

Ministry of
Education and Science
Republic of Latvia

State of Implementation of the New System-level Performance-based Funding Model



IEGULDĪJUMS TAVĀ NĀKOTNĒ

ESF Project no. 8.3.6.1/16/I/001 «Participation In International Educational Studies»

Internal Higher Education Financing and Governance Workshop
March 31, 2016

New Higher Education Funding Model



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Milestones of implementation process:

- **Sep 2014** - Final Report of the World Bank;
- **June 2015** - new MoES model endorsed by the CoM;
- **July, 2015** - regulation for performance-based financing;
- **Nov 2015** - regulation for integration of HE and research.

	Basic funding for labour market alignment	Performance-based funding for HE&R integration	Funding for development and strategic specialization
	pillar 1: basic funding	pillar 2: performance – oriented funding	pillar 3: innovation – oriented funding
teaching	<ul style="list-style-type: none"> • numbers of study places (per field) • cost oriented weight <p>85 MEUR in 2016</p>	6,5 MEUR in 2016	<p>OP «Growth and Development»</p> <p>profile-oriented target agreements teaching + research + third mission</p> <p>funding of centers of excellence</p>
research	<ul style="list-style-type: none"> • numbers of research staff (per field) • cost-oriented weight <p>incl. 12 MEUR for HEIs in 2016 + 1 MEUR for academic staff</p>	<ul style="list-style-type: none"> • Research staff FTE (MAs, PhDs) • Industry funded research; • International research. 	
	27 MEUR in 2016		



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Incentives for higher education and research integration (2nd pillar)

Performance criteria according to policy priorities:

Launching of 2nd pillar funding:

- **September – October 2015** - data analysis and modelling of allocation;
- **Nov 2015** - allocation to HEIs;
- **June 2016** - reworking HEIs staff salary systems.

Building HR in research and technology development

- MA students, PhD students, «young» scientists engaged in research - **(0.3)**

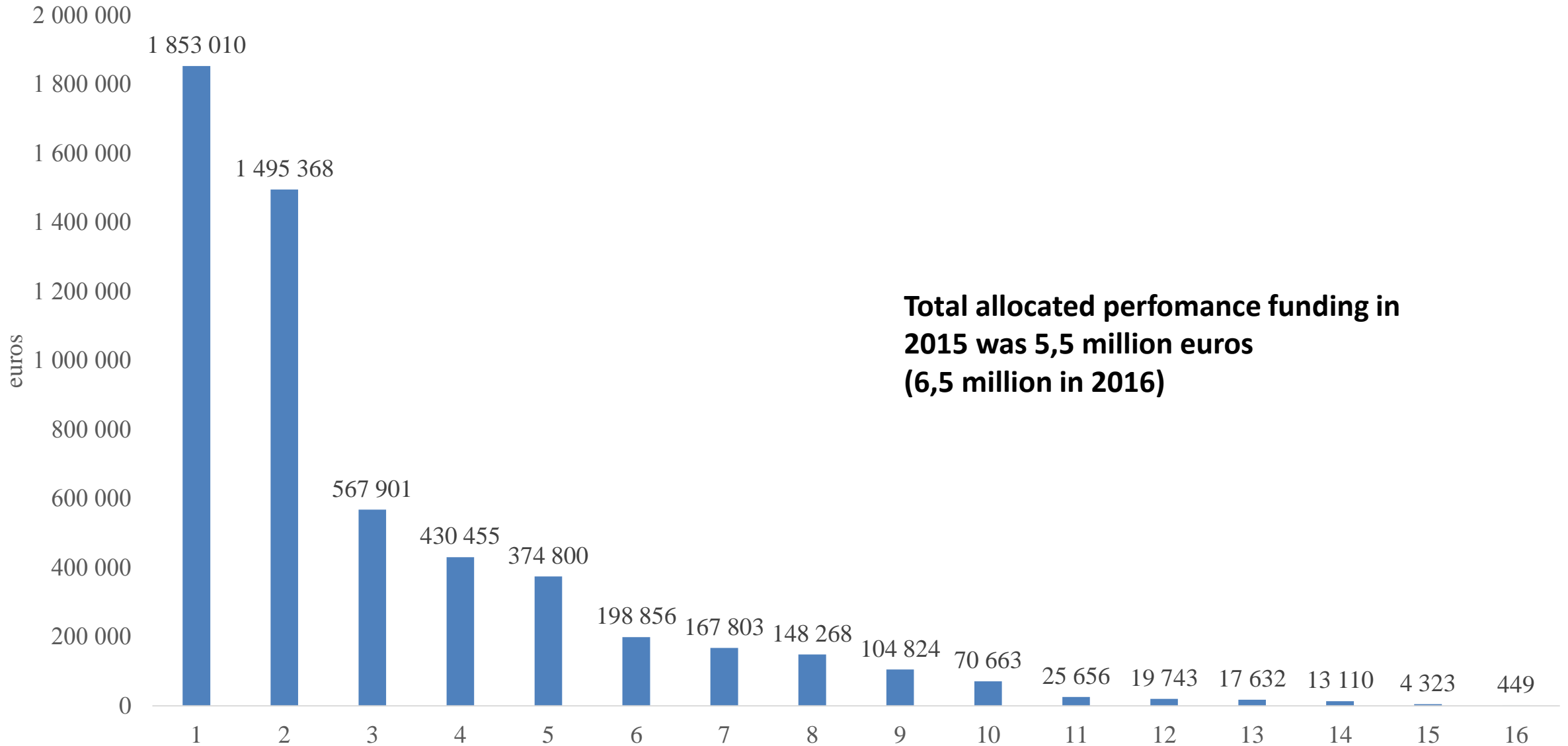
International competitiveness of research

- International funding for research and development projects (Horizon 2020 etc.) - **(0,25)**

Industry relevance of research

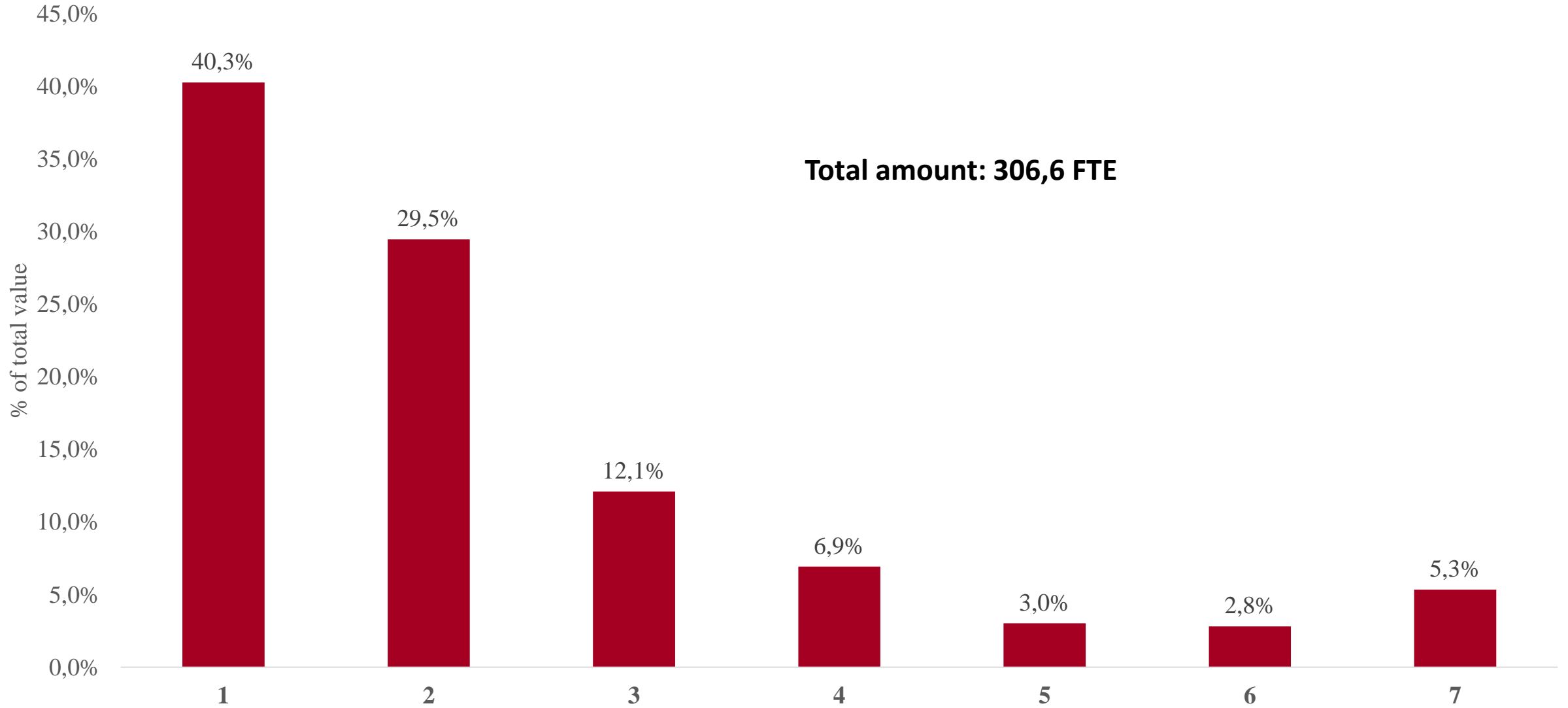
- R & D Contract funding by public and commercial entities - **(0.25)**
- Funding by local governments for regional research projects - **(0.1.)**
- Funding for creative and artistic projects - **(0.1)**

Total allocation of performance funding to HEI's in 2015

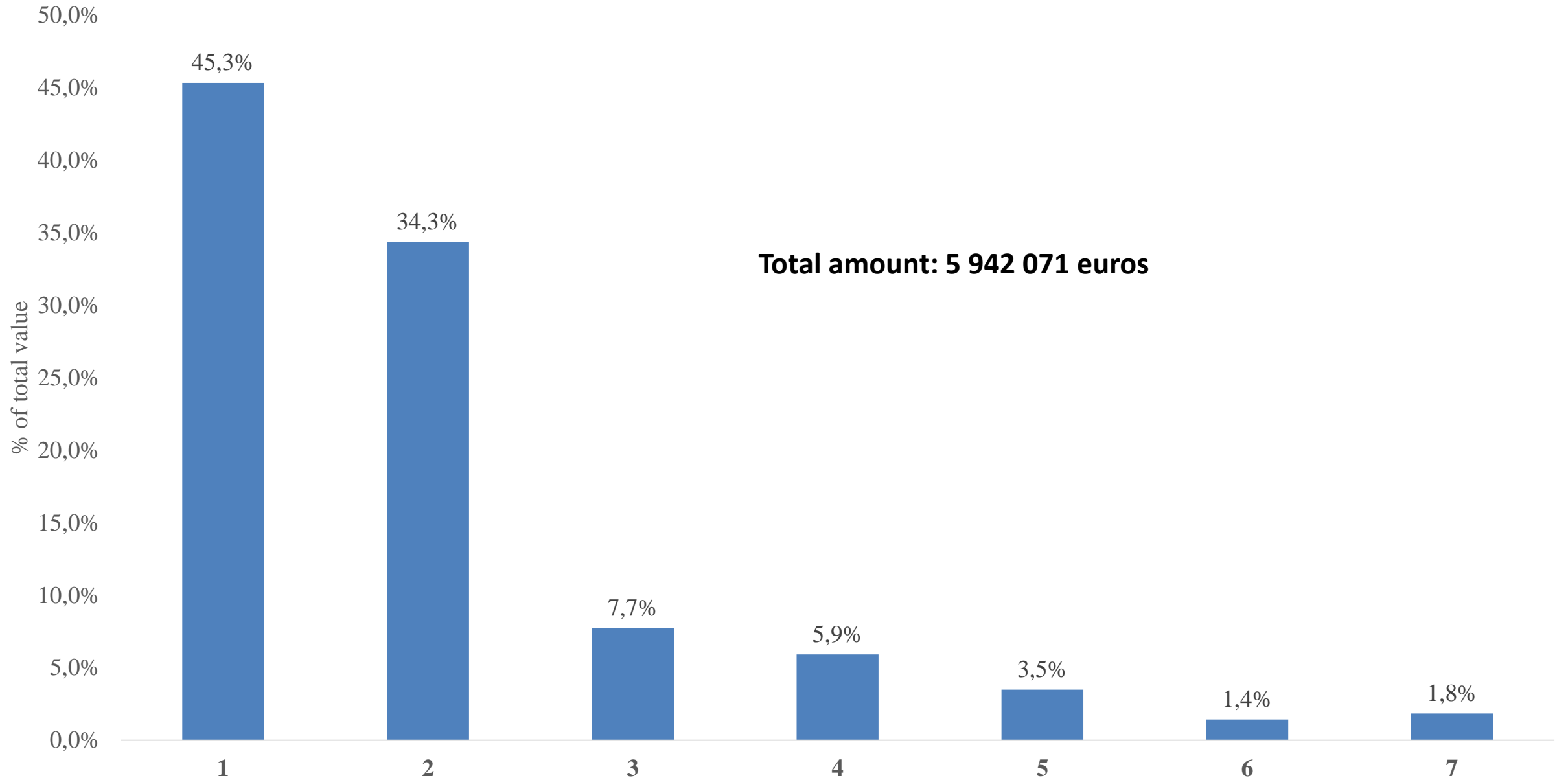


Total allocated performance funding in 2015 was 5,5 million euros (6,5 million in 2016)

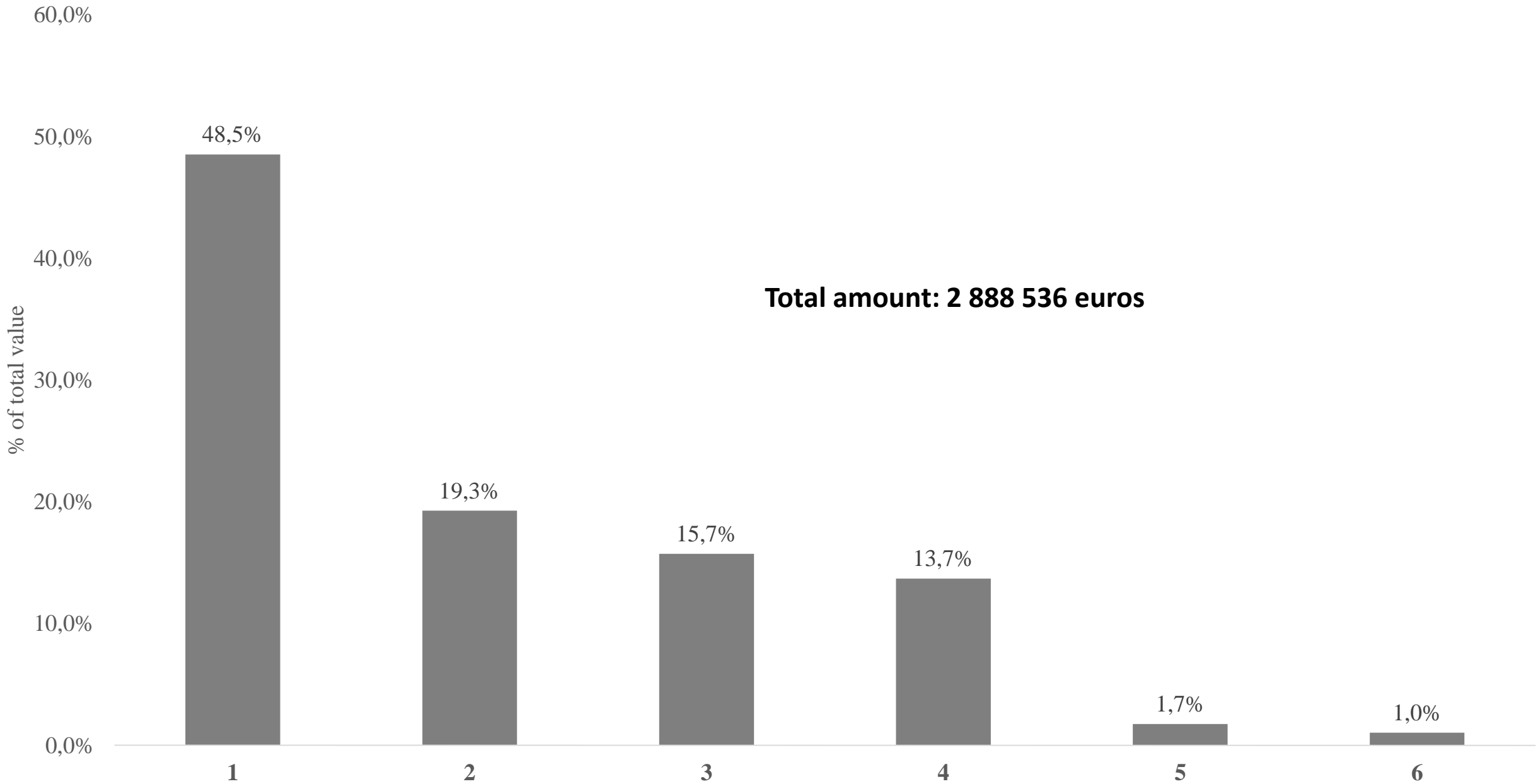
Employed new researchers in HEI's in full time equivalent in 2014



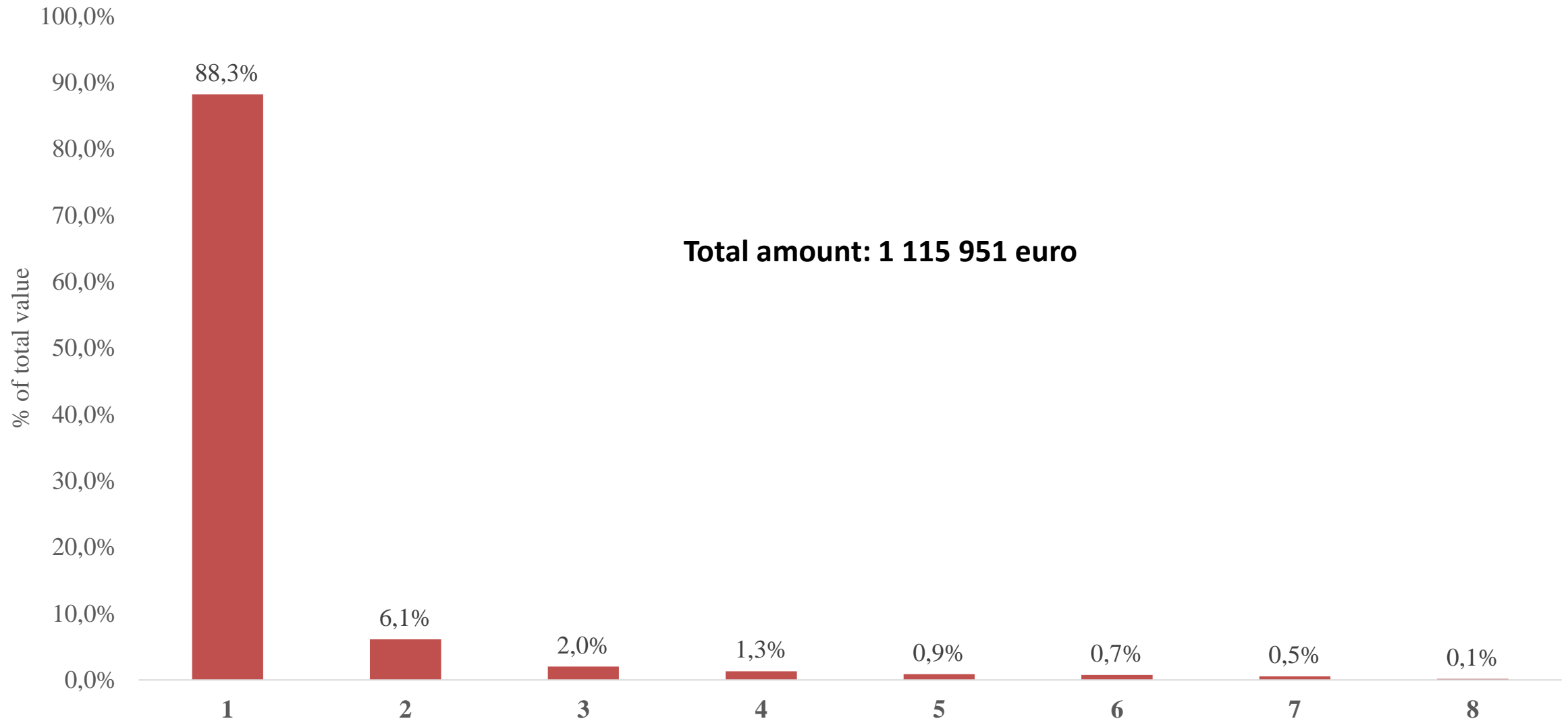
Amount of international R & D funding in 2014



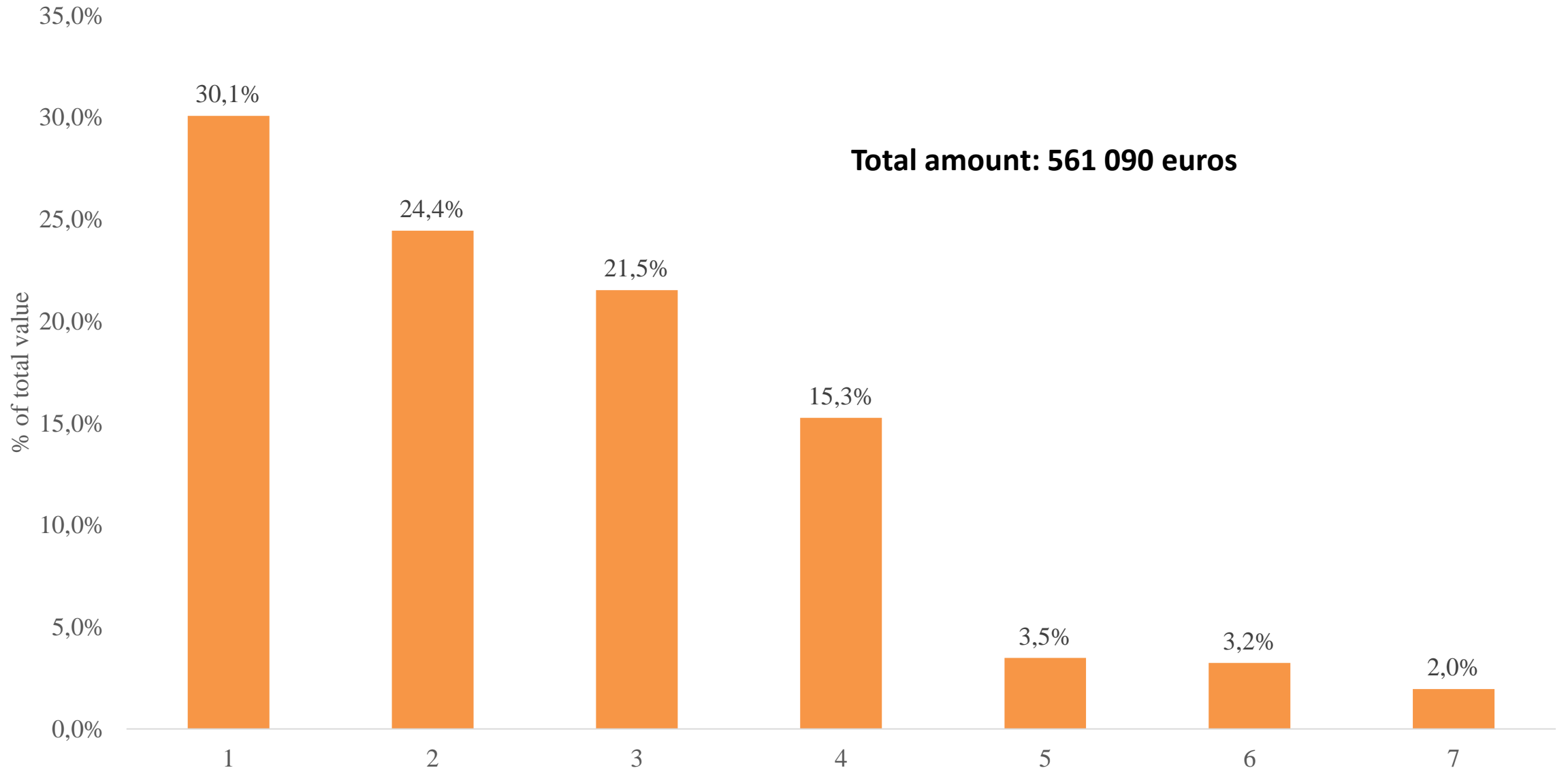
Amount of attracted R & D contract funding in HEI's in 2014



Amount of attracted R & D funding or subsidies from local municipalities In HEI's in 2014



Amount of attracted funding for creative and artistic projects in HEI's in 2014





Izglītības un zinātnes
ministrija

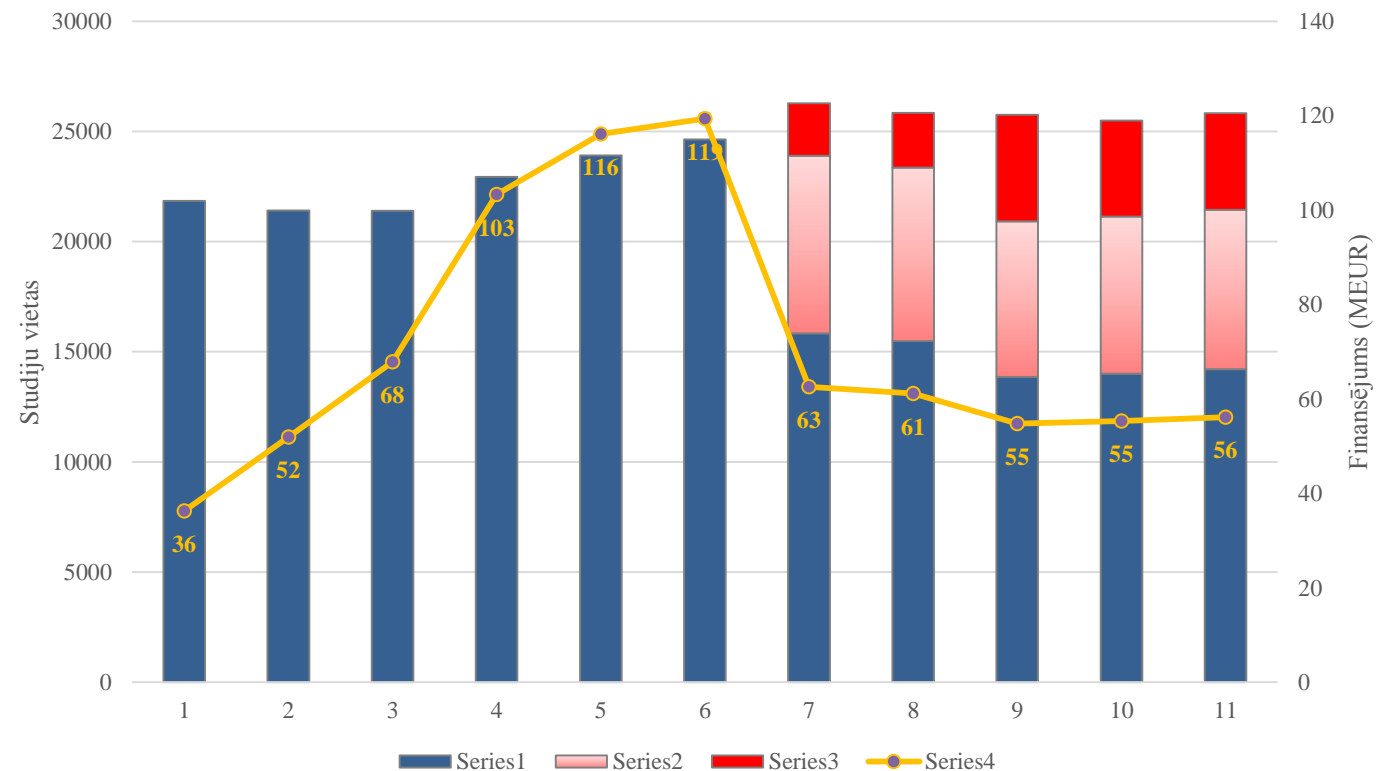
Revision of the 1st pillar

Changes in progress:

- Estimated basic study cost – **1800 euros**;
- The proposed changes will return basic funding to **pre-2009 levels**;
- In order to fully implement these changes **additional funding is needed**:
 - 21,1 MEUR for MoES HEI's
 - 5,0 MEUR for MoES colleges
 - 2,6 MEUR for Ministry of Agriculture HEI's
 - 6,3 MEUR for Ministry of Health HEI's
 - 3,5 MEUR for Ministry of Culture HEI's.

In 2009 MoES reduced:

- 1) Basic cost of a study place from 1800 EUR to 1300 EUR, the number of study places remained the same;
- 2) Total funding from 113 MEUR to 63 MEUR.

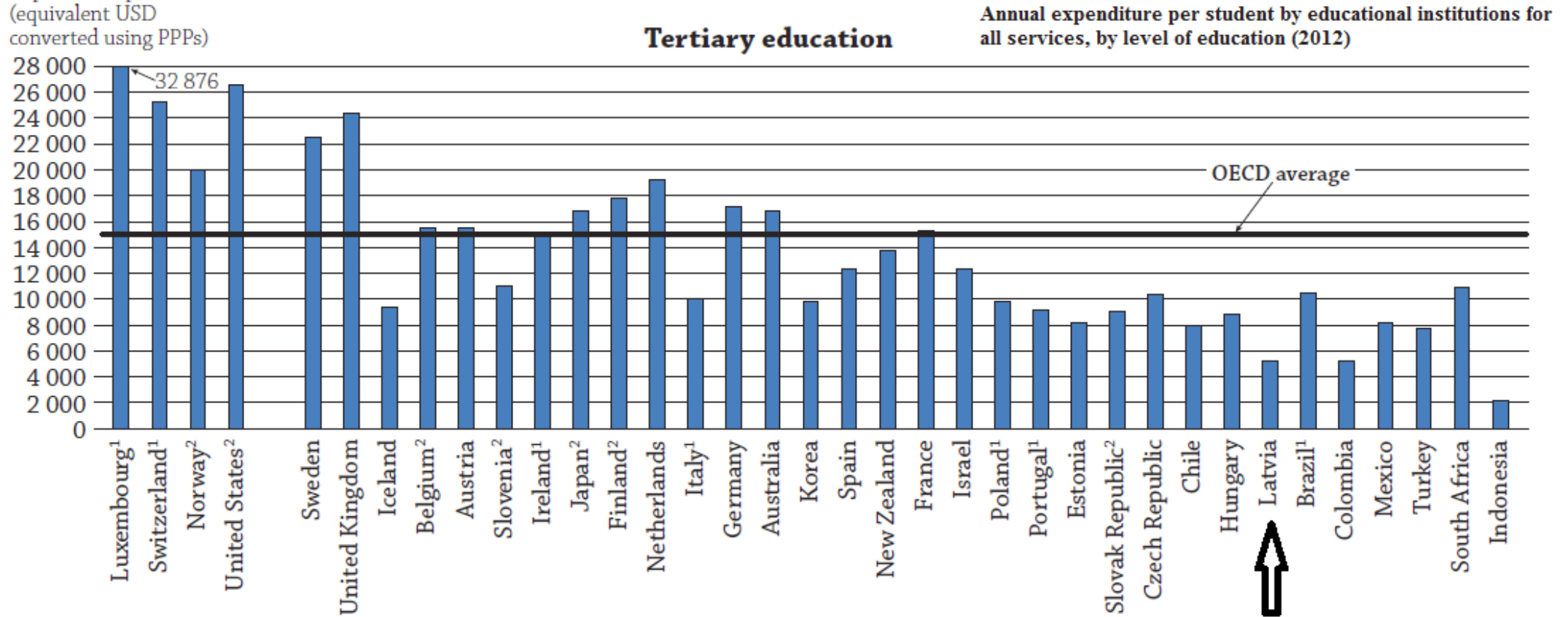




Izglītības un zinātnes

Expenditure per student
(equivalent USD
converted using PPPs)

Annual expenditure per student by education institutions (tertiary education) in OECD countries in 2012



1. Public institutions only (for Italy, except in tertiary education; for Luxembourg, at tertiary level only).

2. Some levels of education are included with others. Refer to "x" code in Table B1.1a for details.

Countries are ranked in descending order of expenditure on educational institutions per student in primary education.

Source: OECD. Table B1.1a. See Annex 3 for notes (www.oecd.org/education/education-at-a-glance-19991487.htm).

StatLink <http://dx.doi.org/10.1787/888933283903>