

ITEM FOR FINANCE COMMITTEE

HEAD 156 – GOVERNMENT SECRETARIAT: EDUCATION BUREAU

Subhead 700 General non-recurrent

New Item “Setting up of the Student Activities Support Fund”

New Item “Provision for supporting students with financial needs to participate in life-wide learning activities”

Members are invited to approve the following two new commitments –

- (a) \$2.5 billion for the establishment of the Student Activities Support Fund; and
- (b) \$46 million to meet the funding requirement in 2019-20 for supporting students with financial needs to participate in life-wide learning activities.

PROBLEM

We need to provide support for students with financial needs to participate in life-wide learning (LWL) activities for whole-person development.

PROPOSAL

2. The Secretary for Education proposes to create –

- (a) a new commitment of \$2.5 billion for setting up a Student Activities Support Fund (SAS Fund) as an endowment fund for generating investment income to support students with financial needs to participate in LWL activities through the provision of a new Student Activities Support Grant (SAS Grant) to eligible schools with effect from the 2019/20 school year; and

/(b)

- (b) a new commitment of \$46 million to meet the initial funding requirement of the SAS Grant in 2019-20.

JUSTIFICATION

Jockey Club Life-wide Learning Fund (JCLWL Fund)

Encl.

3. LWL is a strategy embedded in the Hong Kong school curriculum to move student learning beyond the classroom into other more authentic learning contexts. It enables students to gain experiences that are more difficult to acquire in ordinary classroom settings. LWL attaches great importance to enriching students' learning experiences in Ethics, Intellect, Physical Development, Social Skills and Aesthetics, and through diversified learning activities, promote students' whole-person development and develop their life-long learning capabilities so as to enable them to face the increasingly fast-changing world and remain internationally competitive. It is the Education Bureau (EDB)'s policy that every primary and secondary student, regardless of his/her socio-economic status, should be entitled to LWL experiences. Please refer to Enclosure for details of the implementation of LWL in Hong Kong.

4. 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 (now EDB) jointly set up the JCLWL Fund¹ in 2002. It provides funding to eligible schools² to support students with financial needs to participate in LWL activities organised or recognised by their respective schools. While the amount of funding disbursed to each participating school is based on the number of students receiving Comprehensive Social Security Assistance (CSSA) or receiving full grant under the School Textbook Assistance Scheme (STAS-Full), the disbursed amount may also be deployed to support other financially needy students meeting the school-based criteria, in addition to CSSA/STAS-Full recipients, to participate in LWL activities.

5. The JCLWL Fund is well received by schools, which have utilised it effectively to support students with financial needs to participate in diversified LWL activities to discover their interests, develop their potential and build their self-confidence. The participation rate of eligible schools is around 90% and the

/utilisation

¹ The HKJCCT provides financial contributions on a project basis and the EDB takes up the project implementation.

² All schools in the public sector, private sector and under the Direct Subsidy Scheme are eligible, save for schools of the English Schools Foundation and international schools.

utilisation rate has reached 95% in recent years. More than 210 000 students benefit from it each year. The JCLWL Fund has established good reputation in facilitating learning beyond the classroom and whole-person development for a wide coverage of students with financial needs. Its streamlined administration has also reduced the workload of schools and teachers to a minimum. Its role and positive impact are well appreciated by parents, teachers and principals.

Proposed SAS Grant

6. HKJCCT's funding support for the JCLWL Fund will end at the close of the 2018/19 school year. In view of the success of the JCLWL Fund in contributing to the whole-person development of students with financial needs, the Government plans to continue the support by providing eligible schools with the proposed SAS Grant with effect from the 2019/20 school year.

(a) Eligibility and effective date

7. 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 starting from the 2019/20 school year. Given that some families may not have the financial means to support their children to participate in LWL activities but, for some reasons, are not receiving CSSA/STAS-Full, we propose to allow participating schools the discretion in setting school-based criteria for identifying financially needy students who are not CSSA/STAS-Full recipients (e.g. students receiving half grant under STAS (STAS-Half recipients)). As CSSA/STAS-Full recipients should make up the bulk of the students who need financial assistance in a school, we suggest capping the expenditure on students meeting the school-based criteria at 25% of the total amount of the SAS Grant provided. Schools which are genuinely in need of an expenditure exceeding the cap may contact the EDB for special consideration on a case-by-case basis.

(b) Calculation

8. We propose to follow the arrangement of the JCLWL Fund to disburse the SAS Grant to individual participating school according to its respective number of students receiving CSSA or STAS-Full. The subsidy rates of the JCLWL Fund for each eligible student in different key stages are \$180 (Primary 1 to 3), \$300 (Primary 4 to 6), \$315 (Secondary 1 to 3) and \$525 (Secondary 4 to 6). In addition, schools with the utilisation rates of the allocated fund reaching a specified threshold in the preceding year are eligible to apply for additional funding. For the SAS Grant, we propose to streamline the

/administration

administration by simplifying the rates to \$350 and \$650 per eligible primary and secondary student respectively. We estimate that there will be around 94 000 and 88 000 CSSA/STAS-Full recipient students in primary and secondary schools respectively in the 2019/20 school year, requiring a funding of \$90.1 million. Given that funding may also be provided to support students meeting the school-based criteria, in addition to those receiving CSSA/STAS-Full, the total number of student beneficiaries each year will be more than the above estimated numbers.

(c) Disbursement

9. We propose to disburse the SAS Grant to participating schools by two instalments in August/September and February/March in each school year. Any unspent balance at the end of each school year will be clawed back.

(d) Deployment

10. We propose to allow the participating schools to deploy the SAS Grant to support students with financial needs to participate in LWL activities organised or recognised by them. 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 as well as procurement of necessary materials, uniforms or equipment for participation in LWL activities.

Proposed SAS Fund and initial funding for provision of SAS Grant

11. Subject to the approval of the Finance Committee (FC), we plan to set up the SAS Fund 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 for funding the SAS Grant. As it takes 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 August/September 2019 for the 2019/20 school year.

/CONTROL

CONTROL AND MONITORING MECHANISM

12. 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 (LegCo). As the Controlling Officer, the Permanent Secretary for Education will be responsible for ensuring the prudent management of resources under the SAS Fund.

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

FINANCIAL IMPLICATIONS

14. Sufficient provision has been earmarked in the 2018-19 Estimates for setting up the SAS Fund with an endowment of \$2.5 billion. 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 arrangement.

15. Generally, the annual expenditure of the SAS Grant should be met by the investment income of the SAS Fund. However, there may be times of market volatility where we have to use a small part of the principal to finance the funding required under exceptional circumstances.

16. The EDB will deploy existing resources for meeting the operating expenses and manpower needs in managing the SAS Fund and the SAS Grant.

PUBLIC CONSULTATION

17. The LegCo Panel on Education (the Panel) discussed the proposals at its meeting on 1 June 2018. While the Panel passed a motion proposing to extend the beneficiary coverage to STAS-Half recipients, raise the subsidy rates, enhance successful participation by students with financial needs in funded activities and

/review

review the effectiveness of the provision frequently, the Panel supported the submission of the proposals to FC for consideration. The EDB explained the calculation basis of the SAS Grant and the proposed unit subsidy rates which have taken into account the estimated investment income, estimated number of eligible students, and schools' utilisation of the JCLWL Fund in recent years.

BACKGROUND

18. As the JCLWL Fund would come to an end at the close of the 2018/19 school year, the Financial Secretary announced in his speech for the 2018-19 Budget that he would earmark \$2.5 billion to set up a new SAS Fund to continue to provide support for students with financial needs to participate in LWL activities for whole-person development.

Education Bureau
October 2018

Life-wide Learning and its Implementation in Schools

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, life-wide learning (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 is an integral part of the school curriculum involving the learning and teaching of different key learning areas. LWL attaches great importance to extending and enriching students' learning experiences through experiential learning, 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.

2. Schools offer diversified LWL activities to students, which may include visits to museums and cultural heritage trails, appreciation of art performances and concerts, participation in career-related activities, community services, interest classes and group activities, exchange programmes and study trips, etc. with a view to extending and enriching students' learning experiences to achieve the curriculum objectives. While it is not uncommon for parents to arrange extracurricular activities for their children, these activities should not be mixed up with the LWL activities which are integral to the overall school curriculum.

3. Schools usually deploy school resources to organise LWL activities for students free of charge. However, some activities may be fee charging. Schools are encouraged to leverage community resources and make good use of available financial subsidies to provide support for students with financial needs to participate in LWL activities with a view to facilitating their whole-person development and personal growth.
