

Financing of engineering programmes – Case study of Slovakia

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INTRODUCTION

- **1989 - Slovak higher education system came over great changes**
- **New University Act entitled public universities with great competencies**
- **The Act enabled multi-source financing of public universities in Slovakia.**



FINANCIAL RESOURCES

Yields of a public university are from:

- **subsidies from state budget,**
- **school-fee and issue of documents fees,**
- **yields from further education,**
- **yields from public university property,**
- **yields from intellectual property,**
- **yields from subsidies from budgets of village communities and higher regional units**



ADDITIONAL FINANCIAL FUNDS OF A PUBLIC UNIVERSITY

- **various gifts**
- **donations**
- **business activities**



Business activities

- **subsidies from the state budget represents from 80% up to 95%**
- **more effective utilisation of human sources**
- **2004 budget of SUT Bratislava:**
 - **state budget subsidy 81,0 %**
 - **business activities 14,6 %**
 - **other yields 4,4 %**



TAXING OF BUSINESS ACTIVITIES

- **income tax 19% in Slovakia**
- **value added tax is also 19%.**
- **direct or indirect backing only by European concerns like Siemens, Volkswagen, Peugeot-Citroen, or Slovnaft-Mol**



STATE BUDGET SUBSIDY

four subsidies are provided on the basis of an agreement between the Ministry of Education of Slovak republic and a university:

- 1. for realisation of accredited study programs,**
- 2. for research, development or artistic activities,**
- 3. for university development,**
- 4. for social support of students**

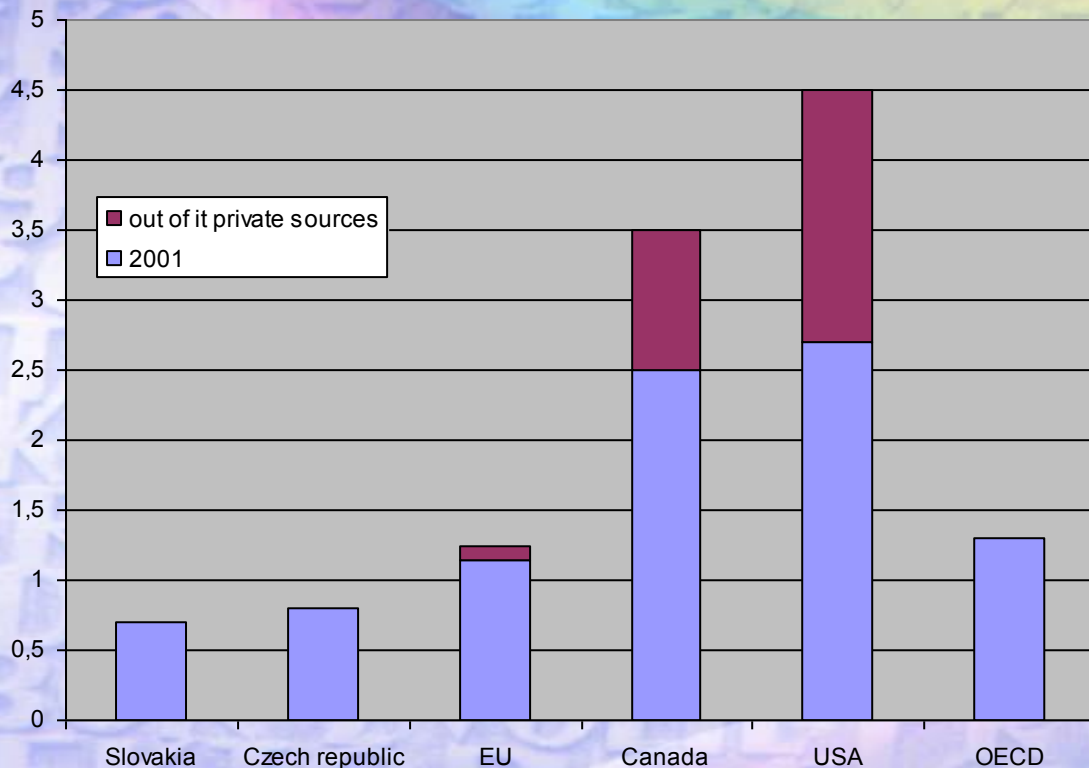


STATE BUDGET SUBSIDY 2005

- In the year 2005, total subsidy provided from the state budget represented 0,72% of GDP



% OF GDP DEVOTED TO EDUCATION



	Slovakia	Czech republic	EU	Canada	USA	OECD
2001	0,7	0,8	1,15	2,5	2,7	1,3
out of it private sources	?	?	0,1	1	1,8	?



SUBSIDY CALCULATION

Re-counted number of students is calculated so, that the number of students studying is multiplied by the index by:

- Bachelor study 1
- Master study 2
- PhD students 3
- part time students 0,25



PERSONAL DEMAND INDEX

1. Medicine, pharmacy	4,96
2. Technical courses, information technologies	2,33
3. Chemical technology, metallurgy	3,81
4. Architecture, design	2,38
5. Humanities	1,58
6. Economy, management	1,41
7. Law	1,00



UNIVERSITY RESEARCH CAPACITY

Financial sources for salaries of university pedagogical staff are modified also with respect to a university research capacity. In the year 2005 were allocated, with regard to research capacities, 15% of financial sources for salaries, in the year 2006 it will be 20% and in the year 2007 it will be 30%



SUBSIDY FOR SOCIAL SUPPORT OF STUDENTS

- **Direct form - scholarships**
- **Indirect form:**
 - **catering and accommodation (within limits, as a provision of an allowance to costs related to catering and accommodation),**
 - **financial support of sport and cultural activities and pastoral centres**



Slovak University of Technology in Bratislava subsidies (2004)

**was allocated subsidy from the
state budget as follows:**

- subsidy for education 71%,**
- subsidy for science 19%,**
- subsidy for social support of
students 8%,**
- subsidy for development 2%**



CONCLUSION

- **Structure of subsidies is considered by the rectors of Slovak universities as the unreasonable one, because proportion for personal costs (salaries and social taxes) is very high – 68,5%. On the other side for a very long time is the proportion for science very low. At present the Government of the Slovak republic has approved program MINERVA, which is the reaction to Lisbon strategy of the EU. Within this project great emphasis is placed on increase of subsidies for education, science and information technologies.**