

SOUTH AFRICAN UNION OF STUDENTS



May 2020

SAUS Submission to DHET Regarding the NSFAS N+2 Rule

1. Introduction and Background

The National Student Financial Aid Scheme (NSFAS) policy on N+2-rule has caused many students to be financially excluded from their studies and this is affecting the 2020 academic year. The government having pronounced on subsidized free fee higher education back in 2017, resolved to introduce the DHET bursary which was to be administered by the National Financial Aid Scheme (NFAS). The bursary came into effect the following year, strictly funding students whose families have an annual income of less than R350 000. Subsequent to this, there were fears that there shall be abuse of the system by students who will remain in the system perpetually and expect funding instead of moving out of the space to create room for other students, creating a bottleneck. Therefore, an important intervention, meant to curb this had to be thought through and implemented by NSFAS. It was therefore out of this concern that the contentious N+ 2 NSFAS rule, maximum course time plus two additional years, was formulated.

The intention was to encourage students to complete their qualifications in record time, and if confronted with challenges, they could exploit the policy. At least, this was the logic behind the coining of the rule. However, the application of the rule suggests a contrary view from the founding principle which led to the rule itself: it does not take into effect only the number of years in which the student has been funded by NSFAS. Instead, the number of years refers to all the years in which a student has been registered in a public institution of higher

learning regardless of institutional change. In short, the number of years in which the student is already registered at a public institution is included in the “N” – even though the student was not a NSFAS recipient at the time. The N+2 rule stipulates that “a student will be funded for the minimum number of years required to complete A QUALIFICATION (be it 4 years or 3 years) plus an additional 2 years which will be afforded to students in the case where they will have extra years”. Administrators, however, construe and apply the rule wrongly using all the years a student has been registered irrespective of whether the students were previously funded by NSFAS nor not.

It must be noted that, the South African Union Students (SAUS) has submitted numerous grievances and solutions regarding the problematic nature of this clause, with no success. However, this time around, in March 2020, NSFAS instructed universities to remove some students who had been beneficiaries of the scheme, on the basis that they no longer qualify for funding citing the clause. Students were never given any prior warning and even in this case as it is alluded to above, the students only got to witness when their allowances were cut, discontinued. Obviously, these developments present a gloomy picture for the affected students hence the union found it incumbent on itself to embark on a nationwide consultation with students on what perhaps should be the way forward in an attempt to mitigate the situation. This document shall form the basis of our engagement with DHET as the legislator and NSFAS as an implementing structure, with the views solicited by the union from students.

2. Challenges which lead to students not completing their qualifications in record time as expected and floor crossing of universities.

The academics always enjoy advancing the narrative that we have professional students who do not want to complete their studies, they push this narrative whilst deliberately ignoring the underlying challenges affecting the academic performance of students. The Minister of Higher Education always choose the side of University Administrators in perpetuating the same views accusing students leaders of being professional students who are failing, this without considering that majority if not, all the students who are failed by the higher

education system such that they end up not performing well academically are not student leaders and are not into any student political activism. On the contrary we have many student leaders who graduated and who are graduating with their masters and PhDs accordingly. All students' political organizations are currently being led at national and provincial level by students who are studying honors, masters and PhDs respectively and with funding for their studies. Hence dismissing the idea of changing the N+2 rule based on the above narrative is not only narrow thinking but also a deliberate disregard of the plight of the poor students affected by this wrong policy. The intention of SAUS is not only to debunk this petty narrative but to provide compelling reasons this rule deserves to be challenged whilst showing in clear terms why the contestation of the N+2 rule by students is a genuine call that any reasonable person should accept. South African Union of students is a non-partisan union of students and we dismiss anyone who seeks to trivialize this genuine struggle to change the N+2 rule because it is wrong for people to always want to politicize genuine issues that are deeply affecting the poor students such as this exclusionary rule.

Prior to 2018, the cap for funding was at R122 000-combined annual family income. Students whose parents earned more than this amount found themselves in a serious predicament; where they could not get NSFAS funding whilst on the other hand their families could not afford paying for their fees. These students found themselves struggling to pay fees and to drop out, failed modules, changed institutions amongst other things. As a result, their number of years in institutions of higher learning accumulated, and of which today, NSFAS argues that they don't deserve funding. The following are some of the reasons which lead to students spending much more years pursuing their qualifications in universities:

- Due to lack of funding some students were coerced to juggle between work and studying. In the process, they would not do well in their studies, leading to poor academic performances and at times, failing of prerequisite modules – thus accumulating the number of years in the university.

- Some student's due to lack of funding could only afford tuition fees, and lacked adequate, conducive accommodation and as their academics were impaired.
- Others would do extended programs in universities before entering mainstream programs. These extended programs add a year in the student's time allocated for a qualification. NSFAS does not recognize the extended degree program, and has failed to inform students with regards.
- Students would make means to fund themselves for a first qualification and the same students would then return to the system due to difficulty in securing employment with the initial qualification to do a second qualification, with intent to improve their employability. These students qualify for NSFAS funding as they have been funding their own studies previously since they had been rejected on the basis of their parents earning more than R122 000. With the new cap, these students qualified for NSFAS funding. Unfortunately, they too find themselves affected by the rule.
- Universities and colleges are different with different infrastructure and attracting students from different socio-economic backgrounds yet the N+2 rule is expected to be applied with equal measure. The rule do not consider poor infrastructure, lack of transformation, disconnected curriculum, lack of lecturers, lack of academic support and all other forms of systemic exclusions that affect the performance of students.
- Post graduate students studying PGCE and LLB who have not been funded in their undergraduate studies are now finding themselves unable to be funded by NSFAS due to this rule.

In summary there are a myriad of reasons which leads to students performing poorly in their academics thus spend more years in tertiary institutions. It is also worth noting that the above cases apply mainly to students who would get NSFAS funding when they are already in the system, after a certain number of years without funding. These are students who are already affected by the rule currently. This means, the

rule is applied retrogressively which is an error; a rule cannot come into effect at a particular time and its application is reversed. Its application, rather, has to be from the date of its promulgation forward. This is to say this rule should be applicable to students who enrolled in 2018, of which this year should be doing their third years, meaning that the rule should not have been applied to any student this year.

However, the South African Union of Students believes that even if this rule is to be applied on those students, there are certain things that NSFAS must be considerate of mainly bothering on the challenges that currently engulf the sector, such as student accommodation, safety, mental health and others. These challenges can lead to students unable to complete in record time, and even within the additional two-year provision. This therefore means it is unjust to apply the rule whilst ignoring individual circumstances.

3. The Implications for the 2020 Academic Year

The N+2 rule caused amongst others the following implications for the 2020 academic year;

- I. Thousands of poor students were left without funding for the 2020 academic year. students who are currently registered with institutions but do not have any form of financial aid as their appeals were subsequently been rejected by NSFAS due to the N+2 rule, after being approved by universities;
- II. The N+2 rule has led to many students having their allowances being withdrawn. It is claimed by the institution of my studies that NSFAS reversed their decision on the students who were initially approved for funding by the institution. Some of the students received allowances until April when NSFAS reversed the decision from successful to unsuccessful due to N+2 rule.
- III. Students are de-registering from universities due to the N+2 rule. While a majority of students are not registered yet, some managed to register through the funds they managed to raise for

registration and had hoped that NSFAS would be in their favour and fund them; which unfortunately was not the case because of this rule. The N+2 rule is a biggest contributor of dropouts' rate for the 2020 academic year, bigger than even Covid-19.

- IV. Universities and colleges made a lot errors because of complications associated with this N+2 rule. Some students are unfunded because of the errors made by the system and to this day those errors have not been fixed. These errors include amongst others falsely putting students on N+ 2 categories whilst they are not.
- V. Delays and incompetence of NSFAS to handle appeals associated with N+ 2 rule has costed many students during the 2020 academic year. Students are currently being withdrawn from the living allowance list and accommodation list because NSFAS has not yet provided institutions with the updated list of funded students.
- VI. The N+2 rule is not consistent with the other NSFAS funding rules for the 2020 academic year. For example a poor student who was not on NSFAS previously in undergraduate studies due to various reasons but wishes to be on NSFAS in post-graduate studies and that student do not afford higher education. Surely a fair rule should consider such a phenomenon.
- VII. The N+2 rule punishes students for not performing well academically but do not reward those who perform well in their studies. Students who passed with distinction and graduated their undergraduate qualifications with cum-laude or in record time of 3 years for a three year qualification are still excluded for post-graduate funding under NSFAS. Post-graduates are left unfunded for the 2020 academic year.
- VIII. NSFAS has wasted government money during the 2020 academic year by funding students up to April 2020 only and then cut the funding on the way leaving these students in desperation. These students are de-registering or dropping out of school and this money will not be recovered hence it is wiser and reasonable to continue paying for these students since an investment has

already been made on them so that they can complete the 2020 academic year.

4. Recommendations

In light of the above challenges, the SAUS hereby presents recommendations to the department for consideration. It must be noted that as the union consulted students, it came out very clearly that they are not necessarily opposed to the idea behind the rule - which is to ensure that students graduate in record time or within two years should they fail to do in record time. This is contrary to the narrative suggesting that the union of students want' to promote failure amongst students and thus waste taxpayer's money. In our view, this rule runs the risk of wasting the taxpayer's money in the sense that NSFAS would be paying for students then decide to abandon them, without due consideration on how the student must eventually complete her studies in order to contribute in building the economy of the country. Hence, we propose the following recommendations:

- a) The rule must be revised immediately to afford all students equal funding opportunity; The focus should rather be on the number of years for which a student has been funded rather than the number of years for which a student has been registered with an institution. All students must enjoy equal funding opportunity.
- b) The Minister must make a bold declaration that the rule in its current form is flawed and therefore must not be implemented until it is corrected and aligned accordingly for future implementation in 2022.
- c) NSFAS must allow students affected by this rule to appeal such decisions. This is because most students whose funding was halted as a result of this rule were told by their institutions that they cannot appeal N+2 related decisions.
- d) Each case must be handled individually, case by case, as there can be a variety of reasons leading to students being affected by this rule. NSFAS must improve its systems in the sense that

students must have many alternatives forms to wage their appeals except writing as some students can better argue their cases orally.

- e) NSFAS must exclude gap years from the years in which a student has been funded by NSFAS. These years should not form part of the calculation of the N+2 equation. This is because there are a number of reasons, which can coerce a student to take a gap year and NSFAS does not incur any expense at this point.
- f) In the event that a student legitimately exceeds the N+2 limited years, NSFAS must allow students to present their case with due considerations given to the circumstances which led to such. Rather than the student continuously getting the NSFAS grant, it must be converted into a loan to be paid for by the student upon completion.
- g) The rule must not be applied retrogressively; it must only affect students who enrolled for the first time in 2018, after it came into effect. This means the counting of the “N” years must begin from the time it came into effect. This is to prevent unfair and unreasonable results, and to ensure predictability and legal consistency. This will further give students to know about the rule and therefore act in accordance with it.
- h) The N+2 rule must not apply to PGCE and LLB students who have not been funded by NSFAS in some years of their qualification. These postgraduate qualifications must have their own rule as they are standalone qualifications.
- i) NSFAS must be coerced through an amendment to such a rule to provide wraparound support program to its beneficiaries so that they are able to finish their studies within the record time.
- j) The Minister of Higher Education must pronounce on any form of support that will be given to these students whilst awaiting the decision of the DHET and NSFAS on the revision of the n+2 rule.
- k) It is for the best interest of the higher education sector to reinstate the funding that has been withdrawn from students due to this questionable N+2 rule and continue to give all the students their monthly NSFAS allowances because an expectation has been

created by NSFAS to these students whom now owe landlords their rental money. If it is your objective to ensure that no student is left behind during these trying times of Covid-19 then all of you at DHET and NSFAS should equally champion the interest of these students so that no student is left hungry. This will also assist in avoiding any legal or court case that might arise due to the mistakes created both by this rule and its implementation.

5. Conclusion

The South African Union of students rejects the N+2 rule in its current form because of a number of inconsistencies in its meaning, application, interpretation and intension to deliberately exclude deserving students. The N+2 rule is unfair, unreasonable, malicious, and legally questionable and therefore it must be set aside for the 2020 academic year until it is improved. NSFAS focus is on the number of years for which students have since registered at tertiary institutions, rather than, interpreting and applying the rule in its literal meaning of the word; (***This is also irrespective of whether the students were previously funded by NSFAS or not.***) The above construal creates an interpretation issue which precludes students, who would otherwise be funded if the rule was to be given effect in its literal meaning, from being funded. It is for this reason that students do not enjoy **equal funding opportunity** because their funding is withdrawn during their studies, simply because they have been registered at tertiary institutions longer than others. There are several factors that contribute towards students taking longer to complete qualifications or change qualifications as outlined above, and as a result appear to have long historic registration records. Some of these factors include wrong career choices leading to a change of qualifications in the latter- Students who ought to make wrong career choices are mostly those coming from disadvantaged backgrounds and had little to no career counselling or guidance while they were in school-These are unfortunately not factors that can be ignored. To that end, it becomes rather unfair to consider the number for which students have since been registered at tertiary institutions and deny them funding on that reason. Evidence submitted to us by students suggests that this rule is one of the major contributors to the increased number of post-schooling

education dropouts. We argue on behalf of the students that instead of counting all the years a student have been in institutions of higher learning for the “N”, NSFAS must only consider the years in which it funded the student. The main purpose for the establishment of NSFAS by our government was to help fund the poor to further their studies in tertiary institutions and for that reason we are contesting the use of rules such as the N+2 rule to exclude the very poor students whom the funding scheme was established to benefit.



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