

Head 173 — STUDENT FINANCIAL ASSISTANCE AGENCY

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

Estimate 2010–11	\$3,559.3m
Establishment ceiling 2010–11 (notional annual mid-point salary value) representing an estimated 340 non-directorate posts as at 31 March 2010 rising by 30 posts to 370 posts as at 31 March 2011	\$115.0m
In addition, there will be one directorate post as at 31 March 2010 and as at 31 March 2011.	
Commitment balance	\$3,497.9m

Controlling Officer's Report

Programme

Student Assistance Scheme

This programme contributes to Policy Area 16: Education (Secretary for Education) and Policy Area 34: Manpower Development (Secretary for Labour and Welfare).

Detail

	2008–09 (Actual)	2009–10 (Original)	2009–10 (Revised)	2010–11 (Estimate)
Financial provision (\$m)	3,551.0	3,905.8	4,009.9Δ (+2.7%)	3,559.3 (–11.2%)
				(or –8.9% on 2009–10 Original)

Δ As part of the Government's measures to provide further financial support to help needy families cope with financial difficulties, a non-recurrent commitment of \$570 million has been allocated to Head 173 in 2009–10 for the disbursement of a one-off grant of \$1,000 each for students (from kindergarten to post-secondary education) eligible to receive means-tested financial subsidies in the 2009/10 school year under the various student finance schemes administered by the Agency.

Aim

2 The aim is to administer efficiently and cost-effectively various 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 Scholarships Fund. Financial assistance mainly takes the form of:

- means-tested grants and loans# under the Tertiary Student Finance Scheme - Publicly-funded Programmes for eligible full-time students of publicly-funded institutions, i.e. University Grants Committee-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 of the Prince Philip Dental Hospital;
- means-tested grants and loans# under the Financial Assistance Scheme for Post-secondary Students for eligible full-time students aged 25 or below pursuing locally-accredited, self-financing post-secondary education programmes;
- non-means tested loans# for eligible students of publicly-funded institutions, and eligible students pursuing accredited post-secondary programmes, courses offered by the Hong Kong Shue Yan University and the Open University of Hong Kong, and continuing and professional education courses provided in Hong Kong by registered schools, non-local universities and recognised training bodies;
- allowances under the Student Travel Subsidy Scheme for needy students who are receiving formal primary or secondary education or attending a full-time day course up to first degree, provided that these students are living beyond ten minutes' walking distance from their schools and have passed the means test;
- fee remission under the Examination Fee Remission Scheme for needy Secondary 5 and Secondary 7 students taking public examinations conducted by the Hong Kong Examinations and Assessment Authority;
- means-tested grants under the School Textbook Assistance Scheme for students in public sector schools and local private schools under the Direct Subsidy Scheme;

Head 173 — STUDENT FINANCIAL ASSISTANCE AGENCY

- fee remission under the Kindergarten and Child Care Centre Fee Remission Scheme for needy children attending kindergartens and child care centres;
- tuition fee reimbursement under the Continuing Education Fund for eligible persons pursuing continuing education and training in specified sectors;
- tuition fee reimbursement under the Project Yi Jin¶ for eligible students completing modules under Project Yi Jin; and
- tuition fee reimbursement under the Financial Assistance Scheme for Designated Evening Adult Education Courses for eligible students attending designated evening secondary courses.

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

¶ The amount of fee reimbursement is not shown as an expenditure item under Head 173. The expenditure is funded under Head 156—Government Secretariat: Education Bureau *Subhead 700 General non-recurrent Item 027 Project Yi Jin*.

4 The Agency is responsible for assessing the eligibility of applicants under the Pre-primary Education Voucher Scheme (PEVS) from the 2007/08 academic year onwards. Actual redemption of pre-primary education vouchers is not shown as an expenditure item under Head 173. The expenditure is funded under Head 156—Government Secretariat: Education Bureau *Subhead 000 Operational expenses*.

5 The key performance measures are:

Targets

	Target Processing Time for Applications ^Ψ	Academic Year		
		2008/09 (Actual)	2009/10 (Revised Estimate)	2010/11 (Estimate)
Tertiary Student Finance Scheme – Publicly-funded Programmes				
application for financial assistance (%).....	60 days	98	98	98
application for review of financial assistance (%).....	70 days	100	100	100
Financial Assistance Scheme for Post-secondary Students				
application for financial assistance (%).....	60 days	89	94	94
application for review of financial assistance (%).....	70 days	100	100	100
Non-means-tested Loan Schemes (%)	21 days	99	99	99
Kindergarten and Child Care Centre Fee Remission Scheme (%).....	2 months	99.9	99.9	99.9
Continuing Education Fund (%)	2 weeks	95	98	99
Financial assistance for primary and secondary school students (eligibility assessment) (%) [^]				
Pre-primary Education Voucher Scheme (eligibility assessment) (%).....	6-8 weeks	99.9	99.9	99.9

^Ψ Target processing time is subject to submission of complete supporting documents by the applicants.

[^] Financial assistance for primary and secondary school students comprises the Student Travel Subsidy Scheme, Examination Fee Remission Scheme, School Textbook Assistance Scheme, Project Yi Jin and Financial Assistance Scheme for Designated Evening Adult Education Courses.

Head 173 — STUDENT FINANCIAL ASSISTANCE AGENCY

Indicators

	Academic Year		
	2008/09 (Actual)	2009/10 (Revised Estimate)	2010/11 (Estimate)
Tertiary Student Finance Scheme – Publicly-funded Programmes			
no. of applications	30 946	32 629	32 677
funds disbursed (\$m) (including grants and loans) ^λ	1,071.9	1,159.9	1,161.6
no. of applications/post	165	161	145
Financial Assistance Scheme for Post-secondary Students			
no. of applications	21 943	27 127	28 268
funds disbursed (\$m) (including grants and loans) ^λ	769.6	1,096.1	1,142.2
no. of applications/post	189	198	145
Non-means-tested Loan Schemes			
no. of applications	29 005	31 639	33 015
funds disbursed (\$m) (loans) ^λ	994.7	1,125.0	1,194.0
no. of applications/post	206	194	166
Kindergarten and Child Care Centre Fee Remission Scheme^α			
no. of applications	51 039	46 876	49 573
funds disbursed (\$m).....	309.7	335.2	309.8
no. of applications/post	1 276	1 172	1 055
Scholarships, Merit Awards and related Schemes			
no. of applications	10 385	11 314	11 117
no. of scholarships, grants and awards granted	6 631	7 189	7 006
amount of scholarships, grants and awards disbursed (\$m) ^Ω	27.3	27.5	30.9
no. of applications/post	649	629	585
Continuing Education Fund[^]			
no. of applications	68 147	62 695	57 680
funds disbursed (\$m).....	394.4	452.9	483.1
no. of applications/post	1 311	1 183	1 030
Financial assistance for primary and secondary school students			
no. of family-based applications.....	232 942	228 638	213 488
no. of eligibility certificates issued.....	333 956	342 957	320 232
no. of applications/post	1 474	1 322	1 206
Examination Fee Remission Scheme			
no. of applications	11 355	11 414	3 513
funds disbursed (\$m).....	15.2	15.4	8.4
School Textbook Assistance Scheme			
no. of applications	294 763	286 280	277 535
funds disbursed (\$m).....	470.6	433.3	426.2
Student Travel Subsidy Scheme			
no. of applications	244 144	242 859	237 959
funds disbursed (\$m).....	337.9	351.0	361.6
Project Yi Jin			
no. of applications	13 466	19 878	20 605
funds disbursed (\$m) [@]	108.4	169.5	178.1
no. of applications/post	6 733	6 626	5 151
Financial Assistance Scheme for Designated Evening Adult Education Courses			
no. of applications	786	694	694
funds disbursed (\$m) [@]	3.1	3.1	3.1
no. of applications/post	262	231	174
Pre-primary Education Voucher Scheme^β			
no. of applications	45 344	48 818	50 823
no. of Certificates of Eligibility for the Pre-primary Education Voucher Scheme issued ^γ	43 283	47 045	48 977
voucher value involved (\$m) ^γ	544.5	658.6	783.6
no. of applications/post	1 134	1 220	1 059

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

Head 173 — STUDENT FINANCIAL ASSISTANCE AGENCY

- α In the 2005/06 academic year, the Agency implemented the expansion of the former Kindergarten Fee Remission Scheme (which is renamed as Kindergarten and Child Care Centre Fee Remission Scheme (KCFRS)) to cover all eligible children receiving pre-primary services (including those originally covered by the Child Care Centre Fee Assistance Scheme (CCCFAS) of the Social Welfare Department) upon harmonisation of pre-primary services. The indicators above have not included residual cases of existing recipients under the CCCFAS who are allowed to opt to continue receiving assistance based on the formula of the existing CCCFAS (subject to their meeting the eligibility criteria of the existing CCCFAS in a continuous manner). Such cases are paid out of Head 173 but processed by the Social Welfare Department. Starting from the 2007/08 academic year, the PEVS has been introduced to provide direct subsidy to parents in the form of vouchers to cover school fees for their children attending eligible kindergartens. The KCFRS has been realigned after the introduction of the PEVS such that fee remission will only be granted to needy children after deduction of the voucher value dedicated towards fee subsidy under the PEVS.
- Ω Most of the funds disbursed are under the control of the donors or their trustees.
- ^ The Continuing Education Fund is open to applications throughout the year. The figures shown here relate to financial rather than academic years.
- @ Tuition fees for Project Yi Jin and the Financial Assistance Scheme for Designated Evening Adult Education Courses are disbursed on reimbursement basis. The number of applications received and funds disbursed in the 2008/09 academic year are provisional figures only as the processing of reimbursement applications is still in progress.
- β The face value of the voucher in the 2007/08 academic year is \$13,000 per student per annum (pspa), rising to \$14,000 pspa in the 2008/09 and 2009/10 academic years, and to \$16,000 pspa in the 2010/11 academic year.
- γ Holders of the Certificate of Eligibility for the PEVS need not re-apply for the PEVS within the specific validity period. The indicators above have included the number of Certificates of Eligibility for the PEVS issued and voucher value involved for first-time applicants. The voucher value involved for the 2008/09 academic year reflects the actual amount of subsidy redeemed, which is less than the maximum amount redeemable for the year because not all Certificates issued in the year were presented for voucher redemption.

6 In the 2008/09 academic year, around 821 000 applications were received for processing under the various student financial assistance schemes. The Agency was generally able to process all applications with complete information within the timeframe as pledged.

Matters Requiring Special Attention in 2010–11

7 During 2010–11, the Agency will:

- continue to provide efficient and quality services to students under various student financial assistance schemes;
- prepare for the implementation of an integrated computer system supporting the administration of all the student financial assistance schemes, scholarships and merit award schemes, with a view to improving the operational efficiency and effectiveness of the Agency in the administration and delivery of these schemes; and
- administer a new scholarship scheme entitled “Scholarship for Prospective English Teachers” for qualified candidates who plan to pursue a relevant degree and / or teacher training in English Language and undertake to teach in a primary or secondary school in Hong Kong (day school offering formal curriculum), so as to attract talents to the teaching profession.

Head 173 — STUDENT FINANCIAL ASSISTANCE AGENCY

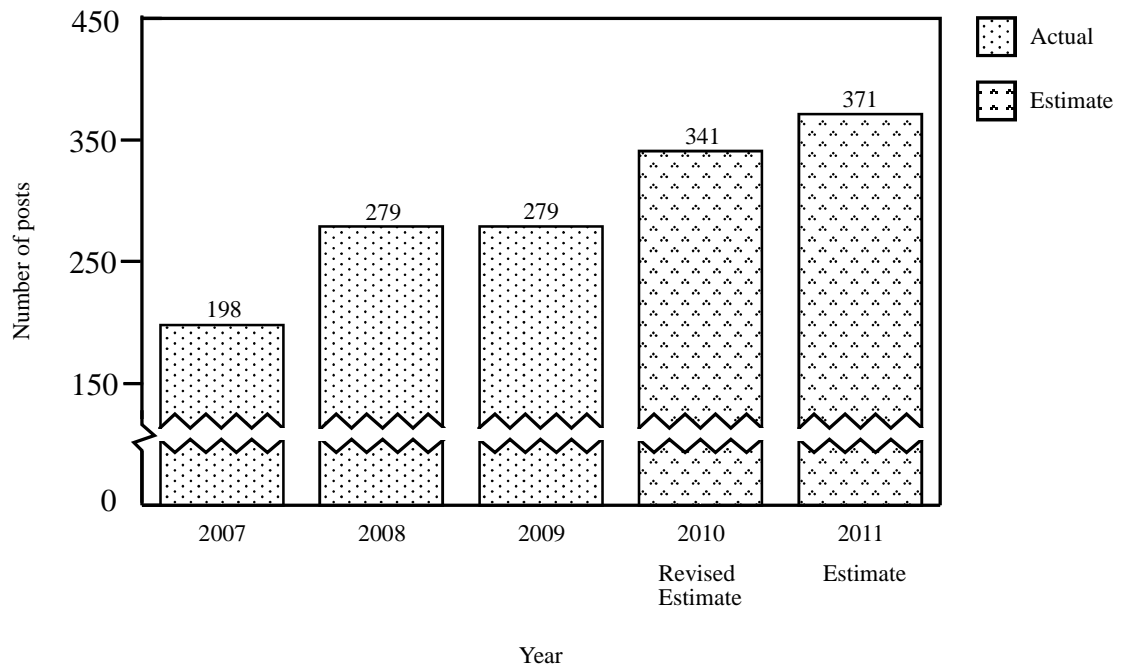
ANALYSIS OF FINANCIAL PROVISION

Programme	2008–09 (Actual) (\$m)	2009–10 (Original) (\$m)	2009–10 (Revised) (\$m)	2010–11 (Estimate) (\$m)
Student Assistance Scheme.....	3,551.0	3,905.8	4,009.9 (+2.7%)	3,559.3 (–11.2%)
				(or –8.9% on 2009–10 Original)

Analysis of Financial and Staffing Provision

Provision for 2010–11 is \$450.6 million (11.2%) lower than the revised estimate for 2009–10. This is mainly due to reduced cash flow requirement for the non-recurrent one-off support grants, partly offset by the increased provision for additional civil service posts and temporary staff to meet operational needs, the expected increase in the demand for financial assistance under the Financial Assistance Scheme for Post-secondary Students and an anticipated increase in payments for reimbursement of course fees under the Continuing Education Fund.

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



Head 173 — STUDENT FINANCIAL ASSISTANCE AGENCY

Sub-head (Code)	Actual expenditure 2008-09	Approved estimate 2009-10	Revised estimate 2009-10	Estimate 2010-11	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	192,266	243,321	217,889	273,425
228	Student financial assistance	2,444,212	3,078,764	2,749,949	2,771,177
	Total, Recurrent.....	<u>2,636,478</u>	<u>3,322,085</u>	<u>2,967,838</u>	<u>3,044,602</u>
Non-Recurrent					
700	General non-recurrent	914,509	583,754	1,042,066	514,695
	Total, Non-Recurrent.....	<u>914,509</u>	<u>583,754</u>	<u>1,042,066</u>	<u>514,695</u>
	Total, Operating Account	<u>3,550,987</u>	<u>3,905,839</u>	<u>4,009,904</u>	<u>3,559,297</u>
<hr/>					
	Total Expenditure	<u><u>3,550,987</u></u>	<u><u>3,905,839</u></u>	<u><u>4,009,904</u></u>	<u><u>3,559,297</u></u>

Head 173 — STUDENT FINANCIAL ASSISTANCE AGENCY

Details of Expenditure by Subhead

The estimate of the amount required in 2010–11 for the salaries and expenses of the Student Financial Assistance Agency is \$3,559,297,000. This represents a decrease of \$450,607,000 against the revised estimate for 2009–10 and an increase of \$8,310,000 over actual expenditure in 2008–09.

Operating Account

Recurrent

2 Provision of \$273,425,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Student Financial Assistance Agency. The increase of \$55,536,000 (25.5%) over the revised estimate for 2009–10 is mainly due to the additional civil service posts to be created in 2010–11, and the provision of temporary staff to cater for an expected increase in the demand for student financial assistance for post-secondary students.

3 The establishment as at 31 March 2010 will be 341 permanent posts. It is expected that there will be a net increase of 30 permanent posts in 2010–11. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2010–11, but the notional annual mid-point salary value of all such posts must not exceed \$115,032,000.

4 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2008–09 (Actual) (\$'000)	2009–10 (Original) (\$'000)	2009–10 (Revised) (\$'000)	2010–11 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	85,462	105,338	89,625	110,274
- Allowances.....	1,168	1,564	1,440	1,564
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	68	66	142	149
- Civil Service Provident Fund contribution.....	137	166	208	215
Departmental Expenses				
- General departmental expenses.....	105,431	136,187	126,474	161,223
	192,266	243,321	217,889	273,425

5 Provision of \$2,771,177,000 under *Subhead 228 Student financial assistance* is for the payment of student financial assistance under various schemes to students at all levels of study in meeting their education expenses, such as tuition and examination fees, textbooks and other academic and travel expenses. The financial provision includes provision for the new scholarship scheme for attracting talents to the English teaching profession.

Head 173 — STUDENT FINANCIAL ASSISTANCE AGENCY

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2009	Revised estimated expenditure for 2009–10	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	508	Continuing Education Fund.....	6,200,000	2,302,710	466,178	3,431,112
	870	One-off support grant for needy students in the 2009/10 School Year	570,000	—	549,654	20,346
	893	One-off support grant for needy students	550,000	507,196	23,054	19,750
	920	Financial Assistance Scheme for Designated Evening Adult Education Courses	36,000	6,091	3,180	26,729
		Total.....	<u>7,356,000</u>	<u>2,815,997</u>	<u>1,042,066</u>	<u>3,497,937</u>