**Memorandum from the Parliamentary Office**

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 605**

**DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 17/03/2017**

**(INTERNAL QUESTION PAPER 10 OF 2017)**

**Prof B Bozzoli (DA) to ask the Minister of Higher Education and Training:**

(1) With regard to the funding by the Government of the 2017 university fee increase of 8% for missing middle students who do not qualify for National Student Financial Aid Scheme, (a) what is the total number of students who (i) have been funded to date and (ii) are still expected to be allocated funding, (b) what procedure did students follow to apply for the funding and (c) what is the total amount of the specified funding that has been paid out to universities where the students have been accepted;

(2) whether the entity that was managing the applications for State funding is a private contractor; if not, why not; if so, (a) was a tender advertised for the contract, (b) what were the costs of the contract and (c) for what period was the contract undertaken?

**NW663E**

**REPLY:**

(1) (a) (i) and (ii).The total number of students that will be funded is not yet quantified. Universities are still processing and verifying applicants’ information. Universities will be expected to verify the number of qualifying students and claims before submission to the Department on 31 July 2017.

(b) The Department after consultation with the Finance Executives Forum task team appointed by Universities South Africa (USAf), as well as university Registrars and Finance Executives, developed a process roadmap for the identification and verification of the “missing middle” student cohort that would qualify for funding, provided they applied. The Department and universities reached an agreement on the eligibility criteria, a framework to identify missing middle students and principles for a verification and appeals process. The Department submitted an agreed-upon application and consent form to all universities on 15 December 2016 for implementation. Grant applicants have to submit their forms to their respective universities.

(c) A total of R2.460 billion has been set aside in the 2017/18 financial year to fund the estimated increase in university fees of up to 8% for all students from families with a combined annual household income below R600 000. This covers the increase for National Student Financial Aid Scheme (NSFAS) qualifying students, as well as an estimated number of “missing middle” students that are expected to apply for the grant. The funds were reprioritised from the National Skills Fund. To assist universities with cash flows until 31 March 2017, upfront payments to universities amounting to R1.045 billion were transferred in three equal amounts between February 2017 and March 2017. The balance of the allocation will be paid to universities once the process of verifying the “missing middle” students who have applied for the grant at each university, and quantifying the exact amount required to cover those students who qualify for the grant, has been finalised and officially communicated to the Department. The fee adjustment must be shown as a separate credit entry on the financial statement of each eligible student after completion of this process. The final amounts claimed will be subject to an audit as part of the 2017 annual reporting and Higher Education Management Information System (HEMIS) auditing process.

(2) (a) No tender was advertised by the Department, as each university is responsible for the appointment of their own service providers to manage the process of verifying applicants at their institution, and submitting their claim to the Department.

(b) Not applicable.

(c) Not applicable.

COMPILER/CONTACT PERSONS:

EXT:

DIRECTOR – GENERAL

STATUS:

DATE:

QUESTION 605 APPROVED/NOT APPROVED/AMENDED

Dr BE NZIMANDE, MP

MINISTER OF HIGHER EDUCATION AND TRAINING

STATUS:

DATE: