

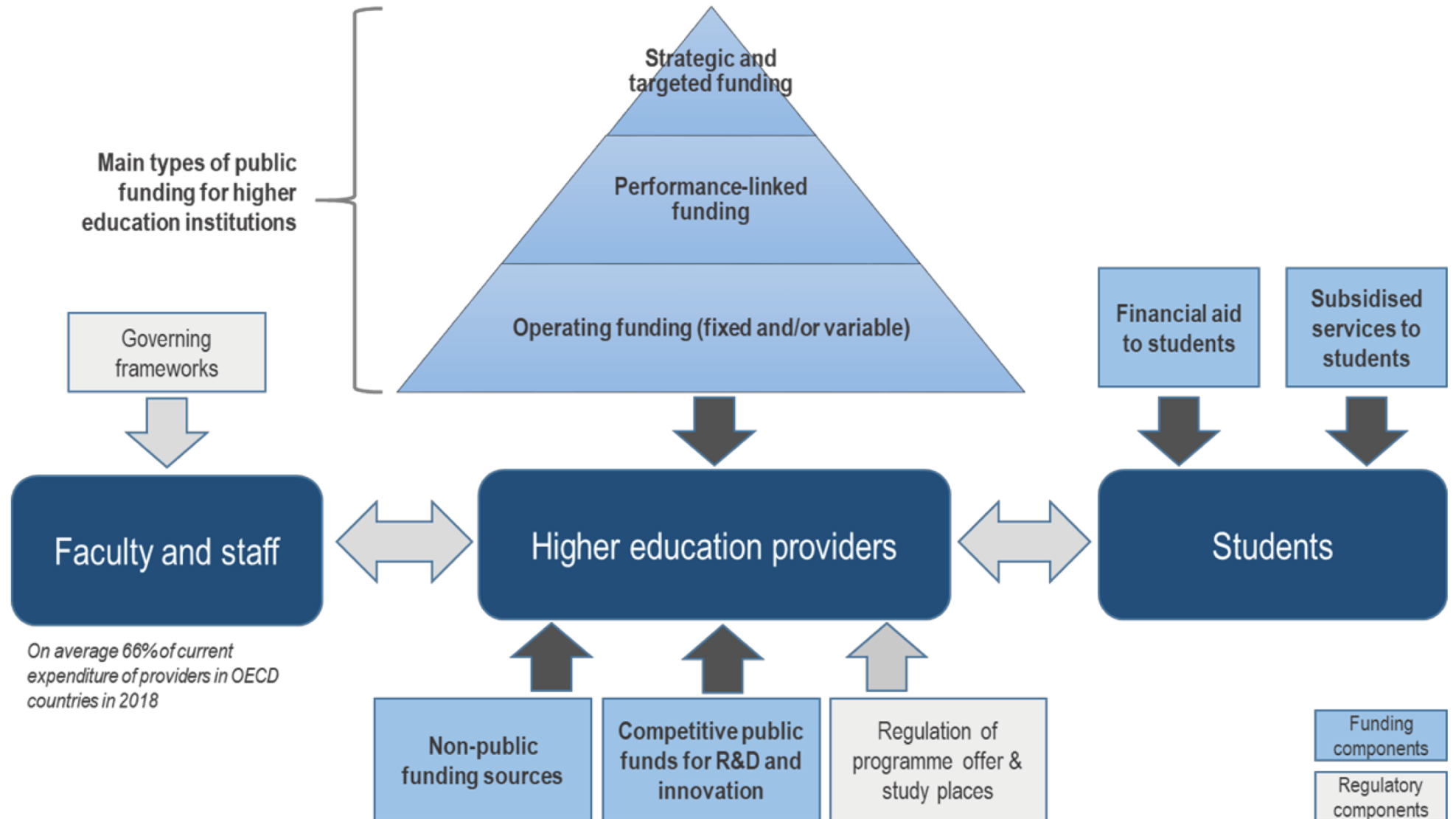
On the funding of Finnish universities

Kaarle Hämeri

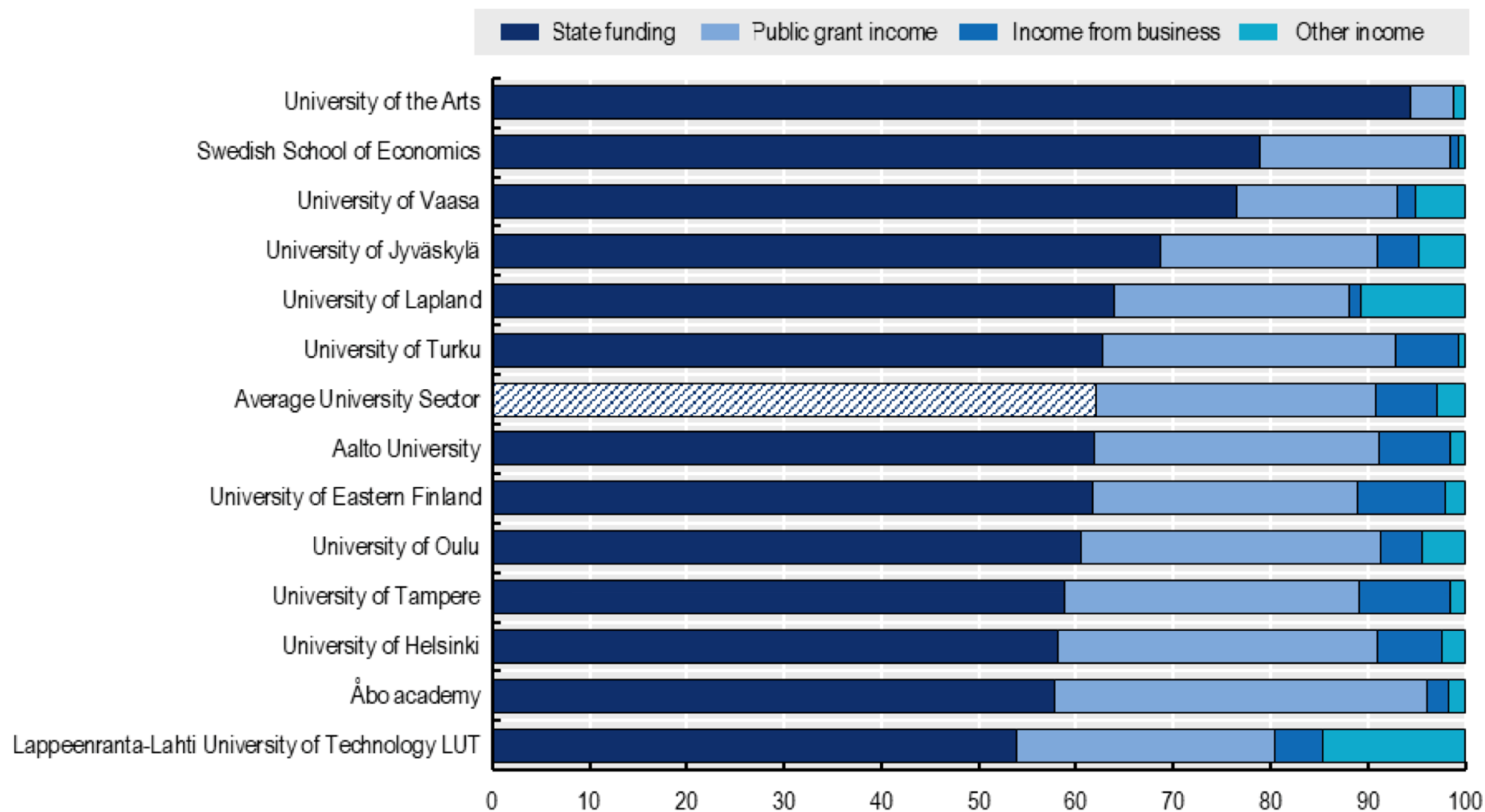
Chancellor

University of Helsinki

Figure 8. Elements in higher education funding systems

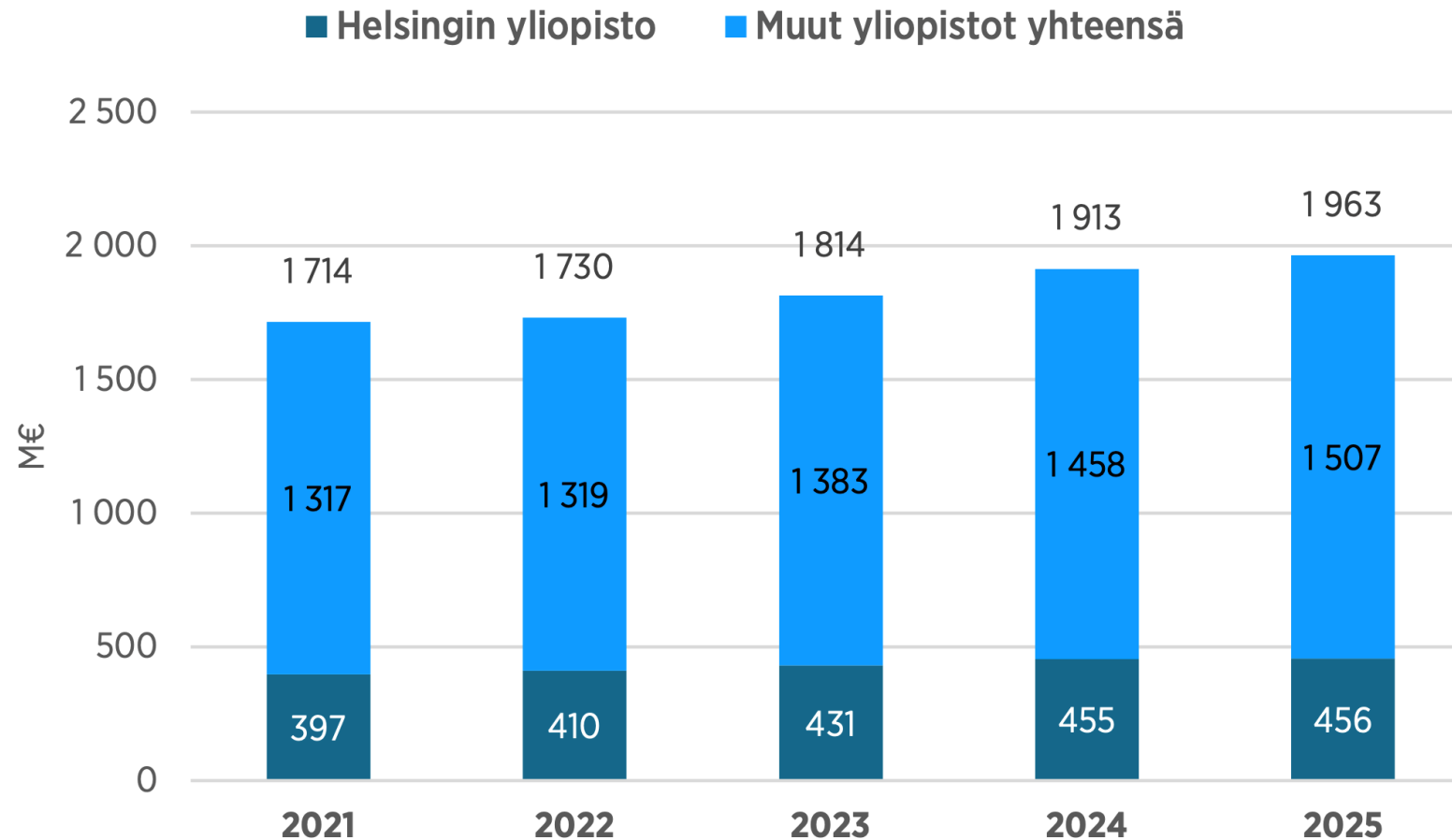


Proportion of institutional income from different sources in 2021 (%)



Source: Vipunen (2022^[8]) Income statement for universities, <https://vipunen.fi/fi-fi/yliopisto/Sivut/Talous.aspx>

Universities basic funding based on model



Taulukko 57. Yliopistojen valtionrahoitus (M €).

Universities Core Funding From 2021

42% Education

30% Bachelor's degrees and Master's degrees

- Master's degrees 19%, Bachelor's degrees 11%
- Coefficients: graduation times, multiple similar degrees, fields of education
- Funding up to the agreed target (Master's degrees)

5% Continuous learning

- ECTS based on cooperation 1%

4% Number of employed graduates and quality of employment

- Number of employed graduates 2%, graduate tracking 2%

3% Student feedback

34% Research

8% PhD degrees

14% Scientific publications

- Refereed scientific publications: Rating of publications Level 0 (coefficient 0.1), Level 1 (1), Level 2 (3) and Level 3 (4)
- Other publications: 0.1
- Coefficient for open publications: 1.2

12% Competitive research funding

- International competitive research funding
- National competitive research funding and corporate funding

24% Other education and science policy considerations

15% Strategic development

- Part A. Strategy of the University, implementation of the strategy, profiling, internationalisation
- Part B. National education and science policy aims
- Emphasis on part A

9% National duties

- Special national duties, teacher training schools, National Library of Finland, University of Arts

Ministry funding models over time

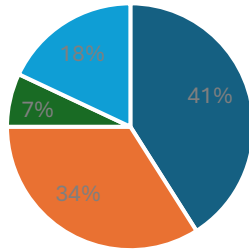
■ Education

■ Research

■ National duties

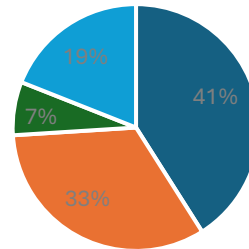
■ Strategic and other

2013-2016



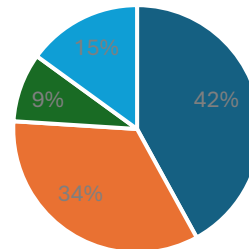
- Bachelor + masters on time 35 %
- Doctoral degrees 9 %
- Publications 13 %
- Research funding 9 %

2017-2020



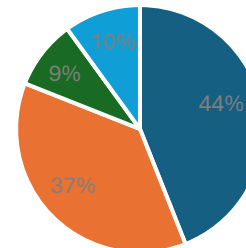
- Bachelor + masters on time 32 %
- Doctoral degrees 9 %
- Publications 13 %
- Research funding 9 %

2021-2024



- Bachelor + masters on time 30 %
- Doctoral degrees 8 %
- Publications 14 %
- Research funding 12 %

2025-2028



- Bachelor + masters on time 30 %
- Doctoral degrees 9 %
- Publications 14 %
- Research funding 14 %

The model changes every four years, but the big picture has remained stable:

- As many degrees as possible as quickly as possible
- Roughly 2/3 of the funds have always been divided based on four stable indicators

When new indicators are introduced or targets have been raised, it has not brought more funding to the model.

The model looks purely backwards, only strategic funding can be obtained for things that you plan to do. The model calculates 3-year averages with a one-year delay. The distribution of funds in 2026 is based on output 2022–2024.

Presentation Name / Firstname Lastname

22/12/202

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Details are variable in the model

Although the big picture has remained the same, the details of the model change and sometimes even within the strategy period and not necessarily in a fully planned manner:

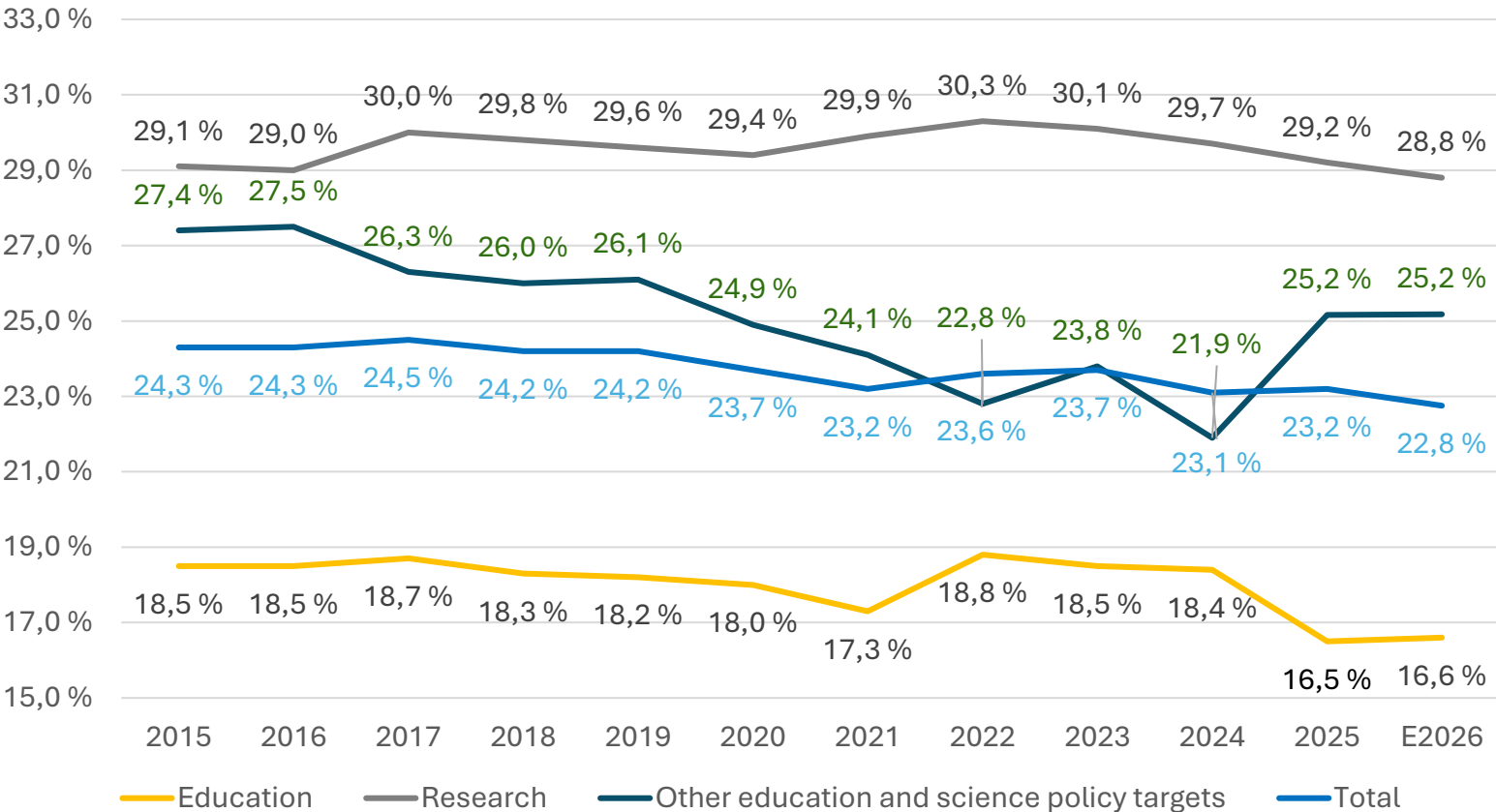
- Jufo classification – the classification changed between the 2024/2025 money distributions – the University of Helsinki benefited from this by several millions. In other words, a single article could be jufo 2 in 2024 and jufo 3 in 2025. From 2029 onwards, jufo 3 will no longer exist. (Then there should be a different model, though..)
- Completion times. In 2013-2020, graduation times were rewarded with a 55-credit indicator, from 2021 onwards with coefficients, and from 2025 onwards, the coefficients were tightened. The coefficients have been difficult for the University of Helsinki. There are differences in graduation times nationally between disciplines. E.g. Humanists graduate more slowly than engineers. (Nationally statistic, in which case the universities with humanities fields automatically have a disadvantage in the model).

HY OSUUS OKM RAHOITUSMALLISSA (1 % = 20 M€)

UH SHARE OF THE MINEDU CORE FUNDING MODEL

Change in strategic funding from 22% to 25%:
MinEdu strategic funding decreased from 15% to 10% and funding for national duties (tasks) at HY remained unchanged.

5% of decreased strategic funding was transferred +2 % for education and +3% for research.



Research: 37% of MinEdu model funding: 1 % = 7,3 M€

Other policy considerations: 19% of MinEdu model funding: 1 % point = 3,7 M€

Core funding for universities 2025: 1962 M€: One percentage point in total = 19,6 M€

The brake of the model 7,2 M€ is included in the figure (23,2 %)..

Education: 44% of MinEdu model funding: 1 % point = 8,6 M€

In 2025 funding the 2020 peak in degrees no longer affects the funding calculations and it has lowered UH's success further (affects all levels bachelor to doctoral degrees). The renewed model 2025 has built in a 3 % break, so funding cannot decrease more than 3 %. Due to this UH receives 7,2 Meur more in 2025 than we otherwise would.

Strategic funding

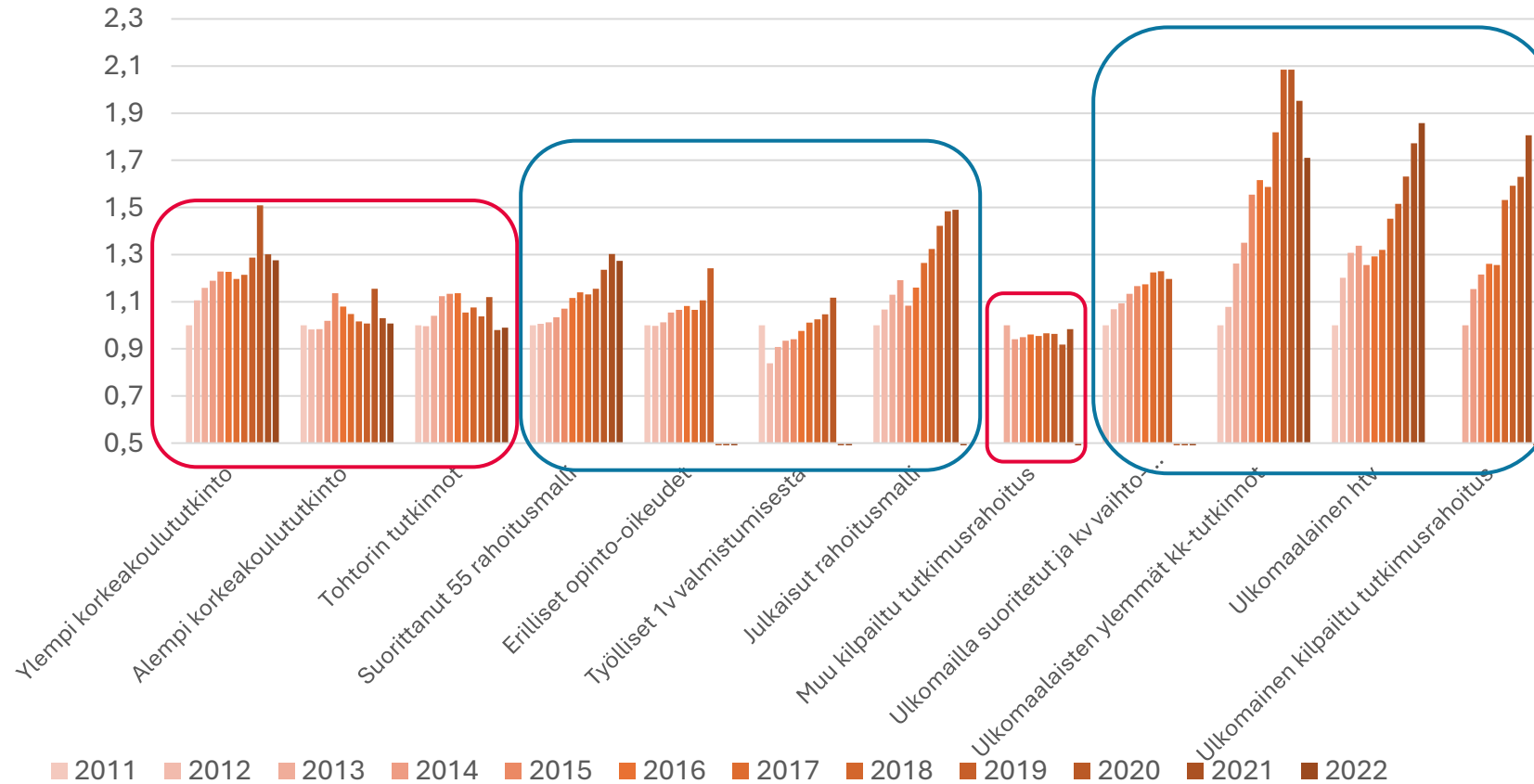
- In the period 2021–2025, the University of Helsinki performed poorly in terms of strategy funding. Strategic financing was divided into two parts:
 - 10% University's own strategy – in this respect, the University of Helsinki was still doing well at an OK level
 - 5% programme funding– in this case, the success of the University of Helsinki was exceptionally poor, largely due to regional politics. (Aalto received somewhat more, as he was given the Digivisio funding to coordinate)
- It is characteristic of strategic money that the ministry does not increase it by index during the strategy period (cf. national funding). This accumulates undistributed money, which the government then reallocates. Thus, for example, the University of Helsinki received EUR 8.9 million at the end of 2024 for new study places in medicine and veterinary medicine.

Political decisions Alter the game and the funding proportions

- Study places 2020, 2021 and 2022
 - The University of Helsinki is not doing well in the model now, because it took fewer student places than its size in the years when the ministry gave temporary additional funding for student places.
 - The additional places have increased the number of degrees, and thus you can now get less money for a single place in the model, because no more money has been added to the model because of this.
- Doctoral pilot
 - The places in the pilot were not distributed according to the universities' normal distribution of doctoral degrees.
 - Aalto received more funding than their number of doctors, and the University of Helsinki received significantly fewer places. If all of them graduate in 2027, the amounts will be so large that it will have a direct impact on the distribution of the Ministry of Education and Culture's funding between universities.

Observation: incentives matter

Indicators 2011–2022, all universities



Publications 2011-2021 in quality levels JUFO1-3,
all universities

