

Implementation of the Integrated Student Financial Assistance System (ISFAST)

to support the re-engineered business processes and organisation re-structuring of SFAA with a view to enhancing the efficiency and effectiveness of the Agency in daily operations

Agenda

- Existing schemes & systems
- Problems
- Improvement measures
- Cost
- Benefit & cost recovery
- Schedule

Existing Financial Assistance Schemes

(13 schemes, 821,000 applications, \$5.1 billion provided)

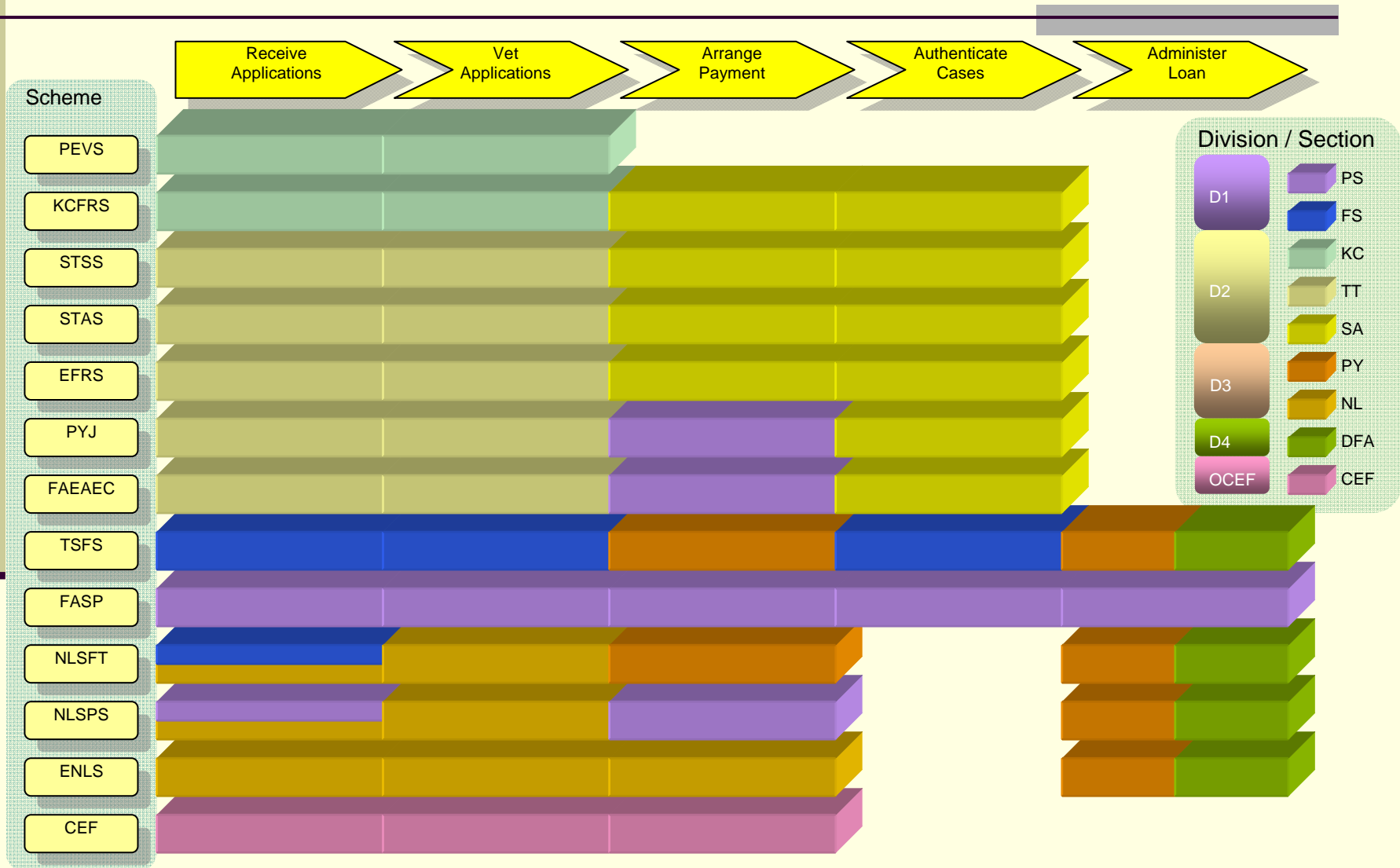
Students	Schemes Available	Income Test	Asset Test
Secondary level or below	• PEVS - Pre-primary Education Voucher Scheme	x	x
	• KCFRS - Kindergarten and Child Care Centre Fee Remission Scheme	✓	x
	• STAS - School Textbook Assistance Scheme		
	• STSS - Student Travel Subsidy Scheme		
	• EFRS - Examination Fee Remission Scheme		
	• PYJ - Project Yi Jin		
	• FAEAEC - Financial Assistance Scheme for Designated Evening Adult Education Courses		
Post-secondary and tertiary level	• TSFS - Tertiary Student Finance Scheme - Publicly-funded Programmes	✓	✓
	• FASP - Financial Assistance Scheme for Post-secondary Students		
	• NLSFT - Non-means-tested Loan Scheme for full-time tertiary students who are covered under TSFS	x	x
	• NLSPS - Non-means-tested Loan Scheme for Post-Secondary Students		
Continuing education	• ENLS - Extended Non-means-tested Loan Scheme	x	x
	• CEF - Continuing Education Fund		

Existing Computer Systems

Computer System		Year of Production	Schemes Supported
1.	Student Financial Assistance Management System	1998	<ul style="list-style-type: none">•TSFS•NLSFT•STAS•STSS•EFRS•PYJ•FAEAEC
2.	Kindergarten and Child Care Centre Fee Remission System	1999	<ul style="list-style-type: none">•KCFRS•PEVS
3.	Computer System for FASP	2003	<ul style="list-style-type: none">•FASP•NLSPS
4.	Computer System for CEF	2003	<ul style="list-style-type: none">•CEF
5.	Extended Non-means-tested Loan Scheme System	2006	<ul style="list-style-type: none">•ENLS
6.	New Student Loan System	2008	<ul style="list-style-type: none">•TSFS (loan repayment function)

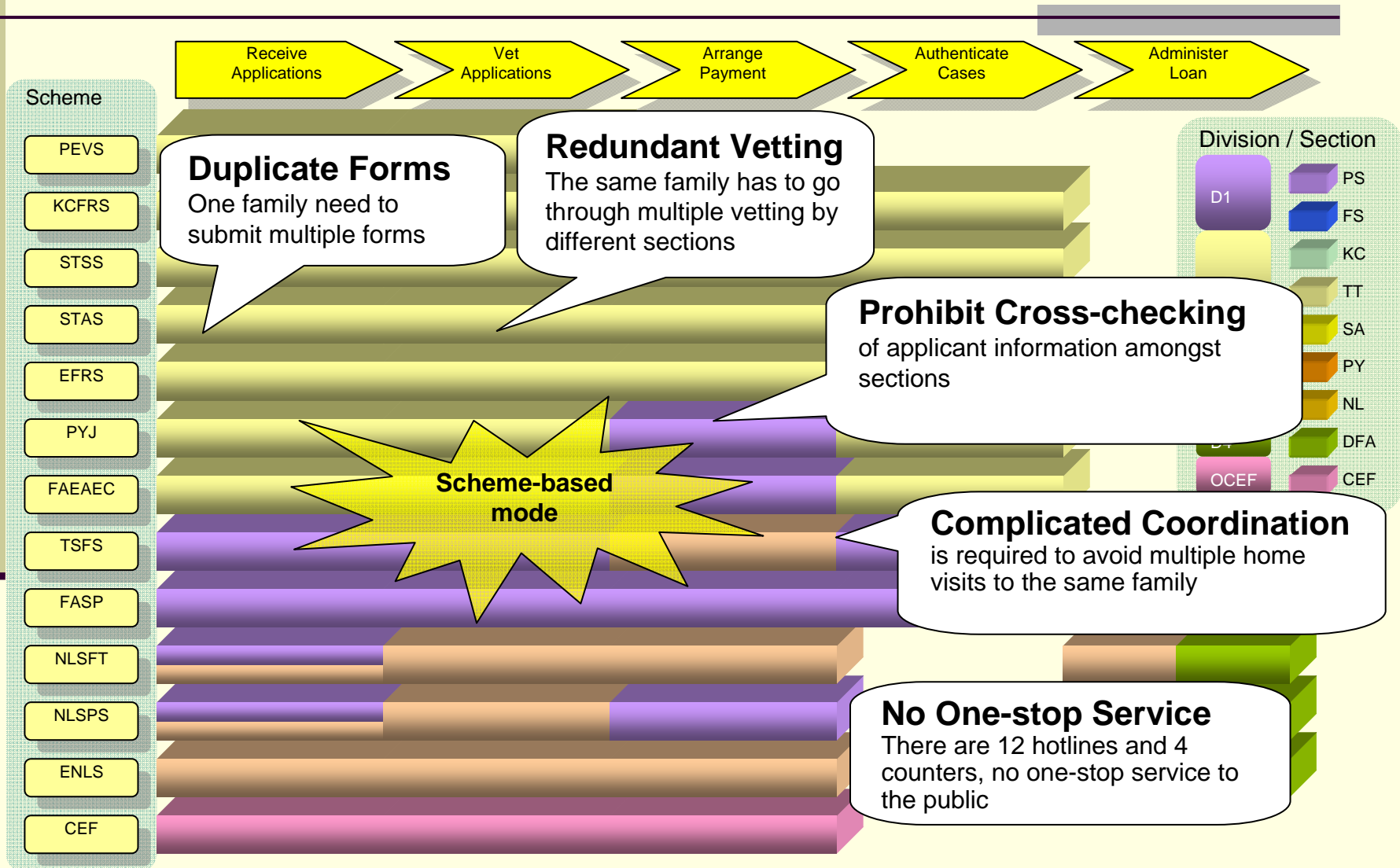
Problems

Scheme-based Operation



Problems

Scheme-based Operation



Problems

Problem	Applicant perspective	Management perspective
1. Undesirable scheme-based mode of operation	<ul style="list-style-type: none">• Duplicate form filling efforts• Fulfil requirements from different sections• No one-stop services	<ul style="list-style-type: none">• Duplicate vetting efforts• Inconsistency in vetting processes• Handle multiple enquiries

Problems

Problem	Applicant perspective	Management perspective
2. Lack of data sharing among systems & Limited processing capability	<ul style="list-style-type: none">• Long processing time may lead to delay in payment of assistance	<ul style="list-style-type: none">• Unable to cross-check data among schemes• Unable to refer loan default cases to DoJ through electronic means• Unable to build electronic communication channels with institutions

Problems

Problem	Applicant perspective	Management perspective
3. No risk profiling functions in existing systems	<ul style="list-style-type: none">• Those compliant applicants who submit complete and genuine supporting documents should receive payment earlier	<ul style="list-style-type: none">• Require structural change on existing systems• Gate-keeping function cannot be strengthened through risk management approach

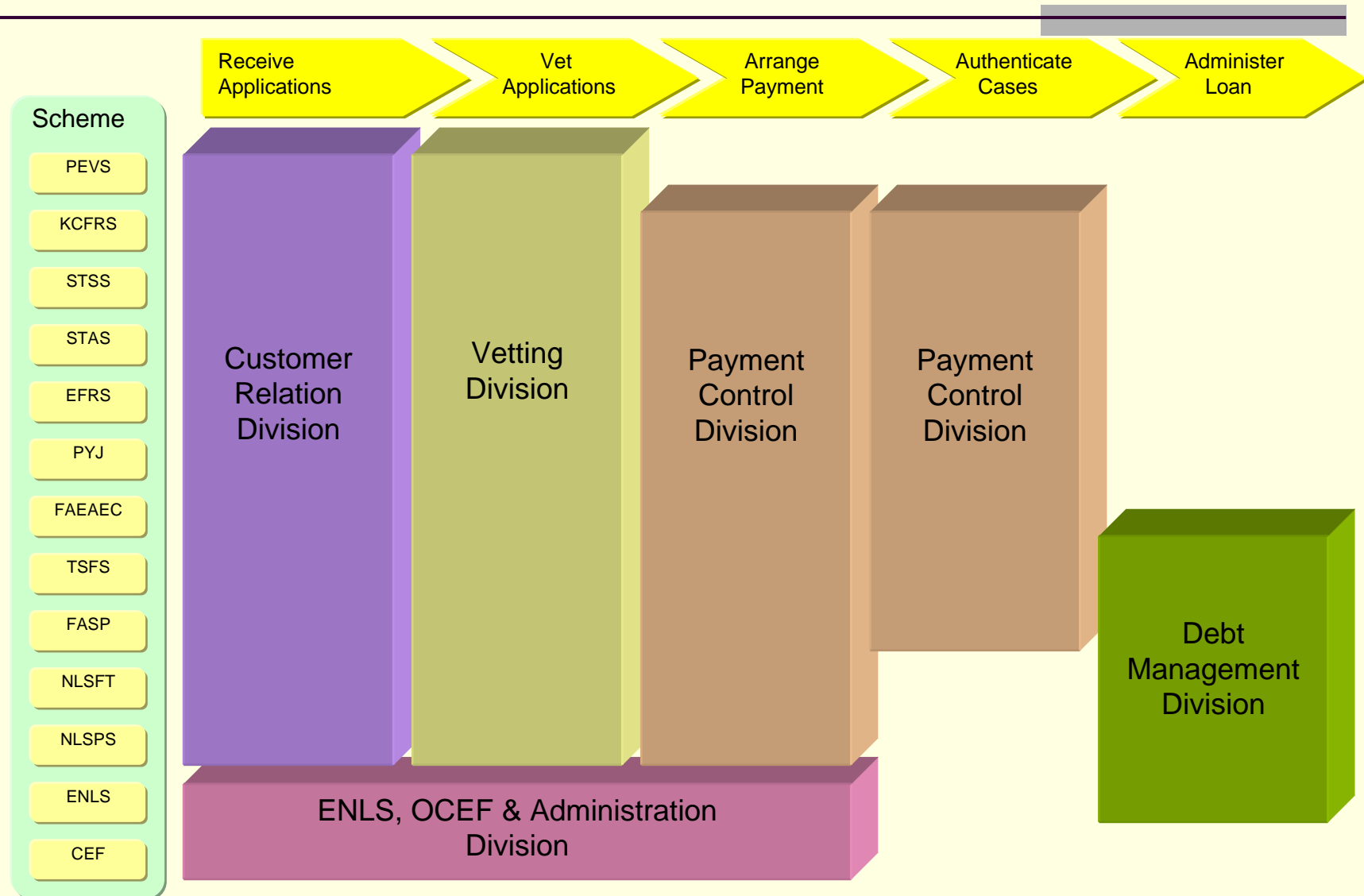
Problems

Problem	Applicant perspective	Management perspective
4. Failure to support new e-services	<ul style="list-style-type: none">• Only traditional channels, no self-service facilities• No round-the-clock services	<ul style="list-style-type: none">• Face public pressure on provision of e-services• Cannot relieve workload on enquiry hotlines and counters

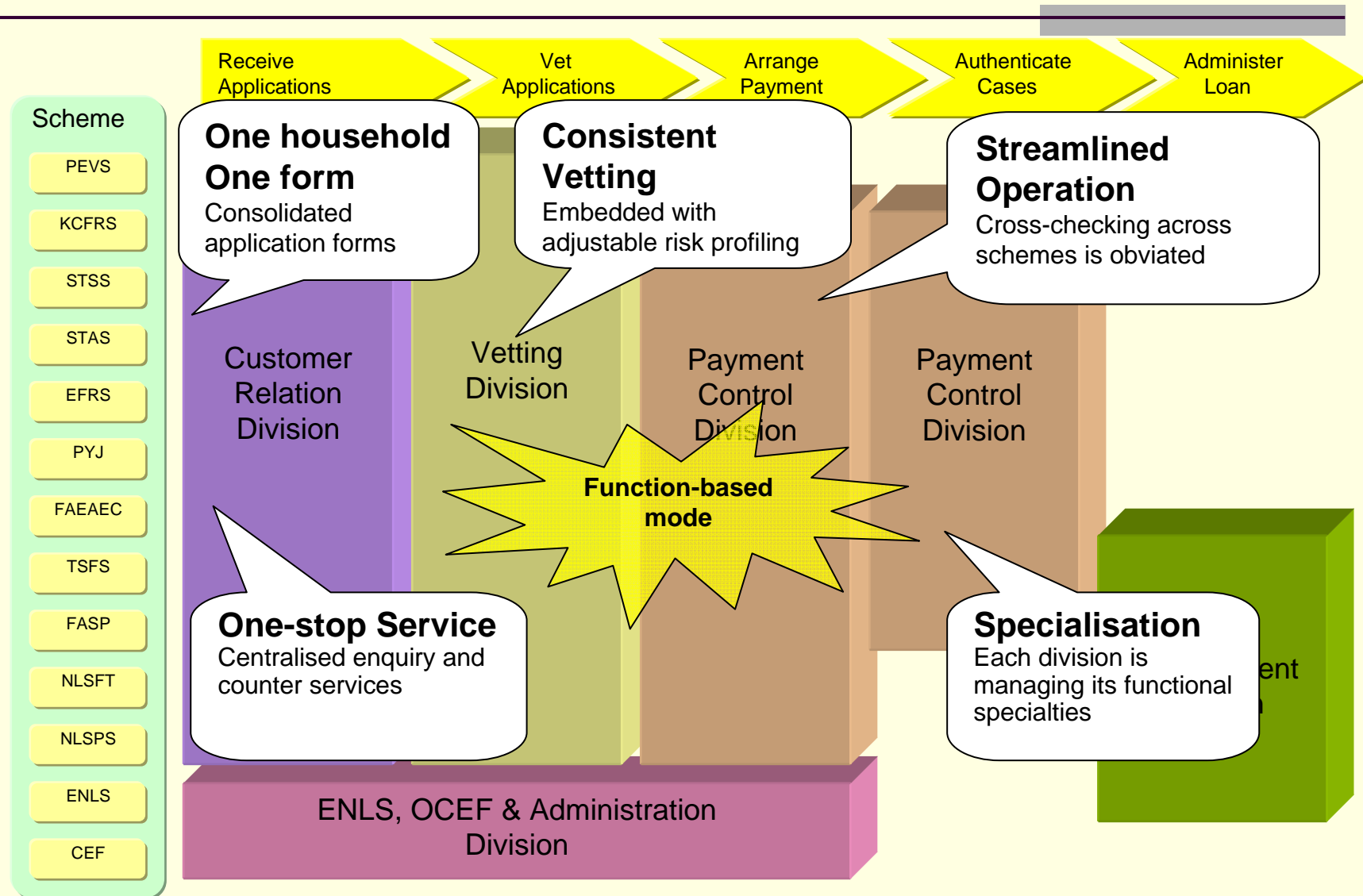
Problems

Problem	Applicant perspective	Management perspective
5. Increasing difficulty in maintaining obsolete systems	<ul style="list-style-type: none">• Potential system failure may affect services to the public• Public could not benefit earlier from new scheme improvement measures	<ul style="list-style-type: none">• Higher cost• More efforts• Security risks• Non-sustainable for new developments

Improvement Function-based Organisation



Improvement Function-based Organisation



Improvement Measures

Improvement	Applicant perspective	Management perspective
1. Application on household basis + Function-based organisation and operation + Integrated system	<ul style="list-style-type: none">• Save efforts in submitting applications• One-stop enquiry and counter services• Receive assistance earlier	<ul style="list-style-type: none">• Save efforts in vetting and cross-checking• Consistent results• Streamlined operation

Improvement Measures

Improvement	Applicant perspective	Management perspective
2. Enhance risk management	<ul style="list-style-type: none">• Compliant cases enjoy “fast-lane” service• Relieve bunching effect so that payment can be made earlier	<ul style="list-style-type: none">• Better resource utilisation• Identify high risk cases for authentication• Reduce overpayment and subsequent recovery efforts

Improvement Measures

Improvement	Applicant perspective	Management perspective
3. Provide new public e-services	<ul style="list-style-type: none">• More convenient service channels available• Customer-centric service• Easy access to personal application information	<ul style="list-style-type: none">• Reduce manual efforts• Improved data accuracy and quality of applications submitted via e-channels• Uplift citizen's satisfaction level

Improvement Measures

Improvement	Applicant perspective	Management perspective
<p>4. Introduce advanced software to the new system (workflow, case management, document management system and business intelligence)</p>	<ul style="list-style-type: none">• Improved efficiency leads to earlier payment	<ul style="list-style-type: none">• Enhance operation efficiency and transparency• Facilitate data sharing & document retrieval• Enable business review and forecast

Improvement Measures

Improvement	Applicant perspective	Management perspective
5. Build a stable and flexible system	<ul style="list-style-type: none">• Stable system support ensures effective and efficient services to the public	<ul style="list-style-type: none">• Less maintenance & future upgrade cost• Quicker to implement new schemes or enhancements• Facilitate collaboration with other departments to provide joined-up services

Improvement Integrated System

Receive Application

Administer Loan

Arrange Payment

Authenticate Cases

Administer Loan

PEVS

KCFRS

STSS

STAS

EFRS

PYJ

FAEAEC

TSFS

NLSFT

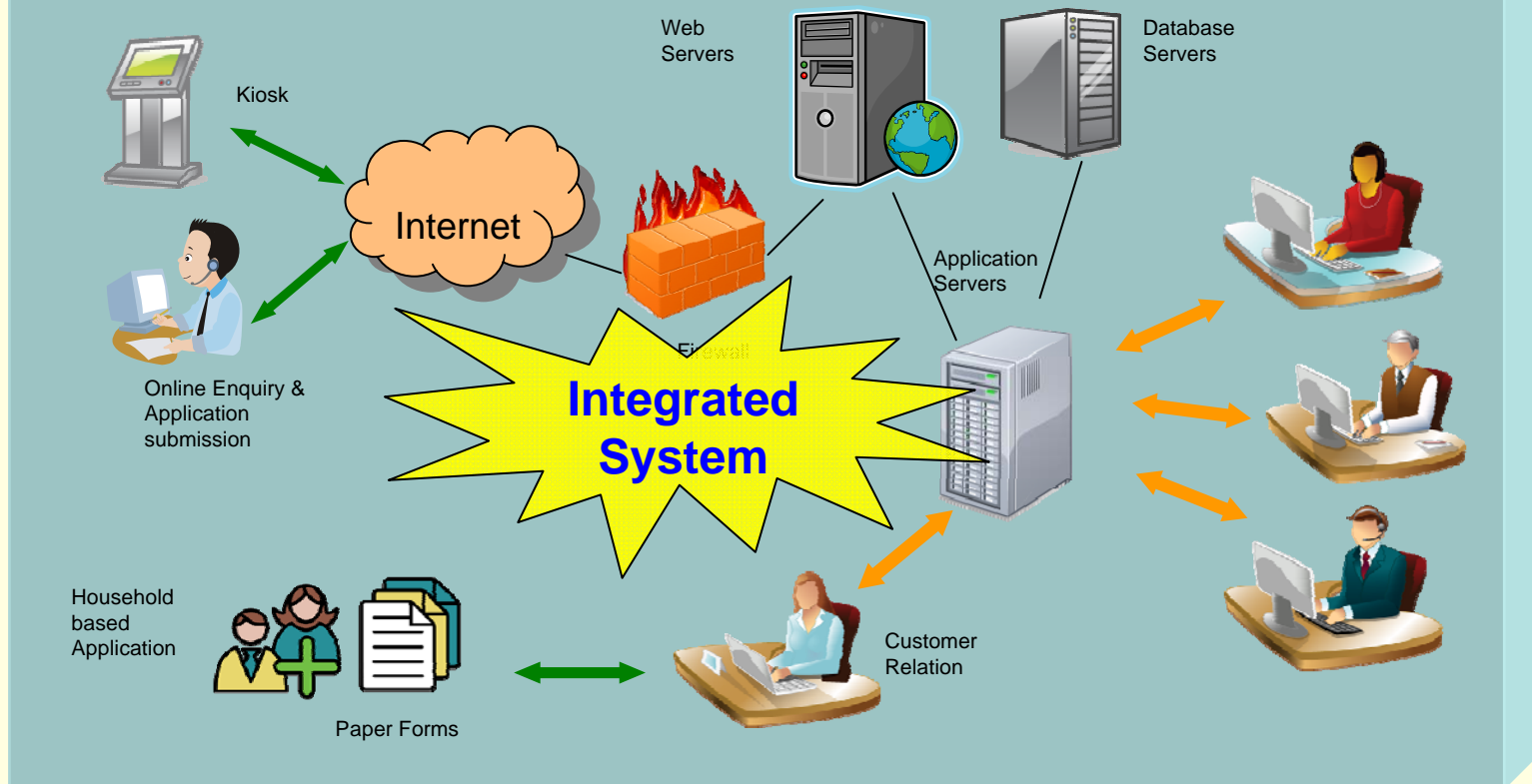
FASP

NLSPS

ENLS

CEF

Integrated Student Financial Assistance System (ISFAST)

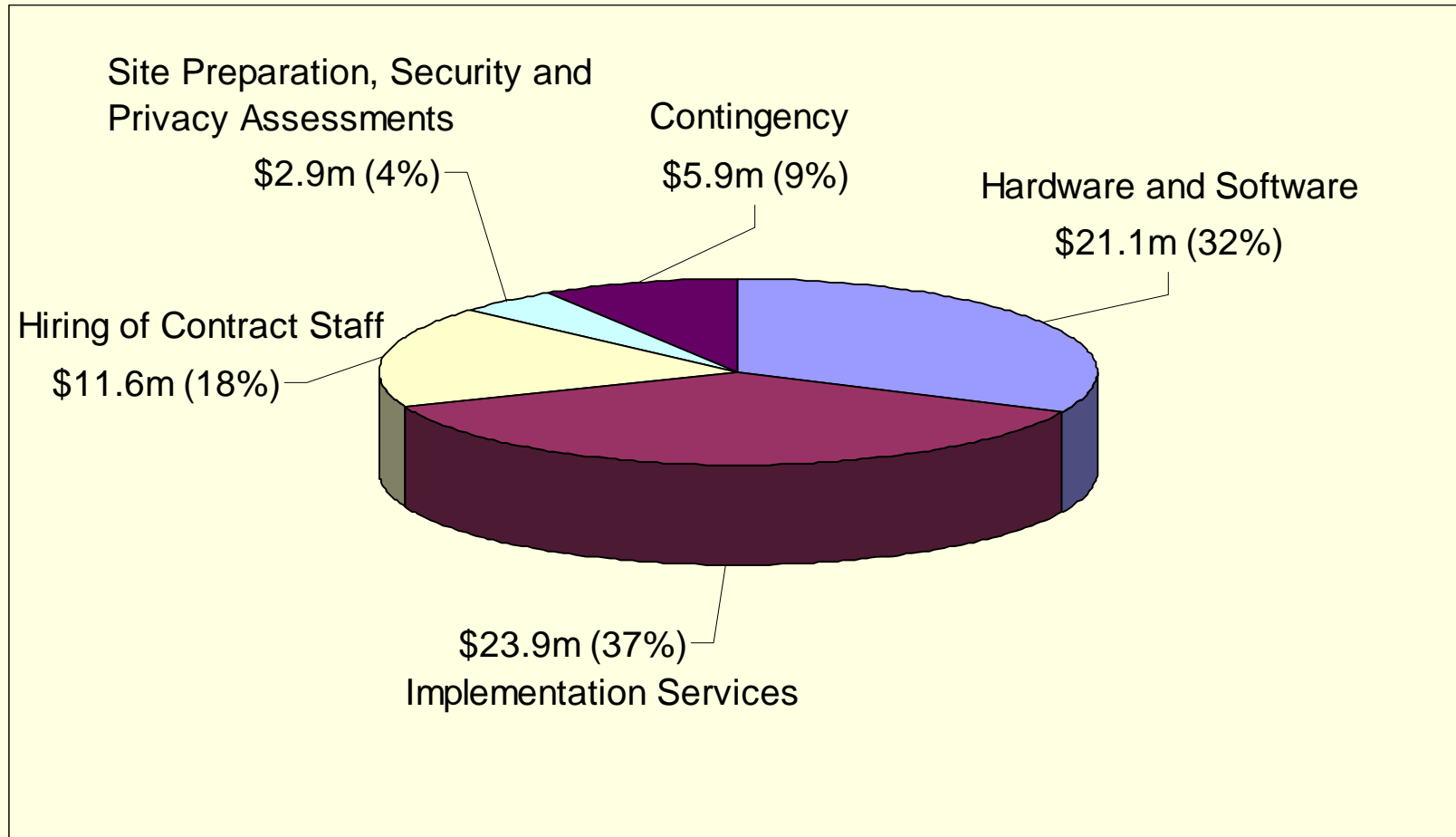


Cost

- **Non-recurrent Cost: \$87.0m**
 - Seeking funding support: \$65.4m
 - Staff resources: \$21.6m

- **Recurrent Cost: \$13.8m**
 - From 2016-17 (full implementation) onwards

Breakdown of Non-recurrent Cost Seeking Funding Support (\$65.4m)



Benefit

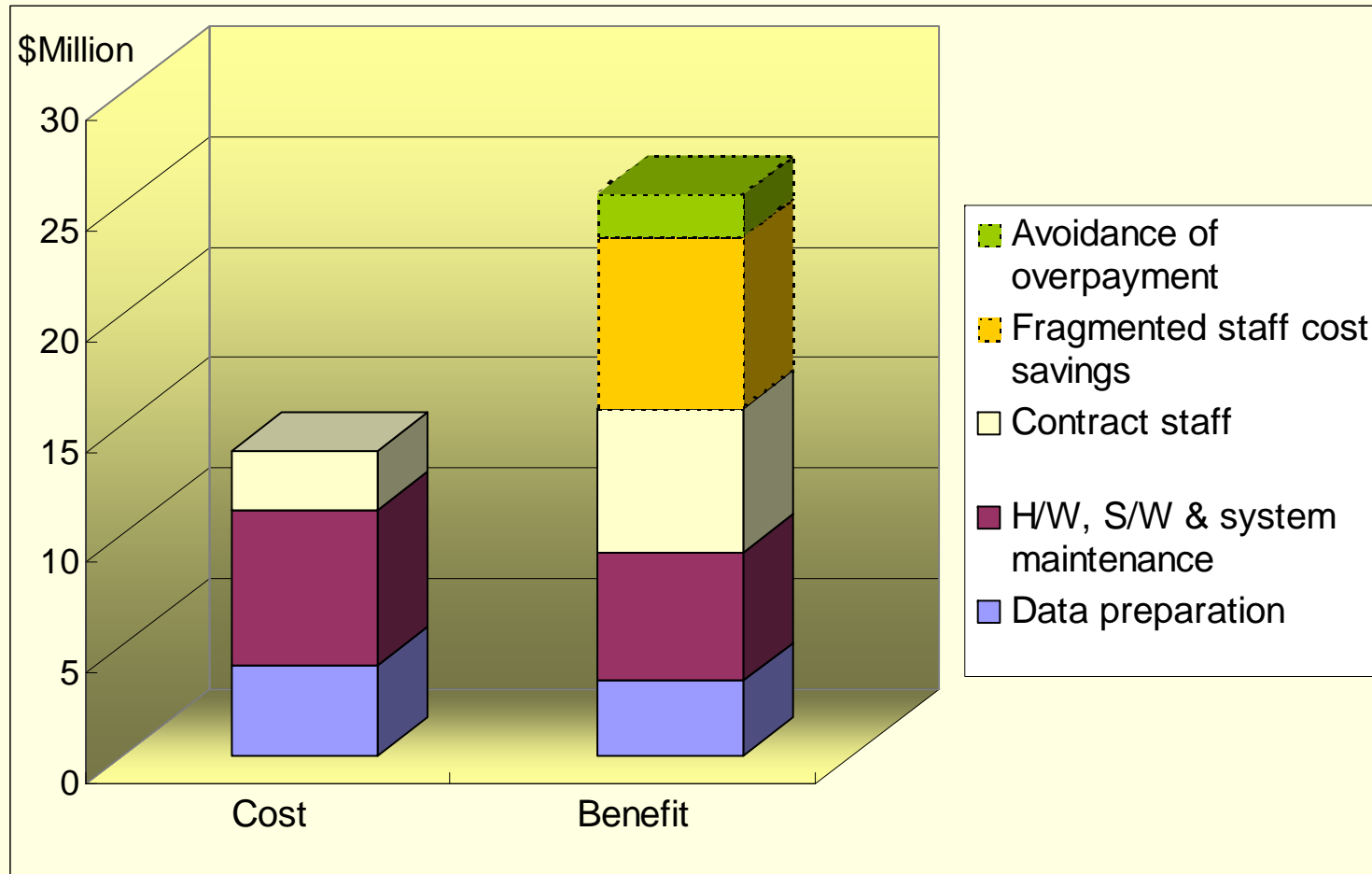
■ Intangible Benefits

- Enhancing public services
- Improving efficiency
- Strengthening gate-keeping
- Maintaining system stability and flexibility

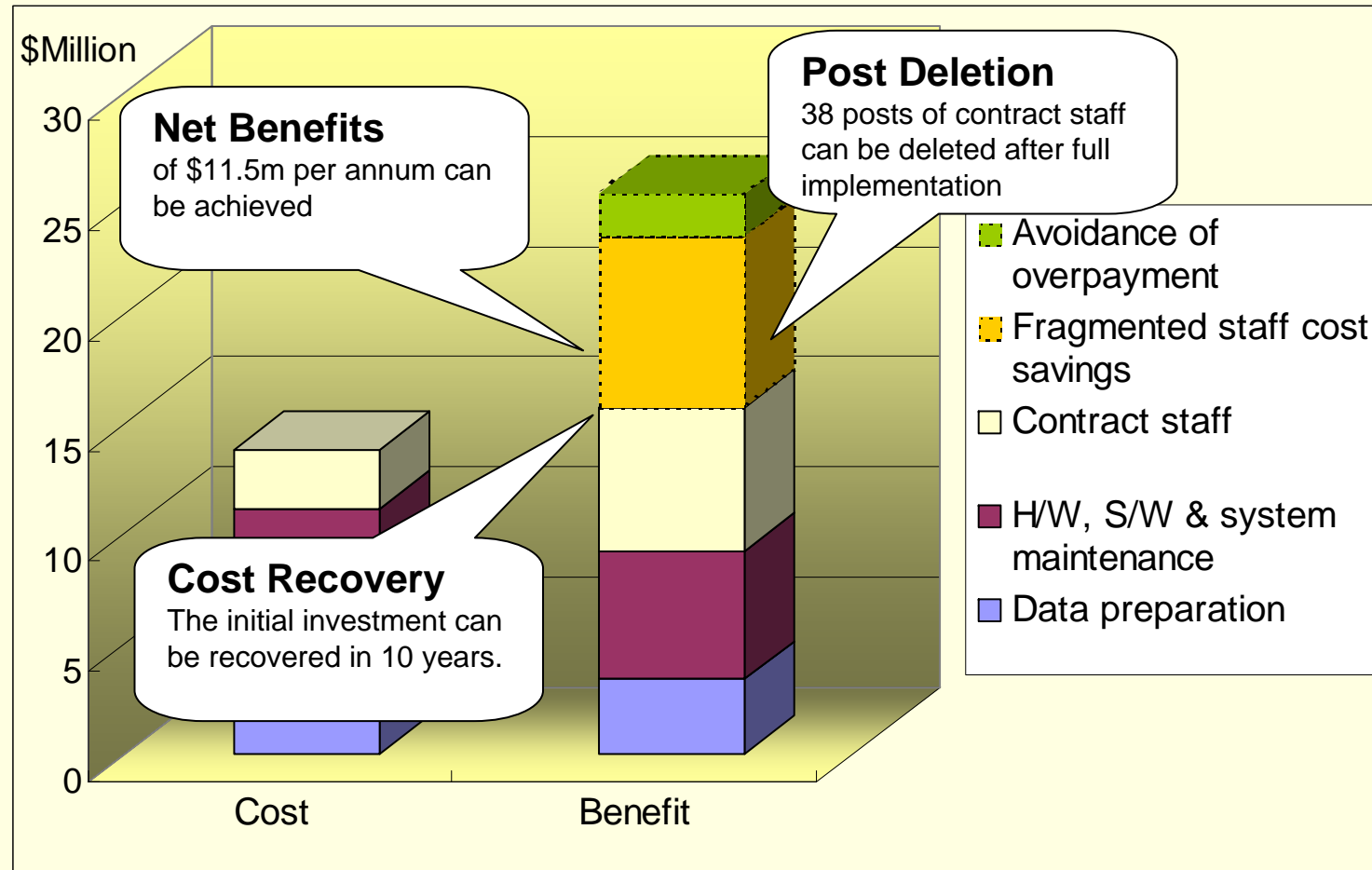
■ Tangible Benefits

Annual savings of **\$25.3m** from 2016-17 onwards. Initial investment will be recovered in about 10 years.

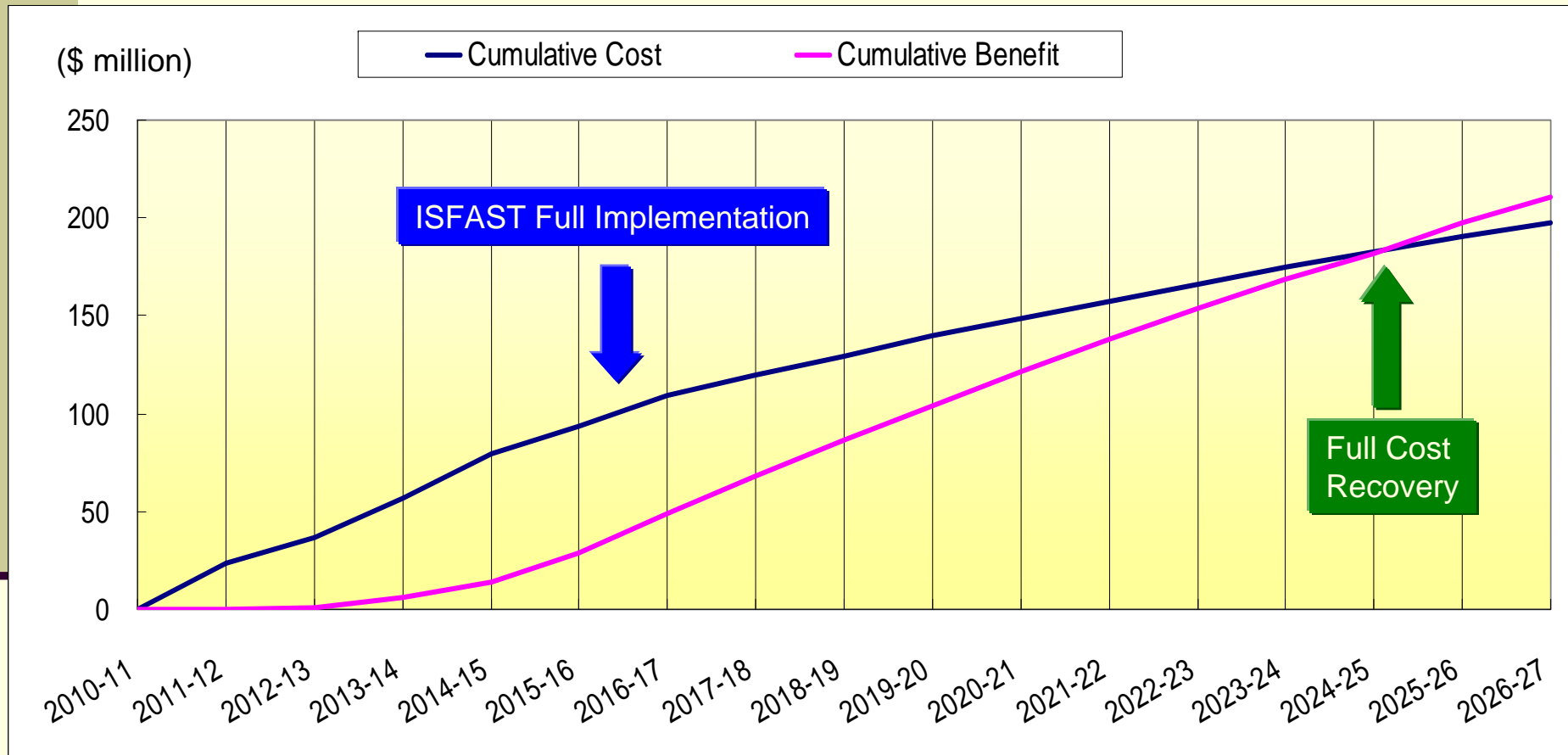
Recurrent Cost Vs. Recurrent Benefits



Recurrent Cost Vs. Recurrent Benefits



Full Cost Recovery



System Implementation Schedule

Phase	Tentative schedule	Schemes to be migrated to ISFAST	Applicants concerned
Tendering	April 2010 – March 2011	NA	NA
Phase 1	April 2011 – January 2013	Means-tested financial assistance schemes involving income test only - <ul style="list-style-type: none"> • KCFRS • PEVS • STAS • STSS • EFRS • PYJ • FAEAEC • Scholarship schemes 	<ul style="list-style-type: none"> • Pre-primary pupils • Primary and secondary students • Adult learners

System Implementation Schedule

Phase	Tentative schedule	Schemes to be migrated to ISFAST	Applicants concerned
Phase 2	February 2013 – October 2014	(i) Means-tested financial assistance schemes involving both income test and asset test - <ul style="list-style-type: none"> • TSFS • FASP (ii) Non-means-tested schemes - <ul style="list-style-type: none"> • NLSFT • NLSPS • ENLS (iii) CEF	<ul style="list-style-type: none"> • Tertiary and post-secondary students • Persons pursuing continuing education
Phase 3	November 2014 – January 2016	<ul style="list-style-type: none"> • e-Services for all schemes 	<ul style="list-style-type: none"> • All applicants

Re-organisation/Scheme Migration Schedule

Phase	Year	2011-12	2012-13	2013-14	2014-15	2015-16
ISFAST Implementation						
Phase 1		■				
Phase 2			■			
Phase 3					■	
Organisation Re-structuring/ Migration of Schemes						
Phase R1		■				
Phase R2a				■		
Phase R2b						■

To reduce project risk, **Phase R2** comprises two batches of schemes:

Phase R2a : TSFS and NLSFT

Phase R2b : FASP, NLSPS, ENLS and CEF