

Principles and Guidelines for the SD – Principle 6

Sufficient and sustainable funding and financial
autonomy to higher education institutions:
The Austrian Approach

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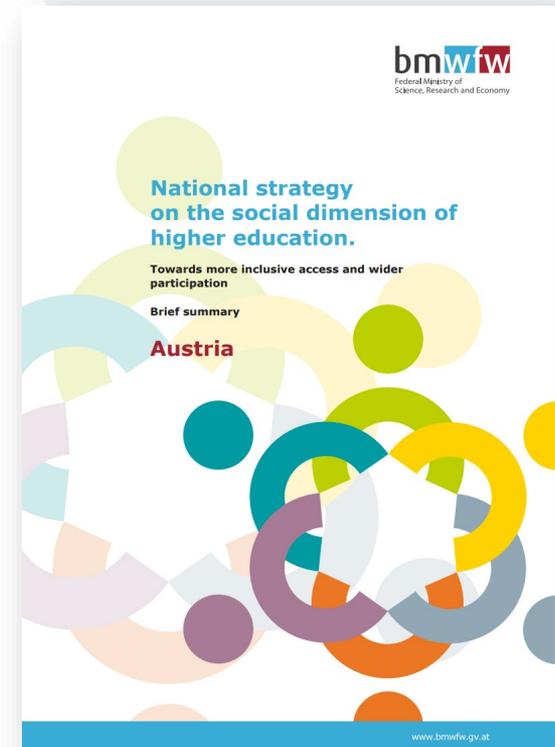


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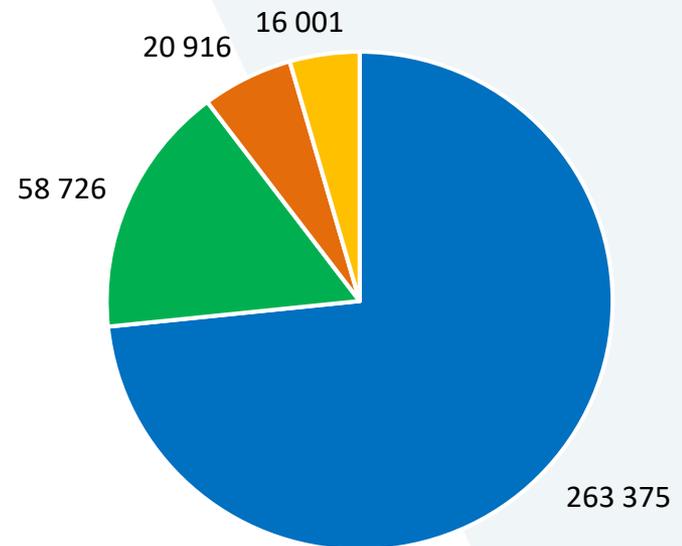
1. The Austrian Higher Education system
2. Public funding of the Higher Education system
3. The National Strategy on the Social Dimension of Higher Education
4. Student support in Austria

Higher Education in Austria

Types of HE institutions

- **23 public universities** (indicator based funding, performance agreements)
- **21 universities of applied sciences** (mix of funding based on the standard costing systems, 90% funded federally, fixed amount per study place)
- **14 university colleges of teacher education** (9 public → direct funding, fixed educational budget; 5 private)
- **17 private universities** (no federal public funding)
- **2 private higher education institutions**

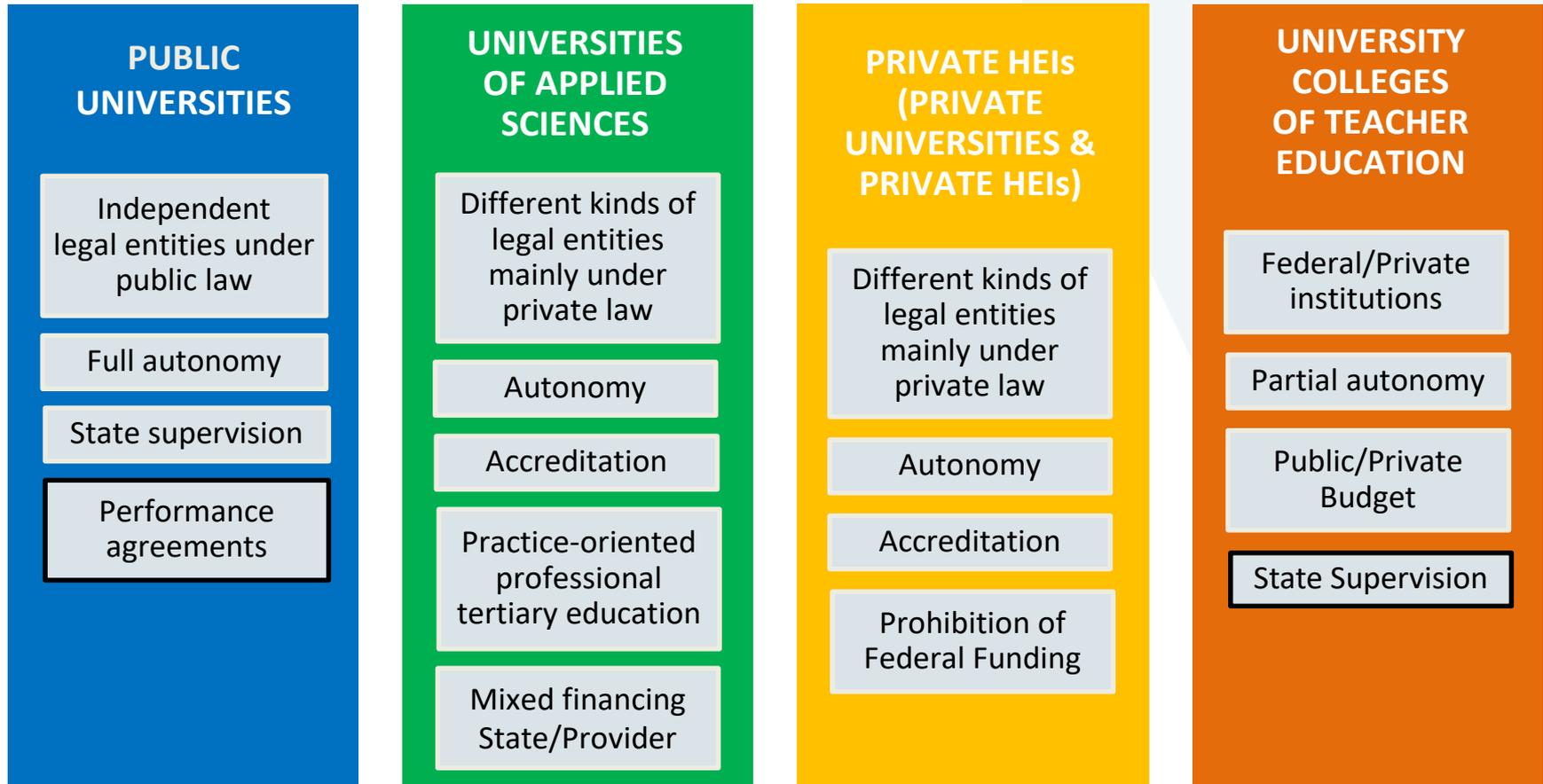
Students enrolled (winter term 2022)



Total: 359.018

- public universities
- universities of applied sciences
- universities colleges of teacher education
- private universities

Characteristics of the 4 sectors of Austrian Higher Education



Annual expenditure per student in tertiary education

	EAG 2023	Rang OECD	Rang EU	EAG 2022
Luxembourg	\$ 53 421	1/37	1/25	\$ 51 978
Sweden	\$ 26 215	4/37	2/25	\$ 26 046
Denmark	\$ 23 432	7/37	3/25	\$ 21 658
Belgium	\$ 22 555	8/37	4/25	\$ 21 082
Austria	\$ 21 753	10/37	5/25	\$ 21 329
The Netherlands	\$ 21 642	11/37	6/25	\$ 20 889
Germany	\$ 20 760	12/37	7/25	\$ 19 608
Finland	\$ 19 583	14/37	8/25	\$ 18 129
France	\$ 18 880	16/37	9/25	\$ 18 136
Estonia	\$ 17 930	17/37	10/25	\$ 16 752
Ireland	\$ 17 400	19/37	12/25	\$ 16 997
Greece	\$ 4 300	37/37	25/25	\$ 4 192
OECD average	\$ 18 105			\$ 17 559
EU average	\$ 17 578			\$ 17 670

Source: Indicator values OECD, EAG 2023, reporting year 2020, Table C1.1; edited by: BMBWF, Dept. IV/13.

Total public expenditure on education as a share of GDP (primary to tertiary level)

	EAG 2023	Rang OECD	Rang EU	EAG 2022
Norway	6,8%	1/36	-	6,6%
Belgium	6,0%	9/36	1/25	5,6%
Denmark	5,8%	11/36	2/25	5,4%
Sweden	5,7%	12/36	3/25	5,5%
France	5,5%	13/36	4/25	5,2%
Finland ¹	5,4%	14/36	5/25	5,2%
The Netherlands	5,4%	16/36	6/25	5,1%
Austria	4,9%	20/36	9/25	4,7%
Estonia	4,8%	21/36	10/25	4,7%
Germany	4,6%	25/36	13/25	4,3%
Luxembourg	3,4%	35/36	23/25	3,3%
Ireland	3,2%	36/36	24/25	3,2%
Romania ²	2,7%	-	25/25	-
OECD average	5,1%			4,9%
EU average	4,5%			4,4%

Source: Indicator values OECD, EAG 2023, reporting year 2020, Table C2.1; edited by: BMBWF, Dept. III/4

Definition: Public (federal, state, local) expenditure on educational institutions and education-related transfer payments as a % of GDP

¹Ad Ranking: Finland 5,44%; The Netherlands 4,36%. ²Romania ist OECD-partner- and accession country.

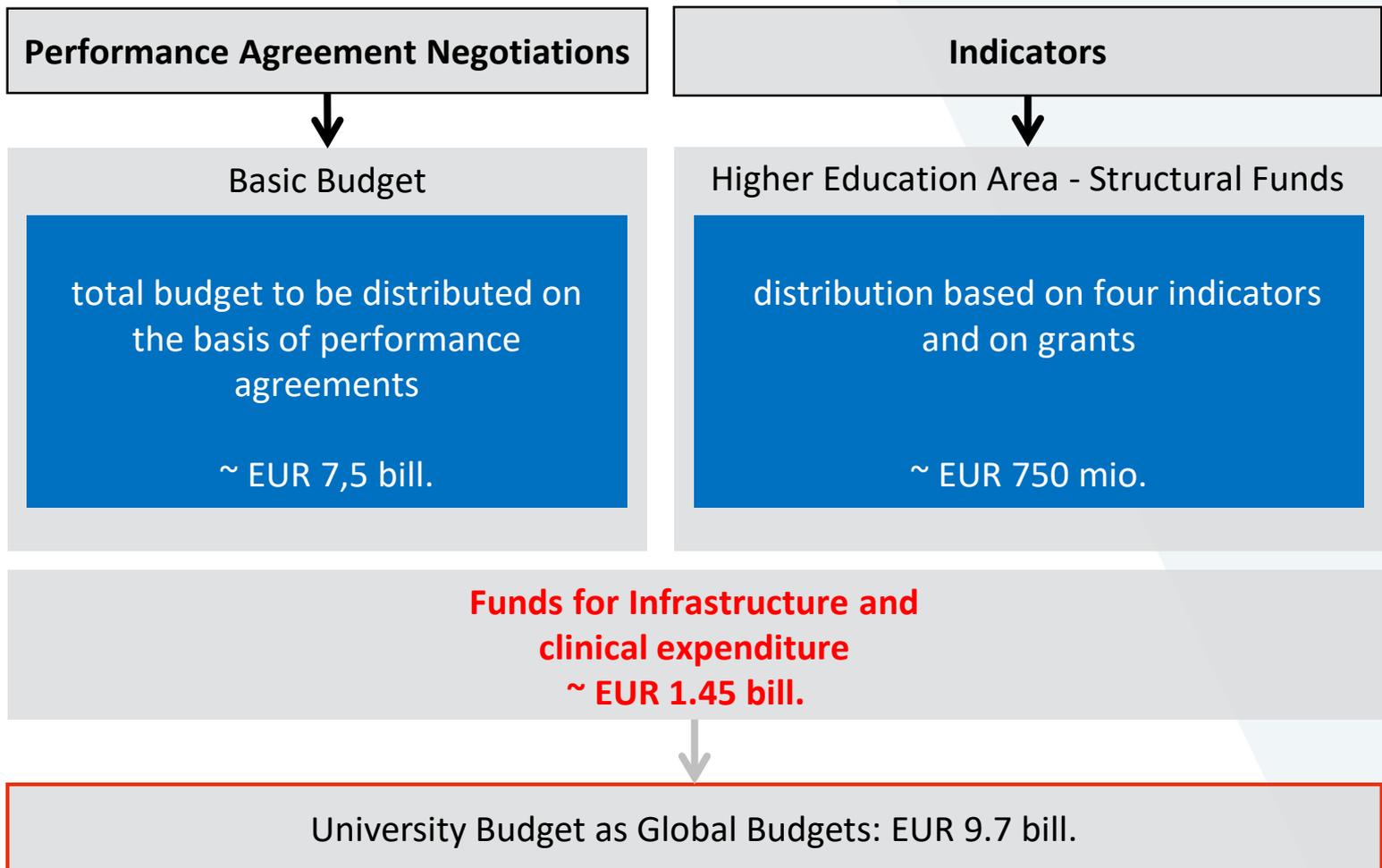
Public tertiary education expenditure as a share of GDP

	EAG 2023	Rang OECD	Rang EU	EAG 2022
Norway	1,9%	1/28	-	1,8%
Austria	1,6%	2/28	1/21	1,6%
Denmark	1,6%	3/28	2/21	1,6%
Finland	1,5%	4/28	3/21	1,4%
Belgium	1,4%	5/28	4/21	1,3%
Switzerland	1,4%	6/28	-	1,2%
Sweden	1,3%	7/28	5/21	1,3%
France	1,2%	11/28	6/21	1,1%
Estonia	0,9%	18/28	10/21	1,0%
Ireland	0,7%	25/28	17/21	0,6%
Luxembourg	0,4%	28/28	21/21	0,4%
OECD average	1,1%			0,9%
EU average	0,8%			0,9%

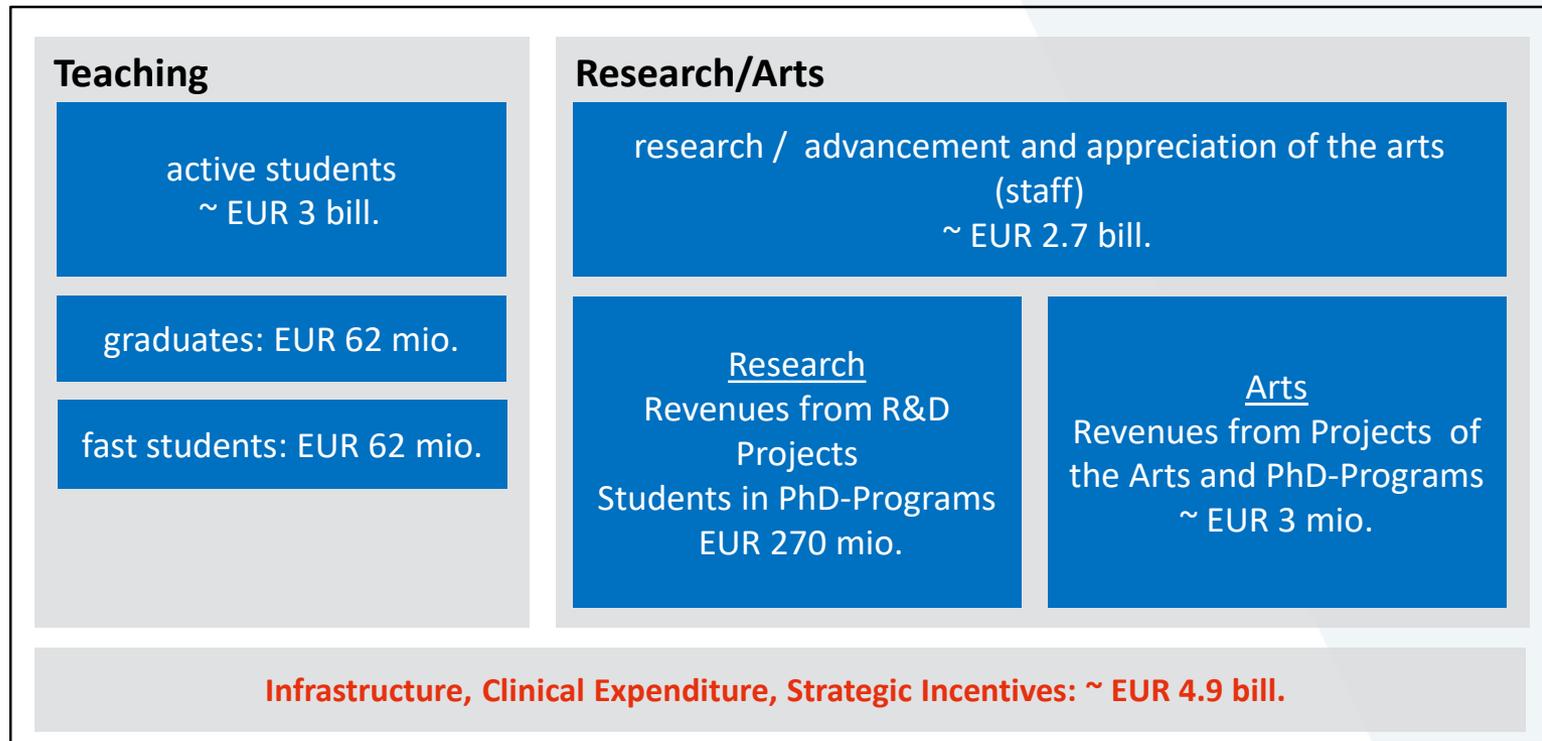
Source: Indicator values OECD, EAG 2023, reporting year 2020, Table C2.3; edited by: BMBWF, Dept. IV/13

Definition: Public (federal, state, local) expenditure on all educational institutions and education-related transfer payments as a percentage of GDP.

Funding of Public Universities 2016-2018 (old)



Funding of Public Universities 2019-2021 / 2022-2024 (new)



University Budget (UB) as Global Budgets: EUR 11 bill.

The Indicators

- **input-related indicator, weighted by subject fields**
research staff – professors and equivalents
- **throughput-related indicators, weighted by subject fields**
 - active students ≥ 16 ECTS/year
 - fast active students: ≥ 40 ECTS/year
- **output-related indicators, weighted by subject fields**
 - graduates: bachelors- and masters-level
 - third-party funding: focus on basic research
 - doctoral schools: employed young researchers in structured programmes



Funding of Universities of Applied Sciences

- Funding based on number of provided study places
- **Strategic planning document** (§ 2a FHG as amended):
University of Applied Sciences Development and
Funding Plan 2023/24-2025/26
- Increase of federal funding rates by 10% to compensate
for Covid-19 pandemic (Jan, 2021) and inflation (Jan,
2023).
- Further increase in funding rates by ~ 4.5% (Jan, 2024)
- Total increase in funding rates for UAS study places of
+26.5% in 2020-2024



Funding of Universities of Applied Sciences

- intensification and further development of the targeted monitoring of the federal funds, taking into account overall educational policy objective
- Extra funding for 2024, 2025, and 2026 (14 mio. each)
- Focus: STEM, sustainability, digitalization

SD at the Universities of Applied Sciences

Goal: social composition of students = social composition of population

Current status – recruitment rate/probability factor:

- Full-time students: 2,08
- Part-time students: 1,42

University of Applied Sciences Development and Funding Plan 2023/24-2025/26

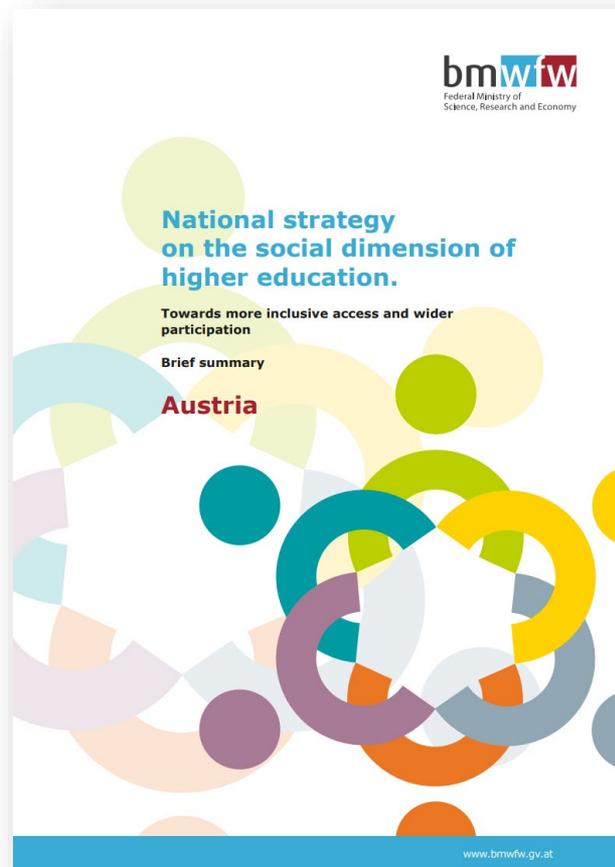
- Increase social mix of students at Universities of Applied Sciences
- Universities of Applied Sciences implement institutional strategies including targets for diversity management and the social dimension

Funding of University Colleges of Teacher Education

- University colleges of teacher education are establishments of the federal government
 - Subject to supervision and directives of the Federal Ministry of Education, Science and Research
- **Budget:** federal financing act (UG 30)



Funding provisions in the National strategy on the social dimension in Higher Education



National strategy on the SD of HE: Timeline

2015

- Political commitment to have a National strategy
- 2016: Start of development process with stakeholders

2017

- Publication of strategy
- First successes of implementation

2020

- UG 2002, §12: new funding system for public universities
- Beginning of Covid-19 pandemic

2021

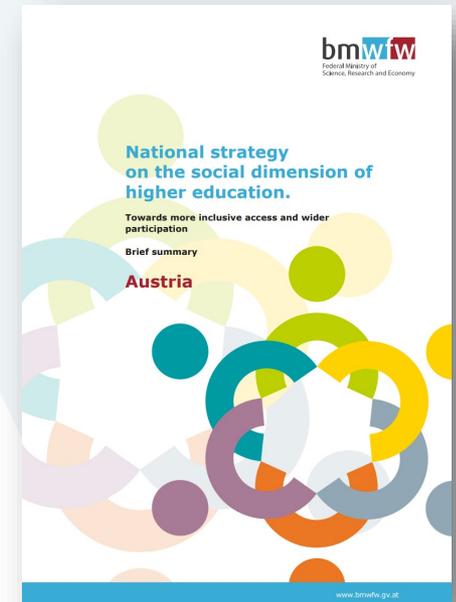
- Mid-term evaluation

2022

- 5 years experience of implementation

2025

- Final evaluation



National Strategy on the SD in HE: 3 Target Dimensions

Target Dimension I: More inclusive access

- AL 1: Improve quality and accessibility of information materials
- AL 2: Outreach activities and diversity-sensitive course guidance
- AL 3: Recognition and validation of non-formal and informal skills

Target Dimension II: Avoid drop-out and improve academic success

- AL 4: Ease entry into higher education
- AL 5: Structure of study programmes and quality of teaching
- AL 6: Increase compatibility of studies with other areas of life

Target Dimension III: Create basic parameters and optimize regulation of higher education policy

- AL 7: System-related issues in higher education
- AL 8: Integrate SD into strategic planning for HE and create appropriate governance structures
- AL 9: Further develop the Student Support Scheme

National Strategy on the SD in HE: 9 Quantitative Goals

1. Increase the number of „educationally disadvantaged“ students in HE
2. Widen inclusive access
3. Promote gender balance
4. Widen participation for students with migrant background
5. Strive for regional balance in HE access
6. Promote social dimension in mobility
7. Improve compatibility
8. Raise number of received student grants
9. Promote equal opportunity in medicine studies

Legal regulations in relation to the SD strategy – Public universities

- Integration of the SD into the new public university funding system – 0,5% of the overall global university budgets can be retained by the federal minister (Amendment 2018 to Universities Act 2002, §12a, par.4)
- Integration of SD into the **performance agreements 2019-2021**
 - more than 1/3 of public universities have developed institutional SD strategies
 - other universities are systematically implementing SD measures
 - along with the performance agreements 2019-2021: **tender on digital and social transformation of HE, 50 mio €**

Communication of the procedure to the universities (basis letter)

Process of SD budgeting, PA 2022-24



Decision of the Federal Ministry of Education and Research to implement the budget retention in the same way for all universities

Q4/2020
Communication of the procedure to the universities (basis letter)

2021
Negotiation and definition of the projects in the PA for the promotion of the social dimension in higher education, the implementation of which will be linked to the budget retention; framework of report

Q3/2023
(Written) report of the university on the implementation within the process of the 4th PA monitoring meeting



After positive review: transfer of budget funds

Present and future of SD in performance agreements

- **2022-2024**
 - 3 more universities adopt their own institutional SD strategies
 - systematical implementation and evaluation of measures
 - other universities are systematically implementing SD measures
 - **inflation** put financial pressure on universities: additions to PAs agreed
 - so far very **few adaptations** concerning SD measures, budget-cuts elsewhere
 - financial value of SD budget retention: 400.000 up to 8 mio. €
- **2025-2027: PA process has just started**

Targeted measures implemented by universities

Target Dimension I: More inclusive access

AL 1: Improve quality and accessibility of information materials

- Online Self-Assessments
- Outreach activities (Long night of science, information, job information faires, ...)
- Adapting homepage for barrier-free access
Science ambassadors and visiting schools

AL 2: Outreach activities and diversity-sensitive course guidance

- First generation program
- Summer schools for girls with focus STEM (e.g., Sommertechnikum, Girls on Ice - Austria)
- Organizing events (e.g., girls day)

AL 3: Recognition and validation of non-formal and informal skills

- Review of admission requirements on individual level if necessary
- Validation procedures for RPL

Targeted measures implemented by universities

Target Dimension II: Avoid drop-out and improve academic success

AL 4: Ease entry into higher education

- Information material and peer tutoring targeted at beginning students and First Generation Students
- Buddy- & Mentoring programs
- Gamification of orientation information to increase engagement

AL 5: Structure of study programmes and quality of teaching

- Including gender and diversity in all curricula
- Including gender and diversity in teaching qualification for university teachers
- E-Learning courses and MOOCs for raising awareness

AL 6: Increase compatibility of studies with other areas of life

- Childcare facilities
- Hybrid and blended learning offerings including providing technical infrastructure for teachers
- Monitoring study durations and course of study regarding aspects of SD

Targeted measures implemented by universities and ministry

Target Dimension III: Create basic parameters and optimize regulation of higher education policy

AL 7: System-related issues in higher education

- Eval. admission procedures (2020)
- Eval. study entrance & orientation phase (2020)
- BA & MA prof. (amend. univ. act. 2021)
- RPL (HSQSG, 2021)
- 0.5% budget retention

AL 8: Integrate SD into strategic planning & create governance structures

- Developing and implementing social dimension strategies (institutions)
- Performance agreements with HE institutions

AL 9: Further develop the Student Support Scheme

- Increasing student support
- Annual valorisation of student support
- Additional earnings of up to EUR 15.000/year allowed

Student support scheme in Austria (federal aid for students)

- Established in the 1960s – administered by study authority grants
- Needs based – aim was opening up of universities to make studying possible for children of low-income families
- 1992: Reform of student support – linked to other federal aid measures
- **2022: 42.073 (12 %)** of students received student grants

SD goal 8: Raise number of received student grants



Student support scheme in Austria

Federal Aid for Students

Direct federal aid for students:

- | | |
|--|--|
| <ul style="list-style-type: none">- Study grants & „self-supporter grants“- Study allowance for tuition fees- Transport cost allowance- Insurance cost subsidy- Mobility grants- Grants for study abroad (Travel cost allowance, Subsidies for language courses) | <ul style="list-style-type: none">- Grant near completion of studies- Student financial aid- Childcare subsidy- Performance-related grants- Incentive grants- Orphan's pension for students |
|--|--|

Indirect federal aid for students:

- | | |
|---|--|
| <ul style="list-style-type: none">- Family allowance- Child tax credit- Health and accident insurance for students- Tax benefits | <ul style="list-style-type: none">- Subsidies for student canteens- Subsidies for the Austrian National Student Union |
|---|--|

Amounts of study grants

Maximum amount of study grant (per month)	
Students under the age of 24	
- in general	383
- living far away from parents	668
- orphans	668
- married or living in a registered civil partnership	668
- with legal custody of at least 1 child	668 + 129/child
Students aged 24 and over	942
Students aged 27 and over	976
„Self-Supporters“	
- Under the age of 27	943
- Aged 27 and over	977

Student support scheme in Austria (federal aid for students)

- Study grants of up to EUR 997,- (2023/24)
- Annual valorisation, the amount increases on 1 September each year (2023: 5,8%; 2024: presumably 9,7%)
- Additional grants possible (e.g., for students with children)
- Additional earnings of up to EUR 15.000/year allowed



Thank you for your attention!
I'm looking forward to questions & comments.

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