

**SOCIO-ECONOMIC FACTORS INFLUENCING IMPLEMENTATION OF NEW
HIGHER EDUCATION FUNDING MODEL IN PUBLIC UNIVERSITIES IN
NAIROBI COUNTY, KENYA.**

**EFFY MAURINE
RIHANNA CHERUTO
VALERIE JOAN**


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DECLARATION

DECLARATION


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Signature.....

Date.....24/10/25

EFFY MAURINE

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Signature.....

Date.....24/10/25

RIHANNA CHERUTO

EDU-G-4-1799-22

Signature.....

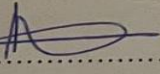
Date.....24/10/25

VALERIE JOAN

EDU-G-4-1848-22

Supervisor

This research has been submitted for presentation with my approval as university supervisor.

Signature.....

Date.....24/10/25

DR. JOHN PURDUL

School of Education

Gretsa University

DEDICATION

We dedicate this project to all students, educators, and policymakers who strive to make higher education accessible and equitable for all.

May the insights from this study on the New Higher Education Funding Model (NHEFM) inspire continued efforts toward fairness, transparency, and sustainability in education.

TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ABBREVIATIONS AND ACRONYMS	ix
OPERATIONAL DEFINITION OF TERMS	x
ABSTRACT	xii
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background to the Study	1
1.2 Statement of the Research Problem	4
1.3 Purpose of the Study	5
1.4 Conceptual framework	6
1.5 Objectives of the study	6
1.5.1 General objective	6
1.5.2 Specific objectives	6
1.6 Research questions	7
1.7 Significance of the Study	7
1.8 Delimitations or Scope of the Study	8
1.9 Limitations of the Study	9
1.10 Assumptions	10
CHAPTER TWO: LITERATURE REVIEW.....	11
2.1 Introduction	11
2.2 Review of Literature Related to the Main Concept.....	11
2.3 Stakeholder Involvement.....	11
2.4 Country’s Economic Status	13
2.5 Debt Crisis in Public Universities	14
2.6 Theoretical Framework	15
2.6.1 Resource Dependence Theory (RDT)	15
2.6.2 Human Capital Theory	16
2.7 Summary of Identified Gaps in the Reviewed Literature	17
CHAPTER THREE: RESEARCH METHODOLOGY	18
3.0 Introduction	18
3.1 Research Design.....	18
3.2 Study Area.....	18

3.3 Target Population	19
3.4 Sampling Techniques	19
3.5 Sample Size	19
3.6 Measurement of Variables	20
3.7 Research Instruments	20
3.8 Validity of Measurements	20
3.9 Reliability of Measurements	21
3.10 Data Collection Techniques	21
3.11 Data Analysis Methods	21
3.12 Logistical and Ethical Considerations.....	22
CHAPTER FOUR: DATA PRESENTATION, ANALYSIS, AND INTERPRETATION	26
4.1 Introduction	26
4.2 Response Rate	26
4.3 Demographic Information of Respondents	27
4.3.1 Role in the University	27
4.3.2 Gender of Respondents	28
4.3.3 University Affiliation	28
4.3.4 Level of Study or Designation	29
4.4 Stakeholder Involvement and Implementation of NHEFM	30
4.5 Country’s Economic Status and Implementation of NHEFM	33
4.5.2 Impact of the frequency and distribution of responses from participants ranging from strongly agree to strongly disagree on its implementation.....	35
4.6 Debt Crisis and Implementation of NHEFM	37
CHAPTER FIVE: SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS	42
5.1 Introduction	42
5.2 Summary of Findings	42
5.3 Conclusions	43
5.4 Recommendations	44
5.5 Suggestions for Further Studies	45
REFERENCES	46
APPENDICES	48
APPENDIX 1: QUESTIONNAIRE	48

APPENDIX II : WORKPLAN	52
APPENDIX III: BUDGET	53

LIST OF TABLES

Table 1: Measurement of variables	20
Table 2: Analysis of data	22
Table 3: Response rate	26
Table 4: Awareness of NHEFM through Official Communication.....	30
Table 5: Consultative Meetings with Stakeholders	31
Table 6: Attendance of NHEFM Stakeholder Forums	31
Table 7: Consideration of Stakeholder Opinions During Rollout	32
Table 8: Influence of Stakeholder Involvement on NHEFM Implementation	33
Table 9: Impact of Economic Conditions on Affordability of Higher Education	34
Table 10: Impact of Inflation on Students' Well-being	35
Table 11: Unemployment and HELB Loan Repayment.....	36
Table 12: Government Budget Constraints and University Funding.....	37
Table 13: Existence of Financial Difficulties in Universities.....	38
Table 14: Reduction of Student Services Due to Financial Constraints.....	39
Table 15: Delay in NHEFM Implementation Due to Debt.....	40
Table 16: Impact of Debt on Student Enrollment and Support	40

LIST OF FIGURES

Figure 1: Conceptual framework	11
Figure 2:Role -based distribution.....	27
Figure 3:Gender of respondents.....	28
Figure 4:University Affiliation	28
Figure 5:Level of study designation	29

ABBREVIATIONS AND ACRONYMS

NHEFM – New Higher Education Funding Model

HELB – Higher Education Loan Board

NSFAS – National Student Financial Aid Scheme

DUC – Differentiated Unit Cost

MTI – Means Test Instrument

RDT – Resource Dependence Theory

HEFM – Higher Education Funding Model

NGO – Non-Government Organization

HELP – Higher Education Loan Program

GDP-Gross Domestic Product

OPERATIONAL DEFINITION OF TERMS

- 1. Funding Model:** Refers to the revised approach by the Government of Kenya to allocate financial support to universities and students, focusing on need-based and performance-based funding rather than uniform allocations.
- 2. Operation:** The process of implementing and managing activities or functions within an organization or system to achieve specific objectives
- 3. Funding Model:** A structured method or framework that outlines how financial resources are allocated, distributed, and managed to support programs, institutions, or projects.
- 4. Higher Education:** Education provided by universities, colleges, and other institutions that award academic degrees or professional certifications beyond the secondary school level.
- 5. Public Universities:** Institutions of higher learning that are owned, financed, and managed by the government to provide accessible and affordable education to the public.
- 6. Budget:** A financial plan that estimates income and expenditure over a specific period, guiding how funds are allocated and spent
- 7. Funding:** The provision of financial resources to support an institution, project, or individual activity, often through government, private, or donor contributions.
- 8. Stakeholder:** Any individual, group, or organization that has an interest or is affected by the operations, decisions, or outcomes of a project or institution.
- 9. Government:** The system or body of authority responsible for governing a country or state, making policies, and allocating public resources to various sectors, including education.

10. Debt: An amount of money borrowed by an individual or institution that must be repaid, often with interest, within an agreed period.

ABSTRACT

This study investigated the socio-economic factors influencing the implementation of the New Higher Education Funding Model (NHEFM) in public universities in Nairobi County, Kenya. The research was guided by three specific objectives: to examine the extent of stakeholder involvement, assess the influence of the country's economic status, and evaluate the impact of the debt crisis in public universities on the NHEFM's implementation. Resource Dependence Theory (RDT) and Human Capital Theory was used. A descriptive research design was adopted, a sample size of 300 respondents was successfully obtained from a target population of 350 respondents, out of which 300 valid responses were received 148 through Google Forms and 152 through printed questionnaires. Stratified random sampling was used to ensure representation of both students and university administrators. Data were collected using structured questionnaires and analyzed using descriptive statistics such as frequencies and percentages. The findings revealed that while most stakeholders were aware of the NHEFM, many felt excluded from decision-making processes. Economic factors such as inflation, unemployment, and limited government budgets were found to hinder students' access to higher education and affect the model's sustainability. Additionally, the debt crisis facing public universities was shown to reduce institutional capacity to support and enroll students under the new funding model. The study concludes that stakeholder engagement, economic conditions, and financial stability of institutions are critical determinants of successful policy implementation. The study recommends enhanced communication, financial restructuring, and stronger economic safeguards to ensure the effective rollout of the NHEFM. These findings offer valuable insights for policymakers, university managers, and education stakeholders aiming to improve higher education financing in Kenya.

CHAPTER ONE: INTRODUCTION

This chapter presents the background of the study, statement of the research problem, purpose, conceptual framework, research questions, objectives, hypotheses, significance, scope, limitations, and assumptions.

1.1 Background to the Study

Access to higher education is widely recognized as a key driver of economic growth, social progress, and the reduction of inequality. Around the world, governments and education stakeholders have implemented various funding mechanisms to make university education more affordable and inclusive. In developed nations such as the United States, Canada, and Australia, structured financial aid systems have been established to promote equity in higher education. For instance, in the United States, federal aid programs such as the Pell Grant provide financial assistance to students from low-income families. Similarly, Australia's Higher Education Loan Program (HELP) allows students to defer tuition payments until their earnings reach a specified threshold, thereby reducing immediate financial pressure

Across Africa, the pursuit of affordable and accessible higher education remains a priority. Many nations continue to grapple with funding shortfalls that make it difficult to meet the growing demand for university education. In South Africa, for example, the government has strengthened the National Student Financial Aid Scheme (NSFAS) to support students from disadvantaged backgrounds.

In East Africa, countries such as Uganda, Tanzania, and Rwanda have made commendable progress in widening access to higher learning. These initiatives include

the establishment of student loan boards and the expansion of partial government sponsorship programs aimed at easing the cost burden on learners.

In Kenya, public universities play a central role in providing educational opportunities, particularly for students from low-income and marginalized communities. However, the financing of higher education has faced persistent challenges, prompting the government to introduce the New Higher Education Funding Model (NHEFM) in 2023 (Kenya Ministry of Education, 2024). This model replaces the earlier Differentiated Unit Cost (DUC) approach with a student-centered system that allocates scholarships and loans based on individual socio-economic need. The NHEFM reflects an effort to ensure that financial support is distributed equitably and sustainably, aligning with the broader national goal of inclusive educational development.

At the county, particularly in Kibera, Embakasi and Mathare, economic hardships, lack of reliable income and limited access to essential documentation can hinder the proper use of the (MTI) tool. This factor may affect how fairly and effectively the funding model is implemented

Access to higher education plays a critical role in economic growth, social development, and the reduction of inequality. In Kenya, public universities serve as crucial institutions for expanding access to education, particularly for students from marginalized backgrounds. However, the Funding of higher education in the country has faced significant challenges, prompting the introduction of the new Higher Education Funding Model (HEFM) in 2023 (Kenya Ministry of Education, 2024). The HEFM marks a shift

from the previous Differentiated Unit Cost (DUC) model to a student-centered approach, which allocates scholarships and loans based on individual socio-economic need.

The new model uses a Means Testing Instrument (MTI) to categorize students based on their household income, parental education levels, and other demographic indicators. Students in public universities are eligible for both scholarships and loans, while private university students qualify only for loans through the Higher Education Loans Board (HELB) (Sledge, 2024). The government's intention is to make higher education more accessible, equitable, and aligned with students' needs. However, the effectiveness of the new model has become a subject of debate, given several challenges related to implementation.

Nairobi County hosts a significant number of public universities, including the University of Nairobi and Technical University of Kenya, which cater to students from diverse socio-economic backgrounds. These universities are expected to play a leading role in the rollout of the HEFM. However, the debt crisis facing public universities has affected their ability to adjust to the new model. Many universities are struggling with financial sustainability, accumulated debts, and operational inefficiencies, which raise concerns about their ability to deliver quality education under the HEFM (HEF Kenya, 2024).

Furthermore, stakeholder involvement in the rollout of the new Funding model has been insufficient, leading to issues such as confusion over eligibility and miscommunication between universities, students, and the government. Economic disparities among students remain a critical concern, as students from low-income families often struggle to meet other costs, even when tuition fees are subsidized (Kenya Times, 2024). The proper

implementation of the HEFM is essential for ensuring that public universities in Nairobi County can meet the rising demand for higher education without compromising on academic quality or equity.

This study aims to explore the socio-economic factors influencing the effective implementation of the HEFM in public universities, with a particular focus on stakeholder involvement, economic status, and debt levels. Understanding these factors is vital for ensuring that the new Funding model achieves its intended goals of access, affordability, and sustainability.

1.2 Statement of the Research Problem

The introduction of the new Higher Education Funding Model (HEFM) has brought to light several challenges in the higher education sector. Although the HEFM aims to improve access and equity, its implementation has encountered significant problems, including portal failures, delayed placements, and lack of clear communication between stakeholders (Sledge, 2024). One critical issue is that students from vulnerable backgrounds continue to struggle with accessing sufficient funding, raising questions about the effectiveness of the Means Testing Instrument (MTI).

Public universities in Nairobi County face additional challenges due to financial instability and accumulated debts, which hinder their ability to provide quality education. The transition from institutional-based funding under the DUC model to a student-centered approach has also complicated financial planning for universities, leaving them vulnerable to fluctuating revenues and operational inefficiencies (Kenya Times, 2024).

Despite the government's efforts to align funding with students' needs, there is limited research on the role of stakeholder involvement in the success of the HEFM. The exclusion of some private university students from scholarships raises concerns about equity, and the debt crisis has made it difficult for universities to sustain academic programs, pay staff salaries, or invest in infrastructure.

If these challenges are not addressed, the HEFM could fail to achieve its intended goals, leaving many students at risk of missing higher education opportunities. This study seeks to investigate the socio-economic factors affecting the implementation of the HEFM to influencing the implementation of the NHEFM in public universities in Nairobi county.

1.3 Purpose of the Study

The purpose of this study is to examine the socio-economic factors influencing the implementation of the new Higher Education Funding Model (HEFM) in public universities in Nairobi County, with a focus on stakeholder involvement, economic status, and debt levels.

1.4 Conceptual framework

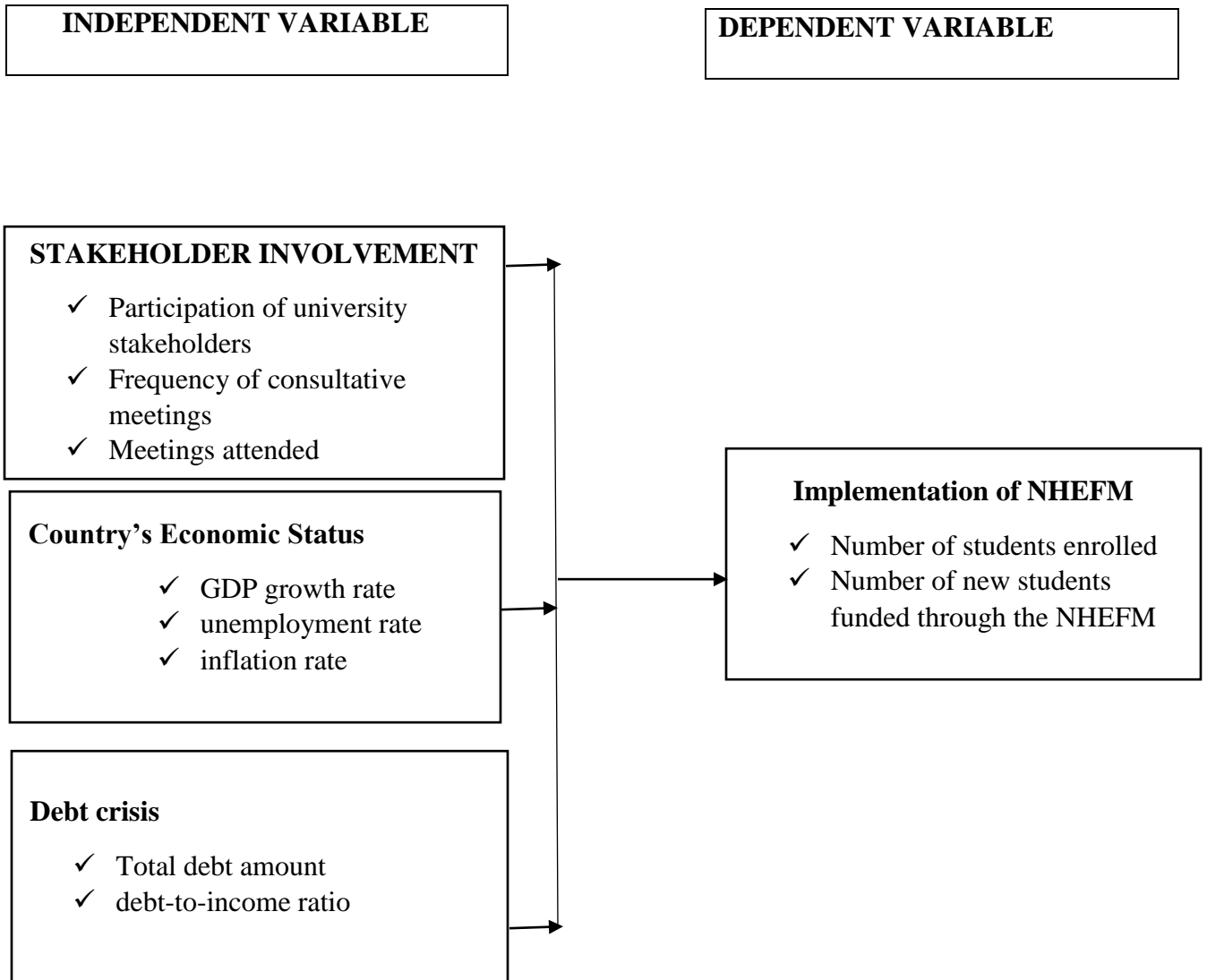


Figure 1: Conceptual framework

1.5.2 Specific objectives

- i. To determine the extent to which stakeholder's involvement influence the implementation of NHEFM in public universities in Nairobi County.
- ii. To establish the influence of the country's economic status on the implementation of NHEFM in public universities in Nairobi county
- iii. To assess the extent to which the debt crisis in public universities influence implementation of NHEFM in public universities in Nairobi county

1.6 Research questions

- i. To what extent does stakeholder involvement influence the implementation of the New Higher Education Funding Model (NHEFM) public universities in Nairobi County?
- ii. How does the economic status of country affect the implementation of the NHEFM in public universities within Nairobi County?
- iii. In what ways does the debt crisis experienced by public universities affect the implementation of the NHEFM in Nairobi County?

1.7 Significance of the Study

The significance of this study extends to multiple stakeholders in the higher education sector. Firstly, government policymakers will benefit from the evidence-based insights provided by this research, which can enhance the implementation of the Higher Education Funding Model (HEFM) and ensure equitable access to higher education for all students. This study aims to inform policymakers about the effectiveness of the Means Testing Instrument (MTI), which determines the allocation of scholarships and loans based on students' financial needs. Secondly, university administrators will gain valuable recommendations on financial planning under the new funding model, enabling them to manage resources more effectively and ensure quality education delivery. This is crucial as institutions navigate the challenges posed by financial constraints and debt crises.

In addition, students and their families will benefit from improved understanding and access to financial resources, empowering them to make informed decisions regarding

higher education Funding. This study will also serve as a resource for researchers in the field, contributing to the academic body of knowledge on higher education Funding models and offering a foundation for future research. Lastly, development partners and NGOs involved in education reform can utilize the findings to advocate for policy changes and target interventions that promote equity and access in higher education.

1.8 Delimitations or Scope of the Study

1. This study focused specifically on public universities located within Nairobi County, concentrating on the perspectives of both students and administrators who were directly involved in the implementation of the Higher Education Funding Model (HEFM).
2. By limiting the scope to Nairobi County, the research captured a diverse range of socio-economic backgrounds among the student population, as this region hosted a significant number of public institutions.
3. The study specifically examined three key socio-economic factors: stakeholder involvement in the funding process, the economic status of students, and the impact of the debt crisis on universities.
4. This focused approach was intended to yield insights that were both relevant and actionable for policymakers and educational stakeholders while setting aside other factors that might have influenced higher education funding.

1.9 Limitations of the Study

While this study aimed to provide comprehensive insights, several limitations affected its execution

1. . One significant challenge was the limited access to university financial records, which hindered a thorough assessment of the debt levels within these institutions. Some universities imposed restrictions on access to internal financial documents, necessitating reliance on publicly available financial reports and interviews with administrators to gather relevant data.
2. Obtaining honest responses from participants was a challenge, as students and administrators were sometimes hesitant to disclose sensitive information due to concerns about possible repercussions. To address this issue, the study employed anonymous surveys and ensured strict confidentiality to encourage open and honest feedback.
3. Time constraints associated with the academic calendar affected the availability of participants during data collection periods, particularly around examination times and holidays. The research design accommodated these scheduling challenges to maximize participation.
4. The generalizability of findings was limited, as the study focused solely on public universities in Nairobi County. Despite this limitation, the research provided valuable insights that could inform similar studies in other contexts.

1.10 Assumptions

Several assumptions underpinned this study to guide its methodology and analysis.

1. It was presumed that respondents provided accurate and honest information, which was critical for ensuring the reliability of the data collected.
2. The study assumed that universities cooperated in sharing relevant data and facilitating the participation of students and staff in the research.
3. It was believed that the selected socio-economic factors stakeholder involvement, economic status, and the debt crisis significantly influenced the implementation of the HEFM, thereby justifying their inclusion in the study.
4. The research operated under the assumption that no major changes occurred in the HEFM during the study period that could have adversely affected the validity of the findings.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter provides a comprehensive review of literature related to the socio-economic factors influencing the implementation of the New Higher Education Funding Model (NHEFM) in public universities in Nairobi County, Kenya. It is structured according to the specific objectives outlined in Chapter One. The chapter begins with a general overview of the literature related to the main concept, followed by a detailed examination of three key themes: stakeholder involvement, the country's economic status, and the debt crisis in public universities. The chapter concludes with a discussion of the theoretical frameworks that underpin the study and a summary of identified gaps in the literature.

2.2 Review of Literature Related to the Main Concept

The implementation of the NHEFM is critical for enhancing access to higher education in Kenya. The model shifts the focus from direct institutional funding to a more student-centered approach, aiming to improve equity in educational Funding. This literature review highlights the various socio-economic factors that play a significant role in the successful implementation of this model, reflecting on current practices, challenges, and the implications for stakeholders involved.

2.3 Stakeholder Involvement

Access to higher education is widely recognized as a foundation for national development, social progress, and the reduction of inequality. Around the world, collaboration among key stakeholders such as governments, higher education institutions,

development partners, and the private sector has been instrumental in improving educational accessibility and financing. In developed countries like the United States, Canada, and Australia, well-structured financial aid systems have been established to promote equity in higher learning. World Bank. (2022) For example, the United States supports students from low-income households through federal initiatives such as the Pell Grant, while Australia's Higher Education Loan Program (HELP) enables learners to delay tuition payments until they reach a certain income level. These collaborative models highlight the importance of shared responsibility in ensuring that higher education remains inclusive and sustainable.

Across Africa, the pursuit of affordable university education continues to face funding challenges. However, increased stakeholder involvement through government initiatives, donor funding, and partnerships with private institutions has helped to improve access. In South Africa, for instance, the National Student Financial Aid Scheme (NSFAS) has been expanded to cater to students from disadvantaged backgrounds, thanks to joint efforts by education authorities and partner organizations.

In East Africa, countries such as Uganda, Tanzania, and Rwanda have implemented similar strategies to strengthen access to higher learning. These efforts involve cooperation between governments, student loan boards, and international partners to establish funding frameworks and partial sponsorship schemes. Such collaboration demonstrates the positive impact of coordinated stakeholder engagement on education financing.

In Kenya, public universities continue to play a crucial role in promoting equity and expanding opportunities for students from low-income and marginalized groups.

Nonetheless, inadequate funding and rising operational costs have created persistent challenges for the higher education sector. According to Ministry Of Education (2024), reports that effective stakeholder participation is effective. To address these issues, the government, in partnership with relevant education stakeholders, introduced the New Higher Education Funding Model (NHEFM) in 2023 (Kenya Ministry of Education, 2024). This approach replaced the Differentiated Unit Cost (DUC) system with a student-focused funding framework that awards scholarships and loans based on individual financial need. The success of this model depends on active stakeholder collaboration among government bodies, universities, financial institutions, and the private sector to ensure fair, efficient, and sustainable support for all learners.

2.4 Country's Economic Status

Globally, the economic strength of a nation influences how governments and stakeholders—such as development partners, donors, and the private sector—support education systems. During economic growth, these stakeholders are more willing to invest in higher education and research, while global recessions often reduce available resources and partnerships.

Regionally, countries across Africa share the challenge of sustaining higher education amid economic instability. Regional bodies and stakeholders, including the African Union and development banks, often play a supportive role by providing financial assistance or encouraging collaboration among universities to improve funding efficiency.

At the national level, Kenya's economic performance determines how public funds are allocated to universities and how effectively stakeholders such as the government, private

investors, and civil society can contribute to educational development. When the economy slows down, budgetary constraints limit public spending, reducing the capacity of institutions to cater to students' needs. Active involvement of stakeholders through public-private partnerships, alumni networks, and donor programs is therefore vital in bridging financial gaps and sustaining higher learning initiatives.

Locally, within individual universities, stakeholder participation becomes even more critical. Institutional leaders, local communities, and student associations can collaborate to generate alternative funding sources, promote accountability, and ensure that limited resources are used effectively. Strengthening these relationships helps universities remain resilient despite national economic pressures.

2.5 Debt Crisis in Public Universities

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2.6 Theoretical Framework

This study will be grounded by two key theories: Resource Dependence Theory (RDT) and Human Capital Theory. These theories provide a conceptual framework for understanding the socio-economic factors influencing the implementation of the NHEFM in public universities in Nairobi County.

2.6.1 Resource Dependence Theory (RDT)

Resource Dependence Theory posits that organizations depend on external resources to survive and thrive. It emphasizes the importance of managing relationships with various stakeholders to secure necessary resources (Pfeffer & Salancik, 1978). In the context of

the NHEFM, public universities rely on government funding, private sector investments, and community support to implement their Funding strategies effectively.

The relevance of RDT to this study lies in its focus on stakeholder involvement. Effective engagement with stakeholders can enhance the capacity of universities to secure funding and resources, which are critical for the successful implementation of the NHEFM. Studies show that universities that actively manage their relationships with stakeholders are more likely to achieve better funding outcomes and improve overall educational quality (Ng'ethe, 2023; Mwangangi, 2024).

2.6.2 Human Capital Theory

Human Capital Theory suggests that investments in education enhance individuals' skills and productivity, leading to better economic outcomes for both individuals and society (Becker, 1993). This theory underscores the importance of adequate funding for higher education, as it contributes to the development of a skilled workforce essential for national growth and competitiveness.

In relation to the NHEFM, Human Capital Theory highlights the need for sufficient financial resources to ensure equitable access to education. When public universities receive adequate funding, they can provide quality education and support services, ultimately improving student outcomes and contributing to the socio-economic development of the country (Wanjiku & Mutuku, 2023; Kamau, 2023). Furthermore, this theory aligns with the study's objectives by emphasizing the relationship between educational Funding and economic returns at both individual and societal levels.

2.7 Summary of Identified Gaps in the Reviewed Literature

While substantial literature exists on the challenges and opportunities associated with the NHEFM, several gaps remain. First, limited research specifically addresses the socio-economic factors influencing its implementation in Nairobi County. Moreover, there is a lack of empirical studies examining the effectiveness of stakeholder engagement in securing resources for universities. Finally, the existing literature often overlooks the interplay between national economic conditions and educational Funding, indicating a need for further investigation in this area. Addressing these gaps will enhance the understanding of the socio-economic dynamics influencing the implementation of the NHEFM.

CHAPTER THREE: RESEARCH METHODOLOGY

3.0 Introduction

This chapter outlines the research methodology employed in the study, detailing the research design, study area, target population, sampling techniques, sample size, measurement of variables, research instruments, validity and reliability of measurements, data collection procedures, data analysis methods, as well as logistical and ethical considerations. The methodology provided a clear framework for investigating the socio-economic factors influencing the implementation of the New Higher Education Funding Model (NHEFM) in public universities within Nairobi County.

3.1 Research Design

The study adopted a descriptive research design, which was appropriate for exploring the socio-economic factors influencing the implementation of the NHEFM. Descriptive research allowed for systematic collection and analysis of data to provide a comprehensive overview of the current status of the funding model's implementation. This design was suitable for capturing perspectives on stakeholder involvement, the country's economic conditions, and the debt crisis affecting public universities without manipulating any variables.

3.2 Study Area

The study was conducted in public universities located in Nairobi County, Kenya. Nairobi County was selected due to its concentration of major public universities such as the University of Nairobi, Kenyatta University, and Technical University of Kenya. These institutions provided a diverse socio-economic background and a rich academic

environment, offering valuable insights into how the NHEFM was being implemented in a dynamic urban context.

3.3 Target Population

The target population comprised of 1500 and 250 university administrators from selected public universities in Nairobi County. The population included individuals directly affected by or involved in the implementation of the NHEFM. This ensured that data were gathered from relevant stakeholders, including undergraduate and postgraduate students, finance officers, and academic staff.

3.4 Sampling Techniques

The study employed stratified random sampling to ensure proportional representation of students and administrators. The study population was divided into two strata based on the respondents roles within the university. The first stratum comprised 265 students while the second stratum included 35 university administrators from which random samples were drawn. This method allowed for inclusivity of perspectives and reduced sampling bias.

3.5 Sample Size

A sample of 300 respondents was successfully obtained from a target population of 350, resulting in a high response rate of 85.7%. The sample included 148 respondents who filled out questionnaires via Google Forms and 152 who responded to printed questionnaires distributed physically within the institutions.

3.6 Measurement of Variables

The study focused on three independent variables: stakeholder involvement, the economic status of the country, and the debt crisis in public universities, and one dependent variable: the implementation of the NHEFM. These variables were measured using structured questionnaire items based on a 5-point Likert scale.

Table 1: Measurement of variables

Variable	Measures/Indicators	Measurement Scale
Stakeholder Involvement	Level of engagement, participation, awareness	Likert Scale (1–5)
Country's Economic Status	Inflation, unemployment, affordability	Likert Scale (1–5)
University Debt Crisis	Service quality, delayed rollout, support levels	Likert Scale (1–5)

3.7 Research Instruments

The study used structured, closed-ended questionnaires as the primary instrument for data collection. These questionnaires were administered both online and in print, targeting students and administrators. The instrument was designed to collect quantitative data aligned with the study objectives. The questions were grouped according to the variables under study, and each item employed a Likert scale to measure perception and attitudes.

3.8 Validity of Measurements

The validity of the instruments was ensured through expert review and pilot testing. Content and face validity were confirmed by consulting university lecturers and

professionals in higher education financing. A pilot study was conducted with a small group of respondents to assess the clarity, relevance, and structure of the questionnaire. The feedback obtained led to minor adjustments in the wording and sequencing of some items to improve their effectiveness.

3.9 Reliability of Measurements

The reliability of the instrument was tested using Cronbach's Alpha coefficient, which assessed internal consistency among the items. A threshold of 0.7 and above was considered acceptable. In addition, a test-retest method was employed using a sub-sample of respondents to determine the stability of the questionnaire over time. The results indicated high reliability, making the instrument suitable for the main data collection.

3.10 Data Collection Techniques

Data were collected using both Google Forms and printed questionnaires to enhance accessibility and convenience. Respondents were first briefed on the purpose of the study, and informed consent was obtained prior to participation. Printed questionnaires were physically distributed and later retrieved, while online forms were shared via email and social media platforms associated with university student groups. The dual approach ensured a broad reach across diverse respondent categories.

3.11 Data Analysis Methods

Quantitative data were analyzed using **descriptive statistics** such as frequencies and percentages, and presented in the form of tables. Each research objective was analyzed

independently. No inferential statistical tests (e.g., regression, correlation, or ANOVA) were applied in this study as the focus remained on exploring general trends and relationships based on respondent perceptions.

Table 2: Analysis of data

Objective	Data Analysis Approach
Stakeholder Involvement	Frequency and percentage analysis
Economic Status of the Country	Frequency and percentage analysis
Debt Crisis in Public Universities	Frequency and percentage analysis

3.12 Logistical and Ethical Considerations

Logistical Considerations

The researcher coordinated with university administration to access student and staff populations. Prior arrangements were made to distribute and collect printed questionnaires and to disseminate the Google Form link across online platforms. This planning ensured minimal disruption to academic schedules.

Ethical Considerations

All ethical protocols were followed throughout the research. Participants were informed of the purpose of the study and were assured of anonymity and confidentiality. Informed consent was obtained, and participants were given the right to decline or withdraw at any stage without any consequences. Data collected were stored securely and used solely for academic purposes.

3.12.1 Privacy

Confidentiality standards throughout the research process. No personal identifiers such as names, staff numbers, or student registration details were collected in order to protect participants' identities. Each participant was instead assigned a code number to ensure anonymity.

All data were handled with care and used only for academic purposes. Digital files were stored in password-protected devices, while hard copies were kept securely under lock and key. The results are reported in summary form, ensuring that no individual or institution can be identified.

Participants were also informed of their right to withdraw from the study at any time without giving a reason. The research followed all ethical requirements and data protection regulations applicable to academic studies in Kenya.

3.12.2 Anonymity

This study ensured that the identity of every participant remained completely anonymous throughout the research process. No personal identifiers such as names, staff numbers, or student registration details were collected in the questionnaires or interviews. Instead, each respondent was given a code or reference number to represent their responses.

The use of these codes ensured that individual participants could not be linked to specific data or findings. All information was presented in summary form, making it impossible to identify any person or institution involved in the study. These measures were taken to protect participants' identities and promote honest and unbiased responses.

3.12.3 Confidentiality

The study observed strict confidentiality procedures to safeguard the information provided by participants. All responses were handled with great care and were used exclusively for academic and research purposes. Only the researcher and the academic supervisor had access to the collected data.

Electronic data were stored in password-protected files, while any printed materials were securely locked away. When presenting results, individual details were omitted, and data were summarized to ensure that no specific person or institution could be identified. These measures ensured that participants' trust was maintained and that the study complied with established ethical research standards.

3.12.4 Informed Consent

Before taking part in the study, all participants were clearly informed about the purpose, procedures, and objectives of the research. They were also made aware of their rights, including the freedom to withdraw from the study at any time without any negative consequences. Participation was entirely voluntary, and no form of coercion or undue influence was applied.

Each participant was provided with a consent form that explained how the information collected would be used and assured them that their privacy and confidentiality would be protected. Only those who willingly agreed and signed the consent form were included in the study. This process ensured that participation was based on a full understanding of the study and respect for the autonomy of all respondent

3.12.5 Data storage

The researcher ensured that all data collected were securely stored to maintain confidentiality and prevent unauthorized access. Digital data were kept in password-protected files on a personal computer, while hard copies such as questionnaires and interview notes were stored in a locked drawer.

Data were organized systematically to make analysis easier while safeguarding participants' information. Only the researcher and the academic supervisor had access to the data. After the research process is completed, the data will be safely deleted and any printed materials shredded in accordance with institutional ethical guidelines.

CHAPTER FOUR: DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

4.1 Introduction

This chapter presents the data collected from respondents, the analysis carried out, and the interpretation of the findings in relation to the study objectives. The data were gathered to examine the socio-economic factors influencing the implementation of the New Higher Education Funding Model (NHEFM) in public universities in Nairobi County, Kenya. The findings are presented using tables, percentages, and narrative descriptions, focusing on the three key factors: stakeholder involvement, the country's economic status, and the debt crisis in public universities.

4.2 Response Rate

Table 3: Response rate

Category	Frequency	Percentage (%)
Target Population	350	100%
Responses Received	300	85.70%
- Google Form Submissions	148	49.30%
- Printed Questionnaires	152	50.70%

The study targeted a population of 350 respondents, consisting of both university students and administrators. Out of these, 300 valid responses were successfully collected, representing a response rate of 85.7%, which is considered adequate for academic research. Of the 300 responses, 148 were submitted via Google Forms, while 152 were collected through printed questionnaires distributed physically to selected universities in Nairobi County. The high response rate can be attributed to the use of both online and

face-to-face data collection methods, which enhanced accessibility and convenience for respondents.

4.3 Demographic Information of Respondents

This section presents the background information of the participants involved in the study. It includes data on their roles within the university, gender distribution, university affiliation, and level of study or job designation. This information helps to contextualize the findings and ensure that views were drawn from a diverse and relevant population.

4.3.1 Role in the University

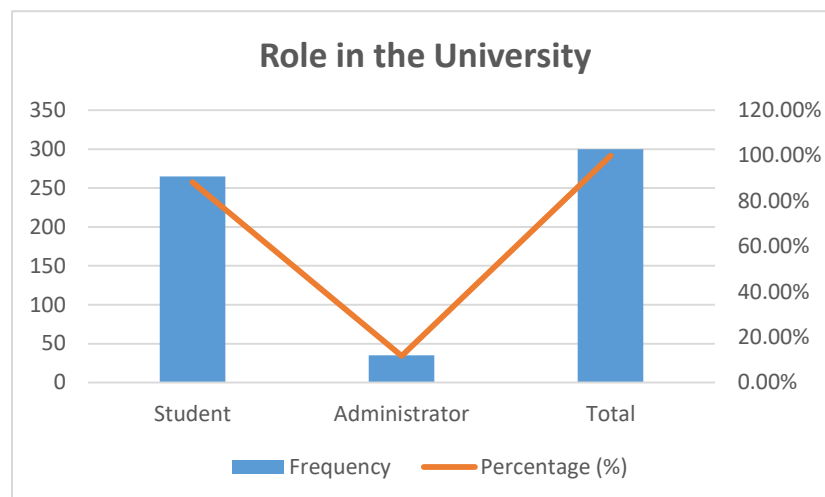


Figure 2: Role -based distribution

The graph above shows that the majority of respondents were students, accounting for 265 out of the 300 participants, representing 88.3%. University administrators made up 35 respondents, equivalent to 11.7%. This distribution reflects the emphasis of the study on students as primary beneficiaries of the Higher Education Funding Model, while still including views from administrators who are directly involved in implementing the policy.

4.3.2 Gender of Respondents

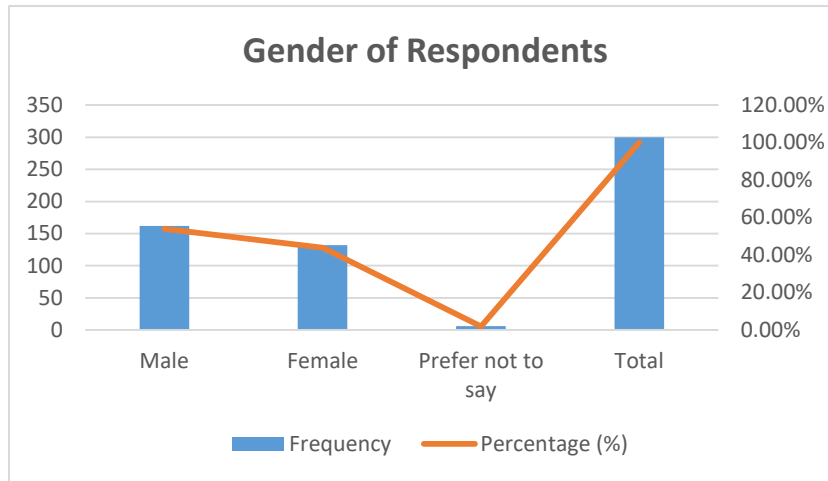


Figure 3: Gender of respondents

The graph indicates that 54.0% of the respondents were male, 44.0% were female, while 2.0% chose not to disclose their gender. This relatively balanced gender representation ensures that the data collected reflect views from both genders, enhancing the inclusivity and reliability of the study findings.

4.3.3 University Affiliation

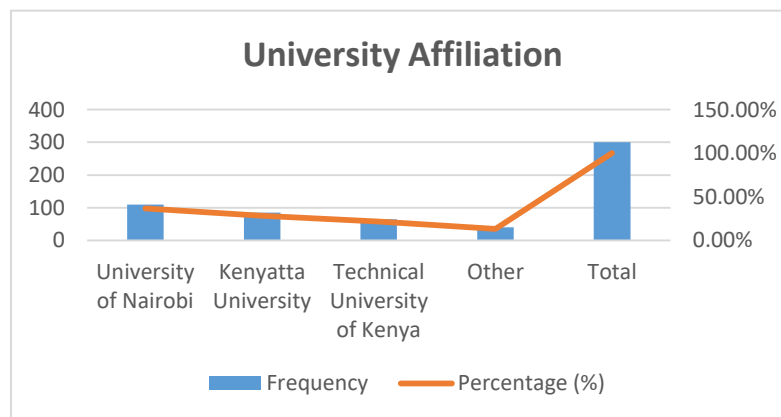


Figure 4: University Affiliation

According to the graph above, respondents were drawn from four public universities in Nairobi County. The University of Nairobi had the highest number of participants at 36.7%, followed by Kenyatta University at 28.3%, Technical University of Kenya at 21.7%, and other institutions accounting for 13.3%. This spread demonstrates a fair representation of major universities within the county, thus increasing the generalizability of the results.

4.3.4 Level of Study or Designation

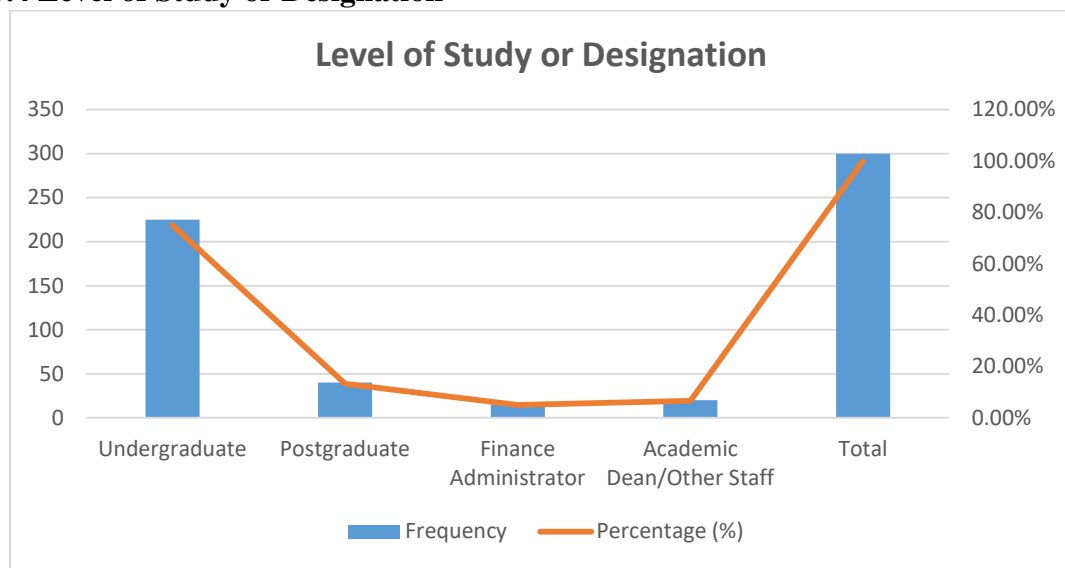


Figure 5: Level of study designation

As presented in the figure above, 75.0% of the respondents were undergraduate students, while 13.3% were postgraduate students. Finance administrators formed 5.0% of the respondents, and academic deans or other university staff accounted for 6.7%. These figures confirm that the study obtained views primarily from the students most affected by the funding model, while also incorporating institutional perspectives from key administrative personnel.

4.4 Stakeholder Involvement and Implementation of NHEFM

This section presents findings on how stakeholder involvement has influenced the implementation of the New Higher Education Funding Model (NHEFM) in public universities in Nairobi County. The results are based on five structured questions from the questionnaire, which aimed to assess awareness, participation, inclusion, and the perceived impact of stakeholder engagement on the effectiveness of the funding model.

Table 4: Awareness of NHEFM through Official Communication

Response Option	Frequency	Percentage (%)
Strongly Agree	96	32
Agree	78	26
Neutral	60	20
Disagree	36	12
Strongly Disagree	30	10
Total	300	100

Results from table 4 shows that most respondents were aware of the NHEFM through official communication. A total of 174 respondents, representing 58.0%, either strongly agreed or agreed that they had received adequate information. However, 20.0% remained neutral, and 22.0% disagreed or strongly disagreed. This suggests that while the majority had access to relevant information, a notable segment of stakeholders still felt uninformed, indicating a need for improved communication efforts from institutions and government channels.

Table 5: Consultative Meetings with Stakeholders

Response Option	Frequency	Percentage (%)
Strongly Agree	102	34
Agree	90	30
Neutral	72	24
Disagree	24	8
Strongly Disagree	12	4
Total	300	100

Results from table 5 shows that the majority of participants (64.0%) agreed or strongly agreed that their universities had conducted consultative meetings regarding the NHEFM. A smaller proportion, 24.0%, remained neutral, while only 12.0% expressed disagreement. These results highlight that institutions made some efforts to involve stakeholders in discussions, although the presence of neutral responses may point to either low awareness of such meetings or limited opportunities to participate.

Table 6: Attendance of NHEFM Stakeholder Forums

Response Option	Frequency	Percentage (%)
Yes	180	60
No	120	40
Total	300	100

Results from table 6 presents the findings on stakeholder attendance in NHEFM-related forums. Out of 300 respondents, 180 (60.0%) reported that they had attended at least one forum organized by the university, while 120 (40.0%) had not attended any. This shows a relatively positive turnout, suggesting that many institutions did organize forums;

however, the 40.0% non-participation rate also indicates that attendance could be hindered by lack of awareness, timing conflicts, or perceived irrelevance.

Table 7: Consideration of Stakeholder Opinions During Rollout

Response Option	Frequency	Percentage (%)
Strongly Agree	42	14
Agree	72	24
Neutral	120	40
Disagree	42	14
Strongly Disagree	24	8
Total	300	100

Results from table 7 shows that respondents were asked whether their opinions were considered during the rollout of the funding model. Only 38.0% agreed or strongly agreed that their views were taken into account. A significant portion, 40.0%, were neutral, and 22.0% disagreed or strongly disagreed. These results suggest that although consultative forums were held, many participants were uncertain about whether their contributions influenced the final decisions, pointing to a possible lack of feedback mechanisms or transparency.

Table 8: Influence of Stakeholder Involvement on NHEFM Implementation

Response Option	Frequency	Percentage (%)
Strongly Agree	69	23
Agree	96	32
Neutral	60	20
Disagree	51	17
Strongly Disagree	24	8
Total	300	100

Results from table 8 shows that highlights respondents' views on whether stakeholder involvement had a positive influence on the implementation of the NHEFM. A majority of 55.0% agreed or strongly agreed with this statement, suggesting that involvement had a significant impact. However, 25.0% disagreed, and 20.0% were neutral, indicating that while the influence was generally acknowledged, not all stakeholders perceived it as effective or impactful.

4.5 Country's Economic Status and Implementation of NHEFM

This section presents findings related to how the economic environment in Kenya affects the implementation of the New Higher Education Funding Model (NHEFM). The analysis was based on four closed-ended questions that explored perceptions of affordability, inflation and unemployment

4.5.1 Impact of country's economic status that influence its implementation and sustainability of New Higher Education Funding Model (NHEFM)

Table 9: Impact of Economic Conditions on Affordability of Higher Education

Response Option	Frequency	Percentage (%)
Strongly Agree	120	40
Agree	96	32
Neutral	42	14
Disagree	30	10
Strongly Disagree	12	4
Total	300	100

Results from table 9 shows that 216 respondents (72.0%) agreed or strongly agreed that the current economic conditions in Kenya have made higher education less affordable for many students. Only 14.0% were neutral, and a small portion of 4.0% disagreed. These findings suggest that rising costs, stagnant incomes, and economic inequality are significant barriers to accessing and sustaining higher education under the NHEFM framework.

4.5.2 Impact of the frequency and distribution of responses from participants ranging from strongly agree to strongly disagree on its implementation

Response Option	Frequency	Percentage (%)
Strongly Agree	138	46
Agree	84	28
Neutral	42	14
Disagree	24	8
Strongly Disagree	12	4
Total	300	100

Table 10: Impact of Inflation on Students' Well-being

Results from table 10 shows that a combined 222 respondents (74.0%) agreed that inflation has increased the cost of living, affecting students' ability to focus on academics. The high cost of food, housing, transport, and learning materials was cited during qualitative follow-ups as contributing factors. The responses reinforce the idea that macroeconomic factors directly affect student welfare and, by extension, the overall success of the funding model.

4.5.3 Relationship between unemployment levels and the disbursement of student loans as well as the repayment and payable amounts

Table 11: Unemployment and HELB Loan Repayment

Response Option	Frequency	Percentage (%)
Strongly Agree	114	38
Agree	102	34
Neutral	48	16
Disagree	24	8
Strongly Disagree	12	4
Total	300	100

Results from table 11 shows that 72.0% of respondents agreed that the high unemployment rate among graduates affects their ability to repay HELB loans. This not only threatens the sustainability of the funding model but also discourages students from fully relying on loans, knowing that repayment may become a burden. This concern may undermine the effectiveness of the NHEFM, which partially relies on recoverable loans to function.

4.5.4 Response on the government budget allocation and relation to government budget constraints and university funding operation

Response Option	Frequency	Percentage (%)
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Table 12: Government Budget Constraints and University Funding

Response Option	Frequency	Percentage (%)
Strongly Agree	102	34
Agree	87	29
Neutral	57	19
Disagree	36	12
Strongly Disagree	18	6
Total	300	100

Results from table 12 shows that 63.0% of respondents believe that government budget limitations due to economic constraints have negatively affected funding in public universities. While 19.0% were neutral, only 18.0% disagreed with this view. These findings confirm that budget deficits and competing national priorities can compromise the implementation and stability of education policies like the NHEFM.

4.6 Debt Crisis and Implementation of NHEFM

This section presents the findings regarding the impact of financial distress in public universities on the implementation of the New Higher Education Funding Model (NHEFM). The results are drawn from four closed-ended questions that addressed institutional deficits, reduced services, delayed implementation, and constraints on student enrollment.

Strongly Agree	108	36
Agree	90	30
Neutral	60	20
Disagree	30	10
Strongly Disagree	12	4
Total	300	100

4.6.1 Analysis of the existence and extent of financial difficulties experienced by public universities under the new funding model

Table 13: Existence of Financial Difficulties in Universities

Results from table 13 shows that 198 respondents (66.0%) acknowledged that their universities were experiencing financial difficulties or operating under a deficit. Another 20.0% remained neutral, while 14.0% disagreed. These findings point to widespread fiscal instability among public institutions, which could hinder their operational capacity and readiness to align with the NHEFM requirements.

4.6.2 Student response on the reduction of university services as a result of financial constraints and limited institutional resources

Table 14: Reduction of Student Services Due to Financial Constraints

Response Option	Frequency	Percentage (%)
Strongly Agree	114	38
Agree	96	32
Neutral	48	16
Disagree	30	10
Strongly Disagree	12	4
Total	300	100

Results from table 14 shows that majority of 70.0% of respondents agreed that universities had reduced essential services such as Wi-Fi, student support, and learning materials due to budget cuts. Only 14.0% disagreed, while 16.0% were neutral. This reduction in services reflects the direct consequences of institutional debt and limited funding, which may compromise the student experience and the successful rollout of the NHEFM.

4.6.3 Response from strongly agree to strongly disagree regarding the extent to which financial constraints has led to delay in implementing the NHEFM

Table 15: Delay in NHEFM Implementation Due to Debt

Response Option	Frequency	Percentage (%)
Strongly Agree	78	26
Agree	96	32
Neutral	72	24
Disagree	42	14
Strongly Disagree	12	4
Total	300	100

Results from table 15 shows that 58.0% of respondents agreed or strongly agreed that institutional debt had led to delays in the full implementation of the NHEFM. With 24.0% neutral and 18.0% disagreeing, the results indicate that while the issue may not be uniform across all institutions, financial instability is seen by a majority as a factor hindering policy execution.

4.6.4 Response of students on impact of debt on university enrollment rates and access to student support services

Table 16: Impact of Debt on Student Enrollment and Support

<i>Response Option</i>	Frequency	Percentage (%)
<i>Strongly Agree</i>	102	34
<i>Agree</i>	90	30
<i>Neutral</i>	60	20
<i>Disagree</i>	36	12
<i>Strongly Disagree</i>	12	4
<i>Total</i>	300	100

Results from table 16 shows that a combined 64.0% of respondents believed that financial challenges have made it difficult for universities to enroll and support more students under the NHEFM. Meanwhile, 20.0% remained neutral and 16.0% disagreed. These findings confirm that limited financial resources are a constraint to expanding access and sustaining support systems for beneficiaries of the funding model.

CHAPTER FIVE: SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the study findings, draws conclusions based on the data analyzed, and outlines recommendations aimed at enhancing the implementation of the New Higher Education Funding Model (NHEFM) in public universities in Nairobi County. The structure follows the three specific objectives of the study and aligns the conclusions and recommendations accordingly.

5.2 Summary of Findings

The study sought to examine the socio-economic factors influencing the implementation of the NHEFM. The specific areas of focus were stakeholder involvement, the country's economic status, and the debt crisis affecting public universities.

Firstly, the findings revealed that stakeholder involvement plays a significant role in the successful implementation of the NHEFM. A majority of the respondents confirmed being aware of the funding model through official communication. While most participants acknowledged the existence of consultative forums, a notable portion felt that their opinions were not fully considered, indicating a communication gap between institutions and stakeholders.

Secondly, the economic status of the country was found to substantially impact the implementation of the funding model. Respondents reported that inflation and the high cost of living had affected students' ability to sustain themselves in school. In addition, graduate unemployment has led to concerns over loan repayment, which threatens the

sustainability of the HELB loan system. Government budget limitations were also seen as barriers to consistent and adequate university funding.

Lastly, the study established that the debt crisis facing public universities has negatively affected the rollout of the NHEFM. Many institutions are operating under financial constraints, which has resulted in service reductions, implementation delays, and limited capacity to support increased student enrollment.

5.3 Conclusions

Based on the findings of the study, it can be concluded that effective stakeholder engagement is essential for the successful implementation of the NHEFM. While forums and meetings have been organized, the depth of inclusion remains questionable, as some stakeholders feel their input is not adequately reflected in decision-making.

The country's economic environment has a direct effect on the affordability and effectiveness of the NHEFM. Inflation, unemployment, and government fiscal challenges influence not only students' access to education but also the government's ability to sustain the funding model. These economic realities must be considered in the ongoing evaluation of the NHEFM's structure and scope.

The financial instability and accumulated debts within public universities present a major obstacle to the model's success. Without resolving these fiscal issues, institutions will continue to face difficulties in service delivery, infrastructure maintenance, and enrollment expansion, thereby undermining the objectives of the funding reform.

5.4 Recommendations

Based on the conclusions drawn, the following recommendations are proposed:

1. Universities and the Ministry of Education should institutionalize regular, transparent stakeholder forums and ensure that feedback is meaningfully integrated into the planning and rollout of funding models.
2. Clear, consistent, and accessible communication should be prioritized to increase awareness and understanding of the NHEFM, particularly for students from marginalized backgrounds.
3. The government should consider reviewing the Means Testing Instrument (MTI) regularly to reflect changing economic conditions, and explore the possibility of offering stipends or grants to the most vulnerable students beyond tuition coverage.
4. To improve HELB loan repayment, there should be a stronger linkage between higher education and labor market policies, including internship programs, job placement initiatives, and entrepreneurship support.
5. The government should conduct a financial audit of public universities and develop a comprehensive bailout or restructuring plan. This would improve institutional capacity to meet their obligations and support a smooth transition under the NHEFM.

5.5 Suggestions for Further Studies

While this study focused on socio-economic factors influencing the implementation of the New Higher Education Funding Model (NHEFM) in public universities within Nairobi County, there remain several areas that future researchers may explore to build on the current findings:

1. Further studies can examine the implementation of the NHEFM across different counties in Kenya to identify regional disparities and best practices.
2. Further studies on longitudinal study tracking students funded through the NHEFM over time could provide insights into the model's long-term effectiveness on student retention, academic performance, and post-graduation outcomes.
3. Further studies may also explore how internal financial management practices in public universities affect their ability to absorb and operate under new funding models like the NHEFM.
4. Further studies can focus on qualitative study on policymakers and HELB administrators could yield insights into the policy design, funding sustainability, and challenges from the supply side.

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APPENDICES

APPENDIX 1: QUESTIONNAIRE

Questionnaire on the social economic factors influencing implementation of new higher education funding model in public universities in Nairobi county.

Dear participants this questionnaire is designed to gather information on how students and administrators influence the implementation of new higher education funding model.

Your participation is voluntary and all responses will be kept confidential. The information collected will be used solely for academic research purposes.

Section A: Demographic Information

1. What is your role in the university?

Student

Administrator

2. What is your gender?

Male

Female

Prefer not to say

3. Which public university are you affiliated with?

University of Nairobi

Kenyatta University

Technical University of Kenya

Other (please specify): _____

4. What is your level of study or designation?

Undergraduate

Postgraduate

Finance Administrator

Academic Dean/Other Staff

Section B: Stakeholder Involvement

5. I am well informed about the NHEFM through official communication channels.

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

6. The university has conducted consultative meetings with students/staff on NHEFM implementation.

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

7. I have attended at least one university-organized forum discussing the NHEFM.

Yes

No

8. Stakeholder opinions were considered during the rollout of the NHEFM.

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

9. Stakeholder engagement has positively influenced the implementation of the NHEFM at this institution.

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

Section C: Economic Status of the Country

10. Economic conditions in Kenya have made higher education less affordable for many students.

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

11. Rising inflation has increased the cost of basic needs, affecting students' ability to focus on studies.

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

12. The country's unemployment rate affects the repayment ability of HELB loans.

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

13. Government budget limitations due to economic constraints have affected university funding.

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

Section D: University Debt Crisis

14. My university is currently facing financial difficulties or operating under a deficit.

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

15. The university has reduced services (e.g., Wi-Fi, lecture materials, student support) due to financial constraints.

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

16. University debt has delayed the full implementation of the NHEFM.

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

17. Financial challenges have made it difficult for the university to enroll and support more students under the new model.

Strongly Agree

Agree

Neutral

Disagree

Strongly Disagree

APPENDIX II : WORKPLAN

Activity	February	March	April	May	June	July	August
Selection of topic							
Introduction							
Literature review							
Methodology							
Research proposal							
Gathering of data							
Recording of data							
Analysis of data							
Conclusion and recommendation							
Research defense							
Documentation							

APPENDIX III: BUDGET

Items	Amount (ksh)
Internet connection	3,000
Transport	2,000
Printing	2,500
Miscellaneous	1,500
Total	9,000