

## Workshop on “Free Quality Kindergarten Education Scheme” Worksheet 2: School Fee Estimation (Half-day Courses)

### Background:

Cheerful Growth Kindergarten operates half-day (HD) classes only at present and plans to join the “Free Quality Kindergarten Education Scheme” (the Scheme) in the 2017/18 school year. The information related to school fee estimation is summarized as follows:

1. The number of pupils enrolled in HD classes is 210.
2. The number of instalments of school fees is 10.
3. The estimated expenditure on teacher salary is \$4,100,000.
4. The school is operated in rented private premises. The annual rental expenses are \$800,000.
5. The estimated amount of other operating expenses is \$2,000,000.
6. The average monthly salary of teachers in the kindergarten is lower than \$20,000 in both 2014/15 and 2015/16 school years.

### Question 1:

How much government subsidy of each category will Cheerful Growth Kindergarten receive?

### Answer 1:

Amount of basic unit subsidy:	<b>\$33,190</b>	×	<b>210</b>	=	<b>\$6,969,900</b>
	Basic <u>HD</u> unit subsidy		No. of pupils in <u>HD</u> classes		<b>HD</b>

Basic unit subsidy – <b>portion for teaching staff salary:</b>	<b>\$6,969,900</b>	×	<b>60%</b>	=	<b>\$4,181,940</b>
	Amount of basic unit subsidy (i.e. HD)		Percentage of teaching staff salary portion		<b>TS</b>

Basic unit subsidy – <b>portion for other operating expenses:</b>	<b>\$6,969,900</b>	×	<b>40%</b>	=	<b>\$2,787,960</b>
	Amount of basic unit subsidy (i.e. HD)		Percentage of other operating expenses portion		<b>OC</b>

Amount of rental subsidy:

\$800,000	÷	2	=	\$400,000
Rental expenses (The subsidy is calculated based on the market rent as assessed by Rating and Valuation Department)				<b>R</b> (The calculation result is compared with HD×15%, whichever is lower)

*(Note: Premises maintenance grant is not applicable to Cheerful Growth Kindergarten. Subsidy and expenditure related to the support for non-Chinese speaking students and cook for WD KGs with a kitchen would not be taken in the calculation of school fee.)*

**Question 2:**

Does Cheerful Growth Kindergarten need to collect school fee from parents for their HD classes after joining the Scheme? If so, how much is the school fee?

**Answer 2:**

Per annum (Estimate)	Teaching staff salary (\$)	Other operating expenses (\$)	Rental expenses (\$)
a. Income (subsidy amount)	4,181,940 [i.e. TS]	2,787,960 [i.e. OC]	400,000 [i.e. R]
b. Expenditure	4,100,000	2,000,000	800,000
c. Surplus/(Deficit) of the subsidy accounts <i>[i.e. a – b]</i>	81,940 [Note]	787,960	(400,000)
d. Amount taken for calculating school fee	0 [i]	-787,960 [ii]	400,000 [iii]
	0 – 787,960 + 400,000 = -387,960 (Total = [i] + [ii] + [iii])		
e. School fee per instalment <i>[i.e. d ÷ no. of pupils ÷ no. of instalments]</i>	0		

Note: The surplus (if any) could not be deployed for covering expenditures other than teaching staff salary.