



UF NEWS

A Newsletter of The Universities Fund

Work Cut Out for Technical Team Reviewing New Funding Model

Head of Public Service Felix Koskei inaugurated the National Committee on Review of the New University Education Funding Model that is tasked with addressing challenges inhibiting equity in financing of higher education

Mr Koskei underscored the significance of the taskforce in transforming the fate of the higher education sector that is beleaguered by economic challenges. He spoke during the launch of the taskforce at KICC on September 24.

Through broad-based participation, Mr Koskei said the committee will ensure the Government meets its target of promoting access to quality and affordable tertiary education through the Student-Centred Funding Model.

He said recommendations by the taskforce will help set up a system that ensures tailored financial assistance to students based on their levels of need so that they can access education.

The model, which came into effect in 2023, was established to address financial barriers hindering access to affordable and quality higher education through provision of scholarships and loans, especially for the most vulnerable students.

"I urge you to put your personal interests aside and sacrifice your time and skills to come up with recommendations that can allow the country to have a formidable financial model for our universities," he said.



Chief of Staff Felix Koskei officiates the launch of the National Committee on the Review of the New University Education Funding Model at the Kenyatta International Convention Centre (KICC) on September 24, 2024.

To enhance realisation of the Government's policy of 'leave no student behind', Mr Koskei

72 Billion

Collective debt of public and private universities

23 out of the 40 public universities are technically insolvent

Funding in the 2023/2024 Financial Year

112,000 2022 KCSE graduates funded at cost of Sh24 billion

23 out of the 40 public universities are technically insolvent

said the committee will collect views from regulators, students, government agencies and other relevant stakeholders in a bid to

identify the gaps and plug them.

He lauded the model, pointing out that the first cohort of 112,000 students who sat the Kenya Certificate of Secondary Education examination in 2022 completed their first year of study under the Student-Centred Model at a cost of Sh24 billion.

The model was similarly applied to the 2023 KCSE graduates who enrolled in various universities and Technical and Vocational Education Training (TVET) institutions this year.

Mr Koskei appealed to the team to employ a robust and methodical approach in generating the report, while urging industry players to give their feedback to make sure the document is credible.

"As you start your work, you must bear in mind that the country has a lot of hope in you, and is anxiously awaiting your recommendations to allow our university students to start benefitting from a financing model that works efficiently and effectively."

Since the start of its implementation last year, the model has run into headwinds that may hamper the achievement of inclusivity in education.

Students recently sounded the alarm over the ineffectiveness of the system, complaining that it was disenfranchising them.

President William Ruto, thus, established the taskforce following increasing calls from stakeholders to scrap the model.

Continued on Page 2

Continued from Page 1

The 129-member committee will have the following four tasks: review and refine the New Funding Model for Universities and TVETs; assess cost of university academic programmes; address the structure of student loans; and review appeals arising from the categorisation of students into various eligibility bands for allocation of scholarships and loans.

“This muddle prompted the Government to devise a strategy to enhance the quality of education and also bail the universities out of their financial crisis to save them from a total collapse. Twenty-three out of the 40 public universities are technically insolvent,” Mr Koskei lamented.

Additionally, the model was introduced to replace the differentiated unit cost (DUC) model, which the government argued had plunged public and private universities into debts that have spiralled to more than Sh70 billion.

The model is also expected to give universities more room to explore residual income sources, promote

commercialisation of research and innovation, and strengthen institutional management to promote sustainability.

During the same event, Education Cabinet Secretary Julius Ogamba hailed the establishment of the committee as part of the government’s efforts to promote accountability and engagement in formulating and refining its policies.

Increased by Sh20.2 billion Amount of cashflow the new model has increased cashflow

Anticipated growth of university student enrolment up to 290,950 in 2027

Mr Ogamba said substantial progress has been achieved over the last two years since the roll-out of the system.

He underlined that the new funding model has led to increase in the number of resources injected into universities by Sh20.2 billion, with their financial recovery

projected to be achieved in the next four years.

“The model almost doubled the resources flowing to our universities, which had been increasing at a modest five percent each year. There was no doubt that the days ahead held great promise for revitalising the quality of education in our universities and TVETs, ultimately, for the benefit of our students,” he said.

Mr Ogamba noted that refining the model will create more opportunities for transforming the sector.

“We welcome your collective wisdom as well as feedback from Kenyans to ensure that the financing of higher education in Kenya is not only fit-for-purpose, but that the policy is fully embraced and remains at the heart of every student and their families,” he told the team.

He emphasised that the Government will provide a conducive working environment for the committee to deliver on its mandate.

HAPPY CUSTOMER SERVICE WEEK!

WE ARE COMMITTED TO GOING “ABOVE AND BEYOND” IN OUR MISSION TO PROVIDE SUSTAINABLE FUNDING FOR HIGHER EDUCATION IN KENYA

SUSTAINABLE FINANCING FOR UNIVERSITIES

☎ 0746737935 / 0207903331 📍 Hazina Trade Centre, Monrovia Street, 5th Floor

🌐 www.universitiesfund.go.ke 📘 Universities Fund 📷 universities fund 🐦 UFKenya

State Sets Up Committee to Solve Higher Education Financing Issues amid Uproar



Education Cabinet Secretary addresses members of the national committee reviewing the university and TVETs funding model, at KICC on September 24, 2024.

President William Ruto has gazetted a committee to review the implementation of the Student-Centred Financing Model following complaints raised by students and education experts.

President Ruto indicated that the committee will comprise students, experts, and other relevant stakeholders.

In a Gazette Notice on September 16, the 129-member National Committee on Review of the New University Education Funding Model will comprise four sub-committees that will operate for eight weeks.

The first sub-committee will be chaired by Prof Karuti Kanyinga, who is also the Universities Fund Board of Trustees Chairman, and will be required to review and refine the New Funding Model for Universities and TVETS.

The second unit, headed by Walubengo Waningilo, will handle appeals arising from the categorisation of students into various eligibility bands for allocation of scholarships and loans.

The third workstream, which will be headed by Robert Odour Otieno and co-chaired by Aron Bett, will assess the structure of student loans, while the fourth sub-committee will look into the cost of university academic programmes. Prof Mohamed Rajab was appointed as the chairman of the 37-member sub-team.

"The team will assess the

overarching cost structure of academic programmes as well as the emerging financing model in order to realise the collective aspiration for enhanced access to quality, relevant and affordable education," the notice read.

Each sub-committee will be supported by two joint secretaries and a two-member secretariat.

Education Cabinet Secretary Julius Migos said the step is designed to actively engage students in decision-making to help plug the gaps hindering access to and delivery of quality, affordable and sustainable higher education.

Mr Migos urged university student leaders to cancel their looming strike and give the committee a chance to address their grievances.

He said the taskforce will appraise the implementation of the model for KCSE 2022 and KCSE 2023 candidates who were placed in public and private universities and TVETS.

He added that the effectiveness of the means-testing instrument (MTI) in ensuring that the categorisation of students captures their social-economic realities will also be evaluated.

"In order to allow room for this open consultative process, the university student leadership is requested to call off the demonstrations scheduled for September 9, 2024. This will afford the students community the chance to contribute effectively to issues pertaining to their higher

education, while also progressing with their studies without disruption," Mr Migos said.

The MTI is a tool that determines students' levels of need by relying on moderating factors such as family size, expenditure in education, family structure, affirmative action, cost of programme, and national priority programmes.

The tool categorises students into five bands through which they receive scholarship of between 30 and 70 percent and upkeep loan of between Sh40,000 and Sh60,000.

The committee will also be expected to analyse and make recommendations for the rationalisation of the cost of university programmes and mobilisation of the requisite resources for funding university education.

Additionally, measuring the effectiveness of the appeals mechanism in the resolution of student categorisation concerns and challenges in relation to the bands for access of scholarships and loans also features in the committee's scope of work.

Following uproar over the cost of repaying the loans, the team is mandated to review the structure of students' loans regarding the terms of the loans, interest rates, penalties and repayment periods, while considering post-graduation employment and work prospects and incomes.

"The Ministry has been keen to engage all stakeholder in full appreciation of the reality that such engagement is necessary for the continuous enhancement of the model, to attain its defining elements," he said.

This task is particularly critical, owing to the number of appeals filed by students seeking to have their bands reviewed.

In August this year, Universities Fund Chief Executive Officer Geoffrey Monari disclosed that the agency was reviewing more than 27,000 appeals made by students seeking to be placed in more favourable bands.

Mr Monari explained that the applicants sought to be placed in bands that resonate with their economic situation.