

ABSTRACT

Before the inception of HELB all students in higher education were being financed for their studies through USLS irrespective of their socio-economic backgrounds (SEBs). This led to 28% participation by needy students in early 90's. In order to enhance access and equity, the government established HELB in 1995 with a mandate to identify and assist the needy cases only by allocating loans to them according to their levels of need. However, the increasing cases of drop-outs, repetitions and deferments of studies at 1.3% per year due to lack of fees amongst HELB applicants raises concerns. Some studies have also cast doubts on whether the genuinely deserving cases are being considered during loan allocations by HELB. Since Kakamega-East sub-county had the highest absolute household poverty index of 67.8% in Kakamega County implying that many of its students were needy, the purpose of this study was therefore to determine the effect of HELB funding on access and equity in public university undergraduate studies in the sub-county. The objectives of the study were to: establish the percentage of HELB undergraduate loan recipients as a proportion of the total university enrolment for the 2011/12 cohort in the sub-county; establish the trend of HELB undergraduate loan allocation to the sub-county between 2011 – 2014 for the cohort; determine the degree of fairness in HELB undergraduate loan allocation to the sub-county based on the criterion used; and to determine the relationship between HELB loan allocation and the students' SEBs. The study was guided by the socialist economics of education theory postulated by Louis Blank. The study used descriptive survey, ex-post facto and correlational research designs. It used the 2011/12 cohort since it was the latest with a full cycle of study. The study population was 788 HELB applicants in undergraduate studies in public universities from the sub-county, 22 University Academic Registrars (UARs) of the chartered public universities in Kenya and the CEO of HELB. The study sample comprised 292 university students, 7 UARs and the CEO of HELB. Whereas systematic sampling was used to select students based on the serial numbers of their HELB forms, purposive sampling was used to select the UARs of the 7 public universities that existed before enactment of the Universities Act No. 42 of 2012 while saturated sampling was used for the CEO of HELB. Primary sources of data were Questionnaires and Interview Schedules while Secondary sources were HELB loan forms for students and proforma for document analysis for UARs and CEO of HELB. Face validity of the instruments determined their appropriateness to yield desired results while test-retest for reliability was done at 0.05 significance level on two-tailed t-test with a 0.96 coefficient for students' questionnaires. In data analysis, it was established that 60.7% of total enrolment in public universities were recipients of HELB loans for the 2011/12 cohort for the sub-county. The trend in HELB loan allocations was found to be increasing at 0.92% per year. However, the study revealed that the loans were relatively inequitably allocated to students due to the *gini* coefficient of 0.45 that was established. The levels of fairness in loan allocations were found to be decreasing at 7.4% per year. A weak inverse relationship between HELB loan allocations and SEBs of students was therefore established through a pearson's correlation coefficient of -0.187. It was concluded that HELB had slightly enhanced access but failed to enhance equity in the financing of public university undergraduate studies for the sub-county. The study recommended for the review of the Means Testing Instrument that HELB uses to allocate loans so as to ensure that deserving cases are properly identified. These findings were significant to HELB in assessing its effectiveness in loan allocations to students.