

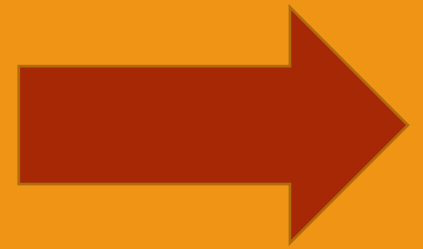


higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

Ministerial Committee on the review of the funding frameworks of TVET Colleges and CET colleges

Towards recommendations



Committee has still to table final report to the DHET.
This presentation can only note tentative findings.

The Committee brief

The brief

Inter alia:

- Do the current funding frameworks work?
- What is the most suitable and preferable funding framework(s)?
- Should the funding approach be more diversified?
- Do we need funding legislation amendments?
- Can we expand and yet not underfund?
- Efficiency and dealing with poor performance

The brief (continued) – community colleges

- Relevance of current adult learning centre funding?
- Determine the typical characteristics of the proposed Community Colleges: performance, accountability, growth potential, viable size, etc.
- Types of vocational qualifications and costs
- Where should new Community Colleges be established or merged?

The national context affecting TVET and Community Colleges

Post-school education as a public good

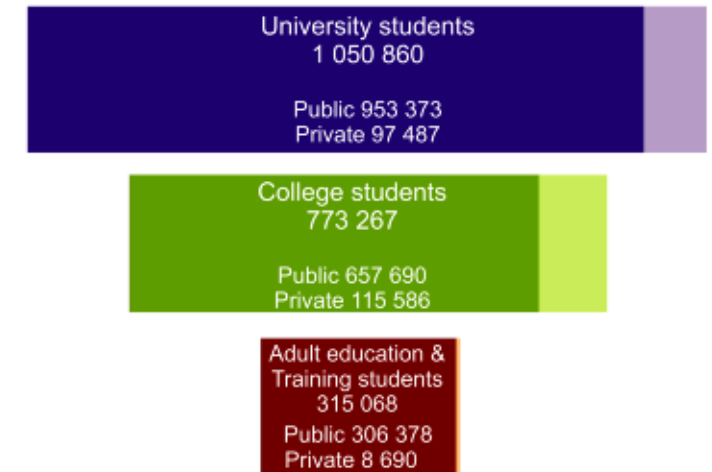
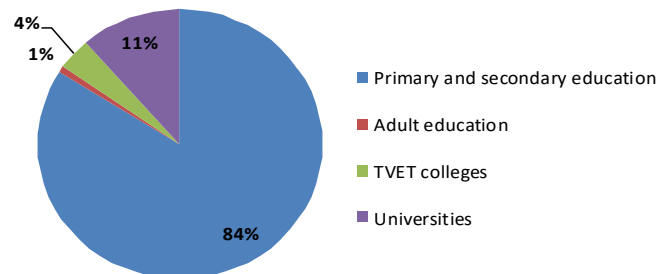
- PSET as a public good
- Five principles of action:
 - Access
 - Diversity of programmes
 - Articulation
 - Differentiation of institutions
 - Capacity building
- TVET Colleges and Community Colleges serve the really disadvantaged
- The economic rationale for technical, vocational and basic education skills

An overview of post-school education and training

- The changing education landscape
- The odd, inverted pyramid, (out of) shape of post-school education and its funding
- Ambitious PSET massification goals
- The (original) community college proposals

- Change the shape?
- Do we really want low quality massification?

Education expenditure estimates
2015/2016



Not in Education, Employment, or Training
[18 to 24 year olds]
2 945 018

THERE ARE MORE OUT THAN IN !

The TVET colleges

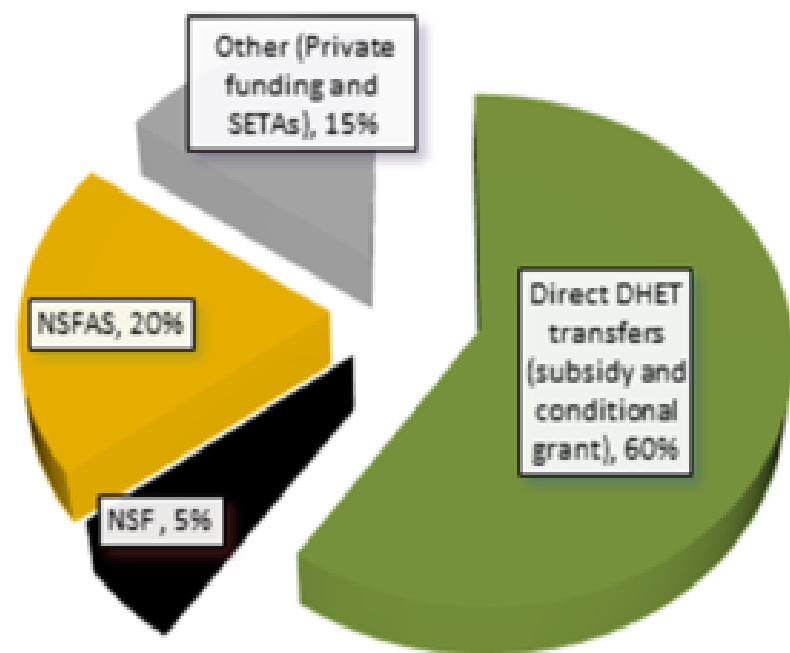
- Current funding is insufficient (and growingly so) and inequitable (because state grants based on historical provincial allocations).
- Problems of massification and underprepared students - very poor throughput rates
- Mergers of 2002 (from 150 to 50) ended parallel race segregated institutions but led to closure of many smaller colleges serving rural people
- Recapitalisation in 2005 helped infrastructure and capacity
- Poor articulation between TVET colleges and other education sectors
- Current funding is programme subsidies and conditional grants

The TVET colleges (continued)

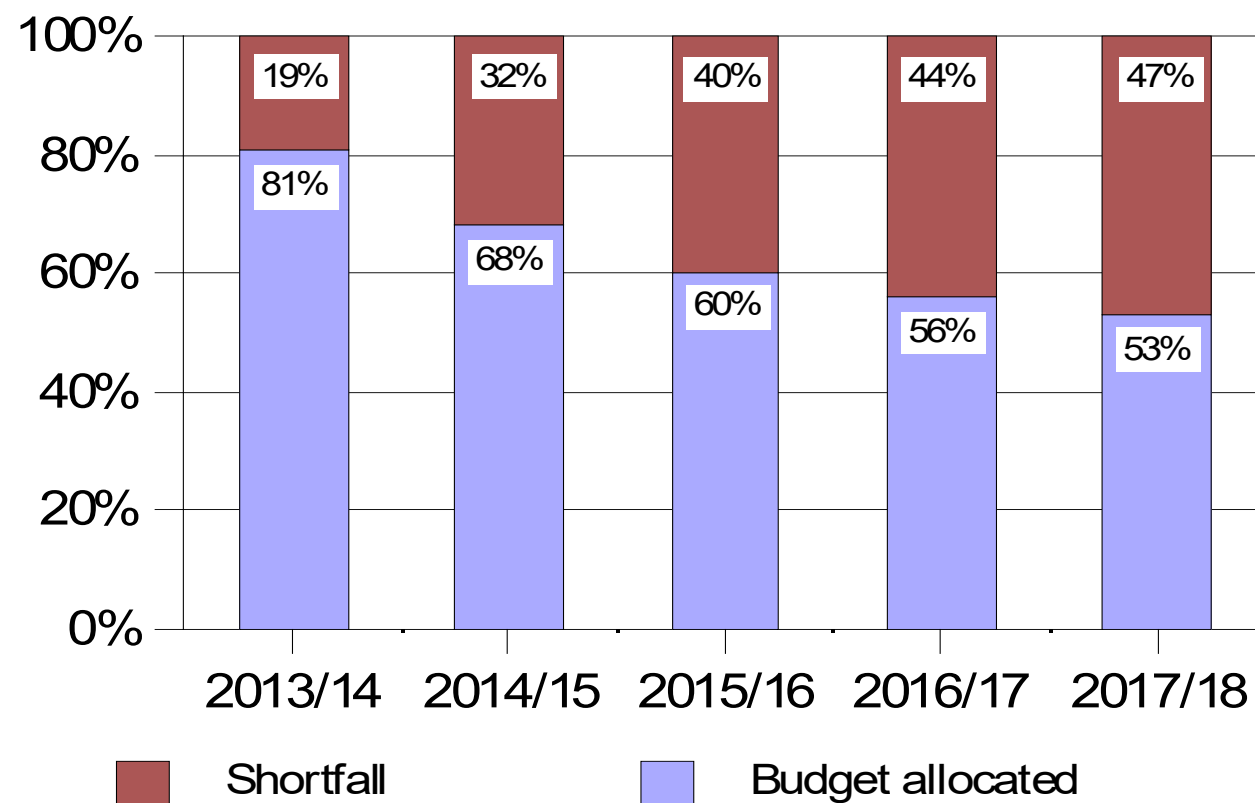
- Fair funding would pay equal rand values per weighted FTEs.
- This is not the case - baseline allocations of conditional grants are based upon historical allocations (i.e. some provinces are unfairly advantaged).
- No allowance made for whether colleges are urban or rural, small or large or effective in throughput or not.
- TVET colleges only receive a percentage of the what they should be granted according to the funding formula.
- This shortfall has grown from 19% in 2013/2014 to 44% in 2016/2017 - heading towards a major crisis.

The TVET colleges (continued)

TVET college funding 2013
(Total R9.1 billion)



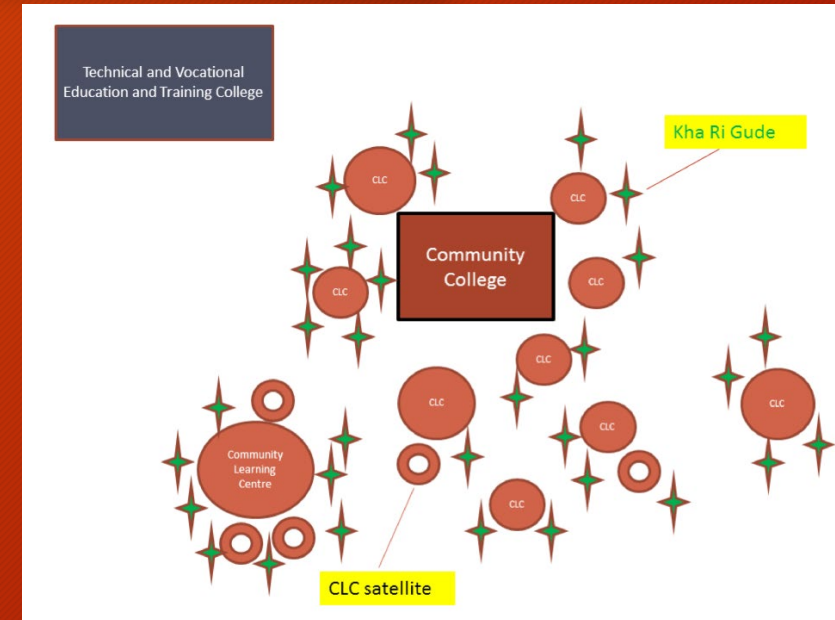
Estimated shortfalls as % of required funding



The Community Colleges and their Community Learning Centres

- The Public Adult Learning Centre (PALC) system
- The new Community College policy
- An abortive transition from PALCs to CCs linked to a bureaucratic function shift
- There are no actual community colleges or pilots
- Current funding is totally inadequate and pays mainly temporary contract underqualified educators

- More money (1.5% of education budget and then benchmarked %)
- A proper holding operation and new implementation plan
- Serious curriculum and materials provision



Section 3: International post-school systems

International post-school systems

- Literature review
- Brazil study

Large number of issues and potential recommendations related to funding:

- Comprehensive ACET policy and legislation needed
- The appropriate weighting of funding for TVET, Adult Education and Universities
- More differentiation of provision and institutions
- Better overall institutional framework co-ordination

International post-school systems (continued)

More issues and potential recommendations:

- Better overall institutional framework co-ordination
- Decentralised governance - central governance impractical
- Part-time and flexible modes of study - how to fund
- Fund only a manageable set of qualifications
- Career guidance must be funded
- Articulation and transfer incentives
- Underprepared student programmes
- Educator and trainer development funding (incentives to universities)

International post-school systems (continued)

Even more issues and potential recommendations:

- Better data and EMIS and data requirements for funding
- Funding of research
- Funding from local government
- Better mix of funding sources
- Special funding agencies of DHET
- Using and funding private providers
- Free tuition (post *#Fees must fall*)
- Refined funding formulae

continued

International post-school systems (continued)

More issues and potential recommendations:

- Output based funding
- Expenditure ratios
- Proportion of the national education budget
- Financial aid reform

Internationally countries with general equality among citizens prioritise good secondary education for all, unequal societies tend to prioritise funding of universities for an elite.

Provision and access to colleges

- The issue of under-preparedness of students looms large - whose responsibility is it to fix what the schools have failed to do?
- Fair access to post school education requires all citizens to have benefited from quality secondary education

Monitoring, evaluation and research

- Unless we know what is going on we cannot deploy funds strategically

Recommendations the Committee will make

The numerous draft recommendations are necessarily provisional as the report still has to be accepted by the DHET.

A funding framework for colleges

- The core principle is that of effective provision
- Dividing the cake rationally and equitably
- There should be an urgent and substantial increase in TVET and Community College funding
- Funding benchmarks are needed, e.g. for the academic and support staff ratio
- Balance between expansion and quality (with output weighted and key programmes funded)
- Agreed upon enrolment plans
- Formulae refinements for variable course costs and for disadvantage and advantage

A funding framework for colleges (continued)

- Provincial disparities in TVET and Community College funding based upon old provincial allocations must end.
- Bridging for underprepared students for foreseeable future (and this will cost)
- Major development funding needed for community colleges (adult education)
- Major course and materials development (especially for Community Colleges)
- Poor performance remedies - output based factor in subsidy formulae

A funding framework for colleges (continued)

- Funding predictability is essential - growing shortfalls in TVET college grants a recipe for disaster
- There should be free tuition in TVET and Community Colleges - there is no doubt that, unlike in universities, that these students are predominantly from the poor.
- Current NSFAS funding to TVET colleges (which are grants not loans) should become part of baseline funding.
- Living allowances for indigent students should be in the form of vouchers and linked to performance.

A funding framework for colleges (continued)

- TVET Colleges should retain profits from programmes
- Fiscal governance of TVET Colleges should be improved and started in the to be Community Colleges
- Universities should restore the capacity they abandoned in the last 15 years to support adult educator development