

LegCo Panel on Education

**Enhancement of Capacity Enhancement Grant
for Secondary Schools**

PURPOSE

This paper seeks Members' views on enhancing the rates of the Capacity Enhancement Grant (CEG) for secondary schools from the 2001/02 school year onwards.

BACKGROUND

2. The Finance Committee (FC) of the Legislative Council approved on 17 November 2000 the disbursement of CEG (up to \$550,000 per primary school per school year and up to \$300,000 per secondary school per school year at the 2000-01 price level) to government and subvented schools^{Note 1} with effect from the 2000/01 school year. The grant is intended to reduce teachers' workload so that teachers can concentrate better on curriculum development, enhancing students' language proficiency and coping with the diverse and special learning needs of students with varied abilities, or can enhance in general the effectiveness of teaching and learning in other areas. Schools may also use the grant to hire additional teaching or non-teaching staff, or procure outside services according to their own circumstances and priorities. Since the 2000/01 school year, about 1,200 government and subvented schools have submitted to the Education Department (ED) annual plans on how to make use of the grant.

PROPOSAL

3. We propose to enhance the annual rates of CEG for government and subvented secondary schools by 50% as follows –

Existing rate

New rate

^{Note 1} For the purpose of disbursement of CEG, "subvented schools" means aided schools, caput schools and schools in receipt of Government subsidies for running the full-time initiation programme for newly arrived children. For schools under the Direct Subsidy Scheme, the enhancement will be reflected as increased subsidy according to the approved formula.

No. of classes	per school per annum^{Note 2}	Amount of increase by 50%	per school per annum
	\$	\$	\$
1 to 18	247,250	123,625	370,875
19 or more	296,700	148,350	445,050

The increased provision will allow a secondary school to employ additional staff, for example, a teaching assistant, or hire additional services to provide further relief to teachers in teaching-related and non-teaching duties. The enhanced rates will take effect from the 2001/02 school year. The existing mechanism under which the grant is operated and monitored will remain unchanged upon the enhancement of the rates.

JUSTIFICATIONS

4. Since the introduction of the CEG in the 2000/01 school year, we have received very positive feedback from schools and teachers. The majority of them considered that the CEG helped to relieve teachers' workload and enhance their capacity for improving the effectiveness of teaching and learning. Apart from hiring outside service, the schools have used the CEG to employ a total of 2,225 full-time staff and 2,806 part-time staff in the last school year.

5. When we determined the CEG rates for schools last year, we made a conscious decision to provide more for primary schools. This was because, compared to secondary schools, primary schools were less well-resourced, and we believed that by enhancing the effectiveness of teaching and learning in primary schools, the foundation of students' secondary education and life-long learning could be strengthened. This year, we continue to follow this principle in considering the *overall* allocation of additional resources to support various new educational initiatives. Nonetheless, we are also keenly aware of the need to enhance support for secondary school teachers so as to enhance their capacity for implementing the reform and coping with the challenges arising from the changes in the education system.

6. As different schools may have different circumstances and priorities, we believe that the best approach is to give schools flexibility by enhancing the CEG rates. The Chief Executive therefore announced in his 2001 Policy Address the proposal for enhancing the CEG for secondary schools by 50% starting from the 2002/03 school year.

7. Since the announcement of the initiative, we have received a lot of

^{Note 2} The existing rates of CEG had been adjusted at the start of 2001/02 school year in line with the movement of the Composite Consumer Price Index to maintain the grant's real value.

positive feedback on the improved provision for secondary schools. There were calls for implementing the initiative as early as possible. We have carefully considered the request. Given that the CEG is not a new measure and that schools already have the experience to plan and make use of the grant, we see merit in advancing the initiative so that schools may take early measures to further relieve teachers from their heavy workload.

FINANCIAL IMPLICATIONS

8. We estimate that the enhancement of the CEG rates for government and subvented secondary schools by 50% will incur an additional recurrent expenditure of about \$68 million from 2001-02 onwards, broken down as follows –

	Number of schools	Proposed increase in grant rates \$ per school per annum	Estimated Cost \$ million
(a) Secondary schools with less than 19 classes	49	123,625	6
(b) Secondary schools with 19 or more classes	418	148,350	62
		Total:	<hr style="width: 50%; margin: 0 auto;"/> 68

Subject to FC's approval of the proposed increase in the rates in the course of the financial year, we plan to meet the additional funding requirements for 2001-02 through internal redeployment. Provisions required for 2002-03 and thereafter will be included in the draft Estimates.

CONSULTATION

9. Various school councils have indicated support to the proposed enhanced rates of CEG for secondary schools following the announcement in the Chief Executive Policy Address. We expect that advancing the rate increase from the 2001/02 school year will be welcome by schools. **ADVICE SOUGHT**

10. Members are invited to comment on the proposal at paragraph 3 above.

Education Department
November 2001