



Affordability & Funding for Higher Education in Ireland

New Affordability Challenges

National Strategy for Higher Education of 2030 as a Public Compact

Funding Model for Higher Education

Implementing the Public Compact – Options & Challenges

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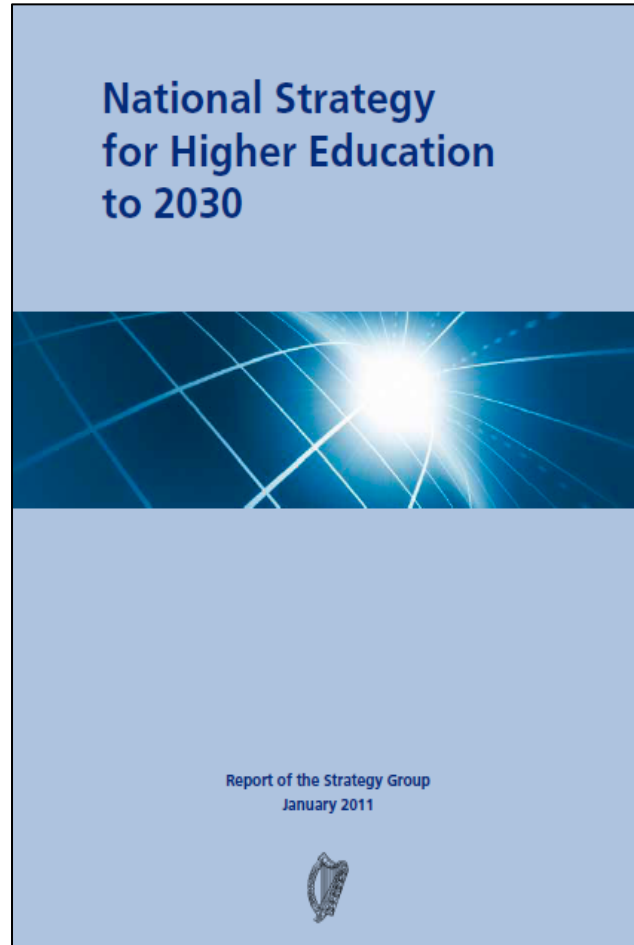


Performance of 3rd Level Education Affordability (2008-2012)

	2008	2012
Student Tuition Contribution	€900	€2,250
Avg. Weekly Earnings for Those Employed	€704	€691
Unemployment	6%	14%

Sources: CSO, HEA

Is the National Strategy a Public Compact?



- An aspirational plan for the future
 - Implementation dependent upon viable financial strategy
- A public compact among....
 - Government
 - Institutions
 - Students

***Shared Funding
Responsibility***



***Affordable
Education***



Higher Education Funding: Sources and Changes

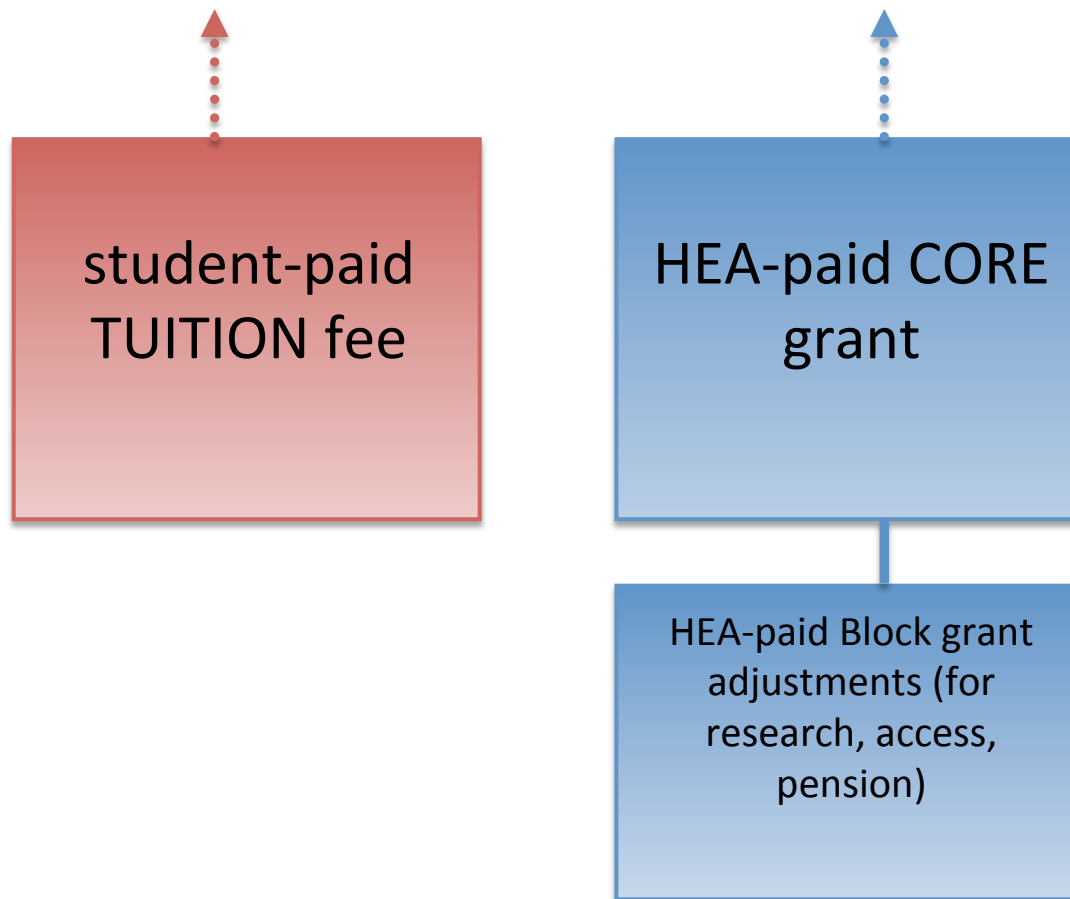


Pre-'96: Students Pay Tuition Fees

Pre-Celtic Tiger: Per Student Income to HEI

1995:

- University tuition fee \approx €2,000



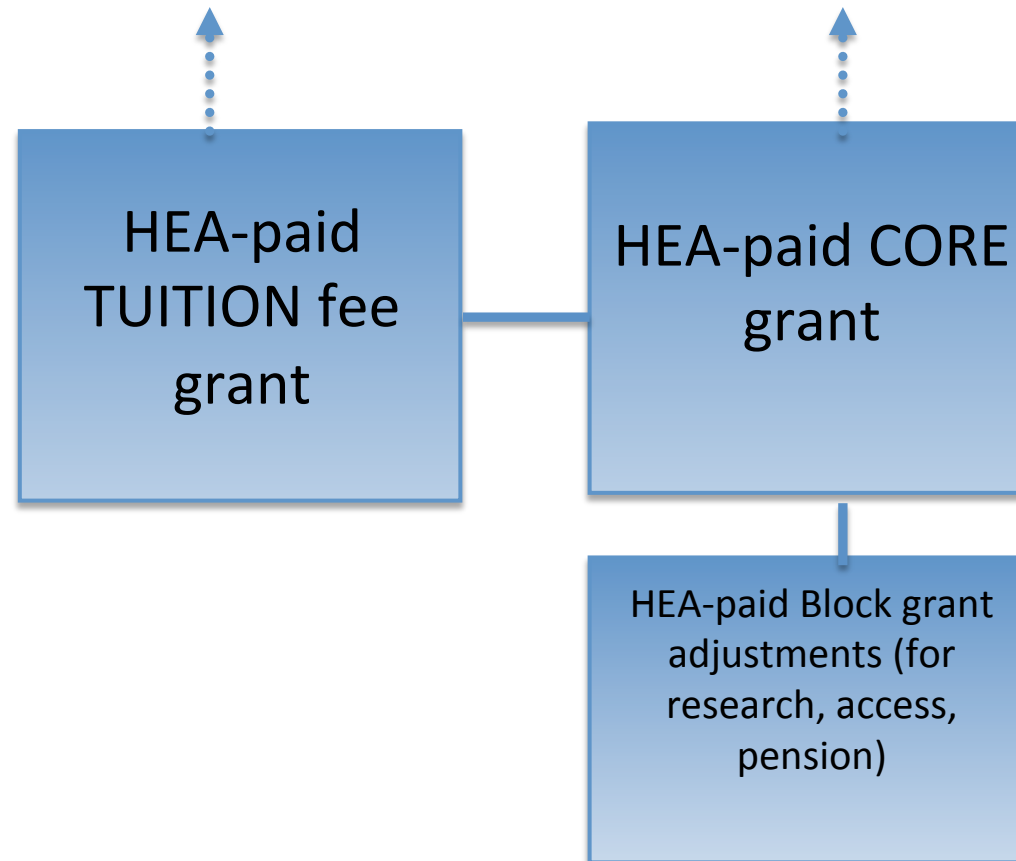


1996-: Free Fee Scheme

Celtic Tiger: Per Student Income to HEI

2000:

- (student-paid)
Student Services Fee ≈
€300



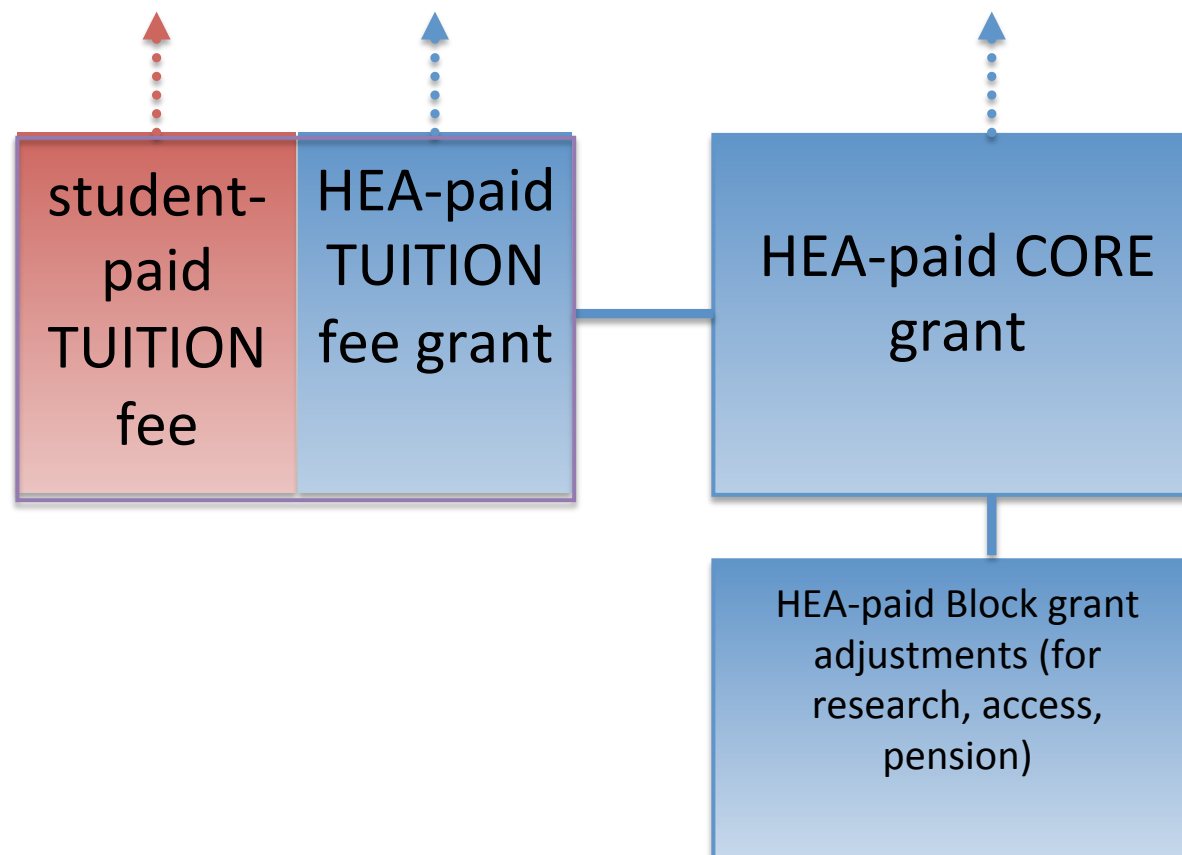


Today: Students & HEA Pay Tuition Fees

Post-Celtic Tiger: Per Student Income to HEI

2012:

- Student Contribution = €2,250



2012:

- HE total recurrent allocation = €1.1 billion
- avg. per student allocation = €6,500

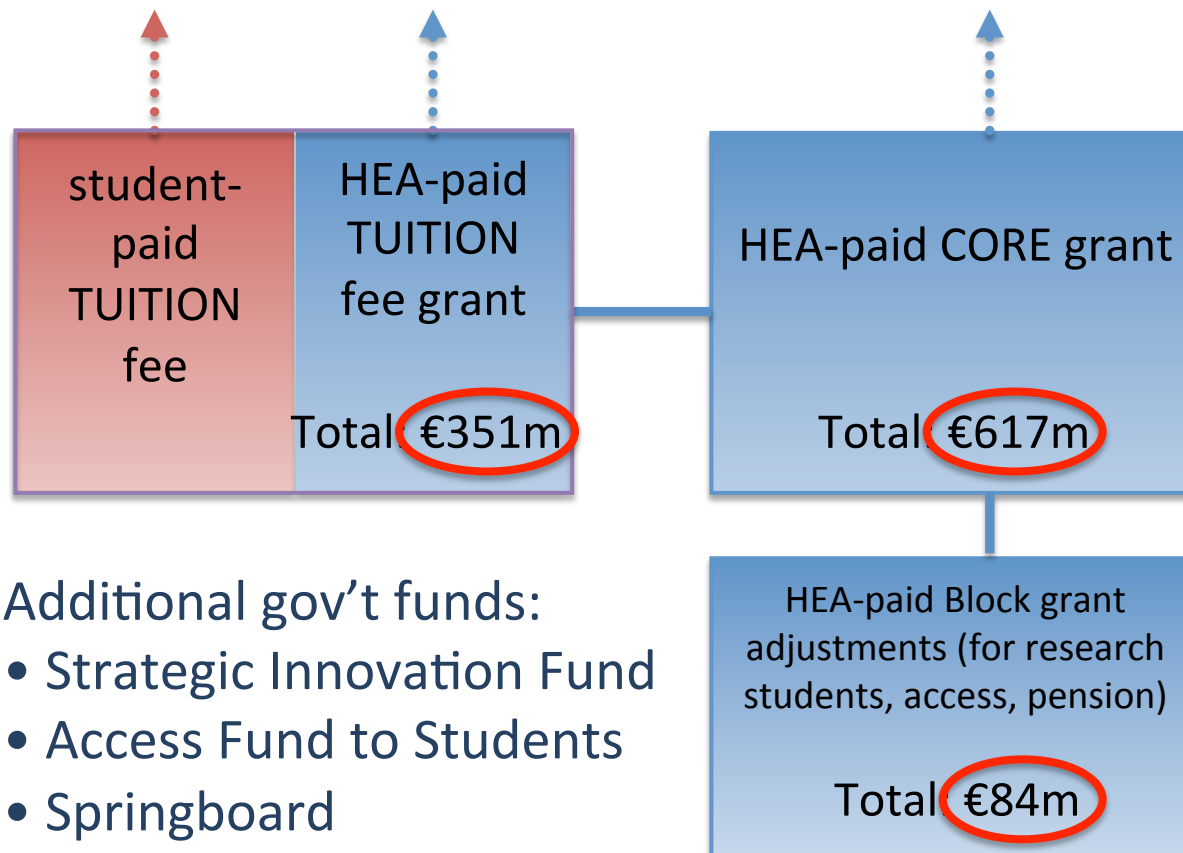


Today: Students & HEA Pay Tuition Fees

Post-Celtic Tiger: Per Student Income to HEI

2012:

- Student Contribution = €2,250



- Additional gov't funds:
- Strategic Innovation Fund
 - Access Fund to Students
 - Springboard
 - Capital Programme

+ Additional Research money

2012:

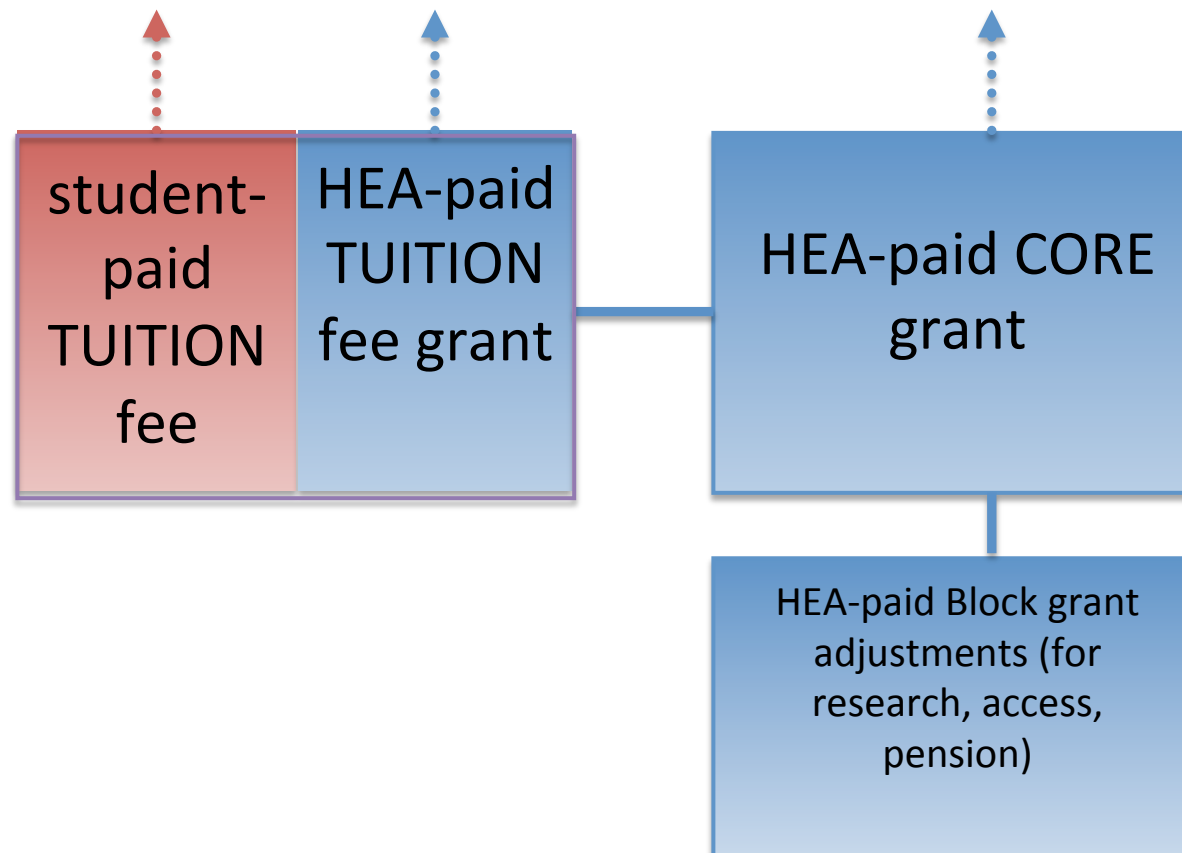
- HE total recurrent allocation = €1.1 billion
- avg. per student allocation ≈ €6,500
- **Univ. & college total allocation = €636 m**
- **IoT total allocation = €417 m**



Tomorrow: New Funding Mechanisms

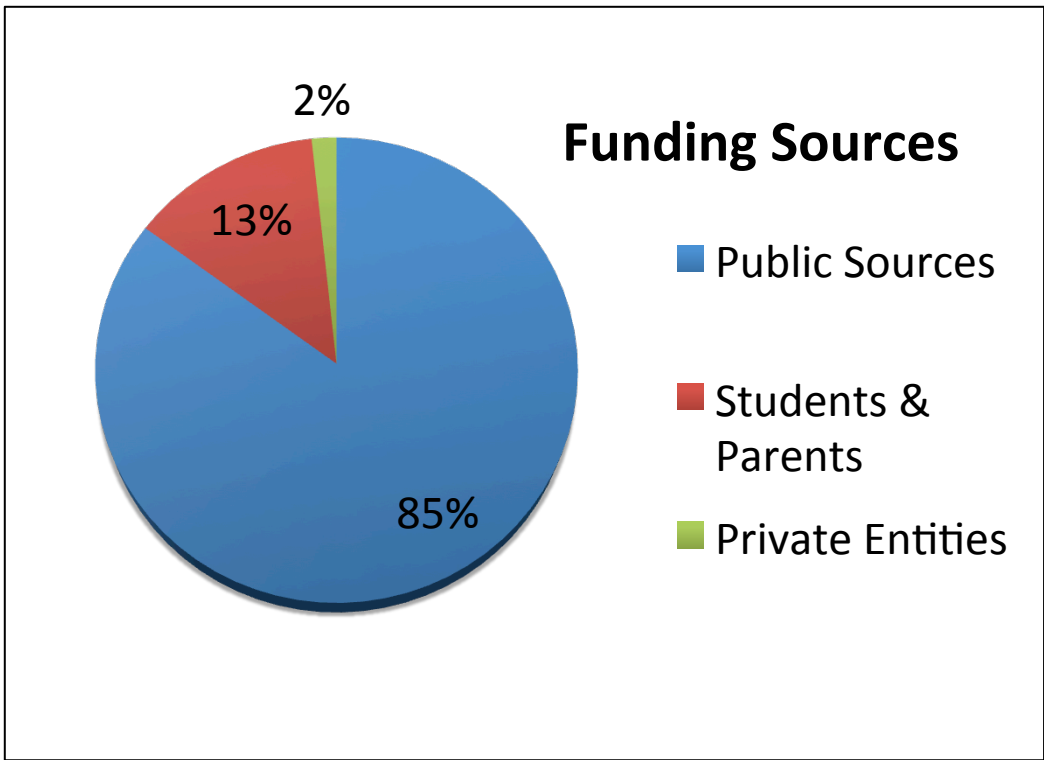
Post-Celtic Tiger: Per Student Income to HEI

2015 (projected):
• Student Contribution = €3,000



2013 (projected):
• HEA to take a cut (up to 5%) off Core Grant and move to performance-based funding

Shifting the Responsibility



<u>Change Over Time: Recurrent Grant Budget vs. Student Charges</u>					
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Recurrent Grant	5%	-5%	-9%	-7%	-2%
Student Contribution	€ 900	€ 1,500	€ 1,500	€ 2,000	€ 2,250

85.1% from public sources – compares to 81.1% of EU-19 and 72.6% for average of OECD

Sources: OECD, 2011; HEA, National Strategy 2030, 2011



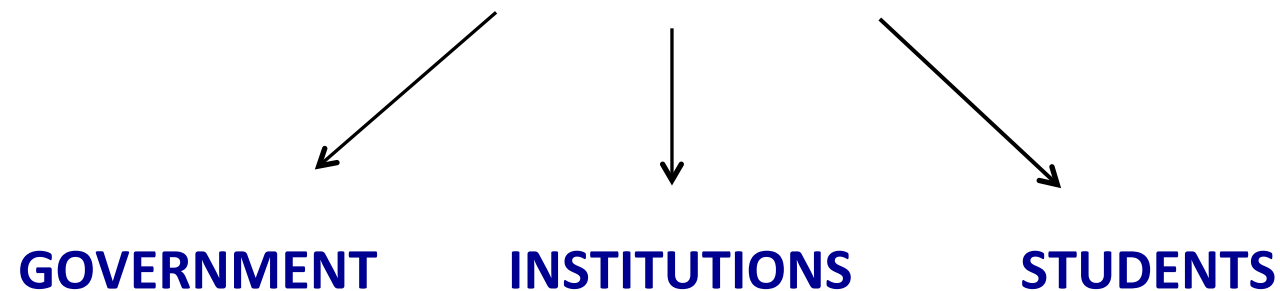
“If we go straight to the students to charge fees, there will be no incentive for higher education to change.” – student leader

- Funding for HEIs has declined by ~30% since 2008, staffing has declined by 10%, and student FTE has increased by 10%.
- Maintenance & Fee Grants
 - 44% of students receive grants
 - Rise in demand: # of grants is up 25% since 2008
 - Decrease in pool of funds
- Student Assistance Funds
- Funding needs for graduate students and part-time students



Ireland's Higher Education Challenge

- National Strategy: Where do we go from here?
- Realities: No immediate end to global economic problems
- Current Barrier: Lack of financial allocation plan and implementation strategy
- **Question to Consider: To what extent can a shared responsibility for financing higher education in Ireland be developed among key stakeholders?**





“This lifeboat, and most others, are full.” – HEI administrator

Institutional Options & Challenges

- ↓ costs & ↑ efficiencies
 - Lack of spare capacity
 - Ability to maintain quality
 - Employment control framework
 - Lack of flexibility to balance budget
 - Shared services & regional clusters
- Diversification of Revenue
- Implementation of alternative delivery models



Constant reductions and economic instability result in an “inability to plan in a meaningful way.” – HEI administrator

Government Options & Challenges

- Great pressure and limited resources
- Who pays and who attends
- The need to prioritize higher education
- Technological universities?



“Much of the funding of HE will move to the students in the future.” – HEI administrator

Student Funding Options & Challenges

- Development of a parent or income-contingent loan system
 - Upfront capital
 - Emigration of graduates
- Raising of fees - in a uniform, balanced, equitable way
 - Reformation of means-based funding
 - single awarding agency (SUSI)
 - Change of culture and time for saving
- Part-time student fee grants



What have we seen?

Ambitious and comprehensive plan in place

Fair amount of consensus

What have we not seen?

A clear and focused financial strategy to realize the plan

A compact ensuring shared responsibility