

ITEM FOR FINANCE COMMITTEE

**HEAD 156 – GOVERNMENT SECRETARIAT :
EDUCATION AND MANPOWER BUREAU
Subhead 700 General other non-recurrent
Item 027 Project Yi Jin and Website on Continuing Education**

Members are invited to extend the scope of Head 156 Government Secretariat : Education and Manpower Bureau Subhead 700 General other non-recurrent Item 027 Project Yi Jin and Website on Continuing Education to cover students of Project Yi Jin to be admitted in the 2003/04 and 2004/05 academic years.

PROBLEM

The existing scope of the approved commitment for supporting Project Yi Jin (PYJ) only covers admissions to the programme in three academic years from 2000/01 to 2002/03. The Secretary for Education and Manpower wishes to support admissions to the programme for two more academic years, using resources available under the approved commitment.

PROPOSAL

2. The Secretary for Education and Manpower proposes to extend the scope of the approved commitment in order to continue the provision of financial support for PYJ in respect of full-time and part-time students to be admitted in the 2003/04 and 2004/05 academic years.

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JUSTIFICATION

3. PYJ serves as a bridging programme to provide an alternative route and to expand the continuing education opportunities for secondary school leavers and adult learners. The programme is run by the Federation for Continuing Education in Tertiary Institutions (FCE). Although the intention is for PYJ to be run on a self-financing basis, the Finance Committee approved in May 2000 vide FCR(2000-01)19 a commitment of \$200 million to provide funding support for students admitted to PYJ during the three academic years from 2000/01 to 2002/03. The funding support takes the form of a 30% reimbursement of tuition fees to students upon successful completion of the relevant modules, plus student support and publicity activities. In July 2002, the Finance Committee further approved vide FCR(2002-03)31 the reimbursement of tuition fee in full to needy students admitted in the 2002/03 academic year upon successful completion of the relevant modules.

4. The number of full-time and part-time students enrolled in the programme in the 2000/01, 2001/02 and 2002/03 academic years were approximately 4 200, 3 300 and 3 400 respectively. The majority of them were young people who did not achieve five passes in the Hong Kong Certificate of Education Examination (HKCEE). Some 20% were adult learners.

5. For 2000/01 and 2001/02, out of a total 5 556 students who have completed the programme, 3 141 (56.5%) who satisfactorily completed all ten modules in the programme were awarded full certificates. 2 415 (43.5%) obtained passes in less than ten modules and were awarded, where appropriate, certificates for the relevant modules only.

6. It is estimated that \$107 million will have been spent on the programme for students admitted in the 2000/01, 2001/02 and 2002/03 academic years, leaving an unspent balance of about \$93 million. Such savings are available because the number of students enrolling in the programme and those satisfactorily completing the programme are lower than originally envisaged. A breakdown of expenditure for the three academic years from 2000/01 to 2002/03 is at Enclosure.

Encl.

7. We have carried out a survey on the first and second year graduates of the programme. The survey results show that PYJ has fulfilled its objective to provide an alternative route and to expand the continuing education opportunities

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for secondary school leavers and adult learners. It has successfully helped some secondary school leavers and adult learners to obtain the necessary qualification to continue their studies. Graduates of PYJ have also found jobs on the basis of the qualification obtained. About 52% of the respondents are pursuing further studies (eg pre-associate degree, associate degree, diploma, higher diploma and certificate course) in various disciplines, 29% are working in various fields (eg service, sales, manufacturing) and 13% are doing both.

8. Given the success of the programme and the present economic climate, we propose to continue the Government's existing funding support for admissions to the programme in the 2003/04 and 2004/05 academic years. A review will be carried out in 2005 to examine the readiness of the programme to be run on a fully self-financing basis, taking into account its level of recognition and acceptance amongst stakeholders, the prevailing economic conditions and the financial position of the Administration.

FINANCIAL IMPLICATIONS

9. We estimate that our proposal will incur an additional non-recurrent expenditure of \$92 million. Assuming a student intake of 3 500 (both full-time and part-time) each year, an average passing rate of 85% for the modules and a 10% eligibility rate for full fee reimbursement (all figures based on past trend), we estimate that \$33 million will be spent on fee reimbursement and \$13 million will be spent on publicity and student support activities (making a total of \$46 million) for each of the two batches of admission. A cashflow projection is set out below -

	2003-04	2004-05	2005-06*	2006-07*	Total
	\$m	\$m	\$m	\$m	\$m
Reimbursement of tuition fees	-	29.7	33.0	3.3	66.0
Support (publicity and student support)	10.0	10.0	3.0	3.0	26.0
Total	10.0	39.7	36.0	6.3	92.0

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* As the proposed extension of funding support covers part-time students to be admitted in the 2004/05 academic year, the support will continue for them in the 2005/06 academic year, which straddles the 2005-06 and 2006-07 financial years.

The exact amount of additional expenditure will depend on the size of student intake, the percentage of students eligible for full fee reimbursement and the passing rate for the modules.

10. The additional expenditure will be met from within the approved commitment of \$200 million for the PYJ. We have earmarked sufficient provision in the 2003-04 Estimates to meet the financial implications of the proposal in 2003-04. We will earmark sufficient provision in the annual draft Estimates of subsequent financial years.

BACKGROUND INFORMATION

11. PYJ aims to upgrade students' knowledge, through combining academic and practical skills training, with emphasis on biliteracy and trilingualism and information technology application. The programme comprises ten modules and the cost of each module varies between \$2,600 and \$3,400, with the total cost standing at about \$30,000.

12. Students who successfully complete all ten modules in the programme will be awarded a full certificate. This full certificate has been evaluated by the Hong Kong Council for Academic Accreditation as comparable to five passes in the HKCEE for the purposes of continuing education and employment. Holders of the full certificate can further their studies in the FCE member institutions. The Government has also accepted the holders of the full certificate in the application for more than 30 civil service posts which require five passes (including English and Chinese) in the HKCEE.

13. During the discussion of FCR(2002-03)31 in July 2002, some Members suggested that the Administration should examine the feasibility of providing further financial incentives to students of the programme. We have examined this proposal. As the programme already provides arrangements for 30% or 100% reimbursement of tuition fees for eligible students, who may also apply for financial assistance under the Non-means-tested Loan Scheme to pay the tuition fees upfront, and in view of the prevailing financial stringency, we consider it more desirable to use the fund to provide for more training places than to enhance the benefits for selected students. Meanwhile, we will continue to explore in conjunction with the FCE ways to reduce the level of course fees for the programme.

14. We consulted the Legislative Council Panel on Manpower on the above proposal on 28 March 2003. The Panel was generally supportive of the proposal.

Education and Manpower Bureau
April 2003

Enclosure to FCR(2003-04)4

**Actual/Estimated Expenditure for Project Yi Jin
for students admitted in 2000/01, 2001/02 and 2002/03 academic years**

Item	2000-01 Actual	2001-02 Actual	2002-03 Estimate*	2003-04 Estimate	2004-05 Estimate
	\$m	\$m	\$m	\$m	\$m
Fee reimbursement	-	24.4	18.2	32.0	3.0
Student support and publicity activities	4.3	4.8	9.7	10.0	1.0
Total	4.3	29.2	27.9	42.0	4.0

* The 2002-03 Revised Estimate for the item is \$23.7 million. The figure of \$27.9 million represents the estimate based on latest information available.

(Note: Project Yi Jin was launched in October 2000. Reimbursement of tuition fee and student support activities for the first school year was reflected in 2001-02 financial year. Accordingly, the effect of 100% tuition fee reimbursement for needy students which was introduced in October 2002 will be reflected in 2003-04 financial year. The projected expenditure for 2003-04 and 2004-05 has included fee reimbursement for all current students including part-time students who will graduate in July 2004, which falls within 2004-05.)