

FINANCING THE HIGHER EDUCATION  
SYSTEM IN THE STATE OF SÃO PAULO  
MAIN CHALLENGES

# FIRST CHALLENGE : EDUCATION X OTHER SECTORS

- FINANCIAL STRESS IN THE PUBLIC BUDGET
- PREDOMINANCE OF RESOURCES FOR CORRECTIVE ACTIONS INSTEAD OF PREVENTIVE ACTIONS
- TO CORRECT THIS UNBALANCE CONGRESSMEN INTRODUCED LINKING RESOURCES FOR EDUCATION AND HEALTH

# FIRST CHALLENGE : EDUCATION X OTHER SECTORS

- AT FEDERAL LEVEL : GOVERNMENT MUST APPLY 25% OF THE TAX REVENUE IN EDUCATION
- AT STATE LEVEL: THE STATE OF SÃO PAULO MUST APPLY 30% OF THEIR TAX REVENUE IN EDUCATION
- FOR HEALTH SECTOR: THE STATE MUST APPLY 12% OF THE TAX REVENUE
- THESE EARMARKING RESOURCES BRING PROBLEMS TO THE STRUCTURE THE PUBLIC BUDGET

# FIRST CHALLENGE : EDUCATION X OTHER SECTORS

- EXAMPLE OF STATE OF SÃO PAULO : FOR EACH R\$ OF ICMS WE SHOULD APPLY
  - EDUCATION 30 CENTS
  - HEALTH 12 CENTS
  - DEBT SERVICE 13 CENTS
  - SOCIAL ACTIONS MAINLY HOUSING 2,47 CENTS
  - FAPESP 1 CENT
- FIRST CHALLENGE: COMPETITION BETWEEN SECTORS THAT HAVE LINKING RESOURCES X SECTORS THAT DOES NOT HAVE THIS KIND OF EARMARKED RESOURCES

# SECOND CHALLENGE: COMPETITION FOR RESOURCES INSIDE THE EDUCATION SECTOR

- ARTICLE 206 OF FEDERAL CONSTITUTION STATES
- EDUCATION SHALL BE PROVIDED ON THE BASIS OF THE FOLLOWING PRINCIPLE : FREE PUBLIC EDUCATION IN OFFICIAL SCHOOL
- BASIC EDUCATION X HIGHER EDUCATION
- CREATION OF THE FUND FOR DEVELOPMENT AND MAINTENANCE OF THE FUNDAMENTAL EDUCATION AND TEACHING VALORIZATION (FUNDEF)
- THE FUND WAS CREATED BY THE CONSTITUTIONAL AMENDMENT N. 14, 1996 AND REGULATED BY LAW N. 9424, SEPTEMBER 1996

# SECOND CHALLENGE: COMPETITION FOR RESOURCES INSIDE THE EDUCATION SECTOR

- THE FUNDEF IS CONSTITUTED BY 15% (FIFTEEN PERCENT) OF THE FOLLOWING ITEMS
- STATES PARTICIPATION FUND (FPE)
- MUNICIPALITIES PARTICIPATION FUND (FPM)
- VALUE ADDED TAX ON THE CIRCULATION OF GOODS AND SERVICES (ICMS)
- FINANCIAL RESOURCES TRANSFERRED BY THE UNION TO THE STATES, THE FEDERAL DISTRICT AND MUNICIPALITIES AS ESTABLISHED BY THE COMPLEMENTARY LAW N. 87, SEPTEMBER, 1996

# SECOND CHALLENGE: COMPETITION FOR RESOURCES INSIDE THE EDUCATION SECTOR

- CREATION OF A FUND FOR THE MAINTENANCE AND DEVELOPMENT OF BASIC EDUCATION AND ENHANCEMENT OF EDUCATION PROFESSIONALS ( FUNDEB ) CREATED BY THE CONSTITUTIONAL AMENDMENT 53/2006 AND REGULATED BY LAW 11194 OF JUNE, 2007
- THE FUNDEB RESOURCES ARE CONSTITUTED BY 20% (TWENTY PERCENT) OF THE SAME BASE OF FUNDEF
- IN THE CASE OF STATE UNIVERSITITES SINCE 1989 WE HAVE THE LINKAGE OF THE BUDGET OF UNIVERSITIES WITH THE ICMS TAX. NOWADAYS THIS LINKAGE IS ESTABLISHED ANNUALLY BY THE LAW OF BUDGETARY GUIDELINES. THIS LAW ESTABLISHES THAT THE STATE WILL TRANSFER AT LEAST 9,57% OF ICMS TO THE UNIVERSITIES

# SECOND CHALLENGE: COMPETITION FOR RESOURCES INSIDE THE EDUCATION SECTOR

- SO WE HAVE THE FOLLOWING GUIDELINES TO STRUCTURES THE BUDGET IN THE EDUCATION SECTOR

CONSTITUTION 30% OF TAXES

FUNDEB LAW 20% OF TAXES

STATE UNIVERSITIES 9,57% (OF ICMS)

- WE HAVE AN EXCESS DEMAND FOR EDUCATIONAL SERVICES BOTH IN THE BASIC LEVEL (IMPROVING QUALITY) AND HIGHER LEVEL EDUCATION (EXPANSION OF SCHOOL PLACES )



# SECOND CHALLENGE: COMPETITION FOR RESOURCES INSIDE THE EDUCATION SECTOR

- THE CURRENT PRESSURE FOR PUBLIC RESOURCES WILL EVENTUALLY IMPLY THAT 30% OF THE TAX REVENUE WILL NOT BE ENOUGH
- ACCORDING TO ART 257 OF STATE CONSTITUTION THE DISTRIBUTION OF THE PUBLIC RESOURCES WILL ENSURE PRIORITY TO ELEMENTARY EDUCATION
- WE CAN BRING ANOTHER ISSUE ABOUT PUBLIC SERVICES IN BRAZIL

# SECOND CHALLENGE: COMPETITION FOR RESOURCES INSIDE THE EDUCATION SECTOR

- WHEN THE PUBLIC SECTOR EXPANDS ITS ACTIVITIES TO ELIMINATE THE EXCESS DEMAND THE QUALITY OF SERVICES WILL DECLINE BECAUSE USUALLY THE RESOURCES WILL GROW LESS THAN THE INCREASE OF THE AMOUNT OF PUBLIC SERVICES.
- WE CAN ALSO SAY THAT SECTORS THAT HAVE EARMARKED RESOURCES ESTABLISHING SOME MINIMUM RESOURCES TO BE APPLIED, THIS MINIMUM TURNS OUT TO BE THE MAXIMUM
- IN THIS CASE THE PRESSURE WILL BE ON THE HIGHER EDUCATION SYSTEM

# THIRD CHALLENGE : PRESSURES INSIDE THE HIGHER EDUCATION SYSTEM

- THE CONSTITUTION OF THE STATE OF SÃO PAULO STATES
- ART. 252 – THE STATE WILL MAINTAIN ITS OWN HIGHER EDUCATION SYSTEM, ARTICULATED TO OTHER EDUCATIONAL LEVELS.
- SOLE PARAGRAPH: THE HIGHER EDUCATION SYSTEM IN THE SÃO PAULO STATE WILL INCLUDE UNIVERSITIES AND OTHER EDUCATIONAL LEVELS
- ART. 253 THE ORGANIZATION OF THE HIGHER EDUCATION SYSTEM IN THE STATE WILL AIM AT ENLARGING THE NUMBER OF SCHOOL VACANCIES IN PUBLIC INSTITUTIONS, BOTH DURING DAYTIME AND EVENING CLASSES, PROVIDED THE CONDITIONS FOR THE MAINTENANCE OF TEACHING QUALITY AND RESEARCH DEVELOPMENT ARE RESPECTED.

# THIRD CHALLENGE : PRESSURES INSIDE THE HIGHER EDUCATION SYSTEM

- ART. 254 THE AUTONOMY OF THE UNIVERSITY WILL BE EXERCISED, RESPECTING THE NECESSARY DEMOCRATIZATION OF EDUCATION AND PUBLIC ACCOUNTABILITY OF THE INSTITUTION IN THE TERMS OF ITS BYLAW, SUBJECT TO THE FOLLOWING PRINCIPLE:
- THE USE OF ITS RESOURCES TO EXPAND THE STATE SYSTEM AND THE ANSWER TO THE SOCIAL DEMAND, BOTH THROUGH REGULAR COURSES AND EXTENSION ACTIVITIES
- WE HAVE STRONG PRESSURE TO EXPAND THE PUBLIC HIGHER EDUCATION SYSTEM.
- HOWEVER THE GOVERNMENT AUTHORITIES HAVE FACED PROBLEMS TO MAKE THE EXPANSION THROUGH THE STATE UNIVERSITITES

# THIRD CHALLENGE : PRESSURES INSIDE THE HIGHER EDUCATION SYSTEM

- TO OVERCOME THIS DIFFICULTY THE GOVERNMENT USED TWO STRATEGIES:
- EXPANSION OF PLACES THROUGH THE FACULTIES OF TECHNOLOGY ( FACTECs)
- CREATION OF THE VIRTUAL UNIVERSITY OF THE STATE OF SÃO PAULO ( UNIVESP) WITH THE OBJECTIVE TO EXPAND PLACES OF HIGHER EDUCATION THROUGH THE DISTANCE LEARNING PROCESS.
- SUMMARY