

## 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 \$2,816,548,860<sup>1</sup> 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.

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<sup>1</sup> \$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"<sup>2</sup> including 19 belonging to "Project 985"<sup>3</sup>, 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"<sup>4</sup> 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.

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<sup>2</sup> "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".

<sup>3</sup> "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".

<sup>4</sup> 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 year<sup>5</sup>;
- (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 concerned<sup>6</sup> 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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<sup>5</sup> Some disciplines such as arts and laboratory-based subjects may charge an annual tuition fee of up to RMB9,000 to 10,000.

<sup>6</sup> 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 –

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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	-	<b>105,300</b>
(B) Recurrent provision for three additional civil service posts	1,201	1,201	1,201	1,201	1,201	1,201	1,201	<b>8,407</b>
<b>Total</b>	<b>8,491</b>	<b>17,131</b>	<b>27,526</b>	<b>27,526</b>	<b>20,236</b>	<b>11,596</b>	<b>1,201</b>	<b>113,707</b>

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 agencies<sup>7</sup>, 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

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<sup>7</sup> <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.

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Education Bureau  
May 2014



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

**A. Number and distribution of participating institutions**

<b>Academic year</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
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**

<b>Academic year</b>	<b>2012/13 (Note 1)</b>	<b>2013/14</b>	<b>2014/15</b>
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.

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## 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
<b>北京市</b>	<b><u>Beijing Municipality</u></b>
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
<b>天津市</b>	<b><u>Tianjin Municipality</u></b>
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
<b>上海市</b>	<b><u>Shanghai Municipality</u></b>
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
<b>江蘇省</b>	<b><u>Jiangsu Province</u></b>
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
<b>浙江省</b>	<b><u>Zhejiang Province</u></b>
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
<b>福建省</b>	<b><u>Fujian Province</u></b>
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
<b>江西省</b>	<b><u>Jiangxi Province</u></b>
江西中醫藥大學*	Jiangxi University of Traditional Chinese Medicine*
<b>山東省</b>	<b><u>Shandong Province</u></b>
山東大學*	Shandong University*
<b>湖南省</b>	<b><u>Hunan Province</u></b>
湖南師範大學	Hunan Normal University
<b>湖北省</b>	<b><u>Hubei Province</u></b>
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
<b>廣東省</b>	<b><u>Guangdong Province</u></b>
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
<b>重慶市</b>	<b><u>Chongqing Municipality</u></b>
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
<b>四川省</b>	<b><u>Sichuan Province</u></b>
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
<b>雲南省</b>	<b><u>Yunnan Province</u></b>
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

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