



Monitoring Utilization and Performance: The DepEd Experience

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**1st Quarterly Seminar and Meeting of the Philippine Association for
Government Budget and Administration**

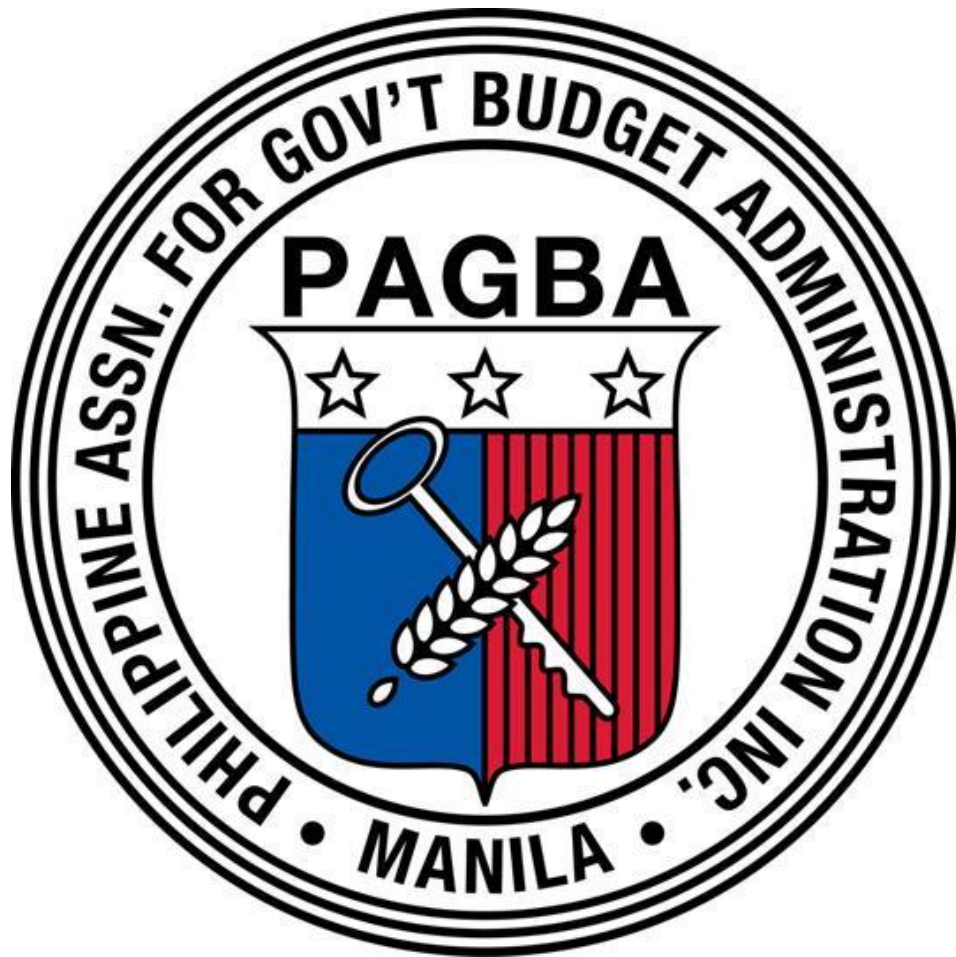
The Crowne Plaza Manila Galleria

February 15, 2019

PAGBA 2019 1st Quarter Seminar & Meeting
February 13-16, 2019

Crowne Plaza Hotel, Ortigas, Quezon City

“PUBLIC FINANCIAL MANAGEMENT IN A DIFFICULT AND CHANGING ENVIRONMENT”





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PRESENTATION FLOW



The Department of Education

- **DepEd's Historical Budget**
- **DepEd's Improved Budget Utilization**
- **Challenges in Eliminating Underspending**

DepEd's Leadership

- **10-point Agenda**
- **Factors Behind Improved Budget Utilization**
- **Education Programs Delivery Unit (EPDU)**

Ways Forward

- **What Works**
- **Lessons Learned**
- **Preparing for the Shift to Annual Cash-Based Appropriations (ACBA)**



THE DEPARTMENT OF EDUCATION

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The 1987 Philippine Constitution **mandates the establishment of free public education** at the elementary and secondary levels.

DepEd is the government agency mandated to provide basic education to school age population and young adults (RA 9155).

Article XIV, Section 5 (5) of the Philippine Constitution provides that the State “**shall assign the highest budget priority to education.**” Thus, the budget of DepEd has been increasing every year. In fact, DepEd’s budget increased at an average of 24% from 2013-2017.

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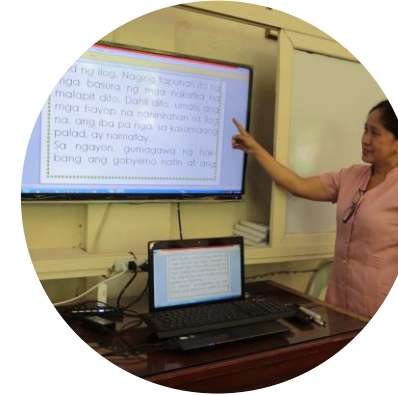


ABOUT THE PH BASIC EDUCATIONAL SYSTEM

OUR LEARNERS

KINDERGARTEN – 2,408,458
ELEMENTARY – 13,258,408
JUNIOR HS – 8,316,295
SENIOR HS – 3,021,856
ALS – 823,013

GRAND TOTAL OF **27,828,030***



OUR TEACHERS

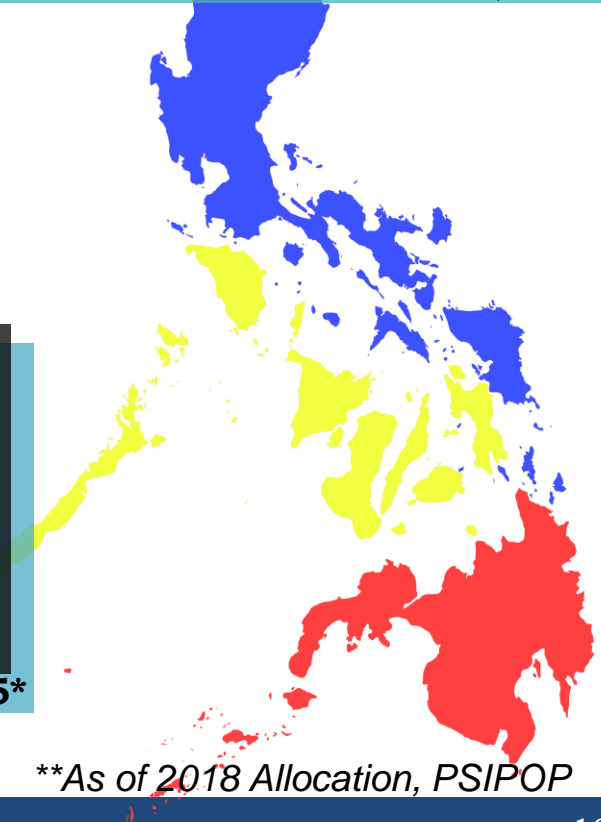
ELEMENTARY – 516,031
JUNIOR HS – 300,922
SENIOR HS – 68,864

GRAND TOTAL OF **885,817****

OUR SCHOOLS

ELEMENTARY – 37,928
JUNIOR HS – 1,622
SENIOR HS - 204
JUNIOR HS with SENIOR HS - 6,177
Integrated School (K to G10) - 683
Integrated School (K to G12) - 411

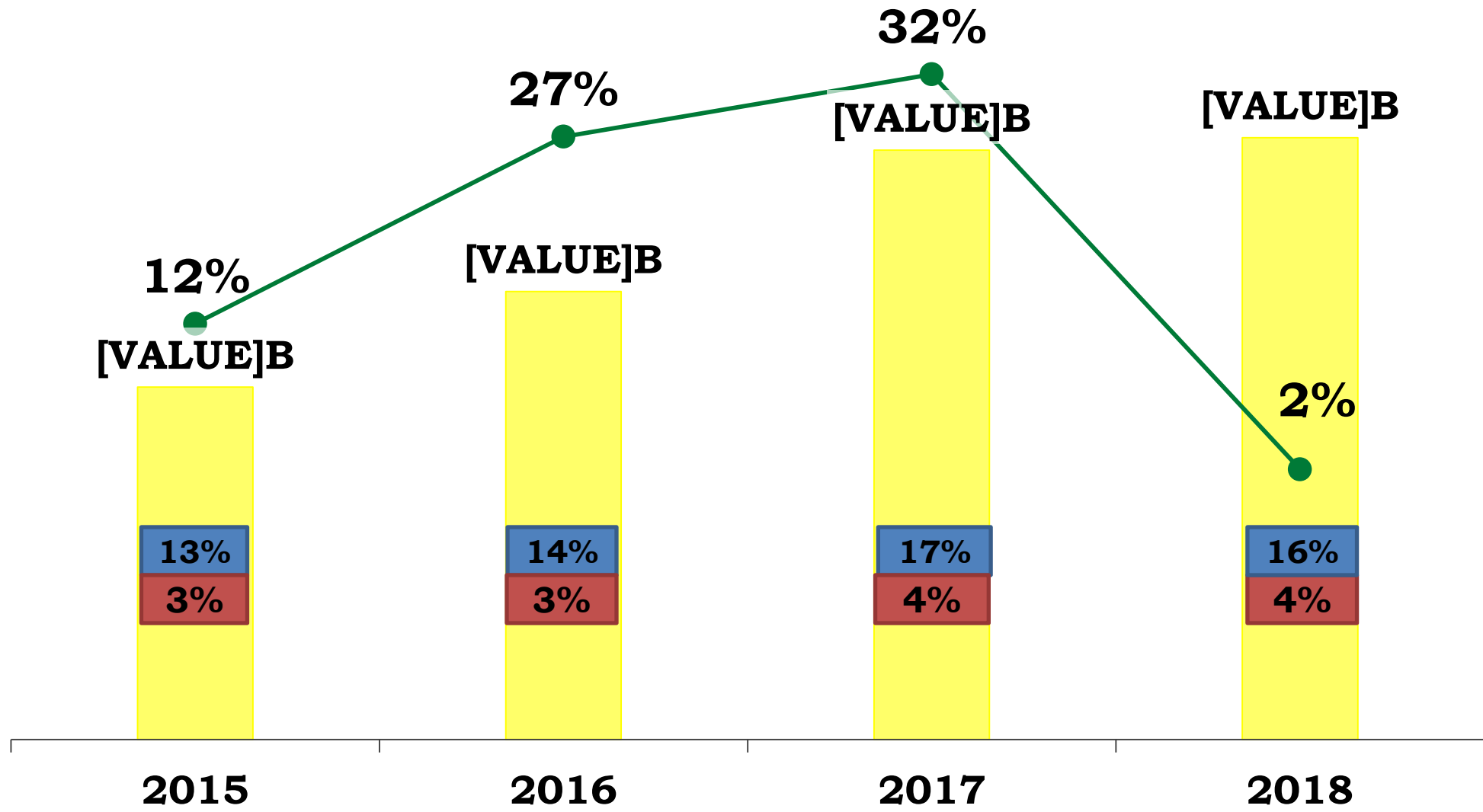
GRAND TOTAL OF **47,025***



*As of SY 2018 – 2019 EBEIS

**As of 2018 Allocation, PSIPOP

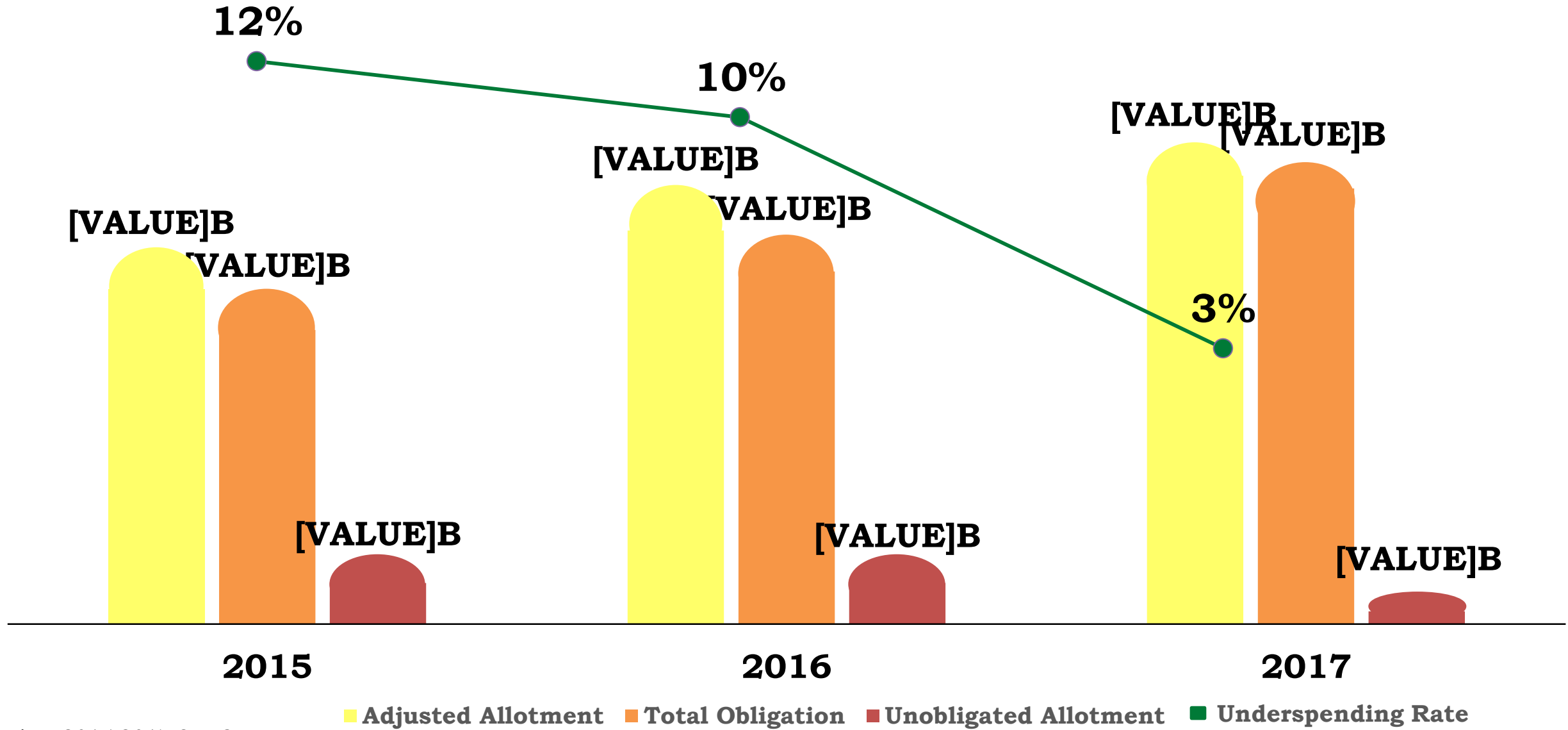
DepEd's Historical Budget (FYs2015-2018)



Based on GAA including RLIP

■ DepEd Budget
 ● Growth Rate
 ■ % to National Budget
 ■ % to GDP

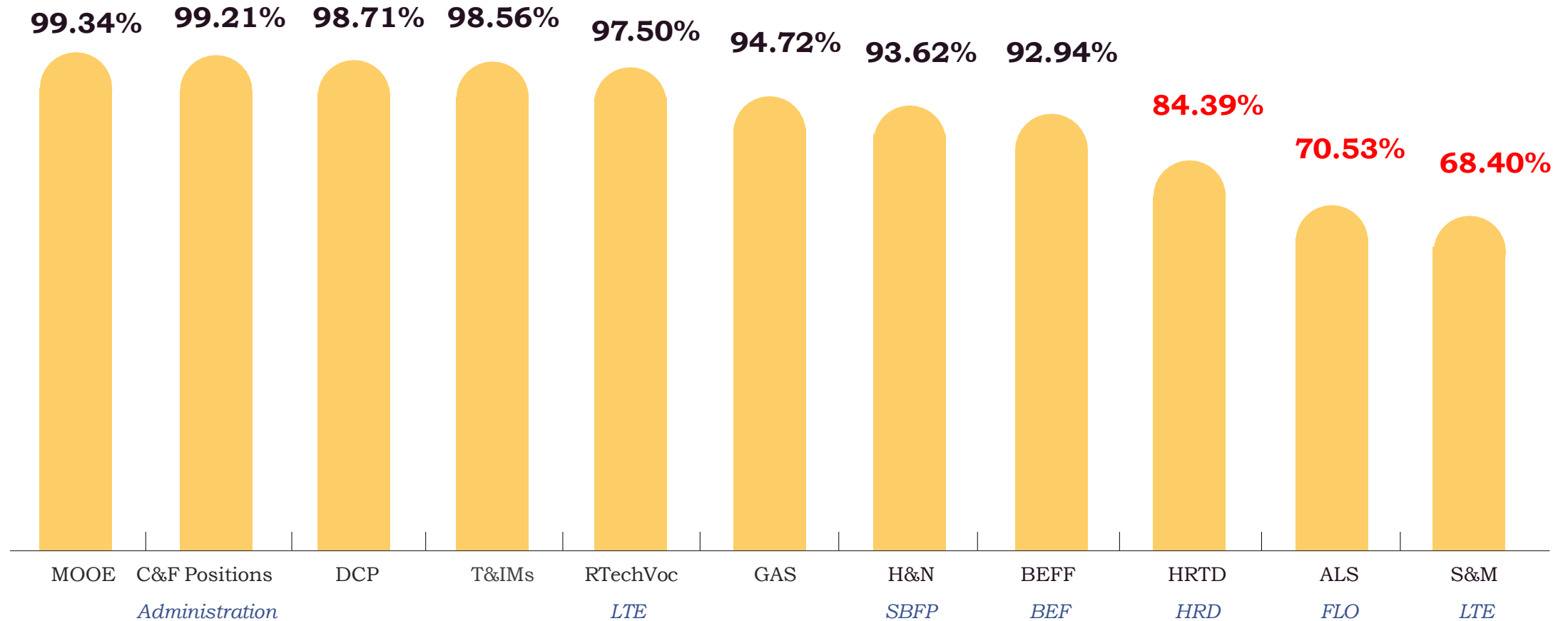
DepEd's Budget Underutilization Rate (FYs 2015-2017)



Based on 2015-2017 SAAODB

DEPED'S IMPROVED BUDGET PERFORMANCE

2017 Major PAPs' Budget *As of August 30, 2018*



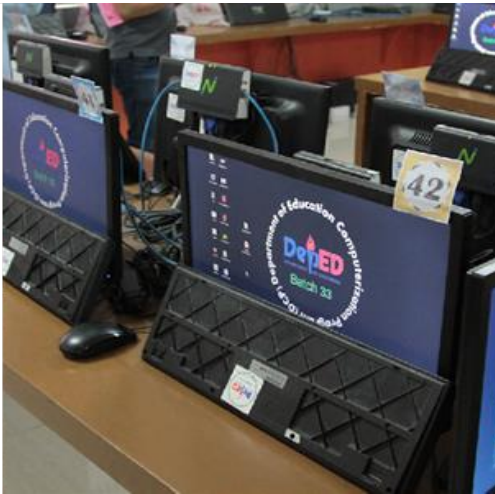
Source: 2017 SAAODB

*Administration
Personnel of
Benefits and
New School
Personnel
Positions*

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DEPED'S MAJOR PROGRAMS

MOOE 2018		
P15,718.87		
Office Supplies	4,218.53	Drinking Water
Printing	14,529.00	
Travel	1,800.00	
Utilities	18,594.01	
Printing	29,792.03	
Mobile	3,839.30	
Internet	11,468.41	
Telephone Ser	79,133.32	
Repairs and Maintenance	11,303.56	
Utility Fund	3,300.00	
Medical/ Dental	7,402.63	
Supplies		
Total	P15,718.87	



Operations of Schools

Basic Education Facilities

New School Personnel Positions

Government Assistance and Subsidies

Computerization Program



Learning Tools and Equipment

School-Based Feeding Program

Human Resource Development for Personnel in Schools and Learning Centers

Textbooks and other Instructional Materials

Early Literacy on Language and Numeracy Program

CHALLENGES IN ELIMINATING UNDERSPENDING

- ❖ **Biggest Government Organizational structure with largest staffing/workforce; and implementing units**
- ❖ **Complicated Procurement/failure in biddings:**
DCP, SME, TB and IMs
- ❖ **Market/Industry limitations to meet DepEd's huge/complex requirements:** *computer packages; Tech-Voc Livelihood equipment and tools*
- ❖ **Bulk of funds for some programs downloaded only in Q4 due to dependency on availability of data as basis for release:** *Abot-Alam program, Basic Educ Facilities; Operations of schools-secondary; school-based feeding program*

CHALLENGES IN ELIMINATING UNDERSPENDING

COA AOM April 24, 2018: DepEd's unutilized allotment mostly pertains to **Government Assistance to Students and Teachers in Private Schools and in Non-DepEd Public Schools (GASTPE)** and **Science and Mathematics Equipment (SMEs)**



This affected the **Joint Delivery Voucher Program for SHS Technical-Vocational Livelihood (JDVP-TVL)**

Challenges for SMEs lie in **procurement**.

DepEd transferred funds to the DBM-PS to facilitate utilization, but still highlights the **need to strengthen DepEd's existing procurement mechanisms**.



THE DEPED'S LEADERSHIP

DEPED'S LEADERSHIP

“



My leadership will be active and hands-on, transparent, and consultative both within and outside the Department and corruption-free.

And my commitment is Program and Financial management reforms to make the Department effective and efficient in service delivery.”

Leonor Magtolis-Briones

Secretary of the Department of Education

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10-POINT AGENDA

7 Put in place financial management reforms to ensure timely delivery of infrastructure and learning resources

1 We are committed to the full implementation of K to 12, and will ensure timely and adequate delivery of education inputs including: physical infrastructure such as school buildings and facilities; quality learning materials and implements such as textbooks, libraries, and ICT-assisted learning; and, the hiring and professional development of teachers, both pre-service and in-service. We will put in place an effective and transparent system to monitor and evaluate the outcomes of K to 12 in terms of quality and access. We will defend our existing budget allocation, and work for its increase for 2017 and beyond to bring education spending closer to the ideal 4 to 6 percent of GDP as suggested by international standards.

2 We are responding to the directives of President Duterte on strengthening and enriching further curricular reforms on anti-illegal drugs, reproductive health, and disaster preparedness by:

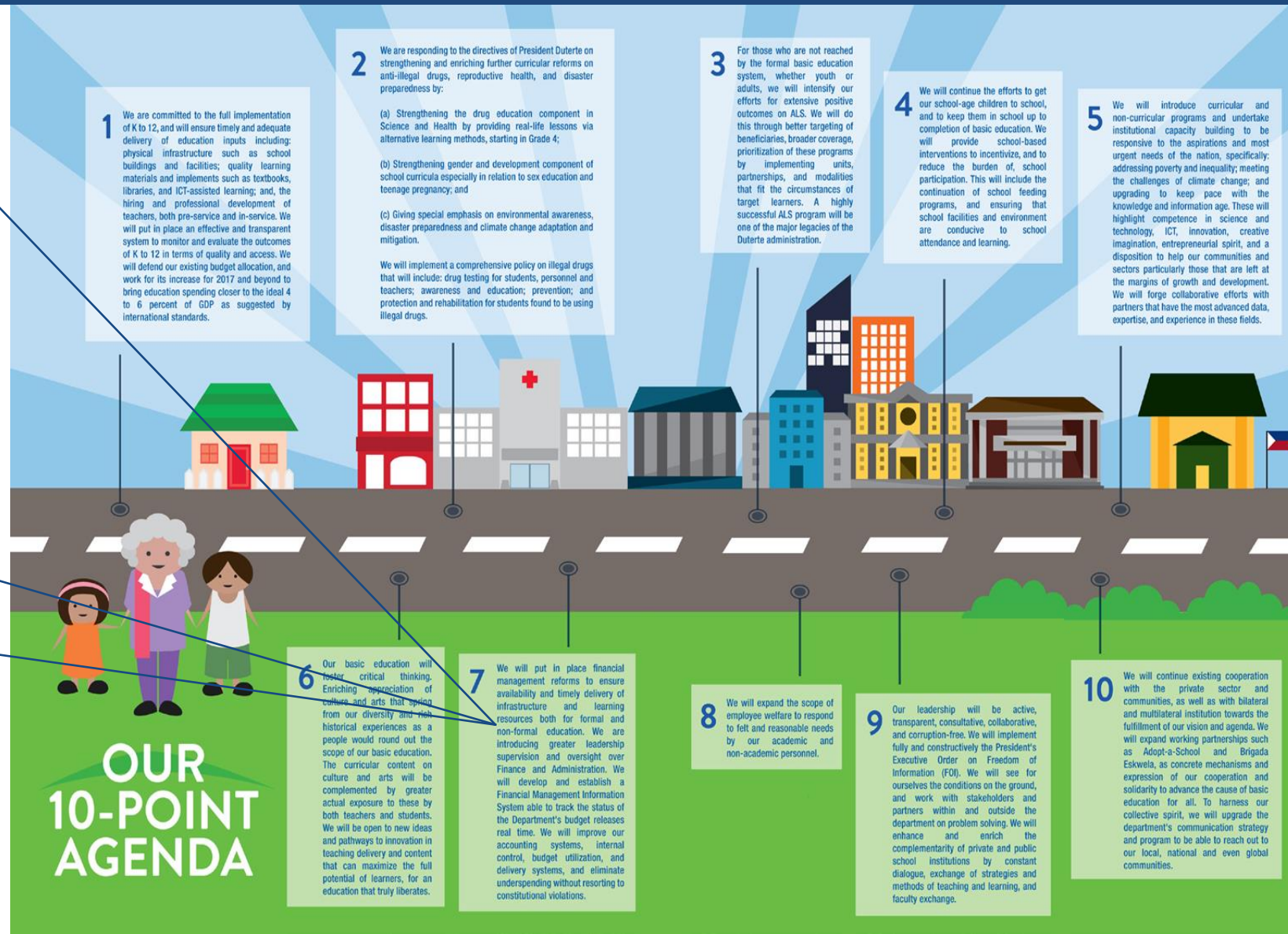
- (a) Strengthening the drug education component in Science and Health by providing real-life lessons via alternative learning methods, starting in Grade 4;
- (b) Strengthening gender and development component of school curricula especially in relation to sex education and teenage pregnancy; and
- (c) Giving special emphasis on environmental awareness, disaster preparedness and climate change adaptation and mitigation.

We will implement a comprehensive policy on illegal drugs that will include: drug testing for students, personnel and teachers; awareness and education; prevention; and protection and rehabilitation for students found to be using illegal drugs.

3 For those who are not reached by the formal basic education system, whether youth or adults, we will intensify our efforts for extensive positive outcomes on ALS. We will do this through better targeting of beneficiaries, broader coverage, prioritization of these programs by implementing units, partnerships, and modalities that fit the circumstances of target learners. A highly successful ALS program will be one of the major legacies of the Duterte administration.

4 We will continue the efforts to get our school-age children to school, and to keep them in school up to completion of basic education. We will provide school-based interventions to incentivize, and to reduce the burden of, school participation. This will include the continuation of school feeding programs, and ensuring that school facilities and environment are conducive to school attendance and learning.

5 We will introduce curricular and non-curricular programs and undertake institutional capacity building to be responsive to the aspirations and most urgent needs of the nation, specifically: addressing poverty and inequality; meeting the challenges of climate change; and upgrading to keep pace with the knowledge and information age. These will highlight competence in science and technology, ICT, innovation, creative imagination, entrepreneurial spirit, and a disposition to help our communities and sectors particularly those that are left at the margins of growth and development. We will forge collaborative efforts with partners that have the most advanced data, expertise, and experience in these fields.



OUR 10-POINT AGENDA

6 Our basic education will foster critical thinking, Enriching appreciation of culture and arts that spring from our diversity and rich historical experiences as a people would round out the scope of our basic education. The curricular content on culture and arts will be complemented by greater actual exposure to these by both teachers and students. We will be open to new ideas and pathways to innovation in teaching delivery and content that can maximize the full potential of learners, for an education that truly liberates.

7 We will put in place financial management reforms to ensure availability and timely delivery of infrastructure and learning resources both for formal and non-formal education. We are introducing greater leadership supervision and oversight over Finance and Administration. We will develop and establish a Financial Management Information System able to track the status of the Department's budget releases real time. We will improve our accounting systems, internal control, budget utilization, and delivery systems, and eliminate underspending without resorting to constitutional violations.

8 We will expand the scope of employee welfare to respond to felt and reasonable needs by our academic and non-academic personnel.

9 Our leadership will be active, transparent, consultative, collaborative, and corruption-free. We will implement fully and constructively the President's Executive Order on Freedom of Information (FOI). We will see for ourselves the conditions on the ground, and work with stakeholders and partners within and outside the department on problem solving. We will enhance and enrich the complementarity of private and public school institutions by constant dialogue, exchange of strategies and methods of teaching and learning, and faculty exchange.

10 We will continue existing cooperation with the private sector and communities, as well as with bilateral and multilateral institution towards the fulfillment of our vision and agenda. We will expand working partnerships such as Adopt-a-School and Brigada Eskwela, as concrete mechanisms and expression of our cooperation and solidarity to advance the cause of basic education for all. To harness our collective spirit, we will upgrade the department's communication strategy and program to be able to reach out to our local, national and even global communities.

FACTORS BEHIND IMPROVED BUDGET UTILIZATION



CONTINUOUS MONITORING AND REPORTING OF THE USE OF FUNDS



STREAMLINING AND EARLY DOWNLOADING OF FUNDS TO IMPLEMENTING UNITS



ROLL-OUT OF MULTI-YEAR GUIDELINES TO FAST-TRACK IMPLEMENTATION OF PROGRAMS, ACTIVITIES AND PROJECTS (PAPs)

FACTORS BEHIND IMPROVED BUDGET UTILIZATION



CREATION OF THE FINANCIAL MANAGEMENT REFORMS COMMITTEE (FMRC)



CREATION OF A TASK FORCE TO MONITOR THE PROGRESS OF FUNDS TRANSFERRED TO THE DBM-PS



RECONSTITUTION OF THE 6 BIDS AND AWARDS COMMITTEES (BACs)



OTHER DELIVERY INTERVENTIONS (i.e. Clustered conferences with Program teams to interface with Regional, division and school implementing units; use of technology and tools to monitor; feedback mechanisms)

OTHER DELIVERY INTERVENTIONS



What do people have to say about the Clustered Conferences?

“ We are happy to note the concrete directions being undertaken by the CDO to maximize the utilization of the DepEd budget that will result to effective/ efficient delivery of educational services.

“ All topics are insightful. My understanding about the financial aspect is broadened. I am more informed and guided in budget planning.
- Ma Liza R. Tablon

“ [The] Regional conference is very helpful in the execution of budget preparation. The commitments of the ExecCom are very helpful in working hard and striving for the best. I'm inspired with the discussions. Keep up po the good work! God Bless po!
- Estrelita L. David

“ Thank you for the opportunity. I've learned a lot from this conference that made me more confident in my responsibilities and accountabilities in my new school division.

“ This is a very good activity because the concerns of the RO's and DC's are addressed immediately.

“ The conference is excellent as the Execcom Leads reached out to the field for quality learning. Kudos team DepEd CDO! You're the best!



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EDUCATION PROGRAMS DELIVERY UNIT



The Education Programs Delivery Unit (EPDU) is an ad-hoc unit in DepEd Central Office created on November 25, 2016 under DepEd Order No. 71, s.2016



EPDU facilitates and coordinates the identification and resolution of bottlenecks and challenges of DepEd's delivery system

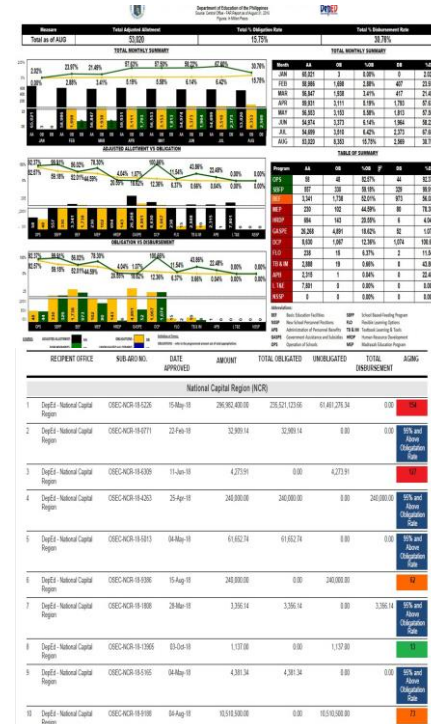


EPDU performs diagnostic assessment of the major programs of DepEd through review of the programs work and financial targets and schedules and budgets

3 COMPONENTS OF EPDU



**Portfolio &
Process
Management**



**Data Collection,
Reporting &
Analysis**



**Communications
& Engagement**

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WAYS FORWARD

WHAT WORKS

- Strengthened link between Planning and Finance
 - Service
- Obtained high budget Obligation Rate (97%) of the DepEd Budget

- Streamlined systems and processes (ie. Finance and Procurement)
- Instituted spot check and plug leakages bottlenecks, constraints, and challenges through enhanced policies

LESSONS LEARNED

- **No “one size fits all”** approach
 - Foundational and building blocks need to be established and institutionalized for a successful and **fully functional Delivery Unit**
 - DepEd is continuously finding ways to **improve systems, processes and procedures in the organization**
 - **Performance management needs to be at the very core** of the political agenda



PREPARING FOR THE SHIFT TO ANNUAL CASH-BASED APPROPRIATIONS (ACBA)

UNDERSTANDING ACBA

TIMELINE OF OBLIGATIONS, DELIVERY AND PAYMENTS



Obligation-Based Budgeting

Obligations incurred within the fiscal year can be delivered and paid for beyond the fiscal year

Cash-Based Appropriations

Obligations incurred within the fiscal year should be fully delivered, inspected and accepted before the fiscal year ends. Payments can be extended up to 3 months after the end of the fiscal year

IMPACT OF SHIFT TO THE DEPED

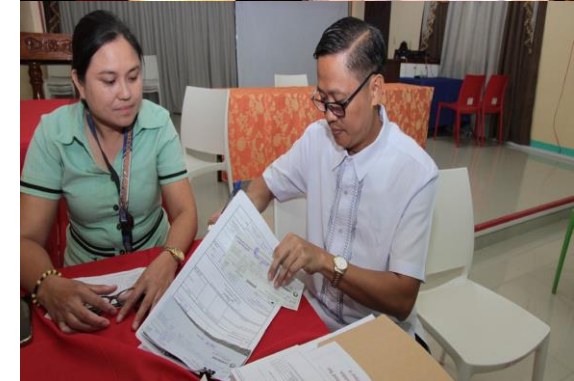
1

TIMELY DELIVERY OF EDUCATION PROGRAMS



2

DISCIPLINE IN BUDGETING



3

ACCOUNTABILITY TO DEPED STAKEHOLDERS



“

“THE CONTINUOUS IMPROVEMENTS IN THE DEPARTMENT ALL AIM TO **HELP IMPROVE THE WELFARE AND EFFICIENCY OF OUR TEACHERS AND PERSONNEL.**”



Leonor Magtolis Briones

 @secLMB  @SecLiling

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When DepEd delivers, DepEd serves



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