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Abstract

The article examines the scientific and practical directions for improving the financing system of preschool educational institutions. Financing is considered not merely as a mechanism for covering expenditures, but as a results-oriented management instrument. The study analyzes opportunities to sustainably increase the quality and coverage of preschool education through effective management of the balance between state budget funds, parental contributions, and other legally permitted sources, fair allocation of resources, optimization of expenditure structures, and strengthening of transparency and accountability. In addition, the article proposes measures to attract investment through public-private partnerships, link subsidies and compensation instruments to clear performance criteria, and enhance financial discipline and internal control at the institutional level.

Keywords

Preschool education, financing, state budget, multi-source model, results-oriented budgeting, normative financing, subsidies, public-private partnership, cost efficiency, transparency, accountability.

INTRODUCTION

The preschool education system is a strategic sector that lays the foundation for human capital development. Educational and developmental outcomes achieved during early childhood have a direct impact on later academic success, social adaptation, and labor market potential. Therefore, the issue of financing preschool educational institutions should be addressed not only within the framework of budget expenditure planning, but also as an integral part of the state's long-term socio-economic policy.

According to the Law of the Republic of Uzbekistan "On Preschool Education and Upbringing," the sources of financing for state preschool educational institutions include state budget funds, payments for childcare and nutrition, and other sources not prohibited by law. Non-state institutions are financed by founders' funds and other sources. This approach establishes the legal basis for a multi-source financing model and necessitates more sophisticated mechanisms for resource management in practice.

However, existing financing practices are not always sufficiently adaptable to simultaneously address such objectives as expanding coverage, ensuring stable quality improvement, providing equal opportunities across regions, and increasing cost efficiency. In certain areas, outdated infrastructure, wage motivation issues, rapid changes in food and utility costs, and disparities in institutions' capacity to generate extra-budgetary income exacerbate financial imbalances. Research also indicates that excessive reliance on the state budget may act as a constraint on sustainable development.

The purpose of this article is to present a systematic conceptual approach to improving the financing of preschool educational institutions, propose a practical package of financial mechanisms, and substantiate evidence-based management decision-making through outcome measurement indicators.

Main Part

A preschool educational institution is an institutional system that provides educational and developmental services to children from birth until entry into school. It is not merely a childcare facility, but a pedagogical environment that consistently shapes children's speech, cognitive abilities, social adaptation, self-care habits, creativity, and healthy lifestyle skills.

Child-centeredness lies at the core of preschool education, while the pedagogical process is built upon principles such as learning through play, modeling problem situations, communicative exercises, and transforming everyday activities into educational objectives.

From a legal and managerial perspective, preschool educational institutions represent an independent segment of the education system. Their activities are regulated by educational standards, sanitary and safety requirements, and state-approved curricula. They may operate as state, non-state, or public-private partnership institutions. Regardless of ownership form, internal control, financial discipline, pedagogical quality monitoring, and structured cooperation with parents are essential components of effective management. Contemporary practice demonstrates that preschool institutions increasingly focus on expanding coverage, ensuring equal access across regions, and maintaining stable quality.

From a pedagogical structure standpoint, the educational process typically encompasses several interrelated areas. These include speech and communication development, cognitive growth, socio-emotional education, physical development, and aesthetic and creative activities. Each area contributes to children's psychological and intellectual readiness for school.

The resource base of an institution directly affects its quality indicators. Resources include the professional capacity of pedagogical staff, teaching and methodological materials, didactic tools, nutrition systems, sanitary conditions, safety infrastructure, and medical preventive services. Digital resources are becoming increasingly important, facilitating communication with parents, digital child development portfolios, scheduling, and safety alert systems.

The financial model of preschool institutions is inherently multi-source due to the broad and dynamic nature of expenditure structures. Major expenditures typically include salaries and social contributions, nutrition, utilities, hygiene supplies, maintenance, inventory, educational materials, and operational needs. Transparency and accountability are fundamental principles of financial management, requiring separate planning of budgetary and extra-budgetary funds, open procurement procedures, and monitoring of expenditure efficiency through measurable indicators.

Recent approaches emphasize results-oriented financing, whereby funding is assessed not only in terms of expenditure volume, but also based on outcomes such as coverage, compliance with safety standards, and pedagogical quality monitoring.

Performance measurement commonly relies on indicators such as enrollment coverage, group occupancy rates, attendance stability, compliance with sanitary and safety standards, professional development activity among educators, parental satisfaction, and child development dynamics. Development dynamics encompass age-appropriate progress in speech activity, social adaptation, fine motor skills, independent activity, attention, and memory.

Improving the financing of preschool institutions rests on three fundamental questions: the origin of resources, the allocation of resources, and the use and measurement of results. Addressing these elements in isolation limits financing to expenditure coverage, whereas their integration transforms finance into a tool for enhancing educational quality.

The first direction involves diversifying funding sources and managing them through clear rules. Extra-budgetary revenues should be systematized into service fees, sponsorships and grants, and public-private partnership investments, each with separate accounting and performance indicators to ensure financial sustainability.

Public-private partnerships are widely discussed as mechanisms for attracting additional resources and modernizing infrastructure. Their effectiveness depends on transparent risk-sharing, contractual quality standards, and robust monitoring and audit mechanisms.

The second direction focuses on reforming resource allocation based on equity and efficiency. Strengthening normative financing models that account for per-child cost standards, institutional characteristics, regional coefficients, and social needs reduces subjectivity and enhances predictability.

The third direction emphasizes expenditure optimization and results-oriented budgeting. Introducing efficiency coefficients for major cost blocks enables benchmarking across institutions and regions. Linking financial indicators with educational outcomes ensures that cost management contributes directly to quality improvement.

The fourth direction involves strengthening governance and transparency institutions. Effective internal control, reporting, auditing, and public oversight mechanisms are critical for maintaining financial efficiency. Simplified public reporting enhances trust and promotes social partnership.

The fifth direction addresses long-term planning for infrastructure and capital expenditures. Multi-year asset management plans, including asset registries, depreciation assessments, maintenance cycles, and investment needs, are essential for sustainable development.

Conclusion

Improving the financing of preschool educational institutions requires transitioning to a multi-source, results-oriented, and transparently managed model. While legislation defines funding sources, practical effectiveness depends on allocation criteria, expenditure management, and outcome measurement mechanisms.

The proposed conceptual approach emphasizes strengthening normative financing with regional and social considerations, linking subsidies to performance indicators, developing public-private partnerships based on quality standards and risk-sharing, enhancing institutional financial discipline and transparency, and implementing multi-year infrastructure planning.

If implemented, these measures will increase coverage while sustainably improving educational quality, enhance resource efficiency, and reinforce the social equity function of preschool education.

References

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