

ITEM FOR FINANCE COMMITTEE

HEAD 40 – EDUCATION DEPARTMENT

Subhead 185 Subject and curriculum block grant for government schools

Subhead 300 Code of Aid for primary schools

Subhead 305 Code of Aid for secondary schools

Subhead 320 Code of Aid for special schools

Subhead 325 Direct Subsidy Scheme

Subhead 330 Assistance to private secondary schools and bought places

Subhead 489 Miscellaneous educational services

Members are invited to approve –

- (a) the disbursement of a new recurrent grant, namely the Capacity Enhancement Grant, ranging from \$250,000 to \$550,000 per school per annum, to all government and subvented schools¹ with effect from the 2000/01 school year;
- (b) supplementary provision of \$19 million, \$207 million and \$33 million respectively to Head 40 Education Department Subhead 185 Subject and curriculum block grant for government schools, Subhead 300 Code of Aid for primary schools and Subhead 305 Code of Aid for secondary schools in 2000-01; and
- (c) delegation of authority to the Director of Education to approve future annual revisions of the rates of the grant in accordance with the movement of the Composite Consumer Price Index.

/PROBLEM

¹ For the purpose of this proposal, “subvented schools” means aided schools, caput schools, schools under the Bought Place Scheme and schools in receipt of Government subsidies for running full-time initiation programmes for newly arrived children. The detailed arrangements for these schools and the impact on schools under the Direct Subsidy Scheme are set out in paragraph 2 below.

PROBLEM

At present school teachers have a heavy workload and may not be able to focus on the implementation of the education reform.

PROPOSAL

2. The Director of Education (D of E), with the support of the Secretary for Education and Manpower, proposes to provide a Capacity Enhancement Grant (CEG) on a recurrent basis to all government and subvented schools from the 2000/01 school year onwards to enable them to hire personnel and/or services to relieve their teachers' workload. The grant to government and subvented schools will be at the following rates² –

Number of classes	Primary schools	Secondary schools
	(per school per annum) \$	(per school per annum) \$
Less than 19	450,000	250,000
19 or more	550,000	300,000

The additional provision to aided schools will be reflected as increased subsidies to schools under the Direct Subsidy Scheme according to the approved formula.

3. To maintain the real value of the CEG, we propose that Members delegate to the D of E the authority to adjust the rates of the grant annually in future in accordance with the movement of the Composite Consumer Price Index (CCPI).

JUSTIFICATION

4. The key objectives of the education reform at the basic education level are to ensure that students attain basic academic standards and to provide them with a comprehensive and balanced learning experience. Teachers have to devote considerable time and efforts to fulfil these objectives. As school teachers in general have a heavy workload, they may not have sufficient capacity to implement the education reform. We therefore propose to provide the CEG to enable schools to hire additional personnel and/or services with a view to reducing teachers' workload, so that they will have enhanced capacity to concentrate on the following three tasks which have been identified as critical in the education reform –

/(a)

² For a single school which operates both primary and secondary sections/classes, the rate for primary schools will apply, and the number of eligible classes will be the total number of primary and secondary classes in operation.

- (a) curriculum development, including the integration of information technology in teaching;
- (b) enhancing students' language proficiency; and
- (c) coping with the diverse and special learning needs of students with varied abilities, ranging from the gifted ones to those with learning difficulties.

5. We propose to allow schools to use the CEG to hire additional teaching or non-teaching staff, or procure outside services to assist in the three tasks set out above according to their own circumstances and priorities. Where a school considers that no further resources are necessary to undertake these three tasks, it may still use the CEG to relieve teachers' workload and enable them to enhance the effectiveness of teaching and learning in other areas. As the purpose of the CEG is to enhance teachers' capacity in implementing the recommendations of the education reform, we will require that teachers be fully consulted when schools consider how the CEG should be used. Under the school-based management framework, we will also require schools to incorporate the proposed usage of the CEG in their Annual School Plan to be endorsed by their School Management Committee.

6. We envisage that the CEG, apart from allowing schools to procure outside services, would enable a primary school with 19 classes or more to recruit, for example, one general clerk/teaching assistant and two teachers, and a secondary school with 19 classes or more to recruit one general clerk/teaching assistant and one teacher. Such arrangements should be able to considerably reduce teachers' workload. We believe that by enhancing the effectiveness of teaching and learning in primary schools, the foundation for students' secondary education and life-long learning can be strengthened. Hence, in considering the allocation of additional resources, we recommend a higher weighting for primary education.

7. In view of the need to proceed with the education reform as soon as possible, it is necessary to provide schools with the CEG in the 2000/01 school year so as to make an early start on the implementation of the various reform initiatives.

8. To maintain the real value of the CEG, we propose that D of E be delegated the authority to approve annual revisions to the rates of the grant in future according to the movement of the CCPI. We will conduct a review in the 2002/03 school year to evaluate whether the CEG has been effectively used to relieve teachers' workload, enabling them to concentrate better on effective teaching and learning. We will also review the funding arrangement to enhance cost-effectiveness.

FINANCIAL IMPLICATIONS

9. Based on the number of classes operated by existing primary and secondary schools, we estimate that disbursement of the CEG to eligible schools will incur an additional recurrent expenditure of about \$510 million in the 2000/01 school year, broken down as follows –

	Number of schools	Proposed rate of grant \$ per school per annum	Estimated cost \$ million
(a) Primary schools with less than 19 classes	315	450,000	142
(b) Primary schools with 19 or more classes	426	550,000	234
(c) Secondary schools with less than 19 classes	58	250,000	15
(d) Secondary schools with 19 or more classes	395	300,000	119
		Total	<u>510</u>

10. According to the disbursement schedules for the various types of schools, the financial implications in the 2000-01 financial year will be around \$496 million. Based on the funding position of the relevant subheads of expenditure under Head 40 Education Department, supplementary provision will be required under the following expenditure subheads in 2000-01 in order to meet the additional requirements arising from the disbursement of the proposed grant –

Subhead	Supplementary provision required \$ million
185 Subject and curriculum block grant for government schools	19
300 Code of Aid for primary schools	207

	Subhead	Supplementary provision required \$ million
305	Code of Aid for secondary schools	33
330	Assistance to private secondary schools and bought places	3

11. As announced in the 2000 Budget, an annual allocation of \$800 million has been earmarked for education reform. If Members approve the proposal, we shall offset the supplementary provision required by reserving an equivalent amount under Head 106 Miscellaneous Services Subhead 251 Additional commitments. We shall also grant the supplementary provision required for Subhead 330 Assistance to private secondary schools and bought places under delegated authority. The provision required for the continued payment of the CEG in the 2001/02 school year and thereafter will be included in the Draft Estimates of the relevant financial years.

BACKGROUND INFORMATION

12. The Education Commission submitted a report entitled the "Reform Proposals for the Education System in Hong Kong" to the Government on 28 September 2000. As announced by the Chief Executive in his Policy Address on 11 October 2000, the Administration has adopted the recommendations of the Commission.

13. We appreciate the need to reduce teachers' workload so that they can fulfil the objectives of the education reform. In view of the positive feedback to the education reform consultation, we announced in July 2000 that we would implement the current proposal subject to the approval of the Finance Committee, so that schools could have adequate time to plan the usage of the proposed grant during the summer vacation. The proposal was well received by the education sector. On 31 October 2000, Members of the Panel on Education discussed and supported our proposal to introduce the grant.

14. Under the school-based management framework, schools will have to incorporate their plans on how to make use of the proposed grant in their Annual School Plan. A mechanism is already in place to avoid conflict of interests relating to the appointment of staff and the procurement of services. For the purpose of accountability, schools are required to report to parents annually the progress of implementation, and to submit to the Education Department an Annual Report

/covering

covering, among other things, an evaluation of the achievements against the performance targets. The Department will work in partnership with schools to help them develop/implement the plans where necessary.

Education and Manpower Bureau
November 2000

