

Financing preschool education and child care services in Serbia

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ECEC financing in Serbia

- ▶ ECEC in Serbia is predominantly financed by the **local self-governments (LSGs)**
- ▶ LSGs finance (up to) 80% of “economic price” per child while parents co-finance 20%
- ▶ 20% co-financing for children without parental care, children with disabilities and FSA beneficiaries participation is covered by the national level (Ministry of Social Affairs)
- ▶ LSGs usually have 20% participation waivers for socio-economically deprived families by their criteria and for 3rd child
- ▶ Four-hours compulsory preparatory preschool program (PPP) lasting 9 months is financed from the national level.

ECEC unit cost

- ▶ “Economic price per child” is the administrative monthly unit cost of ECEC program in Serbia
- ▶ Its calculation is regulated by the Rulebook
- ▶ Consists of the *expenses for employees* and *other operating cost*.
- ▶ Expenses for employees are standardized - 3 FT employees for 12 hour program group
- ▶ Operating costs are just listed
- ▶ Depreciation of facilities not mentioned
- ▶ According to rulebook (resource method) economic price should be **around 130 eur**

ECEC unit cost – Rulebook standardisation

	< 3 years	3-5,5 years
Organization/coordination	7,2	7,2
Psychologist, art/music teacher, speech therapist etc.	6,3	6,3
Preventive health care associate	3,6	2,4
Nutrition and care associate	3,6	3,6
Social care association	1,5	1,9
Teachers (nurse-teacher, teacher, special education teacher)	316,3	316,3
Nurse for preventive health care	/	21,1
Food preparation	21,8	21,8
Food serving	34,8	34,8
Finance and administration	17,4	17,4
Hygiene	87,0	87,0
Technical activities	17,4	17,4
Total number of hours	516,87	537,205
Full-time equivalent employees per educational group (total number of hours/174)	2,97	3,09

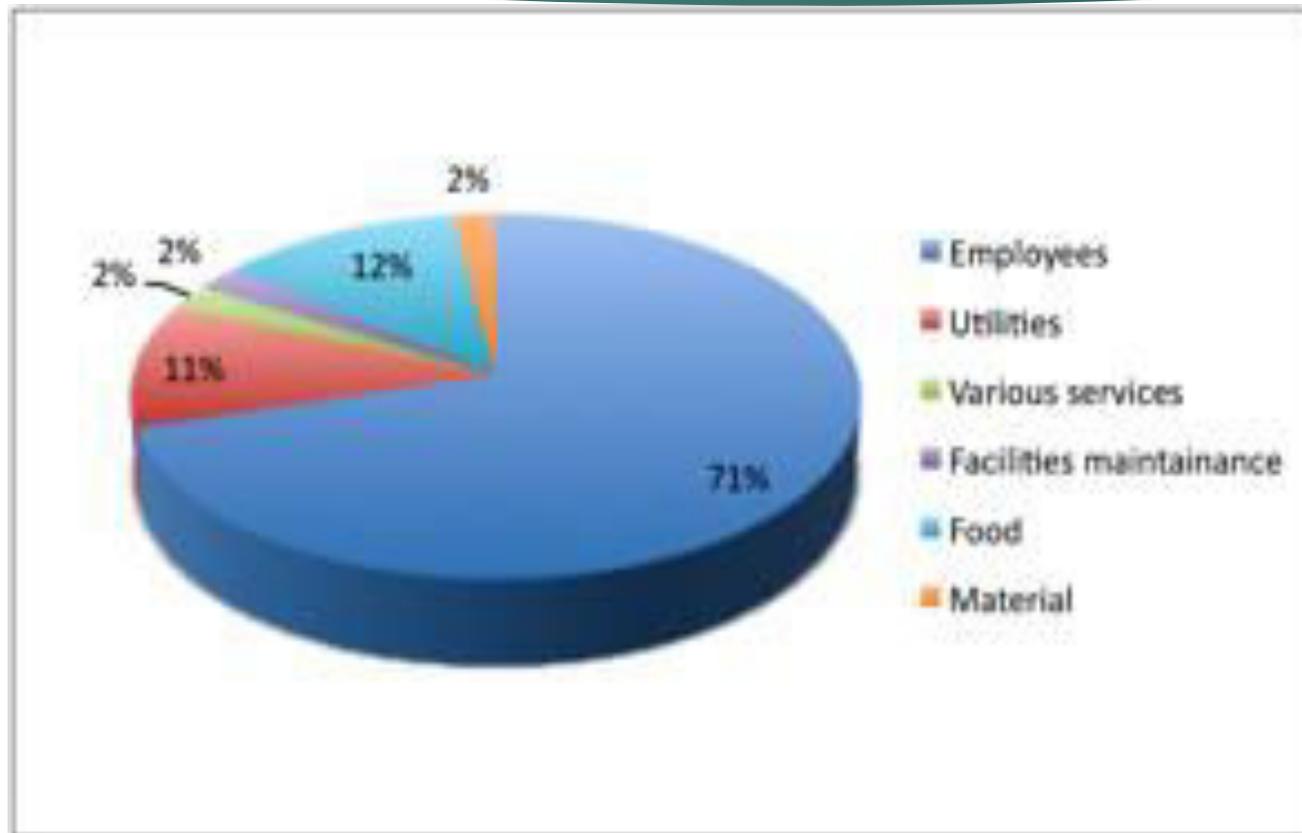
ECEC unit cost

- ▶ In reality it seems that LSGs don't use Rulebook (resource method)
- ▶ Each LSG calculates its own economic price
- ▶ Varies significantly - from the lowest 2.633 dinars (23 EUR) in Bela Palanka to 36.452 dinars (322 EUR) in Stara Pazova in 2013, averaging to 15.334 dinars (135 EUR) in 2013 (data still relevant)
- ▶ Economic price per child is the same for all programs
- ▶ In reality programs with lower number of children cost more per child
- ▶ Economic prices for private sector also vary across municipalities with weighted average amount of 21 thousand dinars (186 EUR).

ECEC unit cost in Belgrade

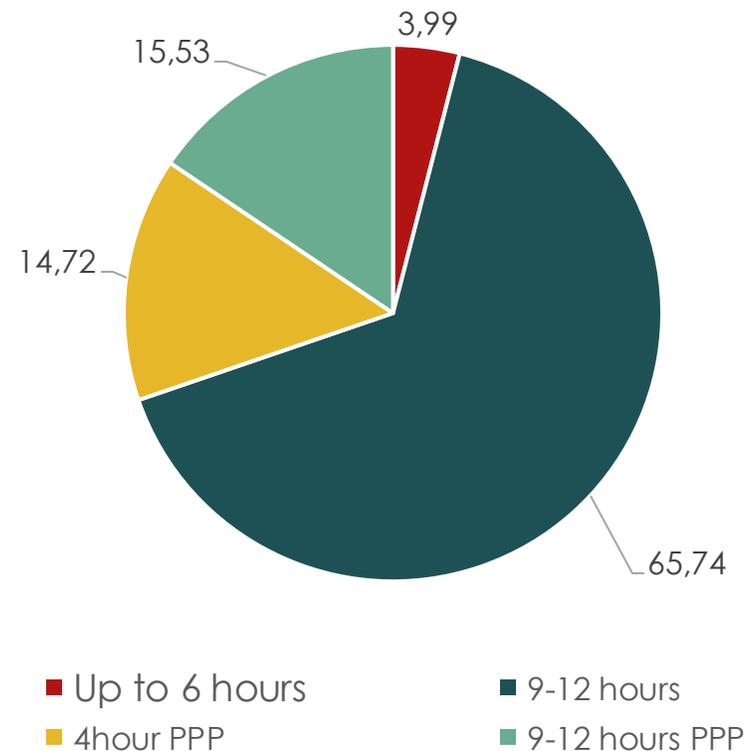
- ▶ In reality Belgrade does not use Rulebook (resource method)
- ▶ Calculates price using budget expenditures divided by number of **attending children (61.5% of enrolled)**
- ▶ **Monthly economic price in Belgrade is around 230 EUR**
- ▶ Price overestimated compared to resource method calculation, which is around 130eur
- ▶ On the other side, rents/depreciation of facilities not included
- ▶ The real price is somewhere in between

ECEC unit cost in Belgrade - structure



Cost of diversified programs

- ▶ **Unit cost for diversified programs appears to be considerably lower.**
- ▶ Monthly total unit cost for specialized 4 hours duration programs conducted within UNICEF project “Kindergartens without borders” stems **from 47 EUR to 58 EUR**
- ▶ Includes facility rent and snack (excluding transportation only)



Private providers

- ▶ Some LSGs include private providers in the system
- ▶ Belgrade since 2015
- ▶ Finance 80% of economic price as in public institutions (80% of 230eur)
- ▶ Private program may cost more than 230 eur, and usually does
- ▶ Therefore parents participation is higher than participation in public institutions
- ▶ Preliminary data shows that there was around 2000 children in 2015 and now some 17.000

Total expenditure for ECEC

- ▶ Total expenditure (public and private) on preschool education in Serbia for 2014 is estimated to be **around 0.65% of GDP**
- ▶ Public spending amounts to approximately 0,5% of GDP
- ▶ Around 0,15% is private spending through parents participation
- ▶ Expenditure on private ECEC institutions was negligible in 2014
- ▶ There are no more recent data on public and private expenditures