



## UNDERSTANDING THE NEW VARSITY FUNDING MODEL

President William Ruto on May 3, 2023, issued a directive that ushered in a new model of funding higher education, from Technical and Vocational Education and Training (TVET) to universities. In the new model, all students who qualify for placement through Kenya Universities and Colleges Central Placement Service (KUCCPS) are eligible for government scholarship and loans.

However, the level of funding is student-centred and is apportioned according to their financial need, classified into – vulnerable, extremely needy, needy and less needy.

The new funding framework seeks to offer students whose households are at the bottom of the pyramid equal opportunity in accessing university education as well as technical training.

It is envisaged that the

government will be able to determine the needs of the various households and fund them appropriately.

In the model, students from rich backgrounds will get more loans than scholarships, while the less able will get more scholarships than loans.

Join us in this edition of “InfoBytes” as we explain the new funding model and what it means for the sector.



# 1



## Tell me about the Universities Fund?

The institution was established under Section 53 of the Universities Act, 2012 to finance universities in Kenya. The Fund is managed by a Board of Trustees, is known as the Universities Fund (UF), and has been in operation since 2016.

## Then, how does the Fund work?

It develops institutional funding criteria, apportions and disburses all government funding, and then monitors the utilisation of the funds by the universities and the impact. UF also mobilises resources, develops incentives for private sector participation in university education and public-private partnership frameworks for university education and negotiates tax waivers to foster individual and corporate/institutional support to university education.

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## Now, what's the Higher Education Government Student Scholarship?

The Higher Education Government Student Scholarship is a financial assistance programme provided to learners in public universities and TVET institutions. It is funded through government resources, and it aims to support students pursuing undergraduate, diploma, craft certificate and artisan education.





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## **Is UF the same as the Higher Education Loans Board?**

No. The Universities Fund and the Higher Education Loans Board (HELB) have distinct roles in terms of student financial support. While the Universities Fund primarily provides scholarships, HELB offers loans and bursaries.

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## **Explain the new Universities Funding framework?**

This is a student-centred model for distributing scholarships and loans. The new framework focuses on individual students' financial needs. Scholarships and loans are allocated to students based on their level of need.

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## **How different is it from the old funding model?**

The previous model used the Differentiated Unit Cost (DUC) criteria for paying tuition fees to universities, that is, it was universities that were funded.

In the new model, students are individually funded.

Second, funding is no longer tied to placement; students must apply for scholarships and loans.



## What does the new funding model hope to achieve?

It aims to make education accessible to all government-sponsored students placed by the Kenya Universities and Colleges Central

Placement Service (KUCCPS). It emphasises on both equality and equity, ensuring that financial support is available to those in need.

# 8

## Explain the Differentiated Unit Cost (DUC)?

The DUC is a criterion that provides for the funding of programmes in the universities in line with the financial requirements of the respective courses. The criterion is derived from the Maximum Differentiated Unit Cost (MDUC), which considers: -

- a) Teaching staff
- b) Supporting Infrastructure
- c) Student staff ratio
- d) Scaling factor

# 9

## What does de-linking placement of students from funding mean?

This means that being placed in an institution of higher learning doesn't automatically make a student a government-sponsored student. Students must apply for scholarships and loans to access financial assistance. All the students who apply will be funded under the new funding model.



## 10 What are the benefits of the new funding model in relation to placement of students?

They include:

- a. One is eligible to apply for various forms of financial assistance, including government scholarships, loans, and upkeep funds.
- b. Funding is based on the actual cost of the university programme, which varies in the institutions of higher learning.

## 11 What is the “Means Testing Instrument” in assessment of students to be awarded scholarships?

This instrument assesses students’ financial needs by assigning points and clustering them into different categories. This assessment helps to determine the level of assistance required.

## 12 Who qualifies for the scholarship?

To be eligible for the scholarship, one must be a Kenyan student who sat their KCSE from 2022 onwards. He or she must have been placed by KUCCPS to pursue an undergraduate, diploma, craft certificate or artisan course at one of the accredited public universities or TVET colleges.



# 13 What is the difference between the former university grant and the new student scholarship?

The scholarship is based on the actual cost of the programme and the student's financial needs.



## 14 Can a student apply for loan and scholarship in the same year?

Yes. Loans and scholarship awards will be categorised differently. A vulnerable student will get 82 per cent scholarship and 18 per cent loan of the cost of the programme. An extremely needy learner will get 70 per cent scholarship and 30 per cent loan of the cost of the course while a needy learner will get 53 per cent scholarship, 40 per cent loan and seven per cent household of the cost of the programme. Lastly, a less needy learner will get 38 per cent scholarship, 55 per cent loan and seven per cent family of the cost of the course to be pursued.

## 15 Is the government scholarships based on financial need, merit or both?

The scholarship is based on the financial needs of the applicant and academic merit. One must be placed by KUCCPS to a public university or TVET institute to apply.

# 16 Is application for scholarship a one-off thing for a learner?

For you to get the government scholarships, you will be required to submit an application every year for the course duration.



## 17 What happens if one receives less money for the scholarship than the one applied for?

An individual may appeal or request a review of their award if they are not satisfied with the amount given. This includes unsuccessful scholarship applications.

## 18 Will the scholarship money be sent to the student or school account?

The funding takes care of the tuition fees only. These funds will be disbursed directly to the university or college the applicant is undertaking their studies.



## 19 Any advice to foreign students in regards to the scholarship?

This scholarship is restricted to Kenyans only. International students should check with their institutions, governments or financial aid offices to determine if they are eligible for other scholarships.

## 20 Will the scholarship awarded affect other forms of financial aid to the learner?

Yes. If a student is fully funded by another agency, individual or institution, the government cannot provide a scholarship to them since that will lead to over-funding. Students are expected to fully disclose agencies sponsoring them and the amounts applicable for their sponsorship. Non-disclosure may lead to withdrawal or cancellation of the scholarship.

## 21 Any requirements or responsibilities for recipients of government scholarship?

Beneficiaries are required to complete their studies within the stipulated course/programme duration. Any extended study duration cost will not be catered for by the scholarship. Second, the students will be required to give accurate information to assist the award of the scholarships.





## 22 Is a guarantor needed to be eligible for the government scholarship?

No guarantors are needed.



## 23 How do eligible students access funding?

All 2022 Kenya Certificate of Secondary Education (KCSE) students placed by KUCCPS are eligible to access funding by applying through [www.hef.co.ke](http://www.hef.co.ke) or [www.universitiesfund.go.ke](http://www.universitiesfund.go.ke).

## 24 What documents are needed during application?

They include academic records, personal details, student residential and education background. If necessary, gather letters of recommendation to support your application. Ensure you have the necessary documents available, including the “consent to collect personal data” form.

## **25** Can one apply for the loan at any time during their course, especially for learners who are underage and don't have ID cards?

The application for funding is done annually, and students can update their details as needed throughout their course. Initially, underage

students were to be awarded scholarships only as they waited to apply for loans when they hit 18. However, they can now apply for both.



## **26** When should I expect the loan or scholarship money to be disbursed?

Disbursement of scholarship and loan funds is done after the students are admitted to the various universities, which have different opening dates.

## **27** Would a faculty or college transfer after the first loan, affect subsequent ones?

Students who do faculty or college transfers can still benefit from subsequent funding. Their student profiles will be continuously updated to reflect changes. That means, if you change your programme, the money will follow you to where you are going. For instance, if you change from Maseno University to Rongo University, your loan/scholarship will be transferred as well.



## 28 What happens to students who qualify, but have no internet access?

Students without internet access can receive assistance with their funding applications at their nearest Huduma Centre. This ensures that lack of internet doesn't hinder access to financial support.



## 29 Is it mandatory for one to apply for the Higher Education Government Student Scholarship?

It is not. It is advisable to only apply for the scholarship if you need government financial assistance.

## 30 How about students placed in private universities?

Students placed in private universities are only eligible for loans based on their level of need. The government will avail both scholarships and loans for 130,485 students in public universities and 9,662 in private universities will get loans only.





## 31 What if my university increases fees mid-way yet I had applied for funding based on the initial fee?

Universities have signed MoUs with UF based on the fees they charge. If they increase fees, this will be revoked and they will be surcharged. The Fund's goal is to increase the number of students going to university from 19 per cent to 30 per cent.

**Sources: KYEB and Universities Fund**

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