ECONOMIC POLICY AND GOVERNMENT REGULATION OF HIGHER EDUCATION FINANCING SYSTEM IN UKRAINE: METHODS FOR DECISION-MAKING AND FORECASTING REGIONAL DISPARITIES

ЕКОНОМІЧНА ПОЛІТИКА ТА ДЕРЖАВНЕ РЕГУЛЮВАННЯ СИСТЕМИ ФІНАНСУВАННЯ ВИЩОЇ ОСВІТИ В УКРАЇНІ: МЕТОДИ ПРИЙНЯТТЯ РІШЕНЬ ТА ПРОГНОЗУВАННЯ РЕГІОНАЛЬНИХ ДИСПРОПОРЦІЙ[1]

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The article examines issues in distributing state budget funding for Ukrainian higher education, focusing on the effectiveness of regulatory mechanisms and their alignment with economic policy. The study analyzes the formula-based financing system introduced in 2019, emphasizing its advantages and inherent limitations in responding to rapid socio-economic transformations, particularly under wartime conditions. The research assesses regional disparities in educational financing across six macroregions of Ukraine during 2021–2024, revealing structural imbalances and insufficient adaptability of existing allocation mechanisms. A comprehensive approach for evaluating the dynamics of financing has been developed, combining quantitative statistical analysis with qualitative factors, including demographic changes, internal migration trends, infrastructure conditions, and security circumstances.
Keywords: economic policy, government regulation, higher education financing, decision-making, forecasting, regional disparities, formula-based funding, budget allocation, Ukraine.

Стаття присвячена критичному аналізу державної політики фінансування вищої освіти в Україні через призму стратегічних цілей національного та регіонального розвитку, а також викликів, спричинених повномасштабним вторгненням російської федерації в Україну. Дослідження розкриває фундаментальні суперечності між задекларованими державою пріоритетами підтримки людського капіталу, забезпеченням регіональної збалансованості, формуванням конкурентоспроможної робочої сили та реальними результатами функціонування моделі формульного фінансування, запровадженої Кабінетом Міністрів України. Дослідження акцентує увагу на часовому лазі між змінами студентського контингенту й бюджетними рішеннями, а також обмеженій результативності регіональних коефіцієнтів і спеціальних квот у подоланні просторових диспропорцій між

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стабільними та вразливими регіонами. На основі офіційних даних Міністерства освіти і науки України за 2021–2024 роки досліджено динаміку державного фінансування закладів вищої освіти в розрізі шести макрорегіонів (Північ, Південь, Захід, Схід, Центр, Київ), що дало змогу виявити суттєву динаміку показників, зумовлену воєнними діями, масовим переміщенням університетів, внутрішньою міграцією студентів та змінами демографічної структури. Досліджено співвідношення між значним зростанням кількості вступників у фронтових та центральних макрорегіонах та відповідними обсягами бюджетної підтримки, що чітко засвідчує інерційність, недостатню гнучкість і системні вади чинної моделі розподілу ресурсів. Запропоновано макрорегіональний підхід до оцінювання динаміки фінансування, яка поєднує статистичний аналіз абсолютних і відносних показників з урахуванням комплексних якісних чинників, таких як безпекова ситуація, масштаби внутрішньої міграції, ступінь руйнування освітньої та соціальної інфраструктури. Застосування цього комплексного підходу дає змогу не лише ідентифікувати приховані структурні дисбаланси й ризики хронічного недофінансування вразливих територій, але й прогнозувати майбутні потреби у ресурсах, формувати науково обґрунтовані рекомендації щодо підвищення адаптивності механізмів державного регулювання, запровадження диференційованих регіональних коефіцієнтів, посилення цільової підтримки закладів вищої освіти у регіонах високого ризику, модернізації матеріально-технічної бази.

Ключові слова: економічна політика, державне регулювання, фінансування вищої освіти, прийняття рішень, прогнозування, регіональні диспропорції, формульне фінансування, бюджетний розподіл, Україна.

Statement of the problem. The state order in the field of higher education plays an important role in the implementation of the country's economic policy, because it creates conditions for the training of in-demand specialists, strengthening human capital and maintaining social stability. The clear and effective functioning of this tool is designed to contribute to achieving sustainable development objectives, reduce labor market imbalances, and increase the competitive advantages of different regions in Ukraine.

At the same time, despite the introduction of transparent procedures and formulaic methods for distributing state orders, the existing system in Ukraine demonstrates certain weaknesses, particularly in its inability to respond flexibly to rapid changes in social and economic conditions. This was especially pronounced during the period of large-scale war, when traditional approaches could not fully account for several new challenges: demographic changes, large-scale internal and external migration, transformations in regional labor market structures, and uneven development of educational and social infrastructure.

Military events have affected the composition of the population of certain territories, led to mass displacement of citizens, the destruction of educational institutions and the complication of access to higher education in a number of regions. This, in turn, only exacerbated disparities and led to increased regional differences in the availability of quality education, which runs counter to the main directions of the state economic policy aimed at ensuring the uniform development of the country.

Although the government introduced the use of the regional coefficient in order to mitigate the existing imbalances, its effectiveness turned out to be limited and not able to provide a comprehensive solution to the problem. As a result, most of the state funding continues to be concentrated in regions with a relatively stable situation, while other territories remain in less favorable conditions.

Analysis of recent research and publications. The issue of higher education financing has garnered substantial scholarly attention in recent years, particularly regarding formula-based allocation mechanisms and regional disparities. International research emphasizes the global shift from traditional input-based funding to performance-oriented models, where allocations depend on graduation rates, research productivity, and societal impact. The OECD (2020) highlights that modern funding systems increasingly incorporate multiple criteria beyond simple student enrollment numbers to ensure efficiency and accountability [1].

The subject of financing dynamics of higher education institutions, distribution mechanisms, and regional disparities was addressed by such scientists as Yurchyshena L.V. [2], Kyrylenko O. [3], Rainova L.B. [4], Sadova U.Ya. and Hrynkevych O.S. [5], Pisarchuk O.V. [6], Iurchenko M. [7], Greben S. [8], as well as Kapustia A. [9]. In domestic scientific practice, the analysis of the dynamics of financing of higher education institutions is based on statistical methods including regression analysis, analysis of averages, methods of grouping and distribution of data. Comparative analysis of the dynamics of funding indicators, a systematic approach to the study of mechanisms for the distribution of funds and methods of data visualization for the presentation of research results are widely used by these researchers.

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Thus, Yurchyshena L. V. conducted a comprehensive study of theoretical approaches to the concept of "financing model" and evaluated the results of the introduction of formula financing in Ukraine. The researcher applied a wide range of methodological approaches, including analysis, synthesis, comparison, system analysis, statistical methods (regression, averages, grouping, data distribution), and the method of data visualization[2].

The purpose of this scientific article is to identify structural weaknesses and regional disparities in Ukraine's higher education financing system under wartime conditions, develop a comprehensive methodology for assessing financing dynamics across macroregions, and provide evidence-based recommendations for improving government regulation mechanisms to align budget allocation with strategic economic policy objectives and ensure sustainable development of the national educational system.

Presentation of the main research material. In 2019, the Government of Ukraine adopted Resolution No. 1146, which introduced a mechanism for distributing public funds for financing higher education using a formula approach. The essence of this approach is the distribution of budget expenditures among universities on the basis of measurable criteria that reflect the level of their educational, scientific and international activity. At the same time, it is important to emphasize: to calculate the amount of funding for the next budget year, the contingent of students for the previous year is used. For example, the number of students who enrolled in 2023 is included in the formula for determining the amount of funding for universities for 2024, that is, there is a one-year lag in the system between real demographic changes and budget allocations [10].

The formula distribution of budget financing of higher education institutions of Ukraine is based on five key indicators that determine the share of funds for each institution: student contingent, scientific activity (the level of funding takes into account the totality of funds received by the university through scientific, technical, consultancy activities and grants), international recognition (the position of the institution in international educational rankings and participation in international cooperation programs), employment of graduates, regional coefficient (a special coefficient is provided to support those institutions that are located in high-risk regions, in particular in frontline or displaced areas) [10; 11].

The model of distribution of budget funds between higher education institutions based on a formula approach is a significant step towards increasing the transparency and efficiency of financing the educational sector of Ukraine (Table 1). Such a mechanism contributes to a more honest and reasonable distribution of state resources between universities, taking into account the number of students, scientific performance and the degree of international integration. This makes it possible to improve the quality of educational and scientific processes, to use budget funds more efficiently, and the principle of "money follows the student" allows you to provide financial support in accordance with the real needs and potential of the educational institution, strengthening its competitiveness.

As a result, the uneven distribution of funds remains, which can hinder the harmonious development of the national higher education system and reduce its ability to effectively respond to modern social and economic challenges.

Educational institutions located in socio-economically difficult regions, in particular in the north and south of Ukraine, are often at a disadvantage. They lack financial resources, which leads to an outflow of students and staff to universities in central and western regions with a more powerful material base. As a result, such migration processes deepen existing imbalances between regions and can lead to the loss of intellectual capital in the most vulnerable areas.

In order to mitigate regional disparities, the state has introduced a regional coefficient, which is multiplied by the applicant's competitive score when applying to universities located in regions with significant needs for additional support. For example, for institutions in Zaporizhzhia, Mykolaiv, Odesa, Sumy, Kharkiv, Chernihiv regions, this coefficient is 1.07; in some other regions - 1.04; in Kyiv and regions without special conditions, it is equal to 1.00. Thus, the regional coefficient is designed to stimulate applicants to choose to study in vulnerable areas, restrain the outflow of scientific and youth potential, and promote the balanced development of human resources [10; 11].

In addition, the system provides for the use of special quotas (quota-1, quota-2), thanks to which applicants from the temporarily occupied territories, war zones or socially vulnerable categories have priority when enrolling in higher education institutions [10; 11].

This gives young people from the affected regions more chances to get an education and

Table 1

Advantages and Challenges of the Formula Approach

Advantages	Challenges / Disadvantages
Transparency and fairness – minimizing political influence	Insufficient stimulating function – the existing formula does not always improve the quality of educational services
Ease of application – unified rules for everyone	Limited consideration of development – infrastructure and strategic goals are not always covered by the formula
Motivation for effectiveness – dependence of funding on achievements	Risks for small and regional HEIs – fewer students = less finance, without taking into account the context
Support for the autonomy of higher education institutions – freedom in the use of resources	Difficulty in adapting to changes – the formula is not always flexible to crises or new challenges
Predictability and planning – stability for strategies	Preservation of elements of the old system – partial basing on historical expenditures
Reducing corruption risks – automating the process	Insufficient consideration of socio-economic conditions and regional disparities

Source: compiled by the authors for [12]

at the same time supports universities operating in high-risk environments.

However, the existing measures are not without significant restrictions:

– an increase in the competitive score in the range of 4-7% does not always neutralize the difference in infrastructure support, the quality of educational programs or the overall attractiveness of different regions;

– there are risks of abuse when applicants receive preferential regional or rural coefficients without sufficient grounds, which complicates the work of admissions committees and undermines confidence in the admission system;

– the regional coefficient is a rather limited tool and does not take into account the real specifics of the regional needs of the labor market or the quality of educational programs, and therefore their impact on achieving the regional balance is limited.

The regional coefficient, as well as special quotas, is only one of the mechanisms that helps to partially smooth out disparities, but it does not eliminate deeper problems, such as insufficient funding, deteriorating infrastructure, shortage of highly qualified teachers and limited access to modern scientific sources in regions with difficult conditions.

In addition, such shortcomings of the current system of distribution of state orders negatively affect the achievement of key tasks of the state economic policy. Unevenness in the financial provision of higher education institutions in different regions complicates the implementation of strategies to equalize the socio-economic development of territories, stimulate human capital growth, form a competitive workforce and ensure innovative economic development.

Effective economic policy provides for a flexible response of state procurement instruments to the needs of the labor market, changes in the demographic situation and the needs of strategic industries. However, due to the generality and inertia of the existing approach to the distribution of funding, the formula mechanism does not always allow to promptly support those regions or areas of training that most need state support. Under such conditions, the potential of the higher education system as an instrument of long-term economic stability, social cohesion and readiness for the transformational challenges of the future decreases.

Thus, the improvement of the mechanism for distributing state orders should involve not only taking into account quantitative indicators, but also the integration of strategic priorities of the state economic policy, a deeper analysis of regional needs and flexibility in responding to fast-moving changes in the socio-economic environment. Therefore, in order to achieve true regional equilibrium, it is necessary to implement comprehensive public policies, which must include targeted funding programs for educational institutions in difficult regions, development of material, technical and scientific infrastructure, updating and modernizing curricula, support and stimulation of teaching staff.

The application of such a multicomponent strategy will not only preserve the scientific and educational potential of the state, but also

strengthen social cohesion and ensure national economic stability.

The shortcomings of the current system of financing higher education institutions described above indicate insufficient flexibility, inability to take into account socio-economic, regional and demographic characteristics. The current formulaic approach only partially responds to modern challenges and leaves out a number of important factors that significantly affect the efficiency of the use of public funds and the sustainable development of the higher education system.

To form informed decisions in the field of economic policy of the state, it is advisable to analyze the financing of higher education not at the level of individual institutions, as it is now implemented in the open data of the Ministry of Education and Science of Ukraine [13; 14], but taking into account the regional context. Of particular importance is the study of the dynamics of indicators of state funding in the time dimension, which allows to identify spatial trends and patterns of resource allocation.

Therefore, the framework proposed below for assessing the dynamics of state financing of higher education institutions is guided by the macroregional approach – with the allocation of six enlarged macroregions of the country. The implementation of this methodology is carried out according to a clearly structured algorithm that covers the key stages of data collection, processing and analysis, followed by the interpretation of the results for the needs of strategic planning for the development of the educational sector and the state economy.

I. Data collection and verification.

At the initial stage, representative databases on the financing of higher education institutions are formed. A significant part of the information necessary for the analysis on the financing of higher education institutions can be obtained from the official resources of the Ministry of Education and Science of Ukraine. It is there that the basic data on the volume of budget allocations, the number of students, the structure of expenditures and financial plans of universities, as well as other statistical information are collected, which makes it possible to form a complete representative base for further research.

Particular attention is paid not only to the collection of information, but also to its thorough verification and standardization. Before starting the analysis, data should be structured by relevant years, regions, categories of expenditure and other relevant parameters to ensure the reliability of the basis for the next stages of assessing the dynamics of financing the higher education system of Ukraine.

The analysis involves data on the volume of expenditures, the number of students, the availability of infrastructure resources and personnel characteristics, which creates the basis for further comprehensive analysis.

II. Grouping and spatial analysis.

At this stage, regional stratification and spatial analysis of data on the financing of higher education institutions are carried out, which makes it possible to identify structural differences, regional imbalances and assess the impact of external factors on access to educational resources.

In order to carry out a comprehensive analysis of the spatial aspects of financing the higher education system in Ukraine, within the framework of this methodology, it is proposed to divide the country into six main macro-regions: North, South, West, East, Center and the city of Kyiv:

–	northern macroregion covers Sumy, Kyiv, Chernihiv and Zhytomyr regions;

–	southern macroregion includes Vinnytsia, Mykolaiv and Odesa regions;

–	Western macroregion includes Chernivtsi, Zakarpattia, Rivne, Volyn, Ternopil and Lviv regions;

–	eastern region covers Poltava, Zaporizhzhia, Kharkiv regions;

–	central macroregion, which includes Kirovohrad, Khmelnytskyi, Cherkasy and Dnipropetrovsk regions;

–	city of Kyiv as the capital of Ukraine and the main economic center.

The allocation of six macro-regions for the analysis of the dynamics of higher education financing in Ukraine is based on a combination of several key criteria such as geographical location, socio-economic structure, security situation and impact of military events, migration and relocation flows due the war.

III. Statistical analysis of dynamics.

Next, a statistical assessment of financial flows is carried out in the context of:

–	calculation of absolute and relative growth of state financing;

–	determination of the average amount of funding per student or scientist in different groups of higher education institutions;

–	construction of regression models to predict trends in financing changes in the medium and long term.

These steps allow not only to track the current dynamics of funding, but also to lay the foundation for predicting further changes.

The analysis of dynamics, trends and spatial disparities in the distribution of public funds between the regions of Ukraine for the period 2021–2024 (Table 2) is necessary for the development of adaptive mechanisms of state regulation and the formation of a balanced economic policy in the field of higher education.

In the period 2021–2024, there are characteristic features of the financing of higher education institutions in the macro-regions of Ukraine, largely due, on the one hand, to military events, the relocation of higher education institutions and the migration of students, and on the other hand, to the effect of the formula approach with a lag of 1 year, as well as the exceptional situation of 2023, when formula funding was suspended (Table 2).

It is worth emphasizing that budgets are formed taking into account the contingent of students for the previous year: the funds in 2023 were calculated according to the data of 2022, when there was a mass movement. However, in 2023, the formula approach was not applied, which led to additional unevenness in funding and volume adjustments.

Ukrainian higher education funding across macroregions from 2021-2024 reveals distinct regional patterns shaped by the full-scale invasion. The Western macroregion stabilized at UAH 3.8 billion in 2024 (similar to 2021's UAH 3.7 billion) after peaking at UAH 4.2 billion in 2022 due to hosting internally displaced persons and universities, with a 2023 dip to UAH 3.2 billion reflecting wartime budget constraints. The Eastern region, confronting evacuation and infrastructure destruction, increased funding to UAH 4.1 billion in 2024 (from UAH 3.3 billion in 2023) to preserve strategically important institutions. The Northern macroregion remained chronically underfunded at UAH 1.34-1.37 billion, with a notable 2023 decline to UAH 1.14 billion due to population migration, security risks, and resource reallocation to safer regions. The Southern macroregion showed slight decline overall (UAH 1.96-2.05 billion in 2021-2022 to UAH 1.82-1.89 billion in 2023-2024) following initial 2022 increases for Odesa and displaced students. The Central macroregion maintained relative stability around UAH 2.2-2.4 billion with modest 2024 growth to UAH 2.45 billion. Kyiv dominates allocation with over UAH 4.5 billion annually – significantly exceeding any macroregion – creating substantial regional imbalance that inadequately reflects diverse regional needs across the country.

The main disadvantages and need for change.

1. The northern macro-region traditionally has the least funding, which indicates an underestimation of its potential and ignoring the real dynamics of the student contingent. State funding is distributed according to simplified algorithms that do not take into account the uniqueness of the demographic and economic situation of the regions. The result is a shortage of resources by macro-regions with a high need for investment.

2. Short-term abrupt changes in funding in 2022–2023 due to the crisis indicate a lack of systemic, long-term strategic planning and excessive policy reactivity.

3. The formulaic approach to the distribution of funds almost does not take into account infrastructural, security and demographic specifics and the impact of external factors, which are critically important during the war (especially for the Eastern, Southern, and Northern macroregions).

4. The general budgeting system does not provide flexibility and does not contribute to the uniform development of the educational network.

Table 2

Dynamics of state financing of higher education institutions by macroregions of Ukraine in 2021–2024, UAH

Macroregion	Year 2021	Year 2022	Year 2023	Year 2024
North	1 324 985 931	1 475 281 603	1 142 286 700	1 372 523 332
South	1 959 221 954	2 047 381 017	1 819 019 600	1 886 099 965
West	3 702 450 285	4 215 701 353	3 244 105 700	3 846 442 766
East	3 438 592 149	3 818 178 404	3 308 705 500	4 106 618 371
Centre	2 264 804 543	2 388 323 666	2 220 336 300	2 452 629 494
Kyiv	4 532 541 081	4 935 050 954	4 483 320 000	4 644 495 615

Source: compiled by the authors for [13; 14]

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The current practice of regional distribution of funding for higher education institutions in Ukraine has limited adaptability, lacks transparency, and does not fully take into account the key factors of modern challenges. To overcome the existing shortcomings, it is advisable to introduce differentiated, transparent mechanisms of budget support, which will take into account demographic trends, priorities for the development of labor markets, the level of security, the state of infrastructure, and the specifics of each macro-region.

This approach will balance the distribution of state resources, support the sustainability and competitiveness of regional higher education systems, and form an effective regional development policy in the context of long-term transformations and crises.

The table below (Table 3) illustrates the increase in the number of applicants in different regions, which makes it possible to identify new trends in educational migration, adaptation reactions of regional higher education institutions, and the impact of the war situation on the territorial distribution of educational resources.

The Eastern region led student growth with 16,718 new enrollees (27.4%), reflecting partial return of evacuated students and educational normalization near frontline areas. The Central region added 7,956 students (18.99%), reinforcing its position as the primary educational hub with stable conditions. The Western region, hosting the largest internally displaced population, grew by 5,715 students (8.19%), demonstrating its critical role as a safe educational refuge. Kyiv added 4,263 students (6.46%), maintaining capital attractiveness despite competition, while the Southern and Northern regions each grew approximately 7%, showing institutional adaptation despite proximity to conflict zones.

The theory of formula funding lays down the principle according to which regions with a more significant increase in students should receive a larger amount of financial resources, as the need for educational services increases. In a perfect financing system, a clear relationship is expected between the growth of the contingent in the previous year and the corresponding increase in budget provision in the next period.

However, in practice, an increase in the number of students does not always lead to a proportional increase in funding. Although the calculation of the amount of budget funds is carried out taking into account the contingent for the previous year, this procedure cannot be considered completely transparent. Sometimes, even in the presence of positive dynamics of the student body, financial support for individual regions remains insufficient or even reduced. This indicates the existence of hidden structural imbalances and limited flexibility of the current funding system, which makes it impossible to effectively respond to the real needs of the education sector on the ground.

At the same time, there is an urgent need to revise the existing distribution model. In addition to purely quantitative criteria, the formula mechanism should be supplemented by taking into account qualitative indicators - the security situation, the level of migration load, the degree of destruction of infrastructure, the facts of relocation of higher education institutions and the socio-economic potential of the region. Ignoring these important aspects leads to prolonged underfunding of certain territories and further growth of regional inequality in the higher education system.

The introduction of a more adaptive and comprehensive funding model, which will take into account not only the number of students, but also the qualitative characteristics of the educational space, will achieve financial justice and significantly increase the efficiency of higher education in crisis and post-crisis times.

Table 3

Increase in the number of higher education applicants in macroregions of Ukraine in 2021 and 2023

Macroregion	Was (2021)	Now (2023)	Growth, persons	Growth, %
North	27 672	29 605	+1 933	+6.99%
South	34 248	36 604	+2 356	+6.88%
West	69 787	75 502	+5 715	+8.19%
East	61 024	77 742	+16 718	+27.40%
Centre	41 906	49 862	+7 956	+18.99%
Kyiv	66 014	70 277	+4 263	+6.46%

Source: compiled by the authors for [13; 14]

The dynamics of changes in the contingent of higher education applicants in the regions and the reaction of the financial system directly affect not only the state of the educational sector, but also the strategic parameters of the state's economic policy.

If the budget provision is not synchronized with real demographic trends, the level of load on the educational infrastructure, the specifics of the security and socio-economic environment, this complicates the achievement of the goals of the state economic policy:

– preservation and development of human capital;

– ensuring social cohesion and reducing regional imbalances;

– prompt response to extraordinary challenges;

– increasing the efficiency of the use of budget resources.

Thus, the imperfection of the current model of financing the higher education system not only deepens the structural problems of the industry, but also slows down the implementation of complex strategic tasks of the state economic policy. The transition to a more flexible, balanced and quality-oriented system of allocation of budget resources is a prerequisite for achieving sustainable socio-economic development, preserving the intellectual potential of the country, stimulating innovation and increasing Ukraine's competitiveness in the global dimension.

IV. Data visualization and recommendation generation

In order to ensure transparency and clarity, the results of analytics are displayed in the form of graphs, maps, and diagrams. This makes it easier to understand the scale, structure and dynamics of funding both in the country as a whole and in individual regions or segments of the higher education system. Based on this, substantiated recommendations for improving the financial mechanism are formed, priority areas of reform are identified to achieve sustainable positive changes.

The developed methodology for assessing the dynamics of financing higher education institutions in Ukraine is a response to the urgent need to modernize existing approaches to the distribution of budget funds in the field of higher education, especially in the context of deep socio-economic transformations and prolonged military conflict. It is based on an integrated approach that combines quantitative and qualitative analysis, allows you to trace the spatial, dynamic and structural specifics of financing, and also takes into account a wide range of relevant factors – from security to demographic. Its application allows to identify regional disparities and structural deficiencies in funding, compare the data with international financing standards, take into account the specifics of crisis conditions, such as armed conflict, relocation of higher education institutions and changes in the student contingent, adapt the financing system to the strategic goals of the state economic policy.

The peculiarity of this approach is its flexibility, adaptability and comparability, which makes the methodology an effective tool for analyzing, monitoring and forecasting the state of financing of higher education. The systematic nature of the analysis allows not only to record current trends, but also to form the basis for making informed management decisions at the national and regional levels.

Thus, the introduction of this methodology in the practice of evaluating and planning budget support for higher education can be an important step towards the formation of a fairer, more flexible and more effective financial policy. It contributes to reducing regional inequality, preserving the intellectual potential of the country and ensuring the sustainable development of the national higher education system in the peaceful and post-war period.

Conclusions. This research demonstrates that Ukraine's current formula-based financing system for higher education institutions, despite its advantages in transparency and standardization, exhibits critical structural weaknesses that undermine strategic economic policy objectives, particularly under wartime conditions. The analysis of financing dynamics across six macroregions during 2021–2024 reveals persistent regional disparities that contradict principles of equitable resource distribution and sustainable territorial development.

The study confirms that existing allocation mechanisms inadequately account for qualitative contextual factors including security situations, infrastructure destruction, demographic shifts, and internal migration flows. The regional coefficient (1.04-1.07) and special quota systems provide insufficient compensation for territorial disadvantages, resulting in resource concentration in stable regions while vulnerable areas remain chronically underfunded despite increased student contingents. The Eastern macroregion's 27.4% student growth and the Central region's 19% increase were not

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proportionally reflected in budget allocations, indicating systemic inflexibility.

The one-year lag between student enrollment and funding calculations further reduces system responsiveness to rapid socio-economic transformations. The 2023 suspension of formula financing and subsequent budget adjustments (ranging from UAH 1.14 billion in the North to UAH 4.64 billion in Kyiv) exemplify the mechanism's vulnerability to crisis conditions and inability to support strategic human capital preservation goals.

The developed macroregional assessment methodology integrating quantitative statistical analysis with qualitative crisis indicators provides evidence-based tools for transparent monitoring, forecasting, and strategic decision-making. Its implementation enables identification of financing gaps, prediction of resource needs, and alignment of budget distribution with economic policy priorities including regional equilibrium, labor market responsiveness, and innovative development capacity.

To achieve sustainable development of Ukraine's higher education system, comprehensive policy reforms are essential: targeted funding programs for vulnerable regions, infrastructure modernization initiatives, curriculum updates aligned with labor market demands, and enhanced support mechanisms for teaching staff in high-risk areas. Only through integrated, adaptive approaches that balance quantitative metrics with qualitative territorial specifics can the financing system effectively serve national economic policy goals of human capital preservation, social cohesion, and competitive advantage development in both wartime and post-conflict reconstruction periods.

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