



# Policy Note



On 18 November 2016, the League of Cities organized a dialogue with national government agencies. The focus of the discussion with the Department of Budget and Management, Department of Education, and the Department of the Interior and Local Government are issues on the utilization of the 20% development fund, the special education fund (SEF), and the senior high school voucher program. The Department of Finance provided updates on the valuation reform bill and income classification bill while DOH addressed queries on drug rehabilitation program.

## SPECIAL EDUCATION FUND

## 20% DEVELOPMENT FUND

***Are there steps being undertaken to update the Joint Memorandum Circular on the utilization of the SEF to include other expenses and activities such as but not limited to utilities, senior high school requirements and teachers allowances?***

According to Director Rivera, all the expenses requested by LCP in its 7 November 2016 letter to Secretary Diokno to be chargeable to the SEF are included in the latest draft of the updated SEF guidelines except for the holding of teachers' events such as National Teachers Day and Annual General Assemblies of Teachers.

Director Rivera shared that in the latest draft of the updated guidelines, the following items can be charged against the SEF:

### **Operation and maintenance of public schools.**

This includes the compensation and allowances of teachers locally-hired in elementary and secondary schools identified to have shortages per teacher deployment analysis of the DepEd; allowances of nationally-hired elementary and secondary teachers; salaries and wages of utility workers and security guards which have not been provided in the DepEd budget; expenses pertaining to the operation of schools, which may include utilities and communication expenses; construction, repair, and maintenance of school buildings and other facilities for public and secondary schools; acquisition of laboratory, technical and similar apparatus and information technology equipment corollary supporting services (e.g. internet connection, maintenance, etc.); education research other than the research subject areas funded in the DepEd budget; purchase of library books and periodicals for the libraries of different elementary and secondary schools in the LGU and purchase of instructional materials workbooks and textbooks needed by public and elementary and secondary schools; sports development activities and related equipment and facilities which are supportive of the school's physical education programs.

***Can the repair and construction of barangay halls be charged to the 20% development fund?***

Director Leila Magda Rivera of DBM quoted Item 4.0 of the DILG-DBM Joint Memorandum Circular No. 2011-1 which states that if barangay halls will be used to carry out administrative functions, the repair and maintenance cannot be charged to the development fund but, if it will be used for authorized programs and projects, Item 3.0 of the same JMC states that its repair and maintenance can be charged to the 20% development fund.

According to Undersecretary Austere Panadero of the DILG, it is difficult to use the 20% development fund to finance the repair of legislative buildings and barangay halls because the guidelines are clear. However, barangay halls nowadays are set up as libraries or relocation centers during disaster. Thus, it serves various purposes. To be able to tap the 20% development fund for the construction of barangay halls, Usec. Panadero suggested that cities build multi-purpose buildings instead of barangay halls.

### **Funding for the ECCD Program.**

Direct services related to the ECCD Program, e.g. feeding, salaries/wages of Child Development Teachers and Day Care workers; organization and support of parent cooperatives to establish community-based ECCD programs; counterpart funds for the continuing professional development of ECCD public service providers; construction of facilities for the conduct of the ECCD program; expenses pertaining to the operation of the NCCDC, including but not limited to utilities and communication.