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What Tasks Remain to Complete the Integration of Early Childhood Education and Care?

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Background and Current Status

▪ **To strengthen state responsibility for early childhood education and care (ECEC), the government is pursuing ECEC integration[1] and increasing related investment in its 2027 budget proposal. However, with the completion target postponed from 2026 to 2030, the adequacy of funding and institutional arrangements requires review.**

- In June 2024, childcare centers were transferred from the Ministry of Health and Welfare to the Ministry of Education, consolidating management. The *ECEC Integration Implementation Plan* also established timelines for integrated institutions, unified teacher qualifications, and improved teacher-to-child ratios.
- Established in January 2026, the Special Account for Early Childhood[2] consolidated funding previously split between the General Account and the Special Account for Early Childhood Education Support. The 2027 proposal also includes the Future Response Fund's Education and Human Resources Account[3].
- In August 2026, the Ministry of Education set 2030 as the target for completing ECEC integration. A review is therefore needed of funding sources, implementation progress, and the outstanding funding, legislative, and program requirements.

[Table 1] **Progress of ECEC Integration**

Timeline	Main Content
June 2024	Childcare centers transferred to the Ministry of Education under the amended Government Organization Act (Dec. 2023); *ECEC Integration Implementation Plan* announced
December 2025	Special Account for Early Childhood Act enacted and previous account repealed (new account effective Jan. 2026)
August 2026	Ministry of Education announces the second-half work plan (ECEC integration to be completed in 2030)
November 2026	Ministry of Education to announce new ECEC integration roadmap (scheduled)

Source: Adapted from materials submitted by the Ministry of Education.

▪ **The 2027 budget proposal allocates KRW 9.9 trillion[4] to ECEC, up 7.2% year on year, of which integration spending increases 46.9% to KRW 1.2 trillion.**

- **(ECEC)** Childcare fee subsidies for ages 0–2 (+KRW 132.4 billion) increase by 3%, alongside higher personnel-cost subsidies and staff allowances (+KRW 90.7 billion).
- **(Integration)** Free education and care extends to age-three classes in 2027 (+KRW 172.6 billion); teacher-to-child ratio support expands from age-zero to age-one classes, with new incentives.

1) A policy to integrate kindergarten and childcare systems, including administration, financing, teacher qualifications, and institutions.
2) Special account created under the Special Account for Early Childhood Act (enacted Dec. 23, 2025; effective Jan. 1, 2026). Revenue primarily comprises General Account transfers equal to 60% of budgeted education tax revenue, less the amount specified in Article 6(1) of the Special Account for Higher and Lifelong Education Support Act (expires Dec. 31, 2030).
3) One of five accounts under the Future Response Fund, to be created under the Bill on the Establishment and Operation of the Future Response Fund (Bill No. 2221052, submitted by the government on Sept. 3, 2026); designated for ECEC programs and other programs.
4) Includes 2027 allocations to the Special Account for Early Childhood and the Future Response Fund's Education and Human Resources Account. Excludes early childhood items in local education finance grants, city/provincial education offices' education expense special accounts, and local government matching funds and own-budget programs.

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[Table 2] Budgets for Major ECEC Programs

(Unit: KRW 100 million)

Category	Account / Fund	Program	2026 Supplementary Budget	2027 Budget Proposal
ECEC	Special Account for Early Childhood	Childcare fee support	36,635	37,959
		Childcare staff personnel costs and operating support	21,844	22,736
ECEC integration	Special Account for Early Childhood	Phased rollout of free ECEC	4,703	6,429
	Future Response Fund (Education and Human Resources Account)	Teacher-to-child ratio improvement[1)]	(3,262)	5,269

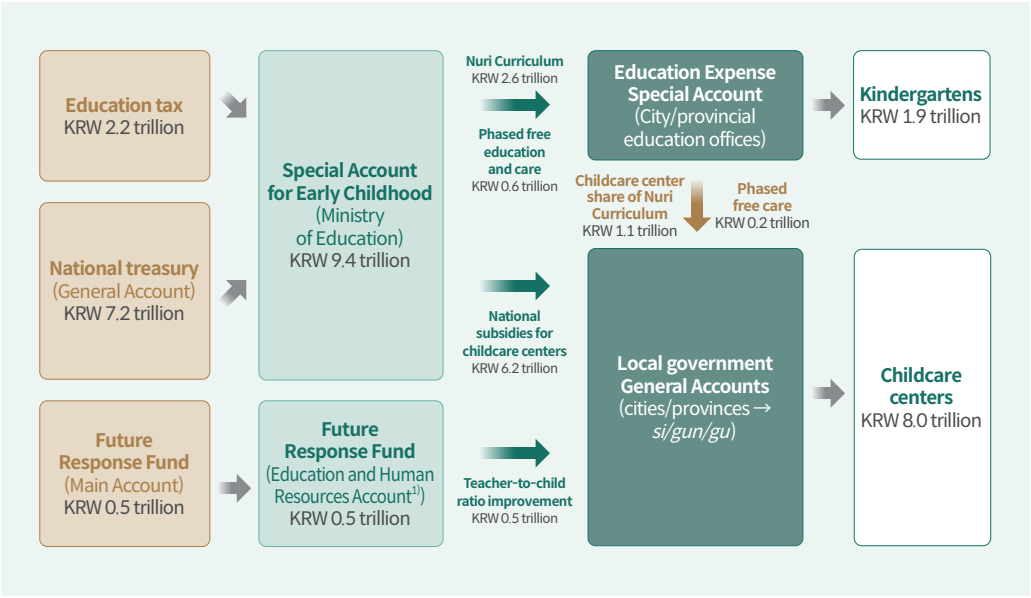
Note: 1) Teacher-to-child ratio improvement program shifts from the Special Account for Early Childhood (2026) to the Future Response Fund (2027).

Source: Adapted from materials submitted by the Ministry of Education.

Funding Structure of the ECEC Budget

- **The 2027 ECEC budget proposal comprised KRW 9.4 trillion from by the Special Account for Early Childhood and KRW 0.5 trillion from the Future Response Fund's Education and Human Resources Account. Funds reach kindergartens and childcare centers through city/provincial education offices' education expense special accounts and local government General Accounts.**
  - The proposal allocates KRW 1.9 trillion to kindergartens and KRW 8.0 trillion to childcare centers, excluding funds that city/provincial education offices and local governments provide on their own[5)].

[Figure 1] ECEC Budget Support Structure (Based on 2027 Budget Proposal)



Note: 1) In 2027, the Future Response Fund's Education and Human Resources Account receives transfers from the Fund's General Account. From 2028, it will receive 20.79% of the lower of the originally budgeted or trend-estimated domestic tax revenue, less subsidies under Article 3(2) of the Local Education Subsidy Act, from the government General Account.

Source: Adapted from materials submitted by the Ministry of Education.

- **Unlike its predecessor, the Special Account for Early Childhood Education Support, the Special Account for Early Childhood has a legally fixed education tax transfer rate, but is temporary, expiring on December 31, 2030.**
  - **(Revenue)** The account receives 60% of budgeted education tax revenue from the General Account, compared with its predecessor, whose allocation was determined annually through the budget.
  - **(Expiry)** The account expires on December 31, 2030; its predecessor also started with a three-year term and was extended twice.

5) City/provincial education offices independently fund kindergarten personnel costs and educational capacity through ordinary grants. Local governments support childcare centers through matching national subsidies and their own programs.

Progress by Task under the *ECEC Integration Implementation Plan*

- **The bill establishing the Future Response Fund's Education and Human Resources Account is under National Assembly review. Its funding also varies with the local education subsidy calculations[6].**
  - **(Scale)** Of the account's KRW 4.9 trillion, KRW 0.5 trillion (10.7%) is allocated to early childhood, with the remainder supporting higher and lifelong education and talent development.
  - **(Funding)** The account receives a fixed share of domestic tax revenue after deducting local education subsidies. Consequently, its funding decreases proportionately as these subsidies grow.
- **Budget-dependent tasks, including phased free education and care and improved teacher-to-child ratios, have progressed through successive expansions in eligibility and subsidies, with further improvements planned through 2028.**
  - **(Free education and care)** Support began for five-year-olds in July 2025, expanded to ages 4–5 in 2026, and is scheduled to cover all children aged 3–5 in 2027.
  - **(Teacher-to-child ratios)** Childcare center ratios are scheduled to improve from 1:3 to 1:2 for age-zero classes in 2026, from 1:5 to 1:4 for age-one classes in 2027, and from 1:7 to 1:6 for age-two classes in 2028.
- **In contrast, legislative tasks, including integrated teacher qualifications and standards for integrated institutions (provisionally called "early childhood schools"), have stalled since 2024 and were omitted from the second-half work plan.**
  - **(Integrated teacher qualifications)** A December 2024 public hearing was halted amid stakeholder disagreements over a model based on institutional integrations. The issue is to be reconsidered through social deliberation, while changes to childcare teachers' legal status also require an integration act.
  - **(Integration act and management system)** The integration act can proceed only after specific standards and operating systems are set. Three acts transferring local childcare administration to education superintendents (Local Education Autonomy Act, Local Education Subsidy Act, Child Care Act) remain pending in the National Assembly amid disagreements over financial transfers.

[Table 3] **Progress on Major Tasks in the *ECEC Integration Implementation Plan***

Task	Implementation Plan's Target (June 2024)	Progress
Phased free education and care	Phased rollout for ages 3–5 by 2027	Age 5 from July 2025; ages 4–5 in 2026; all children ages 3–5 scheduled for 2027
Teacher-to-child ratio improvement	(Age 0) 1:3 → 1:2 (Ages 0–2) 1 Assistant teacher per 3 classes → per 2 classes (Ages 3–5) Average ratio 1:12 → 1:8	2026: age-zero classes 1:3 → 1:2 2027: age-one classes 1:5 → 1:4 2028: age-two classes 1:7 → 1:6 (planned)
Integrated teacher qualifications; training system reform	Finalize integrated teacher standards by end-2024 Introduce integrated teacher qualifications in 2026 Train new integrated teachers from 2027 (graduates in 2031)	To be reviewed through social deliberation following the collapse of the December 2024 public hearing
Teacher treatment improvement, etc.	Phase in higher treatment-improvement allowances; change childcare teachers' legal status from workers to teachers once the integration act applies	Allowances up KRW 20,000 each in 2026 and 2027; legal status change not pursued as integration act not enacted
Establishment and operation standards	Finalize integrated institution establishment and operation standards by end-2024 Enact and implement the integration act in 2025	Phased implementation under review after legislative improvement study (Dec. 2025), taking integration progress into account[1)]
Unification of local management systems	Amend related laws together by end-2024, then gradually transfer local government staff and assets to offices of education	Three bills introduced (Oct. 2024); pending in National Assembly
Early childhood curriculum development and application	Prepare and apply early childhood curriculum for ages 0–5 in 2026	Linking Standard Childcare Curriculum (ages 0–2), Nuri Curriculum (ages 3–5), and primary school curriculum to lay the groundwork for integration

Note: 1) The Ministry of Education is developing kindergarten and childcare center operating models and support measures reflecting local conditions and the needs of children and parents; standards for establishing and operating integrated institutions remain unfinished.

Source: Adapted from materials submitted by the Ministry of Education.

6) Under Article 9(1)1 of the Bill on the Establishment and Operation of the Future Response Fund, the account receives 20.79% of the lower of the originally budgeted and trend-estimated domestic tax revenue, less subsidies under Article 3(2) of the Local Education Subsidy Act.

Remaining Tasks for Completing ECEC Integration

- **The Special Account for Early Childhood expires on December 31, 2030, the coinciding with the integration target. As funding involves city/provincial education offices and local governments as well as the Ministry of Education, the revised integration roadmap due in November 2026 should establish funding arrangements and cost-share responsibilities, alongside the timeline.**
  - Local governments contributed KRW 2.0 trillion of their own funds to childcare centers in 2025, outside the Ministry of Education budget[7]. However, they argue that education offices should assume these costs following transfer of responsibilities[8]. As the three pending bills do not specify the scope of financial transfers, the future allocations remains uncertain.
- **Legislation tasks have varying deadlines, while integrated teacher qualifications and institutional standards remain unresolved. Because both are prerequisites for integration, a phased legislative roadmap through 2030 and progress monitoring are needed.**
  - **(Management system)** The second-half 2026 work plan targeted amendment to the three acts transferring education and care administration to education offices by year-end. However, the bills have remained pending since October 2024.
  - **(Integrated teachers and institutions)** The plan does not cover integrated teacher qualifications or institution standards.
- **Participation and financial relief under the teacher-to-child and phased free education and care programs vary by institution type, while support covers only personnel costs. Programs should reflect each institution's circumstances and ensure truly free education and care.**
  - **(Participation)** Rates vary considerably by type from 74.1% among home-based centers to just 35.5% among national/public centers. Reasons for non-participation and institution-specific constraints requires investigation.
  - **(Support structure)** Additional teacher hiring costs are covered through personnel-subsidies for eligible centers and increased childcare fee support for others. However, facility investment, including classroom construction and remodeling, is excluded, potentially preventing centers without spare rooms from expanding classes despite receiving support.

[Table 4] Participation in Age-Zero Teacher-to-Child Ratio Improvement by Childcare Center Type

(Unit: %)

Category	Home-based	National/public	Private	Corporations/groups, etc.	Social welfare corporations	Workplace	Cooperatives	Total
Participation rate	74.1	35.5	52.1	56.5	54.0	60.4	64.1	55.1

주: Note: As of July 2026. Participation rate refers to the share of classes with two or fewer children per teacher.
Source: Ministry of Education

  - **(Parental burden)** As of April 2026, child-rearing costs fell year on year by 41.4% for kindergartens and 18.3% for childcare centers. However, reductions varied, and parents continued to incur additional costs for early childhood education, after-school programs, and other services.

[Table 5] CPI Trends for Kindergarten Payments and Childcare Facility Fees (2020=100)

Category	2022	2023	2024	2025	2026
Kindergarten payments	73.85 (△19.0)	69.65 (△5.7)	64.97 (△6.7)	67.77 (4.3)	39.72 (△41.4)
Childcare facility fees	99.16 (△0.5)	96.64 (△2.5)	93.44 (△3.3)	85.49 (△8.5)	69.81 (△18.3)

Note: As of April each year. Figures in parentheses are year-on-year changes (%); △ denotes a decrease.
Source: Ministry of Education (Consumer Price Index, National Data Agency)

7) In 2025, local governments provided KRW 3.2 trillion in matching national subsidies and KRW 2.0 trillion for their own childcare programs.
8) Korea Institute of Child Care and Education, "Legislative Reform and an Integration Act for ECEC Integration," 2025.

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