



PUBLIC EXPENDITURE EVALUATION
2018

PROJECT 4 (SCHOLARSHIPS)

STUDY

UNIVERSITY EDUCATION SCHOLARSHIPS



Independent Authority
for Fiscal Responsibility





The Independent Authority for Fiscal Responsibility (AIReF by its Spanish acronym) was created with the mission of ensuring strict compliance with the principles of budgetary stability and financial sustainability set out in article 135 of the Spanish Constitution.

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CONCLUSION OF THE EVALUATION

Within the framework of the Spending Review carried out by AIREF in Spain in 2018, a key element of educational policy has been evaluated, such as the university scholarship system of the *Ministerio de Educación y Formación Profesional* (Ministry of Education and Vocational Training - MEFP) and the *Ministerio de Ciencia, Innovación y Universidades* (Ministry of Science, Innovation and Universities - MCIU). The aim of these scholarships is to guarantee equal opportunities, so that students who want to study and lack the necessary financial means can afford to do so.

The State spent around 816 million euros on university scholarships in the 2016-2017 academic year to ensure equal opportunities, approximately 25% of the total budget of the MEFP. This expenditure item was analysed from three different angles: strategy, procedure and effectiveness, with the aim of offering proposals to improve the efficiency of the state university scholarship system from this threefold perspective and thereby promote the best use of public money.

The following table summarises the objectives set out in the evaluation, the sources of information used and the main findings detected.

TABLE 1. OBJECTIVES, SOURCES OF INFORMATION USED AND MAIN FINDINGS

1	STRATEGY	2	IMPLEMENTATION	3	EFFECTIVENESS
	Analyse the system of university scholarships in aspects such as: coverage and generosity, relevance and coherence.		Analyse the processing of scholarships; and the supervision and follow-up.		Analyse the extent to which the university scholarship has contributed to continuity in the university system, the attainment of the degree and academic performance.

Sources of Information:

- Surveys of university students.
- Document review.
- Interviews:
 - MEFP and MCIU.
 - *Consejerías de Educación* (Regional Ministries of Education).
 - Scholarship processing units of the universities and Agency for Management of University and Research Grants (AGAUR).
- Comparison and search for examples of best practices.

Sources of Information:

- Integrated University Information System (IUIS).

Findings:

- Lack of information and guidance on university scholarships at both the pre-university and university stages.
- The average amount of the scholarship does not cover the needs of students living outside the family home.
- The income thresholds have not been updated since the 2010-2011 academic year.

Findings:

- Most scholarship holders receive the scholarship in the second term of the year.
- Absence of a web portal containing all university scholarships, including those of the Regions and universities.
- Some discretionary power is detected in some scholarship processing units in the application of certain criteria for awarding scholarships.

Findings:

- The potentially unproductive cost of scholarship holders (who started their studies in the academic year 2010 - 2011) who drop out or continue at university without graduating after six years is around 1,800 million euros.
- The effect of scholarships on academic performance is positive but modest.
- The effect of scholarships on obtaining a university degree is positive except in the case when it is received only in the first year.

Source: AIReF

It is important to highlight, among others, three distinctive elements of this study:

1) this is the first time that the records of the MEFP have been used to analyse the effectiveness of university scholarships and the extent to which they promote equal opportunities;

2) a survey has been carried out, aimed at all university students in Spain, with the objective of enriching and complementing the study; and 3) it has identified the best

national and international practices and the key aspects that need to be analysed in greater depth in order to improve the functioning of the scholarship system in Spain.

The current university scholarship system has contributed to ensuring equal opportunities. The surveys carried out by AIR^eF among university students indicate that 22% could not continue at university without the scholarship and 70% would have to look for a job or ask for help to pay for their studies.

However, the analysis carried out by AIR^eF, systematised in 25 findings, shows that there are different factors that limit the equal opportunities of the state university scholarship system. Among these factors, the following are particularly noteworthy: 1) there is a significant lack of information and guidance on university scholarships; 2) scholarships are received once the academic year has begun, more than 70% of MEFP scholarship recipients receive them during the second term, which means that students with fewer resources may not have the means necessary to afford the beginning of the year; 3) the amount of the residence scholarship does not cover the economic needs of the student because he or she lives outside the family home during the academic year (estimated at 2,700 euros); 4) the income thresholds used to select scholarship applicants have not been updated since 2010 and; 5) certain discretionary power is detected in some scholarship units in the application of certain awarding criteria.

These limitations can dissuade the most economically vulnerable students from continuing their university studies. It is therefore necessary for all students: 1) to be aware of the existence of university scholarships and grants and their financial value; 2) that these are sufficient to meet the economic costs of studying at university (including tuition, transport, food, materials and residence); and 3) that they receive the scholarships at the beginning of the academic year. Taking into account the above, and considering the best practices in other countries of our economic environment, AIR^eF makes 13 proposals, notably including:

1. To bring forward the call for applications to the month of January so that the scholarships are awarded before the start of the academic year and thus reduce students' uncertainty in relation to the financial means they may have when beginning their university studies. For this purpose: a) the pre-award based on economic requirements should be communicated, conditioned upon fulfilling the academic requirements and, b) the income tax return of the last available economic year would be used to verify the economic requirements.
2. Review the economic criteria for the award of scholarships to ensure that they promote equal opportunities. Specifically, to update family income thresholds, to avoid the current discontinuities in the amounts to be received according to income and to eliminate the wealth requirements that generate distortions in the allocation of scholarships.
3. Increase the amount of the residence grant (currently 1,500 euros) to 2,700 euros in order to cover the economic needs of students who must leave the family home to study at university.
4. Create student support centres and a single application portal for all university scholarships (state and regional). In this way the attention and information to students would be improved, especially to those with lower incomes that may dissuade them from prolonging their educational development.
5. Introduce improvements in the application process with processing units that bring together the management of applications from several universities.
6. Improve the structure and content of the Integrated University Information System (IUIS) to ensure its statistical use and subsequent evaluation of education policies.

1

SUMMARY OF THE EVALUATION

1.1. Background

The Spanish Constitution establishes in paragraphs 1 and 5 of article 27 that “everyone has the right to education” and that “the public authorities guarantee the right of everyone to education through general educational programming, with the effective participation of all affected sectors and the creation of educational centres”. In this way, in order to make this right effective, the State has been establishing, through its General Budgets, a general system of scholarships and study grants, so that all persons, regardless of their place of residence, may enjoy the right to education under the same conditions. The state university scholarship system is a key element of university policy which aims to provide equal opportunities for students who want to study and lack the financial means to do so.

The aim of this study, within the framework of the Spending Review carried out in Spain in 2018 by AReF, is to analyse the state university scholarship system of the *Ministerio de Educación y Formación Profesional* (Ministry of Education and Vocational Training - MEFP). Specifically, it studies its strategy and definition, the procedure for the management and processing of scholarships, as well as its impact with respect to the objectives it pursues: access to university and attainment of the university degree. In addition, it analyses its strength as a stimulus instrument to encourage academic performance.

The study carried out by AIReF has the following distinctive elements:

- Use of information from the records of the MEFP. This is the first time that micro data from the Integrated University Information System (IUIS) have been used for this purpose, containing information on all students enrolled in Spanish universities for each academic year, socio-demographic information, academic performance information, scholarship applications, mobility information, etc.

This information has been used to analyse the effectiveness of university scholarships and the extent to which they promote equal opportunities.

- Survey aimed at university students from all over Spain. The analysis has been enriched with the preparation of a survey aimed at all undergraduate and master's degree students at Spanish public and private universities. The objective of the survey is to ascertain students' needs with respect to studying at university and to detect opportunities for improvement in the design of the current scholarship system. AIReF benefited from the collaboration of 73 universities and around 22,000¹ students have completed the web questionnaire.
- International comparison. The best national and international practices have been identified, as well as the key aspects that should be analysed in greater depth to improve the functioning of the scholarship system in Spain.

Furthermore, additional information has been obtained through interviews with: 1) officials of the *Subdirección General de Becas y Ayudas al Estudio y Promoción Educativa* (Sub-Directorate General for Scholarships and Study Grants and Educational Promotion) belonging to the MEFP, 2) officials of the Integrated University Information System of the *Secretaría General de Universidades* (General Secretariat of Universities) of the *Ministerio de Ciencia, Innovación y Universidades* (Ministry of Science, Innovation and Universities), 3) personnel of the scholarship processing units of the MEFP of 15 Spanish universities, 4) officials responsible for the management and processing of university scholarships from the Agency for Management of University and Research Grants (AGAUR), of the Regional Government of Catalonia, 5) officials responsible for scholarships and grants from eight

¹ Approximately 14,000 responses are valid

Regional Ministries of Education of the Regions and 6) officials responsible for scholarships and grants from the Rafael del Pino and La Caixa foundations.

AIR^eF has had the collaboration of McKinsey & Company to carry out this project and with the academic advice of the *Fundación de Estudios de Economía Aplicada* (Foundation for Applied Economics Studies - FEDEA). In any case, the final content of the report is the exclusive responsibility of AIR^eF.

1.2. Overview

Royal Decree 1721/2007 was published within the framework of the constitutional mandate, with the objective of achieving a system of scholarships and study grants that guarantees equal access throughout the territory, that is to say, that guarantees equal opportunities for those who wish to study but lack the necessary economic means to do so.

1 MEFP university scholarships are awarded directly in non-competitive conditions, that is, there is no fixed number of beneficiaries. The income of the family unit and the academic performance of the student are the two factors that are taken into account when awarding scholarships. The types of scholarships a student can apply for are: tuition (exemption from payment, which is equivalent to approximately 1,300 euros) and financial scholarships, which are: fixed amount linked to income (1,500 euros), fixed amount linked to the student's residence during the academic year (1,500 euros), variable amount² (on average 1,100 euros) and the excellence scholarship from the academic year 2018-2019 (between 50 and 125 euros).

About 35% of university students apply for scholarships, about 450,000³ students, of which 63% are beneficiaries, equivalent to 22% of the total number of students. 20% of the scholarship recipients receive only the tuition scholarship and 80% receive the financial scholarship in addition to the tuition scholarship.

Total public expenditure on university scholarships in 2016 was 979 million

² Amount of the university scholarship budget that remains upon awarding the full amount of fixed amount scholarships and that is distributed among applicants based on family income and academic performance. The minimum amount is 60 euros. The average amount is 1,100 euros

³ Data for the academic year 2017-2018

euros⁴. Of this expenditure, 91% corresponds to the MEFP, 7% to the Regions, 2% to universities and less than 1% to local corporations. In addition, there are private institutions and foundations that offer scholarships within their social programmes. The university scholarships (tuition, residence, income and variable) covered by this study amount to around 816 million euros for the academic year 2016-2017, representing approximately 25% of the MEFP budget.

Spain has different bodies that carry out studies and analysis of aspects related to the state university scholarship system. The most important is the *Observatorio de Becas, Ayudas al Estudio y Rendimiento Académico* (Observatory of Scholarships, Study Grants and Academic Performance) which, among other functions, must evaluate the indicators and variables that allow it to analyse the equity, efficiency, effectiveness and transparency of the Spanish university scholarship system. In addition, one of the main objectives of the *Observatorio* is to be the meeting point for all the actors affected by the scholarship system. This *Observatorio* was practically inactive from its creation⁵ until October 2018, when it met again to discuss the reform of the scholarship system.

The analysis carried out in relation to students' needs and the relevance of the strategy of the state university scholarship system has identified that university students' most important need with respect to the university period is to have information and guidance on university scholarships and expenses.

With regard to the relevance of the scholarship system, two important factors have been identified that reduce the capacity of the scholarship system as an instrument to benefit students from the families with the greatest economic needs and the capacity of these to access or continue at university if they so wish. These factors are:

- Insufficient amount. Scholarship students who live away from home receive an average amount that does not cover the financial needs they have to face to study at university.
- The fact that family income thresholds have not been reviewed and updated.

⁴ This amount includes all types of university scholarships (e.g. Erasmus, collaboration, languages, etc.)

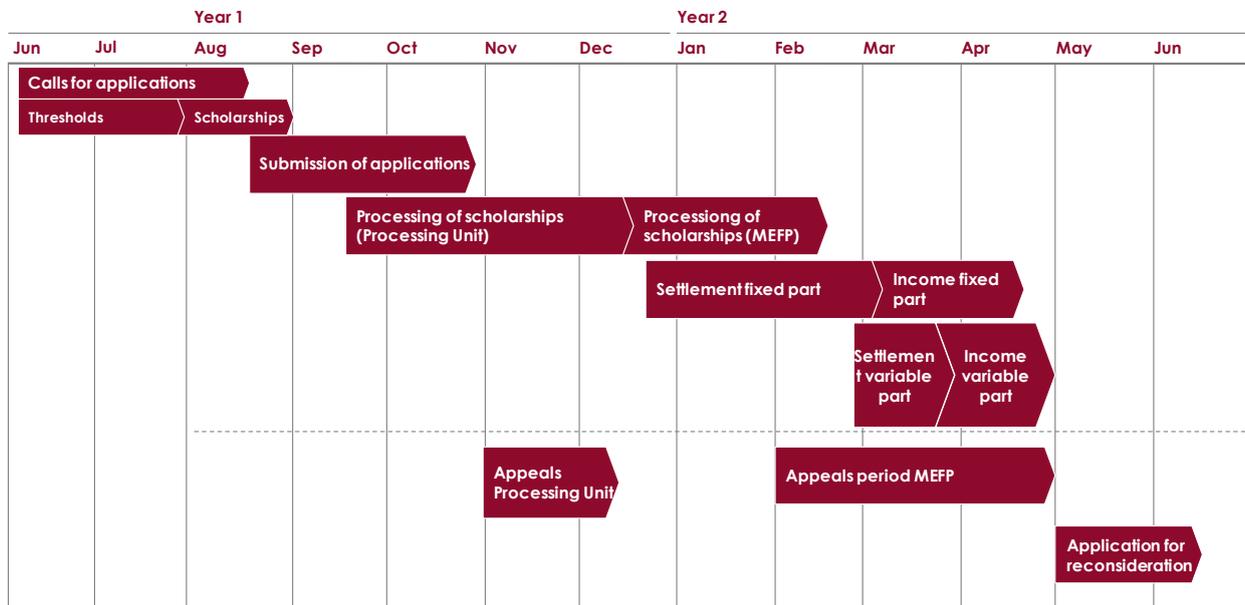
⁵ It was created by Royal Decree 1220/2010, of 1 October

Regarding the analysis of the coherence of the state university scholarships system, in Spain there are several providers (mainly Regions and local corporations), with the Regions being the most important by volume of scholarship expenditure (approximately 7%) after the state (approximately 91%). It is observed that the Regions present different strategies that complement the MEFP scholarship system in terms of coverage and generosity and make it coherent in terms of the objective of equal opportunities. These strategies can be grouped into three broad blocks: universality, supplementing the amount of MEFP scholarships, and covering students who have been excluded for not meeting the financial or academic requirements of MEFP scholarships.

With regard to the analysis of the procedure for processing MEFP university scholarships, some shortcomings have been detected that limit the capacity of the scholarship system as an instrument to guarantee the right to equal access to education.

In the first place, the inability of the system to allow the student to decide to study because he or she does not know with certainty the economic resources at his or her disposal.

FIGURE 1. TIMETABLE OF THE DIFFERENT STAGES OF THE CURRENT SCHOLARSHIP APPLICATION PROCESS



Source: AIReF.

The timetable for the current procedure for awarding scholarships and study grants is grouped into three stages (see figure 1):

1. Approval of the specific regulation (June-August).
2. Period for application by the interested party (August-October).
3. Resolution by the Administration (October-April).

Secondly, an important risk is detected in the procedure derived from the coexistence of different criteria and the non-standardisation of the procedures as a whole. Due to the high number of actors involved in the processing of scholarships (scholarship units of each of the universities and of the MEFP), there is a high heterogeneity of interpretations of some concepts (for example, in the criteria applied for the granting of the residence scholarship) which may limit equal opportunities.

Impact analysis of university scholarships makes it possible to study the effect of scholarships on certain target variables (continuity in the university system⁶, attainment of the degree, academic performance and continuation to master's

⁶ Due to the limitations found in the databases, the analysis relating to access has not been carried out. In an attempt to overcome this limitation, the continuity of students from first to second year has been studied

degree studies) using traditional impact assessment techniques. These techniques attempt to create a control group that is similar to the treatment group (students who receive scholarships) except that this group does not receive scholarships. The results of both groups are compared to determine the differential effect of the scholarship on the target variables. The results obtained show that:

- The scholarship has no effect on the continuity from the first to the second year and very modest effects on academic performance in that first year.
- The recurrence of the scholarship generally has positive effects on the attainment of the degree. As for the impact of the scholarship on the final grade obtained in the degree, very modest results are observed. Finally, receiving a scholarship in the last year before graduation increases the probability that the student will subsequently enrol in master's studies.

The best practices identified in countries of our economic environment and in the Regions offer some examples that could be extended to mitigate the problems of uncertainty faced by students in our country. It is interesting to consider the French model for reducing the processing and awarding time frames for scholarships, the Australian model (through the creation of specialised centres) and, in the case of Spain, that of the Region of Catalonia (through the creation of the AGAUR) to correct inefficiencies and the lack of coordination between the different actors participating in the process and the Austrian model for the automatic renewal of the scholarship.

1.3. Conclusions on findings and lessons learned

Strategy

- I. The university scholarship system is not framed within a strategy and, therefore, does not set quantifiable objectives, specific actions or indicators for monitoring and evaluation. Therefore, the effectiveness and efficiency of the resources allocated to scholarships and grants is not monitored.
- II. Spain has information on university education from different organisations to detect the needs of students. The most important is the *Observatorio*

de Becas, Ayudas al Estudio y Rendimiento Académico, which was created in 2010 to systematically analyse the different aspects of the scholarship system and, among them, students' needs with respect to accessing and continuing in the university system. The *Observatorio* has not met from 2011 until October 2018.

France centralises the information and subsequent definition of the national strategy for university education in a committee, which is then applied to the scholarship system.

Australia has an independent body that defines the objectives to be followed by the scholarship system and how they should be implemented, after which they are directly debated by Parliament.

- III. According to the surveys, 22% would not be able to continue at university without the scholarship and 70% would have to look for a job or ask for help to pay for their studies. University students have financial and non-financial needs in order to meet the costs of studying at university. Students prioritise needs as follows: information and guidance on scholarships, university expenses, tuition costs, transport, materials, accommodation and living costs.
- IV. Only 13% of the university students surveyed received information or guidance at the college, institute, vocational training centre, or similar, on the expenses they have to pay for studying a university degree and on scholarships and grants. This lack of information means that around 17% of the students eligible for scholarships do not apply for them because they do not receive information about their existence.
- V. Two important factors have been detected that may prevent families who need scholarships from accessing university and continuing their studies, if they so wish, so that the scholarships' objective of equal opportunities is not met. These factors are:
 - Family income thresholds.
 - i. The lack of updating of the amounts of family income that define the three thresholds since the 2010-2011 academic year.
 - ii. There have been important changes in the distribution of income in Spain and in view of this reality it is necessary to study the income thresholds.
 - iii. Other countries consider the existence of more family situations and consider the differences between students subject to potential

- coverage with greater accuracy in the definition of their thresholds.
- Lack of information and guidance on scholarships.
- VI. The generosity of the scholarship (average amount) and coverage (% scholarship students) is very different between countries. Spain is one of the countries with the highest percentage of university students receiving scholarships, although the average amount is one of the lowest.
- VII. The estimate of the average cost of the financial needs of students for studying a university degree course is:
- If they live in the family home: 3,964 euros.
 - If they live outside the family home: 6,664 euros.
- VIII. The average amount of the scholarship does not fully cover the needs of students who live outside the family home in order to undertake university studies. It is estimated that it does not cover the average cost of residence (2,700 euros). Currently 1,500 euros are received, so it covers 55% of the estimated expenditure.
- According to the survey, the students estimate that, on average, the scholarships have covered 60% of the indicated needs, and the ones with the least coverage are those of transport and materials.
 - In addition, 22% of scholarship recipients did not change their residence because they could not afford it.
- IX. Three income thresholds are established that condition what types of scholarships the student can receive. The reduced number of thresholds means that the economic needs of families with similar incomes are not adequately taken into account around the discontinuity points.
- X. The Regions present different strategies that complement the MEFP scholarship system. They can be grouped into three large blocks: (1) universality; (2) supplement the amount of MEFP scholarships; (3) extend the coverage of students who do not meet the requirements of State scholarships (as a particular case, Catalonia presents *Equitat* scholarships that consist of a reduction in the price of tuition according to family income).

Procedure

- I. The call for university scholarship applications is published annually in

August and the deadline is October. More than 70%⁷ of MEFP scholarship recipients receive the scholarship between January and May, during the second term of the academic year.

In France the call for scholarship applications is at the beginning of the year, using the income tax return for year t-2⁸ (latest available) to check the financial requirement. In addition, it allows the use of income from more recent years for cases in which there is a drastic decrease in the income of the nuclear family

and that would leave them unfairly without a scholarship. In Spain, for the granting of certain subsidies (for example, the minimum income), the economic requirement is verified with the last available income tax return.

- II. A high number of actors (university scholarship units) involved in the procedure, which may give rise to different interpretations (e.g. the granting of the residence scholarship depends on the criterion applied by each processing unit⁹), which may limit equal access depending on the criteria used, especially in the appeals phase¹⁰. Australia centralises the scholarship processing service in specialised units, maximising process specialisation and ensuring uniform management for all its universities.
- III. Shortcomings in the profiles in charge of processing:
 - Of the staff of the processing units of the universities in fiscal and tributary matters for the appeals phase.
 - Of the temporary staff that the MEFP sends as support to the processing units of the universities, most of which do not have sufficient experience.
- IV. Not all processing units use the scholarship management platform provided by the MEFP. It is observed that universities that use their own tools (usually universities with more resources), are exposed to greater delays in the management process. On the contrary, the processes in which universities use the MEFP tool seem more efficient and generate

⁷ Estimation with MEFP data

⁸ The year t is the year of publication of the call for scholarship applications

⁹ The criterion established in the call for scholarship applications for the academic year 2018-2019 is "that the applicant states the need to reside outside the family home during the entire school year, due to the distance between the home and the educational centre, the existing means of communication and the class hours".

¹⁰ It is the so-called phase R that corresponds to the appeals phase and it is the university that resolves them.

fewer errors¹¹.

V. Students with lower incomes find it more difficult to complete the scholarship application procedure¹².

Austria has an automatic scholarship renewal process for those scholarship holders who are still at university. It allows the process to be simple and fast for the student who only has to update if there has been any change with respect to the previous academic year.

VI. Lack of key information to verify requirements for the award of the scholarship.

- Information on personal requirements, for example, the applicant's family composition, especially in the case of unmarried partners, separated or divorced parents or parents of unmarried applicants. The case of economically independent students is also complex.

The inclusion of the municipal register could help to speed up the verification of personal requirements; reliable data on housing rentals or stays in households or halls of residence in the event that the residence grant is obtained.

- Information of an economic nature for economic activities, such as, for example, the Corporate Income Tax.

VII. Absence of a common portal containing all the university scholarships, including the complementary scholarships of Regions and universities. 17% of the students surveyed who met the criteria for receiving a scholarship did not apply for it due to a lack of information.

Impact

I. It is important to bear in mind that these results have certain limitations derived from the lack of information available in the database which makes the analysis difficult. The most important include:

- Not having information on students in pre-university stages means that it is not possible to evaluate the impact of scholarships on access in the strict sense.

¹¹ Information obtained from interviews

¹² The correlation obtained from the survey responses shows how, among the lower income segments, the difficulty of the process affects 26%, while in the higher income segments it only affects 18%.

- Lack of information on relevant variables that cause important aspects to be lost in the evaluation, among others, the applicant's family income, the average grade of the course and whether the student is the beneficiary of any other university scholarship.
- Given the recent creation of IUIS in 2010, we have the 2010-2011 to 2015-2016 academic years, so it has only been possible to study the cohort that began their studies in the 2010-2011 academic year from the beginning to the end of their university career. Moreover, the conclusions of the analyses are limited to a period with unique characteristics (the impact of the financial crisis began to be felt in 2007/2008).

TABLE 2. CAUSAL EFFECTS OF UNIVERSITY SCHOLARSHIP ACCORDING TO ITS DIFFERENT OBJECTIVES

Objectives analysed	Treatment	Impact	Methods used
Early drop-out from the university system (first-year students who do not enrol the following year)	Receives scholarship the first year of university	It has no impact	Matching techniques (Mahalanobis, Propensity Score), Impact estimators (A-I, regression, stratification, IPTW)
Probability of obtaining the degree	Receives scholarship only the first year (vs not receiving scholarship)	-0.40	Logit model
	Receives scholarship only after the first year	0.30	
	Receives a scholarship in first and subsequent years	0.26	
Academic performance on obtaining the degree	Receives scholarship only the first year (vs not receiving scholarship) Receives scholarship	-0.35	Logit model
	only after the first year	0.12	
	Receives a scholarship in first and subsequent years	0.09	
Academic performance in the first year of the degree	Receives a scholarship for the first year of university	2.5% (compared to 60-credit course)	Matching techniques (Mahalanobis, Propensity Score), Impact estimators (A-I, regression, stratification, IPTW)
Continuation to Master's studies	Receives a scholarship for the last year before completing the degree	Between 2.5 and 3.7 percentage points	Matching techniques (Mahalanobis, Propensity Score), Impact estimators (A-I, regression, stratification, IPTW)

Source: AIReF.

- II. The potentially unproductive cost on scholarship students of a cohort¹³ who leave or continue at university after six¹⁴ years without graduating has been estimated at around 1,800 million euros (157 million euros in scholarships + 1,688 million euros in expenditure on university studies¹⁵).
- III. It cannot be said that receiving a scholarship in the first academic year favours continuing in the second year and its impact on academic performance is very limited.
- IV. On the contrary, receiving a scholarship from the second year onwards has a positive impact. Thus, it favours the attainment of the academic qualification and modestly improves academic performance.
- V. Introducing academic requirements for scholarships (2013-2014) increased the average performance of scholarship students. The effect of the scholarship was to increase the credits passed by approximately 3.3%.

Relationship with the labour market

- I. The direct objectives of the state university scholarship system do not include the promotion of integration into the labour market or the development of strategic objectives in Spain; its function is to guarantee access to university to all students regardless of their income level.
- II. Some regional scholarship systems do fulfil this function. For example, in the case of Aragon we can see how scholarships can be directed to specific sectors that are of strategic interest for the Region.
- III. There are mechanisms in the hands of the Regions to align university education with the labour market. However, these tools are not being fully used, resulting in a clear mismatch between supply and demand of university graduates in the labour market. This has a negative impact on the high rate of overqualification among university graduates,

¹³ It has been estimated with the cohort of the academic year 2010-2011

¹⁴ Only six years can be analysed in the IUIS database for students who started their studies in the 2010-2011 academic year.

¹⁵ It has been estimated that the cost of university studies per student is around 7,000 euros. This estimate was made by dividing the total expenditure on university education (9,840 million euros) by the number of students at university (approximately 1,400,000 students)

which is 37%, the highest in Europe, and on the low net financial profitability¹⁶ of studies, between 150,000 and 190,000 euros, when the European average is between 180,000 and 260,000 euros. Both indicators may have an impact on the decision to go to university.

1.4. Measures proposed by AIR^eF

Based on the findings described in the previous section that affect and limit equal opportunities and the efficiency and effectiveness of the state university scholarship system, a series of proposals are made, aimed to a lesser or greater extent at increasing the efficiency and effectiveness of the scholarship system and, therefore, also at reducing the implicit cost of scholarship recipients who do not complete their studies¹⁷.

PROPOSALS RELATING TO STRATEGY AND COMPLEMENTARITY

- **Definition of a strategy for the university scholarship system.** Create a working group with the participation of the members of the *Observatorio* (MEFP, MCIU, Regions, Universities, social and student representatives, and the *Consejo Escolar del Estado* - State School Council), for the design of the strategic axes, general and specific objectives, measures and actions to improve the scholarship system. Design a complete system of indicators for management, monitoring and outcomes.
- **Clarification of the responsibilities of the administrations.** Redefine the responsibilities of each administration and ensure that they are aligned with the objectives of the university scholarship system and there are no inconsistencies in their complementarity and objectives.
- **Legal security for students.** Guarantee the conditions and criteria at the time of access throughout the university cycle, in such a way that the student is not exposed to changes in criteria in the annual calls for applications and is guaranteed the most favourable conditions.

¹⁶ Difference between the current income levels obtained from earnings from a job with and without a university degree throughout the working life

¹⁷ Have dropped out or continue studying the degree after six years (these are the years available in the database)

- **Ensure the reactivation and operation of the *Observatorio de Becas, Ayudas al Estudio y Rendimiento Académico*:** Reinforce its operational structure and the scope and effectiveness of its recommendations.
- **Improve the structure and content of the Integrated University Information System (IUIS).** To increase the coverage and quality of the information in IUIS in order to guarantee the reliability of the conclusions derived from its statistical exploitation. Define the responsibilities of each actor involved in the management of IUIS data (time, form and content) and guarantee the resources for the development of their functions.

PROPOSALS RELATING TO NEEDS, COVERAGE AND GENEROSITY

- **Reconsideration of the income thresholds used in awarding scholarships.** Analyse the income thresholds considered in the call for scholarship applications to ensure that they promote equal opportunities. Prevent the current discontinuities in the amounts to be awarded, for example, with a continuous function according to family income.
- **Re-examine the possibility of eliminating capital requirements that generate distortions in the allocation of scholarships.** Supervision responsibilities should fall on those bodies that can review them more efficiently. Current capital requirements from income tax data can lead to distortions in the allocation of scholarships.
- **Increase in the amount of the residence grant.** Increase the amount of the residence grant to 2,700 euros (1,200 euros in addition to the current amount of 1,500 euros).
- **Coverage of non-economic needs.** Establish student service centres, both physical and digital, where all information on university scholarships is provided and information on available university scholarships is made available to secondary school students.

PROPOSALS RELATING TO PROCEDURE

- **Bring forward the call for applications.** Start the general call for applications in January so that the scholarships can be processed in July. Communicate the pre-award based on economic requirements, conditioned to meeting academic requirements. Use the last available financial year's income tax return to check financial requirements.
- **Single application portal for all scholarships.** Create an IT tool that will serve as a single point of access to the university scholarship system of the different administrations (MEFP, Regions and local corporations) involved in granting them in order to simplify the procedure.
- **Predictability and automation of scholarship renewal.** Creation of automatic procedures that allow students to know their eligibility. Automatically renew the application for students who have previously received it.
- **Establish centralised units for the management and processing of university scholarships in Regions with more than one public university.** Introduce improvements in the procedure for processing applications. Create a general forum of doubts about the application procedure of the processing units and a platform for integration and inter-administrative collaboration to check economic and personal requirements.



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