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Annual Public Report - 2013

Higher education funding and necessary improvement actions

- **Public funding of universities in 2013**
- **Trends and international comparisons**
- **Optimization proposals for 2014 - 2020**



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Executive Summary

The National Higher Education Funding Council (CNFIS) is an advisory body of the Ministry of National Education (MEN) whose task, among others, as provided by Art. 219, paragraph. 2 of the National Education Law no 1/2011, is to “submit annually to the Ministry of National Education a report on higher education funding and necessary improvement actions, to be publicly presented”. The Report addresses the institutional and organisational actors interested in the higher education system, whose contributions to the development of informed public policies in the field are welcome.

The first chapter of the Report provides a presentation of the legal, institutional and organisational context and a succinct description of the evolution of number of students and teaching staff in 2007-2013, for the purpose of an accurate understanding of the higher education funding policy. Chapter two presents the distribution of institutional funding of public universities from the budget of the Ministry of National Education in 2013. The third part of the Report describes the international trends in the field of higher education funding and types of financial support granted to students, thus allowing for the accurate positioning of Romanian realities in the European and/or international context and to support identification of good practices and solutions reached by other countries. Last but not least, chapter IV details the proposals developed and assumed by CNFIS both in terms of immediate solutions and in terms of medium and long term improvement possibilities.

The main conclusions of the CNFIS annual public report for 2013 highlight the following:

- *The aggravation of the chronic underfunding of the Romanian higher education system leading to lower higher education quality and competitiveness of Romanian universities on medium and long term, thus hampering the sustainable development opportunities for the Romanian society in the 21st century;*
- *The need to strengthen and improve mechanisms for the fair and efficient use of existing resources in higher education;*
- *The need to establish, at national level, a coherent strategy and a set of priorities for the long term development of the Romanian higher education system.*

The proposals developed by CNFIS for improvement of the public funding policies of public universities focus on the following:

- *Further implementation of multiannual grant funding of higher education studies, calculated according to standard costs specific to the field of study, by gradual extension of this mechanism from doctoral studies to the Master and Bachelor cycles;*
- *Increased per student funding and correlation of the number of grants funded by the state budget for Bachelor studies with the national demographic trends;*
- *Increased student support amounts and the reform of student support allocation policies so that they become more efficient in ensuring equity with regards to access to higher education and contribute to attracting students to the fields of study considered national priority;*
- *Development of a legal framework to regulate the design and public funding of flexible lifelong learning higher education solutions to allow adult learners to acquire and have validated Bachelor and/or Master degree professional competencies, in line with the high quality assurance requirements guaranteed by the best universities in the system;*
- *Adoption and implementation of a national policy for the prioritisation of grants by fields of study, rather than the block grant allocation system at university level;*
- *Project-based allocation of the institutional development fund;*
- *Improved allocation criteria for the additional funding, starting from the performance of the various higher education institutions in different fields of study/science;*
- *Diversification of higher education institutions funding sources;*
- *More accurate empirical data on the Romanian higher education system.*

Introduction

During almost two decades of activity, the National Higher Education Funding Council (CNFIS) has held a central role in the process of gradual and permanent modernisation of the university funding methodology, so as nowadays it may be regarded as one of the crucial organisations for the management of the Romanian public higher education system. Throughout this period, the Council's activities have been underpinned by a set of values which were adopted when the organisation was established and have not changed since: through the funding methodologies proposed, CNFIS aimed at increasing the predictability and fairness of public funds allocation and at using rigorous, objective and transparent methods; CNFIS has always supported university autonomy, by sizing allocations not only based on the expenditure involved by teaching and scientific activities, but also based on their actual outcomes; CNFIS has also encouraged quality enhancement in higher education by including quality assurance elements in the funding formulas and by its concern with ensuring system-level stability, using algorithms with predetermined maximum variations.

The values initially agreed by CNFIS founding members were further transposed in the general funding principles, of which the most important are funding allocation based on the number of students, considering the existing differences between the resources needed to train students for various forms or fields of study, and quality enhancement, by differentiated funding allocation, according to performance. This was the only manner to objectively substantiate the rigorous mathematical formulas which guaranteed for more than a decade the objectivity and transparency of public fund allocation to universities. In a first stage, student-based funding was introduced, a strictly quantitative approach which still represents a crucial barrier for arbitrary decision-making in the allocation of public funding to universities. The “methodology-based funding” was unanimously accepted after the first three years of implementation. Another decisive moment for CNFIS was the extension of the funding methodology by introducing quality indicators. In regard to the use of funding, rigorous performance measurement by means of a complex set of indicators represented an innovative approach even from a European perspective. Another innovative initiative would be the recent concern towards the unification of the various existing quality assurance approaches by replacing the own set of indicators with the reference outcomes, detailed by field, obtained following a unique evaluation system for the entire Romanian higher education system. Most CNFIS proposals were adopted by the Ministry of National Education (MEN) without substantial amendments.

CNFIS activity was not limited to the development of policies on the higher education funding, but it also focused on the implementation of such policies. Since its establishment, the Council assumed the task of coordinating an executive group of experts to ensure that the methodologies adopted would be transposed in proposals – both annual and monthly – on the allocation of available funding to universities. At the same time, the Council was directly involved in the implementation of crucial projects for the higher education system, going beyond the strict boundaries of the funding policies and aiming at the identification and analysis of higher education outputs and outcomes. We should highlight here projects such as “National Student Enrolment Registry” and “University Graduates and Labour Market”, which proved the proactive approach of the Council to some of the important challenges currently faced by the Romanian public higher education system.

The direct and permanent cooperation between the Ministry and the Council, both in the development of public policies on higher education and in their implementation may be considered one of the main factors which ensured the stability and development of the higher education system, despite the ceaseless restrictive conditions on the Romanian public universities funding and the difficulties faced at European level throughout this period marked by profound changes in the academic world. In this context, according to the new National Education Law, CNFIS was given the responsibility to develop annually a *Report on the higher education funding and necessary improvement actions*. Many of the topics discussed below have been often the object of various studies developed by CNFIS to substantiate the methodology proposals.

This is the second year when these topics are presented within a sole integrating document targeting both experts and decision-makers and all those interested in the evolution of the Romanian academic environment. Thus, the Council aims at the institutionalisation of this reporting practice, targeting, just like in the previous year, a very clear objective: to identify existing major challenges for the national university education and research system and to propose short and medium term solutions for the continuing improvement of the quality of public universities. The Report also highlights the importance of the regulatory framework governing the Romanian public and private higher education. Over the past year this framework has known significant amendments on funding from public sources, therefore the Report provides careful analysis of such legal amendments/changes and details the new proposal of university funding, developed by CNFIS and submitted to the Ministry of National Education.

This year's Report is structured in four chapters. The Report follows statistical indicators, objective data, international benchmarks, as well as various European strategic documents, in an attempt to place the debate within a wider European context of the recent developments in the field of higher education and its management. The centrepiece of the Report is Chapter IV– *“Proposals on the improvement of the public funding of higher education in Romania”* –, which was extended as compared with the previous report and holds a more important position in the Report architecture this year. The readers may notice that some of the proposals included in this Report are essentially repeating certain elements included in the previous Report, which have not been yet implemented. CNFIS believes they should be raised for debate again and should be supported by a new rationale to demonstrate their crucial role in ensuring the development and continuing improvement of the Romanian higher education.

The Council emphasizes again the major importance of including, both in the national strategy on higher education and in the programming documents of the European Funds for 2014-2020, public policies focused on the targets assumed by Romania under “Europe 2020” policy agenda: to adjust the funding methodology so as to stimulate top performance in education and scientific research; to implement differentiated funding for universities, according to their real needs, determined by their specific assumed mission; to increase the predictability and the strategic planning capacity within the system, by implementing the multiannual grant system; to differentiate and optimize grants by cycle of study and to diversify student support.

CNFIS is aware that all these proposals may only be accomplished with the strategic support provided to universities to access other financing sources, besides the national budget. Consequently, the *Report* includes proposals on this essential topic for the system development.

The final chapter highlights those elements, which the Council believes are fundamental and should be under public debate in order to improve its proposals and to find new solutions, which the Council could not design. This Report is an invitation to informed discussion and debate on the challenges, proposals and solutions identified. Thus, CNFIS invites the institutional and organisational actors interested in the higher education system to contribute with evidence-based arguments to the development of informed public policies in this field.

Chapter I. General elements of the Romanian higher education funding

This chapter presents the institutional and organisational framework for designing and implementing higher education funding policies.

I.1. Legal framework on higher education funding

The National Education Law no 1/2011, with its subsequent amendments and completions is the main legal framework regulating the Romanian higher education funding.

Article 8 of the Law provides for the two major sources of funding in education, regardless of the level of education (pre-university or higher education): state budget¹ and own income, which the education institutions may use *autonomously*. Public higher education is funded through public financial resources (art. 222, paragraph 3), based on the following set of rationales: *higher education is seen as public responsibility and education, generally, as a national priority; quality assurance in higher education according to the standards of the European Higher Education Area to ensure human resources training and personal development as citizens of the knowledge-based democratic society; human resources training according to the diversification of the labour market; development of higher education, scientific research and university-level artistic creation to ensure integration with the international scientific world.*

According to Article 223, public higher education institutions obtain income from the following sources: contract-based allocations from the budget of the Ministry of National Education for their *core funding, complementary funding and additional funding*, investment objectives, *institutional development funds for allocated on competitive basis, inclusion funds allocated on competitive basis*, grants and student social protection, as well as from *own income, interest rates, donations, sponsorships and fees received in compliance with the legal provisions in force*, from Romanian or foreign natural and legal persons, and from other sources. By law, all these are considered own income of the higher education institutions.

The core funding is allocated according to an institutional contract concluded between the Ministry and each public university and is *multiannual, fully covering the duration of the cycle of study*. **The complementary funding** covers three categories of expenditure, according to their specific purpose: accommodation and food subsidies; funds allocated on priority basis, according to specific regulations, for capital expenditure, other investment expenditure and capital repair works; scientific research funds allocated on competitive basis. **The additional funding** is received in compliance with art. 197, namely allocation of a total amount of at least 30% of the amount allocated at national level to public universities as core funding, against the criteria and quality standards established by the National Higher Education Funding Council and approved by the Ministry. According to art. 197, paragraph. 2, a discrete **institutional development** fund shall be created from the budget allocated to the Ministry of National Education. The institutional development fund targets the top performance higher education institutions in each category² and is allocated on competitive basis, according to international standards.

The National Higher Education Funding Council (CNFIS) is an advisory body of the Ministry of National Education and, according to law, it has the following tasks: to propose the university funding methodology and establish the average cost per equivalent student, by cycle and field of study; to perform periodical checks, upon request of the Ministry of National Education or upon own initiative, on the implementation of the institutional development projects and on the efficiency of fund management by universities and to submit

¹According to the information made public by the Romanian Government (http://discutii.mfinante.ro/static/10/Mfp/buget2013/Ministerul_Educatiei_Nationale.pdf), the budget approved for 2013 included the amount of 2,036,787 thousand RON for higher education, of which 1,954,433 thousand RON for university education and 82,354 thousand RON for post-university education. The state budget allocated 1,739,905 thousand RON for core funding (including this year the additional funding and the institutional development fund).

²Reference to the three categories of universities, according to art. 193, paragraph 4 of the National Education Law: education-focused universities, education and scientific research universities (or education and arts universities) and advanced research and education universities.

proposals on the complementary funding of universities based on institutional projects; to submit annually to the Ministry of National Education a report on higher education funding and necessary improvement actions (art. 219, paragraph 2), which is made public. Also, CNFIS contributes to the development of various indicators allowing for the monitoring of the higher education system operation at national level (Art. 220).

At the end of 2013, the legal framework was amended by OUG no 117/2013³. Among the amendments related to higher education funding, we mention those which eliminated some provisions limiting the possibility to finance Master and Doctorate programmes provided by the universities included in the categories “education-focused universities” and “scientific research and education universities” and those which provided for differentiated fund allocation based on universities classification and study programmes ranking (art. 193, paragraphs 7-10 from the initial LEN no 1/2011); amendment of the provision stipulating that the methodology on the allocation and use of the institutional development fund should be approved by Government decision, whereas now a minister’s order is sufficient (art. 197, paragraph 2); removal of a provision never enforced stipulating that doctoral grants should be allocated based on competitions organised under the coordination of the National Council for Scientific Research (art. 160, paragraph 3 of the initial LEN no 1/2011).

I.2. Brief description of the Romanian higher education system in 2013

In the academic year 2012/2013, according to the data published by the National Institute for Statistics⁴, the Romanian higher education system comprised 48 public universities and 56 private universities, either accredited or authorised for provisional functioning. Here we consider those organisations which provide university level study programmes, which were granted institutional accreditation according to law and which, implicitly, have the right to use the title *university or another similar title*⁵. These higher education institutions included 536 faculties (of which 359 within the state-subsidized universities), with a total number of 620,529 students enrolled (of which 520,853 were registered with public universities). Mention should be made that the data available do not allow for the identification of the accurate number of individuals enrolled in the Romanian universities, either public or private. This is because an individual enrolled in several universities may be counted several times, accordingly, as the National Student Enrolment Registry did not include data on the students from 2012/2013 when this report was drafted

We should further notice the tendency towards quantitative contraction of the Romanian higher education system. Thus, the massification trend which was prevalent in the period of 1990-2008 was reversed starting with the academic year 2009/2010, due to the combined impact of the cohorts born after 1990, to the decrease in the Bachelor study programmes duration, with the implementation of the Bologna system starting with 2005 (with visible statistical effects in 2008 and 2009), and to the decrease in the number of Baccalaureate graduates (combined effect of the school dropout in the pre-university education and of the increased exigency of the baccalaureate examination starting with 2011) – see table1.1.

³This *Report* had been finalised when OUG no 49/2014 was published. Therefore, its provisions will not be considered in the following pages.

⁴See *Învățământul Superior. Începutul anului universitar 2012–2013. Caiet statistic* (Higher Education. Beginning of academic year 2012-2013. Statistic Notebook) National Institute of Statistics, 2013

⁵According to the sole article, point 34 of Law 87/2006

TABLE 1.1 — NUMBER OF STUDENTS ENROLLED IN UNIVERSITY STUDY PROGRAMMES (2007–2013)

Academic year	Total (public and private)	Public	of which		Private
			State-sponsored	Tuition-paying	
2013/2014	540.560	461.314	287.032	174.282	79.246
2012/2013	572.415	472.739	285.652	187.087	99.676
2011/2012	661.241	520.853	289.087	231.766	140.388
2010/2011	816.228	576.290	288.580	287.710	239.938
2009/2010	938.843	616.506	282.237	334.269	322.337
2008/2009	1.035.513	624.654	284.616	340.038	410.859
2007/2008	1.029.855	650.247	289.132	361.115	379.608

Source: NIS, for data on the private/public university education (report for the beginning of the academic year); CNFIS, for data on the public/private university education (report with reference date January 1st of each academic year)

One may notice a dramatic decrease in the number of tuition-paying students in all three cycles of study, leading to a significant decrease in the percentage of tuition-paying students of the total number of students.

A discrete analysis of the number of students enrolled in the first year of study in public universities (for private universities we do not have detailed data available per year of study) would allow for a more clear image of the change in the total number of students and would indicate that the decreasing tendency ceased for the Bachelor and Doctorate cycles in the academic year 2013/2014 – see table 1.2.

TABLE 1.2 — NUMBER OF STUDENTS ENROLLED IN THE FIRST YEAR OF STUDY (2007–2013)

Academic year	Total Bachelor (public+private)	Public (Bachelor, 1st year)	of which		Private (Bachelor, 1st year)	Total Master (public, 1st year)	Total Doctorate (public, 1st year)
			State-sponsored	Tuition-paying			
2013/ 2014	128.966	106.715	62.238	44.477	22.251	50.918	4.588
2012/ 2013	131.861	103.816	60.865	42.951	28.045	52.931	3.828
2011/ 2012	142.348	110.577	61.903	48.674	31.771	53.094	4.148
2010/ 2011	175.016	125.987	62.277	63.710	49.029	61.936	5.962
2009/ 2010	210.605	149.155	61.887	87.268	61.450	73.419	6.843
2008/ 2009	278.655	151.163	61.493	89.670	127.492	66.725	6.798
2007/ 2008	285.684	141.415	56.455	84.960	144.269	54.308	5.998

Source: INS, for data on the private higher education (reporting for the beginning of the academic year); CNFIS, for data on the public higher education (based on reporting provided by universities, reference date January 1st of each academic year)

The effects of the dramatic decrease in the number of tuition-paying students had a particular impact on the private universities. As indicated by Table 1.3, in the academic year 2008/2009, which was the peak year of enrolments in the private higher education, there were more than 410,000 tuition-paying students enrolled in private universities, while their number decreased to less than 80,000 in the academic year 2013/2014. We should note the significant decline in the number of students enrolled in distance education after 2008/2009 and in part-time studies after 2010/2011, as well as the tendency to enrol in the full-time form of study.

TABLE 1.3 — NUMBER OF TUITION-PAYING STUDENTS ENROLLED IN PRIVATE UNIVERSITIES (2007–2013)

Academic year	Individual students (tuition-paying, private universities)			
	TOTAL	in care:		
		Full-time education	Part-time education	Distance education
2013/2014	79.246	61.483	10.112	7.651
2012/2013	99.676	74.557	15.348	9.771
2011/2012	140.388	94.762	32.788	12.838
2010/2011	239.938	144.874	77.327	17.737
2009/2010	322.337	188.636	113.537	20.164
2008/2009	410.859	122.366	73.613	214.880
2007/2008	380.509	127.412	69.234	183.863
2006/2007	265.243	116.119	49.266	99.858

Source: INS, reporting for the beginning of the academic year

For many private universities it is a matter of actual survival as higher education institutions. For some of them, the decrease in the number of students meant that many study programmes could not reach the critical mass which made them economically sustainable; therefore they were either closed or grouped with other programmes.

The effects were considerable for public universities as well, since they faced a severe decrease of income provided by tuition-paying students, which consequently led them to be more dependent on the public funding allocations.

Nevertheless, this is not the only problem of the public universities. In the academic year 2011/2012, the new provisions on retirement of the National Education Law no 1/2011 and the long term cancellation of teaching staff employment competitions led to a decrease in the number of employees in the higher education system. When some of these restrictions were eliminated, this tendency started to reverse in the academic year 2012/2013; see Table 1.4, for public and private education or Table 1.5, for data on public education only.

TABLE 1.4 — NUMBER OF TENURED ACADEMIC STAFF, BY TITLE, IN PUBLIC AND PRIVATE UNIVERSITIES (2008–2014)

Academic year	Total	Professor	Associate professor	Lecturer	Assistant lecturer	Graduate assistant
2013/2014	27.900	4.425	5.988	10.111	6.671	705
2012/2013	27.335	4.209	5.475	9.517	7.109	1.025
2011/2012	28.016	4.571	5.319	9.223	7.588	1.315
2010/2011	28.638	5.312	5.461	8.455	7.496	1.914
2009/2010	29.994	5.767	5.609	8.773	7.760	2.085
2008/2009	31.000	6.128	5.789	8.687	8.218	2.178

Source: INS, reporting for the beginning of the academic year

TABLE 1.5 — NUMBER OF TENURED ACADEMIC STAFF, BY TITLE, IN PUBLIC UNIVERSITIES (2008–2014)

Academic year	Total	Professor	Associate professor	Lecturer	Assistant lecturer	Graduate assistant
2013/2014	23.045	3.855	5.065	8.278	5.274	573
2012/2013	23.124	3.734	4.748	8.086	5.742	814
2011/2012	23.593	4.232	4.596	7.445	6.214	1.106
2010/2011	24.291	4.733	4.647	6.755	6.523	1.633
2009/2010	25.374	5.023	4.846	7.024	6.733	1.748
2008/2009	25.189	5.113	4.717	6.725	6.839	1.795
2007/2008	24.788	5.046	4.503	6.596	6.794	1.849
2006/2007	24.543	4.917	4.315	6.547	6.824	1.940

Source: CNFIS, based on reporting provided by universities, reference date January 1st of each academic year

If we also consider the salary-related compensations – salary levels for public employees reinstated according to the levels before the budget cuts in 2010 and the enforcement of judgements on the restitution of unpaid amounts in 2010-2012, we may envisage an increase in the wage-related pressure for most Romanian universities. As the wage level in the higher education system is still very low in Romania, compared to the other European Union Member States, and relatively low even when compared to the national average wage, and the expectations on increases are considerable and legitimate, it is likely that this structural pressure will enhance in the forthcoming years and – unless there will be a significant increase in the financial resources attracted either from the state budget or from other sources – this will add more pressure on the system.

From CNFIS' viewpoint, the general trends in the evolution of the Romanian higher education system pose serious concerns. Coherent actions, as part of a strategic vision on the higher education role in the future development of the country are needed in order to mitigate the tensions within the system and to avoid the outburst of an acute crisis. Such actions should aim beyond the objectives assumed under the Europe 2020 strategy, to include the medium and long term development of Romanian universities, increase their competitiveness at international level and maximize their contribution to enhancing the human capital within the Romanian society. Some of our concrete proposals to this purpose are presented in Chapter IV of this Report.

Chapter II. Public funding granted to public universities in 2013

This chapter presents the main elements of the public funding granted to public universities for 2013, as compared to previous years' allocations. Starting from the number of students and from the total public allocation for higher education institutions, we discuss the various components of the institutional funding and their evolution in the past years. We provide both general data, at national level, allowing for an overview on the financing of the entire education system and detailed data on the amounts received by the public universities for each component of the institutional funding.

II.1. Number of students enrolled and public funding allocated to public universities in 2013, as compared to previous years

The number of students for public universities was approved by GO no 268/2013 and by MO no 3894, no 3895 and no 5578 of 2013, respectively. The evolution of the total number of students enrolled in the public universities (including here Bachelor, Master and Doctorate programmes) is presented in Table 2.1. We may note that the total number of students for which the universities received public subsidies has seen little variations and was about 285,000. Nevertheless, we may note an important decreasing trend in the number of state-sponsored students enrolled in Bachelor programmes, to less than 210,000 (in the past four years), balanced by an increase in the number of students enrolled in the Master programmes, which slightly exceed 66,000 (in the past three years). There was also a significant decrease in the number of state-sponsored students enrolled for doctoral studies, possibly because the legal provisions on this cycle of study has seen significant amendments in terms of study duration, forms of study (full time/part time), financial support etc.

TABLE 2.1 — NUMBER OF STUDENTS ENROLLED IN UNIVERSITY STUDY PROGRAMMES (2007–2013)

Academic years (ref. date Jan. 1 st)	Individual students (BMD)			Bachelor			Master			Doctorate		
	Total (BMD)	state- sponsored	tuition- paying	Total (B)	state- sponsored	tuition- paying	Total (M)	state- sponsored	tuition- paying	Total (D)	state- sponsored	tuition- paying
2013	472.739	285.652	187.087	354.945	208.475	146.470	99.770	66.605	33.165	18.024	10.572	7.452
2012	520.853	289.087	231.766	391.170	211.078	180.092	107.828	66.444	41.384	21.855	11.565	10.290
2011	576.290	288.580	287.710	426.435	209.101	217.334	123.973	66.307	57.666	25.882	13.172	12.710
2010	616.506	282.237	334.269	447.660	204.369	243.291	139.211	62.792	76.419	29.635	15.076	14.559
2009	624.654	284.616	340.038	473.393	220.872	252.521	120.673	46.550	74.123	30.588	17.194	13.394
2008	650.247	289.132	361.115	525.880	240.919	284.961	91.825	27.195	64.630	32.542	21.018	11.524
2007	644.807	290.855	353.952	521.633	245.495	276.138	89.488	20.263	69.225	33.686	25.097	8.589

Source: CNFIS, based on reporting provided by public universities

Table 2.1 presents the evolution of the number of tuition-paying students enrolled in the three cycles of study (Bachelor, Master and Doctorate). It is important to note the dramatic decrease in the number of students for all three cycles of study. For example, for the Bachelor cycle the number of students decreased from over 284,000, before the crisis, to less than 147,000 in 2013. The negative variation represents a decrease to almost half of the number of tuition-paying students enrolled in public universities. A relatively similar dramatic decrease by almost 50% may be noted for the Master study programmes.

Moreover, we may also note the significant change in the percentage of tuition-paying students of the total number of students enrolled in public universities (Chart 2.1).

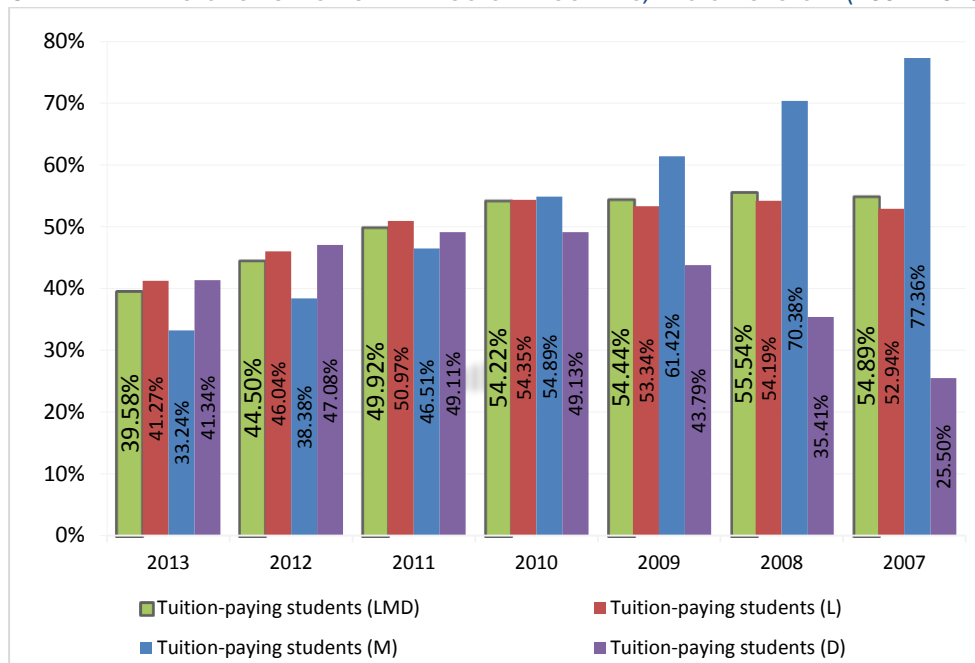
CHART 2.1 — EVOLUTION OF TUITION-PAYING STUDENTS SHARES, SUMMED UP FOR THE THREE CYCLES OF STUDY (2007–2013)



Source: CNFIS, data available according to reporting provided by public universities

Until 2010, the tuition-paying students enrolled in Bachelor studies accounted for approximately 55% of the total number of students, while their numbers decreased steadily afterwards, so that in 2013 they accounted for only 40% of the total number of students. Similarly, for the Master programmes the share of tuition-paying students lowered from over 60% to approximately 35% (Chart 2.2).

CHART 2.2 — EVOLUTION OF TUITION-PAYING STUDENTS SHARES, BY CYCLE OF STUDY (2007–2013)



Source: CNFIS, data available according to reporting provided by public universities

Some possible causes for such radical changes could be related, on the one hand, to the financial difficulties and the impossibility to pay the tuition fees, due to the economic crisis and, on the other hand, to the decrease in the number of high school graduates who passed the baccalaureate exam in the past years, against the overall context of birth rate decrease after 1989. For the Master studies, another cause could be

that during previous years such study programmes were completed by older generations, sometimes in the context of legal provisions which specifically required such studies for applicants who sought employment in certain positions (for example, in the public administration). It is possible that legislation amendments might play a role in such variations, especially for doctoral studies where there were changes in terms of duration and form of study, financial support etc.

In order to identify more accurately the impact of the various factors on the evolution of the number of students enrolled in the first year of study of each cycle Table 2.2 presents the number of students enrolled in the first year of study of each cycle of study, both for state-sponsored students and for tuition-paying students.

TABLE 2.2 — NUMBER OF STUDENTS ENROLLED IN THE 1ST YEAR OF STUDY, BY CYCLE OF STUDY (2007–2013)

Academic years (ref. date Jan. 1 st)	Individual students (BMD) – 1 st year			Bachelor – 1 st year			Master – 1 st year			Doctorate – 1 st year		
	Total (BMD)	of which:		Total (L)	of which:		Total (M)	of which:		Total (D)	of which:	
		state-sponsored	tuition-paying		state-sponsored	tuition-paying		state-sponsored	tuition-paying		state-sponsored	tuition-paying
2013	160.575	99.446	61.129	103.816	60.865	42.951	52.931	35.669	17.262	3.828	2.912	916
2012	167.819	98.606	69.213	110.577	61.903	48.674	53.094	33.886	19.208	4.148	2.817	1.331
2011	193.885	100.527	93.358	125.987	62.277	63.710	61.936	34.718	27.218	5.962	3.532	2.430
2010	229.417	97.323	132.094	149.155	61.887	87.268	73.419	31.992	41.427	6.843	3.444	3.399
2009	224.686	80.355	144.331	151.163	61.493	89.670	66.725	15.837	50.888	6.798	3.025	3.773
2008	201.721	76.471	125.250	141.415	56.455	84.960	54.308	18.185	36.123	5.998	1.831	4.167
2007	203.689	77.217	126.472	144.730	61.739	82.991	54.444	13.855	40.589	4.515	1.623	2.892

Source: CNFIS, based on reporting provided by universities, reference date January 1st of each academic year; 2013 represents the academic year 2012/2013.

The total number of students enrolled in the first year of study who benefited from public subsidies has seen little variation around the figure of 100,000 in the past years. For Bachelor studies, the data indicate minor variations in the number of state-sponsored students enrolled in the first year of study, consistent with the number of students approved by MEN. The Master programmes registered a boost in 2010, following the implementation of the Bologna process, followed by slight increases in the past three years. For doctoral programmes, the variations in the past two years also reflect the changes allowed in the number of students approved for the various cycles.

There was a significant decrease in the number of tuition-paying students enrolled in the first year of study. If in 2009 the total number of tuition-paying students enrolled exceeded 144,000, in 2013 their number decreased by more than 57%, to less than 62,000. This decline may be noticed in all cycles of study, at comparable rates.

On a simultaneous analysis of the number of students reported by Tables 2.1 and 2.2, we note that the decrease in the number of tuition-paying students may be linked both with the decrease in the number of high school graduates who passed the baccalaureate exam, reflected mainly in the number of students enrolled in the first year of Bachelor programmes and with the financial difficulties caused by the economic crisis, which had an impact on the school drop-out rates, as indicated by the overall decrease seen in all study years.

Table 2.3 presents the number of state-sponsored students and tuition-paying students, by cycle of study, for each university.

TABLE 2.3 — NUMBER OF STATE-SPONSORED STUDENTS AND TUITION-PAYING STUDENTS, BY CYCLE OF STUDY, PUBLIC UNIVERSITIES (2013)

Univ code	Universities (ref. data on Jan 1 st 2013)	Individual students (BMD)			Bachelor			Master			Doctorate		
		Total (BMD)	of which:		Total (B)	of which:		Total (M)	of which:		Total (D)	of which:	
			state- sponso red	tuition- paying		state- sponso red	tuition- paying		state- sponso red	tuition- paying		state- sponso red	tuition- paying
U01	University "Politehnica" of Bucharest	25.382	22.683	2.699	16.685	14.448	2.237	7.202	6.866	336	1.495	1.369	126
U02	Technical University of Civil Engineering of Bucharest	7.549	5.681	1.868	5.571	4.086	1.485	1.671	1.447	224	307	148	159
U03	"Ion Mincu" University of Architecture and Urbanism	3.291	1.659	1.632	2.874	1.427	1.447	156	126	30	261	106	155
U04	University of Agronomic Science and Veterinary Medicine - Bucharest	11.997	5.261	6.736	10.341	3.883	6.458	1.408	1.183	225	248	195	53
U05	University of Bucharest	30.487	21.246	9.241	20.751	13.360	7.391	7.865	6.448	1.417	1.871	1.438	433
U06	"Carol Davila" Medicine and Pharmacy University, Bucharest	11.133	5.129	6.004	9.371	4.597	4.774	100	100	0	1.662	432	1.230
U07	Bucharest University of Economic Studies	23.678	12.214	11.464	14.657	8.192	6.465	8.279	3.680	4.599	742	342	400
U08	National University of Music Bucharest	852	758	94	594	546	48	167	155	12	91	57	34
U09	National University of Arts Bucharest	1.338	985	353	907	636	271	320	289	31	111	60	51
U10	National University of Theatre and Film "I.L. Caragiale"	830	701	129	497	466	31	197	182	15	136	53	83
U11	National University of Physical Education and Sport	1.321	867	454	937	582	355	250	234	16	134	51	83
U12	National School of Political and Administrative Studies Bucharest	6.266	3.188	3.078	3.274	1.721	1.553	2.683	1.252	1.431	309	215	94
U13	"1 Decembrie 1918" University of Alba Iulia	4.231	2.297	1.934	3.287	1.934	1.353	848	311	537	96	52	44
U14	"Aurel Vlaicu" University of Arad	7.432	2.344	5.088	5.514	1.911	3.603	1.887	408	1.479	31	25	6
U15	"Vasile Alecsandri" University of Bacău	4.860	2.592	2.268	3.874	2.149	1.725	956	419	537	30	24	6
U17	"Transilvania" University of Braşov	19.985	11.788	8.197	15.661	9.222	6.439	3.816	2.416	1.400	508	150	358
U18	Technical University of Cluj-Napoca	19.687	15.949	3.738	14.507	11.485	3.022	4.319	3.711	608	861	753	108
U19	University of Agricultural Sciences and Veterinary Medicine of Cluj-Napoca	6.043	4.557	1.486	4.799	3.478	1.321	960	865	95	284	214	70
U20	"Babes-Bolyai" University Cluj-Napoca	36.391	22.763	13.628	27.080	14.856	12.224	8.104	6.901	1.203	1.207	1.006	201
U21	"Iuliu Haţieganu" University of Medicine and Pharmacy Cluj-Napoca	6.436	3.504	2.932	5.835	3.063	2.772	235	198	37	366	243	123
U22	"Gheorghe Dima" Music Academy	1.057	759	298	862	576	286	154	147	7	41	36	5
U23	University of Art and Design Cluj-Napoca	994	687	307	695	432	263	214	194	20	85	61	24
U24	"Ovidius" University of Constanţa	16.533	6.073	10.460	13.131	4.777	8.354	2.896	1.211	1.685	506	85	421
U25	Constanţa Maritime University	5.368	751	4.617	4.979	525	4.454	356	201	155	33	25	8
U26	University of Craiova	20.088	12.984	7.104	15.095	9.753	5.342	4.606	3.092	1.514	387	139	248
U27	University of Medicine and Pharmacy Craiova	3.858	2.239	1.619	3.447	2.102	1.345	76	60	16	335	77	258
U28	"Dunarea de Jos" University of Galaţi	13.102	8.971	4.131	10.375	6.953	3.422	2.514	1.886	628	213	132	81
U29	"Gheorghe Asachi" Technical University of Iaşi	14.758	13.308	1.450	10.581	9.457	1.124	3.716	3.526	190	461	325	136
U30	"Ion Ionescu de la Brad" University of Agricultural Sciences and Veterinary Medicine of Iaşi	4.415	3.108	1.307	3.513	2.285	1.228	707	672	35	195	151	44
U31	"Alexandru Ioan Cuza" University of Iaşi	26.200	17.012	9.188	18.748	11.353	7.395	6.540	4.946	1.594	912	713	199
U32	"Grigore T.Popa" Medicine and Pharmacy University Iaşi	8.935	3.977	4.958	8.334	3.537	4.797	262	222	40	339	218	121
U33	University of Arts "George Enescu" Iaşi	1.467	1.267	200	1.001	896	105	322	282	40	144	89	55
U34	University of Oradea	15.788	7.656	8.132	12.550	6.154	6.396	2.907	1.434	1.473	331	68	263
U35	University of Petroşani	3.987	2.529	1.458	2.975	2.241	734	884	255	629	128	33	95
U36	University of Piteşti	10.365	3.802	6.563	7.686	3.066	4.620	2.576	692	1.884	103	44	59
U37	"Petroleum-Gas" University of Ploieşti	8.027	3.629	4.398	6.635	3.025	3.610	1.278	569	709	114	35	79
U38	"Eftimie Murgu" University of Reşiţa	2.391	1.451	940	1.605	1.074	531	768	364	404	18	13	5
U39	"Lucian Blaga" University of Sibiu	16.884	8.112	8.772	12.444	6.240	6.204	3.944	1.617	2.327	496	255	241
U40	"Stefan cel Mare" University of Suceava	9.334	4.434	4.900	6.903	3.522	3.381	2.186	813	1.373	245	99	146
U41	"Valahia " University of Târgovişte	6.966	4.269	2.697	5.284	3.404	1.880	1.332	768	564	350	97	253
U42	"Constantin Brancusi" University of Târgu Jiu	3.904	1.530	2.374	3.124	1.299	1.825	774	231	543	6	0	6
U43	"Petru Maior" University of Târgu Mureş	3.373	1.951	1.422	2.795	1.606	1.189	551	330	221	27	15	12
U44	University of Medicine and Pharmacy of Târgu Mureş	5.103	2.737	2.366	4.698	2.592	2.106	175	40	135	230	105	125
U45	University of Arts of Târgu Mureş	377	311	66	252	212	40	95	82	13	30	17	13
U46	"Politehnica University Timişoara	12.756	10.654	2.102	9.155	7.419	1.736	3.129	2.901	228	472	334	138
U47	University of Agricultural Sciences and Veterinary Medicine of Timişoara	5.394	3.235	2.159	4.289	2.481	1.808	921	636	285	184	118	66
U48	West University of Timişoara	15.727	8.771	6.956	10.824	6.336	4.488	4.378	2.200	2.178	525	235	290
U49	"Victor Babes" University of Medicine and Pharmacy, Timişoara	6.399	3.279	3.120	5.949	3.116	2.833	86	43	43	364	120	244
	Total	472.739	285.652	187.087	354.945	208.475	146.470	99.770	66.605	33.165	18.024	10.572	7.452

Source: CNFIS, based on reporting provided by universities, reference date January 1st of each academic year, academic year 2012/2013

The public funding allocated in 2013 at national level for **the institutional funding of higher education** (including the reserve fund and the development fund) accounted for **1,739,910,000 RON**. This amount is about 0.29% of the gross domestic product (GDP) of 2013. Table 2.4 presents the amounts allocated in the previous years. If we consider the annual inflation rate which was 4.95% in 2012⁶, the amount allocated in 2013 is, in real terms, lower than the amount allocated in the previous year. Therefore, in real terms, the public funding allocated to public universities decreased after 2009.

TABLE 2.4 — ALLOCATION FOR INSTITUTIONAL FUNDING OF PUBLIC UNIVERSITIES AND PERCENTAGE OF THE GROSS DOMESTIC PRODUCT (2007–2013)

	2007	2008	2009	2010	2011	2012	2013
TOTAL core funding/ institutional funding (mil.RON)	1.680,73	1.947,30	1.950,04	1.908,68	1.710,61	1.678,71	1.739,91
% FB of GDP	0,41%	0,39%	0,37%	0,37%	0,31%	0,29%	0,29%

Source: CNFIS, for higher education allocations; Eurostat, for GDP (period 2007-2009) and national data for the period 2010-2013

Table 2.4 presents the ratio (%) between the funds allocated for the institutional funding of higher education and the gross domestic product. We may notice that the GDP percentage shows a decreasing trend. As indicated above, the number of tuition-paying students decreased due to the economic crisis, while the tuition fees could not be changed significantly, meaning an important decrease in revenues from tuition fees. Consequently, there has been important financial pressure on the higher education institutions during the past years.

The average unit allocation per individual student may be determined based on the total core funding allocation, plus the reserve fund allocated for special cases and the institutional development fund (which are not formula-based and are not included in the unit allocation per student), divided by the number of state-sponsored students. As indicated by Table 2.5, the average allocation has never exceeded 1,650 EUR, and it was slightly more than 1,200 EUR in 2013.

TABLE 2.5 — AVERAGE ALLOCATION PER INDIVIDUAL STUDENT (2007–2013)

	2007	2008	2009	2010	2011	2012	2013
Average allocation/Individual student (RON)*	5.147	6.004	5.930	5.828	5.090	5.107	5,399
Average annual exchange rate (RON/EUR)**	3,3373	3,6827	4,2373	4,2099	4,2379	4,4560	4,4190
Average allocation/Individual student (EUR)*	1.542	1.630	1.399	1.384	1.201	1.146	1.222

Source: CNFIS (note: *the table includes: residents, students in the preparatory years, teaching positions; **calculated by BNR)

The average unit allocation per individual student is among the lowest in the European Union, with average amounts of approximately 10,600 EUR in the OECD countries and 10,100 EUR in EU21^{7,8} in 2010.

⁶National Bank of Romania (BNR), *Raport asupra inflației (Report on Inflation)*, February 2013 (<http://www.bnro.ro/PublicationDocuments.aspx?icid=3922>)

⁷Education at a Glance 2013: OECD Indicators, OECD Publishing, 2013, p. 175 (<http://static.publico.pt/DOCS/educacao/educationglance2013.pdf>)

⁸IRS, Yearly average currency exchange rates (<http://www.irs.gov/Individuals/International-Taxpayers/Yearly-Average-Currency-Exchange-Rates>)

II.2. Distribution of funds for the institutional funding of public universities in 2013

When developing the draft Methodology on the funding of higher education institutions in 2013, CNFIS started from the finding that the provisions of Law no 1/2011⁹ were maintained and from the intention to ensure, as much as possible, funding predictability and continuity in applying the mechanisms implemented in 2012. At the same time, the Council took into account the indications from the top management of the Ministry of National Education, in a first stage the comments of Minister Ecaterina Andronescu, during the CNFIS meeting held on November 2, 2012, and then of the new Minister, in January 2013. According to them, the intention was to decrease the differentiated quality-based funding granted to universities. Consequently, the draft methodology approved by the Council in the meeting held on February 15, 2013 provided for an increase in the share of the core funding and a decrease close to the legal threshold of the overall share of the additional funding, as well as for the partial review of the coefficients used to compute the performance funding for the 5 categories used in the study programmes ranking in 2011. This review led to a moderate flattening of the funding differentiation. The share of the institutional development fund was also reduced. Consequently, the CNFIS proposal was that, after deducting a fund of 2%, for special situations, and the amount allocated for doctoral grants for the doctoral students starting with the academic year 2011/2012, the components of the institutional funding should be as follows: 73.5% core funding, 25% performance funding, 0.5% additional funding for universities which assume an active role at local and regional levels, 1% institutional development fund. The CNFIS proposals on the methodology on the allocation of budget funds for the core funding, additional funding and institutional development funding for public universities in 2013 were officially submitted to the Ministry by Notifications 407 and 408 of February 18, 2013.

The Council paid special attention to the consistency of the amounts allocated in compliance with the funding methodology proposed by CNFIS for 2013 with the amounts provided by the provisional institutional contracts signed by MEN with higher education institutions. The Council analysed and submitted to the Ministry the variations in the number of students as compared to the previous year and developed alternative scenarios for the implementation of the Methodology with different percentages for the institutional development fund (1% in the initial proposal or higher values, up to 5%).

In the context of lower funding and of the difficulties faced by universities in coping with all expenses, in 2013, quite many universities applied for funds beyond the computation formula. The solution adopted for these applications was to grant some of the applicant universities various amounts as advance payment, to be followed by a settlement further on. The Council maintained that the universities should be supported to be able to operate normally; at the same time, the Council requested that the universities, especially those which received support beyond the formula-based allocations in 2012 as well, should implement structural recovery plans to improve their financial situation. According to its previous position, the Council reiterated its willingness to provide expertise to support the development of such financial recovery plans, under the aegis of MEN and to monitor their implementation. The Council empowered the CNFIS Office to look for solutions, together with the MEN management, for the financial situation for 2013, based on the following 3 principles: 1) compliance with the legislation in force; 2) insolvency of public universities should be avoided; 3) the proposals of the draft methodology approved by CNFIS in February 2013 should be reflected in the higher education institutions funding.

Consequently, MEN and CNFIS developed a strategy to ensure, on the one hand, the core funding and the additional funding of universities, in compliance with the principles of the draft Methodology developed by CNFIS and, on the other hand, to support all universities to end the financial year 2013 under normal operating

⁹The only reason for concern was generated by the MERYS Order no 6265, of November 21, 2012, on grants awarded to students enrolled in the academic year 2012/2013. Nevertheless, this issue was solved when the funding methodology for 2013 was approved by MEN Order no 5364/29.10.2013. (MERYS - Ministry of Education, Research, Youth and Sports)

conditions. To this purpose, the decision was that higher education funding should comply with the methodology proposed by CNFIS in February 2013, with the explicit provision for the 2% fund for funding special situations, which cannot be integrated in the funding formula. Table 2.6 indicates the percentages for the various funding components. Also, the funding allocation was designed so that no university should receive in 2013 lower amounts than those received in 2012, with differences being covered by the advance payments received by some universities in the first 10 months of 2013 and by other amounts, initially allocated for FSL, FDI and the fund for special situations; in order to maintain the budget allocations, some of the advance payments granted in the first 10 months of 2013 were settled and for the universities which benefitted from additional allocations the increase in the total financial allocation for 2013 was capped to a maximum of 10% as compared to the total institutional funding from 2012. These solutions were integrated in OMEN no 5364/29.10.2013 of the Minister of National Education and of the Minister Delegate for Higher Education, Scientific Research and Technological Development, approving the Methodology on the public funding allocations for the core funding and the additional performance-based funding of Romanian public higher education institutions for 2013¹⁰. The institutional contracts concluded by MEN with the higher education institutions were amended so as to comply with the provisions of Order of the Minister no 5364/29.10.2013 and the results of the budget adjustment from December 2013.

TABLE 2.6 — STRUCTURE OF PUBLIC FUNDS ALLOCATED FOR THE INSTITUTIONAL FUNDING OF PUBLIC UNIVERSITIES (2012–2013)

Components		2012	2013
Core funding (FB)		68.00%	73.50%
Additional funding (FS)		30.50%	25.50%
of which:	<i>Performance-based additional funding (FSE)</i>	25.00%	25.00%
	<i>Preferential funding of Master and Doctorate study programmes in advanced sciences and technologies, of study programmes taught in foreign languages and of joint doctoral degrees (FSEP)</i>	2.50%	0.00%
	<i>Strengthening institutional capacity and management efficiency (FSCM)</i>	0.00%	0.00%
	<i>Active role at local and regional levels (FSL)</i>	3.00%	0.50%
Institutional development		1.50%	1.00%
Total institutional funding <i>(without the doctoral grants fund and special situations fund)</i>		100%	100%

¹⁰Order no 5364/29.10.2013 published in the „Official Gazette” no 843/30 December 2013

II.3. Doctoral grants for students enrolled starting with the academic year 2011/2012

According to **OM 5364/2013**, the funds allocated to universities for doctoral grants (except for doctoral student scholarships, which were allocated from the scholarships fund) amounted in 2013 for **141,451,737 RON**.

The structure of doctoral grants was substantiated by CNFIS based on a cost analysis in compliance with the legal provisions in force – National Education Law no 1/2011 (especially art.160, paragraph 2, art.193, paragraph 5 and art.219, paragraph 2) and GD no 681/2011, approving the Code of doctoral studies. According to the CNFIS Methodology, the structure of the doctoral grant was adjusted with appropriate coefficients according to the doctoral disciplines and fields and the funding of doctoral studies did not use the concepts of equivalent student and unit equivalent student. The doctoral grant included the doctoral student scholarship, the wages of the doctoral supervisor and of the doctoral supervisory committee, the costs of the training programme, based on advanced studies and of the additional training programme, research funding (differentiated by four funding fields) and overhead costs of the doctoral school (see Annex 3 of the Funding Methodology for 2013, attached to this Report).

Starting with the academic year 2011/2012, the funding for doctoral grants allocated to the doctoral students enrolled is distributed to universities by cumulating the amounts of the grants awarded to each university (Table 2.7).

TABLE 2.7 — FUNDS ALLOCATED IN 2013 TO PUBLIC UNIVERSITIES FOR DOCTORAL STUDIES SUPPORTED BY DOCTORAL GRANTS

Univ code	University	Total number of doctoral grants (1 st year and 2 nd year)	Doctoral grants allocation (1 st year and 2 nd year)	Doctoral grants allocation (1 st year and 2 nd year) of total institutional funding received by university in 2013 (%)
A	B	1	2	3
U01	University "Politehnica" of Bucharest	632	15.953.992	9,63%
U02	Technical University of Civil Engineering of Bucharest	92	2.323.276	7,31%
U03	"Ion Mincu" University of Architecture and Urbanism	32	931.120	6,69%
U04	University of Agronomic Science and Veterinary Medicine - Bucharest	94	2.432.630	7,74%
U05	University of Bucharest	779	18.132.655	16,74%
U06	"Carol Davila" Medicine and Pharmacy University, Bucharest	198	5.760.414	7,34%
U07	Bucharest University of Economic Studies	242	5.415.418	10,91%
U08	National University of Music Bucharest	28	814.316	6,09%
U09	National University of Arts Bucharest	31	901.955	8,56%
U10	National University of Theatre and Film "I.L. Caragiale"	31	901.811	6,18%
U11	National University of Physical Education and Sport	26	656.146	10,55%
U12	National School of Political and Administrative Studies Bucharest	78	1.742.646	12,38%
U13	"1 Decembrie 1918" University of Alba Iulia	23	514.363	6,63%
U14	"Aurel Vlaicu" University of Arad	16	357.680	3,67%
U15	"Vasile Alecsandri" University of Bacău	11	277.423	2,04%
U17	"Transilvania" University of Braşov	84	2.102.580	3,48%
U18	Technical University of Cluj-Napoca	476	12.044.236	12,67%
U19	University of Agricultural Sciences and Veterinary Medicine of Cluj-Napoca	152	3.992.056	13,91%
U20	"Babes-Bolyai" University Cluj-Napoca	660	15.481.765	11,99%
U21	"Iuliu Haţieganu" University of Medicine and Pharmacy Cluj-Napoca	150	4.364.526	10,88%
U22	"Gheorghe Dima" Music Academy	24	697.800	5,90%
U23	University of Art and Design Cluj-Napoca	27	785.295	10,37%
U24	"Ovidius" University of Constanţa	36	960.900	2,99%
U25	Constanţa Maritime University	14	353.110	8,88%
U26	University of Craiova	70	1.656.542	2,89%
U27	University of Medicine and Pharmacy Craiova	45	1.308.105	6,34%
U28	"Dunarea de Jos" University of Galaţi	66	1.626.810	3,38%

Univ code	University	Total number of doctoral grants (1 st year and 2 nd year)	Doctoral grants allocation (1 st year and 2 nd year)	Doctoral grants allocation (1 st year and 2 nd year) of total institutional funding received by university in 2013 (%)
<i>A</i>	<i>B</i>	<i>1</i>	<i>2</i>	<i>3</i>
U29	„Gheorghe Asachi” Technical University of Iași	185	4.671.589	5,54%
U30	“Ion Ionescu de la Brad” University of Agricultural Sciences and Veterinary Medicine of Iași	57	1.476.309	7,95%
U31	“Alexandru Ioan Cuza” University of Iași	419	9.768.199	12,11%
U32	“Grigore T.Popa” Medicine and Pharmacy University Iași	139	4.043.855	9,60%
U33	University of Arts “George Enescu” Iași	40	1.163.720	7,00%
U34	University of Oradea	36	887.124	2,23%
U35	University of Petroșani	15	378.291	2,91%
U36	University of Pitești	17	423.181	2,22%
U37	“Petroleum-Gas” University of Ploiești	10	252.530	1,53%
U38	“Eftimie Murgu” University of Reșița	7	176.699	2,52%
U39	“Lucian Blaga” University of Sibiu	63	1.500.579	3,88%
U40	“Stefan cel Mare” University of Suceava	58	1.375.969	6,35%
U41	“Valahia “ University of Târgoviște	32	738.832	3,38%
U42	“Constantin Brancusi” University of Târgu Jiu	0	0	0,00%
U43	“Petru Maior” University of Târgu Mureș	6	133.806	1,37%
U44	University of Medicine and Pharmacy of Târgu Mureș	53	1.541.137	5,12%
U45	University of Arts of Târgu Mureș	12	349.404	5,05%
U46	“Politehnica University Timișoara	170	4.369.138	6,25%
U47	University of Agricultural Sciences and Veterinary Medicine of Timișoara	50	1.296.490	7,15%
U48	West University of Timișoara	132	3.164.820	7,17%
U49	“Victor Babes” University of Medicine and Pharmacy, Timișoara	43	1.250.495	4,14%
	Total	5.661	141.451.737	8,13%

Source: CNFIS

It is worth mentioning that the fund for doctoral grants increased, representing 8.4% of the institutional funding in 2013, as compared to 3.71% in 2012, following the accumulation of two cohorts of doctoral students. On the other hand, there was a decrease in the fund for doctoral studies, allocated based on the formula, within the core and additional funding.

II.4. Core Funding

Art. 223, paragraph 4 of the National Education Law provides that the core funding is distributed to public universities through so-called "study grants" computed based on the average cost per equivalent student, per field of study, per cycle of study and teaching language. Moreover, the study grants should be allocated with priority to those fields which ensure sustainable and competitive development of the society and, within the field of study, to those study programmes ranking highest in terms of quality, with the number of grants allocated varying according to the programme ranking.

In our 2012 Report submitted to the Ministry on 05.04.2013, we proposed that study grants should be computed based on estimations of real costs. Such estimations were presented in the Report (Chapter IV.1.1, Table 16)¹¹. Considering the major differences between the real cost estimations and the funding allocated per student and starting from the objective of not causing major imbalances in the financing of public higher education institutions, CNFIS proposed there should be a gradual increase of the allocation, in parallel with the decrease in the number of student places. MEN decided to maintain the number of student places (reflected in the number of state-sponsored students presented in Table 2.2). If we also consider the total amount for core funding allocated in the state budget, as indicated by the data presented below, we find that the allocation per student in 2013 maintained similar values with the previous years.

Therefore, the methodology on the computation of core funding in 2013 started from similar assumptions as the 2012 methodology: the amounts allocated to each university as core funding for the students enrolled in a Bachelor or Master study programme prior to the academic year 2012/2013 and for the doctoral students enrolled prior to the academic year 2011/2012 should be distributed according to the number of places approved for the university, proportionally with its number of unit equivalent students. The number of unit equivalent students of the university is computed by weighting the actual number of individual students of the university with equivalence and cost coefficients.

The concern to avoid financing shocks determined CNFIS to maintain the equivalence and cost coefficients previously in force, although the computations had shown significant disproportions between these coefficients and the standard costs computed in compliance with the legal provisions in force on the education plans, study groups, teaching loads, wages and other expenditure on higher education (see Annex 1 to the Funding Methodology, attached to this Report).

Consequently, the number of unit equivalent students and the allocation per unit equivalent student were computed according to the methodology approved by OM 5364/2013. The results are presented in Table 2.8.

¹¹ National Higher Education Funding Council, *Higher education funding and necessary improvement actions* – Public Annual Report 2012 (<http://www.cnfis.ro/>)

TABLE 2.8 — NUMBER OF UNIT EQUIVALENT STUDENTS AND ALLOCATION PER UNIT EQUIVALENT STUDENT 2007–2013

	2007	2008	2009	2010	2011	2012	of which:		2013	of which:	
							2012 (doctoral grants)	2013		2013 (doctoral grants)	2013 (doctoral grants)
A	1	2	3	4	5	6	6.1	7	7.1		
Total number of individual students (B, M, D and R)	298.152	295.467	298.166	296.574	304.051	304.546	2.817	301.792	5.661		
of which: Residency (medical studies)	5.986	6.335	13.550	14.337	15.471	15.459		16.140			
Other participants (Preparatory year + Teaching positions)	28.363	28.887	30.659	30.922	31.997	24.134		20.494			
Total number of equivalent students (NSE)	375.188	380.848	396.160	416.824	433.849	425.960		413.060			
Total number of unit equivalent students (NSEU), of which:	605.668	614.391	641.609	670.113	699.465	684.225	2.817	662.493	5.661		
NSEU (Bachelor)	442.891	433.885	404.062	375.345	383.720	380.664		379.376			
NSEU (Master)	88.345	110.960	172.056	225.458	244.321	248.537		253.794			
NSEU (Doctorate)	74.432	69.546	65.491	69.310	71.424	55.024		29.323			
Unit allocation/SEU (RON) ²⁾	2.732	3.122	3.031	2.841	2.444	2.202	19837 (an1)	2.340		22301 (an1)	22445 (an2)
Average allocation/SE (RON)	4.480	5.113	4.922	4.579	3.943	3.839		4.014			
Total Overall Unit Allocation /SEU (RON) ²⁾	2.775	3.169	3.039	2.848	2.446	2.362	2.387	2.413	2.493		
Average allocation /SF (RON)	5.147	6.004	5.930	5.828	5.090	5.107		5.399			
Core funding, formula-based distribution (mil. RON)	1.654,80	1.918,09	1.944,54	1.903,51	1.709,61	1.569,19		1.681,65			
TOTAL core funding/institutional funding (mil. RON) ²⁾	1.680,73	1.947,30	1.950,04	1.908,68	1.710,61	1.678,71		1.739,905			

Source: CNFIS

Following the analysis of Table 2.8, we note that the number of unit equivalent students decreased in 2013, especially due to the decrease in the number of doctoral students supported according to the funding formula, consequently, due to the increase in the number of doctoral grants. The allocation per unit equivalent student was 2,340 RON in 2013, a slight increase as compared to the previous year, due to the decrease in the number of unit equivalent students; nevertheless, it is significantly lower than the amount in 2008. If we add the inflation influence the allocation decreased even more in real terms.

Starting from the number of individual students reported by the universities, based on the computation formulas, the core funding allocated in 2013 to the 49 public universities funded from the MEN budget accounted for a total of **1,149,286,618 RON** (Table 2.9).

TABLE 2.9 — CORE FUNDING ALLOCATION BY UNIVERSITY, 2013

Univ code	University	Total individual students (NSF) - (B,M,D) (Jan.2013)	Total unit equivalent students (NSEU) (Jan.2013)	Total FB (68%) (except doctoral grants 1 st year and 2 nd year)	of which,		
					Bachelor (%)	Master (%)	Doctorate (without 1 st year and 2 nd year) (%)
A	B	1	2	3	4	5	6
U01	University "Politehnica" of Bucharest	22.683	56.732.55	98.419.099	47,53%	43,23%	9,23%
U02	Technical University of Civil Engineering of Bucharest	5.681	12.643.35	21.933.557	58,61%	38,62%	2,77%
U03	"Ion Mincu" University of Architecture and Urbanism	1.659	4.595.00	7.971.363	77,64%	13,71%	8,65%
U04	University of Agronomic Science and Veterinary Medicine - Bucharest	5.261	12.337.61	21.403.171	60,84%	32,68%	6,48%
U05	University of Bucharest	21.246	36.954.96	64.109.115	52,17%	43,38%	4,46%
U06	"Carol Davila" Medicine and Pharmacy University, Bucharest	5.129	26.853.53	46.585.246	38,53%	53,63%	7,84%
U07	Bucharest University of Economic Studies	12.214	18.102.75	31.404.484	52,27%	45,83%	1,89%
U08	National University of Music Bucharest	758	4.866.81	8.442.896	57,56%	32,84%	9,60%
U09	National University of Arts Bucharest	985	3.939.08	6.833.479	49,35%	44,02%	6,63%
U10	National University of Theatre and Film "I.L. Caragiale"	701	5.505.24	9.550.439	52,41%	40,69%	6,90%
U11	National University of Physical Education and Sport	867	2.253.94	3.910.114	55,19%	38,62%	6,19%
U12	National School of Political and Administrative Studies Bucharest	3.188	4.907.20	8.512.965	35,79%	55,84%	8,38%

Univ code	University	Total individual students (NSF) - (B,M,D) (Jan.2013)	Total unit equivalent students (NSEU) (Jan.2013)	Total FB (68%) (except doctoral grants 1 st year and 2 nd year)	of which,		
					Bachelor (%)	Master (%)	Doctorate (without 1 st year and 2 nd year) (%)
A	B	1	2	3	4	5	6
U13	"1 Decembrie 1918" University of Alba Iulia	2.297	3.354.35	5.819.092	78,09%	19,32%	2,59%
U14	"Aurel Vlaicu" University of Arad	2.344	4.072.42	7.064.795	73,06%	26,28%	0,66%
U15	"Vasile Alecsandri" University of Bacău	2.592	5.256.43	9.118.806	75,25%	23,01%	1,73%
U17	"Transilvania" University of Braşov	11.788	25.270.82	43.839.584	64,99%	33,38%	1,63%
U18	Technical University of Cluj-Napoca	15.949	36.003.41	62.458.370	59,73%	35,04%	5,22%
U19	University of Agricultural Sciences and Veterinary Medicine of Cluj-Napoca	4.557	10.291.41	17.853.434	64,06%	31,14%	4,80%
U20	"Babes-Bolyai" University Cluj-Napoca	22.763	47.554.68	82.497.402	56,67%	40,14%	3,19%
U21	"Iuliu Haţieganu" University of Medicine and Pharmacy Cluj-Napoca	3.504	14.369.85	24.928.682	47,99%	46,18%	5,82%
U22	"Gheorghe Dima" Music Academy	759	4.496.23	7.800.017	65,01%	30,69%	4,30%
U23	University of Art and Design Cluj-Napoca	687	2.860.56	4.962.473	48,12%	41,18%	10,70%
U24	"Ovidius" University of Constanţa	6.073	14.623.31	25.368.372	61,18%	37,09%	1,73%
U25	Constanţa Maritime University	751	1.613.50	2.799.085	57,05%	38,18%	4,77%
U26	University of Craiova	12.984	25.207.20	43.729.213	62,11%	36,60%	1,29%
U27	University of Medicine and Pharmacy Craiova	2.239	8.709.75	15.109.594	54,30%	42,39%	3,31%
U28	"Dunarea de Jos" University of Galaţi	8.971	20.839.15	36.151.555	64,91%	33,20%	1,89%
U29	„Gheorghe Asachi" Technical University of Iaşi	13.308	31.048.57	53.862.773	55,73%	41,07%	3,20%
U30	"Ion Ionescu de la Brad" University of Agricultural Sciences and Veterinary Medicine of Iaşi	3.108	7.431.52	12.892.132	58,66%	31,65%	9,69%
U31	"Alexandru Ioan Cuza" University of Iaşi	17.012	31.044.21	53.855.209	54,24%	41,96%	3,80%
U32	"Grigore T.Popa" Medicine and Pharmacy University Iaşi	3.977	15.375.73	26.673.663	51,22%	44,21%	4,57%
U33	University of Arts "George Enescu" Iaşi	1.267	6.595.09	11.441.101	55,51%	34,35%	10,14%
U34	University of Oradea	7.656	18.704.11	32.447.716	63,73%	35,34%	0,94%
U35	University of Petroşani	2.529	4.367.14	7.576.074	79,19%	17,92%	2,89%
U36	University of Piteşti	3.802	7.501.68	13.013.847	68,03%	29,92%	2,05%
U37	"Petroleum-Gas" University of Ploieşti	3.629	6.438.90	11.170.140	74,92%	22,26%	2,82%
U38	"Eftimie Murgu" University of Reşiţa	1.451	2.591.12	4.495.050	60,62%	37,76%	1,62%
U39	"Lucian Blaga" University of Sibiu	8.112	17.198.34	29.835.519	60,13%	34,04%	5,83%
U40	"Stefan cel Mare" University of Suceava	4.434	8.810.45	15.284.287	69,54%	27,99%	2,48%
U41	"Valahia " University of Târgovişte	4.269	7.293.79	12.653.201	69,58%	26,54%	3,88%
U42	"Constantin Brancusi" University of Târgu Jiu	1.530	2.412.26	4.184.766	76,96%	23,04%	0,00%
U43	"Petru Maior" University of Târgu Mureş	1.951	3.163.80	5.488.529	73,92%	25,22%	0,85%
U44	University of Medicine and Pharmacy of Târgu Mureş	2.737	12.874.52	22.334.598	67,37%	29,00%	3,64%
U45	University of Arts of Târgu Mureş	311	2.556.64	4.435.234	53,79%	43,06%	3,15%
U46	"Politehnica University Timişoara	10.654	25.155.09	43.638.799	53,85%	42,47%	3,68%
U47	University of Agricultural Sciences and Veterinary Medicine of Timişoara	3.235	7.399.91	12.837.295	63,03%	30,19%	6,78%
U48	West University of Timişoara	8.771	17.389.02	30.166.336	59,15%	38,21%	2,63%
U49	"Victor Babes" University of Medicine and Pharmacy, Timişoara	3.279	12.926.03	22.423.947	54,25%	40,39%	5,36%
Total		285.652	662.492.96	1.149.286.618	57,26%	38,31%	4,43%

Source: CNFIS

II.5. Performance-based additional funding

According to Law 1/2011, the additional funding is allocated “to foster institutional and study programme performance, both within public and private universities” (art.223, paragraph 3), “according to the criteria and quality standards set by CNFIS and approved by MEN” (art.197, paragraph a). Moreover, Law no 1/2011 provided (art.193, paragraph 7) that “for Bachelor and Master programmes, funding granted to public universities from public sources shall be differentiated by university category and study programme ranking, according to the ranking provided by paragraph 3”.

In 2013, the methodology on the computation the additional funding started from similar assumptions as the 2012 methodology. In order to reduce the shock on universities with lower ranking study programmes, the solution of choice was a lower differentiation of performance indices by cycles of study, as compared to 2012 – see Table 2.10.

TABLE 2.10 — PERFORMANCE INDICES (K), BY STUDY PROGRAMME RANKING AND BY CYCLE OF STUDY

Cycle of study	E	D	C	B	A
2012					
Bachelor	0	0	1	2	3
Master	0	0	0	1	4
Doctorate	0	0	0	1	5
2013					
Bachelor	0	1	1,5	2	2,5
Master	0	0	1	2	4
Doctorate	0	0	0	1	5

Source: CNFIS

Table 2.12 presents the effective values resulting from using the new performance indices, following the distribution of equivalent students by ranking categories, according to Table 2.11. Thus, we may note that, due to the large number of students in category A, there is significant impact on the performance indices: the differentiation is lower, mitigating the differences between study programmes placed in different categories.

TABLE 2.11 — SHARE OF UNIT EQUIVALENT STUDENTS (SEU), BY RANKING CATEGORIES, IN 2013

Cycle of study ⁽¹⁾	E	D	C	B	A
2012					
Bachelor	2%	3%	15%	25%	54%
Master	1%	2%	12%	24%	62%
Doctorate	1%	0%	7%	20%	72%
2013					
Bachelor	2%	3%	15%	26%	54%
Master	0%	1%	11%	24%	64%
Doctorate	1%	0%	7%	20%	71%

Source: CNFIS; Note: (1) Bachelor includes other forms (eliminated in 2012), Master includes residency (maintained in 2013), and Doctorate does not include 1st year and 2nd year students (doctoral grants).

TABLE 2.12 — EFFECTIVE VALUES OF PERFORMANCE INDICES⁽¹⁾, BY RANKING CATEGORIES, IN 2013

Cycle of study	E	D	C	B	A
2012					
Bachelor	0,00	0,00	0,44	0,88	1,32
Master	0,00	0,00	0,00	0,37	1,47
Doctorate	0,00	0,00	0,00	0,26	1,31
2013					
Bachelor	0,00	0,47	0,70	0,94	1,17
Master	0,00	0,00	0,32	0,64	1,28
Doctorate	0,00	0,00	0,00	0,27	1,33

Source: CNFIS; Note: (1) Values by which the real number of students for FSE is multiplied

Table 2.13 presents the effects triggered by the use, in 2013, of the new percentages presented in Table 2.6 on institutional funding component. We see that the core funding was increased in 2013 by more than 85 million RON, mainly due to its increased share, from 68% to 73.5%. On closer scrutiny, if we analysed the share in the total funding (including the reserve funds for special situations and the funds for doctoral grants), the increase is from 63.37% to 66.05%. The core funding was increased for Bachelor and Master study programmes, but it decreased for doctoral programmes, which shifted to grants. The weight of funds allocated for doctoral grants increased from 3.71% to 8.13%, by including two cohorts in this system.

Performance-based additional funding showed a slight decrease in nominal terms, and its share in the total amounts also lowered, from 23.30% in 2012 to only 22.47% in 2013. The most severe decrease was reported in funds granted for doctoral university studies, due to the decrease in the number of doctoral students supported according to the formula. Conversely, the funds allocated for Bachelor studies and especially for Master programmes increased. Overall, the share of additional funding in the core funding decreased from 34.73% in 2012 to 30.29% in 2013, close to the threshold stipulated by the education law. As performance-based additional funding showed insignificant variations, the decrease of this percentage could be correlated to the increase in the core funding.

TABLE 2.13 — PUBLIC FUNDING OF PUBLIC HIGHER EDUCATION INSTITUTIONS, IN 2013

Cycles of study / funding components	TOTAL	Structure of components		of which		
		(of total)	(without FSS and GD)	Bachelor (including other forms*)	Master (including Residency)	Doctorate (including doctoral grants)
2013 (final) TOTAL institutional funding	1.739.905.000			877.627.122	593.946.791	210.078.258
Funding for special situations (FSS)	34.798.000	2,00%				
Doctoral grants funding	141.451.737	8,13%				141.451.737
Core funding (FB) (except doctoral grants)	1.149.286.618	66,05%	73,50%	658.137.137	440.279.902	50.869.579
Additional funding (FS or FSE) (except doctoral grants)	390.913.816	22,47%	25,00%	219.489.985	153.666.889	17.756.942
Institutional development funding (FDI) /(+Additional funding at local level (FSL))	23.454.829	1,35%	1,50%			
Shares by cycle of study	1.739.905.000			50,44%	34,14%	12,07%
Share of FS out of FB	30,29%					
2012 (final) TOTAL Institutional funding	1.678.705.003			809.467.497	528.504.365	179.318.617
Funding for special situations (FSS)	51.900.000	3,09%				
Doctoral grants funding	62.311.838	3,71%				62.311.838
Core funding (FB) (except doctoral grants)	1.063.855.350	63,37%	68,00%	591.868.707	386.433.299	85.553.344
Additional funding (FS or FSE) (except doctoral grants)	391.123.291	23,30%	25,00%	217.598.790	142.071.066	31.453.435
Institutional development funding (FDI) /(+ Additional funding at local level (FSL))	109.514.524	6,52%	7,00%			
Shares by cycle of study	1.678.705.003			48,22%	31,48%	10,68%
Share of FS out of FB	34,73%					

Source: CNFIS

When we analyse the total percentages of the various cycles of study we notice slight increases in each case. The sum of the contributions of the three cycles accounts for approximately 1.74 billion RON in 2013, as compared to approximately 1.68 billion RON in 2012. This 66 million RON increase in the funding allocated on transparent basis, both formula-based and by grants, in the context of an almost constant total funding, is mainly due to the decrease in the amounts allocated without using a computation formula (especially in the institutional development funds and in the funds for assuming a local and regional role). If in 2012 approximately 9.62% of the funding was granted without a transparent computation formula, in 2013 such funds accounted for only 3.35%.

A total amount of **390,913,816 RON** was allocated in 2013 according to the computation formula for the performance-based additional funding. Table 2.14 provides more details on the distribution of funds for performance-based additional funding, by university.

TABLE 2.14 — DISTRIBUTION OF PERFORMANCE-BASED ADDITIONAL FUNDING BY UNIVERSITY, FOR 2013

Univ code	University	Total Fse (25%) (except doctorate grants 1 st year and 2 nd year)	of which			Share of FSE out of the reference allocation (except doctorate grants 1 st year and 2 nd year)
			Bachelor (%)	Master (%)	Doctorate (except 1 st and 2 nd year) (%)	
A	B	1	1.1	1.2	1.3	2
U01	University "Politehnica" of Bucharest	43.777.984	44,09%	45,90%	10,02%	32,69%
U02	Technical University of Civil Engineering of Bucharest	7.542.192	60,69%	36,65%	2,66%	25,27%
U03	"Ion Mincu" University of Architecture and Urbanism	3.119.839	76,24%	13,98%	9,78%	28,77%
U04	University of Agronomic Science and Veterinary Medicine - Bucharest	6.603.790	65,70%	29,21%	5,09%	22,68%
U05	University of Bucharest	26.020.982	46,81%	48,06%	5,12%	29,83%
U06	"Carol Davila" Medicine and Pharmacy University, Bucharest	20.558.806	35,69%	55,53%	8,78%	32,44%
U07	Bucharest University of Economic Studies	12.800.585	49,52%	48,11%	2,37%	29,96%
U08	National University of Music Bucharest	3.072.705	56,27%	34,52%	9,21%	26,75%
U09	National University of Arts Bucharest	2.649.278	51,90%	42,13%	5,97%	28,50%
U10	National University of Theatre and Film "I.L. Caragiale"	3.533.731	51,96%	40,45%	7,59%	27,20%
U11	National University of Physical Education and Sport	1.603.998	49,02%	45,71%	5,27%	30,15%
U12	National School of Political and Administrative Studies Bucharest	2.921.662	35,27%	58,63%	6,10%	25,23%
U13	"1 Decembrie 1918" University of Alba Iulia	1.275.189	74,76%	23,27%	1,98%	16,11%
U14	"Aurel Vlaicu" University of Arad	1.856.779	72,92%	27,08%	0,00%	19,32%
U15	"Vasile Alecsandri" University of Bacău	2.159.285	76,54%	22,29%	1,18%	17,40%
U17	"Transilvania" University of Braşov	13.547.460	68,87%	29,99%	1,14%	22,71%
U18	Technical University of Cluj-Napoca	20.565.545	63,70%	32,54%	3,76%	24,20%
U19	University of Agricultural Sciences and Veterinary Medicine of Cluj-Napoca	6.858.500	62,50%	29,07%	8,43%	28,24%
U20	"Babes-Bolyai" University Cluj-Napoca	31.106.627	52,59%	43,39%	4,02%	27,71%
U21	"Iuliu Haţieganu" University of Medicine and Pharmacy Cluj-Napoca	10.785.666	45,34%	48,14%	6,52%	31,80%
U22	"Gheorghe Dima" Music Academy	2.891.354	62,68%	33,28%	4,05%	27,25%
U23	University of Art and Design Cluj-Napoca	1.822.019	48,60%	41,23%	10,17%	26,99%
U24	"Ovidius" University of Constanţa	5.834.272	68,26%	30,96%	0,78%	16,90%
U25	Constanţa Maritime University	775.581	71,31%	28,69%	0,00%	20,37%
U26	University of Craiova	11.583.039	69,11%	30,25%	0,65%	19,47%
U27	University of Medicine and Pharmacy Craiova	4.203.590	63,97%	34,79%	1,24%	20,45%
U28	"Dunarea de Jos" University of Galaţi	10.350.789	66,26%	32,62%	1,12%	21,04%
U29	„Gheorghe Asachi" Technical University of Iaşi	20.952.177	56,23%	41,06%	2,70%	28,59%
U30	"Ion Ionescu de la Brad" University of Agricultural Sciences and Veterinary Medicine of Iaşi	4.195.601	57,28%	33,17%	9,55%	23,92%
U31	"Alexandru Ioan Cuza" University of Iaşi	16.982.900	54,00%	42,65%	3,35%	23,18%
U32	"Grigore T.Popa" Medicine and Pharmacy University Iaşi	11.424.303	48,75%	46,19%	5,06%	31,48%
U33	University of Arts "George Enescu" Iaşi	3.886.774	56,35%	35,14%	8,52%	24,97%
U34	University of Oradea	6.445.156	74,03%	25,97%	0,00%	14,60%
U35	University of Petroşani	1.868.264	81,38%	15,44%	3,18%	18,13%
U36	University of Piteşti	2.286.795	71,18%	28,04%	0,77%	12,92%
U37	"Petroleum-Gas" University of Ploieşti	3.002.742	77,31%	21,64%	1,06%	19,76%
U38	"Eftimie Murgu" University of Reşiţa	746.267	73,15%	26,85%	0,00%	12,20%
U39	"Lucian Blaga" University of Sibiu	7.347.572	67,14%	31,00%	1,85%	18,10%
U40	"Stefan cel Mare" University of Suceava	4.020.036	68,19%	31,15%	0,66%	19,33%
U41	"Valahia " University of Târgovişte	2.395.028	81,78%	17,62%	0,60%	13,91%
U42	"Constantin Brancusi" University of Târgu Jiu	818.693	79,65%	20,35%	0,00%	14,38%
U43	"Petru Maior" University of Târgu Mureş	1.051.017	75,68%	24,32%	0,00%	14,07%
U44	University of Medicine and Pharmacy of Târgu Mureş	6.211.886	75,75%	23,08%	1,17%	20,44%
U45	University of Arts of Târgu Mureş	1.634.062	51,59%	44,78%	3,63%	27,08%
U46	"Politehnica University Timişoara	14.713.804	55,75%	41,08%	3,17%	24,78%
U47	University of Agricultural Sciences and Veterinary Medicine of Timişoara	3.937.706	66,87%	26,92%	6,21%	22,55%
U48	West University of Timişoara	10.705.704	56,60%	40,89%	2,51%	26,08%
U49	"Victor Babes" University of Medicine and Pharmacy, Timişoara	6.466.082	64,07%	33,24%	2,69%	21,19%
	Total	390.913.816	56,15%	39,31%	4,54%	25,00%

Source: CNFIS

II.6. Other components of the institutional funding in 2013

As indicated in Table 2.6, in 2013 the institutional funding included, besides FB and FSE, 0.5% for FSL, 1% for FDI and 2% for FSS (the percentage for this last component, FSS, is also mentioned in Table 2.13). In July 2012 CNFIS submitted to the MEN a draft Government Decision on the methodology on public funding allocation for the complementary funding and for the additional funding of public higher education institutions and on the use of the fund for the institutional development of public universities. As the CNFIS proposals were not approved by legal provisions, the amounts provided for these funds were distributed by MEN, according to the data presented in Table 2.15. According to the budget adjustment approved in December 2013, higher education was allocated 15 million RON for the enforcement of court decisions and 20 million RON for FSS.

In 2013, the total amount allocated without the computation formula was of **58,252,837 RON**, namely 3.35% of the institutional funding. Table 2.15 presents the distribution of these amounts by university.

TABLE 2.15 — EVOLUTION OF FUNDING DISTRIBUTED WITHOUT COMPUTATION FORMULA, IN THE PERIOD 2010-2013

Univ code	University	2013		2012		2011		2010	
		amount	% of FI	amount	% of FI	amount	% of FI	amount	% of FI
A	B	1	1.1	2	2.1	3	3.1	4	4.1
U01	University "Politehnica" of Bucharest	7.560.583	4,56%	9.041.559	5,46%				
U02	Technical University of Civil Engineering of Bucharest			983.224	3,26%			4.130.000	9,87%
U03	"Ion Mincu" University of Architecture and Urbanism	1.891.426	13,59%	200.000	1,58%				
U04	University of Agronomic Science and Veterinary Medicine - Bucharest	1.000.000	3,18%	553.913	2,01%				
U05	University of Bucharest	50.000	0,05%	250.000	0,23%			409.427	0,38%
U06	"Carol Davila" Medicine and Pharmacy University, Bucharest	5.616.848	7,15%	4.852.373	6,57%				
U07	Bucharest University of Economic Studies			250.000	0,53%				
U08	National University of Music Bucharest	1.037.617	7,76%	100.000	0,81%				
U09	National University of Arts Bucharest	150.000	1,42%	100.000	0,97%				
U10	National University of Theatre and Film "I.L. Caragiale"	600.000	4,11%						
U11	National University of Physical Education and Sport	50.000	0,80%						
U12	National School of Political and Administrative Studies Bucharest	900.000	6,39%	800.000	6,75%				
U13	"1 Decembrie 1918" University of Alba Iulia	150.000	1,93%	918.438	12,47%				
U14	"Aurel Vlaicu" University of Arad	465.500	4,78%	214.838	2,22%				
U15	"Vasile Alecsandri" University of Bacău	2.041.691	15,02%	2.554.063	19,53%				
U17	"Transilvania" University of Braşov	892.121	1,48%	2.929.711	4,87%				
U18	Technical University of Cluj-Napoca			2.988.341	3,70%				
U19	University of Agricultural Sciences and Veterinary Medicine of Cluj-Napoca			250.000	0,98%				
U20	"Babes-Bolyai" University Cluj-Napoca			250.000	0,20%			293.905	0,23%
U21	"Iuliu Haţieganu" University of Medicine and Pharmacy Cluj-Napoca	50.000	0,12%	3.437.369	8,58%				
U22	"Gheorghe Dima" Music Academy	446.987	3,78%	265.755	2,25%	1.000.000	8,04%		
U23	University of Art and Design Cluj-Napoca								
U24	"Ovidius" University of Constanţa			1.779.820	5,72%				
U25	Constanţa Maritime University	50.000	1,26%	159.186	4,67%				
U26	University of Craiova	324.621	0,57%	4.555.053	7,95%			8.634	0,01%
U27	University of Medicine and Pharmacy Craiova			1.124.546	5,72%				
U28	"Dunarea de Jos" University of Galaţi			1.264.281	2,80%				
U29	"Gheorghe Asachi" Technical University of Iaşi	4.802.532	5,70%	5.319.410	6,31%				
U30	"Ion Ionescu de la Brad" University of Agricultural Sciences and Veterinary Medicine of Iaşi			561.736	3,25%				
U31	"Alexandru Ioan Cuza" University of Iaşi	50.000	0,06%	5.288.297	6,86%			272.736	0,31%
U32	"Grigore T.Popa" Medicine and Pharmacy University Iaşi			1.272.516	3,07%				
U33	University of Arts "George Enescu" Iaşi	138.982	0,84%						
U34	University of Oradea			2.435.766	6,42%				
U35	University of Petroşani	3.163.571	24,36%	1.733.820	14,69%				
U36	University of Piteşti	3.327.543	17,47%	3.012.498	16,20%				
U37	"Petroleum-Gas" University of Ploieşti	2.075.696	12,58%	819.467	5,32%				
U38	"Eftimie Murgu" University of Reşiţa	1.607.539	22,88%	1.305.239	20,44%				
U39	"Lucian Blaga" University of Sibiu			1.156.819	3,15%			46.900	0,09%
U40	"Stefan cel Mare" University of Suceava	975.939	4,51%	2.507.422	11,84%				
U41	"Valahia " University of Târgovişte	6.088.379	27,83%	4.664.286	23,45%				

Univ code	University	2013		2012		2011		2010	
		amount	% of FI	amount	% of FI	amount	% of FI	amount	% of FI
A	B	1	1.1	2	2.1	3	3.1	4	4.1
U42	"Constantin Brancusi" University of Târgu Jiu	1.791.019	26,36%	1.721.471	27,70%				
U43	"Petru Maior" University of Târgu Mureş	3.059.803	31,44%	2.366.896	26,75%				
U44	University of Medicine and Pharmacy of Târgu Mureş			680.939	2,58%				
U45	University of Arts of Târgu Mureş	500.000	7,23%	100.000	1,64%				
U46	"Politehnica University Timișoara	7.194.440	10,29%	9.753.921	13,95%				
U47	University of Agricultural Sciences and Veterinary Medicine of Timișoara	50.000	0,28%	809.914	4,49%				
U48	West University of Timișoara	100.000	0,23%	24.639	0,06%				
U49	"Victor Babes" University of Medicine and Pharmacy, Timișoara	50.000	0,17%	3.832.766	12,84%				
Total Funding allocated without formula		58.252.837	3,35%	90.039.180	5,36%	1.000.000	0,06%	5.161.602	0,27%

Source: CNFIS

The influence of the allocation of funding components in 2013 (relative percentage variations, determined by comparison to the reference allocation per unit equivalent student) may be appraised based on the data presented in Table 2.16. The reference allocation would grant 100% of the funding based on the number of unit equivalent students.

TABLE 2.16 — INFLUENCE OF THE ALLOCATION OF FUNDING COMPONENTS IN 2013 (RELATIVE VARIATIONS % DETERMINED BY COMPARISON WITH THE REFERENCE ALLOCATION, PER UNIT EQUIVALENT STUDENT, FOR GIVEN AMOUNTS)

Univ code	University	Influence quality 2011	Total influence 2012	Total influence 2013	Influence grants 2013	Influence FB 2013	Influence FSE 2013	Influence FSL&FSD&FSS 2013
A	B	1	2	3	3.1	3.2	3.3	3.4
U01	University "Politehnica" of Bucharest	6,7%	13,2%	8,6%	3,1%	-2,2%	6,0%	1,6%
U02	Technical University of Civil Engineering of Bucharest	0,4%	-1,7%	-4,0%	2,2%	-2,3%	-0,5%	-3,4%
U03	"Ion Mincu" University of Architecture and Urbanism	-3,1%	-0,4%	15,4%	2,8%	-2,3%	2,6%	12,3%
U04	University of Agronomic Science and Veterinary Medicine - Bucharest	0,0%	-8,3%	-3,2%	2,2%	-2,2%	-2,8%	-0,3%
U05	University of Bucharest	3,5%	6,7%	7,8%	9,8%	-2,1%	3,5%	-3,3%
U06	"Carol Davila" Medicine and Pharmacy University, Bucharest	-1,7%	11,3%	10,0%	1,8%	-2,2%	5,8%	4,5%
U07	Bucharest University of Economic Studies	0,3%	5,2%	5,1%	7,1%	-2,3%	3,7%	-3,4%
U08	National University of Music Bucharest	-7,3%	-6,2%	0,8%	-2,3%	-2,1%	0,8%	4,5%
U09	National University of Arts Bucharest	-5,8%	-2,2%	0,2%	2,0%	-2,2%	2,3%	-1,9%
U10	National University of Theatre and Film "I.L. Caragiale"	-10,6%	-7,7%	-3,7%	-3,4%	-2,1%	1,2%	0,6%
U11	National University of Physical Education and Sport	1,7%	5,1%	4,0%	4,9%	-2,2%	3,8%	-2,5%
U12	National School of Political and Administrative Studies Bucharest	-3,2%	3,1%	9,8%	9,0%	-2,3%	-0,6%	3,6%
U13	"1 Decembrie 1918" University of Alba Iulia	-0,9%	-2,8%	-9,1%	4,0%	-2,4%	-9,1%	-1,7%
U14	"Aurel Vlaicu" University of Arad	-4,5%	-13,6%	-5,2%	2,3%	-2,4%	-6,1%	1,1%
U15	"Vasile Alecsandri" University of Bacău	1,7%	4,0%	2,2%	0,6%	-2,4%	-7,9%	11,9%
U16	North University of Baia Mare	-8,0%	-21,1%					
U17	"Transilvania" University of Braşov	-2,9%	-5,4%	-6,2%	1,1%	-2,4%	-2,9%	-2,1%
U18	Technical University of Cluj-Napoca	-2,7%	0,2%	-2,9%	4,0%	-2,1%	-1,4%	-3,3%
U19	University of Agricultural Sciences and Veterinary Medicine of Cluj-Napoca	2,6%	0,9%	0,7%	4,0%	-2,1%	2,1%	-3,3%
U20	"Babes-Bolyai" University Cluj-Napoca	0,0%	1,2%	2,4%	6,3%	-2,2%	1,7%	-3,4%
U21	"Iuliu Hațieganu" University of Medicine and Pharmacy Cluj-Napoca	4,6%	13,5%	2,4%	2,5%	-2,1%	5,2%	-3,2%
U22	"Gheorghe Dima" Music Academy	-10,4%	-3,8%	-2,8%	-2,2%	-2,1%	1,2%	0,3%
U23	University of Art and Design Cluj-Napoca	-5,5%	-4,1%	-2,2%	2,3%	-2,1%	1,0%	-3,4%
U24	"Ovidius" University of Constanța	-2,4%	-12,9%	-13,4%	0,8%	-2,4%	-8,3%	-3,4%
U25	Constanța Maritime University	-5,4%	-13,8%	-6,8%	2,5%	-2,2%	-4,9%	-2,2%
U26	University of Craiova	5,9%	-7,7%	-10,1%	1,3%	-2,4%	-6,0%	-2,9%
U27	University of Medicine and Pharmacy Craiova	3,0%	-9,7%	-9,3%	1,3%	-2,3%	-4,9%	-3,4%
U28	"Dunarea de Jos" University of Galați	-4,6%	-8,8%	-9,2%	1,1%	-2,4%	-4,5%	-3,4%
U29	„Gheorghe Asachi" Technical University of Iași	2,0%	6,0%	4,4%	1,7%	-2,3%	2,5%	2,5%
U30	"Ion Ionescu de la Brad" University of Agricultural Sciences and Veterinary Medicine of Iași	7,7%	-5,7%	-5,2%	2,2%	-2,2%	-1,7%	-3,4%
U31	"Alexandru Ioan Cuza" University of Iași	-0,9%	0,9%	-1,6%	6,4%	-2,2%	-2,4%	-3,3%
U32	"Grigore T.Popa" Medicine and Pharmacy University Iași	4,4%	6,4%	1,6%	2,2%	-2,2%	4,9%	-3,4%
U33	University of Arts "George Enescu" Iași	-5,8%	-8,8%	-7,2%	-1,8%	-2,1%	-0,8%	-2,6%
U34	University of Oradea	-7,8%	-15,9%	-15,6%	0,8%	-2,4%	-10,6%	-3,5%

Univ code	University	Influence quality 2011	Total influence 2012	Total influence 2013	Influence grants 2013	Influence FB 2013	Influence FSE 2013	Influence FSL&FSD&FSS 2013
A	B	1	2	3	3.1	3.2	3.3	3.4
U35	University of Petroșani	-2,9%	-4,8%	16,5%	1,0%	-2,4%	-7,2%	24,9%
U36	University of Pitești	-3,4%	-8,1%	0,5%	0,9%	-2,4%	-12,1%	14,1%
U37	"Petroleum-Gas" University of Ploiești	-1,8%	-11,3%	1,6%	0,4%	-2,4%	-5,7%	9,3%
U38	"Eftimie Murgu" University of Reșița	-7,2%	-5,7%	6,7%	0,8%	-2,4%	-12,7%	21,0%
U39	"Lucian Blaga" University of Sibiu	-5,5%	-13,5%	-11,3%	1,8%	-2,4%	-7,2%	-3,4%
U40	"Stefan cel Mare" University of Suceava	-5,2%	-1,5%	-4,5%	3,0%	-2,3%	-6,0%	0,9%
U41	"Valahia" University of Târgoviște	2,4%	0,7%	18,2%	2,3%	-2,4%	-11,1%	29,5%
U42	"Constantin Brancusi" University of Târgu Jiu	-1,6%	4,3%	13,0%	0,0%	-2,5%	-10,9%	26,3%
U43	"Petru Maior" University of Târgu Mureș	4,7%	3,3%	22,7%	1,1%	-2,4%	-11,1%	35,1%
U44	University of Medicine and Pharmacy of Târgu Mureș	-6,7%	-12,3%	-9,6%	1,1%	-2,3%	-4,9%	-3,4%
U45	University of Arts of Târgu Mureș	-11,5%	-5,4%	0,9%	-1,9%	-2,2%	1,1%	3,9%
U46	"Politehnica University Timișoara	3,9%	8,9%	6,4%	2,1%	-2,3%	-1,0%	7,5%
U47	University of Agricultural Sciences and Veterinary Medicine of Timișoara	1,9%	-6,3%	-6,4%	2,0%	-2,3%	-3,0%	-3,1%
U48	West University of Timișoara	-0,5%	-3,2%	-1,8%	3,5%	-2,3%	0,2%	-3,2%
U49	"Victor Babes" University of Medicine and Pharmacy, Timișoara	3,6%	-0,7%	-9,1%	0,9%	-2,3%	-4,3%	-3,3%
	Total	0,0%	0,0%	0,0%	3,1%	-2,3%	-0,8%	0,0%

Source: CNFIS

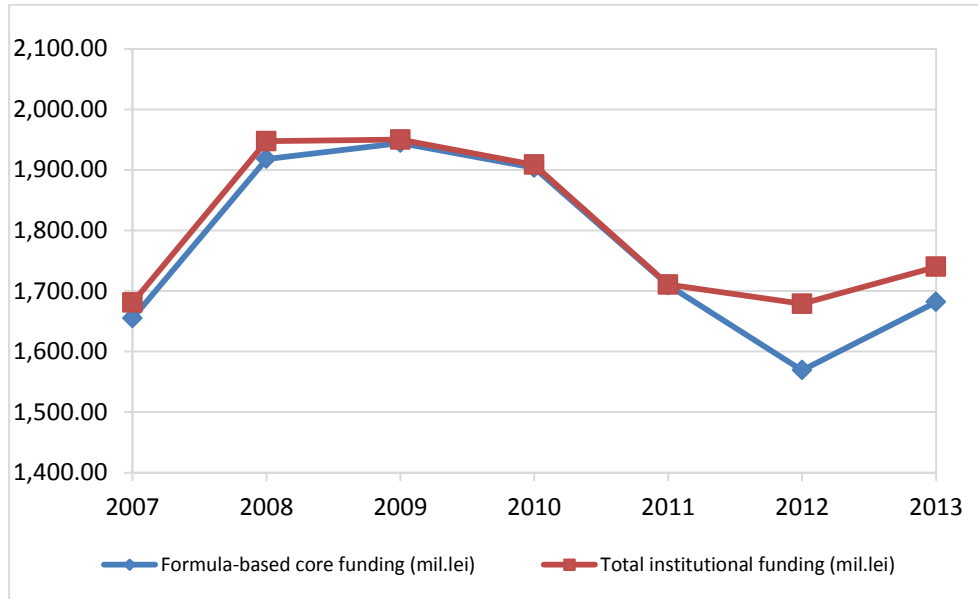
The most significant influence was due to the reserve funds for special situations, to the institutional development fund and to the fund for assuming a regional role.

The MEN decision to support universities facing financial difficulties is natural, considering the regional development needs of the country. This situation occurred in 2012, when some regional universities were confronted with a significant decrease in the number of tuition-paying students (see Table 2.3), were overstaffed thus leading to an important pressure on their budgets. As presented in the CNFIS Report for 2012, the Council accepted the MEN option to support these universities by means of instruments beyond the funding formula, but insisted that the respective universities should restructure in the following academic year and decrease their salary costs. Moreover, as it was mentioned above, in 2013 CNFIS offered to support universities facing financial difficulties to identify and implement recovery solutions.

We should note that, to a great extent, the universities which received MEN financial support in 2012 were also supported in 2013, as indicated above and as illustrated by Table 2.15. Thus, "Petru Maior" University of Târgu Mureș, "Valahia" University of Târgoviște, "Constantin Brâncuși" University of Târgu-Jiu, University of Petroșani, "Eftimie Murgu" University of Reșița, University of Pitești, "Vasile Alecsandri" University of Bacău etc. received substantial financial support from MEN both in 2012 and in 2013.

In 2013, the support granted to universities facing financial difficulties, by means of funding allocated without using a computation formula decreased from approximately 9.62% in 2012 to approximately 3.35%. Chart 2.3 provides a historical overview on this issue, presenting the total amounts and the formula-based amounts allocated for institutional funding in the public higher education. We notice that before 2009 the amounts allocated without using a computation formula were limited, amounting for approximately 1.5% of the institutional funding. In the period of 2009-2011, the amounts allocated without using a computation formula were negligible (less than 0.27%), while they reached a peak in 2012.

CHART 2.3 — EVOLUTION OF TOTAL INSTITUTIONAL FUNDING AND FORMULA-BASED CORE FUNDING (2007 - 2013)



Source: CNFIS

II.7. Conclusions on the 2013 funding

Table 2.17 presents the distribution of the total institutional funding by university and the share of each component in the total funding, for 2013.

TABLE 2.17 — DISTRIBUTION OF TOTAL INSTITUTIONAL FUNDING BY UNIVERSITY AND SHARE OF FUNDING COMPONENTS OUT OF TOTAL FUNDING, FOR 2013

Univ code	University	Total institutional funding(FI)	Total FB (73.5%) (except doctoral grants 1 st year and 2 nd year)	Total FSe (25%) (except doctoral grants 1 st year and 2 nd year)	Doctorate grants (1 st year and 2 nd year)	Total FSL, FDI and FSS
A	B	I	I.1	I.2	I.3	I.4
U01	University "Politehnica" of Bucharest	165.711.658	59,39%	26,42%	9,63%	4,56%
U02	Technical University of Civil Engineering of Bucharest	31.799.025	68,98%	23,72%	7,31%	0,00%
U03	"Ion Mincu" University of Architecture and Urbanism	13.913.748	57,29%	22,42%	6,69%	13,59%
U04	University of Agronomic Science and Veterinary Medicine - Bucharest	31.439.591	68,08%	21,00%	7,74%	3,18%
U05	University of Bucharest	108.312.752	59,19%	24,02%	16,74%	0,05%
U06	"Carol Davila" Medicine and Pharmacy University, Bucharest	78.521.314	59,33%	26,18%	7,34%	7,15%
U07	Bucharest University of Economic Studies	49.620.487	63,29%	25,80%	10,91%	0,00%
U08	National University of Music Bucharest	13.367.534	63,16%	22,99%	6,09%	7,76%
U09	National University of Arts Bucharest	10.534.712	64,87%	25,15%	8,56%	1,42%
U10	National University of Theatre and Film "I.L. Caragiale"	14.585.981	65,48%	24,23%	6,18%	4,11%
U11	National University of Physical Education and Sport	6.220.258	62,86%	25,79%	10,55%	0,80%
U12	National School of Political and Administrative Studies Bucharest	14.077.273	60,47%	20,75%	12,38%	6,39%
U13	"1 Decembrie 1918" University of Alba Iulia	7.758.644	75,00%	16,44%	6,63%	1,93%
U14	"Aurel Vlaicu" University of Arad	9.744.754	72,50%	19,05%	3,67%	4,78%
U15	"Vasile Alecsandri" University of Bacău	13.597.205	67,06%	15,88%	2,04%	15,02%
U17	"Transilvania" University of Braşov	60.381.745	72,60%	22,44%	3,48%	1,48%
U18	Technical University of Cluj-Napoca	95.068.151	65,70%	21,63%	12,67%	0,00%
U19	University of Agricultural Sciences and Veterinary Medicine of Cluj-Napoca	28.703.990	62,20%	23,89%	13,91%	0,00%
U20	"Babes-Bolyai" University Cluj-Napoca	129.085.794	63,91%	24,10%	11,99%	0,00%
U21	"Iuliu Haţieganu" University of Medicine and Pharmacy Cluj-Napoca	40.128.874	62,12%	26,88%	10,88%	0,12%
U22	"Gheorghe Dima" Music Academy	11.836.158	65,90%	24,43%	5,90%	3,78%
U23	University of Art and Design Cluj-Napoca	7.569.787	65,56%	24,07%	10,37%	0,00%
U24	"Ovidius" University of Constanţa	32.163.544	78,87%	18,14%	2,99%	0,00%
U25	Constanţa Maritime University	3.977.776	70,37%	19,50%	8,88%	1,26%
U26	University of Craiova	57.293.415	76,33%	20,22%	2,89%	0,57%
U27	University of Medicine and Pharmacy Craiova	20.621.289	73,27%	20,38%	6,34%	0,00%
U28	"Dunarea de Jos" University of Galaţi	48.129.154	75,11%	21,51%	3,38%	0,00%
U29	„Gheorghe Asachi” Technical University of Iaşi	84.289.071	63,90%	24,86%	5,54%	5,70%
U30	"Ion Ionescu de la Brad" University of Agricultural Sciences and Veterinary Medicine of Iaşi	18.564.042	69,45%	22,60%	7,95%	0,00%
U31	"Alexandru Ioan Cuza" University of Iaşi	80.656.308	66,77%	21,06%	12,11%	0,06%
U32	"Grigore T.Popa" Medicine and Pharmacy University Iaşi	42.141.821	63,29%	27,11%	9,60%	0,00%
U33	University of Arts "George Enescu" Iaşi	16.630.577	68,80%	23,37%	7,00%	0,84%
U34	University of Oradea	39.779.996	81,57%	16,20%	2,23%	0,00%
U35	University of Petroşani	12.986.200	58,34%	14,39%	2,91%	24,36%
U36	University of Piteşti	19.051.366	68,31%	12,00%	2,22%	17,47%
U37	"Petroleum-Gas" University of Ploieşti	16.501.108	67,69%	18,20%	1,53%	12,58%
U38	"Eftimie Murgu" University of Reşiţa	7.025.555	63,98%	10,62%	2,52%	22,88%
U39	"Lucian Blaga" University of Sibiu	38.683.670	77,13%	18,99%	3,88%	0,00%
U40	"Stefan cel Mare" University of Suceava	21.656.231	70,58%	18,56%	6,35%	4,51%
U41	"Valahia " University of Târgovişte	21.875.440	57,84%	10,95%	3,38%	27,83%
U42	"Constantin Brancusi" University of Târgu Jiu	6.794.478	61,59%	12,05%	0,00%	26,36%
U43	"Petru Maior" University of Târgu Mureş	9.733.155	56,39%	10,80%	1,37%	31,44%
U44	University of Medicine and Pharmacy of Târgu Mureş	30.087.621	74,23%	20,65%	5,12%	0,00%
U45	University of Arts of Târgu Mureş	6.918.700	64,11%	23,62%	5,05%	7,23%
U46	"Politehnica University Timişoara	69.916.181	62,42%	21,04%	6,25%	10,29%
U47	University of Agricultural Sciences and Veterinary Medicine of Timişoara	18.121.491	70,84%	21,73%	7,15%	0,28%
U48	West University of Timişoara	44.136.860	68,35%	24,26%	7,17%	0,23%
U49	"Victor Babes" University of Medicine and Pharmacy, Timişoara	30.190.524	74,27%	21,42%	4,14%	0,17%
	Total	1.739.905.008	66,05%	22,47%	8,13%	3,35%

Source: CNFIS

Table 2.18 presents the distribution of institutional funding by university in 2013, as compared to 2012. As the gap determined by the qualitative component of the funding is relatively small, comparable with the gap prior the enforcement of the new education law, the decrease in funding may not be only attributed to the results of the study programmes ranking. An important cause is the variation in the number of unit equivalent students.

TABLE 2.18 — COMPARISON BETWEEN THE DISTRIBUTION OF TOTAL INSTITUTIONAL FUNDING BY UNIVERSITY, IN 2013 VS. 2012, AND ANALYSIS OF RELATIVE VARIATION AND CAUSING FACTORS

Univ code	University	Total funding 2012	Total funding 2013	Rel. funding variation 2013 vs 2012	SEU variation 2013 vs 2012	Influence methodology 2012	Influence methodology 2013
A	B	1	2	3	4	5	6
U01	University "Politehnica" of Bucharest	165.711.658	165.711.658	0,0%	-0,2%	13,2%	10,8%
U02	Technical University of Civil Engineering of Bucharest	30.171.145	31.799.025	5,4%	3,4%	-1,7%	-5,0%
U03	"Ion Mincu" University of Architecture and Urbanism	12.648.862	13.913.748	10,0%	-9,1%	-0,4%	14,5%
U04	University of Agronomic Science and Veterinary Medicine - Bucharest	27.583.556	31.439.591	14,0%	3,3%	-8,3%	-4,1%
U05	University of Bucharest	106.658.658	108.312.752	1,6%	-3,8%	6,7%	6,8%
U06	"Carol Davila" Medicine and Pharmacy University, Bucharest	73.821.314	78.521.314	6,4%	3,0%	11,3%	8,7%
U07	Bucharest University of Economic Studies	47.558.691	49.620.487	4,3%	0,0%	5,2%	4,1%
U08	National University of Music Bucharest	12.417.534	13.367.534	7,7%	-4,1%	-6,2%	-0,3%
U09	National University of Arts Bucharest	10.343.295	10.534.712	1,9%	-4,8%	-2,2%	-1,0%
U10	National University of Theatre and Film "I.L. Caragiale"	13.505.471	14.585.981	8,0%	-0,9%	-7,7%	-4,8%
U11	National University of Physical Education and Sport	6.131.472	6.220.258	1,4%	-1,9%	5,1%	2,8%
U12	National School of Political and Administrative Studies Bucharest	11.856.270	14.077.273	18,7%	6,7%	3,1%	8,6%
U13	"1 Decembrie 1918" University of Alba Iulia	7.366.189	7.758.644	5,3%	7,8%	-2,8%	-10,1%
U14	"Aurel Vlaicu" University of Arad	9.694.754	9.744.754	0,5%	-12,3%	-13,6%	-4,9%
U15	"Vasile Alecsandri" University of Bacău	13.077.205	13.597.205	4,0%	1,3%	4,0%	2,8%
U16	North University of Baia Mare	11.534.189	0	-100,0%	-100,0%	-21,1%	0,0%
U17	"Transilvania" University of Braşov	60.131.745	60.381.745	0,4%	-3,1%	-5,4%	-6,6%
U18	Technical University of Cluj-Napoca	80.745.073	95.068.151	17,7%	16,3%	0,2%	-2,3%
U19	University of Agricultural Sciences and Veterinary Medicine of Cluj-Napoca	25.538.654	28.703.990	12,4%	7,8%	0,9%	1,7%
U20	"Babes-Bolyai" University Cluj-Napoca	124.177.661	129.085.794	4,0%	-1,6%	1,2%	1,7%
U21	"Iuliu Haţieganu" University of Medicine and Pharmacy Cluj-Napoca	40.078.649	40.128.874	0,1%	6,2%	13,5%	1,2%
U22	"Gheorghe Dima" Music Academy	11.786.158	11.836.158	0,4%	-4,8%	-3,8%	0,6%
U23	University of Art and Design Cluj-Napoca	6.970.704	7.569.787	8,6%	1,9%	-4,1%	-2,3%
U24	"Ovidius" University of Constanţa	31.118.367	32.163.544	3,4%	-0,5%	-12,9%	-13,8%
U25	Constanţa Maritime University	3.407.916	3.977.776	16,7%	3,4%	-13,8%	-7,0%
U26	University of Craiova	57.293.415	57.293.415	0,0%	-1,7%	-7,7%	-10,2%
U27	University of Medicine and Pharmacy Craiova	19.664.765	20.621.289	4,9%	-0,1%	-9,7%	-10,2%
U28	"Dunarea de Jos" University of Galaţi	45.121.794	48.129.154	6,7%	2,5%	-8,8%	-9,6%
U29	"Gheorghe Asachi" Technical University of Iaşi	84.289.071	84.289.071	0,0%	-2,9%	6,0%	5,0%
U30	"Ion Ionescu de la Brad" University of Agricultural Sciences and Veterinary Medicine of Iaşi	17.270.738	18.564.042	7,5%	2,3%	-5,7%	-4,8%
U31	"Alexandru Ioan Cuza" University of Iaşi	77.088.367	80.656.308	4,6%	2,7%	0,9%	-1,9%
U32	"Grigore T.Popa" Medicine and Pharmacy University Iaşi	41.388.503	42.141.821	1,8%	2,0%	6,4%	2,1%
U33	University of Arts "George Enescu" Iaşi	16.580.577	16.630.577	0,3%	-5,6%	-8,8%	-7,5%
U34	University of Oradea	37.922.915	39.779.996	4,9%	0,0%	-15,9%	-16,1%
U35	University of Petroşani	11.805.636	12.986.200	10,0%	-13,9%	-4,8%	15,1%
U36	University of Piteşti	18.601.366	19.051.366	2,4%	-10,3%	-8,1%	0,1%
U37	"Petroleum-Gas" University of Ploieşti	15.404.051	16.501.108	7,1%	-10,5%	-11,3%	0,5%
U38	"Eftimie Murgu" University of Reşiţa	6.386.868	7.025.555	10,0%	-7,0%	-5,7%	6,2%
U39	"Lucian Blaga" University of Sibiu	36.763.735	38.683.670	5,2%	-1,8%	-13,5%	-7,1%
U40	"Stefan cel Mare" University of Suceava	21.170.231	21.656.231	2,3%	1,0%	-1,5%	-3,6%
U41	"Valahia " University of Târgovişte	19.886.764	21.875.440	10,0%	-10,3%	0,7%	17,7%
U42	"Constantin Brancusi" University of Târgu Jiu	6.214.478	6.794.478	9,3%	-3,3%	4,3%	13,7%
U43	"Petru Maior" University of Târgu Mureş	8.848.323	9.733.155	10,0%	-11,3%	3,3%	21,3%
U44	University of Medicine and Pharmacy of Târgu Mureş	26.397.212	30.087.621	14,0%	5,9%	-12,3%	-10,7%
U45	University of Arts of Târgu Mureş	6.087.946	6.918.700	13,6%	2,0%	-5,4%	-0,2%
U46	"Politehnica University Timişoara	69.916.181	69.916.181	0,0%	-2,0%	8,9%	6,6%
U47	University of Agricultural Sciences and Veterinary Medicine of Timişoara	18.028.133	18.121.491	0,5%	-3,6%	-6,3%	-4,1%
U48	West University of Timişoara	42.680.122	44.136.860	3,4%	-2,4%	-3,2%	-2,3%
U49	"Victor Babes" University of Medicine and Pharmacy, Timişoara	29.858.618	30.190.524	1,1%	5,7%	-0,7%	-10,1%
Total		1.678.705.000	1.739.905.008	3,6%	-0,8%	0,0%	0,0%

Source: CNFIS

When analysing Table 2.18, we notice that universities which requested and received additional support from the reserve fund of MEN faced difficulties in 2013 due to the significant decrease in the number of unit equivalent students. These decreases were 13.9% for the University of Petroșani, 12.3% for “Aurel Vlaicu” University of Arad, 11.3% for “Petru Maior” University of Târgu Mureș, 10.5% for “Petrol-Gaze” University of Ploiești, 10.3% for “Valahia” University of Târgoviște and the University of Pitești, 7.0% for “Eftimie Murgu” University of Reșița etc. Consequently, the financial difficulties of these universities are also correlated with the decrease in the number of both state-sponsored students and tuition-paying students.

The conclusion of these analyses led to the proposal that, based on the prerogatives provided by the National Education Law no 1/2011, MEN should develop policies to encourage the universities facing difficulties to implement the necessary restructuring actions; failure to enhance the accountability of the public universities management structures may be a serious matter because, instead of fostering performance in education, research and management, it would actually discourage it.

Chapter III. International trends in higher education funding

The main topics for discussion at European level in the field of higher education funding focus increasingly on the role of the higher education system in the implementation of the Europe 2020 strategy, and the main action lines highlight the following elements: the need to increase public funding for higher education, more autonomy in managing their own financial resources for higher education institutions, outcome-orientation by linking the outcomes of the educational process and the public funding allocated, fostering diversification of funding sources, as well as partnerships with research institutes, enterprises and regional authorities.

This chapter adds to the public report of the previous year the latest EUROSTAT statistical data (for 2010-2011) and provides an overall picture on the European experience on the funding mechanisms which have been increasingly used lately as university governance and management tools, not only as tools for public funding distribution to higher education institutions.

III. 1. Models and trends in higher education funding

The activities undertaken by public higher education institutions are financed both by public and private funds; the European Union Member States use a variety of methods and models for public funding distribution to universities, with the university performance being an important criterion in the funding allocation process.

Income structure of public higher education institutions

The sources of income of public higher education institutions are structured, at European level, along the following main lines:

- **State budget allocations**, being the main source of funding for public higher education institutions, representing, at European level, between 50% and 90% of the total income. Thus, the level and evolution of public allocations for higher education become especially important since the economic crisis led to much lower real values of public allocations in most European countries.
- **Tuition fees paid by students**, whose amount depends on the higher education funding policy promoted at national level. According to the EUA study¹², the European countries fall into two main categories: the first category includes countries where the tuition fees represent approximately 5% of the total income (examples: Nordic countries, Austria, Belgium, the Czech Republic, France, Germany, Estonia), while the second category includes countries where tuition fees represent approximately 10% of the total income, in some cases even more (examples: Hungary, Ireland, Italy, the Netherlands, Latvia, Poland, Slovakia, Spain, the United Kingdom).
- **Other income sources**: scientific research contracts, provision of services in various fields, European funding and other extra-budgetary sources; in some EU countries such sources provide up to 10% of the total income for higher education.

¹² European University Association, Designing strategies for efficient funding of higher education in Europe, 2013

Funding methods for public higher education institutions

The significant share of public funding in the higher education institutions income increases the importance of methods and models of funding distribution to universities.

According to various studies¹³ developed at EU level, there are several main models of allocating financial resources to universities and different methods of funding distribution by university, with a variety of method implementation choices at national level, used also as higher education management tools.

In the EU countries, funding is allocated to universities using the following funding modalities:

- **Block-grant**, covering the teaching expenses (courses and seminars /practical activities), administrative expenses and/or research expenses, and the university may decide how to use this funding, according to needs.

In almost all EU member states (26 countries), universities receive public funding in the form of a block-grant, which they may allocate for their internal activities. Within the limits of university autonomy, most countries impose stricter or more relaxed restrictions with regards to the structure of grant for internal needs (personnel expenditure, equipment, infrastructure, research, teaching); only in eight countries (Austria, Belgium, Estonia, Norway, Poland, Slovakia, Switzerland and the United Kingdom) the universities have no restrictions as to how they spend the allocated resources.

The amount of the block-grant may be determined in different ways: through negotiations, via a funding formula or on historical basis. The formula-based allocation of block-grants is the main way of public funding allocation to public higher education institutions and it is used in most of the countries included in the EUA study¹⁴. The block-grant funding determined by negotiation is used in few countries, such as Austria, Germany, and Spain. In practice, nevertheless, the country would use a combination of methods to determine the amount of grant allocation.

- **Line-item budgets**, where universities receive their funding based on cost items and/or activities. The decision on the cost items and/or activity allocation is made by the Ministry or by the Parliament; consequently the universities cannot make decisions on the allocation of such incomes or can do it within certain limits. The method is used especially in Eastern European countries: Bulgaria, Cyprus, Greece, Lithuania, Latvia, Serbia and Turkey.

In the past financial years, the general decrease in the budget allocations for higher education led both to the increase of university autonomy in using the income attracted and of university accountability for the efficient use of public funding. We may say that this had a direct influence on the public funding allocation to universities, and we have seen a clear trend, in Eastern European countries, towards funding allocation as block-grants rather than by item-line budgets.

Funding models used for distribution of budget allocation by university

At European level there are various ways of distributing the budget allocations by university: funding formula, performance-based funding, funding by objectives (through negotiation or competition) or on historical basis. The European practice shows that such funding allocation modalities are used in combination (for example: a part of the block-grant is determined using a funding formula, a part through negotiation and another part may be determined on historical basis). In the European countries, formula-based block-grants are the most widespread form of allocating public funding, but the negotiation-based grants are also an important option in many countries, most of them using a combination of the various funding modalities and models.

¹³ EUA, University autonomy in Europe I - Exploratory study, 2009; ESMU, Funding higher education: a view across Europe, 2010; EUA, Designing strategies for efficient funding of higher education in Europe, 2013

¹⁴ EUA, University autonomy in Europe I - Exploratory study, 2009

The formula-based funding (allocation) model is defined¹⁵ as an algorithm based on standard criteria to calculate the size of public grants allocated to higher education institutions (for teaching and/or operational activities and, in some cases, for scientific research). In practice, there are several terms used to describe the formula-based funding mechanisms, such as: funding by number of students, funding formula for teaching, unit cost model/formula or funding formula based on normative costs etc.

Several studies¹⁶ mention two types of such models, according to the category of indicators/criteria used by the formula:

- Input-oriented funding, using input-based formulas (such as: number of employees or their salaries, number of employees holding a PhD title, number of Bachelor students, number of Master students etc.); it is used most often for the funding formula applied for teaching allocations. Currently¹⁷, the use of *number of teaching staff* as a criterion is less important, most countries using the *number of students*.
- Output-oriented funding, using output-based formulas (such as: number of credits accumulated by students, number of Bachelor and/or Master graduates, graduates' employment, number/percentage of graduates working in their specialisation field etc.). This is an innovative type of funding, in the context of the current trend of "new public management", and it provides much better correlation between the funding allocated and the performance expected from universities. Nevertheless, EU debates¹⁸ mention difficulties faced by universities in the accurate measurement of performance indicators, with an impact on reaching the long term objectives.

In practice, the funding formulas applied in education tend to use a mix of modalities, using input and output criteria, most often the number of students enrolled and the number of Bachelor graduates.

Performance-based funding is a way of improving the formula-based funding, by considering the university-specific performance. This funding model was designed to ensure more funding for universities showing better performance, as compared to other less performing universities. Thus, competitiveness was introduced and fostered in education and research in order to stimulate less performing universities, as the competitiveness principle promotes the reward of good performance. In many countries, the higher education funding mechanism has changed lately to reward directly success, included in the core funding formula.

Objective-based funding is another direct funding model, targeting specific purposes which are generally aligned with the projects considered national priority by authorities and which are supported by the objectives set at institutional level. It may be allocated through competition or directly to some institutions, following negotiations or justification of necessary expenditure.

Competitive funding is used for public funding allocation against pre-defined criteria used to select and evaluate the capacity and the need to undertake specific activities, so that they receive funding to achieve the specific objectives of the competition. Competitive funding is used especially for scientific research but also for funding investment or institutional development objectives.

Moreover, due to the strong political pressures caused mainly by the new public management reforms and by the decrease in public funding for higher education, more and more EU countries follow the trend of allocating public funding to universities by means of innovative solutions (CHEPS 2010).

Conclusions on the use of funding models in practice

European countries use a wide range of higher education funding models. As a general characteristic we note the tendency to allocate funds using a formula which includes both input and output indicators. Formula-

¹⁵ Estermann and Bennetot Pruvot, 2011, p. 14

¹⁶ Darling et al. 1989, Koelman 1998, Salmi and Hauptman 2006, Sizer et al. 1992, OECD 2010

¹⁷ The EUA Funding Forum (2012)

¹⁸ The EUA Funding Forum (2012)

based grants are the main funding modality, though negotiated grants are still an important funding mechanism.

In countries where funding for education may be allocated separately from funding for research, the formula-based funding is used for education and the research funds are determined by formula funding and competitive funding.

The following table presents the existing experience within European countries for each of the elements described above:

Budget type	
Line-item budget	BG, CY, GR, LV, LT, RS, TR
Block – grant budget	AT, BE nl, BE fr, HR, CZ, DK, EE, FI, FR, HU, IS, IE, IT, LU, MT, NL, NO, PL, PT, RO, SK, SI, ES, SE, CH, UK
Ability to retain potential surplus from state funding	
Universities may keep surplus on state funding	AT, BE nl, BE fr, BG, HR, CZ, DK, EE, FI, FR, GR, HU, IS, IE, IT, LU, MT, NL, NO, PL, SK, SI, ES, SE, CH, UK
Universities may not keep surplus on state funding	CY, LV, LT, PT, RO, RS, TR
Tuition fees	
No tuition fees	AT, CZ, DK, FI, IS, MT, NO, SK, SE, CY, GR, SCT*, SI*
Government sets the tuition fee as fixed amount	BE nl, BG, FR, IE, NL, SI, ES, CH, TR
Universities set the tuition fees, but the public authorities set a ceiling	IT, PO, UK: Anglia*
University sets the tuition fees	HR, EE, GR, HU, LV, LU, PO, RO, RS, UK
Fees are set based on a model of cooperation between universities and public authorities	CY, BE fr, LT
Ability to borrow money	
Universities are able to borrow money	AT, BE nl, BE fr, HR, CY, CZ, DK, EE, FR, IE, IT, LV, LU, NL, NO, PL, RO, RS, SK, ES, SE, UK
Universities are not able to borrow money	BG, FI, DE, GR, HU, IS, LT, MT, PT, SI, CH, TR
Ability to raise money on the financial markets	
Universities are able to raise money on the financial markets (to some degree)	AT, BE fr, CZ, DK, EE, HU, IT, LV, LU, ES, UK
Universities are not able to raise money on the financial markets	BE nl, BG, CY, FI, FR, DE, IE, LT, MT, NL, NO, PL, PT, RO, RS, SI, SE, CH, TR
Ownership of university buildings	
University	BE fr, HR, CY, CZ, EE, GR, IE, IT, LV, MT, NL, NO, PL, PT, RO, SI, ES, UK
Public authorities	BE nl, BG, DK, HU, LT, LU, RS, TR
Public real estate companies	AT, FI, DE, SE
Variations (various situations)	FR, IS, SK, CH
Sale of university-owned real estate	
Universities may sell real estate they own	BE fr, CZ, EE, IT, NL, ES, CH, UK
Sale of real estate requires permission of public authorities	HR, CY, IS, IE, LV, MT, NO, PL, PT, RO, SK, SI
Universities may not sell real estate they own	GR

Source: *University autonomy in Europe I - Exploratory study, EUA, 2009*; * Bachelor cycle

III. 2. Level of funding for higher education

Introduction. General aspects of education funding in Europe

Starting with 2008, due to the economic crisis, some of the European countries registered decreases in the funding allocated for public higher education. A study developed by the European University Association (EUA), analysed the impact of the economic crisis on the higher education funding and described the main

characteristics in this field at European level. Romania was not included in this study but we may determine the position our country holds in this process by using the data and information available on the national situation.

In Romania, the maximum level of higher education institutional funding was reached in 2008 and 2009. The funding allocated was 1,947.3 million RON in 2008 and 1,950.04 million RON in 2009, with important decreases reported both during the economic crisis period and after the crisis ended. Thus, in 2013, as compared to 2008, the funding allocated to public higher education institutions decreased by approximately 30%, in real terms (considering inflation). Data place Romania in the group including the majority of European countries (from the countries included in the EUA study), where higher education institutions funding registered significant decreases, exceeding 10% in real terms (the Czech Republic, Spain, Greece, Hungary, Italy, Lithuania, the United Kingdom etc.).

Mentioned should be made that all countries where the funding increased both in nominal terms and in real terms (Norway, Sweden, Austria, Belgium, Germany, France, the Netherlands), are located in the more developed areas of Europe, thus highlighting the significant differences among North-West and South-East European countries.

We should indicate that if we consider the latest developments in funding (2012-2013), 12 of the 17 countries included in the EUA analysis for which data were available reported increases or same level of funding in nominal terms. Romania can be placed among these countries, with a nominal increase in funding exceeding 3.6% and an annual inflation rate of 1.55% in 2013, as compared to 4.95% in 2012, according to data provided by BNR¹⁹.

The decisions on the structure of resource allocation are fundamental to ensure higher education funding. For Romania, the higher education funding as percentage of GDP registered a peak in 2007, namely 0.41%, with a consistent decrease in 2012 and 2013, until it reached 0.29%.

The EUA analysis included 16 European countries (based on available data), of which more than half (9 countries) registered in 2013 lower percentages of higher education funding in the GDP as compared to 2008 (the Czech Republic, Greece, Hungary, Italy, Lithuania, Norway, Portugal, Slovakia, the United Kingdom); Romania can be placed in this category of countries, with a decrease from 0.39% in 2008 to 0.29% in 2013.

The evolution of the number of students enrolled in public institutions is an important factor influencing the funding of higher education institutions. In most countries included in the EUA study the number of students increased in 2008-2011; only four countries reported a decrease in the number of students: Latvia, Poland, Slovakia, Italy.

Higher education expenditure in the GDP

The trends and characteristics of higher education funding in the European Union presented in the CNFIS Report 2013 are maintained and, in some cases, are accentuated; for the last years the statistical data were completed with data available from the EUROSTAT system, covering the period until 2010, and for some countries until 2011.

Considering the role of the state in the educational system in most European countries, including Romania, the analysis of GDP allocations for education point out general characteristics related to funding. Actually the percentage of GDP allocated for education is an important indicator for substantiating macroeconomic policies in any country.

At the European Union level (EU 27), the general characteristic for 2002–2011 was that until 2008 such expenses were maintained to about 5% of the GDP, with a steep increase at the beginning of the economic crisis up to 5.41% in 2009 and 5.44% in 2010. This evolution in the European Union is comparable to the

¹⁹ National Bank of Romania, Inflation Report, February 2014 (<http://www.bnr.ro/Regular-publications-2504.aspx>).

situation reported for the United States where education was allocated 5.47% of the GDP in 2009 and 5.49% of the GDP in 2010.

More than half of the EU member states allocations for education exceeded the EU average (EU 27), with significantly higher allocations reported by the Northern and Western European countries: Denmark (8.80%), Sweden (6.87%), Finland (6.85%), Belgium (6.57%), Ireland (6.41%) etc.

TABLE 3.1 — PUBLIC EXPENDITURE FOR EDUCATION (% OF GDP)

GEO/TIME	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
EU (27 countries)	5.10	5.15	5.06	5.04	5.03	4.95	5.07	5.41	5.44	:
EU (25 countries)	5.12	5.17	5.09	5.06	5.06	4.97	5.09	5.44	5.48	:
Belgium	6.09	6.02	5.95	5.92	5.98	6.00	6.43	6.57	6.58	6.55
Bulgaria	3.94	4.09	4.40	4.25	4.04	3.88	4.44	4.58	4.10	3.82
Czech Republic	4.15	4.32	4.20	4.08	4.42	4.05	3.92	4.36	4.25	4.51
Denmark	8.44	8.33	8.43	8.30	7.97	7.81	7.68	8.74	8.80	8.75
Germany	4.72	4.74	4.62	4.57	4.43	4.49	4.57	5.06	5.08	4.98
Estonia	5.47	5.29	4.92	4.88	4.70	4.72	5.61	6.03	5.66	5.16
Ireland	4.27	4.35	4.67	4.72	4.74	4.90	5.67	6.43	6.41	6.15
Greece	3.57	3.56	3.83	4.09	:	:	:	:	:	:
Spain	4.25	4.28	4.25	4.23	4.26	4.34	4.62	5.02	4.98	4.82
France	5.90	5.92	5.80	5.67	5.61	5.62	5.62	5.90	5.86	5.68
Croatia	3.71	3.93	3.87	3.98	4.04	4.02	4.30	4.33	4.27	4.19
Italy	4.60	4.72	4.56	4.41	4.67	4.27	4.56	4.70	4.50	4.29
Cyprus	6.60	7.37	6.77	6.95	7.02	6.95	7.45	7.98	7.92	7.87
Latvia	5.77	5.34	5.08	5.09	5.09	5.02	5.75	5.64	5.01	4.93
Lithuania	5.81	5.14	5.17	4.88	4.82	4.64	4.88	5.64	5.36	5.17
Luxembourg	3.79	3.77	3.87	3.78	3.41	3.15	:	:	:	:
Hungary	5.39	5.91	5.44	5.46	5.44	5.29	5.10	5.12	4.88	4.71
Malta	4.22	4.48	4.66	6.58	6.45	6.18	5.72	5.32	6.74	8.04
The Netherlands	5.22	5.47	5.50	5.53	5.50	5.32	5.50	5.95	5.98	5.93
Austria	5.68	5.53	5.48	5.44	5.40	5.33	5.47	5.98	5.89	5.80
Poland	5.41	5.35	5.41	5.47	5.25	4.91	5.08	5.09	5.17	4.94
Portugal	5.33	5.38	5.10	5.21	5.07	5.10	4.89	5.79	5.62	5.27
Romania	3.51	3.45	3.28	3.48	:	4.25	:	4.24	3.53	3.07
Slovenia	5.76	5.80	5.74	5.73	5.72	5.15	5.20	5.69	5.68	5.68
Slovakia	4.31	4.30	4.19	3.85	3.80	3.62	3.61	4.09	4.22	4.06
Finland	6.22	6.43	6.42	6.30	6.18	5.90	6.10	6.81	6.85	6.76
Sweden	7.36	7.21	7.09	6.89	6.75	6.61	6.76	7.26	6.98	6.82
United Kingdom	5.12	5.27	5.17	5.36	5.44	5.36	5.34	5.64	6.22	5.88
Iceland	6.79	7.70	7.47	7.59	7.55	7.36	7.56	7.81	7.60	7.36
Liechtenstein	2.96	2.46	2.43	2.29	2.05	1.92	2.05	2.90	2.68	2.53
Norway	7.58	7.55	7.42	6.97	6.49	6.66	6.40	7.24	6.87	6.66
Switzerland	5.57	5.72	5.55	5.52	5.28	4.88	4.95	5.36	5.22	5.28
The United States of America	5.49	5.61	5.32	5.09	5.43	5.31	5.42	5.47	5.49	5.13
Japan	3.60	3.64	3.59	3.48	3.46	3.45	3.46	3.61	3.85	3.78

Source: Eurostat, 2014

According to EUROSTAT data, Romania has the lowest budget allocation for education (as a whole) within the European Union: 4.24% of the GDP in 2009, 3.53% in 2010 and 3.07% in 2011. Also, Romania is among the few member states where the percentage of GDP allocated for education decreased in this timeframe.

Public expenditure on tertiary education as percentage of GDP

When analysing higher education funding, we are interested in the public expenditure on tertiary education as percentage of GDP. As a general characteristic we note that the slightly increasing trend in the GDP allocations for higher education was maintained at European Union level.

At the European Union level (EU 27), this percentage increased from 1.15% in 2002 to 1.22% in 2009 and 1.26% in 2010. We should emphasize the significant increase during the crisis period, starting with 2008.

This development reduced the gap between EU and the United States, the latter allocating 1.41% of the GDP for higher education in 2010.

TABLE 3.2 — SHARE OF EXPENDITURE ON TERTIARY EDUCATION OF GDP (%)

GEO/TIME	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
EU (27 countries)	1.15	1.14	1.13	1.15	1.13	1.11	1.14	1.22	1.26	:
EU (25 countries)	:	:	:	:	1.13	1.12	1.15	1.22	1.27	:
Belgium	1.32	1.31	1.29	1.28	1.32	1.30	1.37	1.47	1.46	1.44
Bulgaria	0.81	0.81	0.78	0.72	0.70	0.64	0.86	0.95	0.61	0.65
Czech Republic	0.83	0.90	0.90	0.86	1.18	1.03	0.93	1.01	0.96	1.16
Denmark	2.70	2.50	2.51	2.38	2.26	2.28	2.17	2.42	2.41	2.44
Germany	1.16	1.20	1.17	1.15	1.11	1.14	1.22	1.34	1.38	1.40
Estonia	1.08	1.02	0.86	0.92	0.90	1.04	1.12	1.33	1.23	1.29
Ireland	1.18	1.08	1.10	1.10	1.13	1.14	1.32	1.53	1.42	1.34
Greece	1.16	1.10	1.33	1.48	:	:	:	:	:	:
Spain	0.97	0.99	0.97	0.95	0.95	0.99	1.07	1.15	1.17	1.13
France	1.22	1.23	1.21	1.20	1.20	1.23	1.25	1.34	1.33	1.29
Croatia	0.59	0.73	0.70	0.75	0.86	0.80	0.94	0.82	0.78	0.93
Italy	0.85	0.78	0.77	0.76	0.77	0.75	0.84	0.86	0.84	0.83
Cyprus	1.39	1.57	1.49	1.59	1.65	1.62	1.86	2.06	2.12	2.11
Latvia	0.85	0.74	0.68	0.89	0.91	0.93	1.00	0.79	0.80	1.01
Lithuania	1.39	0.99	1.06	1.02	0.99	1.01	1.03	1.14	1.26	1.47
Luxembourg	:	:	:	:	:	:	:	:	:	:
Hungary	1.23	1.22	1.02	1.03	1.04	1.04	1.02	1.13	0.98	1.10
Malta	0.87	0.78	0.51	1.03	0.97	0.93	1.01	1.16	1.54	1.12
The Netherlands	1.36	1.45	1.47	1.49	1.52	1.46	1.53	1.63	1.68	1.72
Austria	1.28	1.30	1.43	1.48	1.47	1.48	1.49	1.57	1.63	1.56
Poland	1.05	1.02	1.15	1.19	0.96	0.93	1.04	1.07	1.18	1.13
Portugal	0.92	0.97	0.80	0.95	0.97	1.16	0.95	1.07	1.13	1.04
Romania	0.70	0.68	0.70	0.81	:	1.12	:	1.20	1.00	0.85
Slovenia	1.27	1.29	1.30	1.25	1.23	1.21	1.21	1.38	1.37	1.37
Slovakia	0.87	0.85	0.98	0.81	0.90	0.79	0.78	0.81	0.83	0.95
Finland	2.02	2.06	2.07	2.00	1.96	1.85	1.89	2.16	2.18	2.17
Sweden	2.09	2.08	2.02	1.89	1.81	1.79	1.82	2.04	2.03	1.98
United Kingdom	1.06	1.04	1.00	1.20	1.09	0.93	0.84	0.81	1.02	1.19
Iceland	1.25	1.33	1.39	1.45	1.36	1.39	1.49	1.59	1.63	1.43
Liechtenstein	0.35	0.32	0.34	0.20	0.19	0.17	:	:	:	:
Norway	2.08	2.29	2.38	2.26	2.05	2.13	2.05	2.20	2.04	2.12
Switzerland	1.37	1.47	1.42	1.41	1.39	1.14	1.22	1.35	1.32	1.37
The United States of America	1.38	1.47	1.30	1.31	1.43	1.26	1.27	1.24	1.41	1.34
Japan	0.54	0.61	0.64	0.60	0.61	0.63	0.65	0.72	0.75	0.76

Source: Eurostat, 2014

The significant disparities between the EU member states have been maintained in the past years, as half of these countries reported higher education allocations below the EU average in 2010: Bulgaria (0.61%), Italia (0.84%), Slovakia (0.83%) etc. The most important allocations for higher education were reported by Nordic countries, with more than 2% of the GDP: Denmark (2.41%), Finland (2.18%), and Sweden (2.04%). Regardless the level, most countries increased the percentage of GDP allocations during the crisis period (2008–2010), and this trend was maintained in 2011, in the countries for which EUROSTAT data are available.

In Romania, after a relative stagnation in the period of 2002–2005, the following period registered an accelerated increase trend. The percentage of GDP allocated for higher education increased from 0.70% in 2002 to 1.2% in 2009. The gap between the Romanian allocations and the EU average indicator was recovered so that, in 2009, Romania fit the European average level. There are still important differences, especially as compared to Nordic countries, which allocate more than 2% of the GDP for higher education. These positive developments were not maintained in the following period, as the percentage of GDP allocated for higher education decreased significantly in the case of Romania: 1% of the GDP in 2010 and 0.85% of the GDP in 2011. Thus we see bigger gaps both in comparison with the EU average and with the developed countries.

Annual expenditure per student in public institutions

The increase in the higher education expenditure as percentage of GDP is reflected in the developments with the level of expenditure/student in the public higher education institutions. At European Union level, their increasing trend is maintained in nominal terms. In 2007–2010, they increased from 9.057,8 PPS to 9.956,0 PPS, meaning an increase by almost 10%.

TABLE 2.3 — ANNUAL EXPENDITURE PER STUDENT IN PUBLIC INSTITUTIONS (PPS)

GEO/TIME	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
EU (27 countries)	8,110.8	7,755.3	7,707.5	8,180.7	8,398.9	9,057.8	9,475.2	9,433.9	9,956.0	:
EU (25 countries)	:	:	:	:	8,726.3	9,318.9	9,746.4	9,737.9	10,336.2	:
Belgium	9,791.3	9,592.2	9,081.0	9,639.8	10,510.6	12,122.4	12,724.0	12,388.8	12,697.9	12,622.1
Bulgaria	3,373.1	3,591.4	3,538.2	3,586.8	3,825.3	3,848.3	4,914.3	4,969.3	3,535.6	3,801.2
Czech Republic	5,456.5	5,815.8	5,794.0	5,930.4	8,337.9	7,400.8	6,867.9	7,005.7	6,670.9	7,941.4
Denmark	13,161.3	11,757.3	12,815.6	12,416.8	12,928.5	13,847.3	13,886.1	14,244.4	14,823.7	16,282.8
Germany	9,682.8	10,246.0	10,284.0	10,993.8	11,330.8	12,000.3	12,777.6	12,473.3	13,068.6	12,768.3
Estonia	3,991.7	4,246.6	3,856.3	4,334.2	5,162.0	5,227.8	6,018.8	5,489.5	8,547.0	6,427.0
Ireland	8,606.9	8,152.6	8,838.5	9,329.5	10,442.5	11,381.7	12,710.5	12,754.4	12,329.6	12,235.2
Greece	4,151.7	4,125.6	4,705.3	5,043.4	:	:	:	:	:	:
Spain	7,170.2	7,796.2	8,147.2	8,767.1	9,612.4	10,863.0	10,872.6	10,621.5	10,631.9	10,088.3
France	9,221.6	8,882.8	8,945.6	9,327.1	9,796.9	10,981.5	11,506.2	11,630.7	12,210.9	12,173.3
Croatia	3,401.0	3,424.6	3,468.2	5,273.8	6,249.7	6,370.1	7,598.4	6,522.6	5,232.5	5,974.1
Italy	7,197.4	7,315.0	6,358.0	6,784.3	7,005.9	7,186.7	7,370.5	7,167.3	7,291.9	7,381.4
Cyprus	16,211.0	16,260.0	15,806.4	17,060.7	18,437.5	17,277.4	23,862.2	21,018.8	21,858.4	21,018.6
Latvia	3,327.8	4,232.8	2,929.4	2,424.0	2,581.9	3,463.8	3,434.8	2,791.7	2,910.9	3,759.6
Lithuania	3,326.8	3,424.5	3,706.2	3,801.8	4,054.9	4,731.8	4,896.0	4,432.7	5,289.2	6,885.0
Luxembourg	:	:	:	:	:	:	:	:	:	:
Hungary	6,998.6	7,323.9	6,099.2	5,861.0	5,303.9	5,591.6	5,644.0	6,135.1	6,490.3	7,024.2
Malta	7,019.5	5,759.4	5,805.2	9,123.9	8,990.2	8,682.0	9,688.4	10,139.4	11,719.0	7,948.3
The Netherlands	12,815.4	12,558.6	12,624.4	12,689.8	12,726.1	13,373.2	13,686.9	13,437.7	12,870.1	12,874.0
Austria	:	:	:	:	:	:	:	:	:	12,192.7
Poland	:	3,909.8	4,099.9	5,565.2	4,313.4	4,641.6	5,501.1	5,836.2	6,877.0	7,265.5
Portugal	5,527.5	6,102.1	6,355.6	7,604.6	8,112.9	8,659.4	8,103.7	7,918.8	8,148.1	7,342.9
Romania	2,727.7	1,893.2	2,076.6	2,664.1	:	5,435.4	:	4,607.9	4,121.1	3,936.1
Slovenia	:	:	6,403.7	7,267.5	6,683.2	6,031.0	6,433.5	7,244.4	7,571.2	7,941.8
Slovakia	4,160.9	4,024.5	5,483.6	4,883.2	5,036.6	4,802.5	5,129.5	5,042.5	5,317.5	6,015.0
Finland	9,979.2	10,044.8	10,823.9	10,624.0	10,996.8	11,592.0	12,273.2	13,140.8	14,297.0	15,952.2
Sweden	13,301.4	13,439.5	13,765.5	13,340.5	14,309.9	15,450.6	16,003.5	15,368.3	15,358.5	15,945.0
United Kingdom	:	:	:	:	:	:	:	:	:	:
Iceland	7,635.2	7,426.0	8,276.9	8,347.1	7,624.5	8,343.8	8,936.9	8,199.5	6,837.9	6,463.4
Liechtenstein	:	:	:	:	:	:	:	:	:	:
Norway	12,617.5	13,031.9	13,738.5	14,176.6	14,426.0	15,259.8	16,006.1	15,694.6	15,600.2	15,530.5
Switzerland	20,736.7	20,654.9	18,933.0	18,220.9	18,519.8	15,406.9	16,473.9	16,395.0	16,863.1	17,511.8
Turkey	3,637.6	3,491.6	3,648.3	:	3,844.5	:	:	:	:	6,712.3
The United States of America	15,390.2	18,320.2	16,899.5	18,586.8	19,206.7	20,962.9	22,441.7	22,522.8	18,446.7	17,865.5
Japan	16,880.8	17,852.5	19,678.2	18,621.7	20,797.6	20,662.7	20,980.8	21,783.4	20,300.2	21,173.2

Source: EUROSTAT, 2014; PPS – Purchasing power standard

The countries registered contradictory developments reflecting the changes in the level of funding and in the number of students: increases (Denmark, France, Germany, Finland etc.), stagnation (Sweden, Italia, Spain), as well as important decreases (Bulgaria, Czech Republic, Netherlands, Portugal). With regards to public funding /student, there are still major gaps between the European Union, the United States and Japan. Thus, in 2010, the funding /student was double in the United States as compared to the European Union (18446.7 PPS in the United States and 9956.9 PPS in the European Union).

In Romania, expenditure/student decreased significantly: from 5435.7 PPS in 2007 to 4121.1 PPS in 2010 (24% decrease) and 3936.1 PPS in 2011 (about 27% decrease). This led to a bigger gap between Romania and the EU average. In 2010, expenditure/student in Romania accounted for approximately 41% of the EU average. The gap is huge when compared with the United States, as expenditure is 4.5 times lower in Romania.

Annual expenditure/student in public and private education institutions at all levels of education, compared with GDP/inhabitant

The education funding effort can be better perceived when we take into account the country development level expressed as GDP/inhabitant. In 2002–2008, the expenditure/student in public and private institutions at all levels of education in the EU accounted for approximately 25% of GDP/inhabitant, maintaining the same value throughout the period. The percentage increased in 2009 to 27.3%, and in 2010 to 28.2%. There is still an important gap between the EU member states and the United States, where expenditure/student in public and private institutions at all levels of education exceeds 32% of GDP/inhabitant.

In Romania, the funding level is among the lowest in the European Union, showing quite a decrease from 21.6% of GDP/inhabitant in 2009, to 17% of GDP/inhabitant in 2011.

TABLE 3.4 — ANNUAL EXPENDITURE PER STUDENT IN PUBLIC AND PRIVATE EDUCATIONAL INSTITUTIONS, ALL LEVELS OF EDUCATION, COMPARED TO GDP/INHABITANT

GEO\TIME	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
EU (27 countries)	24.9	25.1	24.7	25.3	25.2	24.9	25.6	27.3	28.2	:
Belgium	25.6	24.8	23.8	23.8	25	25.1	27.1	27.7	27.6	27.3
Bulgaria	24.3	24.3	24.2	23.7	23.6	22.9	26.5	27.8	24.6	23.2
Czech Republic	19.6	21.1	21.7	21.3	23.3	21.5	21.5	23.8	23.6	25
Denmark	28.1	27.7	28.1	29.1	28.6	28.4	28.6	31.6	30.7	30.7
Germany	25.8	25	24.7	25.4	23.7	23.4	24.2	26.9	26.7	26.1
Estonia	:	:	:	20.4	20.4	20.8	24.8	27.7	27.2	25.5
Ireland	17.4	18	18.5	18.5	:	:	:	:	:	:
Greece	19.2	19.7	20.4	22	:	:	:	:	:	:
Spain	23.5	24	24	24.7	24.9	25.8	26.9	28.7	28.2	27.5
France	26	26.2	25.8	25.4	25.4	25.8	26.2	27.5	27.7	26.9
Croatia	:	:	:	:	:	23.9	25.9	26.9	25.7	25.7
Italy	24.9	26.5	25.5	24.9	26	23.9	25.8	25.8	24.7	24
Cyprus	30.5	32.5	30.3	31.5	32.4	32.5	35.1	37.7	38.8	40.3
Latvia	30.7	26	24	24.3	24.7	25.9	29.1	28.8	26.8	26.5
Lithuania	22	21.1	21.1	19.9	20.2	20.5	22.1	25.9	25	24.3
Luxembourg	:	:	:	:	:	:	:	:	:	:
Hungary	:	:	26.7	26.7	26.8	:	:	:	:	:
Malta	20.4	25.1	23.6	32.7	33.3	33	30.9	34.5	35.4	43.5
The Netherlands	24.9	25.7	25.2	24.9	24.5	24.1	24.5	26.9	26.6	26.3
Austria	29.5	28.7	28.2	28.7	29	28	28.4	30.3	29.6	29.2
Poland	25.4	24.9	24.8	26.6	24.8	23.8	26.7	27.5	29.1	28.4
Portugal	25.6	26.1	25.3	26.9	26.8	26.2	25.3	28.2	:	:
Romania	:	:	:	18.3	:	:	:	21.6	18.7	17.5
Slovenia	29.2	28.9	29.5	30.5	30.4	27.2	28.6	32.2	32.4	32.3
Slovakia	18.3	20.2	21	19.9	19.6	18.6	19.6	23.4	23.3	22.5
Finland	24.3	25.1	24.8	24.1	23.7	22.7	23.7	26.4	26.6	26.6
Sweden	26.9	26.5	26.1	25.7	25.4	25.3	26.3	28.2	27.5	27.3
United Kingdom	23.4	24.1	23	25.8	27.6	26.7	25.9	27.7	29.7	28.9
Iceland	29.1	28.4	26	26.2	27.1	26.7	27.4	27.8	26.4	26.1
Liechtenstein	14.2	10.2	11.2	11.6	10.9	9.8	:	:	:	:
Norway	27	25.6	24.1	22.5	21.2	21.4	20.9	24.4	23.5	22.3
Switzerland	:	:	:	:	:	:	:	:	:	:
The United States of America	28.6	29.7	28.6	28.7	28.5	29.6	30.3	30.8	31.5	30.2
Japan	28.4	28.9	28.9	28.6	28.5	29	28.3	29	32.2	31.3

Source: Eurostat public data, 2014

The latest statistical data centralised²⁰ by Eurydice show that in most of the countries the education budget for 2013 by more than 1% at current prices, compared to the educating budget for 2012, while a decrease by more than 1% can be registered in only five countries (Ireland, Croatia, Cyprus, Malta, the United Kingdom - England). The education budget for 2013, compared to that for 2012 at current prices remained constant in only four countries, with an increase or decrease below 1%. A comparative analysis of the 2013 and

²⁰ Eurydice, National Sheets on Education Budgets in Europe, 2013

2012 budgets at constant prices will show an increase in the number of countries whose education budget decrease by more than 1%.

III. 3. Private resources for higher education

Higher education institutions are funded from public funds and private funds. Public funds include all direct allocations from the public sector (state budget), while the main sources of private funds are: tuition fees, grants from companies and not-for-profit associations.

In all countries funding comes mainly from public funding. The structure of funding, according to the two sources, public funds and private funds, may be very different from one country to another, with higher shares of private funds in non-European countries as compared to European countries.

The balance between public and private financing of education is an important policy issue in most countries, especially at the pre-primary and tertiary levels of education. With respect to tertiary education it may influence the participation of young people in this level of education. In order to ensure equal opportunities to education, some believe that public funding for higher education should increase. Others believe enterprises should contribute more to funding this level of education.

The main conclusions on higher education funding from private sources presented in OECD study²¹ show the following:

- Between 1995 and 2010, the share of public funding for tertiary institutions decreased from 77% in 1995, to 76% in 2000, to 71% in 2005 and then to 68% in 2010 (on average across the OECD countries for which trend data are available for all years). This trend is mainly influenced by non-European countries, where tuition fees are generally higher and enterprises participate more actively in providing grants to finance tertiary institutions;
- Between 2000 and 2010, the share of private funding for tertiary education increased in the majority of the countries (20 out of 24 countries for which data are available). The share increased by seven percentage points, on average, with higher increases registered in Italy, Mexico, Portugal, the Slovak Republic and the United Kingdom;
- The proportion of expenditure on tertiary institutions covered by individuals, businesses and other sources ranges from:
 - 5% or less in countries where tuition fees charged by tertiary institutions are low/negligible (Denmark, Finland and Norway);
 - more than 40% Australia, Canada, Israel, Japan and the United States;
 - More than 70% in Chile, Korea and the United Kingdom. In Korea and the United Kingdom, most of the budget of higher education institutions comes from tuition fees (more than 50% in the United Kingdom and more than 70% in Korea).

An analysis of the income structure by country is difficult as there are no coherent and comparable statistical data available for a relevant number of countries. Therefore, the outcomes of university-level studies may be very useful for understanding the mechanisms and sources of private funding for higher education. Such a study was developed by EUA (*Financially Sustainable Universities II. European Universities diversifying income streams*, EUA, 2011).

The data on university funding were obtained based on a questionnaire submitted to European universities in May-September 2009. The questionnaire was submitted to 130 universities, of which 3 were Romanian universities.

The following table indicates the university income distribution:

²¹ Education at a Glance 2013: OECD Indicators, OECD Publishing, 2013, pp. 197 – 203

Source of income	Share (%)
Public funding	72.8%
Student contributions	9.8
Private partners	6.5%
Philanthropic funding	4.5%
Service-related income	4.1%
International funding	2.3%

The study findings confirm that public funding is the most important sources for European universities, as 72.8% of the university income is from public funding. Student contributions account for the largest share of private income sources, namely for 9.8%. This is an average percentage, as there are important variations among countries.

The sample included countries with great variety in terms of student contributions:

- No student contribution (Norway);
- Contributions paid only by non-EU students (Denmark, Sweden - from 2011);
- Very low student contributions (France);
- Significant student contributions (Spain 13%, Latvia - 16%, the United Kingdom - approximately 25%);
- A small number of universities from various countries receive more than 50% of their from student contributions.

The amount of contributions may be set by public authorities and/or universities and it depends on the level of study, the regular duration of studies etc. Contributions are differentiated based on various factors:

- Form of study (full-time, part time education);
- Returning students;
- Students exceeding regular study programme duration;
- Participation in courses which are not included in the study programme;
- Participation in programmes taught in a foreign language;
- International students.

Other private income sources: contracts with private partners (especially for universities of technology), philanthropic funding, service-related income (management of conference facilities, catering and accommodation, education and consultancy services, provision of cultural services etc.), international public funding (Structural Funds have the largest share – approximately 40%) and funds for research-development programmes (approximately 33%).

III. 4. Social equity and student financial support

Equity in higher education means to ensure all necessary conditions so that the majority of students who are admitted and complete the studies should reflect the diversity in society. For example, if Romania has a majority of rural young people then a similar percentage should be reflected among students. In order to ensure equity, the state and the universities should adopt positive policies and mechanisms targeting disadvantaged or under-represented groups (young people from low-income families, young people from rural areas, young people with disabilities etc.), so as to remove the barriers to access to higher education and completion of studies.

Lack of real support provided to young people from these categories might lead first of all to their non-participation to higher education, as well as to school drop-out, if they enrolled in a study programme but the barriers they further along determined them to give up.

International student support systems

Financial support for students should facilitate young peoples' access to university education. The allocation of student support would be different from one country to another. In some cases, student support plays a major role in covering education costs. In 2002–2011, at EU level the share of financial support for

students in the public expenditure on higher education increased steadily, from 15.6% in 2002 to 18.2% in 2010. In most countries, this share increased.

For some EU member states, student support accounts for an important share of the public expenditure on higher education. In 2011, they were: 52.6% in Cyprus, 43.6% in the United Kingdom, 28.4% in Denmark, 28.8% in the Netherlands, 24.7% in Sweden etc. In the United States they account for approximately 29% of the public expenditure on higher education.

Characteristic for Romania are the low share of student support (9.3 % in 2011), compared to the European average, and the tendency to maintain a constant level with time.

TABLE 3.5 — STUDENT FINANCIAL SUPPORT (% OF THE PUBLIC EXPENDITURE ON TERTIARY EDUCATION)

GEO/TIME	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
EU (27 countries)	15.6	16.0	15.9	16.5	16.7	17.1	16.7	17.3	18.2	:
EU (25 countries)	:	:	:	:	16.8	17.4	17.0	17.6	18.4	:
Belgium	15.2	15.8	15.7	15.2	13.6	14.2	13.2	13.4	13.7	14.4
Bulgaria	11.5	10.6	10.8	10.8	9.5	9.3	6.7	7.3	11.5	18.3
Czech Republic	7.0	6.2	5.8	5.9	4.0	4.2	4.9	2.8	2.6	1.5
Denmark	31.3	32.2	30.3	30.8	29.5	28.0	28.4	27.1	27.9	28.4
Germany	16.6	17.2	17.9	19.1	19.5	21.9	18.9	20.7	21.6	21.9
Estonia	7.8	5.0	:	8.2	8.9	6.3	7.4	10.3	13.2	9.3
Ireland	12.3	13.8	14.8	14.8	14.4	13.9	12.7	13.2	13.1	13.3
Greece	5.5	6.0	5.2	1.4	:	:	:	:	:	:
Spain	7.9	7.9	7.8	8.2	7.9	8.8	9.9	9.2	9.4	9.4
France	8.1	8.2	8.0	7.9	8.0	7.0	7.4	7.4	7.7	8.0
Croatia	:	4.3	3.3	3.9	3.2	3.3	3.1	3.6	3.9	5.5
Italy	15.8	17.0	16.7	16.8	17.4	19.6	20.2	22.0	22.5	22.2
Cyprus	52.5	56.0	56.8	57.6	55.1	59.0	50.9	55.6	52.5	52.6
Latvia	20.7	19.7	15.2	9.4	7.7	5.1	7.1	12.7	12.0	14.0
Lithuania	11.7	17.1	17.5	17.0	15.2	14.5	14.1	15.7	13.2	10.1
Luxembourg	:	:	:	:	:	:	:	:	:	:
Hungary	22.4	14.7	15.8	15.7	15.1	15.1	14.3	14.3	14.3	12.4
Malta	25.2	30.2	:	:	0.1	:	:	0.3	14.0	18.4
The Netherlands	20.0	23.7	24.7	25.4	29.1	26.4	28.7	26.9	26.9	28.8
Austria	15.4	16.6	18.1	16.8	17.0	16.2	17.4	11.5	11.0	9.8
Poland	0.4	0.4	0.4	1.1	1.7	1.5	1.5	1.4	12.1	12.7
Portugal	4.9	2.2	5.4	8.9	11.6	11.2	14.9	14.8	16.6	15.4
Romania	8.3	7.7	7.2	5.6	:	3.8	:	7.0	7.4	9.3
Slovenia	25.3	25.2	23.7	23.7	23.3	22.8	23.2	22.1	23.4	23.4
Slovakia	17.5	8.5	10.7	13.7	14.1	17.6	17.5	19.9	20.5	16.7
Finland	17.8	17.4	16.7	16.6	16.2	15.3	14.7	15.4	14.9	13.7
Sweden	29.3	28.4	28.2	27.1	26.1	26.3	25.4	24.9	24.5	24.7
United Kingdom	23.9	24.7	23.9	25.8	26.4	30.8	31.2	37.5	33.8	43.6
Iceland	21.0	21.4	22.2	23.1	24.0	22.5	22.5	24.9	31.0	26.2
Norway	32.9	36.7	40.8	42.6	41.7	43.8	44.1	40.3	37.5	42.8
The United States of America	15.5	17.8	20.7	23.5	30.9	21.5	20.3	19.6	27.7	29.2
Japan	16.3	18.6	18.2	21.5	21.3	24.6	25.4	27.5	29.2	29.6

Source: EUROSTAT, 2014

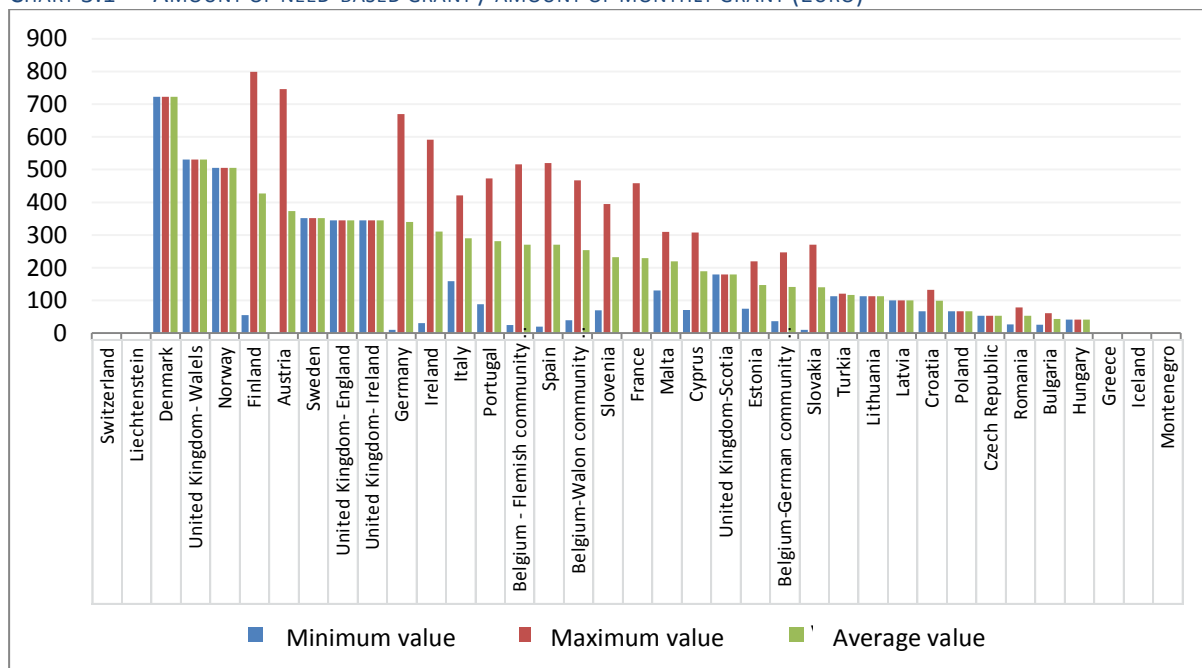
According to the European Commission survey – National Student Fee and Support Systems²² –, European countries provide student support in different forms, such as: need-based grants, merit-based grants, student grants (in countries with tuition fees, the grants cover expenses and the tuition fee and in the countries with no tuition fees the grants cover expenses), family allowances, tax benefits and loans. Thus, 29.72% of the countries offer the students both scholarships or grants and tax benefits and family allowances; 18.91% offer the students either need-based grants or student grants and family allowances or need-based grants and tax benefits, and 51.35% of the countries offer the students only need-based grants or student grants. Also, according to the same survey, 94.59% of the countries provide need-based grants to students, 48.64% provide tax benefits to the families and 32.43% provide family allowances. Romania is among the countries which

²² European Commission, National Student Fee and Support Systems, 2013/2014

provide only need-based and merit-based grants and no student loans, family allowances or tax benefits for parents.

With regards to grants, 53.12% of the countries offer the students both need-based grants and merit-based grants, 40.62% provide only need-based grants or student grants, while 6.25% provide only merit-based grants. Among the countries providing both need-based grants and merit-based grants there are Belgium (Flemish community), Bulgaria, Germany, Estonia, Ireland, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Hungary, Austria, Poland, Portugal, Romania, Slovenia and Slovakia. Among the countries providing only need-based grants there are Belgium (French and German-speaking communities), Czech Republic, Denmark, Spain, Malta, Finland, Sweden, the United Kingdom, Turkey, Liechtenstein, Norway and Switzerland and among the countries providing only merit-based grants there are Iceland, Montenegro and Greece.

CHART 3.1 — AMOUNT OF NEED-BASED GRANT / AMOUNT OF MONTHLY GRANT (EURO)



Source: European Commission – National Student Fee and Support Systems, 2013/2014

Analysing data to see the maximum amount of a need-based grant we may notice that countries providing the highest grants are: Finland (799 euro/month), Austria (746 euro/month), Denmark (722 euro/month), Germany (670 euro/month), Ireland (591 euro/month), France (550 euro/month), United Kingdom - Wales (530 euro/month), Spain (520 euro/month), Belgium – Flemish community (516 euro/month) and Norway (505 euro/month). Romania (79 euro/month) ranks 28 of 37 in terms of maximum amount of the need-based grant, together with Poland (66.5 euro/month), Bulgaria (61.33 euro/month), Czech Republic (53.66 euro/month) and Hungary (41 euro/month).

Regarding the average amount of need-based grants we may notice that Romania ranks antepenultimate (53 euro/month), followed by Bulgaria (43.44 euro/month) and Hungary (41 euro/month). Denmark, Norway, Finland, Austria, United Kingdom, Germany, Sweden and Ireland lead the ranking of countries whose average amount of need-based grant exceeds 300 euro/month. Thus, we may note that the average amount of the need-based grant in Romania is 17 times lower than the average amount of the need-based grant provided to students in Denmark.

Concerning the need-based grant duration, 51.53% of the countries allocate the grant according to the social needs, for a 12-month period, 35.15% provide this type of financial support throughout the academic year (9/10 months), and for 13% of the countries either there are no concrete data or they do not provide need-based grants.

Detailed analysis of the student support system shows that they differ from one country to another. Belgium (French community) provides public grants available for low income students under 35, whose amount ranges from 394 to 4673 euro per year. Belgium also provides allowances 89 euro per month for families whose children (under 25) are in education and training and do not have professional activity. Belgium does not offer merit-based or performance-based grants.

The Danish system offers state grants available to all students in amount of 770 euro per month, for 12 months, plus other grants or subsidies for students living independently. Additional grants of 1099 euro are available for students with disabilities. It is worth mentioning that Denmark does not provide student grant or allowances to foster academic performance.

Estonia has a similar system to Romania, as the state provides both need-based and merit-based grants. Need-based grants are available to approximately 7% of all students, and the grant amount ranges from 75 to 220 euro per month. The merit-based grants are additional to the need-based grants and are provided based on academic performance.

In Spain, the state provides both need-based grants and different types of other grants to cover the tuition fee as well as other expenses such as: transportation, residence, meals, books and materials. Grants are allocated only to low income students. Although grants are need-based, a minimum level of academic performance is also required.

National legal framework on the financial support provided by the state

According to the National Education Law, students benefit from various types of public support, namely:

- Need-based grants and performance-based or merit-based grants
- Allowances for residence-canteens.

Allowances for local public transportation. According to art. 12, paragraph (2), *the state provides need-based grants to students from disadvantaged families and to institutionalised students, in compliance with the legislation.* Moreover, according to art. 12, paragraph (4), *students who benefit from need-based grants may also receive performance-based grants.* Also, according to art. 223, paragraph (10), *students benefit from performance-based grants or merit-based grants to foster excellence, as well as from need-based grants to provide for the financial support of low income students. The minimum amount of the need-based grants is proposed on annual basis by CNFIS, taking into account that such grants should cover the minimum residence and meals expenses.*

With regards to funding, according to art. 223 of the National Education Law no 1/2011, paragraph (9), *funding for student grants and social protection shall be allocated according to the number of full-time state-sponsored students.* Additionally to the support granted by the state, according to art. 233, paragraph (11), *universities may increase the grant fund from own extra-budgetary income.*

Besides these provisions on grant allocation of the National Education Law, the relevant legislation in force includes the Government Decision no 558 of September 3, 1998 amending Annexes 1 and 2 to Government Decision no 445/1997 establishing the general criteria for allocation of grants and types of student support for full-time public education students. We should also mention here Government Decision no 769 of July 14, 2005 stipulating that students from rural areas enrolled as full-time students of accredited higher education institutions may benefit from need-based grants in amount of 350 RON/month if they undertake that after graduation they will work in rural education for a period at least equal to the grant duration.

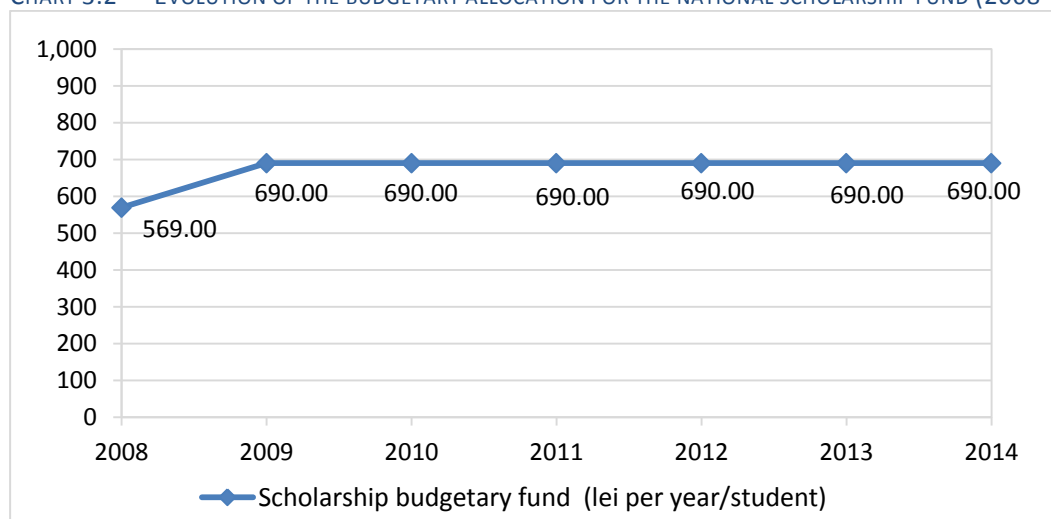
Besides the allocation for student grants, the Romanian state provides allowances for residence-canteens which, according to art. 204, paragraph (15), may be granted to students who choose another type of residence than the higher education institutions dorms.

The students also benefit from allowances for local public transportation. According to art. 205, paragraph (2), *during the academic year, students benefit from at least 50% discounts for the local public transportation and national road, railroad and naval transportation*. Orphan students or students from child protection homes benefit from free public transportation as provided by the order of the minister of education, youth and sport. Besides the specific provisions on allowances for local public transportation of the National Education Law, the relevant legislation in force includes Government Decision no 309/1996, completed by HG no 1187/2000 and by HG no 1367/2003, as well as by the Minister Order no 4055/1996.

State support allocations

According to data included in the Budget Law²³, passed on yearly basis, we may note that the only increase in the national grant allocation occurred in 2009, from 569 RON per year/student to 690 RON per year/student, which means that a university receives 69 RON per month for a state-sponsored student. The grant fund is not allocated for tuition-paying students. As there are no provisions on the distribution of the grant fund allocated by the state, universities may decide what percentage of the total fund should be allocated for need-based grants and what percentage should be allocated for study/merit/performance-based grants.

CHART 3.2 — EVOLUTION OF THE BUDGETARY ALLOCATION FOR THE NATIONAL SCHOLARSHIP FUND (2008-2014)



According to art. 223, paragraph (8) of the National Education Law, *the need-based grant should cover at least the minimum residence and meals expenses, an amount proposed by CNFIS yearly*. An analysis of statistical data on the residence and meals expenses and the allocations for the grant fund (data reported by the 45 Romanian public universities) performed by CNFIS indicated that the grant does not cover the minimum residence and meals expenses in any university in Romania, that 25% of the universities allocate less than 200 RON/month for need-based grants, 54.54% allocate between 200 and 300 RON and only 20.45% of the universities allocate 300 RON/month or more for need-based grants.

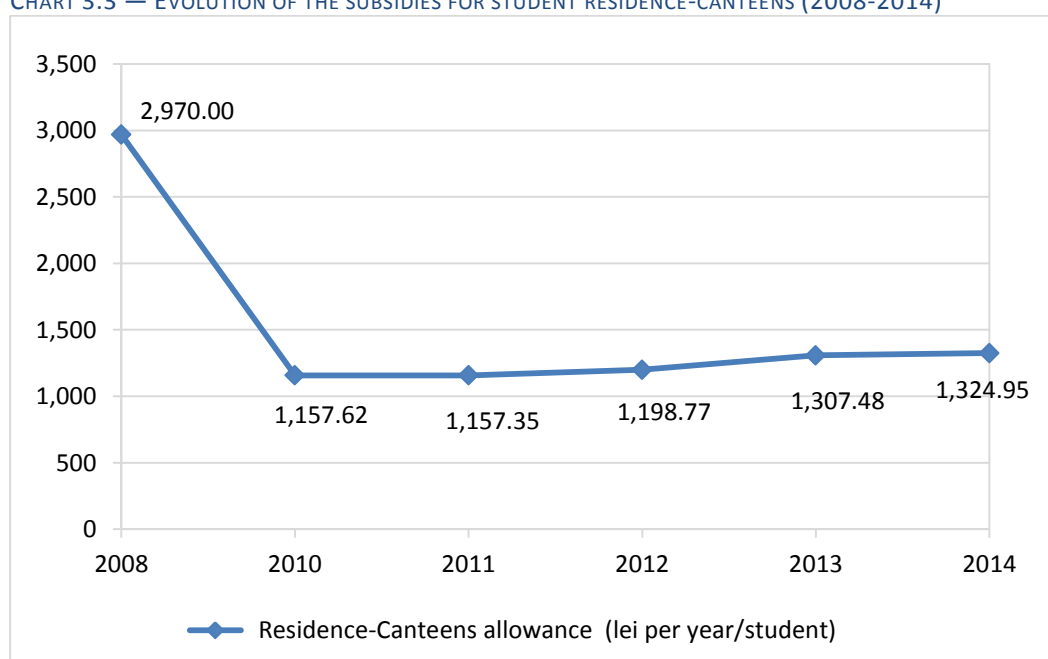
This analysis based on the share allocated for need-based grants shows that 15 of the 45 universities which submitted data allocate for need-based grants less than 10% of the total grant fund distributed by the state budget and 14 universities allocate between 10% and 20%. Therefore, more than 50% of the universities allocate for need-based grants less than 20% of the total grant fund, and 10 universities allocate for need-based grants 20% and 30% of the total grant fund. It is worrying that only 5 universities allocate for need-based grants more than 30% of the total grant fund. The national average for the share of need-based grants of the total grant fund distributed by the state budget is 16.40%.

²³ <http://www.mfinante.ro/arhivabuget.html?pagina=domenii>

An analysis on the minimum residence and meals expenses at country level shows that Romanian students need, on average, 575 RON/month for these purposes. These expenses would vary from one development region to another and from one university to another. According to the data reported by universities to CNFIS in November 2013, the total monthly residence and meals expenses per student range between a minimum of 480 RON and a maximum of 1820 RON. Beyond the need to check the accuracy of the data reported, we should note that none of the higher education institutions covers the minimum residence and meals expenses with the need-based grant (ranging between a minimum of 140 RON and a maximum of 350 RON) they provide. This explains the importance of the lack of financial resources among the reasons for the high drop-out rate. Thus, according to a survey on the students' perspective on the implementation of the Bologna process, the main reasons for non-completion of studies they mention are: wrong choice of courses (41%), lack of financial resources (35%), lack of trust in the quality of education (6%), failure to adapt to the environment /group (3%) and other²⁴.

Data analysis at national level on the allowance for residence-canteens distributed to the universities by the state budget (see Chart 3.3) shows a decrease by more than 50%, from 2970 RON per student/year in 2008 to 1324.95 RON in 2014. The decrease in the allowance for residence-canteens in 2009 and the increase in the utilities expenses led to higher residence fees, as indicated by an analysis at national level²⁵ showing that more than 55% of the 22 universities included in the survey increased the expenses allocated for student dorms overhead charges or discussed about increasing them in 2013. Although the allowance in 2013 is higher than in 2012, with the increase in residence fees it does not cover the minimum amount needed to maintain the student dorm fees.

CHART 3.3 — EVOLUTION OF THE SUBSIDIES FOR STUDENT RESIDENCE-CANTEENS (2008-2014)



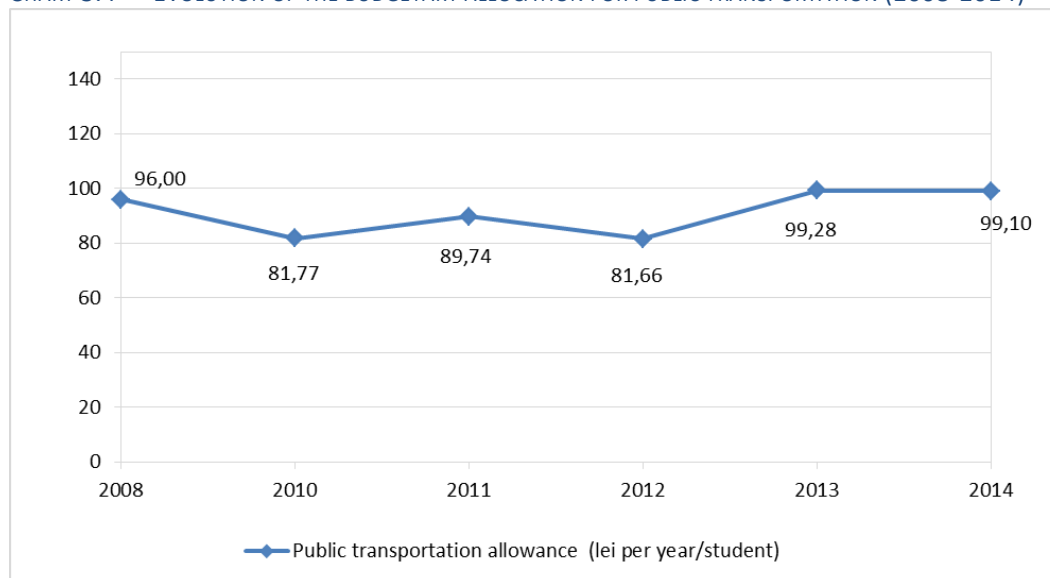
Data analysis on the allowance for public transportation (see Chart 3.4) shows that, after 2008, the allowance for public transportation decreased from 96 RON/year (9.6 RON/month) to 81.77 RON/year (8.17 RON/month) in 2010. Although the allowance decreased in 2010 by 14%, in 2013 we see an increase by 21%

²⁴ National Alliance of Student Organisations in Romania (ANOSR), *Implementarea Sistemului Bologna în universități – perspectiva studenților (Implementing Bologna in universities – student perspective)*, Bucharest, 2012 – available online at <http://www.anosr.ro/wp-content/uploads/2012/07/Studiu-Procesul-Bologna-2012-Revizuit.pdf>. For the grant allocation system, see <http://www.anosr.ro/wp-content/uploads/2014/03/Perspectiva-ANOSR-privind-Sistemul-de-acordare-al-burselor.pdf>

²⁵ National Alliance of Student Organisations in Romania „Responsabilitate pentru educație” – efectele subfinanțării educației (*Responsibility for education – effects of underfunding*), Bucharest, 2013 – available online at <http://www.anosr.ro/wp-content/uploads/2012/07/Responsabilitate-pentru-educatie.pdf>.

compared to 2010, reaching the amount of 99.28 RON/year (approximately 10 RON/month). According to art. 205, paragraph (2), *students benefit from 50% discounts for the local public transportation, but since the monthly allowance is approximately 10 RON, and the monthly pass in some university centres is 100 RON, in some cases the allowance covers less than half of the student expenses.*

CHART 3.4 — EVOLUTION OF THE BUDGETARY ALLOCATION FOR PUBLIC TRANSPORTATION (2008-2014)



The data presented above highlight both the scarcity of most of the student support allowances provided by the Romanian state and the fact that their structure and allocation modality barely reflect to some degree the good practices of other European countries.

III.5. International experience on funding lifelong learning in higher education

Lifelong learning is a concept linked to the higher education system from the very beginning of the debates within the Bologna process, and it is mentioned in the strategic documents²⁶ at European level as a crucial component of the European Higher Education Area (EHEA), necessary in order to cope with the challenges posed by an increasingly competitive economy using more and more information technologies.

The results of the BFUG reporting exercise²⁷ show that the terminology of lifelong learning is not very clearly and unitary defined at European level. The provision most strongly associated with lifelong learning in higher education includes non-formal courses offered by higher education institutions alongside the three cycles of study (Bachelor, Master, Doctorate). Almost all EHEA countries are referring to this type of provision, although they may use / various expressions to describe it, including "short-term further education courses" (Finland), "courses outside the academic degree scheme/study programmes" (the Holy See and Serbia) or "courses for personal development" (the United Kingdom – England, Wales and Northern Ireland). Alongside non-degree courses for individuals, a significant proportion of EHEA countries refer to degree programmes provided under various arrangements different from traditional full-time schemes such as flexible higher education studies (part-time programmes, open learning, distance learning, e-learning, external studies, evening or week-end courses etc.). Yet, there are some countries, which do not make a reference to this type of provision, and do not include formal higher education programmes provided under flexible arrangements in their national concept of lifelong learning in higher education (Armenia, the Holy See, Latvia, the Republic of Moldova, Romania and Slovakia).

²⁶ Towards the European Higher Education Area, Comunicatul de la Praga, 19 mai 2001

²⁷ Education, Audiovisual and Culture Executive Agency, The European Higher Education Area in 2012: Bologna Process Implementation Report, April 2012

Lifelong learning financing is not covered as a discrete category within the education system and the financial arrangements related to lifelong learning are usually specified for each type of higher education provision. Thus, the BFUG reporting exercise shows that most commonly a distinction is made between programmes leading to higher education degrees, including programmes provided under various flexible arrangements, and non-degree higher education provision. While the first type of provision is often partially or completely covered from the public budget, in the case of the second type, the contribution from the public budget is generally less significant. Nevertheless, certain types of non-degree programmes (e.g. continuing professional development of those working in regulated professions, courses for the unemployed, programmes targeting retired citizens, etc.) are commonly financed/co-financed from public resources.

The BFUG analysis shows that in around two-thirds of EHEA countries, higher education institutions do not dispose of a public budget earmarked specifically for lifelong learning, and resources for lifelong learning come from general budgets of higher education institutions, these means being often combined with other financial resources. In 15 higher education systems (out of 47 for which data is available), there are budgets earmarked specifically for lifelong learning, but these financial resources are sometimes targeted towards particular types of lifelong learning provision (for example, in-service training of teachers and trainers, in Georgia and Slovenia).

Moreover, apart from general or special budgets of higher education institutions, other public resources contribute to financing lifelong learning in higher education (resources from EU, structural funds, resources from ministries other than those responsible for higher education etc.), allocated in the framework of various projects/programmes be they national, regional or local. Public financial support can also take an indirect form, in particular through tax incentives targeting individuals taking part in lifelong learning activities.

Nevertheless, although there are various public funding (or public support) resources and modalities for lifelong learning in higher education, only very few countries are able to quantify the degree to which lifelong learning provision in higher education is financed from public sources, and the estimated public funding varies significantly from one country to another. This may be partly related to different understandings of the concept of lifelong learning in higher education. While Romania and Bosnia and Herzegovina state, respectively, that public funding of lifelong learning in higher education is nil or very modest, the Netherlands estimates that around 16% of lifelong learning provision is funded from the public budget, France and Hungary evaluate this amount at around 30% and Austria evaluates its proportion at 85%. Norway indicates that most funding for lifelong learning comes from the public budget and Iceland and Malta are the only countries reporting that lifelong learning in higher education is fully publically funded.

TABLE 3.6 — POPULATION PARTICIPATION IN LIFELONG LEARNING (%)

GEO/TIME	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EU (27 countries)	7.2	8.5	9.2	9.6	9.5	9.3	9.4	9.3	9.1	8.9	9	10.5
Belgium	6	7	8.6	8.3	7.5	7.2	6.8	6.8	7.2	7.1	6.6	6.7
Bulgaria	1.2	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.2	1.3	1.5	1.7
Czech Republic	5.6	5.1	5.8	5.6	5.6	5.7	7.8	6.8	7.5	11.4	10.8	9.7
Denmark	18	24.2	25.6	27.4	29.2	29	29.9	31.2	32.5	32.3	31.6	31.4
Germany	5.8	6	7.4	7.7	7.5	7.8	7.9	7.8	7.7	7.8	7.9	7.8
Estonia	5.4	6.7	6.4	5.9	6.5	7	9.8	10.5	10.9	12	12.9	12.6
Ireland	5.5	5.9	6.1	7.4	7.3	7.6	7	6.3	6.8	6.8	7.1	7.3
Greece	1.1	2.6	1.8	1.9	1.9	2.1	2.9	3.3	3	2.4	2.9	2.9
Spain	4.4	4.7	4.7	10.5	10.4	10.4	10.4	10.4	10.8	10.8	10.7	10.9
France	2.7	6.8	6	5.9	6.4	6.1	6	5.7	5	5.5	5.7	17.7
Croatia	1.9	1.8	1.9	2.1	2.9	2.4	2.2	2.3	2.2	2.3	2.4	2.4
Italy	4.4	4.5	6.3	5.8	6.1	6.2	6.3	6	6.2	5.7	6.6	6.2
Cyprus	3.7	7.9	9.3	5.9	7.1	8.4	8.5	7.8	7.7	7.5	7.4	6.9
Latvia	7.3	7.8	8.4	7.9	6.9	7.1	6.8	5.3	5	5.1	6.9	6.5
Lithuania	3	3.8	5.9	6	4.9	5.2	4.8	4.4	3.9	5.7	5.2	5.7
Luxembourg	7.7	6.5	9.8	8.5	8.2	7	8.5	13.4	13.4	13.6	13.9	14.4
Hungary	2.9	4.5	4	3.9	3.8	3.6	3.1	2.7	2.8	2.7	2.8	3
Malta	4.4	4.2	4.3	5.3	5.5	6	6.2	6.1	6.2	6.5	7	7.7
The	15.8	16.4	16.4	15.9	15.6	16.6	17	17	16.6	16.7	16.5	17.4

GEO/TIME	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Netherlands												
Austria	7.5	8.6	11.6	12.9	13.1	12.8	13.2	13.8	13.7	13.4	14.1	13.9
Poland	4.2	4.4	5	4.9	4.7	5.1	4.7	4.7	5.2	4.4	4.5	4.3
Portugal	2.9	3.2	4.3	4.1	4.2	4.4	5.3	6.5	5.8	11.6	10.6	9.8
Romania	1	1.1	1.5	1.6	1.3	1.3	1.5	1.5	1.3	1.6	1.4	2
Slovenia	8.4	13.3	16.2	15.3	15	14.8	13.9	14.6	16.2	15.9	13.8	12.4
Slovakia	8.5	3.7	4.3	4.6	4.1	3.9	3.3	2.8	2.8	3.9	3.1	2.9
Finland	17.3	22.4	22.8	22.5	23.1	23.4	23.1	22.1	23	23.8	24.5	24.9
Sweden	18.4	:	:	17.4	18.4	18.6	22.2	22.2	24.4	24.9	26.7	28.1
United Kingdom	21.3	27.2	29	27.6	26.7	20	19.9	20.1	19.4	15.8	15.8	16.1
Iceland	24	29.5	24.2	25.7	27.9	27	25.1	25.1	25.2	25.9	27.3	25.8
Norway	13.3	17.1	17.4	17.8	18.7	18	19.3	18.1	17.8	18.2	20	20.4
Switzerland	35.8	24.7	28.6	27	22.5	26.8	27.9	23.9	30.6	29.9	29.9	30.4

Source: Eurostat, 2014 (statistical data present the percentage of 25-64-year-olds participating in education)

All these mentions on the public funding allocated for financing lifelong learning in higher education highlights at the same time the importance of funding from private sources. Private investment in lifelong learning in higher education is most often made by participants themselves, by their employers or it can also be financed or co-financed from collective funds, to which employers make contributions (in France, Spain, Belgium – Flemish Community, where legislation obliges companies to contribute to the cost of continuing education and training through mandatory contributions, which depend on the type of company and the number of employees. Financial resources collected can be used to finance various education and training schemes and can also provide support for individuals taking part in higher education provision). The list of different sources that are used to finance lifelong learning in higher education can be completed by means earned by higher education institutions themselves either through the provision of various services or through private donations (in the above mentioned report, Latvia is the only country referring to this source).

Chapter IV. Proposals on the improvement of higher education public funding in Romania

IV.1. CNFIS' vision and principles on higher education funding in Romania

According to law, the mission of CNFIS is to support MEN in the development of public policies in the field of higher education, by elaborating substantiated draft regulations on university funding, by setting the average cost per equivalent student per cycle and field of study, by submitting proposals on the improvement of higher education funding and by performing periodic checks of the efficient management of public funds by the higher education institutions.

In achieving its mission, CNFIS assumed to observe and promote the following principles defined by the national education law:

- University autonomy;
- Public accountability;
- Management and financial efficiency;
- Transparency;
- Equity;
- Quality assurance.

On a strategic level, CNFIS intends to support MEN and higher education institutions to achieve the following objectives of national interest:

- To turn the Romanian higher education into an active driver of economic growth and social development;
- Institutional and financial strengthening of higher education institutions so that they have the necessary means to significantly improve the quality of teaching and research.

From the surveys and analyses developed and consulted the Council identified a contradiction between the legal provision stating that *“(7) In Romania education is a national priority”* (LEN 1/2011, art.2) and the actual realities of the higher education system. After 1990, there was a period of growth, diversification of the educational provision and development of institutional network for the Romanian higher education. Since the public financial resources allocated did not match this growth, most higher education institutions are confronted with underfunding phenomena with harmful effects both on their institutional operation and on the quality of their teaching and research activities. As the underfunding and uncertainties caused by it erode the universities' capacity to cope with the challenges of the contemporary society and to fulfil their social role, CNFIS intends to act along the following lines:

- Raise awareness among decision-makers and the public on the social need to end the chronic underfunding of the higher education system and to implement coherent university development strategies in Romania;
- Fair distribution of existing financial resources, according to the national educational policies and to the principles of responsible management of public funds;
- Use financial mechanisms to foster institutional strengthening and the development of a good practice portfolio in the various higher education institutions, as well as an active role of universities at local and regional levels so that they become a driver for inclusion and social coherence.

Besides the overall objectives, from the very beginning of its mandate the Council set some intermediate objectives to be achieved by 2015:

- To increase the overall funding for higher education at a faster pace than the GDP growth;
- To dimension the financial means so that in 2015 the amount of the study grant allocated from public funds should be at least double than the amount allocated as core funding for an equivalent student in 2011;

- To allocate the institutional development fund on a project competition basis and to perform rigorous monitoring of the project implementation;
- To allocate at least 25% of the higher education institutional funding for the purpose of fostering excellence of institutions and study programmes, measurable by means of national rankings and international performance;
- To increase universities' multiannual financial planning capacity and to strengthen their financial discipline.

Experience has shown that the achievement of both intermediary and overall objectives set by the Council does not depend only on the Council's activities, but it relies on a convergence of decision-making processes at various levels. The low capacity to generate synergies in the development, adoption and implementation of coherent public policies to promote the sustainable development of the Romanian higher education forced the Council to restrain some of its initial ambitions and to focus on maintaining the coherence and predictability of public funding policies and mechanisms for higher education institutions. The difficulties in achieving these objectives were just as strong in 2013.

Consequently, the improvement recommendations included in this Report consist in the presentation of the draft funding methodology for 2014, and of a set of suggestions on the adoption and implementation of policies and institutional mechanisms different from the current ones, which the Council believes capable to generate beneficial effects on the education system within 5-10 years. Obviously, although the Council's proposals focus on the funding of higher education institutions, the implications of their implementation would impact on all system components. Therefore, these proposals need large scale debate and rigorous ex-ante analysis, as well as integration within a systematic strategic vision on the desirable developments. Some of them have been submitted to the Ministry by the Council in previous years and may be found in the CNFIS Annual Public Report for 2012. Others have been first promoted in this Report. All proposals aim at contributing to an open and responsible debate on the higher education issues, at a clear definition of alternatives and of their implications as prerequisites which are necessary, but not sufficient for the development and implementation of efficient public policies in the field.

Such a debate should bring together political decision-makers, technocrats, professors, researchers, students, as well as other stakeholders interested in the development of the Romanian higher education. Nevertheless, this is a task for the future, just like the adoption, by decision-makers and society as a whole, of a set of desirable objectives and priorities on the university education in Romania.

IV.2. CNFIS proposal on the higher education funding methodology for 2014

CNFIS proposal on the higher education funding methodology for 2014 had to take into account on the one hand the legal framework amendments brought by OUG 117/23.12.2013 and, on the other hand regarding the outcomes of the classification of universities and study programmes ranking.

In February 2013, the Court of Appeal in Suceava passed a judgement approving the legal action lodged by "Ștefan cel Mare" University of Suceava against the Ministry, annulling the MECTS Order no 5262/05.09.2011 on the classification of universities and MECTS Order no 3998/05.05.2012 on the methodology on public funding allocation for the core funding and the additional funding of Romanian public higher education institutions for 2012. Although it was not final, this judgement created an unprecedented void in the necessary legal framework for the development of the university funding methodology. The only possible option seemed to organise a new evaluation exercise to perform a new classification of universities and study programmes ranking. Nevertheless, although periodical evaluation was explicitly stipulated by Law, throughout 2013 there was no notable effort to this purpose, with the void in the legal framework apparently doubled by a real decision-making deadlock. This situation was overcome only at the end of the year when the publication of OUG 117/23.12.2013 confirmed the indications of some MEN representatives on the intention of

the Ministry to eliminate from the funding methodology the influence of the universities evaluation outcomes leading to the classification of universities and study programmes ranking and to allocated the additional funding based on quality indicators as those used before the enforcement of the national education law no 1/2011. In this context, CNFIS assumed the implementation of this important paradigm shift and the task to develop urgently a new set of quality indicators, better than the previous indicators. To this purpose the Council created in November 2013 two working groups: one to perform a benchmarking exercise, at international and national levels, on evaluation examples aiming at the classification of universities and study programmes ranking; and another working group to develop an analysis of the funding principles and scenarios for 2014.

The CNFIS proposal on the higher education funding methodology for 2014 builds on the analyses and preliminary proposals developed by the working groups, as adjusted following consultations with social partners. The final test of the methodology was discussed in detail and adopted during the plenary meetings on February 7 and 24, 2014, including representatives of MEN, the National Rectors' Council, Alma Mater Trade Union, National Alliance of Student Organisations in Romania and Romanian Students Union, student organisations representative at national level. Naturally, the proposal for 2014 includes numerous elements of continuity with previous years and it builds on the same principles aiming at ensuring stability and predictability in higher education funding; the main novelty element as compared to the 2013 methodology is the adoption of a complex set of quality indicators for the formula-based allocation of the additional funding. Beyond this new element and some specific adjustments, the methodology proposal for 2014 maintains the fund allocation model of 2013: after "reserving" a 2% fund for special situations, which cannot be integrated in the funding formula, and after subtracting the doctoral grants (the only component of the core funding substantiated by normative costs), the remaining amount is allocated based on a formula in core funding, additional funding and institutional development fund.

Main components of institutional funding	Component share
Core funding (FB)	72,5%
Additional funding (FS)	26,50%
Institutional development fund (FDI)	1,00%

IV.2.1. Core funding

According to the National Education Law, core funding is granted to public universities by means of "study grants computed based on the average cost per equivalent student, per field, per cycle of study and teaching language" and "it is multiannual, fully covering the duration of the cycle of study" (Law no 1/2011 art. 223, paragraphs 4 and 5). Given the restrictive financial context, CNFIS proposed that the gradual transition to a funding system based on pre-computed study grants, initiated in 2012 and maintained in 2013 should continue in 2014. Consequently, in the methodology proposed for 2014, only the doctoral grants, now extended to cover the first three years of study, are determined based on the average costs per field, and their total value *FGD* is subtracted from the amount allocated for institutional funding immediately after the 2% allocation for *FSS*. However, the doctoral grants have been the only component in the methodology of core funding allocation which was substantially modified following the express requirements of MEN and CNR to reduce their value and share in the institutional funding. The explicit objective was to provide more funding for the Bachelor cycle and avoid the increase in the Doctoral funding share. More concretely, despite the initial proposals of the Executive Office, CNFIS accepted a significant decrease in the doctoral grant for all fields, leading to an overall decrease in the doctoral cycle funding although in 2014 the doctoral grant system will cover 3 years of study (see Table 4.1 of the Annex), compared to two years of study in 2013. It is important to note that the overall decrease in the doctoral cycle funding, from 12.07% of the institutional funding in 2013 to 9.20%, according to the methodology proposed for 2014, resulted only in a modest increase of the funding available for the Bachelor cycle, namely 52.61% forecasted in 2014, compared to 49.87% in 2013 (see Table 4.2 of the Annex). Thus, as indicated in Table 4.2, the forecasted amount for 2014 for the unit allocation per UES is 2,448.86 RON, very similar to the 2013 amount which was 2,324.86 lei. This demonstrates again an idea

repeatedly supported by CNFIS, namely that the significant increase in the allocation per UES cannot be achieved by changing the rules on institutional funding allocation, but by increasing the total budget or by decreasing the number of state-sponsored students, gradually, as the Council proposed as early as April 2012. The decrease in the doctoral grants could not solve the problem of Bachelor and Master underfunding, as the share of doctoral funding is too low in the total higher education funding in Romania. CNFIS maintains serious reservations to this decrease with an impact to the only institutional funding component which was close to normality, according to the normative costs in the field.

With regards to the Bachelor and master cycles, the fourth year of doctoral studies in medicine and the other forms of study described in the core funding, the methodology for 2014 does not include any change in the formula or equivalence or cost coefficients used for core funding allocation in 2013 (see Table 4.3 and Table 4.4 of the Annex). Thus, article 8 of the proposal for 2014 details a core funding allocation procedure with a 5-step structure:

- Step 1: calculate the total amount of the available core funding. The amounts for special situation (FSS) and the doctoral grant fund (FGD) are subtracted from the institutional funding allocated to universities from the state budget, and a share of 72.5% of the resulting amount is allocated for the core funding of universities;
- Step 2: determine the number of unit equivalent students (UES), by weighting the number of individual students enrolled according to the number of students approved for each university with the specific equivalence and cost coefficients;
- Step 3: determine the total number of unit equivalent students at national level, by cumulating the values obtained for each university;
- Step 4: determine the allocation per unit equivalent student as the direct ratio between the total value of available core funding and the total number of unit equivalent students registered at national level;
- Step 5: the amount of funding distributed as core funding to each university, according to the number of UES, is calculated as the total value of unit allocations for this category of students, together with the other funding allocated for doctoral grants.

IV.2.2. Additional funding

The main elements of novelty introduced in the CNFIS proposal on the higher education funding methodology for 2014 are related to the allocation of additional funding and were determined by the legal amendments introduced by OUG 117/23.12.2013. According to art. 197 of the National Education Law no 1/2001, *“universities are allocated additional funding, in a share, at national level, of at least 30% of the amount allocated at national level to public universities as core funding, against the criteria and quality standards established by the National Higher Education Funding Council and approved by the Ministry of Education, Research, Youth and Sport”*. In the methodology used for 2012 and 2013, the text of this article was correlated with the provisions of art. 193, paragraph 7: *“for the Bachelor and Master programmes, public higher education institutions shall receive differentiated public funding, according to the university position in the classification and study programme ranking.”* Consequently, funding allocation for additional funding was mostly (the component for performance-based additional funding) based on the results obtained by the universities after the fields ranking. The emergency ordinance passed at the end of 2013 changes, among others, the text of article 193, replacing the explicit reference to differentiated funding based on the results of the classification and ranking with a simple mention to CNFIS consultation in the development of the funding methodology. But this mention expressed the willingness to shift to quality indicators such as the indicators used by CNFIS in 2003-2011, repeatedly stated by MEN representatives.

The use of the results of study programmes ranking at field level allowed for a much more specific approach on the quality aspect, leading to important developments, compared to the use of quality indicators defined by at university level. This was an important achievement of the methodology in the past two years,

which should not have been lost in the attempt to select only those quality indicators which observe the principles of transparency, stability, capacity to discriminate, simplicity and efficiency of data collection. Therefore, CNFIS assumed the task of developing a new set of quality indicators, of higher quality than the previously used set of indicators, by integrating more study field-specific elements, so as to follow the principle that indicators should measure as concretely as possible the quality of the higher education institutions activity.

The lack of a consistent database on higher education was a serious limitation in the development of the new set of indicators. For want of unitary collected data at study field level and since initiating extended data collection at this level seemed too laborious and sometimes irrelevant, the transition solution adopted was to use the general level of the scientific field as reference level. To this purpose and in order to ensure the coherence of qualitative evaluations at system level, new indicators were introduced based on the outcomes of previous evaluations (such as ARACIS evaluation of Bachelor programmes) or on data collected by central institutions (student mobility under European programmes). Nevertheless, such cautions were not sufficient and an important part of the indicators proposed by CNFIS had to be placed in a pilot area, where the funding outcomes are not significantly influenced, to avoid occurrence of unpredictable elements in the higher education institutions funding.

The procedures for the allocation of additional funding are described in detail at article 9 of the methodology proposal. The mathematical formulas used to compute the values of the relative indicators and their influence on the amounts distributed, so as to ensure the objectivity and transparency of the funding allocation process are mostly taken from the methodology used for the 2003-2011 period. At the same time, the distribution of funds allocated for the additional funding by scientific field shall use a similar procedure as for the ranking fields in 2012-2013, proportionately with the number of unit equivalent students, without taking into account the number of students from special education forms and the doctoral students financed by study grants. Beyond these similarities, there is a new list of 13 indicators structures in 4 categories:

TABLE 4.5 — LIST OF QUALITY INDICATORS PROPOSED FOR 2014

Category of indicators	Indicator	Share
C1. Teaching/learning (35%)	C1.1 Ratio of number of teaching staff, <i>tenured, full-time employment</i> , and number of students	15%
	C1.2 Ratio postgraduate cycles/Bachelor cycle	15%
	C1.3 ARACIS appraisal for Bachelor programmes	5%
C2. Scientific research/artistic creation (35%)	C2.1 Human resources quality	10%
	C2.2 Impact of scientific activity /artistic creation	10%
	C2.3 Scientific activity /artistic creation performance	5%
	C2.4 Funds for scientific activity /artistic creation	10%
C3. International focus (10%)	C3.1 Share of student mobility under ERASMUS	5%
	C3.2 Share of students enrolled in study programmes taught in foreign languages	5%
C4. Regional focus & social equity (20%)	C4.1 Capacity to provide learning programmes for disadvantaged learners	5%
	C4.2 University contribution to grants fund	5%
	C4.3 Internships	5%
	C4.4 Student dorm places	5%
Total share		100%
Total share of FI		26,5%

From the general description of the groups of indicators presented in detail in Annex 4 to the CNFIS proposal²⁸ CNFIS on the funding methodology for 2014, we may note that the CNFIS proposal to place the focus significantly and equally on the categories of **teaching/learning** and **scientific research/artistic creation** is not random, as the objective is not to create a disadvantage for any university and to support the principle of unity between the teaching/learning component and the scientific research/artistic creation within all higher education institutions. At the same time, the CNFIS proposal supports the focus on the regional role of universities and on their involvement in social equity. With regards to the categories, we may note that the indicators on human resources, their quality, study programmes and their diversity are the main types of indicators, based on the shares allocated in the CNFIS proposal. To complete the set of indicators proposed for 2014, CNFIS defined other 11 indicators, most of them belonging to the last two categories, and proposed that they should be piloted in 2014. The success of this exercise, given entirely by the capacity to obtain consistent data, will determine the integration of the piloted indicators in the related categories, redistributing the shares within the category or even within the entire system of indicators. Therefore, the role of the piloted indicators is also to indicate the universities the CNFIS concern with including in its proposals other types of activities besides the traditional ones, teaching/learning and scientific research, activities which would allow for the development of Romanian universities, in line with the European and international trends in the field of higher education.

The manner of defining the indicator share, using as reference only the additional funding, not the entire institutional funding as in the 2003-2011 period, is another expression of the different significance given to the new indicators which are seen as means to measure the quality of the study programmes and not to evaluate the use of funding allocated as core funding.

IV.2.3. Institutional development fund

According to art. 197, paragraph b of OUG 117/23.12.2013, amending the National Education Law, *“public universities shall be allocated a discrete institutional development fund from the budget allocated to the Ministry of National Education. The institutional development fund targets the top performance higher education institutions in each category and is allocated on competitive basis, according to international standards. The methodology on the allocation and use of the institutional development fund is developed by the Ministry of National Education and is approved by order of the minister of national education.”* The conceptual elements of the text were taken as such from the initial version of the Law; the only change was a procedural one: the methodology shall be approved by minister order, not by government decision, as in the initial version of the law. Although apparently formal, this change may be considered an indication of the MEN intention to initiate the necessary actions to distribute the funding allocated for institutional development based on an objective methodology, rather than in order to solve certain special situation, as it happened in the past two years.

CNFIS has consistently supported the approval of a methodology on the project-based allocation of the institutional development fund and submitted the Ministry a draft government decision to this purpose in the early 2012, so the Council adapted its previous proposal to the new legal framework and submitted MEN a methodology proposal. More concretely, CNFIS proposed that the institutional development fund should be allocated to universities based on an institutional contract providing the indicators to be achieved, the verification stages and the types of eligible expenditure, a contract to be concluded with the Ministry of National Education for a period of up to 5 years. The allocations will target specific actions, as part of the higher education institutions operation:

- Promoting new study programmes;

²⁸ National Council for Higher Education Funding, *Metodologie de alocare a fondurilor bugetare pentru finanțarea de bază și finanțarea suplimentară, a instituțiilor de învățământ superior de stat din România, pentru anul 2014 (Methodology on public funding allocation for core funding and additional funding of Romanian public higher education institutions, for 2014)* (http://www.cnfis.ro/wp-content/uploads/2012/08/PropunereCNFIS-Metodologie-repartizare-FB_FS-2014.pdf)

- Strengthening institutional capacity;
- Improving quality of teaching;
- Infrastructure development;
- Developing links with the local and/or regional community;
- Social inclusion;
- Development of study programmes taught in the national minorities languages;
- Internationalisation of higher education.

Institutional development funds will be allocated on competitive basis, following a multicriteria evaluation of the institutional development projects proposed by universities. An element of novelty introduced for 2014 is the CNFIS proposal that the competition should be differentiated, by category of projects, according to the three categories of universities.

IV.3. Proposals for improvement of higher education funding in Romania on the medium term

IV.3.1. Adjustment of total institutional funding of higher education according to the regulatory framework and the Europe 2020 objectives

The strategic target proposed by the European Commission to the EU member states²⁹ with a specific focus on the national higher education system stipulates that at least 40% of young people should have completed tertiary education by 2020. In this context, Romania assumed to reach a percentage of 26.7% of the target group (30-34-year-olds). Currently, according to the official data published by the National Institute of Statistics and Eurostat, the share of 30-34-year-olds holding a tertiary education qualification (ISCED 5, according to ISCED 97, or ISCED 6, according to the new ISCED 2011 system) is 21.8%.

The strategic objective to increase participation in higher education³⁰ was associated in the past years with a set of operational objectives covering various dimensions of the national higher education systems. They are detailed specifically for each member state in progress documents entitled “Country Specific Recommendations” (CSR), addressed to the governments of the EU member states in 2012–2013. As this Report aims at presenting the higher education funding in Romania in 2013, we shall limit our discussion to the overall operational objectives and shall detail only on the dimensions which are relevant for the public universities funding.

The strategic objective of “Europe 2020” on participation in higher education is linked to another strategic objective to improve the quality and relevance of university education. This includes four dimensions: quality assurance, performance-based funding, strengthening the links between university and industry and graduates employability. The performance-based funding is obviously a priority for this Report. It is important that this dimension should be understood in a wider context, briefly described below, and as part of a mix of policies in the field of education.

Performance-based funding is a new set of public policies whose main feature is dissociation from the traditional system of university funding, based first and foremost on the operational needs of the universities (*inputs*). Performance-based funding proposes an alternative, namely that financial resources from the national budget should be allocated to universities based on performance indicators measuring the outcomes and the effects generated by the education and research activities undertaken by universities. Although the majority of EU university education systems are financed mainly from public funds (see chapter III), the introduction of performance-based funding policies is a current concern quite widely spread among the EU member states. A recent Eurydice report published at the end of 2013 – *Education and Training in Europe 2020* – based on the answers provided by the member states governments to a common questionnaire, noted that more and more countries have started in the past years to introduce public funding models which take into account performance indicators set at national level.

There are several examples worth mentioning to illustrate the EU member states tendency to reform the university education funding systems. The report quoted above mentions several interesting examples:

- Austria implemented a system of institutional contracts concluded between universities and the government every three years. Part of the EUR 1 billion (approximately 50% of the public funding for 2012³¹) additional funding to universities will be allocated on the basis of efficiency criteria. The first such contracts will be implemented in the period of 2013–

²⁹ See ‘Europe 2020’, a strategy for jobs and smart, sustainable and inclusive growth, adopted by the European Commission on June 17, 2010, EUCO 13/1/10 REV 1

³⁰ The documents published by the European Commission use *tertiary education* and *higher education* as synonyms. Therefore, from now on we shall refer to this level of education as university education or higher education.

³¹ See data published by European Universities Association, at <http://www.eua.be/eua-work-and-policy-area/governance-autonomy-and-funding/public-funding-observatory-tool.aspx>

2015. The funds will be allocated based on projects developed by universities, according to indicators measuring the targets set by the universities for the reference period.

- The Netherlands use the same system of individual institutional contracts between the universities and the state, but they allocate only 7% of the public funding based on these objective-oriented contracts.
- In 2013, the Czech Republic allocated 22.5% of the public funding based on quality indicators.
- Latvia is currently preparing a new higher education funding methodology, based on the national accreditation system and on the definition of learning outcomes by universities³².

These recent developments in the reforms of the public funding granted to universities may be identified to some extent in Romania as well. According to the legal provisions in force, the funding proposals developed by CNFIS in the period 2012–2014 provided that public funding should be partly allocated based on the study programmes ranking. According to the conclusions of the “Report on higher education funding and the necessary improvement actions” published in 2013 by CNFIS, various funding measures could be implemented. The previous report indicated, based on the financial and statistical data available at system level, that the study programmes were underfunded and recommended as corrective measures the implementation of the multiannual study grants, calculated according to standard costs specific to the field of study, resizing the number of grants according to the number of equivalent students and to the study programmes ranking categories, by fields of study, and setting certain priority fields for the public funding of universities. These actions aimed at changing the public funding model in place until 2011 which used exclusively the number of students and some overall quality indicators.

The design of institutional funding of higher education in Romania in the period 2015–2020 should consider the strategic priorities set in the targets assumed by Romania under the Europe 2020 strategy. Thus, the priorities of the core funding should be to reach a higher education participation rate of 26.6% of the 30–34-year-olds, as well as the other related strategic objectives. However, the current context of the strategies on the university education priorities and of the financial strategies developed might raise some issues in achieving the objectives assumed.

Further on we shall consider, on the one hand, the objectives included in the Partnership Agreement with the European Union³³, and on the other hand the financial forecasts developed by the Ministry of Public Finance, which can be identified in the Budget Strategy for 2014–2016³⁴. Thus, according to the Partnership Agreement which will underpin the European financial allocations for 2014 – 2020, Romania mentioned the following investment priorities for the thematic objective on education, training and lifelong learning (TO 10), with a direct bearing on higher education:

- Improving quality and relevance of VET and tertiary education to labour market needs;
- Enhancing access to and supporting participation in tertiary education;
- Enhancing adult learners’ access to educational programmes focused on the development of core and transversal competences.

Among the proposed priorities for funding, we mention the following:

- Enhancing governance and management of higher education institutions to improve the quality of teaching and research

³²See Eurydice Report, Education and Training in Europe 2020. Responses from the EU Member States, November 2013, available online at <http://eacea.ec.europa.eu/education/eurydice>

³³For the full text proposed by Romania to the European Commission, visit http://www.fonduri-ue.ro/res/filepicker_users/cd25a597fd-62/2014-2020/acord-parteneriat/AP_31%20martie%202014_official%20version.pdf

³⁴The document may be consulted at http://discutii.mfinante.ro/static/10/Mfp/transparenta/STRATEGIA2014_2016.doc

- Increasing the relevance of Bachelor and Master study programmes, by strengthening the partnerships between universities, businesses and research organisations;
- Modernisation of tertiary education by development of postgraduate study programmes and supporting internationalisation of higher education, including advanced research and mobility;
- Development of human resources in higher education and research/development institutions.

The financial support of these priority objectives from public funds should be substantial. However, we see that the budget forecast provided by the Ministry of National Education according to the provisions of the Budget Strategy for 2014–2016 is decreasing (as share of estimated GDP). The document quoted above estimates a decrease in the financial resources allocated to the Ministry of National Education from 0.80% in 2014 to 0.76% in 2016. The values presented include, according to the document quoted above, the possible projects which would benefit from non-reimbursable funding from the European Commission, to be contracted and implemented.

We should also highlight that the higher education underfunding policy has not changed. At least the data available in 2014 indicate that the allocation of 1,771,064,000 RON for the core funding of higher education (Law on the state budget 2014, Annex 3, Ministry of National Education, Chapter 6501, Group 51, art. 01, paragraph 02). This means 0.26% of the GDP estimated for 2014. The financial allocation from the state budget for the core funding of higher education is obviously very low, much lower than the allocation from previous years, as calculated and presented in the previous Report developed by CNFIS for 2012 (see Table 1, sub-chapter 1.3.1).

The CNFIS proposals to improve higher education funding, also presented in the Report published in 2013, consider two categories of actions: efficient distribution of existing resources, to enhance the efficiency and transparency of the use of public funding, and the diversification of university funding to include other sources than the state budget.

We reiterate below the main proposals we made the previous year, since at the moment of publication of this Report there were no significant developments with regards to our proposals.

IV.3.2. Differentiated funding according to the missions assumed by universities

One of the most disturbing trends of the last decades was to consider all higher education institutions, regardless their tradition, structural characteristics and quality of teaching and research, as essentially equivalent. Unlike the legislation prior to the communist regime which made a clear distinction between a small number of universities and a larger number of other higher education institutions, the law passed in 1978 and then the entire legislation from 1990-2010 extended the rights reserved to universities to all higher education institutions. The National Education Law no 1/2011 provided, on the one hand, on a differentiation by categories of universities – education-focused universities; education and scientific research universities or education and arts universities; advanced research and education universities –, but it also maintained the previous principle that all universities should be evaluated against the same criteria and standards, and established that the outcomes of the classification of universities and of the study programmes ranking would have financial consequences on the higher education institutions. Consequently, the classification performed in 2011 was perceived as a discriminatory ad-hoc ranking and it raised strong protests from many universities which were declared “education-focused universities”, leading to court actions lodged both against the classification procedure and against its actual outcomes. Although the court action lodged by “Ștefan cel Mare” University of Suceava ended in March 2014, with a judgement of the High Court of Cassation and Justice rejecting the action and maintaining the validity of the classification, there is still considerable controversy on the topic.

The position adopted by CNFIS was that, unlike the study programmes ranking, the classification of higher education institutions should not be considered as a hierarchical ranking, but it should be the outcome of realistic self-assessment and understanding by all the stakeholders involved – the higher education institution, the ministry, county/regional decision-makers –, that should define the profile and objectives of each institution, to be further assumed within the university mission and the institutional contract concluded with the ministry.

Such purposeful adoption of differentiated missions may be only fostered if the Romanian higher education development strategy detailed the characteristics of each category of universities provided by law and provided for national objectives related to these three (or more) categories. Such a strategic decision to differentiate and strengthen specific profiles for the various higher education institutions in Romania would be a solution to reflect both the actual differences between these institutions and the international trend of strengthening the specificity of each university.

In wait for the development and approval of such provisions within the national strategy, CNFIS included in the draft OMEN on the methodology on the allocation and use of the institutional development fund for public universities the possibility that the fund should be allocated on the basis of competition by differentiated projects, targeting specifically each category of universities. Also, according to the strategy to be agreed at national level, the Council is considering the possibility that, in the future, the quality indicators provided for the additional funding should be differentiated by university category, so that the criteria used to allocate this important component of the institutional funding should take into account the differentiated missions of the various higher education institutions.

IV.3.3. Implementation of core funding by multiannual study grants

According to its task, stipulated by the National Education Law no 1/2011, art. 219, paragraph 2, CNFIS developed and submitted to MECTS since 2012 university funding proposals³⁵ providing the allocation of enrolment figures according to the study grants allocation, proposals presented in the previous Report developed by CNFIS for 2012. Further we briefly present the main actions taken by CNFIS to ensure the multiannual core funding, throughout the study cycle duration (proposal on the estimate amount of study costs and, based on that, proposal on the number of grants for each cycle of study, proposal on defining the funding priorities in terms of ranking fields and, finally, the methodology proposed for the distribution of grants funded by the state budget), such proposals aiming at the improvement of higher education public funding in the period 2014-2015.

According to the National Education Law no 1/2011, art. 219, paragraph 3, letter a, CNFIS “*shall determine the average cost per equivalent student per cycle and field of study*”. Aware of the chronic underfunding of the higher education system, which led to numerous deviations from the regulations in force, CNFIS appreciated that the reflective method to determine the average cost (by reference to expenses incurred in any given year) would only lead to repeating anomalies and it chose the normative method to determine standard costs per equivalent student per cycle and field of study.

This option is convergent with the existing trends across the European Union promoting the computation of all direct costs and indirect costs per activity and/or project, the so-called full costing³⁶. For universities it is very important to determine the total costs as it allows mainly for a more efficient internal re-allocation of resources and it improves the strategic decision-making processes based on a better understanding of the investment efforts. Considering the major difficulties in determining the total costs of study programmes, not only in terms of personnel expenditure but mostly in terms of a more accurate

³⁵ National Higher Education Funding Council, *Metodologia de repartizare a cifrelor de școlarizare, prin alocarea de granturi de studii finanțate de la buget pentru universitățile de stat (Methodology on the allocation of enrolment figures according to study grants allocation provided for public universities)*, May 23, 2012

³⁶ European University Association, *Financially sustainable universities. Towards full costing in European universities (AN EUA REPORT)*, Brussels, Belgium, 2008 (accesibil la <http://www.eua.be>)

determination of material costs and of right estimation of overheads, CNFIS performed its own estimation of the real costs of study programmes, which highlighted several issues, for example that budget allocations for an equivalent student do not reflect the real costs of the respective study programmes, as their value is significantly lower than the costs for all study programmes. In order to solve these issues, CNFIS proposed that there should be only four funding fields: F1 (study programmes from the socio-economic and humanities ranking fields), F2 (for the ranking fields covering engineering, natural sciences and biosciences), F3 (medical sciences, architecture and urbanism) and F4 (performing arts, music etc.).

The estimation started from realistic assumptions on the average number of hours in the education plan for Bachelor and Master study programmes, by funding fields, the number of students trained by study groups, the percentage of teaching staff by categories, various expenses for study programmes taught in other languages, average coverage of teaching positions, overheads and minimum material expenses. The analysis of expenditure for 2012 indicated estimations of the annual costs of Bachelor study programmes delivered in Romanian of about 5,700 RON for F1, 7,550 RON for F2, 10,000 RON for F3 and 15,700 RON for F4. Similarly, the estimated costs for Master study programmes indicated costs of about 10,000 RON, 11,000 RON, 11,600 RON and 16,000 RON respectively, for the four funding fields.

A comparative analysis of the value of grants computed based on the estimation of real costs per student, by study programme, by ranking fields, with the allocation per individual student (both core funding allocation and institutional funding allocation) shows the gap between the estimated values of the costs and the budget allocations, indicating the need to increase the allocations, especially for Bachelor study programmes.

The significant gaps between the real costs and the budget allocations demonstrate the severe underfunding of study programmes with significant consequences for the entire education system. In order to operate in this underfunding conditions, higher education institutions merge course or increase student groups and such measures lead to lower quality of teaching/learning processes, and increase the teaching workloads to the limit allowed by the legislation in force.

One of the most serious consequences of the underfunding of study programmes is seen in the fields attracting fewer students, where incomes cannot cover the costs. In such situations there is a major risk that universities might consider closing the unsustainable study programmes according to the old funding policy, with severe consequences on meeting the social needs.

To conclude, in order to improve the public funding of higher education and to increase the quality of education, CNFIS proposed for 2014-2017 a gradual increase in the amount of the study grant, consistent with the real costs. If budgetary restrictions are maintained, this measure should be accompanied by the adjustment of the number of study grants.

IV.3.4. Improvement of total number of grants for each cycle of study

The need to gradually increase the amount of the study grant according to the real costs (see previous sub-chapter) is a very current topic at European level. Considering that the budget allocations for higher education have not been significantly increased in the past year (see sub-chapter IV.2) and that such increases are not forecasted³⁷ for the period 2015-2017 either, CNFIS reiterates for 2015-2017 the proposals and recommendations on the improvement of the total number of grants per cycle of study, as detailed in the annual public report for 2012 (see sub-chapter IV.1.2) and briefly described further.

The proposals and recommendations made by CNFIS started from the following principles underpinning the determination of the number of grants (principles provided by the National Education Law 1/2011, art. 3, especially the principle of efficiency, asking for the best educational outcomes by managing existing resources, and the principle of relevance, asking that education should meet the social and economic

³⁷According to budget estimations until 2017, presented in the budget law for 2014

needs) and from criteria such as: i) increased competitiveness in the selection of candidates in the public higher education institutions; ii) compliance with the commitments assumed under the Europe 2020 strategy, on the tertiary education indicator; iii) use of graduate tracer studies results; iv) ensure gradual transition which would not jeopardize the frail balance of the higher education system.

An analysis of the data provided by the National Institute of Statistics regarding the 1988-1994 cohorts, corroborated with the MEN data on high school graduates who passed the baccalaureate exam and the enrolment figure approved on yearly basis by Government Decisions in the period 2006–2013, showed a decrease in the number of young people of university education age and especially an important decline in the number of high school graduates who passed the baccalaureate exam, while the enrolment figures approved for public funding was mostly maintained. On the other hand, we also considered the difficulties faced by some study programmes which do meet certain social needs, but have relatively high costs and low incomes, due to the decline in the number of students.

Considering, on the one hand, the significant differences between the estimation of the real costs of various study programmes and the budget allocations provided in 2013, and on the other hand the objective to stimulate the fields on demand in the labour market, the Council proposed to correlate the enrolment figure with the demographic evolutions and the number of high school graduates who passed the baccalaureate exam.

The data analysis presented in the annual public report for 2012 shows that the allocation for core funding covers between 33% and 47% of the costs for Bachelor studies, while the total allocation covers between 50% and 69% of the costs. Consequently, the amounts available would be sufficient only for maximum 35,000 grants, much less than the 62,000 places approved by the ministry every year. So as not to jeopardise the frail balance of the higher education system, CNFIS proposed a gradual decrease in the number of grants, accompanied by an increase in the amount of the grant. For example, a decrease of about 5% in the number of grants, accompanied by an increase by about 7.5% in the amount of the grant may correct within four years the major discrepancies within the system, minimising the shocks.

Also, the cost analysis shows that the allocation for core funding covers between 37% and 68% of the costs for Master studies, while the total allocation covers between 55% and 100% of the costs (except field F4). Consequently, the amounts available would be sufficient only for about 25,000 de grants, much less than the 35,000 places approved by the ministry every year.

Again, in order not to jeopardise the frail balance of the higher education system, CNFIS proposed a gradual decrease in the number of grants, accompanied by an increase in the amount of the grant. For the Master studies as well, a decrease of about 5% in the number of grants, accompanied by an increase by about 7.5% in the amount of the grant may correct within four years the major discrepancies within the system, minimising the shocks.

IV.3.5. Proposal on the allocation of grants according to the priority of the study field

Starting with the obligation stipulated by the National Education Law no 1/2011, art. 223, paragraph 4, namely that “*study grants should be allocated with priority to those fields which ensure sustainable and competitive development of the society*”, CNFIS adopted since 2012 a proposal on defining the priority fields of study to receive public funding³⁸, proposal described in the public report for 2012 (see sub-chapter IV.1.3) and briefly presented below.

Noting that the national strategic policy documents do not explicitly define the fields which ensure sustainable and competitive development of the society, CNFIS substantiated its proposal starting from the

³⁸National Higher Education Funding Council, *Propunere privind stabilirea domeniilor de studii prioritare pentru finanțarea de la bugetul de stat în anul 2012 (Proposal on defining the priority fields of study for public funding in 2012)*

principles governing higher education, in compliance with Law 1/2011, art. 3, and from the priorities defined at national level through strategic policy documents.

The selection criteria for priority fields were the following:

1. Shortage of graduates in the labour market, according to existing available data;
2. Costs – programme provision and opportunity costs (study programme difficulty), based on the cost indices of the study programme;
3. Field attractiveness, and income expectations after graduation, based on available survey data;
4. Graduate assessment regarding the quality and the relevance of the study programmes in the respective field, based on available survey data.

Priority fields ranking was performed against the following criteria:

1. The group is considered a national priority;
2. Public interest (those fields whose graduates work in fields of public interest such as education, health care etc.);
3. Income expectations after graduation below the national average;
4. Shortage of work force in certain fields of the national economy.
5. Less attractive fields for co-financing (operational criterion: share of state-sponsored students in total students).

Based on this analysis, CNFIS allocated each ranking field a priority level between 0 and 5; the priority levels are the basis of the new methodology on study grants allocation.

The CNFIS proposal involves a reconsideration of the ministry's role and involvement in the distribution of study grants by fields. The current procedure, consisting in the allocation of an overall number of places to universities, although apparently focused on university autonomy, has some major flaws. The universities distribute these places to study fields taking into account mainly the admission competition, the university level and the provision capacity in certain fields – not the national trends or needs. By maintaining this procedure, the Ministry excludes its contribution to the development of national policies on highly qualified human resources development and turns into an office which adopts in a non-critical manner the decisions made by universities. Therefore, the CNFIS proposal means the direct involvement of the ministry in the study grants allocation by fields and cycles of study, with the aim to eliminate with time the existing distortions and to ensure a modern higher education structure by fields of study.

CNFIS proposals on the priority score of the various ranking fields were presented in Table 17 of the public report for 2012, for the Bachelor and Master study programmes, mentioning the corresponding shares for 2012, and those proposed when using the priority levels of the ranking field and in the total number of grants. The maximum variation margin was 0-10% for the Bachelor study programmes and -10% to 10% for the Master study programmes.

IV.3.6. Diversification of student financial support forms

This sub-chapter briefly presents the specific recommendations made by students on the improvement of the student financial support, which focus on the following main action lines e:

- **Restructuring the grant allocation system**, to create an educational system that meets the needs of the current society and to ensure real and fair access to higher education. These actions may be supported by amending HG no 558 of September 3, 1998, completing Annexes 1 and 2 to the Government Decision no 445/1997 (on setting the overall criteria for allocation of grants and other means of financial support to the students and learners enrolled in the public education system, full-time education), so as to include the following:
 - An increase in the grant fund by 15%, so that it covers the increase in the amount of the need-based grant according to the CNFIS recommendation;

- A threshold of at least 30% of the total grant fund allocated by universities to need-based grants, so as to meet the national objective to ensure equity and access to higher education by means of the grants system;
 - A minimum amount for the need-based grant, determined by CNFIS by regional development areas, to cover the residence and meals expenses;
 - Introduction of a system of additional grants to encourage students to choose study programmes in the fields considered a national priority.
- **Diversification of funding sources and student support**
 - Implementation of the bank loans system to cover student loans and study grants, as mentioned by the National Education Law no 1/2011 (see art. 204) – This might allow the support of low income students by other financial means than the state budget resources, in order to cover the tuition fees and the cost of living throughout the study duration, with a possibility to reimburse the loan after completion of studies and graduate employment or with the possibility to turn the loan into study grants, based on the loan type and on the student performance. In order to speed up the necessary actions to create an implementation framework for the legislation in force on these state-guaranteed loans, there is a need for joint and coordinated involvement of decision-makers and institutions proposing the specific implementation rules.
 - Involvement of local, county or regional authorities, as direct beneficiaries of the higher education outcomes, in the financial support of students coming from the respective areas – To this purpose, CNFIS maintains the need to create an appropriate legal framework so that the need-based grants could be financed by local authorities (in the students' locality of residence), especially since most of the documents needed for the grant application are issued by these authorities.

Also, in case of shifting to quality indicators to allocate the additional funding to universities, CNFIS is considering to introduce among such quality indicators some indicators directly related to the support provided by universities. More concretely, besides the indicators already included in the methodology proposal for 2014 (see Annex 4 to the CNFIS proposal³⁹ on the funding methodology for 2014), NFIS considers other indicators such as: total number of credits accumulated by students and total number of credits; implementation of the credit transfer system; practical training (including the Master cycle); completion of educational programmes by students from disadvantaged environments; monitoring student employability etc.

IV.4. Proposals on the diversification of funding sources for the Romanian higher education

The diversification of funding sources is an important element to guarantee the institutional stability and the autonomy of higher education institutions, especially given the inevitable limitations of the public resources available. The developments of the past years are reason for concern, as the incomes from student contributions, research contracts and/or investment objectives have decreased.

Consequently there is a trend to believe that the European funds, especially the human resources development fund could be a panacea for the financial problems of the Romanian universities. Undoubtedly, such funds may be a welcome source of additional resources, as well as an incentive to develop activities or actions for which the budget allocations would be insufficient or inadequate. On the other hand, one should not underestimate the difficulties faced by universities when attempting to implement projects financed by

³⁹ National Higher Education Funding Council, *Metodologie de alocare a fondurilor bugetare pentru finanțarea de bază și finanțarea suplimentară, a instituțiilor de învățământ superior de stat din România, pentru anul 2014* (Methodology on public funding allocation for the core funding and additional funding of Romanian public universities in 2014) (http://www.cnfis.ro/wp-content/uploads/2012/08/PropunereCNFIS-Metodologie-repartizare-FB_FS-2014.pdf)

European funds. Experience has shown that sometimes, either due to improper management or to reasons beyond the university control, the reimbursement of some expenditure incurred may be considerably delayed, not to mention the situation when some expenses are not eligible, therefore they are not reimbursed at all. Thus, universities may face serious cash-flow problems and uncertainties leading to institutional imbalances. We should not underestimate the fact the European-funded projects induce – both at institutional and at individual levels – incentives which might distract the human and administrative resources of the universities from fulfilling their main mission, education and research. Consequently, it is crucial to create at national level a more efficient project implementation framework, to minimise disturbances and to guarantee maximum predictability, at the same time encouraging universities to implement projects focused on their main activities, training and research.

Considering the trend of limitation of the demographic pool for the recruitment of tuition-paying students studying in the Romanian universities, the diversification of the higher education institutions funding sources would involve to extend recruitment either to foreign students or to social/age groups which have not completed university studies. Nevertheless, both solutions need coherent national policies aiming at increasing the overall attractiveness of the Romanian higher education, the liberalisation of visa and residence regime for foreign students and the development of a legal framework to allow for flexible lifelong learning pathways in higher education.

Some Master or Doctorate programmes may benefit from direct or indirect funding provided by the private economic sector interested, either by providing direct funding for the study programme provision or by covering the tuition fees/student grants. Tax exempts granted to the companies supporting such activities and student internships could contribute to a significant increase in funding.

The European funding (by specific research programmes) or the international funding (especially based on bi-lateral agreements or programmes promoted by international development agencies) are currently a potential resource scarcely tapped by Romanian universities.

Beyond the use of non-reimbursable funding provided by the European Union either directly or through the Romanian state, universities may consider and explore various alternative income sources, according to their strategic operational plans. Development of partnerships with strong companies would be a possible line of development for certain fields with more practical applicability (engineering, among others). The development of non-traditional study programmes targeting adult learners might be a development choice for universities whose provision is focused on social sciences and humanities. Moreover, provision of quality training programmes for employees or active persons seeking personal development could be another resource for universities and should also be supported by the state.

IV.5. Proposals on increasing the accuracy of the higher education funding databases

The CNFIS proposal on increasing the accuracy of the higher education funding databases in 2014 focuses first and foremost on providing the necessary support for the implementation of the other proposals on the funding methodology. The proposal was developed considering the wider context of the significant recent developments in creating databases and other IT tools to facilitate the information management and reporting in real time at higher education institution level and to allow for their integration at national level.

In the public report on the higher education funding in 2012, CNFIS indicated that the development of funding methodologies necessary for the implementation of public policies in the field of higher education are highly limited by the amount and quality of information available at system level. The main cause was identified in the improper organisation of the process of primary data collection from universities, which does not allow for gathering sufficient information compliant with the four prerequisites for their use in public funding allocation algorithms:

- **Representativeness** for the aspects followed by the methodology;

- **Availability** in all universities in the reference time intervals;
- **Homogeneity** in terms of definitions and reporting;
- **Reliability**, namely it is possible to perform analytical tests on the data accuracy or even to check the data at the source.

To this purpose, in order to achieve a significant increase in the volume of information to be used in the funding algorithms, CNFIS proposed an immediate shift to nominal data collection by using the integrated application developed under the Single Registry of Romanian Universities project while warning that both the application and the equipment it relies on will eventually be affected by wear and tear and become obsolete. Therefore, CNFIS believes that a prerequisite for the smooth operation of the Registry would be the development of the existing legal framework by setting up a structure whose main task would focus on higher education data management, in general, and on the management of the Single Registry of Romanian Universities in particular, thus focusing in a single efficient data collection exercise synchronised with the INS stat collection process, all efforts currently undertaken by MEN, CNFIS and by other central bodies using data to fulfil their specific tasks.

The developments registered in 2013 brought a significant focus on the issue of the quantity and quality of information available at the higher education system level. Therefore, CNFIS initiated actions to propose a consistent and representative set of quality indicators for the study fields in the Romanian universities and was involved in the project *Informed public policies in higher education: a prerequisite for Romania's development*, implemented under the Operational Programme for Administrative Capacity Development. Thus, together with INS and MEN, CNFIS was one of the main central institutions to provide details on the information flows in the Romanian higher education. The information was collected by means of a very complex questionnaire, including seven categories of questions focused on complementary aspects and was integrated in a national report providing decision-makers a valuable overall image on the information flows in higher education. The results of this report were a starting point for designing a dedicated IT platform to ensure the centralised periodical collection of the main statistical data for higher education. Once operational and supplied with data, this would be in the future the space to define the indicators used in the ranking or classification evaluations or other specific quality indicators for the funding methodologies or for study programme evaluation for accreditation purposes.

Until the implementation of the single platform, CNFIS proposed the implementation of some of the conclusions and recommendations provided by the report on changing the data collection timetable and methodology at university level, starting with 2014. The proposal involves a single reporting stage when universities submit data on their students and teaching staff, with reference date October 1, but actually implemented after November 15. This would allow for the harmonisation of data collection flows used by CNFIS-MEN with the parallel data collection processes used by INS. The deadline for joint reporting should be approximately November 15, to allow universities to clarify their internal situation regarding student enrolment per year and cycle of study, and to provide central institutions with the necessary information to undertake their specific activities within the pre-defined deadlines. The predictable implications of this proposal would be not only the elimination of multiple reporting of similar data, thus a significant decrease in the universities reporting efforts, but also a significant increase in the accuracy of the information used in the implementation of the higher education funding methodology.

The second CNFIS proposal on the improvement of the data collection process is related to the nominal primary data providing fundamental information for the implementation of the funding methodologies, most relevant for the assessment of the educational process outcomes. Compared to last year, this proposal is more concrete and it is integrated in the project *Evidence-based policies and impact on the labour market*, to be implemented under the Sectoral Operational Programme for Human Resources Development for an 18-month duration, in 2014-2015. Thus, until the setting up of a structure whose main responsibility is the management of higher education data and of the Single Registry of Romanian Universities, as proposed by CNFIS in 2012, the operation of the Single Registry of Romanian Universities (RMUR) could be

provided by the management team of this structural project; among the activities envisaged we mention the development of a database registering all students enrolled in public or private universities in Romania and integration of functionalities ensuring the interoperability with other management systems in the field. The integrated management of data related to higher education students will be performed when RMUR becomes operational, starting from the results of the “Single Registry of Romanian Universities” project (RMU) and then extending these results to cover all university study years and cycles. From a practical perspective, the proposal details all necessary activities, starting with taking over the IT application developed for RMU and the equipment procured for the application, using the specialist support provided by the RMU developer, followed by an update of the contents of nomenclatures implemented under the RMU project until the financial and institutional support to continue activities in order to upload the data on student enrolment in RMU. In parallel, there are other proposals for activities to capitalize on the results and experience gathered through another structural project coordinated by CNFIS, “University Graduates and Labour Market”, and to use them to develop an IT system to facilitate secure access to instruments used to develop students and graduates tracer studies. The objectives of this component are to strengthen university relation with students and graduates and to analyse the link between the educational provision and the labour market requirements.

Conclusions

A first conclusion highlighted both by the past years' developments and by the international comparisons is the aggravation of the chronic underfunding of the Romanian higher education system. Although public higher education funding increased in nominal terms in 2013, this increase was lower than inflation and entirely insufficient for the financial needs/obligations of the universities. Moreover, the income collected by universities from extra-budgetary sources was limited due to the decrease in the number of tuition-paying students, which consequently led them to be more dependent on the public funding allocations. The uncertainties and the overall insufficient level of funding have a negative impact on the higher education quality and on the competitiveness of Romanian universities on medium and long term, undermining the sustainable development opportunities of the Romanian society in the 21st century. Therefore, strengthening and improvement of mechanisms to ensure fair and efficient use of existing resources should be accompanied by a coherent national strategy and set of priorities for the long term development of the Romanian higher education system.

In its efforts to support the Ministry of National Education in the development and implementation of policies on the higher education institutions funding, CNFIS developed, on the one hand, a coherent funding methodology for 2014 and, on the other hand, a set of proposals on the adoption and implementation of policies and institutional mechanisms different from the current ones, which the Council believes capable to generate beneficial effects on the education system within 5-10 years. These proposals will obviously need large scale debate and rigorous ex-ante analysis, as well as integration within a national strategy on the development of the Romanian university system and focus on the following aspects:

1. Further implementation of multiannual grant financing of higher education studies, calculated according to standard costs specific to the field of study, by gradual extension of this mechanism from doctoral studies to the Master and Bachelor cycles;
2. Increased per student funding and correlation of the number of grants funded by the state budget for Bachelor studies with the national demographic trends;
3. Increased student support amounts and the reform of student support allocation policies so that they become more efficient in ensuring equity with regards to access to higher education and contribute to attracting students to the fields of study considered national priority;
4. Development of a legal framework on the design and public funding of flexible lifelong learning higher education solutions to allow adult learners to acquire and have validated Bachelor and/or Master degree professional competences, in line with the high quality assurance requirements guaranteed by the best universities in the system;
5. Adoption and implementation of a national policy on the prioritisation of grants by fields of study, rather than the flat fee allocation at university level;
6. Project-based allocation of the institutional development fund;
7. Improved allocation criteria for the additional funding, starting from the performance of the various higher education institutions in different fields of study/science;
8. Diversification of higher education institutions funding sources;
9. More accurate data on the Romanian higher education system.

ANNEX

TABLE 4.1 GRANT FUNDING OF DOCTORAL STUDENTS ENROLLED STARTING WITH THE ACADEMIC YEAR 2011-2012
(SUBSTANTIATION OF ANNUAL DOCTORAL GRANT)

	Category of expenses	Field of funding			
		F1	F2	F3, F4	
1	Doctoral student grant yearI/yearII/yearIII	851/915/1220	851/915/1220	851/915/1220	Individual grant
2	Doctoral supervisor wages	4.000	4.000	4.000	
3	doctoral supervisory committee wages	900	900	900	Costs for advanced studies programme
4	Training programme based on advanced studies	2.500	2.500	2.500	
5	Additional training programme	600	600	600	
6	Research funding	4.000	7.000	9.600	Costs for research programme
7	Overhead costs of the doctoral school - 25%	3.000	3.750	4.400	
	TOTAL GRANT (without scholarship)	15.000	18.750	22.000	

Source: CNFIS, Annex 2 of the CNFIS proposal⁴⁰ on the funding methodology for 2014

⁴⁰ Idem 39

TABLE 4.2 — DISTRIBUTION OF INSTITUTIONAL FUNDING BY CYCLE OF STUDY AND FUNDING COMPONENT FOR 2013, AND PROPOSAL FOR 2014

Cycle of study / funding component		TOTAL Institutional funding	Funding for special situations (FSS)	Doctoral grants funding	Core funding (FB) (excluding doctoral grants)	Additional funding (FS or FSE) (excluding doctoral grants)	Institutional development funding (FDI) /(+Additional local funding (FSL))	Percentage by cycle of study	FS share of FB
2014 (CNFIS proposal – 2014 methodology)	TOTAL	1.771.064.000	35.421.000	155.929.000	1.145.292.659	418.624.212	15.797.140	1.771.064.000	32,17%
	Structure of components		2,00%	8,80%	64,67%	23,64%	0,89%		
	Structure of components (without FSS and grants)				72,50%	26,50%	1,00%		
	of which	Bachelor (including other forms *)	931.706.331			685.303.910	246.402.421		52,61%
		Master (including Residency)	625.218.606			454.904.562	170.314.044		35,30%
		Doctorate (including doctoral grants)	162.920.934		155.929.000	5.084.187	1.907.747		9,20%
2013 (final)	TOTAL	1.739.905.000	34.798.000	141.451.737	1.149.286.618	390.913.816	23.454.829	1.739.905.000	30,29%
	Structure of components		2,00%	8,13%	66,05%	22,47%	1,35%		
	Structure of components (without FSS and grants)				73,50%	25,00%	1,50%		
	of which	Bachelor (including other forms *)	877.627.122			658.137.137	219.489.985		50,44%
		Master (including Residency)	593.946.791			440.279.902	153.666.889		34,14%
		Doctorate (including doctoral grants)	210.078.258		141.451.737	50.869.579	17.756.942		12,07%

Source: CNFIS

TABLE 4.3 – LIST OF FORM OF EDUCATION WITH EQUIVALENCE COEFFICIENTS USED FOR FUNDING STUDENTS ENROLLED IN A BACHELOR OR MASTER STUDY PROGRAMME AND DOCTORAL STUDENTS ENROLLED PRIOR TO THE ACADEMIC YEAR 2011/2012

No	Form of education and cycle of study	Equivalence coefficient
I. Bachelor studies		
1	Studies in Romanian ⁽¹⁾	1.00
2	Studies in Hungarian – as mother tongue	2.00
3	Studies in German – as mother tongue	2.50
4.1	Studies fully delivered in widely spoken languages ⁽²⁾	1.50
4.2	Studies partly delivered in widely spoken languages and in Romanian	1.25
5.1	Studies fully delivered in other languages	2.00
5.2	Studies partly delivered in other languages and in Romanian	1.50
6	Studies delivered in university extensions – abroad	2.50
7	Part-time university studies	0.25
8	University studies – evening classes	0.80
II. Master studies⁽³⁾		
9	Master studies in Romanian ⁽¹⁾	2.00
10	Master studies in widely spoken languages	3.00
11	Master studies in university extensions – abroad	3.00
12	Master studies delivered in the languages of the national minorities ⁽⁴⁾	3.00
III. Doctoral studies		
12.a	Full-time doctoral studies (except for the following fields: technical studies, agronomy, sciences* ¹⁾ and medicine)	3.00
12.b	Full-time doctoral studies (in the following fields: technical studies, agronomy, sciences and medicine)	4.00
IV. Other types of study		
13	Residency Internship	1.20
14	Preliminary training for foreign students (preparatory year)	1.25
15	Activities related to didactic qualifications granted to pre-university teachers	0.40
16	Additional pedagogical training (pedagogical seminar)	0.16

Source: CNFIS, Annex 3 to the CNFIS⁴¹ proposal on the 2014 funding methodology

Notes:

*¹⁾ IT, Geography, Geology, Physics, Mathematics, Chemistry, Biology

⁽¹⁾ The coefficient also applies for students enrolled in “Studies delivered outside the university locality of residence” from the Bachelor cycle of study.

⁽²⁾ For medicine, studies in modern languages, the equivalence coefficient for studies in Romanian shall be used for the last 3 years (clinics), delivered in Romanian;

⁽³⁾ For the Master programmes of one and a half year duration, in the second year including one semester the equivalence coefficient shall be considered for one semester only.

⁽⁴⁾ The coefficient applies for students enrolled to “Master studies in German (mother tongue)” and “Master studies in Hungarian (mother tongue)” from the Master cycle of study.

⁴¹ Idem 39

TABLE 4.4 – LIST OF RANKING FIELDS WITH COST COEFFICIENTS USED FOR FUNDING STUDENTS ENROLLED IN A BACHELOR OR MASTER STUDY PROGRAMME AND DOCTORAL STUDENTS ENROLLED PRIOR TO THE ACADEMIC YEAR 2011/2012

Fundamental ranking field (FRF)	Ranking field (DII)	Cost Coefficient
Mathematics and Natural Sciences	Mathematics	1.5
	Informatics	1.65
	Physics	1.90
	Chemistry	1.90
	Geography	1.65
	Geology	1.65
	Environmental Sciences	1.65
Engineering Sciences	Civil Engineering and Installations	1.75
	Electrical Engineering and Power Engineering	1.75
	Electronic and Communications Engineering	1.75
	Geological Engineering, Geodetic Engineering	1.75
	Chemical Engineering	1.90
	Mining, Oil and Gas	1.75
	Aerospace Engineering, Automotive Engineering, Transport	1.75
	Agronomy, Horticulture, Forestry, Forest Engineering	1.75
	Biotechnologies	1.75
	Food Engineering	1.75
	Zootechnics	1.75
	Systems Engineering, Computers and Information Technology	1.75
	Mechanical Engineering	1.75
	Industrial Engineering	1.75
	Mechatronics and Robotics	1.75
	Materials Engineering	1.75
Environmental Engineering	1.75	
Engineering and Management	1.75	
Military Engineering, Weapon, Missile and Ammunition Engineering	1.75	
Biological and Biomedical Sciences	Biology	1.90
	Biochemistry	1.90
	Medicine	2.25
	Veterinary Medicine	2.25
	Dental Medicine	2.25
Pharmacy	2.25	
Social Sciences	Law	1.00
	Administrative Sciences	1.00
	Communication Sciences	1.00
	Social Assistance	1.00
	Sociology	1.00
	Political Sciences	1.00
	Military Sciences, Information and Public Order	1.00
	Business Administration	1.00
	Economic Cybernetics, Statistics and Informatics	1.65
	Accounting	1.00
	Economics	1.00
	Finance	1.00
	Management	1.00
	Marketing	1.00
	International Economic Relations	1.00
	Physical Education and Sport	1.86
Psychology	1.00	

Fundamental ranking field (FRF)	Ranking field (DII)	Cost Coefficient
	Educational Sciences	1.00
Humanities and Arts	Philology	1.00
	Philosophy	1.00
	History	1.00
	Theology	1.00
	Cultural Studies	1.00
	Architecture and Urbanism	2.50
	Visual Arts (History and Theory of Art)	3.00
	Performing Arts (Theatre / Film)	5.37 / 7.50
	Music (Musical Interpretation / Music (Musical Pedagogy)	5.37 / 3.00

Source: CNFIS, Annex 3 to the CNFIS⁴² proposal on the 2014 funding methodology

Note. All students/participants from all public universities in Romania enrolled in the special forms of learning (*Preliminary training for foreign students, Additional psycho-pedagogical training, Activities related to didactic qualifications granted to pre-university teachers*) shall be considered with value 1 (one) of the cost coefficient.

⁴² Idem 39