FINANCING POLICIES FOR INCLUSIVE EDUCATION SYSTEMS

Country Study Visit Report: Lithuania

CONTENTS

1. INTRODUCTION

The aim of this report is to record the main discussions and learning points from the Lithuanian Country Study Visit (CSV) of 16–18 May 2017. It will give a summary, as well as a comprehensive analysis of discussions.

The CSV brought together stakeholder representatives from the Ministry of Education and Science. These included:

- the Minister, who gave a welcome speech;

- directors of relevant departments and specialists of divisions;

- representatives from the Chancellery, including the Adviser to the Prime Minister, who made a presentation;

- representatives from specialised national agencies under the Ministry;

- representatives from the municipality of Vilnius city;

- directors of Vilnius/regional schools and pre-schools (both public and private);

- representatives from the Students' Union.

The project team from the European Agency for Special Needs and Inclusive Education (the Agency) and project participants from the Netherlands, Italy and Slovenia also joined the Lithuanian CSV for presentations and discussions.

The key issues for discussion focused on the strengths and weaknesses of the current funding system, as well as on how the policies can be reviewed and developed further. The dimensions to be included in the guidance tool were also addressed during the event. Specifically, the hosts called for discussions about:

- the financing model that works best;

- ways to improve Lithuania's financing system for inclusive education.

The discussion topics included:

- reviewing the current financing mechanisms of the inclusive education system;

- the challenges and perspectives of financing in Lithuania;

- reflecting on the pros and cons of the 'student basket' methodology;

- governance and monitoring mechanisms.

The emphasis was on how to support the development of an efficient and equitable inclusive education system, which fulfils the right to education for all learners, not just those with special educational needs (SEN). Special focus was placed on how to improve data systems linked with monitoring mechanisms to allow analysis of the efficiency, equity and cost-effectiveness of the system. A new learning format – peer learning among the CSV participants – was introduced to show the similarities and differences between visitors' systems and the Lithuanian system.

2. ANALYSIS OF DISCUSSIONS IN THE COUNTRY STUDY VISIT

The discussions focused on the key concepts of the FPIES project, such as an inclusive education and its financing, governance, accountability, quality assurance and monitoring mechanisms.

The key discussion topics, issues raised and conclusions are analysed in this document by using the participants' reflection sheets and a summary of the discussions.

The discussions were focused on three, interrelated questions:

- How can the inclusive education system in Lithuania be developed further using the 'student basket' methodology and other resource allocation mechanisms?

- Do current financing mechanisms support co-operation between ministries and stakeholders at all levels to reinforce co-ordinated and integrated approaches which effectively combine all dimensions of a learner's education?

- Which monitoring mechanisms allow the identification of the effectiveness of spending for inclusion? Are they in place?

From the analysis and discussions prompted by the various presentations, several principal ideas emerged in relation to these questions.

The strengths of Lithuania's inclusive education and its financing system include:

- awareness of the need to reduce the number of special schools and empower mainstream schools through the establishment of resource centres;

- the process and recognition of reorganising financing;

- the possibility for funding (6–7%) and evaluating the use of funding at municipality level;

- funding of education for learners with diverse needs provides vertical equality;

- the 'student basket', which is a way to personalise public expenditure;

- the fact that schools do not make decisions about SEN. The Pedagogical Psychological Service has a significant role to play in ensuring the independence of these decisions;

- the comparatively high level of resources allocated to learners with special needs, equating one learner with SEN to two learners without SEN;

- funding stability at country level.

There are some discrepancies between policies and actual practice:

- An increasing proportion of learners with SEN have been enabled to access mainstream education in Lithuania in the past decade. However, this increasing proportion may not necessarily mean greater inclusion. It may be resulting from resource allocation mechanisms which are aggravated by strategic behaviours whereby schools label 'difficult' learners by addressing their educational needs. This closely relates to the unnecessary labelling of learners. The percentage of learners with an official decision of SEN in Lithuania is more than two times higher than the European average.

- There is a narrow understanding of inclusive education. It focuses on learners with recognised SEN, instead of promoting a wider approach to inclusive education that aims to meet all learners' needs.

- Resources for schools are distributed using three channels:

  - central formula-funding scheme for teaching costs;

  - local government funding for school maintenance costs;

  - specific grants for the development of educational facilities.

  However, there are other multiple funding sources available, in the form of targeted state grants or municipality budget funds. These make resource allocation mechanisms complex, which may be a disincentive for inclusion.

- The current financing system maintains the special school system. Even though the transformation of special educational and socialisation centres is envisaged in 2017–2019, the political commitment is still on paper. The four functioning resource centres have poor capacity to act as methodical consultation centres for their respective regions or the country.

- Efforts were taken to reinforce co-ordinated and integrated approaches to effectively combine all dimensions involved in the provision of complex assistance, including education for all learners up to 18 years old. However, this governance mechanism is not yet effective country-wide and there is no data system to allow analysis of the efficiency, equity or cost-effectiveness of the newly introduced system.

- Decisions on SEN taken by Child Welfare Commissions (school level) and Pedagogical Psychological Service (municipality level) ensure the independence of the decision. However, this very often results in overlapped statistics (e.g. 54% of speech and language disorders).

- Governance mechanisms in place do not enable long-term planning. This is essential for making investments and generating innovations for greater inclusion.

- Available data collection mechanisms used at a system level do not allow monitoring of the effectiveness of the inclusive education system.

3. ANALYSIS OF KEY FACTORS IDENTIFIED WITHIN THE FPIES PROJECT CONCEPTUAL FRAMEWORK

This section focuses on the outcome of the analysis of the CSV discussions regarding governance, accountability, quality assurance and monitoring issues and mechanisms, as framed in the Project Conceptual Framework. It particularly identifies the discrepancies between policy and practice.

The CSV participants' reflections were used to identify the strengths and challenges of the current funding system, and the reasons for these challenges and strength areas.

How does the financing system for inclusive education enable stakeholders at territorial, local and school level to act inclusively?

Strengths:

- strong commitment to inclusive education;
- increased financial investment in education to improve both equity and performance and stability of means devoted to learner needs, despite a significant decrease in the learner population;
- funding of education for learners with diverse needs provides vertical and horizontal equality. The 'student basket' is a way to personalise public expenditure;
- specialist support provided at school level;
- intensified effort for multi-sector assistance.

Challenges:

- The complexity of resource allocation mechanisms may be a disincentive for inclusion in terms of efficiency, equity and cost-effectiveness.
- Current resourcing mechanisms are not seen as empowering stakeholders at local or school level.
- The current financing system maintains the special school system and is a barrier to special schools being able to efficiently act as resource centres.
- Current resourcing mechanisms promote competition instead of co-operation between schools.

● Resourcing mechanisms mostly cover salaries. They may fail to provide learners with adequate support and not be cost-effective.

How does the financing system for inclusive education support stakeholders at territorial, local and school level to avoid labelling those with the most severe needs? What is the idea behind it? Does it work in practice?

Strengths:

● the will to reflect on the system and to reshape financing mechanisms in the light of promoting inclusion;

● the will to empower mainstream schools by transforming special schools into resource centres for mainstream education;

● the potential of the current higher education reforms that may impact upon the provision of more inclusive teacher training and school capacity-building opportunities.

Challenges:

● Resource allocation mechanisms may still foster the labelling of learners, hampered by a prevailing input approach based on learners' difficulties.

● There is a need to support flexibility at all levels.

● The narrow understanding of inclusive education leads to a focus on learners with disabilities, which is detrimental to other types of educational needs.

● There is a need to develop capacity-building mechanisms to prepare stakeholders for autonomy and flexibility and to promote an inclusive design for accessibility.

How are funding and governance mechanisms promoting co-ordinated, efficient and cost-effective systems for inclusive education?

Strengths:

● Funding mechanisms support forward planning as well as monitoring of costs.

● There appears to be current work and procedures that can be built upon to develop more effective cross-sectoral working.

● The financing scheme is designed to ensure that learners with SEN are educated close to their residence.

- There is the possibility of funding and evaluating the use of funding at municipality level.

- Responsibility for financing education is at municipality level, which can also contribute additional funding to meet school costs.

- Undue labelling at school level may be prevented by a decision-making process, starting with a needs evaluation body that is independent from schools.

Challenges:

- Governance mechanisms must be strengthened and levels of expertise and responsibility in the system clarified.

- There is a need to shift from a highly centralised (control-based) governance mechanism to a more decentralised (autonomy and trust-based) approach.

- Quality indicators and data collection mechanisms for monitoring the effectiveness of the school system need to be developed.

- There is a need to clarify criteria around the 'student basket' for learners with SEN, as well as the outcomes expected from the allocation of additional resources.

- Governance mechanisms for long-term planning and supporting innovation must be promoted.

4. ANALYSIS OF DISCUSSIONS ABOUT SPECIFIC COUNTRY FUNDING ISSUES

The specific funding issues for Lithuania which were identified in the Country Report and discussed in more detail during the CSV are:

- The percentage of learners with an official decision of SEN in Lithuania is more than two times higher than the European average:
  - Support connected with an official decision of SEN;
  - School level stakeholders do not see diversity as an opportunity (lack of support and capacity strengthening at school level).

- The increasing enrolment of learners with SEN in special classes and special schools in Lithuania requires immediate action (capacity-building mechanisms at all system levels, intensified co-operation among multi-sector stakeholders).

- The current financing system maintains the special school system, which consists of 47 special schools, and is slowly initiating the support for their transformation into resource centres.

- The principal resource allocation mechanism, the 'student basket':
  - provides vertical and horizontal equality funding of education for learners with diverse needs;
  - promotes competition between schools instead of greater co-operation;
  - mostly covers staff salaries, questioning the availability of adequate support for learners' needs;
  - does not identify criteria for deciding the additional resources in the 'student basket' for learners with SEN and other specified groups (minorities, migrants and others);
  - does not specify the outcomes expected from additional resources allocated within the 'student basket';
  - affects small schools when establishing support staff posts (insufficient funding);
  - limits looking forward and long-term planning at school level.

Moreover, there are additional resource allocation mechanisms that make the funding system more complex and question its efficiency and equity:

- limited capacity-building mechanisms to enable teachers and support staff to act inclusively and provide high quality education;

- lack of support staff in schools;

- the need to review Lithuania's governance mechanisms to develop more effective cross-sectoral work: certain regulations are put in place to better align activities and funding. However, the integrated and co-ordinated approach is not yet in operation;

- the need for a data system at country level that allows the analysis of the efficiency, equity and cost-effectiveness of the system. Identifying monitoring mechanisms will allow the assessment of the effectiveness of spending for inclusion.

5. IDENTIFICATION OF FUTURE DEVELOPMENTS IN THE COUNTRY'S SYSTEM OF FUNDING INCLUSIVE EDUCATION

This final section of the report is focused on the future developments required to reshape the financing system for inclusive education, as reflected by the CSV participants. A rationale is provided for each identified area of development, as well as an explanation of the direction funding mechanisms should take in the future.

- Resource allocation mechanisms are very complex. The CSV participants propose that future financing is simplified, focusing more on what schools should deliver in terms of quality service provision and support for learners with SEN.

- The tax percentage used by municipalities currently differs (e.g. 46% in Vilnius). This share is insufficient to cover the education-related financial obligations of municipalities and often results in budget deficit. The proposed future direction is to increase the tax percentage to be used by municipalities to optimise costs, or increase state funding. The concrete steps towards changing the share of taxes have already been taken at Vilnius municipality.

- There is a need to clarify the outcomes expected from additional resources allocated for learners with SEN (an additional 35%). As such, the forward direction at national and municipality levels will be to focus on the outcome of finances, rather than on what the money is spent on.

- A proposed direction, based on other EU countries' practice, is to create financial incentives for inclusion by transferring direct responsibility to schools for their non-inclusive decisions. For example, a mainstream school would contribute from their own budget to a special school if they directed or sent learners there.

- Lithuania's funding system evidences the need to shift from highly centralised (control-based) governance mechanisms to a more decentralised (autonomy and trust-based) approach. Therefore, the future direction is to reduce bureaucracy at all levels (paying attention to the dilemma of less bureaucracy vs accountancy) and improving the mutual trust between government and schools. Mutual trust can be strengthened by ensuring the provision of timely and quality feedback to schools (especially after school assessment/evaluation).

- Special schools are still undergoing the process to efficiently transform into resource centres. As such, the proposed direction is to encourage peer learning between staff in mainstream schools to address the educational needs of learners with SEN. The proposed peer learning format can go beyond experience and an exchange of best practice to include self-evaluations. Furthermore, establishing a structure/network that methodologically empowers municipalities and schools to act inclusively will be considered.

- The labelling of learners with the most severe needs can be avoided by creating more responsiveness and flexibility through co-operation between system stakeholders.

- The reduction of labelling may be achieved by:
    - increasing the autonomy and flexibility of mainstream schools;
    - changing stakeholders' mentality through 'bottom-up' approaches;
    - supporting capacity-building at all levels of the system.

- As the support structures are not yet implemented country-wide, a future direction identified is to use various initiatives to support teachers on their way to greater inclusion. An example could be a self-help network for teachers. Several similar initiatives are on their way; however, up-scaling is crucially important.

- Paying considerable attention to support provision at general classroom level may prove to be the most cost-efficient intervention.

- There needs to be a forward-looking approach to the availability of data to allow for reliable analysis. The CSV participants believe that connecting monitoring mechanisms with data that would allow the cost-effectiveness of the financing system to be assessed is the way forward.