GOVERNMENT CAPITATION DISBURSEMENT AND FINAL EXAMINATION PERFORMANCE OF PUBLIC SECONDARY SCHOOLS IN KISUMU COUNTY, KENYA.

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A RESEARCH PROJECT SUBMITTED IN PARTIAL FULLFILMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTERS OF BUSINESS ADMINISTRATION-FINANCE, FACULTY OF BUSINESS AND MANAGEMENT SCIENCE, UNIVERSITY OF NAIROBI.

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DECLARATION

This research project is my novel work which in all respect has not been presented for examination to any other learning institution.

SIGNED_____ DATE**22nd November 2022**

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D61/5155/2017

This research proposal is duly submitted for examination with my consent as the University Supervisor.

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DEDICATION

My late parents; James Zawange Awange and Millicent Anyango Odera for planting the mustard seed of my quest for knowledge. Secondly, all the teachers who guided me in this pedagogical journey from childhood to date.

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ABSTRACT

The Government Capitation grant is very vital to learners both in primary and secondary schools in Kenya. The government of Kenya through Ministry of Education allocates and disburses Ksh.22, 244 and Ksh. 57, 974 to regular and special needs public secondary schools respectively. The study investigated the influence of government capitation grants disbursement delay on the final examination in public secondary schools in Kisumu County, Kenya. The study was anchored on Resource dependence theory, Wrecker`s financial distress theory and Agency theory. The study adopted descriptive longitudinal research design. The Secondary panel data set of 426 public secondary school-year end observations was used. This revealed that on average, there was 38.5 percent (mean = 0.385) delay in release of government capitation grants to public secondary school in Kisumu County. The study noted that on average, public secondary schools in Kisumu County attained K.C.S.E. mean grade of 4.534. The Sub-County secondary schools had the lowest K.C.S.E mean score of 1.839 while National Schools had the highest K.C.S.E mean score of 9.577 in Kisumu County. The study revealed that government capitation disbursement delay has negative and significant affiliation with final examination performance in public secondary schools in Kisumu County, Kenya. The study recommended that the Ministry of Education should plan to release capitation grants either a week before or latest a week after commencement of public secondary school term. The study further recommended that the government should consider use of research based differentiated unit cost in allocating capitation grants to both regular and special needs school learners.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Government Capitation grant is designed to necessitate both primary and secondary schools learners to finance their early stages of education with some relief across many countries globally (UNICEF, 2020). Countries such as Britain, United States of America, Sweden, North Korea, and Egypt among others started planning for education in the 1950s by investing in public secondary school (UNESCO, 2014). In Kenya, every public primary and secondary school are mandated to provide education to all eligible learners with funds sourced from Government Capitation as subsidy cum partial fee payment by parents/guardians or sponsors to cater for uniforms and other child basic needs. The government capitation grants disbursement delays or irregular release has existed in many African countries that have committed to either offer free early education or subsidized education in primary or secondary schools (Ng`ang`a, 2021; Ogowi, 2015; Ngigi, 2015). The delays in capitation funds release to public secondary schools in Kenya has forced schools in debts ranging from unpaid suppliers, outstanding salaries' to subordinate and teaching staff under board of management. With Covid-19 pandemic, there exists demand for further expenditure on masks to learners, soap, hand washing points and construction of more classrooms to enhance social distancing in classes especially in Africa (UNICEF, 2020; World Bank, 2020). The delays in disbursement of government capitation grants, obviously presents challenges in the allocation of learning materials and resources, thus final examination performance of public secondary schools in various parts of the globe.

This study was underpinned on Resource Dependency Theory developed by Pfeffer and Salancik (1978), Wrecker`s theory of financial distress (Campbell, Hilscher & Szilagyi, 2005) and Agency Theory (Jensen & Meckling, 1976). The Resource dependency theory avers that for

survival, organizations must obtain and sustain resources via linkage with other organizations in the setting that contour their undertakings thus influence varied products. Wreckers' theory of financial distress showcase, assistances arising from financial misery to patrons do not essentially quality undesirable excess yields of distressed entities, to organizations that may be less capable. The Agency Theory (Jensen & Meckling, 1976) underpin this study as it connotes relationship between the Ministry of Education as the Principal and public secondary schools administrator as the agent. Both the agent and principal are considered rational economic maximizing concerns bound by the contractual bonds and specifications.

Kisumu County has 225 public secondary schools. These are distributed in the 7 sub counties as follows: Kisumu Central which has 13 public secondary schools, Kisumu East has 15 public secondary schools, Kisumu West has 36 public secondary schools, Muhoroni which has 33 public secondary schools Nyakach has 52 public secondary schools, Nyando has 42 public secondary schools and Seme has 35 public secondary schools (Kisumu County Education Office, 2021). Every public secondary school in Kenya relies on subsidy in terms of government capitation to undertake service delivery to Kenyan pupils, Kisumu county public secondary schools not an exception.

1.1.1 Government Capitation Disbursement

The Government of Kenya via Ministry of Education (MoE) introduced capitation grants for every learner in both public primary and secondary schools to widen access, increasing enrollment of many pupils to the said schools. In public secondary schools, the MoE started with a grant of Ksh.10, 265, increased to Ksh 12, 870 and from January 2018 to date allocates Ksh. 22, 244 per secondary school learner per year. According to data extracted from the National Education Management information system (NEMIS portal on 16th July 2021) each student in a

public secondary school in Kenya receives a capitation grant of Ksh.22, 244 per year save for special needs school that receive Ksh. 57, 974 per child per year. In the financial year 2020/2021, the National Treasury allocated total of Ksh.14.5 billion to free primary education (FPE) and total of Ksh.32 billion to subsidized secondary education (SSE) for public schools. The National Treasury and MoE are required to schedule and disburse allocated capitation grants in three tranches: First tranches of 50 % is disbursed in term one, second tranches of 30 % is disbursed in term two and third and last tranches of 20 % is disbursed in third term (Oduor, 2021).

Despite good plan of schedule of disbursement of allocated capitation grants on three tranches aligned with public secondary school terms, there has been a delay in disbursement of the allocated capitation funds negating timely use in public secondary school. The capitation grants are meant to facilitate financial transactions on the expenditures necessary for public secondary schools operation. The MoE by end of January 2021 had only released half the amount, worth Ksh. 14.6 billion to fund public secondary schools (Oduor, 2021). The Study considered government capitation disbursement delays as the Independent Variable measured by Total School term period less average capitation disbursement delay all over Total School term period.

1.1.2 Final Examination Performance

The ministry of education has steadily championed for 100% pupils transition from Primary schools to Secondary Schools in Kenya. Concerted efforts has been undertaken by the Cabinet Secretary for Educations via circulars to County Education official to monitor and implement 100% enrollment to secondary school, pupils that sat for K.C.P.E in the last two years (Waihenya, 2021). School principals are obligated to facilitate public schools spending plan to accomplish the goals of the school and all the more compelling money related administration to

ensure conducive learning environment thus good performance in final examinations (Simiyu, 2013).

The public schools final examination performance incorporates obligation of planning every one of the exercises occurring in the school. This incorporates the record of rundown and identifies incomes, costs/benefits cum changes in resources and liabilities (Codjia, 2010). The dropout and repetition rates were considered forms of education wastage in Kenya, thus the need to reduce dropout rates by increasing number of students that write final examinations (K.C.S.E) and as well as increase enrollment rate to secondary schools (Olango, Malechwanzi, Murage, and Amuka, 2021). This study considered final examination performance of Public Secondary Schools measured by K.C.S.E. mean standard score as dependent variable. The use of K.C.S.E mean standard score was successfully used to measure final examination performance by Omae (2019).

1.1.3 Government Capitation Disbursement and Final Examination performance of Public Secondary Schools

The delay in disbursing the government capitation grants to public secondary schools could occasion interruption in procuring the curriculum support tools and similarly cause stress to school stakeholders (Wafula, 2012), thus, result in mediocre academic output among learners (Laurillard, 2013). The Curriculum support tools, mostly sourced from government capitation grants contribute immensely to the final examination performance as the resources permit pupils to internalize the content adequately thus enhancement in learners result (Maronga, Weda and Kengere, 2013; Mueni, Kimiti and Mulwa, 2019) .

The public secondary schools almost faced exams crisis in March 2021 over 7.5 billion delayed government capitation grants that were ear-marked to purchase chemicals for science practical examinations, feed candidates and settle debts owed to suppliers. The government had only released half of the anticipated 15 billion capitation grants to public secondary schools by 23rd March 2021, albeit K.C.S.E. 2020 scheduled to start on 29th March 2021 (Oduor, 2021).

1.1.4 Public Secondary Schools in Kisumu County, Kenya

Public Secondary schools are learning organizations open to all children and run by the government. They are categorized as National, Extra county, county cum Sub-county secondary schools, thus bound to receive capitation disbursement from the government exchequer. The transition in Kenya to secondary school is usually from 10 and 16 years, and completion between 16 and 19 years, albeit a small variation from county to county (Gode, 2011). Kisumu County has 225 Public secondary schools, distributed across the 7 sub- counties: Kisumu Central has 13 public secondary schools, Kisumu East has 15 public secondary schools, Kisumu West has 36 public secondary schools, Muhoroni has 34 public secondary schools, Nyakach has 53 public secondary schools, Nyando has 42 public secondary, while Seme has 35 public secondary schools (Kisumu County Education Office, 2021).

The public secondary schools provide students the linkage from primary education to tertiary education, thus very vital to the learners in preparing for future livelihood. With the advocacy of 100% transition and retention of students to secondary schools amid high poverty index due to low per capita income among the populace in Kisumu County, majority depends on government capitation grants to attend at least day secondary school (Ndambuki, 2016). The delays in disbursements of government capitation grants may thwart provision of learning resources and

material as well as retention of many students in secondary schools, thus affect the final examination performance of students in public secondary schools in Kisumu County

1.2 Research Problem

Government Capitation grants plays central role in supporting attainment of education to students by encouraging enrolment, completion rate as well as quality of final examination performance in public schools. Many developed and developing countries noted charging tuition fees and other levies hindered pupils' transition from primary to secondary schools (World Bank, 2015; Ohba, 2009). Parents particularly from low income are forced to sell animals and other resources to meet fees and other levies for their children education, thus the need for government capitation funds to public secondary school in Kenya (Watkins and Alelemayehu, 2012). Public secondary schools in Kenya are mandated to provide secondary school education to all eligible Students with funds sourced from Government Capitation as subsidy and partial fee payment by parents/guardians or sponsors. In financial year 2020/2021, the government allocated Ksh.22, 244 per learner in every secondary school in Kenya. The capitation funds are usually released in three tranches aligned with the three term school calendar. By 10th September 2020, only the first term disbursement had been released and received by public secondary schools, thus the delay, prompting Members of Parliament (MPs) to call for Ministry of Education (MoE) to release Ksh.983 million in capitation funds to avert possible crisis in learning institutions (PSC Hanzard, 2020). The delay in release of capitation grant has forced public schools in debts, with supplier pressing for payment and outstanding salaries for subordinate cum teaching staff employed by board of Management. By February 2021, public secondary schools have been operating on half budget despite of backlog in payments due to delays in disbursement in capitation (Public Secondary Schools Heads Association, 2021). The scenario has potential ripple effect on final

examination performance (KCSE mean score) of public secondary schools in Kisumu County, Kenya.

Kisumu County has public secondary schools categorized as National, Extra-County, County cum Sub-County schools that receive standard capitation grant of Ksh.22, 244 per year save for special needs education that receive Ksh. 57, 974 per learner per year. Parents and guardians of students are tasked to cater for school uniform charges, boarding expenses, infrastructure assignments permitted by County Education Boards and lunch programmes for day public schools (Omae, 2019). The current Ministry of Education policy of 100% transition from primary to secondary schools has increased enrolments resulting in overstretched facilities and increased teacher to student ratio. The delays in capitation grants disbursement to secondary schools and poverty levels among most parents negating steady school fees payment to public secondary schools in Kisumu County makes it very difficult for the schools to increase facilities, improve infrastructure and hire more BOM teachers to bridge the gap of teacher to student ratio to the recommended 1:45 from the current 1:60 or worst still 1:80 witnessed in most public schools in Kisumu County (Kisumu County Education Office, 2021). Based on this backdrop, the delay in capitation grants disbursement to public secondary schools may have ripple effect on the final examination performance of public secondary schools in Kisumu County.

Empirical studies have been undertaken internationally and locally on the relevance of Capitation grants to secondary schools: Internationally, Omari, Nzalayaimisi, Gabagambi (2018) studied disbursement cum administration of capitation grants to primary schools in Morogoro, Tanzania, Ngowi (2015) examined influence of unreliable government disbursement of capitation grants on academic performance in public secondary schools in Kinondoni district, Tanzania. In Kenya, Olango, Malechwanzi, Murage, and Amuka (2021) investigated the effect of free day secondary

education on academic performance of rural public day secondary schools in Kilifi County. Achieng, Nduku and Njui (2021) studied disbursement process of FDSE Funds and its influence on Students Retention in Migori County. Omae (2019) investigated influence of unit cost of education to students` performance in KCSE in public National secondary schools in Kenya. Ngigi (2015) studied effect of capitation grants on access cum retention of students in public secondary schools in Nairobi and Kiambu countries. Manei and Omagwa (2019) examined accounting practices and financial performance of public secondary schools in Makueni County, Kenya. Further, Mueni, Kimiti, and Mulwa, (2019) examined influence of quick disbursement of free secondary education tuition fund cum quality of curriculum execution in public secondary schools in Makueni County. The studies reviewed leaves a gaps in knowledge, thus the motivation to examine the effect of government capitation disbursement delays on final examination performance of public secondary schools in Kisumu County?

1.3 Research Objective

The study sought to establish influence of government capitation disbursement delays on final examination performance of public secondary schools in Kisumu County.

1.4 Value of the Study

The outcome of study added valuable knowledge to Ministry of Education cum Ministry of Finance (Treasury), as it provided insight economic and academic benefits of timely disbursement of funds (capitation) for effective fulfillment financial obligations of every public secondary school in Kenya.

The results of this study will also enable policy makers such as Ministry of Education, Treasury and Ministry of Health on timely disbursement of funds towards facilitating good final

examination performance in Public Secondary School in Kenya. As such assist in making informed judgments thus help identify policy gaps.

The outcomes of the study will assist the heads of institutions (Principals) in terms of effective financial management practices amid capitation disbursement delays towards improving delivery of service in schools and improve overall academic cum final examination performance. These findings will also be of significance to scholars, as it will provide a premise towards more investigation within and without Kisumu County.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The section itemizes theoretical anchorage, empirical literature, literature summary cum study knowledge gap analysis, concluding with study conceptual framework.

2.2 Theoretical Literature Review

The study was anchored on Resource dependency theory, financial distress theory and agency theory.

2.2.1 Resource Dependency Theory

This study is underpinned on Resource Dependency Theory developed by Pfeffer and Salancik (1978). The theory avers that for survival, organizations must attain cum sustain properties via linkage to other organizations in the setting that contour their doings and influence varied results. Interdependence between organizations is minimized in environments with large amount of resources, while limited possessions plus greater doubt pose greater challenge between organizations (Pfeffer & Salancik, 1978).

The theory nominates organizations as symbiotic to other organizations when transacting financial, physical properties, information and communal acceptability. These irregular affiliations do push organizations up alongside contradictory strains, in which fulfilling one group`s demand may work against another. Organizations are susceptible to the level of dependence on particular sorts of exchange to enable its operation. In this study, public secondary school depends heavily on the government capitation disbursement to subsidize operation and meet their financial obligation aligned to the budget. The theory further notes dependence as contribution of a resource to the organization and the level the resource is controlled by a comparatively few firms. The public secondary school principals are considered

sensible in weighing out costs cum benefits accruing to public secondary schools they run, but are dependent on the timely government capitation disbursement to remain afloat. The resource dependency theory was the main theory anchoring the study as public secondary schools in Kisumu County mainly depends on the resources from government capitation release, fees payment from parents, guardians and sponsors to offer valuable education support to the learners and this potentially boost overall academic and final examination performance in public secondary schools in Kisumu County.

2.2.2 Wreckers` Theory of Financial Distress

Wreckers' theory of financial distress (Campbell, Hilscher & Szilagyi, 2005) anchored this study as it portend that, paybacks potentially arising from financial anguish to stakeholders do not essentially feature undesirable extra yields of distressed entities, to organizations which are less proficient. This theory points to reality that disbursement delays under perfect circumstances influence outcome towards pecuniary misery, nonetheless, does not certainly move every stakeholders adversely as some could gain from insolvency measures. (Kalckreuth, 2005). The Wreckers` Theory of Financial distress underpin this study as delay in release of government capitation grants tantamount to delay in payment to Schools suppliers, BOM teachers and timely purchase of curriculum support material to school. This causes financial distress in schools, thus results into reduced final examination performance in public secondary schools in Kisumu County.

2.2.3 Agency Theory

The Agency Theory (Jensen & Meckling, 1976) underpin this study as it connotes relationship between the Ministry of Education as the Principal and public secondary schools administrator as the agent. Both the agent and principal are considered rational economic maximizing concerns

bound by the contractual bonds and specifications. The principal has to device measures to monitor the agent`s practices through budget restrictions, operating rules (Landstrom, 1993). The existence of information asymmetries and engaging in self-interest by the agents must be checked by the principal via prompt sharing of reports, monitoring and evaluation strategies (Chene, 2013). The agency theory, thus anchors this study as Schools Principals are agents of Ministry of Education in the receipt and prudent utilization of the government capitation grants to learners and accountable for final examination performance in public secondary schools in Kenya.

2.3 Empirical Literature Review

The empirical studies literature linked to this study are reviewed to appreciate the wealth of knowledge and identify knowledge gap to be filled by this study.

Olango, Malechwanzi, Murage, and Amuka (2021) investigated the effect of free day secondary education fund on academic performance of rural public day secondary schools in Kilifi County, Kenya. Descriptive survey research design was used, where 375 key informants were engaged. Structured questionnaires cum interview schedules administered to key informants. The study recommended timely disbursement and increased students' capitation to enhance both academic and financial performance of schools.

Similarly, Achieng, Nduku and Njui (2021) studied disbursement process of FDSE Funds and its influence on Students Retention in Migori County. The study adopted a convergent parallel mixed method design using cross sectional survey for quantitative method and case study design for qualitative method. The reviewed literature vividly outlined that interruptions in release of funds have actually affected smooth running of public secondary schools in west and east Africa.

However, Omae (2019) investigated influence of unit cost of education to pupils` performance in KCSE in public National secondary schools in Kenya. The study adopted descriptive survey and convenience sampling method to arrive at 5 National Schools. Both questionnaire and interview guide used to gather data from key informants. The study recommended national schools to charge Ksh. 81, 673 instead of Ksh. 75, 798 upsurge of Ksh. 5, 875 while government to avail infrastructure worth Ksh.4,000, thus, put capitation at Ksh. 26, 244 to enhance students KCSE performance.

Mueni, Kimiti, and Mulwa (2019) studied impact of prompt release of free secondary education fund cum quality of curriculum execution in public secondary schools in Makueni County, Kenya. Mixed methods research design was used. The study recommended timely disbursement of government capitation to enhance financial health of public secondary schools thus increase in curriculum or academic performance.

Subsequently, Omari, Nzalayaimisi, Gabagambi (2018) studied disbursement cum administration of the capitation grants to primary schools in Morogoro, Tanzania. Qualitative cum quantitative data were gathered cum examined. The study results demonstrated necessity for earmarking suitable capitation grant, watching over capitation expenditure plus obligating additional resources for capacity building to education actors in grant administration within the locality.

Kosgei (2017) investigated disbursement time of free primary education funds on administration of schools in Uasin Gishu County, Kenya. Cross sectional survey design was used. Questionnaires were used to gather data. The study revealed that funds disbursement delays considerably swayed administration of schools. The study recommended apt distribution of monies to schools to facilitate running of public secondary schools.

In the same breath, Ngowi (2015) examined influence of unreliable government release of capitation grants on academic results in public secondary schools in Kinondoni district, Tanzania. The study received response from 10 heads of secondary schools. The content analysis aided in analyzing qualitative data reported in narrative form. The study confirmed the administration of capitation grants being obligation of principals collaborating with school boards or committees'.

2.4 Summary of Literature and Study Knowledge Gap

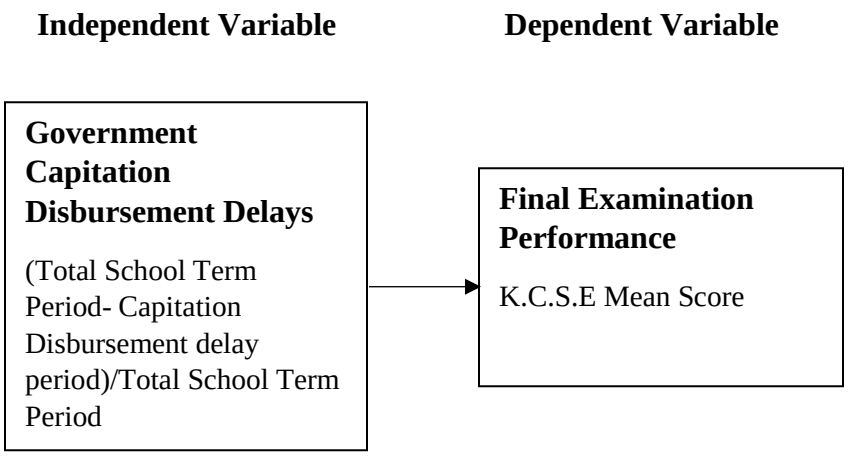
Empirical studies have been undertaken internationally and locally on the relevance of Capitation grants to secondary schools: Internationally, Omari, Nzalayaimisi, Gabagambi (2018) studied disbursement cum administration of capitation grants to primary schools in Morogoro, Tanzania, Ngowi (2015) examined unreliable government release of capitation grants on academic performance in public secondary schools in Kinondoni, Tanzania. In Kenya, Achieng, Nduku and Njui (2021) studied disbursement process of FDSE Funds and its influence on Students Retention in Migori County. Olango, Malechwanzi, Murage, and Amuka (2021) investigated the effect of free day secondary education on academic performance of rural public day secondary schools in Kilifi County, Kenya. Omae (2019) investigated influence of unit cost of education to students` performance in KCSE in public National secondary schools in Kenya. Ngigi (2015) studied effect of capitation grants on access cum retention of students in public secondary schools in Nairobi and Kiambu countries. Manei and Omagwa (2019) examined accounting practices cum financial performance of public secondary schools in Makueni County, Kenya.

Further, Mueni, Kimiti, & Mulwa, (2019) examined influence of quick release of fund cum the quality of syllabus implementation in public secondary schools in Makueni County. The studies reviewed leaves a gaps in knowledge, thus the motivation to examine the effect of government

capitation disbursement delays on final examination outcomes of public secondary schools in Kisumu County.

2.5 Conceptual Framework

The figure 2.1 denotes conceptual model to determine effect of Government capitation grants disbursement delays on final examination performance of public secondary schools in Kisumu County. The Study considered Government Capitation disbursement delays as the Independent Variable measured by Total School Term Period (T.S.T.P) less Average Capitation Disbursement Delay (A.C.D.D) all over Total School Term Period (T.S.T.P). This study considered final examination performance of Public Secondary Schools measured by K.C.S.E mean score for the three years study period between January 2018 to March 2021 as dependent variable.



(Source: Researcher, 2021)

Figure 2.1: The Conceptual model

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The section outlines research design, population, sample size plus sampling technique, data collection cum data analysis.

3.2 Research Design

The descriptive longitudinal design was adopted in the study. Descriptive longitudinal design permits absolute account of situations, eliciting in minimum bias in data collection over a period of time (Cooper & Schindler, 2012) and ideal for data collection from the population to get a general look of the field of study having participants with varied features (Pasha and Negese, 2014). McCombes (2019) infers that descriptive research design uses wide variety of quantitative cum qualitative methods to check variables and the researcher cannot direct or maneuver any of the variables, but only observes and measures them. The following studies successfully used this method, (Waithanji, 2014; Omondi & Jagongo, 2018).

3.3 Population

Kisumu County has 225 government regular secondary learning institutions. Two amongst these are in national category, 15 are Extra County, 14 are County and 194 are Sub – County category (Appendix II). Population denote whole group of characters or things the investigator was concerned with in generalizing the conclusion (Kothari & Garg, 2014).

3.4 Sampling and Sample Size

Given population of 225, the study adopted the Krejcie & Morgan (1970) technique to determine sample size:

$s = X^2NP(1-P) + d^2(N-1) + X^2P(1-P)$

Where;

s = required sample size

X^2 = the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841).

N = the population size

P = the population proportion (assumed to be .50 since this would provide the maximum sample size).

d = the degree of accuracy expressed as a proportion (0.05).

Adopting the formula provides, Sample size = (3.841 x 225 x 0.5 x 0.5) / (0.05^2 x 224 + 3.841 x 0.05^2) = 142 schools.

Table 3.1: Table for Sample Size Selection

School Type	**Target Population**	**Sample Size**	**%**	**Technique**
National	2	2	100	Census
Extra County	15	15	100	Census
County	14	14	100	Census
Sub – County	194	111	57	Stratified &Simple Random
Total	**225**	**142**	**63**	

(Source: Researcher, 2021)

The researcher considered all the 2 schools in national category, 15 extra county & 14 county, giving a sub – total of 31 learning institutions. Of those remaining 111 slots, the study conducted Stratified then Simple random sampling technique on the sub county schools based on their numerical strength.

Proportionate formula =$\frac{X}{T}$x S, where; X equals to the number of schools belonging to specific sub- county, T is the total sub county schools in the county, while S denote the requisite sample size. This technique has advantage of providing equal opportunity for each and every sub county school being used in the study.

3.5 Data Collection

Secondary quantitative panel data was gathered via secondary data collection sheet. The panel data set of 426 (142 public secondary schools by 3 years) secondary school-year end observations for 2018 to 2020 was used. The secondary data was extracted from official records of every sampled Secondary School in Kisumu County, Kenya. The secondary data collection sheet consists of two sections: Section A, collected data on government capitation disbursement delay to public secondary schools every year for the three years (2018 to 2020) considered for the study. The secondary data on capitation release delay was sourced and calculated from ministry of education circulars on disbursements and school bank statements extract acknowledging receipt of the said capitation grants. Sections B, collected data on K.C.S.E mean every year for the three years (2018 to 2020) considered for the study. The data on Schools K.C.S.E mean were sourced from secondary schools records and verified by County Director of Education records (Appendix 1).

3.6 Data Analysis

Data was analyzed by descriptive cum inferential statistics. Descriptive Statistics entailed minimum, maximum, standard deviation cum mean. Inferential statistics involved pearson correlation analysis plus regression analysis. The findings were presented in tables and figures with respective interpretations of the study outcomes.

3.6.1 Analytical Model

The Ordinary Least Square (OLS) Regression analysis shall be adopted on the quantitative panel data set run on Statistical Package for Social Sciences using analytical model:

$$FE_{it} = \beta O + \beta 1\ GCDD_{it} + \varepsilon_{it}$$

Where:

FE: Final examination performance of Public Secondary Schools

β0, 1: Constants representing the direction to which each variable influences final examination performance of the public secondary schools.

GCDD: Government Capitation Disbursement Delays.

i : School 1 to school 142.

t: years 2018, 2019 and 2020

ε: The error term

Pearson correlation analysis followed by ordinary least square regression was carried out to analyze the correlation and relationship between Government Capitation Disbursement Delays and final examination outcome of Public Secondary Schools in Kisumu County. The 5% level of significance was considered in interpreting the SPSS regression analysis output.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The chapter presents the descriptive statistics, correlation and regression analysis deployed to check the affiliation of study variables.

4.2 Descriptive Statistics

The descriptive statistics used were minimum, maximum, mean and standard deviation of both Independent and Dependent variable.

Table 4.1 Descriptive Statistics of Study Variables

	N	Minimum	Maximum	Mean	Std. Deviation
GCDD	426	0.349	0.417	0.385	.045333
FE	426	1.839	9.577	4.534	.524751
Valid N (listwise)	426				

Source: (Research SPSS data, 2021)

Table 4.1 illustrates descriptive statistics: minimum, maximum, mean and standard deviation of Government capitation disbursement delay (GCDD) and Final Examination (FE) performance of public secondary schools in Kisumu County. The GCDD had minimum of 0.349, maximum of 0.417, mean of 0.385 and standard deviation of 0.045. This depicts that on average, there is 38.5% delay in release of government capitation grants to public secondary school in Kisumu County. This delay rate relate to all public schools in Kenya, as disbursements of capitation grants to both tuition and operational accounts is done at once by the Ministry of Education to all Public Secondary Schools in Kenya. The FE had minimum score of 1.839, maximum score of 9.577, and mean score of 4.534 with standard deviation of 0.525. This denotes that on average, public schools in Kisumu County attained K.C.S.E. mean grade of 4.534. The Sub-County secondary schools had the lowest K.C.S.E mean score of 1.839 while National Schools had the highest K.C.S.E mean score of 9.577 in Kisumu County. From the descriptive statistics, holding

other factor constant, delay in government capitation grant release affected final examination performance in public secondary schools at different magnitude.

4.3 Correlation Analysis

The correlation analysis shows the association between GCDD and FE of public Secondary School in Kisumu County.

Table 4.2 Correlation between GCDD and FE

		FE	GCDD
FE	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	426	
GCDD	Pearson Correlation	-.653	
	Sig. (2-tailed)	.000	1
	N	426	426

Source: (Research SPSS data, 2021)

Table 4.2 shows the direction of association and significance of the linkage between government capitation disbursement delay and final examination performance of public secondary schools in Kisumu County. The correlation coefficients between FE with GCDD is -0.653 and significant 0.000 ($P<0.05$). Thus, the GCDD has a negative and significant influence on final examination performance (K.C.S.E mean) of public secondary school in Kisumu County. This depicts that as delay in release of government capitation grants increases the final examination performance decreases in public secondary school in Kisumu County. This can be justified by the lower final examination performance in the year 2018 when government capitation disbursement delay was highest at 41.7%: Maseno School and Kisumu Girls High, both National Schools, for instance had the lowest K.C.S.E mean score of 8.693 and 7.486 respectively in the year 2018.

4.4 Regression Analysis

The regression analysis outlined the model summary, analysis of variance and coefficients to ascertain the affiliation of GCDD with FE.

Table 4.3 Model Summary of variables

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.726[a]	.527	.412	.186537

a. Predictors: (Constant), GCDD

Source: (Research SPSS data, 2021)

Table 4.3 shows the model summary. The R square of 0.527 indicates model overall best fit. The R squared shows that the model has 52.7% fitness in explaining influence of GCDD on FE of public secondary school in Kisumu County. This depicts that the model adequately justifies the changes. The R-square of 0.527, implying that 52.7% of the changes in FE can be explained by a change in GCDD while 47.3% of changes in FE are not justifiable by predictor variables thus error term (0.186537). This depicts that final examination performance in secondary schools in Kisumu County are similarly affected by other variable not tested in this study to a substantial extent.

Table 4.4 Analysis of Variance (ANOVA[a])

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.013	1	1.013	112.556	.003[b]
	Residual	.794	424	.009		
	Total	1.807	425			

a. Dependent Variable: FE

b. Predictors: (Constant), GCDD

Source: (Research SPSS data, 2021)

Tables 4.4 illustrate analysis of variance of GCDD with FE. The analysis of variance provides the level of variability of the model and test of significance at 0.003. This depict that the model fit to ascertain variability with a level of significance at 0.003 (P<0.05).

Table 4.5 Regression coefficients of GCDD with FE

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.695	.037		4.311	.003	.123	.268
	GCDD	-.256	.019	-.224	-.439	.001	-.036	.069

a. Dependent Variable: FE

Source: (Research SPSS data, 2021)

Table 4.5 shows regression coefficients of GCDD with FE. The GCDD had negative standardized coefficient of -0.256 denoting a negative affiliation between GCDD to FE. This depicts that as GCDD increases, FE diminishes. Hence, there exists a significant negative affiliation between GCDD to FE of public secondary schools in Kisumu County. Thus an increase of 1 unit of GCDD causes reduction on the rate of FE with corresponding -0.256 units of FE and significant at 0.001 (P < 0.05). Thus an increase in Government capitation disbursement delay results in a decrease in final examination performance and vice versa in public secondary schools in Kisumu County.

The Model predictor variable (GCDD) affiliation with FE was statistically significant (P < 0.05). Thus, the model: $FE\ it = \beta O + \beta 1\ GCDD\ it + \varepsilon\ it$, substituting the intercept, coefficients and error term, become: *FE it = 695 -0.256 GCDD it + 0.186537.*

4.5 Discussion of Findings

The study outcome shows government capitation disbursement delay has negative and significant influence on final examination performance of public secondary schools in Kisumu County. The data was analyzed via descriptive, correlation and regression analysis. The descriptive statistics analysis shows: GCDD had minimum of 0.349, maximum of 0.417, mean of 0.385 and standard deviation of 0.045. This depicts that on average, there is 38.5% delay in release of government capitation grants to public secondary school in Kisumu County. The FE had minimum score of 1.839, maximum score of 9.577, and mean score of 4.534 with standard deviation of 0.525. This denotes that on average, public schools in Kisumu County attained K.C.S.E. mean grade of 4.534. The Sub-County secondary schools had the lowest K.C.S.E mean score of 1.839 while National Schools had the highest K.C.S.E mean score of 9.577 in Kisumu County. This outcome was in tandem with (Achieng, Nduku and Njui, 2021; Mueni, Kimiti, and Mulwa, 2019; Omae, 2019) though provided insights on the extent of government capitation grant release delay in public schools in Kisumu County.

The correlation coefficients between FE with GCDD is -0.653 and significant 0.000 ($P<0.05$). Thus, the GCDD has a negative and significant influence on final examination performance (K.C.S.E mean score) of public secondary school in Kisumu County. This depicts that as delay in release of government capitation grants increases the final examination performance decreases in public secondary school in Kisumu County. This can be justified by the lower final examination performance in the year 2018 when government capitation disbursement delay was highest at 41.7%: Maseno School and Kisumu Girls, both National Schools, for instance had the lowest K.C.S.E mean score of 8.693 and 7.486 respectively. This outcome conform to Omae (2019) study that recommended national schools to charge Ksh. 81, 673 instead of Ksh. 75, 798

upsurge of Ksh. 5, 875 while government to avail infrastructure worth Ksh.4,000, thus, put capitation at Ksh. 26, 244 to enhance students KCSE performance.

The regression analysis found out there exist a significant negative affiliation between GCDD to FE of public secondary schools in Kisumu County. Thus an increase of 1 unit of GCDD causes reduction on the rate of FE with corresponding -0.256 units of FE and significant at 0.001 ($P < 0.05$). Thus an increase in Government capitation disbursement delay results in a decrease in final examination performance and vice versa in public secondary schools in Kisumu County. The findings of this study was partially in tandem with (Olango, Malechwanzi, Murage, and Amuka, 2021; Achieng, Nduku and Njui, 2021; Mueni, Kimiti, and Mulwa, 2019; Omae, 2019; Kosgei, 2017) though bridged the gap in knowledge related to the extent of government capitation release delay and magnitude of its influence on final examination performance of public secondary schools in Kisumu County which can be replicable in other schools in Kenya.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter outlines the summary, the conclusion of study, recommendations and limitation of the study cum suggestions for further research.

5.2 Summary of Findings

The study investigated the influence of government capitation release delay on final examination performance of public secondary schools in Kisumu County. This study was underpinned on Resource Dependency Theory developed by Pfeffer and Salancik (1978), Wrecker`s theory of financial distress (Campbell, Hilscher & Szilagyi, 2005) and Agency Theory (Jensen & Meckling, 1976). The descriptive longitudinal design was adopted in the study (Cooper & Schindler, 2012).

The descriptive statistics analysis showed GCDD had minimum of 0.349, maximum of 0.417, mean of 0.385 and standard deviation of 0.045. Thus an average of 38.5% delay in release of government capitation grants to public secondary school in Kisumu County. The FE had minimum score of 1.839, maximum score of 9.577, and mean score of 4.534 with standard deviation of 0.525. This denotes that on average, public schools in Kisumu County attained K.C.S.E. mean grade of 4.534. The Sub-County secondary schools had the lowest K.C.S.E mean score of 1.839 while National Schools had the highest K.C.S.E mean score of 9.577 in Kisumu County.

The correlation coefficients between FE with GCDD was -0.653 and significant 0.000 ($P<0.05$). Thus, the GCDD has a negative and significant influence on final examination performance (K.C.S.E mean score) of public secondary school in Kisumu County. This depicts that as delay

in release of government capitation grants increases the final examination performance decreases in public secondary school in Kisumu County. This can be justified by the lower final examination performance in the year 2018 when government capitation disbursement delay was highest at 41.7 percent.

The regression analysis found out there exist a significant negative affiliation between GCDD to FE of public secondary schools in Kisumu County. Thus an increase of 1 unit of GCDD causes reduction on the rate of FE with corresponding -0.256 units of FE and significant at 0.001 ($P < 0.05$). Thus, the regression model substituting the intercept, coefficients and error term, become: *FE it = 695 -0.256 GCDD it + 0.186537.*

5.3 Conclusion of the Study

From the study findings, government capitation grant remains very critical for enhancement of student retention, academic performance and final examination performance in public secondary schools in Kisumu County thus should always be released to schools a week before schools resume or immediately the schools term start. This shall boost school overall operations, thus improve final examination performance.

The public secondary schools in Kenya should initiate income generating project to cushion there operations from the eminent government capitation grants release delays. Parents, guardians and potential sponsors should consistently support schools financial endevours.

5.4 Recommendations of the Study

The Ministry of Education should outline a policy that ensure release of government capitation either a week before or immediately after the start of school term to enable public schools promptly avail curriculum material to boost overall academic as well as final examination performance of public secondary schools in Kenya.

The Government of Kenya through Ministry of Education should consider research based differentiated unit cost in providing government capitation grants to regular and special needs learners. This shall ensure capitation grants commensurate to specific curriculum resource needs of every learner is availed to public secondary schools.

The public secondary schools principals and Board of Management should initiate myriad income generating activities to cushion them from resource needs and financial challenge associated with delayed release of government capitation grants. This shall enable them to continuously offer curriculum support to learners that boost their final examination performance.

Besides the Capitation grants to schools to support tuition and operational activities, the government school either employ adequate regular teachers or consistently manage payroll for BOM teacher to boost their morale in teaching learners in public secondary schools to increase overall academic and final examination performance.

5.5 Limitations of the Study

The study was confined to influence of government capitation grant release delays on final performance of public secondary schools in Kisumu County. It did not consider other factor that influence final examination performance, though acknowledged their existence by the model error term.

The study used secondary data sourced from public secondary schools records and verified by circular and reports from the County Director of Education in Kisumu County. The study did did not consider the primary qualitative data from key informants such as Principals of Schools, County Directors of Education, Senior teachers in charge of curriculum and final examination candidates.

5.6 Suggestions for Further Study

Another study should consider influence of government capitation delays on final examination specific to special needs schools to further ascertain if the Ksh. 57,974 given to them without considering the nature of disability is adequate or the government should consider research based differentiated unit cost.

Another study should consider primary qualitative data from key informants such as Principals of Schools, County Directors of Education, senior teachers in charge of curriculum and final examination candidates. This shall provide comparative outcomes that shall enrich policy decisions by the Ministry of Education in Kenya.

Another study should consider the influence of government capitation release delay on the financial performance of public secondary schools in Kenya.

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APPENDICES

Appendix I: Secondary data collection sheet.

School Name: ……..

SECTION A: GOVERNMENT CAPITATION DISBURSEMENT

Indicators	**Outcome (s)**
2020	
Average Total Term Period (ATTP)	
Average capitation disbursement delay period (ACDDP)	
Capitation disbursement delay rate = (ATTP- ACDDP)/ATTP	
2019	
Average Total Term Period (ATTP)	
Average capitation disbursement delay period (ACDDP)	
Capitation disbursement delay rate = (ATTP- ACDDP)/ATTP	
2018	
Average Total Term Period (ATTP)	
Average capitation disbursement delay period (ACDDP)	
Capitation disbursement delay rate = (ATTP- ACDDP)/ATTP	

SECTION B: FINAL EXAMINATION PERFORMANCE

Academic Year	K.C.S.E. Mean Score
2020	
2019	
2018	

Appendix II: List of Public Secondary Schools in Kisumu County, Kenya.