

*Full Length Research*

# Higher Education Opportunities in Enhancing Capabilities – The Case of Reimbursement of Tuition Fee Scheme under Post-Matric Scholarships in Andhra Pradesh, India (2008 – 2012)

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Accepted 30 November 2015

This paper attempts to understand the higher education scenario in Andhra Pradesh, India, with reference to Reimbursement of Tuition Fee (RTF) scheme that was introduced by the government of Andhra Pradesh to enhance higher educational opportunities. The scheme was introduced to encourage the students to pursue higher education in both government and private colleges, and the government bears the tuition fee by reimbursing the fee paid by the students to the colleges. The policy opened higher educational opportunities to students from economically weaker sections, who otherwise could not have pursued higher education. It is well known that the expenses involved in the higher education discourage students from weaker economic background to pursue higher education. This limits them to contain themselves with secondary school education or upper secondary school education thus making them not competent enough in gaining capabilities in this globalized world. With the introduction of RTF scheme students from weaker sections have been able to pursue higher education. This was believed to equip them with sufficient capabilities to meet the competitive work place environment with the spread of globalization. This paper attempts to briefly look at the background of the TRF policy, its necessity, implementation process, and a detailed account of different aspects covered under the scheme to enhance the higher educational opportunities to the economically weaker sections.

**Keywords:** Fee Reimbursement, Higher Education, Scholarship

**Cite This Article As:** Umapathi A, Venkatramana C (2015). Higher Education Opportunities in Enhancing Capabilities – The Case of Reimbursement of Tuition Fee Scheme under Post-Matric Scholarships in Andhra Pradesh, India (2008 – 2012). *Inter. J. Acad. Res. Educ. Rev.* 3(10): 305-316

## INTRODUCTION

This paper discusses about the higher education scenario in Andhra Pradesh with reference to RTF for socio-economic and educationally backward students. The RTF scheme was launched by the Andhra Pradesh government in 2008 to provide access to higher education to the students from economically weaker sections. Andhra Pradesh is one of the best performing states in India in terms of education. Enrollment in all types of schools in the state during 2011-12 was 13.39 million out of which 7.08 million enrollments were at primary level; 2.60 million were at upper primary level, 3.26 million were at secondary school level and 0.23 million were at intermediate (higher secondary) level. However, in percentage terms, enrollment of children was more at primary level which stood at about 52.91%; 19.46% enrollments were at upper primary level; 24.40% were at high school (secondary level) and 0.17% enrollments were at intermediate level (Government of Andhra Pradesh, 2013). About 7.05 million children were covered under the midday meal scheme during 2012–13 (Ramabrahmam & Mohanty, 2010). There were about 812 government junior colleges (upper secondary) and 12 government vocational junior were established in Andhra Pradesh in 2012. In addition, 205 private aided junior colleges, 12 exclusive new government vocational junior colleges and 753 junior colleges (both private and government) have been offering vocational courses (Government of Andhra Pradesh, 2013). Apart from this, the collegiate education controls 252 government degree colleges with an intake of 0.19 million students and 179 aided colleges with an intake of 0.14 million students in the state with a total enrollment of 0.33 million. About 76 under graduate restructured courses were started in 78 degree colleges during 2009 to 2012. Similarly, 60 structured post graduate courses were started in 59 colleges (Government of Andhra Pradesh, 2013). By 2012, in the field of technical education the intake in engineering courses were 333500 students in 707 institutions; 46795 students in 644 institutions in Master of Computer Applications (MCA); 86905 students in 926 institutions in Master of Business Administration (MBA); 29520 students in 290 institutions in pharmacy and 76000 students in 263 colleges in polytechnic courses. Craftsman trainings have been given in 140 government industrial training institutes.

### Higher Education Scenario in Andhra Pradesh

Andhra Pradesh had established two universities in the two regions of the state; Osmania University (1918) in Telangana and Andhra University (1926) in Coastal Andhra (Government of Andhra Pradesh, 2013). After the formation of Andhra Pradesh in 1956 several universities

have come into existence that include Sri Venkateswara University in 1954, Acharya N. G. Ranga Agricultural University in 1964, Acharya Nagarjuna University in 1976, Kakatiya University in 1976, Sri Krishnadevaraya University in 1981, and NTR University of Health Sciences in 1986. Since their inception all these universities have accommodated affiliated degree programs like Bachelor of Arts (B.A), Bachelor of Commerce (B.Com), and Bachelor of Science (B.Sc.) and post graduate programs like Master of Arts (M.A), Master of Commerce (M.Com) and Master of Science (M.Sc.) in various districts (Government of Andhra Pradesh, 2013). After India embraced economic liberalism in early 1990s Andhra Pradesh was one of the few states which implemented its reforms radically in industrial and administrative arenas. Hence, it is widely regarded as one of the most progressive states of the country (Rao, 2011). It has seen a great development on the industrial front, with the information technology (IT) sector acting as a growth engine. In order to meet the needs of the industry, there has been greater demand for human resources in the professional sector like engineering, management, computer science, pharmacy and other allied sectors in higher education (Nayar, 2006). To enhance the enrollment in higher education in general, and professional education in particular, the government of Andhra Pradesh has increased number of educational institutions in the form of establishing new universities and granting private deemed universities. As a result in the last 20 years Andhra Pradesh witnessed tremendous growth in higher educational institutions. Currently, Andhra Pradesh state has 32 government state universities with seven private deemed universities (Nayar, 2006). In addition, Andhra Pradesh has three central universities and 56 autonomous post-graduation colleges spread across the states that are affiliated with different universities.

In addition to this several hundred teacher training colleges in government and private sector, and different industrial training institutes have been established. In order to coordinate between the University Grants Commission (UGC) and state universities, the Andhra Pradesh State Council of Higher Education (APSCHE) came into existence in 1988 through an act by state government to advise the government in higher education in the state and oversee its development with necessary planning and other related matters. This council is the first of its kind in the country set up as per the recommendations of the national educational policy 1986 (Ramabrahmam, 2011). The council's main functions include; (i) planning and coordination, (ii) academic functions and advisory functions. Planning functions include functions to promote coordination among educational institutions and to formulate guidelines for

approval and sanction of new educational institutions and academic functions include facilitating training for teachers of colleges and universities. Due to the rapid economic reforms in the last two decades or so, Andhra Pradesh completely encouraged private sector in the higher education. For instance, in Andhra Pradesh as of 2012, there were approximately 11000 colleges in which only around 1500 colleges were in the government sector and the rest – around 9500 colleges were under the management of the private sector. So, only a minority of students could get free education through the government managed colleges whereas the other institutes that were managed by the private sector charge the students for providing educational services. To address the issues of fee related financial problems that the students face in the private sector higher educational institutions the government of Andhra Pradesh has come up with a fee reimbursement scheme; Reimbursement of Tuition Fee (RTF). Under this scheme the state government reimburses the tuition fee paid by the student to the private sector college. The government could have opened new colleges and institutions with the budget allocated for the reimbursement of the tuition fee instead of paying it to the private institution, but the overwhelming demand for the higher education degree graduates, especially those with professional degrees, has forced the government to look for shorter routes. Any delay in supplying skilled persons to the market could have forced the private sector investors to look for new avenues other than Andhra Pradesh, and southern states like Tamil Nadu and Karnataka were ready to grab these market opportunities. As a short term solution, government of Andhra Pradesh started the RTF scheme so that the students can study in the private higher educational institutions with government money. The scheme went on to become a big success in increasing the enrollments in higher education which made the state government to pursue the scheme rigorously.

### **Background of the Scheme**

Scholarship schemes represents an important social welfare measure by the central and state governments to enhance the enrollment ratio in higher education and to bring higher education closer to the socially and economically backward students belonging to Scheduled Caste (SC), Scheduled Tribe (ST), Backward Classes (BC), Economically Backward Classes (EBC) (Government of Andhra Pradesh Order No. 232, 2008), Minority Community (Government of Andhra Pradesh Order No. 2008) students and Disabled Students (Government of Andhra Pradesh Order No. 21, 2008) studying in different educational institutions in various courses from post matric to doctoral studies. The government of Andhra Pradesh has been implementing

different scholarship schemes through the departments of social welfare, tribal welfare, backward classes welfare, minority welfare and the department of disabled welfare (Ramabrahman, 2011). The benefits of these schemes are provided to post-matric students based on the parameters specified by the government from time to time (Government of Andhra Pradesh Order No. 50, 2008). Approximately, 2.5 million beneficiaries are covered each year under post-matric scholarship schemes. Nearly USD 1667 million have been spent during the period 2008–12 on this scheme.

The scholarship schemes have been existing for several decades for scheduled caste (SC) (Government of Andhra Pradesh Order No. 90, 2002) students and scheduled tribe (ST) (Government of Andhra Pradesh Order No. 56, 2003) students and on merit-cum-means basis for backward classes (BC) (Government of Andhra Pradesh, 2001) students and minority students in various courses ranging from undergraduate to postgraduate – both in public and private institutions in Andhra Pradesh (Government of Andhra Pradesh Order No. 41, 2001). However, in July, 2008, the government of Andhra Pradesh decided to implement the scheme on saturation basis. As a result, this scheme was extended to backward class students, minority students (Government of Andhra Pradesh Order No. 26, 2008) and disabled students on the saturation basis from 2008 (Government of Andhra Pradesh Order No. 18, 2008). The scheme was extended to the economically backward class (EBC) (Government of Andhra Pradesh Order No. 232, 2008) students from 2009-10 onwards on the saturation basis on par with scheduled caste and scheduled tribe students (Government of Andhra Pradesh Order No. 231, 2008). Initially, the scheme was only meant for students who are studying professional courses like engineering, pharmacy, management, computer science and teacher training courses (Government of Andhra Pradesh Order No. 159, 2008). In fact the scheme promised total reimbursement to students pursuing professional courses if their parent's annual income was less than USD 1667. But due to the enormous pressure from students and parents, and the general elections that were scheduled in 2009 the state government was forced to extend the applicability of the RTF scheme to all other courses on a saturation basis. Economically backward class (EBC) (Government of Andhra Pradesh Order No. 248, 2008) students were also brought under this scheme in 2008-09 with an additional allocation of USD 5 million (Government of Andhra Pradesh Order No. 248, 2008). Initially USD 334 million was allotted for the scheme and another USD 83 million was added in the following year as the EBC candidates were also included. Later, it was raised to USD 583 million as the number of beneficiaries increased.

There were no significant background studies specifically on the status of higher education in Andhra

Pradesh before the introduction of RTF in 2008. Some information was gathered based on available information taken from higher education council regarding colleges and students, course details, budget details and caste/creed wise students' details. Additional information was collected from the social welfare department, backward class welfare department and minority welfare departments (Ifthekhar, 2010). Based on this information government officials have formulated the RTF scheme and started implementing it since 2008. In addition, professional colleges in the private sector in Andhra Pradesh started declining due to lack of students as students were unable to pay the tuition fees due to their weaker economic conditions (Government of Andhra Pradesh Order No. 40, 2001). By 2007 – 08 eighty five percent of post-matric colleges and more than ninety five percent of professional colleges were in the private sector in Andhra Pradesh. Naturally, professional colleges charge a high amount of tuition fees which makes it difficult for the students who hail from weaker economic background to pursue it (Government of Andhra Pradesh Order No. 41, 2001). This apparently makes them to join in traditional courses like Bachelor of Arts, Bachelor of Commerce, Bachelor of Science, Master of Arts, Master of Commerce and Master of Science where the tuition fee is relatively low compared to professional courses. But the booming labor market was looking for man power with professional courses. Students from weak economic background were joining in nonprofessional courses that were not considered competitive by the labor market. This motivated the government of Andhra Pradesh to introduce RTF scheme in 2008 on saturation basis.

### **Post Matric Scholarship & Reimbursement of Tuition Fee**

A post matric scholarship is the scholarship, which is granted to students by the welfare departments of the government for enabling eligible students who have passed secondary schooling or equivalent levels to pursue post-matric studies such as intermediate (upper secondary), polytechnic, professional courses, graduate, post graduate courses, doctoral degrees etc. (Government of Andhra Pradesh Order No. 143, 2008). In the academic year (2012-13), Andhra Pradesh was giving post matric scholarships to 2.6 million students in 1600 unique courses from intermediate (upper secondary) to all professional courses including engineering colleges. In fact, nowhere in the country, no state for that matter provides full tuition fee reimbursement for these many students and these many courses except in Andhra Pradesh. In other words, Andhra Pradesh was the first state to cover maximum students under the post matric scholarship scheme. Reimbursement of Tuition Fee in full for students

pursuing post matric courses approved by the University/Board are paid to the colleges. However, this reimbursement of tuition fee depends on the type of the course that the students pursue. While most of the courses are eligible for hundred percent of the tuition fee reimbursement, self-financed courses are eligible only for a maximum reimbursement of USD 334 or the actual fee charged by the college if it is less than USD 334. Post matric courses approved by the concerned University/Board is a course with a duration of 1 year or above. Under this component, the whole higher education in Andhra Pradesh has been divided into four groups based on the students' courses as shown in the table 1.

Since 2008, many courses have been included or excluded for several reasons. The fee structure of these courses varies from university to university and from time to time (Government of Andhra Pradesh Annual Report, 2013). First time, intermediate courses were also brought under this scheme. However, this scheme got tremendous popularity as more than seventy percent students have benefited from this scheme during 2008 – 2013.

### **Implementation of RTF Scheme**

Scholarship schemes have been in implementation in Andhra Pradesh in higher education with the financial help of the central government for decades on the saturation basis for scheduled caste students and scheduled tribes students and on merit cum means basis for backward class students and minority students based on their social category with certain annual income limit on the beneficiary's families. Till 2007-08, the allocations of the budgets for these welfare departments were comparatively low. Therefore, the numbers of beneficiaries were also less. In 2007-08 academic year, the total beneficiaries from scheduled castes, schedule tribes, backward classes, minority welfare and disabled welfare were only 1.4 million and less enrollment were seen in professional courses from low income families due to the burden of tuition fee in private colleges as they were controlling ninety five percent of the professional colleges. In order to bring the technical education closer to the socially and economically backward communities and to enhance the enrollment ratio in professional courses, government of Andhra Pradesh extended total reimbursement of tuition fees for backward class students on saturation basis on par with scheduled caste and scheduled tribe students who were studying both in private and government professional colleges and whose family annual income is less than USD 1667 in 2008-09 academic year. Subsequently, minority welfare and disabled welfare students were also included on par with the scheduled caste and scheduled tribe students.

**Table 1:** Group wise course details covered under RTF scheme

Group Wise Course Details Covered Under RTF		
S. No	Course Category	Courses Covered
1	Intermediate	Intermediate, ITI/ITCs, Vocational courses (Intermediate level)
2	Degree	Degree courses(not covered in group I & II), NIFT (National Institute of Fashion Technology) courses
3	Professional	Degree and PG Courses in Medicine, Engineering, Technology, Management, Agriculture, Veterinary and Allied Sciences, Business Finance, Business administration and Computer Applications/ Science, Commercial pilot License course)
4	PG & PhD	Other professional and technical graduate and PG including (M.Phil., PhD and post-doctoral research) level courses not covered in Group-I. C.A./I.C.W.A./C.S./ etc., courses, all post graduate, graduate level diploma courses, all certificate level courses.

Source: Adopted from 'Outcome Budget Reports 2012 – 13'. Dept. of Social Welfare, Government of Andhra Pradesh.

Initially, the scheme was confined only for professional courses like engineering, management, computer science, pharmacy etc. and later it was extended to all other courses such as degree, post graduate, doctoral and intermediate level courses, that too on saturation basis.

Subsequently, economically backward students were brought under this scheme in 2008-09 with an allocation of additional USD 5 million. The following year, the upper limit was taken off for the economically backward class students also. Initially the budget allocation for the scheme was around USD 334 million per year and according to the budget in 2012-13 the budget was increased to USD 667 million. This scheme was a big boon for professional colleges in the private sector, especially engineering colleges in rural areas where there were no takers for the engineering seats due to higher fee structure. A huge number of engineering, management, computer science and teacher training colleges have mushroomed in the private sector and they started filling up their seats with other backward classes' students and claim reimbursement of tuition fee from the government. Currently, nearly half a million students in these professional colleges are being covered under the RTF scheme.

### Specificities of RTF

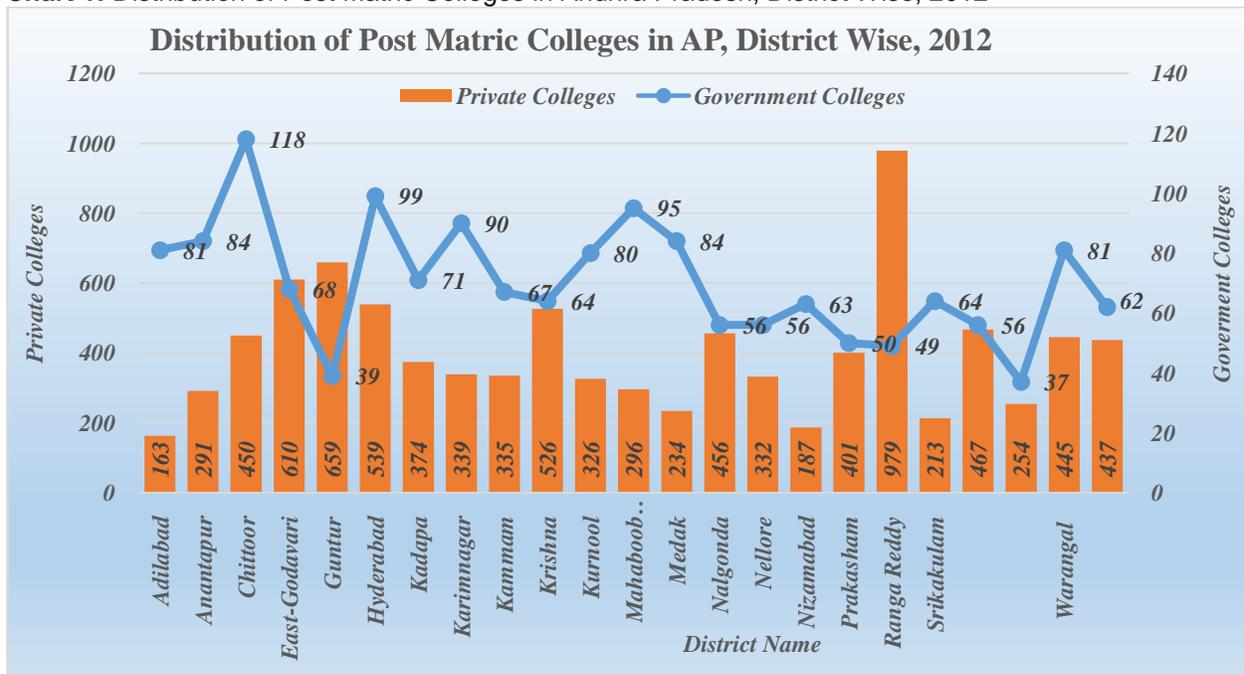
As discussed in chart 1, the RTF scheme has been in implementation in around 11000 higher education institutions in Andhra Pradesh since 2008. Out of the 11000 higher education institutions, around 9500 are in the private sector where the tuition fee will be usually high and absence of RTF scheme apparently means that the number of students joining these private institutions will be less in number. The following chart shows the detailed distribution of both government and private higher educational institutions in Pradesh by district wise in 2012.

The total government colleges in entire Andhra Pradesh were only 1614 – including both professional and non-professional colleges. The percentage of government colleges share was nearly fifteen percent and the private colleges contributed a hefty eighty five percent of the share. Out of eleven thousand colleges in Andhra Pradesh, around 1050 colleges are located in Ranga Reddy surrounding greater Hyderabad areas. Ranga Reddy district alone contributed to around ten percent of colleges among 23 districts; whereas in Adilabad only 244 colleges were there, which was just above two percent of the colleges in Andhra Pradesh. None of the districts crossed three digit numbers in government colleges except Chittoor district. Chart 2

As shown in chart 2, private sector colleges occupy the larger share of the RTF scheme. 4296 private intermediate colleges and 1337 government intermediate colleges were covered under RTF scheme. Intermediate colleges take a large share of the RTF followed by professional colleges where 2533 of them were from private sector and only 79 colleges were under government control. This clearly shows that without RTF scheme the number of student enrollment in the private professional colleges would have been low, and the number of private professional colleges would not have mushroomed. In the category of PG and PhD colleges also the private sector led the list with 960 colleges and the contribution of government colleges in this category was only 40. In the category of degree colleges around 1466 of them were under the control of the private sector and only 224 degree colleges were under government management.

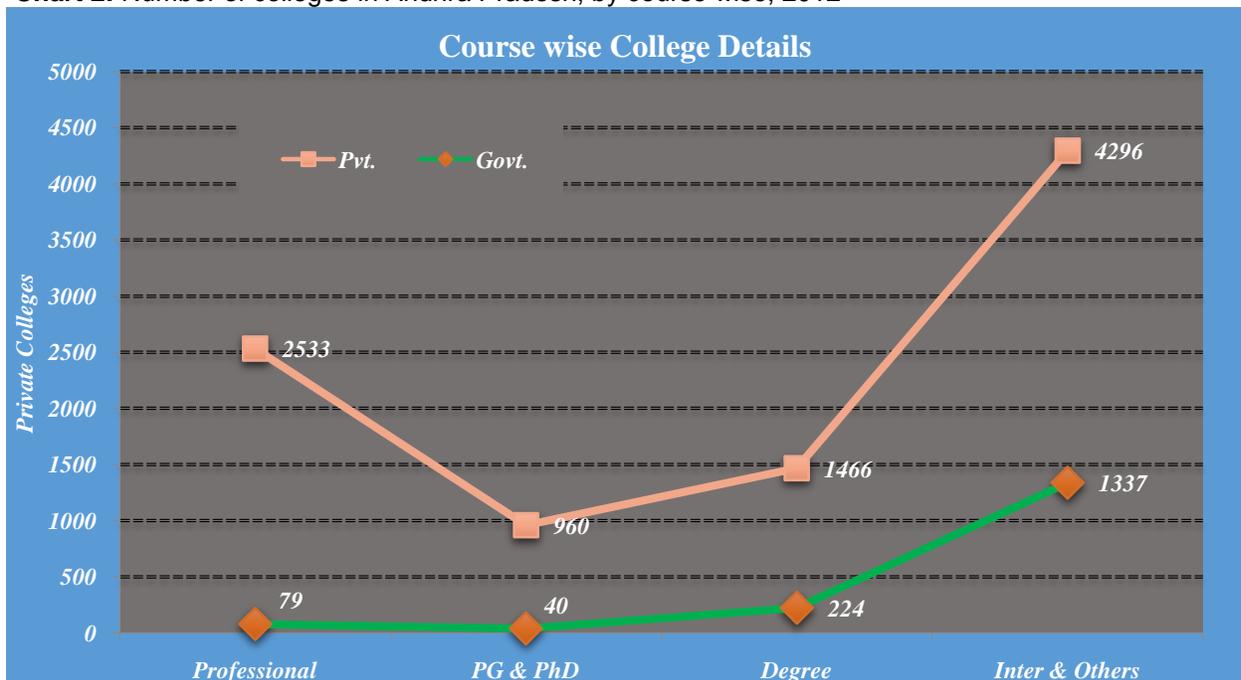
As discussed in chart 3, professional colleges started booming from 2008 onwards with the introduction of the RTF scheme as students started filling all the colleges that were managed by the private sector. Reimbursement of tuition fee by the government motivated the private sector college owners

**Chart 1:** Distribution of Post Matric Colleges in Andhra Pradesh, District Wise, 2012



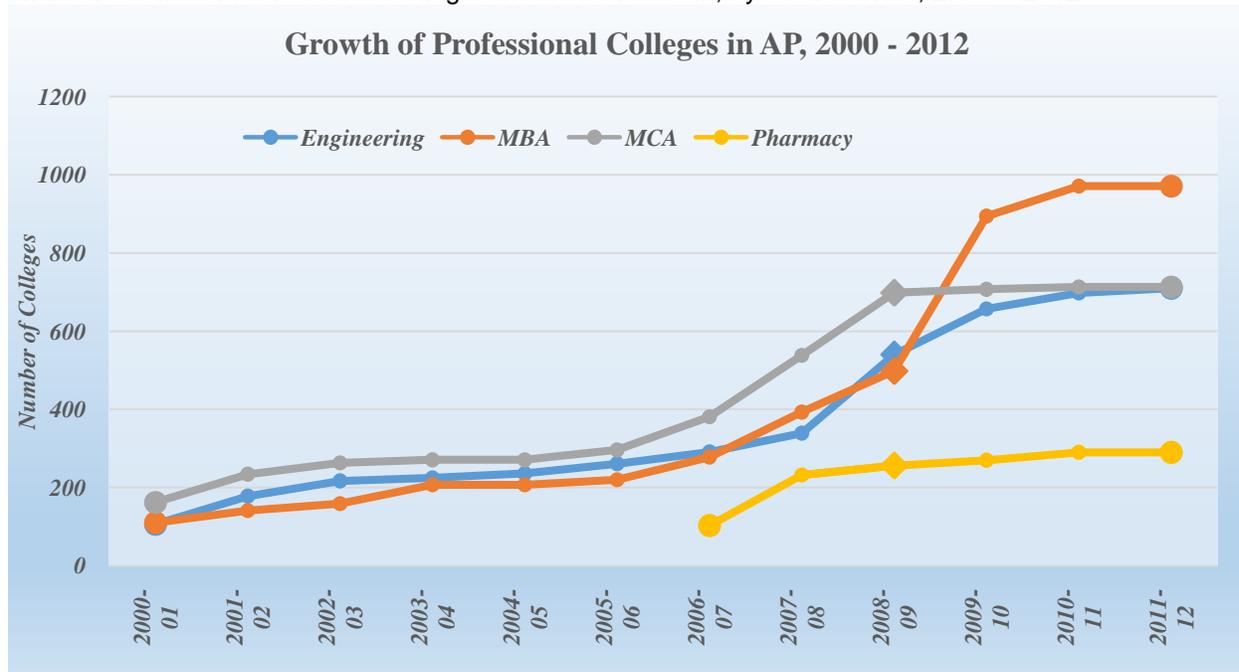
Source: Adopted from 'Andhra Pradesh State Council of Higher Education Annual Report 2011-12'.

**Chart 2:** Number of colleges in Andhra Pradesh, by course wise, 2012



Source: Adopted from Andhra Pradesh State Council of Higher Education Annual Report 2011-12.

Note: Pvt = Private, Govt = Government, PG & PhD = Post graduation & Doctor of Philosophy

**Chart 3: Growth of Professional Colleges in Andhra Pradesh, by Course Wise, 2000 – 2012**

Source: Adopted from 'Andhra Pradesh State Council of Higher Education Annual Reports 2001 – 02, 2002 – 03, 2003 – 04, 2004 – 05, 2005 – 06, 2006 – 07, 2007 – 08, 2008 – 09, 2009 – 10, 2010 – 11, 2011 – 12, & 2012 2013'.

Note: MBA = Master of Business Administration, MCA = Master of Computer Application

to open more colleges as they started anticipating that their colleges will be filled with students who wish to join professional courses but could not join because of the costs involved. Now that the government has come forward to take care of the tuition fee it was apparent that the college owners predicted the trend correctly. The rate of growth of the professional colleges since 2008 is a resemblance to the fact that RTF is behind the growth numbers of the professional colleges. The numbers of engineering colleges were 106 in 2000 – 01 and it grew to 339 by 2008 and doubled from there onwards to 710 by 2011 – 12, and the same growth can be seen in case of MBA and MCA colleges also. The number of MBA and MCA colleges were 110 and 162 respectively in 2000 – 01 and by 2008 their numbers grew to 393 and 538 respectively, and eventually grew to 971 and 713 respectively by 2011 – 12. New pharmacy colleges started mushrooming since 2006 – 07, around the time when background plans to launch RTF were on. There were no pharmacy colleges till 2006, suddenly they started booming since 2006 – 07 and have nearly tripled by 2011 – 12. There were 290 pharmacy colleges by 2012 in Andhra Pradesh.

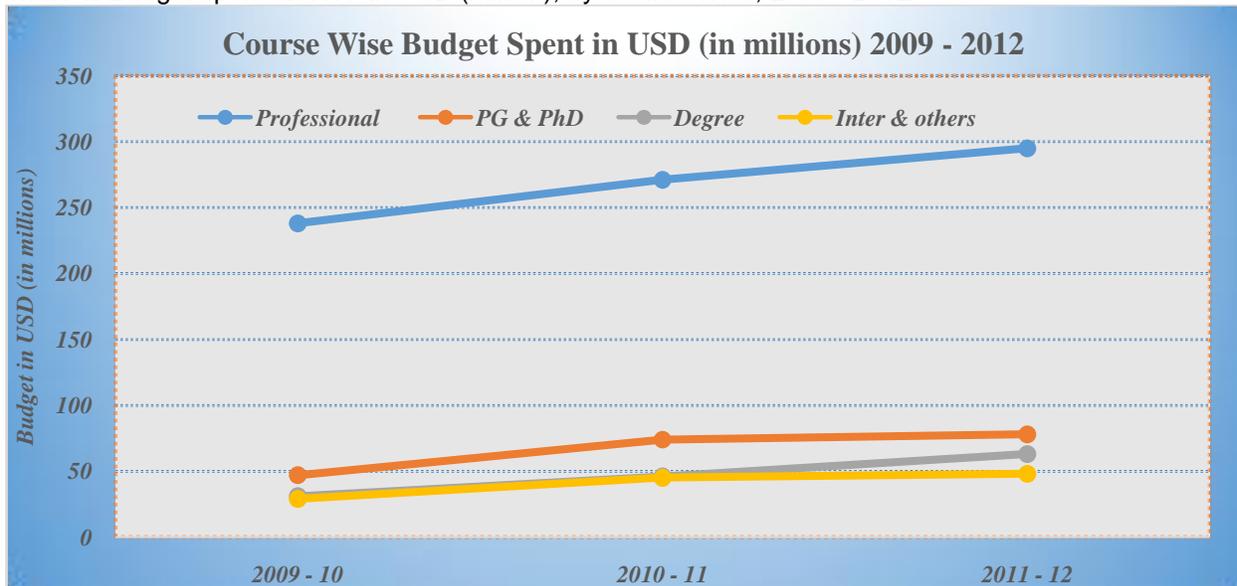
As discussed in chart 4, professional courses took the large piece of the cake by taking away around USD 238 million in the year 2009. The budget consumption by the remaining courses – PG & PhD, Degree and Intermediate – put together were only USD 107 million which was not

even half of the budget that was spent on professional courses. By the year 2012 the professional courses were consuming as close as USD 300 million whereas the budget consumed by the remaining courses – PG & PhD, Degree and Intermediate – put together was around USD 189 million.

As discussed in chart 5, more than 20 million students benefited from RTF scheme in 2009 out of which more than 12 million were male and nearly 8 million were female students. By 2012 some progress in the number of female beneficiaries can be observed as their number increased from nearly 8 million in 2009 to nearly 9 million in 2012.

Chart 6 represents social category wise beneficiaries during 2008 – 2013. All the years, backward classes students got utmost benefit in all sections. The RTF beneficiaries from backward classes were around 1033000 in 2008 – 09 followed by 1284000 in 2009 – 10, 1391000 in 2010 – 11, 1443000 in 2011 – 12 and 1516000 in 2012 – 13. The second highest beneficiaries were from scheduled caste category, where around 600000 students got benefitted every year. Economically backward classes students occupied third position in terms of beneficiaries with around 203000 in 2008 – 09 and by 2013 the number of beneficiaries in this category stood at around 337000 approximately. The next highest number of beneficiaries of RTF were from scheduled tribes and their numbers stood at around 200000

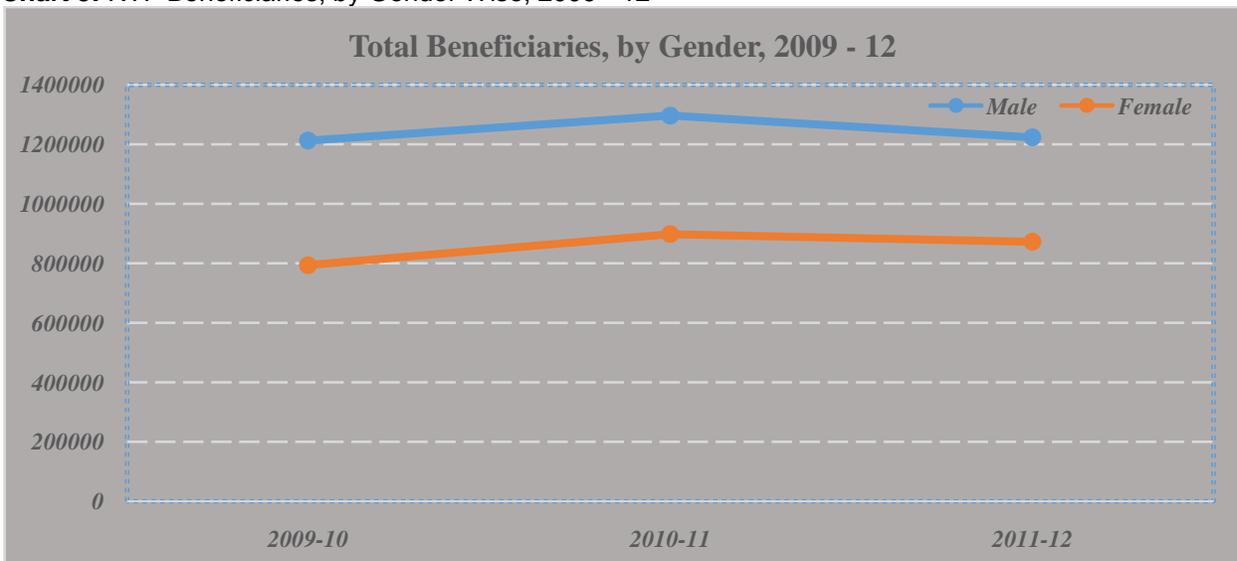
**Chart 4: Budget spent on RTF in USD (million), by Course Wise, 2009 - 2012**



Source: Adopted from 'Andhra Pradesh State Council of Higher Education Annual Report, 2009 – 10, 2010 – 11, & 2011-12'.

Note: PG & PhD = Post-graduation & Doctor of Philosophy

**Chart 5: RTF Beneficiaries, by Gender Wise, 2009 - 12**

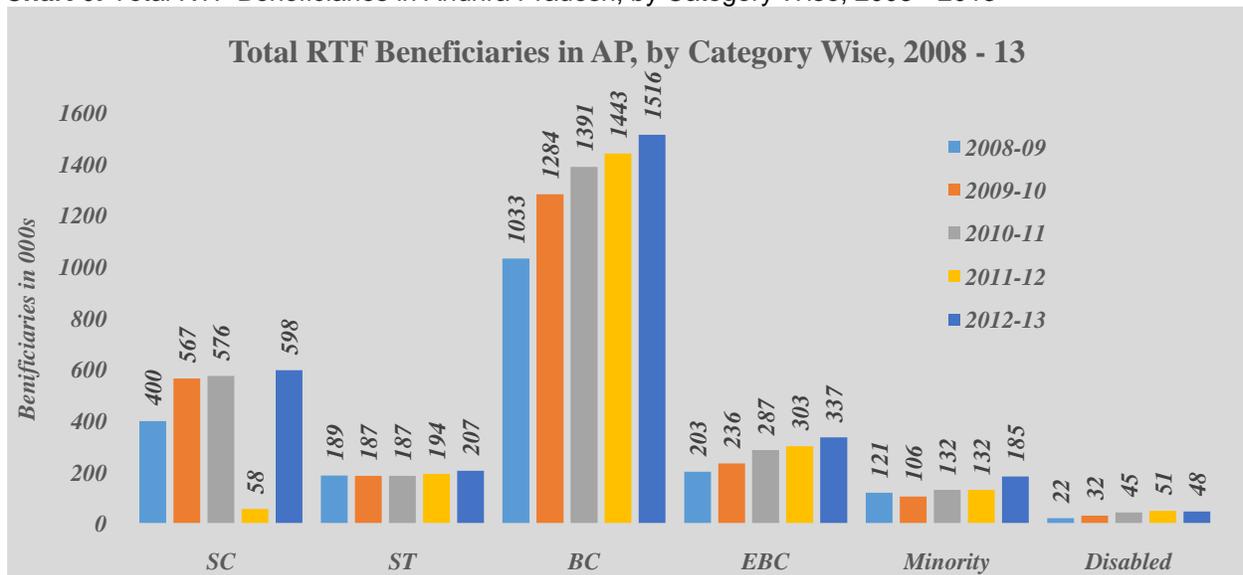


Source: Adopted from 'Andhra Pradesh State Council of Higher Education Annual Report 2009 – 10, 2010 – 11, & 2011-12'.

approximately during 2008 – 2013. Number of minority beneficiaries from RTF stood at around 121000 in 2008 – 09 and it increased to 185000 by 2013. Disabled students also benefited significantly from RTF scheme. In 2008 – 09 the number of disabled students who got benefited from RTF stood at 22000 approximately and the number

of beneficiaries increased to 48000 per year by 2013. As seen in chart 7, the most number of beneficiaries of RTF are from intermediate courses. The total number of intermediate beneficiaries under RTF stood at around 945000 in 2008 – 09 followed by beneficiaries of degree course with around 462000 and professional courses with

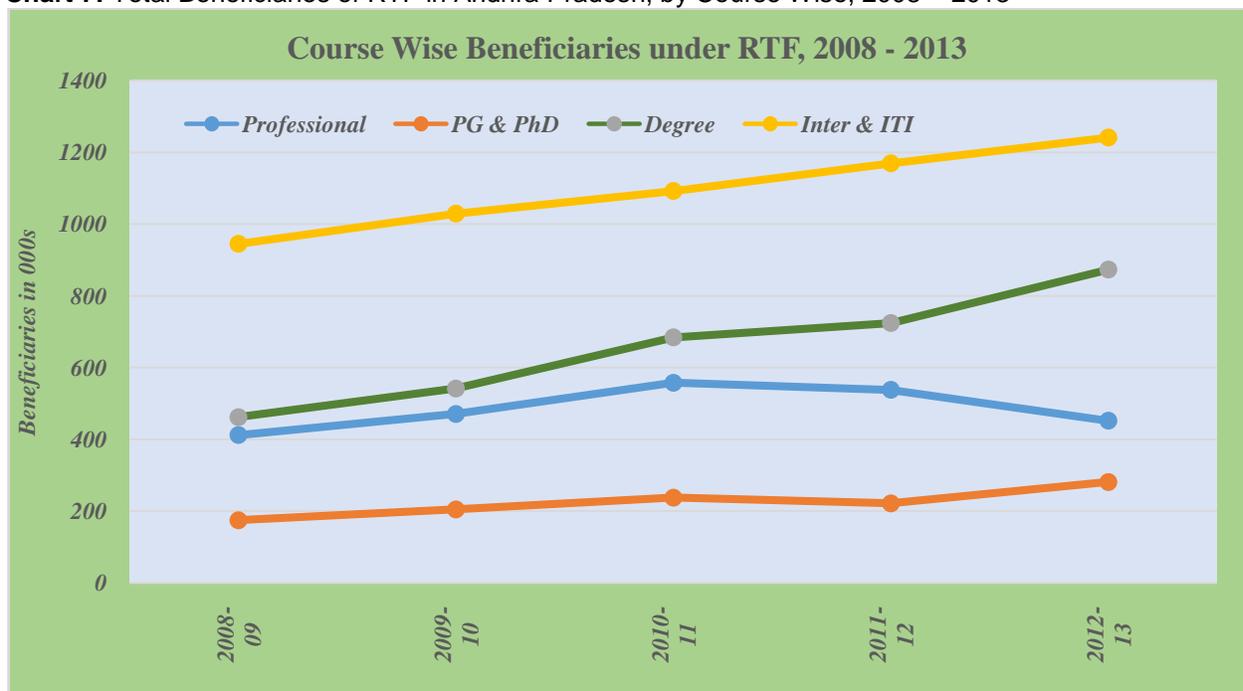
**Chart 6:** Total RTF Beneficiaries in Andhra Pradesh, by Category Wise, 2008 - 2013



Source: Adopted from 'Andhra Pradesh State Council of Higher Education Annual Report 2008 – 09, 2009 – 10, 2010 – 11, 2011 – 12, & 2012 – 13'.

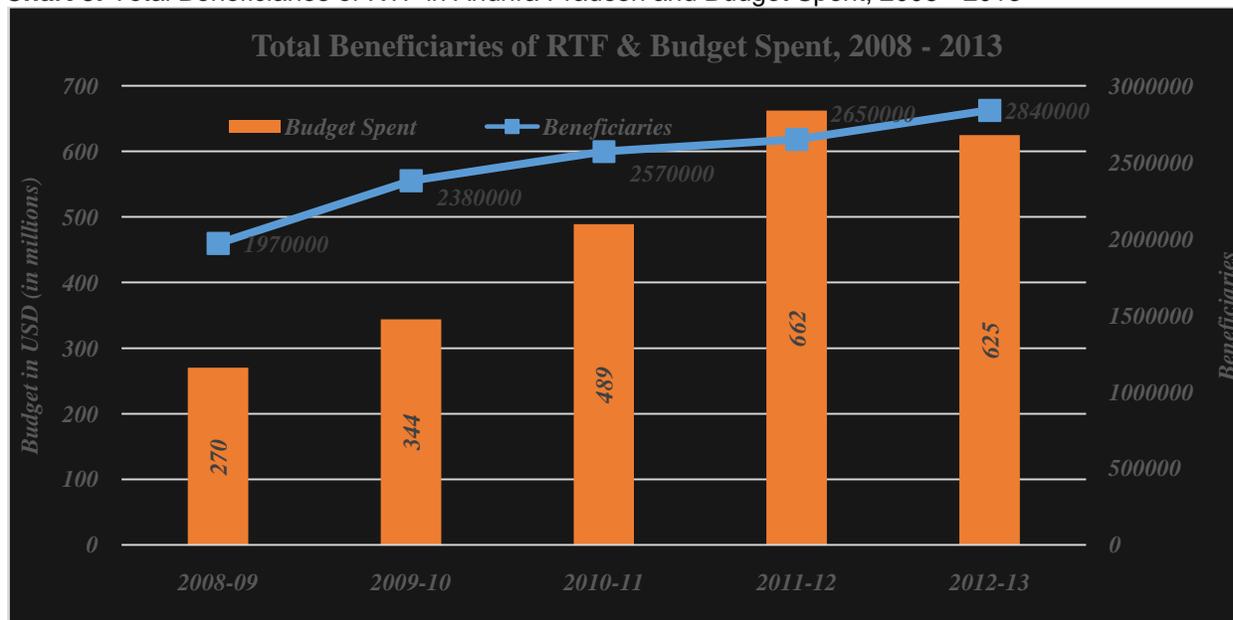
Note: BC = Backward Classes, EBC = Economically Backward Classes, SC = Scheduled Castes, ST = Scheduled Tribes

**Chart 7:** Total Beneficiaries of RTF in Andhra Pradesh, by Course Wise, 2008 – 2013



Source: Adopted from 'Andhra Pradesh State Council of Higher Education Annual Report 2008 – 09, 2009 – 2010, 2011 – 2012, & 2012 – 13'.

Note: PG & PhD = Post-graduation & Doctor of Philosophy, Degree = Under-graduation, Inter & ITI = Intermediate (Higher Secondary Education) & Industrial Training Institute

**Chart 8: Total Beneficiaries of RTF in Andhra Pradesh and Budget Spent, 2008 - 2013**

Source: Adopted from 'Andhra Pradesh State Council of Higher Education Annual Report 2008 – 09, 2009 – 2010, 2011 – 2012, & 2012 – 13'.

around 412000. The beneficiaries from PG and PhD courses occupied the last position with 175000 beneficiaries approximately in 2008 – 09. By the year 2013 the same trend continued with an increased numbers. The highest number of beneficiaries was from intermediate courses with around 1241000 followed by degree course with 873000 beneficiaries, professional courses with 452000 beneficiaries and PG and PhD courses with 281000 beneficiaries approximately per year.

As seen in chart 8, the total number of beneficiaries under RTF scheme was around 1970000 in 2008 – 09, and the numbers went on increasing year by year – the beneficiaries of RTF was around 2380000 in 2009 – 10, around 2570000 in 2010 – 2011, around 2650000 in 2011 – 12 and they increased to 2840000 in the academic year 2012 – 13. The budget for RTF also increased in sync with the growing demand for higher education. The initial budget for RTF was around USD 270 million in 2008 – 09 and at the end of academic year 2012 – 13 the government of Andhra Pradesh was spending around USD 625 million on RTF.

## SUMMARY

The first five academic years from 2008 – 13 saw 12.41 million student beneficiaries under RTF scheme. An overall budget of around USD 2390 million had been spent during 2008 – 13. The maximum number of beneficiaries is from intermediate and related courses

with around 5.47 million students claiming the benefits of the RTF scheme followed by under graduation and related courses with a total beneficiaries of 3.28 million. Around 2.43 million students have benefited under RTF scheme by joining professional courses. Post-graduation and doctoral students occupy the last position with around 1.12 million benefitting under RTF scheme. When calculated category wise the backward class castes are the one who have benefited more from the RTF scheme with their numbers standing at around 6.66 million in a total beneficiaries of around 12.41 million, which is almost equal to their population proportion in the state. Scheduled castes are the second most beneficiaries of the scheme with around 2.74 million benefitting from the RTF policy followed by economically backward classes with 1.36 million beneficiaries, scheduled tribes with 0.96 million beneficiaries, and minorities with 0.67 million beneficiaries. Around 180000 persons with different disabilities also benefited during 2008 – 13 under RTF scheme.

The scheme has faced significant political, legal, financial and technical challenges during the period 2008 – 13. Around 11000 colleges in Andhra Pradesh have received reimbursed tuition fee in the name of students. The office of auditor general of Andhra Pradesh has audited the scheme and its implementation process and has identified certain kinds of difficulties with implementation of the scheme both at ground level as well as at the top level. In the audit report they found that

enormous delays in disbursing the scholarship amount are often resulting in the colleges/institutes coercing the students to pay the fees from their pockets. In addition, the report also found that the ePASS system— developed and maintained by center for good governance (CGG) for capturing and processing all the transactions relating to sanction and disbursement of scholarships – has brought in a lot of positive changes in implementation of the schemes. The report also emphasized that there were numerous errors in ePASS system relating to e-mail IDs, bank account numbers, mobile numbers, application IDs, etc. (Office of Auditor General of Andhra Pradesh, 2012). Further, the report says that the laxity in verifications resulted in sanction of scholarships at higher rates in some cases, increasing the chances of fraud/embezzlement of government money as colleges were claiming scholarship for ineligible students and were also denying scholarships to eligible students due to huge pendency in verification.

The report concluded that colleges/universities were the channels through which scholarships were disbursed, and with no direct interface between the beneficiary students and the government and no reporting back from the nodal banks about the details of disbursement, there is an absence of mechanism for the government to assess the impact of its initiatives in this regard. Further, with each university/institute charging fees at their will without any basis, and the government releasing the scholarship amount based on such fees rather than stepping in and streamlining the fee reimbursement system, the burden on the state government finances multiplied. Apart from all the above problems, there were a huge number of non-beneficiaries listed due to the non-availability of any particular mechanism to measure annual income. If implemented in a foolproof manner with insistence on quality, the RTF scheme could change the higher education scenario in Andhra Pradesh by giving opportunities to those who cannot afford higher education, and this eventually may lead to enhancing the capabilities of the weaker sections in this globalizing world.

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