

Audit of construction investment contributions for higher education institutions

State Secretariat for Education, Research and Innovation

Key facts

Over the past five years, the State Secretariat for Education, Research and Innovation (SERI) has paid out an average of around CHF 83 million per year in financial assistance for construction projects at universities and universities of applied sciences. The contributions are granted to cantons for the acquisition, construction and conversion of buildings for teaching, research and other higher education purposes. The basis for these payments is the Federal Act on Funding and Coordination of the Swiss Higher Education Sector (HEdA). According to the dispatch on the HEdA, only strategically important projects that could not be carried out without federal funding are to be supported. 23 applications were approved between 2017 and 2020.

The Swiss Federal Audit Office (SFAO) conducted an audit at SERI. This included case studies on three specific construction projects. It assessed the application approval process, the economical use of funds by the subsidy recipients and supervision. The audit showed that SERI has a targeted influence on the quality of the higher education infrastructure as early as during the planning stage. However, there are indications that the subsidy is not very effective as a support instrument.

Economic efficiency and effectiveness

SERI uses various instruments to ensure that the federal contributions provide significant benefits. With the help of benchmarks, it ensures that the Confederation co-finances a uniform average standard of construction throughout Switzerland. With the lump sums, the cost risk of construction projects lies entirely with the cantons. The high level of own contributions inevitably means that cantons are keen to construct buildings with the lowest possible life cycle costs.

However, the findings of the three case studies suggest that the cantons would carry out their projects even without financial support from the Confederation. This is not in line with the underlying intention of the legislator. SERI therefore needs to evaluate the extent to which high quality higher education buildings can be achieved without subsidies. If necessary, the subsidy concept must be adapted in order to minimise the risks of unintentional deadweight effects.

Application processing and supervision

The multi-stage application processing procedure is expedient and is managed efficiently by SERI employees. The calculation of the subsidy is comprehensible. However, SERI must verify the applicants' forecasts about the future use of the buildings (e.g. public or CET) more systematically before granting a subsidy. As the subsidy authority, SERI is legally obliged to check after completion whether the higher education buildings are being used

as intended. If the intended use is contravened (e.g. if the building is sold), SERI must reclaim the subsidy on a pro rata basis. The monitoring concept intended for this purpose is only partially in place and not yet aligned with the current Subsidies Act. Existing deficiencies have to be remedied.

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