

ADDENDUM TO THE DECEMBER 2021 MINISTERIAL STATEMENT ON UNIVERSITY FUNDING: 2022/23

October 2022

CONTENT

	Page
1. Reprioritisation of university allocations for the shortfall on funding of students by the National Student Financial Aid Scheme (NSFAS) for 2022/23	2
2. Revised allocations according to university	3
2.1 Unspent Covid-19 Responsiveness Grant	4
2.2 Revised New Universities Capital Grant	5
2.3 Revised University Capacity Development Grant	6
2.4 Revised Foundation Provision Grant	7
2.5 Revised Sibusiso Bengu Development Grant	8
2.6 Revised Clinical Training Grant	9
2.7 Revised Veterinary Sciences Grant	10
2.8 Presidential Youth Development Intervention: University Graduate Assistants	10

1. REPRIORITISATION OF UNIVERSITY BUDGET ALLOCATIONS AND ADDITIONAL FUNDS FOR THE FUNDING OF STUDENTS BY THE NATIONAL STUDENT FINANCIAL AID SCHEME IN 2022/23

The focus in this Addendum is mainly on the following:

- Reprioritisation of R1 386.381 million for 2022/23 from the university budget allocations to deal with the shortfall on the funding of students by NSFAS for the 2022 academic year of R1 499.999 million. An amount of R113.618 million was already reprioritised in 2021/22 and transferred to NSFAS in March 2022;
- Additional funding of R7 647.547 million for 2022/23, R11 094.537 million in 2023/24 and R13 452.264 million in 2024/25 from National Treasury for NSFAS for universities; and
- Additional funding of R94.500 million for 2022/23 and R99.225 million in 2023/24 for the Presidential Youth Employment Intervention: University Graduate Assistants.

To assist NSFAS in partly funding the shortfall for 2022, the Minister has approved the following changes to the university state funds as shown in Table 1 amounting to R1 386.381 million:

- The earmarked grant for New Universities: Capital Funds of R1 104.984 million for 2022/23 has been reduced by R219.984 million (19.9%) to R885 million;
- The earmarked grant for University Capacity Development of R1 155.138 million for 2022/23 has been reduced by R235.138 million (20.4%) to R920 million;
- The earmarked grant for Foundation Provision of R483.959 million for 2022/23 has been reduced by R58.959 million (12.2%) to R425 million;
- The earmarked grant for the Sibusiso Bengu Development Programme of R588.426 million for 2022/23 has been reduced R396.316 million (67.4%) to R192.110 million;
- The earmarked grant for Clinical Training of Health Professionals of R720.855 million for 2022/23 has been reduced by R70.855 million (9.8%) to R650 million;
- The earmarked grant for Veterinary Sciences of R202.570 million for 2022/23 has been reduced by R7.570 million (3.7%) to R195 million. The R15 million previously awarded from HEMIS penalties will also be reprioritised towards the NSFAS shortfall;
- The earmarked grant for the Sector Planning, Monitoring, Evaluation and Support Programme has been reduced from R26.260 million to zero;
- The unspent funds and interest earned of R356.299 million on CRG 1 and 2 at universities will be withheld through the block grant subsidy. Universities will however be required to shift the amount from CRG to replenish the block grant subsidy; and
- The earmarked grant for NSFAS has been increased by R1 386.381 million through the reprioritisation of university budget allocations (excluding the additional funding from Treasury).

An additional amount of R113.618 million was reprioritised from the University Capacity Development Grant in the 2021/22 financial year (March 2022), which brings the total funds reprioritised from the Department's university budget allocations towards NSFAS for 2022 to R1 499.999 million.

Table 1: Reprioritisation of budget allocations for the university sector for 2022/23

Budget category	Reprioritisation of funds for 2022/23			
	As in Dec 2021 (R'000)	Revised in March 2022 (R'000)	Decrease (R'000)	% Decrease/increase
1 Block grants for universities	39 697 659	39 697 659	0	0.0%
1.1 Teaching inputs	24 499 432	24 499 432	0	0.0%
1.2 Institutional factors	2 390 713	2 390 713	0	0.0%
1.3 Actual teaching outputs	7 580 559	7 580 559	0	0.0%
1.4 Actual research outputs	5 226 955	5 226 955	0	0.0%
2 Earmarked grants for universities	7 917 675	7 023 353	- 894 322	-11.3%
2.1 Infrastructure & output efficiencies	2 245 476	2 245 476	0	0.0%
2.2 Budget Facility for Infrastructure: SHIP	380 000	380 000	0	0.0%
2.3 Interest & redemption on historic loans	2 412	2 412	0	0.0%
2.4 New universities				
Capital funds (SPU & UMP)	1 104 984	885 000	- 219 984	-19.9%
Operational funds (SPU & UMP)	833 855	833 855	0	0.0%
Health Sciences Operational (SMU)	200 000	200 000	0	0.0%
2.5 University Capacity Development	1 155 138	920 000	- 235 138	-20.4%
2.6 Foundation Provision	483 959	425 000	- 58 959	-12.2%
2.7 Sibusiso Bengu Development Programme (8 universities)	588 426	192 110	- 396 316	-67.4%
2.8 Clinical Training of Health Professionals	720 855	650 000	- 70 855	-9.8%
2.9 Veterinary Sciences	202 570	195 000	- 7 570	-3.7%
2.10 University Graduate Assistants	0	94 500	94 500	100.0%
3 Grants to other institutions	29 382 781	38 544 966	9 162 185	31.2%
3.1 NSFAS - Cape Town 2)	29 375 638	38 537 823	9 162 185	31.2%
3.2 African Institute for Mathematical Studies	7 143	7 143	0	0.0%
4 Sector oversight	26 260	0	- 26 260	-100.0%
4.1 Sector Planning, Monitoring, Evaluation & Support	26 260	0	- 26 260	-100.0%
5 Other			- 371 299	
5.1 Covid19 Responsiveness Grant 1)			- 356 299	
5.2 HEMIS penalties reprioritised towards NSFAS shortfall 3)			- 15 000	
TOTAL	77 024 375	85 265 978	7 870 304	10.2%

1) The unspent CRG funds of R356.299 million are funds at the university from previous years.

An amount of R321.895 million for unspent CRG funds will be withheld through the block grant subsidy.

These universities will be requested to shift the unspent amount internally from the CRG budget to replenish the block grant fund.

An amount of R34.404 million will be withheld through the New Universities Operations Grant for UMP's unspent CRG funds.

UMP will be requested to shift the unspent amount internally from the CRG budget to replenish their operations grant.

2) Does not include the administrative portion for NSFAS.

3) Three universities were penalised for late and incorrect submission of HEMIS data.

2. REVISED EARMARKED GRANT ALLOCATIONS ACCORDING TO UNIVERSITY

2.1 Withholding of unspent CRG funds through the Block Grant allocations for 2022/23

The CRG was introduced in 2020 to assist universities in dealing with the challenges with the COVID-19 pandemic in terms of teaching and learning and campus readiness. The use of the grant has come to an end as at 28 February 2022 and unspent funds will no longer be rolled over or used for other purposes. Universities must shift an equal amount that has been withheld from the Block Grant for unspent CRG funds at universities, in order to replenish the Block Grant subsidy.

Table 2: Unspent Covid-19 Responsiveness Grant (CRG 1 and 2) and interest withheld through the 2022/23 Block Grant allocation

UNIVERSITY	CRG unspent funds withheld through block grant 2022/23 (R'000)
CAPE PENINSULA UT	29 561
CAPE TOWN	0
CENTRAL UT	27 782
DURBAN UT	7 655
FORT HARE	31 589
FREE STATE	1 235
JOHANNESBURG	21 185
KWAZULU-NATAL	0
LIMPOPO	45 201
MANGOSUTHU UT	40 593
NELSON MANDELA	1 292
NORTH WEST	0
PRETORIA	4 218
RHODES	8 851
SEFAKO MAKGATHO	0
SOUTH AFRICA	75 092
STELLENBOSCH	469
TSHWANE UT	0
VAAL UT	0
VENDA	10 689
WALTER SISULU	0
WESTERN CAPE	2 960
WITWATERSRAND	4 187
ZULULAND	9 336
TOTAL FROM THE BLOCK GRANT	321 895
UMP	34 404
SPU	0
TOTAL UNSPENT	356 299
1) UMP R34.4 million will be withheld from the New Universities Operations Grant	

2.2 Revised New Universities Capital Grant for 2022/23

The distribution of the revised budget total for the new universities' capital funds of R870 million for 2022/23 according to university, based on the total net reduction of R219.984 million (19.91%), is set out below. The split between the two new universities has been based on a 60:40 split as per the original allocation. The R34.404 million unspent CRG funds will be withheld from UMP's operational grant. Refer to section 2.1.

Table 3: Reprioritisation of capital funds for SPU and UMP

Year		2022/23	Revised	Decrease	% Decrease
University	Split	(R'000)	2022/23	(R'000)	(R'000)
Operational funds					
Sol Plaatje		371 015	371 015	0	0.00%
Mpumalanga		462 840	462 840	0	0.00%
TOTAL		833 855	833 855	0	0.00%
Capital funds					
Sol Plaatje	40%	441 994	354 000	87 994	19.91%
Mpumalanga	60%	662 990	531 000	131 990	19.91%
TOTAL		1 104 984	885 000	219 984	19.91%

2.3 Revised University Capacity Development Grant (UCDG) for 2022/23

The distribution of the revised budget total for UCDG's Institutional Grant and New Generation of Academics Programme (nGAP) Grant according to university for 2022/23, based on the nett reduction of R255.138 million, is set out in **Table 4**. The decrease of R174.937 million was applied to the Institutional UCD sub-programme (Apr-Dec), across all universities (33.33%), and the decrease of R60.201 million was applied to the nGAP programme (20.55%) that is collaborated with the Nelson Mandela University. Universities must augment the revised amount from the interest accumulated on the nGAP funds so as to ensure that the original number of posts for 2022/23 are supported.

Based on the revised allocations in Table 4, universities are required to adjust the approved 2021-2023 University Capacity Development Programme (UCDP) by developing and submitting an addendum to the UCDP plans to the Department by **30 July 2022**. A template for the Addendum to the plan will be sent to universities on 10 June 2022.

Table 4: Reprioritisation of the University Capacity Development Grant for 2022/23

	Institutional Grant - Apr-Dec	Decrease	Revised Institutional Grant	% Decrease
UNIVERSITY	2022/23 (R'000)	2022/23 (R'000)	2022/23 (R'000)	
CAPE PENINSULA UT	23 673	7 891	15 782	33.33%
CAPE TOWN	9 449	3 150	6 299	33.34%
CENTRAL UT	12 801	4 267	8 534	33.33%
DURBAN UT	19 810	6 603	13 207	33.33%
FORT HARE	11 449	3 816	7 633	33.33%
FREE STATE	27 869	9 290	18 579	33.33%
JOHANNESBURG	41 816	13 939	27 877	33.33%
KWAZULU-NATAL	29 229	9 743	19 486	33.33%
LIMPOPO	21 568	7 189	14 379	33.33%
MANGOSUTHU UT	10 357	3 452	6 905	33.33%
NELSON MANDELA	16 874	5 625	11 249	33.34%
NORTH WEST	34 550	11 517	23 033	33.33%
PRETORIA	18 304	6 101	12 203	33.33%
RHODES	4 693	1 564	3 129	33.33%
SEFAKO MAKGATHO	10 452	3 484	6 968	33.33%
SOUTH AFRICA	56 924	18 975	37 949	33.33%
STELLENBOSCH	11 236	3 745	7 491	33.33%
TSHWANE UT	47 026	15 675	31 351	33.33%
VAAL UT	14 223	4 741	9 482	33.33%
VENDA	14 202	4 734	9 468	33.33%
WALTER SISULU	31 656	10 552	21 104	33.33%
WESTERN CAPE	16 520	5 507	11 013	33.34%
WITWATERSRAND	18 726	6 242	12 484	33.33%
ZULULAND	15 721	5 242	10 479	33.34%
SOL PLAATJE	2 726	908	1 818	33.31%
MPUMALANGA	2 957	985	1 972	33.31%
TOTAL	524 811	174 937	349 874	
NELSON MANDELA - nGAP Grant	293 019	60 201	212 818	20.55%
NETT DECREASE		235 138		

2.4 Revised Foundation Provision Grant for 2022/23

The distribution of the revised total for foundation provision of R425 million according to university for 2022/23, based on the net reduction of R58.959 million (12.18%), is set out in **Table 5**. A decrease of 12.18% was applied across all universities.

Table 5: Reprioritisation of the Foundation Provision Grant for 2022/23

UNIVERSITY	YEAR 2022/23 (R'000)	Revised 2022/23 (R'000)	Decrease (R'000)	% decrease
CAPE PENINSULA UT	49 168	43 177	5 991	12.18%
CAPE TOWN	11 610	10 196	1 414	12.18%
CENTRAL UT	14 544	12 773	1 771	12.18%
DURBAN UT	3 652	3 207	445	12.18%
FORT HARE	23 133	20 315	2 818	12.18%
FREE STATE	67 160	58 978	8 182	12.18%
JOHANNESBURG	70 105	61 564	8 541	12.18%
KWAZULU-NATAL	30 539	26 818	3 721	12.18%
LIMPOPO	47 659	41 853	5 806	12.18%
MANGOSUTHU UT	10 866	9 542	1 324	12.18%
NELSON MANDELA	16 514	14 502	2 012	12.18%
NORTH WEST	36 897	32 402	4 495	12.18%
PRETORIA	26 352	23 142	3 210	12.18%
RHODES	2 081	1 828	253	12.18%
SEFAKO MAKGATHO	5 721	5 024	697	12.18%
STELLENBOSCH	9 385	8 242	1 143	12.18%
TSHWANE UT	15 470	13 585	1 885	12.18%
VENDA	9 117	8 007	1 110	12.18%
WALTER SISULU	7 973	7 002	971	12.18%
WESTERN CAPE	22 022	19 339	2 683	12.18%
WITWATERSRAND	297	261	36	12.18%
ZULULAND	3 694	3 244	450	12.18%
TOTAL	483 959	425 000	58 959	12.18%

2.5 Revised Sibusiso Bengu Development Grant for 2022/23

The distribution of the new budget total for the Sibusiso Bengu Development Programme of R192.110 million for 2022/23 is based on the net reduction of R396.316 million (67.35%). A decrease of 68.33% was applied across all 8 universities, and a decrease of 25.52% was applied to the project management allocation. The revised allocations according to university are set out in **Table 6**.

The amounts in Table 6 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: Reprioritisation of the Sibusiso Bengu Development Programme Grant

University	2022/23 (R'000)	Revised 2022/23 (R'000)	Decrease (R'000)	% Decrease
Fort Hare	71 875	22 764	49 111	68.33%
Limpopo	71 875	22 764	49 111	68.33%
Mangosuthu	71 875	22 764	49 111	68.33%
Sefako Makgatho	71 875	22 764	49 111	68.33%
Venda	71 875	22 764	49 111	68.33%
Walter Sisulu	71 875	22 764	49 111	68.33%
Western Cape	71 875	22 763	49 112	68.33%
Zululand	71 875	22 763	49 112	68.33%
SB-DP Project Management	13 426	10 000	3 426	25.52%
TOTAL	588 426	192 110	396 316	67.35%

2.6 Revised Clinical Training of Health Professionals Grant (CTG) for 2022/23

The distribution of the new budget total for CTG of R650 million according to university for 2022/23, based on the net reduction of R70.855 million (9.83%), is set out in **Table 7**. A decrease of 9.83% was applied across all the relevant universities.

Table 7: Revised Clinical Training Grant for 2022/23

UNIVERSITY	YEAR 2022/23 (R'000)	Revised 2022/23 (R'000)	Decrease (R'000)	% Decrease
CAPE PENINSULA UT	10 984	9 905	1 079	9.82%
CAPE TOWN	57 516	51 862	5 654	9.83%
CENTRAL UT	8 885	8 012	873	9.83%
DURBAN UT	21 010	18 945	2 065	9.83%
FORT HARE	8 335	7 516	819	9.83%
FREE STATE	44 788	40 387	4 401	9.83%
JOHANNESBURG	20 184	18 200	1 984	9.83%
KWAZULU-NATAL	74 097	66 813	7 284	9.83%
LIMPOPO	15 498	13 975	1 523	9.83%
MANGOSUTHU UT	3 134	2 826	308	9.83%
NELSON MANDELA	20 820	18 773	2 047	9.83%
NORTH WEST	22 250	20 063	2 187	9.83%
PRETORIA	69 860	62 993	6 867	9.83%
RHODES	3 867	3 487	380	9.83%
SEFAKO MAKGATHO	64 104	57 803	6 301	9.83%
STELLENBOSCH	67 578	60 935	6 643	9.83%
TSHWANE UT	17 697	15 957	1 740	9.83%
VAAL UT	9 716	8 761	955	9.83%
VENDA	6 774	6 108	666	9.83%
WALTER SISULU	28 968	26 121	2 847	9.83%
WESTERN CAPE	40 328	36 364	3 964	9.83%
WITWATERSRAND	96 018	86 580	9 438	9.83%
ZULULAND	8 444	7 614	830	9.83%
TOTAL	720 855	650 000	70 855	9.83%

2.7 Revised Veterinary Sciences Grant for 2022/23

The distribution of the new budget total for the Veterinary Sciences Grant of R195 million according to university for 2022/23, based on the net reduction of R7.570 million (3.74%), is set out in **Table 8**. The decrease of 3.74% was applied across all the relevant universities. The R15 million mentioned in the 2021 Ministerial Statement has been reprioritised towards NSFAS.

Table 8: Revised funds for Veterinary Science programmes

Year University	2022/23 (R'000)	Revised 2022/23 (R'000)	Decrease (R'000)	% Decrease
North West	9 217	8 873	344	3.74%
Pretoria	182 109	175 301	6 808	3.74%
South Africa	3 343	3 219	124	3.74%
Tshwane UT	7 901	7 607	294	3.74%
Total	202 570	195 000	7 570	3.74%

2.8 Presidential Youth Employment Intervention: University Graduate Assistants

In the 2021 Adjusted Estimates funds, an amount of R90 million was allocated for the Presidential Youth Employment Intervention: University Graduate Assistants. The aim of the programme at universities is to provide recently qualified university graduates temporary employment to obtain workplace experience. A further R94.500 million for 2022/23 and R99.225 million in 2023/24 has been allocated for this programme.