Funding

Tertiary level B professional education and training

Tertiary level B professional education and training (PET) is, like vocational education and training (VET), a joint task [1] based on partnership between the Confederation, cantons and professional organisations. The preparatory courses for Federal PET and Advanced PET Diploma Examinations are mainly funded by students and their employers. According to the full-cost accounting for the cantonal PET 2014, the public sector pays around CHF CHF 141 (€ 117,5) million for preparatory courses for Federal PET and Advanced PET Diploma Examinations and job-related continuing education and training. The Confederation also subsidises Federal PET and Advanced PET Diploma Examination procedures. The funding of courses of education at PET colleges is largely borne by the public sector (around CHF 317 (€ 264,2) million according to the SERI full-cost accounting for 2014). In addition the Confederation subsidises courses of studies at privately maintained PET colleges which are offered by professional organisations active throughout Switzerland and do not receive any cantonal financial support.

Funding flows in tertiary level B professional education and training:

- Lump-sum payments from the Confederation to the cantons to support PET
- Contributions from cantons to educational institutions within and outside the cantons
- Contributions from the Confederation to Federal PET and Advanced PET Diploma Examination procedures
- Contributions from the Confederation to courses of education at privately maintained PET colleges which are offered by professional organisations active throughout Switzerland which do not receive any cantonal financial support
- Tuition fees
- Contributions from the professional associations to the educational institutions
- Contributions from the VET/PET funds to educational institutions
- Employer contributions to the professional associations and VET/PET funds [1]
- Employer contributions to staff for class attendance
- Educational allowances from the cantons.

Higher education institutions

The Confederation and cantons participate in the funding of higher education institutions in
accordance with their responsibilities. The private sector (private individuals, students, companies) also contributes to funding.

The new Federal Act on Funding and Coordination of the Higher Education Sector (HFKG [2]) standardises the funding of higher education institutions in accordance with uniform, performance-oriented principles. It regulates the joint financing of the cantonal universities and the universities of applied sciences by the Confederation. In addition to this the Confederation and the cantons adopted an intercantonal agreement and a cooperation agreement. The HFKG is in force since 1 January 2015.

Funding mechanisms of the Swiss higher education system:

- The cantons bear the main burden of funding the cantonal universities and universities of applied sciences. The cantons maintaining these cantonal universities and universities of applied sciences manage their higher education institutions mostly through service agreements with a corresponding overall budget.
- The Confederation pays basic contributions to teaching and research at cantonal universities and universities of applied sciences. It also awards investment contributions (e.g. construction or renovation of buildings, rents) and participates in the funding of projects of national importance (the universities pay a share of funding as a rule). The legal bases is the Federal Act on Funding and Coordination of the Higher Education Sector (HFKG [2]).
- The Federal Institutes of Technology (ETH), whose maintaining body is the Confederation, are funded by the Confederation through an overall budget. The legal basis is the Federal Act on the Federal Institutes of Technology (ETH Act).
- The universities of teacher education are funded almost exclusively by the cantons.
- Each canton pays lump-sum contributions for its students who attend university in another canton. The legal bases are the Intercantonal University Agreement (IUV) and the Intercantonal Agreement on Universities of Applied Sciences (FHV). Some cantons have also reached similar agreements among themselves.
- Third-party funding, for which the universities must actively apply. Thus for instance the Swiss National Science Foundation [3] (SNSF), the Commission for Technology and Innovation [4] (CTI) and the European Union [5] (EU) grant Swiss higher education institutions financial contributions for research and innovation projects in accordance with the principle of competition. Third-party funding can also be from foundations or through research contracts.
- The private sector participates in the funding of universities through tuition fees and concluding services or research contracts.

Funding of university expenditure, 2014

in CHF 1,000, in 1,000 € and % (Federal Statistical Office)

<table>
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<tr>
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<th>Confederation</th>
<th>Cantons</th>
<th>Privat sector</th>
<th>Total</th>
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<tbody>
<tr>
<td></td>
<td>in CHF (€)</td>
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<td>1'000</td>
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<tr>
<td>Federal Institutes</td>
<td>2,256,144</td>
<td>16,626</td>
<td>225,971</td>
<td>2,498,742</td>
</tr>
<tr>
<td>of Technology (ETH)</td>
<td>(1,880,120)</td>
<td>(13,855)</td>
<td>(188,309)</td>
<td>(2,082,285)</td>
</tr>
</tbody>
</table>
### Funding the costs of universities of applied sciences and universities of teacher education, 2014

in CHF 1,000, in 1,000 € and % without infrastructure revenues (Federal Statistical Office 2015)

<table>
<thead>
<tr>
<th></th>
<th>Confederation</th>
<th>Cantons</th>
<th>Privat sector</th>
<th>Total</th>
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<tr>
<td></td>
<td>in CHF (€)</td>
<td>%</td>
<td>in CHF (€)</td>
<td>%</td>
</tr>
<tr>
<td>Universities of applied sciences (FH)</td>
<td>587,403 (489,503)</td>
<td>26.5%</td>
<td>1,162,284 (968,570)</td>
<td>52.5%</td>
</tr>
<tr>
<td>Universities of teacher education (PH)</td>
<td>9,459 (7,883)</td>
<td>1.5%</td>
<td>540,609 (450,508)</td>
<td>83%</td>
</tr>
<tr>
<td>Total FH incl. PH</td>
<td>596,862 (497,385)</td>
<td>20.8%</td>
<td>1,702,893 (1,419,078)</td>
<td>59.4%</td>
</tr>
</tbody>
</table>

### Funding and free movement agreements

Intercantonal funding and free movement agreements [6] grant pupils and students equal access to education institutions throughout Switzerland and regulate burden equalisation between the cantons.

These agreements function according to the following basic principles:

- free movement: the canton in which an educational establishment is located offers courses of training to students and pupils from other cantons under the same terms as to its own residents;
- funding: the cantons of origin of the students and pupils pay the canton in which the educational establishment is located a specific fixed amount for the purposes of burden equalisation.

For the tertiary level the following intercantonal agreements are in place:

- Intercantonal University Agreement (IUV)
- Intercantonal Agreement on Universities of Applied Sciences (FHV)
Each canton decides whether to sign a specific intercantonal agreement. As well as these national agreements, regional education agreements also regulate burden equalisation.

Financial Autonomy and Control

Tertiary level B professional education and training

The Confederation pays lump-sum contributions to the cantons in the field of professional education and training. The cantons employ the funds in the various courses and areas of professional education and training. As a rule the canton and the education institutions conclude service agreements with an overall global budget. The institutions deploy the resources and account for this spending.

Higher education institutions

Funding of higher education institutions is also generally effected in the form of overall budgets, linked to objectives and performance targets. The public sector (maintaining canton or the Confederation) concludes service agreements with the higher education institutions. An overall budget is generally provided to achieve the targets laid down in the agreements. The cantonal parliaments or, in the case of the Federal Institutes of Technology (ETH), the National Council and the Council of States must approve the service agreements. With an overall budget higher education institutions can largely decide themselves how to distribute funds; achieving the objectives is the crucial factor. Accountability is ensured through annual reports and periodical performance reports to the maintaining bodies, which have to be approved. This ensures separation between political and operational control.

Fees within Public Higher Education

Tertiary level B professional education and training

The schedules of fees for tertiary level B professional education and training (PET) are very different depending on the maintaining body, branch, course of study, preparatory course and canton. Those wishing to take Federal PET and Advanced PET Diploma Examinations have to pay for any preparatory courses and also pay examination fees. The average fees at PET Colleges tend to be lower than the average fees for preparatory courses for the Federal PET Diploma Examination and in particular for the advanced PET examinations. At PET colleges the average fees are, depending on the course of education, between 400 CHF (333 €) and 8,400 CHF (7,000 €) per year. The average fees for preparatory courses for the Federal PET Diploma Examination vary between CHF 2,000 (1,667 €) and CHF 8,000 (6,667 €) per year. Average fees for preparatory courses for the advanced PET examinations are between CHF 2,000 (1,667 €) and CHF 10,800 (9,000 €) per year (Büro Bass 2009). The Confederation is currently planning financial support for the preparatory courses for federal examinations by the public sector. Allowances direct to participants are intended to take the burden off them. Parliament’s decision is expected in 2016. The free movement of PET students is
restricted, unlike in the higher education institutions sector: students from outside the canton may pay higher tuition fees than students resident in the canton in which the school is located. In order to abolish such restrictions and take more account of mobility, the cantons drew up the Intercantonal Agreement on Vocational Schools (FSV) and the Agreement on Contributions to Courses of Education at PET Colleges (HFSV).

**Higher education institutions**

Students must pay tuition fees[8] at higher education institutions. The tuition fees vary between CHF 1000 (833 €) and CHF 4,000 (3,333 €) per year depending on the institution and type of higher education institution. The free movement of students is ensured through the Intercantonal University Agreement (IUV) and the Intercantonal Agreement on Universities of Applied Sciences (FHV). Students from outside the canton do not pay higher tuition fees than students resident in the canton in which the university is located. Foreign students have to pay higher fees in some instances. The costs of teaching materials and living expenses also have to be factored in. Students in difficult economic circumstances can apply for a waiver or reduction of tuition fees at most higher education institutions.

**Financial Support for Learner’s Families**

Parents or legal guardians are basically obliged to pay the costs incurred by their children up to the completion of initial training. If they have limited financial resources students may apply for grants or training loans.

Under the Federal Law on Family Allowances (FamZG) all salaried employees and low-income individuals who are not in gainful employment are entitled to family allowances, as are self-employed persons. To this end all cantons pay at least a monthly training allowance of CHF 250 (208 €) for children aged 16 to 25. The cantons can also provide for higher family allowances.

Parents or legal guardians can claim tax deductions for minor children, or for adult children if they are still completing vocational education and training and are in need of support. The amount and conditions are regulated by each canton.

**Financial Support for Learners**

**Educational allowances**

In principle the funding of education or training in the post-compulsory sector is down to parents or legal guardians and trainees or students themselves. If the education or training cannot be fully funded from own resources even with the support of parents or legal guardians, trainees and students may apply for educational allowances in the form of grants and loans. Only education or training leading to a state-recognised qualification is funded as a rule. The cantons are responsible for awarding educational allowances and for deciding on the amount of such allowances and entitlement to them; each canton has its own grant legislation. In order to harmonise the cantonal grant legislation, the Swiss Conference of Cantonal Ministers of Education[9] (EDK) has drawn up the Intercantonal Agreement on the Harmonisation of Education Contributions (Grant Agreement[10]). The
Grant Agreement lays down minimum standards and principles for awarding education contributions. The Grant Agreement has been in force since 1 March 2013. In 2014 the cantons allocated CHF 321 (€ 276,5) million for education contributions. 95% of this was paid in the form of grants, and 5% in the form of loans. Unlike grants, loans have to be repaid at the end of the education or training course. Just over half (52%) of the resources allocated went to students in the tertiary level. However, only 43% of recipients were tertiary-level students. A student in tertiary level B professional education and training receives on average around CHF 7,900 (6,583 €) per year, while a student at a higher education institution may expect around CHF 8,300 (6,917 €) per year. The share of grant and loan recipients among total student numbers in a particular level of education is 3% in the case of tertiary level B professional education and training and around 10% in higher education institutions (FSO 2015). Since the regulation and payment of training contributions lie within the sphere of competence of the cantons, there can be differences between the cantons. In the tertiary sector the Confederation pays the cantons contributions for educational allowances (Federal Act on Contributions to the Expenditure of the Cantons on Loans and Student Grants in the Tertiary Education Sector [Training Contribution Act]). In 2014 the federal contributions to cantonal expenditure on grants and loans amounted to CHF 25.5 (€ 21) million.

Whether or not cantonal grants are also awarded for studies abroad is regulated by the relevant grant laws. Students completing a period of study abroad as part of the Erasmus mobility programme receive subsidies towards the cost of the study period from the Swiss Confederation. These are around CHF 300 (250 €) per month.

Interested students may also apply for government grants for study abroad. swissuniversities [11] manages, on behalf of the Swiss Confederation, foreign government grants offered to Swiss students and/or researchers by around 40 countries for a study period abroad. In return Switzerland offers foreign students government grants for studies in Switzerland. In the field of research and study promotion the Swiss National Science Foundation [3] (SNSF) supports young scientists with a wide-ranging grant and contribution programme. The focus is on future and advanced researchers. Federal and private institutions also award grants to particularly gifted students. Students who have to complete a period of residence as part of a mobility programme receive allowances towards subsistence expenses.

**Support through employers**

In the case of students who are also in employment, particularly in tertiary level B professional education and training, employers often provide financial support. In a survey, just under 60% of working students said that they were supported financially by their employer (contributions to training or continued payment of wages during absence from work due to training) or through time off in lieu (Büro Bass 2009).

**Tax deductions**

Students cannot claim any tax deductions for their initial training. If the person concerned already has an upper secondary-level leaving certificate, under the Federal Act on the Taxation of Job-Related Training and CET Costs, which entered into force on 1 January 2016, all job-related training and CET costs and voluntary retraining costs may be claimed as a tax deduction up to a maximum amount of CHF 12 000 (€ 10 000). The cantons can set their own maximum amounts.
Private Education

Private institutions are responsible for fixing their own tuition fees. Private establishments charge higher tuition fees than state establishments.

Tertiary level B professional education and training courses – particularly preparatory courses for Federal PET and Advanced PET Diploma Examinations – are also offered by private providers. Private providers may be subsidised by the public sector. The receipt of contributions is tied to certain conditions (quality measures, demand-oriented courses, appropriate organisation).

The Federal Act on Funding and Coordination of the Higher Education Sector (HFKG) obliges higher education institutions to undergo institutional accreditation. Through institutional accreditation, higher education institutions are given the right to use in their name the term “university”, “university of applied sciences” or “university of teacher education”, or a derivative such as in particular “university institute” or “university of applied sciences institute”. Private providers have to undergo the same accreditation procedure if they wish to use proprietary names.

Students may apply for education and training contributions in order to attend a private establishment. However, only if the qualification is state-recognised. For training allowances or tax deductions the same conditions apply as with state establishments.

Legislative References

Hochschulförderungs- und -koordinationsgesetz [12] [Federal Act on the Funding and Coordination of the Higher Education Sector (HFKG)]

Bundesgesetz über Beiträge an die Aufwendungen der Kantone für Stipendien und Studiendarlehen im tertiären Bildungsbereich [13] (Ausbildungsbeitragsgesetz) [Federal Act on Contributions to the Expenditure of the Cantons on Loans and Student Grants in the Tertiary Education Sector (Training Contribution Act)]

Bundesgesetz über die Eidgenössischen Technischen Hochschulen [12] (ETH-Gesetz) [Federal Act on the Federal Institutes of Technology (FIT Act)]

Bundesgesetz über die steuerliche Behandlung der berufsorientieren Aus- und Weiterbildungskosten [13] [Federal Act on the Taxation of Job-Related Training and CET Costs]

Interkantonale Universitätsvereinbarung [13] IUV [Intercantonal University Agreement]

Interkantonale Fachhochschulvereinbarung [13] FHV [Intercantonal Agreement on Universities of Applied Sciences]

Interkantonale Vereinbarung über die höhere Fachschulen [13] HFSV [Intercantonal Agreement on PET Colleges (HFSV)]
Interkantonale Fachschulvereinbarung [13] FSV [Intercantonal Agreement on Vocational Schools (FSV)]

Bundesgesetz über die Familienzulagen [13] [Federal Law on Family Allowances]

Interkantonale Vereinbarung zur Harmonisierung von Ausbildungsbeiträgen [13] [Intercantonal Agreement on the Harmonisation of Education Contributions (Grant Agreement)]

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