

For information
on 8 June 2015

Legislative Council Panel on Education

Issues related to the Use of Funds under the Fee Remission / Scholarship Schemes in Direct Subsidy Scheme Schools in Sponsoring Overseas Educational Visits

Purpose

This paper informs Members of the issues related to the use of funds under the fee remission and scholarship schemes in Direct Subsidy Scheme (DSS) schools in sponsoring study tours outside Hong Kong.

Background

Objective of the Fee Remission and Scholarship Schemes

2. DSS schools are paid a recurrent government subsidy based on the average unit cost of an aided school place in the form of a block grant. DSS schools may also collect school fees to meet the expenditure on facilities and services commensurate with the schools' mission and educational objectives.

3. To ensure that students will not be deprived of the opportunity to attend DSS schools because of their inability to pay fees, each DSS school is required to set aside at least 10% of their total school fee income to provide fee remission and scholarship for eligible students with criteria no less favourable than the Government's student financial assistance schemes. In assessing the students' eligibility for fee remission, no factors except the parents' financial situation should be taken into consideration.

Use of the Fee Remission and Scholarship Funds

4. DSS schools are given the flexibility to devise their school-based mechanism to use the fee remission and scholarship funds having regard to the mix of their students. Apart from school fee remission, DSS schools can also provide other kinds of financial assistance for the needy students, such as providing subsidy for purchase of textbooks and school uniforms, and participation in educational visits.

5. To ensure that the reserve for the fee remission and scholarship schemes would be effectively utilised to support the needy students, if the reserve of a DSS school has reached a cumulative amount that exceeds the school's half-year total fee income, the School Management Committee (SMC)/ Incorporated Management Committee (IMC) of a DSS school would be required to devise a plan on how this specific reserve could be effectively deployed and submit it to the Education Bureau (EDB) for consideration. DSS schools are prohibited from transferring funds in the fee remission and scholarship reserve to other reserves or for other purposes. Hence, the optimal use of the provisions for its intended purpose of providing financial assistance to needy students can be safeguarded. As reflected in the schools' audited accounts for the 2013/14 school year, about 70% of the DSS schools utilised 100% or more of their required fee remission and scholarship reserve, and the total amount of fee remission and scholarship utilised has increased significantly as compared to the previous years. This indicates that most of the DSS schools have been actively exploring ways to increase the utilisation of their fee remission and scholarship schemes.

Study Tours and Funding Arrangements

6. It is common for schools to arrange study tours for students to broaden their horizons, culture and learning experiences. These study tours organised by schools are of great diversity in both design and price. Schools may also enroll students in the Mainland Exchange Programmes (MEPs) which are either commissioned by EDB or organised by individual schools with subsidies from EDB. Applications for both EDB's commissioned MEPs and subvention programmes for schools to organise MEPs on their own are open to all government, aided, caput and DSS schools. As the MEP is a kind of life-wide learning activity with clear learning objectives in alignment with the school curriculum, teachers are required to participate as learning facilitators to deepen students' classroom learning according to the "1 teacher : 10 students ratio". For MEPs commissioned by EDB, expenses of students and teachers are largely subsidised by EDB. Generally speaking, around 10% of student participants who are in receipt of the Comprehensive Social Security Assistance and full remission under the Student Financial Assistance Scheme (i.e. the *needy students*) are eligible for full subvention. The rest of the student and teacher participants are subsidised 70% of the unit cost of the programmes by EDB. It is a usual practice for schools to top up the remaining 30% of teachers' expenses with their own funds.

7. Schools may also apply for the Quality Education Fund (QEF) for projects involving educational visits and exchange programmes outside Hong Kong. In general, the QEF sponsors the full cost for teachers escorting their students in the activities of the project and half of the cost for participating students. Additional funding support is also provided for socio-economically disadvantaged students enrolled in such activities. The *needy students* as defined above can have 100% support from the QEF (funding ceiling on the cost / fees of the cross-boundary exchange activities per student and teacher is set at \$6,000).

8. Apart from applying for additional funding or programmes run by EDB, schools can of course deploy their own resources to organise study tours for students and to cover the expenses of teachers escorting their students. Under the existing policy, aided schools, with the approval from their SMCs / IMCs, may deploy the surplus of the Operating Expenses Block Grant or Expanded Operating Expenses Block Grant to cover the expenses of teachers who are assigned to lead educational visits. As for DSS schools, related expenses can be charged to schools' operating reserve, with the endorsement of the SMCs / IMCs. Schools are required to observe the "Guidelines on Study Tours Outside the HKSAR" when planning and organising educational visits. Details of the Guidelines can be found on the EDB website via the following path :

<http://www.edb.gov.hk> > School Administration and Management > Administration > About Activities > School Activities Guidelines > Guidelines on Study Tours Outside HKSAR

Conclusion

9. In view of the objective of the fee remission and scholarship schemes as set out in paragraphs 2 to 3, the beneficiaries of the schemes should be limited to students. Expenditure for teachers performing assigned duties of leading study tours is therefore outside the ambit of the schemes, and should be covered by other school funds. In fact, many DSS schools are enrolling their students in study tours organised by EDB or making use of available funding to organise different exchange programmes for students. The current arrangements for deploying the school fee remission and scholarship reserve have been broadly accepted by the DSS school sector.

Advice Sought

10. Members are invited to note the content of this paper.

Education Bureau
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