



Since 2001

## Introduction:

- **FINANCIAL AID PRACTITIONERS OF SOUTH AFRICA**, abbreviated as **FAPSA** and hereafter referred to as **FAPSA**.
- FAPSA was established in 2001
- The principal office of FAPSA, a non-profit organisation incorporated under the applicable laws of the Republic of South Africa, will be set up at a location to be determined by the Management Executive Committee from time to time.



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## **Goals and Objectives:**

- The goal of FAPSA is to promote the best practice for student financial aid administration that will keep up to date with current and future developments and issues in this field of service.
- The specific objectives of FAPSA are to:
  - Promote the professionalism, preparation, best practice, effectiveness and networking of:
  - Financial Aid practitioners, administrators and counsellors of student financial aid in tertiary institutions, provincial and national government departments, parastatals, corporate organisations, and;
  - Others in tertiary institutions, government departments, foundations, and private and community organisations concerned with the support and administration of student funding/ financial aid.
  - Serve as a national forum and act as a focus and debate for the expression of views on matters relating to the development, funding and conduct of student funding;

## **Goals and Objectives (Continued):**

- Promote and encourage programs which enhance student development, cultural diversity and leadership;
- Serve effectively and efficiently the interests and needs of students, institutions, government departments and sponsors through coordination of plans and programs pertinent to student financial aid;
- Assist tertiary institutions, foundations, government departments, and private and community organisations to promote and develop effective programs of student financial aid;
- Facilitate communication between educational institutions and agencies and organisations which provide student aid funds;
- Promote research publications, conferences, workshops, symposiums and other related activities, as may be desirable or necessary to fulfill the purposes of FAPSA;
- Analyze and review IT system enhancements, management policies and related tools in financial aid and to then collectively refer proposals to relevant organisations/ structures/ bodies.



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## **Membership**

- There are four (4) classes of members of FAPSA, namely, institutional members, affiliate members, constituent members, and student members.



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## FAPSA Since Inception:

- Initially the Tertiary Education Fund of South Africa (TEFSA) was established to fund historically disadvantaged students with academic ability
- In 1996 TEFSA was requested to manage NSFAS in 1996 and it resulted in the establishment of the [National Student Financial Aid Scheme Act \(No 56 of 1999\)](#) which incorporated TEFSA and the first NSFAS board was convened in August 2000
- According to the NSFAS website NSFAS challenges were
  - Enormous backlogs in access to higher education.
  - Requests from institutions for increased funding.
  - Huge expectations that transformation would immediately bring higher education within everyone's reach.
  - Conflict between students and higher education institutions' administrators over the payment of fees
- Institutions had to establish Financial Aid offices to administer NSFAS

### 2001 – 2010

- Most processes were manual but communication was excellent during this period
  - Application numbers were manageable
  - Funders (donors were limited)
  - A radical restructuring of the higher education sector took place. The number of universities was cut from 36 to 23 through incorporations and mergers - some creating huge universities - aimed at breaking down apartheid's racial divides and transforming the sector. Challenges included not only fair distribution of funding but also combining rules and procedures
- FAPSA was established in 2001
  - The National Credit act of 2005 was introduced.
  - 2007 FET Colleges were added to NSFAS mix
  - Funza Lushaka Bursaries
  - 2010 Ministerial report on the review of NSFAS

## 2011 – 2014

- Donors were added rapidly – adding bursaries and Seta
- Increase in FET Funding
- Introduction of the final year programme
- Rapid increase in applications and protests
- More exposure in the media
- Introduction to on-line LAF submissions at UJ, TUT and Boland College
- Various CEO's – high staff turnover
- Piloting CAP system



## **2011 – 2014 Institutional Challenges**

- Less communication from NSFAS due to the number of institutions served
- Later/non payments from NSFAS
- Increase in student demand for funding/allowances
- Short deadlines e.g. final reports
- Additional reports and information needed by NSFAS
- Changing Policies without notice and workshops
- Increased applications but less funding and more donors
- Doing more with less staff
- Late receipt of means test





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## 2011 – 2014 Achievements

- The NSFAS budget increased from R3.1 billion in 2009 to R8.1 billion in 2013
- 2014 budget over R9 billion for more than 430 000 students at all 25 public universities and 50 public FET colleges.
- Across SA countless students who would normally not qualify for loans are studying through NSFAS in partnership with Universities and FET's.
- Institutions invented ways through card service providers to allocate allowances
- We survived the credit act, the final year programme, new donors and currently most funds are paid by NSFAS in answer to claims submitted by Institutions.
- Pilot institutions survived CAS ( more or less)

## 2014 Critical Issues Discussed

- High degree of uncertainty
- There is a heavy handed approach by NSFAS but some form of discussions are taking place
- Practical aspects must be sorted out in the pilot
- Pilot institutions must be allowed to sort out problems
- No more pilot institutions to be added to pilot
- FAPSA should engage with pilot institutions and help sort out with chunks
- Ask help from HESA (now uSAF)
- Communicate with the Board directly.
- Invite NSFAS staff to assist at Universities and vice versa
- Suggest regional offices



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## 2015 to Date

- In 2015 more Institutions were included on the NSFAS Pilot System
- Funding Nationally hit a new low, when comparing the demand to the amount of Funding made available nationally
- Student protests escalated to a new level, with #FeesMustFall, resulting in the closure of the most HEI's.
- These protests resulted in hundreds of millions of damages to state property and FAPSA made it clear that they condoned the violence that erupted.

## **Challenges faced by Institutions in relation to NSFAS**

- Poor planning from NSFAS, not taking into account Institutional situations, worse when we had all the strikes.
- Decisions not communicated timeously for Institutions to plan.
- NSFAS takes Institutions for granted.
- Meetings not planned properly and changed on an ad hoc basis with no consideration for activities at the Institutions.
- NSFAS delegating their responsibility to Institutions i.e. training
- NSFAS database not updated regularly its contacts at Institutions. Communications going to wrong people that are not working in the VCs offices etc.
- Unrealistic deadlines set and have to be extended all the time.
- FAPSA never consulted yet we are the eyes and ears of the Institutions. We could have given proper advice.

## Challenges faced by Institutions on the NSFAS Pilot System

### Advantages:

- Ease of application handling – No Need to keep piles manual application forms since all application are done online.
- Streamlined claim system – claims are not done like in the old system but through a template three which is also used to confirm students' registration
- Students don't have form long queues for application and signing of LAF and SOPs- only new students apply. Returning students are not expected to reapply and in terms of signing students respond per sms sent by NSFAS.

## Disadvantages of the NSFAS Pilot System:

- There tend to be a lack of accountability for manual forms directly posted to NSFAS for capturing.
- Instability of the NSFAS online system
- Lack of adequate call center support – call center agents not properly training in terms of NSFAS offerings and procedures and also properly trained to deal with students coming from diverse background.
- Time lapse take to upload registration data hence a delay in populating LAFs and SOPS.
- Poor data quality received from NSFAS on applicants hence a challenges in using the data without first cleansing process.
- Poor data integrity in terms of students migrated between funds – ineffective exchange of data between NSFAS and institutions.

## The Role Out of the NSFAS On-Line System

- This year NSFAS informed all Institutions that they would be rolling out the NSFAS On-Line System to everyone and stated that only new applicants would be required to apply on-line.
- NSFAS also indicated that all institutions would be using the SBux system for the allocation of allowances due to students.
- They further stated that Institutions who were using other service providers would continue to do so until the end of their contract.
- Institutions to date have raised various concerns and listed them as follows:
- Institutions are concerned about the lack of capacity for the management and implementation of the NSFAS On-Line System as well as capacity of SBux to effectively and efficiently manage the allocation of allowances to students



Cont.:

- Institutions further indicated that they were not happy with SBux
- Institutions who are currently on the pilot system state that the allowance payments are inconsistent
- Donors such as the National Department of Social Development complained their students only received their allowances in July for the past two years.
- This resulted in their students utilising all their funds and the burden thus becoming that of the institutions

## Cont.:

- Student Representative Councils at various institutions have raised their voice against the implementation of the SBux system at their institutions.
- Student Representative Councils have also stated that they are not in favour of the role out of the NSFAS On-line system for the following reasons, namely:
- Students from disadvantage areas do not have access to the internet and most of them are not computer literate enough to understand how to apply on-line

**Cont.:**

- The manual submission of NSFAS applications has been implemented by NSFAS but as stated above, does not guarantee the student funding for the respective academic year and responses to applicants seem to be slow.
- Communication between NSFAS and Institutions has improved in the 2016 academic year but still requires a lot of work before it is at a level that it is required...



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## **NSFAS Improvements observed for the 2016 academic year:**

- NSFAS has improved in the processing of claims and making payments to Institutions
- NSFAS has developed an updated manual and made it available to all institutions
- NSFAS has committed in improving its relationship with FAPSA and in doing so committed to work with FAPSA at this Conference held in East London

## **FAPSA's view on Free Education**

- FAPSA supports free education but believe that it should only be made available to students from disadvantage areas and the not the so-called “Missing Middle”.
- Free Education, however, should be aligned with strict terms and conditions as well as set academic criteria.
- Students who form part of the Missing Middle should be offered loans to assist them in completing their studies.



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## The Way Forward:

- FAPSA will continue to strive towards what it believes is the best practise to ensure that all FAO's and Students needs and wants are addressed
- FAPSA will continue to support and offer advise to NSFAS through effective communication
- Through effective communication we as FAPSA will continue to submit proposals and recommendations for consideration in an attempt to assist NSFAS in developing efficient and effective ways in the management and administration of Bursaries and Loans to Financially needy students in South Africa



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**Questions ?**





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**Thank You**