

Summary

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The Swedish National Agency for Education has been commissioned by the government to follow up the reform “Maximum fees and general preschool, etc.”. [*Maxtaxa och allmän förskola m.m.*] during the period 2002-2007. This report accounts for the second follow-up of the reform.

The report is based on studies carried out before and after the reform and on the Swedish National Agency for Education’s official statistics. It covers follow-up on the conditions of and prerequisites for municipal childcare facilities and private childcare. Furthermore, a municipal survey on the introduction of general preschool for four- and five-year-olds is discussed, and a special governmental commission on centres for extra-curricular activities is reported on. Finally, there is a summary of the follow-up on state subsidies for quality assurance measures.

About the reform

The main aim of the reform “Maximum fees and general preschool, etc.” has been to increase accessibility to preschools and childcare for schoolchildren. A system with a maximum fee also aims to improve the economic circumstances of families with children, to reduce marginal effects and to facilitate participation in the workforce.

The reform consists of several sections, which have come into force at different points in time. It is not compulsory for municipalities to introduce a maximum fee, but the right to preschool for the children of the unemployed and those on parental leave and the right to general preschool for four- and five-year-olds are regulated in law.

Children of the unemployed were given the right to preschool for at least three hours a day or equivalent on 1 July 2001, and children of those on parental leave were given the same right on 1 January 2002. A maximum fee for preschool and childcare for schoolchildren was introduced on 1 January 2002. General preschool for four- and five-year-olds was introduced on 1 January 2003.

The municipality is reimbursed through state subsidies for increased costs arising from the reform. As a result of the reform, the municipalities received SEK 150 million in 2001, SEK 4.4 billion in 2002 and SEK 5.6 billion in 2003.

Costs and financing of “Maximum fees and general preschool, etc.”

The municipalities have received reimbursement for lower parental fees due to the introduction of the maximum fee through a special state subsidy. The subsidy amounted to SEK 3.4 billion in 2002. There are official figures available on the municipal income from parental fees; however, as far as private childcare is concerned, income is unknown. The estimates are based on the average loss of fees for children in private childcare being the same as for children in municipal childcare, and on all children in the municipality (in both municipal and private childcare) generating the same fee income.

Based on this line of reasoning, an average fee income per child has been estimated. The average number of children aged 1-12 years registered at preschool and childcare for schoolchildren is included in the estimate, and the income for 2002 is SEK 11,160, somewhat higher than the income for 2001 (SEK 10,930).

The general state subsidy has been increased for the parts of the reform that involve the right to preschool for the children of the unemployed and those on parental leave and general preschool for four- and five-year-olds.

In 2001 and 2002, the municipalities received state subsidies for the children of the unemployed

amounting to SEK 450 million, and for children of those on parental leave amounting to SEK 250 million. Estimates show that costs for the children of the unemployed were lower than calculated – around SEK 140 million. However, it is estimated that costs for the children of those on parental leave were higher than calculated – around SEK 490 million.

General preschool has led to higher costs for additional children and lower fee income. In 2003, the municipalities received state subsidies for general preschool amounting to SEK 1.2 billion. The cost for additional four- and five-year-olds has been estimated to SEK 75 million. An example based on a child in full-time preschool who gets a rebate of 3/8 of the monthly fee gives a loss of fees for the municipality of SEK 5,136 per four- and five-year-old and year. **If the state subsidy is divided by the total number of these children, the result for 2003 is SEK 6,990.**

According to our estimates, the state subsidy for the maximum fee taken as a whole covered the municipalities' loss of fees in 2002. As regards costs for children of the unemployed and the introduction of general preschool, our results indicate that the reform is well financed, while the reform concerning the children of those on parental leave is more than likely underfinanced. On weighing up the various sections of the reform, i.e. costs, loss of fees and state subsidies, it seems that its financing has been covered. It is important to emphasise that this picture only applies on a national level. How the introduction of the reform has influenced individual municipalities will be an issue for discussion during the remainder of the follow-up process.

It is mainly preschools that are affected by the reform. During 2002, large increases in the number of children occurred, chiefly through children of those on parental leave being given the right to preschool. During 2003, increases in the number of children were also much greater than normal, which can be attributed to the introduction of general preschool for four- and five-year-olds. As a natural consequence of this, it is also in preschools that costs have increased the most. This increase meant that the number of full-time positions rose by approximately 3,600 during 2002. Staff density in preschools was more or less the same during the period 2001-2003. There are no clear indications that there has been a decline in quality at preschools during the years since the reform was introduced.

Centres for extra-curricular activities have also been affected by the reform. The number of children registered increased somewhat faster than normal between 2001 and 2002, the years in which the maximum fee was introduced. Staff density at the centres has decreased, although this development seemed to abate somewhat between 2002 and 2003.

As regards family daycare, the number of facilities has decreased over a long period. The maximum fee reform does not seem to have affected development to any significant extent. Staff density was more or less the same during 2001-2003.

The effect of the maximum fee on private childcare

Municipal reimbursement to private childcare increased by 17 per cent between 2001 and 2002. This increase is significant when compared with the changes that took place during the period 1998 to 2001, and it probably is largely connected with the introduction of the maximum fee.

The proportion of children registered in private childcare continued to increase somewhat during 2002 and 2003, and staff density has not changed to any great extent since 2001.

In view of this development, we consider that the municipalities as a whole have reimbursed private childcare providers for any loss of fees that the maximum fee has entailed. It is not possible to establish in a simple manner how private childcare has been affected, but it does not seem to have been affected negatively by the reform. Further studies need to be carried out if a more nuanced picture is to be presented.

General preschool for four- and five-year-olds

The report is based on a municipal survey carried out in autumn 2003. The municipalities provided information on the introduction of general preschool for four- and five-year-olds.

The results show that the municipalities provide information to parents about general preschool. The most difficult group to reach seems to be parents of children who have not previously been registered at any childcare facility.

The municipalities and districts mainly choose to allow additional four- and five-year-olds to be integrated into regular activities. In cases where there are separate groups for four- and five-year-olds, it is usually a question of finding temporary solutions or solutions for particular groups of children.

For children who attend preschool on a part-time basis (15 hours a week or equivalent), attendance at preschool is mainly assigned to mornings five days a week. Some municipalities offer fixed options for these children, while others have more flexible solutions. In sparsely populated areas, it is usual that the hours are spread over less than five days a week. Meals are not usually included for the four- and five-year-olds who attend 15 hours a week or equivalent, but in cases where the hours are spread over less than five days a week, meals are usually included.

Fee reduction schemes for four- and five-year-olds in preschools are designed in different ways and depend on the municipality's fee system in general. Three-quarters of municipalities also offer fee reduction for four- and five-year-olds registered with family daycare.

Cooperation between family daycare and preschools

In a survey the municipalities were asked to state if on 1 December 2003 there were children aged four or five who were registered both with family daycare and at preschool. Such solutions are applied in around a quarter of municipalities, and generally apply to just a few children (one to five children). Only ten per cent of the municipalities state that more than five children are registered in both activities.

Most municipalities apply fee reduction to four- and five-year-olds registered with family daycare. There is no great difference in the numbers of children who transfer from family daycare to preschools in municipalities that do not offer fee reduction, which suggests that factors other than fees affect the choice of childcare. In some municipalities, parents can choose between either continuing to send their children to family daycare or changing to preschool. In other municipalities, a combination of activities is offered. Cooperation between preschools and family daycare seems to be difficult to put into practice mainly for practical reasons. A common problem is the difficulty in transporting children between family daycare and preschools.

Some municipalities choose to give more weight to educational activities within family daycare. In such cases children from several different family daycare centres usually meet up, e.g. at an open preschool.

Quality assurance measures

The Swedish National Agency for Education is to follow up how municipalities use the subsidy for quality assurance measures. The subsidy is provided to municipalities that apply a maximum fee following receipt of an application, and amounted to SEK 500 million in 2003. Like in previous years, most of this (85 per cent) went towards increasing staff numbers, and around 90 per cent of the entire subsidy was used for preschool activities.

According to the municipalities' follow-up for 2003, the subsidy covered around 1,490 full-time employees – 1,340 in preschools and 150 in childcare for schoolchildren. Private childcare providers were allotted twelve per cent (SEK 61.9 million) of the total subsidy. 90 per cent of these funds went to preschools and 10 per cent to childcare for schoolchildren.