

Impact of the funding formula on the system of higher education in Poland

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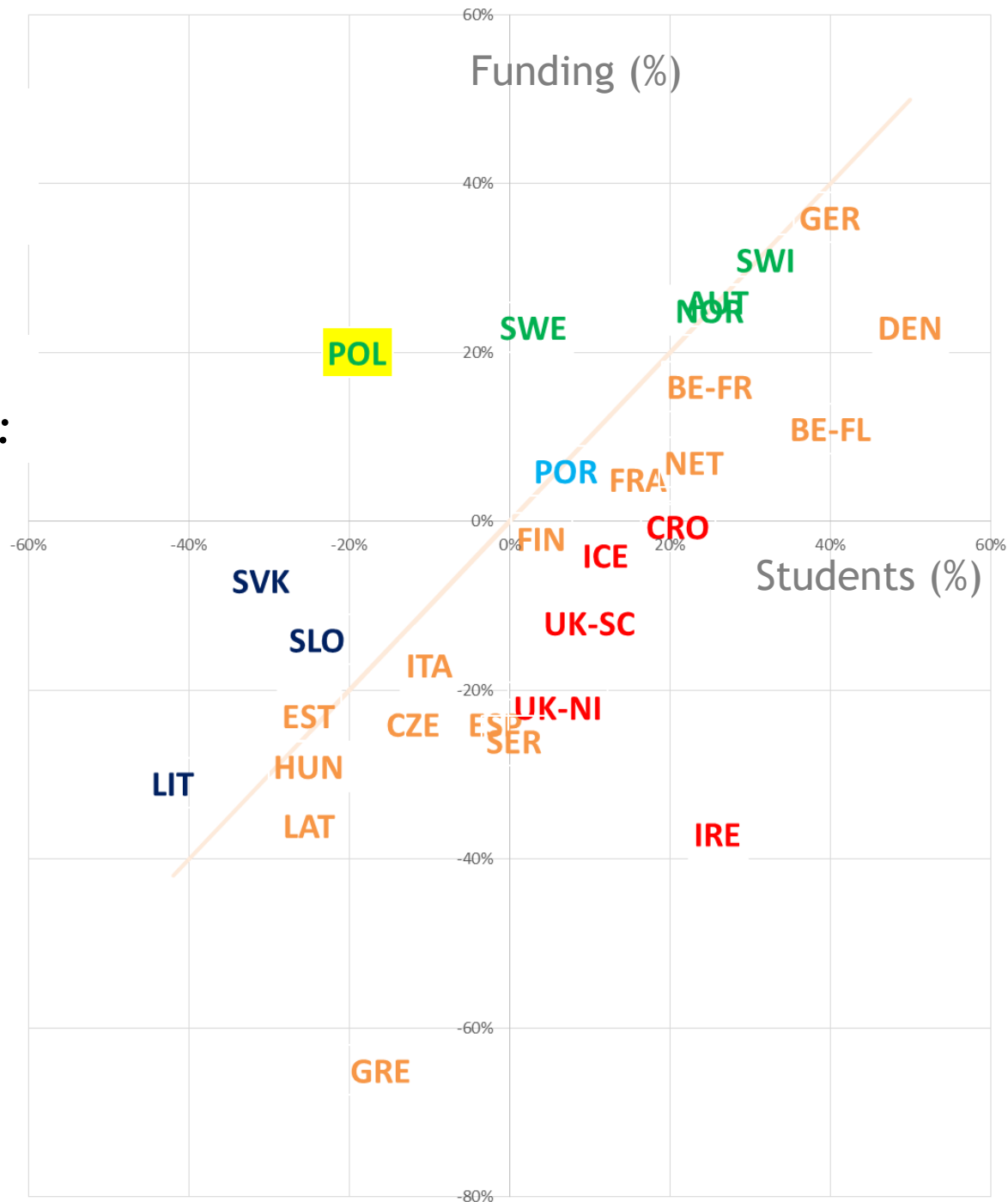
*European University Association
4th EUA Funding Forum*

Ramon Llull University, Barcelona, Spain, 18-19 October, 2018

European HE systems (2008-2016)

According to *EUA public funding observatory 2017*:

frontrunner
in transition
in recovery
under pressure
shrinking
in danger



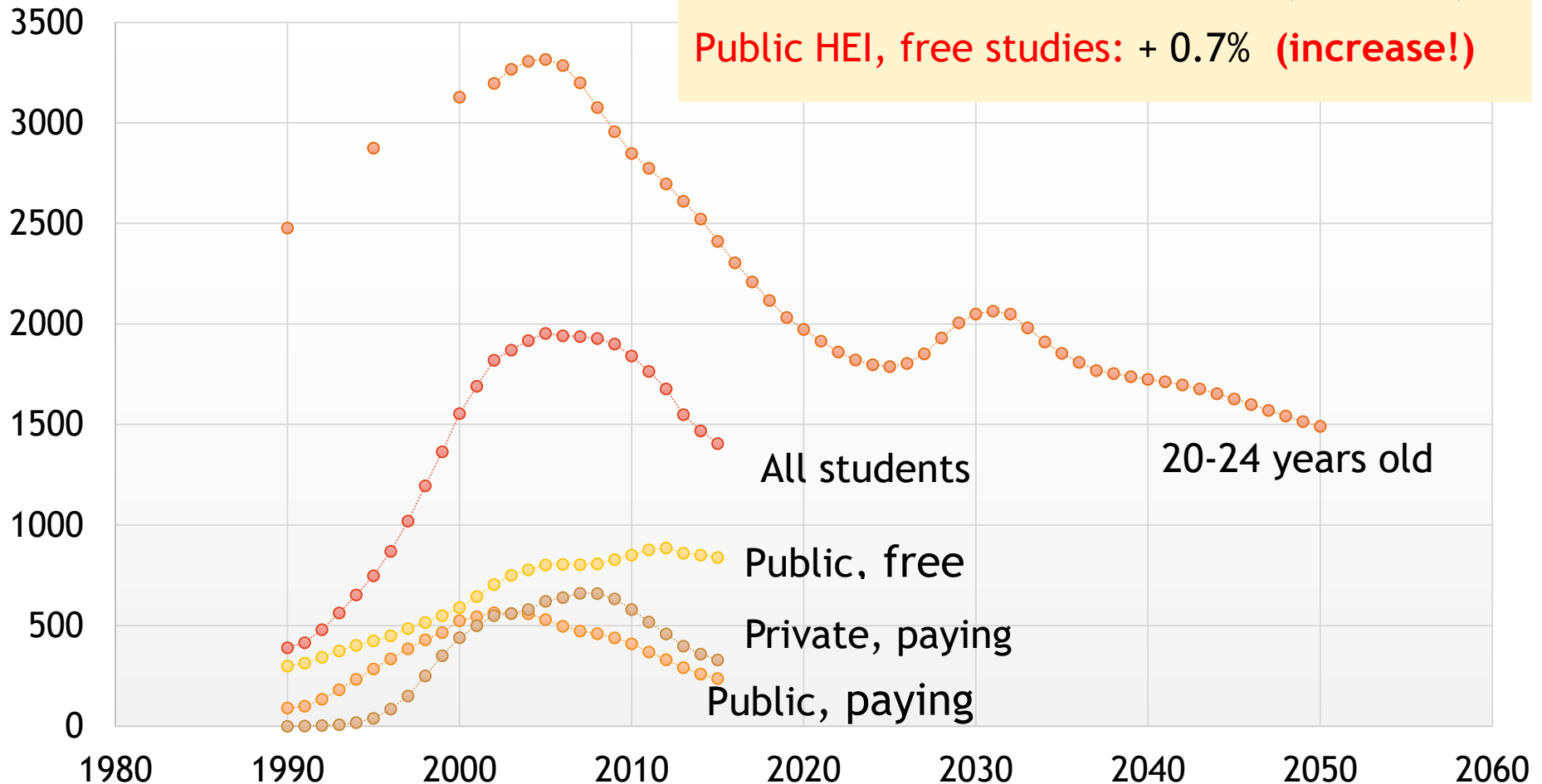
Poland: students and demography

Poland 2008-2016

Public HEI, all students: -18,6% (decrease)

Public HEI, free studies: + 0.7% (increase!)

Persons (in thousands)



Number of students in Poland 1990–2017

(as a percentage of 20-24-year-olds)

Funding formulas:

(1) 1992-2006

(2) 2007-2016

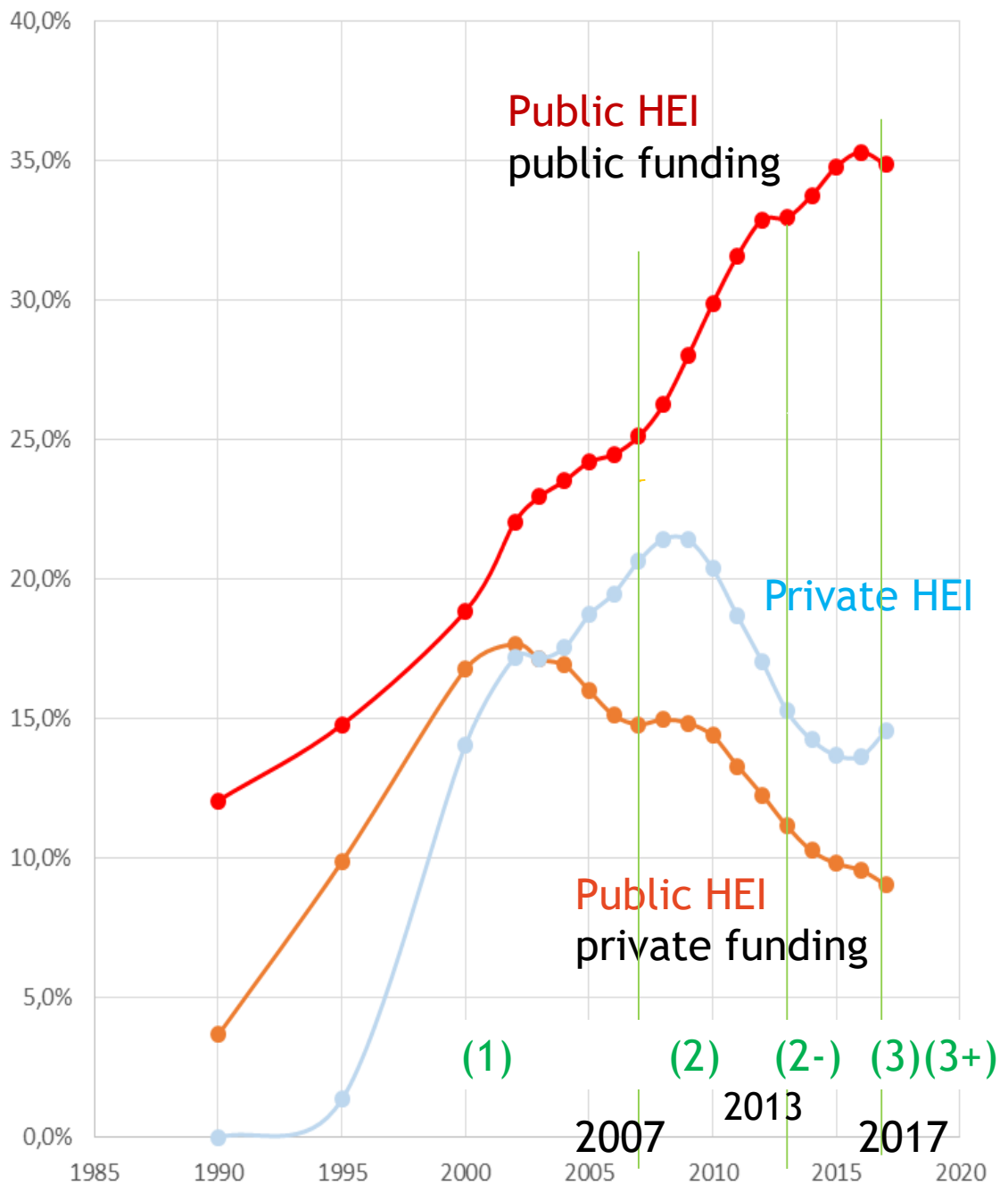
(2-) 2013-2014

(3) 2017-2018

(3+) since 2019

1997-2011

most students paid
full cost of their studies



HEI - Higher education institutions

Funding formula (1)

1992-2006

Students **50%**

weighted by discipline

Staff **50%**

weighted by academic degrees

Symmetry? No!

Staff = cost of salaries

(salaries of PhDs and professors were **probably refunded** from the staff component, at least in 1990s)

Incremental cost of a student is close to... ZERO
(no quality factors in the funding formula).

„**Chase after students**”: driving up admissions
lowering requirements and teaching quality

Funding formula (1)

Impacts:

- ❑ Competition for students
- ❑ Competition for „qualified staff” (PhDs, professors)
- ❑ **Sharp increase of gross enrollment rate (at no expense?)**
- ❑ Decrease of teaching quality
- ❑ Decrease of quality of PhDs and higher degrees
- ❑ Inflation of credentials
- ❑ Potential financial problems (decrease of the private funding)

Funding formula (2)*

2007-2016

Students 35%

weighted by discipline

Staff 35%

weighted by degrees, including MSc

Number of grants 10%

Erasmus students 5%

Number of accreditations 5%

Nonlinear component 10%

Thus salaries of academic staff became certainly **not refunded** from the staff component

*) From now on: **only for universities („academic HEI“)**.
Different formulas for vocational, medical, professional etc.

Funding formula (2)

Weak impact on the HE system:

- ❑ Negative impacts of Formula (1) continue
 - ❑ „Chase after students” intensified
 - ❑ Financial crisis (reductions of academic staff)
- ❑ Shift of funding to several biggest universities
- ❑ Strong incentives (Erasmus, visiting professors) rather overlooked (with some exceptions)

Funding formulas (2) and (2-)*

- ❑ Very complicated!
- ❑ Intended impacts: unclear
 - ❑ Assistants or professors ?
 - ❑ High reward (to HEI) for a grant
- ❑ Many myths and misunderstandings
 - ❑ Small weight of student component (12%) ?
- ❑ Not well understood even by... Authors

*) **Funding formula (2-)**, in force 2013-2014.

$$\frac{S^{3/2} \sqrt{P}}{S + 13 P}$$

Staff 35% → 30%, Nonlinear component 10% → 15%

Component of **staff (non)accessibility ?!**
Rewarded HEI with high student-staff ratio

Income generated by unit elements of the formula

Year	Student	Staff	Grant	Authorization	Erasmus
2007	1,43	21,8	101	190	12,3
2008	1,45	21,6	105	181	11,3
2009	1,56	23,4	107	190	10,5
2010	1,58	24,2	108	197	10,9
2011	1,53	24,1	90	195	10,5
2012	1,49	24,2	61	188	9,3
2013	1,51	20,2	95	184	8,5
2014	1,72	22,8	113	203	8,6
2015	1,99	29,7	128	217	9,3
2016	2,23	32,7	146	228	9,5

Thousands of zloties (PLN)
1 Euro = 4,2 PLN

Funding formula (3)

2017-2018

Students 40%

weighted by discipline

SSR > 13 heavily penalized

Staff 45%

weighted by degrees, including MSc

multiplied by **research rating of HEI**

Number of grants **10%**

International students **5%**

including Erasmus

„Chase after students” has been stopped

Funding formula (3)

Strong impact on HE system:

- ❑ „Chase after students” stopped (immediately)
- ❑ Increased shift of funding to biggest universities
- ❑ Financial troubles of small HEI (forced to mergers?)

Many potential impacts (good and bad) but...
a modified formula is under construction.

Two strategies for avoiding $SSR > 13$

- 1) Development: more staff
- 2) Survival: less students

In 2017 **almost all HEI chose the survival strategy** (sometimes with a small admixture of development).

Only 3 universities (with $13 < SSR < 14$) ignored the funding formula (3) and slightly increased SSR.

Funding formula (3+)

since 2019*

Students 30%

weighted by discipline
SSR > 13 heavily penalized

Staff 30%

weighted by degrees,
including multi-jobbing and part-time jobs

PhD students 5%

Research staff 20%

weighted by discipline and reserach rating

international students 5%

R&D expenses 10%

Separate group for „**research universities**” (less than 10):

students 20% (SSR<10), PhD students 10%, international students 5%,
staff 20%, reserach staff **30%**, R&D 10%, **grants (international)** 5%,

*) actually: 2024: „smooth transition” between (3) and (3+)

Poland: HE system in transition

New funding formula since 2017: (3) and (3+)

„Law 2.0” („Constitution for Science”) in force since 1.10.2018

System based on degrees („minimum numbers of qualified staff”) and mass higher education is transformed into more elite system based on research rating. Centralization of management and other changes.

Quality instead of Quantity?

Research evaluations of HEI in Poland are not encouraging.

This is a weak point of new funding formulas. And what about teaching?

Thank you for attention