

# Reengineering Special Education Fund (SEF) allocation toward achieving quality basic education

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## EXECUTIVE SUMMARY

*The Local Government Unit is considered a significant partner of the national government in the delivery of educational services because LGU has access to financial resources that are earmarked for basic education, the Special Education Fund (SEF). Section 272 of RA 7160 provides that one percent tax on real property shall automatically be released to the SEF. This fund can be used to further improve learning outcomes through the implementation of programs and projects that are otherwise not supported by the general education fund of the Department of Education (DepEd).*

*The National Achievement Test (NAT) is the sole yardstick that the DepEd uses to determine the achievement levels of learners. This test is administered annually by the Department. In the past years, the average actual performances of learners in the NAT for all the subject areas are below the standard Mean Percentage Score (MPS) of 75 percent. Per review made by the education sector revealed that the allocations are not maximized to carry out the designed educational programs and projects, particularly in the SEF. The SEF delimits its allowable expenditures exclusively for operation and maintenance of public schools, construction, and repair of school buildings, facilities, and equipment, educational research, purchase of books, and sports development.*

*The objective of this paper is to propose spending mechanisms for the SEF, which are anchored on the strategic directions that the education sector has deliberated. These strategies are geared toward improving the achievement levels of students and making the present educational system responsive to the demands of the ASEAN Integration, global competitiveness, and 21st century education.*

*There are four policy recommendations proposed namely: (1) Reengineering SEF Allocation by including responsive programs and projects as a deemed priority by the education sector, (2) Inclusion of identified educational programs in the general fund in the Local Government Unit, (3) Stakeholders' participation and (4) Status quo. The criteria used were high impact, rapid implementation, collaborative and political feasibility.*

*The reengineering of the SEF allocation is the preferred policy option because it entails shared governance. Once adopted, the management planning, review, and evaluation processes shall indicate improvement in the learning outcomes of students. The reengineering process involves the active participation of the people, the education sector, and the government. In shared governance as a mechanism of the reengineering process, principles were drawn, which will make education a vehicle for enhancing participation in the provision of quality basic education. These principles, namely progression, partnership, and participation, along with the identified strategies, will create mechanisms that support more meaningful engagements and partnerships toward improving the achievement levels of learners.*

## **I. POLICY ISSUE / PROBLEM**

### **A. Background of the Problem**

Public basic education in the Philippines is a centrally managed service delivered through the Department of Education. Embedded in its vision, the DepEd is mandated to produce learners who are equipped with 21<sup>st</sup>-century skills, which include information, media, and technology skills, learning and innovation skills, effective communication skills, and life and career skills through quality education.

At present, the yardstick that the DepEd uses to determine the achievement levels of learners is the National Achievement Test (NAT). This test is administered annually by the department.

On the other hand, the local government units provide supplementary funding support to the education sector. The LGUs are considered major partners of the national government in the delivery of educational services because LGU has financial resources that are earmarked for basic education, the SEF.

It is a fact that the resources provided by the national government to schools are inadequate to sustain and address the needs of all learners in public schools. It is with this premise that the SEF was established to improve the quality of basic public education.

The SEF is one of the special funds that is maintained in the city treasury. Section 309 of RA 7160 states that SEF shall consist of the respective shares of provinces, cities, municipalities, and barangays in the proceeds of the additional tax on real property to be appropriated for purposes prescribed in Section 272.

The Special Education Fund has the following allowable expenditures: operation and maintenance of public schools, construction, and repair of school buildings, facilities and equipment, educational research, purchase of books and periodicals, and sports development.

The code provides for an eight-man Local School Board (LSB) that is chaired by the local chief executive, co-chaired by the schools division superintendent, and made up of the following members: the chair of the education committee of the Sangguniang Panlungsod, the local treasurer, a representative of the Sangguniang Kabataan, and duly elected representatives of the city parents-teachers association (PTA) league, the city teachers' organization, and the non-academic personnel of city public schools.

Aside from budgeting for the additional needs of public schools, the LSB authorizes the local treasurer to disburse funds under the matters, including changes in the name of

schools within its jurisdiction. DepEd also consults it on the appointment of division superintendents, district supervisors, school principals, and other school officials.

### **Current State of the Problem**

The DepEd City Schools Division of San Fernando, Pampanga, conducted its regular Strategic Review Conference (SRC) primarily to assess the performance of schools as revealed by the data on NAT results. The actual performance of the City Schools Division is as follows:

**Table 1**

### ***National Achievement Test (NAT) Results***

#### ***DepEd – City of San Fernando Schools Division in percentage***

<b>Levels</b>	<b>SY 2011-2012</b>	<b>SY 2012-2013</b>	<b>SY 2013-2014</b>	<b>SY 2014-2015</b>
<b>Elementary</b>				
Math	52.50	57.38	59.94	56.14
English	52.65	56.45	59.6	61.11
Filipino	62.25	67.53	70.61	62.11
HEKASI	55.74	64.02	57.27	58.59
Science	52.16	56.63	59.04	55.99
Average	55.07	60.38	61.29	58.79
<b>Secondary</b>				
Math	34.5	43.82	56.47	48.91
English	51.99	54.92	65.63	49.39
Filipino	49.34	59.17	60.25	59.68
Aralin	50.12	61.21	59.92	48.01
Panlipunan				
Science	34.39	41.25	53.62	53.13
Average	45.02	51.5	58.42	51.12

**Table 2**  
***Mastery/Achievement levels indicators***

<b>Mean Percentage Scores</b>	<b>Descriptive Equivalent</b>
96 to 100%	Mastered
86 to 95%	Closely approximating mastery
66 to 85%	Moving towards mastery
35 to 65%	Average
15- to 34%	Low
5 to 14%	Very low
0 to 4%	Absolutely no mastery

The data above show that the actual performance of pupils in the National Achievement Test conducted in the past years in all subjects, namely Filipino, Math, English, Science, and Aralin Panlipunan is below 75 percent, which is the national standard score. A sample interpretation like in SY 2014-2015, the average Mean Percentage Score (MPS) for elementary is 58.79 percent, while for the secondary is 51.12 percent. This means that in a 100-item test, the average learner can correctly answer only 58 for elementary and 51 for secondary.

**Table 3**  
***Comparative NAT test results in percentage***

<b>Elementary</b>	<b>SY 2011-2012</b>	<b>SY 2012-2013</b>	<b>SY 2013-2014</b>	<b>SY 2014-2015</b>
Division	55.07	60.38	61.29	58.79
National	69.96	71.84	74.87	73.39
<b>Secondary</b>	<b>SY 2011-2012</b>	<b>SY 2012-2013</b>	<b>SY 2013-2014</b>	<b>SY 2014-2015</b>
Division	45.02	51.50	58.42	51.12
National	50.20	51.85	53.45	48.89

Table 3 reveals that the scores obtained by learners in the National Achievement Test for all subject areas from SY 2011-2012 up to SY 2014-2015 are below the standard 75 percent MPS for both Division and National Levels. This indicates that systematic efforts should be made with urgency by designing appropriate and responsive intervention programs that will contribute to the improvement of students' academic performance.

In the Local Government Unit, the SEF is being utilized following the implementing guidelines stipulated in DECS-DBM-DILG Joint Circular (JC) No. 01, s. 1998 April 14, 1998 "*Prescribing the Rules and Regulations on the Utilization of the Special Education Funds (SEF) by the Local School Boards for the Operation and Maintenance of Elementary and Secondary Public Schools*" which includes Operation and maintenance of public schools, organization of extension, non-formal remedial and summer classes, as well as payment of existing allowances of teachers granted by LGUs chargeable against the SEF as of December 31, 1997, provided that any additional allowances that may be granted to teachers by LGUs shall be charged to the general fund of LGUs, subject to existing budgeting rules and regulations.

Included also are construction and repair of school buildings, facilities, and equipment, the acquisition, titling and improvement of school sites; Educational research; Acquisition/procurement of books, instructional materials, periodicals, and equipment.

The SEF also includes the expenses for school sports activities of the national, regional, division, district, municipal and barangay levels, including DepEd-related activities including co-curricular activities; Establishment of new classes as extensions of existing public elementary or secondary schools as provided by the DepEd Secretary, recommended by the DepEd Regional Director and certified by the Schools Division Superintendent as to the necessity and urgency of establishing extension classes in the province, city and municipality, provided that no extension classes shall be established unless the number of pupils shall at least be 15.

In addition to this, payment of compensation of teaching personnel who will be hired temporarily in instances where there are no teaching positions available in DepEd; and payment of salaries and authorized allowances of teachers hired to handle new classes as extensions of existing public elementary or secondary schools established are likewise allowable expenditures in the SEF about Section 2.1 of DECS-DBM-DILG JC No. 01-A.

Moreover, the Local School Board follows the budget process that includes Budget Preparation, Budget Authorization, Budget Execution, and Budget Accountability.

In Budget Preparation, the phase of the SEF starts only after the official issuance by the Local Finance Council (LFC) of the Estimated Proceeds of the Special Levy on Real Property, constituting the SEF, and the criteria set by the DepEd on the annual budgeting needs for the operation and maintenance of public schools.

Following the criteria set by the DepEd, the Local School Board determines the annual supplemental budgetary needs for the operation and maintenance of public schools within the province, city, and municipality, as the case may be, and the supplementary local cost of meeting such needs, which shall be reflected in the form of an Annual School Board Budget

corresponding to its share of the proceeds of the special levy on real property constituting the SEF.

Currently, the sharing of the responsibility for the financing of basic education between the national and LGUs is not clearly defined. Manasan and Castel suggested that there is a mismatch between what appears to be the actual needs of the schools based on school-level data, on the one hand, and the actual pattern of SEF spending LGUs, on the other hand. They also pointed out that the effectiveness of the SEF in influencing educational outcomes may be improved with a better flow of information between the DepEd and the Local School Boards on the results of teacher deployment analysis, the results of classrooms and school furniture availability by the school and the assignment of new teacher items, the results of classrooms and school furniture availability by the school and the programmed allocation of new classroom construction from the Basic Education Facilities Fund or School Building Program under the General Appropriations Act, the school improvement plans, other resources available to the schools from the appropriations for the DepEd under the GAA, and the school report card including key indicators like drop-out rates and pupil achievement scores. (Castel, 2009).

On the other hand, the division superintendent prepares the budget of the School Board concerned. PPAs of the School Board shall support such a budget for the ensuing fiscal year.

In the budget authorization, the SEF prepared by the division superintendent shall be submitted to the School Board for approval. The affirmative vote of the majority of all members of the Local School Board shall be necessary to approve the budget.

In Budget Execution, the SEF shall be released exclusively for the specific purpose for which they have been allocated in the approved School Board Budget.

Disbursement shall be made under the "authority to disburse" issued by the Chairman/Co-chairman of the Local School Board to the provincial, city, municipal treasurer, subject to existing accounting and auditing rules.

Boncodin and Nuqui noted the existence of a relatively large surplus (reportedly about 30 percent of collection in 2006) in the SEF. This is a cause of concern because the unexpended SEF represents resources that could have been put to better use to help schools improve their performance (Boncodin and Nuqui, 2008). At present, the issue of a large surplus in the Special Education Fund budget still happens specifically in the City of San Fernando. This can be attributed to a possibility that more educational concerns require some funding but cannot be charged to SEF. It is adjured that if these educational concerns are granted the funding, improvement in the academic performance of students is achieved.

This finding indicates the need to understand better which LGUs are not maximizing the utilization of their SEF and what factors contribute to large SEF surpluses and balances.

In Budget Accountability, a quarterly report of the SEF utilization shall be prepared and submitted by the Local School Board to the DepEd Regional Offices (ROs), copy furnished the DBM ROs and the DILG ROs. The quarterly reports shall be submitted one week after the end of each quarter.

Per deliberation conducted by the Department of Education with its stakeholders, there were strategic directions drawn from the internal and external assessment of the City of San Fernando Schools Division. These are: Effective and efficient utilization of budget to priority programs and projects that will impact internal efficient indicators (NAT, Completion Rate, Graduation Rate, Drop-out Rate, Promotion Rate, Survival Rate, Survival Rate, Enrolment Rate, Participation Rate, Retention Rate, Repetition Rate), Provision of equitable access of basic education to all learners, Implementation of appropriate and relevant Alternative Delivery Mode (ADM) of instruction to learners, Development of 21<sup>st</sup> century educational leaders, Facilitators of learning and support staff, Establishment of strong linkages and partnership with stakeholders, Promotion of health and wellness programs for educational leaders, facilitators of learning, support staff and learners, Provision of quality basic K-12 education, Production of 21<sup>st</sup> century graduates anchored on core values, Expedient implementation of the four (4) phases of the Budget Cycle, Improvement of the business process in the Division Office through Total Quality Management (TQM), Adoption of a culture of transparency in all business process of the Division Office and Provision of speedy, judicious and facilitate technical and legal assistance, advice, guidance to the stakeholders of the School Division of City of San Fernando (P). These strategic directions were the bases in the formulation of programs and projects which will be funded by the Central Office and the Special Education Fund. These PAPs are anchored on the specific needs of the education sector to improve the academic performance of students.

With this, the LSB allocated funds for the various programs and projects identified, as reflected in the SEF budget.

**Table 4**  
**Special Education Fund (SEF) Utilization in San Fernando City, Pampanga for 2015**

Items	Allocation	%
Estimated Income for Budget Year	125,000,000.00	100%
Additional One Percent (1%) Tax on real Property		
Add: Previous Years balances (Unappropriated)		
Total	125,000,000.00	100%
Less: Continuing Appropriation		
Net Amount Available for Appropriation	125,000,000.00	100%
Proposed Expenditures for Budgetary Year		
1. Personal Services		
Salaries and Wages-Others	19,529,060.00	15.62%
Honoraria	51,000.00	4.08%
2. Maintenance and Other Operating Expenses		
Training/Staff Development Expense	7,000,000.00	5.6
Telephone Expense-Landline	900,000.00	6%
Water Expense	2,500,000.00	2%
Electricity Expense	11,200,000.00	44.8%
Travelling Expense	450,000.00	0.36%
Feeding Program	3,000,000.00	2.4%
Other MOOE-Scouting	250,000.00	0.2%
Other MOOE-Sports Youth Development	5,000,000.00	4%
Other MOOE-Titling of School Sites	1,000,000.00	0.8%
Other MOOE-Medical and Dental Supplies	160,000.00	0.12%
Community relations –Alternative Learning System	300,000.00	0.24%
Subsidy for Teaching Devices	22,000,000.00	17.6%
General Services	6,400,00.00	5.12%
Total	60,160,000.00	48.12%
3. Capital Outlay		
Construction, repair & Maintenance of Government Facilities	24,000,000.00	19.2%
Furnitures and Fixtures, Tools, and Equipments	7,850,000.00	6.28%
Total	31,850,000.00	25.48%
4. Financial Expense		
Loan Amortization		
Principal	12,414,762.48	9.93%
Interest	971,809.49	0.77%
Total	13,386,571.97	1.07%
Grand Total	124,976,631.97	99.98%
Unappropriated Balance	23,368.03	0.01%



## **A. The Objective and the Need for Policy Formulation**

There are sufficient resources from national and local governments that can be utilized to improve the learning outcomes of students. Some other programs and projects can be implemented, which will ensure the achievement of quality learning; however, these cannot be realized since these are not contained in the allowable expenditures under SEF.

Per DepEd Memorandum 160, the achievement levels of students in all subject areas were below the 75% standard MPS, which is interpreted as moving towards mastery for the last four years.

The issue lies in the reasons for the low achievement levels obtained by learners, given the resources from national and local governments to address their issues and concerns. The SEF is budgetary support for education by the local government unit. Specific prohibitions in the existing law allow only certain allowable expenditures in the SEF. Therefore, certain policy options can be proposed to address the issue at hand.

The output of this paper contains an analysis of the spending mechanisms for the SEF at the local level considering the strategies that the City Schools Division has adopted. This aims at improving students' learning outcomes and possibly can be used to recommend educational programs and projects to be included in the SEF allocation.

These programs and projects are taken from the strategic directions formulated by the City Schools Division of San Fernando (P). These are geared toward making the educational system suited to the demands of the ASEAN Integration, global competitiveness, and 21<sup>st</sup> century education.

## **B. Review of Related Literature**

*Republic Act 5447.* The Special Education Fund was created under Republic Act (RA) No. 5447, entitled "An Act Creating a Special Education Fund to be constituted from the Proceeds of an Additional Real Property Tax and a Certain Portion of the Taxes on Virginia-Type Cigarettes and Duties on Imported Leaf Tobacco Defining the Activities to be Financed, Creating School Boards for the Purpose, and Appropriating Funds Therefrom," which took effect in 1969. In the case of provinces, 50% of the collections from the additional 1% real property tax imposed under RA 5447 went to the SEF of the municipality where the property subject to tax is situated, 20% to the SEF of the province and 30% to the Bureau of Treasury (BTr). In the case of cities, 60% of the collection from the additional 1% tax on the real property went to the SEF of the city while 40% went to the BTr. The amounts remitted to the BTr were meant to be expended exclusively for stabilizing the SEF in municipalities, cities, and provinces.

Under RA 5447, the allocation and utilization of the SEF were mainly under the control of the Department of Education. To wit, the SEF was meant to be expended exclusively for the following activities of the Department of Education: the organization and operation of extension classes that may be needed to accommodate all children of school age desiring to enter Grade I; the construction and repair of elementary school buildings, and the acquisition of sites; the payment and adjustment of salaries of public school teachers; the preparation, printing and/or purchase of textbooks, teachers' guides, forms and pamphlets, approved in accordance with existing laws to be used in all public schools; the purchase and/or improvement, repair and refurbishing of machinery, laboratory, technical and similar equipment and apparatus, including spare parts needed by the Bureau of Vocational Education and secondary schools offering vocational courses; the purchase of teaching materials such as workbooks, atlases, flip charts, science and mathematics teaching aids, and simple laboratory devices for elementary and secondary classes; the implementation of the existing program for citizenship development in barrio high schools, folk schools and adult education classes; the undertaking of education research, including that of the Board National Education; the granting of government scholarships to needy but deserving high school graduates who intend to enroll in priority courses in higher education institutions; and the promotion of physical education, such as athletic meets.

RA 5447 called for the creation of LSB at the provincial, city and municipal levels which were composed of the provincial/city division superintendent/district supervisor as chairman and the representative of the governor/city mayor/municipal mayor, the local treasurer, representative of the local council and the representative of the League of Parents-Teachers Association as members. Under RA 5447, the LSBs were mandated to determine the allocation of the SEF for the operation and maintenance of public schools within the province, city or municipality in accordance with the criteria set by the Bureau of Public Schools or by the Bureau of Vocational Education, as the case may be, and approved by the Secretary of Education.

*Local Government Code (LGC) of 1991(Republic Act 7160).* The LGC of 1991 amended RA 5447 and provided that a province or city, or a municipality within the Metropolitan Manila Area, may levy and collect an annual tax of one percent on the assessed value of a real property which shall be in addition to the underlying real property tax and that the proceeds thereof shall exclusively accrue to the Special Education Fund (Section 235). Furthermore, the LGC provides that the proceeds from the additional one percent tax on real property shall be automatically released to the local school boards (Section 272). In the case of provinces, the proceeds are divided equally between the provincial and municipal school boards.

At the same time, the LGC calls for the creation of the Local School Board (LSB) in provinces, cities, and municipalities. The LSB is composed of the *local chief executive* and the *division superintendent/district supervisor of school* as co-chairmen and with the following as members: chairman of the education committee of the Sanggunian, local treasurer,

representatives of "Pederasyon ng mga Sangguniang Kabataan," duly elected president of the federation of Parents-Teachers Associations, duly elected representative of the teachers' organizations, and duly elected representative of the non-academic personnel of public schools in the LGU. In return, the LSB is mandated to determine the allocation of the school board budget, to authorize the local treasurer to disburse funds from the SEF and to act as an advisory committee to the Sanggunian on educational matters.

The LGC contains two provisions that pertain to how the SEF is to be allocated. First, Section 100 provides that the annual school board budget shall give priority to the following: construction, repair, and maintenance of school buildings and other facilities of public elementary and secondary schools; establishment and maintenance of extension classes where necessary; and sports activities at the division, district, municipal and barangay levels.

Section, Section 272 provides that "the proceeds of the SEF shall be allocated for the operation and maintenance of public schools, construction and repair of school buildings, facilities and equipment, educational research, purchase of books and periodicals, and sports development as determined and approved by the Local School Board."

On the other hand, Section 17 of the LGC enumerates the essential services and facilities that LGUs are mandated to provide. In particular, Section 17 (b) (2) (viii) lists "infrastructure facilities intended primarily to service the needs of the residents of the municipality and which are funded out of municipal funds including but not limited to, municipal roads and bridges; *school buildings and other facilities for public elementary and secondary schools,...*" as one of the necessary services and facilities that municipalities are tasked to provide. On the other hand, Section 17 (b) (4) calls on cities to provide "all the services and facilities of the municipality and province, and in addition to that, the following: (ii) support *for education*, police and fire services and facilities." It is worth noting, however, that the Section 17 does not explicitly list education or school buildings as one of the basic services and facilities that provinces should provide, notwithstanding, the fact that "in case of provinces, the proceeds [of the additional one percent SEF tax] shall be divided equally between the provincial and municipal school boards.

Joint Circulars issued by the DepEd (formerly the Department of Education, Culture and Sports or DECS), the Department of Budget and Management (DBM), and Department of Interior and Local Government (DILG) provided the implementing guidelines on the utilization of the fund. Taking off from Section 100 of the LGC, the expanded list of priorities included the following; (a) operation and maintenance of public schools, including organization of extension, non-formal, remedial and summer classes and payment of salaries and other authorized allowances of public school teachers; (b) construction, repair and maintenance of school buildings, and facilities; (c) other needed capital outlays such as the purchase, titling and improvement of school sites; (d) educational research; (e) acquisition/procurement of books, instructional materials, and periodicals; (f) acquisition of equipment, (g) expenses for school sports activities at the national, regional, division, district, municipal and barangay

levels, and (h) other DECS/DepEd related activities, including co-curricular activities. It was also clarified that the payment of salaries and authorized allowances of teachers hired to handle new extension classes of public elementary and secondary schools is included under the operation and maintenance of public schools.

While RA 7160 calls for political decentralization and the devolution of particular government functions to LGUs, RA 9155 calls for greater decentralization in the delivery of basic education services in the tradition of school-based management. That is, calls for the empowerment of schools and learning centers "to make decisions on what is best for the learners they serve" (Section 2– Declaration of policy). Section 2 also asserts that the state will encourage local initiatives towards the improvement of the quality of basic education.

RA 9155 establishes the application of the principle of shared governance in the delivery of basic education. This principle "recognizes that every unit in the education bureaucracy has a particular role, task, and responsibility inherent in the office and for which it is principally accountable for outcomes." In line with this principle, the office of the Secretary of Education shall have the authority, accountability, and responsibility for the formulation of national basic education policies, plans, and standards and the monitoring and assessment of national learning outcomes. On the other hand, the regional offices shall have the authority, accountability, and responsibility for the development of regional basic education policy framework, plans and standards, and for the monitoring and assessment of regional learning outcomes. The regional office is also tasked to approve the proposed staffing pattern of school divisions and school districts; evaluate the performance of division superintendents and assistant division superintendents and to approve the establishment of public and private elementary and secondary schools and learning centers.

RA 9155 gives schools division offices the authority, accountability, and responsibility for the formulation and implementation of division basic education plans, recruitment, deployment and evaluation of division supervisors and district supervisors, monitoring the utilization of funds provided by the national government and LGUs to schools and learning centers, supervising the operations of all public and private elementary and secondary schools and learning centers and ensuring compliance of the quality standards of basic education programs. On the other hand, the school district supervisor is responsible for curricula supervision and providing professional and instructional advice and support to the school heads and teachers/facilitators of schools and learning centers in the district.

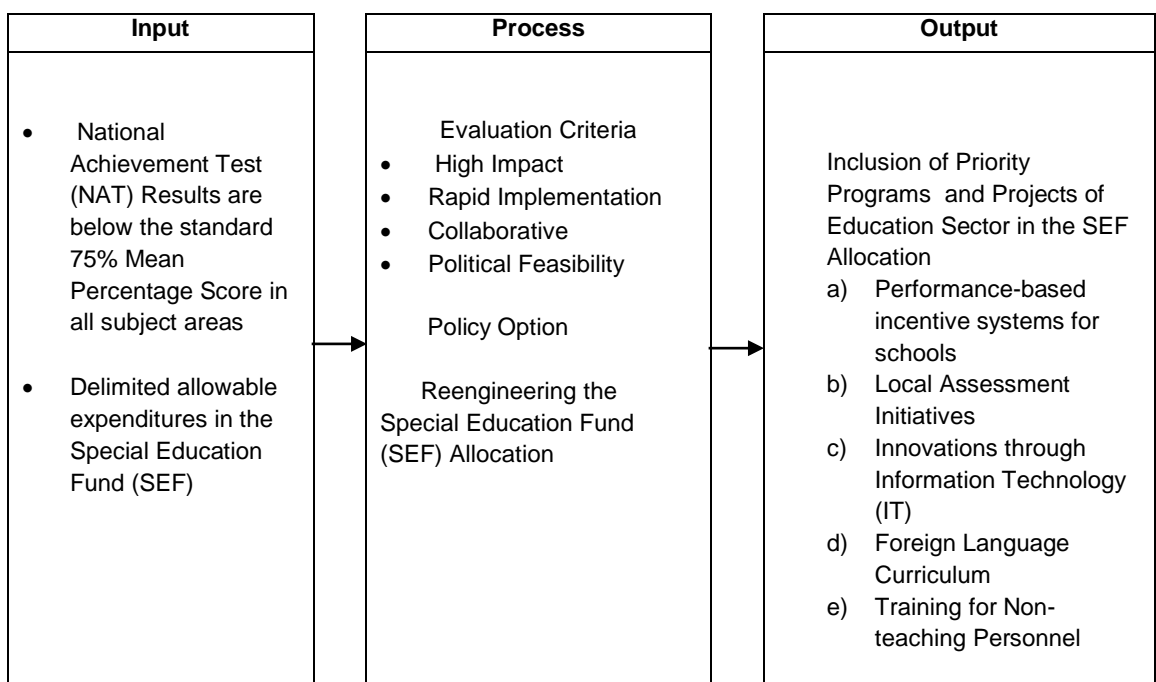
Finally, the schools (supervised and managed by the school head) are given the authority, accountability, and responsibility for setting the vision, mission, goals, and objectives of the schools that include creating in the school an environment that is conducive to teaching and learning, implementing the curriculum and being accountable for learning outcomes, developing and implementing the school education and school improvement plan, administering and managing all personnel, physical and *fiscal* resources of the school, recommending the staffing complement of the school based on its needs, establishing school

and community networks, and encouraging the active participation of teachers organizations, non-academic personnel of public schools, and parents-teachers-community associations in school-level decision making.

The above review of the related literature provided the writer with broader inputs and insights on SEF and other governing laws that are into improving the quality education that our learners deserve. These insights are found very substantial sources in the crafting of the proposed policies purposely to achieve quality education among our learners.

### III. FRAMEWORK OF ANALYSIS

#### A. Conceptual Framework of the Proposed Policy



This paper focused on the development of learners as they are faced with the challenges of the present time. This can be achieved through the provision of sufficient resources to fund the programs and projects necessary for their growth and development, which are deliberately determined by the education sector.

The low national achievement test results revealed that students do not meet the standard mean proficiency score of 75%. The education sector had an in-depth review of the matter by conducting strategic planning where the vision, mission objectives of the

organization were visited. The internal and external assessment was undertaken to have a full view of the organization. The strategies have been formulated, which are based on the results of the internal and external assessment of the entire division. At this stage, the sector in a focus group discussion activity lengthily discussed the real situations that the education sector has been experiencing.

The data on low students' performance were treated very objectively in order to come up with strategies that are responsive to the real status of the education sector. With this, the education sector devised appropriate mechanisms to come up with necessary interventions. Along the process, several educational programs and projects were formulated. These programs required sufficient resources for implementation. It is in this premise that the Special Education Fund (SEF) as one of the significant sources of funds of DepEd was reviewed and that necessary recommendations were made.

The proposal includes the reengineering of the Special Education Fund (SEF) allocation to include the responsive programs and projects as determined by DepEd, Inclusion of Programs and Projects in the General Fund of Local Government Unit (LGU), Stakeholders Participation and Status Quo. Taking this into consideration, the following criteria were used in order to arrive at the most serious policy option to be considered, such as high impact, rapid implementation, collaborative and political feasibility.

The ultimate goal of this is to improve the students learning outcomes along with the proposal to include the following priority programs and projects of the education sector in the allowable expenditures under SEF: performance-based incentive systems, local assessment initiatives, innovations through it, foreign language curriculum, training for non-teaching personnel and private education sector. It is worth mentioning that these reforms are the responses of the education sector to improve the achievement levels of students and to produce quality 21<sup>st</sup> century learners.

## **B. Decision / Evaluation Criteria**

As the basis and a guide for evaluation of the policy alternatives, the following criteria were used, to wit:

### **1. High Impact**

A high impact policy alternative can address the problems or achieve goals. For this paper, high impact is defined as the achievement of 75% Mean Proficiency Score in the National Achievement Test (NAT) by the students. It may be High (+) Medium to high (+) Low to Medium (-) Low (-).

## **2. Rapid Implementation**

This refers to the urgency of the programs and projects for implementation, as determined by the education sector. The criteria may be rated as high, medium to high, medium, low to medium, or low.

## **3. Collaborative**

This refers to the ability of the policy to benefit a broader spectrum of stakeholders, especially the members of a subgroup. Shared governance is the primary consideration wherein the extent of a partnership of the government and the society is observed. In this paper, this criterion is used to assess the acceptability of the proposal to both the government and the society, particularly those who are concerned about the education of our youth. The criteria may be rated as high, medium to high, medium, low to medium, or low.

## **4. Political Feasibility**

It is the willingness of the various political parties and individual politicians to prioritize educational programs by providing resources. It may also refer to the legality, responsiveness, and acceptability of the policy to various stakeholders in the political process. This can be achieved through proper partnership with the LGU in order to give priority in the budget since it handles all the social services in a particular local. This may be rated as high, medium to high, medium, low to medium, or low.

### C. Policy Alternatives /Options

The alternatives/criteria matrix summarized the assessment of the proposed policies.

#### ALTERNATIVES / CRITERIA MATRIX

Policy/Criteria	High Impact	Rapid Implementation	Collaborative	Political Feasibility
	<ul style="list-style-type: none"> <li>• High</li> <li>• Medium to High</li> <li>• Medium</li> <li>• Low to Medium</li> <li>• Low</li> </ul>	<ul style="list-style-type: none"> <li>• High</li> <li>• Medium to High</li> <li>• Medium</li> <li>• Low to Medium</li> <li>• Low</li> </ul>	<ul style="list-style-type: none"> <li>• High</li> <li>• Medium to High</li> <li>• Medium</li> <li>• Low to Medium</li> <li>• Low</li> </ul>	<ul style="list-style-type: none"> <li>• High</li> <li>• Medium to High</li> <li>• Medium</li> <li>• Low to Medium</li> <li>• Low</li> </ul>
1. Reengineering SEF Allocation to include responsive PAPs as determined by education sector	High – The programs and projects as prioritized by the education sector will be given sufficient funding for implementation.	High – The immediate implementation of the various programs is achieved because of the availability of resources.	High – all stakeholders are involved in the planning and formulation of strategies to achieve goals.	Medium – Local Government Unit (LGU) shares common discretion with stakeholders, particularly in funding prioritized Programs and Projects.
2. Inclusion of Programs and Projects in the General Fund of Local Government Unit (LGU)	Medium to High – The inclusion of the desired Programs and Projects will be delimited as to the funding since this is at the discretion of the Local Chief Executive.	Medium to High – There may be urgent expenditures that may not be realized due to a lack of funding.	Medium – the Local Government Unit (LGU) holds power to fund Programs and Projects as prioritized.	Medium – There may be other urgent Programs and Projects which will not be funded since the Local Government Unit (LGU) General Fund covers all social services.
3. Stakeholders' Participation	Medium to High – The Stakeholders /Officials have a short term of office to implement Programs and Projects of the education sector.	Medium – Stakeholders' involvement cannot be compromised because they are occupied with other concerns other than the school.	Medium to High – Stakeholders are committed to doing voluntary initiatives in close coordination with the education sector.	Medium to High – Stakeholders may resort to soliciting funding from politicians, depending on their level of commitment and enthusiasm.
4. Status Quo	Medium to High - Allowable expenditures are limited. Sources are not enough to carry out Plans.	Medium to High - The present set up requires the education to do necessary coordination with LGU that causes a delay in the implementation of programs.	Medium to High - Consultation is done with education stakeholders, but the decision lies on the Local School Board (LSB).	Medium to High – Stakeholders are consulted and actively involved in the formulation of strategic directions for the education sector.



## IV. EVALUATION / ANALYSIS OF POLICY OPTIONS

### A. Stakeholders' Analysis

In this paper, there are stakeholders involved in the formulation of the policy, to wit:

1. The Local Government Unit as represented by the local chief executive provides supplementary funding support to basic public education through the Special Education Fund (SEF). This comes from the one percent tax on real property that the LGU is mandated to collect under RA 7160, otherwise known as the Local Government Code of 1991. The SEF has Local School Board, a special body created under RA 7160, whose primary duty is to allocate the funds to meet the additional needs of the local public school system. This body conducts regular monthly meetings primarily to update the status of the implementation of the various programs and projects of the education sector. In the meeting, all concerned stakeholders are invited to sit down with the board to discuss pertinent education issues.
2. Education External Stakeholders are individuals or groups whose passion is to help children avail of quality education in order to achieve quality living. These individuals or groups include the civil society organizations, Parents-Teachers Association (PTA), private sectors, business establishments, among others. In the education sector, they are involved in planning, budgeting, and progress monitoring. They are frequently consulted in the decision-making process by the management and the local government unit.
3. Education Internal Stakeholders are the individuals who exist within the ambit of the organization. This includes the key officials, school heads, and teachers. These are the responsible personnel who are directly in charge of the growth and development of learners in schools. On various occasions, the internal education stakeholders initiate strategic planning, review, and assessment, which is widely participated in by all concerned. In this activity, critical decisions are made purposely to improve learners' achievement levels.
4. National Government refers to the DepEd, which was reorganized by Executive No. 94 in July 1947 and Presidential Decree No. 1397. The mandate of the DepEd is to protect and promote the right of all citizens to quality basic education and shall take appropriate steps to make such education accessible to all. It is worth mentioning that the Department of Education establishes, maintains, and supports a complete, adequate, and integrated system of basic education relevant to the needs of the people and society. It establishes and maintains a system of free and compulsory public education at the elementary level and free public education at the high school level. All educational institutions inculcate patriotism and nationalism, foster love humanity, respect for human rights, appreciation of the role of national heroes in the historical development of the country, teach the rights

and duties of citizenship, strengthen ethical and spiritual values, develop moral character and personal discipline, encourage critical and creative thinking, broaden scientific and technological knowledge, and promote vocational efficiency. The DepEd takes into account regional and sectoral needs and conditions and encourages local planning in the development of educational policies and programs.

## **B. Analysis of Alternatives**

The following are the policy alternatives/options that were assessed and evaluated based on the preceding decision criteria, to wit:

1. ***Reengineering of the Special Education Fund (SEF) allocation to include the responsive programs and projects deemed necessary and urgent by the education sector.*** These programs emanated from the strategic planning, budgeting, review, and assessment with the active involvement of the stakeholders. Shared governance is the principle behind this activity. This shared governance calls for creating mechanisms that will support more meaningful engagement that will allow the partnerships to flourish. It is underscored that this initiative eventually redounds to the improvement of students' achievement levels. This policy would be the direct aid for the education officials since the programs and projects designed are in harmony with needs as identified in their review conferences.

The education shall be held responsible for the formulation of strategic directions to achieve quality education while the local government shall provide the necessary logistics to achieve the desired goals.

This option takes a cue from Ostrom to retain the resources where the programs and projects of the education sector are being funded that may ensure an increase in the achievement levels of the learners. Moreover, the stakeholders are given a free hand to view rules and enforcement mechanisms that may lead to tolerable outcomes.

2. ***Inclusion of the Programs and Projects in the general fund of the Local Government Unit.*** This policy is a matter of building a cordial relationship with the Local Government Unit. Although the LGU takes care of the entire social services programs, there is a little chance for education to get more funding. This will be delimited since this is achieved through the discretion of the local chief executive. There may be an urgent expenditure that may not be realized due to a lack of funding.

This policy ascertains the idea of Pigou, where the government takes the discretion on the provision of resources to carry out the different projects of the education sector. This likewise bears political interventions because the decisions primarily emanate from the government.

3. **Stakeholders' Participation.** In the education sector, stakeholders often refer to the association of parents of whom they elect their officials to participate in the affairs of the education sector actively. They also involve the association of business establishments, the non-government organizations, and the private entities. Their degree of commitment cannot be compromised because of their term of office is short in compliance with the DepEd Order. Most often, stakeholders resort also to soliciting the generosity of government officials.

This policy agrees with Coase, wherein the government does not intervene with the affairs of the stakeholders. In this case, the option lets people come out with their agreements.

4. **Status Quo.** At some point, the existing provision provides a huge help to improve the achievement of the learners. Given the funding for sports, construction of classrooms, the establishment of extension classes, procurement of instructional materials is necessary to achieve learning.

## V. POLICY RECOMMENDATION

Based on the analysis, it is recommended that policy number 1, the reengineering of SEF allocation to be the preferred policy option. This option entails shared governance once implemented since it involves the active participation of stakeholders, the education sector, and the government along the process.

It is a reality that there are resources from national and local to improve the learning outcomes of students. Some other programs and projects can be implemented, which will ensure the improvement of students' performance and achievement of quality learning. However, these programs, as deemed necessary, cannot be charged to the SEF because accordingly, they are not allowable.

Programs and Projects as identified by the education sector in their management planning, review, and assessment are recommended for possible inclusion in the Special Education Fund Allocation include Performance-Based Incentive System for Schools– this is an incentive program that aims at providing recognition top-performing schools in terms of academic achievement. Those schools that have achieved the 75 percent MPS in the NAT and other assessments will be given incentives. These incentives will be primarily used in school development, such as the provision of IT learning packages and other instructional materials. Local Assessment Initiatives are a mechanism in order to monitor students' progress in learning. This starts from diagnostic examinations, formative assessments up to the summative assessment. There will be standardized examinations for each stage to ensure that students achieve the competencies required per grade level. Foreign Language Curriculum is an elective subject to be offered from the Junior High School Level up to Senior High School. This customized learning package is a preparation for our students for the

ASEAN Integration. Students will be exposed to different languages in the early stage of their basic education. Innovation Programs through IT is a technology package reform program that is designed for learners who are capable of producing highly technological breakthroughs. This includes the curriculum, equipment, hiring of IT experts, and the laboratory center. The inclusion of DepEd Non-Teaching Personnel and to the private education sector in the training program is likewise proposed since they are part of the operation of the City Schools Division. The private education sector is likewise under the Division. Henceforth, it is worth mentioning that the inclusion of these programs and projects are geared toward improving the students' learning outcomes and making the educational system responsive to the demands of the ASEAN Integration, global competitiveness and 21<sup>st</sup> century education.

The LSB may do the expansion of memberships through the establishment of an advisory council in order to solicit more reliable and crucial views during the strategic planning, review conference, and assessment. This is to make education a vehicle for enhancing participation in the provision of quality basic education through governance reforms.

As deemed necessary, the shared governance principle can be drawn through the best practices and wealth of experience in governance innovations. This includes three elements, namely progression, partnership, and participation.

It can be said that progression is operationally defined as to the mandate of government in providing benefits to its constituents. It seeks to build prosperity for the community at large. Nevertheless, the goal of prosperity building is tempered by enlightened governance. The partnership enables the local authority to tap community resources for priority undertaking, while participation is a mechanism that ensures long term sustainability. This can be done through conducting transparency meetings, which will provide an avenue for the various sectors to express their views. Another way is by holding an education summit, which is an opportunity for the education sectors to establish linkage with NGOs, private sectors, and other stakeholders whose hearts are in education. The summit will likewise pave the way for the local government unit and the education sector to define their priority areas that the city would address. Another way to boost partnership is by conducting participatory monitoring and performance review by the Local School Board members. They shall campaign for greater community engagement anchored transparency and information openness regarding the real state of public education in the city.

The first principle bespeaks of reality that our country cannot provide all that the education for our youth demands. It is on this premise that partnering with the local government is a choice. On the other hand, the principle shared responsibility must be coupled with shared accountability demands the government be open towards engaging its partners. This indeed calls for creating mechanisms that will support more meaningful engagement and allow these partnerships to flourish.

Guided by these principles, the educational interventions shall be drawn, which aim at improving the achievement levels of learners. These interventions will realize the following general strategies that facilitate the school board reengineering.

The LSB budget is vital to provide a legal basis for its interventions. It shall use its annual budget to allocate resources and, in the process, authorize the conduct of activities that go beyond current laws on the LSB. The strategies are:

First, the government and the education sector are to broaden and enjoin the active involvement of the community stakeholders. In this strategy, all stakeholders are involved in education planning, budgeting, and process monitoring. A participatory approach hard-wired into the program consensus-building on major decisions is being made.

Second, the optimum use of resources is effectively and efficiently accomplished. Stakeholders' participation in decision-making processes also helps ensure that the LSB budget addresses the real needs and demands of the public education system. It also enabled the sector to tap community-based resources that augment what is available under the budget. The power of the community has played a considerable role in the education of our youth. The education sector has been working harmoniously with the stakeholders who are partners toward creating a culture of excellence in the minds of our learners.

Third, operations in the LSB are clearly defined to avoid conflicts. Broader community involvement in significant activities provided the impetus to improve LSB operations, including its operating systems and structures. The roles of various stakeholders are also defined to minimize potential conflicts or disagreements.

Fourth, the practice of good governance is always the top agenda. The practice of governance principles shall reinforce the reengineering process. Good governance entails shared responsibility. The government, education sector, and other stakeholders work hand in hand to accomplish goals and deliver results.

Lastly, "Learn continuously, change appropriately" philosophy as the battle cry in managing the education system. This mantra of continuous improvement pushes the education sector to explore alternative, out-of-the-box solutions to both long-standing and emerging problems related to public education service delivery. This can be achieved by welcoming innovations that are anchored on the total growth and development of learners.

It is in this premise that the immediate concerns as identified by the education sector shall be included among the in the SEF allocation since the LSB has been the education partner of DepEd in the education of our youth for them to become 21<sup>st</sup> Century Learners: Innovations through IT, Local Assessment Initiatives, Performance-Based System for Schools, Training for Non-Teaching Personnel to include the private education sector.

## **Part VI. Conclusion**

Based on the results of the NAT, where students got below the standard 75 percent MPS, there is a need felt by the education sector to identify the programs and projects which are geared toward students' holistic development. This was done by the City Schools Division of San Fernando, Pampanga, through participative management planning, review, and assessment activities.

The funding of the programs as prioritized by the education sector from the national and local government was likewise reviewed, and recommendations were made to include these in the SEF allocation. At present, the SEF is delimited to allowable expenditures. The disbursement of funds is limited to the construction of school buildings, the establishment of extension classes, educational research, books and periodicals, and sports development.

In the management review made by the education sector, they have formulated strategic directions purposely to improve achievement levels of students. These strategies have specific priority programs and projects that need funding. Seemingly, the Local Government Unit, a major partner of the Department of Education in the delivery of educational services, provides additional funding support to the education sector through the Special Education Fund (SEF).

The initiative of the education sector to involve all its stakeholders in the education of our learners prompted the clamor to recommend possible inclusion of programs in the SEF allocation to make the educational programs and projects responsive to the demands of the present generation. Such a proposal includes the Performance-Based Incentive System for Schools, Local Assessment Initiatives, Foreign Language Curriculum, Innovation Programs through IT, Training for DepEd non-teaching personnel to include the private education sector to keep abreast with the ASEAN Integration and greater movement in the region. This can be achieved through shared governance. This policy, if taken its cue under this principle, affirms the three elements in the reengineering process, namely progression, partnership, and participation. Appropriate strategies were drawn to ensure that the prioritized programs and projects will be implemented as planned with sufficient resources.

Finally, it is worth mentioning that these proposals for inclusion in the SEF allocation are geared toward making the educational system responsive to the demands of the ASEAN Integration, global competitiveness, and 21<sup>st</sup> century education.

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