



*Press Release*  
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## **CHED UTILIZED 99% OF ITS BAYANIHAN 2 FUNDS BY 30 JUNE 2021**

Recent newspaper reports have called the attention of the Commission for Higher Education (CHED) for its alleged low utilization rate of only 40.61% of the P3.3 billion allocation under the Bayanihan 2 law based on a Commission on Audit (COA) report. The COA report on the status of utilization covers the period ending 31 December 2020.

The media reports, and for that matter the COA Report, are inaccurate, misleading and fail to take into account the passage of RA 11519 on 29 December 2020 extending the use of the Bayanihan 2 funds until 30 June 2021. The media and COA Report also fail to consider the chronological release of funds, requirements for fund release, and implementation of CHED activities after the passage of the Bayanihan 2 law.

RA 11494 or the Bayanihan to Recover as One Act enacted on 11 September 2020 appropriated PhP 300 million for education subsidy to eligible students and PhP 3 billion for grants to State Universities and Colleges (SUCs) for their Smart Campus Development projects.

CHED named the education subsidy as Bayanihan 2 for Higher Education Tulong Program (B2HELP) which provided qualified students PhP5,000 each to be credited to their respective outstanding balances or accounts if they were enrolled in private higher education institutions (HEIs) or to be used for their online learning expenses if studying in public HEIs.

CHED requested the Special Allotment Release Order (SARO) and Notice of Cash Allocation (NCA) for the PhP300 million from the Department of Budget and Management (DBM) on 17 November 2020. The DBM released the fund to CHED on 1 December 2020 and the funds were obligated by 31 December 2020. As of 30 June 2021, 60,782 students have benefitted from this program. CHED disbursed PhP297,540,319.39 of the B2HELP funds resulting in a 99% utilization rate.

The Smart Campus Development Program was composed of two components: (1) acquisition of laptop computers for distribution to SUC faculty and (2) grants for Smart Campus project proposals of State Universities and Colleges (SUCs). PhP1.04 billion was allocated for the first component and PhP1.96 billion was allocated for the second component.

For the laptop computers for SUC faculty, CHED requested the SARO and NCA for PhP1 billion on 17 November 2020. This was released by DBM on 10 December 2020 and was

subsequently transferred by CHED to DBM-Procurement Service for the procurement of 20,000 units of laptop computers.

The CHED Smart Campus Development Project provided grants of a maximum of PhP25 million each to State Universities and Colleges (SUCs) for their project proposals designed to improve the implementation of flexible learning such as upgrading of internet connectivity, campus area network, learning management system, learner information system, smart classrooms, computer center for students, or multi-media center for faculty. These project proposals are submitted and approved by the SUC Board of Regents prior to submission to the CHED for evaluation and approval. The SUCs were also required to submit sustainability plans for their projects so that initial investment of the national government in the Smart Campus Development would not go to waste.

The funds for the Smart Campus projects were requested and are downloaded by DBM to CHED only upon the completion of the whole vetting and approval process as the list of approved SUC projects and the amount allocated for each project in its request for the NCA.


CHED received a total of 238 proposals from 111 SUCs and a thorough vetting process was conducted by a panel of experts from December 2020 to June 2021. Out of the 111 SUCs with project proposals, only 89 were found eligible for funding from the Bayanihan 2 fund.

Starting 7 June 2021, CHED requested DBM for NCA for the approved SUC proposals and as of 30 June 2021, CHED obligated PhP2,998,844,375.78 and disbursed PhP2,958,430,405.77, resulting in 99% utilization rate.

It is unfortunate that the COA Report did not clarify that the utilization of the Bayanihan 2 funds have been extended to 30 June 2021 and finds fault in government agencies who are authorized to use the funds for six (6) more months. The COA Report also fails to mention that the Bayanihan 2 law is a special law enacted only in the 3<sup>rd</sup> quarter of 2020 and it is therefore inconceivable to expect CHED to receive, vet, and approve submitted project proposals; request the funds from DBM; and release the funds to SUCs within a three (3) month period.

The actions done by CHED are consistent with the requirements for prudent budget release, prompt budget execution, and strict accountability in the use of public funds.

It is clear from the chronology of events and fund releases by the DBM that CHED was able to obligate and disburse PhP3,255,970,725.16 of its PhP3.3 billion Bayanihan 2 funds as provided for in RA 11494 and RA 11519 resulting in an overall utilization rate of 99%.



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