

For information on
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Legislative Council Panel on Education
Subcommittee to Study the Implementation
of Free Kindergarten Education

Scope of Free Kindergarten Education

Purpose

This paper sets out the present situation of kindergarten (KG) education and the initial views of the Committee on Free Kindergarten Education (the Committee) on the scope of free KG education.

Present Situation of KG Education

2. Since 2007, the Government has been implementing the Pre-primary Education Voucher Scheme (PEVS) with an aim to facilitate all eligible children to receive affordable and quality KG education. All local non-profit-making (NPM) KGs are eligible for joining the PEVS. In the 2013/14 school year, among 759 local NPM KGs, 724 KGs, accounting for 95%, have joined the PEVS. The numbers of PEVS KGs with half-day (HD) only, whole-day (WD) classes only and with both HD and WD classes were 111, 228 and 385 respectively. The number of students under the PEVS attending HD and WD classes in PEVS KGs were 84 937 and 43 451 respectively.

3. In 2013/14 school year, some 86% students under PEVS need to pay school fees on top of the voucher subsidy. To ensure that the children will not be deprived of the opportunity to receive KG education due to financial difficulties, the Government has been providing KG students from needy families with fee remission under the Kindergarten and Child Care Centre Fee Remission Scheme (KCFRS). The estimated

Government expenditure on the PEVS and KCFRS in the 2014-15 financial year are \$2,604.3 million and \$591.5 million respectively.

4. There is huge diversity across the KG sector. KGs have been enjoying much flexibility which enables them to respond to the needs of parents and children in their daily operation. Specifically, while the minimum requirement on teacher-to-student ratio in KGs is 1:15¹, KGs usually flexibly arrange grouping of children according to the needs of different learning activities. In the 2013/14 school year, the average teacher-to-student ratio of NPM KGs is 1:9.4², and the actual enrolment ranges from the lowest of 16 in a KG to the highest of 1,353. The annual school fees charged by PEVS KGs range from \$10,800 to \$26,260 for HD KGs and from \$16,400 to \$52,500 for WD KGs. As all KGs are privately operated, they can respond to the demand for KG services, including HD and WD places, in different districts quickly. Each year sees the closing down of KGs in some districts and opening of new ones in others. In the 2013/14 school year, 23 new KGs started operation while 11 KGs were closed.

Views and Deliberations of the Committee

5. As reported in the meeting on 16 December 2014 [LC Paper No. CB(4)225/14-15(01)], the Committee recognizes that KG education is a foundation stage of learning and whole person development of children with unique pedagogical characteristics that integrate care and education. All eligible children aged 3 to 6 should have access to quality KG education as a matter of equity. With regard to the use of terminology, the Committee noted that “pre-primary education” has been used under PEVS whereas “early childhood education” is commonly used in the KG education sector and in teacher training. In the context of the study on free KG education under the terms of reference of the Committee, the term “kindergarten education” has been used as the scope of the study

¹ This teacher-to-student ratio is the prevailing standard and was first set out in Education Bureau Circular No. 26/2003 on “Improved Teacher to Pupil Ratio in Kindergarten”.

² It refers to the ratio of the total number of pupils to the total number of teachers (including principal) in local NPM KGs.

mainly focuses on KG education for children aged 3 to 6. That notwithstanding, the Committee has also been studying issues about transition from KG to primary education.

6. In formulating recommendations on the practicable implementation of free KG education, the Committee's primary concern is to ensure the quality of KG education. The Committee respects the current diversity in KG education, and considers it important to maintain it, since such diversity caters to the different and unique needs of the children and their parents. Preserving the diversity is vital in assuring and enhancing the quality of KG education. With this in mind, and to ensure that implementation of Government assistance to KG education is practicable and sustainable, the Committee is of the preliminary view that it would not be tenable for the Government to subsidize every facet of the current and future KG education. The Committee regards it important that the Government subsidy should fund KG education at a level which enables KGs to provide quality education.

7. To this end, the Committee has discussed and agreed on the essential elements for quality KG education such as improving the teacher-to-student ratio, offering a career ladder to maintain a stable teaching force, etc. Striking a balance among factors such as the financial implications for Government, parents' choice and financial burden, as well as the sustainable and quality development of the KG sector marked by diversity, the Government should consider providing subsidy that may allow KGs in general to provide quality education without charging tuition fees. However, some KGs may choose to operate in commercial premises paying extra rental expenses on top of the rental subsidy provided by the Government, if any. Or, some KGs may continue to offer above-standard services (e.g. employing more teachers for smaller groups of students, etc) which some parents welcome. The resulting possible extra tuition fees would have to be self-financed. In this connection, the Committee is of the view that the governance of individual KGs should be enhanced and EDB should professionally process individual KGs' proposals for revising fees. In any event, to ensure that no children would be deprived of the opportunity to receive quality KG education because of financial difficulties, financial

assistance should continue to be made available for children from needy families to defray expenses related to KG education.

8. With regard to the funding mode, the Committee is of the view that the flexibility, vibrancy and uniqueness of the KG sector should not be compromised and their provision of diversified services for parents should be maintained. Premised on this, the Committee has studied the different funding modes that may be relevant for consideration. Major observations are as follows:

- (a) Under the aided school subvention mode, there are stringent planning parameters to ensure that sufficient subvented school places are available under compulsory education. A centralized school place allocation system is in place to ensure student placement is conducted in a fair and transparent manner. The level of subvention for each school is mainly based on the approved class structure which also determines the staff establishment. To ensure public funds are utilized in a cost-effective manner, there is a class threshold for approving the number of classes to be operated in each school.
- (b) Under the Direct Subsidy Scheme (DSS), the funding for each DSS school is primarily based on the average unit cost of an aided school place and the school's actual enrolment. There are also some subvention items not subsumed under the unit cost.
- (c) For the "lump sum grant" (LSG) adopted in the welfare sector, recurrent funding (comprising staff salary and other costs) is provided in a lump sum. Subvention for staff salaries is pegged to the mid-point salaries of the respective ranks of the staff.

9. Some members of the Committee are in favor of adopting the salary policy applicable to the aided schools as such is believed to, among others, provide stability to the teaching force. Notwithstanding that,

members are given to understand that the salary-related practices cannot be applied to KGs in isolation. Specifically, the salary-related practices are part and parcel of the standardized funding mode for aided schools. The said funding mode contains several inter-connected components such as approval of operating classes and teacher entitlement, and is subject to a basket of control measures under the Government's prudent and balanced planning of school places operated through school place allocation systems. For instance, the approval of class structure by EDB will require setting of class threshold, and would result in class packing and teacher redundancy. There might be pressure for closure of some very small KGs and a knock-on effect on the stability of the KG teaching force in times of student population drop. Also, the standardized funding mode is premised on a system to centralize the allocation of places to ensure fairness through the creation of school nets. If such is adopted in the KG sector, this will inevitably affect the sector's overall operating flexibility to cope with the rise and fall of students in different districts. Besides, unlike the aided schools that are operated mainly in government-owned or rental-free private lands, the operation of KG in commercial premises will render the planning of school places in a holistic manner neither practicable nor feasible.

10. On the other hand, the Committee is fully aware of the sector's concern about adopting the above-mentioned LSG mode for KG education, in particular the worry that KGs might not have sufficient funding to meet expenses on staff salaries and be reluctant to employ experienced teachers, which will have negative impact on the quality of education. The Committee would explore further options on the funding mode for KGs, taking into consideration the recommendations of the consultant on human resources requirement and remuneration, details of which will be available later this year. The initial view is that a more innovative funding mode should be adopted so as to cater for the different modes of KG operation.

11. As regards whether local private independent (PI) KGs should be covered under the provision of free KG education, there are diverse views and the issue is subject to further deliberation by the Committee. On one hand, there are views that local PI KGs should be covered in order to provide a wider choice of KGs for parents. On the other hand, some are

of the view that only local NPM KGs should be provided with recurrent subsidy for prudent use of public fund. The Committee will give due consideration to ensure appropriate use of public fund.

Views Sought

12. Members are invited to note the content of this paper.

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