

ISSUES OF FINANCING VOCATIONAL EDUCATION AT THE EXPENSE OF EXTRABUDGETARY FUNDS

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Abstract

This research paper is devoted to the analysis of the sources of financing of vocational education. In addition, it studies the opinions of foreign scholars-economists on the education financing. Furthermore, the article contains considerations regarding the relevance of financing vocational education due to extrabudgetary funds and its impact on the national economy.

Key words: education, vocational education, financing, charity, grant, employer, state budget.

The problem of financing vocational education worldwide is one of the urgent issues that has been on the focus of the relevant ministries, educational institutions and students for a long time. At a time when the economy and industries are developing at an unprecedented pace, the demand for a highly skilled workforce is increasing. This has caused a re-consideration of the traditional sources of funding for education and exploration of alternative methods to ensure the availability, relevance and quality of vocational academic syllabus. Nowadays the issues of financing existing vocational educational institutions in Uzbekistan at the expense of extrabudgetary funds are becoming more urgent, and appropriate measures are constantly being developed.

Extrabudgetary funding provides a degree of autonomy and financial flexibility to educational institutions, enabling them to make quick decisions in response to changing academic requirements. By reducing dependence on government budgets, institutions can allocate resources according to their strategic priorities, allowing for faster adjustments to curricula, technology adoption, and establishing industry partnerships.

Extrabudgetary funds can improve the quality of vocational academic curricula. They can also invest in the faculty development, teaching technique, and field experience. Modernized infrastructure and technology integration will improve the learning environment. External funding also supports curriculum enrichment, allowing for the inclusion of real-life examples and hands-on experiences that align with emerging industry trends.

Extrabudgetary funding can also raise students' access to vocational education. Because scholarships and financial aid from outside sources expand opportunities for students from diverse socioeconomic backgrounds.

At the same time extrabudgetary funds strengthen close cooperation with industries, ensuring that academic curricula are closely related to industry needs. Industry collaboration provides insight into emerging skill requirements, enabling the development of curricula that equip graduates with relevant skills. Externally supported internship and placement opportunities directly connect students with real-world experience.

Most importantly, extrabudgetary financing replenishes public funds and reduces the burden on public resources. Educational institutions can direct public funds to address broader educational challenges, while leveraging external funding to improve targeted programs. Such a shift enables for strategic investment of public resources in areas of maximum impact using external contributions.

Extrabudgetary financing of professional education is multifaceted, covering institutional autonomy and program quality improvement to increased access and alignment with the industry needs. These impacts highlight opportunities for extrabudgetary funding to revolutionize the learning environment, drive agility, and foster collaboration between education and industry.

Definitely, in addition to the significance and influence of extrabudgetary funds they can also create some difficulties and trouble situations, in particular:

- One of the challenges in extrabudgetary funding is ensuring transparency and accountability in the use of funds. Organizations must maintain accurate financial reporting mechanisms to demonstrate proper allocations and avoid any potential diversion of funds. Ensuring transparency builds stakeholder confidence and protects against mismanagement.
- Extrabudgetary funds can introduce a degree of dependence on external sponsors. Entities should develop sustainability plans to ensure that programs can continue even when external funding fluctuates. Building strategic reserves can reduce the risk of sudden funding shortfalls and provide a buffer against financial instability.
- While extrabudgetary funding gives autonomy to educational institutions, it can create challenges in balancing autonomy and meeting stakeholder demands. Sponsors may have special requirements or preferences that could potentially influence curriculum content and academic decisions. Educational institutions must ensure that such influences do not undermine the integrity of education.
- Extrabudgetary funding models can inadvertently exacerbate access disparities if not managed carefully. Selective programs that rely more heavily on external funding may inadvertently exclude certain groups of students, contributing to social inequality. Institutions should proactively address such concerns and take steps to ensure equal access to educational opportunities.
- Using extrabudgetary funds involves managing complex legal and regulatory issues. Organizations must ensure compliance with relevant regulations and enter into clear contractual agreements with sponsors. Solving potential conflicts of interest, intellectual

property rights, and data privacy issues is critical to ensuring the smooth implementation of extrabudgetary funding models.

Addressing these issues and considerations is critical for institutions aiming to take advantage of extrabudgetary funding to ensure the integrity, sustainability, and equity of education.

The future of extrabudgetary financing of professional education is promising, as well as the interest in innovative financing models is growing. Educational institutions can explore further diversification strategies to attract funding from different sources. Global partnerships and collaborations can be expanded by encouraging cross-border exchanges of funds and expertise. Furthermore, advances in technology play a role in enhancing efficiency and transparency of extrabudgetary financing mechanisms. Technology has the potential to revolutionize the management of extrabudgetary funds.

Government policy plays a crucial role in shaping the sustainability and impact of extrabudgetary financing. Policy frameworks that promote external funding can encourage educational institutions to explore different ways of funding. Regulatory guidelines ensure that the use of external funds is ethical, transparent and consistent with academic objectives. Governments can also support public-private partnerships to develop collaborative financing models.

It is essential to recognize that investments in vocational education institutions have broad societal benefits, including development of a skilled workforce, increased graduate employment, and overall economic growth. Therefore, temporary financial support from the state budget is the right strategy until these institutions increase their financial capacity.