

Education Funding Structures in Select Countries

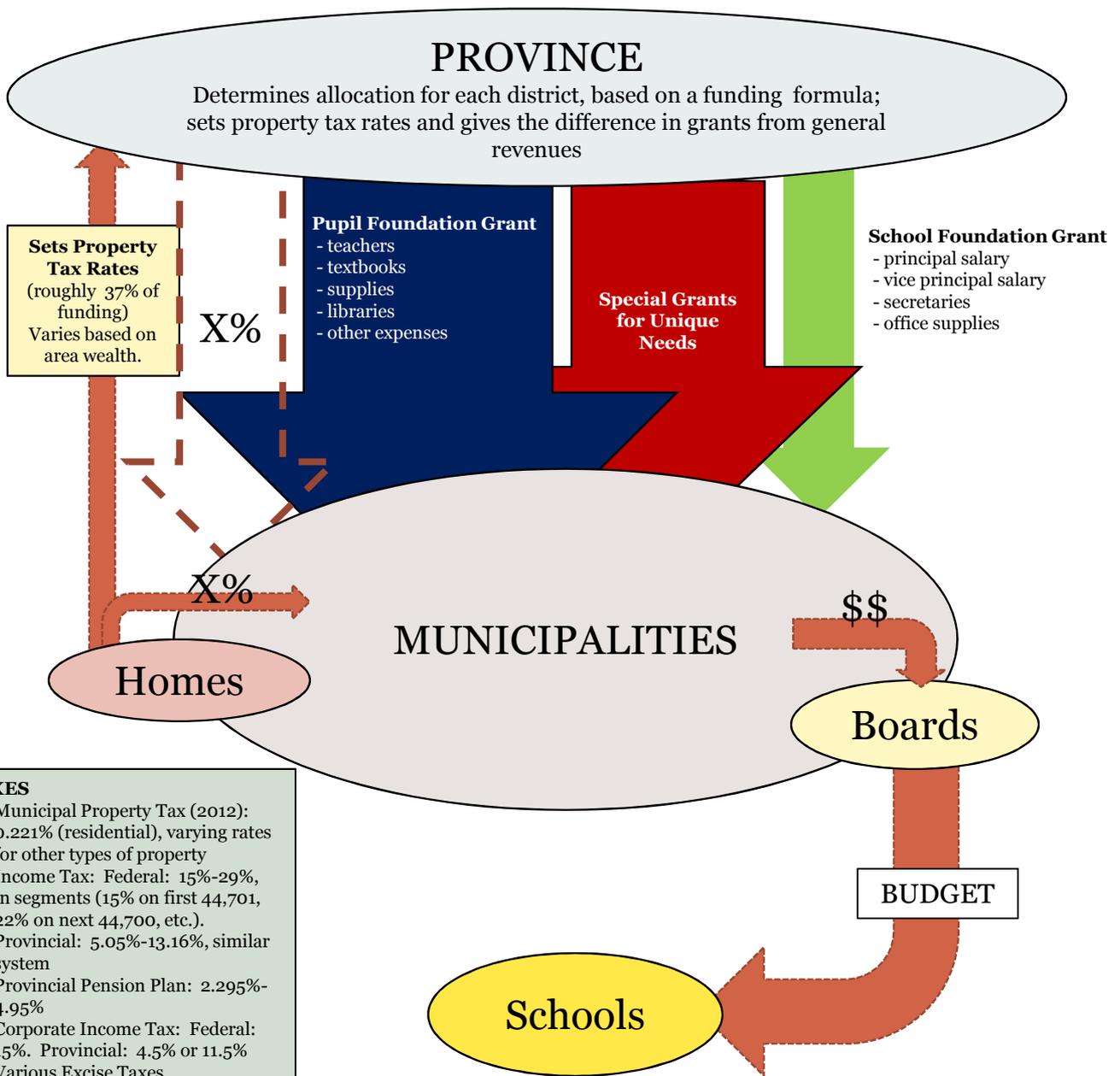


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ONTARIO

	PISA Ranking	Total Per Pupil Expenditure (primary through secondary)
Canada	13	120,285
U.S.	36	142,194



Theoretical starting age

Canada

Key

- ⬆/⬆ Starting/ending age of compulsory education
- ▲ Recognized exit point of the education system
- ↑ Student flow
- ⇄ Transfer from a programme to another
- ▭ Programme designed for part-time attendance
- ▭ Vocational programme
- ▭ Single structure education (integrated ISCED levels)
- ⋮ May be provided within one school structure

ISCED 6
23/30

ISCED 5A
18/19

ISCED 5B

ISCED 4
18

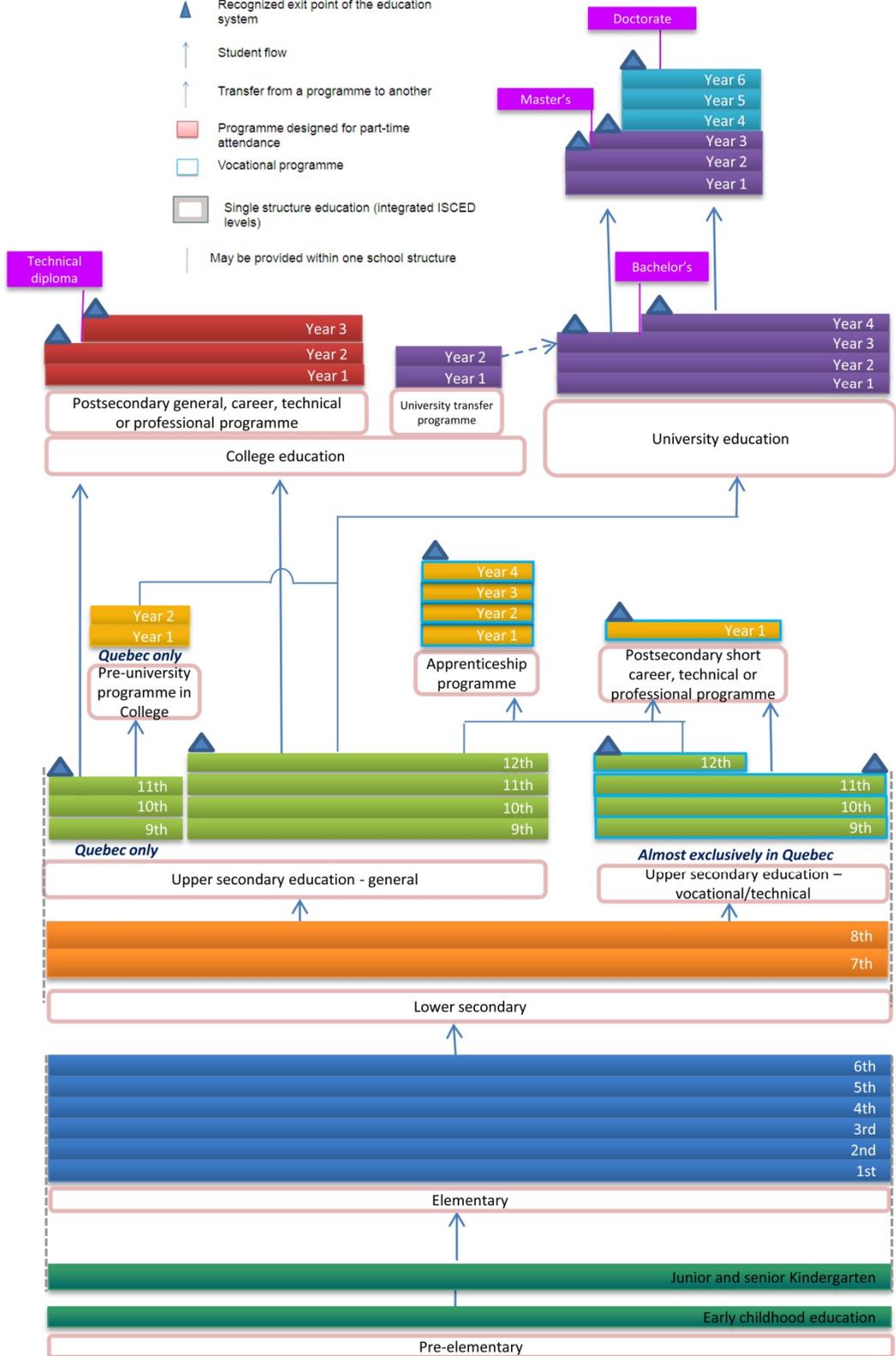
ISCED 3
16-18
14

ISCED 2
12

ISCED 1
6

ISCED 0
4/5
3/4

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Adult Education

RELEVANT DETAILS: ONTARIO



- The Canadian and U.S. education systems both consist of general education through grade 12. Schools are governed by school boards, and do not receive funds in radically different ways. And yet:
 - Canadian students far outperform those in the U.S., on average
 - Canada Spends less money per student than the U.S.
 - Canadian teachers spend less time teaching than those in the U.S.

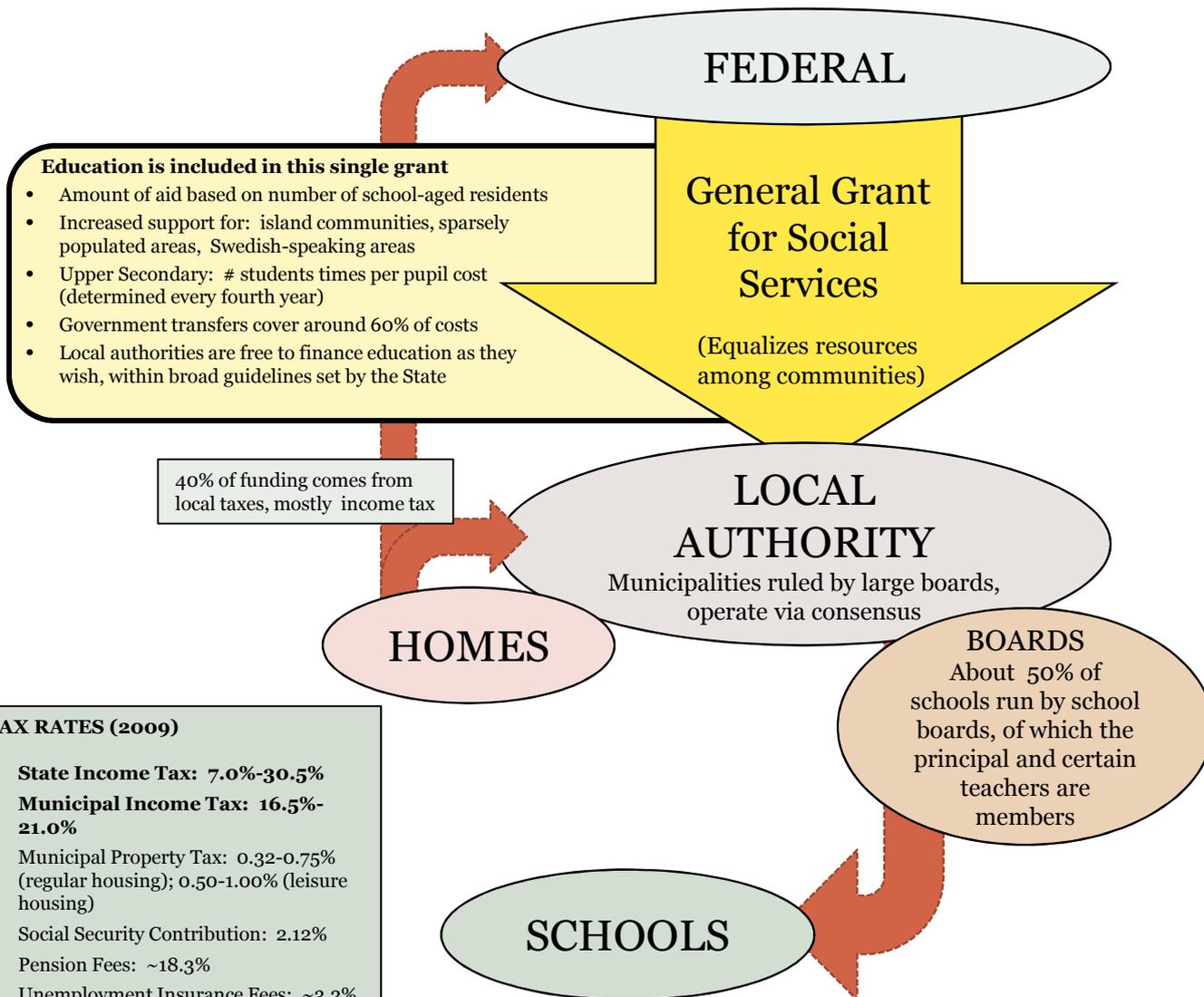
Relative to other college-educated workers, Canadian teachers make roughly 30-40% more than teachers in the U.S., and they scale up faster. This is the only significant difference that I can find, as far as conducting education, between our two systems.

Salary in the United States is one of, if not the prime indicator of prestige in a profession. Other countries have clearly demonstrated the importance of holding teaching as a high profession, akin to doctors and lawyers.

I can't help but recommend that we consider teacher pay as a potentially rewarding element of education reform.

FINLAND

	PISA Ranking	Total Per Pupil Expenditure (primary through secondary)
Finland	12	111,992
U.S.	36	142,194



TAX RATES (2009)

- **State Income Tax: 7.0%-30.5%**
- **Municipal Income Tax: 16.5%-21.0%**
- Municipal Property Tax: 0.32-0.75% (regular housing); 0.50-1.00% (leisure housing)
- Social Security Contribution: 2.12%
- Pension Fees: ~18.3%
- Unemployment Insurance Fees: ~3.2%
- Taxes on Dividends: 30-32%, but often deducted/otherwise manipulated down to ~2%
- Corporate Income Tax: 26.0%
- Value-Added Tax on Products: 22% (8% for certain products)
- Various Other Taxes

Theoretical starting age

Finland

Key

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ISCED 6
25

ISCED 5A
19

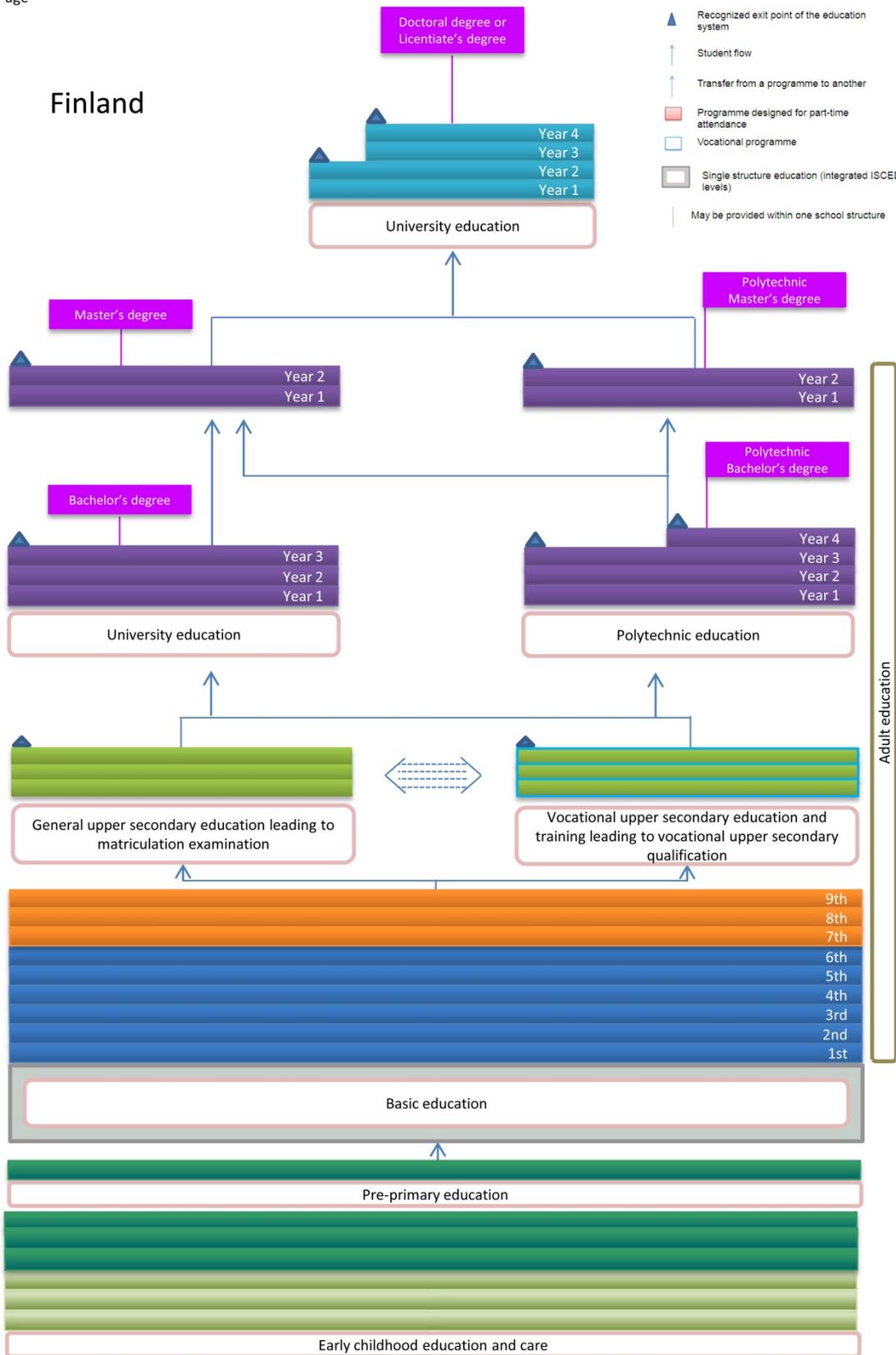
ISCED 3
16

ISCED 2
13

ISCED 1
7

ISCED 0
6

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RELEVANT DETAILS: FINLAND



- Demographically homogenous (their only prominent minority group is Swedish)
- Largest city, Helsinki, has only 500,000 residents
- Schools most commonly around 200-300 students
- 1/4 of schools have under 50 students
- Had same declining enrollment problems as Vermont (this was in 2005)
- Very recently increased spending on education, from about 6% of GDP to about 7%

- Particular areas where they save money:
 - **Virtually zero teacher turnover:** One of the hallmarks of the Finnish system is its investment in its teachers. Teachers are drawn from the very top of the student pool, undergo a free 5-year master's program (6 for special education teachers), design their own curricula and often follow students as they advance through school. Their professional development is such that they do not require an elaborate system of evaluation, and very, very rarely leave or get fired.
 - **“Soft-Touch Regulation”:** Finland doesn't engage in standardized testing like the U.S. They have a single, sample-based (about 100 schools) test for diagnostic purposes only; it has no subsequent sanctions or rewards, and they do not publicize results. Instead, the central government sets broad standards for what students should know, and schools are allowed to interpret and execute those requirements as they wish. This is only possible due to the professional capacity and support structure for its teachers and principals, who are together responsible for knowing whether or not students are learning.
 - **No Grade Repetition:** Various elements of the Finnish system have virtually eliminated grade repetition as a response to poor performance.

RELEVANT DETAILS: FINLAND



- Distinct demographic and geographic similarities to Vermont
- Rural schools experience the same funding problems in the same ways
- They score significantly higher than the U.S. on all counts
- The area of profound difference is the structure of their education system itself:
 - Much greater professional capacity of teachers and principals
 - More effective and differentiated support systems for students (devoted special education and assistant teachers in all schools, no grade repetition, low-stakes assessment)
 - Because of these, schools are able to function autonomously, without complicated systems of regulations, and schools are not constantly firing and hiring their faculty

Vermont is one of the only states in the Union to which the Finnish example might actually apply.

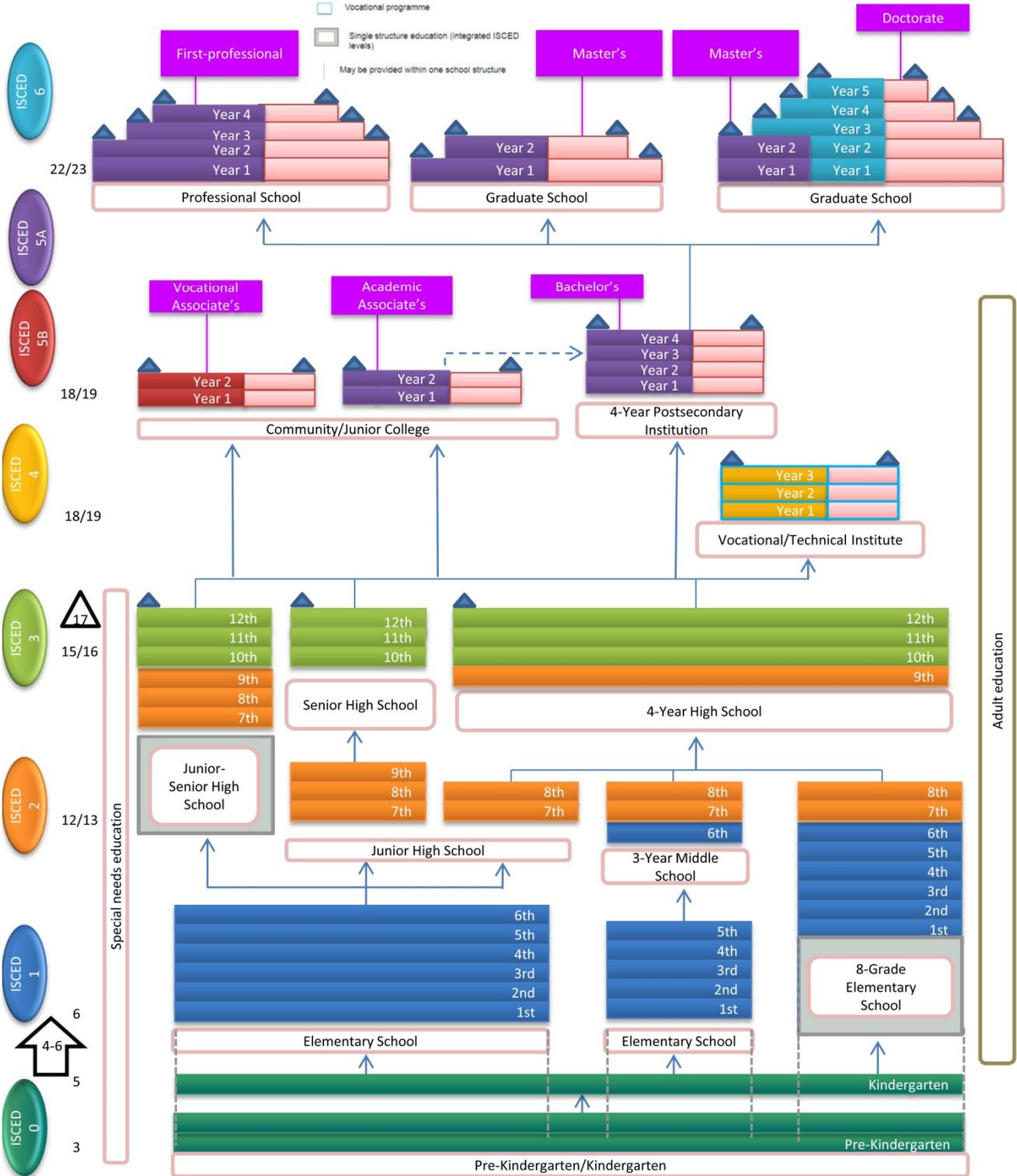
There are certainly efficiencies to be had by adjusting our funding structure. But, based on these comparisons, I think Vermont would be better served, as far as cutting costs and improving outcomes, by looking at its methods of education, rather than the surrounding funding structure.

United States

Theoretical starting age

Key

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