

Functionality of Special Education Fund (SEF): Its Role on Improving Basic Education

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Abstract - This research attempts to investigate the functionality of the Special Education Fund as a function of the transparency and accountability of its administrator, the Local School Board. The indicators of SEF functionality include the budget and expenditure behaviour matched against the provisions of the Local Code as to the legitimate application of the SEF. The functionality of the LSB is presumed to have an impact on the conditions of the public elementary schools considering pupil to teacher ratio, pupil to classroom ratio and pupil to seat ratio. The study was conducted in ten municipalities of Misamis Oriental using the purposive sampling procedure. Members of the LSB were interviewed using a structured questionnaire and focus group discussion. Another interview was done with the school heads or principals of the various public elementary schools. Findings revealed that the SEF is seemingly weak in its functionality level. Nevertheless, the transparency and accountability of the LSB is generally “good” while the condition of the public elementary schools appears conducive and favourable to the learning process. On the other hand,

the policy actions exercised by the LSB are seemingly partially participative.

Keywords: Special Education Fund, functionality, basic education

INTRODUCTION

Education plays a vital role in the growth and development of a nation. It is considered an avenue, a passport to better life and prosperity. Education then is a symbol of progress and hope in the future for the youth who are the foundation of society.

The 1987 Philippine Constitution mandates that, "The State shall establish, maintain and support a complete, adequate and integrated system of education relevant to the needs of the people and society."

Similarly, Chapter 2 of the Education Act of 1982 provides that;

"The State shall promote the right of every individual to relevant quality education regardless of sex, age, and socio-economic status, physical and mental condition, racial or ethnic origin. The State shall therefore promote and maintain equality of access to education as well as the employment of benefits of education by all its citizens."

Thus, in consonance with this mandate, the government allocates the biggest share of the budget to education. The General Appropriations Act (GAA), which is the government's yearly budget, provides for this. In spite of the big budgetary share assigned to education, the amount is almost always never enough to meet the needs of education in terms of teacher items, physical facilities, institutional materials and other vital student services.

Republic Act 5447, enacted in 1968, otherwise known as the Special Education Fund Act (SEF), has been crafted to contribute to the financial support of the goals of education as provided by the Constitution. The SEF, which is administered by the Local School Board (LSB) as provided by RA 7160 or the Local Government Code, clearly identifies the activities that are to be funded. These are: (a) the operation and maintenance of public schools (b) construction and repair of school buildings, facilities and equipment (c) educational research (d) purchase of books and periodicals, and (e) sports development.

There are Local School Boards in every province, city and municipality in the country. Misamis Oriental, which is composed of twenty-four municipalities, has also the corresponding LSB in every municipality. Has the SEF been used specifically for activities as mandated by the Act? Has the functionality of the Special Education Fund a key to improving basic education in Misamis Oriental? This, the researcher would like to delve into; hence, this study.

FRAMEWORK

Figure 1 is the paradigm of this research. The paradigm elucidates that the policy process determines the transparency and accountability of the LSB. By definition, policy process is synonymous with decision-making process. Robredo, local chief executive of Naga City wrote that the SEF across the country have appeared mismanaged because of lack of transparency and accountability in the system (Robredo).

Figure 1 further illustrates that the governance and administration of the SEF by the LSB considering transparency and accountability determines the functionality of the Fund. Transparency is generally measured in terms of the public's understanding of the various aspects of policy-making or decision-making.

On the other hand, accountability is defined as a concept in ethics with several meanings. It is often used synonymously with such concepts as answerability, enforcement, responsibility, blameworthiness, liability and other terms associated with the expectation of account-giving.

As the paradigm further demonstrates, Fund utilization is measured considering the following indicators in accordance to the provisions in RA 7160: 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. These are the legitimate items and activities allowed by law, particularly, the RA 7160, for which the SEF shall be exclusively appropriated and expended for by the LSB.

Finally, Figure 1 connects the functionality of the SEF to the general condition of basic education of the province. This dissertation postulates that the functionality of the SEF impacts on the general condition of basic education. The condition of basic education, as

operationally defined in this research, is determined by the following indicators: Classroom to pupil ratio, pupil to teacher ratio, and seat to pupil ratio.

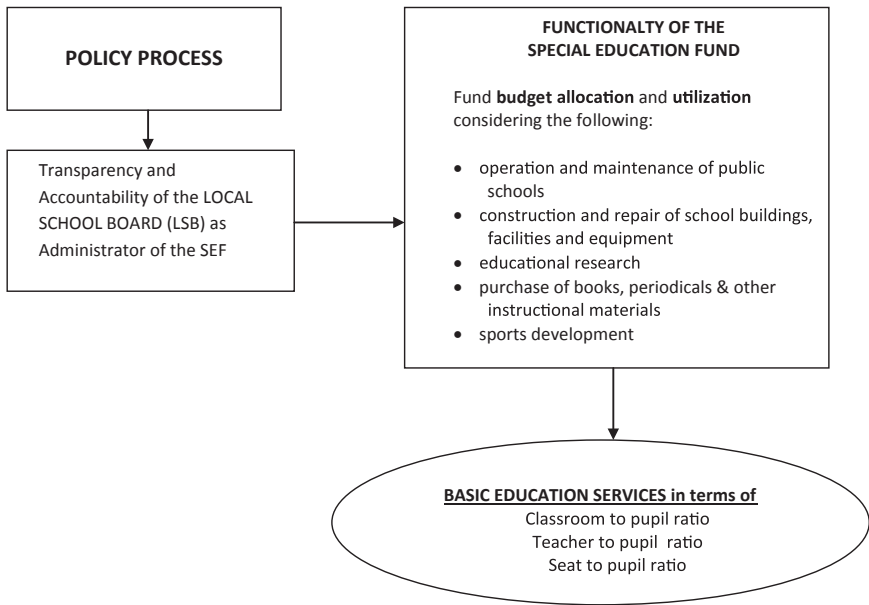


Figure 1. Research Paradigm

OBJECTIVES OF THE STUDY

This study investigated the functionality of the Special Education Fund in Misamis Oriental as a function of the transparency and accountability of its administrator, the Local School Board.

Specifically, the objectives of this research are as follows:

1. To determine the functionality of the Special Education Fund of the municipalities in terms of budget allocation and utilization considering the following:
 - 1.1 operation and maintenance of public schools
 - 1.2 construction and repair of school buildings, facilities and equipment

- 1.3 educational research
 - 1.4 purchase of books, periodicals and other instructional materials
 - 1.5 sports development
2. To describe the implications and effect of the functionality of the Special Education Fund on the condition of the elementary schools in the municipalities considering classroom to pupil ratio, teacher to pupil ratio, and seat to pupil ratio.
 3. To assess the Local School Boards of the municipalities administer the Special Education Fund considering transparency and accountability and to establish the function transparency and accountability of the LSB as administrators of the Fund.
 4. To describe the approaches to decision-making and policy options that the LSBs of the different municipalities adapt in the budget allocation process and utilization of the fund.

METHODOLOGY

This research employed the descriptive research design as this was considered appropriate to the study. This was conducted in Misamis Oriental, a province located at the northern part of Mindanao. Employing the non-probability sampling, particularly, the purposive sampling process, 10 municipalities were sampled. At least five LSB members from each municipality and the principal or head of the Central Elementary School of the municipality were respondents to the structured questionnaires and focus group discussions conducted.

There were two sources of data used to complete the information that this dissertation intends to convey. The primary data were sourced from the respondents (LSB members and Head Teachers or School Principals) through a structured questionnaire, guide interview sheet and focus group discussion (FGD) guide. On the other hand, the secondary data were culled from the records of the municipalities, the LSB and the elementary schools.

RESULTS AND DISCUSSION

“Other Items,” came out first in the SEF budget of all ten LGUs. It also took the biggest share in the expenditure. “Other Items” generally includes adult education (non-formal education), travel expenses (district supervisor, other members, teachers), fuel expenses, assistance to the District office and other expenses. About 24 percent of the annual budget and about 55 percent of the total expenditure went to “other items.”

Moreover, the actual expenditure on “other items” far exceeded the budget by more than 200 percent. Consistently second in the priority list of SEF budget and expenditure was operation and maintenance of schools . From a share of almost 24 percent in the budget, it went down to a 16 percent share in the expenditure. The item with the least share in the budget was the purchase of books and other instructional materials. On the whole, the expenditure share of the items specified in the Local Code was much lower than the share they are supposed to get from the budget.

Table 1. Distribution of LGU’s average budget and expenditure of various items

LGU	TRANS-ACTION	school bldgs, fac & eqpt*	Schl O & M	books & teaching mat’ls*	educa-tion research-es*	sports dev’t*	other items
Balingoan	budget	no data	no data	no data	no data	no data	no data
	exp						
Gitagum	budget	50.06%	10.16%	0.00%	9.50%	10.86%	19.42%
	exp	no data	no data	no data	no data	no data	no data
Libertad	budget	8.06%	17.85%	0.00%	0.00%	0.00%	74.10%
	exp	no data	no data	no data	no data	no data	no data
Laguindingan	budget	19.90%	26.75%	2.45%	12.34%	5.40%	33.16%
	exp	no data	no data	no data	no data	no data	no data
Initao	budget	15.70%	26.56%	0.00%	38.50%	6.43%	12.81%
	exp	no data	no data	no data	no data	no data	no data

Alubijid	budget	20.30%	28.82%	9.55%	13.22%	8.07%	20.04%
	exp	no data	no data	no data	no data	no data	no data
Naawan	budget	10.75%	35.51%	0.00%	14.23%	27.73%	11.78%
	exp	6.69%	34.50%	0.00%	24.17%	0.00%	29.12%
Claveria	budget	15.38%	11.90%	0.00%	37.26%	15.32%	20.15%
	exp	13.24%	8.29%	11.51%	11.16%	0.00%	46.30%
Manticao	budget	22.53%	28.95%	4.23%	26.81%	5.99%	11.49%
	exp	2.34%	6.40%	0.74%	3.02%	0.00%	87.33%
Lugait	budget	29.46%	28.60%	14.04%	4.17%	7.37%	16.36%
	exp	no data	no data	no data	no data	no data	no data
BUDGET	MEAN	21.35%	23.90%	3.36%	17.34%	9.68%	24.37%
	SD	12.51%	8.60%	5.13%	13.79%	7.93%	19.79%
EXP	MEAN	7.42%	16.40%	4.08%	12.78%	0.00%	54.25%
	SD	5.49%	15.71%	6.44%	10.66%	0.00%	29.91%

The total appropriation of all items for which the SEF should be exclusively expended got a share of almost 75 percent. The picture is reversed in the spending pattern. More than 50 percent of the SEF has been actually used for items other than what the Code specifically dictates . The actual SEF fell short by almost 15 percent of their budget.

TABLE 2. General condition of elementary schools in the municipalities

LGU	No. Of Schools (n)	pupils to 1 teacher		pupils to 1 classroom		pupils to 1 seat	
		Mean	Desc	Mean	Desc	Mean	Desc
Balingoan							
Gitagum	11	33.31		34.65		1.09	
Libertad	8	34.39		30.16		0.78	
Laguindingan	11	36.17		35.11		1.15	
Initao	17	36.36		36.32		0.98	
Alubijid	17	32.01		28.44		0.93	
Naawan	12	33.48		35.35		1.36	

Claveria	34	35.01		41.98		0.87	
Manticao	17	30.04		29.84		0.98	
Lugait	7	36.38		34.33		1.29	
MEAN	134	34.13		34.02		1.05	

LEGEND:

	national mean ratio		adequate in two-shift schools
	adequate in one-shift schools		Meet RA7880 with one shift

The LGU was very conservative in its estimate of SEF setting its budget at around 40 percent only of the one percent real property tax (RPT) assessment. The actual tax collection appeared even lower than what the LGU predicted given an average ratio of actual SEF to one percent RPT assessment of almost 30 percent only. It appears, however, that the SEF has been almost fully used up year after year given the total actual expenditures averaging at about 94 percent of the actual SEF. Tables 1 summarize the distribution, as percentage of the total budget and total expenditure.

Generally, the public schools involved are well provided in terms of availability of teachers, classrooms and seat for the pupils . The mean ratio between pupils and teacher is 34:1, which, according to the Basic Education Information System (BEIS), is at par with the national standards. Similarly, with the average pupil to classroom ratio of 42:1, described as meeting the provisions in RA 7880, the act providing for the fair and equitable allocation of the department of education's budget for capital outlay. The provision of seats, on the other hand is not as ideal as the availability of teachers. There are about 2 pupils occupying one seat, on the average. Table 2 presents the general condition of the public elementary schools in ten municipalities.

Table 3. Transparency and Accountability Against
SEF Budget of Different Municipalities

LGU	transparency level	accountability level	SEF Budget
Manticao	3.48	3.50	88.51 %
Naawan	3.48	3.33	88.22 %
Initao	2.49	3.32	87.19 %
LUGAIT	3.55	2.93	83.64 %
Claveria	3.36	2.61	79.85 %
Laguindingan	2.99	2.39	66.84 %
Libertad	2.82	2.39	25.90 %
Gitagum	3.36	3.26	
Balingoan	3.44	3.20	
Alubijid	3.66	3.23	
Mean	3.26	3.02	74.31 %
sd	0.37	0.41	22.65 %

Table 3 shows the summary of mean transparency and accountability level of the different municipalities. The table also shows the SEF budget (as percentage of total budget) of items specifies by the Local Code as exclusive applications of the Fund. As shown in the table, the mean transparency level is 3.26, equivalent to a “good” rating. Close to 90 percent of the respondents rated the LSBs from “good” to “very good.” The indicators of transparency reveal that all were rated “good” except one, which is “The LSB disseminates information by posting this in conspicuous places of the municipal hall.” This is not as effective in reaching out to as many stakeholders compared to posting the announcements in public schools and other public places. The Board displays the highest degree of transparency in the way it deals with issues and concerns. It is a common practice of the LSB to discuss and deliberate on matters prior to finally rendering a decision in the form of a board resolution .

The accountability level of LSBs is also “good.” However, its absolute mean rating of 3.00 is lower than the rating for transparency. In fact, the figure is close to the lower boundary limit of the “good” bracket, suggesting that while it falls within the “good” range, it is

close to being “fair.” Six of the ten indicators have the equivalent rating of “fair.” The least rated indicator is in the way the LSB confers with the stakeholders. The LSB generally holds conferences with the municipal officials only to discuss education issues and concerns; this obtained a mean rating of 2.63, equivalent to a description of “fair.”

Table 3.1 Indicators of transparency

INDICATORS:	mean	sd	Description
1. conduct meeting among stakeholders to solicit issues	3.77	0.85	twice in 3 yrs
2. conduct meeting among stakeholders to discuss goal and objectives	3.53	1.04	twice in 3 yrs
3. Members of the LSB participate in the conduct of the half planning sessions	3.68	0.6	not all, but at least
4. The Body releases to the public every board resolution relative to the administration of the SEF	3.09	0.89	more than 2 week but w/in one mo.
5. exercised most of the time by the body prior to a board resolution	3.70	0.76	discuss issues among all members
6. accessibility of Financial reports of the LSB	3.13	0.75	all LSB members
7. presentation to the stakeholders the plans and programs of the LSB	3.15	0.92	mostly achieved
8. manner of informing stakeholders of any announcement	1.94	1.27	Posting at conspicuous area of Municipal Hall ONLY
9. presentation of plans and programs to the Sangguniang Panglungsod	3.45	1.15	twice in 3 yrs
10. publication of annual financial report	3.09	1.11	mostly achieved

Accountability level of the LSBs is highest in the manner the LSBs procure the goods and services for projects . This gets a mean score of 3.60 equivalent to “good.” In general, the LSBs appear short of achieving the accountability level that a government body is supposed to maintain.

The multiple linear regression analysis was employed to investigate the impact of transparency and accountability on the functionality of the SEF. The result indicates transparency and accountability coefficient values of -0.59 and 0.78, respectively. The statistical test turned out not significant given the P-values of 0.28 and 0.14, respectively. Therefore, in this set of data, the transparency and accountability of the LSB do not have impact on the functionality of the SEF.

Table 3.1 Indicators of Accountability

INDICATORS	mean	sd	Description
1. All representative members are present during meetings of the LSB	3.07	0.66	most of the time
2. exercised by the Body prior to the finalization of	3.52	0.69	pre-prepared by staff the 2008 budget and presented to the body
3. done most of the time by the LSB	2.63	1.08	holding conferences with municipal Officials
4. Board's awareness of the provisions in the Local Code	3.33	0.86	not all but @ least 80% are knowledgeable of the Code
5. comparing annual achievement with other Local School Boards	2.73	1.02	partially achieved
6. rewarding teachers based on performance	2.63	1.16	partially achieved
7. realizing funds for basic education from sources other than the SEF.	2.84	1.08	partially achieved
8. granting projects based on solid research data as to the needs of the schools	2.75	0.73	sometimes
9. training or briefing about the functions of the LSB and its members	2.85	1.03	partially achieved
10. procurement of goods and services for LSB projects are done in accordance with the law	3.60	0.51	most of the time

Nevertheless, a coefficient of determination of 55% denotes how much of the variations in the SEF functionality is explained by both the transparency and accountability level of the LSB, taken as a set of factors. The skewness of the data could have contributed to the result of the statistical test. The transparency and accountability level of the municipalities appear homogeneous with almost all within the “good” level category. Table 3.1 and Table 3.2 present the indicators employed to measure the transparency and accountability level of the local school boards.

By and large, the Local School Boards implement, more or less, identical approaches in determining policy options and, finally implementing them. All the ten LSBs begin their SEF budgeting process with the information about the actual Real Property Collection of the immediately preceding year. The amount certified by the Municipal Treasurer serves as the guide and basis of the LSB in setting the total budget appropriations for the current year. There are no indications that the LSBs exercise, at least, medium-term planning using forecasts in RPT collection, one percent of which goes to the SEF. Neither are there gestures of integrating in the plans and policy actions possible

strategies and schemes to help augment the value and amount of the Fund.

The issue of project prioritization was done through consultations with the school heads by the district supervisor. Seven LSBs affirmed this practice of agenda setting. It is a customary procedure as well of the LSBs to require the district supervisor to prepare the SEF budget and submit it to the Body for deliberation and approval. However, two LSBs require submission of the proposed budget prepared by the district supervisor, first, to the Local Chief Executive (LCE). The technical staff of the LGU evaluates the proposal before it is finally endorsed to the LSB for further deliberation and approval. There is one LSB whose SEF budget is prepared by the LCE based on the budget of the previous year.

Five LSBs confirmed difficulty and problems in carrying out the projects and programs included in the budget. The four other LSBs claimed having no difficulty in the execution stage. The common source of difficulty in implementing the budget is the shortage and non-availability of funds. Furthermore, few of the LSBs choose not to intervene in the implementation of the projects, such that they defer discussions regarding the execution of the budget. They only involve themselves in discussion about implementation when there is a need to re-align appropriations. One LSB leaves the matter of implementing the projects to the schools given their approved appropriations for the year. On the other hand, majority of the LSBs get involved in the implementation of the budget. They approve requests for release of funds to the schools and evaluate the program of works of the project to be funded. They also take part in determining priority projects for funding in case of multiple project proposals given the limited funds.

CONCLUSIONS

In conclusion, the SEF budget was formulated in accordance with the provisions of law in terms of fund distribution to each specific item in the budget. However, there is an apparent deviation from the Law in the manner of apportioning the funds for each of the specific items. The Law though does not impose specific amount for each item. Rather, it emphasizes what activities, projects and programs

to give priority to, such that priority shall be given to construction, repair, and maintenance of school buildings and other facilities of public schools, establishment and maintenance of extension classes and sports activities. While the total appropriation for the legitimate budget items comprises the majority of the total SEF budget, the share of “other items” tops every legitimate item in the budget. What the Law stipulates as items for funding were ranked below “other items.”

LSBs produce expenditure reports that did not warrant a sound control measure in order to evaluate whether or not the fund was spent according to budget and the Law. Indistinct reports can as well invite possible abuse in discretion which may eventually forfeit the purpose of which the Fund was created for.

The expenditure pattern of the Fund leads to a supposition that there exists wide latitude of discretion in the implementation of the budget. While the actual SEF realized every year was almost fully used up at a mean rate of 94 percent, the sharing of expenditures was a big turn round of the budget. The expenses for “other items” exceeded by more than 200% of its budget. This variance in the expenditure and budget, especially, in the partaking of actual allocations where legitimate items are getting the least share instead, can lead to possible abuse of discretion.

The seemingly weak functionality of the SEF considering the manner the funds are allocated and actually expended according to its supposed purpose could have been related to the limited resources available. The SEF ended up with realigned disbursements. The earlier proposition of this research that transparency and accountability in the manner the LSB manages the Fund has a bearing on the functionality of the SEF does not turn up correct. In fact, based on the regression analysis, transparency and accountability do not have impact on the functionality of the Fund. Nevertheless, the transparency and accountability of the LSB with a barely “good” rating implies that the LSB needs to improve in this aspect in order to effectively perform its instrumental function in enabling sustainable development in the public education sector.

Finally, the general conditions of the public elementary schools of the municipalities signify an environment conducive to learning. Pupil to teacher and pupil to classroom ratios are at par with the national

average, which is considered acceptable except that the pupil to seat ratio seems inadequate. Payment of teachers' salaries, construction and maintenance of classrooms and other facilities like seats and desks are not among the priority in the expenditure list of the SEF, although they got shares in the budget. In short, the conditions of the public elementary schools considering the mentioned indicators appear acceptable despite the seemingly weak functionality of the SEF. The Special Education Fund may have not significantly influenced the public elementary schools in the municipalities studied, but it has certainly contributed to the general goals of education. The activities, programs and projects covered under "other items" signify the Fund's specific contribution to non-formal education. On the other hand, the stakeholders of the public elementary schools in the municipalities studied are fortunate as far as the indicated physical conditions of the schools are concerned. Probably, the national government through the budget allocated to the Department of Education and the various programs and projects of the Department aimed at improving the basic education system of the country have been significant factors to such a favourable circumstance.

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