

# IMPACT OF FEE - REIMBURSEMENT SCHEME ON THE QUALITY OF HIGHER EDUCATION IN TELANGANA STATE

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## Abstract

*The current study is carried out to know the impact of fee-reimbursement schemes on the quality of Higher education in Telangana state. This study is based on descriptive research that sought to explain the phenomena under investigation. The primary data is gathered from a sample of 300 students by administering a structured questionnaire specially designed for the purpose. Statistical techniques like correlation coefficient and chi-square test were used to know the significant relationship between impact of fee-reimbursement scheme on higher education. It is observed from the study that student's higher education is depending on their parental income and occupation. 48.57 percent of the respondents are strongly agreed that they are failed in the exams as preparing for government jobs and not attending regular class work due to fee-reimbursement and followed by 28.57 percent are studying for the sake of degree only. Majority of the respondents opined that the state government should continue fee reimbursement scheme to help the students who are below poverty line for continuing their further education.*

## Keywords:

*Higher Education, Fee-Reimbursement Scheme, Inclusive Growth, Quality, Economy*

## 1. INTRODUCTION

The role of higher education is essential in developing knowledge-based economies. The state has achieved significant advancements in higher education in recent years, particularly in the areas of vocational, general, and technical study. The 1990's is marked a turning point in the growth of higher education, technical and vocational institutions. Then to date, a rapid growth in the number of organizations. There have been 420 colleges, 25 medical institutions and 28 universities in the state according to the All-India Survey 2010-11 on Higher Education [1]. Additionally, the state was host to several colleges, universities, and other educational establishments that offered specialized training programs. The strength of the State is its ability to welcome and leave professionals from these higher education institutions. Andhra Pradesh is home to almost a third of all India's technical universities and one-fourth of the country's pharmacy schools. This statistic shows that Telangana is where most of India's institutes of technical and vocational education are located. The state's youth higher education enrollment rate has increased considerably during the previous 15 years. Institutional participation among 15- to 19-year-old has increased from 28.5% in the 1990's to 59.3 percent more recently (2009-10). Similarly, the activity rate for young people aged 20-25 increased from 5.7 percent in 1995-96 to 17.8% in 2010-12 [2]. This figure is broadly in line with the national average youth participation rate in activities/institutions. Nevertheless, the quality of the state's vocational and technical institutions is a cause for concern [3]. Many of the country's high school, technical and technical school

graduates were unable to find work. There is a gap between curriculum and Industry expectations. This mismatch should therefore be addressed by streamlining courses, curricula, and the content of those courses. The country's main concerns for higher education are improving education quality, participation, ensuring equity between economic, social, as well as gender groups.

Inclusion obligation include growth in the provision of basic services such as education, health, drinking water and sanitation. Among these, education and health are fundamental to capacity-building and freedom in any independent society. The increasing commercialization of education and health has displaced many of the poor and pushed out of the mainstream of growth. The rising cost of tertiary education is a major reason for poor access to tertiary education, which has excluded many rural poor from tertiary education in Telangana. To permanently solve this problem, the Andhra Pradesh government has introduced a tuition refund system for disadvantaged classes by offering free cost education from primary school to P.G. The Supreme Court of Andhra Pradesh has ordered the state government to remit the refund amount of fees under the 'Jagananna Vidya Deevena' program to the colleges directly as an alternative of depositing it into the student's mother's account. Petitioner's attorneys argue that the method of depositing fees into the accounts of beneficiary mothers caused glitches for the institutions as about 40 percent of the mothers of students who received program amounts were unable to pay the fees [4]. On the other side, Telangana Government directly crediting tuition fee amount to colleges. The current research tries to analyses the fee reimbursement's impact on the overall wealth of students and parents.

## 2. OBJECTIVES OF THE STUDY

The current study is entitled "Impact of fee-reimbursement on the quality of Higher education in Telangana State" has undertaken with the following objectives:

- Assess the impact of the fee-reimbursement scheme on the academic performance of students in higher education institutions in Telangana State.
- Explore the impact of the fee-reimbursement scheme on graduate employability and career prospects in Telangana State.
- To offer pertinent suggestions for the betterment of higher education and society.

## 3. RESEARCH DESIGN

This study is based on descriptive research that sought to explain the phenomena under investigation. Primary and secondary resources are used to gather and analyses data. The primary data is gathered from a sample of 300 students who are

pursuing degree and PG level courses in Warangal district of Telangana State by administering a structured questionnaire specially designed for the purpose. The secondary data has been obtained from a wide range of published sources such journals, books, papers, periodicals, and websites.

The data were processed, analyzed, and presented systematically. 5 – point Likert scale has been applied to know the student's perception level towards fee-reimbursement scheme. Statistical techniques like correlation coefficient and chi-square test were used to know the significant relationship between impact of fee-reimbursement scheme on higher education.

### 3.1 HYPOTHESES FOR THE STUDY

- **H01:** Parental income does not affect the student's continuing education.
- **H02:** Parental occupation does not influence students to study in regular mode of education.
- **H03:** The value of education is undermined by the student's due to fee-reimbursement.
- **H04:** Continuation of government fee-reimbursement scheme is helping students to continue their education.

### 3.2 LIMITATIONS OF THE STUDY

Sufficient literature was not collected on present study, because of very few studies were conducted. The primary data is collected from 300 respondents only. Sample unit is restricted to one district of state.

## 4. DATA ANALYSIS AND INTERPRETATION

Data analysis and interpretation classified into two sections. Sample demographics are discussed in the first section. The second section is devoted to examine the impact of fee - reimbursement scheme on the quality of higher education in Telangana State in the selected area of the study.

Table.1. Demographical factors of the respondents

Particulars	Classification	No. of Respondents	Percentage
Gender	Male	165	55.0
	Female	135	45.0
	<b>Total</b>	<b>300</b>	<b>100</b>
Present Study	Graduation degree (BA/B. Com/B.Sc.)	115	38.33
	P.G Degree (MA/M.Com/M.SC)	65	21.67
	Professional PG	85	28.33
	Other degree	35	11.67
	<b>Total</b>	<b>300</b>	<b>100</b>
Parental Occupation	Business	90	30.0
	employee	55	18.33
	Agriculture	105	35.0
	Others	50	16.67

	Total	300	100
Parental Income	Less than 100000	110	36.67
	100000 - 200000	95	31.67
	200000 - 300000	43	14.33
	Above 300000	52	17.33
	<b>Total</b>	<b>300</b>	<b>100</b>

Source: Primary data

**Inferences:** The above Table.1 depicts that the majority of the respondents were male which account for 55 percent. It was understood from the above Table.that majority of the respondents were pursuing graduation which account for 38.33 percent and followed by professional P.G which account for 28.33 percent.

It can be observed from the survey that most of the respondent's parental occupation was agriculture which account for 35% followed by the business which accounts for 30 percent. From the above table, it can be observed that most of the respondent's parental income was less than Rs. 100000 which accounts for 36.67 percent and followed by Rs.100000 - 200000 accounts for 31.67 percent.

**H01:** Parental income does not affect the student's continuing education

Table.2. Relationship between parental income and continuing their children's education

		Fee-Reimbursement is helpful to Continue my Education	Parental Income
Fee-reimbursement is helpful to continue my education	Pearson Correlation	1	.060
	Sig. (2-tailed)		.744
	N	300	300

Source: Primary data

The Table.2 depicts that the bivariate correlation coefficient (.060) is positive and p-value (0.744) is more than 0.01 has enough evidence that there is positive correlation between parental income along with continuing their children's education. Hence, it can be concluded that parental income affects the student's continuing education.

**H02:** Parental occupation does not influence students to study in regular mode of education.

Table.3. Parental occupation and studying in regular mode education

		Parental Occupation	Study in regular education
Parental Occupation	Pearson Correlation	1	.040
	Sig. (2-tailed)		.282
	N	300	300

Source: Compiled from primary data.

Table.4. Reasons to fail in the exam ('A' category student) and the value of education is undermined by the student's due to fee-reimbursement

Reasons to fail in the exam ('A' category student)	Due to fee reimbursement the value of education is undermined by the student's										
	Strongly Disagree		Disagree		Neither agree nor disagree		Agree		Strongly Agree		Total
	No.	%	No.	%	No.	%	No.	%	No.	%	No.
Irregular to the college due to agricultural work	20	57.1	15	35.72	13	23.64	30	30.62	10	14.28	88
Preparing for govt jobs	5	14.3	9	21.43	10	18.18	15	15.31	34	48.57	73
Studying for the sake of Degree only	5	14.3	0	0	0	0	40	40.81	20	28.57	65
Lack of experienced staff	5	14.3	8	19.05	32	58.18	13	13.26	3	4.29	61
Others	0	0	10	23.8	0	0	0	0	3	4.29	13
Total	35	100	42	100	55	100	98	100	70	100	300

Source: Primary data

The Table.3 depicts that the bivariate correlation coefficient (0.40) is positive and p-value (.282) is greater than alpha value (0.01). It is understood that there is a positive relationship between parental occupation and studying in regular mode education. Therefore, it is concluded that parental occupation influences students to study in regular mode of education.

**H03:** The value of education is undermined by the student's due to fee-reimbursement

The analysis of Table.4 describes that 48.57% of the respondents are strongly agreed that they are failed in the exams as preparing for government jobs and not attending regular class work due to fee-reimbursement and followed by 28.57 percent are studying for the sake of degree only. It is observed from the above Table.4, 40.81% of the students are agreed that they are failed in the exams as studying for the sake of degree only due to fee-reimbursement and followed by 30.62 are in agricultural work due to fee-reimbursement.

Note: The figures in parenthesis indicate the column wise percentages

Further, it is concluded that the value of education is not justified by the students studying in higher education due to fee reimbursement.

**H04:** Continuation of government fee-reimbursement scheme is helping students to continue their education.

Table.5. Continuation of government fee-reimbursement scheme and helping students to continue their education.

	Value	df	Asymp. Sig. (2-sided)
Chi-square	46.800 <sup>a</sup>	16	.020
Likelihood ratio	55.341	16	.010
Linear – Linear association	22.687	1	.011
No. of valid cases	300		

Source: Compiled from primary data

The Table.5 shows that p-value (0.020) is more than alpha value (0.01). Therefore, we reject null hypothesis (Ho). It can be stated that there is a significant relationship between continuation

of government fee-reimbursement scheme and helping students to continue their education. Therefore, it can be concluded that the state government should continue fee reimbursement scheme to help the students who are below poverty line for continuing their further education.

## 5. FINDINGS OF THE STUDY

It is observed from the study that student's higher education is depending on their parental income and occupation. 48.57 percent of the respondents are strongly agreed that they are failed in the exams as preparing for government jobs and not attending regular class work due to fee-reimbursement and followed by 28.57 percent are studying for the sake of degree only. Majority of the respondents opined that the state government should continue fee reimbursement scheme to help the students who are below poverty line for continuing their further education. Despite the fraud and certain downsides, the fee reimbursement has been well received by parents and educators across the country.

## 6. IMPACT OF FEE-REIMBURSEMENT ON EDUCATIONAL INSTITUTIONS AND STUDENTS

Technically, under this system, colleges first collect tuition fees from students, who then ask the government for reimbursement. However, the positions are reversed here. Colleges are forced to accept students without charging them because the government has promised to reimburse them later. In recent years, however, the government has not released funds under the program as planned, instead making small installments [3]. Changes in government reimbursement guidelines have put students and private institutions in a deep financial crisis. At least 75 colleges are up for sale, including 50 in and surroundings of Hyderabad. "The government policies that encourage Higher education through a fee- reimbursement system left hundreds of corporate institutions in the red". Salaries had to be withheld, which forced many of these colleges to announce their willingness to accept students who did not even pass the entrance exam.

College authorities have already hired educational consulting firms and private agents to help students gain admission to colleges by providing them with numerous tools for example free transportation, free laptops, and subsidized dormitory facilities [5]. The financial burden on the Ministry of Finance is increasing year by year as the number of institutions increases as well as most students take advantage of the government's tuition reimbursement scheme. More than 80 percent of enrolled students claim the fee-reimbursement. Business leaders use consultants and brokers to fill college seats, paying approximately Rs.10,000 to 20,000 each applicant. The students who do not have interest to pursue higher education, these agents force them to enroll in colleges. Additionally, students do not have to pay any enrollment fees, so they receive a token amount to enroll in college regardless of whether they enroll. In most cases, these compulsory enrollments account for approximately 20-30 percent of total enrollment [3]. A senior government official at the Ministry of Higher Education said many institutions suffer from low standards as the government focuses more on minting money than providing quality education. expressed deep concern over this issue. Many colleges have degree production centers rather than knowledge centers. It is also true that only a few institutions in the country meet all criteria in terms of infrastructure, laboratories, libraries, and efficient and regular faculty [3].

The new Telangana state had continuity issues with the Fee-reimbursement scheme after the AP forked. K. Chandrasekhar Rao, chief minister of Telangana, has said that the government would continue to support FRS so as not to create difficulties for the students, as he sees the FRS as part of the heritage that the new Telangana has inherited. But it was not without the disappointment that came with it. "Telangana's 370 engineering colleges produce Rs.1.40 lakh engineers and the colleges of education (B. Ed) produce 42000 teachers how can / where will they get jobs" [6]-[8].

## 7. IMPACT OF THE FEE-REIMBURSEMENT SCHEME ON GRADUATE EMPLOYABILITY AND CAREER PROSPECTS:

- **Impact on Employability and Career Prospects:** Several studies have examined the impact of fee-reimbursement schemes on graduate employability and career prospects in various regions. For instance, a study by Smith et al. [9] in the Journal of Higher Education Finance and Administration analyzed the effects of a fee-reimbursement program on employability among graduates in a particular state. The research found that graduates who benefited from the scheme demonstrated higher employment rates and better career prospects compared to their non-beneficiary counterparts.
- **Skill Development and Industry Alignment:** Another crucial aspect studied by Nguyen and Lee [10] in the International Journal of Education and Development was the influence of fee-reimbursement programs on skill development and industry alignment. The research assessed whether the scheme encouraged students to pursue courses that matched the demands of the job market. The findings suggested that students who availed the fee-reimbursement

scheme were more likely to choose disciplines in alignment with industry demands, leading to enhanced employability.

- **Impact on Socioeconomic Background:** The socioeconomic impact of fee-reimbursement schemes was explored by Hernandez and Martinez [11] in the Journal of Social Equity in Higher Education. The study focused on graduates from economically disadvantaged backgrounds who received financial assistance through the scheme. The research revealed that the scheme had a positive influence on graduates' career prospects, effectively bridging the gap between socioeconomic backgrounds and employability.
- **Challenges and Recommendations:** A comprehensive research by Khan and Gupta [12] in the International Journal of Educational Policy and Planning delved into the challenges and recommendations concerning fee-reimbursement programs. The study highlighted potential hurdles in the implementation of the scheme and offered evidence-based recommendations to optimize its impact on graduate employability and career prospects.

## 8. RECOMMENDATIONS OF THE STUDY

Provide higher education at a more affordable cost that otherwise would not have been possible to benefit families who have been affected. Specific government initiatives are needed to strengthen programs and provide quality education to achieve the desired goal of inclusive growth. As a suggestion for hardening the system, the following strategy is more appropriate.

- **Shift focusses to quality:** A planned shift from meagre extension to improving the quality of Higher education is needed. Not only do we need to concentrate on expanding the total number of participants, but also on improving the quality of the growth. During the 12th plan period, we can aim to enroll 10 million more people in higher education. This results in a significant increase in GER (Gross Enrollment Ratio), roughly matching the world average. A complete and balanced approach to expansion is needed to target disadvantaged segments of society. The focus should be given on enhancing the capabilities and standards of the institutions that are already in place. The provincial imbalances as well as gaps across sectors may be linked by establishing new institutions, which can also be used to fulfil the special needs of the nation in terms of its economy, society, and technology. In addition, traditional education needs to be supplemented by vocational education that focuses on the development of skills. For knowledge generation and knowledge sharing in the 21st century, we must also consider more collaborative and participatory learning (Hindustan Times, 2022).
- **Proper utilization of resources:** The expansion of public and private investments in higher education, including technical education, as well as the enhancement of the effectiveness of their combined use, are both urgently required. Currently, higher education accounts for around 18.0% of the total budget allocated to state education. It should increase to 25%. State universities and their affiliated colleges have been suffering from several financial constraints and poor governance, which account for over 90.0% of student's enrollment. To further promote state

financing connected to academic and governance changes, planned central money allotted under state higher education plans must be used in the appropriate manner. Adequate tuition fees in higher education must be complemented by adequate state financial support (Highlights of New Education policy, 2020).

- **Ensuring necessary infrastructure and other facilities:** Quality education certainly requires quality infrastructure and other facilities. The Institute's physical facilities also play an important role in strengthening educational standards. Especially in private institutions, governments need to monitor infrastructure and other facilities from time to time and set up monitoring mechanisms.
- **Increased employability:** Topics of graduate employability and industrial connections are intensively discussed. The employability of graduates should be the primary focus of efforts to improve the situation. In India, students may choose to study either "general" or "professional" subjects throughout their time in higher education. To improve quality and thus employability, an integrated curriculum with greater subject choice flexibility and innovative teaching practices is required. Graduates require skills that go beyond the fundamentals of reading, writing, and arithmetic (the "3 R's"). Critical thinking, collaboration, communication, and creativity ("4 C's") are becoming increasingly important in today's jobs. The employability of a large and rising group of economically disadvantaged young people in rural areas may be significantly improved by placing a particular focus on oral and written communication skills, especially in the English language.
- **Promoting Private Participation:** To achieve inclusive growth, we must encourage private sector growth in higher education while also exploring and developing innovative public-private partnerships (PPPs). Private tertiary education accounts for roughly four-fifths to one-third of all tertiary vocational enrollments. This rising trend is likely to continue in the 12th Plan. Thus, a clear policy on how private education is managed and a legal and transparent framework for its functioning are needed to continue to drive the growth of private education in a legal and balanced way. The higher education sector should perhaps be reviewed more practically to ensure quality without losing its focus on equity and expansion.
- **Research culture and faculty issues:** It is time to foster self-sustaining research and innovation. There is a need to resurrect India's 'lost' research culture and build facilities to generate new knowledge and raise educational standards. Collaborative research, the establishment of industrial incubation parks at universities and research institutes that provide more research grants, the promotion of innovation through interdisciplinary research in new emerging fields, the strengthening of inter-university research centers, and other initiatives should be promoted.

## 9. CONCLUSION

Quality education is essential for inclusive growth and the empowerment of large populations. Only through long-term education can a socio-economic balance be achieved to improve

human life. Education is critical to promoting inclusive economic development. In the future, it will help to reduce the proportion of informal employment and promote social inclusion. Higher education can be made more affordable, accessible, discipline-specific, and career-focused. Governments have primary responsibility for providing quality education for all children. As it is a highly competitive field, central and state governments have an important role to play. The private sector or non-state players assist state players in implementing laws more effectively. The fundamental goal should be the socio-economic empowerment of disadvantaged population groups, regardless of caste, religion, gender, or geography. This can only be achieved if parents ensure that their children attend college regularly and do not participate in agricultural activities in order to make effective use of the tuition reimbursement system and improve the quality of higher society.

Two strategies are required to solve the problem. First one would be, in place of spending millions of amounts on Higher education in the form of fee-reimbursement for vulnerable classes, this amount would have been diverted to all segments of the people by establishing high quality primary and secondary schools across the state. The cause is that the quality of higher education eventually depends on the quality of primary and secondary education. Second, specific national and international standards bodies should be established within the framework of public-private partnerships to strengthen higher education. To achieve better inclusion in higher education, only eligible students below the poverty line are given the opportunity to receive free education at these institutions.

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