

Head 173 —STUDENT FINANCIAL ASSISTANCE AGENCY

Controlling officer: the Controller, Student Financial Assistance Agency will account for expenditure under this Head.

Estimate 2000–01	\$2,105.8m
Establishment ceiling 2000–01 (notional annual mid-point salary value) representing an estimated 205 non-directorate posts as at 31 March 2000 rising by 24 posts to 229 posts at 31 March 2001	\$62.4m
In addition there will be one directorate post at 31 March 2000 and at 31 March 2001.	
Capital Account commitment balance	\$1.3m

Controlling Officer's Report

Programmes

Student Assistance Scheme

This programme contributes to Policy Area 16: Education (Secretary for Education and Manpower).

Detail

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	2000–01 (Estimate)
Financial provision (\$m)	1,875.0	2,294.4 (+22.4%)	2,006.0 (–12.6%)	2,105.8 (+5.0%)

Aim

2 The Aim is to administer efficiently and cost-effectively student financial assistance schemes, scholarships and merit award schemes.

Brief Description

3 The Agency provides publicly funded financial assistance in the form of grants and loans to students of different levels and administers privately donated and publicly funded scholarship schemes. The scholarships, merit awards and related schemes include the Sir Edward Youde Memorial Fund Scholarships, and some 170 scholarships under the Education Scholarship Fund. Financial assistance mainly takes the form of:

- grants and loans† under the Local Student Finance Scheme for eligible students attending degree or sub-degree courses at publicly-funded institutions, i.e. University Grants Committee (UGC) - funded institutions, the Hong Kong Institute of Vocational Education (HKIVE) of the Vocational Training Council (VTC), the Dental Technology Course at the Prince Philip Dental Hospital (PPDH), and the Hong Kong Academy for Performing Arts (HKAPA);
- grants and loans† under the Student Finance Assistance Scheme for students of the Hong Kong Shue Yan College (HKSVC);
- loans† under the Non-means Tested Loan Scheme for eligible full-time and part-time students of publicly-funded institutions, the Open University of Hong Kong (OUHK), and the HKSVC;
- allowances under the Travel Subsidy Schemes for needy primary students aged below 12 who attend public sector schools outside their residing Primary One Admission Net and are living beyond ten minutes walking distance from their schools, and for students aged 12 and above who have not completed their first degree;
- fee remission under the Senior Secondary Fee Remission Scheme§ for senior secondary students (Secondary 4 in public sector schools);
- grants under the School Textbook Assistance Scheme for students in public sector schools and local private schools under the Direct Subsidy Scheme; and
- fee remission under the Kindergarten Fee Remission Scheme for kindergarten pupils.

† Loans disbursed under these schemes are provided under the Loan Fund. Details are provided in Volume II.

§ The amount of fee remission is not shown under an expenditure item here as it is deducted from the revenue in respect of school fees collected by aided schools, or by the Education Department in case of government schools.

4 The key performance measures in respect of the student financial assistance schemes promulgated in the Agency performance pledge are:

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Targets

	Target Processing Time for Applications (months)	Academic Year		
		1998/99 (Actual)	1999/2000 (Estimate)	2000/01 (Plan)
Local Student Finance Scheme				
current students	2	2	2	2
new students	2	2	2	2
review of financial assistance	3	3	3	3
Non-means Tested Loan Scheme	3@	3@	3@	3@
Student Finance Assistance Scheme#				
current students	4	4	4	4
new students	3	3	3	3
Student Travel Subsidy Scheme				
secondary/primary students#	4	4	4	4
tertiary students	3	3	3	3
Travel Subsidy Scheme for Primary				
School Pupils#	4	4	4	4
Senior Secondary Fee Remission Scheme ...	2	2	2	2
School Textbook Assistance Scheme#	4	4	4	4
Kindergarten Fee Remission Scheme	2	2	2	2

@ Target processing time in weeks

Processing time includes preliminary vetting by tertiary institutions/schools

Indicators

	Academic Year		
	1998/99 (Actual)	1999/2000 (Revised Estimate)	2000/01 (Estimate)
Local Student Finance Scheme			
no. of applications	39 753	38 394	38 531
funds disbursed (\$m) (including grants and loans	1,601.5	1,633.1	1,680.4
no. of applications/post	306	305	308
Non-means Tested Loan Scheme			
no. of applications	17 197	16 745	20 479
funds disbursed (\$m) (loans†)	335.3	533.9	627.3
no. of applications/post	637	598	706
Student Finance Assistance Scheme			
no. of applications	951	958	1 084
funds disbursed (\$m) (including grants and loans	21.8	23.9	26.7
no. of applications/post	951	958	1 084
Student Travel Subsidy Scheme			
no. of applications	208 300	217 405	218 464
funds disbursed (\$m)	272.3	294.5	297.0
no. of applications/post	13 019	14 494	14 564
Travel Subsidy Scheme for Primary School Pupils			
no. of applications	13 502	19 700	20 900
funds disbursed (\$m)	13.7	24.2	25.7
no. of applications/post	6 751	9 850	10 450
Senior Secondary Fee Remission & Examination Fee Remission Schemes			
no. of applications	123 582	113 479	111 081
funds remitted (\$m)	338.7	354.1	349.3
no. of applications/post	9 506	11 348	11 108
School Textbook Assistance Scheme			
no. of applications	311 517	339 150	351 385
funds disbursed (\$m)	224.5	269.2	277.3
no. of applications/post	62 303	48 450	50 198
Kindergarten Fee Remission Scheme			
no. of applications	75 607	75 794	76 711
funds disbursed (\$m)	324.2	365.1	407.9
no. of applications/post	2 520	2 369	2 397
Scholarships, Merit Awards and related Schemes			
no. of applications	17 074	18 713	18 976

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	<i>Academic Year</i>		
	1998/99 (Actual)	1999/2000 (Revised Estimate)	2000/01 (Estimate)
no. of scholarships, grants and awards granted.....	9 692	10 150	10 217
amount of scholarships, grants and awards disbursed (\$m)#	48	50.7	50.9
no. of applications/post.....	1 067	1 170	1 186

† Loans disbursed under these schemes are provided under the Loan Fund. Details are provided in Volume II

Most of the funds disbursed are under the control of the donors or their trustees

5 In the 1998/99 academic year, the Agency implemented new initiatives to assist needy students, including the provision of textbook and stationery grants to senior secondary students and travel subsidies for primary pupils aged below 12. Despite a significant increase in applications, particularly from the pre-primary, primary and secondary school sectors as a result of the economic downturn, the Agency was generally able to complete the processing of all applications with complete information within the time-frame as pledged. To encourage continuing and professional learning, the scope of the newly implemented Non-means Tested Loan Scheme was also widened to cover OUHK students, full-time students of HKSYC and part-time students pursuing publicly-funded programmes offered by publicly-funded institutions. In the 1999/2000 academic year, the eligibility criteria for full rate of financial assistance under the Senior Secondary Fee Remission, Examination Fee Remission, School Textbook Assistance and Kindergarten Fee Remission Schemes was relaxed and has benefitted an additional 22 274 students as at 31 December 1999. The Agency also embarked on a student expenditure survey covering full-time students in the publicly-funded higher education institutions. This 12-month survey is intended to provide up-to-date base figures for determining the appropriate level of assistance under the Local Student Finance Scheme.

Matters Requiring Special Attention in 2000

6 During 2000–01, the Agency will:

- develop a computer system to support the operation of the extended Non-means Tested Loan Scheme;
- enhance the computer system supporting the Local Student Finance Scheme with a view to streamlining loan administration and repayment processes;
- implement the recommendations approved by the Finance Committee on 12.11.1999 to further extend the scope of the Non-means Tested Loan Scheme. Upon extension, the scheme will also cover students of self-financing, local award-bearing programmes offered by publicly-funded institutions, part-time students of local award-bearing programmes of the HKSYC and the students taking publicly-funded programmes at Technician level in the HKIVE of the VTC;
- review the effectiveness and efficiency of the Non-means Tested Loan Scheme in the light of operational experience;
- review the appropriate level of assistance under the Local Student Finance Scheme in the light of the findings of the student expenditure survey; and
- step up publicity and authentication measures to enhance the integrity of the student assistance schemes.

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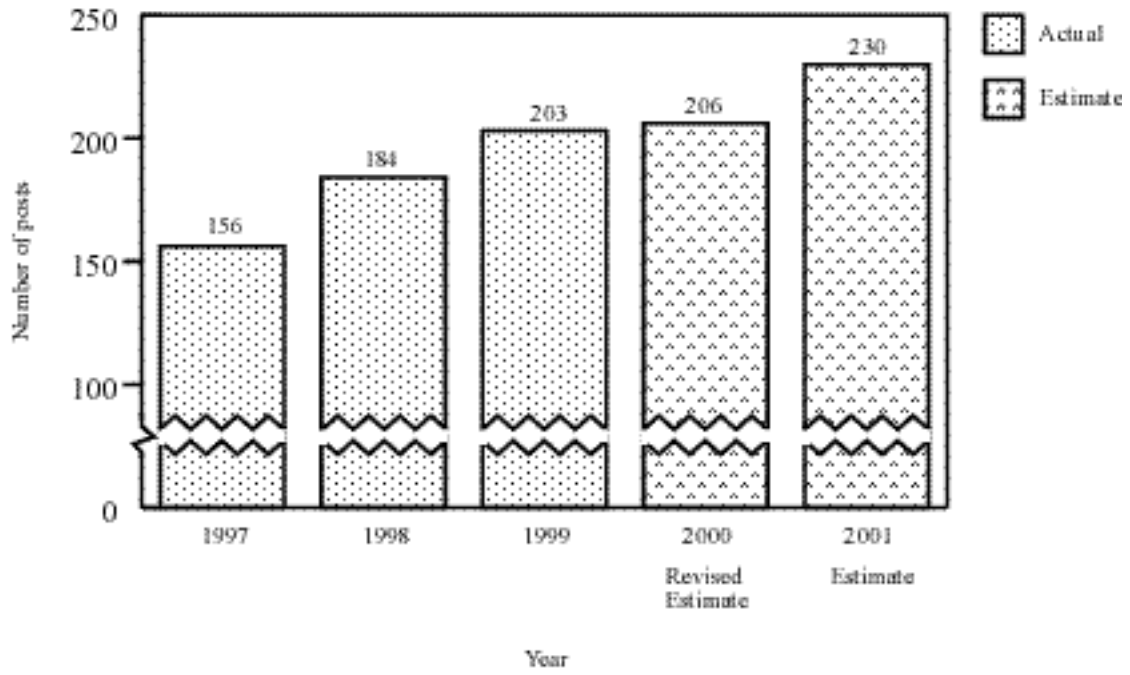
ANALYSIS OF FINANCIAL PROVISION

Programme	1998-99 (Actual) (\$m)	1999-2000 (Approved) (\$m)	1999-2000 (Revised) (\$m)	2000-01 (Estimate) (\$m)
Student Assistance Scheme.....	1,875.0	2,294.4 (+22.4%)	2,006.0 (-12.6%)	2,105.8 (+5.0%)

Analysis of Financial and Staffing Provision

Provision for 2000-01 is \$99.8 million (5.0%) higher than the revised estimate for 1999-2000. This is mainly due to estimated higher levels of average assistance and an expected increase in the number of successful applications under various student assistance schemes arising from a projected increase in the student population. The increase also reflects the creation of 24 posts in 2000-01 mainly to step up publicity and authentication measures to enhance the integrity of the student assistance schemes.

*Changes in the size of the establishment
(as at 31 March)*



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Sub-head (Code)	Actual expenditure 1998-99	Approved estimate 1999-2000	Revised estimate 1999-2000	Estimate 2000-01	
	\$ 000	\$ 000	\$ 000	\$ 000	
Recurrent Account					
I — Personal Emoluments					
001	Salaries.....	57,449	62,063	61,574	65,537
002	Allowances.....	2,526	2,594	2,454	2,395
	Total, Personal Emoluments	<u>59,975</u>	<u>64,657</u>	<u>64,028</u>	<u>67,932</u>
III — Departmental Expenses					
149	General departmental expenses.....	12,501	17,890	17,977	19,912
	Total, Departmental Expenses	<u>12,501</u>	<u>17,890</u>	<u>17,977</u>	<u>19,912</u>
IV — Other Charges					
151	Remission of examination fees.....	5,875	9,869	9,822	9,712*
152	Scholarships, bursaries and maintenance grants	10,919	14,495	12,868	14,425*
153	Textbooks and stationery grants	224,389	288,899	269,192	277,301*
155	Travel subsidy for primary school pupils	13,688	26,942	24,209	25,684*
156	Kindergartens-fee assistance	317,916	455,524	363,555	400,758*
274	Student finance-grants	952,092	1,077,223	946,788	991,785*
275	Student travel scheme	275,918	335,098	294,502	296,966*
	Total, Other Charges	<u>1,800,797</u>	<u>2,208,050</u>	<u>1,920,936</u>	<u>2,016,631</u>
	Total, Recurrent Account	<u>1,873,273</u>	<u>2,290,597</u>	<u>2,002,941</u>	<u>2,104,475</u>
Capital Account					
II — Other Non-Recurrent					
700	General other non-recurrent.....	1,681	3,806	3,036	1,332
	Total, Other Non-Recurrent.....	<u>1,681</u>	<u>3,806</u>	<u>3,036</u>	<u>1,332</u>
	Total, Capital Account.....	<u>1,681</u>	<u>3,806</u>	<u>3,036</u>	<u>1,332</u>
	Total Expenditure	<u><u>1,874,954</u></u>	<u><u>2,294,403</u></u>	<u><u>2,005,977</u></u>	<u><u>2,105,807</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2000–01 for the salaries and expenses of the Student Financial Assistance Agency is \$2,105,807,000. This represents an increase of \$99,830,000 over the revised estimate for 1999–2000 of \$230,853,000 on actual expenditure in 1998.

Recurrent Account

Personal Emoluments

2 Provision of \$67,932,000 for personal emoluments represents an increase of \$3,904,000 over the revised estimate for 1999–2000 and takes into account the provision for posts to be created in 2000–01 and full-year provision for posts

3 The establishment at 31 March 2000 will be 206 permanent posts. It is expected that 24 additional posts will be created in 2000–01.

4 Subject to certain conditions, the controlling officer may, under delegated powers create or delete non-directorate posts during 2000–01, but the notional annual mid-point salary value of all such posts must not exceed \$62,389,000.

5 Provision of \$2,395,000 under *Subhead 002 Allowances* is for standard allowances.

Departmental Expenses

6 Provision of \$19,912,000 under *Subhead 149 General departmental expenses* represents an increase of \$1,935,000 (10.8%) over the revised estimate for 1999–2000. This is mainly due to the implementation of the computer system for administering the Non-means Tested Loan Scheme (NLS) and the office automation programme and for expansion of the ambit of the Non-means Tested Loan Scheme to cover more eligible students.

Other Charges

7 Provision of \$9,712,000 under *Subhead 151 Remission of examination fees* is to provide financial assistance to full school fee remission recipients taking public examinations conducted by the Hong Kong Examinations Authority. The amount remitted varies with the type of examination and the number of subjects taken.

8 Provision of \$14,425,000 under *Subhead 152 Scholarships, bursaries and maintenance grants* is for the payment of inducement grants to mature students of the one-year full-time technical teachers' course in the Hong Kong Institute of Education, maintenance grants to students on Hong Kong Advanced Level courses, grants to students at Shue Yan College under the Student Finance Assistance Scheme (SFAS), scholarships to pupils at the Sir Ellis Kadoorie School and merit awards to pupils in private schools. The increase of \$1,557,000 (12.1%) over the revised estimate for 1999–2000 is mainly due to an expected increase in the number of successful applications under the various schemes.

9 Provision of \$277,301,000 under *Subhead 153 Textbooks and stationery grants* is for the payment of grants to eligible pupils in public sector primary and secondary schools, and local private schools under the Direct Subsidy Scheme to purchase essential textbooks and stationery. The increase of \$8,109,000 (3.0%) over the revised estimate for 1999–2000 is mainly due to an expected increase in the number of successful applicants arising from a projected increase in the student population.

10 Provision of \$25,684,000 under *Subhead 155 Travel subsidy for primary school pupils* is for the payment of travel allowance to needy public sector primary school pupils aged below 12 who attend schools outside their residing Primary One Admission Net and who live beyond ten minutes' walking distance from their schools. The increase of \$1,475,000 (6.1%) over the revised estimate for 1999–2000 is mainly due to an expected increase in the number of successful applications.

11 Provision of \$400,758,000 under *Subhead 156 Kindergartens-fee assistance* is for fee assistance to needy children attending kindergartens. Eligibility is dependent upon family size and income. The increase of \$37,203,000 (10.2%) over the revised estimate for 1999–2000 is mainly due to an expected increase in the number of successful applications and estimated higher levels of assistance.

12 Provision of \$991,785,000 under *Subhead 274 Student finance-grants* is for the payment of grants to students under the Local Student Finance Scheme (LSFS) which provides financial assistance to eligible students attending degree or sub-degree courses at the eight UGC-funded institutions, the Hong Kong Institute of Vocational Education of the Vocational Training Council, the Hong Kong Academy for Performing Arts and the Dental Technology Course at the Prince Philip Dental Hospital. The increase of \$44,997,000 (4.8%) over the revised estimate for 1999–2000 is mainly due to an expected increase in the number of successful applicants arising from a projected increase in the student population and estimated higher levels of assistance.

13 Provision of \$296,966,000 under *Subhead 275 Student travel scheme* is for the payment of travel allowance to full-time students aged 12 or above who have not yet completed their first degree and who live beyond walking distance from their places of study.

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Capital Account

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.99	Revised estimated expenditure for 1999–2000	Balance
			\$ 000	\$ 000	\$ 000	\$ 000
700		<i>General other non-recurrent</i>				
	505	Survey on student expenditure and the level of contribution from siblings to the family	1,920	830	130	960
	507	Office removal for the Student Financial Assistance Agency	3,278	—	2,906	372
		Total	<u>5,198</u>	<u>830</u>	<u>3,036</u>	<u>1,332</u>