

ITEM FOR FINANCE COMMITTEE

HEAD 156 – GOVERNMENT SECRETARIAT :

EDUCATION AND MANPOWER BUREAU

Subhead 000 Operational expenses

Subhead 700 General non-recurrent

New Item “Grant for establishment of incorporated management committee in aided schools”

Members are invited to approve –

- (a) the following arrangements for aided schools that have an incorporated management committee and government schools that have an approved constitution –
 - (i) the expansion of the existing Operating Expenses Block Grant for aided schools and Subject and Curriculum Block Grant for government schools;
 - (ii) the introduction of a new recurrent Teacher Relief Grant for teacher relief in aided and government schools;
 - (iii) the delegation of authority to the Secretary for Financial Services and the Treasury to approve supplementary provision to give effect to the reserve arrangement for Teacher Relief Grant in government schools; and
 - (iv) the delegation of authority to the Secretary for Education and Manpower to approve revisions to the rates of pay for supply teachers and other non-teaching supply staff in aided and government schools; and

/(b)

- (b) a commitment of \$350 million for the provision of a one-off cash grant to support the establishment of incorporated management committees in aided schools.

PROBLEM

Aided schools that have established an incorporated management committee (IMC) and government schools that have an approved constitution with managers elected in accordance with procedures stipulated in the Education Ordinance (Cap. 279) need greater financial autonomy and funding flexibility to take forward school-based management. Aided schools also need extra resources to set up IMCs and to implement school-based management.

PROPOSAL

2. The Secretary for Education and Manpower (SEM) proposes to provide greater funding flexibility for aided IMC schools and government schools with an approved constitution, as follows –

in respect of arrangement of operating expenses

- (a) inclusion of more non-salary recurrent grants into the Operating Expenses Block Grant (OEBG) for aided schools and Subject and Curriculum Block Grant (SCBG) for government schools;
- (b) removal of the demarcation of General Domain and Special Domain under OEBG and SCBG;
- (c) relaxation of the restriction on deployment of surplus under OEBG and SCBG;
- (d) simplification of the computation and adjustment mechanism under OEBG and SCBG;

in respect of arrangement of teacher relief

- (e) introduction of a new Teacher Relief Grant (TRG);

(f)

- (f) delegation of authority to the Secretary for Financial Services and the Treasury (SFST) to approve supplementary provision to give effect to the reserve arrangement for TRG to government schools; and
- (g) delegation of authority to SEM to revise the rates of pay for supply teachers and other non-teaching supply staff in aided and government schools.

3. SEM also proposes to create a new non-recurrent commitment of \$350 million for providing a one-off cash grant to aided schools to support the establishment of IMCs in aided schools.

JUSTIFICATION

4. The Education Ordinance provides statutory backing for school-based management and requires schools to submit a draft IMC constitution by 1 July 2009 for the purpose of establishing IMC. The establishment of IMC provides checks and balances with stakeholders' participation within a transparent and accountable framework of governance. Through IMC, school management are required to be accountable for their performance to their School Sponsoring Bodies (SSBs), parents, the Education and Manpower Bureau (EMB) and the community at large. The establishment of IMC, underpinned by the principles of participation, transparency and accountability, is the necessary pre-condition for further devolution of authority over the use of public funds to schools.

Expanded Operating Expenses Block Grant for aided IMC schools

5. The subventions to aided schools comprise mainly the salary-related expenses, which accounts for about 85% of the subventions, and administrative and other non-salary operating expenses, which are largely grouped under the existing OEBG. FC approved in May 2000 vide FCR(2000-01)8 the introduction of the existing OEBG in the 2000/01 school year. The existing OEBG comprises 54 constituent grants demarcated into the General Domain and the Special Domain. Schools are free to set flexibly the allocations for each of the 44 constituent grants in the General Domain. However, the 10 constituent grants in the Special Domain, the allocations of which are set by EMB, are restricted to specified purposes. Virement of funds among the constituent grants within the Special Domain and from within the Special Domain to usage outside the Special Domain is not allowed. Furthermore, EMB has subsequently introduced new grants under various new initiatives. Some of them have been grouped in the Special Domain of OEBG. Others are placed outside the OEBG and are subject to even more restrictive rules on their usage.

6. With experience from the implementation of OEBG over the years, coupled with enhanced accountability and transparency through the participation of key stakeholders in decision-making in IMC schools, we plan to give IMC schools more financial autonomy in the deployment of funds provided that expenditure is for educational purposes and is in the interests of students. To this end, we propose to –

- (a) expand the OEBG to include more non-salary recurrent grants that are formerly outside OEBG. Newly included constituent grants include the Composite Furniture and Equipment Grant introduced with the approval of FC in December 2000 vide FCR(2000-01)50, and other non-salary grants which are of a minor scale. The full list of constituent grants under the expanded OEBG is set out in the Appendices 1 and 2 to Enclosure 1. The expanded OEBG will include virtually all non-salary recurrent grants to aided schools, except those which are ad-hoc in nature, those which are currently under review, and those which are paid for very specific purpose on a reimbursement basis;
- (b) remove the demarcation between the General and Special Domains. The expanded OEBG will be provided as one block grant and schools are free to set the allocations for each of the constituent grants flexibly;
- (c) relax the restrictions on the use of surplus so that IMC schools may use this to top up (i) non-recurrent expenses for projects approved/funded by EMB; (ii) recurrent expenses arising from government-funded projects; and (iii) recurrent expenses arising from furniture and equipment and other facilities or educational services acquired through private donations or other fund-raising schemes.

7. In line with the existing arrangement for OEBG as approved by FC vide FCR(2000-01)8, the Permanent Secretary for Education and Manpower (PSEM) will amend the composition of constituent grants as appropriate to reflect the changing educational needs over time. Schools may retain a maximum surplus of up to 12 months' provision of the expanded OEBG. PSEM may under exceptional circumstances agree that individual school can retain surplus in excess of this level.

8. In the case of a 30-class aided whole-day primary school, the expanded OEBG is about \$3 million per annum and that for a 30-class aided secondary school is about \$5 million per annum.

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9. For each of the 54 constituent grants under the existing OEBG, the level of grant to each school was generally determined on the basis of formulae approved by the FC over the years. Vide FCR(2000-01)8 approved in May 2000, Members have agreed to consolidate these constituent grants into the existing OEBG, allowing flexibility for some kinds of transfers, and agreed that the existing OEBG can be price-adjusted in accordance with the movement of the Composite Consumer Price Index (CCPI). However, the level of each constituent grant is still determined by complicated formulae based on schools' entitlement for each of the 54 constituent grants on a per school, per class, per student and/or other specified basis. Schools are required to keep track of the expenditure of each of the individual constituent grants and submit a wide range of data each year. This involves much administrative work in schools and in EMB in the process. We propose to simplify the calculation and adjustment mechanism as follows –

- (a) for each existing school, we shall treat the aggregate level of all constituent grants prevailing at the time of the establishment of IMC as the baseline. EMB will adjust this baseline every year having regard to the school's entitlement for certain school-specific grants and change in the number of operating classes; and
- (b) for each new school, we shall compute a baseline provision having regard to certain territory-wide averages, the school's entitlement for certain school-specific grants and the number of operating classes.

Encl 1

Details of the computation mechanism of the expanded OEBG are set out at Enclosure 1. In line with existing arrangement as approved by FC in May 2000 vide FCR(2000-01)8, PSEM will be authorised to adjust the levels of grant in accordance with the movement of the CCPI.

Expanded Subject and Curriculum Block Grant for government schools with an approved constitution

10. Government schools, as part of EMB, are subject to a funding regime which is different from that for aided schools. We introduced SCBG in parallel with OEBG to increase flexibility for government schools in the same spirit as OEBG whilst taking into account the differences in the management of government expenditure compared to that of aided schools. In essence –

- (a) the existing SCBG covers a subset of expenditure items of the existing OEBG¹. The expenditure items in SCBG are classified in the General and Special Domains; and

/(b)

¹ While the existing OEBG for a 30-class aided whole-day primary school and a 30-class aided secondary school are about \$3 million and \$5 million per annum, the existing SCBG for a 30-class government whole-day primary school and a 30-class government secondary school are each about \$1 million per annum.

- (b) government schools are not allowed to retain unspent funds at the end of each financial year². To provide the same flexibility to government schools as their aided counterparts for accessing their unspent funds (of up to 12 months' provision of SCBG) accumulated from previous years, Members delegated to SFST vide FCR(2000-01)8 the authority to make supplementary provision in a financial year, as long as the amount involved does not exceed 12 months' provision of SCBG in that year.

11. We propose to extend the funding flexibility under the expanded OEBG for aided IMC schools to the SCBG for government schools that have an approved constitution. We will expand the SCBG to cover more constituent grants (as set out in Appendix 3 to Enclosure 1), remove the demarcation of the General and Special Domains, relax the restriction of the use of surplus and simplify the computation mechanism. In the event that Government needs to give effect to the reserve arrangement for SCBG (subject to the reserve not exceeding 12 months' provision of SCBG in that year) and to the extent that the funding required cannot be met from resources under Head 156 Government Secretariat : Education and Manpower Bureau Subhead 000 Operational expenses, SFST will exercise the authority delegated by FC vide FCR(2000-01)8 to approve supplementary provision.

Teacher Relief Grant for aided IMC schools

12. At present, aided schools can claim reimbursement from the supply teacher grant (which is centrally-controlled by EMB), on a case-by-case basis, for appointment of supply teachers to replace teachers on the establishment who take approved leave for three days or more. Aided schools may also opt to freeze not more than 10% of their teaching establishment into a Substitute Teacher Grant (STG) to meet the needs of leave arrangements of teachers. The process involves considerable administrative work.

13. To simplify the process, we propose to introduce the TRG by merging the above two elements. The TRG will consist of two components as follows –

- (a) a basic component for the appointment of supply teachers to cover approved leave of teachers; and
- (b) an optional component for encashment, under the respective enhanced rates of the STG, of up to a maximum of 10% of the teaching establishment, on a temporary or permanent basis.

/Details

² Section 31 of the Public Finance Ordinance (Cap. 2) stipulates that every appropriation of funds lapses at the end of the financial year. Government schools, as part of EMB, are bound by this requirement.

Encl. 2 Details of the TRG are set out at Enclosure 2. Taking into account the year-on-year variation of leave requirements of teachers, we propose to allow aided IMC schools to retain surplus of up to three times the annual provision of the TRG.

14. Aided IMC schools will have full flexibility in using the TRG to employ temporary teaching-related staff and procure education-related services. They will have enhanced financial support and autonomy in planning their manpower deployment, organising staff professional development and student learning activities, and employing staff of various disciplines (e.g. social workers, educational psychologists, professional tutors for career-oriented studies, etc.) to meet their school-based needs and requirements of the various new initiatives (including the new academic structure for senior secondary education). The funding flexibility will also relieve schools and EMB of the administrative chore of processing applications for supply teacher on a case-by-case basis.

15. The TRG amounts to a maximum of about \$1.3 million per annum for a 30-class aided whole-day primary school and about \$2.1 million per annum for a 30-class aided secondary school, assuming 10% of the teaching establishment is encashed on a permanent basis.

Encl. 3 16. Currently, daily rates of pay for supply teachers and other non-teaching supply staff are calculated at 1/23 of the monthly pay of the designated salary points (under the Master Pay Scale) of the rank and grade of staff concerned. A list of supply staff concerned is set out at Enclosure 3. SFST has been authorised vide FC Item B2 of 28 March 1974 and FC Item B71 of 9 November 1983 to approve revisions to the rates of pay in accordance with changes to the civil service pay scale. To streamline the administrative processes and in line with the accountability system, we would invite Members to delegate to SEM the authority to approve revisions to the rates of pay for supply teachers and other non-teaching supply staff. The rates of pay so determined will be adopted for the calculation of the rates of the TRG.

Teacher Relief Grant for government schools with an approved constitution

17. For equity considerations, we propose to also introduce the TRG to government schools that have an approved constitution. In the event

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that Government needs to give effect to the TRG reserve arrangement in government schools (subject to the reserve not exceeding three times the annual provision of TRG) and to the extent that the funding required cannot be met from resources under Head 156 Government Secretariat : Education and Manpower Bureau Subhead 000 Operational expenses, we propose that SFST be delegated the authority to approve the necessary supplementary provision.

One-off Cash Grant

18. Schools have expressed concern about the workload involved in the establishment of IMC, in addition to other ongoing commitments arising from the education reform. This includes the preparation of an IMC constitution and an agreement with the SSB, training of school managers, briefing of stakeholders, election of parent, teacher and alumni representatives to the IMC, etc. In the initial years of operation, schools have to develop a more transparent decision-making and information system and, more specifically, a more elaborate financial planning and reporting system. Besides, the sharing of good practices among schools will also smooth the establishment and operation of the IMCs.

19. We propose to provide, during the period of the four school years from 2005/06 to 2008/09, a one-off cash grant of \$350,000 to each school that notifies EMB its intention to set up an IMC with the submission of a draft constitution. The Education Ordinance specifies that aided schools should submit a draft IMC constitution by 1 July 2009 for the purpose of establishing the IMCs. We also plan to provide schools with the reimbursement of relevant expenses on a need basis (at a ceiling of \$350,000) in the school year immediately following the establishment of IMC, so as to familiarise IMC schools with the operation of the IMCs, the revised accounting procedures and financial management practices as well as to enable their dissemination of good practices to other schools which have yet to set up IMCs. Besides, we also take out an insurance policy to indemnify the liability of IMCs and their managers. We will review these arrangements comprehensively in our review of the operation of IMC schools in the 2007/08 school year.

/FINANCIAL

FINANCIAL IMPLICATIONS

20. The estimated 2005-06 recurrent expenditure on public sector schools is summarised as follows –

	Estimated 2005-06 recurrent expenditure	
	Aided schools (about 1 000 schools)	Government schools (78 schools)
	\$m	\$m
Salaries for teachers under the establishment	17,116	1,683
OEBG (aided schools)/ SCBG (government schools)	3,142	79
Other salary/non-salary recurrent grants/expenditure	4,488	287
Total	24,746	2,049

21. The transfer of more non-salary recurrent grants into OEBG and SCBG will increase the annual expenditure under OEBG and SCBG to about \$3,350 million and \$84 million respectively, but will be fully offset by reduction in the existing provision of other non-salary-related expenditure. The overall change should be cost-neutral to the Government.

22. The annual expenditure on reimbursement of salaries to aided schools under the supply teacher grant centrally-controlled by EMB is about \$80 million, and that for government schools is about \$12 million. The annual expenditure on STG for aided schools is about \$28 million, while that for government schools is about \$1 million. The introduction of TRG is cost-neutral to the Government. The long-term funding requirement of TRG depends on the number of schools, teachers and classes they operate.

23. The non-recurrent expenditure requirement for the one-off cash grant is \$350,000 per school and the estimated total is \$350 million. The cash flow will depend on the timing of schools' submission of a draft constitution for the establishment of the IMC. As for the grant to be provided on a need and reimbursement basis, we will cater for their funding needs in the draft Estimates of subsequent years in the overall review of the operation of IMC schools.

BACKGROUND INFORMATION

School-based management

24. The objective of school-based management is to devolve, as far as possible, decision-making processes on student learning and use of resources to the individual school, so as to suit their circumstances and the needs of their students. The Education Ordinance provides a statutory framework and support for school-based management.

25. With the increase in funding flexibility, IMC schools will be required to disclose financial information properly in their School Development Plan and the annual School Report, which is to be uploaded onto the website of the school. In addition, IMCs will be required to submit to EMB their annual accounts, which will have been audited by a certified public accountant (practising) as defined in the Professional Accountants Ordinance (Cap. 50). Government schools that have an approved constitution and enjoy the same funding flexibility as aided IMC schools are similarly required to disclose financial information properly.

26. To support IMCs in stepping up their accountability mechanism in the wake of increased funding flexibility, we will provide guidelines on financial management (including principles of disclosure and accounting convention, and performance indicators) and the setting up of an internal control system with clear delineation of roles and responsibilities. In this connection, EMB has engaged a financial management consultant to help develop a template for reference by schools.

Consultation with the Panel on Education

27. We consulted the [Legislative Council Panel on Education on the proposal at its meetings on 3 and 20 June 2005](#). Members welcome the proposal to provide more funding flexibility to aided IMC schools and provide resources to support the establishment of IMC.

28. Some Members suggested that the liability insurance for the IMC should be extended to management committees of schools that have not formed an IMC. Since the existing liability insurance policy taken out for the IMC and the managers is specifically designed with due consideration to the Education Ordinance, the cover cannot be simply extended to school management committees (SMCs) of non-IMC schools in other contexts. We would therefore explore the possibility of providing liability insurance for these SMCs separately.

29. Some Members suggested that the funding flexibility should be extended to schools which have demonstrated sound financial and administrative management in the past but have not yet set up an IMC. We do not agree. Further devolution of funding flexibility should only be given to IMC schools with participatory governance backed by legislation. Through stakeholders' participation in IMC schools, there will be a higher degree of transparency and accountability, as well as a more rigorous "checks and balances" mechanism. Thus, there will be additional safeguard against possible impropriety in the use of resources and ensuring that decisions are collectively made in the best interests of students.

30. In response to Members' suggestion regarding the provision of a one-off cash grant to support the establishment of the IMC, we have revised the plan as set out in this paper.

Education and Manpower Bureau
June 2005

**Computation of
Expanded Operating Expenses Block Grant (OEBG)
and Subject and Curriculum Block Grant (SCBG)**

For existing aided schools

Appendix 1

Under the proposed funding arrangement, the expanded OEBG will comprise the constituent grants¹ as set out in at Appendix 1. The expanded OEBG will apply starting from the next school year following the establishment of IMC. We will take a snapshot of the aggregate of prevailing provision of the constituent grants of each school concerned in the immediate past year before the application of expanded OEBG as the baseline for future adjustment. In subsequent years, adjustment will be made in accordance with the following –

- (a) for the school-specific grants (as indicated in Appendix 1), which are of special nature and only applicable to selected aided schools with special circumstances, they will continue to be determined separately in accordance with the prevailing criteria applicable to each of these grants;
- (b) in the event of a change in the number of operating classes, the aggregate provision will be adjusted by the “Average per-class rate” at the time. The rate at the 2004/05 price level is as follows –

School types	Average per-class rate [#]
Aided primary school	\$23,000
Aided secondary school	\$37,000 (for S1 to S3) \$39,000 (for S4 to S7)

[#] *In addition to the annual price adjustment based on CCPI movements, PSEM may adjust the values of A and B as the situation merit (e.g. schools having more than one lifts incurring higher maintenance charges).*

- (c) the Permanent Secretary for Education and Manpower (PSEM) will price-adjust the provision by the June-on-June movement of the Composite Consumer Price Index (CCPI) each year.

For new aided schools

2. For new aided schools, the level of provision will be determined by three components –

/(a)

¹ The amount of the existing OEBG is determined by complicated formulae based on schools’ entitlement for each of the 54 constituent grants on a per school, per class, per student and/or other specified basis.

- (a) “Basic provision” (denoted by A) for expenditure required on a per-school basis determined by the territory-wide average of provisions derived by the statistical method of linear regression;
- (b) “Average per-class rate” (denoted by B) multiplied by the number of operating classes (denoted by N); and
- (c) the aggregate of the ten school-specific grants to be determined separately as in existing aided schools.

The expanded OEBG will thus be calculated based on the following formula –

$$\text{Expanded OEBG for a new school} = A + B \times N + \text{ten school-specific grants}$$

The amounts for A and B at the 2004/05 price level are as follows –

School types	Basic provision (A) [#]	Average per-class rate (B) [#]
Aided primary school	\$168,000	\$23,000
Aided secondary school	\$418,000	\$37,000 (for S1 to S3) \$39,000 (for S4 to S7)

[#] In addition to the annual price adjustment based on CCPI movements, PSEM may adjust the values of A and B as the situation merit (e.g. schools having more than one lifts incurring higher maintenance charges).

For developing aided schools

3. For aided schools that are newly operated or in the midst of their development stage and have yet to attain the full range of levels of classes, they may opt for either the method proposed for the existing schools or that for the new schools. The option is irrevocable.

For aided special schools

4. A list of constituent grants applicable to special schools is set out at Appendix 2. Given the wide variety of types of special schools, grants received by different special schools may differ significantly (in terms of eligibility as well as rates). There will be a total of 14 school-specific grants (as indicated in Appendix 2) for aided special schools. The Basic provision (A) and the Average per-class rate (B) at the 2004/05 price level for different types of special schools are as follows –

Appendix 2

/Types

Types of special schools	Basic provision (A) [#]	Average per-class rate (B) [#]
<ul style="list-style-type: none"> ◆ Visually impaired ◆ Hearing impaired ◆ Physically disabled 	\$275,000	Primary : \$37,000 Junior secondary : \$37,000 Senior secondary : \$39,000
◆ Mentally handicapped (including mildly, moderately and severely)		All levels : \$26,000
◆ Visually impaired with mental handicap		All levels : \$37,000
◆ School for social development		Primary : \$23,000 Junior secondary : \$37,000 Senior secondary : \$39,000
◆ Hospital Schools		Not Applicable*

Note -

[#] *In addition to the annual price adjustment based on CCPI movements, PSEM may adjust the values of A and B as the situation merit (e.g. schools having more than one lifts incurring higher maintenance charges).*

** Basic provision has been subsumed in the Average per-class rate.*

Government schools

5. The SCBG for government will be expanded in the same way as OEBG. A list of constituent grants under the expanded SCBG is set out at Appendix 3. Current SCBG provisions of existing government schools will be taken as the baseline reference and subject to the same computation and adjustment method as their aided counterparts. There are six school-specific grants under SCBG (as indicated in Appendix 3). The Basic provision (A) and the Average per-class rate (B) at 2004/05 price level are as follows –

Appendix 3

School types	Basic provision (A) [#]	Average per-class rate (B) [#]
Government primary school	\$94,000	\$10,700
Government secondary school	\$120,000	\$11,000 (for S1 to S3) \$12,000 (for S4 to S7)

/Note

Note -

In addition to the annual price adjustment based on CCPI movements, PSEM may adjust the values of A and B as the situation merits (e.g. schools having more than one lifts incurring higher maintenance charges).

Amendment of grants

6. Where necessary to reflect the changing educational needs, PSEM may amend items under the expanded OEBG and SCBG, such as adding of new grants for new education initiatives, deleting obsolete grants, subsuming school-specific grant into the Basic provision (A) and/or the Average per-class rate (B) or vice versa.

Surplus retention

7. As with the current arrangement, schools will be allowed to accumulate a surplus of up to 12 months' provision of the expanded OEBG/SCBG for the year in which the grants are provided.

List of Grants under Expanded OEBG in Aided Schools

Serial No.	Grant	Applicable		School Specific
		Pri	Sec	
1	Accommodation and Catering Services		✓	No
2	Advanced Level (AL) Biology		✓	No
3	AL Chemistry (Teacher Assessment Scheme)		✓	No
4	AL Computer Studies		✓	No
5	AL Engineering Science		✓	No
6	Advanced Supplementary Level (ASL) Biology		✓	No
7	ASL Chemistry		✓	No
8	ASL Chinese History*		✓	No
9	ASL Chinese Language and Culture		✓	No
10	ASL Computer Applications		✓	No
11	ASL Design and Technology		✓	No
12	ASL Electronics		✓	No
13	ASL Ethics and Religious Studies		✓	No
14	ASL Government and Public Affairs		✓	No
15	ASL History*		✓	No
16	ASL Liberal Studies*		✓	No
17	ASL Literature in English		✓	No
18	ASL Music		✓	No
19	ASL Use of English		✓	No
20	ASL Visual Arts		✓	No
21	Computer and Information Technology		✓	No
22	Computer Literacy		✓	No
23	Design and Technology		✓	No
24	Electronics and Electricity		✓	No
25	Engineering Science		✓	No
26	Fashion and Clothing		✓	No
27	Home Economics		✓	No
28	Integrated Science		✓	No
29	Moral and Civic Education	✓	✓	No
30	Putonghua	✓	✓	No
31	Technological Studies		✓	No
32	Textiles		✓	No
33	Visual Arts		✓	No

Serial No.	Grant	Applicable		School Specific
		Pri	Sec	
34	Administration Grant for Academically Low Achievers		✓	Yes
35	Administration Grant for additional Clerical Assistants		✓	No
36	Administration Grant/Revised Administration Grant	✓	✓	Yes
37	Air-conditioning Grant for Preparation Room of Laboratories		✓	No
38	Capacity Enhancement Grant	✓	✓	Yes
39	Chinese Extensive Reading Scheme	✓	✓	No
40	Composite Furniture and Equipment Grant*	✓	✓	No
41	Composite Information Technology Grant	✓	✓	Yes
42	Consumables for IT Learning Centres		✓	No
43	English Extensive Reading Scheme	✓	✓	No
44	Enhancement Grant	✓	✓	No
45	Lift Maintenance Grant	✓	✓	No
46	Noise Abatement Grant	✓	✓	Yes
47	Programme Funds for Whole-school Approach to Guidance and Discipline	✓	✓	No
48	Recurrent English Language Grant		✓	No
49	Refund of fees for certificates on fire safety*	✓	✓	No
50	Refund of fees for certificates on structural safety*	✓	✓	No
51	School and Class Grant	✓	✓	No
52	School Curriculum Development Grant	✓		No
53	School-based Remedial Support Programme		✓	Yes
54	School-based Support Scheme for Newly Arrived Children	✓	✓	Yes
55	Special Education Need Incidental Charges Grant	✓	✓	No
56	Student Guidance Service Grant	✓		Yes
57	Supplementary Grant	✓	✓	No
58	Training and Development Grant	✓	✓	No
59	Understanding Adolescent Project (Primary) Grant	✓		Yes
60	Whole-school Approach to Integrated Education	✓	✓	Yes

Remark: * Grants formerly outside the existing OEBG and newly included in the expanded OEBG.

Appendix 2 to Enclosure 1

List of Grants under Expanded OEBG in Aided Special Schools

Serial No.	Grant	Applicable		School Specific
		Pri	Sec	
1	Accommodation and Catering Services		✓	No
2	Advanced Level (AL) Biology		✓	No
3	AL Chemistry (Teacher Assessment Scheme)		✓	No
4	AL Computer Studies		✓	No
5	AL Engineering Science		✓	No
6	Advanced Supplementary Level (ASL) Biology		✓	No
7	ASL Chemistry		✓	No
8	ASL Chinese History*		✓	No
9	ASL Chinese Language and Culture		✓	No
10	ASL Computer Applications		✓	No
11	ASL Design and Technology		✓	No
12	ASL Electronics		✓	No
13	ASL Ethics and Religious Studies		✓	No
14	ASL Government and Public Affairs		✓	No
15	ASL History*		✓	No
16	ASL Liberal Studies*		✓	No
17	ASL Literature in English		✓	No
18	ASL Music		✓	No
19	ASL Use of English		✓	No
20	ASL Visual Art		✓	No
21	Computer and Information Technology		✓	No
22	Computer Literacy		✓	No
23	Design and Technology		✓	No
24	Electronics and Electricity		✓	No
25	Engineering Science		✓	No
26	Fashion and Clothing		✓	No
27	Home Economics		✓	No
28	Integrated Science		✓	No
29	Moral and Civic Education	✓	✓	No
30	Practical/Technical Subject		✓	No
31	Putonghua	✓	✓	No
32	Technological Studies		✓	No
33	Textiles		✓	No

Serial No.	Grant	Applicable		School Specific
		Pri	Sec	
34	Visual Arts		✓	No
35	Activities grant for maladjusted children	✓	✓	Yes
36	Administration Grant/Revised Administration Grant	✓	✓	Yes
37	Air-conditioning Grant for Preparation Room of Laboratories		✓	No
38	Air-conditioning Grant for schools for physically disabled/severely mentally handicapped children	✓	✓	Yes
39	Boarding Grant	✓	✓	Yes
40	Capacity Enhancement Grant	✓	✓	Yes
41	Chinese Extensive Reading Scheme	✓	✓	No
42	Composite Furniture and Equipment Grant*	✓	✓	No
43	Composite Information Technology Grant	✓	✓	Yes
44	Computers as Communication/Rehabilitation Aids	✓	✓	No
45	Computers for Assisted Learning Activities	✓	✓	No
46	English Extensive Reading Scheme	✓	✓	No
47	Enhancement Grant	✓	✓	No
48	Lift Maintenance Grant	✓	✓	No
49	Maintenance Grant for Sewage Treatment Plant	✓	✓	Yes
50	Noise Abatement Grant	✓	✓	Yes
51	Programme Funds for Whole-school Approach to Guidance and Discipline	✓	✓	No
52	Refund of fees for certificates on fire safety*	✓	✓	No
53	Refund of fees for certificates on structural safety*	✓	✓	No
54	Resource Material Grant for visually impaired students	✓	✓	Yes
55	School and Class Grant	✓	✓	No
56	School Curriculum Development Grant	✓		No
57	School-based Support Scheme for Newly Arrived Children	✓	✓	Yes
58	Supplementary Grant	✓	✓	No
59	Supportive Remedial Service for hearing impaired pupils attending ordinary schools	✓	✓	Yes
60	Training and Development Grant	✓	✓	No
61	Travelling Grant for Certificated Master/Mistress teaching home-bound pupils	✓	✓	Yes
62	Travelling Grant for resource teachers	✓	✓	Yes
63	Understanding Adolescent Project (Primary) Grant	✓		Yes

Remark: * Grants formerly outside the existing OEBG and newly included in the expanded OEBG.

Appendix 3 to Enclosure 1

List of Grants under Expanded SCBG in Government Schools

Serial No.	Grant	Applicable		School Specific
		Pri	Sec	
1	Advanced Level (AL) Biology		✓	No
2	AL Chemistry (Teacher Assessment Scheme)		✓	No
3	AL Computer Studies		✓	No
4	Advanced Supplementary Level (ASL) Biology		✓	No
5	ASL Chemistry		✓	No
6	ASL Chinese History*		✓	No
7	ASL Chinese Language and Culture		✓	No
8	ASL Computer Applications		✓	No
9	ASL Electronics		✓	No
10	ASL Ethics and Religious Studies		✓	No
11	ASL Government and Public Affairs		✓	No
12	ASL History*		✓	No
13	ASL Liberal Studies*		✓	No
14	ASL Literature in English		✓	No
15	ASL Music		✓	No
16	ASL Use of English		✓	No
17	ASL Visual Arts		✓	No
18	Computer and Information Technology		✓	No
19	Computer Literacy		✓	No
20	Design and Technology		✓	No
21	Home Economics		✓	No
22	Integrated Science		✓	No
23	Moral and Civic Education	✓	✓	No
24	Putonghua	✓	✓	No
25	Visual Art		✓	No
26	Capacity Enhancement Grant	✓	✓	Yes
27	Chinese Extensive Reading Scheme	✓	✓	No
28	Composite Information Technology(IT) Grant	✓	✓	Yes
29	Consumables for IT Learning Centres		✓	No
30	Curriculum Reform Grant*	✓		No
31	English Extensive Reading Scheme	✓	✓	No
32	Enhancement Grant	✓	✓	No
33	Extra-curricular Activity Funds for Government Schools*	✓	✓	No

Serial No.	Grant	Applicable		School Specific
		Pri	Sec	
34	Library Grant	✓	✓	No
35	Programme Funds for Whole-school Approach to Guidance and Discipline	✓	✓	No
36	Recurrent English Language Grant		✓	No
37	School Curriculum Development Grant	✓		No
38	School-based Remedial Support Programme		✓	Yes
39	School-based Support Scheme for Newly Arrived Children	✓	✓	Yes
40	Special Education Need Incidental Charges Grant	✓	✓	No
41	Supplementary Grant	✓	✓	No
42	Training and Development Grant	✓	✓	No
43	Understanding Adolescent Project (Primary) Grant	✓		Yes
44	Whole-day School Grant	✓		No
45	Whole-school Approach to Integrated Education	✓	✓	Yes

Remark: * Grants formerly outside the existing SCBG and newly included in the expanded SCBG.

Teacher Relief Grant (TRG)

Funding arrangements

The TRG is made up of two components:

- (a) an annual recurrent cash grant for employment of supply teachers, where necessary, to substitute teachers on leave for less than 30 days. The recurrent cash grant will be calculated as follows –

2.5 man-days	X	Number of teachers on the approved establishment and temporary teachers employed under specified fund*	X	Daily rate of pay for the respective grades of supply teachers
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* Specified fund refers to those government funds/grants approved by the Permanent Secretary for Education and Manpower for inclusion in the computation.

- (b) schools may opt to obtain a cash grant by freezing up to 10 % of their teaching establishment, as follows –
- (i) for permanent freezing, which is irrevocable, the cash grant will be calculated at the mid-point salary of the posts concerned;
 - (ii) for temporary freezing for 90 days or more, the grant will be calculated at the average monthly salary point of temporary teachers in the event of basic ranks, or at the starting salary point of the relevant promotion ranks in the event of promotion ranks; and
 - (iii) for temporary freezing for 30 to 90 days, the grant will be calculated at standard daily rates of supply teacher.

2. Schools can continue to apply for reimbursement for –
 - (a) daily-paid temporary replacement for teachers on maternity leave, sick leave and other approved leaves lasting for 30 days or more; and
 - (b) temporary replacements on monthly terms for leave periods of 90 days or more.

Surplus retention

3. Schools will be allowed to accumulate surplus up to three times the annual provision of the TRG in the year in which the grants are provided. Deployment of the surplus is confined to the permitted use of the TRG and cannot be used for purposes outside of the TRG.

**List of Types of Supply Teachers and
other Non-teaching Supply Staff in Primary, Secondary and Special Schools**

(i) *Secondary Schools*

Graduate Teacher
Non-graduate Teacher
Unqualified Teacher

(ii) *Primary Schools*

Graduate Teacher
Non-graduate Teacher
Unqualified Teacher

(iii) *Non-Teaching Staff (for special schools only)*

Registered Nurse
Enrolled Nurse
Houseparent
Cook
