Abstract

Quality in tertiary education is multifaceted and includes aspects such as faculty competence, research output, student support services, curriculum impact, and employability of graduates. Funding models directly affect all these variables. The main objective of this research was to examine the adoption of the new funding model and its influence on the quality of tertiary education in Kenya. The study was led by the following objectives: to investigate the impact of financial sustainability, staffing and teaching resources, stakeholder's perceptions research and innovation on the new funding model and quality of tertiary education in Kenya. This study examined the theory of access to finance and development, the household capital structure theory and the Keynesian theory to diagnose the adoption of new funding model and quality of tertiary education in Kenya. The study adopted an explanatory research design. Explanatory research is executed to get to the root cause of a problem and goes ahead to detail why the problem exists as is. The target demographic for this study was the nation's 2469 TVET institutions and 39 commissioned public universities. Questionnaires that are self-administered were used to gather primary data. At the public universities and TVET institutions, the researcher distributed the questionnaires to all 96 respondents with the assistance of two qualified research assistants. On financial sustainability, respondents moderately agreed that the funding model enhanced financial planning and efficiency, with an overall mean of 3.487, while regression results confirmed a positive contribution ($\beta=0.210$, $p=.019$). Staffing and teaching resources emerged as the strongest predictor of education quality, with an overall mean of 3.796 and a significant regression coefficient ($\beta=0.374$, $p=.021$). The correlation analysis ($r=.722$, $p=.022$) also confirmed its strong relationship with education quality. Stakeholders' perceptions, though moderate (overall mean=3.159), were found to significantly predict education quality ($\beta=0.150$, $p=.006$), reflecting that stakeholder trust and confidence remain vital to sustaining reforms. On research and innovation, institutions rated this highly, with an overall mean of 3.967, indicating strong investment in research activities, industry collaborations, and student-led projects.