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**Exploring Funding Models in “No-Fee” Schools in Cape  
Town: Evidence from Selected Public Primary Schools.**

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## Exploring Funding Models in ‘No-Fee’ Schools in Cape Town: Evidence from Selected Public Primary Schools.

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### Abstract

**Purpose:** The explicit goal of education funding policy is to raise educational standards by addressing historical financial disparities. This study, explored the funding models in three no-fees public primary schools within the Western Cape Education Department in Cape Town. The specific objective of this study was to explore and discuss the funding models’ initiatives of schools in resources scarce communities in Cape Town.

**Methodology:** A qualitative research model was adopted for the investigation. Semi-structured guided questions were used to obtain the data. Using intentional sampling, which selects individuals based on their backgrounds and expertise, a total of nine people was recruited. Three school principals, three chairs of the governing body, and three administrators of the school's finances made up the group of participants. Due to the COVID-19 pandemic, data were recorded using telephone conversations. The researcher used a thematic data analysis approach to analyse the data after recording and meticulously transcribing the talks. Individual interviews, participant data, and document analysis were all merged by the researcher in order to make the research conclusions credible.

**Findings:** As a result, it was determined whether the information from the case study and the interviews headed in the same direction. Additionally, the researcher gave each participant a chance to confirm that the facts were what they had provided as data. The study indicated that despite receiving 75% of their income from the government, certain no-fee public primary schools still had a high level of resource reliance. A sizeable part of school funding—25%—comes from voluntary donations. The funding attempts, however, have not succeeded in bringing in the money the schools sorely need. Due to government rules, schools feel they have too little money left over and are unable to make significant improvements. The study also showed that fundraising campaigns have an impact on education since they interfere with class time. Additionally, the study demonstrates that learner’s social competition has increased as a result of selling products on campus to raise extra money since learners whose parents cannot afford it do not want to feel afraid or humiliated.

**Recommendations:** Selected schools should raise funds using stronger and more innovative funding initiatives rather than traditional, hands-on approaches. The government should rethink amending schooling policies to legally accord schools to collect fees, since studies show that parents in low-resource communities are removing their children from low-resource schools to well-resource schools. Governments also need to rethink school policy changes to give schools the flexibility to make significant budget changes.

**Keywords:** *Funding models, no-fee schools, initiatives, education, South Africa.*

## 1.0 Introduction and Background to the Problem

During the apartheid era in South Africa, education was segregated based on race. The country was divided along racial lines by the apartheid doctrine of separate development, with separate departments of education for each population group and homelands created just for black people. Public schools were centralized and managed by 18 such divisions. Schools had no decision-making authority; all decisions on educational matters were made by the relevant departments of education. Schools serving the white population group got significant money at this time whereas schools serving the other demographic groups only received a small percentage of the education budget. The democratic government has turned over control of education to local communities since the Apartheid Regime was overthrown in 1994. The fact that education is prioritized at all levels of government demonstrates the education dilemma in South Africa. Consequently, it was necessary to repeal several apartheid policies and enact new legislation (Mestry & Du Plessis, 2020).

With the enactment of new legislation, the lowest 40% of schools were given no-fee status under a new funding policy known as Amended National Norms and Standards for School Funding that went into effect nationwide in 2007. No-fee schools are prohibited from charging tuition; instead, funding distributions were skewed to provide the poorest schools in quintiles 1 to 3 the highest per-pupil allocations. The no-fee policy is based on a formula that classifies all schools into one of five quintiles according to their level of national poverty. This serves as the framework for a pro-poor, spatially tailored funding strategy (Hall, 2009). It should be remembered that the main goal of no-fee education was to lower the cost of education. In addition to school fee exemptions, historically underfunded schools now receive more state financing (no-fee schools), and regardless of race, school fee exemptions are given to low-income or jobless parents who find it difficult to pay school fees for their kids (Mestry, 2014). The transfer of power should result in a better and more solid relationship between communities and schools as well as a substitute for bureaucratic surveillance in terms of accountability (Mestry et al., 2020). Therefore, the explicit goal of education funding policy is to raise educational standards by addressing historical financial disparities (Hall, 2009).

However, Mestry and Berry (2016) contend that because of the state's inadequate funding for addressing the shortage of educational resources, equity in public schools has not yet been fully accomplished. According to Van Dyk and White (2019), inaccurate quintile ranking has led to insufficient and unequal school funding, which has an effect on the upkeep, instruction, and learning of schools. Low pass rates, low teacher and learner morale, a resurgence of student violence, ineffective leadership by school administrators, poor governance by school governing boards, and generally declining school quality, efficiency, and effectiveness continue to be features of the public education system, particularly low-resource community schools (Mestry, 2014). Naicker and Ncokwana (2016) go on to say that among the difficulties faced by school administrators were delays in payments for fee exemptions and a lack of facilities and resources. Similar issues arise at institutions that do not charge tuition, including inadequate funding, funding delays, and inadequate resources. According to Buys et al., (2020), school governing bodies (SGBs) must adopt an entrepreneurial attitude in order to complement public funding. Additionally, there are significant issues with school fees, such as bad debt and tuition exemptions, which has forced SGBs to look for alternative sources of income. For example, table 1 shows average school revenue for three no-fee schools over a three-year period.

**Table 1: School Average Revenue**

<b>Schools</b>	<b>Average Total income in Rand(million)</b>	<b>Average Total expenditure in Rand (million)</b>	<b>Variance</b>
<b>A</b>	2 765 398	2 901 354	(135 956)
<b>B</b>	2 178 207	2 361 657	(183 450)
<b>C</b>	2 437 311	2 397 180	40 131

*Source: Author research (2021) based on audited school's financial statements, 2017, 2018, and 2019.*

Table 1 indicates that schools A and B were running on a deficit during the periods under study. School C, on the other hand, was able to generate a surplus of R40, 131. Drawing from the previous literature, numerous studies have investigated school funding and approaches to managing funds for development programs within educational institutions (Buys et al., 2020; Mestry et al., 2016; Naicker et al., 2016; Mestry, 2014; Van Dyk et al., 2019; Mestry et al., 2020; Beyonyi, 2022). However, these studies have traditionally focused on relatively slow-paced educational institutions in Gauteng where key funding and initiatives do not change particularly often. The body of theory poses a challenge for educational institutions that must contend with a rapidly shifting landscape of resources. For instance, White Paper 1 on Education and Training (Department of Education, Republic of South Africa [RSA], 1995) emphasizes how the viability of the expanded public education system would be dependent on the amount of money that is available. It emphasized the significance of local governments taking responsibility for their schools and forming alliances to secure enough funding. In fact, SGBs are required by section 36(1) of the South African Schools Act (RSA, 1996) to use every option at their disposal to augment state financing.

As a result, the current research assumes a slow speed to supplement funds provided by the state, which makes it insufficient for the acquisition of suitable resources in a setting where vital funding and resources are continually and rapidly changing. Such environments therefore find them ill equipped in terms of funding initiatives. Therefore, this article aimed to seek to better investigate these school funding models' initiatives in under-resourced communities through the lens of three no-fees public primary schools within the Western Cape Department of Education in Cape Town. The researcher argues that the interventions of the state through no fees primary schools are vital to address these gaps in incomes created by apartheid. This in many ways reveals the relevancy of this study as one with value propositions to address inequities in the society. The specific objective of this article is to explore and discuss the funding models' initiatives with evidence from selected no-fee public primary schools in Cape Town.

## **2.0 Literature Review**

### **2.1 Key theoretical underpinning**

#### **2.1.1 Resource dependence theory**

Due to the relatively high reliance of South Africa's no-fee schools on public funding, the lack of state financial support forces no-fee public schools to look for resources elsewhere in order to maintain stability, carry out their missions, and achieve the significant policy objectives outlined by the South Africa School Act. The resource dependence hypothesis offers a crucial

foundation for comprehending how public no-fee primary schools react to resource shortages. Its main claim is that organizations face a survival hazard when they are deprived of vital resources. Therefore, in order for organizations to survive, there must be a constant flow of resources. The theory presupposes that organizations are adaptable and will change if an environmental change endangers crucial resource relationships (Pfeffer & Salancik 1978; Cloete & Maassen 2002; Gornitzka 1999; Maassen & Gornitzka 2000).

According to the theory of resource dependence, organizations only endure to the extent that they are successful in obtaining and preserving resources (Pfeffer et al., 1978). Organizational stability is jeopardized when resources are in a significant state of fluctuation. Organizational efforts are focused on regaining stability in such situations. The ability to acquire and preserve resources is crucial for organizational longevity, according to Pfeffer et al., (1978). South African no-fee public primary schools have mostly modified voluntary contributions in schools to address their current resource needs and have also started fundraising campaigns to "survive" with insufficient state financial support. A token fee is the most significant voluntary contribution tool that virtually all no-fee public primary schools have used to enhance their resource situation. To achieve cost recovery and the best possible income production, several South African public schools that do not charge tuition have altered how fees are assessed. The percentage of revenue in the total income of no-fee public primary schools has increased dramatically over the years, from 24% in 2000 to 29% in 2004 primarily due to increases in voluntary contributions (DoE 2007). However, a research by Le Roux and Breier (2007) demonstrates that voluntary tuition hikes have not provided public no-fee schools with the funding they required to maintain their operations.

As a result, despite the fact that South African state no-fee schools have diversified their revenue streams, few of them make significant contributions. Therefore, it is suggested that diversifying revenue sources can only ensure public no-fee schools' continuous financial stability provided the many sources amass sizable sums such that any unanticipated underperformance by one source does not cause the institution's financial stability to become unstable. Regardless of fluctuations that can adversely affect some sources, the goal of reducing any sort of resource dependence should be to ensure financial health and sustainability. Inadequate government support leads to instability and vulnerability in part because no-fee schools' restricted resource allocation and reliance on numerous revenue sources. Therefore, voluntary fees and the other projects will need to contribute significantly unless public no fee is able to fairly distribute their resource depending on multiple income streams. The phenomenon of revenue fluctuation is another difficulty seen with regard to money from non-government sources. Revenue from sources related to school initiatives frequently varies from year to year, sometimes dramatically; compared to non-government contributions, revenue unpredictability seems to be less of a concern. As a result, even though state financing for public no-fee schools has not been adequate, it still represents their most reliable source of income. The topic of voluntary fee hikes has not been without controversy, despite the apparent beneficial association between the rise in "voluntary" fees and the declining state financial assistance for public no-fee institutions. Parents, students, and the government have voiced opposition to these price hikes (Ouma, 2007).

## **2.2 School Funding Models**

### **2.2.1 Private Partnership Model**

The function of private partnership funding in public education was examined within the legislative framework of public education. Starting with Gunter's (2011) contention that successful administration of private funding projects can boost schools' autonomy and strategic

ability. As a result, the South African environment is contrasted with global movements toward decentralizing public education institutions, emphasizing the balance between autonomy and responsibility (Nieuwenhuis & Mokoena, 2005). In order to meet the various requirements of all South Africans, a national framework for the governance and finance of public schools was proposed in the first White Paper on Education and Training (Department of Education, RSA, 1995). White Paper 2 on the Organisation, Governance and Funding of Schools (Department of Education, 1996) suggests a partnership between the government, schools, and communities to partially fund education in order to afford a sustainable education system that ensures fair access for everyone. Both education White Papers place a strong emphasis on the need for communities to take ownership of their schools and emphasize that parents' top priorities are their children's education (Bray, 2005). The Department of Basic Education (DBE) is in charge of creating the overall framework for educational policy, while provincial education ministries are in charge of its administration.

Government has been decentralized to the school level, giving SGBs a significant amount of autonomy (RSA, 1996). SGBs were given the authority to make recommendations for the hiring of instructors, upkeep of the school's facilities, and administration of its financial resources. The Schools Act (RSA, 1996) has provisions allowing SGBs to decide on language of teaching, learner admissions, and financial policies. The degree of autonomy in public schools varies from a traditional command-and-control approach by provincial education departments in no-fee schools that receive full state funding, allowing little discretionary power in financial matters and minimal authority to make decisions in financial matters, to highly effective, fee-paying public schools where the subsidy received from the state forms a relatively small part of the total school budget, allowing substantially greater financial discretion and authority (Hargreaves, 2010; Soga, 2004). Whether schools are effective in either system depends on their capacities, fund management structures and the support they receive from various stakeholders.

### **2.2.2 Negotiated funding model**

A crucial component of South Africa's public education system is cooperative governance, which is supported by a combination of public and private funding (Van Rooyen, 2012). In schools classified as quintiles 4 and 5 or "least impoverished" schools, state subsidies and staffing levels dramatically decreased after the release of the NNESSF (Department of Education, RSA, 2006). For the majority of these institutions to deliver and maintain high-quality education, they increasingly rely on additional financial resources. The average quintile 5 high school's total budget in 2013 consisted of 3.6 percent of state subsidies, according to the Federation of Governing Bodies of South African Schools' (FEDSAS) environmental analysis (2014), while an average of 30 percent of the teachers in quintile 5 schools were paid from school funds raised by SGBs. Schools are an essential component of the communities they serve, and they can draw on the resources of the community and work with its residents to overcome some of the educational difficulties (Kovalchuk & Shchudlo, 2014; Mundy & Verger, 2015; Witten, 2015). The expense of maintaining a big central bureaucracy can be reduced, communities can be empowered, and schools in underserved areas can access government resources thanks to the efficient delegation of power to institutions with a track record of managing it (Dhillon, 2013; Maringe & Prew, 2014; Spaul, 2013).

### **2.2.3 Input-based funding model**

Schools are classified according to poverty levels and get subsidies in accordance with those ranking (Maringe et al., 2014), 26 years after steps to meet the constitutional imperatives of fairness and restitution in South African public education were put into place (Department of

Education, 2007). The funding for resource allocation goes to the poorest schools (Quintiles 1, 2, and 3 schools) at least seven times more than it does to wealthy schools (Quintiles 4 and 5 schools). SGBs are driven to look for alternative sources of revenue since wealthy schools receive little money (Blake & Mestry, 2014). In order to provide children with a proper education, stakeholders are asked to pay money through school (user) fees, contributions, and sponsorships. As a result, schools cannot view themselves as independent from their local communities (Du Plessis, 2012). The support of parents and the larger community allows public schools (Quintiles 4 and 5) to endure the worst of funding cuts (Blake, 2008; Van Rooyen, 2012).

The financial resource allocation from the state comprised an average of 6.19 percent of the total cash flow of Quintiles 4 and 5 schools in 2013, according to FEDSAS' environmental analysis (2014). Public financing as a percentage of the school budget fell by 5% between 2009 and 2013. Rich public schools rely largely on tuition to keep up academic standards. An average of 15% of overall school revenue comes from sources other than tuition fees that are directly related to SGB projects.

Even though there are methods like debt collectors to make parents pay, the costs of going to court to recover unpaid school fees are not reasonable. The school fee exemption policy also has important fundraising ramifications. Parents who are unable to pay school fees may submit a written application to be partially or entirely exempt from paying these fees using a predetermined formula (Department of Education, RSA, 2006). School fees made up an average of 81 percent of the nett income of fee-paying schools in 2013, according to the FEDSAS environment survey (2014). In all Quintile 5 schools, 16.5 percent of students on average were exempt from paying tuition. Between 2009 and 2013, the amount of tuition that schools could not recoup rose by 11%.

The cost of school fee exemptions and uncollectible debts is second only to the cost of teacher salaries (extra posts above the post provisioning guidelines specified by the Department of Education). The average increase in secondary school tuition over primary school tuition is 47%, hence secondary school exemptions are likewise significantly greater. The loss in revenue from school fees and state support highlights the rising need for major private sponsorship of public schools through a variety of fundraising initiatives.

#### **2.2.4 Fundraising mechanisms model**

It becomes essential for SGBs to think up creative fundraising ideas to add to the money they receive from the government and user fees. According to Kelly (1998), fundraising refers to the methods and activities used to assist non-profit organizations in securing individual donations that benefit both the organization and a free society. SGBs use a variety of cutting-edge fundraising strategies. It is common practice to sell the right to place advertisements on school property and to allow businesses to sponsor school events (Blake et al., 2014). Public schools allow sponsored advertisements on school buses, boundary fences, and apparel, accept sponsorship money for sporting competitions and tournaments, and lease space to cellular phone companies. Sponsors frequently negotiate for exclusive arrangements to supply goods like soft drinks, stationary, or technology to everyone in the school.

Collaborations between public schools and private service providers can include a wide range of services, including managerial, expert, operational, support, and educational services. Partnerships, in the opinion of Ball and Youdell (2009), obfuscate the line between the public and private sectors and can give public organizations access to ideas and concepts from the private sector, transforming public sector actors into business owners.

Social franchising is yet another innovative concept. Instead of making money for private owners, the concepts of commercial franchising are used to make money that supports social good. With the proper assistance from the franchisor, such as expert training, the use of brands and brand marketing, discounted supplies and equipment, support services, and access to professional counsel, a successful business model is packaged and given to franchisees so they may copy it (Apple, 2011; Williams, 1995; Witten, 2015). According to Blake's (2008) research, principals and SGBs should take an entrepreneurial approach to managing the finances of their respective schools. The success of schools is significantly influenced by the efficient and effective administration of resources. The effectiveness of teachers, proper financing, and entrepreneurial leadership are all important factors in raising student achievement.

### 3.0 Methodology

The figure 1 shows the study's conceptual framework the researcher resorted to follow.

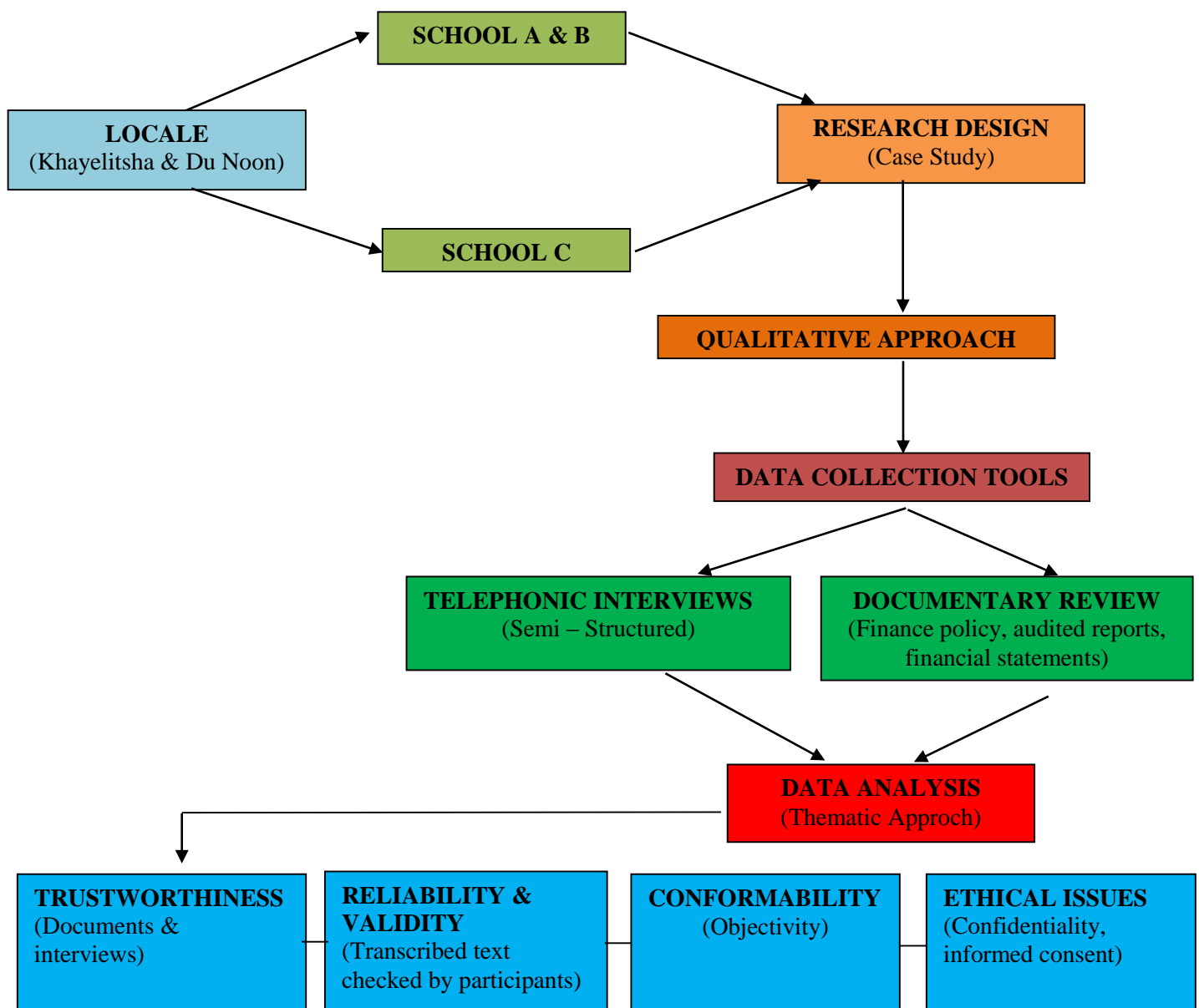


Figure 1: Study conceptual framework



### 3.1 Research Setting

- **Background to Khayelitsha**

The study was conducted in Khayelitsha and Du Noon, as seen in figure I. An unincorporated community called Khayelitsha can be found in Cape Town on the city's flats. The name translates to "new house" in IsiXhosa. There are roughly 391,749 people living in Khayelitsha. Khayelitsha has a population that is roughly 90.4% Black African, 8.4% Mixed, and 0.4% Caucasian (Statistics South Africa, 2018).

- **Background to Du Noon**

East of Table View lies a laid-back community called Du Noon. It is a neighborhood on Cape Town's west coast. The Du Noon region has an employment rate of about 47%, and a sizable portion of the population resides in "squatter" houses, per Statistics South Africa. Most people live in poverty. In 2018, the unemployment rate was at a peak of almost 56%. (Statistics South Africa, 2018). It should be emphasized that a significant portion of the workforce consists primarily of local domestic employees.

- **Schools profile**

The three schools were purposefully chosen from various regions and educational circuits in Cape Town, South Africa. Schools are chosen based on the fact that they face funding management challenges, as well as the fact that they are ranked in quintiles 2 and 3. The selected schools are located in townships with the same socioeconomic status. The researcher received approval from the school governing bodies that were chosen to conduct this study. The study's purpose was fully explained, and the confidentiality of the interviews was ensured.

### 3.2 Qualitative approach

A qualitative research approach was used in this study to generate insights into funding model initiative in a select number of no-fee public primary schools. The researcher used open emerging data to develop topics from the data. The researcher thought this approach was appropriate for the research because the exploration and contributions of the participants would aid the researcher in developing a model.

### 3.3 Study design

Following the above analysis, the researcher used a case study design to gain insight into the theory and practice of funding initiatives, the uses and how strategies at the level of School community degrees in a select number of no-fees schools.

### 3.4 Data collection tools

The researcher used semi-structured interviews to collect data. As Denscombe (2009) suggests, in order for the researcher to be aware of points such as an individual's opinions, feelings, emotions, and breakdowns, interviews will undoubtedly provide a suitable, methodologically satisfying way to obtain details about the meaning of the subject. As a result, this study investigates individual perspectives, tendencies, feelings, and facts regarding funding model initiatives in selected no-fee public primary schools. The researcher believes that this approach to telephone interviews is important because the participants were chosen fairly and the sample size of the study is small. This enabled the researcher to conduct a lengthy phone interview with all of the participants. It is suggested that telephone interviews are not appropriate for all participant groups. Instead, when selecting an interview method, researchers were instructed to carefully select target study participants (Farooq, 2017). As a result, the researcher carefully selected his targets and participants through a phone interview.

To ascertain how the school's purchasing, banking, complaints procedures, and training for financial committee members as well as other staff members were acquired, the financial policies of each school were examined. The different tactics employed by schools for the efficient use and administration of resources are established by fiscal policy, which is regarded by researchers as being a key document. This policy also identifies whether the management team members of the school have the relevant expertise to manage financial matters. School budgets assist researchers in determining whether funds allocated or created meet the needs of the school and identified needs, as well as how the funds will be used. The school's budget shows whether the school has an annual surplus or deficit. This would aid research into school leadership-led interventions in terms of strategy, budgeting, and fundraising. The audited or financial statements of the school were reviewed to see if there was a dispute over revenue and expenditure. This enables the researcher to determine whether schools used strategies like fundraising projects to supplement funding.

### **3.5 Sampling of participants**

Participants from selected schools were principals, school board presidents, and finance chairpersons. The principal has the requisite management strategy knowledge because she manages the school on a daily basis. The president of the school board, however, may have an opinion on matters pertaining to finance and strategy. All matters pertaining to financial management, including the utilization of resources, may be handled by the chair of the finance committee. All of these explanations support the researcher's decision to choose volunteers, all of whom, as can be seen, have unique qualities that could be advantageous to the researcher in acquiring information. As a result, nine people in total were recruited through the use of intentional sampling, which involves choosing participants based on their prior experiences and education. Three school principals, three chairs of the governing body, and three administrators of the school's finances made up the group of participants.

### **3.6 Data analysis**

Thematic data analysis is suitable for this research because it is exceptionally flexible. Due to the complexity of the study, it makes sense for the researcher to apply this method. The study sample is small and homogeneous; therefore, the thematic analysis is suitable for research.

## **4.0 Presentation and Discussion of Results**

The main goal of the semi-structured interviews was to pinpoint pertinent topics for the analysis that would aid in the creation of a useful tool for the study's qualitative phase. Here are some similar subjects that have come up recently.

- Donations made voluntarily
- Input- based funding

Themes were used to group the interrelated elements of literary meaning and transcription. After a succinct introduction to each topic and subtopic, there will be a discourse made up of copied responses that present content that is pertinent and pertinent to the point of view.

### **4.1 Participants background information**

Every participant engaged fully throughout the interview. The interviews took place amicably and cooperatively. One respondent was between the ages of 30-39; eight respondents were between the ages of 40 and 49; there were six men and three women among the respondents. Two respondents—who are also the chairs of the governing bodies for the schools—held high school or college diplomas. One respondent had a focus in leadership and management, while

all six educational specialists had bachelor's degrees. One of the respondents lacks a formal specialization, while the respondents' lengths of service span from five to eleven years.

**Table 2: Themes**

Research objective	Main theme	Sub-theme
To explore and discuss the funding models' initiatives in selected no-fee public primary schools.	<ul style="list-style-type: none"> <li>Voluntary contributions</li> <li>Input-based funding</li> </ul>	<ul style="list-style-type: none"> <li>Sales, donations, partnerships</li> <li>State, government subsidies</li> </ul>

Source: Author research (2021)

**Table 3: The frequency of themes/sub-themes for each participant**

Main theme	Sub-theme	PSA	FSA	SGBA	PSB	SGBB	FSB	PSC	FSC	SGBC
Voluntary contributions funding	Sales, donations	✓	✓	✓	✓	✓	✓	✓	✓	✓
Input-based funding	State, subsidies	✓	✓	✓	✓	✓	✓	✓	✓	✓

Sources: Author Research (2021)

#### 4.2 Voluntary contribution funding model

One major trend that emerged from the respondents across the three schools is voluntary contribution. These are cash that the schools get through donations, sales of goods, and individual gifts. Respondents provide the following explanations when questioned about the various funding models' initiatives:

*"The school requests an optional R50.00 donation from parents on certain Fridays in the form of an American day" (principal school C). "Selling goods to learners on a special day and raising funds for special events, such as cultural day. Because most learners participate and the school typically earns a lot of money, America Day is more noteworthy (principal school B). "The finance committee also organizes events in the schools to raise funds" (finance head school A).*

The responses above show a unanimous approach across the three schools. Table 4 displays the different school collections and other private contribution approaches across the three schools.

**Table 4: Comparison of school collections and other private contributions approaches.**

Schools	Parental monetary contributions.	Parental non-monetary contributions.	Sales of items.	Rentals of infrastructure and materials.	Philanthropy donations	In-kind donations
A	No fixed amount set for contribution.	Open for parents.	Dispose school items only to learners and on special days.	Rentals materials and infrastructure.	Designated donor, for example, lotto.	Open to the public.
B	No fixed amount set for contribution.	Open for contribution.	Disposed items only to learners.	Rentals facilities limited only to learners.	No designated donor.	Open to the public.
C	Fixed amount of R50.0 set for contributions.	Closed for any non-monetary contributions.	Tuck shop open to the public.	School hall for rent, open to the public.	Designated donor, for example, Chevron.	Open to the public.

Source: Author's Research (2021).

Parents are asked to pay a voluntary fixed amount as fees at school C. This is voluntary because no-fee schools are not permitted to charge formal school fees. These responses are consistent with Mestry's (2014) assertion that no-fee schools are not permitted to charge fees, but instead force parents to contribute to schools. The researcher agrees with Mestry because this type of fundraising is an act of intimidation on the part of learners; it fosters competition among learners, which is undesirable because learners who do not have enough money to buy school supplies will feel rejected by their peers. Furthermore, no-fee schools are slowly transforming the learning environment into a marketplace. A learning environment is supposed to be free from any destructive activities. Despite a voluntary fixed amount at school C, the school principal indicated that funds are still not enough. *"The funding is not enough, and during fundraising the school likely to be interrupted because learners got excited with the program of the day of fundraising"* (principal school C).

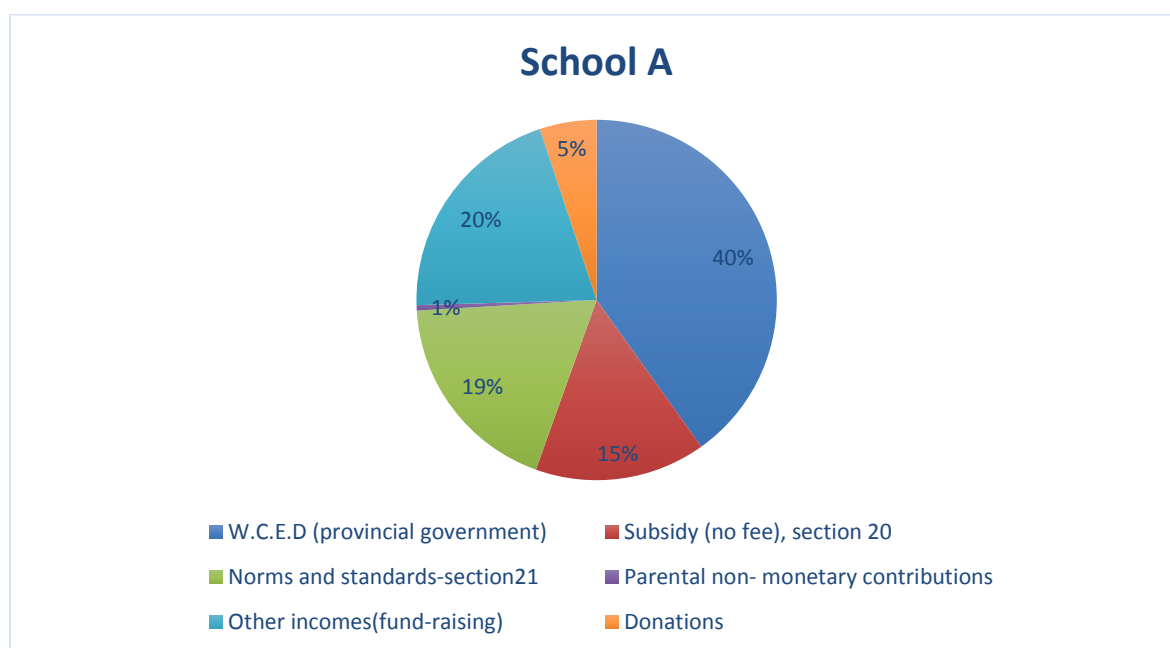
The aforementioned reply agrees with the researcher's point of view and consistency with resource dependence theory. The remark hints that although schools do plan these activities, they are conscious of the fact that learners' attention is diverted away from the day's coursework in favor of fundraising activities. According to comments from the respondents, donations account for a portion of the revenue sources for the three schools. As donors can choose to accept or deny contributions, this is likewise voluntary. The responses listed below represent respondents' points of view. *"Chevron funding has helped us in accordance with our demands, such as by installing a security system at the school and LTSM"* (SGB, school C).

*"We previously received R300,000 in lottery cash to begin a sports field, but it wasn't enough"* (principal school A). In order to raise additional finances for the sustainability of the school's activities, the comments given above imply that the schools are involved in a private-public collaboration with company owners. This program supports the Ball & Youdell (2009) suggestion that educational institutions collaborate with the business sector to raise additional money for the financing of education at all levels and alleviate the state's budgetary strain. The schools' initiative is commendable, but it would be helpful to know how frequently they receive this assistance. One of the respondents has already mentioned a lack of donor funds. The respondent's statement is in line with the literature review, in which Van Rooyen (2012) notes that there are other sources of funding for schooling in public schools. The SGBs of public

schools are required by South African School Act (SASA) 84 of 1996 to negotiate their fee status. SGBs have the authority to make decisions and conduct actions within their power to supplement school resources so that the quality of education for all students in South African schools can be improved, as per section 34 (1) of SASA. The input-based funding approach became the second major topic to develop.

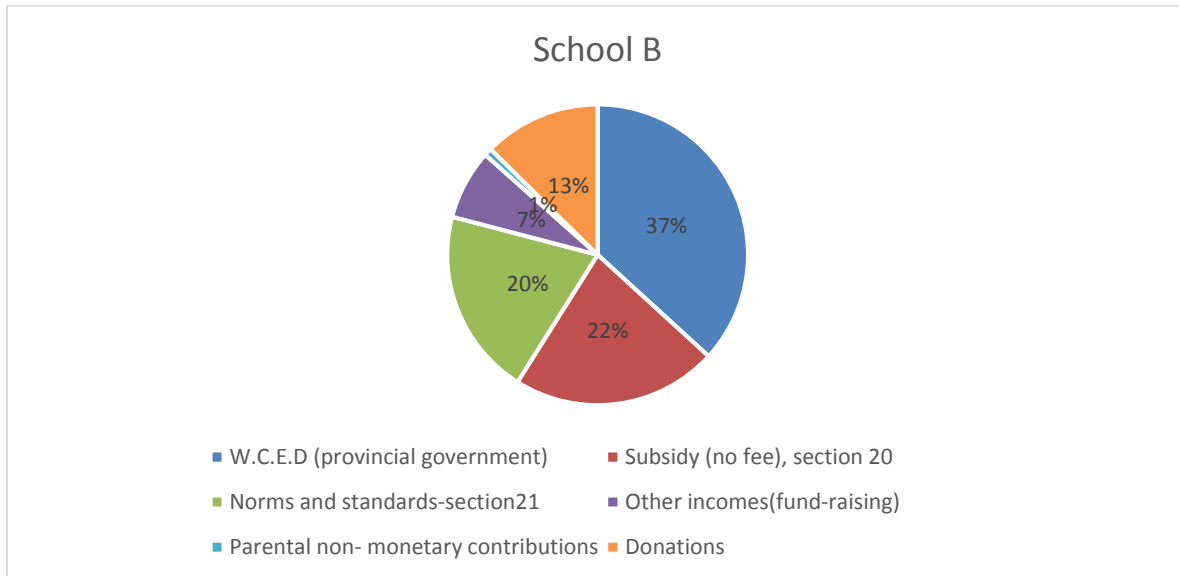
### 4.3 Input-based funding

The interviews conducted led to the model of input-based funding. Respondents were uniform in their opinions about the primary source of their funding during the interviews on funding models. A government financing strategy known as input-based funding is comparable to a market-oriented funding strategy (Jongbloed, 2000). The various funding initiatives for school A are depicted in figure 2.



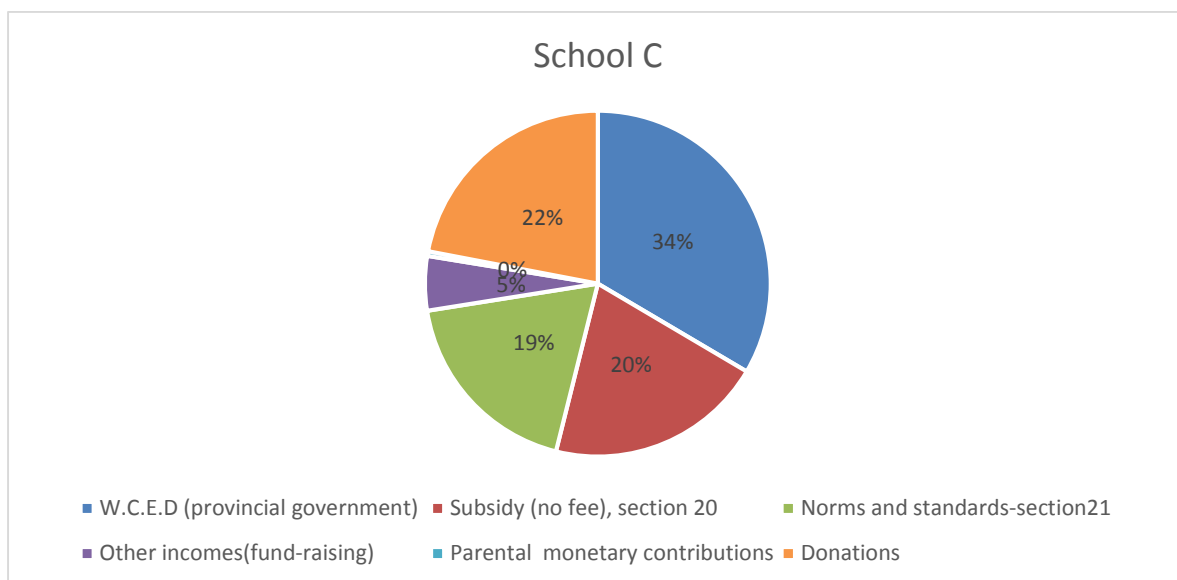
**Figure 2: School A funding initiatives in percentages**

Figure 2 shows that 40% of the school's funding comes from the Western Cape Department of Education (W.C.E.D). 20% of school income is combined with other income i.e. income generated from fundraising activities. According to Article 21 of the School Funding Norms and Standards, the school receives 19% of government revenue. In addition, 15% of the school's income comes from Article 20 government grants. 5% of the school income comes from donations mainly from corporate organizations and 1% from non-monetary contributions from Parents. According to this analysis, it can be seen that 74% of the total school revenue comes from the government while 26% is generated through school management initiatives. Figure 3 shows the different initiatives of funding across for school B



**Figure 3: School B funding initiatives in percentages**

Figure 3 shows that 37% of the school's funding comes from the Western Cape Department of Education (W.C.E.D). About 7% of school income is combined with other income i.e. income generated from fundraising activities. According to Article 21 of the School Funding Norms and Standards, the school receives 20% of government revenue. In addition, 22% of the school's income comes from Article 20 government grants. 13% of the school income comes from donations mainly from corporate organizations and 1% from non-monetary contributions from Parents. According to this analysis, it can be seen that 79% of the total school revenue comes from the government while 21% is generated through school management initiatives. Figure 4 shows the different initiatives of funding across for school C



**Figure 4: School C funding initiatives in percentages**

Figure 4 shows that 34% of the school's funding comes from the Western Cape Department of Education (W.C.E.D). 5% of school income is combined with other income i.e. income generated from fundraising activities. According to Article 21 of the School Funding Norms and Standards, the school receives 19% of government revenue. In addition, 20% of the school's income comes from Article 20 government grants. 22% of the school income comes

from donations mainly from corporate organizations and 0% from non-monetary contributions from Parents. According to this analysis, it can be seen that 73% of the total school revenue comes from the government while 27% is generated through school management initiatives. The aforementioned figures (2, 3 and 4) imply that the state's input-based financing model is the primary funding model for the three schools. As well as receiving financing from the provincial department of education, schools are also supported by the government through the national norms and standards for school funding. Additionally, it appears from the data that parents and other contributors also contribute to the cost of the schools, in addition to the state. The responses from the respondents provide evidence for the figures as follows:

*“Let me start by saying that this is a no fee school, which means that the school does not collect any money from parents in the name of tuition. The Western Cape Education Department provides financial support for the school, together with funds raised by parents and students” (principal school C). “The amount of money allocated by the department of education depends on the student population. It is not the responsibility of the school to raise funds; it has only done so through fundraising and contributions” (principal school B). “We receive funding from government grants” (finance head, school A).*

The aforementioned conclusions concur with the literature review. According to Van Rooyen (2012), funding for public schools is a shared obligation between the government, parents, and other stakeholders. The South African Schools Act 84 of 1996 lends weight to this opinion. Furthermore, according to Marishane (2013), the state is the primary funder of no-fee schools. The government's approach to pay public schools according to equity is the national norms and standards for schools. The policy is mostly focused on underprivileged schools. The results from the three schools indicate that national norms and standards for schools funding, are determined on the number of learners enrolled. This explains why across the three schools (figure 2, 3 and 4); government funding is not the same. However, across the three schools, respondents indicate that this funding from the state and fundraising is not adequate to run the school educational activities. The responses reflected the respondent's viewpoint.

*“During the meeting, parents would comprehend that we are a free school. Because of this, we rely on their efforts to gather money for more school resources, and when the time comes, few would cooperate. I believe the government ought to permit us to impose fees (finance head, school A). “We are unable to obtain sufficient resources since the government's funding is insufficient” (SGB, school B). “Because of insufficient financing, fewer students and instructor resources are purchased, which negatively affects teaching and learning” (principal, school C),*

Despite the government giving the monies, the responses show that the schools are having financial difficulties. As a result, the schools are unable to purchase educational resources. The results show that respondents believe that given enough money, they would be able to support school projects and obtain additional teaching resources for students to study effectively. These responses are consistent with the main hypothesis of the investigation. According to the notion of resource dependence theory, having access to money has a direct impact on a person's ability to do well. In order to track a more precise relationship between school performance and input factors like funding, analyzing schools' organizational structure and behavior is helpful. Interestingly, respondents across the three schools think that if certain things are done correctly, the situation of the funds can improve. Hear their recommendations.

*“Especially now that even the impoverished receive government handouts, I believe the government may go back and make tuition mandatory. The present government does not compensate schools built before 1994 by constructing halls and sports facilities; instead, each*

school must find a method to fund the construction of those facilities on their own” (Head of Finance, School A.) This respondent's recommendation raises a lot of important considerations. First, the respondent believes that raising the cost of attendance will help the school's financial situation. Given that many parents nowadays receive government handouts, the answer sounds optimistic that collecting these fees will be something parents can afford. Second, the reply brings up the infrastructural issue. This is significant because poor school infrastructure may make learning more difficult. Thirdly, the statement from the respondent implies that there is pressure on the school to look for alternative financial sources in order to support learning. This is consistent with the literature review, which indicates that school administration in free public schools occasionally faces pressure to identify urgent resource needs and to come up with innovative funding solutions to meet those demands (Marishane, 2013). Another respondent in school C shared a similar view with school A. *“I can recommend that the school can be allowed to ask for school fees from parents, and become a fee paying school, that will assist in the money school already have to be able to purchase enough learners teacher support material for all grades and all learners”* (principal school C).

According to the respondent's explanation, a shortage of funding prevents all students from having access to the required learning resources. Effective teaching is hampered by a lack of teacher resources. The recommendations suggest that strengthening financial strategy capacity is necessary. The responder also believes that parents do not prioritize their children's education. A response from a respondent in school C caught the researcher's eye as well. *“Do things in accordance with school policy; this way, everyone will be safe, which is what we are attempting.”* (School C, SGB). This recommendation indicates that things are not done right and this respondent feels they are not safe should things are not be improving.

## 5.0 Conclusion and Recommendations

There are several issues in the management of school funding model initiatives in the three schools. As a result, it was discovered that the state is the primary source (75%) of funding for the schools, with donations and voluntary contributions accounting for a sizeable (25%) fraction of the total. To meet the various learning needs of students and teachers, there are still not enough resources. As a result, the schools with the greatest needs frequently struggle to raise the required money. A difference in school funding results from the schools' inability to raise comparable sums of money. It was determined that adequate resources and their good management were necessary for the management of the funds to be successful. Effective administration of school finances is difficult to achieve, though, as many people across the three schools who are involved in it lack the necessary training.

One difficulty these schools encounter is a lack of sufficient Department of Education support. The authority has to provide more direction in terms of developing initiatives, putting them into action, and assessing the funding processes. It was discovered that the budgets were largely made up of employee pay. Due to government rules, schools felt they were left with very little money and little room to make significant changes. The rules outlined in the financial policy do not clearly define the roles and responsibilities of those involved in managing the school's finances and fundraising efforts. This implies a lack of specific goals for its development, application, and assessment. Additionally, the financial policy has not been updated to reflect the shifting climate.

**Policy implications:** The guidelines contained in the finance policy lack clear and relevant roles as well as responsibilities in the management of the school's funds and fund-raising activities. This entails a lack of clear objectives in terms of its formulation, implementation,



and evaluation. The financial policy has also not been reviewed to meet with the changing environment. This has adversely affected the school funding initiatives.

A temporary solution to help no-fee public primary schools and address inequality is state allocation. Without a well-developed strategy to acquire additional money from other sources, the three institutions' reliance on state support for education cannot be sustained over the long run. Therefore, schools face the issue of a shortage of fundraising expertise, and if improved measures are not put in place, quality education cannot be guaranteed over the long term. Additionally, the academic environment is always evolving, and today, schools are controlled like financial entities all over the world. This suggests that the administration of the school's finances needs to receive more focus.

Even though the Western Cape Education Department offers certain workshops and training, it was determined from the respondents' comments that there is a lack of financial management capacity. These workshops are insufficient to result in actions and results. The schools have suffered as a result of inadequate training. For instance, there are errors in the budget methods, processes, and reporting, and there are disparities found in the financial accounts. Fund allocations to other units are also not accurately computed.

### **5.1 Recommendations for the School and Government**

Selected schools should raise funds using stronger and more innovative funding initiatives rather than traditional, hands-on approaches. Establishing an appropriate level of flexibility in the funding initiative procedures can lessen their susceptibility to unforeseen events and promote more effective spending choices at the school level. The government should rethink amending schooling policies to legally accord schools to collect fees, since studies show that parents in low-resource communities are removing their children from low-resource schools to well-resource schools. Governments also need to rethink school policy changes to give schools the flexibility to make significant budget changes.

Continuous training in fundraising projects is required. Du Plessis (2013) makes the point that strong financial management and effective school governing bodies go hand in hand in assuring the sustainability of these no-fee public primary schools in South Africa. A fundamental step in giving school authorities financing expertise is training in fundraising initiative. According to Bush et al., (2004), "every member" should receive training, not "just a handful."

To offer top-notch instruction in fundraising campaigns, the schools should create a private collaboration with financial service companies or postsecondary universities. Following training, the members should be held accountable for any monies received for the achievement of certain school goals. The school will be better equipped to contribute to the improvement of high-quality education with adequate training (Blake et al., 2014). The provincial department of education should keep organizing workshops to build the ability of governance and management in circumstances where the school is unable to hire a financing provider or tertiary institution. For the management team, SGB, and school finance officials, the schools should create a competency framework that reflects skills and serves as a roadmap for professional development.

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