

Higher Education Finance and Cost-Sharing in Poland

I. A Brief Description of Polish Higher Education

Polish higher education faces many changes and challenges as the country enters its second decade under a democratic government and a market economy. The fall of Communism brought many transformations to Poland's higher education, including academic freedom, curricular reform, the development of more market-oriented curricula, and the emergence of a private sector of higher education. During the past decade, the enrollment in Poland's institutions of higher education has grown from about 11 percent of the college age population to nearly 30 percent (Strategic planning for Polish higher education, SPPHE Proposal). This growth has been accompanied by new academic programs, new faculty pay schemes, a new system of accreditation, and an expansion in facilities.

The current system of managing the higher education system is based on Article 70 of the Constitution of the Republic of Poland.

Article 70

1. Everyone shall have the right to education. Education to 18 years of age shall be compulsory. The manner of fulfillment of schooling obligations shall be specified by statute.
2. Education in public schools shall be without payment. Statutes may allow for payments for certain services provided by public institutions of higher education.
3. Parents shall have the right to choose schools other than public for their children. Citizens and institutions shall have the right to establish primary and secondary schools and institutions of higher education and educational development institutions. The conditions for establishing and operating non-public schools, the participation of public authorities in their financing, as well as the principles of educational supervision of such schools and educational development institutions, shall be specified by statute.
4. Public authorities shall ensure universal and equal access to education for citizens. To this end, they shall establish and support systems for individual financial and organizational assistance to pupils and students. The conditions for providing of such assistance shall be specified by statute.
5. The autonomy of the institutions of higher education shall be ensured in accordance with principles specified by statute.

And there are four fundamental acts; the Higher Education Act, Academic Title and Degrees Act of 1990, the Act on Forming the State Committee for Scientific Research of 1991 and the Vocational Training Colleges Act of 1997.

On September 3, 1999, a revised higher education framework law was presented to the Executive Committee of the Conference of Rectors of Academic School in Poland (CRASP). Some of the most important new provisions were the following:

1. The new *Law on Higher Education* consolidates what was previously contained in three separate acts: Act on Higher Education (1990), Act on Institutions of Higher Vocational Education (1997), and Act on Loan System for Students (1998).
2. One minister now supervises all non-military higher education institutions. (Higher education had previously been under five different ministries: National Education, Culture and Arts, Health and Social Care, Transportation, and Physical Culture and Sports.)
3. A new body, the Academic Accreditation Committee (AAC), has been established to set educational standards and assess the quality of education in all institutions. In particular, the AAC reviews applications for the establishment and operation of new HE institutions and applications for launching new study programs at existing institutions.
4. The right of the Conference of Rectors of Academic Schools to present initiatives and opinions concerning higher education is formally recognized. (Although the initiatives and opinions of the CRASP have been highly respected the state and governmental authorities, conferences of rectors have not been mentioned in the acts related to higher education.)
5. Provisions allowing for limited tuition fees (discussed below).

In spite of these new provisions, the Government still exercises only limited control over the management of universities. Also, full-time students still receive some funding from the Polish Government. State funding is distributed to the Polish universities according to an algorithm that is closely related to enrolments. Internally, university administrators retain approximately 30 percent of their state grants for central system functions and distribute the remaining 70 percent to their various faculties for instructional and other costs, including the maintenance of facilities. In addition, most of the public universities earn approximately 25 percent of their total operating budgets from other external sources, including tuition from part-time and continuing education programs. External income is divided between the central administration and the relevant faculties at most universities by the same 30/70 basis. Under these circumstances, individual faculties and departments operate on one-line budgets and may carry forward savings from the current year to future years (www.indiana.edu/~polishst/spphe/spphe_proposal.html).

New legal system on higher education introduced extensive autonomy of the higher education system and considerable independence of higher education institutions. At the same time, competitiveness of higher education has been introduced to obtain budgetary funds for research.

Since the reforms in 1990, the radical change has been caused in the system of higher education. Especially, the followings are radical transformations of higher education system.

- establish non-public higher education
- introduce competition in obtaining financial means (such as research grants)

Higher Education Act of 1990 allowed for payment for certain services such as evening studies, part-time studies, and post-graduate studies at public higher institutions.

In the academic year 2001/2002, among 364 institutions, 123 were public and 241 were non-public.

As of December 2000, Polish higher education, both state and non-state (private), includes the following sectors: universities, technical universities, maritime schools, academic economics, high pedagogical schools, academies of agriculture, academies of medicine, academies of theology, military academies, music schools, schools of art, theater schools, and academies of physical education. In the 2000/2001 academic year 1,584,800 students were enrolled in 310 higher-education institutions, with 410,800 of them at 15 universities; 28,100 at 10 medical academies; 332,100 at 94 economic schools; 137,500 at 19 teacher's schools; 12,000 at 21 arts schools; and 9,200 at 14 theological schools. Compared with the previous academic year (1999/2000), the total number of students increased by 152,900. There were 115 state and 195 private higher-education institutions. Of the 1,584,800 students, 472,340 were enrolled in private schools. < <http://poland.gov.pl/?document=315> >

Table 1 shows enrollments by field of specialization.

**Table 1:
Higher education Enrollments
by Specialization, All Sectors (in thousands)**

Year	1990/91	1995/96	1998/99
Total	403.8	794.6	1,268.4
Educational studies	57.4	127.6	160.7
Arts	9.8	10.5	13.4
Humanities	46.4	76.5	101.3
Technological studies	9.3	14.3	20.6
Social studies	17.6	77.9	162.3
Business and mgmt.	53.5	139.7	335.2
Legal studies	19.0	47.3	56.6
Natural sciences	12.4	23.0	29.5
Mathematics and Computer science	9.7	15.0	24.0
Medical studies	40.7	32.6	33.2
Engineering	68.1	151.1	210.2
Architecture	4.3	6.4	9.3
Agriculture, forestry and fishery	28.9	28.7	40.0

Domestic studies	0.8	7.8	10.0
Transport and Communication	2.8	8.7	11.8
Media studies	4.1	4.9	6.7
Services	1.5	6.7	11.9
Other	17.5	15.9	22.2

Source: *Concise Statistical Yearbook 1997, Central Statistical Office, Warsaw 1997; Higher schools and their finances in 1998, Central Statistical Office, Warsaw 1999*

To qualify for admission to an institution of higher education, the applicant must hold the secondary school certificate or meet requirements determined autonomously by a specific high school (Batog, D. et. al., 2002, p. 1081).

More and more students are choosing to study part time or weekends because they are able to work during weekdays, as shown in Table 2, below. The rapid increase in the number of students in the recent years can be correlated with a higher level of educational aspirations. The expansion and the differentiation of higher education—both vertically and horizontally—has led to a broadening of university offerings, an expansion of degrees such as the licentiate (BA), complementary MA studies, and post-graduate and doctorate studies, and the increase in part-time studies (<http://www.andras.ee/issue/matlakiewicz.htm>).

Table 2:
Student enrolments in higher education:

Year	Total	Day	Evening	Weekend	Extramural
1990/91	403,824	311,710	1,572	89,077	1,465
1999/2000	1,431,871	640,812	70,746	708,499	11,814

Source: <http://free.polbox.pl/s/szajbot/tabela5.html>

The radical changes in all Polish institutions brought about by the end of the so-called *command economy* has greatly affected the governance and management of the universities and other institutions of higher education. As in all of the countries of the former Soviet Union and the Socialist/Communist countries of Eastern and Central Europe, the changes involved both decentralization and devolution of authority from the central government to the institution and to its management. The rise of a market economy and commercialism brought about a new level of responsiveness both to the student and family, as well as to emerging business enterprises as consumers and users of higher education. In addition, the economic, political, and cultural reintegration of Poland with the rest of Europe, just at the time that all of European higher education was undergoing reforms in the direction of greater institutional autonomy, conformity of degrees, and more reliance on non-governmental revenues, has accelerated the changes in Polish higher education.

II. Costs of Higher Education in Poland Borne by Parents and Students

Although the underlying legal guarantee of free education legal continues to constrain Polish universities in the diversification of revenue through the imposition of

tuition and fees, there are exceptions and loopholes. Under the 1999 *Act on Higher Education*, a tuition fee, not to exceed 10 percent of an average monthly salary, was authorized to pay for the *verification of knowledge*, the *certification of qualifications*, and for some “*extra services*.” In addition, the revised Framework Law allowed State-owned higher education institutions, beginning in November 2000, to request tuition fees for selected study programs such as evening and extramural studies. In addition, of course, the new sector of private, tuition dependent higher education shifts higher educational costs in that sector to parents and students. Estimates of total costs borne by parents and students in both public and private sectors are shown in Table 3.

Table 3
Higher Education Expenses Borne by Parents and Students in Poland,
First Degree, Academic Year 1998-99

[National currency converted to \$ US by 1999 Purchasing Power Parity \$1= 1.84 Pl zloty];

		Public		Private	
		<i>Moderate Public</i>	<i>High Public</i>	<i>Low Private</i>	<i>High Private</i>
	Application fee	0	0	300 (US163.04)	400 (US217.4)
Instructional Expenses	Tuition	0	6,800 [\$3696]	3,500 [\$1902]	8,000 [\$4348]
	Books & Other Ed. Expenses	500 [\$271]	500 [\$271]	1,000 [\$543]	2,000 [\$1087]
	Subtotal Costs of Instruction	500 [\$272]	7,300 [\$3967]	4,800 [\$2609]	10,400 [\$5652]
Student Living Expenses	Lodging	2,500 (US 1,359)	3,000 (US 1,630)	2,000 (US 1,087)	3,000 [\$1630]
	Food	4,500 [\$2446]	6,000 [\$3261]	5,000 [\$2717]	6,000 [\$3261]
	Transportation	300 [163]	300 [163]	500 [\$272]	500 [\$272]
	Other Personal Expenses	800 [\$434]	950 [\$516]	1,000 [\$543]	1,000 [\$543]
	Subtotal Cost of student living	8,100 [\$4402]	10,250 [\$5571]	8,500 [\$4619]	10,500 [\$5706]
Total		8,600 [\$4674]	17,550 [\$9538]	13,300 [\$7228]	20,900 [\$11,359]

Moderate Public: living in dormitory or shared apartment.

High public: paying tuition fee for extramural, part-time and evening studies, living as an “independent adult.”

Low Private: low private tuition, and living at home with parents.

High Private: high private tuition, living in dormitory or shared apartment.

III. Financing Higher Education

Public higher education is financed from the state budget in the form of entity subsidies for teaching activity and maintaining higher education institutions as well as for financial support for students and target allocations for investment activity, mainly in the area of construction investments (in universities). Public higher education also gained its one revenue from teaching activity, especially from tuition fees and from research activity and these are sources of financing public higher education institution. The own revenues from teaching activity was gradually rising in the last decade, according to the expansion of payable forms of education.

The non-public higher education system has actually not been financed from the state budget until now with the exception of KUL (the Catholic University of Lublin) and PAT (the Pontifical Academy of Theology) in Cracow. Due to the laws, they are subsidized from the budget in the same way as public higher education institutions (except for investments).

In the last two years also full-time day students in the remaining non-public higher education institutions have been covered by scholarship aid from the state budget.

Public higher education institutions are a part of the public finance sector in accordance with the Act on Public Finance of 28 November 1998. Thus, many individual regulations of this Act also refer to public higher education institutions.

The share of higher education spendings in the state budget was 3.21% in the year 1990, 2.36% in the year 1994, 3.86% in the year 2001. <http://poland.gov.pl/?document=315>

Table 4 shows the annual expenditure on educational institutions per student in 2001;

Table 4

**Annual expenditure on educational institutions per student (2001)
in equivalent US dollars converted using PPPs**

1.875379 Calendar Year 2001, 2001 current prices

Tertiary education (including R&D activities)		
All tertiary education	Tertiary-type B education	Tertiary-type A & advanced research programs
3579	3341	3582

Source: OECD. *Education at a Glance*. (www.oecd.org/edu/eag2004)

Tertiary-type A level of education—These are largely theory-based and are designated to provide sufficient qualifications for entry to advanced research programs and professions

with high skill requirements, such as medicine, dentistry or architecture. Usually includes both bachelor and masters degrees and their equivalent.

Tertiary-type B level of education—These are usually shorter than those of tertiary-type A and focus on practical, technical or occupational skills for direct entry into the labor market, although some theoretical foundations may be covered in the respective programs.

IV. Financial support for students

Financial support services for students in higher education institutions subsidized from the state budget are financed within higher education institution financial support funds for students. The scope and forms of these services are laid down by:

- the Government Regulation of 22 January 1991 on financial support for full-time day students of higher education institutions operating based on the Act of 12 September 1990,
- the Regulation of the Minister of National Education of 23 September 1998 on financial support for full-time day students of vocational training colleges.

Full-time day students of public higher education institutions are entitled to social financial support, special aid for disabled persons, scholarships for academic results, accommodation subsidies, meal subsidies and relief.

Full-time day students of public universities and colleges achieving the best academic results and being highly academically active are entitled to apply for the Minister's Scholarship for academic achievements.

Since 2001 also full-time day students of non-public higher education institutions and higher education institutions established and run by the Catholic Church have benefited from social financial support.

In the structure of financial support costs for students in higher education institutions of MENiS (the Ministry of National Education and Sport) in 2000, the costs of scholarship and social financial support accounted for 47.0%, the costs of running dormitories and accommodation subsidies 44.1%, the costs of running canteens and meal subsidies 6.3%, other costs 2.6%.

A supplementary form of financial support is also giving student credits in accordance with the Student Credit and Loan Act of 17 July 1998. All students can apply for student credits: students of public and non-public higher education institutions in full-time day, evening, part-time and external studies. From the academic year 1998/1999 to the year 2001/2002 around 174,700 students benefited from the credit.
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