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The James St Junior School
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Making Free ECE Work

In our last newsletter we discussed the implementation of 20 Hours Free ECE on July 1st 2007. In that newsletter we indicated that accepting the Government's offer of 20 Hours Free ECE as it stands is not economically viable for us with our current level of service provision. However it seems a shame to reject the Free ECE scheme for this reason alone and deny parents the ability to save substantial sums of money on their preschool fees. In this newsletter we will ask that you carefully consider each of the options available to us and then complete and return the attached survey by March 30 2007. We ask that all parents complete this survey, even if your child is not three or four, as we need to consider the views of future three and four year olds also.

20 Hours Free ECE:

- Commences on 1st July 2007
- Available to all three and four year olds attending a teacher-led licenced ECE service such as the James St Preschool & Junior School. However ECE services do not have to enter into the Free ECE scheme.
- Each three and four year old is eligible for up to 20 Hours Free ECE per week in total. This includes all of the ECE services the child may attend, such as Preschool and Kindergarten. Parents can choose how they allocate their 20 hours free. For example a child attending three afternoon sessions at Kindergarten may allocate 9 Hours to Kindergarten and 11 Hours to Preschool.
- Each three and four year old is eligible for up to 6 Hours Free ECE per day in total. The Kindergarten child may use 3 hours for their Kindergarten session leaving 3 hours that can be used at Preschool that same day.
- No compulsory fees can be charged for any free hours that a child attends an ECE service.
- The rate that the Government subsidises Free ECE differs depending on the centre type and the percentage of Registered Teachers employed. The James St Preschool qualifies for the highest rate of subsidy available (\$4.60 per free hour). This is because we are an all-day centre and 100% of our teaching staff are Registered Teachers.
- The James St Preschool charges \$7 per hour. This leaves a shortfall of \$2.40 per hour of Free ECE provided. ECE services that have a shortfall in funding have several options available to them. These are discussed on the next page. Please consider each of these options carefully and then complete the questionnaire at the end of the newsletter. The implementation of Free ECE is complex. If you wish to discuss any of these options further then feel free to contact Tonia or Murray.

| Option | Description | Strengths | Weaknesses |
|--------|--|--|---|
| A | Do not offer Free ECE | Simple, no change required to current procedures | Parents miss out on substantial savings available if ECE service opts into scheme |
| B | Reduce quality of Service Provision. The quality of service provided cannot be less than that required under the ECE Regulations. The James St Preschool exceeds regulation in many areas, including providing meals, increased staff ratios, teacher non-contact time, teacher salaries above regulatory requirement, more outdoor space than required, extensive resourcing such as in art, drama and Information and Communications Technology. | Does not require parents to contribute towards the cost of providing 20 Hours Free. | Parents have chosen The James St Preschool & Junior School based on quality. Parents who have chosen to pay \$7 per hour in order to receive a high standard of Education and Care are probably not likely to compromise these standards in order to avoid contributing towards the cost of providing this care. |
| C | Change fee structure to recover lost income from age groups that do not receive free ECE. | Simple, no change required to current procedures. Does not require parents to contribute towards the cost of providing 20 Hours Free. | Extremely unfair on the parents of 0, 1 & 2 year olds. |
| D | Change fee structure to a base fee plus an optional charge for all services provided over and above regulation. | Allows parents to choose if they want a minimum regulatory standard of Education and Care for their Child or all of the services that are currently provided such as meals. Does not require parents to contribute towards the cost of providing 20 Hours Free unless they wish their child to receive services over and above regulation requirements. | This option is not consistent with our Preschool Philosophy. We would have difficulty operating a preschool where children were offered a different level of service to each other based on whether or not optional charges had been paid. We believe the programme of learning and care, should be centered totally around the needs of each individual child. |
| E | Ask parents to make a small donation to cover the shortfall in income received from the Government | Simple, no change required to current procedures. If all parents receiving free ECE paid the donation we could set the donation rate at \$2 per hour of free ECE received. This is less than the current shortfall of \$2.40 per hour. | Would only work if all parents opted to pay the voluntary donation. If only some parents paid the donation the donation rate would have to be set higher than \$2 per hour. This would be extremely unfair to the parents who did make the donation. |

We believe the fairest option would be Option E - "Ask parents to make a small donation to cover the shortfall in income received from the Government". This option would be reasonably simple to administer and would allow us to provide the same high standard of Education and Care that we currently do. Parents of 0, 1 and 2 year olds would have no change to their current fees. Parents of 3 and 4 year olds would receive savings of up to \$100 per week. The savings are less for children that attend more hours per week. This is because the Ministry of Education have limited the Free ECE hours to six per day and 20 per week. Also The James St Preschool already offers discounts to children attending all day or all week.

Below we have calculated the effect of Free ECE on four different children.

CHILD A

Age 3. Attends preschool on 5 days for 4 hours each day. Child A does not attend any other ECE service so has 20 Hours Free to use at the James St Preschool.

| | Mon | Tues | Wed | Thurs | Fri |
|---|---------|---------|---------|---------|---------|
| Attends | 4 hours | 4 hours | 4 hours | 4 hours | 4 hours |
| Free ECE Used | 4 hours | 4 hours | 4 hours | 4 hours | 4 hours |
| Compulsory Fee | \$0 | \$0 | \$0 | \$0 | \$0 |
| Donation Requested (\$2 per hour of free ECE received) | \$8 | \$8 | \$8 | \$8 | \$8 |

Total Compulsory Fee + Donation Requested = \$40

Child A would currently pay \$140 and hence will save \$100 per week

CHILD B

Age 4. Attends preschool on 5 days for 8 hours each day. Child B does not attend any other ECE service so has 20 Hours Free to use at the James St Preschool.

| | Mon | Tues | Wed | Thurs | Fri |
|---|------------------------------------|---------|---------|-------------------------------------|---------|
| Attends | 8 hours | 8 hours | 8 hours | 8 hours | 8 hours |
| Free ECE Used | 6 hours (daily maximum reached) | 6 hours | 6 hours | 2 hours (weekly maximum reached) | 0 hours |
| Compulsory Fee | \$10* | \$10* | \$10* | \$30** | \$40 |
| Donation Requested (\$2 per hour of free ECE received) | \$12 | \$12 | \$12 | \$4 | \$0 |

Total Compulsory Fee + Donation Requested = \$140

Child B would currently pay \$180 and hence will save \$40 per week

(* The two hours not covered by Free ECE = 1/4 of the 8 hours attended, hence 1/4 of \$40 daily fee = \$10)

(** The six hours not covered by Free ECE = 3/4 of the 8 hours attended, hence 3/4 of \$40 daily fee = \$30)

CHILD C

Age 2. Attends preschool on 5 days for 8 hours each day. Child C is not three or four so does not qualify for free ECE. There will be no change to child C's weekly fee of \$180. However as soon as Child C turns three, they will immediately be entitled to Free ECE. Child B's example would now apply.

Tricky Examples (*Does anyone want a job as a preschool administrator!)*

CHILD D

Age 4. Attends preschool on 5 days for 4 hours each day. Child B also attends Kindergarten for 7.5 hours per week and has already chosen to use 7.5 hours Free ECE at the Kindergarten (2½ hours on each of Mon, Tue and Thurs). Child D has 12.5 hours of Free ECE left to use at The James St Preschool. However they cannot exceed six hours on any day in total. Therefore only 3½ hours are left on each of the Kindergarten days.

| | Mon | Tues | Wed | Thurs | Fri |
|---|---|---|---------|--|---------|
| Attends | 4 hours | 4 hours | 4 hours | 4 hours | 4 hours |
| Free ECE Used | 3.5 hours (daily maximum reached including kindergarten) | 3.5 hours (daily maximum reached including kindergarten) | 4 hours | 1.5 hours (weekly maximum reached including kindergarten) | 0 hours |
| Compulsory Fee | \$3.50* | \$3.50* | \$0 | \$17.50** | \$28 |
| Donation Requested ((\$2 per hour of free ECE received)) | \$7 | \$7 | \$8 | \$3 | \$0 |

Total Compulsory Fee + Donation Requested = \$77.50

Child A would currently pay \$140 and hence will save \$62.50 per week

(* The ½ hour not covered by Free ECE = \$3.50)

(** The 2½ hours not covered by Free ECE = \$17.50)

CHILD E

Age 4. Attends preschool on 5 days for 10 hours each day. Child E currently receives a Work and Income subsidy of \$3.31 per hour or \$165.50 per week leaving \$14.50 to pay. Work and Income subsidies will not be available for any Free ECE hours used.

Child E would save \$60 per week by using Free ECE at The James St Preschool. However their Work and Income Subsidy would reduce by \$66.20. Child E would be worse off by using Free ECE and is better to continue to receive the full Work and Income subsidy of 50 hours.

Some families that receive a Work and Income Subsidy will be better off by using Free ECE hours. If you currently receive a Work and Income Subsidy you may wish to discuss your individual situation with Murray, in order to establish whether Free ECE will be better for you.

On the next page we have put together a table of different enrolment patterns and how much will be saved by using Free ECE hours. The savings per week column assumes both the Compulsory Charge and the Donation are paid.

| Example | Attendance/ Booking | Free ECE Allowed | Current Charge | New Charge | Donation Requested | Saving (\$/week) | Saving (%) |
|---------|------------------------|----------------------------|-------------------|---------------|-----------------------|---------------------|---------------|
| 1 | 4 hrs x 1 day | 4 Hours | \$28 | \$0 | \$8 | \$20 | 71 % |
| 2 | 4 hrs x 2 days | 4 + 4 Hours | \$56 | \$0 | \$16 | \$40 | 71 % |
| 3 | 4 hrs x 3 days | 4 + 4 + 4 Hours | \$84 | \$0 | \$24 | \$60 | 71 % |
| 4 | 4 hrs x 4 days | 4 + 4 + 4 + 4 Hours | \$112 | \$0 | \$32 | \$80 | 71 % |
| 5 | 4 hrs x 5 days | 4 + 4 + 4 + 4 + 4 Hours | \$140 | \$0 | \$40 | \$100 | 71 % |

| | | | | | | | |
|----|----------------|----------------------------|-------|---------|------|---------|------|
| 6 | 6 hrs x 1 day | 6 Hours | \$40 | \$0 | \$12 | \$28 | 70 % |
| 7 | 6 hrs x 2 days | 6 + 6 Hours | \$80 | \$0 | \$24 | \$56 | 70 % |
| 8 | 6 hrs x 3 days | 6 + 6 + 6 Hours | \$120 | \$0 | \$36 | \$84 | 70 % |
| 9 | 6 hrs x 4 days | 6 + 6 + 6 + 2 Hours | \$160 | \$26.67 | \$40 | \$93.33 | 58 % |
| 10 | 6 hrs x 5 days | 6 + 6 + 6 + 2 + 0 Hours | \$180 | \$66.67 | \$40 | \$73.33 | 41 % |

| | | | | | | | |
|----|----------------|----------------------------|-------|-------|------|------|------|
| 11 | 8 hrs x 1 day | 6 Hours | \$40 | \$10 | \$12 | \$18 | 45 % |
| 12 | 8 hrs x 2 days | 6 + 6 Hours | \$80 | \$20 | \$24 | \$36 | 45 % |
| 13 | 8 hrs x 3 days | 6 + 6 + 6 Hours | \$120 | \$30 | \$36 | \$54 | 45 % |
| 14 | 8 hrs x 4 days | 6 + 6 + 6 + 2 Hours | \$160 | \$60 | \$40 | \$60 | 38 % |
| 15 | 8 hrs x 5 days | 6 + 6 + 6 + 2 + 0 Hours | \$180 | \$100 | \$40 | \$40 | 22 % |

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20 Hours Free ECE Parent Survey

The results of this survey will be used to assist us in implementing 20 Hours Free Early Childhood Education. We ask that all parents complete this survey, including parents of 0, 1 and 2 year olds. All surveys need to be returned to the payments box at Preschool or Junior School by 6pm on Friday 30th March. This allows us time to put in place the various systems required in order to be eligible to enter into the Free ECE scheme on the 1st July 2007. We appreciate that your time is extremely valuable and thank you for completing this survey. We look forward to be able to deliver considerable savings to parents of three and four year olds after 1st July.

Childs Name _____

Childs Age _____

Number of Hours Enrolled Each Week _____

Please rank each of the following Options from 1st (Your Most Preferred) to 5th (Your Least Preferred).

| Option | Ranking (1 st , 2 nd , 3 rd , 4 th 5 th) | Comment (Optional) |
|--|---|--------------------|
| Option A - Do not offer Free ECE | | |
| Option B - Reduce quality of Service Provision. | | |
| Option C - Change fee structure to recover lost income from age groups that do not receive free ECE. | | |
| Option D - Change fee structure to a base fee plus an optional charge for all services provided over and above regulation. | | |
| Option E - Ask parents to make a small donation to cover the shortfall in income received from the Government | | |

| | | |
|---|-----|----|
| If Option E was implemented would you be prepared to pay a voluntary donation of \$2 per hour of Free ECE received? | YES | NO |
| | | |

Please return to the payments box at Preschool or Junior School by 6pm on Friday 30th March.