



FY 2014 BUDGET OF THE DEPARTMENT OF TRADE AND INDUSTRY

FY 2014 DTI Budget

Particulars	Amount (000)
Attached Agencies	
Office of the Secretary	3,928,050
Board of Investments	276,572
Construction Authority of the Philippines	65,372
Construction Manpower Development Foundation	25,495
Philippine Trade Training Center	36,345
Design Center of the Philippines	74,504
Attached Corporations	
Aurora Pacific Economic Zone and Freeport Authority	48,500
Center for International Trade Expositions and Missions	190,443
Cottage Industry Technology Center	9,000
Small Business Corporation	100,000
Source: FY 2014 GAA (RA 10633)	

Mandate

The Philippine Department of Trade and Industry (DTI) is the executive department of the Philippine Government tasked to expand Philippine trade, industries and investments as the means to generate jobs and raise incomes for Filipinos. It acts as catalyst for intensified private sector activity in order to accelerate and sustain economic growth through comprehensive industrial growth strategy, progressive and socially responsible trade liberalization and deregulation programs and policymaking designed for the expansion and diversification of Philippine trade---both domestic and foreign.

The DTI shall endeavor to improve the business environment, increase productivity and efficiency, and enhance consumer welfare. By 2016, the following would have been achieved:

1. Improve country's competitiveness. Land in the top one-third ranking (for country's competitive environment for the firms) in major international surveys;
2. Generate 4.6M employment from industry and services sector, 2M of which shall come from MSME sector;
3. Increase the level of awareness of consumers on their rights and responsibilities from 50% to 80%.

FY 2014 Proposed Expenditure Program

The Expenditure Program of the Department of Trade and Industry and its attached agencies and corporations is set at **P4.789 billion for 2014**. This amount consists of **P4.672 billion** in new appropriations; **P99.553 million** for the retirement and life insurance premiums; and **P16.931 million** to fund the Micro Small and Medium Enterprise Development (MSMED) Council under Fund 151. The Department's budget will post an overall net increase of **P586.396 million or 13.95%** as compared to its **2013 level of P4.203 billion**, refer to Table 1.

Table 1.

Budget by Attached Agencies and Corporations

Comparative Appropriations and Obligations, FY

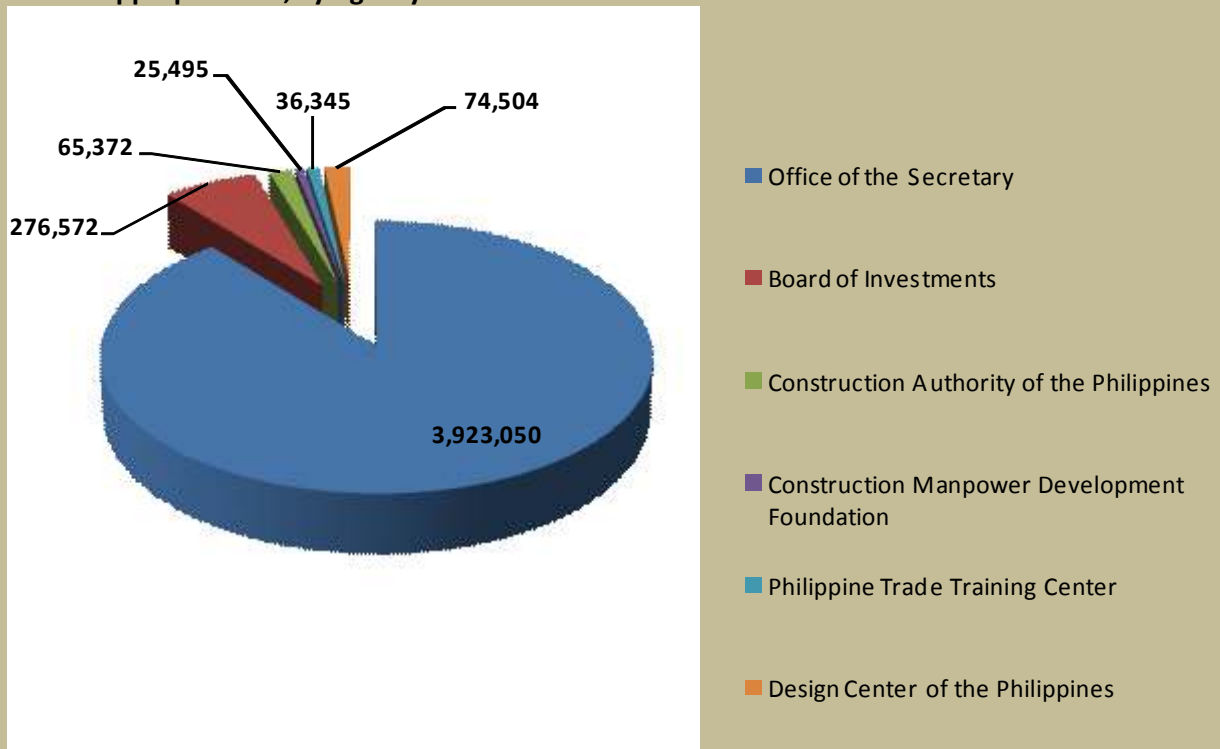
2012-2014

(In Thousand Pesos)

Particulars	2013 GAA	2014 GAA		Variance	
		Amount	% share	Amount	%
Attached Agencies					
Office of the Secretary	3,106,168	3,923,050	81.91	816,882	26.30
Board of Investments	260,640	276,572	5.77	15,932	6.11
Construction Authority of the Philippines	63,444	65,372	1.36	1,928	3.04
Construction Manpower Development Foundation	23,540	25,495	0.53	1,955	8.31
Philippine Trade Training Center	37,325	36,345	0.76	(980)	(2.63)
Design Center of the Philippines	53,283	74,504	1.56	21,221	39.83
Sub-total	3,544,400	4,401,338	91.90	856,938	24.18
Attached Corporations					
Aurora Pacific Economic Zone and Freeport	353,500	76,000	1.59	(277,500)	(78.50)
Center for International Trade Expositions and	96,810	186,443	3.89	89,633	92.59
Cottage Industry Technology Center	9,000	9,000	0.19	-	0.00
Sub-total	459,310	271,443	5.67	(187,867)	(40.90)
Total New Appropriations	4,003,710	4,672,781	97.57	669,071	16.71
Add: Automatic Appropriations					
RLIP	100,159	99,553	2.08	(606)	(0.61)
GTEB Fund	99,000			(99,000)	(100.00)
MSMED Fund		16,931	0.35	16,931	
Sub-total	199,159	116,484	2.43	(82,675)	(41.51)
TOTAL OBLIGATIONS, DTI	4,202,869	4,789,265	100.00	586,396	13.95

Source: 2014 BESF/NEP

Fig. 1
FY 2014 Appropriations, By Agency



DTI's budget accounts for 0.21% of the total budget of the national government pegged at P2.268 trillion. On a sectoral basis, DTI's 2014 obligations is 0.81% of the total Economic Services Sector of P590.220 billion and 61.87% of the Trade and Industry Sector of P7.741 billion.

Based on Table 2, the Office of the Secretary shall receive the biggest appropriations of P3.928 billion or 80.65% of the total DTI budget pie and will also have the largest increment of P821.882 or 26.46% as against the 2013 level. The increase is mainly due to provision of additional budgets in most of the regular programs and new projects of the Office of the Secretary.

The smallest allocation of P9.0 million or 0.19% will be for the Cottage Industry Technology Center, an attached corporation. CITC's budget for 2014 will be the same as that of the current level.

CITEM, an attached corporation under the Trade & Investment Promotions Group of the department, will also receive a hefty amount of P186.443 million in 2014, or an increase of P89.633 million equivalent to 92.59% from the current year's subsidy of P96.810 million. The proposed subsidy will be for the promotional programs pursuant to its mandate to market and promote the Philippines as a reliable source of quality export products and services in the global market through trade fairs and missions and other export promotions programs.

The Design Center of the Philippines will also receive an increment of P21.221 million or 39.83% mainly for promoting design as a creative tool for improving the quality and competitiveness and branding of Filipino products in the global market.

APECO, on the other hand will not be provided equity or capital outlays for 2014, thus, a large reduction of P277.500 million or 78.50% from the current year's budget of P353.500 million. The amount of P76 million will cover only the subsidy for the Ecozone's operating expenses.

Off-Budget Accounts

(In thousand pesos)

Department	Particulars	Balance as of Dec. 31, 2012	FY 2012		FY 2013		FY 2014	
			Revenues	Expenditures	Revenues	Expenditures	Revenues	Expenditures
Office of the Secretary OSEC-Proper Trust Receipts	Audit fees, Import Commodity Clearance other income	10,030	43,475	39,199	55,064	55,064	50,400	50,400
OSEC-IPO-Phils Retained Income IPO Retained Income	Registration fees, grants of patents, registration of trademarks, subscription fees and other income	952,535	418,350	334,731	483,106	520,850	517,769	
Construction Manpower Development Foundation Trust Receipts	Seminar/Training Fees	9,857	15,217	11,190	11,000	9,500	14,000	11,000
Philippine Trade Training Center Trust Receipts	Collection from Seminar Fees		10,780	10,780	7,000	7,000	8,500	8,500
Design Center of the Philippines Trust Receipts	Bid Documents, Others	277	3,707	3,414	1,000	1,000	1,000	1,000
TOTAL		972,699	491,529	399,314	557,170	593,414	591,669	70,900
<i>Source: 2014 BESF</i>								

For FY 2014, DTI will realize P591.669 million as income from off-budget accounts. The amount is 6.19% or P34.499 million increase from the FY 2013 level of P557.170 million. The projected revenue for FY 2014 includes:

- OSEC** . The P50.4 million revenue will be sourced from trust receipts resulting from audit fees, import commodity clearance and other income in compliance with RA 4109 for standardization and/or inspection of products and imports and RA 7394, the Consumer Act of the Philippines.

As embodied in Special Provision No. 3 under the OSEC, the P517.769 million income of the Intellectual Property Philippines (IPO-Phils) sourced from registration fees, fines, royalties and other charges shall be used for its operations, including human resource development, acquisition of office space, equipment outlay and upgrading of facilities, to improve the delivery of its service, in accordance with Sec. 14.1 of R.A. No. 8293.

2. **CMDF.** Trust Receipts amounting to P14 million will be collected from seminar/training fees conducted by CMDF as mandated by PD 1746.
3. **PTTC.** The P8.5 million will come from the collection of seminar fees under E.O. 133, Joint DBM/CSC Authorization dated April 15, 1988.
4. **DCP.** The P1.0 million will be sourced from bid documents and other income under COA-DBM Joint Circular 9-81

Distribution by Expense Class

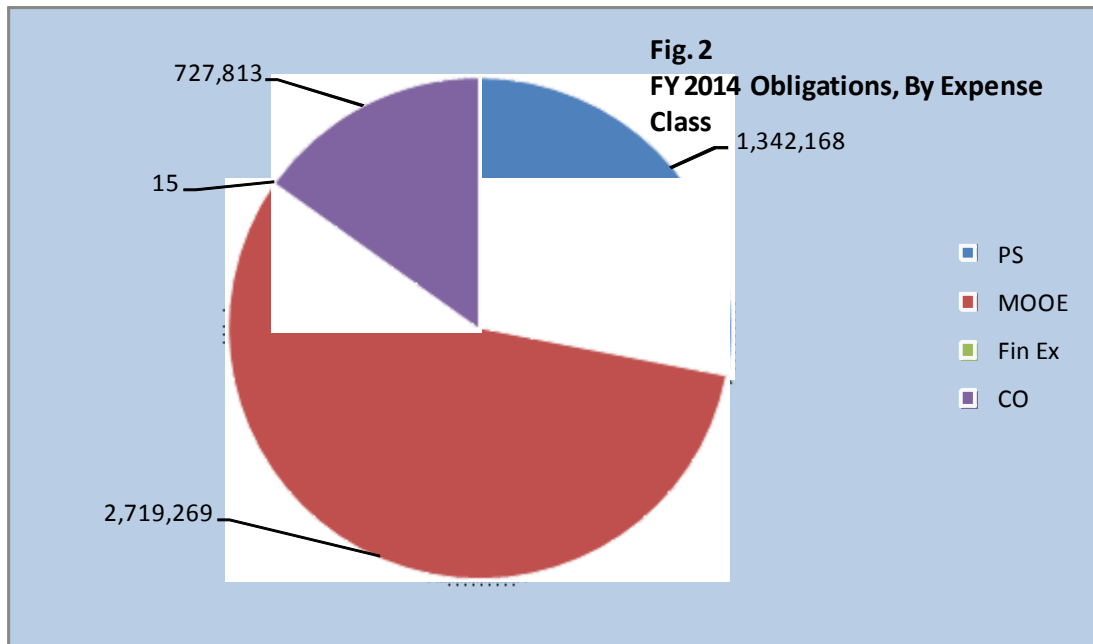
By expense category, the DTI's total obligations for its attached agencies & corporations will be distributed as follows: Personal Services – P1.342 billion or 28.02 %; MOOE – P2.719 billion or 56.78%; FinEx- P15 thousand and Capital Outlays - P727.813 or 15.20%, shown in Table 2.

Table 2.

Comparative Appropriations/Obligations by Expense Class
(In thousand pesos)

Particulars	2013		2014			Oblig: 2014 vs. 2013	
	Approp	Oblig	Approp	Oblig	% Share	Amount	Percent
Total Regular	3,544,400	3,743,559	4,401,338	4,517,822	94.33	774,263	20.68
PS	1,195,196	1,295,355	1,242,615	1,342,168	28.02	46,813	3.61
MOOE	1,608,342	1,707,342	2,430,895	2,447,826	51.11	740,484	43.37
Fin Ex	-	-	15	15	0.00	15	
CO	740,862	740,862	727,813	727,813	15.20	(13,049)	(1.76)
Total Corps	459,310	459,310	271,443	271,443	5.67	(187,867)	(40.90)
PS	-	-	-	-	-		
MOOE	181,810	181,810	271,443	271,443	5.67	89,633	49.30
CO	277,500	277,500	-	-	-	(277,500)	(100.00)
GRAND TOTAL	4,003,710	4,202,869	4,672,781	4,789,265	100.00	586,396	13.95
PS	1,195,196	1,295,355	1,242,615	1,342,168	28.02	46,813	3.61
MOOE	1,790,152	1,889,152	2,702,338	2,719,269	56.78	830,117	43.94
Fin Ex	-	-	15	15	0.00	15	
CO	1,018,362	1,018,362	727,813	727,813	15.20	(290,549)	(28.53)

Source: 2014 BESF/NEP



Personal Services

For 2014, PS of P1.342 billion will have a net increase of P46.813 million or 3.61% from the current year's level of P1.295 billion mainly for the following:

1. payment for Salaries and other compensation & benefits of the 2,273 officials, officers and employees of the DTI family, **P829.609 million** (see table 5);
2. salaries and wages of casual/contractual personnel under each agency, **P52.860 million**:

a. OSEC	-	61
b. BOI	-	1
c. CIAP	-	1
d. CMDF	-	3
e. DCP	-	2
f. Project Management Office-CARP (Osec)	-	92
3. Overseas allowance of P141.752 **million** will cover requirements for the 30 filled-up positions distributed in the 26 Foreign Trade Service Corps (FTSC). The Foreign Trade Service Corps (FTSC) is composed of Trade Representatives or Commercial Attaches representing the commercial post of the Department around the world. The FTSC promotes the initiatives of the DTI, specifically on trade and investments promotions, as well as trade policy in key overseas markets.

The P141.752 million overseas allowance is 30.63% of the total FTSC budget of P462.937 million for FY 2014.

4. RLIP of officers and employees of the department, **P99.553 million**; and

5. Increments in transportation allowance is per NBC No. 548 dated May 15, 2013.

Table 3. Staffing Summary

Department/Agency	Number of Positions					
	2013			2014		
	Authorized	Filled	(P'000)	Authorized	Filled	(P'000)
Office of the Secretary	2,811	1,863	681,538	2,811	1,863	679,420
Board of Investments	421	232	90,933	421	232	90,908
Construction Industry Authority of the Philippines	122	63	20,887	122	63	20,542
Construction Manpower Development Foundation	70	28	10,176	70	28	10,195
Philippine Trade Training Center	55	40	14,869	55	40	13,032
Design Center of the Philippines	147	47	15,990	147	47	15,512
Total	3,626	2,273	834,393	3,626	2,273	829,609

Source: FY 2014 NEP/Staffing

Maintenance and Other Operating Expenses

MOOE of P2.719 billion or 56.78% of the total budget will show a huge increase of P830.117 million or 43.94% from the 2013 level of P1.889 billion, the bulk of which will be spent for the following programs and projects under the Office of the Secretary:

Particulars	Amount
Regular Programs	
1. Provision for DTI-ICT information system maintenance	18,972
2. Provision for two major trade fairs (National Trade Fair and National Handicrafts Fair)	3,634
3. Provision for bi-annual survey on consumer awareness and airing of Konsumer at Iba Pa (KATBP)	15,335
4. Provision for Trade negotiations and BPS Standards promotion	1,798
5. Participation in APEC-ABAC Dialogues 2014	16,106
6. Implementation of Business Processing and Licensing System and administration of Philippine Quality Awards	7,392
7. Provision for the Timbangan ng Bayan and Price Billboards	55,683
8. Program beneficiaries component of the Comprehensive Agrarian Reform Program	33,048
9. Provision for the implementation of the projects under Bottom-up Budgeting Approach	548,534
Sub-total	700,502
Locally-Funded Projects	
1. Industry Development Program	60,000
2. ISO Alignment Program	22,371
3. MSMED Council Fund (SA)	16,931
Sub-total	99,302
Note: Adjustments in MOOE items of other attached agencies and corporations are discussed in their respective budgets	

Capital Outlays

Capital outlays will be reduced from P1.016 billion in 2013 to only P727.813 million in 2014. The P290.549 million or 28.53% decrease is caused by reduced allocation at the Office of the Secretary and also non-allocation of CO for the Design Center of the Philippines and APECO.

The P727.813 million allocation for Capital Outlays will be intended for the following:

Agency/Corporation	Particulars	Amount (P000)
1. Office of the Secretary	replacement of 20-year old motor vehicles for general purpose/utility service to transport personnel and/or visitors for activities related to trade and investment promotion	15,300
2. Board of Investment	Shared Service Facilities Project purchase of 7 units of motor vehicles to be assigned to BOI officials	700,000 6,300
3. Construction Industry Authority of the Philippines	implementation of the approved ISSP and purchase of 1 motor vehicle	5,741
4. Philippine Trade Training Center	purchase of the Center's telephone system for the Facilities and Events Management Division.	472
TOTAL		727,813

Source: 2014 NEP/Agency Submission

Distribution by Cost Structure

By Cost Structure, the 2014 DTI's appropriations will be 81.76% Programs (GASS, STO & Operations) and 18.24% Projects.

MFOs for 2012, 2013 and 2014 are no longer comparable as a result of the MFOs and PAPs restructuring of the budget by the Department of Budget and Management.

By Programs

Operations budget will get the bulk of P2.771 billion or 59.30% of the total appropriations. GAS and Support to Operations will get P1.042 billion or 22.29% and P7.8 million or 0.17% shares, respectively. The balance of P852.371 million will provide for the three (3) projects lined-up for 2014.

Table 4.				
Appropriations by Cost Structure, FY 2014				
(in thousand pesos)				
PROGRAMS	Total Attached Agencies	Total Attached Corporations	TOTAL DTI	Percent Share
GASS	950,039	91,625	1,041,664	22.29
STO		7,800	7,800	0.17
Operations	2,598,928	172,018	2,770,946	59.30
MFO 1	720,388	168,088	888,476	19.01
MFO 2	897,533	3,930	901,463	19.29
MFO 3	594,699	-	594,699	12.73
MFO 4	251,406	-	251,406	5.38
MFO 5	134,902	-	134,902	2.89
Total Programs	3,548,967	271,443	3,820,410	81.76
PROJECTS				
1. SSF	770,000		770,000	16.48
2. IDP	60,000		60,000	1.28
3. ISO AP	22,371		22,371	0.48
Total Projects	852,371	-	852,371	18.24
GRAND TOTAL	4,401,338	271,443	4,672,781	100.00

By Projects

Three (3) projects shall be lined-up in 2014 under the Office of the Secretary of which one is an existing project: the Shared Service Facility (P770.0 million); and two are new, namely: 1) Industry Development Program (P60.0 million); and 2) ISO Alignment Program (P22.371 million).

1. **Shared Services Facilities (SSF).** This project aims to improve the quality and productivity of Microenterprises and SMEs by addressing the gaps and bottlenecks in the value chain of priority industry clusters through the provision of processing and/or manufacturing tools, machinery and equipment for the common use of the Microenterprises and SMEs within the said industry clusters all over the country. The project envisions to benefit the most number of existing Microenterprises and SMEs in the priority industry cluster within the poorest 609 municipalities. For 2014, SSF will have a total budget of P770.0 million. As of July 9, 2013, 82% of targeted SSF have been approved and 66% of budget allocation has been utilized. The regional allocation of SSF is shown below:

Region	Amount ('000)	Percent Share
CAR	57,589	7.48
NCR	82,670	10.74
I-Ilocos Region	91,508	11.88
II-Cagayan Valley	48,202	6.26
III-Central Luzon	52,464	6.81
IV-A-CALABARZON	80,625	10.47
IV-B-MIMAROPA	19,004	2.47
V-Bicol Region	34,554	4.49
VI-Western Visayas	23,036	2.99
VII-Central Visayas	36,623	4.76
VIII-Eastern Visayas	34,554	4.49
IX-Zamboanga Peninsula	46,071	5.98
X-Northern Mindanao	50,679	6.58
XI-Davao Region	34,553	4.49
XII-SOCCSKSARGEN	22,869	2.97
XIII-CARAGA	54,999	7.14
Total	770,000	100.00
Source:2014 NEP		

Under the convergence plan of the National Government to focus on priority programs and outcomes critical to achieve rapid and inclusive growth in accordance with the development priorities of the national government. The DTI's budget will be aligned under Economic Development consisting of three key programs, as shown in the following table:

Program Budgeting Approach

Particulars	Amount ('000)
1. Economic Development	
1.1 Tourism Development Program	
DTI	5,960
OSEC	
Promotion and development of small and medium industries in the regions	5,000
BOI	
Investment Promotion on Tourism Investment Opportunities	960
1.3 Manufacturing Revival and SME	
DTI	1,681,375
OSEC	
Design and development of small and medium industries	112,795
Promotion and development of small and medium industries	738,580
Industry Development Program	60,000
Shared Service Facilities Project	770,000
3. Agricultural Development	
DTI	770,000
OSEC -Shared Service Facilities Project	770,000
Source: 2014 NEP	

2. Industry Development Program. Implementation of the Comprehensive National Industrial Strategy (CNIS) that shall spell out opportunities, coordinate and promote the growth of forward and backward linkages in priority areas and high-potential growth sectors, and prepare other industries to attract investments and generate jobs. This project has a budget of P60.0 million for 2014.

3. ISO Alignment Program. As Compliance to E.O. 605, which directs all government agencies and GOCCs to adopt ISO 90001 Quality Management System (QMS) and the applicable Government Quality Management Systems Standards (GQMSS) as part of the implementation of a government-wide GQMP in order to promote and enhance public sector performance. For 2014, this project will require P22.371 million.

Sources of Revenues

For 2012, the department was able to generate revenues from various sources in the amount of P377.584 million. For 2013 and 2014, it is estimated that revenues will be P327.233 million and P353.100 million, respectively.

Among the DTI agencies, the largest income contribution for 2014 will mainly be generated by the Office of the Secretary with almost 74% or P260.573 million. With this amount, 51% shall come from Permits and Licenses particularly from Registration Fees, and the rest from various sources of the different agencies under the DTI, details in Table 5.

Particulars	FY 2013	FY 2014	% Share	2013 vs 2014	
				Amount	Percent
a. Office of the Secretary	240,910	260,573	73.80	19,663	8.16
Permits and Licenses	173,629	178,142	50.45	4,513	2.60
Franchising and Licensing Fees	1,711	2,024	0.57	313	18.29
Permit Fees	7,810	8,646	2.45	836	10.70
Registration Fees	150,573	154,344	43.71	3771	2.50
Other Permits and Licenses	7,563	7,852	2.22	289	3.82
Fines and Penalties	5,972	5,276	1.49	-696	(11.65)
Service Income	44,678	45,812	12.97	1,134	2.54
Clearance and Certification Fees	29,594	30,049	8.51	455	1.54
Inspection Fees	811	813	0.23	2	0.25
Processing Fees	566	553	0.16	(13)	(2.30)
Other Service Income	12,267	13,097	3.71	830	6.77
Fines and Penalties	1,440	1,300	0.37	(140)	(9.72)
Other Income	2,314	2,474	0.70	160	6.91
Miscellaneous Income	2,077	2,224	0.63	147	7.08
Other Fines and Penalties	237	250	0.07	13	5.49
Special Account in the General Fund	20,289	34,145	9.67	13,856	68.29
MSME Development Council Fund (Fund 151)	20,289	34,145	9.67	13,856	68.29
b. BOI	30,799	33,329	9.44	2,530	8.21
c. CIAP	37,221	40,858	11.57	3,637	9.77
d. CMDF	30	30	0.01	-	0.00
e. PTTC	18,000	18,000	5.10	-	0.00
f. DCP	273	310	0.09	37	13.55
GRAND TOTAL	327,233	353,100	100.00	25,867	7.90

Source: 2014 BESE

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Center for International Trade Expositions and Missions Budget Proposal, FY 2014

Cottage Industry Technology Center Budget Proposal, FY 2014



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This article was first published in October 2013.



FY 2014 BUDGET OF THE STATE UNIVERSITIES AND COLLEGES (SUCs)

FINANCIAL HIGHLIGHTS

A. Expenditure Growth Trends, 2002-2014

In 2002, total budget for the SUCs was P16.92 billion and has leaped to P29.31 billion in 2012. It registered increases in its total budget during the past ten (10) years, although for the year 2005 the SUCs budget dwindled by 0.17% or P30 million. On the other hand, the biggest increase was in 2009 when it increased by P2.75 billion or 13% (Table 1).

It can be observed from the table below that the SUCs budget continued to rise to P34.92 billion in 2013 and P38 billion in 2014.

Particulars	FY 2014 New Appro.
NCR	11,760,370
Region 1	1,719,069
Region II	1,253,476
CAR	819,453
Region III	2,219,992
Region IV-A	1,377,008
Region IV-B	913,602
Region V	1,721,334
Region VI	2,161,451
Region VII	1,064,431
Region VIII	1,894,523
Region IX	894,550
Region X	1,400,066
Region XI	543,458
Region XII	681,205
Region XIII	506,495
ARMM	2,504,142
Capital Outlays	2,500,000
TOTAL	35,934,625

Table 1
SUC's Budget Relative to NG's Total Budget and GDP
(In Billion Pesos)

Particulars	SUCs BUDGET (BP)	Growth Rate (%)	National Budget (BP)	Gross Domestic Product (BP) Low	Ratio to National Budget (%)	Ratio to GDP (%)
2002	16.916		742.022	3,883.230	2.28	0.44
2003	17.074	0.94	825.113	4,316.402	2.07	0.40
2004	17.538	2.72	867.010	4,871.555	2.02	0.36
2005	17.508	(0.17)	947.554	5,444.039	1.85	0.32
2006	18.617	6.33	1,044.827	6,031.164	1.78	0.31
2007	19.344	3.91	1,155.509	6,648.619	1.67	0.29
2008	21.176	9.47	1,314.614	7,720.903	1.61	0.27
2009	23.926	12.99	1,434.146	8,026.143	1.67	0.30
2010	26.710	11.64	1,472.977	9,003.480	1.81	0.30
2011	27.999	4.83	1,580.017	9,735.521	1.77	0.29
2012	29.305	4.66	1,828.981	10,564.886	1.60	0.28
Average		5.73			1.83	0.32
2013	34.924	19.17	2,005.900	11,914.477	1.74	0.29
2014	38.075	9.02	2,264.629	13,336.680	1.68	0.29

The proportion of SUCs' budget to the National Government budget averages at 1.83 %. It was highest at 2.28 % for year 2002 and lowest at 1.60% for 2012. Since 2005 to date, SUCs share of the NG budget has never gone beyond the 2% mark.

In the same period, the ratio of SUCs' budget to GDP, has likewise exhibited a similar trend, with the annual average reaching to only 0.32% of GDP.

B. Sources and Uses of Funds

The projected funds of the SUCs for FY 2014 will amount to P79.79 billion, composed of the following :

1) New Appropriations	P 35.93 billion
2) Automatic Appropriations (RLIP)	2.14
3) Projected Income	16.08
4) Retained Earnings	25.64
Total Funds Available	P 79.79 billion

The SUCs' projected income of P16.08 billion can be used for its operational requirements as specified under Section 4 (d) of Republic Act No. 8292 dated June 6, 1997. Thus, total funds available for the SUCs will amount to P79.79 billion

Among the regions, NCR will have the biggest estimated total available funds in the amount of P33.80 billion. Out of SUCs-NCR funds, P3.35 billion will comprise the projected income, P1.15 billion of which will come from tuition fees and P903.67 million from other sources. Table 2 shows the Regional Sources of Funds

Table 2
Sources of Funds, by Region, FY 2014
(In thousand pesos)

Particulars	FY 2014 New Appro.	Automatic Appro. (RLIP)	Total Obligations	Projected Income	Retained Earnings	Available Funds
NCR	11,760,370	707,291	12,467,661	3,347,235	17,986,562	33,801,458
Region 1	1,719,069	119,049	1,838,118	633,801	564,116	3,036,035
Region II	1,253,476	93,411	1,346,887	666,379	272,286	2,285,552
CAR	819,453	53,733	873,186	472,450	87,593	1,433,229
Region III	2,219,992	140,917	2,360,909	1,869,877	1,046,819	5,277,605
Region IV-A	1,377,008	83,684	1,460,692	1,693,488	638,565	3,792,745
Region IV-B	913,602	54,584	968,186	620,819	356,908	1,945,913
Region V	1,721,334	103,959	1,825,293	724,368	503,358	3,053,019
Region VI	2,161,451	146,064	2,307,515	1,382,438	734,518	4,424,471
Region VII	1,064,431	60,459	1,124,890	898,863	498,689	2,522,442
Region VIII	1,894,523	130,911	2,025,434	1,018,805	1,049,432	4,093,671
Region IX	894,550	55,890	950,440	405,138	262,642	1,618,220
Region X	1,400,066	87,383	1,487,449	982,119	856,895	3,326,463
Region XI	543,458	27,281	570,739	280,359	294,501	1,145,599
Region XII	681,205	45,317	726,522	458,824	247,034	1,432,380
Region XIII	506,495	26,825	533,320	345,855	116,441	995,616
ARMM	2,504,142	203,505	2,707,647	277,211	122,298	3,107,156
Capital Outlays	2,500,000		2,500,000			2,500,000
TOTAL	35,934,625	2,140,263	38,074,888	16,078,029	25,638,657	79,791,574

Source: FY 2014 Budget of Expenditures and Sources of Financing (BESF)/FY 2014 GAA

The FY 2014 projected SUCs income of P16.08 billion will come from:

- Tuition Fees of P7.30 billion
- Income Collected from Students of P4.04 billion
- Income from Other Sources of P2.10 billion
- Income from Revolving Fund of P1.13 billion
- Grants and Donations of P302.58 million
- Others of P1.21 billion

C. FY 2014 NG Subsidy

The obligation budget for the 112 State Universities and Colleges for FY 2014 amounts to P38.07 billion, and accounts for 1.68% of the total National Government (NG) budget of P2.26 trillion. The SUCs share of the NG budget slipped in FY 2014 to 1.68% from its 1.74 % share in FY 2013 since other lump-sum amounts in the budget like the MPBF will have to be integrated yet in the SUCs budget

The budget reflects an increase of P3.15 billion (9.02%) over the FY 2013 adjusted obligations of P34.92 billion

Among the regions, the SUCs-NCR will receive the biggest allocation of P12.47 billion or 35.05% share of the total SUCs regional budget of P35.57 billion

The bulk of the budgetary allocation among schools in the NCR will go to the University of the Philippines System (UPS) amounting to P9.93 billion. This amount is inclusive of the P2.23 billion provisions for the requirements of the Philippine General Hospital (PGH)

On the other hand, Region XIII or the Caraga Administrative Region will have the lowest budget among the SUCs in 17 Regions with a percentage share of only 1.50% or P533.32 million

Table 3
Comparative Obligations, by Region, FY 2013-2014
(In thousand pesos)

Particulars	No. of SUCs	2013	2014		Variance	
		Adjusted	Proposed	% share	Amount	%
1 NCR	8	12,556,901	12,467,661	35.05	(89,240)	(0.71)
2 Region I	6	1,736,315	1,838,118	5.17	101,803	5.86
3 Region II	5	1,373,881	1,346,887	3.79	(26,994)	(1.96)
4 CAR	6	850,548	873,186	2.45	22,638	2.66
5 Region III	12	2,196,929	2,360,909	6.64	163,980	7.46
6 Region IV -A	5	1,303,446	1,460,692	4.11	157,246	12.06
7 Region IV-B	6	866,728	968,186	2.72	101,458	11.71
8 Region V	8	1,608,940	1,825,293	5.13	216,353	13.45
TOTAL, LUZON	56	22,493,688	23,140,932	65.05	647,244	2.88
9 Region VI	11	2,204,859	2,307,515	6.49	102,656	4.66
10 Region VII	5	993,577	1,124,890	3.16	131,313	13.22
11 Region VIII	10	1,982,806	2,025,434	5.69	42,628	2.15
TOTAL, VISAYAS	26	5,181,242	5,457,839	15.34	276,597	5.34
12 Region IX	5	822,631	950,440	2.67	127,809	15.54
13 Region X	7	1,491,327	1,487,449	4.18	(3,878)	(0.26)
14 Region XI	4	453,839	570,739	1.60	116,900	25.76
15 Region XII	4	671,750	726,522	2.04	54,772	8.15
16 Region XIII	4	427,989	533,320	1.50	105,331	24.61
17 ARMM	6	3,381,458	2,707,647	7.61	(673,811)	(19.93)
TOTAL, MINDANAO	30	7,248,994	6,976,117	19.61	(272,877)	(3.76)
TOTAL, REGIONAL	112	34,923,924	35,574,888	100.00	650,964	1.86
Capital Outlays			2,500,000		2,500,000	
TOTAL OBLIGATIONS		34,923,924	38,074,888		3,150,964	9.02

Source : FY 2014 Budget of Expenditures and Sources of Financing (BESF)/2014 GAA

Note: Budget is inclusive of Retirement and Life Insurance Premiums (RLIP)

D. FY 2014 NEW APPROPRIATIONS

The significant part of SUCs' total new appropriations will go to Personal Services (PS), which will amount to P22.86 billion or 63.62%. PS will be used for the payment of salaries, wages and other compensation of the school personnel. On the other hand, Maintenance and Other Operating Expenses (MOOE) will be allocated P9.14 billion (25.43%) while Capital Outlays (CO) will be given a share of P3.93 billion or 10.95%. Details are shown in Table 4

Table 4
Total New Appropriations, By Expense Class, FY 2014
(In thousand pesos)

Regions		PS	MOOE	CO	TOTAL
1	National Capital Region	7,763,872	2,742,410	1,254,088	11,760,370
2	Region 1 - Ilocos Region	1,248,892	458,352	11,825	1,719,069
3	Region II - Cagayan Valley	976,087	275,089	2,300	1,253,476
4	Cordillera Administrative Region	576,021	229,169	14,263	819,453
5	Region III - Central Luzon	1,474,594	709,782	35,616	2,219,992
6	Region IV -A - CALABARZON	882,801	494,207	-	1,377,008
7	Region IV-B - MIMAROPA	579,482	317,797	16,323	913,602
8	Region V - Bicol	1,104,171	612,640	4,523	1,721,334
TOTAL LUZON		14,605,920	5,839,446	1,338,938	21,784,304
9	Region VI - Western Visayas	1,529,478	625,840	6,133	2,161,451
10	Region VII - Central Visayas	639,043	420,788	4,600	1,064,431
11	Region VIII - Eastern Visayas	1,410,658	480,065	3,800	1,894,523
TOTAL VISAYAS		3,579,179	1,526,693	14,533	5,120,405
12	Region IX - Zamboanga Peninsula	595,829	293,529	5,192	894,550
13	Region X - Northern Mindanao	910,941	448,550	40,575	1,400,066
14	Region XI - Davao Region	285,005	231,395	27,058	543,458
15	Region XII - Central Mindanao	476,596	201,386	3,223	681,205
16	Region XIII - Caraga Adm. Region	286,326	216,223	3,946	506,495
17	ARMM	2,120,934	382,539	669	2,504,142
TOTAL MINDANAO		4,675,631	1,773,622	80,663	6,529,916
Provision for					
	Additional Capital Outlays	-		2,500,000	2,500,000
TOTAL		22,860,730	9,139,761	3,934,134	35,934,625
% Share to Total		63.62	25.43	10.95	100.00

Source: FY 2014 General Appropriations Act (GAA)

The SUCs' budget of P35.93 billion for FY 2014 increased by P3.16 billion (9.65%) from the corresponding FY 2013 level of P32.77 billion. The budget increase for last year was almost 50% over the 2012 budget as a result of the transforming higher education system to meet the current and future requirements of the labor market

Almost 90.0% of the FY 2014 SUCs' proposed new appropriations will be allocated for Programs while 11.0% or P3.95 billion will go to locally-funded projects

By Program category, the bulk of the total new appropriations for the current year of P25.27 billion or 70.32% will go to Operations, which include advanced education, higher education, research and extension services. On the other hand, General Administration and Support will have an allocation of P5.64 billion or 15.70% while the remaining P5.02 billion (13.98%) will be for Locally-Funded Projects and Support to Operations. Details are shown in Table 5

Table 5
New Appropriations, By Program Category, FY 2012-2014
(In thousand pesos)

Particulars	2012 GAA	2013 GAA	2014 GAA	2014 % Share	Variance	
					Amount	Percent
TOTAL NEW						
APPROPRIATIONS, SUCs	22,097,645	32,770,703	35,934,625	100.00	3,163,922	9.65
Programs	21,888,523	29,400,133	31,982,491	89.00	2,582,358	8.78
General Admin. and Support	4,014,923	5,379,156	5,640,899	15.70	261,743	4.87
Support to Operations	747,332	919,627	1,072,508	2.98	152,881	16.62
Operations	17,126,268	23,101,350	25,269,084	70.32	2,167,734	9.38
Locally-Funded Projects	209,122	3,370,570	3,952,134	11.00	581,564	17.25

For 2014 a lump-sum allocation for the SUCs is provided particularly for capital outlays of P2.5 billion

E. DISTRIBUTION BY REGION, OBLIGATION BASIS

Among the island groups, Luzon which accounts for 62.35% of the country's total public higher education institutions enrollment, will receive the lion's share or 65.05% of SUCs' total Regional Budget in 2014. Mindanao, with 18.33% of the public schools' enrollment, will get 19.61% of the Regional Budget. Visayas, with 19.31% of the total public schools' enrollment, will get 15.34% of the SUCs Regional Budget

Across the regions, the top three (3) in terms of proportionate share of the budget are NCR, ARMM, and Region III, (two regions from Luzon and one from Mindanao), in that order, their combined allocation of which will account for 49.29% of the total. Please refer to table 6

Table 6
Regional Distribution of SUCs Budget
And Cost Per Student

Particulars	Total Obligations	Enrolment* SY 2011-2012	% Share of the Enrolment	Cost per student
NCR	12,467,661	729,950	24.06	17,080
Region 1	1,838,118	151,029	4.98	12,171
Region II	1,346,887	128,121	4.22	10,513
CAR	873,186	103,364	3.41	8,448
Region III	2,360,909	241,089	7.95	9,793
Region IV-A	1,460,692	324,181	10.69	4,506
Region IV-B	968,186	65,147	2.15	14,862
Region V	1,825,293	148,930	4.91	12,256
TOTAL, LUZON	23,140,932	1,891,811	62.35	12,232
Region VI	2,307,515	222,394	7.33	10,376
Region VII	1,124,890	247,242	8.15	4,550
Region VIII	2,025,434	116,289	3.83	17,417
TOTAL, VISAYAS	5,457,839	585,925	19.31	9,315
Region IX	950,440	92,925	3.06	10,228
Region X	1,487,449	136,969	4.51	10,860
Region XI	570,739	130,782	4.31	4,364
Region XII	726,522	95,740	3.16	7,588
Region XIII	533,320	55,675	1.84	9,579
ARMM	2,707,647	44,140	1.45	61,342
TOTAL, MINDANAO	6,976,117	556,231	18.33	103,962
TOTAL, REGIONAL	35,574,888	3,033,967	100.00	125,509
Capital Outlays	2,500,000			
TOTAL	38,074,888	3,033,967		

Source: FY 2014 Budget of Expenditures and Sources of Financing (BESF)/FY 2014 GAA
FY 2012 Philippine Statistical Yearbook

Note : Includes enrolment in pre-baccalaureate, baccalaureate, post baccalaureate, Master's and doctorate programs

F. COST PER STUDENT

Based on the SUCs Obligation Budget for 2014 and the available enrolment data for SY 2011-2012, the regional cost per student for the top three regions are as follows: ARMM; Region VIII; and NCR, with cost per student of P61,342; P17,417; and 17,080, respectively.

Almost 86% or P2.32 billion of the obligation budget for ARMM, however will be intended for Personal Services (PS). The PS allocation for Region VIII is 76.11% or P1.54 billion, while 67.95% or P8.47 billion of the SUCs NCR obligation budget will go to PS. Please refer to Table 7 below

Table 7
Obligations Budget, By Expense Class, FY 2014
(In thousand pesos)

Particulars	PS	MOOE	CO
ARMM	2,324,439	382,539	669
% Share	85.85	14.13	0.02
REGION VIII	1,541,569	480,065	3,800
% Share	76.11	23.70	0.19
NCR	8,471,163	2,742,410	1,254,088
% Share	67.95	22.00	10.06



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This article was first published in October 2013.



Budget Facts & Figures



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