

ITEM FOR FINANCE COMMITTEE

HEAD 156 - GOVERNMENT SECRETARIAT : EDUCATION BUREAU

Subhead 700 General non-recurrent Item 027 Project Yi Jin

Members are invited to approve an increase in commitment for Project Yi Jin to provide continued financial support for eligible students admitted to the programme until the 2011/12 academic year.

PROBLEM

The approved commitment of \$435 million for Project Yi Jin (PYJ) is insufficient for meeting the additional funding requirement arising from admissions in the 2008/09 academic year and beyond.

PROPOSAL

2. The Secretary for Education proposes to increase the commitment for PYJ by \$355 million, from \$435 million to \$790 million, in order to continue providing financial support for eligible PYJ students admitted between the 2008/09 and 2011/12 academic years.

JUSTIFICATION

3. PYJ was launched in October 2000 to provide an alternative study route and to expand the continuing education opportunities for Secondary 5 school leavers and adult learners. The programme is run by some member institutions of the Federation for Continuing Education in Tertiary Institutions (FCE)¹ on a self-financing basis.

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¹ The FCE was established in 1994 to promote lifelong learning in Hong Kong. Its current membership consists of the continuing and professional education (CPE) units of the eight University Grants Committee-funded institutions and other major providers of CPE programmes in Hong Kong.

4. The Administration's funding support for PYJ mainly takes the form of reimbursing the tuition fees for each module that is satisfactorily completed by the students², and also covers student support activities and publicity. Furthermore, student travel subsidy and non-means-tested loans are available for eligible students to meet their travelling expenses and tuition fees respectively.

5. The existing commitment for PYJ as approved by this Committee is \$435 million. The cumulative expenditure for PYJ is estimated to be \$417 million by the end of 2008-09 covering the expenditure associated with the programme up to the 2007/08 academic year. The remaining balance of the commitment of \$18 million will not be sufficient to meet the funding requirement for students admitted in the 2008/09 academic year and beyond.

Continuation of PYJ for the 2008/09 academic year and beyond

6. Throughout the years, PYJ has established its status as a practical alternative pathway for continuing education that better serves the needs of students who may not be able to benefit fully from the traditional academic curriculum. It has become increasingly popular in recent years. The enrolment figures since the introduction of the programme in October 2000 are tabulated below –

Academic year	Full-time students	Part-time students	Total	Change over the previous year
2000/01	3 267 (77%)	985 (23%)	4 252	N.A
2001/02	2 085 (63%)	1 223 (37%)	3 308	-22%
2002/03	2 804 (81%)	647 (19%)	3 451	+4%
2003/04	2 880 (79%)	746 (21%)	3 626	+5%
2004/05	4 363 (81%)	1 018 (19%)	5 381	+48%
2005/06	4 147 (83%)	835 (17%)	4 982	-7%
2006/07	6 462 (80%)	1 613 (20%)	8 075	+62%
2007/08	7 994 (85%)	1 430 (15%)	9 424	+17%
Total	34 002 (80%)	8 497 (20%)	42 499	-

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² All PYJ students are currently eligible for reimbursement of 30% of the tuition fees paid for each satisfactorily completed module, subject to their having passed an overall assessment and having achieved 80% attendance or above for the module as confirmed by the institution. For needy students meeting these assessment and attendance criteria and passing the means test for full grant administered by the Student Financial Assistance Agency, they can receive 100% reimbursement of the tuition fees paid for each satisfactorily completed module.

7. The New Senior Secondary Academic Structure will be implemented with the first cohort proceeding to the new Secondary 4 in the 2009/10 school year. We are currently reviewing together with the FCE the long-term development and positioning of PYJ under the new academic structure.

8. Against the above background and in view of the following considerations, we recommend that the PYJ in its existing format should be extended until the end of the 2011/12 academic year –

- (a) until the implementation of the new academic structure and the abolition of the Hong Kong Certificate of Education Examination (HKCEE), PYJ will continue to offer a viable alternative pathway for those who have not performed well in the HKCEE;
- (b) the provision of financial assistance on a reimbursement basis under PYJ provides an incentive for students to work hard and increases their chance of completing the programme satisfactorily;
- (c) the last batch of students under the current secondary system will complete Secondary 5 in the summer of 2010. Although the majority of Secondary 5 leavers would have completed the one-year full-time PYJ programme in the 2010/11 academic year, in order to facilitate those students (e.g. HKCEE repeaters, adult learners and part-time students) to complete their courses, the programme should last until the end of the 2011/12 academic year; and
- (d) the new academic structure will be implemented in September 2009, and the first student cohort under the new academic structure will complete their senior secondary education and participate in the Hong Kong Diploma in Secondary Education Examination in the summer of 2012. The new PYJ-type programme offering an alternate pathway for students, if any, should be put in place from the 2012/13 academic year onwards.

FINANCIAL IMPLICATIONS

9. To continue the financial assistance for eligible students admitted to PYJ between the 2008/09 and 2011/12 academic years, the estimated total additional funding required is \$355 million (\$373 million less \$18 million remaining from the existing commitment). The estimated funding requirement is as follows –

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	Existing commitment (\$ million)	Additional funding requirement (\$ million)
(a) reimbursement of tuition fees for eligible students to be admitted in the 2008/09 academic year	18.0	88.5
(b) reimbursement of tuition fees for eligible students to be admitted between the 2009/10 and 2011/12 academic years	-	252.5
(c) other expenses (such as student support activities and publicity) between the 2008/09 and 2011/12 academic years	-	14.0
Total	18.0	355.0

A cash flow projection of the additional expenditure is set out below –

	2009-10 (\$ million)	2010-11 (\$ million)	2011-12 (\$ million)	2012-13 (\$ million)	Total (\$ million)
Reimbursement of tuition fees³	88.5	111.9	117.2	23.4	341.0
Other expenses (such as student support activities and publicity)	4.0	4.0	4.0	2.0	14.0
Total	92.5	115.9	121.2	25.4	355.0

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³ The majority of the estimated expenditure for an academic year, i.e. reimbursement of tuition fees, will normally be reflected in the subsequent financial year. The calculation of fee reimbursement includes a contingency provision of 10%.

Encl. 10. The exact amount of expenditure each year will depend on the actual size of the student population, the percentage of students eligible for the 30% or 100% fee assistance, and the number of modules that the students can complete satisfactorily. The projected student population and estimated expenditure for the 2008/09 to 2011/12 academic years are at the Enclosure. If Members approve the proposal, we shall earmark sufficient provision in the annual Estimates of the relevant financial years, including provision for student travel subsidy and non-means-tested loans.

PUBLIC CONSULTATION

11. We consulted the Legislative Council Panel on Education on the above proposal on 8 May 2008. Members supported the proposal in general and considered that there would be a need to continue providing an alternative pathway for students who did not perform well in the mainstream secondary education under the New Senior Secondary Academic Structure. Members urged the Administration to carefully consider the position of PYJ under the new academic structure and the Qualifications Framework including the articulation opportunities available to these learners. We will take into consideration Members' views in the review mentioned in paragraph 7 above.

BACKGROUND

12. The Finance Committee (FC) 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, mainly in the form of a 30% reimbursement of tuition fees for each module that is satisfactorily completed by the students. In July 2002, the FC approved vide FCR(2002-03)31 the reimbursement of tuition fees in full (100%) to needy students upon their satisfactory completion of the modules. Having regard to the success of PYJ, the FC further approved in April 2003 vide FCR(2003-04)4 the extension of the scheme for another two academic years till the 2004/05 academic year. The commitment was further increased by \$235 million, from \$200 million to \$435 million, in January 2005 vide FCR(2004-05)37 to continue the financial support for students admitted in the 2004/05 academic year and beyond.

13. At present, eight FCE institutions are offering PYJ programme, namely, the continuing and professional education arms of the City University of Hong Kong, Lingnan University, Hong Kong Institute of Education and Open University of Hong Kong, Vocational Training Council, Hong Kong College of Technology, Hong Kong Institute of Technology and Caritas Community and Higher Education Service. The tuition fee currently charged by the institutions ranges from \$26,000 to \$28,000.

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14. PYJ aims to upgrade students' knowledge through combining academic and practical skills training, with emphasis on biliteracy, trilingualism and information technology application. Students may take the programme on a full-time or part-time basis. The programme consists of 600 contact hours, including 420 contact hours for core modules and 180 contact hours for electives. The core modules include Chinese, English I, English II, Mathematics, Information Technology, Putonghua and Communication Skills. As for electives, over 400 practical subjects are offered to cater for students' interest.

15. A student who has satisfactorily completed the seven core modules and three electives will be awarded a full certificate. This certificate has been assessed by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications as comparable to five passes in the HKCEE for continuing education and employment purposes. For example, the certificate has been accepted by the Government as meeting the entry requirement of more than 30 civil service grades which require five passes (including English Language and Chinese Language) in the HKCEE.

Education Bureau
June 2008

**Projected student population and estimated expenditure
for Project Yi Jin (PYJ)**

Academic year	Projected student population *	Financial year	Cumulative expenditure (\$ million)	Estimated expenditure (\$ million)	Additional funding requirement (\$ million)
		2007-08 and before	320.0	-	-
2007/08	9 424 (actual)	2008-09	-	97.0	-
2008/09	10 000	2009-10	-	18.0	92.5
2009/10	10 500	2010-11	-	-	115.9
2010/11	11 000	2011-12	-	-	121.2
2011/12	2 200	2012-13	-	-	25.4
Total	43 124		320.0	115.0	355.0

* The student population from the 2008/09 academic year onwards (with the exception of the 2011/12 academic year) is projected on the assumption of a 5% increase in student population over that in the preceding academic year. As the majority of Secondary 5 leavers would have completed the PYJ programme in the 2010/11 academic year, the student population in the 2011/12 academic year is estimated to be those repeaters for the Hong Kong Certificate of Education Examination, adult learners and part-time students pursuing the programme then.
