



中華人民共和國香港特別行政區政府總部教育局
Education Bureau
Government Secretariat, The Government of the Hong Kong Special Administrative Region
The People's Republic of China

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23 May 2014

Clerk to Panel
Legislative Council Panel on Education
Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong
(Attn: Miss Polly Yeung)

Dear Miss Yeung,

**Legislative Council Panel on Education
Increasing Subsidised Higher Education Opportunities**

Regarding Members' enquiries and request for supplementary information on the captioned subject at the meeting of the Panel on Education on 14 April, the Administration's reply is set out below.

(1) Scholarship Scheme for Studying Outside Hong Kong

The Administration issued the FCai paper (paper) on the Scholarship Scheme for Studying Outside Hong Kong (Scholarship Scheme) (see **Annex 1**) on 22 May. Supplementary information on the proposed composition of the Steering Committee, as well as the selection criteria and process of the Scholarship Scheme is as follows –

- (a) As stated in paragraph 7 of the paper, we shall set up a Steering Committee to advise the Secretary for Education on the policy, strategy and administration of the Scholarship Scheme. Initially up to 100 scholarships will be awarded each year to support the most outstanding students to pursue degree education outside Hong Kong. Whilst there will be no pre-determined split of or quotas for awardees at undergraduate and postgraduate levels, the Scholarship Scheme will primarily benefit students pursuing studies at undergraduate level. However, flexibility would be given to the Steering Committee based on the merits of applicants in each year.

- (b) The proposed membership and terms of reference of the Steering Committee are set out in paragraph 10 and Enclosure 2 of the paper. With reference to other scholarship schemes, we propose that the Steering Committee of the Scholarship Scheme should have a good mix of leaders and experts, preferably with excellent knowledge, experience and network relating to world renowned universities as well as major corporations/organisations with global vision and network. The Steering Committee should also comprise members well-versed in other reputable scholarship schemes.

Non-official members of the Steering Committee may include distinguished academics, eminent professionals, senior executives, entrepreneurs, etc. The Secretary for Education or his/her representative will become an ex-officio member of the Steering Committee. The Steering Committee may also co-opt members as and when necessary.

- (c) Details of the selection criteria and process of the Scholarship Scheme are provided in paragraph 6 to 10 and Enclosure 1 of the paper. We propose that the Scholarship Scheme should be merit-based, targeting the best and most outstanding Hong Kong students who are admitted to world renowned universities or programmes. The Steering Committee will, among other things, advise on the principles and criteria for the selection process, as well as select the final awardees. It is expected that the selection criteria will primarily comprise the following aspects –
- (i) academic and non-academic achievements;
 - (ii) leadership qualities and potential;
 - (iii) contribution and commitment to Hong Kong, particularly the willingness to contribute to Hong Kong after completion of studies; and
 - (iv) programmes and universities/institutions of study.

In addition, the Steering Committee will take into account the following –

- (i) the candidates should receive confirmed or conditional offer(s) from renowned university(ies) for programmes at undergraduate or above levels;

- (ii) while there is no limitation on the disciplines of study, priority will be given to programmes that are conducive to building up Hong Kong's long-term competitiveness, in particular those not available in Hong Kong; and
- (iii) other things being equal, priority will be given to students from needy families who will otherwise not have the opportunity to support their studies in prestigious overseas universities.

As regards how to define "renowned universities or programmes", the Steering Committee may consider a number of factors, including the academic status of the universities and disciplines/programmes, information provided by the applicants and advice of local academic and professional bodies and relevant organisations (such as the relevant consulate-generals), etc.

The Steering Committee may also set up interview panels for vetting, interviewing and selecting qualified applicants in accordance with the principles and criteria set out by the Steering Committee. For instance, interview panels may be set up according to broad disciplines/professions (e.g. science and engineering, humanities and social sciences, etc.) or geographic areas of the universities concerned (e.g. North America, Europe, other regions, etc.) where experts or community leaders with relevant knowledge or experience are invited to assess applications.

(2) Mainland University Study Subsidy Scheme

The Administration issued the FCai paper on the Mainland University Study Subsidy Scheme (MUSSS) (See Annex 2) on 22 May. In response to Members' enquiries at the Panel meeting, supplementary information on the effectiveness of the Scheme for Admission of Hong Kong Students to Mainland Higher Education Institutions (Admission Scheme) is appended below.

The Admission Scheme was launched with effect from the 2012/13 academic year and has expanded in scope in the past 3 years. The number of participating institutions has increased from 63 in 11 provinces/municipalities in the 2012/13 academic year to 75 institutions covering 14 provinces/municipalities in the Mainland. The types of institutions have also become more diversified, thereby offering more choices for Hong Kong students. The number and distribution of participating institutions, as well as the number of applications, admissions and enrolments are as follows –

Number and distribution of institutions participating in the Admission Scheme

Academic year	2012/13	2013/14	2014/15
Number of participating institutions	63	70	75
Distribution in terms of provinces/municipalities in the Mainland	11	12	14

Number of applications, admissions and enrolments under the Admission Scheme

Academic year	2012/13 (Note 1)	2013/14	2014/15
Number of applications	4 248	2 279	3 249
Number of students admitted by Mainland institutions	971	1 188	N.A. (Note 2)
Number of enrolments	401	393	

Notes

- 2012/13 academic year is the double cohort year with the last cohort of Secondary 7 students taking the Hong Kong Advanced Level Examination and the first cohort of Secondary 6 students taking the Hong Kong Diploma of Secondary Education Examination.
- Mainland institutions will announce admission results under the Admission Scheme for the 2014/15 academic year in August 2014. Hence, the number of students admitted by and those enrolled in Mainland institutions in that year are not yet available.

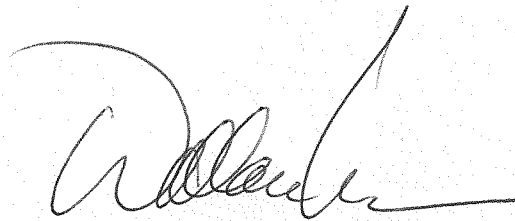
As shown by the above statistics, discounting the effect of the 2012/13 double cohort year, the number of students participating in the Admission Scheme is rising steadily. In fact, the number of students participating in the Admission Scheme in 2014 is about 1 000 more than that in 2013, representing an increase of 43%.

Apart from the above information, the applications under the Admission Scheme in 2014 show that most of the students applying for Mainland higher education institutions this year are better prepared than those of the previous years. Many of them have read information on the institutions and programmes concerned with clear goals in their choices of institutions and programmes, which indicates the following –

- (a) students' interest and confidence in pursuing further studies in the Mainland have significantly increased;
- (b) students applying for institutions under the Admission Scheme have a better grasp of the information on further studies in the Mainland and the Admission Scheme; and
- (c) with adequate information, students are more able to choose suitable Mainland institutions and programmes based on their interest and aspirations.

Looking forward, as Hong Kong students gain a better understanding of Mainland higher education institutions and the Admission Scheme, and with the provision of additional support upon the introduction of the MUSSS, we expect that the actual number of enrolments will gradually increase in the next few years.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Wallace Lau', with a long horizontal stroke extending to the right.

(Wallace Lau)
for Secretary for Education

For discussion
on 30 May 2014

FCR(2014-15)17

ITEM FOR FINANCE COMMITTEE

HEAD 156 – GOVERNMENT SECRETARIAT : EDUCATION BUREAU

Subhead 700 General Non-recurrent

New Item “Scholarship Scheme for Studying Outside Hong Kong”

Subhead 000 Operational expenses

Members are invited to approve –

- (a) a new commitment of \$347,965,000; and
- (b) an increase in the ceiling placed on the total notional annual mid-point salary value of all non-directorate posts in the establishment of Head 156 – Government Secretariat: Education Bureau in 2014-15 from \$2,814,726,000 by \$1,200,960 to \$2,815,926,960,

for the Education Bureau to implement the Scholarship Scheme for Studying Outside Hong Kong.

PROBLEM

We need to enrich our pool of human capital with talents with global vision, international network and world-class education, thereby contributing to enhancing Hong Kong’s competitiveness as Asia’s World City amidst intense competition in a globalised knowledge economy.

/PROPOSAL

PROPOSAL

2. The Secretary for Education proposes to create a new commitment of \$347,965,000 and increase the ceiling placed on the total notional annual mid-point salary (NAMS) value of all non-directorate posts in the establishment of the Education Bureau (EDB) in 2014-15 for the creation of three additional time-limited civil service posts for the implementation of the Scholarship Scheme for Studying Outside Hong Kong (Scholarship Scheme).

JUSTIFICATION***Objectives***

3. Talent is the most powerful driving force of a society's sustainable development. We propose the establishment of the Scholarship Scheme for supporting local students to pursue studies outside Hong Kong with a view to enriching our pool of human capital with talents with global vision, international network and world-class education, thereby contributing to enhancing Hong Kong's competitiveness as Asia's World City amidst intense competition in a globalised knowledge economy. The Scholarship Scheme also seeks to support those students who have excellent academic achievement but lack the financial means to study in top-notch universities outside Hong Kong.

Eligibility

4. To be eligible for the Scholarship Scheme, applicants should satisfy the following two criteria –

- (a) have right of abode or right to land, or have entered Hong Kong on One-way Permits; and
- (b) have resided in Hong Kong continuously for three complete years immediately prior to the commencement of the academic programme outside Hong Kong.

For the avoidance of doubt, those applicants who cannot demonstrate that they can return to Hong Kong upon graduation to work (see paragraph 17 below) will not be considered. In particular, students entering Hong Kong on student or dependant visas will not be eligible for the Scholarship Scheme.

5. For undergraduate programmes, we recommend that only students who have completed their formal school education in Hong Kong are eligible. This would cover all Hong Kong students who receive and complete senior secondary education in Hong Kong, including those studying local (e.g. Hong Kong Diploma of Secondary Education) and non-local (e.g. International Baccalaureate) curricula in Hong Kong. For postgraduate programmes, students who have obtained their undergraduate qualifications either in or outside Hong Kong are eligible, provided that they meet the criteria in paragraph 4 above.

Selection Criteria and Process

Encl. 1 6. We propose that the Scholarship Scheme should be merit-based, targeting the best and most outstanding Hong Kong students who are admitted to world renowned universities or programmes. Consistent with the practices for other prestigious scholarship schemes (see Enclosure 1), selection will be based not only on the academic achievements but also other attributes such as leadership qualities and potential, contribution and commitment to the society, etc. Applicants will need to demonstrate *inter alia* how his/her study would benefit himself/herself and eventually the community as a whole.

7. We shall set up a Steering Committee to advise the Secretary for Education on the policy, strategy and administration of the Scholarship Scheme. The Steering Committee will, among other things, advise on the principles and criteria for the selection process, as well as select the final awardees. It is expected that the selection criteria will primarily comprise the following aspects –

- (a) academic and non-academic achievements;
- (b) leadership qualities and potential;
- (c) contribution and commitment to Hong Kong, particularly the willingness to contribute to Hong Kong after completion of studies; and
- (d) programmes and universities/institutions of study.

8. In addition, the Steering Committee will take into account the following –

- (a) the candidates should receive confirmed or conditional offer(s) from renowned university(ies) for programmes at undergraduate or above levels;

/(b)

- (b) while there is no limitation on the disciplines of study, priority will be given to programmes that are conducive to building up Hong Kong's long-term competitiveness, in particular those not available in Hong Kong; and
- (c) other things being equal, priority will be given to students from needy families who will otherwise not have the opportunity to support their studies in prestigious overseas universities.

9. Initially up to 100 scholarships will be awarded each year to support the most outstanding students to pursue degree education outside Hong Kong. Whilst there will be no pre-determined split of or quotas for awardees at undergraduate and postgraduate levels, the Scholarship Scheme will primarily benefit students pursuing studies at undergraduate level. However, flexibility would be given to the Steering Committee based on the merits of applicants in each year.

Composition of Steering Committee and Interview Panels

10. With reference to other scholarship schemes (see the membership composition at Enclosure 1), we propose that the Steering Committee of the Scholarship Scheme should have a good mix of leaders and experts, preferably with excellent knowledge, experience and network relating to world renowned universities as well as major corporations/organisations with global vision and network. The Committee should also comprise members well-versed with operation of the reputable scholarship schemes. The Steering Committee may set up interview panels for vetting, interviewing and selecting qualified applicants in accordance with the principles and criteria set out by the Steering Committee. For instance, interview panels may be set up according to broad disciplines/professions (e.g. science and engineering, humanities and social sciences) or geographic areas of the universities concerned (e.g. North America, Europe, and other regions) where experts or community leaders with relevant knowledge or experience are invited to assess applications. If necessary, we will also seek advice from the relevant policy bureaux and departments, professional bodies and the relevant consulate-generals on the status of a particular institution or programme. The final selection will need to be endorsed by the Steering Committee.

11. The proposed membership and terms of reference of the Steering Committee are set out at Enclosure 2.

Encl. 2

/Scholarship

Scholarship and bursary

12. We propose a two-tiered structure whereby all awardees will receive a non-means-tested scholarship to cover their tuition fees, subject to a ceiling of \$250,000 per annum, whichever is lower. According to our survey, the amount is sufficient for covering the average tuition fee of top universities in the US and UK¹.

13. In addition, considering that some financially less well-off students may need additional support in order for them to pursue study, we also propose a means-tested bursary, subject to a ceiling of \$200,000 per student per annum. The means-tested bursary will consist of two components, i.e. up to \$50,000 per annum for covering tuition fee in excess of \$250,000; and up to \$150,000 per annum for covering living and other study-related expenses.

14. The Steering Committee will be invited to advise on the details of the bursary for the living expense component taking into account the relative costs of living of different study destinations. Besides, the value of the award may be correspondingly reduced if an awardee also receives other awards to finance his/her same studies overseas.

15. For the means-tested bursary, we propose to adopt the same means test formula of the Student Financial Assistance Agency (SFAA) as applicable to local tertiary students with five tiers of financial assistance² based on the result of the means test. However, in view of the fact that awardees will be away from Hong Kong during their studies, we propose that the means test should be conducted only once throughout the study rather than on an annual basis, unless the awardees encounter significant changes in their family circumstances which warrant reassessment.

/Safeguards

¹ Our research indicates that an Oxbridge education in the UK for overseas students costs around £20,000 to £40,000 (around HK\$250,000 to HK\$500,000) per year as tuition and college fees depending on the discipline of study. As for an Ivy League education in the US, universities typically charge an overseas student around US\$45,000 (around HK\$350,000) per year. The proposed non-means-tested scholarship of up to \$250,000 per student per year should be sufficient to cover the bulk of the cost of tuition in most cases.

² There will be five levels of bursary, i.e. 100%, 75%, 50%, 25% and 15% for different Adjusted Family Income groups. The resulting amount will then be further reduced by the percentage (i.e. 100%(no assistance), 80%, 60%, 40%, 20% and 0% (no reduction of assistance)) set out against the net asset value per family member of the applicant.

Safeguards

16. Once awarded, a scholarship will be tenable for the normal duration of the programme concerned (i.e. normally three to four years for undergraduate studies and up to two years for a master's degree or equivalent level) and renewable annually subject to the provision of satisfactory documentary proof of the awardees' good academic performance.

17. We note that some prestigious publicly-funded scholarships in other jurisdictions are usually accompanied by an obligation to return and work for the country/sector for a specific period. As the Scholarship Scheme involves a significant amount of public money, such an obligation is considered a reasonable safeguard measure to ensure the talents would return to Hong Kong and contribute to our community. That said, we also note some arguments against imposing such a mandatory requirement on the ground that in this increasingly globalised environment, students can still contribute to the development of Hong Kong whilst working outside Hong Kong in, for instance, multinational companies or international organisations. In addition, some working experience in the relevant fields overseas may also increase the competitiveness of our students and enhance their employability in Hong Kong. On balance, we recommend that –

- (a) awardees should be required to complete the specific study programmes and undertake to return to Hong Kong upon graduation to work for at least two years or a period equivalent to the duration of receiving the proposed scholarship, whichever is longer;
- (b) flexibility should be given to the Steering Committee to decide, upon application on a case-by-case basis, whether the requirement to undertake to return to and work in Hong Kong could be suitably deferred or waived under exceptional circumstances (e.g. pursuing more advanced studies immediately after graduation, or need to work in the country of their study as a mandatory requirement for acquiring professional qualifications); and
- (c) in the event of failure to comply with (a) or (b), the awardees concerned will be asked to repay the amount of monies disbursed (including both the non-means tested part and means-tested part, if any) in full or on a pro-rata basis, as the case may be, with reference to the prevailing policy of the SFAA on outstanding student loans.

/Implementation

Implementation

18. Subject to Members' approval, the Scholarship Scheme will benefit three cohorts of students starting from the 2015/16 academic year (i.e. those entering the first year of studies in the 2015/16, 2016/17 and 2017/18 academic years) and then be subject to a review on its effectiveness. We propose to engage SFAA to conduct means test for individual needy applicants based on which the subsidy will be granted.

FINANCIAL IMPLICATIONS

19. We estimate that the total expenditure will be \$357,573,000 for three cohorts of students each with 100 awardees, including non-recurrent funding of \$347,965,000 for scholarship/bursary to be provided and cost of engaging temporary staff to cope with seasonal workload, and time-limited recurrent funding of \$9,608,000 for the provision of three additional time-limited civil service posts (namely one Executive Officer I, one Clerical Officer and one Assistant Clerical Officer in EDB) from 2014-15 to 2021-22 to cope with the implementation work. The ceiling placed on the total NAMS value of all non-directorate posts in the establishment of EDB in the 2014-15 Estimates is proposed to be raised by \$1,200,960 to accommodate the three civil service posts.

20. The estimated cash flow requirement from the 2014-15 to 2021-22 financial years is shown in the table below –

Item	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	Total \$'000
(A) Non-recurrent									
(i) Scholarship/ Bursary	-	32,159	64,318	91,654	82,005	49,846	22,511	-	342,493
(ii) Cost of engaging temporary staff	684	684	684	684	684	684	684	684	5,472
(B) Recurrent									
Provision for three additional civil service posts	1,201	1,201	1,201	1,201	1,201	1,201	1,201	1,201	9,608
Total	1,885	34,044	66,203	93,539	83,890	51,731	24,396	1,885	357,573

Sufficient provision has been earmarked in the 2014-15 Estimates to meet the funding requirements of the year. For subsequent years, we will include sufficient provision in the draft Estimates to meet the requirements.

/PUBLIC

PUBLIC CONSULTATION

21. The Legislative Council Panel on Education was consulted on 14 April 2014 and generally supported the proposal. Some Members are concerned that the Scholarship Scheme will benefit non-local students instead of local students. As mentioned in the proposed eligibility criteria in paragraph 4, students entering Hong Kong on student or dependant visas will not be eligible for the Scholarship Scheme. We have also proposed a requirement of three-year continuous residence in Hong Kong immediately prior to the commencement of the programme for all applicants (including permanent residents with right of abode in Hong Kong), so as to ensure that only candidates with commitment to Hong Kong will be selected.

22. Some Members also commented on the employability of awardees upon graduation. Since the awardees of the Scholarship Scheme are among the most outstanding students in Hong Kong, it is highly likely that they would encounter no major difficulty in securing employment after their graduation from prestigious universities abroad. Some Members also queried why the new resources could not be used for increasing the University Grants Committee (UGC)-funded places in local universities hence benefitting more local students. We believe that the Scholarship Scheme is complementary to local university education in terms of grooming a diversified pool of talents for Hong Kong's development.

23. Some Members also enquired about the possibility of injecting public money into existing scholarship scheme(s) for students studying abroad instead of setting up a new scholarship scheme. It is noteworthy that the existing overseas scholarship schemes have been set up using private funds, and they all have their unique background, objectives, governance structure, scope, operating parameters and conditions. Hence, we consider that it is more desirable to establish a new scholarship scheme to meet our objectives.

BACKGROUND

24. In the 2014 Policy Address, the Chief Executive has announced a series of initiatives to provide school leavers with broader and more diversified articulation pathways both in and outside Hong Kong. These initiatives include a new scholarship scheme to support up to 100 outstanding Hong Kong students per cohort to study in renowned universities outside Hong Kong. The scholarship scheme will complement the following four other initiatives mentioned in the 2014 Policy Address, namely –

/(a)

- (a) progressively increasing the senior-year undergraduate intake places in UGC-funded institutions by another 1 000 places to 5 000;
- (b) studying the feasibility of a new scheme to subsidise up to 1 000 students per cohort to pursue self-financing undergraduate programmes in selected disciplines to meet Hong Kong's manpower needs;
- (c) launching the Mainland University Study Subsidy Scheme to support needy students pursuing studies under the Scheme for Admission of Hong Kong Students to Mainland Higher Education Institutions; and
- (d) setting up a \$100 million scholarship fund to encourage universities to admit about 20 local students a year who excel in sport, arts and community service.

Full implementation of the above measures will offer more opportunities and wider choices for senior secondary graduates to pursue higher education. It is expected that an additional 2 120 subsidised places will be provided to local students to pursue degree education in and outside Hong Kong. Students who choose to further their studies in the Mainland will also receive financial assistance.

Education Bureau
May 2014

Enclosure 1 to FCR(2014-15)17

Selection Criteria of the Proposed Scholarship Scheme and Other Scholarship Schemes for Students Studying Abroad

	Proposed Scholarship Scheme	Sir Edward Youde Memorial Scholarships for Overseas Studies	The Prince Philip Scholarship	Prime Minister's Australia Asia Outgoing Scholarship
Source of funding	Hong Kong Government (\$347,965,000)	Sir Edward Youde Memorial Fund	Donations raised by alumni of Cambridge University in Hong Kong	Australian Government
Year of establishment	2015	1987	1982	Information not available
Beneficiaries each year	Up to 100	Below 10	Below 10	40
Selection criteria	<ul style="list-style-type: none"> • Academic achievements • Non-academic achievements • Leadership qualities and potential • Contribution and commitment to Hong Kong, particularly the willingness to contribute to Hong Kong after completion of studies • Priority will be given to programmes that are conducive to building up Hong Kong's long- 	<ul style="list-style-type: none"> • Academic merits • Leadership qualities as demonstrated in their extra-curricular activities/community services • Commitment to Hong Kong and contribution to the society after graduation • Proficiency in English and Chinese as well as the mastery of the language in which the candidate's studies will be undertaken 	<ul style="list-style-type: none"> • Academic excellence • Overall intellectual ability • Personal qualities • Genuine interest in the proposed subject • Aptitude to study the proposed subject • Language ability 	<ul style="list-style-type: none"> • A record of high level academic achievement in the applicant's chosen field of study • Evidence of participation in community services outside of the applicant's regular studies and/or employment duties • A well-defined study and or research program • A proposal that is relevant to the needs and interests of

	Proposed Scholarship Scheme	Sir Edward Youde Memorial Scholarships for Overseas Studies	The Prince Philip Scholarship	Prime Minister's Australia Asia Outgoing Scholarship
	term competitiveness, in particular those not available in Hong Kong			Australia and the applicant's host country <ul style="list-style-type: none"> • A proposal that will contribute to the achievement of personal goals, to academic success and to planned career pathways or goals
Composition of Boards/ Executive Committees/ Steering Committees	<ul style="list-style-type: none"> • a good mix of leaders and experts, preferably with excellent knowledge, experience and network relating to world renowned universities as well as major corporations/ organisations with global vision and network. • members well-versed in the reputable scholarship schemes. • examples include distinguished academics, eminent professionals, senior executives, entrepreneurs, etc. 	<ul style="list-style-type: none"> • academics, government representative (ex-officio) and senior executives 	<ul style="list-style-type: none"> • academics, bankers, former vice chancellor of local institution, independent business adviser, professionals and senior executives 	<ul style="list-style-type: none"> • academics, government representatives and professionals

**Steering Committee on Scholarship Scheme
for Studying Outside Hong Kong
(Steering Committee)**

Proposed Terms of Reference

- (a) To set the overall strategy and direction of the Scholarship Scheme;
- (b) To determine the scope, parameters and details of the implementation of the Scholarship Scheme, including but not limited to the principles and criteria for the selection process;
- (c) To select the awardees under the Scholarship Scheme;
- (d) To consider applications relating to the compliance with conditions of the scholarship; and
- (e) To consider any other matters that may be referred to the Steering Committee by the Education Bureau concerning the policy and administration of the Scholarship Scheme.

In discharging its functions, the Steering Committee may set up sub-committees and panels, conduct studies, engage professional services and co-opt members as and when necessary.

Proposed Membership

Chairman: Non-official

Members:

Ex-officio Member: Secretary for Education or his/her representative

Non-official Members:

A good mix of leaders and experts, preferably

- with excellent knowledge, experience and network relating to world renowned universities as well as major corporations/organisations with global vision and network
- well-versed in the reputable scholarship schemes

Examples include distinguished academics, eminent professionals, senior executives, entrepreneurs, etc.

The Steering Committee may also co-opt members as and when necessary.

For discussion
on 30 May 2014

FCR(2014-15)15

ITEM FOR FINANCE COMMITTEE

HEAD 156 – GOVERNMENT SECRETARIAT : EDUCATION BUREAU

Subhead 700 General Non-recurrent

New Item “Mainland University Study Subsidy Scheme”

Subhead 000 Operational expenses

Head 173 – STUDENT FINANCIAL ASSISTANCE AGENCY

Subhead 000 Operational expenses

Members are invited to approve –

- (a) a new commitment of \$105,300,000;
- (b) an increase in the ceiling placed on the total notional annual mid-point salary value of all non-directorate posts in the establishment of Head 156 – Government Secretariat: Education Bureau in 2014-15 from \$2,816,548,860¹ by \$621,900 to \$2,817,170,760; and
- (c) an increase in the ceiling placed on the total notional annual mid-point salary value of all non-directorate posts in the establishment of Head 173 – Student Financial Assistance Agency in 2014-15 from \$213,982,000 by \$579,060 to \$214,561,060,

for implementing the Mainland University Study Subsidy Scheme.

/PROBLEM

¹ \$2,816,548,860 is equal to the total notional annual mid-point salary (NAMS) value of all non-directorate posts in the establishment of Head 156 – Government Secretariat: Education Bureau of \$2,814,726,000 in the 2014-15 Estimates, plus a proposed increase in the NAMS value by \$1,200,960 vide FCR(2014-15)17 for “Scholarship Scheme for Studying Outside Hong Kong” and by \$621,900 vide FCR(2014-15)16 for “Study Subsidy Scheme for Designated Professions/Sectors” issued for the same meeting.

PROBLEM

We need to provide financial assistance to students studying undergraduate programmes in the Mainland to ensure that no student will be deprived of the study opportunity due to lack of financial means.

PROPOSAL

2. The Secretary for Education proposes to create a new commitment of \$105,300,000 and increase the ceiling placed on the total notional annual mid-point salary (NAMS) value of all non-directorate posts in the establishment of the Education Bureau (EDB) and the Student Financial Assistance Agency (SFAA) in 2014-15 for the creation of one and two additional time-limited civil service posts respectively for the implementation of the Mainland University Study Subsidy Scheme (MUSSS).

JUSTIFICATION

3. As one of the measures to support the development of HKSAR, the Central People's Government approved in 2011 a new scheme for some Mainland higher education institutions to admit Hong Kong students based on their Hong Kong Diploma of Secondary Education (HKDSE) examination results (the Scheme for Admission of Hong Kong Students to Mainland Higher Education Institutions, or "Admission Scheme"), thus exempting them from taking the Joint Entrance Examination or any other examinations organised by individual Mainland institutions. With the joint efforts of EDB and the Ministry of Education of the People's Republic of China (MoE), the Admission Scheme was launched with effect from the 2012/13 academic year. In the past three years, the scope of the Admission Scheme has expanded. The number of participating institutions has increased from 63 in 11 provinces/municipalities in the 2012/13 academic year to 75 institutions covering 14 provinces/municipalities in the Mainland. The types of institutions have also become more diversified, thereby offering more choices for Hong Kong students. The number and distribution of participating institutions, as well as the number of applications and admissions, are set out at Enclosure 1. The list of participating institutions is at Enclosure 2.

Encl. 1
Encl. 2

4. The Admission Scheme has a number of unique features as distinct from other admission arrangements –

- (a) the Admission Scheme, which is jointly taken forward and co-ordinated by EDB and MoE, is the only government-to-government initiative on supporting Hong Kong students studying outside Hong Kong;

/(b)

- (b) Hong Kong students are admitted based on their HKDSE results and are exempted from taking the Joint Entrance Examination so that they can focus on their study and preparation for the HKDSE examination;
- (c) Hong Kong students participating in the Admission Scheme with a view to pursuing studies in the Mainland higher education institutions pay the same tuition fee as their Mainland counterparts, and are thus receiving Mainland government's subsidy to the same extent as local Mainland students;
- (d) some institutions participating in the Admission Scheme are among the best higher education institutions in the Mainland, with 38 institutions under "Project 211"² including 19 belonging to "Project 985"³, where places are extremely competitive among Mainland students;
- (e) apart from a few sports and art-related programmes, the Admission Scheme adopts a general minimum entrance requirement for admission of "3,3,2,2"⁴ for HKDSE candidates, which is the same as that for entering undergraduate programmes in Hong Kong institutions so as to ensure the quality of the programmes and their students; and
- (f) all the 75 Mainland institutions participating in the Admission Scheme are covered by the Memorandum of Understanding on mutual recognition of academic qualification signed by the Mainland and HKSAR for the purpose of further studies, which enable students to pursue further study in local tertiary institutions seamlessly.

/The

² "Project 211" was initiated in 1995 by the MoE with the intent of raising the quality and standard of teaching, research, management and programmes of certain higher education institutions, so that they became the base of nurturing talents and cultivating strategies for socio-economic development. As at present, there are 112 higher education institutions under "Project 211".

³ "Project 985" was first taken forward by the Central People's Government in 1998 by allocating large amounts of funding to certain top notch universities to turn them into world-class universities. As at present, there are 39 higher education institutions under "Project 985".

⁴ In principle, a candidate should meet the minimum entrance requirement for the four core subjects, that is, attaining Level 3 in Chinese Language and English Language and Level 2 in Mathematics and Liberal Studies.

The MUSSS

Implementation

5. In view of the rising demand for pursuing higher education in the Mainland, we propose to introduce the MUSSS starting from the 2014/15 academic year to support needy Hong Kong students pursuing undergraduate education in the Mainland under the Admission Scheme. Subject to Members' approval, the MUSSS will benefit three cohorts of students starting from the 2014/15 academic year (i.e. those entering the first year of undergraduate studies in the 2014/15, 2015/16 and 2016/17 academic years) and then be subject to a review on its effectiveness.

Eligibility

6. We recommend that only HKDSE students pursuing undergraduate studies in the Mainland institutions under the Admission Scheme would be eligible subject to passage of the means test detailed in paragraphs 8 and 9. Hong Kong students admitted to these institutions through other means (e.g. Joint Entrance Examination or individual institutions' own arrangement/examinations) will not be eligible for the subsidy. Besides, students will also need to fulfil the relevant immigration requirements of the Mainland.

Subsidy

7. We propose that a means-tested subsidy of up to HK\$15,000 (i.e. about RMB12,000 at prevailing exchange rate) per student per year be provided under the MUSSS. The amount of subsidy takes into account the study-related expenses in the Mainland institutions including –

- (a) tuition fee ranging from RMB 4,000 to 6,000 per year⁵;
- (b) hostel fee at around RMB 1,200 per year; and
- (c) insurance, communications, travel and other living expenses.

The subsidy is tenable for the normal duration of the programme concerned⁶ and will be disbursed by annual instalment subject to the provision of satisfactory documentary proof by the relevant Mainland institutions certifying the student status of the applicants.

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⁵ Some disciplines such as arts and laboratory-based subjects may charge an annual tuition fee of up to RMB9,000 to 10,000.

⁶ The normal duration of undergraduate programmes in the Mainland is four years. It can be up to six years for some disciplines, such as Medicine.

8. As regards the means test arrangement, we propose that –
- (a) the means test as administered by SFAA and currently applicable to financial assistance for secondary students with two tiers of assistance (i.e. 100% and 50%) should be adopted for the MUSSS. We propose using the means test applicable to secondary students (with two tiers of assistance) instead of the one applicable to post-secondary students (with five tiers of assistance) having balanced the need to safeguard the prudent use of public resources and the desirability and feasibility of using a simpler means test in view of the relatively small amount of subsidy involved; and
 - (b) the means test should be conducted only once, at the time of first application, rather than on an annual basis, unless the awardees encounter significant changes in their family circumstances which warrant reassessment.
9. In line with the arrangement for students admitted to local tertiary institutions, SFAA will be responsible for conducting the means test for individual applicants based on which the subsidy will be granted.

FINANCIAL IMPLICATIONS

10. Based on the number of students admitted through the Admission Scheme in the past, we estimate that the total expenditure will be \$113,707,000 for three cohorts of students (benefitting around 2000 students in total), including non-recurrent funding of \$105,300,000 for subsidies to be provided, and time-limited recurrent funding of \$8,407,000 for three time-limited civil service posts (namely, one Executive Officer I in EDB, one Clerical Officer and one Assistant Clerical Officer in SFAA) from 2014-15 to 2020-21 to cope with the implementation workload. The actual number of beneficiaries and amount of expenditure will depend on the number of actual intake via the Admission Scheme and the number of students passing the means test. The ceilings placed on the total NAMS value of all non-directorate posts in the establishment of EDB and SFAA in 2014-15 are proposed to be raised by \$621,900 and \$579,060 respectively to accommodate the posts.

11. The estimated cash flow requirement from the 2014-15 to 2020-21 financial years is shown in the table below –

/Item

Item	Estimated cash flow requirement in \$'000							
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total
(A) Non-recurrent funding for subsidies	7,290	15,930	26,325	26,325	19,035	10,395	-	105,300
(B) Recurrent provision for three additional civil service posts	1,201	1,201	1,201	1,201	1,201	1,201	1,201	8,407
Total	8,491	17,131	27,526	27,526	20,236	11,596	1,201	113,707

Sufficient provision has been earmarked in the 2014-15 Estimates to meet the funding requirements of the year. For subsequent years, we will include sufficient provision in the draft Estimates to meet the requirements.

12. We will also follow the established government procurement procedure to engage an agency to support the implementation of the MUSSS, including serving as the focal point of contact between HKSAR Government and eligible students whilst in the Mainland, their respective Mainland institutions and relevant Mainland authorities/agencies in the implementation process, such as verification of the status of eligible students upon application and annual renewal, disbursing subsidy to the eligible students, etc.

PUBLIC CONSULTATION

13. The Legislative Council Panel on Education was consulted on 14 April 2014 and generally supported the proposal. Some Members suggested that the MUSSS should be opened up for supporting Hong Kong students studying in the Mainland via other channels (e.g. the Joint Entrance Examination for Universities in the Mainland) as well as those studying in Macau and Taiwan. As mentioned in paragraph 4, the Admission Scheme has unique features that ensure the quality of programmes and recognition of qualifications obtained by our students. Details of the Admission Scheme, such as admission criteria and designated institutions, have been formulated with a view to safeguarding quality and the interest of Hong Kong students. Moreover, the Admission Scheme will exempt Hong Kong students from the Joint Entrance Examination for Universities in the Mainland, hence saves students' time and effort on other university admission examinations, so that they can concentrate on their preparation for the HKDSE examination. This is in line with the HKSAR Government's policy

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objective to promote HKDSE examination as the primary channel for articulation in and outside Hong Kong. As such, we consider it prudent to limit the scope of the MUSSS to those studying undergraduate programmes under the Admission Scheme.

14. Members are also concerned about the employment situation of Hong Kong students graduated from Mainland tertiary institutions. While there is no official and nation-wide statistics in this regard, according to the information provided by local student guidance agencies⁷, many Hong Kong students graduating from Mainland universities have returned to work in Hong Kong after graduation. Generally speaking, many of them have successfully secured employment or professional recognition in Hong Kong. With the vibrant economy in the Mainland, there is an increasing demand for talent with good understanding of the Mainland system and culture and a strong network with the Mainland. In this connection, Hong Kong graduates of Mainland universities will be highly competitive in the employment market.

BACKGROUND

15. In the 2014 Policy Address, the Chief Executive has announced a series of initiatives in a bid to provide school leavers with broader and more diversified articulation pathways both in and outside Hong Kong. These initiatives include the MUSSS, which is a new scheme to support needy students pursuing studies in Mainland undergraduate programmes under the Admission Scheme. The scheme will complement the following four other initiatives, namely –

- (a) progressively increasing the intake of senior-year undergraduate places in University Grants Committee-funded institutions by another 1 000 places to 5 000;
- (b) studying the feasibility of a new scheme to subsidise up to 1 000 students per cohort to pursue self-financing undergraduate programmes in selected disciplines to meet Hong Kong's manpower needs;
- (c) introducing a new scholarship scheme to support up to 100 outstanding local students each cohort to pursue studies in renowned universities outside Hong Kong; and

/(d)

⁷ <http://www.student.hk/overseas/info/china/>

- (d) setting up a \$100 million scholarship fund to encourage universities to admit about 20 local students a year who excel in sport, arts and community service.

Full implementation of the above measures will offer more opportunities and wider choices for senior secondary graduates to pursue higher education. It is expected that an additional 2 120 subsidised places will be provided to local students to pursue degree education in and outside Hong Kong. Students who choose to further their studies in the Mainland will also receive financial assistance.

Education Bureau
May 2014

**The Implementation of the Admission Scheme
in the past three academic years**

A. Number and distribution of participating institutions

Academic year	2012/13	2013/14	2014/15
Number of participating institutions	63	70	75
Distribution in terms of provinces/ municipalities in the Mainland	11	12	14

B. Number of applications and admissions

Academic year	2012/13 (Note 1)	2013/14	2014/15
Number of applications	4 248	2 279	3 249
Number of students admitted by Mainland institutions	971	1 188	N.A. (Note 2)

Notes

1. 2012/13 academic year is the double cohort year with the last cohort of Secondary 7 students taking the Hong Kong Advanced Level Examination and the first cohort of Secondary 6 students taking the Hong Kong Diploma of Secondary Education Examination.
2. Mainland institutions will announce admission results under the Admission Scheme for the 2014/15 academic year in August 2014. Hence, the number of students admitted by Mainland institutions in that year is not available yet.

Enclosure 2 to FCR(2014-15)15

**Scheme for Admission of Hong Kong Students to
Mainland Higher Education Institutions in 2014**

List of Participating Institutions

參與院校	Participating Institutions
北京市	<u>Beijing Municipality</u>
中國人民大學	Renmin University of China
中國政法大學	China University of Political Science and Law
中國傳媒大學	Communication University of China
北京大學	Peking University
北京中醫藥大學	Beijing University of Chinese Medicine
北京外國語大學	Beijing Foreign Studies University
北京服裝學院	Beijing Institute of Fashion Technology
北京師範大學	Beijing Normal University
北京語言大學	Beijing Language and Culture University
清華大學	Tsinghua University
對外經濟貿易大學	University of International Business and Economics
天津市	<u>Tianjin Municipality</u>
天津大學	Tianjin University
天津中醫藥大學	Tianjin University of Traditional Chinese Medicine
天津師範大學	Tianjin Normal University
南開大學	Nankai University
上海市	<u>Shanghai Municipality</u>
上海大學	Shanghai University
上海中醫藥大學*	Shanghai University of Traditional Chinese Medicine*
上海外國語大學	Shanghai International Studies University
上海交通大學	Shanghai Jiao Tong University
上海師範大學	Shanghai Normal University
上海財經大學	Shanghai University of Finance and Economics
同濟大學	Tongji University
東華大學	Donghua University
復旦大學	Fudan University
華東政法大學	East China University of Political Science and Law
華東師範大學	East China Normal University
華東理工大學*	East China University Of Science And Technology*

參與院校	Participating Institutions
江蘇省	<u>Jiangsu Province</u>
南京大學	Nanjing University
南京中醫藥大學	Nanjing University of Chinese Medicine
南京師範大學	Nanjing Normal University
浙江省	<u>Zhejiang Province</u>
浙江大學	Zhejiang University
浙江中醫藥大學	Zhejiang Chinese Medical University
溫州醫科大學	Wenzhou Medical University
寧波大學	Ningbo University
福建省	<u>Fujian Province</u>
華僑大學	Huaqiao University
集美大學	Jimei University
廈門大學	Xiamen University
福州大學	Fuzhou University
福建中醫藥大學	Fujian University of Traditional Chinese Medicine
福建師範大學	Fujian Normal University
江西省	<u>Jiangxi Province</u>
江西中醫藥大學*	Jiangxi University of Traditional Chinese Medicine*
山東省	<u>Shandong Province</u>
山東大學*	Shandong University*
湖南省	<u>Hunan Province</u>
湖南師範大學	Hunan Normal University
湖北省	<u>Hubei Province</u>
三峽大學*	China Three Gorges University*
中南財經政法大學	Zhongnan University of Economics and Law
武漢大學	Wuhan University
湖北中醫藥大學	Hubei University of Chinese Medicine
華中師範大學	Central China Normal University

參與院校	Participating Institutions
廣東省	<u>Guangdong Province</u>
中山大學	Sun Yat-sen University
北京師範大學珠海分校	Beijing Normal University, Zhuhai
汕頭大學	Shantou University
南方醫科大學	Southern Medical University
星海音樂學院	Xinghai Conservatory of Music
深圳大學	Shenzhen University
華南師範大學	South China Normal University
華南理工大學	South China University of Technology
暨南大學	Jinan University
肇慶學院	Zhaoqing University
韶關學院	Shaoguan University
廣州大學	Guangzhou University
廣州中醫藥大學	Guangzhou University of Chinese Medicine
廣州美術學院	The Guangzhou Academy of Fine Arts
廣東工業大學	Guangdong University of Technology
廣東外語外貿大學	Guangdong University of Foreign Studies
廣東金融學院	Guangdong University of Finance
廣東財經大學	Guangdong University of Finance and Economics
廣東藥學院	Guangdong Pharmaceutical University
重慶市	<u>Chongqing Municipality</u>
西南大學	Southwest University
西南政法大學	Southwest University of Political Science and Law
重慶大學	Chongqing University
四川省	<u>Sichuan Province</u>
四川大學	Sichuan University
四川師範大學	Sichuan Normal University
成都中醫藥大學	Chengdu University of Traditional Chinese Medicine
雲南省	<u>Yunnan Province</u>
雲南大學	Yunnan University
雲南師範大學	Yunnan Normal University
(按中文筆劃序)	(In ascending order of Chinese characters)
備註:	Remarks:
* 2014 年免試收生計劃新增院校	* Institutions newly joined the Admission Scheme in 2014