

The steering and funding system for basic education

Free basic education is a subjective right for residents of Finland aged 6-15. Basic education is thus the foundation of the Finnish education system. Over 95 per cent of children in this age group take part in municipal basic education and slightly over 2 per cent attend private schools. Basic education is also provided in state schools and schools operated by joint authorities.

Local providers of education receive government transfers to cover the cost of establishing and operating schools. Responsibility for funding basic education and building schools is shared by the state and local authorities. According to the Budget, the calculatory costs of municipal basic education will total about 3.45 billion euros in 2009 and the calculatory costs of private basic education about 83.6 million euros. In 2009 the statutory government transfer percentage for education and library costs is 41.82. In practice central government transfers cover a considerably lower share of local authorities' education and cultural costs.

The audit focused on the steering and funding system for basic education as a whole. In addition to the steering of funding the audit examined the statutory and normal steering of basic education, the steering of content and information steering. The main question in the audit concerned the clarity and coherence of the steering and funding system for basic education.

On the basis of audit findings, the steering and funding system for basic education does not form a coherent and consciously constructed whole. Since the shift to the comprehensive school, steering instruments have all been reformed, but measures have generally focused on individual steering instruments. The final effects of reforms have been difficult to foresee. Although the messages conveyed by individual steering instruments are unambiguous in themselves, steering as a whole cannot be considered transparent. In striving to achieve objectives, the steering instrument that is most effective and suitable for the purpose has not always been selected.

Government transfers for basic education will be reformed at the beginning of 2010. In this connection the criterion for funding basic education will be the share of children of preschool and basic school age in a municipality's population. According to available information, the reform will be implemented only partly. As a result it will not resolve the overcompensation problems that have been observed with existing government transfer criteria.

In some cases the education administration has continued striving to exercise government transfer steering of basic education down to details, although this is contrary to the fundamental logic of the calculatory and general-purpose government transfer system. The most recent example of this type of steering attempt is the allocation of 16 million euros for the purpose of reducing class size by increasing the calculatory unit price of government transfers for all providers of basic education. In practice this mainly involves information steering, since legislation does not allow government transfers to be earmarked for a specific purpose in a way that binds education providers.

Efforts to steer basic education with the help of project funding have increased in recent years, although the significance of project funding in relation to government transfers is still very small. On the basis of an analysis that was made in the audit, it appears that project aid is distributed unevenly. Large cities, which should have their own development potential, appear to be more active in applying for project aid. Project funding has become more or less a permanent form of funding for some local authorities. On the other hand local authorities that obviously need to develop basic education may be quite passive in applying for project funding. In this connection one could speak of agglomerative participation.

On the basis of audit findings, the statutory steering of basic education was regarded as quite functional. The Basic Education Act was considered to treat education providers with different backgrounds fairly. A key question concerning the Basic Education Act that arose in the audit was how well the Act has succeeded in ensuring the equality of basic education throughout the country. At present the biggest equality problems concern teachers' temporary dismissal and the availability of basic education support services. Recently problems threatening equality in basic education have been addressed mainly through information steering. Basic education is,

however, a subjective right whose implementation should essentially be based on norms. Information steering can be used to supplement other steering, but its limitations in relation to other steering instruments should be recognized.

The contents of basic education are steered by the distribution of lesson hours, which is decided by the Government, and the core curriculum approved by the National Board of Education. The degree to which content steering is detailed and binding has varied during the history of the comprehensive school. The core curriculum that was approved for basic education in 2004, which is still in force, steers education providers clearly more tightly than the previous core curriculum dating from 1994. In reforming the distribution of lesson hours and the core curriculum, it is important that the contents of different subjects are not allowed to increase uncontrollably.