

# 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

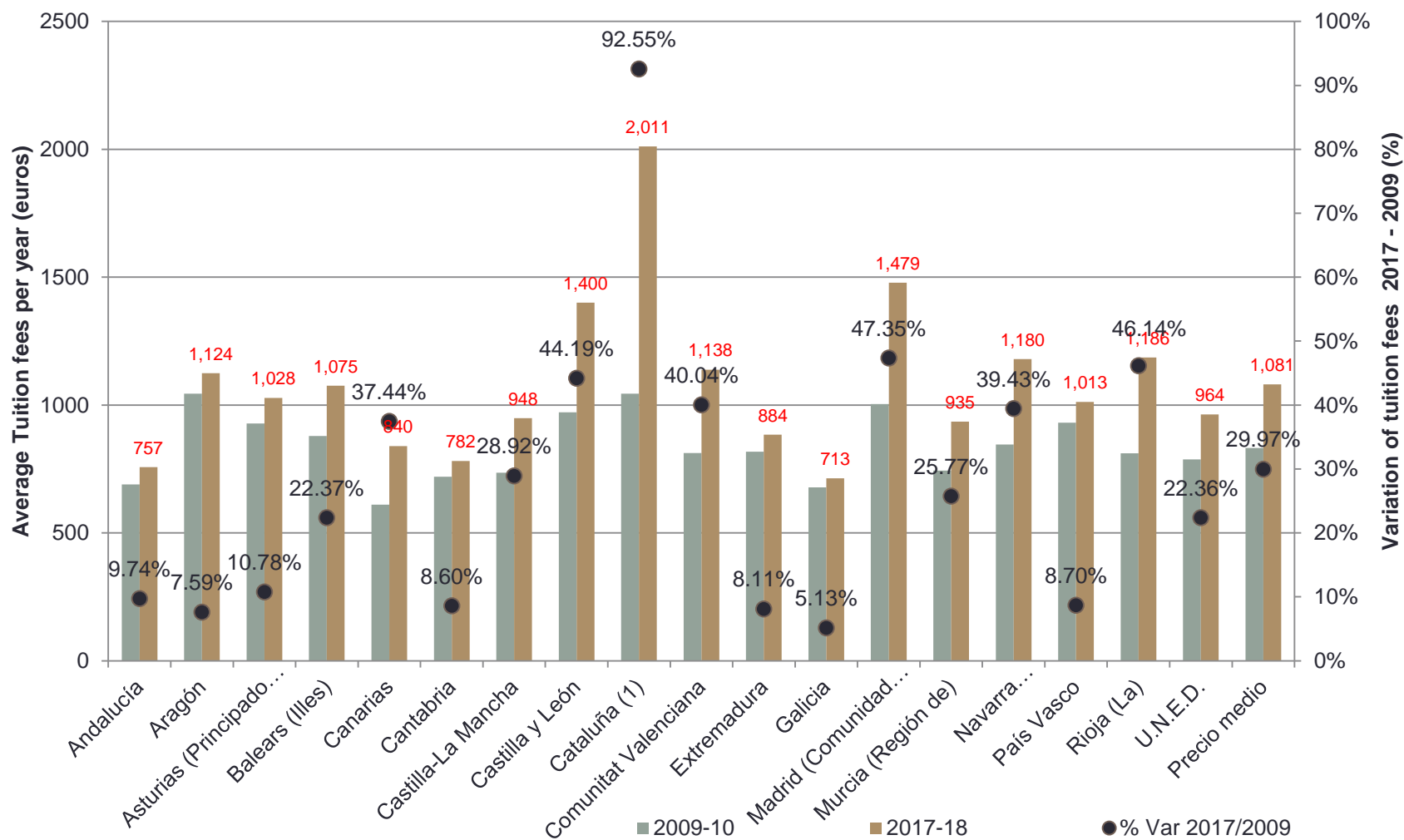
The analysis of the different cost-sharing funding models that have emerged in Spain, and their consequences in university funding profiles by Spanish regions.

**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

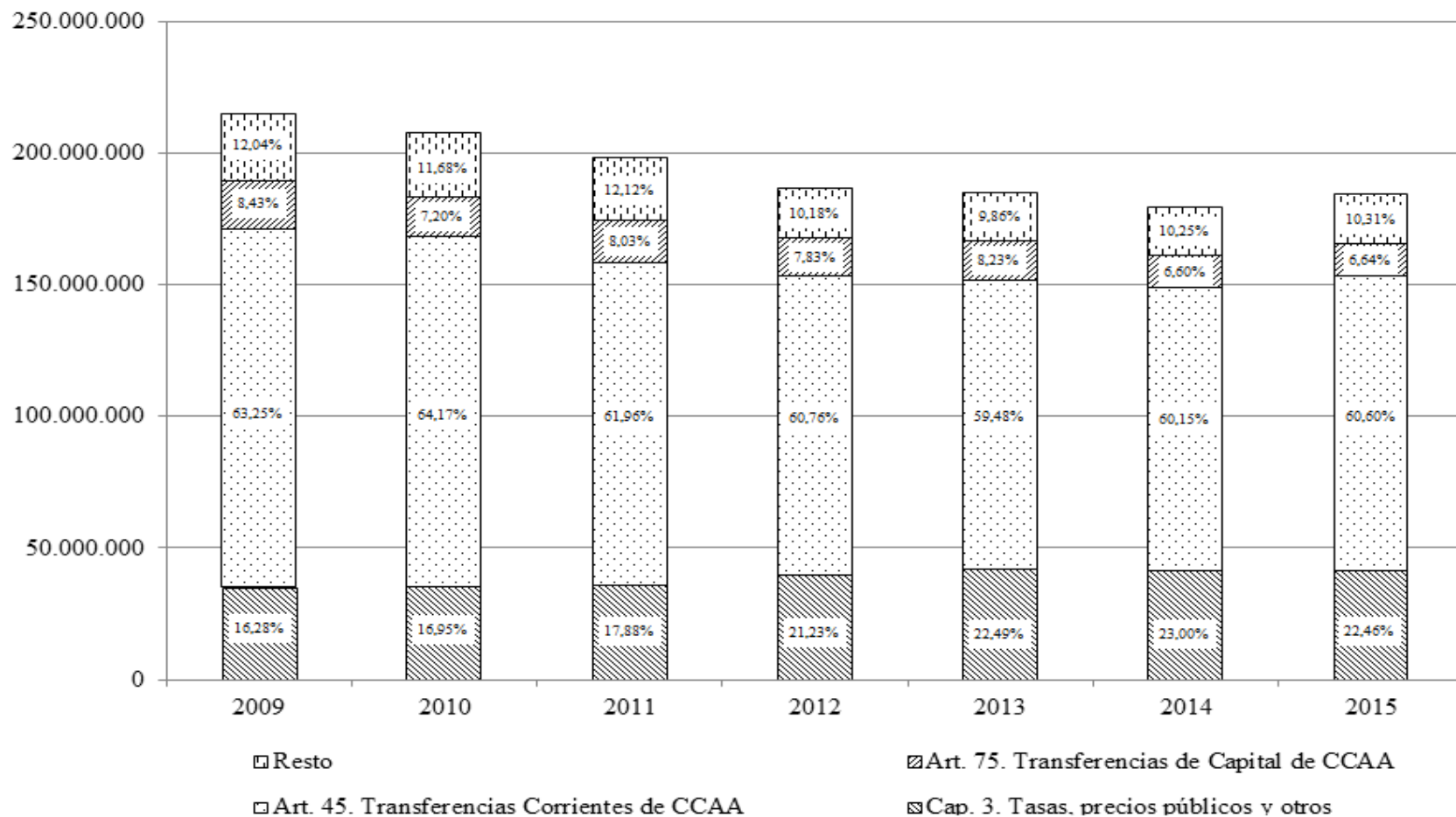
## Are there different university private streams among Spanish regions?

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

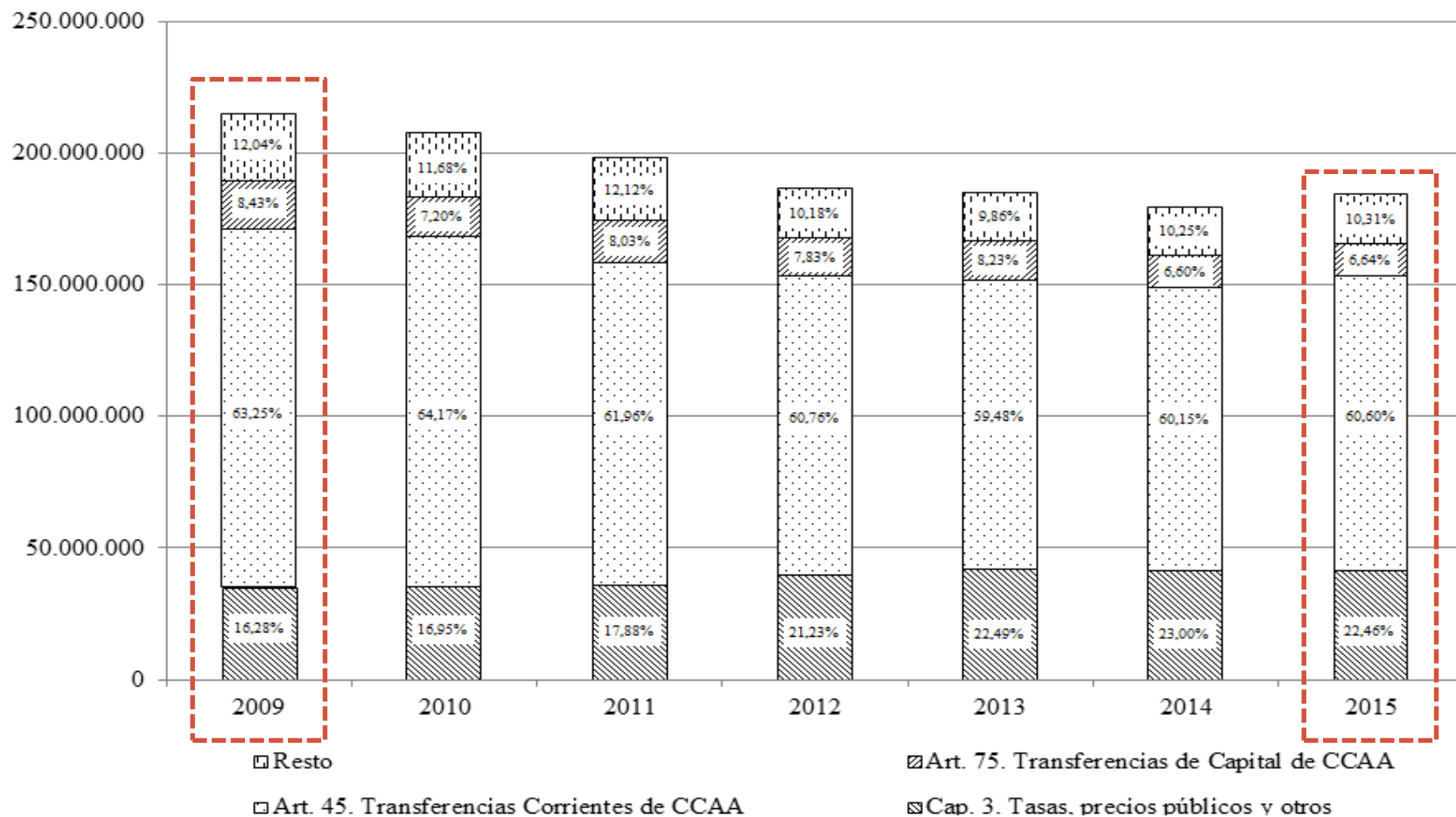


**Policy implication: cost sharing entails private investment in human capital**

# Simplified overall income structure. Average 2009-2015.



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# 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

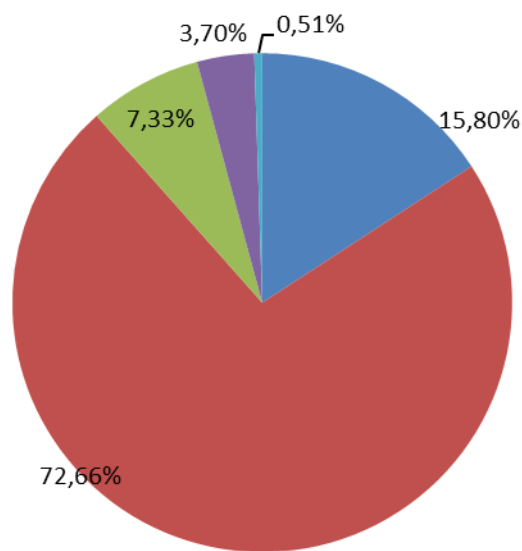
✓ % public funding coming from regional gov.  from 73% to 70%

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

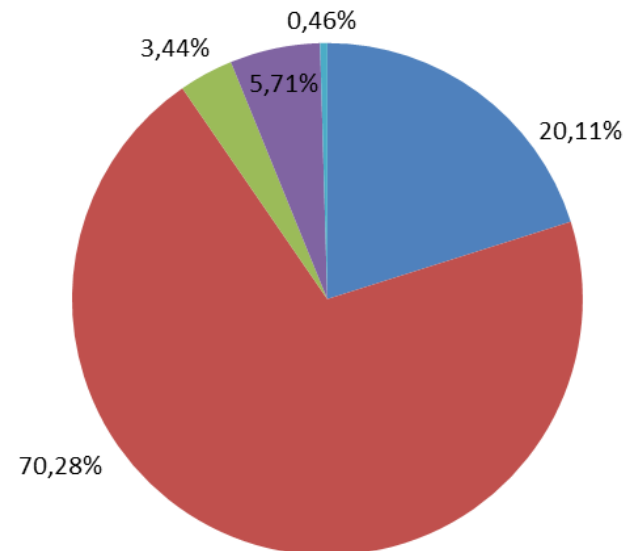
(In the **Spanish Public University System**, it has produced a shift from public funding to private funding (by student contributions))

**Are there different cost-sharing effects across Spanish regions?**

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



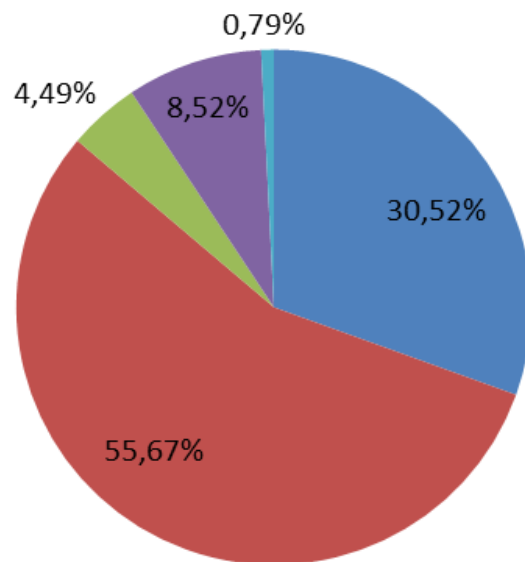
**2009**



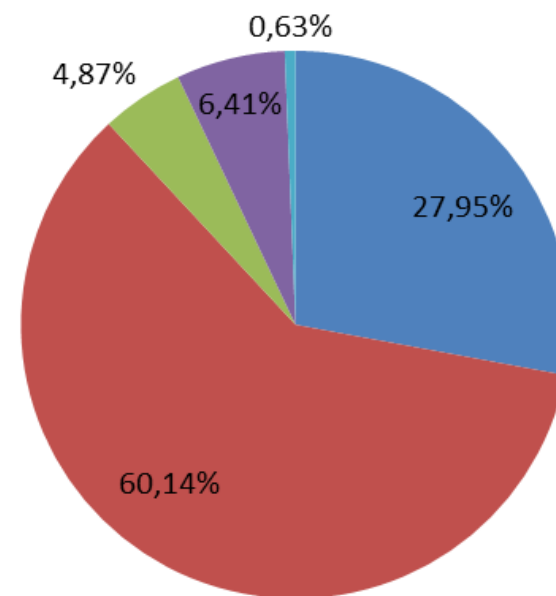
**2015**

- 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.



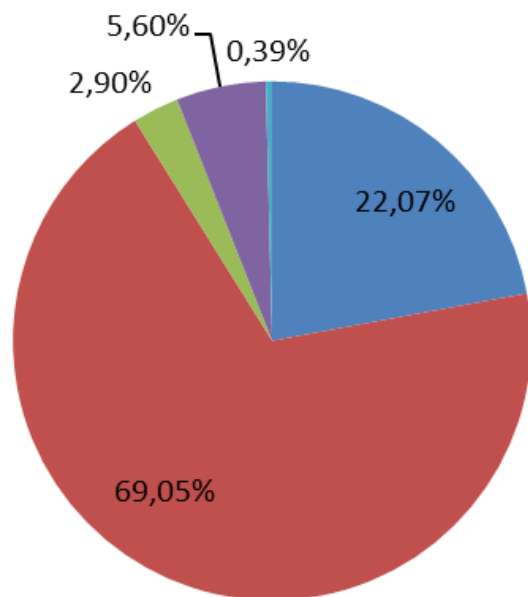
**Catalonia**



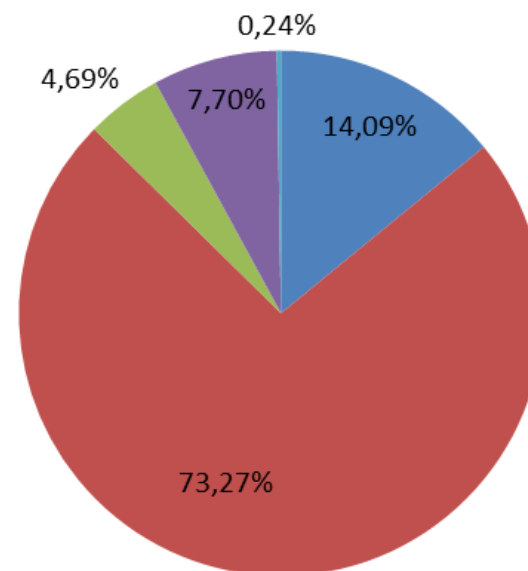
**Madrid**

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

# Average income distribution 2015. Public universities - Valencia and Galicia.



**Valencia**

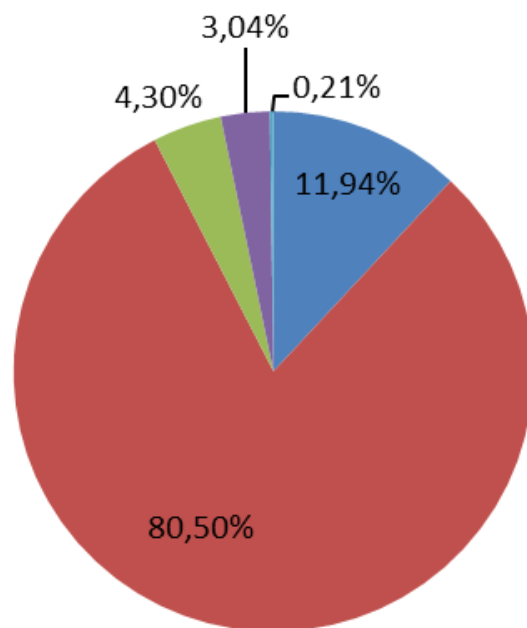


**Galicia**

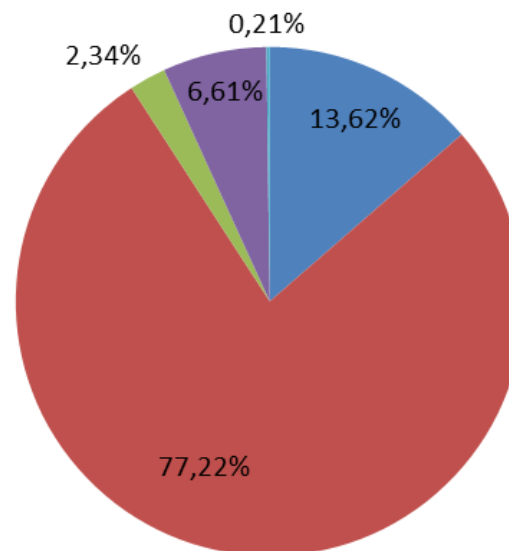
- Student contributions and fees / Total (non-financial) income
- Regional public funding / Total (non-financial) income
- National public funding / Total (non-financial) income
- Interational public funding and other sources / Total (non-financial) income
- Other income sources / Total (non-financial)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

# Average income distribution 2015.

## Public universities – 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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