




Briefing on NSFAS student-centred model of financial aid


Standing Committee on Appropriations
21 October 2014

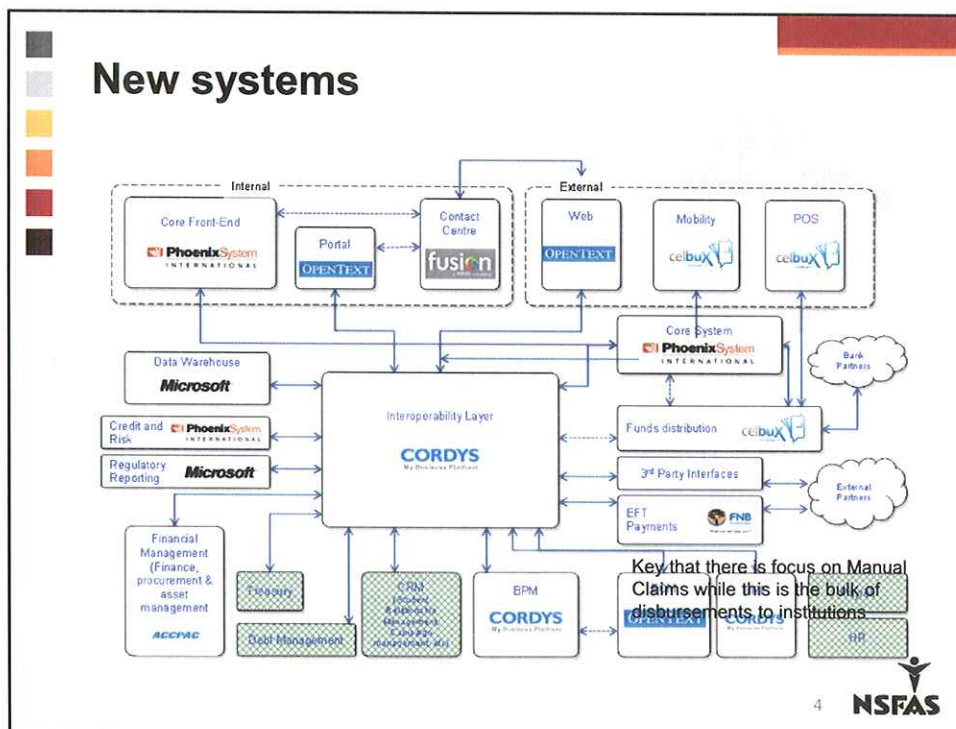
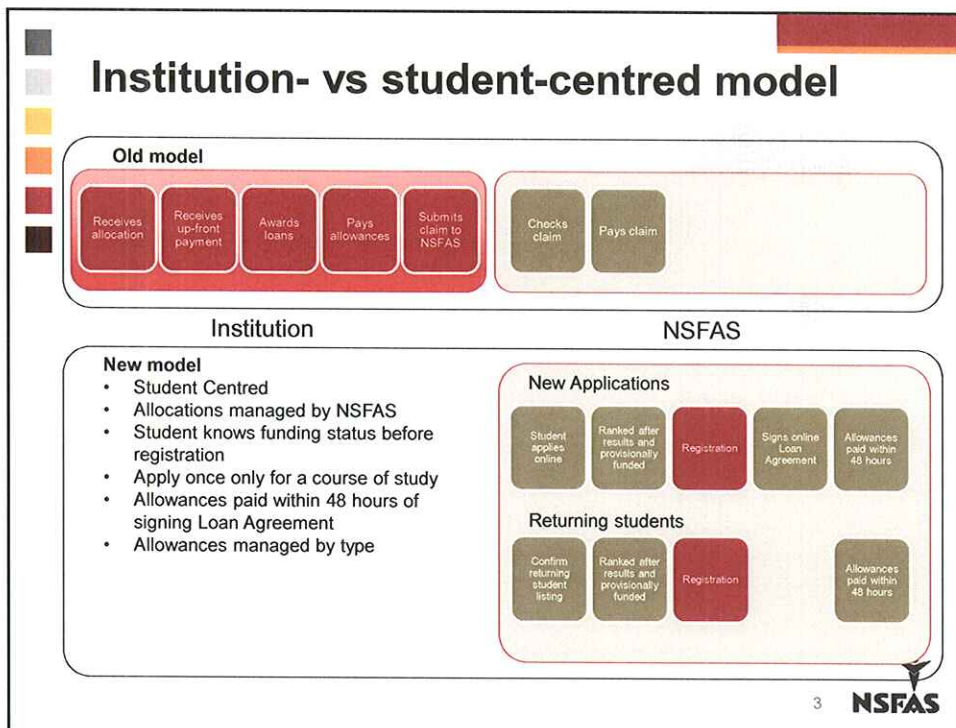
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Background

- Despite the significant increases in funding since the NSFAS Act was passed in 1999, the structures, policies and systems had not kept pace with growth in funds
 - The Loan Management System developed for TEFSA was still in use but was outdated and not fit for purpose
 - This contributed to the Auditor-General's Disclaimer of Opinion in 2010
 - The institution-centric system uses an Allocations Formula based on the Full Cost of Study (FCS) and race to determine financial need, and does not take income into account
- Despite the growth in funds, supply still falls short of demand
 - Institutions disregard the Means Test results and “topslice” loans
 - This achieves access but hinders success

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Benefits of the student-centred model

- Automated means test, checked against government databases DOHA, DSD, SARS, PERSAL
- Standardised process – no paper LAFs, speed of processing
- Alignment with admissions and registrations processes
- Visibility of funded learners and returning students early in process
- Fraud detection and prevention
- Improved governance through new systems
- Funding reaches intended beneficiaries
- Ability to develop partnerships to link financial aid to work experience, skills development and employment due to technology capabilities
- Raise and manage additional funds for student financial aid

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Challenges

- Student-centred model has high dependency on accurate student and institutional data.
 - This has been a serious challenge for most universities and colleges in the pilot phase.
- Dates where data or action is required, particularly for funder-selected bursary students, need to be aligned to academic calendar.
 - Non-alignment requires granting of temporary loans, and cancellation of these loans when bursary decisions are made by funders.
- Processes to facilitate walk-ins and late registrations at TVET colleges as few students apply before registration period.

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Questions and discussion

The doors of learning and culture shall be opened!
Freedom Charter, 1955
White Paper on Post school Education and Training, 2013

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