

Strategies of diversification of funding

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Background: Estonia 2013

- ▶ Higher education institutions:
 - ▶ Public universities: 6
 - ▶ Private universities: 1
 - ▶ Applied higher education institutions: 7
- ▶ Students:
 - ▶ The number of students has increased rapidly since 1990s
 - ▶ In 1990-1996: 25,000 to 27,000 students
 - ▶ In 2010: 69,000 students



Demographic trend

- ▶ The number of (potential) students will decrease significantly in coming years:
 - ▶ Age group 20-24 will drop from 100,000 to 60,000 by 2020



Financing of public universities until 2013/2014

- ▶ Dual track system:
 - ▶ State funded places: Ministry of Education and Research sets the number of state commissioned places at higher educational institutions according to predicted needs in the labor market
 - ▶ Students paying tuition fees: “reimbursement of study costs”
- ▶ In 2010, about 50% of students paid tuition fees



Financing of public universities starting from 2013/2014

- ▶ Higher education reform:
 - ▶ The government guarantees tuition fee free studies for all full-time students at public higher education institutions
 - ▶ However, students have to acquire 30 ECTS every semester
 - ▶ Universities can impose fees on students not fulfilling the requirement



Financing of public universities starting from 2013/2014, cont.

- ▶ The system of state-commissioned education is ditched:
 - ▶ The government will increase the funding of public universities, compensating gradually for the loss of tuition fees
- ▶ Starting from 2016, results-based funding system will be implemented
- ▶ Financing of universities will be tied more with institutional objectives



What can universities do to diversify funding?

- ▶ “Open universities”:
 - ▶ Students are usually admitted without entrance examinations and have to pay tuition
- ▶ Life-long learning:
 - ▶ In 2012, the participation rate in lifelong learning among adults (25-64) was 12.9%
- ▶ Foreign language(s) curricula:
 - ▶ Tuition fee free studies are guaranteed for students enrolled on Estonian language curricula



What can universities do to diversify funding?

- ▶ Research & Development
- ▶ European funding schemes
- ▶ Internationalization



Projects, projects, projects

- ▶ Projects with private sector
- ▶ Projects with public sector
- ▶ Innovation



Private funds

- ▶ The higher education reform has not pushed private funds out of higher education system
- ▶ Companies and individuals will be able to push for specific curricula and to fund student places



Other revenues

- ▶ University Press
 - ▶ Conference center
 - ▶ Management of real estate
 - ▶ etc.
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- ▶ Optimization... “spend less”



Thank you!



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