

ITEM FOR FINANCE COMMITTEE

HEAD 173 – STUDENT FINANCIAL ASSISTANCE AGENCY

Subhead 700 General non-recurrent

New Item “Financial Assistance Scheme for Designated Evening Adult Education Courses”

Members are invited to approve a commitment of \$36 million under Head 173 Student Financial Assistance Agency Subhead 700 General non-recurrent to provide financial assistance to students attending designated evening adult education courses for three school years from 2005/06 to 2007/08.

PROBLEM

To meet the needs of adult learners who wish to sit for the Hong Kong Certificate of Education Examination (HKCEE), we propose to introduce a financial assistance scheme for evening senior secondary education.

PROPOSAL

2. The Secretary for Education and Manpower proposes to create a commitment of \$36 million to implement a student financial assistance scheme for adult learners attending designated evening adult education courses for three school years from 2005/06 to 2007/08.

JUSTIFICATION

3. In recent years, the Government has invested significantly in providing a wide range of education and training opportunities for adult learners. Existing provisions include: basic education courses under the Adult Education

Subvention Scheme; workplace English programmes under the Language Fund; lifelong learning opportunities sponsored by the Continuing Education Fund; part-time training and retraining programmes operated by the Employees Retraining Board; skills upgrading training under the Skills Upgrading Scheme; as well as Project Yi Jin (PYJ) which provides an alternative pathway for adult learners and Secondary Five school leavers who have not attained five passes in the HKCEE. The range and diversity of continuing education programmes are designed to cater for the varying needs of adult learners of different backgrounds.

4. The availability of alternatives has led to a steady decline in the enrolment of the traditional subsidised evening secondary schools from 7 517 in the 2000/01 school year, i.e. three years prior to outsourcing, to 3 289 in the 2003/04 school year, i.e. the year in which outsourcing was carried out. On the contrary, enrolment in PYJ increased significantly over the three years from 3 308 in the 2001/02 school year to 5 381 in the 2004/05 school year. The two pathways have the same objective, i.e. to obtain a qualification equivalent to five passes in the HKCEE.

5. Nonetheless, to provide choice for adult learners, we propose to introduce a financial assistance scheme, modeled after PYJ, for adult learners who attend mainstream senior secondary education at designated centres. The scheme will commence from the 2005/06 school year and will be reviewed in three years.

Objectives

6. The proposed financial assistance scheme aims to provide an affordable pathway to facilitate adult learners to complete mainstream senior secondary school education.

Eligibility

7. The eligibility criteria for receiving assistance under the proposed scheme are as follows –

- (a) applicants should be aged 17 or above;
- (b) eligibility is restricted to designated courses that are quality-assured and commissioned by the Education and Manpower Bureau (EMB);

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- (c) subsidies are provided on reimbursement basis whereby learners are required to attain the following minimum attendance requirements –
 - (i) at least 80% attendance; or
 - (ii) at least 60% attendance plus an overall pass in the final examination; or
 - (iii) at least 60% attendance plus inclusion of an exemption for the remaining 20% attendance to be proved by prescribed means including medical certificates or employers' certification of work commitment; and
- (d) since PYJ is an alternative qualification to the HKCEE, applicants may not receive financial assistance under both schemes, regardless of whether they succeed or fail to complete the programme or attain the desired qualification under one of the two schemes. Furthermore, they may not receive financial assistance for repeating the same programme. However, their eligibility for further continuing education opportunities thereafter (such as those under the Continuing Education Fund) will not be affected.

Subsidy levels

8. Similar to the arrangement for PYJ, a basic subsidy of 30% of the course fees will be provided for all learners who have fulfilled the minimum attendance requirements, regardless of their financial position. Full reimbursement (i.e. 100% of the course fees) will be provided for those who have fulfilled the minimum attendance requirements and have passed the standard means test administered by the Student Financial Assistance Agency (SFAA) for full grant. The arrangement is identical to that used for PYJ for assessing eligibility of learners for full fee reimbursement.

9. In line with existing arrangements for students attending other adult education courses, adult learners under the scheme with financial hardship for making upfront payment of the initial school fees may apply for loans under the Non-means Tested Loan Scheme administered by the SFAA.

Course provider(s)

10. To ensure quality, the EMB will select suitable non-profit-making course provider(s) to operate senior secondary courses in designated locations in different parts of the territory. The operators will have to meet various requirements, e.g. teacher qualification on their courses as prescribed by the EMB. Tenders will be considered on the basis of both quality and cost-effectiveness.

Administrative support

11. The SFAA will be responsible for processing applications and releasing subsidy to adult learners.

Review

12. We will review the scheme in the third year of operation (i.e. in the 2007/08 school year) with due regard to the demand and effectiveness of the scheme, the potential impact of the proposed reform of the academic structure for senior secondary education and higher education, as well as the then prevailing situation on continuing education, etc.

FINANCIAL IMPLICATIONS

13. We estimate that a non-recurrent expenditure of \$36 million will be required to meet an annual requirement of \$12 million for three school years from 2005/06 to 2007/08 to provide student financial assistance under the proposed scheme. Based on prevailing costs, we estimate that about 3 600 learners will benefit each year from the proposed scheme. The annual expenditure includes –

(a)	Basic subsidy for reimbursement of 30% tuition fee for all adult learners	\$9 million
(b)	Additional funding for full fee reimbursement for needy adult learners passing the means test	\$3 million
	Total	\$12 million

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The projected cash flow of the proposed scheme is set out below –

Financial Year	\$ million
2005-06	6
2006-07	12
2007-08	12
2008-09	6
Total	36

14. The actual expenditure will depend on the intake of learners, the number of learners eligible for full reimbursement, and the percentage of learners who meet the minimum attendance requirements. If there is unspent balance at the end of the three years, we may extend the scheme on the same basis pending the outcome of the review.

15. If Members approve the present proposal, we will provide for funds out of the approved commitment to meet the cash flow required in the relevant financial years. For 2005-06, we have earmarked the funding required in the draft Estimates.

BACKGROUND INFORMATION

16. With the availability of a diversity of courses for adult learners, and in the wake of the declining enrolment of the government-run evening adult education courses, the EMB has commissioned two course operators to operate, with government subvention, the evening adult education courses for two school years starting from September 2003. The service contract is due to expire by the end of the 2004/05 school year. Arising from the need of learners who prefer taking the mainstream senior secondary courses and sitting for the HKCEE instead of taking the alternative pathway of PYJ, we aim to implement the proposed scheme to provide choice for adult learners.

17. The proposed financial assistance scheme is formulated after many rounds of meetings and discussions with representatives of adult learners and concern groups. They considered the proposal acceptable. We consulted the Legislative Council Panel on Education on 6 April 2005. In response to concerns raised by some Members on the scope of the proposed scheme, we issued an information note to the Panel on 20 April 2005. We have not received further written comments from Members.