

SUMMARY OF THE LEGISLATIVE CHANGES AND THEIR IMPACT ON CEU

Central European University is a higher education institution with a dual legal identity operating on a single campus in Budapest. CEU is chartered in the State of New York, where all its degree programs are registered. In the US, CEU is accredited by the Middle States Commission on Higher Education. CEU is also established as a Hungarian university by the Hungarian Parliament under the name Közép-európai Egyetem (“KEE”) and it is accredited by the Hungarian Accreditation Committee.

The dual identity of CEU/KEE enables the University to comply with both Hungarian and U.S. laws and award both Hungarian and U.S.-accredited degrees. CEU does not have operations in the US. This is a common model. CEU is one of many American-accredited international universities that do not operate any academic programs within the U.S. but have international level education brought to the doorsteps of local students.

The amendments to the Hungarian national higher education law would require CEU to offer programs in the state of New York. Forcing CEU to do so would have no educational benefit and would incur needless financial and human resource costs.

The section of the amendment that most clearly illustrates discrimination against CEU is the provision that prevents Hungarian-accredited universities (in this case, KEE) from delivering programs or issuing degrees from universities from non-European OECD member states on behalf of CEU. Existing legislation allows for university programs and degrees from OECD countries (including the U.S.) to function through joint Hungarian entities, as CEU/KEE currently does. Hungary itself has been a member of OECD since 1996, and as such, should not discriminate against other OECD countries.

Another clear example of discrimination in the proposed amendment is the elimination of a good-faith waiver that currently allows academic staff from third countries to work at the KEE entity without requiring a work permit. The change would create additional and unnecessary barriers to hiring and recruitment. The Hungarian government may deny such permits based on political or narrow bureaucratic considerations. Given that CEU relies particularly much on professors from outside of the EU, the new regulation would place the university in a disadvantageous position, if not simply make its operation impossible.

The proposed amendment also forbids institutions from having the same or similar names. This would require CEU’s two legal entities – which are jointly delivering programs – either to change the names they have used for decades or to discontinue operation in Hungary.

Lastly, the amendment would require a binding international agreement between Hungary and the US both on federal and state level supporting CEU’s operation as a foreign university in Hungary. Further, the law was amended within 24 hours before it was passed, requiring a binding international agreement to be completed within six months of the publication of the law and less than nine months to register programs in the foreign higher education institution’s country of origin. This is punitive and does not allow sufficient time for higher education institutions to comply with the newly adopted provisions.