

# **Orientation-Workshop on Normative Funding for SUCs/Campuses in Region-IX and Utilization of Income Generating: An Impact Study**

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## **ABSTRACT**

The purpose of this impact study was to determine the relevant learning experiences of the ZCSPC participants in the Orientation-Workshop on Normative Funding for SUCs/Campuses in Region IX and Utilization of Income Generating and how they implemented the learning experiences, relevant to their duties and responsibilities, in the College. The qualitative research design was utilized. The purposive sampling technique was used since the respondents were the identified ZCSPC participants. The data were collected using the one-on-one interview between the respondent and the researcher. The findings revealed the

following salient concerns affecting the normative funding: a.) the budget officer did not adopt the Aklan State University model policy on the use of income and opted to follow the ZCSPC's existing policy on the use of income up to the present; b.) the advice to strictly implement the PhilGEPS was adopted by the College and gradually implemented in its procurement system; c.) the workload misconceptions of the faculty members were given attention through the initial workload policy revision made by the VPTAA (2009). The Administration resorted to the hiring of visiting lecturers and the implementation of the biometric system until the faculty members fully understood the workload policy through the CHED-HEMIS guidelines on August 2013. It is recommended that ZCSPC Administration strictly follow the guidelines set by CMO No. 20, s. 2011; strictly monitor PhilGEPS postings; and fully implement the vertical articulation.

**Keywords** — Normative Funding, Vertical Articulation, PhilGEPS, Use of Income, qualitative research, Philippines

## INTRODUCTION

The concept of Normative Funding is being implemented in the Philippines on the basis of the DBM-CHED Joint Circular No. 2, s. 2004 dated August 3, 2004 entitled “Application of Normative Funding (NF) in the Allocation Expenditures to State Universities and Colleges (SUCs) Starting FY 2005 Budget and Thereafter”.

As presented in the orientation-workshop by the CHED-OPRI, normative funding introduced a more refined process/procedure in the distribution of SUCs funds starting FY 2005. *Normative Funding* refers to the application of a set of prescribed objective criteria and norms that are designed to promote and reward quality instruction, research and extension services, and financial prudence and responsibility. Its purposes are as follow:

- To further rationalize the allocation of funds to SUCs;
- To improve delivery service in the field of instruction, research and extension;
- To harmonize the programs and course offerings of SUCS to the national thrusts and priorities;
- To reward or encourage quality teaching and extension services; and
- To encourage SUCs to improve cost recovery measure, practice fiscal prudence and maximize resources.

It was also pointed out in the presentation that NF shall be applied in determining the allocation of government subsidy for each SUC included in the GAA. The allocation process shall take into consideration the allotment class: *Personal Services (PS), Maintenance and Other Operating Expenses (MOOE) and Capital Outlays and the trifocal function of SUCs: instruction, research and extension.*

In the interest of wide dissemination of the refined process of allocation of expenditures to SUCS (Normative Funding), the Commission on Higher Education (CHED) conducted the orientation-workshop on normative funding and the utilization of income generating for SUCs in the regions of Zamboanga Peninsula, ARMM and SOCSARGEN on November 22-23 2009.

The Zamboanga City State Polytechnic College (ZCSPC) was tasked to facilitate the logistics aspect of the orientation-workshop and entrusted with a budget of P200, 000.00 by the CHED. The purpose of this impact study, along with the liquidation of the said budget, is to find out the knowledge acquired by the ZCSPC participants in the orientation-workshop and the implementation thereof in the College.

## **OBJECTIVES OF THE STUDY**

The main objective of the study was to determine the impact of the implementation of the relevant learning experiences from the orientation-workshop on normative funding. Specifically, it aimed to determine the relevant learning experiences of the ZCSPC participants acquired in the orientation-workshop on normative funding and its extent of implementation.

## **FRAMEWORK**

CHED began intensifying its efforts on informing as well as engaging SUCs throughout the country into training workshops on normative funding and Higher Education Management Information System (CHED-HEMIS) especially in 2013.

CHED applied the revised Normative Financing on 100% of the SUCs' allocation for Maintenance and Other Operating Expenses (MOOE) in 2013. – *CHED Highlights of Accomplishments (January to December 2011).*

In Region II, the experience of the SUCs on said training was reported in the article of *Francisco (2013)* published on the CSU official website entitled, *CSU*

*Carig Hosts CHED's HEMIS Workshop.* Francisco wrote the following lessons learned from the workshop:

*During the opening program, Lasam, speaking on behalf of CHED R02 Regional Director Evelyn Pascua, said the NU-UGDF and CHECKS reports the MIS heads and registrars submit to the commission are "very vital to the attainment of the targets of your institutions."*

*"The reports you send us mean a lot to your budget preparation and normative financing and will have an effect to your performance as an institution," Lasam said. "That's why we should not give this work a least priority," she added.*

*Lasam also appealed to the participants to submit to CHED not only complete and accurate reports but also timely and updated institutional data.*

Similarly, the SUCs from Region IX also had a share of the CHED-HEMIS training workshop entitled *Annual Registrars and MIS Officers Orientation/ Training and Higher Education Data Collection* held at the Jose Rizal Memorial State University (JRMSU) from July 28 to 31, 2013 which ZCSPC participated.

Among other CHED advices and recommendations discussed in the training workshop, the ZCSPC Registrar Josephine J. Divinagracia reported the following two highlights that have relevance to this study:

a.) *Faculty Profile Issue*

Based on the vertical articulation, a faculty member's degree must be in line with his/her bachelor's degree. Vertical articulation should be followed in terms of faculty qualification. For example, if the baccalaureate degree of the faculty member is BS Agriculture and his/her Master's Degree is in another field of specialization, the entry in the faculty profile form follows the baccalaureate degree.

The vertical articulation would help strengthen the faculty profile. Quality faculty profile would greatly help in the ZCSPC's SUC Leveling, Normative Funding and Programs Accreditation.

b.) *The Importance of CHED-HEMIS Forms*

Dr. Rody Garcia gave emphasis on the need for the universities and colleges to completely and accurately fill-up the CHED HEMIS forms. This serves as the

basis which the Government will use to decrease, retain, or increase the MOOE share of the university or college.

A policy impact analysis was conducted by Campiseño and Carreon (2009) to determine the impact of normative financing on the SUC budgets. Results revealed that although the efficiency, effectiveness, growth and equity measures showed improvements since NF was implemented, the overall impact of NF on the SUC budgets and operations is not statistically significant as yet.

## METHODOLOGY

A qualitative research design was used for this impact study. The purposive sampling technique was used since the respondents were the identified ZCSPC participants of the orientation-workshop. The data were collected using the one-on-one interview between the respondent and the researcher.

## RESULTS AND DISCUSSION

The participants were interviewed in order to determine the learning experiences they acquired from the orientation-workshop on normative funding and the implementation thereof in the performance of their duties and responsibilities.

Below are the transcripts of the interview of the respondents on what they learned from the orientation-workshop and how they implemented in the College what they learned.

### **Interview with the Budget Officer**

#### ***Relevant Learning Experiences Acquired from the Orientation-Workshop***

From the interview with the Budget Officer, the following were the things she learned from the orientation-workshop:

- 1) Guidelines on the preparation of budget on the use of income collection;
- 2) Income should be allocated as to
  - a.) Special Trust Fund (STF) and
  - b.) Fiduciary Fees; and
- 3) Business income such as the Income Generating Projects (IGP).

The budget officer further explained that the STF for Instruction was grouped into four categories namely the *faculty development, curriculum development, facilities development, and student development.*

She also explained that the increase or decrease of the budget allocation for the Maintenance and Other Operating Expenses (MOOE) is dependent on the actual outputs or accomplishments of the College submitted to the Commission on Higher Education (CHED) and the Department of Budget and Management (DBM). She even cited the drop of the MOOE budget allocation of P12 Million in 2013 to P10 Million in 2014. The cause of this decrease was due to lack of reportorial documents submitted to CHED and DBM in 2012 with some discrepancies discovered on some of the CHED-HEMIS forms.

During the seminar, the participants were made to create a policy on the use of income with an option to follow the model of Aklan State University as stated below:

Instruction	–	50%
Research	–	10%
Extension	–	10%
Production	–	10%
Administration	–	10%
Mandatory Reserve	–	10%

However, since Zamboanga City State Polytechnic College (ZCSPC) was already practicing its own policy on the use of income, the budget officer opted to follow the said existing policy up to the present. The actual ZCSPC policy on the use of income is as follows:

Instruction	–	62%
a.) Faculty Development	–	16%
b.) Student Development	–	16%
c.) Facility Development	–	16%
d.) Curriculum Development	–	14%
Administration	–	30%
Research	–	2%
Extension	–	2%

Production	– 2%
Mandatory Reserve	– 2%

When asked why the research allocation is only 2%, the budget officer answered that during the fiscal years of 2009 and 2010, the College did not engage into conducting researches. Hence, the budget allocation for research was not utilized.

### ***Implementation of Relevant Learning Experiences Acquired from the Orientation-Workshop***

Since research is very important in the growth of a higher education institution, and since the 10% research budget allocation model of Aklan State University was lately strengthened through the CMO No. 20 in 2011, the interviewee asked the budget officer if ZCSPC can increase its research budget allocation from 2% to 10%.

The budget officer said that this can be done as long as the College can provide its actual research needs. She further added that the Research Office must submit research proposals to the College President through the Vice President for Research, Extension and Production as supporting documents which justify the proposed budget increase.

Until then, ZCSPC still follows the old policy stated above.

### **Interview with the Supply Officer**

#### ***Relevant Learning Experiences Acquired from the Orientation-Workshop***

From the interview with the Supply Officer, she discussed the new policy in the procurement system (R.A. 9184) which is the Philippine Government Electronic Procurement System (PhilGEPS) as what she learned in the orientation-workshop. She said that the PhilGEPS was not strictly implemented in the College during the years 2009 to 2010.

#### ***Implementation of Relevant Learning Experiences Acquired from the Orientation-Workshop***

Since all SUCs were advised during the orientation-workshop to strictly implement the PhilGEPS policy together with the COA recommendation of the same, the College gradually implemented the policy after 2010. This requires the suppliers to engage into transaction with ZCSPC only through PhilGEPS except

for the small order supplies which the College does through the *shopping method* of procurement.

The supply officer also mentioned that there is a present policy on procurement of common supplies and materials. It requires the SUCs to submit their purchase requests to DBM since the latter is the agency to purchase the items requested.

The strict implementation of the PhilGEPS policy is the impact of the orientation-seminar towards the College, she added.

### **Interview with the Vice President for Technological and Academic Affairs (2009)**

#### ***Relevant Learning Experiences Acquired from the Orientation-Workshop***

Drafting of the workload policy was what the Vice President for Technological and Academic Affairs (VPTAA) learned from the orientation-workshop. There was an intense discussion on the minimum and maximum teaching load for faculty members, especially the shop laboratory teachers. It raised a number of interpretations during the workshop.

#### ***Implementation of Relevant Learning Experiences Acquired from the Orientation-Workshop***

From the output of the discussion during the orientation-workshop, the VPTAA drafted the revision of the workload policy of the College. However, said revision was not fully implemented in the ZCSPC since he observed that there were still many faculty members who were claiming for their overload pay.

Because of the workload problem, the Administration invited the Commission on Audit (COA) to seek for advice on the issue. The COA representative informed the teachers that by COA rulings, the faculty members would not be paid beyond their six (6) hours overload and the payment for which would still be subject to budget availability of the College.

With said advice, the Administration resorted to adopt the biometric system and started hiring visiting lecturers to reduce the workload of the regular teachers.

On August 2013, the faculty members were given a clearer picture on the teaching load policy when it was explained to them through the CHED-HEMIS guidelines. It states that the faculty members are not paid by the number of hours but by the number of units. Hence, correcting the misconception of the faculty members that they are being paid by the number of hours.



## **Interview with the Human Resource Management Director**

### ***Relevant Learning Experiences Acquired from the Orientation-Workshop***

The HRM Director recalled assimilating some inputs on how to fill-up the E-2 Form of the CHED-HEMIS during the orientation-workshop. However, she informed the interviewee that there was no formal training of said task since it was the responsibility of the EMIS Head to fill-up the form with pertinent human resource management data that her office could provide.

She also added that she only assumed the responsibility of filling up the E-2 Form in aid to the EMIS Head when the computer unit of the latter malfunctioned and all the HEMIS data of the College got lost.

## **Interview with the Accountant**

When requested for an interview, the Accountant informed the interviewee that she did not attend the said orientation-workshop on normative funding. She, however, agreed with the budget officer that if the College plans to increase the budget allocation for research from 2% to 10%, the Research Office must present a proposal for the budget increase as the justification.

In the CHED-HEMIS, it is the budget officer who prepares the Forms G and H with the accountant as the signatory, she added.

## **Interview with the College Registrar, Vice President for Administration and Finance (VPAF) and the President**

Adhering to the tall order of the normative funding, this study also invited the College Registrar, VPAF (and concurrent VPTAA) and the President for an interview. It sought to find out what their plans are, in the context of sustainability of policy implementation, to address the salient concerns directly affecting normative funding.

## **Interview with the VPAF and concurrent VPTAA**

When asked what is the plan of the VPAF on the need to increase the budget allocation for research from 2% to 10%, he answered as follows:

The actual budget for research is P400,000.00 from the GAA. He informed the interviewee that he had discussed with the budget officer means and ways to implement the proposed 10% increase in the research budget allocation. The VPAF also proposed an additional P1 Million budget for research which would be charged against the realignment of other budget from MOOE and STF.

This plan likewise supports the 5<sup>th</sup> purpose of the normative funding that is *improving cost recovery measure* (through researches that are potential IGPs with strategic application) and *maximizing utilization of minimum resources* (through realignment of excess funds in support of the increase of budget for research being an important component of an HEI).

### **Interview with the President**

When asked what her plans in support of normative financing are, the President discussed more on vertical articulation on the aspect of teaching loads. She pointed out that it is imperative to first give full teaching loads to the regular teachers before hiring visiting lecturers. This way, austerity measure is practiced by fully utilizing the services of the regular faculty members.

The President also stressed that the entry point of teachers in ZCSPC must be based on their vertically articulated masters degree.

### **Interview with the College Registrar**

It is to be noted that the College Registrar has been designated as the focal person in the accomplishment of the CHED-HEMIS forms as far as report validation is concerned while the EMIS Head is the focal person in the collecting, processing and encoding the relevant data into the CHED-HEMIS Forms for submission to CHED.

The College Registrar informed the interviewer that she was designated in her present position in 2010 and was advised by CHED to submit the CHED-HEMIS forms with data from 2007, 2008, and 2009.

When asked how she managed to accomplish the said report, the College Registrar said that she had to do extensive research on the manner of reporting in the prescribed CHED formats since she did not have a proper training on the matter.

It was only in 2010 that she had the opportunity to attend the workshop on CHED-HEMIS and report submission. It was only after attending the said workshop that she realized the importance of the submission of complete and accurate data and reports to CHED following the prescribed formats. She stressed that the MOOE budget allocation of the College is dependent on the output of the reports.

In 2012, the College Registrar told the interviewer that she encountered the following problems relative to the different CHED-HEMIS forms:

1. Lack of data in Form B and Form E; and
2. Discrepancy on the faculty profile.

It was also in this year that she received a number of phone calls from CHED questioning the reasons for the abovementioned problems.

When asked what interventions the Administration used to resolve the issue and to avoid similar problem in the future, the College Registrar said that in 2013 the Administration, with the initiative and support of Dr. Nilo D. Partosa, VPTAA (S.Y. 2013), focused all efforts in correcting and realigning all the data of the different CHED-HEMIS forms. This was done by interviewing and engaging into dialogues with concerned officials and faculty members.

The retrieved first-hand information was used in filling-up the CHED-HEMIS forms. A three-person committee was formed to administer this approach, to conduct troubleshooting of data, and to completely and accurately fill-up all the required forms. It took the committee 27 days to accomplish the task before the compiled reports (filled-up CHED-HEMIS forms) were submitted to CHED.

Because of the intensive effort in correcting the data, the ZCSPC was recognized by CHED as the first SUC in Region IX to submit with complete and correct data for 2013, she added.

## CONCLUSION

The relevant information acquired by the Budget Officer from the orientation-workshop was not adopted into the policy of the College in the use of income. She opted to follow the original policy of the College in the use of income up to the present.

The supply officer learned from the orientation-workshop the need to strictly follow the PhilGEPS as the new way of procuring items for the College. She gradually implemented the system after 2010. Hence, ZCSPC is now strictly following the PhilGEPS as the mandate of the R.A. 9184. The then VPTAA used the orientation-workshop discussion output on workload to revised the workload policy of the College. However, it was not fully implemented due to some misconceptions of the faculty members on the workload policy. It was then that the Administration exerted efforts in resolving the issue through the hiring of visiting lecturers and the employment of the biometric system. The workload misconception was fully explained to the faculty members in August 2013 through the CHED-HEMIS guidelines.

The lessons learned from the orientation-workshop on normative funding were not effectively implemented from 2009 to first half of 2013. Some key

officials of the College still follow the traditional and routinary practices in accordance to their duties and responsibilities without implementing the NF requirements. The accomplishment of the normative funding had only been objectively and effectively accomplished during the calendar year 2013.

## RECOMMENDATIONS

There is a need for the ZCSPC Administration to follow the guidelines on budget allocation set by the CMO No. 20, s. 2011. Strict monitoring on the PhilGEPS postings of all invitations to bid and awarded contracts to meet the condition of good governance. Vertical articulation must be fully implemented as basis for the granting of faculty teaching loads or workloads. Faculty development program shall be implemented as required in the CHED-HEMIS.

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