

FUNDING PROFILES ACROSS THE SPANISH PUBLIC UNIVERSITY SYSTEM: A REGIONAL PERSPECTIVE

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Summary

- **Objective/ Motivation**
- **Characterization of funding in Spanish Public University System (SPUS)**
 - **Evolution** of total funding of the Spanish University System (2009 - 2015)
 - Average **income structure** of the Spanish University System (2015)
- **Funding profiles (*regional level*)**
 - Average income structure by some regions (2015)
- **Concluding remarks**

Objective

The analysis of the different cost-sharing funding models that have emerged in Spain, and their consequences in university funding profiles by Spanish regions.

Objective

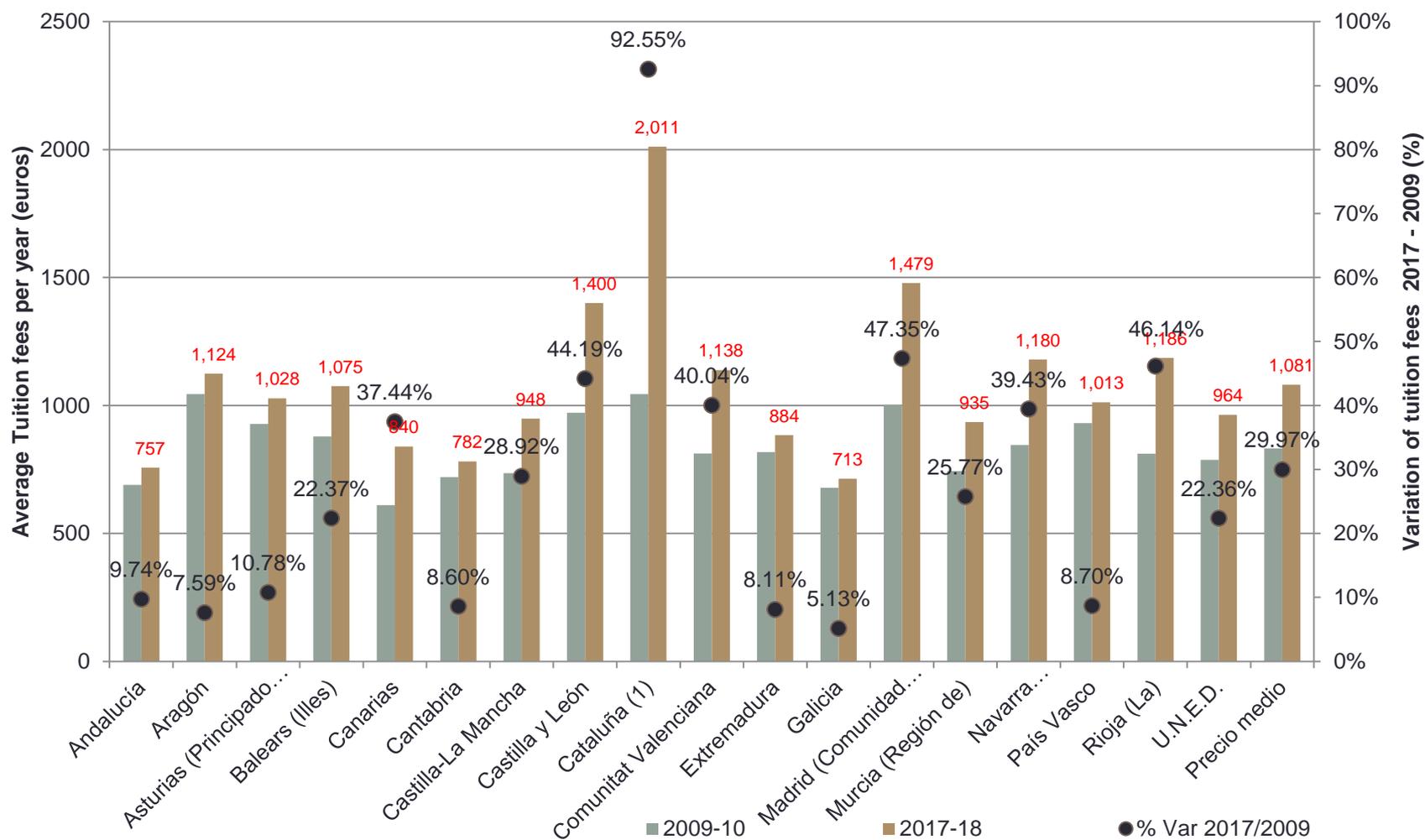
The analysis of the different cost-sharing funding models that have emerged in Spain, and their consequences in university funding profiles by Spanish regions.

According to Johnstone (1986, 2003, 2007),
cost-sharing effect *“describe a shift in funding from a situation where costs are borne exclusively or predominantly by government and taxpayers, to one where costs are shared with students and parents and, to a lesser extent, other private sponsors and benefactors”.*

Motivation

- **Reform processes at national system level as a consequence of economic crisis** → RD Law 14/2012 about streamlining of public education expenditure
 - **Change** in the way of establishing university fees: from annual increase according to CPI (Consumer Price Index) → **to a percentage of the cost of the teaching services**

Changes in tuition fees by Spanish region



Motivation

- **Reform processes at national system level as a consequence of economic crisis** → RD Law 14/2012 about streamlining of public education expenditure
 - **Change** in the way of establishing university fees: from annual increase according to CPI (Consumer Price Index) → **to a percentage of the cost of the teaching services**
- **Research question**
 - **Has there been a change in the structure of universities' income streams (public versus private) as a consequence of the economic crisis in Spain?**
 - **And between Spanish regions?**

Characterisation of funding in the SPUS

Relevance of Public Funding

- Strong dependence on *regional public funds* (block grant): in average 84% of the total public income
- Some dependence on *international and national public funds* for research: high heterogeneity among public universities, especially in fundraising European resources

Are there different university public streams among Spanish regions?

- **80% of the university funding in Basque Country and La Rioja comes from regional government. The two regions have only one university in their territories.**



Policy implications: Great preferences for Higher Education as a public good/service

Characterisation of funding in the SPUS

No diversification of private funding

- Strong dependence on tuition fee income (students and families and Ministry of Education through scholarships and grants)
- Some dependence of income industry (high heterogeneity among public universities)
- No dependence on philanthropic funds

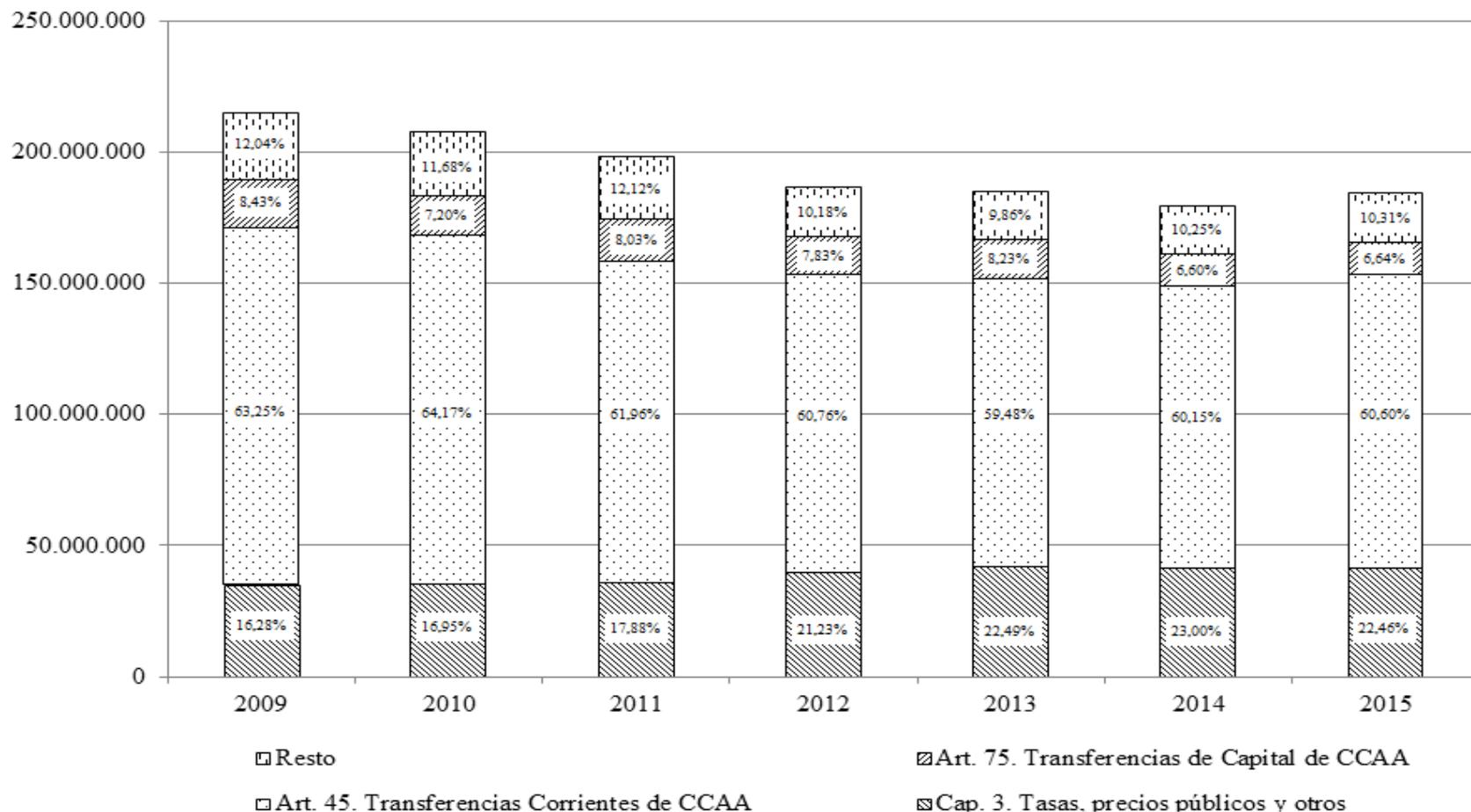
Are there different university private streams among Spanish regions?

- **Catalonia and Madrid have an important percentage of tuition fees over their total income (around 30%)**

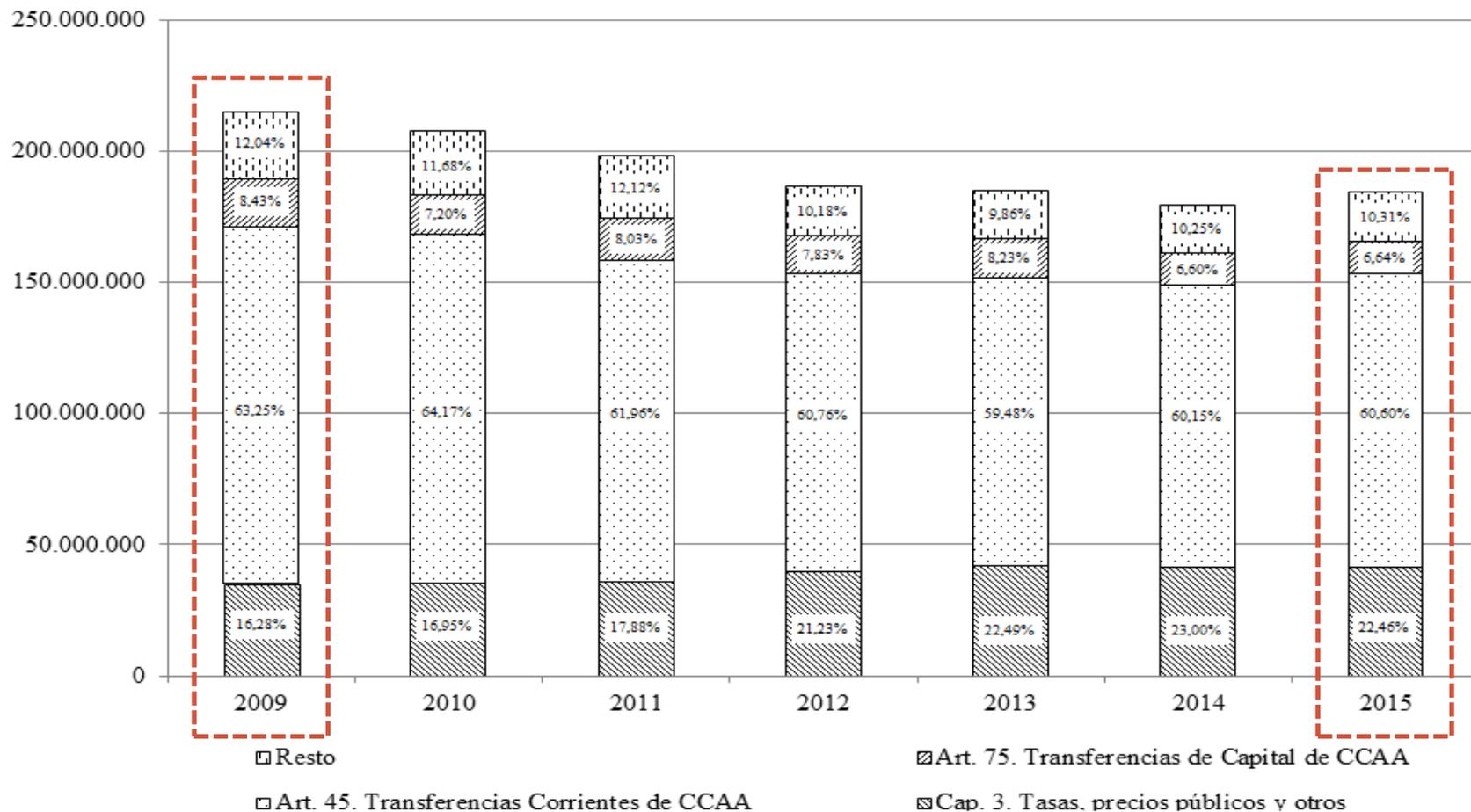


Policy implication: cost sharing entails private investment in human capital

Simplified overall income structure. Average 2009-2015.



Simplified overall income structure. Average 2009-2015.



Evolution of total income in public universities (2009-2015)

× Reduction of public funding

✓ Total income  from 10,104 to 8,669 million €

(**Spanish Public University System** has lost 1,424 millions Euros in total during these 6 years - 14.20% of reduction).

× Cost-sharing effect

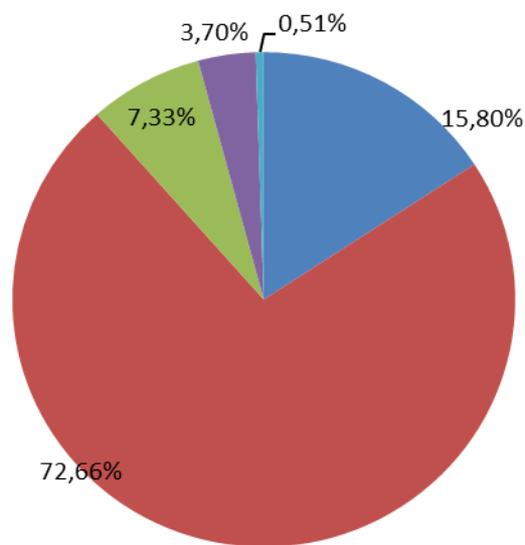
✓ % public funding coming from regional gov.  from 73% to 70%

✓ % private funding coming from students  from 16% to 20%

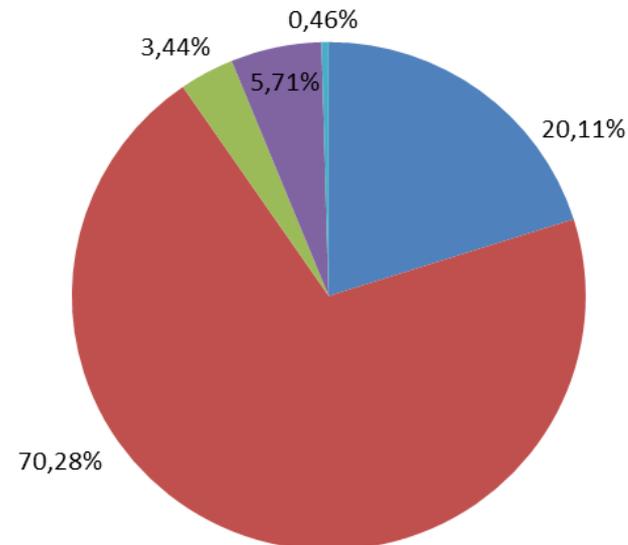
(In the **Spanish Public University System**, it has produced a shift from public funding to private funding (by student contributions))

Are there different cost-sharing effects across Spanish regions?

Average income distribution 2009 & 2015. Public universities - Spain.



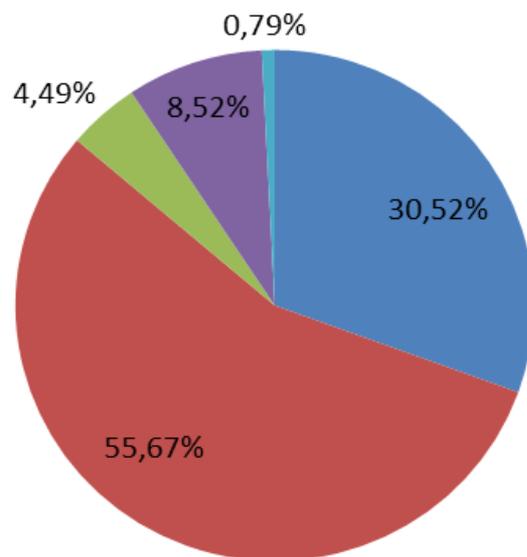
2009



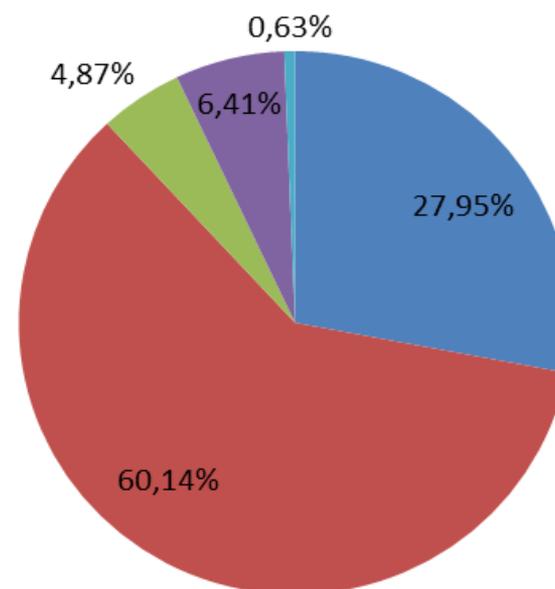
2015

- Student contributions and fees / Total (non-financial) income
- Regional public funding / Total (non-financial) income
- National public funding / Total (non-financial) income
- Interational public funding and other sources / Total (non-financial) income
- Other income sources / Total (non-financial) income

Average income distribution 2015. Public universities - Catalonia and Madrid.



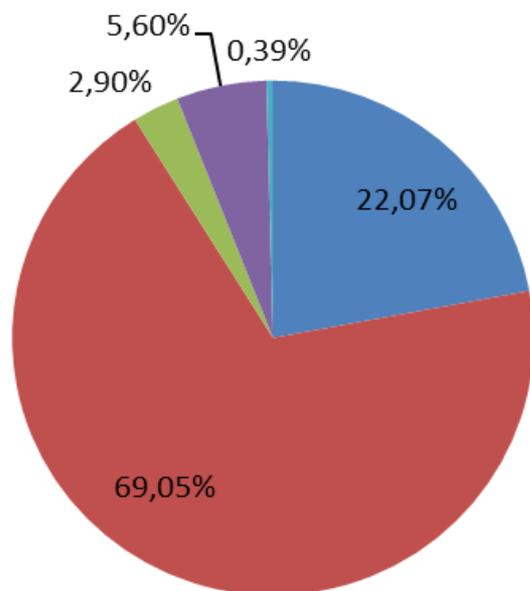
Catalonia



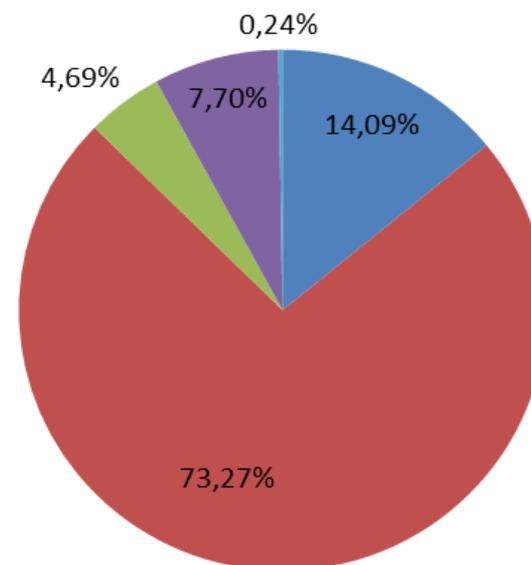
Madrid

- Student contributions and fees / Total (non-financial) income
- Regional public funding / Total (non-financial) income
- National public funding / Total (non-financial) income
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Average income distribution 2015. Public universities - Valencia and Galicia.



Valencia

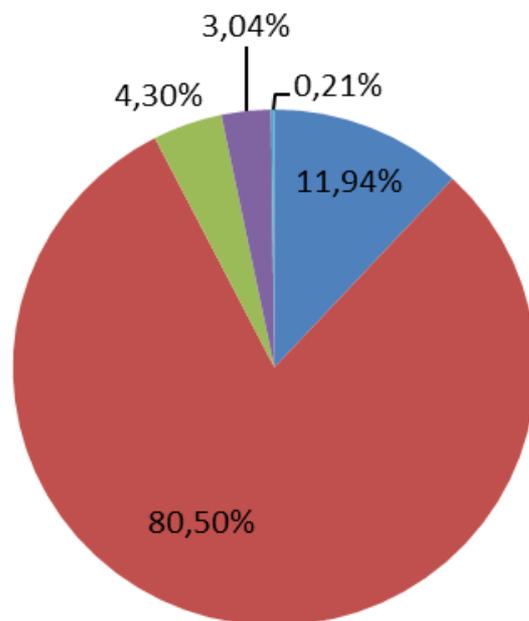


Galicia

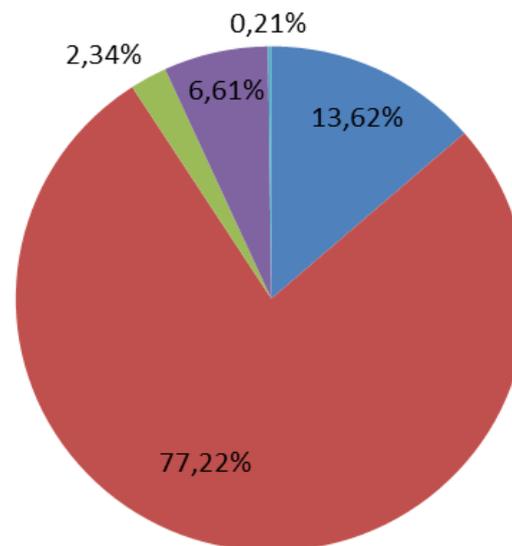
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Average income distribution 2015.

Public universities – Basque Country & La Rioja



Basque Country



La Rioja

- Student contributions and fees / Total (non-financial) income
- Regional public funding / Total (non-financial) income
- National public funding / Total (non-financial) income
- Interational public funding and other sources / Total (non-financial) income
- Other income sources / Total (non-financial) income

Concluding remarks

- **Has there been a change in the structure of universities' income streams (public versus private) as a consequence of the economic crisis in Spain?** → Different impact by Spanish regions
- Differences in the funding profiles between regions and within regions
 - + Clear drift towards cost-sharing in two regions → Catalonia and Madrid
 - + Clear increase in regional support in some regions → e.g. Basque Country
- BUT... differences also in the funding profiles among universities from the same region
 - + Specially strong heterogeneity in Catalonia and Madrid → which are also the regions better positioned in global rankings

¡THANK YOU FOR YOUR KIND ATTENTION!

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