Fee Revision for Kindergartens/Kindergarten-cum-Child Care Centres and Schools with Kindergarten Classes Joining the Kindergarten Education Scheme (Scheme) in the 2020/21 School Year

Frequently Asked Questions

A. Provisional Unit Subsidy and Recommended Salary Ranges for Teaching Staff

Q1: What are provisional subsidy rates and provisional recommended salary ranges for teaching staff?

A1: The salary-related subsidies for teaching staff (and the associated recommended salary ranges for teaching staff) in the 2020/21 school year will be finally adjusted based on the weighted average of the pay rise decided for the civil service in 2020 (i.e. to disburse underpayments or deduce for overpayments) and the exact amounts will be announced once confirmed. To facilitate schools’ preparation of budget for the fee revision application in the 2020/21 school year, we provided provisional figures for reference. These provisional figures are calculated based on the change in the Composite Consumer Price Index on the salary ranges in the 2019/20 school year and stipulated in the Education Bureau (EDB) Circular Memorandum No. 1/2020 (“EDBCM No. 1/2020”). EDB will refer to these provisional figures when processing the relevant fee revision applications.

Q2: After confirmation of relevant unit subsidy rates and salary ranges, do kindergartens (KGs) need to re-submit the fee revision application?

A2: To tie in with the commencement of new school year in August or September, KGs do not need to re-submit the fee revision application for the confirmed unit subsidy rates and salary ranges. In applying for fee
revision in the 2020/21 school year, KGs should make reference to these provisional figures to prepare their budget. If the confirmed rates are higher than the provisional rates, KGs can use the additional subsidy to adjust teachers’ salary and ensure that salary of teaching staff have met the confirmed salary ranges in the 2019/20 school year (including the starting level). If the confirmed rates are lower than the provisional rates, the difference of the teacher salary related expenses concerned (if any) will be recognized in school fees calculation during the fee revision exercise of the next school year. The treatment concerned will be stipulated in the circular memorandum regarding fee revision of the respective school year.

B. About Increase in School Fees

Q3: How should the KGs calculate the proposed school fees under the Scheme?

A3: In short, school fees are calculated based on the budgeted income and expenditure of the KGs. KGs should first consider the amount of Scheme’s subsidies available for use in different sections (i.e. local KG classes, non-local KG classes and Child Care Centres (CCC) classes) and sessions (i.e. half-day (HD), whole-day (WD)/long whole-day (LWD)). For local KG classes, the Scheme’s subsidies available for use includes the unit subsidy, school-specific grants and rent reimbursement, etc newly disbursed in the 2020/21 school year and the accumulated surplus of the respective subsidy as at the end of the 2019/20 school year (if any).

Afterwards, in budgeting for a new school year, KGs should always be prudent and ensure that expenditure incurred is reasonable and necessary. Based on the principle of prevention of cross-subsidisation, KGs should apportion each recognized expenditure item for the whole school (i.e. salary and related expenses for teaching staff should be apportioned according to actual duties and other expenditure should be apportioned by student enrolment) to each section. The expenditure for local KG classes should further be apportioned by the ratio of HD to WD/LWD expenditure per student. Considering that the Scheme’s subsidies
available for use in a section/session is not sufficient to cover the expenditure apportioned to that section/session, the shortage concerned could be taken in the calculation of school fees (i.e. school fees after deduction of government subsidy).

Q4: How should the KGs determine the proposed fee increase?

A4: The policy objective of the Scheme is to provide highly affordable and quality KG education. In principle, government subsidy should be sufficient for KGs to provide free quality HD services. Individual KGs need to collect school fees for HD services mainly because expenses on rent cannot be fully covered by government subsidy. As for WD/LWD services, parents should bear part of the additional costs under the co-payment basis between the Government and parents. With additional subsidy from the Government, school fees should be at a low level.

In budgeting for a new school year, KGs should always be prudent and adopt students’ interests and parents’ affordability as the prime consideration. KGs should also ensure that expenditure incurred is reasonable and necessary. The budgeted expenditure of the KGs should be directly related to teaching and learning activities, school operation and maintenance of the standard of education service. In determining the fee increase, KGs should carefully weigh in balance the various factors (e.g. the amount of accumulated surplus held by KGs, the revised estimate of current school year, etc) and apply for fee increase only when the expenditure to be incurred exceeds the resources available to KGs (including resources from subsidy under the Scheme and school fees income). If fee increase is necessary, the increase level must be reasonable with careful consideration on the affordability of parents. EDB will vigorously vet the applications for collection of school fees. Details of expenditure items chargeable to government funds are at Appendix 3 of EDBCM No. 1/2020.
C. School Fees Before Deduction of Government Subsidy

Q5: How do KGs know the approved amount of school fees before deduction of government subsidy in the application result of fee revision in the 2020/21 school year, and how do KGs apply for collecting these school fees?

A5: Since most KG students are eligible for government subsidy under the Scheme, normally only school fees after deduction of government subsidy would be shown in the Fees Certificate.

If individual KGs are required to collect school fees before deduction of government subsidy under special circumstances, KGs may contact their respective School Development Officers or Services Officers for a rough estimate of school fees so as to notify parents in advance. If needed, KGs could submit an application in writing and briefly explain with relevant justifications.

D. Staffing for KG Teachers

Q6: Could KGs employ teachers for more than those required under the teacher to pupil (TP) ratio of 1:11?

A6: Under the Scheme, the overall requirement in TP ratio has been raised from 1:15 (principal included) to 1:11 (principal not included) so as to allow teachers more capacity to cater for diverse needs of students, engage in curriculum development, lesson planning, professional development, communication with parents, etc.

Flexibility is allowed for KGs to employ additional teachers to meet school-based needs if free HD KG services could be provided and fees for WD services could be maintained at a low level.

For LWD KGs, considering their own situation and the impact on school fees, may suitably employ more teachers (capped at 40% more than that of WD KGs).
E. Remuneration for KG Teachers

Q7: How should KGs adjust the salary of teaching staff? If there is surplus in the portion of subsidy relating to teaching staff salary and related expenses (i.e. at least 60% of the basic unit subsidy), could KGs be allowed to remunerate principal or individual teachers at a salary higher than the prescribed salary range?

A7: To maintain the flexibility and diversity of KG sector, salary adjustment of teaching staff will remain a school-based matter, but the adjustment level must be reasonable. In addition, to ensure that teaching staff are remunerated reasonably, we provide salary ranges for different ranks of teaching staff. If the salary of a teaching staff is higher than the prescribed salary range, even if there is surplus in the portion of basic unit subsidy relating to teaching staff salary (i.e. at least 60%), the difference could not be borne by government subsidies and would not be taken for calculation of school fees. The amount concerned should be borne by “School Funds” and recorded in the “School Funds” in the respective school year. If there is still surplus in the subsidy account after confirming that all teaching staff are remunerated reasonably, KGs should formulate long-term plans to make better use of resources.

Q8: If the estimated enrolment is declining, should the rank of teaching staff also be demoted accordingly?

A8: KGs should take into account their scale of operation and reasonableness when determining the rank of the principal/teaching staff. Given that the enrolment of KGs would fluctuate slightly between school years, for fee revision purpose, we will refer to the rank of a teaching staff in the previous school year when assessing the rank in the 2020/21 school year. Specifically, if the estimated enrolment declines in the 2020/21 school year but KGs intend to retain the rank and salary in the 2019/20 school year for their principals/senior teachers, we would recognize the expenditure concerned as far as possible. However, if the enrolment is significantly reduced and such teachers’ salary related expenses would lead to significant increase in school fees and parents’ financial burden,
we will carefully consider and weigh in balance the various factors. Moreover, if the enrolment is declining continuously, KGs should consider re-deploying manpower and resources; the expenditure concerned would no longer be recognized.

F. Others

**Q9:** How should KGs determine the ratio of HD to WD/LWD expenditure per student? Could this ratio be changed?

**A9:** In determining the ratio of HD to WD/LWD expenditure per student, KGs should consider their specific need to formulate and concrete criteria (e.g. total costs in operating HD and WD/LWD classes). The ratio of HD to WD/LWD expenditure per student should be between 1 to 1.6 and 1 to 2 and in 1 decimal place only.

The school must provide sufficient justifications in order to change the expenditure ratio, criteria in the apportionment of expenditure or accounting policies. The supporting documents should be kept and made available for inspection by auditors or EDB.

**Q10:** Could KGs lodge an appeal on the application result of fee revision?

**A10:** If necessary, the appeal must be made in writing to respective School Development Officer/Services Officer within 2 weeks from the date of the letter on the application result of fee revision, and supported with justifications and documentary proof. We will consider individual circumstances on a case-by-case basis. In view of the estimated figures for budgeting and the commencement of a new school year in August/September, the following reasons would generally not be accepted for appeal:

(i) Adjustment made to the unit subsidy and salary ranges of teaching staff based on the annual civil service pay adjustment (no matter whether the confirmed figures are higher or lower than the provisional figures); and/or
(ii) The movement in the number of students in the 2019/20 school year.

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Education Bureau