

Higher Education Finance and Cost-Sharing in Poland

(Revised June 2010)

I. A Brief Description of Polish Higher Education

Polish higher education faces many changes and challenges as the country enters its third decade under a democratic government and a market economy. Since the fall of Communism, Poland's higher education has undergone a wide variety of transformations in terms of academic freedom, curricular reform, the development of more market-oriented curricula, and the emergence of a private sector of higher education. Since 1990, enrollments in Poland's institutions of higher education have grown from about 13 percent of the university age population to over 50 percent or from 403,824 students to 1,937,404 (European Commission 2009). This growth has been accompanied by new academic programs, new faculty pay schemes, a new system of accreditation, and an expansion in facilities.

In July 2005, the Parliament passed a new Law on Higher Education that among other things reinforced university autonomy, established the legal basis for the bachelors, master's and doctorate program cycle structure, introduced the European Credit Transfer System, defined the state's budgeting process to universities, and established detailed arrangements for student financial support.

In the academic year 2007/08, there were 455 higher education institutions of which 131 were public and 324 were private. More than 65 percent of all higher education students were in public institutions. Under the 2005 Law on Education there are two categories of degree granting higher education institutions, university-type institutions (*uczelnia akademicka*) and the non-university type institutions (*uczelnia zawodowa*). Only the former may provide doctoral programs. Admission to both types of higher education is based on a student's performance on his/her secondary school leaving exam, though higher educational institutions may add additional admission conditions.

While Article 70 of the Constitution of the Republic of Poland guarantees that public higher education is free, tuition fees may be charged to a student retaking a class because of poor performance, taking a course taught in a foreign language, taking continuing education courses or taking part-time degree or doctoral programs. The level of such fees is determined by the rector of the higher education institutions. Therefore, in practice, approximately half all public students pay tuition fees at levels similar to students in private institutions. While there are no registration fees, public higher education institutions may charge fees for entrance exams and other entrance processes.

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 involve 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.

As of 2007/08 there were 324 private higher education institutions which, like the public institutions, are divided into *uczelnia akademicka* and *uczelnia zawodowa* by the 2005 Law on Higher Education. Only 11 of the 324 are *uczelnia akademicka* and, therefore, able to award doctor degrees. Students in private higher education institutions are eligible for the same type of student financial support as those in public institutions. The State grants both public and private institutions a State-budget subsidy for non-reimbursable financial support for students.

Public higher education institutions have three main funding sources including government subsidies (73 percent), student tuition fees (20 percent) and external sources (research and service contracts). The government subsidy is made up of a teaching component based on student and academic staff numbers, a component for student financial support based on student numbers, a component for research awarded on a competitive basis and subsidies for specific purpose (generally infrastructure improvements).

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, State-owned higher education institutions may charge 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 1.

Table 1
Higher Education Expenses Borne by Parents and Students in Poland,
First Degree, Academic Year 2009-10
 [National currency converted to \$US by 2005 World Bank ICP PPP estimate of
 US\$=1.90 PLN]

		Public		Private	
		<i>Moderate Public</i>	<i>High Public</i>	<i>Low Private</i>	<i>High Private</i>
	Application fee	0	0	300PLN (US\$158)	400 PLN (US\$211)
Instructi onal	Tuition	0	4,000 PLN [\$2,105]	8,000 PLN [\$4,211]	14,000 PLN [\$7,368]
	Books & Other Ed. Expenses	500 PLN [\$263]	500 PLN [\$263]	1,000 PLN [\$526]	2,000 PLN [\$1,053]

	Subtotal Costs of Instruction	500 PLN [\$263]	4,500 PLN [\$2,368]	PLN9,300 [\$4,895]	PLN16,400 [\$8,631]
<i>Student Living Expenses</i>	Lodging	6,000 PLN (\$3,158)	9,000 PLN (\$4,737)	0 (US0)	9,000 PLN [\$4,737]
	Food	5,000 PLN [\$2,632]	7,000 PLN [\$3,684]	2,000 PLN [\$1,053]	7,000 PLN [\$3,684]
	Transportation	300 PLN [\$158]	300 PLN [\$158]	500 PLN [\$263]	500 PLN [\$263]
	Other Personal Expenses	3,000 PLN [\$1,579]	3,000 PLN [\$1,579]	1,000 PLN [\$526]	3,000 PLN [\$1,570]
	Subtotal Cost of student living	PLN14,300 [\$7,527]	PLN19,300 [\$10,158]	PLN3,500 [\$1,842]	PLN19,500 [\$10,263]
<i>Total</i>		PLN14,800 [\$7,789]	PLN23,800 [\$12,526]	PLN12,800 [\$6,736]	PLN35,900 [\$18,894]

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. Financial Support for Students

Under the 2005 Law on Higher Education students enrolled in degree programs may apply for several types of refundable and non-refundable financial support from the State budget. Non-refundable support includes means-tested maintenance, meal and accommodation grants--all aimed at students from low income families. Students facing temporary financial difficulties may also apply for aid payments. Merit scholarships are also available. The range of grants and scholarships are administered by the individual institutions, which are responsible for establishing rules and regulations within the broad principals laid out by the Law. Students apply for financial aid directly to the institutions. As of 2004, 471,400 students received some type of grants averaging PLN135/month (OECD 2007).

Students may also apply to the Student Loan and Credit Fund for means tested student loans managed by the Bank for National Economy (Bank Gospodarstwa Krajowego) and commercial banks. Student may borrow up to PLN 600 (US316) per month for 10 months. Interest set at half of the National Bank of Poland’s discount rate is collected during the study, grace (2 years) and repayment (twice the period during which the loan was paid out) periods. The Fund covers the difference between the bank’s commercial rate and the subsidized interest rate paid by the student. Student borrowers must provide guarantors.

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