

For discussion  
on 26 March 2008

## **Legislative Council Panel on Education**

### **Review of the Financial Assistance Scheme for Designated Evening Adult Education Courses**

#### **Introduction**

This paper seeks Members' views on the Administration's proposal to continue the Financial Assistance Scheme for Designated Evening Adult Education Courses (the Scheme) with proposed improvements from the 2008/09 school year onwards.

#### **The Financial Assistance Scheme for Designated Evening Adult Education Courses**

2. The Government introduced the Scheme in the 2005/06 school year for adult learners (aged 17 or above) studying senior secondary evening courses. The Scheme aims to –

- (a) provide an affordable pathway to facilitate adult learners to complete mainstream senior secondary school courses;
- (b) ease the financial hardship of needy adult learners so that no willing adult learners would be deprived of the chance to pursue their studies due to lack of means; and
- (c) achieve cost effectiveness with subsidies going direct to the adult learners.

3. The Scheme provides financial assistance to adult learners attending evening senior secondary courses (i.e. Secondary 4 to 7) offered by the approved course provider(s) in designated centres. Learners meeting the eligibility criteria, such as having at least 80% attendance, are eligible for 30% reimbursement of the tuition fees. Full reimbursement (100%) of the tuition fees are provided for those who meet the eligibility criteria and pass the means test for full grant administered by the Student Financial Assistance Agency (SFAA). The existing eligibility criteria for financial assistance under the Scheme are at **Annex 1**.

4. The Administration undertook to review the Scheme in the third year of its operation (i.e. the 2007/08 school year) with regard to its demand and effectiveness, when seeking funding approval from the Finance Committee in May 2005. We have reviewed the Scheme and the key findings are set out in the ensuing paragraphs.

*Continuous demand for evening mainstream secondary courses*

5. In recent years, the Government has provided a range of programmes such as Project Yi Jin, Skills Upgrading Scheme, Continuing Education Fund, etc for adult learners. However, there is a continuous demand from adult learners, in particular working adults and new immigrants who did not have the opportunity to receive basic education in Hong Kong in the past, to pursue secondary education by attending evening mainstream secondary courses.

6. Since the 2005/06 school year, the enrolment figures for mainstream evening secondary schools (including approved courses under the Scheme and courses offered by private evening schools) have hovered around 5 000 each year. The enrolment figures, with those under the Scheme and its share of total enrolment shown in brackets, are tabulated below –

| School year | Enrolment |                         |                   |                         |
|-------------|-----------|-------------------------|-------------------|-------------------------|
|             | S1 – S3   | S4 – S5                 | S6 – S7           | Total                   |
| 2005/06     | 336       | 3 854<br>(931 or 24%)   | 820<br>(0 or 0%)  | 5 010<br>(931 or 19%)   |
| 2006/07     | 361       | 3 673<br>(1 028 or 28%) | 718<br>(27 or 4%) | 4 752<br>(1 055 or 22%) |
| 2007/08     | 360       | 4 132<br>(993 or 24%)   | 457<br>(25 or 5%) | 4 949<br>(1 018 or 21%) |

Out of the 5 000 students currently studying in mainstream evening secondary schools, over 1 000 of them, as indicated by figures in brackets in the above table, are studying courses under the Scheme. Based on a survey conducted by the approved course provider, over half of its students enrolled in the course so as to satisfy job requirements or to facilitate them to change jobs.

### *Effectiveness of the Scheme*

7. The overall drop out rate of adult learners of the Scheme for 2005/06 and 2006/07 school years was 31% and 30% respectively. For those who have completed the courses in these two school years, 73% of them met the minimum attendance rate and were successful in getting 30% or full tuition fee reimbursement. In other words, about 50% of those who enrolled in the secondary courses under the Scheme were able to meet the minimum attendance requirement and were eligible for financial assistance. According to information provided by the approved course provider, out of the students who sat for the Hong Kong Certificate of Education Examination in the 2006/07 school year, almost 10% attained the basic requirements to study Secondary 6.

8. To enhance our support to the Scheme, the Administration has arranged to reimburse rental charges to the approved course provider in respect of the designated centres running evening secondary courses under the Scheme. The expenditure was \$0.8 million in 2006/07 school year. With this enhanced support, the approved course provider is able to lower its operating costs and keep the tuition fees at a reasonably low level without affecting the quality of the courses provided. The tuition fees of evening secondary courses in the 2007/08 school year are as follows –

| <b>Courses</b>               | <b>Tuition fees (per annum)</b> |                            |                            |
|------------------------------|---------------------------------|----------------------------|----------------------------|
|                              | <b>Secondary<br/>1 - 3</b>      | <b>Secondary<br/>4 - 5</b> | <b>Secondary<br/>6 - 7</b> |
| As provided under the Scheme | NA                              | \$8,500                    | \$10,600                   |
| Other courses                | \$7,200 –<br>\$9,400            | \$6,000 –<br>\$15,600      | \$8,400 –<br>\$15,740      |

9. Most of the adult learners enrolled in evening secondary courses under the Scheme are working adults earning a meager salary due to their low academic educational background, and are in need of financial assistance for their studies. According to a survey conducted by the approved course provider, over 76% of its students earn less than \$8,000 per month.

10. Most of the students pursue evening adult education courses and join the Scheme for job-related reasons. The completion of secondary education will enable these adult learners to attain the basic academic qualification for further education and/or employment purposes. The

provision of financial assistance has reduced their financial burden and provided them an incentive to complete the course.

## **PROPOSAL**

11. In view of the continuing demand for evening adult secondary education, the Administration recommends that the existing Scheme be continued. In addition, it is proposed that the following improvements be implemented from the 2008/09 school year onwards –

- (a) to extend the scope of the Scheme to cover junior secondary courses, i.e. Secondary 1 to 3; and
- (b) to add a 50% tuition fee reimbursement assistance level.

## **JUSTIFICATIONS**

### *Extension of the scope to cover junior secondary levels*

12. Among the above-mentioned 5 000 adult learners in mainstream evening secondary schools, about 350 per year are studying in the junior secondary courses. These adult learners including new arrivals from the Mainland prefer to start their secondary education from the junior level which will provide them with a more solid foundation to ensure a higher chance of success in the senior secondary level. With a poor academic background and earning relatively low income in general, they are in need of financial assistance to pursue their studies. We propose to extend the scope of the Scheme to cover junior secondary courses, i.e. Secondary 1 to 3 to benefit these adult learners as well. It is estimated that about 300 adult learners will benefit from the extension per year.

### *Introducing an additional subsidy level*

13. At present, a student of a four-member family will be able to get 100% tuition fee reimbursement if his/her gross family income is less than \$8,291 per month in the 2007/08 school year, subject to his/her meeting the attendance requirement. If his/her family income exceeds this limit, he/she will get a 30% tuition fee reimbursement. In our discussion with the students, they have reflected that there would be scope for strengthening financial assistance for students of low-income families. To respond to this need, we recommend adding another subsidy level by

introducing the standard means test for half grant currently administered by SFAA for daytime senior secondary students. Under this new arrangement, students from a four-member family meeting the attendance requirements and whose family income falls between \$8,291 and \$22,140 per month will be eligible for a 50% tuition fee reimbursement. The eligibility criteria for financial assistance under the improved Scheme are at **Annex 2**.

## **FINANCIAL IMPLICATIONS**

14. With the proposed extension of coverage to include junior secondary levels and introduction of a 50% tuition fee reimbursement assistance level with effect from the 2008/09 school year, it is estimated that the expenditure to provide financial assistance to the adult learners under the Scheme will be about \$3.1 million per year starting from 2009-10. It is projected that about 1 500 learners will benefit from the enhanced scheme each year.

15. In 2005, the Finance Committee approved a commitment of \$36 million under Head 173 Student Financial Assistance Agency for the Scheme. It is estimated that there will be an unspent balance of about \$29 million by the end of 2007/08 school year. We will seek the approval of the Finance Committee to expand the ambit of the existing Scheme to implement the proposed improvements with effect from the 2008/09 school year.

16. Regarding the administrative costs and the reimbursement of rental charges for the course provider to run the courses at designated centres, the Education Bureau will continue to absorb them using its existing resources.

## **IMPLEMENTATION**

17. Subject to Finance Committee's approval of the proposal, we will conduct an open invitation exercise to select suitable non-profit-making course provider(s) to operate the enhanced Scheme since the service agreement with the existing approved course provider will expire in August 2008. The SFAA will continue to be responsible for processing applications and disbursing subsidy to adult learners under the Scheme.

18. The New Senior Secondary (NSS) Curriculum will be implemented from Secondary 4 from the 2009/10 school year. We will require the approved course provider(s) to adopt the NSS Curriculum correspondingly.

## **PUBLIC CONSULTATION**

19. The proposed amendments to the existing Scheme are made having considered the views of the Concern Group for Former Government Evening Schools.

## **BACKGROUND INFORMATION**

20. 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 Administration contracted out these courses to two course providers to operate with government subvention in September 2003. Upon the completion of the two-year service contract at the end of August 2005, the Scheme was introduced to provide financial assistance to the adult learners to continue pursuing their mainstream evening senior secondary courses. The mode of operation and amount of subsidy associated with evening adult secondary courses for adult learners for the 2002/03 to 2008/09 school years are summarized in **Annex 3**.

## **ADVICE SOUGHT**

21. Subject to Members' views on the proposal set out in paragraph 11 above, we will seek the Finance Committee's approval in April 2008 to expand the ambit of the existing Scheme to implement the proposed improvements.

Education Bureau  
March 2008

**Existing Eligibility Criteria for the Financial Assistance Scheme  
for Designated Evening Adult Education Courses**

- The eligibility criteria for receiving assistance under the Scheme are as follows –
  - (a) applicants should be aged 17 or above;
  - (b) eligibility is restricted to designated senior secondary courses that are quality-assured and commissioned by the Education Bureau;
  - (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 Project Yi Jin is an alternative qualification to the Hong Kong Certificate of Education Examination, 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.
- Students meeting the above-mentioned criteria are eligible for reimbursement of 30% of the tuition fees<sup>1</sup>, regardless of their financial position. Full reimbursement (i.e. 100% of the tuition fees) will be provided for those who have met the criteria and have passed the means test administered by the Student Financial Assistance Agency (SFAA) for full grant. Students with financial hardship for making upfront payment of the initial tuition fees may apply for loans under the Non-means Tested Loan Scheme administered by the SFAA.

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<sup>1</sup> The annual tuition fees of the courses under the Scheme are \$8,500 for Secondary 4 and 5 and \$10,600 for Secondary 6 and 7 in the 2007/08 school year.

**Proposed Eligibility Criteria for  
the Enhanced Financial Assistance Scheme  
for Designated Evening Adult Education Courses**

- The eligibility criteria for receiving assistance under the improved scheme are as follows –
  - (a) applicants should be aged 17 or above;
  - (b) eligibility is restricted to designated secondary courses (inclusive of all secondary levels) that are quality-assured and commissioned by the Education Bureau;
  - (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 Project Yi Jin is an alternative qualification to the Hong Kong Certificate of Education Examination, 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.
- Students meeting the above-mentioned criteria are eligible for reimbursement of 30% of the tuition fees, regardless of their financial position. Full reimbursement (i.e. 100% of the tuition fees) or half reimbursement (i.e. 50% of the tuition fees) will be provided for those who have met the criteria and have passed the means test administered by the Student Financial Assistance Agency (SFAA) for full grant or half grant respectively. Students with financial hardship for making upfront payment of the initial tuition fees may apply for loans under the Non-means Tested Loan Scheme administered by the SFAA.



**Mode of Operation and Amount of Subsidy  
Evening Adult Secondary Courses for Adult Learners**

|   | <b>School Year</b>   |  |  |  |
|---|--|--|--|--|
|   | 2002/03  | 2003/04 and<br>2004/05   | 2005/06 to 2007/08   | <b>2008/09<br/>(Proposed)</b>  |
| Mode of operation   | Operated by the Government   | Operated by two contract course providers with government subvention | Under the Scheme* operated by an approved course provider on self-financing basis  | Under the Scheme* operated by approved course provider(s) on self-financing basis  |
| Mode of subsidy   | <ul style="list-style-type: none"> <li>• S1 to S3: free tuition</li> <li>• S4 to S5: tuition fee set at 18% target cost recovery i.e. \$1,220 per student per annum</li> <li>• S6 (3 years): tuition fee set at 18% target cost recovery i.e. \$1,620 per student per annum</li> </ul> |  | <ul style="list-style-type: none"> <li>• S1 to S3: outside the Scheme</li> <li>• S4 to S7: 30% of tuition fee for eligible students; 100% of tuition fee for eligible students with financial needs (those who pass SFAA's means test for full grant)</li> </ul> | <ul style="list-style-type: none"> <li>• S1 to S7: 30% of tuition fee for eligible students; 100% or 50% of tuition fee for eligible students with financial needs (those who pass SFAA's means test for full or half grant respectively)</li> </ul> |
| Amount of subsidy (per student per annum) <sup>Note</sup> | S1 to S3: \$6,332  |  | S1 to S3: outside the Scheme   | S1 to S3: \$2,160 (30% subsidy), \$3,600 (50% subsidy) or \$7,200 (100% subsidy)   |
|   | S4 to S5: \$5,778  |  | S4 to S5: \$2,550 (30% subsidy) or \$8,500 (100% subsidy)  | S4 to S5: \$2,550 (30% subsidy), \$4,250 (50% subsidy) or \$8,500 (100% subsidy)   |
|   | S6 (3 years): \$9,351  |  | S6 to S7: \$3,180 (30% subsidy) or \$10,600 (100% subsidy)   | S6 to S7: \$3,180 (30% subsidy), \$5,300 (50% subsidy) or \$10,600 (100% subsidy)  |

\* Financial Assistance Scheme for Designated Evening Adult Education Courses

Note: For the 2008/09 school year, the amount of subsidy is calculated based on the tuition fees in the 2007/08 school year (i.e. \$7,200, \$8,500 and \$10,600 per student per annum for S1 to S3, S4 to S5 and S6 to S7 respectively).