

# ADDENDUM TO THE DECEMBER 2020 MINISTERIAL STATEMENT ON UNIVERSITY FUNDING: 2021/22

April 2021

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## **1. REPRIORITISATION OF UNIVERSITY ALLOCATIONS FOR THE FUNDING OF STUDENTS BY THE NATIONAL STUDENT FINANCIAL AID SCHEME IN 2021/22**

The focus in this Addendum is on the reprioritisation of R2 490 million for 2021/22 from the university allocations to deal with the shortfall on the funding of students by the National Student financial Aid Scheme (NSFAS) for 2021.

The National Student financial Aid Scheme (NSFAS) approached the Department of Higher Education and Training (the Department) and National Treasury (NT) for additional funding to fund the shortfall for the funding of students in 2021. The shortfall is as a result of the extended 2020 academic year into 2021 due to implications from the COVID19 pandemic. NT indicated that the Department must reprioritise its existing budget allocations for 2021 in order to assist NSFAS.

In order to assist NSFAS in partly funding the shortfall for 2021, the Minister has approved the following changes to the university state funds as shown in Table 1 amounting to R2 490 million:

- The Block Grant subsidy of R37 511.591 million (excluding the gap grant) for 2021/22 has been reduced by R277.594 million in the sub-block grant for research outputs;
- The earmarked grant for Infrastructure and Efficiency Grant (IEG) of R2 321.030 million for 2021/22 has been reduced by R1 321.030 million;
- The earmarked grant for New Universities: Capital Funds of R1 059.880 million for 2021/22 has been reduced by R300 million;
- The earmarked grant for University Capacity Development of R1 110.710 million for 2021/22 has been reduced by R60.500 million;
- The earmarked grant for Foundation Provision of R465.345 million for 2021/22 has been reduced by R20 million;
- The earmarked grant for Sibusiso Bengu Development of R565.794 million for 2021/22 has been reduced by R458.876 million;
- The earmarked grant for Clinical Training of Health Professionals of R689.662 million for 2021/22 has been reduced by R45 million;
- The earmarked grant for Veterinary Sciences of R194.779 million for 2021/22 has been reduced by R7 million; and
- The earmarked grant for NSFAS of R28 509.710 million for 2021/22 has been increased by R2 490 million.

Table 1: Changes to state budgets for the university sector for 2021/22

Budget category	2021/22 budgets		Reprioritisation of funds for 2021/22	
	As in Dec 2020 (R'000)	Revised in March 2021 (R'000)	(R'000)	% increase (%)
<b>1 Block grants for universities</b>	<b>38 111 253</b>	<b>37 833 659</b>	<b>- 277 594</b>	<b>-0.7%</b>
1.1 Teaching inputs	23 151 523	23 151 523	0	0.0%
1.2 Institutional factors	2 189 104	2 189 104	0	0.0%
1.3 Actual teaching outputs	6 906 843	6 906 843	0	0.0%
1.4 Actual research outputs	5 264 121	4 986 527	- 277 594	-5.3%
1.5 Gap grant phased out	599 662	599 662	0	0.0%
<b>2 Earmarked grants for universities</b>	<b>7 418 544</b>	<b>5 206 138</b>	<b>-2 212 406</b>	<b>-29.8%</b>
2.1 Infrastructure & output efficiencies	2 321 030	1 000 000	-1 321 030	-56.9%
2.2 Interest & redemption on historic loans	3 289	3 289	0	0.0%
2.3 New universities		0		
Capital funds (SPU & UMP)	1 059 880	759 880	- 300 000	-28.3%
Operational funds (SPU & UMP)	804 119	804 119	0	0.0%
Gap grant phased out	3 936	3 936	0	0.0%
Health Sciences Operational (SMU)	200 000	200 000	0	0.0%
2.4 University Capacity Development	1 110 710	1 050 210	- 60 500	-5.4%
2.5 Foundation Provision	465 345	445 345	- 20 000	-4.3%
2.6 Sibusisu Bengu Development Grant	565 794	106 918	- 458 876	-81.1%
2.7 Clinical Training of Health Professionals	689 662	644 662	- 45 000	-6.5%
2.8 Veterinary Sciences	194 779	187 779	- 7 000	-3.6%
<b>3 Grants to institutions</b>	<b>28 532 578</b>	<b>31 022 578</b>	<b>2 490 000</b>	<b>8.7%</b>
3.1 NSFAS - Cape Town	28 509 710	30 999 710	2 490 000	8.7%
3.2 African Institute for Mathematical Studies	6 868	6 868	0	0.0%
3.3 Council on Higher Education	16 000	16 000	0	0.0%
<b>4 Sector oversight</b>	<b>25 250</b>	<b>25 250</b>	<b>0</b>	<b>0.0%</b>
4.1 Sector Planning, Monitoring, Evaluation & Support	25 250	25 250	0	0.0%
<b>TOTAL</b>	<b>74 087 625</b>	<b>74 087 625</b>	<b>0</b>	<b>0.0%</b>

## 2. REVISED ALLOCATIONS ACCORDING TO UNIVERSITY

### 2.1 Revised Block Grant allocations for 2021/22

The former earmarked gap grant for poor and missing middle students, which is currently phased out over 4 years within the block grant, remains unaffected by any cuts or reprioritisation.

The sector block grant of R37 511.591 million (excluding the gap grant) for 2021/22 is cut by R277.594 million, representing a cut of 0.74%. The amount has been taken from the sub-block grant for research outputs. Table 2 provides the adjustments according to university.

Table 2: Revised block grants (excluding GAP grant phased out) for 2021/22

	2021/22 budgets	
	As in Dec 2020 (R'000)	Revised in March 2021 (R'000)
CAPE PENINSULA UT	1 478 537	1 474 841
CAPE TOWN	1 800 563	1 776 653
CENTRAL UT	765 471	763 444
DURBAN UT	1 339 730	1 334 983
FORT HARE	771 544	766 850
FREE STATE	1 505 849	1 492 816
JOHANNESBURG	2 533 219	2 507 785
KWAZULU-NATAL	2 649 243	2 618 039
LIMPOPO	999 746	995 120
MANGOSUTHU UT	495 625	495 307
NELSON MANDELA	1 294 012	1 286 952
NORTH WEST	2 210 463	2 189 357
PRETORIA	2 843 447	2 812 702
RHODES	529 289	522 293
SEFAKO MAKGATHO	528 113	526 651
SOUTH AFRICA	4 652 804	4 632 623
STELLENBOSCH	2 011 332	1 983 077
TSHWANE UT	2 548 077	2 542 578
VAAL UT	783 903	782 210
VENDA	790 076	787 136
WALTER SISULU	1 044 521	1 043 573
WESTERN CAPE	1 161 642	1 152 831
WITWATERSRAND	2 209 731	2 184 362
ZULULAND	564 654	561 814
<b>TOTAL</b>	<b>37 511 591</b>	<b>37 233 997</b>

## 2.2 Revised Infrastructure and Efficiency Grant (IEG) for 2021/22

The distribution of the new budget total for IEG of R1 000 million for 2021/22 based on the net reduction of R1 321.030 million (56.9%) according to university is set out in Table 3. The remaining amount of R1 billion was split amongst 9 universities from which the R1 357.101 million was cut/withheld in the 5<sup>th</sup> cycle. The allocation of the remaining R357.101 million withheld from the 5<sup>th</sup> cycle will be dealt with separately from this Addendum.

Table 3: Revised Infrastructure and Efficiency Grant for 2021/22

	2021/22 budgets	
	As in Dec 2020 (R'000)	Revised in March 2021 (R'000)
CAPE PENINSULA UT	163 000	149 871
CAPE TOWN	68 852	0
CENTRAL UT	68 852	0
DURBAN UT	68 852	0
FORT HARE	57 333	15 823
FREE STATE	68 852	0
JOHANNESBURG	68 852	0
KWAZULU-NATAL <sup>2</sup>	131 000	0
LIMPOPO <sup>2</sup>	154 390	0
MANGOSUTHU UT	101 060	55 717
NELSON MANDELA	68 852	0
NORTH WEST	68 852	0
PRETORIA	68 852	0
RHODES	68 852	0
SEFAKO MAKGATHO	214 088	214 088
SOUTH AFRICA	68 852	0
STELLENBOSCH	68 852	0
TSHWANE UT	230 456	205 335
VAAL UT <sup>1</sup>	103 000	185 186
VENDA	134 019	14 166
WALTER SISULU <sup>1</sup>	90 300	159 814
WESTERN CAPE	68 853	0
WITWATERSRAND	68 852	0
ZULULAND	47 307	0
<b>TOTAL</b>	<b>2 321 030</b>	<b>1 000 000</b>

1. Funds were withheld from VUT and WSU in 2020/21

2. Funds withheld from VUT and WSU were reprioritised towards UKZN and UL in 2020/21.

## 2.3 Revised New Universities Capital funds for 2021/22

The distribution of the new budget total for the new universities capital funds of R759.880 million for 2021/22 according to university, based on the total net reduction of R300 million (28.3%), is set out below. The split between the two new universities has been based on a 60:40 split as per the original allocation.

- Sol Plaatje University – R303.952 million
- University of Mpumalanga – R455.928 million
- Total – R759.880 million

## 2.4 Revised University Capacity Development Grant (UCDG) for 2021/22

The distribution of the new budget total for UCDG of R1 060.710 million according to university for 2021/22, based on the net reduction of R60.500 million, is set out in **Table 4**. The cut was only applied to the institutional UCD sub-programme of R666.426 million, hence a 9.08% cut was applied across all universities in this sub-programme.

Table 4: Revised earmarked institutional UCD sub-programme grant for 2021/22

University	2021/22 Financial Year			2021/22 Financial Year		
	As approved in December 2020			As revised in March 2021		
	Apr - Dec 2021 (R'000)	Jan - March 2022 (R'000)	TOTAL (R'000)	Apr - Dec 2021 (R'000)	Jan - March 2022 (R'000)	TOTAL (R'000)
CAPE PENINSULA UT	22 546	7 515	30 061	19 817	7 515	27 332
CAPE TOWN	8 999	3 000	11 999	7 910	3 000	10 910
CENTRAL UT	12 191	4 064	16 255	10 713	4 064	14 777
DURBAN UT	18 867	6 289	25 156	16 583	6 289	22 872
FORT HARE	10 904	3 635	14 539	9 584	3 635	13 219
FREE STATE	26 542	8 847	35 389	23 329	8 847	32 176
JOHANNESBURG	39 825	13 275	53 100	35 004	13 275	48 279
KWAZULU-NATAL	27 837	9 279	37 116	24 468	9 279	33 747
LIMPOPO	20 541	6 847	27 388	18 055	6 847	24 902
MANGOSUTHU UT	9 864	3 288	13 152	8 670	3 288	11 958
NELSON MANDELA	16 071	5 357	21 428	14 126	5 357	19 483
NORTH WEST	32 905	10 968	43 873	28 922	10 968	39 890
PRETORIA	17 432	5 811	23 243	15 322	5 811	21 133
RHODES	4 469	1 490	5 959	3 928	1 490	5 418
SEFAKO MAKGATHO	9 954	3 318	13 272	8 749	3 318	12 067
SOUTH AFRICA	54 214	18 071	72 285	47 652	18 071	65 723
STELLENBOSCH	10 701	3 567	14 268	9 406	3 567	12 973
TSHWANE UT	44 787	14 929	59 716	39 366	14 929	54 295
VAAL UT	13 545	4 515	18 060	11 906	4 515	16 421
VENDA	13 526	4 508	18 034	11 889	4 508	16 397
WALTER SISULU	30 148	10 049	40 197	26 499	10 049	36 548
WESTERN CAPE	15 733	5 244	20 977	13 829	5 244	19 073
WITWATERSRAND	17 834	5 945	23 779	15 675	5 945	21 620
ZULULAND	14 973	4 991	19 964	13 161	4 991	18 152
SOL PLAATJE	2 596	865	3 461	2 282	865	3 147
MPUMALANGA	2 816	939	3 755	2 475	939	3 414
<b>TOTAL</b>	<b>499 820</b>	<b>166 606</b>	<b>666 426</b>	<b>439 320</b>	<b>166 606</b>	<b>605 926</b>

1) The nationally-led sub-programme, the university-led collaborative sub-programme, and the implementation management support sub-programme of the UCDP, remains unaffected by any budget cuts.

## 2.5 Revised Foundation Provision Grant for 2021/22

The distribution of the new budget total for foundation provision of R445.345 million according to university for 2021/22, based on the net reduction of R20 million (4.3%), is set out in Table 5. Of the R20 million budget cut, R10 million was cut on a pro-rata basis for all universities, and the remaining R10 million on a pro-rata basis using the unspent foundation funds which 8 universities had in 2020.

Table 5: Revised earmarked foundation provision grant for 2021/22

UNIVERSITY	2021/22 budgets	
	As in Dec 2020 (R'000)	Revised in March 2021 (R'000)
CAPE PENINSULA UT	46 642	45 640
CAPE TOWN	16 419	16 066
CENTRAL UT	11 082	10 407
DURBAN UT	8 431	7 222
FORT HARE	18 152	17 179
FREE STATE	66 062	60 610
JOHANNESBURG	62 177	60 841
KWAZULU-NATAL	26 060	25 500
LIMPOPO	42 477	41 564
MANGOSUTHU UT	12 685	12 412
NELSON MANDELA	12 995	12 716
NORTH WEST	29 265	28 056
PRETORIA	24 804	24 271
RHODES	1 798	1 759
SEFAKO MAKGATHO	7 527	7 365
STELLENBOSCH	6 741	4 634
TSHWANE UT	26 643	26 071
VENDA	4 558	4 147
WALTER SISULU	11 667	10 352
WESTERN CAPE	24 504	23 977
WITWATERSRAND	595	582
ZULULAND	4 061	3 974
<b>TOTAL</b>	<b>465 345</b>	<b>445 345</b>

## 2.6 Revised Sibusiso Bengu Development Programme for 2021/22

The distribution of the new budget total for the Sibusiso Bengu Development Programme of R106.918 million for 2021/22 is based on the net reduction of R458.876 million (81.1%). A cut of 81.1% was applied across all 8 universities. The revised allocations according to university are set out in Table 6.

The main reason why SB-DG funds have been reprioritised is that projects for 2021/22 still need to be approved, and universities have a large amount of unspent funds from the previous allocations. The Framework has been approved but the planning for the five year programme has been delayed due to the Covid-19 disaster and the Department is in the process to migrate the SB-DP to a Historically Disadvantaged Institution as a partner host for the development programme as well as finalising the appointment of a Programme Manager. The once-off cut will not have a significant impact in 2021/22.

The stated amounts in Table 6 below are only provisional amounts as the final allocations to universities will only be confirmed once the universities plans and projects have been approved by the Minister for the new funding cycle, and are, therefore, subject to change.

Table 6: Revised Sibusiso Bengu Development Programme grant for 2021/22

University	2021/22 budgets	
	As in Dec 2020 (R'000)	Revised in March 2021 (R'000)
Fort Hare	70 724	13 365
Limpopo	70 724	13 365
Mangosuthu	70 724	13 365
Sefako Makgatho	70 724	13 364
Venda	70 724	13 365
Walter Sisulu	70 726	13 365
Western Cape	70 724	13 364
Zululand	70 724	13 365
<b>TOTAL</b>	<b>565 794</b>	<b>106 918</b>

1) Final allocations are subject to meeting Departmental requirements and Ministerial approval of final projects.

## 2.7 Revised Clinical Training of Health Professionals Grant (CTG) for 2021/22

The distribution of the new budget total for CTG of R644.662 million according to university for 2021/22, based on the net reduction of R45 million (6.5%), is set out in Table 7. A cut of 6.5% was applied across all the relevant universities taking the reserves as well as institutions financial position into account to ensure that the impact of the cuts doesn't compromise universities without a strong statement of financial position.

Table 7: Revised Clinical Training Grant for 2021/22

UNIVERSITY	2021/22 budgets	
	As in Dec 2020 (R'000)	Revised in March 2021 (R'000)
CAPE PENINSULA UT	12 183	11 388
CAPE TOWN	58 685	54 855
CENTRAL UT	8 128	7 598
DURBAN UT	20 606	19 262
FORT HARE	7 592	7 097
FREE STATE	43 205	40 386
JOHANNESBURG	12 777	11 943
KWAZULU-NATAL	69 394	64 866
LIMPOPO	10 805	10 100
MANGOSUTHU UT	2 810	2 627
NELSON MANDELA	20 826	19 467
NORTH WEST	24 244	22 662
PRETORIA	68 344	63 885
RHODES	4 194	3 921
SEFAKO MAKGATHO	62 873	58 770
STELLENBOSCH	64 491	60 283
TSHWANE UT	15 427	14 421
VAAL UT	7 626	7 128
VENDA	6 644	6 210
WALTER SISULU	28 548	26 685
WESTERN CAPE	39 000	36 455
WITWATERSRAND	92 550	86 512
ZULULAND	8 710	8 141
<b>TOTAL</b>	<b>689 662</b>	<b>644 662</b>

## 2.8 Revised Veterinary Sciences Grant for 2021/22

The distribution of the new budget total for the Veterinary Sciences Grant of R187.779 million according to university for 2021/22, based on the net reduction of R7 million (3.6%), is set out in Table 8. The cut of 3.6% was applied across all the relevant universities taking the reserves as well as institutions financial position into account to ensure that the impact of the cuts doesn't compromise universities without a strong statement of financial position.

Table 8: Revised Veterinary Science Grants for 2021/22

UNIVERSITY	2021/22 budgets	
	As in Dec 2020 (R'000)	Revised in March 2021 (R'000)
NORTH WEST	8 863	8 544
PRETORIA	175 105	168 812
SOUTH AFRICA	3 214	3 099
TSHWANE UT	7 597	7 324
<b>TOTAL</b>	<b>194 779</b>	<b>187 779</b>