



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

Government unveils innovative blueprint to fund SA's poor and missing middle students

21 November 2016 - The Director-General for the Department of Higher Education and Training (DHET), Gwebinkundla Qonde, and the Chairperson of the National Student Financial Aid Scheme (NSFAS), Sizwe Nxasana — who is also the head of the Ministerial Task Team (MTT) that is investigating a comprehensive funding model for poor and “missing middle” students — today presented the MTT's recommended model to the Presidential Commission on Higher Education and Training.

The DHET has been exploring various options for funding the broad range of students who require financial assistance for some time. A policy dialogue on finding a broad agreement on a suitable model was in place from July 2014, however by the end of the 2015 academic year it was clear that another approach was needed to fast track the development of a revised student-funding model. Hence, the DHET Minister, Dr Blade Nzimande, appointed Mr Sizwe Nxasana to lead a MTT on the matter in April this year.

The MTT has spent the past few months engaging with various stakeholders, culminating in the recent submission of its report and recommendations to the Minister in the form of a blueprint called the Ikusasa Student Financial Aid Programme (ISFAP).

This blueprint includes recommendations on how to fund and support students from poor and “missing middle” backgrounds who come from households whose annual family income is lower or equal to R600 000.

Among the MTT's recommendations are that Government needs to progressively provide free higher education at undergraduate level for students from financially disadvantaged

communities; provide adequate supplementary support to funded students to improve their chances of success and graduation; address issues linked to the recovery of funds where loans are offered; address issues of sustainable employment and decent work in the country post-qualification; and fast-track South Africa's production of scarce skills for the 21st Century by increasing the funding available for students studying towards occupations in high demand.

The overall objective of ISFAP is to adequately fund poor and "missing middle" students to succeed in their university, and Technical and Vocational Education and Training (TVET) studies. The proposed ISFAP model brings together NSFAS and the private sector into a public private partnership to enable this objective.

"While students studying any qualification will be supported, the MTT recommends an increased focus on science, technology, engineering and mathematics (STEM) qualifications. The ISFAP model will support students or graduates to play an active role in the economy post-graduation by helping link graduates with employers" Nxasana said.

To further strengthen the calls to active citizenry that are set out in the government's National Development Plan, the MTT recommends that funding be raised from government education and training departments; non-profit organisations; private sector B-BBEE skills levy and skills development expenditure; development finance institutions; foundations, local and international donors and the private sector; individuals; and retirement funds as well as social impact bonds.

It is envisaged that ISFAP students will receive funding structured as a mix of grants, loans and family contributions.

"The MTT recommends a unique means test matrix that identifies a different mix for students from different economic backgrounds. Students who come from very poor backgrounds would receive fully subsidised funding, while students from poor and middle income families would receive funding that is split between grant, loan and family contribution based on ISFAP's financial means test results, with a greater portion of their

studies falling in the grant section during their first and second year of study,” Nxasana added.

Qonde said the ISFAP was designed to not only provide students with sufficient financial aid to enable access, but also holistic support to ensure success.

The Department recognises that apart from a lack of funding, there are other factors that hamper a student’s ability to succeed at a tertiary level, including schooling background, access to appropriate academic and social support, and a lack of suitable accommodation for all students, amongst others.

Thus to stem the leakage out of the higher education and training system, and ensure that funded students exit the pipeline with a qualification, the MTT recommends that ISFAP students are offered full “wrap-around” support. This is to reduce dropout rates, minimise repeat years of study, and enhance graduation rates and active participation in the economy, including employment potential.

“Over and above paying for tuition, accommodation, books, food and a stipend, it is proposed that ISFAP-funded students also receive support, including study skills, induction, social networks and emotional wellbeing training, as well as life skills such as time and stress management,” Qonde said.

This support would be offered through programmes integrated into the Department’s backed student success programmes at universities and colleges.

“In addition, ISFAP recommends that funded students receive mentorship and counselling on financial fitness and guidance on how to obtain employment. Technology, in conjunction with face-to-face student self-reporting, will inform university programme coordinators if an ISFAP student is at risk of failing a course so that preventative action and remedial steps can be taken,” Qonde said.

The Cabinet has already reviewed the MTT’s full report and has approved that an ISFAP pilot project be implemented at various universities and one TVET college in 2017, to test

certain aspects of the model. The pilot will run in parallel to a feasibility study on the model, which will be performed in line with National Treasury regulations.

For this pilot, the MTT has set a target of R200 million for approximately 2 000 students studying towards scarce skills professions. These include medicine, pharmacology, actuarial sciences, engineering, chartered accountancy, artisan courses like welding and plumbing, and courses in the humanities and general sciences. Students funded through the pilot would be supported to the conclusion of their programmes.

Although ISFAP's full vision addresses both the poor and "missing middle", the pilot would for now be restricted to the "missing middle", with NSFAS continuing to support the poor through its current model. If the pilot is successful and a decision is made to roll ISFAP out, the NSFAS student-centred model would then be integrated into the overall scheme.

The key objective of the 2017 pilot would be to test the focused implementation of certain elements of the full ISFAP blueprint, using partner systems to allow the funding of selected students.