

*The balance of responsibilities: University and Society  
in securing the financial stability of higher education*

# University funding systems responding to crisis: the case of a French research university

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# 2007, a new start for French universities ?

- **Law LRU (University Responsibility and Liberty)**
  - A first, but small, movement towards autonomy
  - Focused on the university president's election and powers
  - Still very small autonomy for academic affairs or HR policy
  - No confidence: stigma of the academic community
- **Most importantly, expanded responsibilities and competences**
  - From decentralized ministerial departments to autonomous public institutions
  - An overall grant that enables universities to align resources with strategic priorities
  - No support for the transfer of competences
- **An undifferentiated system to allocate resources among universities**

# No cuts, but little real investment

- **A multiannual plan to increase budget, which has not been achieved**
  - Only in 2008 and 2009
  - No cuts, but stagnation
  - Redistribution of budget at the expense of research funding
- **An attempt to differentiate: the *Investing for the Future* program**
  - To promote excellence and select at most 10 world-class *Excellence Initiatives* by an international jury
  - A stigmatization of the *academic* community
  - 35 different calls for projects: Equipex, Labex, Idex, etc.
- **A program to invest in university real-estate renovation**
- **Funded by loans so as not to impact the public deficit:**
  - Billions kept at the Treasury, but only revenues in millions for projects

# Mixed results from the Excellence Initiative

- **A very positive momentum**

- Raised awareness about the need to overcome institutional scattering
- Fostered grouping of institutions around a common, strategic project
- Inspired cutting-edge and transforming projects

- **Stepping up the national dissent on higher education**

- Open and insulting distrust in the academic community
- Compensatory concessions to conservative groups at the university
- A stake in the presidential election, leading to new concessions

- **The counter-effect of linking performance only to world-class research-based excellence**

- Lack of consideration for territorial universities and subsequent frustration
- Resulted in a backward move on institutional differentiation

# H.E.R. policy of the new government

- **A electoral promise to reconsider the LRU law**
  - Calm the academic community
  - Abandon the term "excellence", and instead used:  
***"performance by cooperation rather than excellence by competition" !***
  - Promote territorial fairness
- **A new law (107 articles) to simplify Education Laws!**
  - Little change to LRU
  - Establish "communities of universities and institutions" in place of "PRES"
- **A major change and threat:**
  - Rather than assembling voluntary institutions on a common project, these communities must include all the institutions within an administrative district (except in Paris)
- **A continued erosion of the HER budget...and of university autonomy**

# Very little room for universities to maneuver

## ▪ Human Resources

- Payroll represents almost 90% of State funding
- Staff are civil servants, careers are ruled under national regulations
- National procedures for recruitment and promotions
- The consequences of technical or political decisions on staff ageing, pensions, etc. are only partial compensated

## ▪ Students

- Universities are required to accommodate all eligible students in their area (no selection, no regulation of student population flow)
- Other French institutions do have selection processes
- Symbolic fees (200-300€/yr), set by the ministry, are 2-3% of the budget

## ▪ Only 10% of the budget remains available for education, research, operating costs and maintenance

# The case of research universities

- **Reputed as receiving "too much funding"**

- The criteria to distribute grants put research universities at a disadvantage: % staff dedicated to research, etc.
- Accommodating national research institute staff in their joint research units is considered a privilege and resulting costs are not taken into account

- **The shift towards research funding through competitive calls does not (or insufficiently) take into account indirect costs**

- 11% for the national research agency (ANR)
- None for the *Excellence Initiative* programs
- None for other public or charity sources
- A struggle for private funding

- **The paradox:** the diversification of funding results in an impoverishment of research universities and institutions

# Threats of the 2014 budget

- **Three directions govern the ministry policy**
- **Territorial “fairness”**
  - Denies the specificity of research universities
  - Over-estimates the capacity of the country
  - Won't solve the issue of territorial development
- **Consolidation of resources from all sources**
  - Penalizes the most active institutions
  - Contradicts the goals of the Excellence Initiative:  
to reinforce 10 world-class research universities
  - Prepares the redistribution of resources on an egalitarian basis
- **A unique contract transfers the responsibility of redistribution at the local level: the best way to jeopardize the building of communities**



# How to face persistent, constrained public resources

- **Advocate for:**

- University diversification
- More autonomy in line with more flexibility in national regulations
- A national consensus on HER

- **Fully take on the university's responsibilities as a public institution**

- Ensuring a balanced budget
- Adapting projects to resources
- Defining strategic priorities: more is not necessary better, focus on quality
- Allocating resources to priority projects
- Accounting in a reasoned and transparent way

# How to face persistent, constrained public resources

## ▪ Optimization of Human Resources

- Representing 90% of State funding and 77% of overall resources at UPMC
- Optimization, shared facilities, improve staff training in line with administrative simplification
- Strong statutory constraints

## ▪ Diversification of resources

- Already represents 23% of overall resources at UPMC, half from public agencies, half from industry
- A vital need to take into account the full costs for all resources

The Minister calls for a 25% overhead for H2020...but not in France

- Complementary instruments in the chain of technology transfer: services dedicated to industrial contracts, to maturation; a business park on the campus; etc.

## ▪ Fees : out of reach, even unlikely for non-EU international students

# What about fund raising?

- **It is not traditional for French universities**

- Even during the inter-war period, sponsorship came mostly from American charities
- Economic and political leaders are recruited almost exclusively from the 4-5 *Grandes Ecoles* and therefore don't have the same attachment to universities

- **It's a very long way down the road before we will start to reap the benefits**

- the best result of French universities : 15M€ in 3 years, compared to the 4 B\$ campaign launched by Harvard this month !
- we begin to build the (VIP) alumni community





Thank you