

**Joining the Kindergarten Education Scheme (Scheme)**  
**Points to Note for Setting**  
**“Proposed School Fees BEFORE Deduction of Government Subsidies”**

1. Major source of income of kindergartens (KGs) joining the Scheme is government subsidies (including half-day (HD), whole-day/long whole-day (WD/LWD) unit subsidies and premises related subsidies) and school fees approved by the Education Bureau.
2. In principle, “proposed school fees before deduction of government subsidies” should be adequate to cover the cost of each student.
3. If a KG only operates HD or WD/LWD session(s), the “proposed school fees before deduction of government subsidies” per student is:
 
$$\frac{\text{total estimated operating expenditure incurred for the whole school}}{\text{estimated student enrolment}}$$
4. **A.** If a KG is concurrently operating KG local curriculum and/or child-care centres (CCC) and/or KG non-local curriculum, the relevant expenditures have to be apportioned among the stream of KG local curriculum, CCC and/or the stream of KG non-local curriculum according to the following defined apportionment basis.
  - ❖ Total teacher salary and related expenses (including principal and teaching staff) **to be apportioned according to actual duties**
  - ❖ Other expenses (including salary of non-teaching/ supporting staff, rent and other operating expenses) **to be apportioned based on student enrolment ratio**

Example:

	KG local curriculum	CCC (if applicable)	KG non-local curriculum (if applicable)	Total
<b>Estimated student enrolment</b>	<b>180</b>	90	30	<b>300</b>
<b>Teacher salary and related expenses (A) (apportioned according to actual duties)</b>	\$7,000,000	\$3,000,000	\$2,000,000	<b>\$12,000,000</b>
<b>Other expenses (B) (apportioned based on student enrolment ratio)</b>	$\$3,000,000 \times 180 \div (180 + 90 + 30)$ = \$1,800,000	$\$3,000,000 \times 90 \div (180 + 90 + 30)$ = \$900,000	$\$3,000,000 \times 30 \div (180 + 90 + 30)$ = \$300,000	<b>\$3,000,000</b>
<b>Total expenditure amount after apportionment [(C) = (A) + (B)]</b>	$\$7,000,000 + \$1,800,000$ <b>= \$8,800,000</b>	$\$3,000,000 + \$900,000$ = \$3,900,000	$\$2,000,000 + \$300,000$ = \$2,300,000	<b>\$15,000,000</b>

B. Only applicable to KG local curriculum providing both HD and WD/LWD sessions:

- ❖ After apportioning the total expenditure incurred for the whole school to KG local curriculum based on the defined apportionment basis as illustrated in paragraph 4A above, the **total expenditure of KG local curriculum** (i.e. \$8,800,000) must be further apportioned between HD and WD/LWD sessions **based on student enrolment and the ratio of HD to WD/LWD unit cost per student**.
- ❖ The ratio of HD to WD/LWD unit cost per student should range from 1:1.6 to 1:2.

To continue with the example in paragraph 4A above:

	KG local curriculum		
	HD session	WD/LWD session	Total
<b>Estimated student enrolment (D)</b>	120	60	<b>180</b>
<b>Ratio of unit cost per student (E)</b>	1	1.8	-
<b>Share of expenditure [(F) = (D) x (E)]</b>	120 x 1 = 120	60 x 1.8 = 108	<b>228</b>
<b>Ratio of cost shared by each session</b>	120 ÷ (120 + 108) = 52.63%	108 ÷ (120 + 108) = 47.37%	<b>100%</b>
<b>Expenditure apportioned to KG local curriculum (G)</b>	\$8,800,000 x 52.63% = \$4,631,440	\$8,800,000 x 47.37% = \$4,168,560	<b>\$8,800,000</b>
<b>“Proposed school fees <b>BEFORE</b> deduction of government subsidies” per student [(H) = (G) ÷ (D)]</b>	<b>\$4,631,440 ÷ 120 = \$38,595</b>	<b>\$4,168,560 ÷ 60 = \$69,476</b>	-

Education Bureau  
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