



FINANCING POLICIES FOR INCLUSIVE EDUCATION SYSTEMS

Country Study Visit Report: Netherlands





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1. INTRODUCTION

The FPIES Dutch Country Study Visit (CSV) took place from 14–16 March 2017 in The Hague. The visit aimed to provide participants with an in-depth insight into the Dutch Resource Allocation Framework and to explain the general and specific funding systems for education in the Netherlands. It also aimed to provide some practical examples of ways the ‘Education that fits’ policy is being implemented at school level and regional school alliance level.

On the first day of the visit, presentations were given by the country analysts on the following topics:

- the Dutch education system in general;
- the inclusive education system in the Netherlands and the ‘Education that fits’ policy;
- the financing system for education in general and for inclusive education, accountability, supervision and monitoring.

A short visit was paid to the Hospitality and Leisure department of an upper-secondary vocational school. The visit illustrated the way inclusive education is organised for learners with special educational needs (SEN).

The second day of the CSV started with a visit to a primary school which is classed as excellent (‘t Palet). The following topics were explained by and discussed with the deputy director of the school:

- the ways in which basic and additional support are organised within the school;
- the funding available from the national and local government for basic and additional support and for tackling language disadvantages;
- the organisation of regional school alliances and how the different stakeholders (schools, teachers, advisors from the regional school alliance, special educational needs specialists, youth welfare workers, etc.) work together to provide the support needed;
- co-operation with special schools in the region and the kinds of arrangements for learners with SEN.

In the afternoon, three regional school alliances (from the regions of Zwolle, Dordrecht and Noord-Kennemerland) were invited to give short presentations on:

- how extra levels of support are financed within the regional school alliance and which financing 'model' is chosen;
- the kinds of support (including arrangements) provided within the region;
- the co-operation between the regional school alliance, school boards and schools.

The presentations from the participants from regional school alliances were followed by a presentation of the results from the National Evaluation Programme of the 'Education that fits' policy. Topics discussed were:

- changes in policy and financing;
- support for special educational needs;
- activities of regional alliances;
- learners in mainstream and special schools;
- bureaucracy.

A panel discussion with the external participants was the closing part of the second day. The following topics and questions were discussed:

- How inclusive is the Dutch education system? What are positive aspects and challenges?
- Which financial mechanisms contribute to a more inclusive system of education?

An analysis of the discussions is given in chapter 2 of this Country Study Visit report.

Reflection on the Dutch (financing) policies for inclusive education systems was the central part of the third day of the CSV. This will be discussed in more detail in chapters 3 and 4.

2. ANALYSIS OF DISCUSSIONS IN THE COUNTRY STUDY VISIT

General funding

In the Dutch education system, public and private schools are guaranteed equal public funding. There are two kinds of general funding: basic funding and additional funding. Both are based on criteria and parameters described by law. During the CSV, there were discussions around whether the basic funding can really be considered equal. Some schools seem to get more money than others because of their population. Basic funding in primary education contains a parameter on the number of learners from disadvantaged backgrounds (primarily based on the level of education of the parents). This is to encourage equal opportunities in education for these learners. The rationale is that these learners need additional support from the teacher, which, for example, can be provided in smaller classes if an extra teacher is employed. Further additional funding is available to primary and secondary schools, for example, for programmes for learners from disadvantaged backgrounds and/or asylum seekers. On top of the general funding from the national government, municipalities can also fund schools in disadvantaged neighbourhoods. This was the case at the school visited during the CSV. Thus, it can be stated that the equal funding is not meant to fund schools exactly equally. Rather, it considers school populations and encourages schools to provide learners from different backgrounds with the same opportunities in education.

The Dutch funding system also encourages diversity through lump sum financing. The diversity can be found throughout the school system, for example, at school level and at regional school alliance level.

Another aspect of the Dutch funding system discussed during the CSV is the dual funding of both mainstream and special schools. The existence of two separate funding streams to mainstream and special schools does not stimulate inclusiveness. Rather, it maintains the separation of learners who need additional support from mainstream schools. As explained during the CSV, the existence of special schools can be seen, from a historical point of view, as part of parents' or a community's freedom to found a school. Many Dutch parents see special schools as having tailor-made support for their children, which is not always available in mainstream schools. However, there have been several measures to encourage co-operation between special and mainstream schools and to encourage parents and mainstream schools to organise the additional support within mainstream schools. This

‘backpack financing’ (learner-bound budget) is mentioned in the Netherlands FPIES Country Report. The more recent ‘Education that fits’ policy also encourages more learners with SEN to attend mainstream schools. Mainstream schools are now the first option. Special education is the second option, for when there is no possibility of receiving the additional support required in mainstream schools. Studies show the number of learners in special schools decreasing in recent years, but only very slightly.¹ Time, and the effect of the maximised budget at regional school alliance level, will show how this development works out.

Throughput funding

School boards and regional school alliances are funded through lump sum financing. This promotes financial reasoning in general, for example with hiring staff and shaping the curriculum, but also with organising longer term additional support for learners. A few questions were raised about school autonomy in general and, more specifically, about the organisation of additional support. For example, what are the limits of autonomy at school level? Schools have many topics to decide upon, but more practical boundaries can be found in the amount of money the school gets. Economies of scale influence the way in which schools can provide additional support, as shown in the school visit. Because of the funding mechanisms described above, schools with more learners, and with more learners from disadvantaged backgrounds, are generally in a better position to finance the basic level of support. To organise the additional support, schools are dependent on the financing structures within the regional school alliance. Some schools receive the budget for additional support directly and therefore have autonomy on the organisation of the additional support. Other schools have to apply for arrangements to the regional school alliance. As previously stated, the maximisation of the budget for additional support at the regional school alliance could influence the organisation of additional support in schools, but the effects are not yet visible. A recommendation was made about the scale of decentralisation, in order to professionalise the organisation of support. The regional school alliance level can be effective for sharing knowledge (such as the expertise of teachers in special schools), but also to combine income streams from separate sectors such as education and youth care. The system may

¹ Koopman, P. and Ledoux, G., 2016. *Factsheet 1 Leerlingen in speciaal en regulier onderwijs. Update schooljaar 2015-2016*. Amsterdam: Kohnstamm Instituut

be more effective when regional school alliances are in charge, not just of the budget for additional support but of the education budget in general.

Input funding

In the Dutch system, a large part of the resources for additional support for learners is connected to special schools. This can be a challenge to the promotion of a more inclusive school system. As stated before, there are already some mechanisms in place which encourage co-operation between special and mainstream schools and the organisation of additional support for learners in mainstream schools. The funding is still mainly concentrated on learners' levels, which means that learners and their needs for additional support are the starting point for extra budget. Funding at the classroom or whole school level, to encourage more inclusiveness, could be developed further and is something to consider.

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

Funding mechanisms

As discussed in the CSV, the gap between policy and practice is more present in governance mechanisms than in funding. The essence of the funding policy is two-sided:

1. School alliances are responsible for the allocation of available funds, as well as the coverage of a regional network of additional support. The school alliance creates the conditions in which schools can offer a learner the support they need. Within this system, school alliances can choose how they build up this network of additional support. It could, for example, be heavily focused on special schools, or more focused on integrated support in mainstream classrooms. The former is a more expensive method than the latter.
2. The school alliance budget is maximised and is based on the total number of learners enrolled in mainstream schools within the school alliance (and not on how many learners are enrolled in special schools). This is beyond the control of the school alliance. There are no strategic incentives to gain more funding.

The combination of these mechanisms is the main reason why this process prevents exclusionary strategic behaviour and promotes inclusion. Providing support in a mainstream school is less expensive than enrolling learners in special schools. This incentive is already visible in practice. Since the introduction of the 'Education that fits' policy, there has been a strong decrease in enrolment in special schools.² As previously discussed, this system encourages financial responsiveness to the need itself, from both the short- and long-term perspective.

These two mechanisms only apply to 'supportive funding'. Supportive funding is the additional funding school alliances and special schools receive for providing additional support to learners with SEN. The basic funding schools receive for providing good quality education is organised in a different way. As discussed during the CSV, the fact that these two types of funding are different from each other could encourage exclusion. It could be argued that the focus on special education is institutionalised in the regional school alliances, despite the incentive to support

² Koopman, P. and Ledoux, G., 2016. *Factsheet 1 Leerlingen in speciaal en regulier onderwijs. Update schooljaar 2015-2016*. Amsterdam: Kohnstamm Instituut

more learners with SEN in mainstream schools. In addition, the fact that school alliances transfer their supportive funding to mainstream schools presents a dilemma. School alliances either lose sight of how the budget is spent, in which case there is an accountability problem, or they keep track of which learner the money is spent on. However, to do the latter, the learner would need some kind of label to make it possible to track their progress.

Governance mechanisms

A new official body was introduced with the new legislation: the regional school alliance. The board of the regional school alliance consists of members of the region's school boards. It receives a separate amount of funding for special needs education from the national government. The members of the regional school alliance board (some of whom are also members of the school boards in the same region) make decisions about policy and the allocation of the budget for additional support in that region. This can be a conflicting role for board members. They have an interest in gaining as much money as possible for additional support in their own schools and school boards. However, allocating the budget more efficiently and working together with other school boards would provide the appropriate/needed additional support to all learners in the region, not just to learners from their own schools. This conflicting role can also emerge when school board members take places on the supervisory board of the regional school alliance. Although the law states that regional school alliances must have separate bodies for management and supervision functions, in practice there are still hybrid functions.

Despite this, the introduction of this governance model did improve progress on some other goals. Most importantly, mainstream schools and special schools are now working together more and in a much better way. Forming a regional school alliance together encourages them to talk, to share expertise and to plan together. It also becomes easier to temporarily place learners at either type of school, in order to observe which type of school works best for the learner.

Monitoring and accountability mechanisms

The funding for both (special and mainstream) schools and regional school alliances is based on a lump sum. This creates flexibility in how they can spend their resources and therefore encourages creativity. The government only prescribes in minimum terms which costs schools and school alliances are allowed to use

resources for. Therefore, a good monitoring and accountability system must be in place.

One of the most important suggestions at the CSV regarding monitoring was that new and innovative methods are needed for tracking learners with SEN, without labelling them. As more learners receive additional support in mainstream education, it is important not to lose track of them to allow the effectiveness of the support given to be monitored. This topic will be addressed in the national evaluation programme.

The accountability for resources for additional support for learners needs to be improved. As previously discussed, this is not only a matter of governance, but of proper organisation. The funding methods are diverse: the government funds special schools directly, but withdraws those funds from the regional school alliances' budget. Because the school alliances decide which learners attend special education, they indirectly pay for that learner. After the school alliance receives its budget, a large part of it is transferred to (mainstream) schools. In this case, there are three levels of payment:

1. from the government to special schools (that is withdrawn from the school alliances' budget);
2. from the government to the school alliance;
3. from the school alliance to the mainstream schools.

When looking at the accountability for these payments, it is not clear how to account for the spending of these budgets. Is the school alliance responsible for the accountability for the budget that special schools receive, or for the budget that mainstream schools receive from the school alliance? These uncertainties will be discussed in a national level working group.

Another problem is that it is the school boards that report on how they spend their money. However, one school board can be adjoined to more than one regional school alliance (because of the geographical distribution of the schools). It is therefore difficult for that school board to produce different reports for each regional school alliance they receive funds from. Nearly three years after the introduction of this policy, it is clear that the level of professionalism of regional school alliances and school boards must increase. Better agreements can be made on who should report on spending on additional support and how.

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

The implementation of the 'Education that fits' policy will have its mid-term review in the summer of 2017. After only three years of putting the policy goals into practice, its effectiveness cannot yet be measured. One of the most weighted interventions, the maximisation/equalisation of the budget for regional school alliances, will be effectuated in the forthcoming years. The governance structures and professionalisation of the regional school alliances are still a work in progress. The same goes for the organisation of additional support in mainstream schools. Therefore, no major developments are currently foreseen. There have been and will be small adjustments to laws and regulations, such as to encourage more tailor-made solutions for learners with complex needs for educational support. The co-operation between special schools and mainstream schools is also encouraged and more and more special schools will become expertise centres. Finally, a lot of attention is being given to the accountability for resources, encouraging more uniformity and information about the ways the money for additional support is spent.