

REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SEVENTEENTH CONGRESS
First Regular Session

House Resolution No. 393



Introduced by **Kabataan Party-list Representative Sarah Jane I. Elago**

RESOLUTION

URGING THE HOUSE COMMITTEE ON APPROPRIATIONS TO RESTORE THE P351.9 MILLION BUDGET SLASHED BY THE DEPARTMENT OF BUDGET AND MANAGEMENT FROM THE MAINTENANCE AND OTHER OPERATING EXPENSES OF 35 STATE UNIVERSITIES AND COLLEGES IN THE PROPOSED 2017 NATIONAL BUDGET AND STUDY OPTIONS TO ESTABLISH FREE PUBLIC EDUCATION FOR ALL AT ALL LEVELS

WHEREAS, Section 1, Article XIV of the 1987 Constitution provides that: “The State shall protect and promote the right of all citizens to quality education at all levels and shall take appropriate steps to make such education accessible to all.”

Furthermore, Section 5(5) of the same Article states that: “The State shall assign the highest budgetary priority to education and ensure that teaching will attract and retain its rightful share of the best available talents through adequate remuneration and other means of job satisfaction and fulfillment;”

WHEREAS, in the proposed 2017 national budget, SUCs are given an immediately accessible budget of P56 billion, an increase of P8.7 billion or 18 percent from the current P47.4 billion. However, a closer scrutiny of the budget reveals that 57 state schools will still incur cuts in their budget.

Thirteen SUCs are set to incur cuts in their overall budget, while 35 schools are set to sustain cuts in their operating budget. The total budget for maintenance and other operating expenses (MOOE), for all SUCs, will actually decrease by P256 million, from the current P11.5 billion to P11.3 billion in 2017. Some 33 SUCs will also sustain cuts in their budget for capital outlay, including the University of the Philippines.

The following SUCs are affected:

1. SUCs with net budget decrease

School		NET BUDGET CUT (in '000)			
		2016	2017	Decrease	% cut
1	Philippine Normal University	760,883	756,150	(4,733)	(0.6)
2	North Luzon Philippines State College	83,211	71,068	(12,143)	(14.6)
3	Batanes State College	73,106	58,082	(15,024)	(20.6)
4	Quirino State University	231,110	163,689	(67,421)	(29.2)
5	Mindoro State University	227,908	221,642	(6,266)	(2.7)
6	Central Philippines State University	127,954	125,080	(2,874)	(2.2)
7	J.H. Cerilles State College	161,296	143,958	(17,338)	(10.7)
8	Northwestern Mindanao State College of Science and Technology	116,586	64,802	(51,784)	(44.4)
9	Compostela Valley State College	90,308	69,472	(20,836)	(23.1)
10	Cotabato State University	168,665	153,472	(15,193)	(9.0)
11	Adiong Memorial Polytechnic State College	70,836	60,651	(10,185)	(14.4)
12	Basilan State College	129,972	118,998	(10,974)	(8.4)
13	Tawi-Tawi Regional Agricultural College of Science and Technology	109,612	104,234	(5,378)	(4.9)

2. SUC with PS cut

School		PS BUDGET CUT (in '000)			
		2016	2017	Decrease	% cut
1	Compostela Valley State College	29,225	19,448	(9,777)	(33.5)

3. SUCs with MOOE cuts

School		MOOE BUDGET CUT (in '000)			
		2016	2017	Decrease	% cut
NCR					
1	Philippine Normal University	182,126	180,695	(1,431)	(0.8)
Region I - Ilocos					
2	Ilocos Sur Polytechnic State College	36,650	34,421	(2,229)	(6.1)
3	Pangasinan State University	119,622	117,062	(2,560)	(2.1)
Region II - Cagayan Valley					
4	Cagayan State University	119,333	114,067	(5,266)	(4.4)
5	Nueva Vizcaya State University	66,431	66,158	(273)	(0.4)
Region III - Central Luzon					
6	Central Luzon State University	198,072	186,610	(11,462)	(5.8)
7	Tarlac College of Agriculture	58,251	57,189	(1,062)	(1.8)
Region IV-A - CALABARZON					

8	Cavite State University	136,012	126,449	(9,563)	(7.0)
9	Laguna State Polytechnic University	105,922	99,746	(6,176)	(5.8)
10	Southern Luzon State University	115,005	112,272	(2,733)	(2.4)
11	University of Rizal System	72,881	67,528	(5,353)	(7.3)
Region V - Bicol					
12	Camarines Norte State College	50,301	43,015	(7,286)	(14.5)
13	Sorsogon State College	91,243	74,231	(17,012)	(18.6)
Region VI - Western Visayas					
14	Carlos C. Hilado Memorial State College	68,305	57,577	(10,728)	(15.7)
15	Iloilo Science and Technology University	100,563	71,673	(28,890)	(28.7)
16	Iloilo State University of Science and Technology	31,117	26,281	(4,836)	(15.5)
17	University of Antique	50,584	46,252	(4,332)	(8.6)
Region VII - Central Visayas					
18	Bohol Island State University	102,866	81,617	(21,249)	(20.7)
19	Cebu Technological University	196,049	155,418	(40,631)	(20.7)
Region VIII - Eastern Visayas					
20	Eastern Visayas State University	57,303	54,901	(2,402)	(4.2)
21	Naval State University	46,375	45,544	(831)	(1.8)
22	Northwest Samar State University	33,260	31,438	(1,822)	(5.5)
23	Palompon Polytechnic State University	18,907	17,893	(1,014)	(5.4)
24	University of Eastern Philippines	64,329	59,561	(4,768)	(7.4)
25	Visayas State University	139,758	138,164	(1,594)	(1.1)
Region IX - Zamboanga Peninsula					
26	J.H. Cerilles State College	41,964	30,031	(11,933)	(28.4)
27	Jose Rizal Memorial State College	104,476	97,482	(6,994)	(6.7)
28	Western Mindanao State University	147,490	110,138	(37,352)	(25.3)
Region XI - Davao Region					
29	Compostela Valley State College	22,567	22,557	(10)	(0.0)
30	Davao del Norte State College	38,206	31,611	(6,595)	(17.3)
31	Davao Oriental State College of Science and Technology	85,317	54,067	(31,250)	(36.6)
32	Southern Philippines Agri-Business and Marine and Aquatic School of Technology	41,378	27,792	(13,586)	(32.8)
33	University of Southeastern Philippines	173,816	138,336	(35,480)	(20.4)
Region XII - SOCCSKSARGEN					
34	Cotabato State University	37,815	30,637	(7,178)	(19.0)
35	University of Southern Mindanao	109,672	103,657	(6,015)	(5.5)

4. SUCs with CO cuts

School		CO BUDGET CUT (in '000)			
		2016	2017	Decrease	% cut
NCR					
1	Eulogio "Amang" Rodriguez Institute of Science and Technology	57,535	54,949	(2,586)	(4.5)
2	Philippine Normal University	264,398	82,410	(181,988)	(68.8)
3	Polytechnic University of the Philippines	104,606	82,410	(22,196)	(21.2)
4	University of the Philippines System	2,005,170	1,144,924	(860,246)	(42.9)
Region I - Ilocos					
5	North Luzon Philippines State College	44,978	27,467	(17,511)	(38.9)
Region II - Cagayan Valley					
6	Batanes State College	45,816	27,467	(18,349)	(40.0)
7	Nueva Vizcaya State University	83,306	82,410	(896)	(1.1)
8	Quirino State University	140,168	54,949	(85,219)	(60.8)
Region III - Central Luzon					
9	Aurora State College of Technology	60,816	54,949	(5,867)	(9.6)
10	Bulacan Agricultural State College	44,460	27,467	(16,993)	(38.2)
11	Don Honorio Ventura Technological State University	60,300	54,949	(5,351)	(8.9)
12	Philippine Merchant Marine Academy	36,316	20,000	(16,316)	(44.9)
Region IV-A - CALABARZON					
13	Southern Luzon State University	80,206	54,949	(25,257)	(31.5)
Region IV-B - MIMAROPA					
14	Mindoro State University	81,339	54,949	(26,390)	(32.4)
15	Occidental Mindoro State College	61,668	54,949	(6,719)	(10.9)
Region V - Bicol					
16	Bicol University	118,938	109,948	(8,990)	(7.6)
17	Bicol State College of Applied Sciences and Technology	39,941	27,467	(12,474)	(31.2)
18	Camarines Norte State College	59,650	54,949	(4,701)	(7.9)
Region VI - Western Visayas					
19	Central Philippines State University	39,979	27,467	(12,512)	(31.3)
20	Guimaras State College	38,612	27,467	(11,145)	(28.9)
Region VII - Central Visayas					
21	Bohol Island State University	66,579	54,949	(11,630)	(17.5)
22	Cebu Normal University	84,981	82,410	(2,571)	(3.0)
Region VIII - Eastern Visayas					
23	Eastern Visayas State University	84,172	82,410	(1,762)	(2.1)
Region IX - Zamboanga Peninsula					
24	J.H. Cerilles State College	48,151	27,467	(20,684)	(43.0)
25	Jose Rizal Memorial State College	55,008	54,949	(59)	(0.1)
Region X - Northern Mindanao					
26	MSU - Iligan Institute of Technology	211,274	109,948	(101,326)	(48.0)

27	Northwestern Mindanao State College of Science and Technology	85,822	27,467	(58,355)	(68.0)
Region XI - Davao Region					
28	Compostela Valley State College	38,516	27,467	(11,049)	(28.7)
Region XII - SOCCSKSARGEN					
29	Cotabato State University	53,707	27,467	(26,240)	(48.9)
30	Cotabato Foundation College of Science and Technology	40,516	27,467	(13,049)	(32.2)
Autonomous Region in Muslim Mindanao					
31	Adiong Memorial Polytechnic State College	38,620	27,467	(11,153)	(28.9)
32	Basilan State College	48,959	27,467	(21,492)	(43.9)
33	Tawi-Tawi Regional Agricultural College of Science and Technology	46,102	27,467	(18,635)	(40.4)

WHEREAS, when totaled, the cuts in the MOOE of 35 state schools amount to P351.9 million. Some of the heaviest MOOE cuts include Davao Oriental State College of Science and Technology (36.6% decrease), from the current P85.32 million down to P54.07 million; Southern Philippines Agri-Business and Marine and Aquatic School of Technology (32.8% decrease), from P41.38 million down to P27.79 million; Iloilo Science and Technology University (28.7% decrease), from P100.56 million down to P71.67 million; and J.H. Cerilles State College (28.4% decrease), from P41.96 million down to P30.03 million;

WHEREAS, Eastern Visayas is the region most affected by the MOOE cuts, with six schools in the region affected. At close second is the Davao Region, with five state schools set to incur MOOE cuts;

WHEREAS, 33 state schools will meanwhile incur CO cuts totaling P1.64 billion. Despite the nominal increase in the CO budget of state schools (from P8.98 billion up to P9.02 billion), 33 SUCs will have their CO budget slashed. The largest decrease will be suffered by the University of the Philippines System (UP), which is set to incur an P860 million budget cut for its CO;

WHEREAS, to further highlight the underfunding of SUCs, it should be noted that the DBM actually approved for inclusion in the National Expenditure Program only a fraction of the total proposed budget for CO of SUCs.

For example, based on the budget proposal it submitted to the DBM, the Philippine Normal University originally proposed P911 million for CO but the DBM only approved P82.4 million or about 9% of its original proposal. Despite a law designating PNU as the National Center for Teacher Education, the appropriation of funds to fully implement this law lacks greatly. By virtue of RA 9647 (Section 8), also known as the Philippine Normal University Modernization Act of 2009, the State will grant the university P250 million for fiscal year 2009 and another P100 million per year for the next five years thereafter (on top of the annual appropriations for capital outlay of the university). These funds will be used to help the university realize its mandate of providing quality teacher education to aspiring educators thru the establishment of teacher training facilities, acquirement of equipment, etc.

However, in the five years following 2009 (i.e. 2010-2014), PNU has only received a total of P138.85 million. In fact, for the years 2011 and 2012, it has no capital outlay budget. Because of the lack of funding, the university cannot fully perform its duty as mandated by law. In particular, the construction of the P477.5 million PNU Convention and Training Center, as provided under RA 9647, remains in the backlog.

Other examples are the Polytechnic University of the Philippines (PUP) and Bulacan State University (BulSU). Based on the budget proposals they submitted to the DBM, PUP originally requested an amount of P953.4 million for CO, but the DBM, as per the NEP, only approved P82.41 million or about 8.6% of the original proposal. Meanwhile, BulSU is also set to receive P82.41 million (or 6.7% of the original proposal) as CO budget but it's a far cry from the original proposal of P1.23 billion. They are forced to push back the construction of much-needed school buildings, dormitories, and other facilities because of the lack of funding.

In addition, the Mindanao State University-Tawi-Tawi College of Technology and Oceanography, the only college in the country authorized to offer degree programs in Oceanography, cannot fulfill its mandate of undertaking researches in marine sciences and oceanography as it does not have an Oceanographic Research and Training Vessel estimated to be worth P255 million. The acquisition of this training vessel will go a long way in fulfilling the university's mandated mission to produce graduates, researchers, and scientists who will become effective managers and guardians of the oceans. In a letter sent by MSU-TCTO Chancellor Lorenzo Reyes to legislators, the acquisition of said vessel has already been recommended by both Houses of Congress in last year's General Appropriations Act but the State still failed to provide appropriate funding;

WHEREAS, data from the Department of Budget and Management reveals that the annual subsidy to our state schools – despite its gradual increase over the years – fall short by an average of P17 billion.

Based on DBM's Budget Expenditures and Sources of Financing (BESF), while the total expenditure of 114 SUCs in the country amounts to an average of P65 billion annually, the government provision for SUCs falls short by P17 billion, amounting to an average of only P48.5 billion since 2014. The following data culled from the BESF depicts the said shortage:

TOTAL EXPENDITURES OF SUCs 2014-2017 (IN '000 PHP)			
Year	Expenditure from government subsidy	Expenditure from internal income	Total Expenditures
2014	38,372,068	14,395,265	52,767,333
2015	47,172,351	16,765,158	63,937,509
2016 (Estimates)	49,661,330	19,505,822	69,167,152
2017 (Estimates)	58,811,968	17,836,382	76,648,350
Average	48,504,428	17,125,656	65,630,086

WHEREAS, in the past years, we have witnessed the gradual dilution of the public character of our state schools. Education has been reduced to being a lucrative business milking the youth and our parents dry for profit.

SUCs are actually utilizing various to earn income, including charging tuition and other fees and utilizing assets. Since 2010, we have seen a steady increase in tuition rates and a sharp increase in the collection of other school fees (OSFs). These collections are no less than profiteering measures driven by massive deregulation, privatization, and denationalization of education.

Since 2010, the annual internal income of all SUCs amount to an average of P36 billion, two-thirds or almost P11 billion of which comes from fees paid by students. Next year, the DBM projects that SUCs will spend a total of P76.65 billion, of which P17.84 billion is expected to be financed by internal income;

WHEREAS, despite the expected lower enrolment in public higher education institutions next academic year due to the implementation of the K-12 program, the Department of Budget and Management expects the country's 114 SUCs to earn a total of P43.3 billion in combined internal income, including fees collected from students. Of the P43.3 billion, P7.8 billion will be sourced from tuition collection while P4.4 billion will be from other income collected from students.

What is worrisome is that our state schools might introduce new and higher fees in the coming year just to meet the internal income target despite the expected lower enrolment. These figures show us that the policy of charging higher fees to students remains largely intact. In the end, students stand to lose much if the government continues in this pathway towards increasing unaffordability and inaccessibility of even our state schools.

Thus, it is apparent that the 1.6 million SUC students are the real victims in the continued underfunding of the government for our SUCs. Due to insufficient funds, states schools intensify the collection of tuition and other fees;

WHEREAS, with at least 114 legislators supporting the call for greater state funding for SUCs, it is but just and reasonable for the House Committee on Appropriations to consider restoring even just the P351.9 million slashed in the MOOE of 35 SUCs. In fact, we further compel the committee to also restore the budget slashed in the CO of 33 state schools. This representation is urging the Committee on Appropriations, headed by the Hon. Karlo Nograles, to study options on where to source funds that will be used to augment the budget of these schools;

WHEREAS, higher education is an instrument of empowerment and thus contributory for national development. Higher education serves a public and social purpose. Contrary to current market-driven economic policies, higher education is a public good and should not be left vulnerable to free market forces and commercial interests. Underfunding public higher education is tantamount to undermining the future of the nation;


WHEREAS, the government's current budget framework for state schools is contradictory to its intention of developing public education. For years, our students and constituents have called for greater state funding for education. Yet, a nominal increase, such as we see in the 2017 budget, hardly suffices. What our state schools need is a substantial increase – an additional budget that could match their actual funding requirement. Greater state funding is needed for our schools to regain their public character, and provide ample support for student services and faculty development;

WHEREAS, we need a kind of education that will capacitate the youth as agents of social change. It is, therefore, imperative for us to collectively advance our demands to strengthen public education. Without education, the nation's chance for national progress and development is left to chance;

WHEREAS, the only way forward is to pass a law establishing free public education for all at all levels, meaning students will no longer have to pay for his/her right to education. More than that, what is needed is a complete overhaul of the current system of education – repeal all existing deregulation and commercialization policies in education, and establish a nationalist, scientific, and mass-oriented system of education;

1 **NOW THEREFORE BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, that
2 the House Committee on Appropriations restore the P351.9 million budget slashed by the
3 Department of Budget and Management from the maintenance and other operating expenses
4 of 35 state universities and colleges in the proposed 2017 budget and study options to
5 establish free public education for all at all levels.

Adopted,


HON. SARAH JANE I. ELAGO
Representative, Kabataan Party-list