships
Budgetary credit transfer agreements from states, municipalities, and private entities.	Decentralized Execution Agreement

Source: Prepared by the author, based on the Institutional Development Plan 2024–2029 – Federal University of Viçosa (2024).

In the current context, the diversity of funding sources emerges as a strategic tool for the university's senior administration, serving as a means to partially offset the impact of budget reductions. It plays a crucial role in UFV's ability to fulfill its educational commitments, ensuring its continued academic excellence and societal impact (Universidade Federal de Viçosa, 2024).

The total budget managed by UFV consists of two main sources: the Annual Budget Law (LOA), which estimates revenue and sets expenditure for the financial year—that is, it outlines how the government will collect and allocate public funds, with a one-year validity; and Allocated Funds, which are decentralized budget credit operations in which a ministry or governmental body transfers to UFV the authority to utilize resources from its budgetary allocations.

Table 1 presents the evolution of the total budget managed by UFV from 2016 to 2023, based on the institution's Management Reports.

Table 1 – Executed Budget (R\$) by UFV from 2016 to 2023

Data	2016	2017	2018	2019
Discretionary Budget	116,453,886	104,265,265	99,490,168	103,402,039
Operating Expenses	92,347,837	88,164,524	87,796,529	96,853,788
Capital	24,106,049	16,100,741	11,693,639	6,548,251
Mandatory Budget	707,240,494	784,634,162	804,503,457	832,956,084
Personnel	663,088,569	741,573,467	763,099,665	792,242,399
Operating Expenses	44,151,925	43,060,695	41,403,792	40,713,685
Total Executed Expenditure*	823,694,381	888,899,427	903,993,625	936,358,123
Data	2020	2021	2022	2023
Discretionary Budget	98,737,806	76,071,620	91,199,465	112,301,938
Operating Expenses	9,797,545	69,081,413	85,757,962	98,091,641
Capital	88,940,262	6,990,207	5,441,503	13,351,313
Mandatory Budget	1,091,545,682	873,418,371	883,986,000	958,434,780
Personnel	812,714,677	834,021,080	844,793,996	913,142,161
Operating Expenses	278,831,004	39,397,290	39,192,003	45,292,619
Total Executed Expenditure*	1,190,283,488	949,489,900	975,185,465	1,070,736,718

Source: Prepared by the author, based on data from the UFV in Numbers Report, available on the website of the Office of the Pro-Rector for Planning and Budget, Federal University of Viçosa (2024).

*Includes committed expenses, including parliamentary amendments.

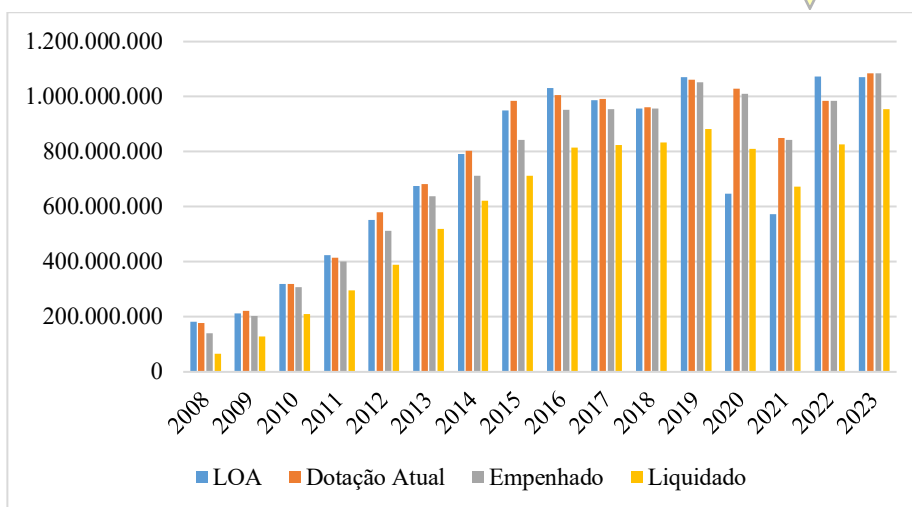
The LOA approved each year includes both discretionary expenses, over which UFV has decision-making autonomy, and mandatory expenses, which the institution is required to cover. Throughout the 2022 and 2023 fiscal years, the Federal Government made some adjustments to the LOA, reallocating budgetary funds in response to the reductions in MEC's budget in recent years. However, despite these adjustments, the budgetary shortfall experienced by UFV in 2022 and 2023, even with the reallocations, did not reach pre-pandemic levels due to the lack of annual budget adjustments for inflation.

The execution of public budgetary resources depends on authorizations from the Ministry of Planning, Development, and Management. The provisions outlined in the Budget Bill are not always fully disbursed, as the public budget is authorizing in nature—meaning there is no obligation to execute all planned expenditures since they are based on revenue projections. Consequently, the country's economic situation may lead the Federal Government to withhold or restrict budget allocations, limiting the execution of government actions throughout the year. This is supported by legal frameworks such as the 1988 Federal Constitution and Complementary Law No. 101/2000, also known as the Fiscal Responsibility Law (LRF), which prohibits the government from increasing debt to cover current expenditures, including personnel costs, social benefits, interest payments on public debt, and general administrative expenses.

To understand changes in PNAES funding at UFV during the analyzed period, it is essential to first examine the historical evolution of the program's budget at the national level. This analysis will provide insights into how budget cuts implemented since 2016 have affected resource allocation for PNAES. Graph 1 presents the evolution of the PNAES budget on a national scale, covering from the program's early years, since 2008, to 2023.



Graph 1 – Evolution of PNAES Budget at the National Level.

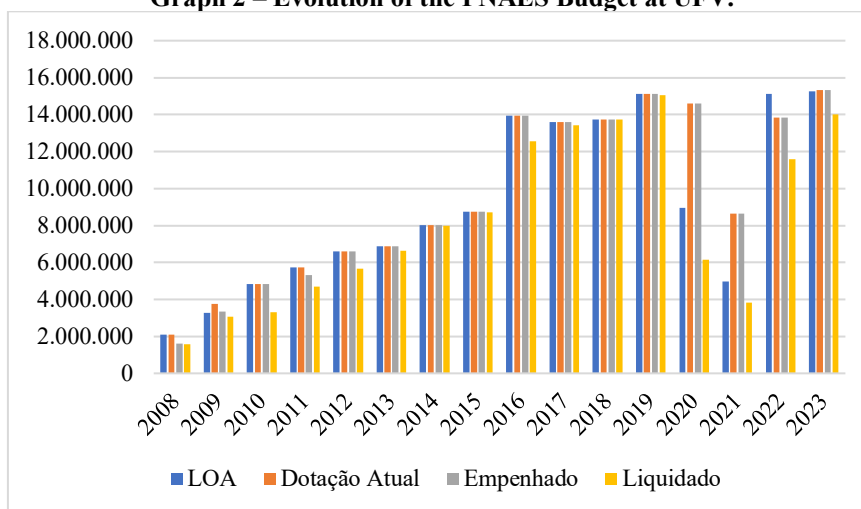


Source: Prepared by the author, based on data from the Federal Budget Panel – SIOP (2024).

Throughout the period from 2008 to 2016, Graph 1 illustrates a continuous expansion of the PNAES budget. However, starting in 2017, EC 95 established that the PNAES budget could not exceed the amount allocated in the previous fiscal year, adjusted for inflation. Since the program does not have a specific budgetary allocation that guarantees a minimum share of higher education funding, the Executive Branch has the authority to reduce PNAES allocations without the possibility of fully compensating for accumulated losses due to the restrictions imposed by EC 95. These factors led to a decline in the PNAES budget in 2017 and 2018. Although there was an increase in funding in 2019, significant reductions occurred again starting in 2020, with subsequent increases in 2022 and 2023.

Following this contextualization of the national scenario, this study will focus on analyzing the budget execution of PNAES at UFV, based on the Andifes Matrix. Graph 2 presents the trajectory of PNAES funds allocated to UFV.

Graph 2 – Evolution of the PNAES Budget at UFV.



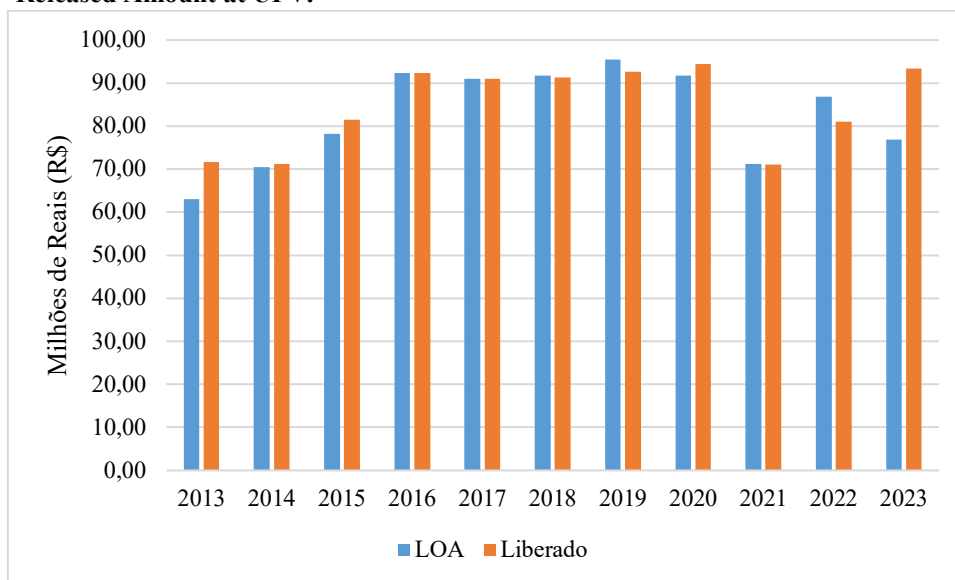
Source: Prepared by the author, based on data from the Federal Budget Panel – SIOP (2024).

When analyzing Graph 2, a continuous expansion of the PNAES budget from 2008 to 2015 is observed, following the national trend, with a significant increase in 2015 and 2016. Conversely, the year 2021 registered the lowest budget since 2010, reflecting a more substantial reduction compared to the national level presented in Graph 1. The current allocation provides an overview of the effectively available amount for a budgetary unit in a given year, serving as a key indicator for understanding budgetary variations over time. However, for a comprehensive analysis of budget execution, it is essential to consider all of its stages. During the budget cycle, the budget may be adjusted through contingencies imposed by the Executive Branch, reallocating resources to other areas when it becomes evident that the initially allocated funds are insufficient to meet specific demands.

When examining the budget execution of PNAES at UFV from 2016 to 2023, Graph 2 shows that between 2018 and 2019, there were no significant differences between the initial and final allocations, and the committed and disbursed funds were close to the total amount of available resources. This suggests that the institution received the funds in time to effectively utilize them. In 2020 and 2021, the budget execution of PNAES at UFV was impacted by the demands generated by the COVID-19 pandemic. In 2020, due to the suspension of in-person activities, the Ministry of Education (MEC) reallocated resources to PNAES, leading to an increase in the current allocation. The same occurred in 2021, although the additional credit was insufficient to restore the budget to pre-pandemic levels. In 2022 and 2023, there were no budget contingencies or additional credits allocated. This stability allowed the university to commit almost all available resources, although it was unable to complete the payments within the same fiscal year, due to discrepancies between budgetary and financial resources.

Graph 3 presents the relationship between the approved LOA budget for operating and investment expenses, compared to the amount effectively released by the Federal Government for expenditure execution in each year.

Graph 3 – Relationship Between the Approved LOA Budget and the Effectively Released Amount at UFV.



Source: Prepared by the author, based on data from the Office of the Pro-Rector for Planning and Budget, Federal University of Viçosa (2024).



Graph 3 shows that from 2013 to 2015, the funds released exceeded the amounts established in the Annual Budget Law (LOA). It is important to note that authorizing decrees were issued to allow these additional allocations. In 2014 and 2015, this increase resulted from resources initially designated for decentralization, but ultimately made available through an increase in commitment limits. In 2016 and 2017, fiscal adjustments began in public administration as a strategy to address the ongoing economic crisis (Universidade Federal de Viçosa, 2024).

Starting in 2018, the effects of EC 95 had a negative impact on the federal university system. Designed as a 20-year freeze on public spending, the Spending Cap Amendment allows expenditures to only be adjusted based on the previous year's inflation rate, up until the middle of each fiscal year. As a result, its application in the federal budget severely affected investments in social security and education.

In this context, Graph 3 highlights the budgetary challenges UFV faced between 2018 and 2022, requiring the adoption of measures such as reducing outsourced service expenses and minimizing the consumption of various goods and services. While these actions were implemented in a way that minimized adverse effects on academic activities, they significantly impacted the execution of initiatives and goals outlined in the Institutional Development Plan (PDI), necessitating the rescheduling of ongoing and planned projects. During the 2022 and 2023 fiscal years, the Federal Government introduced modifications to the LOA, including budget reallocations to compensate for previous funding reductions within MEC. However, despite these adjustments, UFV's budget shortfall over the past five years—even after the reallocations—remained below pre-pandemic levels due to the lack of annual budget adjustments for inflation.

The reduction in investment allocations, often accompanied by budget contingencies, along with the irregular release of financial resources, has created an uncertain financial scenario, making it difficult to determine the actual funds available each year, as shown in Figure 2.

Figure 2 – Key Budgetary Events at UFV (2018–2023).

Year	Key Events
2018	The Federal Government utilized approximately R\$4.9 million from UFV's own revenue to meet payroll obligations (pensions and retirements).
2019	Irregular release of financial resources.
2020	Suspension of in-person activities as a public health measure due to the COVID-19 pandemic, leading to a decline in UFV's own revenue.
2021	Around 42% of the initial budget allocation was assigned to UO 93259 – Programs Subject to Legislative Approval, as per Article 167, Section III, of the Federal Constitution. These funds were only made available to UO 26282 – UFV throughout 2021.
2022	100% veto on capital funding from the Treasury source, as detailed in the 2021 PLOA. Budget cut of R\$ 7,161,302 from the Treasury source.

Source: Institutional Development Plan 2024–2029 – Federal University of Viçosa (2024).

In recent years, UFV and other federal higher education institutions have faced a period of budgetary restrictions and irregularities in the allocation of financial resources, leading to uncertainties regarding annually available funds. This situation necessitated the rescheduling of projects, significantly affecting the achievement of strategic goals. Among these goals is the budget derived from UFV's directly collected revenues.

Table 2 – Projected and Actual Revenue at UFV (2018–2023).

Year	Projected Revenue (\$)	Actual Revenue (\$)
2018	8,364,232.00	8,620,696.59
2019	10,967,788.00	11,243,588.28
2020	11,453,197.00	4,217,838.53
2021	10,828,492.00	5,343,104.10
2022	11,646,079.00	10,735,494.53

Source: Institutional Development Plan UFV 2024–2029 – Treasury Management (2024).

During the COVID-19 pandemic, UFV implemented various measures to manage the crisis starting in 2020, including transitioning academic and administrative activities to a remote format, which significantly impacted revenues between 2020 and 2021. In 2022, with the resumption of in-person activities, this scenario reversed, as evidenced in Table 2.

Additionally, UFV sought budgetary supplementation from MEC through Decentralized Execution Agreements (TEDs) and agreements with other government entities, such as the State of Minas Gerais, to cover expenses related to IFES maintenance. This was particularly necessary due to rising costs driven by inflation in areas such as electricity, student assistance, consumables, and outsourced services (Universidade Federal de Viçosa, 2024).

After analyzing how UFV executes its overall budget, the following section presents the percentage of execution of UFV's mandatory budget from 2018 to 2022.

Table 3 – Execution Percentage of UFV's Mandatory Budget (2018–2023).

Mandatory Budget	2018	2019	2020	2021	2022
Personnel and Social Charges	94.78%	95.04%	95.36%	95.47%	95.55%
Meal Assistance	2.40%	2.26%	2.15%	2.08%	2.01%
Medical/Dental Assistance Reimbursement	2.32%	2.21%	2.13%	2.05%	2.00%
Other Allowances (transportation, funeral, etc.)	0.50%	0.48%	0.36%	0.41%	0.44%

Source: Institutional Development Plan UFV 2024–2029 – Treasury Management (2024).

In Table 3, mandatory expenditures on personnel and social charges account for more than 90% of the total resources received from the National Treasury. With the yearly reduction in LOA funding, UFV has increasingly allocated almost all Treasury funds to institutional maintenance. As shown in Table 4, the university initially reserved own revenue collections to cover capital expenditures. However, in 2022, this strategy had to be reversed due to the decline in Treasury funding, requiring UFV to compensate with its own resources.

Table 4 – Execution Percentage of UFV's Discretionary Budget (2018–2023).

Expenditure Group	Classification	2018	2019	2020	2021	2022
3	Operating Expenses	94.28%	96.92%	95.86%	95.28%	95.93%
4	Capital	5.72%	3.08%	4.14%	4.72%	4.07%

Source: Institutional Development Plan UFV 2024–2029 – Treasury Management (2024).

Within the operating expense group, as presented in Table 5, the university restaurant is among the main expenditures. It is important to note the decline in expenses related to the



university restaurant and the increase in student assistance and financial aid expenses in 2020 and 2021, due to the transition to remote work and learning during the COVID-19 pandemic. Additionally, with the return to in-person activities and classes only in 2022, student assistance and financial aid expenses were at their lowest levels in the entire period.

Table 5 – Execution Percentage of UFV’s Operating Budget (2018–2023).

Discretionary Budget (LOA and Parliamentary Amendments for Operating Expenses)	2018	2019	2020	2021	2022
Outsourced Services	37.94%	35.41%	30.13%	38.52%	39.80%
University Restaurant	11.28%	12.47%	1.62%	0.20%	12.07%
Electricity	11.35%	12.75%	10.38%	17.45%	10.64%
Consumables	11.33%	7.00%	11.97%	11.48%	10.02%
Service Provision	13.21%	13.14%	7.87%	9.55%	7.86%
Renovations	1.71%	6.90%	24.44%	6.49%	7.55%
Student Assistance + Financial Aid	5.64%	5.23%	7.78%	9.03%	4.93%
Other	7.53%	7.09%	5.80%	7.27%	7.13%

Source: Institutional Development Plan UFV 2024–2029 – Treasury Management (2024).

Regarding the budget derived from collected revenues, capital expenditures stand out, mainly due to the reduction, blocking, and vetoing of these expenses in the Treasury-funded budget over the last few years.

Table 6 – Execution Percentage of UFV’s Own Revenue (2018–2023).

Classification	2018	2019	2020	2021	2022
Ongoing Construction Projects	45.05%	20.11%	69.32%	65.67%	1.62%
Service Provision	4.80%	11.87%	0.00%	5.88%	31.25%
Renovations	0.00%	19.14%	0.00%	20.25%	22.87%
ICT Equipment	0.00%	9.31%	12.10%	5.87%	12.47%
Consumables	0.39%	7.58%	0.00%	0.00%	10.69%
Electricity	1.72%	16.99%	0.00%	0.00%	8.23%
Various Vehicles	0.00%	0.00%	13.11%	0.00%	3.51%
Retirement and Pensions	37.85%	0.00%	0.00%	0.00%	0.00%
Equipment	3.20%	4.70%	4.50%	0.76%	1.26%
Student Assistance + Financial Aid	5.89%	6.73%	0.00%	1.49%	1.39%
Other	1.12%	3.56%	0.96%	0.07%	6.72%

Source: Institutional Development Plan UFV 2024–2029 – Treasury Management (2024).

Table 6 highlights that between 2020 and 2022, the allocation of resources for student assistance and financial aid was significantly lower than in 2018 and 2019. This is explained by the fact that, during the pandemic, government investment in these areas increased in 2020 and 2021. However, in 2022, with the resumption of in-person activities and classes, funding for student assistance and financial aid was lower than usual, as resources were prioritized for the completion of essential infrastructure projects that support teaching, research, and extension activities.

5 Final Considerations

His article provides a comprehensive overview of the challenges faced by the Federal University of Viçosa (UFV) regarding budget cuts and financial contingencies in the education sector. Like many other federal higher education institutions, UFV relies on various funding sources to finance its operations. In addition to National Treasury resources, the institution seeks own revenues, decentralized execution agreements, and cooperation agreements, reflecting a diversification strategy to mitigate the impacts of budget cuts.

The budget cuts imposed in recent years by the Federal Government, in alignment with Constitutional Amendment No. 95/2016, which limits public spending, have profoundly affected the ability of federal universities to meet their academic and institutional goals. UFV has faced a series of challenges, including the need to reschedule projects and reduce expenses across multiple areas.

The COVID-19 pandemic exacerbated the financial challenges faced by the university. The transition to remote learning and the suspension of in-person activities impacted UFV's own revenue, leading to a search for budgetary supplementation from MEC and other government entities. Given budgetary restrictions, UFV had to prioritize essential expenses, particularly those related to institutional maintenance and student assistance. The allocation of resources to areas such as the university restaurant and financial aid for students reflects the institution's priorities amid a scenario of limited resources.

Data analysis, particularly for the years 2019, 2020, and 2021, reveals a decline in PNAES funding at the national level, which began in 2017, with an isolated expansion in 2019, highlighting the budgetary fluctuations of this public policy instrument. Although there was an increase in funding in 2022 and 2023, the scenario remains characterized by budgetary instability. These fluctuations result in decreased or unstable investments in student assistance, directly affecting students in socioeconomically vulnerable situations in a context of rising dropout rates and growing demand for social support. In other words, budgetary instability in PNAES execution negatively impacts student retention indicators in Brazilian higher education institutions, with a particular emphasis on UFV's case. It is essential to complement this study with an analysis of student demands regarding assistance policies, as these are determinants for higher education retention.

Considering the persistence of budget cuts and uncertainty regarding resource availability, UFV will face significant challenges in the coming years. The institution must seek alternative funding sources and develop strategies to optimize resource utilization, while maintaining its commitment to academic excellence and student well-being.

In summary, the analysis of budget cuts and financial contingencies at UFV highlights the complexity of the challenges faced by higher education institutions in Brazil. While striving to maintain their operations and fulfill their educational mission, federal universities must contend with increasing financial constraints, requiring careful and strategic financial management, as well as a continuous search for creative and sustainable solutions. To mitigate this situation, it is imperative to effectively increase Treasury funding, ensuring the sustainability of institutional commitments and the continuous provision of high-quality higher education.

For future research, it is recommended to conduct additional studies on other universities, allowing for a broader analysis and budget comparisons. This would pave the way for generating new insights relevant to Brazilian public administration. Additionally, this study contributes to the academic field, addressing a topic that lacks substantial research while considering the developments across UFV's three campuses in Viçosa, Florestal, and Rio



Paranaíba. There is also a need to understand subjective aspects related to beneficiaries of these initiatives, which could be explored in future studies through methodologies that incorporate the perspectives of students benefiting from PNAES programs. Moreover, it is essential to discuss aspects related to the student dropout process, which is directly correlated with the financial circumstances of beneficiaries.

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ⁱ Doutoranda em Administração, Centro Federal de Educação Tecnológica de Minas Gerais (CEFET-MG), Programa de Pós-Graduação em Administração, Belo Horizonte, Minas Gerais.

ⁱⁱ Doutorado em Economia, Universidade Federal de Minas Gerais (UFMG), Belo Horizonte, Minas Gerais, Brasil. Doutorado sanduíche em Economia, University Business School, Leeds, United Kingdom. Mestrado em Economia do Desenvolvimento, Pontifícia Universidade Católica do Rio Grande do Sul (PUCRS), Porto Alegre, Rio Grande do Sul, Brasil. Graduação em Ciências Econômicas, Pontifícia Universidade Católica de Minas Gerais (PUCMG), Belo Horizonte, Minas Gerais, Brasil. Professor do Magistério Superior, Universidade Federal de Viçosa (UFV), Campus Florestal, Instituto de Ciências Humanas e Sociais, Florestal, Minas Gerais, Brasil.

