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Classic Private University, Zaporizhzhya***THE WAYS OF IMPROVING OF FINANCIAL SUPPORT
OF EDUCATION IN UKRAINE****ШЛЯХИ ВДОСКОНАЛЕННЯ ФІНАНСОВОГО ЗАБЕЗПЕЧЕННЯ
ДІЯЛЬНОСТІ ЗАКЛАДІВ ОСВІТИ В УКРАЇНІ****ANNOTATION**

The ways of optimization of financial support of education in Ukraine is considered. The study is based on theoretical study and evaluation of the practical aspects of selected issues. The author analyses the state budget financing of the educational sector in Ukraine in the market conditions. The author suggests ways of literacy level increasing, which is necessary for the intellectual development of every person, economic security and improves the welfare of the nation.

Keywords: state budget, local budgets, expenditures on education, funding of the educational sector, human capital, financial support, education expenditure budget.

АНОТАЦІЯ

Проаналізовано шляхи оптимізації фінансового забезпечення освіти в Україні на основі вивчення теоретичних та оцінки практичних аспектів, досліджено питання щодо поліпшення механізму фінансування освіти, якості надання освітніх послуг, запропоновані шляхи розв'язання, спрямовані на забезпечення рівня грамотності населення, які необхідні для інтелектуального розвитку кожної людини, економічної безпеки держави та підвищення загального добробуту нації.

Ключові слова: державний бюджет, місцеві бюджети, видатки на освіту, джерела фінансування освітньої галузі, людський капітал, фінансове забезпечення, освіта, видатки, бюджет.

АННОТАЦИЯ

Проанализированы пути оптимизации финансового обеспечения образования в Украине на основе изучения теоретических и оценки практических аспектов, рассмотрены вопросы улучшения механизма финансирования образования, качества предоставления образовательных услуг, предложены пути решения, направленные на обеспечение уровня грамотности населения, необходимые для интеллектуального развития каждого человека, экономической безопасности страны и повышения общего благосостояния нации.

Ключевые слова: государственный бюджет, местные бюджеты, расходы на образование, источники финансирования образования, человеческий капитал, финансовое обеспечение, образование, расходы, бюджет.

The main goal of article. The purpose of the study is optimization of financial support of education in Ukraine. The study is based on theoretical study and evaluation of the practical aspects of selected issues. The author analyses the state budget financing of the educational sector in Ukraine in the market conditions. The author suggests ways of literacy level increasing, which is necessary for the intellectual development of

every person, economic security and improves the welfare of the nation.

Analysis of the research. The issues of education and financial security characteristics are studied by domestic and foreign researches such as G. Becker, J. Blank, T. Boholib V. Bukovynskiy, N. Greek, Kychko I., T.C. Kurylenko, etc. However, the issue of integration processes and the mechanism for financing education, the quality of educational services are extremely important and require further study.

The basic part. The problems of financing of education are discussed in different countries. Many scientists around the world offer a variety of ways to increase the efficiency of education funding and approaching its capacity for sustainable development. Note that quality education significantly affects the economic, social, cultural and regional society. Funding for education is fixed by legislation Ukraine budgets and budget resources that need to perform these powers of the state. The education system in Ukraine is the only complex series of interconnected links education and training, preschool education; secondary education; after-school education; vocational training; vocational and higher education.

Today the source of education funding in Ukraine is government funding that is based on a single estimate of revenue and expenditure. The sources of the estimates are both budget and funds received from other sources. The ratio between budget and off-budget financial resources varies depending on the availability of budgetary resources and adequate public policies in education, in economic development, ownership of the institution, the relationship between the public and private sectors and others.

The bulk of the consolidated budget expenditures for education expenses up to finance schools. The financial and economic activities in secondary schools based on a single estimate of revenue and expenditure. Financing secondary education in Ukraine at the expense of funds allocated from the state budget according to regulations for the area

per student. The authorities, who function delegated, direct budget allocation and control over the public services of education is regional or local authorities and education management [4].

The financing preschool education at the expense of, the founder (owner); respective budgets (for state and municipal pre-schools) in the amount prescribed by the regulations of financing; parents or persons substituting them; donations and target contributions of natural and legal parents must make up 15-20% of total pre-school education, but in fact the parent fee is 50%.

At present, according to the Budget Code of Ukraine only school education of the whole system of national education funded by local budgets. [1] Instead, school education under Article 38 of the Law of Ukraine «On education» is part of the structure of the national education and aims to develop the abilities and talents of children, pupils and students, meeting their interests, spiritual needs and requirements in the professional determination [2]. Article 61 of the same Act stipulates that funding for public schools and institutions, organizations, businesses education system at the expense of relevant budgets, sectors of the economy, state enterprises and organizations, as well as additional funding sources, i.e. for all levels of education (preschool education, secondary education, adult education, vocational education, higher education, postgraduate education, etc.) provides the same funding mechanism [2]. As in regions that do not have sufficient income to the local budget, school funding aesthetic education, cultural institutions as the rate «per capita» will lead to their ultimate elimination. This situation aggravates inequality in funding of all sectors of adult education. Articles 89 and 90 of the Budget Code of Ukraine does not provide for budgetary transfer to correct local spending undertaken on hold after-school education. BC Article 91 provides that these costs are exclusively the competence of local budgets [1].

The funding of vocational education decreased significantly due to the change of ownership of enterprises and the collapse of the planned economy. During the Soviet period to 40-50% funding basic vocational carried out by enterprises, branch ministries and departments. Law of Ukraine «On Vocational Education» found that «Vocational education acquired by citizens of Ukraine in state and municipal vocational education free of charge at public expense» [5]. As a result of the fact that almost all activities of vocational education are financed from the state budget, money is chronically short of such education and efficiency always decreases. In high school there are also obvious imbalance between the scale of activities and funding. Significant amounts involved in higher education from non-budgetary funds, primarily – through tuition fees by physical and legal entities.

The level of public funding of education is insufficient, indicating a loss of state leading position on the level of education of citizens.

The overwhelming share of expenditure budgets for education expenses up to finance schools. The main sources of financing education institutions are state-owned funds state and local budgets, economic sectors, state enterprises and additional revenues [1]. According to Art.61 Law of Ukraine «On education» the state provides budget allocations for education of at least 10% of the Sun and currency allocations for basic operations. Funds schools and institutions of education and science are wholly or partially funded derived from the exercise or activities provided their statutory documents are not considered income and is not taxed.

The additional education institutions as sources of funding may consider:

- funds for education, training, training and retraining under the contracts concluded;
- payment for the provision of additional educational services;
- donations, material values received from enterprises, institutions, organizations and individuals;
- subsidies from local budgets;
- funds for research works (services) and other works made to order educational institution enterprises, institutions, organizations and individuals;
- income from sales training and workshops, businesses, shops and farms from
 - renting premises, facilities and equipment;
- credits and loans banks, dividends from securities and income from the placement of on deposit temporarily free of extra budgetary funds;
- other costs.

The lack of effectiveness of public spending on education is due to several factors, the main of which are defects organizational and management structure of the industry. The funds allocated by the state to provide educational services, not even enough to cover basic expenditure, wages due on the salary payment for energy negative trends that show the poor state of Ukrainian education is its non-compliance with European and international labor markets. Unfortunately, the state is no longer responsible for providing jobs to graduates. Only offer unified applications that are not associated with international labor markets.

The increasing spending on education is mainly due to the fact that along with increased spending on wages due to rising minimum wage was established in terms of premium 20% of the salary teachers of vocational schools and universities I-II level of accreditation, heads and deputy heads of these institutions. Also scholarships for vocational and technical schools and university students due to the indexation of grants are increased.

The funding for education from the state budget will only be effective when the funds allocated by the state to finance education, will be available in sufficient quantities and on a stable, objective and proportional basis. And even in this case, the system of centralized funding should be

complemented by public control over the use of resources and quality of services at the local level.

The uniform Rules concerning the share of local budgets of cities or districts are required to provide pre-school and school education of their income does not exist. This means that cities seeking to compensate for the lack of attention to education by the state are forced to cut their utilities and curtail investment programs. At the same time, local governments in different environments and have different opportunities for education funding at the local level.

The development of educational investment must be based not simply on increasing spending and to improve their efficiency in order to ensure the quality of educational services and equal access of the population to receive them throughout life. The education system in Ukraine should focus primarily on the needs of the individual and the employer. Focusing on the real needs of consumers of educational services will create the basis for involvement in the education system of additional financial resources, which consist of both funds of enterprises, customers and individual banks and borrowed funds students. One of the major issues is the role of government in funding education, but in most highly developed countries in theory and in practice there are two positions: support for large state role in funding education and support an important role in the development of these market problems.

The public financing plays an important role in ensuring the stability of the education system, where certain inherent inertia and conservatism, may not be directly involved in the mechanism of the market with its dynamically variable mechanism of supply and demand, competition, free pricing and more. Overall market these attributes can relate to professional education, where demand in the labor market largely determines the direction and content of education. In general education, where these are formed only needed every man base of knowledge, abilities, skills, foundations of spirituality, ethics, market impact is felt rather indirectly.

The impact of market system of education, up to and including certain elements and sectors of activity in the mechanism of direct sale of educational services, education increases the dynamism, economically stimulating activity of students. Considering the positive and negative aspects include education market mechanism, do not include one of the decisive factors inherent in education as a social, public institutions. This institution has specific in relation to other areas of society, this specificity on health and culture). This specificity is the primordial role of education and upbringing of the younger generation as the basis of the process of socialization. At all stages of human development is the process as resolving conflicts between the system of the individual in his relation to the education system and the public interest on own reproduction vec-

tor is directly determined by the requirements of social development.

The lack of effectiveness of public spending on education is due to several factors, the main of which are defects organizational and management structure of the industry. The funds allocated by the state to provide educational services, not even enough to cover basic expenditure, salaries, charges on salaries, pay for energy. The negative trend that indicates a poor state of Ukrainian education is its non-compliance with European and international labor markets.

The construction of economic mechanisms, which would ensure an effective system of financing, requires global standards in this area. Ukraine should switch from predominantly fiscal education funding to attract additional sources (fundraising), such as a commercial business and banks. It is necessary to empower schools to raise additional funds by nonprofit foundations; use of grant support research projects and educational innovation; expanding the list of paid services provided by educational institutions.

According to the existing level of knowledge intensity of gross domestic product of Ukraine national scale budget financing of educational institutions solve the problems of financing education should be carried out by:

- increasing competition in research and development in schools by directing additional budget funds for projects of research and development that will be selected on a competitive basis within the framework of the state scientific and technical programs, the state order for the creation of new technologies and grant funding;
- optimization of the cost of scientific educational institutions based on the results of certification based on independent assessment of research results, personnel and logistical capacity;
- providing independent scientific and technical expertise of projects submitted for funding from the state budget, expansion of involvement in the examination of leading international experts;
- simplification of public procurement work to implement research and development grants and procedures to perform research and development of international organizations;
- delineation of functions of the administrative and educational management in the budget of educational institutions;
- use of economic incentives for businesses to implement their investment, which are related to the provision of research and development in schools.

The current state of Ukraine's economy, increasing of spending on education from the state budget in the coming years is no possible. Therefore, one of the priorities of reforming the national education system in Ukraine should reform its economic fundamentals aimed at optimizing the use of resources and the creation of transparent financial and economic mechanisms targeted savings and targeted use of funds required to im-

plement fully the constitutional rights of citizens to education.

Thus, studies of the current state funding for education in Ukraine shows that to solve problems of the industry needs to develop a coherent system of government measures that will be used to ensure its effective development. Thus the main problem, in our view, should be to ensure sufficient funding sector, by optimizing budget and extra budgetary resources for its development.

The special role for effective use of financial resources of the state should play a management system and control over budgetary institutions. The improvement of the situation, policies need to generate funding for education in accordance with the socio-economic feasibility committed expenditure and a combination of domestic and international experience. The combination of these measures ultimately should help educate comprehensively educated person, with their inherent systemic worldview and logical thinking, knowledge and skills which match the profile of its activities.

Conclusions. Under market conditions, the investment in human capital is a central element in strategies promoting economic prosperity of the country. The current state funding of education in Ukraine is quite disappointing. The construction of economic mechanisms, which would ensure an effective system of financing, requires global standards in this area. Ukraine should switch from predominantly fiscal education funding to attract

additional sources such as commercial banks and business. It is necessary to empower schools to raise additional funds for non-profit foundations; use of grant support research projects and educational innovation; expanding the list of paid services provided by educational institutions.

The budget deficit to education, irregular flow of budgetary funds and the opacity of their distribution at regional and local level have implications for reducing the quality and efficiency of education. In addition, shifting much of the cost to parents is a double burden because they have already paid taxes. The lack of proper control over the targeted use of budget leads to a drop in confidence in the public education system.

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