

# TREY's statement regarding the outline of the funding model

## TREY's comments on amending the Government's decree regarding the funding model

### Mutual weight of shares of funding

TREY deems the amendments to the mutual weight of the funding criteria justifiable. It is reasonable that the share for strategy-based financing has been reduced. Correspondingly, this share has been added to the share of funding based on education and research. As far as the funding package is concerned, it would be good to consider whether it is necessary to divide the 5 % from the strategy-based funding so that the 3% would go to education and the 2% to research.

### Share of funding based on first-time students

TREY objects to adding the share of funding based on first-time students to the new funding model. TREY does not deem justifiable to measure the number of first-time students as an appropriate solution to improve raising the educational level.

A funding factor based on being a first-timer only indicates the number of people who accepted a study place, but it doesn't indicate whether the student actually intends to complete a degree in that particular field. Among new students, there are potentially students who are changing fields as well. Instead of focusing on the number of first-time students, it would be more justified to put the focus on measuring the quality of education programmes and instruction.

Since the funding model also has weighting factors for degrees completed in target time and for second degrees, the first-timer indicator is redundant and unnecessary funding factor.

## **Amendments to the strategy-based funding**

Amending the strategy-based funding from 15% to 10% is justifiable. By directing the focus on the share that supports strategies and renewal of the institutions of higher education and removing the share that supports the objectives of the Government, the funding model gives universities more freedom and flexibility to improve their own operations. In terms of the autonomy of universities, the proposed reform is therefore a positive change.

## **TREY's comments on the degree by the Ministry of Education and Culture regarding the calculation criteria of core funding**

TREY deems the presented ensemble about the calculating criteria of share of financial in education and its weight as problematic. TREY is particularly concerned about how the funding factor measuring the number of first-time students and higher education degrees is emphasised.

### **Funding factor based on first-time students**

TREY objects to the proposal of the funding factor based on the number of first-time students, because as stated earlier, funding universities based on the number of students is not the answer for raising the educational level. The share of 3 % in question could be transferred to other shares presented in the funding model, for example, by transferring 2 % to the funding determined by student feedback and 1 % to the funding based on credits received in open university, during separate studies and in specialisation programme.

Raising the share of student feedback in the funding model would serve raising the level of education better than the first-timer indicator. Putting more emphasis on student feedback in the funding model would encourage universities to invest in high quality teaching and instruction as well as in students' well-being. Investing in

the quality of teaching and instruction plays exactly the key role in the attempt to raise the level of education.

Keeping the funding for continuous learning at its current level would better support the accessibility of continuous learning when the cost level lower for students.

### **Coefficients of funding factor based on completed degrees**

TREY objects to raising the target time coefficient to 1,8. As highlighted by SYL, SAMOK and OAJ in their dissenting statement, institutions of higher educations have only limited means to speed up students' graduation. Working during studies is one of the most significant factors contributing to the delay in graduating, and changes in the student financial aid system are likely to further increase the number of students working during studies. Many students end up finding employment when they are still studying, and this shouldn't be viewed as a negative thing. Tying the funding of higher education more tightly around the goal-oriented graduation time doesn't serve its purpose.

TREY proposes that the target time coefficient should be kept unchanged, which would mean that it would stay at 1,5 during the following funding term.

TREY also doesn't consider decreasing the coefficient of the second degree appropriate and suggests keeping the coefficient at 0,7. There is quite a range of reasonable reasons for wanting to complete another degree of the same level. A person may not have been able to find a job within the previous field or, for example, as technology is developing, work within the field is disappearing. There may also be a need to change the field for health reasons. As mentioned by SYL, SAMOK and OAJ in their dissenting statement, the current coefficient already takes into account the possibilities for crediting studies for other degrees, and TREY agrees with it. Decreasing the coefficient is therefore not justifiable.

### **Limiting the credits taken into account in the funding of the open university to those who have the Finnish social security number**

This has been justified, among other things, by the predictability and stability of funding, and TREY understands the concerns related to this, especially regarding the globally offered MOOCs. However, it is also stated that the MOOCs offered globally are still quite small phenomenon in Finland, so there may not be a true need for limiting them.

## **Constraint for changing the funding in 2025 and 2026**

TREY sees the constraint as a help for preventing sudden and major changes when it comes to the funding for institutions of higher education in the short term, thus bringing stability to the model.

## **TREY's assessment of the effects of the proposal package**

TREY has concerns that the proposed funding model will strongly continue its result- and performance-centred approach. Students already face an increasing number of mental health challenges, and the concern is that the emphases of the funding model can transform the institutions of higher education into mere "degree factories" that have emphasis on making students graduate in a rapid schedule whatever the cost, thus increasing students' performance pressure. The time spent studying is much more than sitting in lecture halls, and it is possible to gain important experiences in formal teaching situations as well as, for example, during an exchange period abroad, in internships and association activity. Therefore, it is important that students still have the opportunity to take their time for pondering plans for future and develop their skills in many different ways during their studies. On the other hand, if a student burns themselves out during the studies already, it does not bode well for the transition to working life.

TREY is also concerned that the proposed funding model, along with the other ongoing reforms, such as changes in student financial aid, will further increase the youth indisposition. Students' financial situation and well-being play a key role in affecting the fluency of the studies as well as graduation. Therefore, it is necessary to ensure that the changes in educational affairs support students' well-being and enable them to succeed during their studies.

TREY emphasises that when planning the funding model for the institutions of higher education, a broader perspective in educational affairs that acknowledges how the political changes affect students in their entirety, must be taken into account. Education must be the heart of the activity in the institutions of higher education and the funding model must support that its realisation.

## **Working group's proposals about incentive rewards of the universities and the realisation of the research on the funding model.**

TREY considers the proposed idea about incentive rewards to be a good one. In particular, the advancement of students' well-being would be a great theme for the incentive reward. A more in-depth inspection of the funding model and the research related to it is also proposal that TREY warmly supports.