



Policies for Quality and Access in the Financing of Higher Education

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What is the contribution about ...

- Some comments on the „three legs system“ from the Slovak HE perspective
- A couple of further remarks on measures supporting access and quality



Slovak Higher Education

- 27 higher education institutions
 - 20 public universities
 - 3 state universities (military, police, health)
 - 6 private HEIs (gradually increasing)
- 2005/2006 enrolment: 170 000 (110 000 full-time)



Slovak HE Reform Milestones

- 1999,2000 – the development of the new strategy for Slovak HE
- 2002 – the approval of the new Law on HE fully implementing Bologna declaration principles
- 2004-2005 – three unsuccessful attempts of the Government in Parliament to introduce tuition fees together with considerable strengthening social support system including student loans system



Three Legs System of Nick Barr

- Sufficient funding for HE is condition sine qua non
- Three legs system: YES
- Essential for success: combination of principles with good implementation



1st Leg – Variable fees

- Reasons for variable fees set by universities are clear and OK
- Questions:
 - Ceiling is necessary – what it should be derived from ?
 - Should the ceiling be one for the whole HE system (for cheap and expensive degrees)?
 - Should an obligatory nonzero floor be set up as well ? (hot topic in recent discussion in Slovakia)



Tuition fees – current state in Slovakia

- HE law 2002: each citizen has the right to get free of charge the university education in the standard length to get one bachelor degree and one master degree (3+2 years as a rule). If a student is enrolled on a study programme and fails to complete it, the years spent on unsuccessful study decrease his account of free years.
- Ceiling for fees after „free years“ is 50 % of the average expenditures per student from the State budget (appr. 50 % of 2200 EURO today)



2nd Leg – A Well-designed Loan Scheme

- Principles: income-contingent repayments, interest rate broadly equal to government's cost of borrowing, covering fees and living costs, all students eligible – OK, two and half of these were in the proposed HE act
- Problems:
 - implementation of the system from the technical point of view
 - if the system is not a part of the tax system, at what time should the graduate income be assessed (at income-tax return – problems with those not having regular income) ?
 - special issue for transition countries: do finances given by the State to the loan system form a part of State expenditures (do they count as a part of the State debt ?)



3rd Leg – Actions to Promote Access

- The practical necessity of this leg is clear in spite of the fact that well designed 2nd leg could in theory solve all problems
- Problems:
 - inherent problems of measures based on income-testing. What should be taken into account as income (student's family income, individual income of the student)?



Measures for Broader Access

- System measures: Broader offer on the supply side:
 - institutional diversification
 - university (23) and non-university (6) HEIs
 - public (20), state (3) and private (6) HEIs
 - programme diversification
 - Bologna scheme: 3 levels of study programmes
 - full-time study, external study
- measures for capacity increases on the supply side – financial incentives – per capita funding. Big problem: Incentive for enrolling and retaining students with low performance



Measures for Broader Access— cont'd

Strengthening the student social support:

- direct support
 - student grants and loans
- indirect
 - subsidized accommodation and meals

Problem: Inefficient flat subsidy of
accommodation and meals



Measures for Quality

Measures for supporting

- good teachers – good working conditions and competitive environment (professor places are filled for 5 years on competitive basis)
- good environment (libraries, labs, computers ...) – development programs
- good study programmes – periodic accreditation, complex accreditation
- good students – motivation stipends
- good research – research assessment, research universities
- good system of financial management – brand new system in Slovakia introduced in 2002



New System of Financing

- multisource financing introduced – finances mostly but not completely from the state budget
- transfer of spare subsidies from the State budget to next year allowed
- subsidies from the state budget in the form of block grant
- HEIs own property
- visualisation of the true economic state of universities by introduction of write-offs and fully accrual accounting
- allocation of investment funds on central level just for development purposes or bigger reconstructions.