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REFORMING THE UNIVERSITY’S PUBLIC FINANCING:
PROBLEMS AND PERSPECTIVES

The basis of growth, stability and efficient functioning of the economy of Ukraine is the intellectual potential of society, the development of which is facilitated by an effective system of higher education.

In the most articles, the effective university’s public financing is seen in the expansion of their autonomy. As practical experience shows, neither budget decentralization nor financial autonomy will improve the quality of educational services without the introduction of appropriate tools for the allocation of university’s public financing, taking into account the labor market forecast and assessing the solvency of the population.

The purpose of writing the article is to identify problems and determine the prospects for reforming the university’s public financing.

The article examines the history of higher education reforming in Ukraine, in particular, its financing by the government.

Carrying out the latest reforms in higher education provides a formulaic approach to the financing universities from 2020. Thus, the calculation of funding is made by the Ministry of Education and Science on specific indicators, including: the scale of the university, the number of students, regional coefficient, positions in international rankings, the amount of funds for research that the university attracts from business or international grants.

The analysis of the measures to reform the higher education concerns ensuring the quality of education and financial autonomy of universities. At the same time, the reduction in the number of applicants, that is a major risk factor for the higher education system, is not thoroughly considered.

Today, the main problem that the government is trying to solve through reforming the university’s public financing is to improve the quality of education. So that in contrast to the previous approach to funding, when the main aim of the university was to preserve the number of students.

The other problem that the Ministry of Education and Science is trying to solve is raising the price of contract training. It is obvious that the question of whether entrants who did not get the opportunity to study for free make the decision to get contract education is not been studied. With the low standard of living in Ukraine, the lack of new jobs due to economic development and government’s youth employment programs, an entrant who did not receive a budget place will most likely decide to work abroad. If the entrant's parents are solvent, then with the aggressive policy of the governments of Eastern European and Baltic countries aimed at attracting Ukrainian youth to their universities, the entrant who did not receive a budget place will prefer to apply for foreign law, after which he will receive European citizenship.