Terms of Reference for funding norms of Further Education and Training Colleges

higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

DRAFT

TERMS OF REFERENCE FOR THE MINISTERIAL COMMITTEE ON THE REVIEW OF NATIONAL NORMS AND STANDARDS FOR FUNDING FURTHER EDUCATION AND TRAINING COLLEGES (NSF-FET COLLEGES)

PURPOSE

1. The main purpose of the Ministerial Committee will be to proceed with the review process of the current funding framework for Further Education and Training (FET) Colleges. The main reason for the review is to ensure the effectiveness of the funding framework in enabling FET Colleges to play a key role in producing a skilled and capable workforce to support an inclusive growth path. This will culminate in the finalization of the amendments of the funding norms that will be published by the Minister of Higher Education and Training for public comments.

BACKGROUND

2. In 2009 the Minister of Education, with the concurrence of the Minister of Finance and after consulting the Members of the Executive Councils (MECs), published the national Norms and Standards for Funding Further Education and Training Colleges (NSF-FET Colleges) in Government Notice No. 32010 of 16 March 2009. A copy of the funding norms is attached as **Annexure A.**
3. In June 2012, the Department of Higher Education and Training (DHET) developed a Concept Note for the review of the funding norms as a result, amongst others, of the shift of the

administration function from Provincial Education Departments (PEDs) to DHET. The Concept Note is attached as **Annexure B**.

4. The Concept Note was consulted extensively with stakeholders in the field of the Further Education and Training Colleges (FET Colleges) which include DHET officials, PED Officials, College Principals and FET Colleges Funding Norms Task Teams. The task team is composed of officials from National Treasury, South African College Principals Organisation (SACPO) and Further Education and Training College Employer Organisation (FETCEO) and it is responsible for monitoring implementation of the NSF-FET Colleges.

5. After the Concept Note was consulted with FET stakeholders as mentioned in paragraph 4 above, the inputs were considered and it was shared with the members of FET Colleges Funding Norms Task Team for their inputs. The draft amendments to the funding norms are attached as **Annexure C.**

6. The review process would create an opportunity to consider other aspects which were not catered for in the funding norms. These include:
   6.1 Funding for NATED Report 191 programmes and other skills programmes;
   6.2 Introduce a standard date for informing FET Colleges about enrolments determined by PED/DHET and indicative budgets for the following year;
   6.3 Introduce measures to deal with poor performance by FET Colleges rather than decreasing enrolments as it is currently stipulated in the funding norms;
   6.4 Provide for funding of hotels;
   6.5 Consider funding for bridging programmes e.g. Literacy, Mathematics, Science, etc. for further learning;
   6.6 Consider geographic location of colleges and poverty as rural colleges at times face challenges in sourcing funds from nearby industries (Private Sector);
   6.7 Make provision for access to and distribution of alternative funding sources (such as the National Skills Fund (NSF), Sector Education and Training Authorities (SETAs), etc.); and
   6.8 Review the funding of students with special needs to cater for different disabilities.

SCOPE OF WORK

7. The main tasks of the Ministerial Committee Review are as follows:

   7.1 Analyse the current funding framework to determine whether it is effective in achieving the goals of attaining a skilled and capable workforce to support inclusive growth path;

   7.2 Investigate other funding modalities of FET Colleges in other countries, make comparative analysis; and

   7.3 Diagnose the relevance of the current funding approach in the light of funding modalities in other countries as well as all developments that have taken place especially at FET Colleges e.g. diversification in terms of offering different types of programmes (NC(V) and Report 191), development of artisans, technicians, etc and propose the most appropriate funding framework for FET Colleges and propose the most suitable preferable funding model.

8. The committee must recommend what changes (if any) should be made to the current funding framework, taking particular account of the following:

   8.1 whether current funding framework and approach will be able to make it possible to achieve the enrolment target of 1 million students in FET Colleges by 2014 and 4 million by 2030;

   8.2 Funding of all Ministerial approved programmes and other skills programmes;

   8.3 how to deal with the under-funding of FET Colleges as a result of over-enrolment. The current funding norms deals with over-funding and application of claw back mechanism;

   8.4 whether the funding norms should continue using least cost of delivering the programme and apply funding formulas or use average cost to avoid administrative burden of applying and revising formulas (if needs be) at certain intervals;

   8.5 whether the current rate of college fee applied is appropriate; which is 20% of the total programme cost and what measures should be considered for adjusting;

   8.6 the funding requirements for distance education;

   8.7 the funding requirements related to experiential learning;

   8.8 how the earmarked recurrent funding should be applied in terms of its varied cost inputs per college and review relevance of Basic Minimum Package;

8.9 how to deal with poor performance by FET Colleges rather than decreasing enrolments as it is currently stipulated in the funding norms;

8.10 Funding for bridging programmes e.g. Literacy, Mathematics, Science, etc. for further learning;

8.11 The efficiency rates such as pass rate, throughput rate, certification rate, etc taking into cognisant that some colleges have been put under administration; and

8.12 Recommending on how to subsidise private FET Colleges considering the draft conditions attached (Annexure D).

9. Advice on how FET Colleges can administer the recovery of college fees that in some cases culminate in bad debts.

10. Pay particular attention to making the funding framework to respond to the needs of:
    a) Historically disadvantaged FET Colleges; and
    b) Rural colleges taking into cognisant of the small campuses that are far apart from the central offices.

11. Review the funding of students with special needs and recommend funding to cater for different disabilities.

12. Propose the funding mechanism for compensation of College Council members.

13. Determining the minimum size of a college and a campus which would be economically viable whilst delivering optimum outcomes.

14. Determine a funding framework for hostel accommodation that will be separate from the NSF-FET Colleges.

15. Develop guidelines on how other sources of funding such as Sector Education and Training Authorities (SETAs) and National Skills Fund (NSF) could contribute towards college expansion with an easy access to such funds by FET Colleges. Consider whether other skills

16. Notwithstanding the scope of work outlined above, the Ministerial Committee is at liberty to include any other area of focus that is deemed pertinent to its investigation which will be within the project budget and timelines.

DELIVERABLES

17. The key deliverables which should respond to the scope of work are as follows:

    17.1 Provide the DHET with a process map (project plan) indicating the timeframes on the activities to be carried out relating to their scope of work, within two weeks of commencement of the project;

    17.2 Submit a draft report to the DHET for review in eleven (11) months after the date of appointment of the Ministerial Committee;

    17.3 Submit a final report to the DHET with findings, recommendations and proposed implementation steps on the revised FET Colleges funding norms, one month following submission of the comments by DHET on the draft report. The Minister will be briefed timeously on the progress made;

    17.4 Report with clear recommendations on proposed amendments to the funding norms focusing on:

        17.4.1 Recommendations required as listed in paragraph 8 above;

        17.4.2 Funding mechanism for compensation of college councils;

        17.4.3 Mechanism of subsidizing private FET Colleges;

        17.4.4 Funding framework for hostel accommodation; and

        17.4.5 Guidelines on how to source other funding e.g. SETA, NSF etc.

    17.5 A comparative analysis of different funding modalities applied in different countries;

    17.6 Draft national policy or guidelines on how to recover students' debts; and

17.6 Draft national policy or guidelines on how to recover students' debts; and

17.7 Draft amendments to the current NSF-FET Colleges after taking into account the review process.

18. The product of the work of the Ministerial Committee will become the property of the DHET.

COMPOSITION OF THE MINISTERIAL COMMITTEE

The members of the Ministerial Committee are:

a) Professor Ahmed Cassim Bawa

b) Professor Pundy Pillay

c) Professor John Aitchison

d) Dr Charles Sheppard

e) Dr Gerald Ouma

f) Professor Pieter Vermuelen

g) Professor Divya Singh

h) Professor Stephen Khehla Ndlovu

19. The committee can also work with other key centres of excellence in the planning such as the National Planning Commission (NPC).

20. The Minister will appoint public service officials to work with the committee as Reference Group.

21. Financial Planning Directorate at the DHET will be part of the secretariat of the committee.