

ITEM FOR FINANCE COMMITTEE

HEAD 156 GOVERNMENT SECRETARIAT :

EDUCATION AND MANPOWER BUREAU

New Capital Account Subhead “Open University of Hong Kong”

New Item “Grant to the Open University of Hong Kong for establishing a Centre For Innovation”

Members are invited to approve a new commitment of \$62.8 million for providing a capital grant to the Open University of Hong Kong to support its establishment of a Centre For Innovation.

PROBLEM

The Open University of Hong Kong (OUHK) needs funding support to establish a Centre For Innovation (CFI) for enhancing its pedagogy, programme delivery and students' learning experience.

PROPOSAL

2. The Secretary for Education and Manpower proposes to provide a capital grant of \$62.8 million to OUHK to support its establishment of a CFI.

JUSTIFICATION

3. OUHK was established in 1989 with the aim of making available tertiary education opportunities to adults, principally through a system of open access and distance learning. Today, it has become a key provider of adult education programmes and retraining services through which our workforce can upgrade their knowledge and skills and adapt to the rapid economic, social and technological changes in Hong Kong. It also complements the formal higher education system and promotes life-long learning.

4. Although OUHK operates on a self-financing basis, the Administration has been supporting worthwhile projects that are conducive to fulfilling OUHK's mission. In particular, the Administration acknowledges that effective use of information technology (IT) in learning and teaching will inject new impetus into the development of open and distance learning, which is particularly relevant to the mission of OUHK. Over the years, the Administration has provided a total of about \$600 million in capital grants to OUHK for the implementation of various initiatives, including grants for IT-related projects such as the grant to support the establishment of an electronic library as approved by the Finance Committee (FC) vide FCR(96-97)59 on 19 July 1996, grant to support the establishment of a Centre of Excellence as approved by the FC vide FCR(97-98)42 on 17 October 1997 and grant to support the implementation of the Information Technology Development Plan as approved by the FC vide FCR(2000-01)51 on 1 December 2000.

OUHK's CFI project

5. Building on its reputation as one of the leading distance learning providers in the region, OUHK aspires to develop a next-generation learning model that blends the virtues of distance, face-to-face and online learning through innovative online learning tools to further enhance students' learning experience. Online learning materials are especially important to courses delivered in a distance learning mode in that they could greatly enrich the course content and enhance the pedagogical value of the otherwise traditional, print-based distance learning materials. However, despite OUHK's ongoing efforts in enhancing its electronic learning services and course delivery through the use of IT, its IT facilities are becoming inadequate to enable it to keep pace with the rapid technological changes and developments in the e-learning arena. Further investment in IT is necessary.

6. To maintain its leading position as a centre of excellence in distance learning, OUHK proposes to implement the CFI project so as to create an intelligent, flexible, interactive and personalised electronic learning platform for students and enhance teaching quality. The CFI project comprises an information infrastructure in the form of a web-based service delivery platform (called "INFOWAY"), through which OUHK can deliver a collection of online services including innovative learning/teaching tools and administrative support services for students (known as "Intelligent Flexible Learning Model of Open Learning (IFLMOL)"), as well as electronic learning modules and courses.

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7. Specifically, the CFI project aims to achieve the following objectives –

(a) ***Introduce blended learning mode through innovative learning/teaching tools***

OUHK plans to develop a number of innovative learning and teaching tools to assess students' strengths and weaknesses, customise students' learning paths and develop course materials in an interactive manner. Under the blended learning mode, students can learn more effectively through various synchronous collaborative tools (such as online interactive tutorials and virtual classrooms, etc.). To this end, OUHK aims to include sophisticated multimedia online elements in most of its courses.

(b) ***Enhance administrative support services for students***

OUHK plans to develop an integrated administrative support system to provide a one-stop service platform for its students (who are mostly working adults¹). In particular, OUHK plans to improve the existing online course registration system so that the system can be made accessible to students year-round with greater functionalities. Moreover, OUHK plans to improve and streamline communication and transmission of data between students and teaching staff, so as to facilitate online submission of assignments to course instructors, online selection of tutorials by students and easy online access to library facilities and other student services.

(c) ***Enrich student learning experience***

OUHK plans to create a set of artificial intelligence software tools to provide prompt, personalised and round-the-clock advice to students on study choices and feedback on study progress. Students enrolling in programmes delivered in face-to-face or distance learning mode alike can enjoy the flexibility of drawing up personalised learning timetable and monitoring study progress. Through these software tools, students can identify learning problems more easily and refine their study methodology in a timely manner.

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In the 2006/07 academic year, about 87% of students enrolling in distance learning programmes of OUHK are aged 26 or above.

(d) Promote e-learning and prepare for future development

Currently, all OUHK's distance learning courses contain some online elements, although they are not purely online courses yet. To promote e-learning in Hong Kong, OUHK plans to develop about 30 e-learning modules and about 30 e-learning courses. The e-learning modules are short courses that have no fixed duration, whereas the e-learning courses will be credit-bearing courses of about 10 credits each. These initiatives will benefit not only existing students, but also pave the way for the possible development of OUHK into a virtual university as a long-term vision through the offer of purely online learning courses.

Anticipated benefits

8. The CFI project will enable OUHK students to learn more effectively and interactively through the use of synchronous collaborative tools (such as online interactive tutorials, virtual classrooms, instant chat and virtual office hours) to communicate with tutors and students. Such online technology-driven learning models are expected to greatly enhance students' learning outcomes. At the same time, the CFI project will also assist teachers in preparing course materials, grading assignments, posting announcements and performing various other tasks. Teachers can teach more effectively, as the new systems and tools to be developed under the CFI project will help them monitor the students' progress and performance, deliver automated tests, and update course materials in a timely fashion.

Implementation plan

9. The OUHK proposes to implement the CFI project according to the following tentative schedule –

Major project tasks	Tentative timing
Start developing INFOWAY	3 rd Quarter of 2007
Pilot e-learning courses and modules	4 th Quarter of 2007
Start developing IFLMOL	1 st Quarter of 2008
Start developing Intelligent Student Counseling System	3 rd Quarter of 2008
Full implementation of CFI project	end of 2009

/Project

Project evaluation

10. The CFI project will be fully implemented by around the end of 2009. To evaluate the effectiveness of the project, OUHK will conduct a post-implementation evaluation after the full implementation of the project. The results of the evaluation will provide useful insights into how OUHK can exploit more fully the potential of IT in its pedagogy, teaching and learning, as well as whether offering purely online courses and/or developing into a virtual university would be a sustainable objective for the longer term.

FINANCIAL IMPLICATIONS

11. OUHK estimates that the total expenditure of the project will be \$80.8 million, comprising \$44.8 million for system upgrading and software enhancement, and \$36 million for developing a total of some 60 e-learning modules and courses. Detailed breakdown of the estimated expenditure is as follows –

Activities	Estimated expenditure (\$ million)
(A) System upgrading and software enhancement	
(a) INFOWAY (e.g. web-based service delivery platform and middleware development)	13.6
(b) IFLMOL (e.g. multimedia interactive online elements and integrated student support system)	11.0
(c) One-off staff cost for system development and project management	10.2
(d) Related projects ² (e.g. intelligent student counseling system)	8.0
(e) Contingency for items (a) to (d) above	2.0
Subtotal for (A)	44.8

/(B)

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These projects are related to OUHK's pedagogical and student learning processes. For example, the proposed intelligent student counseling system is a set of artificial intelligence software tools that provide prompt response to study choices and study progress. Other projects being considered include electronic newsletters and journals in Greater China, using Rich Site Summary technology to support teaching and learning, etc.

(B) E-learning modules and courses

Development of about 60 e-learning modules and courses	36.0
Subtotal for (B)	36.0
Grand total [(A)+(B)]	80.8

12. OUHK undertakes to provide \$18 million, representing half of the costs of developing the e-learning modules/courses (paragraph 11(B) above), from its own funding. Subject to Members' approval, the Administration will provide a capital grant of \$62.8 million to OUHK for funding the balance of the required expenditure. As a self-financing institution, OUHK has undertaken to absorb all recurrent costs (including maintenance, repairs and staff operating costs) arising from the CFI project.

13. The estimated cash flow for Government's contribution is as follows –

Financial year	Estimated cash flow (\$ million)
2007-08	44.8
2008-09	10.0
2009-10	8.0
Total	62.8

If Members approve the above funding proposal, we will provide funds to meet the cash flow required in the relevant financial years. For 2007-08, we have already earmarked the funding required in the annual Estimates.

PUBLIC CONSULTATION

14. We consulted the Legislative Council Panel on Education on the proposal at its meeting on 22 March 2007. Members were supportive of the proposal and agreed that the proposal should be submitted to the FC for funding approval.

/BACKGROUND

BACKGROUND

15. OUHK (formerly called the Open Learning Institute of Hong Kong) was established in 1989 with the aim of providing tertiary education opportunities for adults, primarily through a system of open access and distance learning. In recent years, OUHK has offered a number of full-time face-to-face post-secondary programmes to cater for the needs and aspirations of our senior secondary school leavers and sub-degree graduates. OUHK now has over 17 000 students and offers over 170 post-graduate, degree and sub-degree programmes. Some 6 700 students graduated in the 2005/06 academic year, bringing the total number of OUHK graduates to over 45 000.

Education and Manpower Bureau
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