LUKENYA UNIVERSITY

ISSN 2663-3183 MULTIDISCIPLINARY JOURNAL (LUMJ)

Vol 1, (1), p.31-38

Funding of University Students: The Case of Regular Students of Rongo University, Kenya

Omito, O

Umma University

Correspondence author: oomito@umma.ac.ke

Article history
Received: August 18, 2020
Received in revised form: September 18, 2020
Accepted: October 2, 2020
Available online: https://research.lukenyauniversity.ac.ke/

ABSTRACT

The funding of learning in higher education is important towards increased access to requisite skills and knowledge for economic growth. This study investigated the adequacy of Higher Education Loans Board (HELB) funding in meeting the needs of Rongo University students in Kenya. The students' needs investigated include tuition, meals, learning materials, accommodation and travelling costs. HELB is mandated by the Government of Kenya to provide affordable loans towards students' education. A survey design was employed in the study. Questionnaires were used to collect data. Random sampling technique was used to select a sample size of 28 students from a population of 30 second year students. Findings suggest that majority of the students received inadequate HELB funds for meals, accommodation, learning materials and tuition fees. It is recommended that unequal loaning that is pegged on academic merit of students joining university education should be aradicated to avoid discrimination of other deserving needy cases.

Key words: Privately sponsored students, Government sponsored students, funding, regular, accommodation, meals, tuition fees

1.0 INTRODUCTION

University and college enrollment has grown rapidly since the mid-1980s, with over 20 million undergraduates presently enrolled in different institutions of higher learning in the whole world, (United States. Department of Treasury and Education, 2012**)**. Out of this enrolment, majority of students (73 percent) attend public institutions, ranging from local community colleges to large research institutions. This is because postsecondary education has become an increasingly important determinant of a worker's earnings (United States. Department of Treasury and Education, 2012**).** In 2019, Kenya alone had a total of 688,928 students who qualified for government support for higher education (KUCCPS, 2020).

While postsecondary education has become increasingly important, there has also been growing concern about the nature, quality, cost and affordability of higher education in the world. This is because the rise in student population through adoption and application of different modes of learning, has raised concerns about quality of public university education (Mbirithi, 2013).

In Africa, student enrolment at higher learning institutions is equally on an upward trajectory, with many countries in the continent just as elsewhere in the world having resorted to asking students and their families to contribute to the ever rising costs of education. Education authorities in many African countries are apparently adopting the "cost sharing," options which is aimed at rescuing the foundering higher education systems and providing a basis for sustainable improvements (Bollag, 2004).

The primary weakness of both universities and colleges is their inability to help students from low income households to escape the impoverished conditions in which they grow up. The vast majority of students from low income households cannot make it to join colleges or universities. By the time they are sixteen or seventeen years old, either they have already dropped out of school or they lag well behind their peers educationally (Levine & Nidiffer 1996, p. 159 as cited by Kuh, Kinzie, Buckley & Hayek, 2006). Therefore, choices need to be made by governments, parents and students on who should pay the cost of college and university education. This brings to the fore the value that stakeholders place on higher education (Johnstone, 2009).

Cost sharing in Kenyan higher education was introduced in 1991 as a response to the Structural Adjustment Program that was spear headed by the Britton hood institutions to revive the world economy (Thomson, Kentikelenis & Stubbs, 2017). The ever declining Kenyan budget could not keep pace with high student intake when the first cohort of the 8-4-4 of students entered the university. Under this new policy, students and/or their parents were required to cover both modest tuition fees and contribute to the costs of maintenance. A student loan program was established to enable the needy students to access higher education institutions.

There was established in Kenya a fund known as the Higher Education Loans Fund, managed and administered by the Higher Education Loans Board in 2005 to fund students from public universities. The law was amended in 2015 to accommodate students from private universities and colleges. The object and the purpose of the Fund was to provide affordable loans to assist Kenyan students to pursue higher education at such institutions within and outside Kenya, recognized by the Commission for Higher Education (Education World News, 2014). Once HELB determines that a student should be awarded a loan, it pays Ksh 8,000 (US$ 80) directly to the student university account towards the tuition fee. The rest of the loan is spent on upkeep for the students while in college or univeresity. That is, accommodation, meals and travelling costs among other costs. The students' financial support ranges from kshs. 40,000 (US$ 400) to kshs. 60,000(US$ 600) once a year depending on the level of need of students. Some part of this loan is directly paid into the students' university accounts as fees while the rest of the money is channeled into students' private bank accounts for subsistence (Kenya. HELB, n.d.).

1.1 Statement of the problem

There seems to be a point of agreement among scholars and stakeholders that investment in university education is the bedrock of economic prosperity. The world's economy is therefore dependent on strong and sustainable higher education. Higher education is expensive and needs the intervention of governments, stakeholders and parents to supplement where necessary. Rongo University, which was a constituent of Moi University in Kenya, admitted both government and self-sponsored students. Eligible students were receiving loans from Higher Education Loans Board while some other students opted not to go for the HELB loan thus, privately paid for their subsistence and tuition fees. The question that this study answers is: Is the funding for students' higher education adequate for their tuition, subsistence, accommodation and travelling costs?

1.2 Objective of the study

The objective of this study was to investigate the adequacy of funding of Rongo University students in meeting their needs such as tuition, subsistence, accommodation and travelling.

2.0 LITERATURE REVIEW

Student support in terms of support for fees, accommodation and travelling is a global concern. OECD research of 2012 suggested that student financial support systems that provide both loans with income-contingent repayments and means-tested grants not only promoted access and equity at the front end of higher education, but also led to better outcomes for students at the back end. A good example that was cited by OECD was Australia and New Zealand that used this approach to mitigate the impact of high tuition fees to encourage disadvantaged students to enter higher education and reduce the risks of high student loan indebtedness (OECD, 2012).

In Toronto Canada, the government in the year 2010 provided financial assistance to needy students to cover their tuition fee costs and/or living expenses thereby ensuring that qualified low income students were not precluded from attending higher education due to lack of resources. The Canadian Government also encouraged higher education participation by underrepresented minority groups. But in some countries access to financial assistance was not based on need, but on academic merit with qualified students paying no tuition fees or significantly lower tuition fees and often even having access to free or subsidized student housing (Marcucci & Usher, 2011).

Milburn (2012) in his independent review of a progress report on social mobility and child poverty in the United Kingdom found that majority of universities' access expenditure went on financial support to students, primarily in the form of bursaries. He noted that when students are facing financial pressures, lower-income families fear that a place at university for their child will incur a mountain of debt. The priority which universities accord to provision of financial support is understandable. Hence bursaries and loans for the disadvantaged young people and the marginalized group are inevitable.

In Nigeria the federal universities were expected to be granted increased autonomy under proposed legislation, which included the right to introduce tuition fees. Nigeria's university leaders were unanimous that such fees were necessary to improve the poor state of their institutions. They pointed to the growth of fee-charging at generally lower-quality private institutions as proof that many young people were willing and able to contribute to the cost of their education (Bollag, 2004).

In Kenya, the Higher Education Loans Board offers all eligible students a maximum allocation for tuition but the loan beneficiaries receive differentiated living allowances. The categories are developed on the basis of the parents/ guardians' financial ability, as described in the application form. Out of the university fees, the Higher Education Loans Board pays tuition fees of

Ksh 8,000 (US$348) direct to the universities for every student who is awarded a loan. The differentiated loan balances based on beneficiaries' economic needs are paid directly to their personal expenses through their respective bank accounts. In actual sense, the Government of Kenya's policy of cost-sharing allows for parental contributions as a supplement towards student's financial requirements (Otieno, 2004).

3.0 METHODOLOGY

3.1 Research Design

The research design used in this study was survey: A survey is an attempt to collect data from members of a population in order to determine the current status of that population with respect to one or more variables (Mugenda & Mugenda, 2003). The survey design was suitable because it was characterized by a systematic collection of data from members of a given population.

3.2 Target population

Target population is defined as all the number of a real or hypothetical set of people, events of objects to which a researcher generalizes the results of the research study (Borg & Gall, 1998). The target population for this study consisted of 30 second year regular students who were studying Bachelor of Education (Arts) whose one teaching subject was Business Studies. The target campus for this study was Rongo University, Town Campus.

3.3 Sample size and sampling procedure

To determine the sample size, both probability and non-probability sampling techniques were used. Convenient sampling was used to pick Rongo University and year two business class of Rongo University. The researcher settled on Rongo University because of its closeness and accessibility to the researcher. Again, Rongo University, like any other public university in Kenya was admitting government sponsored students. Year two business class students were also conveniently picked because the class was made up of all degree students that were eligible for HELB loans. Information generated from this group could be generalized for the entire beneficiaries of HELB loans because these students were admitted from all corners of the Republic of Kenya and the loan disbursement procedure was taken to be same for all other eligible applicants and beneficiaries in different institutions. For an appropriate sample size of business class students, a table provided by Krejcie and Morgan (1970) was used. The table gives the required the sample size for various population sizes. The total number of students in this second year regular business class at the Town Campus was 30. According to the table provided by Krejcie and Morgan (1970), the sample size for this study was 28 students. Since the population was not homogeneous and based on learner characteristics, the researcher used simple random sampling.

3.4 Research instruments

Questionnaires were used for data collection from the respondents on adequacy of HELB funding to meet the university students' needs of tuition fees, accommodation and subsistence. A questionnaire is a data gathering instrument used when factual information is desired (Best and Khan, 2003). It was important for this study because the researcher administering the instrument had an opportunity to establish rapport, explain the purpose under study, and as well explain the meanings of items that were not clear. The researcher used a closed questionnaire for this research.

3.5 Instruments validity and reliability

Face validity of the instruments was done by two experts based on the outcome of the pilot study. Six students that constituted 20% of the sample size were used for piloting. Reliability was done by split half method whereby coefficient of 0.77 was realized from odd and even numbers in the questionnaires for students. To obtain reliability of the whole test, the Spearman Brown Prophecy formulae stated below was applied:

$Rx = 2r / 1+r$ where:

r was the reliability coefficient resulting from correlating scores of the odd and even numbered items for part of the test; and

Rx was the reliability of the original (whole) test.

3.6 Data analysis techniques

The researcher used descriptive statistical methods to analyze the collected data. This included quantitative techniques. That is, percentages and total scores. Analysis of data was done on each and every question asked.

1.0 FINDINGS AND DISCUSSIONS

Questionnaires were randomly administered to 28 respondents by the researcher. A total of 27 questionnaires were duly filled and returned to the researcher. This was 96.4% response rate. According to Mugenda and Mugenda (2003), 96.4% response rate is accurate, excellent and representative.

From the analyzed research data, all respondents were second year students who were either government sponsored or self-sponsored. 21(77.8%) respondents were government sponsored while 6 (22.2%) were privately sponsored students. All government sponsored students were funded by Higher Education Loans Board managed by the Government of Kenya. The privately sponsored students opted to pay the cost of education. However, they were eligible to apply for HELB loans. The privately sponsored students received financial support for their education from other sources but the vote heads for their college expenditures on accommodation, fees and subsistence were not subsidized as those of government sponsored students. A good example is the cost of tuition which was ksh. 8000 (US$80) for government sponsored but kshs.50, 000 (US$500) for self-sponsored students in a semester. When respondents were asked whether the funds provided for their studies were adequate for their accommodation, 24 (88.9%) disagreed while only 3 (11.1%) agreed. This implied that many students could not access university accommodation due to high number of students in the university against very few hostels that were available at Rongo University. The majority of the students who could not be accommodated within the university resorted to commercial housing that levied very high fees that exceeded the amount that the sponsors left for students as subsistence. The cost of accommodation was relatively cheaper for students who resided in a university facility. This revelation showed that universities admit more students than their hostel bed capacities. When the self-sponsored students were asked about their ability to meet the cost of a commercial hostel, none could afford the rent. This suggested that the cost of housing in Kenya was above the reach of many university students despite the fact that most privately sponsored students were from rich families. When respondents were asked about their ability to meet the cost of meals, 21 (77.8%) respondents were unable to afford meals throughout the semester using the money they receive from their sponsors. Interestingly majority of the self-sponsored students, 3 (50%) could afford meals for the whole semester. This implied that the self-sponsored students were from rich families and hence their families were able to sustain their meals throughout the semester (Kuh, et al.2006). However, the study noted that the cost of housing was unregulated in Kenya and equally underestimated even by the rich families that could afford the cost of university parallel studies.

Tuition that was paid by the Higher Education Loans Board into the students' account was said to be inadequate to majority of the students. This was noted by 19 (70.4%) of the respondents. However, 3 (50%) of the privately sponsored students had no problem with their sponsors over tuition fees. It showed that the pursuit of higher education was not only limited to those who could afford it because a few students who could not afford parallel degree fees still had their way to the university. The reason could be that the government fee of kshs 8000 (US$ 800) does not reflect the actual fees that different universities and colleges in Kenya levy government sponsor students. Additional levies such as statutory fees which were not uniform in different universities were charged at different rates. It therefore forced this category of students to look for additional money to top up their tuition fees. On the other hand, the privately sponsored students seemed to be working on a fee structure with no hidden costs and that could have been the reason for prompt payment of fees.

Extra money for acquisition of learning materials remained a big challenge for both privately sponsored and government sponsored students of Rongo University. 24 (88.9%) declared that they had very little money to spend on the purchase of learning materials such books, manila papers, mobile phones etc. This was viewed by the researcher as a stumbling block in the students' capacity to search and create knowledge in the ever rich knowledge society. When students were again asked what other specific areas of funding should have been considered by their sponsors, 8 (29.6%) respondents who were the majority cited travelling, this was followed by entertainment at 22% and finally food at 14.8%. The study asserted that the sponsors should put in a number of considerations before making a decision of the amount of money to disburse to students for their learning needs.

In overall when students were asked to register their satisfaction in the way the university used the tuition fees from both the government sponsored and self-sponsored students to improve their welfare, 1(3.7%) did not give any response, 25(92.6%) who formed the majority did not agree while 1(3.7%) agreed. This meant that an overwhelming majority were not convinced that the Rongo University was offering students service that commensurate the fees paid.

5.0 CONCLUSION AND RECOMMENDATION

Based on the findings of this study, it was concluded that Higher Education Loans Board was a brilliant idea and should be funded properly by the Government of Kenya to continue expanding its base so as to reach the ever rising numbers of beneficiaries. The Government through HELB should aim at providing quality university education to all deserving population. This could be done by proper assessment of students' critical areas of need such as meals, accommodation, tuition fees etc. It recommended that HELB should treat all deserving Kenyan students equally without discrimination. That is to say, universities or colleges should abolish the student categories of self-sponsored and government sponsored programs when it comes to fees payment.

6.0 REFERENCES

Best, J. W &Khan, V.J. (2003). *Research in Education*. South Asia: Pearson Education, Inc.

Borg, W.R & Gall,M.D.(Ed.).((1998).*Educational Research: An* *introduction*,(4th ed.). NewYork: Longman publishers.

Bollag, B. (2004). Africa Region Human Development Working Paper Series. *Improving Tertiary Education in Sub-Saharan Africa: Things that Work.* Report of a regional training conference held in Accra, Ghana on September 22-25, 2003.

Education World News.(2014). Expanded

Role for Higher Education Loans

Board. Retrieved from:

https://www.universityworldnews.com/post.php?story=20140717101936914#:~:Text=Kenya's%20higher%20education%20loans%20board,In%20local%20or%20foreign%20institutions.

Johnstone, D. B. (2009). *Financing Higher Education:Who Pays and Other Issues.* Retrieved from: http://gse.buffalo.edu/org/inthigheredfinance/files/Publications/foundation_papers/(2009)_Financing_

Kenya. HELB (n. d.). Undergraduate loan (direct entry students). Retrieved From: Https://Www.Helb.Co.Ke/Product/Undergraduate-Loans/

Kuh, G.D.,Kinzie,J.,Buckley, J. A., & Hayek, J.C.(2006). *What Matters to Student Success: A Review of the Literature*. Commissioned Report for the National Symposium on Postsecondary Student Success: Spearheading a Dialog on Student Success. Retrieved from: https://nces.ed.gov/npec/pdf/Kuh_Team_Report.pdf

Krejcie,V.R.&Morgan, D.(1970). Determining Sample Size for Research Activities. *Educational and Psychological Measurement Vol. 30* No. 3 p.688.

Laws of Kenya (2005*). Higher Education Loans Board Act.* Chapter 213a.Revised edition. Retrieved from: www.kenyalaw.org

KUCCPS (2020). Placement of the 2019 KCSE cohort to universities and colleges. Retrieved from**:** https://www.kuccps.net/index.php?q=content/press-statement

Mbirithi, D. M. (2013). *Management Challenges Facing Kenya's Public Universities and Implications for the Quality of Education*. Unpublished PhD theses, Kenyatta University.

Milburn, A. (2012). University Challenge: How Higher Education Can Advance Social Mobility. A progress report by the Independent Reviewer on Social Mobility and Child Poverty. Retrieved from: **www.official-documents.gov.uk**

Mugenda,M.O., & Mugenda,G.A.(2003). *Research Methods, Quantitative And Qualitative approaches.* Nairobi :Acts Press.

OECD (2012*). How are countries around the world supporting students in higher education?* Education Indicators in Focus. Retrieved from: http://www.oecd.org/education/skills-beyond-school/49729932.pdf

Otieno, W. (2004). Student Loans in Kenya: Past Experiences, Current Hurdles, and Opportunities for the Future .*JHEA/RESA Vol. 2*, No. 2

Thomson, M., Kentikelenis, A. & Stubbs, T.(2017). Structural adjustment programmes adversely affect vulnerable populations: a systematic-narrative review of their effect on child and maternal health. *Public Health Rev 38*, **(**13). Retrieved from: https://publichealthreviews.biomedce ntral.com/articles/10.1186/s40985-017-0059-2#citeas

United States.Department of Treasury and Education, (2012**).** The Economics of Higher Education. Retrieved from: https://www.treasury.gov/connect/blog/Documents/20121212_Economics%20of%20Higher%20Ed_vFINAL.pdf