



Performance Indicators and funding: a Spanish case From academic self-governance to competition?

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Summary

- 1.The old financing system
- 2.U.Carlos III:developing internal Performance Indicators and their limits
- 3.The new financing model for 2006-2010
- 4.Conclusions and Questions
- Annex I: Spanish universities´data
- Annex II: Universities governing system in Spain



Who am I?

- Lawyer and civil servant
- Head of Administration at Universidad Carlos III de Madrid, since 1989
- Chairman of Humane- Heads of University Management and Administration Network in Europe
 - A network of professional excellence for disseminating knowledge of high relevance for the administration of European Universities

Madrid Region

- 5.9 millions Inhabitants
- 237,000 university students
- 6 public universities (202.000 students)
- 8 private universities(35.000 students)
- 1,100 mill.€annual public funds for public universities
- Largest Spanish concentration for R&D centres



Universities governing system in Spain

- Academic self-governance: collegial decision making is the basic rule
 - Rector elected by faculty, staff and students
 - External Board with small competencies
 - The Education Authority only financed concerned.
 - University Autonomy guaranteed in the Constitution
 - An “incremental” financing system

Our problems

- We do not respond easily to society´s demands: better completion rates, more efficiency, innovation- entrepreneurship, local involvement....and Bologna demands even more.
- Our out-dated information systems are not transparent for society.
- We have big internal resistances to change.
- But we need the change to come from inside!

Our old financing system

- We have had until 2006 a lump sum financing model for public universities.
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- The allocation for each university was made on an historical basis, adding r some ammount every year, without any explicit goal.

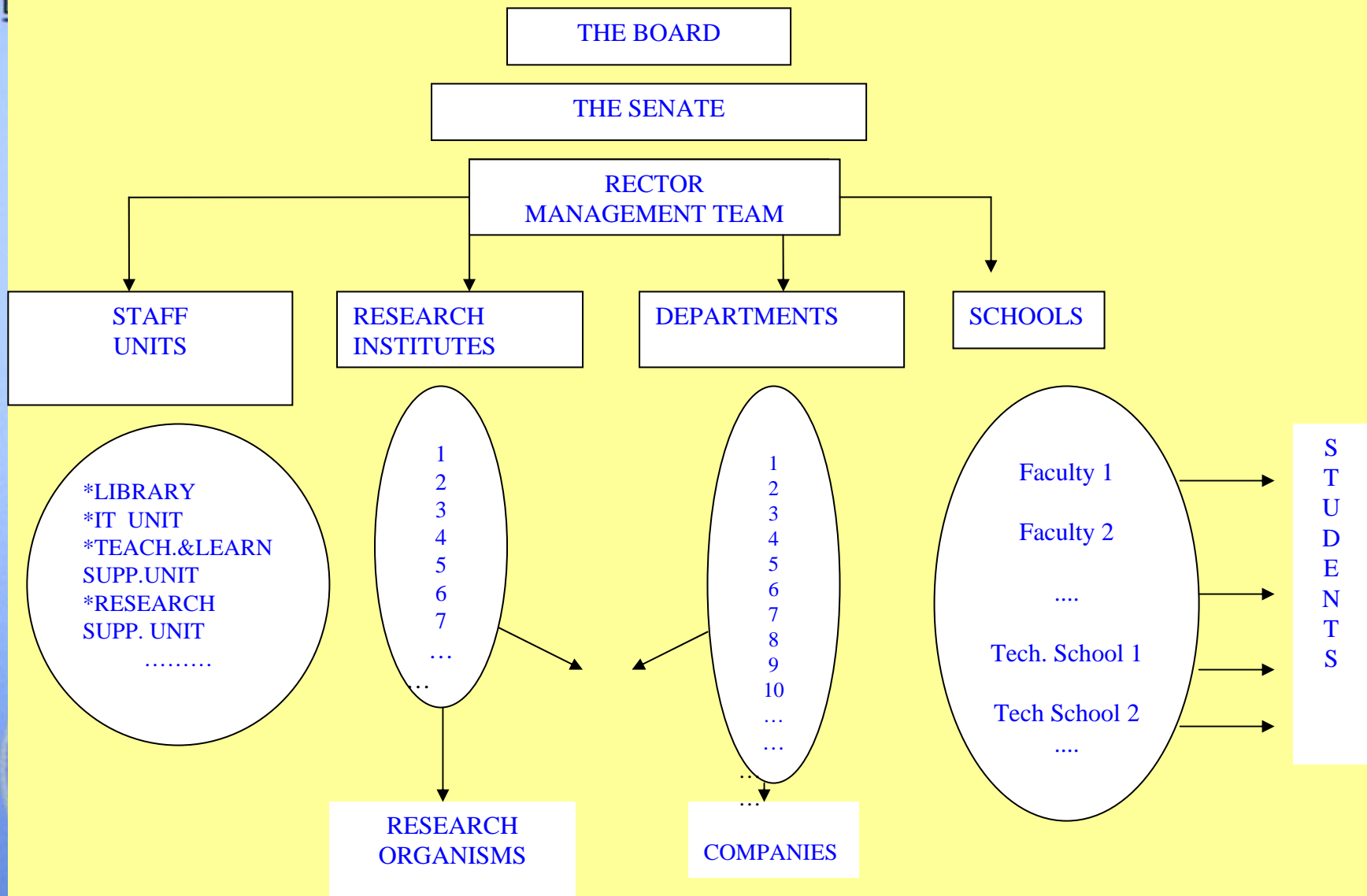
Consequences of the old financing system

- The external “lump” sum and incremental financing system has been internally reproduced in our universities
- Consequences
 - Rector “trapped” without any real direction power
 - Departments and centers dissatisfied
 - A perverse incentives system in which the biggest Departments have the highest influence, not depending on their results.



University Carlos III

- We tried in our university to fight against these problems.
- Since 1999 we developed a Contract-Program system with our 25 academic departments, based on the number of “teaching groups” and other PI
- The goal:
 - to include all the resources we allocated through different systems in a single “pack”, and
 - to ask Departments to define a strategy.



Department commitments (1)

- From teaching to apprenticeship
 - Updating programs
 - Improvement in the use of e-learning tools
 - Improvement in the tutorials
 - Improvement and control of “practicals”
 - Development of new student evaluation methods

Department commitments (2)

- Co-operation in Degrees evaluation
- Research:
 - Defining research priorities
 - Forming stable research groups





Department commitments

Developing PhD program quality through
Performance Indicators

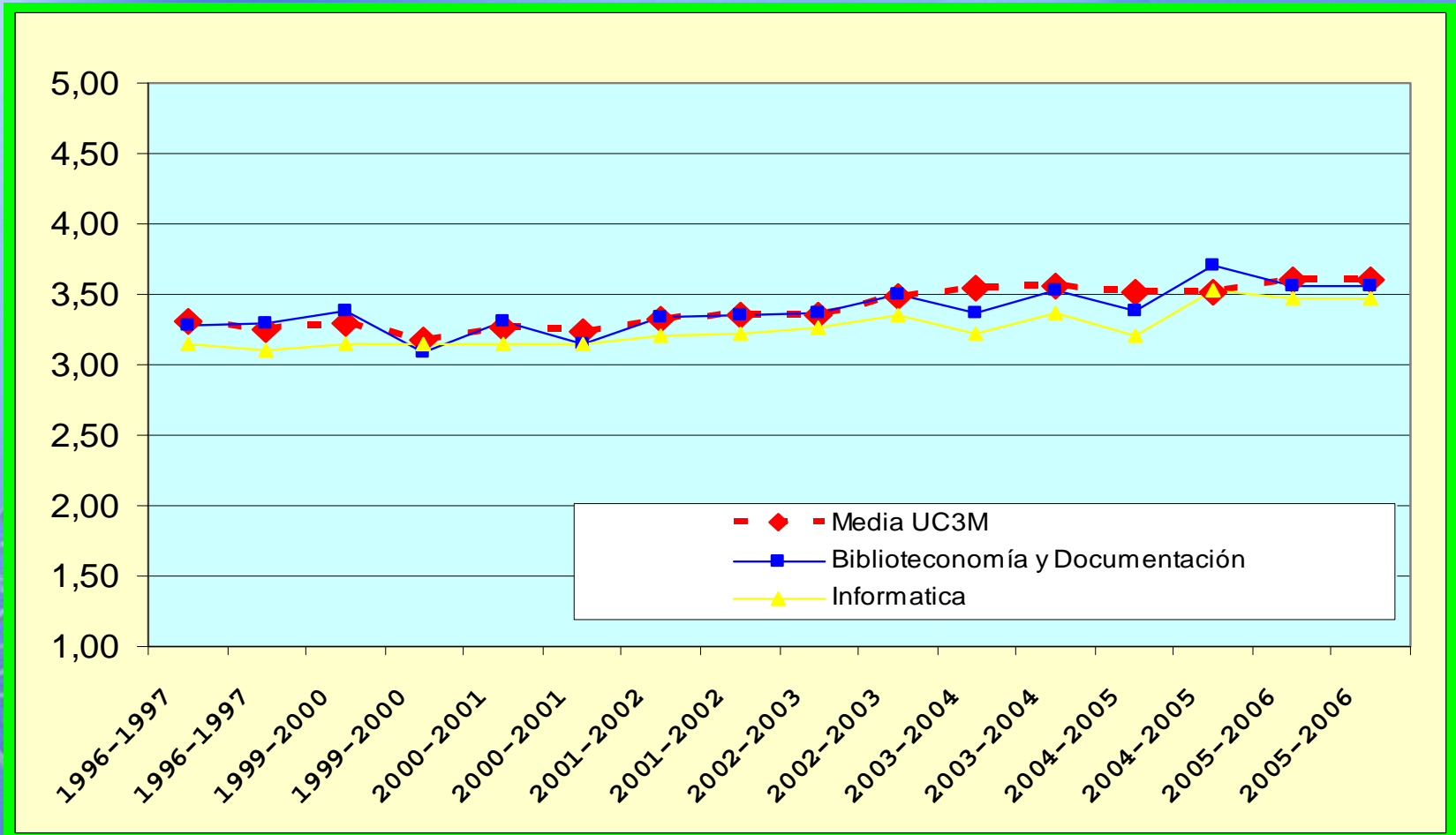
Linking research projects and PhD
programs

Developing research networks

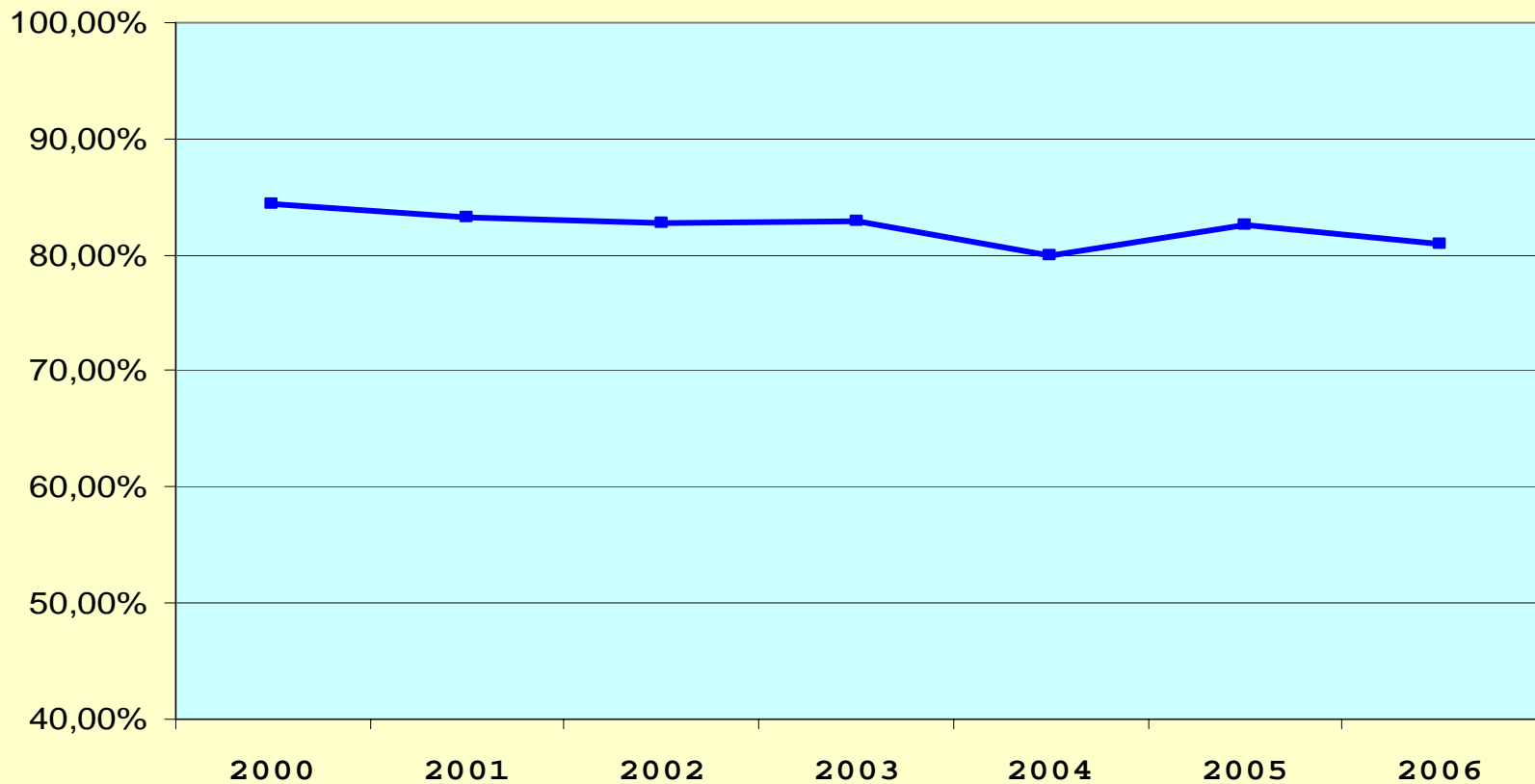
Following the Contract-Programs with Departments

- Yearly meetings with
 - Department Heads and assistants
 - Vice-rectors for Research, Teaching, Infrastructure and Human Resources
 - Head of Administration Office
 - Performance Indicators review

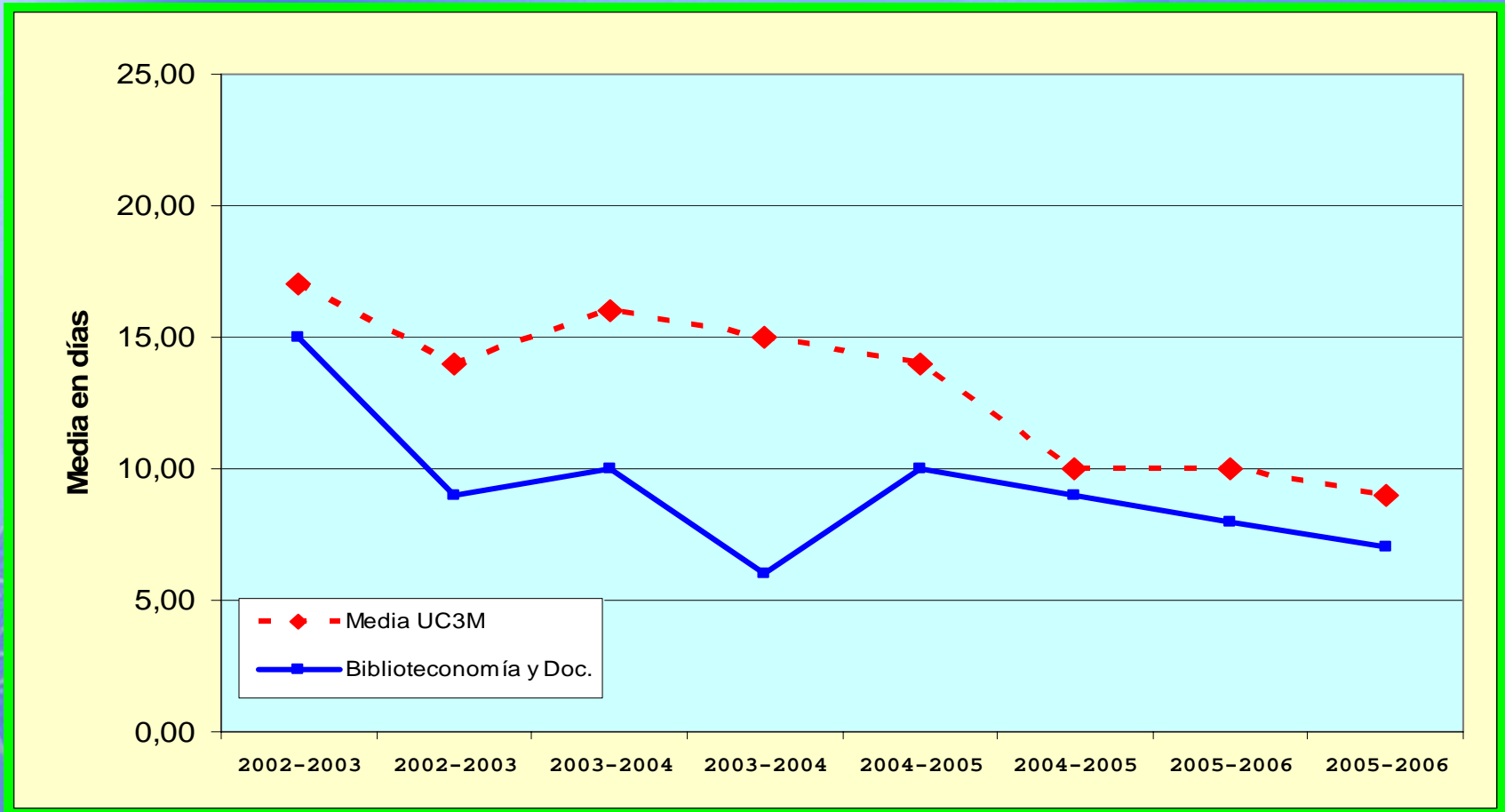
Teaching assessment



Dpto. Biblioteconomía Percentage of passed credits



Days used for the exams correction



Results (+)

- Increased use of e-learning tools as complement to classes
- Updated Degree Programs
- Increased hours of “practicals”
- Teaching methodology courses taken by faculty
- Evolution of students’ satisfaction with teachers and programs

Results(-)

- BUT,
- Completion rates have not increased significantly
- We have not been able to eliminate degrees depending on demand
- Responsibility is still put only on the rectorate

The limits of the “internal” PI

- Even if many results have been achieved using internal PI in the Contracts-Programs with Departments,
- Some crucial strategic decisions are very difficult to adopt
- And the belief that the Rector will always look for the funds “needed”, makes it difficult for the departments to assume their responsibility.



The usefulness of a new financing system?

- The mixture
- - of the academic self governing system
- and the old financing model was not allowing universities to change and to respond to society's demands.
- A new financing system should be judged by its influence in the “capacity of change” of our universities.

Preparing a new model

- 2004: all six Madrid public universities began to develop a new financing model.
- The aim of the new model was
 - Increasing public expenditure related to GDP from 1,09% to 1,33% (a 22% increase)
 - Transparency and equity in the allocation of funds
 - And this could only be obtained using clear PI!
- Agreement signed on October 18, 2005.

The new 2006 -2010 model

- A basic fund of 890 Mill.€ is allocated based on the historical sum received by each university
- This fund will increase in real terms a 2,5% every year, and this sum, 22 Mill.€ will be allocated through the new established Performance Indicators.



**New financing model
for Madrid region
public universities
2006/2010**

85 % relate to:

70% teaching :

PI: N° of teaching credits
In the academic year

30% research :

P1 Research recognised periods 0.50
P2 R.funds obtained in competitive tenders 0.25
P3 N°PHD Thesis related to n° of teachers 0.05
P4 N°scholarships related to n° of teachers 0.05
P5 Contracts with companies(applied r.) 0.15
P6 Scientific publications

10 % Qualitative goals in 8 sections:

- 1.- Teaching supply
- 2.-Teaching and learning improvement
- 3.-Employability
- 4.-New technologies and students practices
- 5.Teachers qualification(number of PHD)
- 6.-Continuing education
- 7.-Quality in university services
- 8.-Research results

5 % specific goals

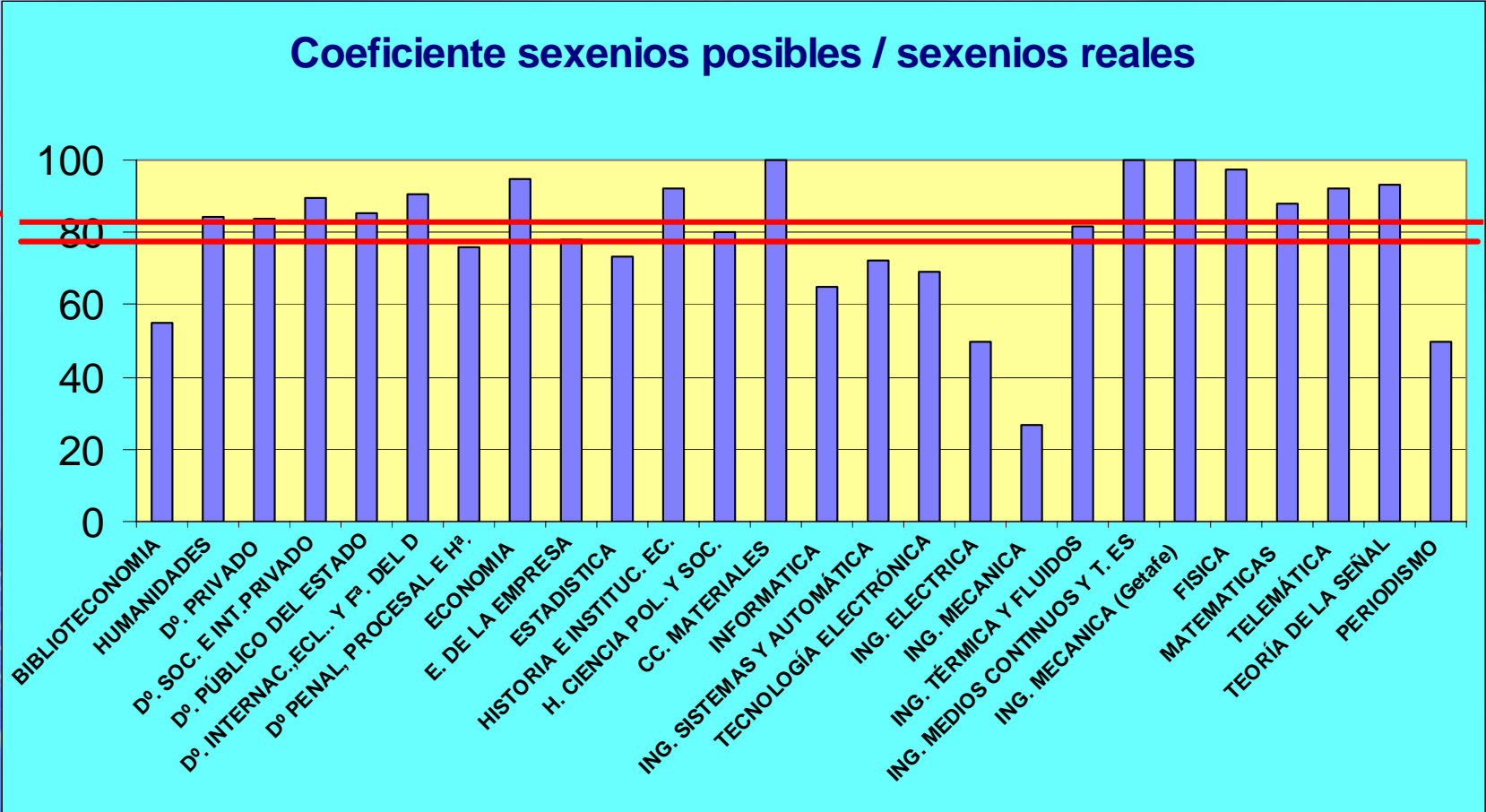
PI for Learning and Research

- The quantitative PI represent the 85% of the funds allocated por current expenses.
 - Of this part, a 70% (59,5% of the total) is allocated in relation with the number of credits taught by each university.
 - A 30% is allocated based on the research activity of each university .

Measuring the Research activity

- 5 PI are used
 - 1 : % of recognised research activity for every teacher..(Weight:50%)
 - 2.Research projects obtained in competitive calls.(Weight:25%)
 - 3:PHD thesis passed divided by the number of PHD teachers(Weight:5%)

Percentage of research aessment periods obtained by each Department



Research PI

- 4: Number of fellowships obtained in public calls (Weight: 5%)
- 5: Publications (Weight: to be discussed)
- 6: Private contracts with companies, related to total income (Weight: 15%)

Qualitative PI

- A 10% of the funds are allocated using 22 qualitative performance indicators:
 - Area 1: Teaching Supply: 7 of them to measure the demand, like “first choice” students, number of non- regional and international students, number of unfilled students places,



PI for learning and apprenticeship(2)

- AREA 2 : Teaching and learning improvement

4 performance indicators are used to evaluate the learning output:

- Degree completion rate:% of students which complete their degrees in the expected time
- Reduction in the time spent by the students to complete their degrees

PI for learning and apprenticeship

- % of passed credits
- Number of degrees obtained related to total number of students
- AREA 3:Employability
 - One PI is used to measure the employment rate:% of employed three years after the graduation



PI for learning and apprenticeship(4)

- Area 4: New technologies and relations with companies:
 - PI N° 13 measures the number of credits achieved in companies, compared with the total number of credits
 - N° 14 measures the investment in IT compared with the total expenses



External consequences of the new model

- It is , in some way, the framework of priorities for the Higher Education System in Madrid
- It demands an advanced Information System
- Public information will make the Madrid Higher Education system more transparent
- It will enhance competition between research groups

External consequences(2)

- And in teaching and apprenticeship
 - Universities will compete for students
 - But, speaking about the two big problems of our study offer
 - Will the new system help to eliminate redundant studies in the region?
 - Will it help to increase the low completion rates?

Internal consequences of the new model

- It will press universities' governing bodies to internally apply the new allocation concepts,
- It will force universities to develop more consistent Information Systems
- It will set important incentives to develop new Initiatives to
 - increase earnings and
 - decrease costs,
 - as public funds will increase only slowly.

Conclusions

- The new financing model will bring more competition in the HE Madrid arena,
- It could drive to a reflection about strategic issues in Madrid universities,
- It could help our universities to change,
- BUT it demands an adequate response from universities governing bodies



Thank you!

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Question 1

- Is your university facing the following dilemmas:
 - - More students or more research?
 - More or better students?
 - More incentives or a full cost policy for research projects?
 - How are you approaching these dilemmas?
 - Is it a top-down or a bottom-up discussion?
 - Are your financing systems backing this debate up?

Question 2

- Do you have under-funded and over-funded Departments or Centres in your university?
- How are you coping with the problem?
- Are, or would be, external PI better accepted by Department and Centres than pure internal decisions?

Annex 1: Spanish universities' data

- The Spanish Rectors Conference,- CRUE- has developed since 1998, through his Heads of Administration group and directed by Juan Hernández(Head of Administration Universidad de Jaen), and every second year, a Statistical report with financial, students and research indicators.
- It can be consulted openly in the CRUE's web:
www.crue.es



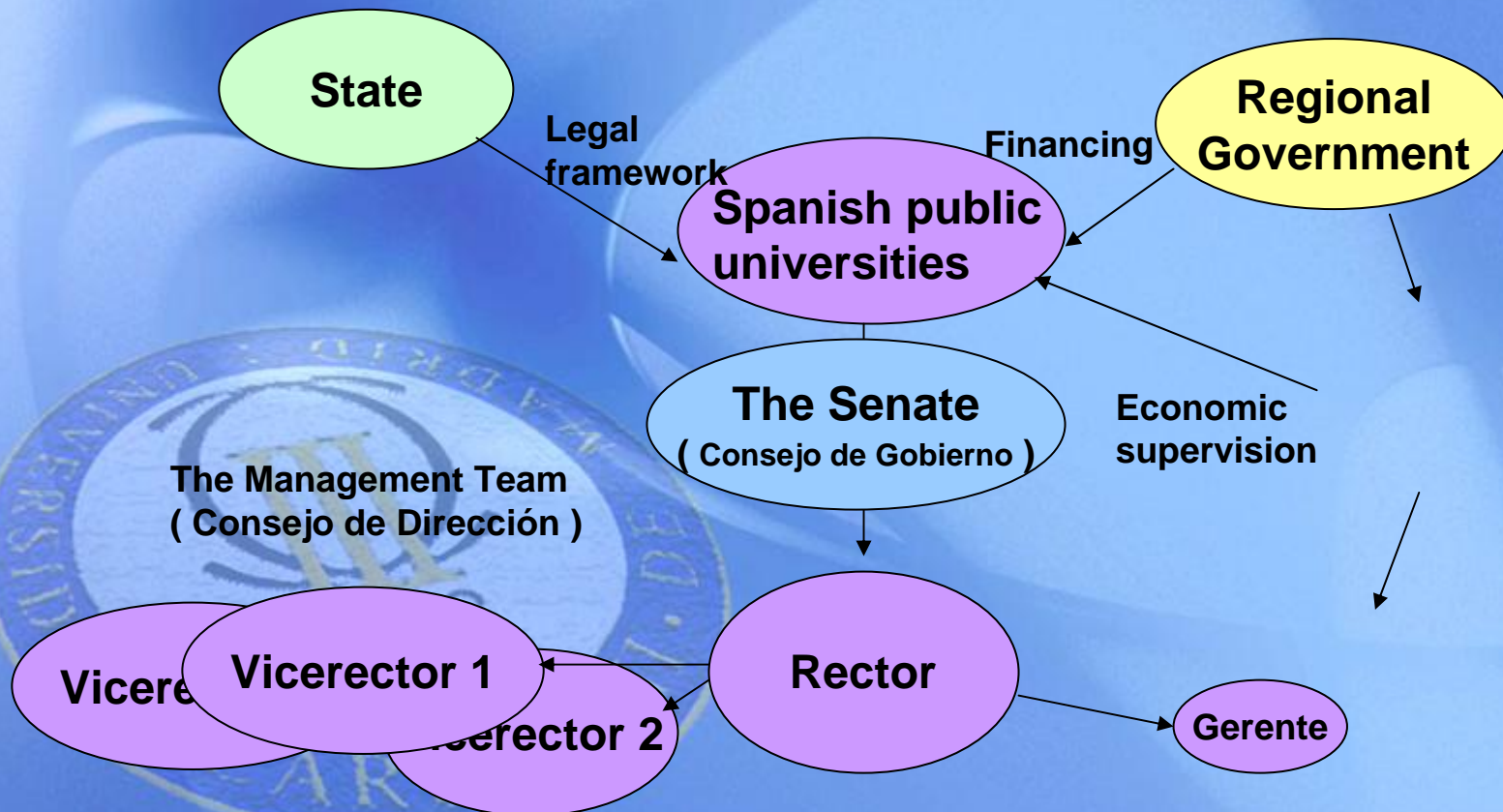
Annex 2: UNIV. GOVERNMENT ISSUES

- **THREE GOVERNMENT BODIES and THE RECTOR**
 - THE BOARD (Consejo Social)
 - THE COUNCIL (Claustro)
 - THE SENATE (Consejo de Gobierno)
 - THE RECTOR & THE MANAGEMENT TEAM (Consejo de Dirección)



GOVERNANCE STRUCTURE OF SPANISH STATE UNIVERSITIES

(Adapted from F.Casani.UAM Pavía 2004)



THE BOARD (Consejo Social)

- FORMED BY 40 MEMBERS (APPROX.)
 - 80% : STATE AND SOCIETY REPRESENTATIVES
 - 20% : UNIV. REPS. : RECTOR, SECRETARY, HEAD OF ADMINISTRATION AND TEACHERS
- DESIGNED BY REGIONAL GOVERNMENT
- MAIN FUNCTIONS
 - TO LINK UNIV-SOCIETY
 - TO APPROVE THE UNIV ANNUAL BUDGET
 - TO APPROVE PLURIANNUAL PROGRAMMING

THE COUNCIL (El claustro)

- Most important representative body
- Maximum 300 members-at least a 51% must be full professors(funcionarios doctores)
- Competencies:
 - Internal Statutes, which regulate the whole university life
 - With the next Law (2007?), the Statutes can also give the Council the competence to elect the Rector.



THE SENATE (Consejo de Gobierno)

- THE GOVERNMENT BODY
- FORMED BY MAXIMUM 50 PEOPLE
 - RECTOR, SECRETARY AND HEAD OF ADMIN
 - THE DEANS AND SEVERAL HEADS OF DEPARTAMENTS
 - PROFESSORS, STUDENTS AND NON ACADEMIC STAFF MEMBERS
- MAIN FUNCTIONS
 - TO DISCUSS AND APPROVE ALL MAIN DECISIONS



THE RECTOR

- RECTOR IS VOTED (UNIVERSAL SUFFRAGE) BY UNIV COMMUNITY
 - 51-80% ACADEMIC STAFF
 - 10-20% STUDENTS
 - 7-15% NON-ACADEMIC STAFF
- ONCE ELECTED, RECTOR APPOINTS SECRETARY, VICERECTORS AND HEAD OF ADMIN. (MANAGEMENT TEAM/EXECUTIVE COMMITTEE)
- 4 YEARS TERM OF OFFICE; USUALLY 2 TERMS. MAX.
- RECTOR IS THE FIRST EXECUTIVE
- RECTOR CAN'T BE REMOVED BY STATE.
- (HEADS OF DEPARTMENTS AND DEANS ARE