



UF NEWS

A Newsletter of the Universities Fund

Key Government Agencies Sensitise Media on New Higher Education Funding Model

Vice chancellors of local universities have made far-reaching proposals aimed at aiding the institutions to recover from a financial turmoil that has pushed them into a Sh60.6 debt.

Key Government agencies involved in placement and funding of university and TVET students have sensitised journalists on the New Higher Education Funding Model to ensure the media relay corrected messages to the public.

The Universities Fund organised the sensitisation workshop at the Lake Naivasha Resort on August 11, 2023 ahead of first year students admissions in September 2023.

Universities Fund Chief Executive Officer Geoffrey Monari said university financing was a critical component of education in Kenya explaining why the National Government had made bold steps to ensure funding was streamlined.

Mr Monari said the new scheme was the panacea to the problems afflicting the higher education sector as students will be funded based on their various levels of need as opposed to block funding of universities.

"The 2023/2024 students would have been funded at 35 percent if we had continued with the Differential Unit Cost model," he said.

The event was attended by Kenya Universities and Colleges Central Placement Service (KUCCPS) boss Mercy Wahome and her Higher Education Loans Board counterpart Charles Ringera. The scheme will apply to the 2022 Kenya Certificate of Secondary Examination (KCSE) graduates, with continuing students being funded based on the previous model. The government has set aside Sh34 billion to fund continuing students. A total of 869,782 candidates sat the KCSE examination, with 285,167 being placed to 282 higher learning institutions.

Of these, 140,107 qualified for degree programmes in universities, 560 were

placed in secondary teacher training colleges while 144,500 will study diploma, craft artisan and certificate courses in TVETS, national polytechnics and colleges. President William Ruto rolled out the new model in May 2023 in a bid to streamline the sector and help public and private universities tame the Sh60 billion collective debt.

With a shrinking capitation and ballooning number of students, Mr Monari said the new model will boost autonomy of universities, increase research output and encourage investments through partnerships with the private sector.

"Universities will plan better to ensure they have a lean team they can manage. They will be motivated to raise additional resources to make sure quality is maintained," he stated.

In addition to Sh19.6 billion being set aside for the debut cohort, Mr Monari said universities have instituted a 15 percent discount on all programmes for government-placed students. Mr Ringera said adequate funding of the sector will help produce globally competitive graduates. He said the new model not only pushes for fairness in the allocation of funds but also equity, ensuring most deserving students get more funds.

With the application deadline set for October 7, 2023, Mr Ringera said the organisation had established 28 branches in different Huduma Centres where students could get assistance in applying for loans.

He said the Exchequer has doubled the organisation's allocation for the current financial year to Sh30 billion,



Universities Fund Chief Executive Officer Geoffrey Monari explains the benefits of the New Higher Education Funding Model during a media sensitisation forum at Lake Naivasha Resort, Nakuru County, on August 11, 2023.

with projections indicating that Sh145 billion will be required to finance students under the new scheme over the next five years. KUCCPS boss Dr Wahome said the new model will pressure universities to enhance quality of education and facilities so that they can retain students. Based on placement trends, Dr Wahome affirmed that programme costs had become a major factor in course selection as students preferred institutions with cheaper programmes.

She said: "We wanted students to make informed choices. Where in the past we had 20,000 students going for private universities, this time we had less than 10,000."

Allocation of scholarships and loans will be determined through a means testing instrument that will utilise parameters such as family economic background, affirmative active action, socio-demographic data (family size, marital status) and family education expenditure.

CEO Geoffrey Monari Calls for Increased Varsity, College Enrolment to Improve Local Economy

The government is planning to double the number of students joining universities in the next five years in order to improve competitiveness of the local economy.

Universities Fund Chief Executive Officer Geoffrey Monari said the ideal number of students enrolling for university education should be more than the 19 percent recorded in the 2022 Kenya Certificate of Secondary Education (KCSE). The ideal figure should hit 31 percent of the candidates sitting high school examinations by 2028.

Speaking during a media workshop at Lake Naivasha Resort on August 11, 2023, Mr Monari said the launch of the new funding model will ensure that most disadvantaged students get access to education

through equitable financing.

“We are producing graduates for our global market. You would rather have students who have gone to university rather than those who have not,” he said.

He pointed out that the new funding model will give more autonomy to vice-chancellors to manage the institutions better and raise quality of education in order to attract more students.

The workshop was organised to enhance journalists’ understanding of the new scheme and quell public anxiety regarding the future of higher education.

Also in attendance were chief executive officers Charles Ringera (HELB) and Dr Mercy Wahome (KUCCPS), whose organisations are jointly implementing the scheme.

The new model was introduced to assuage inadequate government allocation, low faculty compensation and limited autonomy and investment in research, among others, caused by the difficulties encountered in implementing the Differentiated Unit Cost system.

Mr Monari allayed fears that students could be locked out after the lapse of the application deadline, indicating that there was sufficient money to fund all of them.

“There is no student who will miss funding because the number of students placed in universities is significantly lower than we had estimated,” he said.

He urged universities to diversify their revenue sources and explore green energy, which will lower their electricity costs.

Students Set to Apply for Scholarships, Loans as CS Ezekiel Machogu Launches Online System

Education Cabinet Secretary Ezekiel Machogu has launched the portal students will utilise to apply for scholarships and loans as a bid to revamp the higher education sector in Kenya.



Education Cabinet Secretary Ezekiel Machogu launches the New Universities and Colleges Funding Model at the Kenya School of Government on July 31, 2023

Speaking at the event at Kenya School of Government on July 31, Mr Machogu said the new financing scheme will prioritise students from low income backgrounds by increasing their access to education and full State funding.

Mr Machogu said the New Universities and Colleges Funding Model that takes effect in the current financial year will be student-centred as opposed to block funding to universities and colleges.

“Fundamentally, scholarships will now be awarded on a need basis just like loans have been awarded in the past,” he said.

In the new funding model, all scholarships, loans and bursaries will have to be means-tested for each loan applicant, Mr Machogu said at the event where he also presided over the release of 2023/2024 student placement results.

He said 285,167 out of the 869,782 candidates who sat their KCSE examination in 2022 qualified to pursue degree, diploma, craft certificate and artisan courses in 282 training institutions.

President William Ruto launched the financing model on May 3, 2023 saying it will ease the financial burden in universities whose debt bill amounts to more than KSh60 billion.

"In TVET institutions, the increasing enrolment has led to a reduction in funding per trainee over the years, from Ksh30,000 to as low as Ksh17,000 a year," Mr Machogu said.

The model has delinked student placement with funding, thus requiring students to submit applications to Higher Education Loans Board (HELB) and Universities Fund (UF) for loans and scholarships, respectively.

The applications, he said, will be subjected to an evaluation that will determine the students' level of financial need based on the prescribed categories of vulnerable, extremely needy, needy and less needy.

Mr Machogu disclosed that the 45,000 university students and 42,000 TVET trainees categorised as vulnerable and extremely needy will receive full funding.

Continuing students, he said, will not be affected as they will still be funded through the Differentiated Unit Cost criteria.

UF Chief Executive Geoffrey Monari said the new financing scheme will

accurately determine the students eligible for 100 percent government funding.

Higher Education Loans Board chief executive Charles Ringera pointed out that the process of awarding loans and scholarships will be merit-based.

Criteria of allocation will consider student's family economic background, affirmative action and whether an applicant hails from a marginalised region.

Students have until October 7, 2023 to apply for loans and scholarships ahead of admission for their first semester in public and private universities.

Moving forward, universities and colleges will be required to publish all their programmes and costs to enable students make choices on the courses they want to pursue and institutions they would like to join.

Meru University Prioritises Resource Mobilisation to Expand Revenue Sources

The Universities Fund has held a capacity building session with Meru University on development of resource mobilisation strategies and enhancing strategic partnerships.

The workshop, which was held from July 17-18 at the university, provided senior managers with techniques for identifying projects that can generate additional revenue for the institution.

According to a document presented at the meeting, higher learning institutions have been encouraged to tap into their diverse portfolio of donors and stakeholders to acquire support in strengthening their internal infrastructure to boost research and innovation.

The initiative comes at a time when public and private universities are grappling with a collective debt of KSh60 billion resulting from inadequate State funding and increased student enrolment.

Universities Fund Deputy Director for Resource Mobilisation Nelson Kwamini said universities should harness numerous opportunities available through partnerships.



Meru University Vice Chancellor Prof Romanus Odhiambo (centre) leads a resource mobilisation workshop alongside staff from Universities Fund at the institution on July 17, 2023

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Mr Kwamini applauded the university management for being proactive, highlighting that higher learning institutions should prioritise strategic programmes that donors can finance.

Vice Chancellor Romanus Odhiambo called for alternative measures that will guarantee sustainability and quality of learning in universities.

Prof Odhiambo said that universities must find productive ways to complement their income sources so that they are able to execute their mandate.

"The ongoing changes in the higher education sector will have an adverse effect on universities' ability to continue effectively carrying out their missions," he said.

"Meru University needs to formulate fundraising strategies to make up for the shortfall in government capitation," the a joint communiqué released at the event said.

Other participants included Deputy Vice-Chancellor in charge of Administration Prof Simon Thurania, Deputy Vice-Chancellor, Finance and Planning, Prof Charity Gichuki and Academic Affairs Registrar Dr Elijah Walubuka.

The event also promoted dialogue around the tenets of resource mobilisation ranging from relationship building, communication and prospecting to organisational management and development.

The team signed a memorandum of understanding and agreed to setup a committee to finalise the resource mobilisation strategy.

Further, the university will be required to prioritise proposed initiatives based on their strategic significance and include implementation timelines and funding goals.

"Meru University must leverage existing networks, such as alumni, industry partners, government agencies and international organisations, to increase the reach and visibility of resource mobilisation efforts," the document noted.

The university announced it had lined up several development projects in line with the National Government's Bottom-up Economic Transformation Agenda that targets to alleviate the socioeconomic welfare of Kenyans.

They include construction of a science city to help remedy the shortage of STEM uptake, establishment of a leather tannery and teaching factory, and construction of more student hostels.

It also looks towards exploring green energy, construction of a teaching and referral hospital and establishment of an industrial park and sports centre.

FAQs about New Government Scholarships for University Students

What is the difference between the former university grant and the new Higher Education Government Student Scholarship?

The Higher Education Government Student Scholarship is a financial assistance programme provided to learners in public universities and TVET institutes. Funded through government resources, this scholarship aims to support students pursuing undergraduate, diploma, craft certificate and artisan education. The scholarship is based on the actual cost of the programme and the student's financial needs.

Who qualifies for the Scholarship?

To be eligible for the scholarship, one must be Kenyan and a 2022 KCSE examination candidate for university learners. He or she must have been placed by the Kenya Universities and Colleges Central Placement Service (KUCCPS) to pursue an undergraduate, diploma, craft certificate or artisan course at one of Kenya's accredited public universities or TVET colleges. Scholarship application is open to students who sat their Kenya Certificate of Secondary Education examination from 2022 onwards.

A student can apply for this government scholarship at any stage of their academic programme. Can a student apply for loan and scholarship in the same year?

Yes. Loans and scholarship awards will be categorized differently. A vulnerable student will get 82% scholarship and 18% loan of the cost of the programme. An extremely needy learner will get 70% scholarship and 30% loan of the cost of the course while a needy learner will get 53% scholarship, 40% loan and seven per cent household of the cost of the programme. Lastly, a less needy learner will get 38% scholarship,

55% loan and 7% family of the cost of the course to be pursued.

Can students below 18 years apply for the scholarship since we know those below that age have previously not been allowed to apply for study loans?

Minors – individuals who have not attained 18 years of age – who sat their KCSE examination last year and have been placed by KUCCPS in a public university or TVET college can apply for the Higher Education Government Student Scholarship. Once the individuals reach 18, they will be required to update their profiles to continue benefiting from the government scholarship and loan.

Is it a must for a student to apply for the Higher Education Government Student Scholarship?

It is not mandatory. It is advisable to only apply for the scholarship if you need government financial assistance.

What are the steps one needs to follow when applying for a Government Student Scholarship?

To apply for a Government Student Scholarship, visit www.hef.co.ke. Remember also to keep an eye on official communication channels and updates from the Universities Fund, the HELB and KUCCPS for announcements regarding application details and deadlines. Prepare the required documents, including academic records, personal details, student residential and education background. If necessary, gather letters of recommendation to support your application. Ensure you have the necessary documents available, including the "Consent to Collect Personal Data" form.

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