

University Governance Structures: Finances



New funding mechanism for HEI's in Flanders

The “*Decree regarding the financing and operating of the university colleges and universities in Flanders*” of 14 March 2008

- much debated
- a lot of objections, esp. by students
- but: now in place

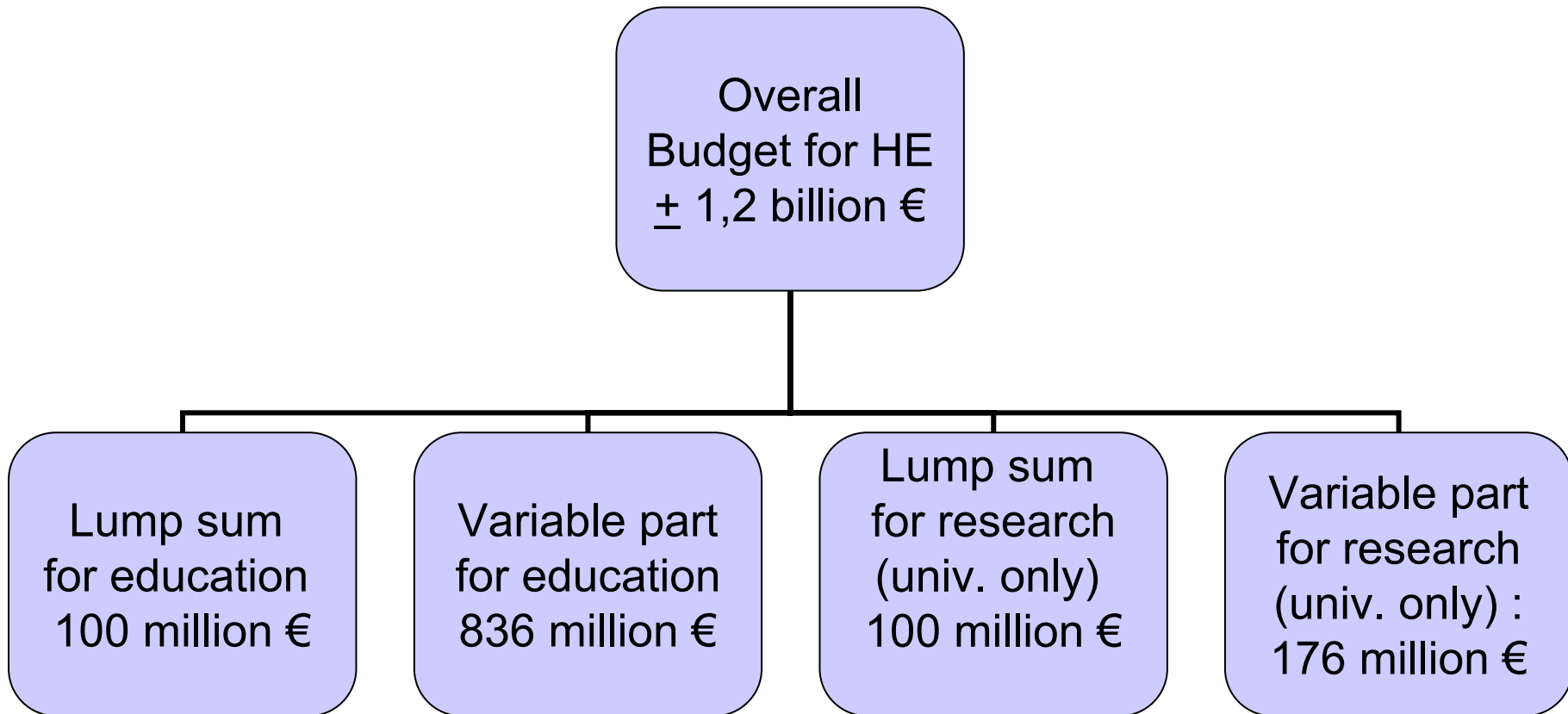
Rationale of the new Financing Decree

- Similar financing for universities & university colleges (cfr. Structural Decree, 2003)
- Shared responsibilities:
 - Government
 - HEI's (input – output mix)
 - Students (“learning credit”)

Goals of the new Financing Decree

- Stimulate participation in HE
- Increase study efficiency
- Guarantee equal chances
- Rational offer of educational programmes
- Support 'flexibilisation' & 'academisation'
- Stimulate quality of education & research

The new financing model



The educational part = lump sum + variable part

Student status dependent:

- Enrolment conditions:
 - Degree or credit seeking
 - Bachelor or master or bridging programme
- Nationality conditions
- Positive “learning credit” (see next slide)

“Learning credit”

- A kind of “backpack” for all students (140 credits)
- If successful: credits returned (first 60: double)
E.g. 1st year: $140 - 60 + (25 \times 2) = 130$
2nd year: $130 - 65 + ((35 \times 2) + 10) = 145$
3rd year: $145 - 50 + 30 = 125$
etc.
- When zero or negative: possibly no longer allowed to enrol (or: enrol for double fee)

The educational part = lump sum (100 MEURO)

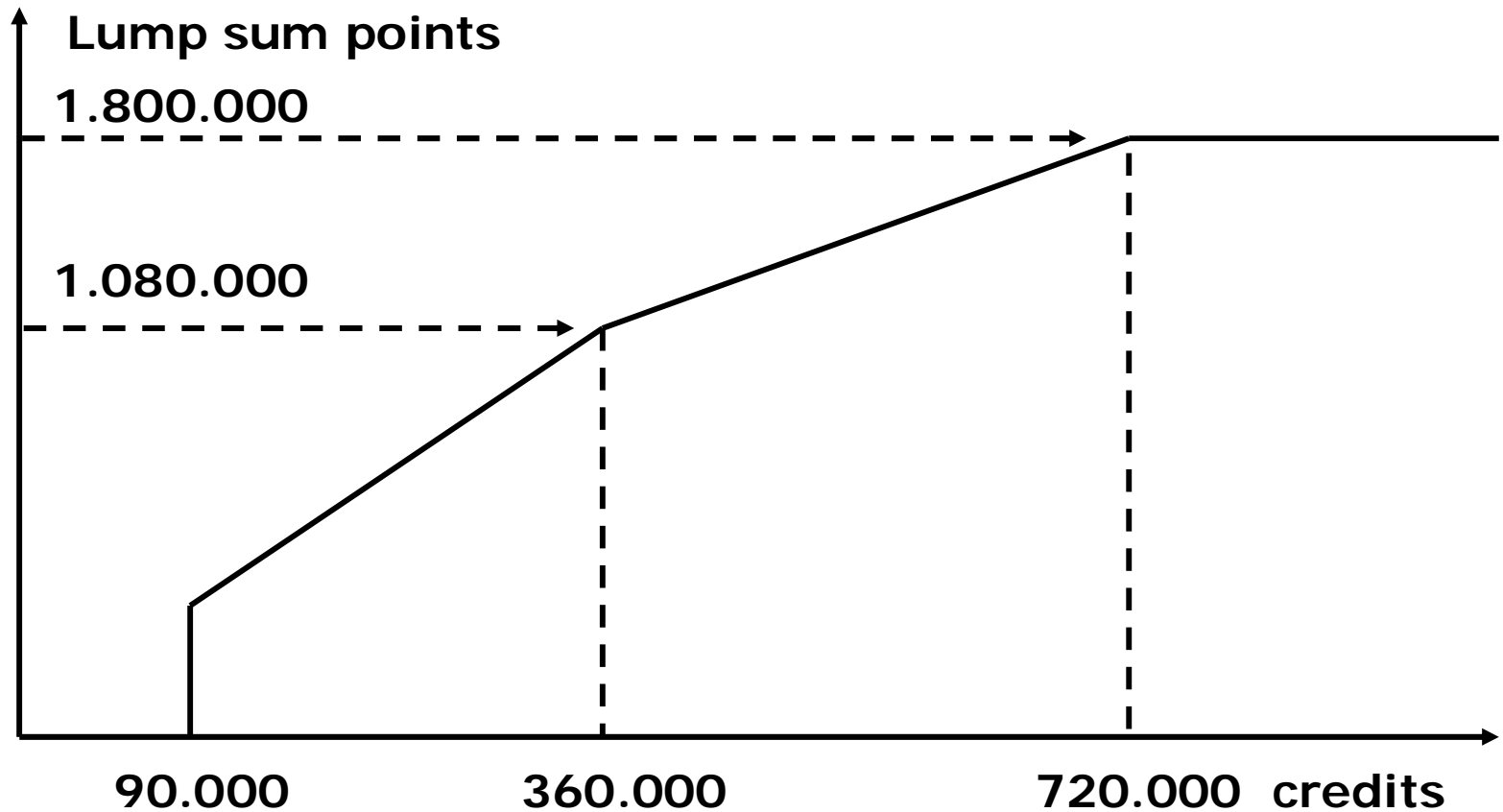
Distribution according to number of credits students have enrolled for (with a minimum of 90.000 → avoid too small HEI's)

≤ 360.000 credits x factor 3

> 360.000 ≤ 720.000 credits x factor 2

> 720.000 credits x factor 0

➔ Negative for large (+12.000 students) institutions (including: UGent and HoGent)



The variable educational part (836 M€)

- For profession-oriented BA: 366 M€
- For academic Ba/Ma at university colleges: 156,5 M€
- For academic Ba/Ma at universities: 313,5 M€

Distributed according to the number of “financing points” (a progressive average of 5 years)

The variable educational part: “Financing points”

Total of financing points: sum of

- ▶ INPUT part
(= until 60 credits; in bachelor programme)
- ▶ OUTPUT part
(= from 61st credit onwards)
- ▶ DEGREE part
(= bonus of 30 cr upon graduation for some degrees)
- ▶ CREDITS part
(= for credit contracts)

How does it work?

	enrolled	result	Input financing	Output financing
2008-2009	60	60	60	0
2009-2010	60	60	0	60
2010-2011	60	60	0	60
		180		+ 30 bonus

How does it work?

	enrolled	result	Input financing	Output financing
2008-2009	60	50 acquired 10 failed	60	0
2009-2010	60	50 acquired 10 failed	10	40

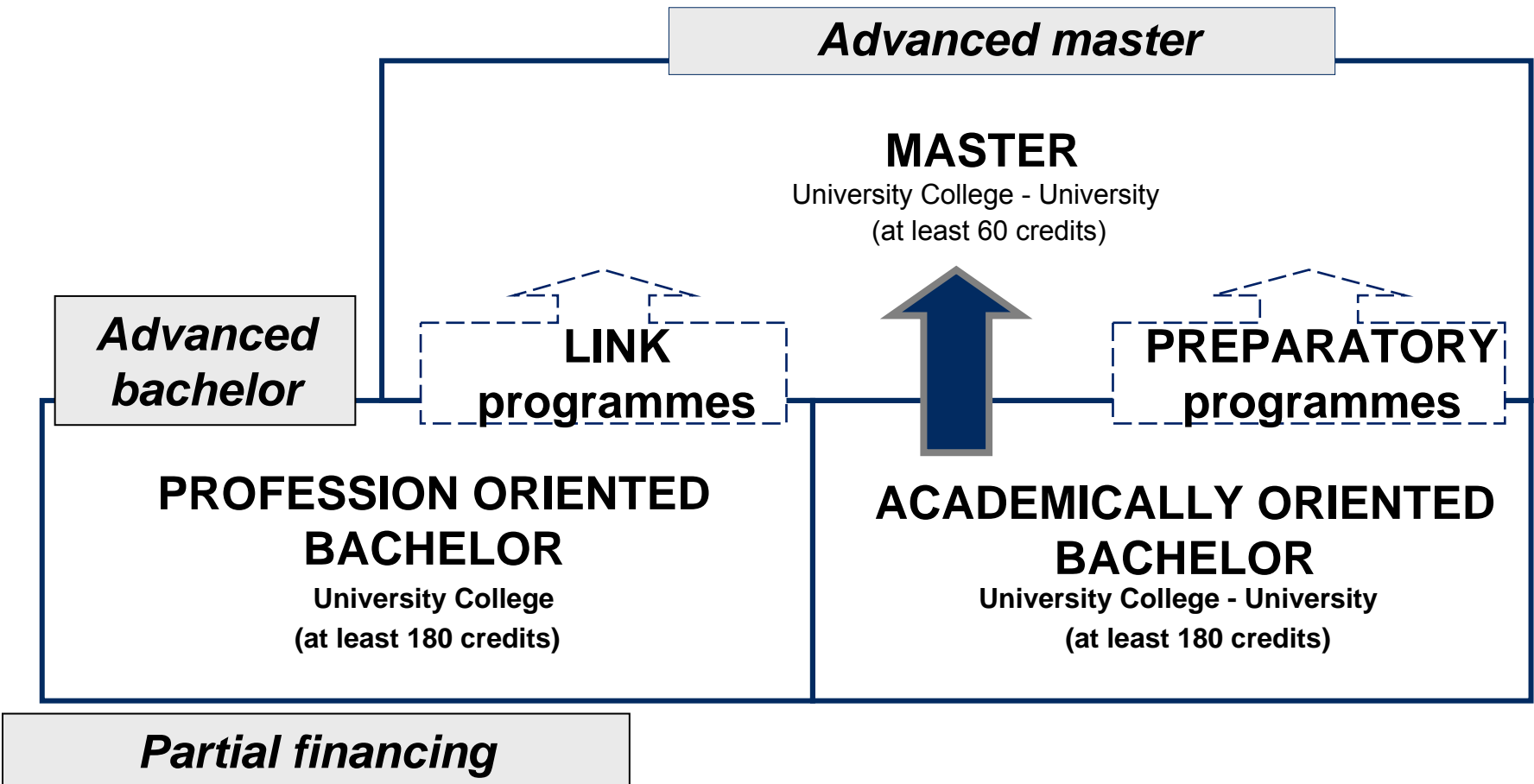
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How does it work?

	enrolled	result	Input financing	Output financing
2008-2009	60 with 30 exemption	60	30	30
2009-2010	60	60	0	60

Bachelor – Master structure



The variable educational part: special cases

For INPUT – OUTPUT – DEGREE:

Factor 1.5 for:

- students with a scholarship (~ social background)
- students with a functional disorder (~ handicap)
- students enrolled in special programmes for working students

Special incentives for “rationalisation” (reorganisation)

If a specific degree programme is no longer on offer (stopped or transferred to another HEI):

- “financing points” can be kept for 2 x duration of programme (e.g. 6 years for a BA); after that: minus 20% per year
- If programme is stopped + social plan: X 1.5

Lump sum for research at the universities

- At least 50 doctoral theses (4 years) and 1000 publications (10 years)
- 50/50 division between doctoral theses and publications
- Digressive division

Doctorates

<50	x 3
51>399	x 2
>400	x 0

Publications

<600	x 3
601>2999	x 2
3000 > 9999	x1
>10000	x 0

(= again negative for “large” institutions, although theoretical)

Variable part for research at the universities

Distributed on the basis of the following elements:

- Share of academic BA & MA degrees in association (24%)
- Share of doctorates (40%)
- Share of publications and citations (30%)
- Share in diversity coefficient (6%)
(~ external & female professors)

Bringing the new model in practice

- *Theoretical* total = sum of 4 parts
- Until 2013: guaranteed minimum (~ indexed total of 2007)
- If theoretical total $>$ minimum: dependent on budget of government...
- From 2014 onwards: fully operational
 - some institutions with less students: less income

Extra's for diversity and rationalisation (1)

Institutions can send in specific plans

1. To enhance diversity and equal opportunities
(attracting and supporting underrepresented
student populations)

Total budget foreseen: 3 – 6 MEURO/year until 2011
(+ new budget afterwards)

Extra's for diversity and rationalisation (2)

Institutions can send in specific plans

2. To “rationalise” their offer

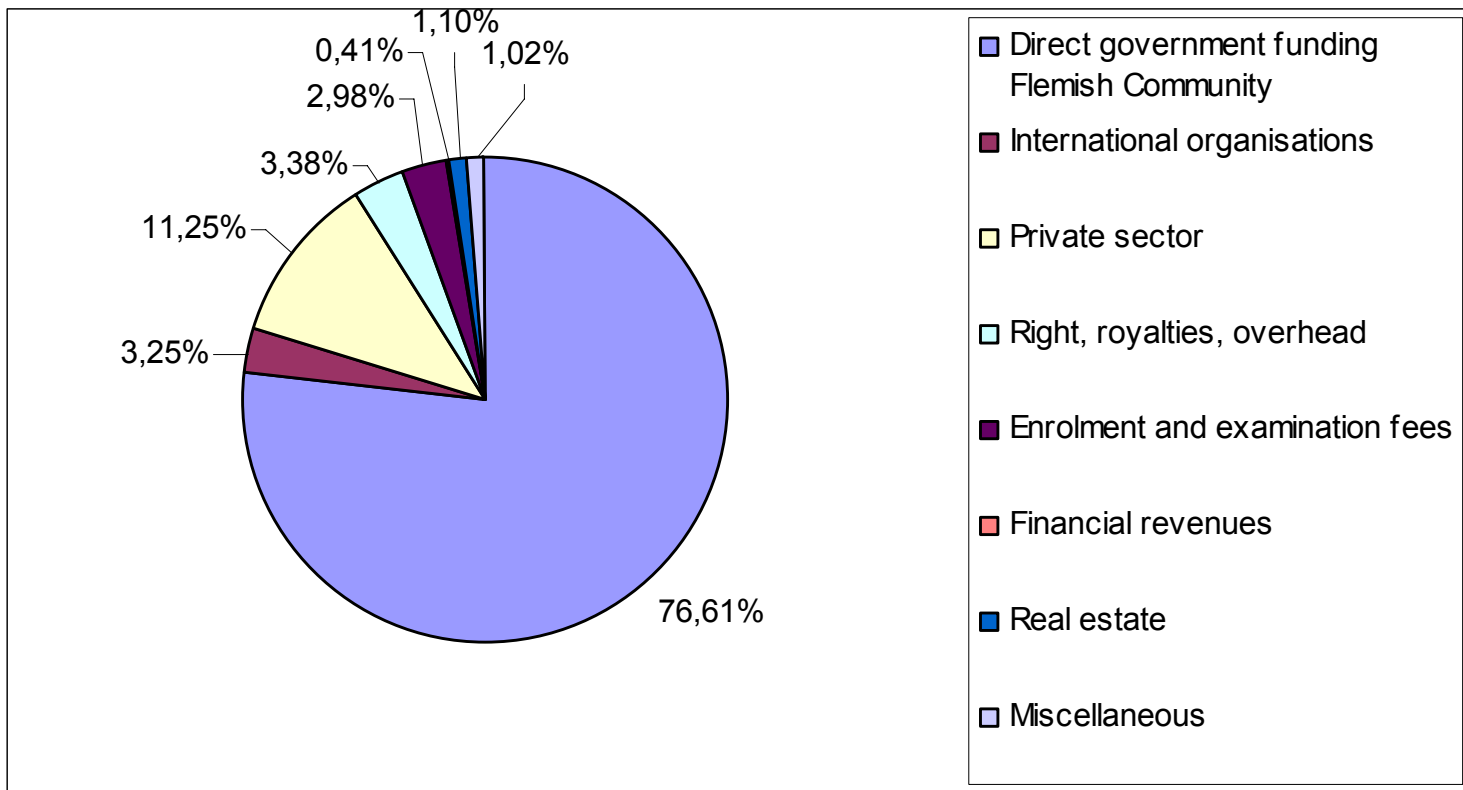
- Improve efficiency and suitability
- Enhance quality
- Reduce pressure of work

Total budget foreseen: 5 MEURO/year until 2011 (4x)

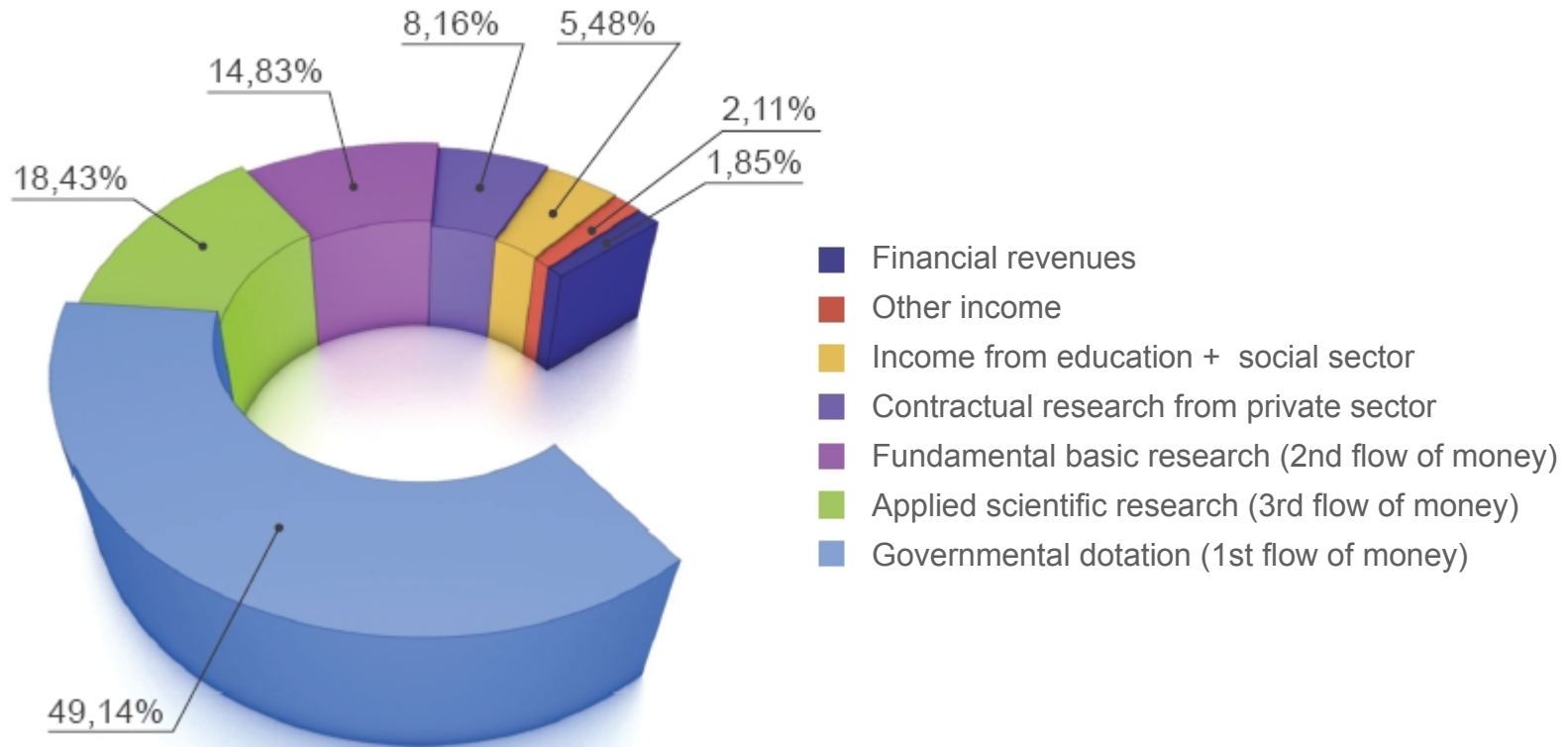
Part 2: Concrete example of a HEI

Ghent University

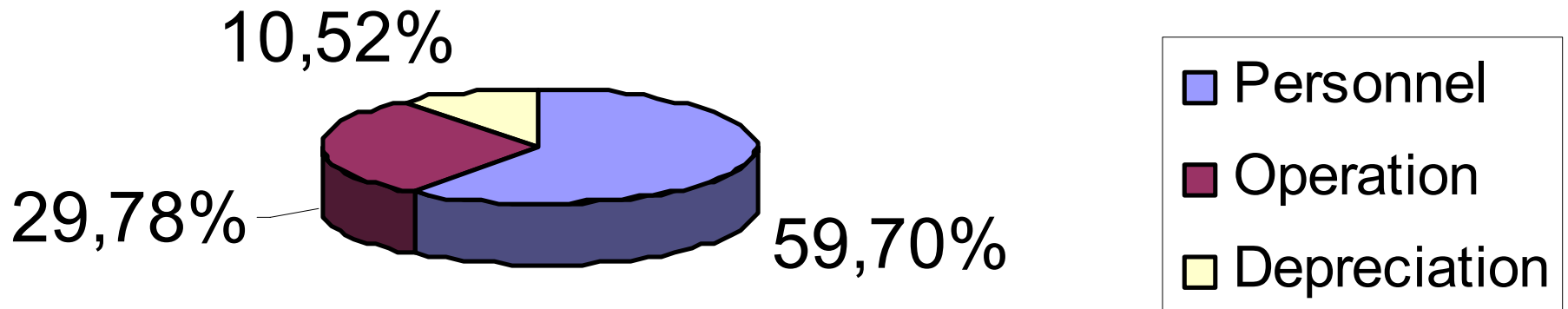
UGent budget (1): revenue



Finances: revenues



UGent budget (2): expenditure



Resource allocation models

- Autonomy and lump sum funding
- Distributive codes for distribution of resources
- More autonomy for faculties

Focus: personnel costs

- Different categories
- Tenure track for academic personnel
(special position created by government to allow for universities to keep promising academics)

Personnel categories

Different weights for different staff categories:

- ▶ Professors : 2.2 to 1.3
- ▶ Assistants: 1.4-1.00
- ▶ Administrative staff: 1.30-0.65

Each point represents (2009) € 51.168

Academic Personnel: new system of “tenure track”

Current Academic Staff Categories (“professors”)

- “docent” (D)
 - “hoofddocent” (HD)
 - “hoogleraar” (HL)
 - “gewoon hoogleraar” (GHL)
- } 1st partial group
- } 2nd partial group

Academic Personnel: new system of “tenure track”

UGent:

Current imbalance between 1st & 2nd partial group:
42% 2nd group versus 58% 1st group

(compared to other Flemish universities: >50% 2nd)

- Competitive disadvantage
- Less attractive academic careers
- Goal for UGent: at least 50% 2nd

Academic Personnel: new system of “tenure track”

UGent:

More possibilities for “Tenure track docent”

→ All new “docenten”: tenure track for 5 years

→ all get personalised goals (with concrete evaluation criteria) for research, education and service to society

Academic Personnel: new system of “tenure track”

Example of goals & criteria:

Focus: Education (30%)

- ameliorate learning materials
- positive student evaluations
- active member of the educational committee
- followed training
- ...

Academic Personnel: new system of “tenure track”

Example of goals & criteria:

Focus: Research (60%)

- at least 6 months abroad
- at least 4 A1-publications (of which 1 “top”)
- has received a prize/reference; is jury member or...
- ...

Academic Personnel: new system of “tenure track”

Example of goals & criteria:

Focus: Service-to-society (10%)

- member of at least 1 international organisation
- is available for interviews for the media
- has followed research management training
- ...

Academic Personnel: new system of “tenure track”

After 5 years:

- Positive evaluation: immediately “hoofddocent”
- Negative evaluation: end of appointment (end of academic career?)

Academic Personnel: new system of “tenure track”

From “(hoofd)docent” tot “hoogleraar”:

- No longer possible for “docenten”
- For “hoofddocenten”, with an appointment of at least 2 years and at least 2 positive evaluations (“good” or “very good”)

Academic Personnel: new system of “tenure track”

- From “hoogleraar” to “gewoon hoogleraar”:
- No longer possible for after 6 years
 - Only after an appointment of 8 years as “hoogleraar” with at least 3 positive evaluations (“good” or “very good”), including the last one

Academic Personnel: new system of “tenure track”

Proposed academic careers

Doctorate (max. 6 years)

→ Postdoctoral phase (min. 2 years)

→ Tenure track “Docent” (5 years)

→ After positive evaluation: “Hoofddocent” (or out)
(min. 2 years)

→ After positive evaluation: “Hoogleraar” (min. 8 years)

→ After positive evaluation: “Gewoon HL”

Comparison between “new” & “old” system

Doctorate (max. 6 years)	Doctorate (?? years)
Postdoctoral phase (min. 2 years)	Postdoctoral phase (?? years)
Tenure track “Docent” (5 years)	Docent 1 (4 years) → automatically Docent 2 (4 years) → automatically
Hoofddocent (min. 2 years)	Hoofddocent 1 (4 years) → automatically Hoofddocent 2 (4 years) → heavy procedure
Hoogleraar (min. 8 years)	Hoogleraar (?? years, depending on financial possibilities of faculty)
Gewoon Hoogleraar (→ end of career)	Gewoon Hoogleraar (→ end of career)

Points of attention

- Overall (Flemish) budget = communicating vessels between all institutions
- Indexing (= automatic increase of wages according to price of consumer goods) without compensation

Part 3: Concrete example of a faculty

Faculty of Arts and Philosophy

Faculty Personnel Policy Plan

- Each faculty elaborates a personnel policy plan to be approved by the Board of Governors
- Each faculty can decide upon its own allocation model
- Promotions are taken into account (automatic and non-automatic)
- there are great differences among the faculties

Example: Faculty of Arts and Philosophy

Division of finances to the departments within the faculty on the basis of 4 criteria

- Educational load (35%)
- Exams load (10%)
- Dissertation load (20%)
- Personnel (35%)

Example: Faculty of Arts and Philosophy

Educational load:

Component 1 (hours) x Component 2 (number of students)

Component 1 =

$A \times a_hours + B \times b_hours + C \times c_hours$,
with the following weights

in Ba: A=1

B=2

C=1

in Ma: A=1.5

B=1

C=0.5

in TT: A=1.5

B=1.5

C=0.75

Example: Faculty of Arts and Philosophy

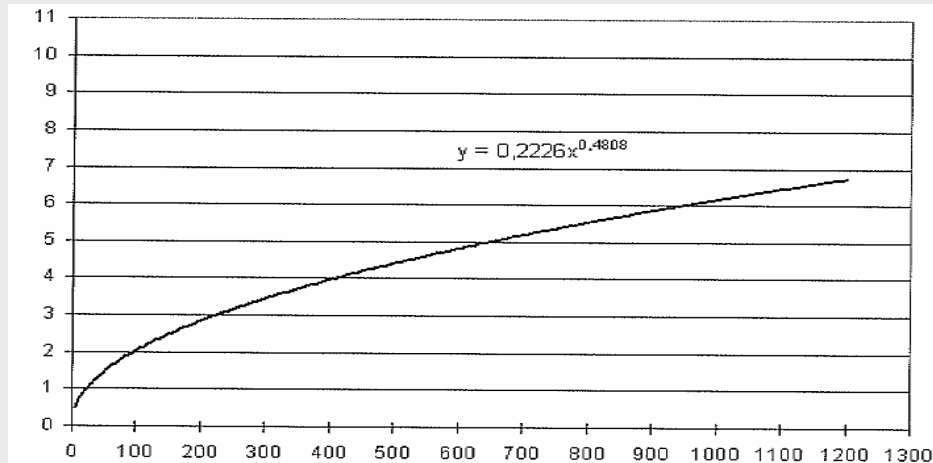
Category A This category of educational and study activities focuses on the transmission and assimilation of theoretical subject matter. Category A contains formal lectures or seminars, which are institutionally and collectively organized in the form of contact teaching under the supervision of qualified academic teaching staff.

Category B This category of educational and study activities aims at the practising and guided applying of theoretical subject matter. Category B deals with institutionally organized seminars, practicals, exercises and individual tasks under the supervision of qualified academic teaching staff.

Category C This category consists of training periods and dissertations.

Example: Faculty of Arts and Philosophy

Educational load: Component 1 x Component 2
Component 2 (= number of students)
= $0.2226 \times \text{number of students}^{0.4808}$



Example: Faculty of Arts and Philosophy

Other 3 criteria

- Exams load (10%) = number of students
- Dissertation load (20%):
 - 25 hours for promoter and co-promoter
 - 5 hours for reader
 - 250 hours for doctoral thesis
- Personnel (35%):
 - Professorial staff: 20 points
 - Postdoctoral researcher: 10 points
 - Administrative staff: 0 points

Conclusions

A lot of recent changes

- Input/output-financing
- Learning credit for students
- Tenure track
- Internal division mechanisms
- ...

Conclusions

Difficult to judge consequences

Already clear:

- still increasing importance of research
- increasing stress on young academic staff
(“faster begin of career; slower end” – possible end after first mandate)

Thank you for your attention!

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