



FINNISH NATIONAL  
AGENCY FOR EDUCATION

# Financing system - vocational education and training

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FINNISH NATIONAL  
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Erasmus+ Programme  
of the European Union



# Two-tier national administration

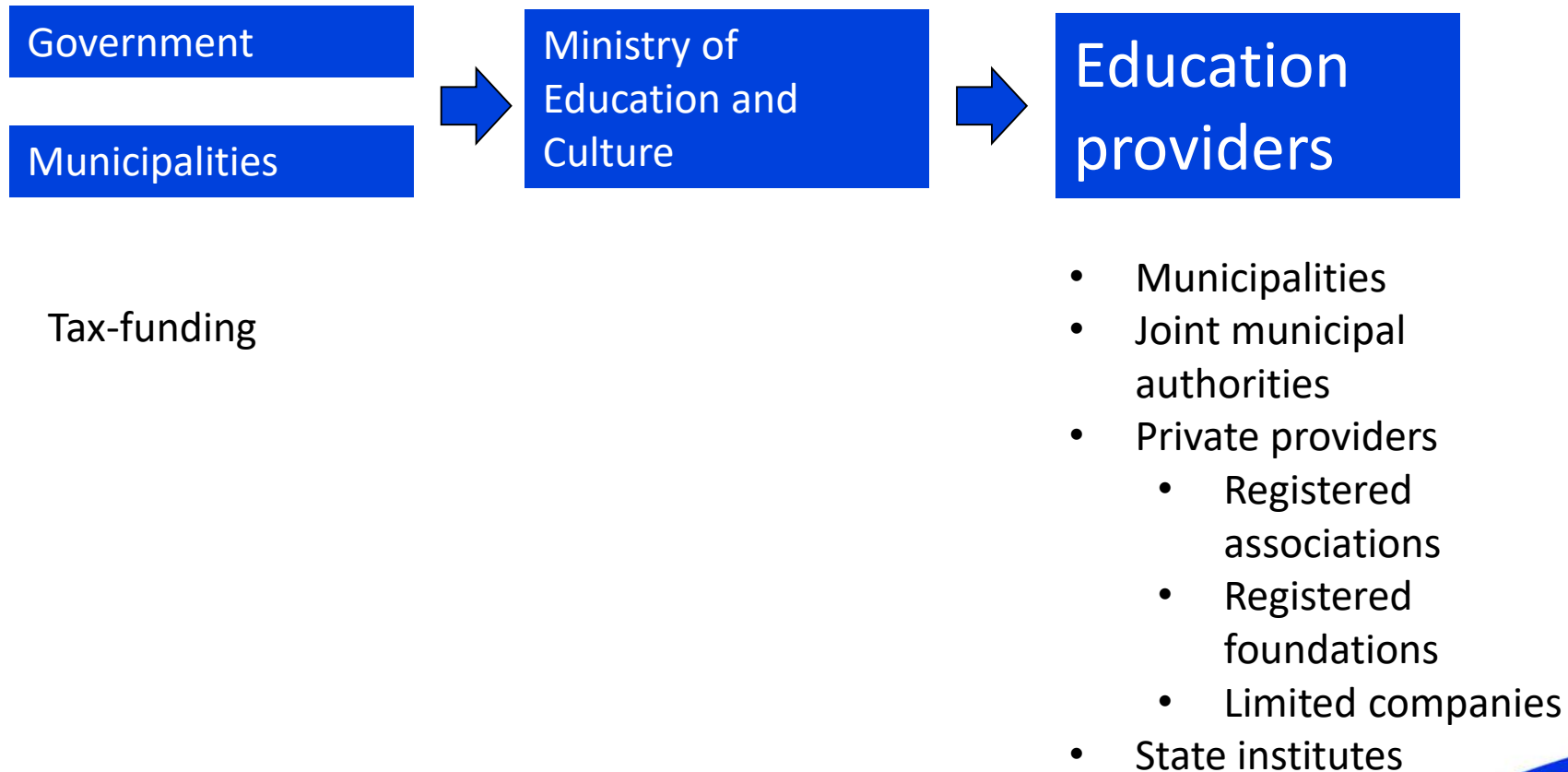
## Ministry of Education and Culture

- Education policy
- Preparation of legislation
- State funding

## Finnish National Agency for Education EDUFI

- National development agency
- National core curricula & qualification requirements
- Support for evidence-based policy-making
- Support for reform and development
- Services for learners
- Anticipation of educational needs
- Supporting internationalisation

# Financing of VET



# The reform of vocational education and training

- The objective of the VET reform is to renew vocational education and training by creating a competence-based and customer-oriented system and to improve efficiency.
- One VET system for all: VET for young people and adults in the same framework -> VET system based on lifelong learning
- Intensification of the activities of VET providers
- Enhanced cooperation between VET institutions and working life
- Integrating vocational employment education to the VET system
- The entire VET system has been reformed by 2018

- Reform removed barriers between young people and adults in VET
- The provision of education, funding and steering of vocational education of young people and adults were merged in the beginning of 2018. The separate Vocational Education and Training Act and Vocational Adult Education act were unified into one new act. The central starting point of the new law is learning-outcome and individual-oriented approach.
  - Vocational Education and Training Act
  - Vocational Education and Training Decree
  - Act on the Financing of the Provision of Education and Culture
  - Decree of the criteria for calculating funding for vocational education and training

# New VET – What does it mean to the student?

- More flexibility in studying
- Fewer and more broad-based qualifications
- Flexible admission throughout the year
- Individual study path
- Competence to meet the needs
- Focus on acquiring missing competence
- More versatile learning environments
- More learning at workplaces
- A single way to complete a qualification
- Working life a strong participant in the assessment of vocational competence

# Three types of competence-based qualifications

- **Vocational qualifications** indicate competence to enter employment in the field (youngsters and adults)
- **Further vocational qualifications** indicate the vocational skills required of skilled worker in the field (adults)
- **Specialist vocational qualifications** indicate a command of the most demanding tasks in the field (adults)

## Education providers, VET

- 145 education providers in Finland (2021) (decreased since 2018 by 19)
  - 102 private providers
  - 33 joint municipal authorities
  - 9 municipalities
  - + state institutes (1)
- Public financing to education providers (for operational costs and investments)
- Independent in their financial decisions
  - Financing paid to education providers in lump sums without earmark



# FUNDING SYSTEM FOR VOCATIONAL EDUCATION AND TRAINING

Original act 2017

**STRATEGY FUNDING**  
(a maximum of 4% of the total funding)

**IMPUTED FUNDING**  
(a minimum of 96% of the total funding)

**50 %**

## CORE FUNDING

- student-years

### Creates

- preconditions for the future provision of education in all fields and for all students
- a foreseeable foundation for the provision of education and qualifications

**35 %**

## PERFORMANCE-BASED FUNDING

- qualifications and modules

### Guides and encourages to

- target education and qualifications in accordance with competence needs
- intensify study processes
- complete qualifications and modules in accordance with the set objectives

**15 %**

## EFFECTIVENESS-BASED FUNDING

- access to employment
- further studies

### Encourages to

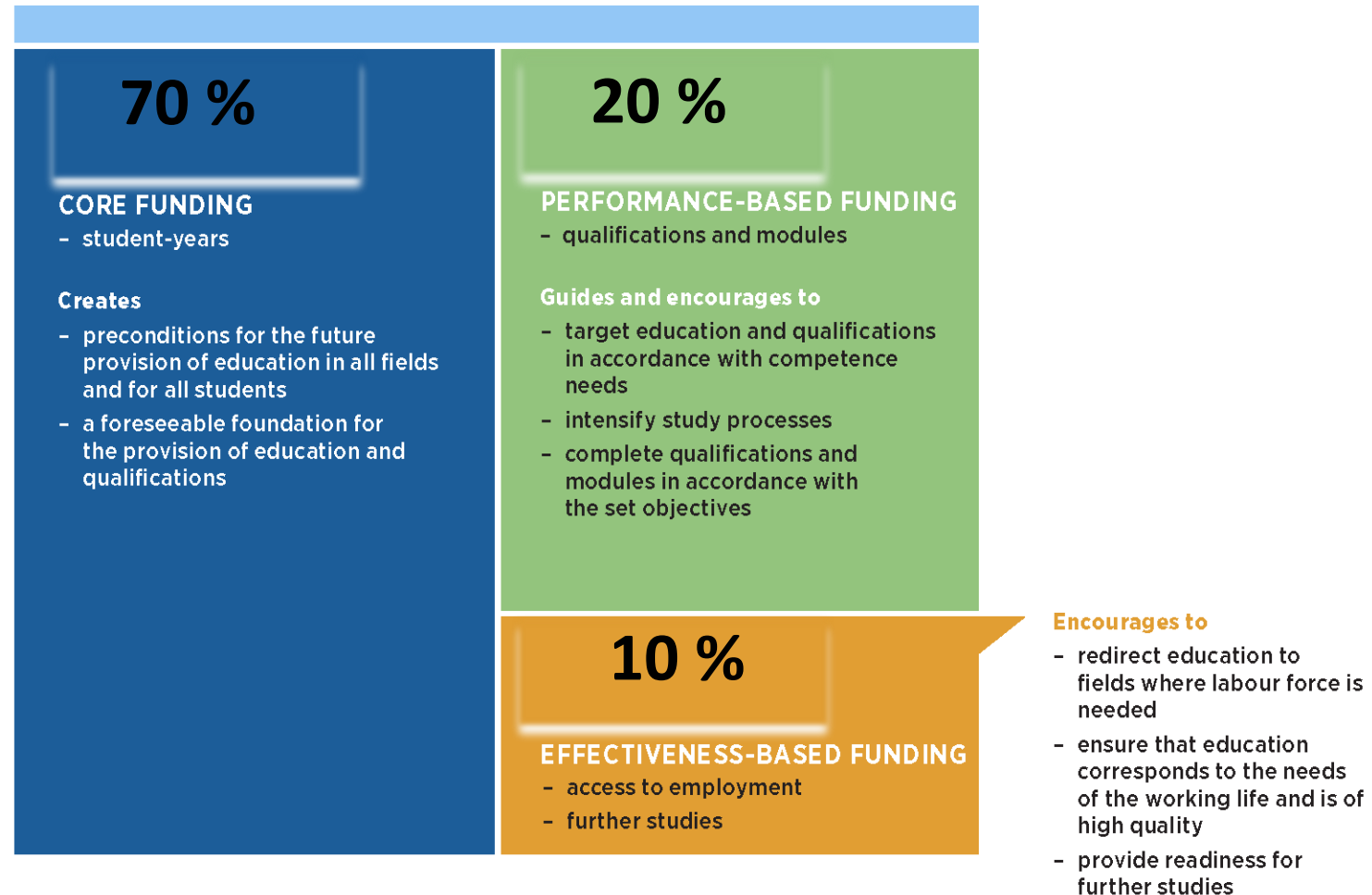
- redirect education to fields where labour force is needed
- ensure that education corresponds to the needs of the working life and is of high quality
- provide readiness for further studies

# FUNDING SYSTEM FOR VOCATIONAL EDUCATION AND TRAINING

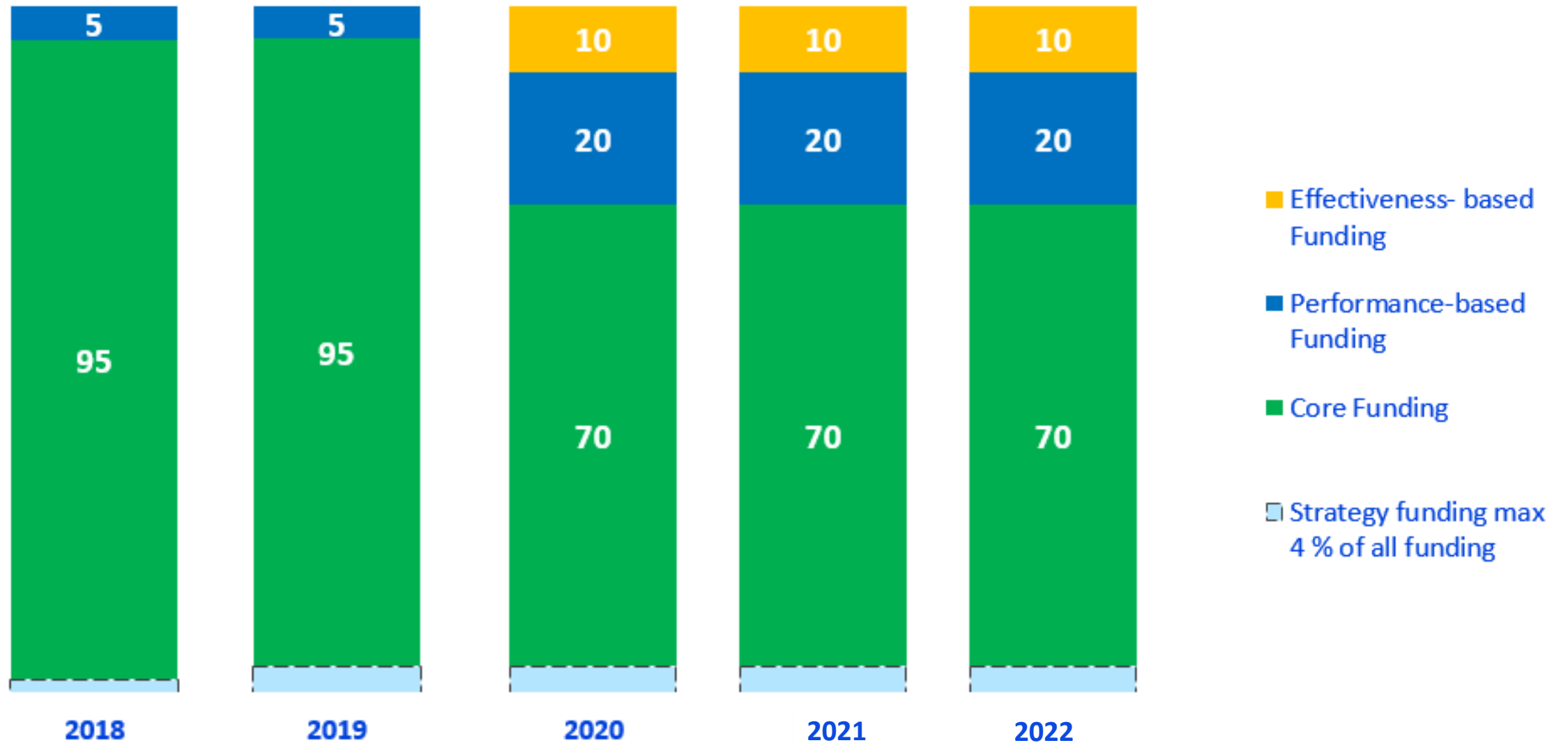
Updated act 2020

**STRATEGY FUNDING**  
(a maximum of 4% of the total funding)

**IMPUTED FUNDING**  
(a minimum of 96% of the total funding)



# Distribution of total funding VET (%)



# FUNDING VET 2018 - 2023

FUNDING YEAR	CORE FUNDING % of total	BASE-DATA YEAR	PERFORMANCE –BASED FUNDING % of total	BASE-DATA YEAR	EFFECTIVENESS _BASED FUNDING % of total (BASE-DATA YEAR)	Parts of effectiveness –based funding	NOTE:
2018	95%	2016	5%	2016	0%		
2019	95%	2017	5%	2017	0%		
2020	70%	2018	20%	2018	10% 2016 qualified / at the end of 2017. Student feed-back 7/2018-6/2019	7,5% Placement into labour market and further studies,  2,5 % student feed back	Change in distribution of funding  Performance –based funding includes qualification units  New co-efficients in core and performance based funding
2021	70%	2019	20%	2019	10% 2017 qualified /at the end 2018. Student feed-back 7/2019-6/2020	7,5%/  2,5%	Change in distribution of funding
2022	70%	2020	20%	2020	10% 2018 qualified /at the end 2019. Student feed-back 7/2020-6/2021	7,5%/  2,5%	New extension of compulsory education
2023	70%	2021	20%	2021	10%(2019 qualified, includes also qualification unit qualified) /at the end of 2020 Student feed-back 7/2021-6/2022, Working life feed-back 7/2021 -6/2022	7%/ 1,5%/ 1,5% working life feed-back	Change in distribution of effectiveness_based funding  Working life feed-back

# FUNDING VET - BASEDATA

YEAR	CORE funding student year data	Data year	Performance-based funding, points qualifications and qual.unit data	Data year	Effectiveness –based funding data and year	Source of data
2018	student quantities, student "working-years"	2016	Full qualifications	2016	-	STAT FI EDU FI
2019	student quantities, student "working-years"	2017	Full qualifications	2017	-	STAT FI EDU FI T
2020	student-years	2018	Full qualifications & qualification units	2018	Year 2016 qualification completed, /situation at the end of the year 2017, student feed back 7/2018-6/2019	KOSKI STAT FI ARVO
2021	student-years	2019	Full qualifications & qualification units	2019	Year 2017 qualification completed /situation at the end of the year 2018, student feed-back 7/2019-6/2020	KOSKI STAT FI ARVO
2022	student-years	2020	Full qualifications & qualification units	2020	Year 2018 qualification completed /situation at the end of the year 2019, student feed back 7/2020-6/2021	KOSKI STAT FI ARVO

# Co-efficients for elements of funding formulas, (part e.g. )

	YEAR	2018	2019	2020	2021	2022
<b>Core -funding</b>		<b>95 %</b>	<b>95 %</b>	<b>70 %</b>	<b>70 %</b>	<b>70 %</b>
<b>Co-efficients for student years, (part)</b>						
<b>Cost groups</b>	Cost group 1	0,7	0,7	0,7	0,7	0,7
	Cost group 2	0,99	0,99	0,99	0,99	0,99
	Cost group 3	1,23	1,23	1,23	1,23	1,23
	Cost group 4	1,59	1,59	1,59	1,59	1,59
	Cost group 5	2,33	2,33	2,33	2,33	2,33
	Preparatory VET	1,04	1,04	1,41	1,41	1,41
<b>Qualification type</b>	CVET	0,85	0,85	0,77	0,77	0,77
	IVET	1	1	1	1	1
<b>Special support, supplement</b>		0,47	0,47	0,5	0,5	0,5
<b>Accommodation, supplement</b>		0,23	0,23	0,31	0,31	0,31
<b>Personnel VET, (cut)</b>		-0,53	-0,53	-0,71	-0,71	-0,71
<b>Employment VET, supplement</b>		0	0	0,25	0,25	0,25

	YEAR	2018	2019	2020	2021	2022
<b>Performance-based funding</b>		<b>5 %</b>	<b>5 %</b>	<b>20 %</b>	<b>20 %</b>	<b>20 %</b>
<b>Cost groups as in core funding</b>						
<b>Qualification type</b>	CVET	0,6	0,6	0,54	0,54	0,54
	IVET	1	1	1	1	1
<b>Qualif.points "student type"</b>	No previous qual.	72	72	72	72	72
	Previous qual.	18	18	18	18	18
<b>Qual.unit points (e.g. IVET 180 points total)</b>				Competence points from curriculum		
<b>Special support student supplement</b>				0,5	0,5	0,5
<b>Effectiveness-based funding</b>		<b>0 %</b>	<b>0 %</b>	<b>10 %</b>	<b>10 %</b>	<b>10 %</b>
<b>Co-efficients for different section of evaluation</b>						

# Funding formula per provider per year (basically providers proportional part of each funding section)

**Imputed funding appr. 1.930.909.000 € (year 2021)**

**Core funding budget = 70 % of imputed funding :**

Core funding /**provider** = core funding budget x providers objective student-year amount x providers profile co-efficient / nationally combined sum of all providers objective weighted student years

**Performance-based funding budget = 20 % of imputed funding:**

Performance-based funding/**provider** = performance-based funding budget x providers weighted performance points of qualifications and qualification units / nationally combined sum of all providers weighted performance points of qualifications and qualification units

**Effectiveness -based funding budget = 10 % of imputed funding:**

Divided into three parts (employment and further studies rate of qualified students, student feed-back, working life feed-back)

Effectiveness-based funding/**provider, part** = Each parts effectiveness-based funding budget x providers weighted effectiveness points for each part / nationally combined sum of weighted effectiveness points for each part

# Basic elements in funding system

- Providers licence for VET gives granted student-years per year (lower limit)
- Core –funding stays quite fixed in relation to student-years
- Ministry of Education and Culture decides yearly appr. 10% of objective student-years (employment education and some other allocations)
- Provider redirect education to the fields where labour force is needed
- Labour force demand affects directly to decision making of providers
- Encourage to effectiveness and customer-orientation
- Financial autonomy of providers gives independency in decision making
- Non-profit organisations (VET has to be separated in accounting from business)



# Basic elements...

- In CVET small student fees, calculated as 15 % in funding system
  - provider decides fees 0% - 25 % of average cost /per student
    - in non-qualification VET 0 - 50%
- In Personnel-VET employer's part of financing calculated to be 50 %
  - state funding reduced by 50% and provider negotiate directly of fees with employers (invoiced by providers)
  - reduction implemented in core –funding
- No VAT in VET
  - VAT in costs is compensated by state

# Basic elements...

- Ministry of Education and Culture can decide to increase providers **core – funding** by application for reasons e.g.
  - very high costs of qualification or training e.g. aviation field
  - special conditions in providing VET
  - financial situation of provider
  - total increase ~ 13 million € (2021)
  - + special purposes (80 million 2021)
- Strategy funding by Ministry of Education and Culture
  - max 4% of total national budget ( 1% ,15 million € 2021 )
  - decided yearly by applications

A decorative graphic consisting of two thick, curved lines. One is blue and the other is green, both curving from the bottom left towards the top right, creating a sense of motion and flow.

**How does KOSKI contribute to the process of compiling education statistics in Finland?**

# New way of compiling education statistics

	Until 2017	2018 ->
<b>Data collection</b>	Statistics Finland collects data separately from all the educational organizations and officials (including Finnish National Agency for Education)	Little to no need for separate data acquisition because (almost) everything can be found from KOSKI
<b>Data collection frequency</b>	Two times per year	Continuous (with versioning of changes)
<b>Format of data</b>	Various	JSON-document in one PostgreSQL database with some data stored in separate tables/fields
<b>Type of data</b>	Snapshot of the collection date	Real-time data with versioning (= one can always take a snapshot of a certain date)
<b>Presentation of statistics</b>	Static data sets published for each year	The possibilities of KOSKI not yet fully explored. Ongoing negotiations with Statistics Finland. KOSKI would enable more dynamic use of data (for example through Vipunen).

# Measures and tracking for core-, performance-based and effectiveness-based funding and other purposes, 2018 -

Student-years from qualification education and pre-VET and further vocational training

- Data from Koski –service, ARVO -service and STAT.FI
  - <https://vipunen.fi/fi-fi/ammattillinen-koulutus>
  - Dynamic open live-reporting via VIPUNEN service in internet, (e.g):  
<https://vipunen.fi/fi-fi/layouts/15/xlviewer.aspx?id=/fi-fi/Raportit/Koski%20opiskelijavuodet%20live.xlsb>
- Funding calculation needs weighted student-years with co-efficient of cost groups, VET type, special needs, accommodation, special raising decisions, etc.
- VAT-compensation for private providers, app. 30 million €/€

# Measures and tracking for performance-based funding 2018 -

## Performance-points from full qualifications

- Weighted with co-efficient of cost groups, VET type, special needs
- From 2018-
- Data from Koski –service and STATFI
- Dynamic open live-reporting via VIPUNEN-service in internet

[https://vipunen.fi/fi-fi/\\_layouts/15/xlviewer.aspx?id=/fi-fi/Raportit/Koski%20tutkinnot%20ja%20tutkinnon%20osat%20painotetut%20live.xlsb](https://vipunen.fi/fi-fi/_layouts/15/xlviewer.aspx?id=/fi-fi/Raportit/Koski%20tutkinnot%20ja%20tutkinnon%20osat%20painotetut%20live.xlsb)

## Performance-points from units (qualification units)

- Weighted with co-efficient of cost groups, VET type, special needs, ETC
- Base of funding from 2020-
- Major part of points
- Koski-service

# Measures and tracking for effectiveness-based funding

## EFFECTIVENESS

### a. Placement in labour market (STATFI)

& further studies (STATFI)

### b. Student – feed-back ARVO

- national ARVO-system (EDUFI), automated query
- two times during studies
  - starting phase after personal competence development plan approving (within 30 days)
  - graduating phase after last qualification units completion ()
- providers results (statistically) open reporting in internet via VIPUNEN.FI-service
- reporting from 2019 → (two months delay)

### c. Working life feed-back

- Under development in ARVO-system
- Legislation from 1.1.2021
- In operation from 1.7.2021
- In function for decision making of funding the year 2023

# Student-years by provider years 2018-2020, example

Suodattimet <

4 Tilastovuosi

2020

2019

2018

▸ Tilastokuukausi

▸ Sukupuoli

▸ Äidinkieli

▸ Ikäryhmä

▸ Ikä

## Rahoitusperusteraportti: Painotetut opiskelijavuodet ja profiilikerroin (Live)

	Painottamattomat opiskelijavuodet yhteensä	Painottamattomat opiskelijavuodet (pl. muu koulutus)	Muun koulutuksen painottamattomat opiskelijavuodet	Kustannusryhmän mukaan painotetut perustutkinnon opiskelijavuodet	Kustannusryhmän mukaan painotetut at- ja opistutkinnon opiskelijavuodet
☐ Tampereen Aikuiskoulutussäätiö sr	<b>5 992,30</b>	<b>5 912,91</b>	<b>79,39</b>	<b>2 897,27</b>	
2018	1 561,17	1 528,02	33,15	646,57	
2019	2 047,95	2 025,37	22,58	1 029,59	
2020	2 383,18	2 359,52	23,66	1 221,11	
☐ Ylä-Savon koulutuskuntayhtymä	<b>4 607,23</b>	<b>4 560,45</b>	<b>46,77</b>	<b>3 988,37</b>	
2018	1 558,33	1 558,33		1 340,43	
2019	1 535,92	1 502,13	33,78	1 315,71	
2020	1 512,98	1 499,99	12,99	1 332,23	
<b>Yhteensä</b>	<b>10 599,53</b>	<b>10 473,36</b>	<b>126,16</b>	<b>6 885,64</b>	



# Qualifications, q.units and competence points by provider years 2018-2020, example

Tutkinnot, tutkinnon osat ja painottamattomat pisteet (Live)

	Tutkintojen määrä	Tutkinnon osien määrä (suorittaa koko tutkintoa)	Tutkinnon osien määrä (ei suorita koko tutkintoa)	Osaamispisteiden määrä (suorittaa koko tutkintoa)	Osaamispisteiden määrä (ei suorita koko tutkintoa)	Lasketaan hyväksytyt painottamattomat osaamispisteet
<input type="checkbox"/> Tampereen Aikuiskoulutussäätiö sr	<b>3 196</b>	<b>17 131</b>	<b>4 378</b>	<b>497 569,5</b>	<b>105 472,0</b>	<b>565 059,0</b>
2018	1 026	4 439	1 052	142 989,5	26 499,0	148 291,0
2019	1 087	6 092	1 641	178 066,5	37 211,0	203 657,5
2020	1 083	6 600	1 685	176 513,5	41 762,0	213 110,5
<input type="checkbox"/> Ylä-Savon koulutuskuntayhtymä	<b>2 118</b>	<b>14 395</b>	<b>1 048</b>	<b>338 794,7</b>	<b>26 471,5</b>	<b>364 956,2</b>
2018	810	5 028	328	121 364,2	8 031,0	129 085,2
2019	670	4 789	394	112 503,0	10 685,5	123 188,5
2020	638	4 578	326	104 927,5	7 755,0	112 682,5
<b>Yhteensä</b>	<b>5 314</b>	<b>31 526</b>	<b>5 426</b>	<b>836 364,2</b>	<b>131 943,5</b>	<b>930 015,2</b>

# Effectiveness-based, by provider, placement in labour market and further studies, example

Rahoitusperusteraportti: työllistyneet ja jatko-opiskelijat (live)

	Tutkintojen määrä	Työllistyneet	Jatko-opiskelijat	Työllistyneet ja jatko-opiskelijat	Painotetut pisteet, työllistyneet	Painotetut pisteet, jatko-opiskelijat	Painotetut pisteet, yhteensä
AEL-Amiedu Oy	2 302	2 007	18	2 025	4 989,37	60,12	5 049,49
Ahlmanin koulun Säätiö sr	171	111	9	120	432,14	40,38	472,52
Air Navigation Services Finland Oy	0						
Aitoon Emäntäkoulu Oy	16	2	0	2	64,34	0,00	64,34
Ammattiopisto Spesia Oy	212	62	2	64	389,55	13,25	402,80
Ava-Instituutin kannatusyhdistys ry	127	120	0	120	242,95	0,00	242,95
Axxell Utbildning Ab	737	546	36	582	1 792,98	157,53	1 950,51
Careeria Oy	1 301	1 108	18	1 126	3 166,07	74,59	3 240,66
Espoon seudun koulutuskuntayhtymä Omnia	3 254	2 552	66	2 618	8 109,23	254,91	8 364,14
Etelä-Karjalan Koulutuskuntayhtymä	1 289	863	37	900	3 186,10	157,38	3 343,48
Etelä-Savon Koulutus Oy	1 164	836	45	881	3 105,11	188,14	3 293,25
Eurajoen kristillisen opiston kannatusyhdistys r.y.	21	15	1	16	46,53	4,42	50,95
Folkhälsan Utbildning Ab	54	41	6	47	140,40	24,24	164,64
Fria Kristliga Folkhögskolan i Vasa	9	2	5	7	8,63	22,50	31,13
Fysikaalinen hoitolaitos Arcus Lumio & Pirttimaa	133	119	1	120	332,10	2,15	334,25
Haapaveden Opiston kannatusyhdistys ry	53	41	0	41	129,32	0,00	129,32
Harjun Oppimiskeskus Oy	60	44	1	45	165,81	4,53	170,34
Haus Kehittämiskeskus Oy	49	48	0	48	98,04	0,00	98,04
Helsingin kaupunki	3 696	2 981	88	3 069	9 132,35	292,71	9 425,06
Helsingin Konservatorion Säätiö sr	22	10	10	20	30,18	37,40	67,58

# Effectiveness-based, student feed-back, by provider

Suodattimet <

Rahoituskausi

- 01.07.2018 - 30.06.2019
- 01.07.2019 - 30.06.2020
- 01.07.2020 - 30.06.2021

- Kyselyn kohderyhmä
- Kysymysryhmä
- Kysymys
- Koulutuksen järjestäjä
- Koul. järjestäjän maak...
- Koul. järjestäjän kunta
- Sarakeleveys

## Rahoitusperusteraportti: Opiskelijapalautteen päättökyselyn painotetut pisteet (live)

	Kyselyn kohteet (Rahoitus)	Vastanneet (Rahoitus)	Vastausosuus (Rahoitus)	Korjauskerroin (Rahoitus)	Keskiarvo (Rahoitus)	Keski (Rah
<b>Koko tutkinnon suorittaneet</b>						
AEL-Amiedu Oy	1 889	182	10 %	2,45	4,28	C
Ahlmanin koulun Säätiö sr	133	47	35 %	2,14	3,78	1
Aitoon Emäntäkoulu Oy	11	9	82 %	1,22	4,39	1
Ami-säätiö sr		136		2,45	4,27	C
Ammattienestämislaitossäätiö AEL sr		110		2,45	4,16	C
Ammattiopisto Spesia Oy	183	182	99 %	1,01	4,33	C
Ava-Instituutin kannatusyhdistys ry	127	100	79 %	1,27	4,57	C
Axxell Utbildning Ab	447	204	46 %	1,93	4,17	C
Careeria Oy	1 097	830	76 %	1,32	4,29	C
Cimson Koulutuspalvelut Oy	20	20	100 %	1,00	4,03	1
Espoon seudun koulutuskuntayhtymä Omnia	1 917	322	17 %	2,45	4,02	1
Etelä-Karjalan Koulutuskuntayhtymä	993	711	72 %	1,40	4,24	C
Etelä-Savon Koulutus Oy	740	462	62 %	1,58	4,22	C
Eurajoen kristillisen opiston kannatusyhdistys r.y.	2	2	100 %	1,00	5,00	C
Folkhälsan Utbildning Ab	40	40	100 %	1,00	4,46	C
Fria Kristliga Folkhögskolföreningen FKF rf	4	3	75 %	1,33	3,83	C
Fysikaalinen hoitolaitos Arcus Lumio & Pirttimaa	59	40	68 %	1,47	4,44	C
Haapaveden Opiston kannatusyhdistys ry	54	38	70 %	1,42	4,54	C
Harjun Oppimiskeskus Oy	48	38	79 %	1,26	4,03	1
Haus Kehittämiskeskus Oy	18	11	61 %	1,61	4,00	1
Helsingin kaupunki	2 371	922	39 %	2,06	4,25	C



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# For more information, visit websites:

<https://www.oph.fi/english>

<https://minedu.fi/en/vocational-education-and-training>

<https://minedu.fi/en/-/extensive-programme-for-guidance-counselling-additional-resources-for-guidance-as-part-of-the-extension-of-compulsory-education>

<https://minedu.fi/en/reform-of-vocational-upper-secondary-education>

<https://vipunen.fi/en-gb/vocational-education-and-training>

<https://www.oph.fi/en/statistics-and-publications/publications/finnish-education-nutshell>