

For discussion  
on 1 June 2018

**Legislative Council Panel on Education**  
**Setting-up of the Student Activities Support Fund**

**Purpose**

This paper seeks Members' support for the proposed creation of two non-recurrent commitments of \$2.5 billion and \$46 million respectively to set up a Student Activities Support Fund (SAS Fund) to continue to provide support for students with financial needs to participate in life-wide learning (LWL) activities for whole-person development in the long-run and to meet the funding requirement in 2019-20 arising from the lapse of the Hong Kong Jockey Club Life-wide Learning Fund (JCLWL Fund)<sup>1</sup> at the close of the 2018/19 school year.

**Background**

***Life-wide Learning***

2. As recommended by the Curriculum Development Council in the *Basic Education Curriculum Guide (Primary 1 to Secondary 3)* in 2002, and updated in the ongoing curriculum renewal in the *Basic Education Curriculum Guide (Primary 1 to Primary 6)* in 2014 as well as the *Secondary Education Curriculum Guide* in 2017, LWL is a strategy embedded in the Hong Kong school curriculum to move student learning beyond the classroom into other more authentic learning contexts, aiming to enable students to gain experiences that are more difficult to acquire in ordinary classroom settings. LWL attaches great importance to

<sup>1</sup> The Hong Kong Jockey Club Charities Trust provides the required amount of funding on a project basis for supporting students with financial needs to participate in LWL activities while the then Education and Manpower Bureau (later Education Bureau) is responsible for the project implementation.

extending and enriching students' learning experiences through experiential learning and guiding students to reflect on their learning experiences, ultimately enabling students to achieve whole-person development and develop life-long learning capabilities for them to face the increasingly fast-changing world and remain internationally competitive.

### ***Hong Kong Jockey Club Life-wide Learning Fund***

3. To ensure that students are not deprived of the opportunities to participate in LWL activities owing to financial constraints, the Hong Kong Jockey Club Charities Trust (HKJCCT) and the then Education and Manpower Bureau jointly set up the JCLWL Fund in 2002 to support students with financial needs, including those receiving Comprehensive Social Security Assistance (CSSA), receiving full grant under the School Textbook Assistance Scheme (STAS-Full) or meeting the school-based criteria in primary and secondary schools to participate in LWL activities organised or recognised by their schools.

4. Since its setup in 2002, the JCLWL Fund has undergone four phases from the 2002/03 to 2018/19 school years, spanning over 17 years. The JCLWL Fund has been well received by schools and parents. At present, around 90% of primary and secondary schools (excluding international and English Schools Foundation schools) are receiving the JCLWL Fund, benefiting more than 210 000 students each year. As the JCLWL Fund will come to an end at the close of the 2018/19 school year, there is a need for the Government to continue the support for the financial needy students.

### **Proposal**

5. We propose to set up a new SAS Fund with an endowment of \$2.5 billion in 2018-19 to generate investment income to continue the support currently provided by the JCLWL Fund for students with financial needs to participate in LWL activities through the provision of a new Student Activities Support Grant

(SAS Grant) in the long-run and meet the funding requirement in 2019-20 by a non-recurrent commitment of \$46 million.

## **Justifications**

6. It is the EDB's policy that every school student, regardless of their socio-economic status, should be entitled to LWL experiences. Since the launch of the first phase in 2002, financial assistance from the JCLWL Fund has been widely supported by schools, which have been utilising it effectively to provide opportunities to students with financial needs to participate in diversified LWL activities to discover their interests, develop their potential and build their self-confidence. The JCLWL Fund has maintained not only a high participation rate, i.e. around 90% of eligible schools, but also a spending rate that has been increasing over the years and reaching 95% in recent years with the number of student beneficiaries reaching more than 210 000 each year, earning itself a successful brand name in supporting LWL in schools. Its role and positive impact, including its good reputation in facilitating learning beyond the classroom and whole-person development, the wide coverage of needy students, and its streamlined administration that has kept the workload of schools and teachers to a minimum have all been well appreciated by parents, teachers and principals.

7. The funding support from the HKJCCT for the JCLWL Fund will come to an end at the close of the 2018/19 school year. In view of the success and the importance of ensuring that needy students would not lack the financial means to participate in LWL for whole-person development, the Government will continue the support by providing the SAS Grant as a long-term commitment. It is appropriate and prudent to set up a fund to generate investment income to provide a sustainable funding support for this designated purpose, i.e. funding resources for supporting students with financial needs to participate in LWL activities.

## **Implementation Details of the Student Activities Support Grant**

### ***Eligibility and Effective Date***

8. Making reference to the modus operandi of the existing JCLWL Fund, the SAS Grant will be open for application from public sector and Direct Subsidy Scheme schools for use starting from the 2019/20 school year. Given that some students' families may not have the financial means to support the students' LWL activities but, for some reasons, have not applied for CSSA/STAS-Full, we propose to allow schools the discretion in setting school-based criteria for identifying non-CSSA/STAS-Full recipient students who are financially needy to benefit from the Grant. As CSSA/STAS-Full recipients should make up the bulk, if not the whole, of the students who need financial assistance, we suggest the amount to be deployed to support students meeting the school-based financially needy criteria be capped at 25% of the total amount of the SAS Grant being provided. Schools with non-CSSA/STAS-Full recipient students in need of financial assistance for LWL activities exceeding the cap may contact the Education Bureau for special consideration on a case-by-case basis.

### ***Calculation***

9. The amount of the SAS Grant to be received by each participating school will be based on the total number of its students receiving either CSSA or STAS-Full. The unit subsidy rates will be \$350 and \$650 per eligible primary and secondary students respectively. The subsidy rates of the current phase of the JCLWL Fund for each eligible student in different key stages are \$180 (P1 to P3), \$300 (P4 to P6), \$315 (S1 to S3) and \$525 (S4 to S6). Besides, schools with the utilisation rates of the allocated fund reaching a specified threshold in the preceding year are eligible to apply for additional funding under the JCLWL Fund. For the SAS Grant, taking into consideration the need to streamline school administration, it is proposed to adopt different rates by school level (i.e. primary and secondary) instead of by the four key stages. Based on the available relevant information, we estimated that there will be around 94 000 and 88 000 eligible primary and secondary students respectively in the 2019/20 school year, requiring a funding of \$90.1 million.

### ***Disbursement of the Grant***

10. The SAS Grant will be disbursed to the participating schools by two instalments in August/September and February/March respectively in each school year. Under normal circumstances, any unspent balance at the end of each school year will be clawed back.

### ***Deployment of the Grant***

11. Schools will be allowed to deploy the SAS Grant to support students with financial needs to participate in LWL activities organised or recognised by the schools. Examples include payment of tuition fees for interest classes (but not for academically-oriented tutorial service), subsidising students to participate in student exchange programmes and study trips and procurement of necessary materials, uniforms or equipment to participate in LWL activities.

## **The Student Activities Support Fund**

### ***Setting up of the SAS Fund and need for a non-recurrent item***

12. The JCLWL Fund will come to an end at the close of the 2018/19 school year. Subject to the approval of the Finance Committee, the SAS Fund can be set up in 2018-19 with an endowment of \$2.5 billion. On the assumption that the rate of investment return is in the range of 3.7% to 4.9% a year, it will be able to generate investment income of about \$92.5 million to \$122.5 million each year to serve as a stable source of funding for the SAS Grant. As it takes time (at least a year) for the SAS Fund to generate investment income, we propose to create a non-recurrent commitment of \$46 million to meet the initial funding requirement of the SAS Grant for the first payment instalment in the 2019/20 school year (i.e. August/September 2019). The Education Bureau will deploy existing resources for all operating expenses and manpower needs of the SAS Fund and the SAS Grant.

## **Review of the Grant**

13. A review mechanism will be set up to adjust the rate and other operating parameters of the SAS Grant on a need basis. The review will take into consideration the performance of the SAS Fund, the utilisation of the SAS Grant, feedback gathered from the participating schools, etc. The review mechanism will be formulated upon consultation with the school sector at a later stage.

## **Financial Implication**

14. Sufficient provision has been earmarked in the 2018-19 draft Estimates for setting up the SAS Fund. We will include sufficient provision in the 2019-20 draft Estimates to meet the initial cash flow requirement of the SAS Grant for the year. Subject to Members' approval of setting up the SAS Fund, we will make appropriate investment arrangements.

15. Generally, the annual expenditure of the SAS Grant should be met by the investment income of the SAS Fund. In exceptional cases in which the income is not sufficient to meet the needs of the Grant's purpose, a small part of the principal may have to be used to finance the funding required under exceptional circumstances.

## **Monitoring and Control**

16. The SAS Fund will be established under the Permanent Secretary for Education Incorporated who will act as the trustee of the Fund. The SAS Fund will be managed in accordance with a trust deed which will stipulate the framework and salient features necessary for its proper management and administration. The annual audited accounts will be tabled before the Legislative Council. As the Controlling Officer, the Permanent Secretary for Education will

be responsible for ensuring the prudent management of resources under the SAS Fund.

### **Advice Sought**

17. Subject to Members' views on the above proposals, we will seek funding approval from the Finance Committee for creating two new commitments of \$2.5 billion and \$46 million respectively for setting up the SAS Fund in 2018-19 and supporting the first payment instalment of the SAS Grant in 2019-20.

### **Education Bureau**

**May 2018**