In Ukraine, there is a problem of a very high level of coverage of the Ukrainian population by higher education. Overloading the labor market with people with higher education leads to a situation where many of them work not on a specialty. The reasons for this are: mismatch of skills and abilities of the employee qualification requirements; over-saturation of the labor market by specialists; low wages at work place. Higher education in Ukraine, therefore, requires conducting both qualitative and quantitative changes.

In order to raise the quality level of higher education, it is necessary to make changes in the educational process itself. We believe that the biggest disadvantages in the structure and teaching methods of the material are: the large number of disciplines studied does not apply to the chosen direction of study; insufficient number of lectures in comparison with the material, which is made on independent study; a great burden on teachers, connected not with teaching activity, but with the administration of the educational process.

Also, the quality of teaching is influenced by the interest of teachers – material incentives. Wages of scientific and pedagogical workers at the expense of surcharges, allowances and bonuses may exceed the size of the salary by more than twice. Such incentives are not effective, since these measures effectively stimulate scientific activity, but they are not activated for teaching duties. In this regard, it is necessary to increase the size of the salaries of scientific and pedagogical workers, which will increase the level of payment of their labor.

The next problem is that a large proportion of students acquire higher education not for the purpose of obtaining professional knowledge and skills, but for the purpose of obtaining a diploma. This is due to the fact that higher education is very affordable. In order to study at the state order, applicants do not need to make great efforts, and this is the reason that in the future they do not make significant efforts. The next reason for students’ lack of interest in obtaining knowledge during their studies is their poor financial position. The ordinary academic scholarship for students of I-IV higher education institutions, as well as an elevated student scholarship for higher education institutions I-II, is lower than the subsistence minimum. Even after its increase from 01.11.2017 to 60 UAH it has exceeded the subsistence minimum by 34 UAH. Such financial incen-
tives for students to study are not effective, since even with the benefits of students, these funds are not sufficient for a decent existence.

Based on the foregoing, in our opinion, it is expedient to carry out transformations in the system of state order and in the structure of scholarship support, namely:

1) To increase the volume of the state order for applicants of the educational level “junior bachelor” by 20%.

2) To reduce the volume of the state order for applicants of educational qualification level “bachelor” twice.

3) Reduce the number of state orders for applicants of educational qualification level “Master” by approximately 53%. The educational qualification level “master” at the expense of the state budget will be able to acquire 70% of graduates-bachelors.

4) To reduce the number of state orders for applicants of the educational-qualification level “doctor of philosophy” by about 35%.

5) To increase the level of academic bachelor’s and bachelor’s degree scholarship to the subsistence level (UAH 1,700), and to increase the scholarship by 30% (UAH 2,210).

6) Increase the size of the scholarship and the volume of government orders in colleges, technical schools and colleges.

7) Increase the number of students who receive a scholarship to 70% of the total number of students enrolled in state security.

8) Increase the number of students who receive an elevated scholarship to 10% of the total number of students receiving a scholarship.

The structure of expenditures for higher education is as follows: 60% – wages; 32% – scholarship payment; 8% – other expenses.

The percentage of savings due to the proposed changes, calculated using the index method for the educational-qualifying level, “bachelor” will be 16.6%, “master” – 20.24%, “doctor of philosophy” – 23%.

In our opinion, it would be appropriate to spend savings on increasing scholarships in colleges, colleges and technical schools; to increase the wages of employees involved in the educational process. Do not use funds to spend on other public expenditure items.