

STRATEGIES FOR FINANCING OF THE ROMANIAN HIGHER EDUCATION IN THE CONTEXT OF PERFORMANCE INCREMENT IN EDUCATION

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ABSTRACT: *Romanian system of education is confronted today, and even more in the future, with real challenges that regard quality, performance and competitiveness. In this way, through this paper, an analysis was made regarding the improvement of the financing strategies for the higher education, starting from a series of methodological aspects proposed by CNFIS for years 2008 and 2009. Thereby, premises were shaped for the elaboration of a future methodological version that can be applied in 2010.*

KEY WORDS: *university autonomy, financing sources, quality indicators in higher education, financing algorithm*

The statement of the European Commission named “*The Role of Universities in a Europe of Knowledge*” emphasizes the fact that “the universities are unique” as they are part of all the three processes that the society of knowledge depends on in order to develop: “the production of new knowledge, its transmission through education and training, its dissemination through technologies of information and communication”. On the other hand, the Council of Europe Parliamentary Assembly through the Recommendation 1762 (2006) restates the importance of the Magna Charta Universitatum and analyses the role of universities in nowadays Europe, considering academic freedom and university autonomy to be fundamental requirements of any democratic society. The Assembly invited the Ministers Committee to demand the recognition of academic freedom and university autonomy as conditions for obtaining the right to become a member of the Council of Europe. University autonomy is a fundamental concept that is extremely complex and rich in meanings and it cannot be materialized in just a simple legislative article. The National Council for the Financing of Higher Education (CNFIS) sustained this process through demarches made in the direction of modernizing the financing strategy of the system of Romanian higher education, starting from the premises that a real autonomy cannot be built in the

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absence of a genuine transfer of responsibilities on the use of financial resources, demarche that is doubled by a permanent concern for the rise in quality of the educational process and in the stability of the whole education system.

The financing of the universities is done considering their effective activity, which is expressed in the most direct way, through the performances in the students training and research. The responsibilities for using the funds, as well as the liberty to elaborate own strategies for optimizing the expenses, belong to the universities management. Each year CNFIS completes a proposal regarding the budget for the following year, using for this a large range of estimation methods. For year 2008, one of these estimations had in view the perspective of gradually reaching the average European level of financing of the higher education for the years to come. At the same time, CNSIF pointed out with consistency the importance of sustaining a mixed financing (one of “multisource” type) for the higher education system. This strategic direction is one of the main orientations today at the level of European Union, emphasizing the fact that it is important for “the public authorities to acknowledge the higher education and the research as strategic investments, and the public financing must be a major source for their sustaining.” Since the Romanian higher education system must integrate in the European space of higher education, on the terms of a European and global competition, further financial efforts are necessary for its support.

In order to ensure the objectivity and transparency of the process of yearly distribution of the budgetary allocations to universities, it is used a mathematical formula that in the most direct way derives from the fundamental principle that the resources follow the student. This is a rigorous formula that allows the universities to estimate their available resources, but it is also flexible enough to facilitate the supporting of the strategic imperatives of the higher education through successive adjustments of the values of the entrance amounts and those of other system parameters. Introduced in 2002, the quality component of the financing algorithm met a fast development both regarding the weight in the total amount of financing, and the complexity of the system of indicators that was used. The two main pillars of the algorithm, that create the conceptual premises in which the new strategy of financing the Romanian higher education develops, are the allocation of a part of the funds to universities taking into consideration the number of students, the differentiate allocation, respectively, generated by the quality component. The value of the financing algorithm is given not only by the conceptual dimension or by the refinement of the adopted solutions, but also by the fact that the modernizing of the financing strategy is done without introducing major interferences in the system.

The methodology adopted by CNFIS for year 2008 was part of a gradual and permanent modernizing process of the financing strategy, of implementation of strategic directions from a national and European level, with the mention of a stability of the system. The periodical updating of the distribution methodology brought some important changes through the objectivity of the used information and the adjustment of some quality indicators, taking into consideration the strategic requirements of the moment. On the other hand, some of the formulated options considered separately or together, can offer solutions for the application of new legislative requirements, but keeping the fundamental principle previously stated, namely that the resources follow

the student. The proposals stated by CNFIS, during the plenary meeting of the Council on December 14th, 2007, validated the necessity of maintaining a certain stability of the financing system by keeping the value of the equivalency coefficients and that of the cost coefficients, as follows: a) at the same level as in 2007, as well as the growth of the weight of the quality component from 25% (2007) to 30% (2008) as a result of the growing requirements regarding the quality and competitiveness of the Romanian universities after January 1st, 2007. This growth has in view: the stimulation of the development of the teaching staff from the point of view of educational process, by the rise with 1% of the percentage allocated to the group of *Teaching staff* (distributed in the total of quality indicator IC-3, the number of assigned lecturers compared to the unitary equivalent number of students, as to support the performance potential of the teaching staff); b) the growth with 2,5% of the share allocated to the group of *Impact of scientific research regarding the educational process* (distributed to IC6 indicator, the level of performance in the scientific research, through an extra percentage of 2%, this way offering the greatest share to this indicator, and to IC8 indicator, the Percentage ratio between the value of the research-designing contracts and the total of university incomes), emphasizing the part regarding the results of the research which affects the education process, especially the last two study cycles, namely those of MA and PhD); c) equivalency coefficients as well as cost coefficients should remain constant, in order to maintain a stability of the increase with 0.5% of the share held by the Material base, distributed for the importance of the expenses for IC11 indicator, Amount of the expenses for acquisition of books, magazines and textbooks per number of students (budgeted and fee payers), in order to stimulate and support the universities in using e-learning instruments and virtual libraries; d) at the level of the group of indicators regarding *University Management* it is introduced an increase with 1% distributed for the stimulation and support of the achievement of extra budgetary incomes that could be used for development (for IC15 indicator, the share of the extra budgetary incomes spent for development in the total amount of the university incomes); e) the indicator regarding the *Total quality of academic and administrative management*, an incentive-type quality indicator, for development purposes, remained constant for year 2008, its impact still being low. So we can consider that the financing methodology for 2008 brings a plus of coherence and stability when it comes to the quality component, leaving important directions regarding the improvement for the years to come, opened, especially when it comes to the development component.

The methodology submitted by CNFIS for 2009 represents a new stage in the process of gradual and permanent modernizing of the financing strategy, of implementation of the strategic national and European directions, with the keeping of a certain stability of the system. There is no final change conceptually speaking, and the total share of the component allotted considering the quality aspects remains unchanged. The discussions that took place during the CNFIS plenary meeting on November 17th, 2008, on the basis of the initial analysis which were done at the level of the commissions of the Council but also that of the signals received from some institutional partners (MECI, universities), led to the elaboration and approval of some changing proposals regarding the version applied in the previous year, these becoming a unitary proposal for financing methodology regarding universities for 2009, which

are presented below. As a starting point we make reference to the fact that for the established professions the students registered in the finishing years (V, VI) are assigned, starting with academic year 2009-2010, equivalency coefficients correlated with those used for the students in the second cycle of study, registered in the other fields. This change affects in an attenuate manner the financing during this financial year, the effect appearing only for the last three calendar years. At the same time, when it comes to the medical field, this measure is doubled with the extension of resident studies financing to the entire period. The main changes regard the assembly of quality indicators through the transformation of some weights among groups or inside the same group, but also through the introduction of some indicators previously used or even the introduction of new indicators. Thereby, even if the total weight of *the first group (teaching staff)* remains the same, in which it appears a first change by the reintroduction of the indicator regarding the balance between the number of teachers and the unitary equal number of students (budgetary and fee payers), the role of the university teachers being underlined when it comes to the assurance of a high quality degree of the education process. *The second group* (the impact of scientific research) is reinforced by the increase with one percentage of the weight (to the detriment of the fourth group which still has the highest weight). *The third group (material base)* only knows some clarifications through the reformulation of the first indicators in the group and the confirmation of the complete renunciation to the final indicator (regarding the number of computers in the property of the university, with 0 weight for a few years). But the latter is integrated in *the fourth group (university management)* and has in view the ability of the universities to use the funds received from the budget for investments, having a weight of 0.5% in the total of Primary Financing. It overtakes some of the effects regarding the ability of the universities to direct the extra budgetary funds towards development, its weight being halved when the funds allocated from the budget for this purpose had lately a higher weight.

One of the important changes of the set of indicators is the introduction of a group dedicated to permanent education, having a complex indicator (IC 17), even though it appears this year in a temporary form (with 0 weight, without influencing the financing). Without offering a practical proposal regarding the indicator definition, the present methodology indicates the main directions had in view for future development of the indicator. This step also represents a link with the future version of the methodology, which begins to shape, even though it can only be applied in 2010.

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