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**Finnish Reform of the Funding and Provision of Special Education: The Views of
Principals and Municipal Education Administrators**

Educational Review

Jonna Pulkkinen and Markku Jahnukainen

Abstract

This study examines the current state of special education provision and resources in Finland after the extensive reform of the government transfer system and Basic Education Act implemented in 2010–2011. Data were collected from a survey of compulsory school principals and from interviews with the highest-ranking officials in municipal education administration. The results show that participants viewed the Basic Education Act as having a more significant impact on the provision of special education than the reform of the government transfer system. Partly due to the reforms, local authorities have targeted the resources of special education differently and used resources more effectively. Continued efforts are needed to ensure the provision of resources for part-time special education and the use of other forms of early intervention in general education classrooms.

Keywords: educational reform; education finance; education policy; inclusive education; special education

Introduction

Reforms of special education are under way in many countries, driven by general ideological and pedagogical reasons, such as the goal to promote inclusive education and a more individualised approach to educating the rising number of pupils with special educational needs (SEN). However, educational policy reforms are also strongly influenced by financial considerations: As in administration in other sectors, education also strives for efficiency and productivity. Following Richardson and Powell (2011), it can be argued that in the long term, prosperous welfare states have been able to provide special education to an increasing number of pupils. Due to the straitened public economy, however, the current form of special education has become a target of financial reforms in many educational systems because of the rising number of pupils in need of special education and its higher per-pupil cost. A well-known example is the Response to Intervention in the United States, which combines ideological and pedagogical objectives with the goal to decrease the number of Tier 3 pupils (e.g. Haager 2008; Jahnukainen and Itkonen 2014).

A reform with similar objectives has been on-going in Finland since 2010, although through two different channels: a reform of the government transfers system, on one hand, and a reform of the Basic Education Act regarding the provision of special education, on the other hand. A new government transfers system was launched in early 2010. Previously, funding was based on the number of pupils with special needs (pupil weighting), whereas the new system calculates the government transfer for basic education based on the number of compulsory-school-aged residents in a municipality (census-based). The model for the provision of special education implemented in early

2011 consists of three tiers and stresses the importance of early intervention more than the old model. These Finnish reforms (the government transfer system and Basic Education Act) served as the starting point for this study.

Inclusion and Funding of Special Education

In recent decades, Finland and the world have seen an increasing trend to educate more pupils with SEN in general education classroom settings. However, some studies (e.g. Graham and Sweller 2011; Kirjavainen, Pulkkinen and Jahnukainen 2014b) have found that segregated placements have not decreased; instead, the increase of pupils with SEN in general education classrooms has resulted from the overall growth in the identification of pupils with SEN. Available resources and supports are considered when professionals decide whether to place a pupil with SEN in a general education classroom (Jahnukainen 2015).

Norwich (2008) has demonstrated that professionals recognise the dilemma involved in the placement of pupils with SEN (reduced specialist provision or exclusion) and seek to balance inclusion and separate provision to resolve this dilemma. Similarly, Norwich (2009) has shown that there is a dilemma in the identification of pupils with learning difficulties (treating students as different or ensuring additional educational resources). However, inclusion is a matter not only of the placement and identification of pupils with learning difficulties or disabilities but also of how to enhance the participation of all pupils and remove barriers to participation at schools and in society (see Ferguson 2008; Thomas 2013; Vislie 2003).

The funding system for special education affects its provision. Special education funding formulas can be categorized by how they allocate funding (e.g. Fletcher-Campbell et al. 2003; Parrish and Harr-Robins 2011). Other characteristics of funding formulas include the direct recipient of funds (e.g. pupils, parents, schools, municipalities), the means of distribution (e.g. money, materials) and any restrictions on the use of means (Fletcher-Campbell et al. 2003). The two most well-known funding formulas allocate funds based on the number of pupils with SEN (pupil weight or input funding) or total enrolment (census-based or throughput funding). Other formulas are, for example, based on the output or number of specific education resources (see Fletcher-Campbell et al. 2003; Parrish and Harr-Robins 2011). Funding formulas operate not only at state level but also at the municipal and school levels (Fletcher-Campbell et al. 2003).

Every special education funding formula contains some fiscal incentives, which affect practices of the special education (Mahitivanichcha and Parrish 2005a, 2005b). According to several studies (e.g. Cullen 2003; Greene and Forster 2002), funding systems offering fiscal incentives for transfers into special education tend to increase disability rates. Although the pupil weight (input) formula is often perceived as causing the growth of referrals for special education, it can also encourage inclusive education if the funding is based on the number of pupils with SEN in general education classrooms (Fletcher-Campbell et al. 2003).

In contrast, adopting a census-based (throughput) system has been found to decrease disability rates, especially in less severe categories of disabilities (e.g. Dhuey and Lipscomb 2011; Kwak 2010), as the number of pupils with SEN has no effect on funding in this model. Census-based systems, though, do give rise to a different set of

challenges. For example, a census-based system might encourage the provision of special education with fewer services (Mahitivanichcha and Parrish 2005a, 2005b). Baker and Ramsey (2010) criticised such systems for assuming that the need for special education and the number of children with disabilities are the same regardless of locality. Such a system can increase regional inequality as variations in needs are not taken into account. In addition to the funding system, the number of pupils with SEN and the provision of special education are affected by a region's social, economic and political conditions and historical traditions of special education provision (Mahitivanichcha and Parrish 2005b). These factors can cause regional inequities in special education funding and costs (Fletcher-Campbell et al. 2003; Parrish and Harr-Robins 2011).

As noted by Fletcher-Campbell et al. (2003), funding is not the only tool to promote inclusion, but fiscal policy can support other policy objectives. Likewise, Parrish and Harr-Robins (2011) have pointed out that funding should be consistent with program goals and objectives, no matter which funding formula is used.

Previous and Current Provision and Funding of Special Education in Finland

In Finland, local authorities (municipalities) generally arrange the provision of basic education (preschool education and grades 1–9). In 2013, 96% of comprehensive schools were municipal (Official Statistics of Finland 2013b). Though the national government guides the provision of education through legislation and national core curricula, local authorities are responsible for designing local curriculum, making practical teaching arrangements (e.g. class size and grouping practices) and evaluating education (Halinen and Järvinen 2008). The government also allocates money for basic education to local

authorities who independently determine the use of these funds. In addition to basic funding, the government sometimes gives education providers targeted grants which must be used for specified purposes.

Before the amended Basic Education Act (Law 642/2010) went into effect in 2011, special education consisted of part-time special education and education for pupils accepted and transferred into special education¹ (education eligible for augmented government transfer). Pupils with mild learning difficulties could receive part-time special education (Halinen and Järvinen 2008) consisting early support whose provision was flexible and did not require documentation of need assessment or provision (Graham and Jahnukainen 2011). If a pupil needed more support, a transfer to special education required an official decision for special education, and an individual education plan (IEP) had to be drafted for the pupil (Law 628/1998; see also Halinen and Järvinen 2008). Figure 1 presents the historical trends in the number of pupils and the placement type for pupils with SEN.

The amended Basic Education Act introduced several new definitions to the system of special education. The reform instituted a three-tier support model called *Learning and Schooling Support*, which consists of general, intensified and special support (Finnish National Board of Education 2010). In this three-tier model, all pupils are entitled to general support (Tier 1) in their learning, which can include differentiated instruction, remedial teaching and part-time special education. Intensified support (Tier 2) is provided to pupils who need regular support or several forms of support simultaneously. These

¹ This is an administrative term. This option is commonly known as full-time special education but does not necessarily entail a full-time placement in special class or school. Instead, it refers to a significant and continuous need for special support.

forms of support are the same as for general support. Intensified support requires the teacher to draft a pedagogical assessment of the pupil's need for support. Based on the pedagogical assessment, a multi-professional pupil welfare team makes the decision to provide intensified support to a pupil. The provision of intensified support follows a learning plan drafted for the pupil.

Special support (Tier 3) is provided to pupils for whom intensified support is insufficient. The need for special support is assessed in a pedagogical statement. In addition to the forms of support provided in general and intensified support, special support also includes special education. An IEP defines the provision of special education (e.g. objectives, methods, learning environment) and other forms of support for pupils. Additionally, the syllabi studied by pupils receiving special support can be individualised. Transferring a pupil to special support requires that an official body or an employee appointed by the education provider make an administrative decision based on statements from teachers and the pupil welfare team and, if necessary, psychological, medical or social statements (Finnish National Board of Education 2010).

Before the reform of the government transfers system, basic education funding was determined by pupil numbers, and pupils with SEN in 9-year compulsory education received 1.5 times more funding than the basic amount. For pupils with disabilities in extended compulsory education², the funding was 2.5 times higher than basic funding, and for pupils with the most severe developmental disabilities, funding was increased

² Extended compulsory education begins one year earlier than typically provided and lasts 11 years, whereas compulsory education normally lasts nine years (Law 628/1998). Pupils in extended compulsory education have severe disabilities (e.g. visual or hearing impairments or severe physical or intellectual disabilities). Pupils with a serious illness may also be educated within extended compulsory education.

fourfold (Law 635/1998; see also Graham and Jahnukainen 2011; Jahnukainen 2011).

After the reform, calculation of basic education funding was based on the number of compulsory-school-age residents (6 to 15 years old) in municipalities (Law 1704/2009).

An important reform in special education funding discontinued the augmented government transfer for pupils in special education in 9-year compulsory education.

Simultaneously, funding for pupils in extended compulsory education was separated from other funding for basic education, and education providers continued to receive an augmented transfer for these pupils (Law 1705/2009).

Background of the Finnish Reforms

Local authorities initiated the reform of special education even before the revised Act came into effect. In 2007, the Ministry of Education published a new strategy for special education which proposed amendments to the legislation on special education. In 2008, the *Action to Develop Intensified and Special Support* initiative (also called the Kelpo initiative) was launched to support education providers in developing practices to comply with the expected reforms required by the Basic Education Act (see Thuneberg, Vainikainen, et al. 2013). The initiative, completed in 2012, received funding of approximately 45 million Euros. In this way, the government supported development activity while allowing local authorities and schools to reform their practices independently. As Pijl and Frissen (2009) have stated, the best way for political decision-makers to promote genuine changes in the provision of teaching is to provide clear goals for reform and to support reform activities while allowing schools to decide how to implement the change.

In Finland, the share of pupils identified as having SEN (Tier 3 level) in the basic-education pupil population grew from 5.2% to 8.5% from 2001 to 2010 (Official Statistics of Finland 2013a). The increase was due mainly to increased identification of pupils in 9-year compulsory education; the proportion of pupils in extended compulsory education receiving special education has remained stable (Kirjavainen, Pulkkinen and Jahnukainen 2014b). One goal of the government transfer system reform was to stop the increase in identifying pupils with SEN (Government of Finland 2009b). The government proposal in the Act on Amendments to the Basic Education Act pointed out that existing statutes had not sufficiently prioritised pupils' perspective in needs assessment or guaranteed their right to timely support. The proposal noted that the lack of timely support might have been one cause of the increased identification of pupils with SEN. According to the government proposal, another problem in existing special education practices was that pedagogical considerations were not given sufficient weight nor schools' capacity to support pupils taken into account when assessing the need for support (Government of Finland 2009a).

However, concern was expressed over the reform's effects on the availability of special education services and the sufficiency of special education resources. The Education and Culture Committee of the Parliament of Finland (2009) issued a statement on the reform of the government transfers system and, citing the discontinuance of the augmented transfer for special education, noted that the reform could significantly weaken the quality of teaching for those with special needs. The committee proposed that the government monitor the availability and resourcing of special education. In a report on the reforms of the Basic Education Act, the Education and Culture Committee of the

Parliament of Finland (2010) stressed that timely and sufficient support should be ensured and that the need for additional funding caused by the reform should be taken into account.

In this study, we examined the current state of the provision, availability and resourcing of special education after the reforms of the Basic Education Act and the government transfer system. Our main research questions were:

- 1) How has the special education been arranged and resourced since the reforms?
- 2) How do municipal education authorities view the impact of the reforms?

Method

We examined the provision and funding of special education from the viewpoint of the actors responsible for the resources and use of special education within municipalities and individual schools. Our data were drawn from a survey of principals and interviews with the highest-ranking officials in municipal education administration. The datasets were collected in the autumn of 2012, approximately three years after the reform of the government transfers system and two years after the reform of the Basic Education Act.

The questionnaire was sent to 600 principals responsible for basic education. The research population consisted of principals in Finnish-language comprehensive schools run by local authorities. Questionnaires were returned by 335 participants, of whom 35% had experience as special education teachers. The majority (91%) of respondents had participated in further training for the implementation of the three-tier support model. The majority (83%) also reported that their school had participated in the Action to Develop Intensified and Special Support initiative. The questionnaire themes included

schools' special education resources, support for pupils' education (including all three tiers of support) and the arrangements for intensified and special support at schools. In this article, only the themes concerning support resources and arrangements are reported.

Semi-structured interviews were conducted with seven high-ranking officials in municipal education administration (in the results section, the interviewees are identified by role and interview number). The interviewees' titles varied from director of education, basic education or education and culture to education and cultural planning officer. All the interviewees had worked as teachers, and six had previous experience as a principal. Three interviewees had no experience as a special education teacher, two had some experience, and two held the statutory qualification as a special education teacher. The interviewees were purposefully selected from municipalities of different sizes in various parts of Finland. Before the interviews, the researchers studied the provision of special education in the interviewees' home municipalities (e.g. the municipal curricula, statistics on the development of numbers of pupils with SEN). Statistics on special education were also made available during the interviews so that the interviewees could refer to them when describing the processes and changes in special education provision in the municipality. Each interview lasted approximately an hour. The themes included the practices of arranging special education, the resources for basic and special education and future challenges in basic and special education in each municipality.

The questionnaire data was analysed using descriptive methods to examine the response distributions. Responses to open-ended questions were analysed with classification and quantification. The purpose of the expert interviews was to obtain a more detailed picture of the practices of arranging special education and the processes

initiated by local authorities in response to the reforms. Qualitative content analysis was employed on the interview data. The analysis framework was based on the goals of the reforms and the issues which the Parliament's Education and Culture Committee expected to be monitored after the reforms. Data were categorised as relevant to the provision of special education and related decision-making or to the resources and availability of special education. By combining the questionnaire and interview data, our study presents a picture of how the reforms of special education and funding has altered the provision and resourcing of special education in Finnish municipalities.

Results

In the first subsection, we describe the arrangements for support and special education. In the second subsection, we focus on the resources for support and special education.

Arrangements of Support and Special Education

The purposes of the reform were to decrease unnecessary transfers into special education and to reinforce the importance of need assessment. The reform aimed to transfer decision-making power for special education from external actors to schools so that the planning of support measures would rely more on the pedagogical expertise in schools, and the support services provided by schools would receive more attention. In addition, one goal of the amended Basic Education Act was to arrange pupil support in connection with mainstream teaching.

Decisions to Provide Support

Pedagogical expertise is of great importance in decisions in the three-tier support. Pedagogical experts' role in arranging special education was clearly revealed in the principals' responses when asked how often representatives of different professions were involved in making decisions related to the three-tier support. A high number of respondents reported that pupils' homeroom teacher and special education teacher were *always* included in assessments for special support and in designing the IEP (Tier 3) and that a school psychologist or school social worker participated in the assessment and planning of special support *only if necessary* (Table 1). As well, pupils' homeroom teachers and special education teachers played key roles in the pedagogical assessment and drafting of learning plans related to intensified support (Tier 2) (see Table 1).

The interviewees, too, emphasised the importance of pedagogical expertise in making decisions regarding special education. For example, one interviewee criticised the traditional set-up which involves non-pedagogical experts in decisions of a pedagogical nature.

As we see it, the know-how, the professional skills must be found among education professionals such as ourselves in municipal administration and in schools, and it's we, sort of, that have to make the decisions about how to arrange the education or what sort of support services we need for organising the teaching. (Administrator 1)

Some rules of procedure for the activity of municipal administration may actually dictate that education administrators make the final administrative decisions for special-needs support. About half the principals reported that the municipal director of education makes

administrative decisions regarding special support. In practice, however, principals are in charge of making the decisions, and special education and classroom teachers have a central role in the process.

The amended Basic Education Act stipulates in detail how special support decisions should be reassessed after the second and the sixth grades. Before the reform, there were no instructions on how regularly the decisions should be reviewed, and consequently, a transfer into special education could be permanent. As Figure 1 shows, the raw number and the relative proportion of pupils with SEN (Tier 3 level) decreased slightly after the reform of the Basic Education Act. Our questionnaire to the principals showed that, in approximately half of participating schools, decisions to discontinue special support in some cases in their schools were made after the reform of the Basic Education Act. The interviewees also stated that special support decisions are re-assessed regularly.

According to the interviews, local authorities consciously attempt to decrease the number of decisions to provide special support (Tier 3) and, as far as possible, to help pupils with the means available through intensified support (Tier 2). Some interviewees also thought that, before the reform, local authorities sometimes too easily transferred pupils into special education without first attempting to offer them other available forms of support.

Some interviewees expressed surprise that the number of special education students in their municipality had changed. In addition to the reassessment and revocation of special support decisions, the change could also be explained, for example, by fluctuations in the number of special education staff, which could increase the number of pupils in special education (e.g. through the establishment of a new post in special

education) or decrease it (e.g. through a special education teacher's lengthy leave, discontinuing a special education post). Some of the interviews also showed that local authorities had naturally understood the impact on funding from the government transfers reform, but only a few interviewees expressly noted the importance of funding for the arrangement of special education. One local authority had revised its internal budgeting policy even before the reform in order to prevent the continuous increase in the number of pupils with SEN.

We revised our policy of allocating money. We stopped support to schools for a pupil in special education and that a decision about special education gave them twice the amount of money, which encouraged the schools to take such decisions. (Administrator 7)

According to the interviewees, the decision-making process for special support differs among municipalities according to size and previous decisions regarding special education. In smaller municipalities, various incidental factors (e.g. setting up group family homes in the municipality, a family with several children requiring special support moving into the municipality) can significantly affect the need for special education. In municipalities with a higher number of pupils in special education than the national average, interviewees also explained the high levels by adult residents' low socio-economic background.

It [the high number of pupils receiving special support] is naturally caused by this tradition of the mining industry and by our age structure and by an excessive high rate of unemployment. The social problems of families have, therefore, been shown unavoidably at schools, too. (Administrator 1)

Arranging Support in Connection with Mainstream Teaching

The principals were asked to name the method of arranging special education they rated as the most effective pedagogically and financially. Among respondents, 56% considered teaching in special groups to be most effective pedagogically, while 64% felt that a mainstream teaching group is the most financially effective method of provision.

Although principals believed that providing special education in a mainstream teaching group is more effective financially than pedagogically, administrators did not regard moving special education from special groups to mainstream teaching groups as merely a financial issue. For example, one interviewee asserted that, in the long term, a mainstream teaching group is pedagogically a better alternative for a pupil with SEN than a special group.

Interviews with the administrators also revealed that, long before the most recent legislative reform, some local authorities had started to shift from special schools to small special groups working in connection with mainstream teaching. A similar trend seems to have gained ground in some but not all municipalities. Both the interviews and the principals' responses show that, under the reform of the Basic Education Act, schools set up separate groups for pupils receiving intensified support. Although separate groups are not among the interventions included in intensified support, they nevertheless seem to have been a necessary practice in some places, especially to decrease the use of special support.

Several schools share this small teaching group that we've been able to send pupils to, and they can receive intensified support there. That has helped, so

we haven't had to transfer anyone into special education at the first stages.

(Administrator 3)

Resources of Support and Special Education

One goal of the legislative reform was to safeguard adequate resources and the availability of special education. In this subsection, we present results relating to the allocation and adequacy of special education and the changes to resource allocation effected by legislative reforms.

Allocation of Resources in Municipalities and Schools

The findings of this study indicate that need primarily drives the allocation of special education resources in municipalities. For example, the interviewees reported that the need for special groups is reassessed every school year and that the resources are reallocated among schools according to need. In allocating municipal resources to schools, one factor taken into account is the number of decisions for special support. According to principals' responses, the allocation of special education resources in individual schools is affected, for example, by need (92 responses) and by the number of decisions for intensified and special support and related documents, such as IEPs and learning plans (40 responses).

The interviews show that, to some extent, teaching arrangements steer resource allocation in municipalities. For example, in a municipality with long distances between schools, special education resources were not available to village schools far from the centre. The interviews show that, in the case of a municipality where many pupils had

been placed in special classrooms, the authorities wished to allocate resources to special schools and special groups, instead of mainstream teaching groups. In contrast, a large municipality gave each school the same allocation, and the schools were free to decide what portion to devote to each form of support.

Adequacy of Special Education Resources

Our findings regarding the adequacy of special education resources are somewhat conflicting. According to principals, the special education resources allocated to schools do not correspond to need. In assessing their school's special education needs relative to the resources available, 19% of principals said that the need was much greater than the resources, while 59% said that the need was somewhat greater than the available resources.

In contrast, the scarcity of special education resources in relation to need did not arise in the interviews with education administrators. The administrators mostly assessed the need for and the provision of special education as in fairly good balance. The interviewees did, however, point out that resources should be reallocated to make supply and demand meet. They also spoke about decreasing the number of special groups and providing more support within mainstream teaching.

The resources that we're currently using for that, the resources as such are adequate, I would say. But then, to develop this, what we have to do is reorganise these things a bit but using the resources we've got at the moment.

(Administrator 3)

Similarly, when asked where additional resources were needed in special education and why the provision of special education could not equal the need, the principals described a need to reallocate and increase resources in mainstream teaching. Most frequently, the principals clearly wanted more resources for part-time special education (Figure 2), which can be used in general, intensified and special support.

The most important reason for insufficient resources mentioned was the scant financial resources of basic education in municipalities. Among respondents, 158 considered this to be the primary reason, and 32 respondents considered it the second most important reason for the lack of resources.

Interviews with education administrators found that weak municipal economies will pose challenges for basic education in the future. The interviewees worried that government cutbacks will affect basic education. They pointed out that the scarcity of municipal financial resources could force authorities to consider savings in basic education, the allocation of municipal resources and possible ways of reorganising special education resources. Some possibilities mentioned were decreasing the number of special groups and transferring these resources to mainstream teaching and part-time special education. However, the interviewees indicate that, despite dwindling resources, local authorities strive to make decisions to support the implementation of the three-tier support model.

Changes in Special Education Resources Caused by Reforms

Many principals did not believe that the reforms had affected the availability of special education in their school (see Figure 3). The reformed Basic Education Act was felt to

have a somewhat more positive effect on the availability of special education than the reform of the government transfers system. According to the principals, the basic education reform has improved – not decreased – the availability of special education.

Principals perceived that the amended Basic Education Act has increased special education resources and improved their use, directing them to those who truly needed them. However, the principals felt that the reform of the Basic Education Act had increased red tape, thereby decreasing the availability of special education. Among other things, those who felt that the reform of the government transfers system had impeded the availability of special education mentioned that it had decreased the number of assistants and hours and the resources for part-time special education and had altered the allocation of resources within municipalities.

In interviews, education administrators indicated that the eventual negative effects of the government transfers system reform on the transfers received by municipalities were barely visible in education or the provision of special education.

I suppose it [the reform of government transfers system] has caused a bit of a dip in the transfers the municipality can receive, but it hasn't had any kind of effect on our activity in the education administration. (Administrator 1)

However, a few interviewees did view the reform as affecting the provision of special education, though they did not see it as the only cause of changes in municipalities' provision of special education. Those who perceived that the provision of special education as decreasing in recent years felt that the decline was mainly due to other causes, such as pedagogical reasons and the increase in pupils' needs. The interviewees indicated that decision-makers might not have reflected very carefully on the use of

resources before the reforms. Now, however, means of intensified support (Tier 2) are increasingly used, and forms of support other than special support (Tier 3) are considered when allocating resources.

Discussion

The purpose of this study was to examine the provision, availability and resourcing of special education after reforms to the practical arrangements and funding for the special education system. Data were collected from the highest-ranking officials in municipal education administration and those working in schools.

The findings indicate that municipal and school practices and development activity comply with the amended Basic Education Act. For example, pedagogical expertise has a very significant role in the decision-making for support and special education. This is an important operative principle which distinguished the Finnish model from purely medical–psychological models even before the Basic Education Act reforms (Itkonen and Jahnukainen 2010; Jahnukainen 2011). In addition, prompted by the amended Basic Education Act, local authorities pay more attention to early intervention, which is one way in which an education provider can affect special education and thus also the increase of costs (Parrish and Wolman 2004).

However, small special education groups continue to be commonly regarded as pedagogically the most effective learning environment for pupils at the Tier 3 level, even though mainstream teaching groups are felt to be the most effective financially. The dilemma related to placement of pupils with SEN has also been described in previous studies (e.g. Jahnukainen 2015; Norwich 2008). This dilemma could indicate that, in

many schools, arrangements for providing support in mainstream groups are not yet at the same level as those for special groups. For example, dedicated small groups have been set up for pupils receiving intensified support (Tier 2), despite the aim to deliver Tier 2 level support in mainstream teaching groups. Thus, the existing structures of special education seem to play a role in how support is arranged, as Mahitivanichcha and Parrish (2005b), for example, have argued. Our study shows that, after the legislative reforms, some local authorities have attempted to retain the existing structures and adapt the new forms of support to them.

In the three-tier support model, part-time special education is a central form of support (Thuneberg, Vainikainen, et al. 2013). Our study indicates that, after the reform, local authorities have insufficient resources for part-time special education, in particular. The augmented transfer previously received for pupils accepted or transferred into special education has been used partly for part-time special education (for example, when a pupil is transferred to special education on less compelling grounds). Under the old system, these funds might have been one of the factors incentivising transferring pupils to special education, even in situations when pupils had mild learning difficulties, and a transfer to special education was not absolutely necessary.

After the reforms, some local authorities reallocated resources from special groups to part-time special education in order to have sufficient resources for this form of support. Thus, the reformed system might offer incentives for teaching pupils with mild disabilities in general education classrooms. However, after the funding reform the education providers continued to receive an augmented transfer for pupils in extended compulsory education. Although the proportion of pupils receiving special education in

extended compulsory education has been stable (Kirjavainen, Pulkkinen and Jahnukainen 2014b) and the share of students with severe disabilities and learning difficulties has not been affected by local governments' financial situation (Kirjavainen, Pulkkinen and Jahnukainen 2014a), this pupil weight funding might encourage segregating pupils with severe disabilities.

Although resources for part-time special education have been considered insufficient, administrators and principals did not see any significant affects from the reform of the government transfers system on the provision of special education. However, financial incentives are important in reforms of education systems, and educational reform requires funding (Fletcher-Campbell et al. 2003; Parrish and Harr-Robins 2011). Under the amended Basic Education Act, local authorities received substantial financial support channelled through a development project to facilitate the adoption of the three-tier support. Other targeted government transfers likely also had an impact on the provision of special education during the implementation of the reforms. These transfers might have somewhat offset the strain on municipal special education resources resulting from discontinuing the augmented transfer for special education and from adopting the three-tier support model.

For example, Parrish and Harr-Robins (2011) and Baker and Ramsey (2010) have noted that funding systems which do not consider variations in special education needs or costs can cause regional inequalities and increase local authorities' responsibility for financing special education (see Fletcher-Campbell et al. 2003; Hartman 2001). This trend might partly explain the weakening of municipal economies revealed by this study. This study also finds that local authorities seem to follow different practices in allocating

resources to schools. As Fletcher-Campbell et al. (2003) have stated, funding models at the local level may differ from the state funding model. Thus, local authorities' internal funding systems might also contain incentives for arranging special education in a particular way that allows a given school to maximise its access to resources.

Taken together, the results of this study indicate that, despite the goal to promote inclusion, the Finnish special education system still have barriers to participation at schools. For example, continued efforts are needed to ensure the provision of resources for part-time special education and the use of other forms of early intervention in order to support pupils in general education classrooms.

Limitations of the Study

In this study, we used data collected from a questionnaire and interviews involving professionals active in the municipal provision of education. Therefore, participants' responses likely were motivated, at least in part, by what they perceive as socially acceptable. It is difficult to overcome this obstacle, called the wall of professionalism (see Alastalo and Åkerman, 2010), so it is not surprising that the respondents reported the special education arrangements to be in line with legislation. To obtain more detailed information on the changes in special education arrangements caused by the legislative reforms, more research in individual schools is needed.

Local authorities have different traditions of arranging special education which affect the implementation of reforms and changes in practices. However, this study did not analyse variations in practices and their effects on the implementation of reforms. The scope of this research was limited to how those employed in municipal education

provision assess the implementation of the reforms. Nevertheless, the study revealed that local authorities followed different pathways in implementing the reforms, as has been shown by previous research (e.g. Pesonen et al. 2014; Thuneberg, Hautamäki, et al. 2013). More research is needed to establish the links between the factors and special education practices particular to local authorities and the implementation of reforms.

Our aim was not to investigate the effects of reforming the funding system, as have other studies based on extensive statistical data (e.g. Cullen 2003; Dhuey and Lipscomb 2011; Greene and Forster 2002; Kwak 2010). Instead, our aim was to explore the views of municipal education administrators and principals on changes in special education after the reform. Consequently, based on this study, it is impossible to assess the effects of the government transfers system and Basic Education Act reforms on the share of pupils identified as having SEN, on overall municipal economies, on basic education and on municipal arrangements for special education. Such assessments require a more detailed analysis of statistical data.

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Figure 1. Number of pupils and placement trends for pupils with SEN in 2003–2013
 (Source: Statistics Finland). NB: The statistics on special education have been revised starting from the year 2011 due to reform of the Basic Education Act. The statistics in 2003–2010 are not comparable with the statistics in 2011–2013.

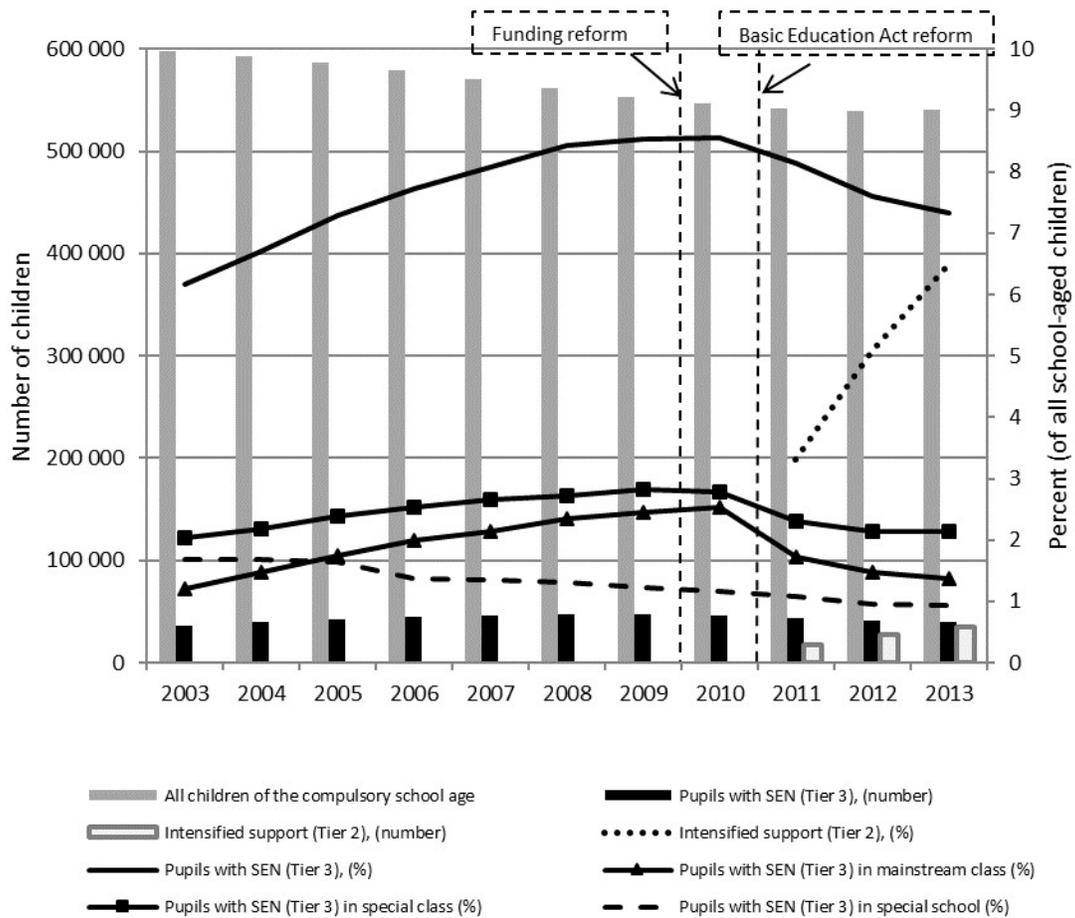


Figure 2. Principals' assessments of special education areas in most need of extra resources.

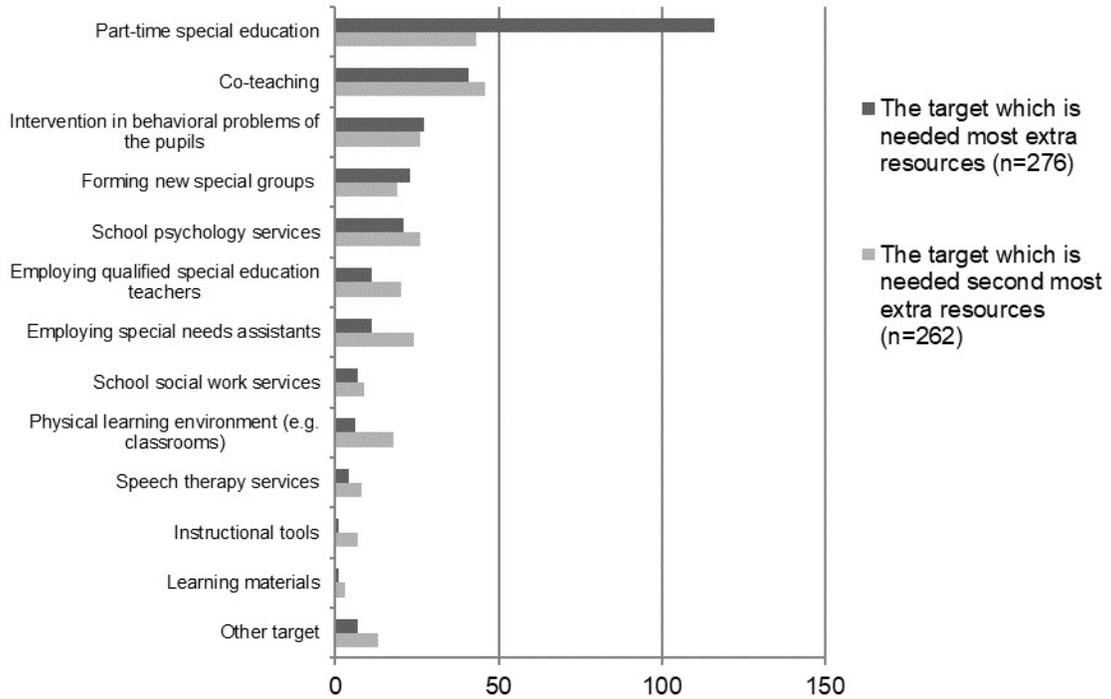


Figure 3. Principals' assessments of the effect of the government transfers system and Basic Education Act reforms on the availability of special education (N=335).

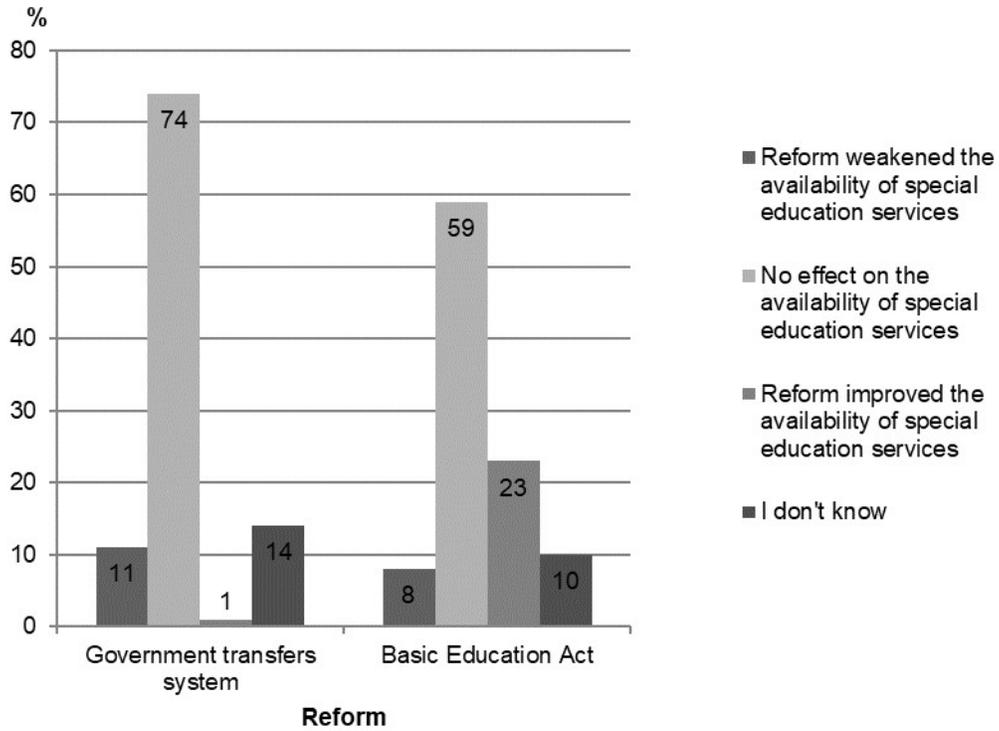


Table 1. Representatives of different professions involved in making decisions related to the three-tier support system (N=335).

	Intensified support (Tier 2)						Special support (Tier 3)					
	Pedagogical assessment for intensified support			Learning plan			Pedagogical statement for special support			Individual educational plan (IEP)		
	<i>Always (%)</i>	<i>When necessary (%)</i>	<i>Never (%)</i>	<i>Always (%)</i>	<i>When necessary (%)</i>	<i>Never (%)</i>	<i>Always (%)</i>	<i>When necessary (%)</i>	<i>Never (%)</i>	<i>Always (%)</i>	<i>When necessary (%)</i>	<i>Never (%)</i>
Homeroom teacher ¹	91	5	1	90	6	1	89	5	0	87	6	0
Special education teacher	80	17	1	77	19	0	85	9	0	85	9	0
Principal	20	71	6	15	75	5	28	64	2	24	66	4
Other teachers	15	82	1	14	80	2	17	75	1	22	70	1
Special needs assistant	7	66	23	5	69	22	5	68	20	7	65	20
School social worker	5	73	18	3	75	16	8	71	13	3	72	16
School psychologist	4	71	21	3	71	20	8	70	14	3	73	16