

FUNDING POLICY ON EXTENDED CURRICULUM PROGRAMMES (FOUNDATION PROVISION)

The ways in which foundation students are funded annually

Weighted FTE foundation students are annually funded in 2 ways simultaneously:

- By generating **teaching input subsidy** within the teaching input sub-block grant;
- Through the distribution of **earmarked (ring-fenced) state funds for foundation purposes**.

The additional funding of foundation students, which is currently in the form of earmarked funds, is imperative in the context of the preparedness of the students.

Determining an earmarked state budget for extended curriculum programmes for the whole university sector

The Department of Higher Education and Training (DHET) uses a university's proposed targets of enrolling extended curriculum students for the next couple of years, as reflected in the enrolment planning exercise, to set aside earmarked grants for the whole university sector in the Medium Term Expenditure Framework (MTEF) for the next couple of years.

A university should therefore ensure that its planned student enrolment in extended curriculum programmes is correct and reliable for the next couple of years.

The distribution of earmarked state funds for extended curricula amongst the Ministerial approved extended curriculum programmes within a university

A university has (and always had) full autonomy to distribute earmarked funds for extended curricula across Ministerial approved extended curriculum programmes according to its own requirements.

State foundation funds which a university may calculate for a particular state approved extended curriculum programme **may be used to cross-subsidize** other state approved extended curriculum programmes within the same university.

Funding policy has moved away from 3-year budget cycles to set aside funds for extended curriculum programmes. Extended curriculum programmes are now funded on a **continuous basis**. For funding purposes, the DHET will also not calculate funds per extended curriculum programme. The DHET will in year (n) use the audited **total** actual full-time equivalent students in extended curricula reflected in HEMIS for year (n-1) to determine in year (n) a university's earmarked state budget for extended curricula for year (n+1).

A university's state earmarked state budget for extended curricula for year (n+1) will be announced in the annual Ministerial Statement on University Funding, which will be released by December of year (n). Only one budget amount for extended curricula

per university for year (n+1) will be announced. The earmarked budget for extended curricula of a university for year (n+1) will be based, according to policy, on audited data of full-time equivalent foundation students in foundation courses recorded in HEMIS for the academic year (n-1).

A university may, if it wishes to do so, use weighted FTE student data, which is available within the university's own HEMIS database, in order to subdivide the earmarked grant for formal extended curricula amongst Departmentally approved foundation programmes. Eventually all parties concerned need to see all students in all Departmentally approved extended curriculum programmes to be showing great success rates and move on to graduate.

Restrictions placed on the use of earmarked state funding for extended curricula

A university may not use earmarked, or ring-fenced, state grants for extended curricula for other purposes than extended curriculum programmes. A university must ring-fence the grant for extended curricula, as they are not council-controlled discretionary funds. The grants, plus any interest earned, may be disbursed only against Departmentally approved extended curriculum programmes.

All expenditures must be directly linked with the additional course-load in extended curriculum programmes. Unspent earmarked state funds in a particular academic year must remain earmarked and transferred to subsequent academic years to be spent in these years on the additional course-load offered to students in extended curriculum programmes.

Earmarked state grants for the additional course-load in extended curriculum programmes allocated to universities may be used for staffing and running costs, materials development costs to support learning, and minor equipment costs (equipment with a unit cost of under R30 000), which are all related to the offering of those parts of an extended curriculum programme that are additional to the regular programmes.

Funds towards the additional course-load in extended curriculum programmes may not be used for the following purposes:

- major capital purchases (equipment with a unit cost of R30 000 or higher);
- construction or renovation of buildings;
- bursaries for students;
- funding of fee reductions for students.

The restriction of R30 000 noted above applies for the 2018 academic year. Universities could adjust this amount by Consumer Price Inflation (CPI) from 2018 onwards.

About 1% of the earmarked grants towards the additional course-load in extended curriculum programmes allocated to a university should be used to train staff that is responsible for the provision of formally approved extended curriculum programmes to students. These funds should primarily be used for the following purposes:

- University based workshops;

- Foundation staff participating in regional collaborations and to attend national initiatives in the additional course-load of extended curriculum provisioning;
- The design of a high quality extended curriculum;
- The development of self-directed learning;
- Facilitating multi-lingual classrooms;
- Encouraging the utilisation of assessment to develop learning;
- Developing the self-reflective practitioner;
- Assuring and promoting quality through and in the additional course-load in extended curriculum programmes; and
- Considering student selection and appropriate placement of students.

A university must ensure that it adheres to the foundation provision guidelines of the Minister, set out in the report “Foundation Provision in Departmentally Approved Programmes” of 15 May 2012 and the annual Ministerial Statement on University Funding, usually made available by December of each year. Failure to adhere to the foundation provision guidelines will result in the foundation provision grant being withdrawn from a university.

Reporting on progress within extended curriculum programmes

A university must submit to the Department a satisfactory progress report by 31 May of each year on foundation provision to students in the previous academic year. The Department will provide details of the required information to the university in the beginning of each year.

Earmarked payments to universities

40% of the budget for foundation provision for a university for year (n+1) will be transferred into the account of the university by 30 April of year (n+1), provided that the university’s full earmarked budget for foundation provision for year (n) has been approved to be transferred to the university during year (n).

This arrangement of advancing a university with 40% of their earmarked state budget for foundation provision will assist a university to cover some costs and activities during year (n+1) until such time that the annual progress and audit reports are evaluated and the remainder of the funds for year (n+1) are released by August/September of each year.

The accumulation of unspent earmarked state funds in the form of reserves

A university should plan for expenditures in areas such as:

- Bridging funds for salaries of foundation staff and other expenses from January to April before DHET makes available the first of two payments in a year into the account of the university;
- Bridging funds during the first 2 years of implementing newly foundation programmes until the enrolled foundation students are recorded in HEMIS, after which those student will generate earmarked foundation state grants; and

- **Proposed expansion of foundation provision** in the form of a larger percentage of first-time entering student being placed on extended curriculum programmes.

A university may use of its own funds, as well as student fees, to supplement the state's earmarked grant for extended curriculum programmes.

Taking all these sources of income into account, a university **may plan for a reasonable share of unspent state funds in the form of reserves.** These unspent funds will be reported on in the annual progress reports to the DHET.