

Direct State funding of Chilean universities

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1 Determination

1.1 Total funding

The total funding in year n , that we note F_n , is a slowly increasing series (see Fig. 1). In half of the years it approximately follows the consumer price index, but it has received a modest boost in other years. The average inflation-corrected increase has been 2.3% per year in period 2006–2019. This increase matches the increase in undergraduate students (+2.2% in 2006–2018), real wages (+2%?), and GDP per capita (+2.xx%?). Increase in standard of living and student population are long-term trends that I would expect to hold for at least the next decade, so we can safely assume that University funding by the State will still follow this trend.

For predictions, beyond 2019, I will therefore assume that

$$F_{n+1} = F_n(1 + q) \quad (1)$$

where $q = 2\%$.

1.2 Yearly evaluation

Art. 2 of Decree with Force of Law 4 of 1980, with modifications from Art. 1 of Ministry of Education Decree 116 of 2002, indicates that part of the funding of University i in year $n + 1$ is related to metrics measured in year n . They involve

- $U_{i,n}$, the number of undergraduate students (“estudiantes de pregrado”);
- $M_{i,n}$, the number of majors (“carreras”);
- $S_{i,n}$, the number of equivalent full-time scholars (“académicos”), i.e. professors and researchers ;
- $P_{i,n}$, the number of equivalent full-time scholars with a post-graduate title such as master of PhD;
- $G_{i,n}$, the number of research grants (“proyectos”);
- $P_{i,n}^I$, the number of Web of Science publications (WoS)¹;
- and $P_{i,n}^S$, the number of non-WoS publications indexed by the Scientific Electronic Library Online (SciELO) Chile.

¹At the time of the Decree 116 it was known as ISI

Table 1: Coefficients used for university evaluation since 1998.

	ratio	value
c_1	students-to-majors	0.01
c_2	students-to-staff	0.14
c_3	postgrad staff-to-staff	0.24
c_4	grants-to-staff	0.25
c_5	papers-to-staff	0.35

The metrics, defined in the aforementioned decrees, are ratios meant to measure an output v. staff efficiency²

$$x_{i,n,1} = U_{i,n}/M_{i,n}, \quad (2a)$$

$$x_{i,n,2} = U_{i,n}/S_{i,n}, \quad (2b)$$

$$x_{i,n,3} = P_{i,n}/S_{i,n}, \quad (2c)$$

$$x_{i,n,4} = G_{i,n}/S_{i,n}, \quad (2d)$$

$$x_{i,n,5} = (P_{i,n}^I + \frac{33}{100}P_{i,n}^S)/S_{i,n} \quad (2e)$$

According to Art. 3 of Ministry of Education Decree 128 of 1991, the evaluation formula renormalises the aforementioned ratios in this way³ :

$$\mu_{n,k} = \frac{1}{n} \sum_j x_{j,n,k} \quad (3a)$$

$$\sigma_{n,k} = \sqrt{\frac{1}{n} \sum_j (x_{j,n,k} - \mu_{n,k})^2} \quad (3b)$$

$$y_{i,n,k} = \exp \left[-\frac{9}{5} + \frac{1}{4} \frac{x_{i,n,k} - \mu_{n,k}}{\sigma_{n,k}} \right]^3 \quad (3c)$$

The transform in Eq. 3c ensures that Universities are compared by how much they deviate from the mean. Figure 2 displays the exponential nature of the rating.

1.3 Time-evolution for each university

Let $F_{i,n}$ be the funding received by university i at year n . Art. 2 of Decree with Force of Law 4 of 1980 indicates that 5% of the funding is indexed on metrics $y_{i,n,k}$ (k in

²While the number of publications is defined by the number of WoS publications plus one third of Scielo one by Ministry of Education Decree 116 of 2002, the Ministry has consistently used factor 0.33 instead of 1/3 for the calculation.

³Although not specified by the decree, the Ministry has consistently used the population variance, not the sample variance, for the calculation.

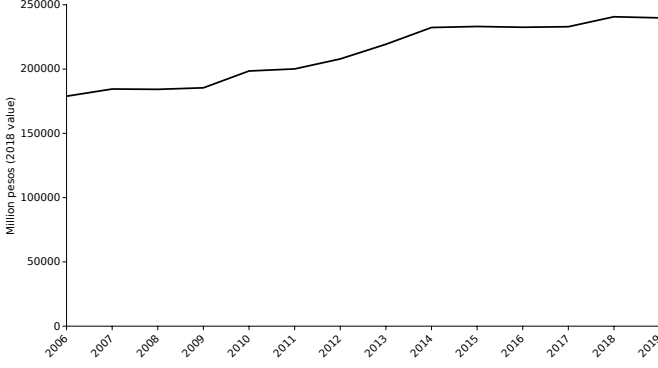


Figure 1: Evolution of total direct State funding to Chilean Universities, in 2018 pesos (inflation-corrected).

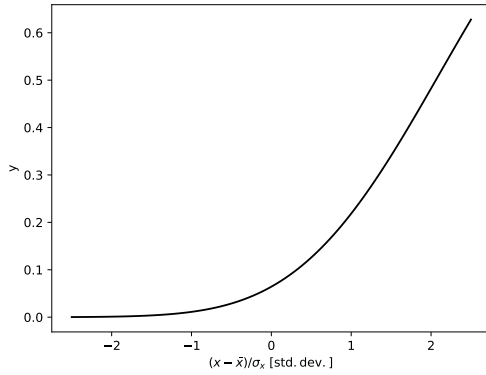


Figure 2: Transformation of the metric $x_{i,n,k}$ into $y_{i,n,k}$, before a weighted sum $\sum_k c_{i,n,k} y_{i,n,k}$ is performed to determine the rating of university i in year n .

1...5) measured for year n (see Sect. 1.2). These metrics are assigned weights c_k which may vary from year to year, but have been constant since 1998 (see Table 1). 95% of the funding is related to the previous year's share of the total funding. So,

$$F_{i,n+1} = \left(\frac{19}{20} \frac{F_{i,n}}{F_n} + \frac{1}{20} \sum_k c_k \frac{y_{i,n,k}}{\sum_j y_{j,n,k}} \right) F_{n+1}. \quad (4)$$

1.4 Checks

I have checked the calculations using open data from the Education Ministry for years 2006 to 2018. For each year since 2011 and 2007–2009, the percentages I derived (see Table 4 for 2018) match within numerical rounding errors (8 digits) with those of the Ministry. The subsidies I predict for each university differ by at most CLP 1,000 (USD 1.50) with the official ones due to rounding errors, as the accounting unit used in the official documents is 1,000 Chilean pesos. In 2010, the Ministry used the 2009 calculation with 2008 metrics, instead of 2009 ones. In 2006, there is an unexplained 0.01% discrepancy between

Table 2: University earnings in 2018 Chilean pesos for an additional WoS paper in 2017, assuming that the total State funding increases 2% per year in real terms.

university	first year	all years
U. de Chile	493 000	15 903 000
P. U. Católica de Chile	497 000	16 032 000
U. de Concepción	612 000	19 742 000
U. Católica de Valparaíso	1 658 000	53 483 000
U. Téc. Federico Sta. María	1 328 000	42 839 000
U. de Santiago	407 000	13 129 000
U. Austral	673 000	21 710 000
U. Católica del Norte	930 000	30 000 000
U. de Valparaíso	456 000	14 710 000
U. de Antofagasta	1 172 000	37 806 000
U. de la Serena	969 000	31 258 000
U. de Bio Bio	600 000	19 355 000
U. de la Frontera	2 582 000	83 290 000
U. de Magallanes	1 107 000	35 710 000
U. de Talca	1 674 000	54 000 000
U. de Atacama	395 000	12 742 000
U. de Tarapacá	2 273 000	73 323 000
U. Arturo Prat	133 000	4 290 000
U. Metropolitana	152 000	4 903 000
U. de Playa Ancha	176 000	5 613 000
U. Tecnológica Metropolitana	334 000	10 744 000
U. de Los Lagos	266 000	8 581 000
U. Católica de Maule	317 000	10 226 000
U. Católica de Temuco	290 000	9 355 000
U. C. de la Sant. Concepción	213 000	6 871 000
U. de O'Higgins	8 565 000	276 290 000
U. de Aysén	7 096 000	228 903 000

my determination and the Ministry's.

The detail of calculations for year 2018 is given in Appendix. A. For that year, my calculations match exactly the Ministry's to the peso.

2 Value of a paper

If a paper is published by a researcher of University i in year n , it will reflect in the 5% funding of year $n+1$. Let us call $\Delta F_{i,n+1}$ the additional earnings of the university in that year. In the subsequent years, it will reflect via the 95% (first term of the right handside of Eq. 4) in this way:

$$\Delta F_{i,n+k} = \frac{19}{20} \Delta F_{i,n+k-1} F_{n+k} / F_{n+k-1},$$

so, using Eq. (1),

$$\Delta F_{i,n+k} = \Delta F_{i,n+k-1} \frac{19(1+q)}{20} \quad (5)$$

The additional funding obtained by the university in all

years is therefore

$$\begin{aligned}
\Delta F_i &= \sum_{k=1}^{+\infty} \Delta F_{i,n+k} \\
&= \sum_{k=1}^{+\infty} \frac{19(1+q)}{20} \Delta F_{i,n+1} \\
&= \frac{20}{1-19q} \Delta F_{i,n+1} \\
&\approx 32 \Delta F_{i,n+1}.
\end{aligned} \tag{6}$$

The determination of $\Delta F_{i,n+1}$ is straightforward. The calculations in Eqs. (2a-4) are done with the metrics provided by the Ministry (see Sect. 1.2) and for the same ones with an additional publication. The difference in funding is $\Delta F_{i,n+1}$.

Table 2 gives the 2018 funding received if an additional 2017 paper was published for a University. It has been assumed that there are no authors from other Traditional Universities in these papers.

A Direct state funding in 2018

Table 3 and 4 show the metrics used by the Ministry in 2018 and the calculation details for x_k and y_k .

Table 3: Metrics used for the Direct State funding (aporte fiscal directo) of main Chilean Universities in 2018. U , the number of undergrad students; M , the number of majors; S , the number of (equivalent) full-time professors and researchers (“académico”); P , the number of (equivalent) full-time staff with post-graduate title; G , the number of research grants; P^I , the number of ISI publications; and P^S , the number of non-ISI publications indexed by the Scientific Electronic Library Online Chile.

University	U	M	S	P	G	P^I	P^S
U. de Chile	30480	77	2236.64	1499.84	855.5	2305	279
P. U. Católica de Chile	26767	76	2232.60	1508.94	763.0	2171	237
U. de Concepción	24666	90	1432.16	1129.67	388.0	1050	121
U. Católica de Valparaíso	14121	52	633.04	518.95	209.0	545	69
U. Téc. Federico Sta. María	15105	77	677.03	405.92	169.0	522	6
U. de Santiago	18645	68	1122.57	695.14	210.0	565	58
U. Austral	13218	60	911.62	628.02	184.0	534	66
U. Católica del Norte	10407	52	590.90	362.66	63.0	328	34
U. de Valparaíso	14737	60	873.13	557.72	120.0	409	42
U. de Antofagasta	6369	56	399.75	256.79	39.0	207	11
U. de la Serena	7084	41	370.42	209.56	28.0	165	14
U. de Bio Bio	11028	62	498.67	426.73	66.0	198	26
U. de la Frontera	9346	48	423.96	300.01	160.0	450	40
U. de Magallanes	2962	27	268.08	129.13	27.0	106	15
U. de Talca	9342	41	465.00	427.80	124.0	312	43
U. de Atacama	6359	71	317.73	138.05	5.0	78	3
U. de Tarapacá	8525	63	358.23	305.34	36.0	248	32
U. Arturo Prat	4326	39	441.08	227.30	16.0	52	18
U. Metropolitana	4548	24	325.96	212.83	3.0	33	8
U. de Playa Ancha	7747	52	421.98	309.35	30.0	65	18
U. Tecnológica Metropolitana	7970	36	297.30	175.73	13.0	61	5
U. de Los Lagos	4150	43	430.32	254.29	36.0	97	11
U. Católica de Maule	6955	28	405.88	281.93	22.0	95	24
U. Católica de Temuco	8404	57	492.29	340.62	42.0	125	26
U. C.de la Sant.Concepción	8844	31	497.69	285.65	24.0	107	11
U. de O’Higgins	0	0	34.86	29.03	4.0	14	0
U. de Aysén	0	0	15.35	11.28	1.0	3	0

Table 4: Calculation details for the 5% direct State funding (aporte fiscal directo) of main Chilean Universities in 2018.

University	x_1	y_1	x_2	y_2	x_3	y_3	x_4	y_4	x_5	y_5	(%)	CLP
U. de Chile	396	0.561	13.6	0.033	0.671	0.062	0.382	0.512	1.072	0.475	10.43	1 220 349 000
P. U. Católica de Chile	352	0.421	12.0	0.021	0.676	0.066	0.342	0.406	1.007	0.411	8.76	1 025 067 000
U. de Concepción	274	0.204	17.2	0.081	0.789	0.217	0.271	0.241	0.761	0.198	6.39	748 010 000
U. Católica de Valparaíso	272	0.199	22.3	0.215	0.820	0.278	0.330	0.377	0.897	0.307	9.88	1 155 812 000
U. Téc. Federico Sta. María	196	0.072	22.3	0.216	0.600	0.023	0.250	0.200	0.774	0.207	5.25	614 754 000
U. de Santiago	274	0.205	16.6	0.071	0.619	0.030	0.187	0.105	0.520	0.072	2.32	271 561 000
U. Austral	220	0.103	14.5	0.042	0.689	0.078	0.202	0.124	0.610	0.109	3.09	362 052 000
U. Católica del Norte	200	0.077	17.6	0.088	0.614	0.028	0.107	0.036	0.574	0.092	2.03	237 356 000
U. de Valparaíso	246	0.145	16.9	0.075	0.639	0.040	0.137	0.056	0.484	0.060	1.87	218 799 000
U. de Antofagasta	114	0.016	15.9	0.060	0.642	0.042	0.098	0.032	0.527	0.074	1.73	202 772 000
U. de la Serena	173	0.049	19.1	0.121	0.566	0.013	0.076	0.022	0.458	0.052	1.49	173 877 000
U. de Bio Bio	178	0.054	22.1	0.209	0.856	0.359	0.132	0.052	0.414	0.041	4.75	555 201 000
U. de la Frontera	195	0.071	22.0	0.206	0.708	0.097	0.377	0.499	1.093	0.496	11.52	1 348 115 000
U. de Magallanes	110	0.015	11.0	0.016	0.482	0.003	0.101	0.033	0.414	0.041	0.84	97 927 000
U. de Talca	228	0.115	20.1	0.146	0.920	0.518	0.267	0.233	0.701	0.159	8.52	997 062 000
U. de Atacama	90	0.009	20.0	0.144	0.434	0.001	0.016	0.008	0.249	0.015	0.95	110 755 000
U. de Tarapacá	135	0.025	23.8	0.271	0.852	0.351	0.100	0.033	0.722	0.172	6.31	738 384 000
U. Arturo Prat	111	0.015	9.8	0.010	0.515	0.005	0.036	0.011	0.131	0.006	0.26	30 451 000
U. Metropolitana	190	0.065	14.0	0.036	0.653	0.049	0.009	0.007	0.109	0.005	0.70	81 804 000
U. de Playa Ancha	149	0.032	18.4	0.104	0.733	0.128	0.071	0.021	0.168	0.008	1.78	208 595 000
U. Tecnológica Metropolitana	221	0.105	26.8	0.400	0.591	0.020	0.044	0.013	0.211	0.011	2.38	278 301 000
U. de Los Lagos	97	0.011	9.6	0.010	0.591	0.020	0.084	0.025	0.234	0.013	0.56	66 056 000
U. Católica de Maule	248	0.151	17.1	0.080	0.695	0.083	0.054	0.016	0.254	0.015	1.39	162 712 000
U. Católica de Temuco	147	0.031	17.1	0.078	0.692	0.081	0.085	0.026	0.271	0.017	1.43	167 667 000
U. C.de la Sant.Concepción	285	0.231	17.8	0.092	0.574	0.015	0.048	0.014	0.222	0.012	0.89	104 634 000
U. de O’Higgins	0	0.001	0.0	0.000	0.833	0.307	0.115	0.041	0.402	0.038	3.17	370 823 000
U. de Aysén	0	0.001	0.0	0.000	0.735	0.130	0.065	0.019	0.195	0.010	1.29	150 972 000