UNIVERSITY OF THE PHILIPPINES
CENTER FOR INTEGRATIVE AND DEVELOPMENT STUDIES

DISCUSSION PAPER SERIES 2026-48

A Fiscal Overview of Higher Education Budgets in the General Appropriations Act

and the Higher Education Development Fund from Fiscal Years 2010-2024

Zy-za Nadine N. Suzara

Higher Education Research and Policy Reform Program

ISSN 2619-7448 (PRINT)
ISSN 2619-7456 (ONLINE)

DISCUSSION PAPER SERIES 2026-48

Higher Education Research and Policy Reform Program

A Fiscal Overview of Higher Education Budgets in the General Appropriations Act

and the Higher Education Development Fund from Fiscal Years 2010-2024

Zy-za Nadine N. Suzara

UP CIDS DISCUSSION PAPER SERIES

2026-48

UP CIDS Discussion Paper Series is published by the

University of the Philippines
Center for Integrative and Development Studies

Lower Ground Floor, Ang Bahay ng Alumni
Magsaysay Avenue, University of the Philippines
Diliman, Quezon City 1101

Telephone: (02) 8981-8500 loc. 4266 to 4268 / (02) 8426-0955
Email: cidspublications@up.edu.ph
Website: cids.up.edu.ph

cids.up.edu.ph

ISSN 2619-7448 (Print)
ISSN 2619-7456 (Online)

Cover Image Credit

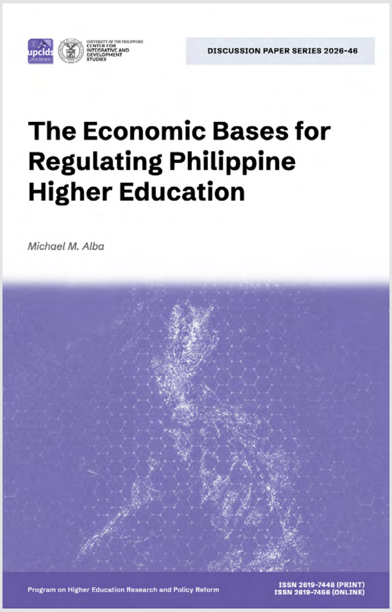
"Philippine universities, including the University of the Philippines, make their mark globally as six institutions rank in the 2026 THE World University Rankings by Subject, reflecting excellence in teaching, research, and innovation"

Photo courtesy of Manila Bulletin

Table of Contents

Download related policy papers for FREE

cids.up.edu.ph/collection-database



UNIVERSITY OF THE PHILIPPINES CENTER FOR INTEGRATIVE AND DEVELOPMENT STUDIES

DISCUSSION PAPER SERIES 2026-46

The Economic Bases for Regulating Philippine Higher Education

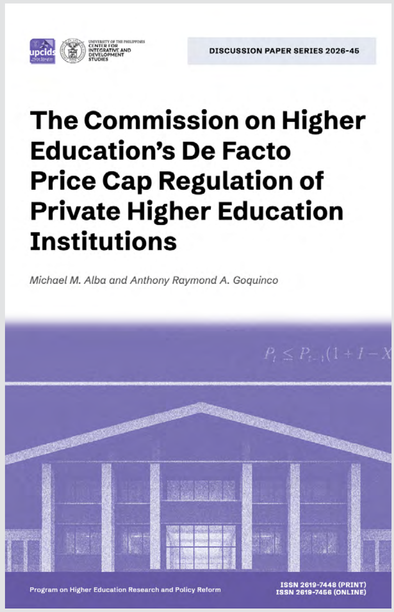
Michael M. Alba

Program on Higher Education Research and Policy Reform

ISSN 2619-7448 (PRINT)
ISSN 2619-7456 (ONLINE)

DISCUSSION PAPER

The Economic Bases for Regulating Philippine Higher Education



UNIVERSITY OF THE PHILIPPINES CENTER FOR INTEGRATIVE AND DEVELOPMENT STUDIES

DISCUSSION PAPER SERIES 2026-45

The Commission on Higher Education's De Facto Price Cap Regulation of Private Higher Education Institutions

Michael M. Alba and Anthony Raymond A. Goquinco

Program on Higher Education Research and Policy Reform

ISSN 2619-7448 (PRINT)
ISSN 2619-7456 (ONLINE)

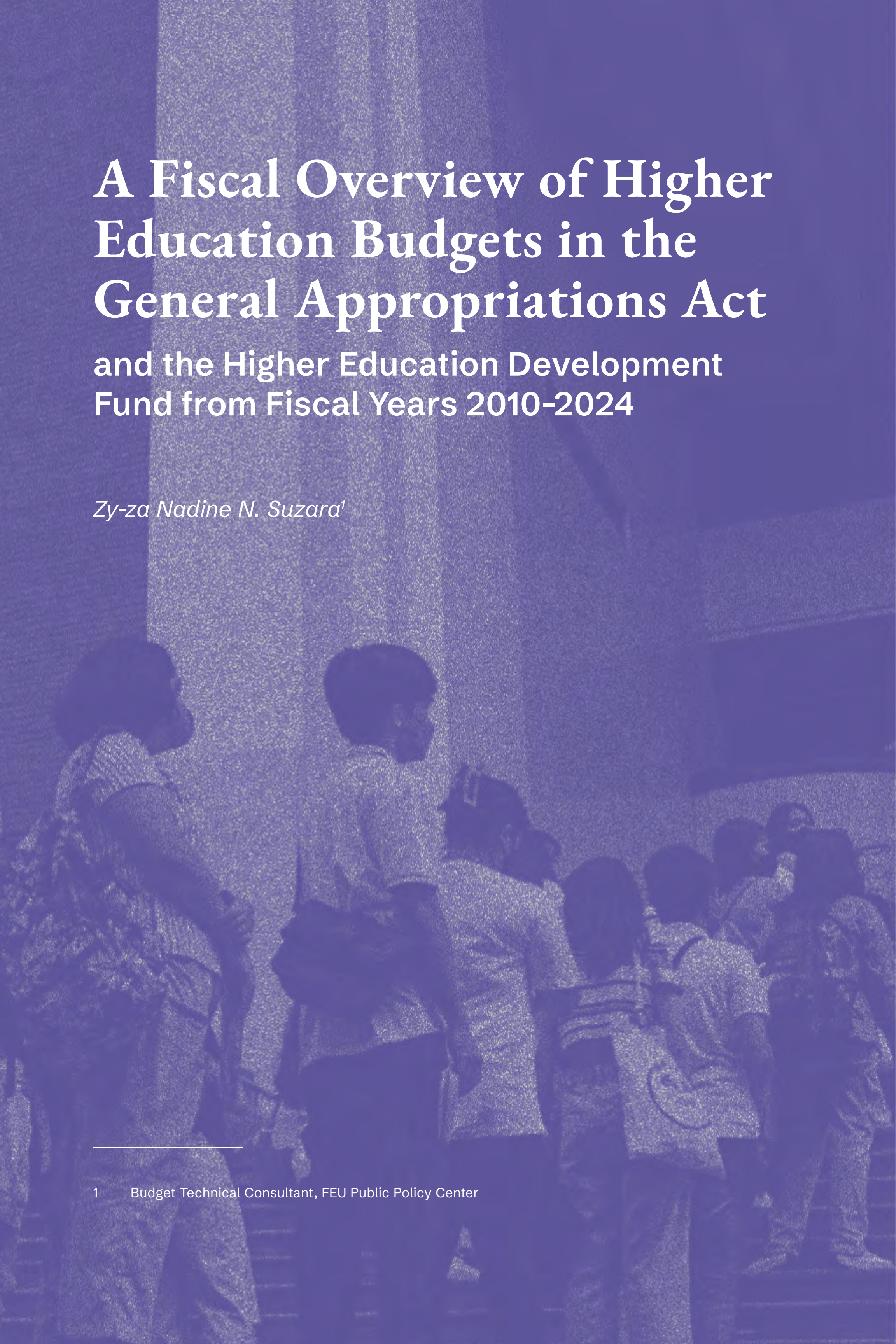
DISCUSSION PAPER

The Commission on Higher Education's De Facto Price Cap Regulation of Private Higher Education Institutions

A Fiscal Overview of Higher Education Budgets in the General Appropriations Act

and the Higher Education Development Fund from Fiscal Years 2010-2024

Zy-za Nadine N. Suzara[1]



1 Budget Technical Consultant, FEU Public Policy Center

Key Highlights

- Main Argument: Philippine national government funding for higher education—comprising the Commission on Higher Education (CHED), State Universities and Colleges (SUCs), and the Higher Education Development Fund (HEDF)—has expanded significantly in nominal terms, but management issues, reporting data gaps, and low fund utilization hinder its strategic efficiency and impact.

- Policy Landscape: Governed primarily by Republic Act No. 7722 (Higher Education Act of 1994) and Republic Act No. 10931 (Universal Access to Quality Tertiary Education Act of 2017), higher education policy has increasingly shifted fiscal allocations directly to SUCs to cover free tuition, while establishing earmarked revenues (e.g., travel taxes, lotto sales) to finance quality improvement via the HEDF.

- Method: The study conducts a macro-fiscal review analyzing aggregate historical funding levels, annual General Appropriations Act (GAA) allocations, Budget of Expenditures and Sources of Financing (BESF) data, and Commission on Audit (COA) audit findings for FY 2010–2024.

- Findings: Total higher education appropriations reached PHP 1.3 trillion (1.7% of the total national budget) from FY 2010 to 2024, with SUC subsidies taking the largest share (72.5%), followed by CHED (26.9%) and HEDF (0.6%). Actual HEDF remittances (PHP 7.0 billion) fell short of projected collections (PHP 9.1 billion), with major missing travel tax remittance data since 2013. The HEDF suffers from severe underutilization and underreporting; only PHP 7.3 billion was disbursed out of PHP 14.0 billion total appropriations between FY 2017 and 2024, leaving billions in unutilized balances.

- Policy Recommendations: Conduct a full, public accounting and establish an accessible online database for HEDF collections and disbursements. Establish an independent HEDF Secretariat separate from the CHED Secretariat as mandated by law. Formulate a medium-term expenditure roadmap aligning HEDF usage with the Philippine Development Plan, while ensuring allocations support both public and private Higher Education Institutions (HEIs) rather than serving merely as SUC capital outlay augmentation.

Introduction

This report provides a fiscal overview of higher education budgets funded by the Philippine national government under the General Appropriations Act. The report shows the funding levels received by a) the Commission on Higher Education (CHED), b) state universities and colleges (SUCs), and c) the Higher Education Development Fund (HEDF) sourced from the earmarked revenues mandated under Republic Act No. 7722 or the "Higher Education Act of 1994."

The budget figures presented in this report were based largely on the annual General Appropriations Act and the Budget of Expenditures and Sources of Financing published by the Department of Budget and Management (DBM), while budget utilization figures for the Higher Education Development Fund were based on the CHED Annual Reports more specifically, the financial accountability reports submitted by CHED to the DBM.

In the absence of a historical fiscal performance review on higher education budgets and an impact assessment of the HEDF, significant audit findings raised in various COA Annual Audit Reports are instead cited in this report to shed light on how these funds have been utilized over the years.

Scope and Limitations

The study is an initial fiscal analysis of higher education budgets in the Philippines and does not include in its scope the budgets of private higher education institutions. The figures, graphs, and tables presented in this report only intend to provide a macro-fiscal picture of higher education budgets. Thus, the study limits itself to aggregate historical funding levels of CHED, the subsidies of the national government to the SUCs and the revenues earmarked for the HEDF.

Additionally, the report does not cover program-level budget data and program-level budget utilization data of the SUCs, CHED, and the HEDF. Further analysis is required to gain a better understanding of the trends and patterns of higher education resource allocation and the absorptive capacities of the aforementioned public higher education institutions. As budgets represent the real policy priorities of government, such analyses can help shape a more responsive policy and budget reform agenda for higher education development in the Philippines.

FY 2010-2024 Higher Education Budgets

From fiscal years 2010–2024, the national government has allocated PHP 1.3 trillion for higher education in the General Appropriations Act, equivalent to 1.7 percent of the total national budget. In this report, the total fiscal space for higher education was computed as the sum of the aggregate level of subsidies of the national government to all SUCs (PHP 909.3 billion) the aggregate budget of CHED (PHP 337.9 billion) and the actual HEDF collections (PHP 7 billion) for the said period. Table 1 shows a summary of the annual funding levels of CHED, SUCs, and the HEDF.

Table 1. FY2010-2024 Summary of Appropriations for CHED, SUCs, and HEDF Collections

Fiscal Year	CHED	SUCs	Actual HEDF Collections	Total PH Higher Education Budget [CHED+SUCs+HEDF]	Total GAA
2010	1,668,767,000	22,402,271,000	1,290,017,000	25,361,055,000	1,541,000,000,000
2011	925,278,000	21,717,421,000	1,420,046,000	24,062,745,000	1,645,000,000,000
2012	1,420,891,000	22,097,645,000	36,542,000	23,555,078,000	1,816,000,000,000
2013	2,782,101,000	32,770,703,000	167,853,000	35,720,657,000	2,006,000,000,000
2014	6,941,041,000	35,934,625,000	108,456,000	42,984,122,000	2,265,000,000,000
2015	2,368,769,000	42,279,507,000	119,302,000	44,767,578,000	2,606,000,000,000
2016	5,635,834,000	47,414,727,000	686,102,000	53,736,663,000	3,002,000,000,000
2017	18,704,975,000	58,718,377,000	1,607,595,000	79,030,947,000	3,350,000,000,000
2018	49,426,187,000	62,115,320,000	363,589,000	111,905,096,000	3,767,000,000,000
2019	51,491,252,000	64,711,239,000	473,892,000	116,676,383,000	3,662,000,000,000
2020	46,782,466,000	73,716,148,000	146,641,000	120,645,255,000	4,100,000,000,000
2021	50,505,682,000	85,956,478,000	227,495,000	136,689,655,000	4,506,000,000,000
2022	31,684,508,000	104,177,432,000	186,850,000	136,048,790,000	5,023,600,000,000
2023	30,887,893,000	107,037,812,000	205,535,000	138,131,240,000	5,268,000,000,000
2024	36,690,607,000	128,231,122,000	-	164,921,729,000	5,767,600,000,000
Total	337,916,251,000	909,280,827,000	7,039,915,000	1,254,236,993,000	50,325,200,000,000

Source: 2010–2024 General Appropriations Act and Budget of Expenditures and Sources of Financing

As shown in Figure 1, total subsidies to SUCs from FY2010–2024 is equivalent to 1.8 percent of the total national budget, while the total budget of CHED for the same period is equivalent to 0.7 percent. Meanwhile, Figure 2 shows

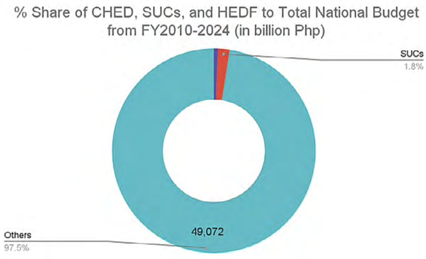


Figure 1

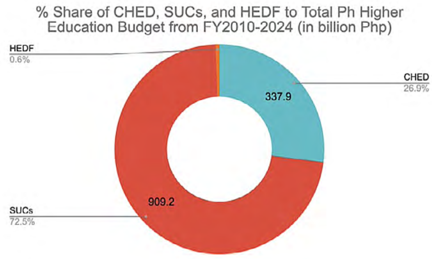


Figure 2

the share of the three higher education budgets to the total higher education budget. 72.5 percent of the total higher education budget was allocated to the subsidies to SUCs, while 26.9 percent was allocated to CHED. The HEDF is equivalent to only 0.6% of the total higher education budget.

Since 2010, the annual share of the total higher education budget to the total national budget has grown from 1.6 percent in 2010 to 2.9percent in 2024, but it decreased for two consecutive years to 1.5% in 2011 and 1.3% in 2012. It increased to 1.8 percent in 2013 and remained constant at that level until 2016. With the passage the Republic Act No. 10391 or the" Universal Access to Quality Tertiary Education Act" (UAQTE) in 2017, the share of total higher education budget to the national budget grew steadily from 2.4 percent to 3.0 percent. Figure 3 shows the annual percent share of the total higher education budget while Figure 4 shows the level of allocation of the higher education budget by fund sources.

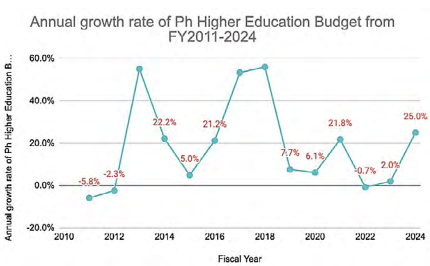


Figure 3

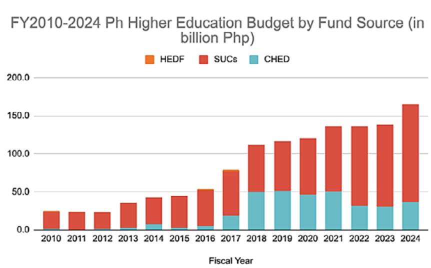


Figure 4

Although the share of the total higher education budget to the national budget steadily rose between fiscal years 2010 to 2024, the annual growth rate of higher education budgets fluctuated drastically. Fiscal years 2013, 2017, and 2018 saw

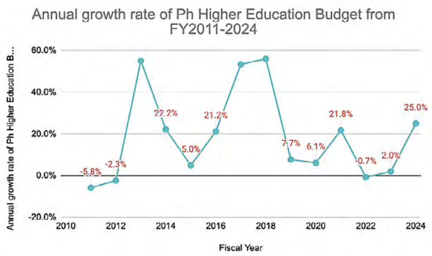


Figure 5

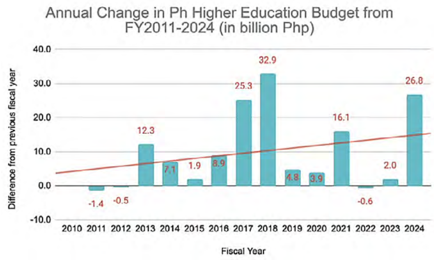


Figure 6

sharp increases while other years saw changes ranging from -5.8 percent to 25 percent. Figure 5 shows the annual growth rate of the total higher education budget while Figure 6 shows the nominal changes in the total higher education budget every year.

FY 2010–2024 Commission on Higher Education Budget

The Commission on Higher Education was created in 1994 with the signing into law of the "Higher Education Act of 1994." CHED became an independent and separate institution from the Department of Education, Culture, and Sports but was administratively attached to the Office of the President.

Under R.A. No. 7722, CHED was mandated to be the governing body for "public and private institutions of higher education and degree-granting programs in all post-secondary educational institutions, public and private."[2] Its powers and functions are defined under Section 8 of RA772 with Section 17 explicitly stating that its funding requirements shall be included in the General Appropriations Act. These funding mandates are reflected in the General Appropriations Act as programs, activities, and projects under the budget of the Commission.

2 R.A. No. 7722, "The Higher Education Act of 1994," 18 May 1994, https://lawphil.net/statutes/repacts/ra1994/ra_7722_1994.html.

The expenditure program of CHED is categorized into two: a) Higher Education Development Program and b) Higher Education Regulatory Program. Table 2 shows the specific sub-programs/projects under each major program of the CHED:

Major Program	Sub-Programs/Projects
Higher Education Development Program	■ Universal Access to Quality Tertiary Education ■ Provision of assistance and incentives, scholarships and grants through Student Financial Assistance Program ■ Financial Assistance for Post Graduate Students
Higher Education Regulation Program	■ Evaluation of performance of higher education programs ■ Development of standards of excellence for higher education programs and institutions ■ Legal Education Regulation Program

From fiscal year 2010 to 2024, the total appropriations provided to the Commission on Higher Education in the annual General Appropriations Act amounts to PHP 337.9 billion. As shown in Figure 7, the Commission's budget is equivalent to only 0.7 percent of the PHP 50 trillion total national budget that the Philippine government had between 2010–2024. Figure 8 shows the annual proportion of the Commission's budget vs the national budget.

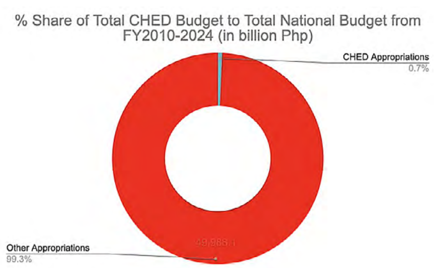


Figure 7

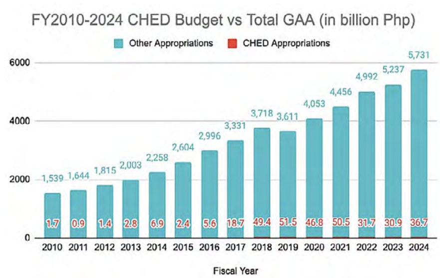


Figure 8

The CHED budget received an avalanche of funding beginning in 2017. Prior to 2017, CHED's budget grew from PHP 1.7 billion to PHP 5.6 billion with fluctuations between 2014 to 2016. Nevertheless, in 2017, its budget grew by PHP 13 billion from PHP 5.6 billion the previous year to PHP 18.7 billion that year. Figure 9 shows the annual appropriations of CHED based on the 2010-2024 General Appropriations Act.

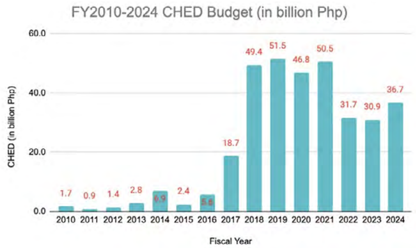


Figure 9

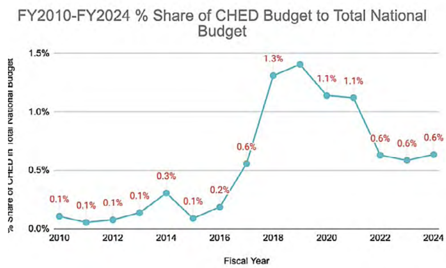


Figure 10

As reported by the Congressional Policy and Budget Research Department, the Executive-proposed version of the CHED budget showed that the increase in funding was seen across all major programs, activities and projects of the CHED.[3] The Executive-proposed version was further increased in the 2017 Enacted Budget.

The CHED budget continued to grow nearly three-fold in 2018-2021 with the signing into law of the Universal Access for Quality Tertiary Education. This, in turn, contributed to the increase in the total budget of higher education as discussed in the preceding section. Figure 10 shows the share of the CHED budget in proportion to the total national budget from fiscal year 2010 to 2024. At its peak in 2018, the CHED budget was equivalent to 1.3 percent of the total national budget, but it declined steadily declined beginning in fiscal year 2019 as allocations for free tuition were lodged in the budgets of various SUCs.

FY 2010-2024 Higher Education Development Fund (HEDF)

The Higher Education Development Fund was established by virtue of the same law that created the Commission on Higher Education. Section 10 of R.A. No. 7722 identified the national government's contribution to the fund. CHED may also identify and request certain government financing institutions (GFISs) to contribute an amount "equivalent to not less than three percent but not more than five percent of their unimpaired surplus realized

3 Congressional Policy and Budget Research Department, "Agency Budget Notes 2017-08 on the 2017 Proposed Budget of the Commission on Higher Education," https://cpbrd.congress.gov.ph/images/PDF%20Attachments/ABN/ABN2016-08_CHED.pdf.

during the immediately preceding year." The HEDF also has a private portion from amounts that may be raised from donations, gifts, or other conveyances. Such conveyances may include materials, equipment, properties and services.[4]

The mandated contributions of the government to the HEDF are as follows:

1. PHP 500,000,000 as seed capital;
2. PHP 50,000,000 for the initial operation of the Commission;
3. Forty percent annual share from the total gross collections of travel tax;
4. Thirty percent annual share from the collections of professional registration fees; and
5. One percent of the gross sales of the lotto operations of the Philippine Charity Sweepstakes Office (PCSO)

Table 3 summarizes the projected and actual remittances of the abovementioned entities to the HEDF based on the figures reported under the 2010–2024 Budget of Expenditures and Sources of Financing. A more detailed table showing the annual projected and actual remittances to the HEDF can be found in Annex 1.

Table 3. Sources of Financing for the HEDF

FY2010-2023 HEDF by Source	Projected	Actual
Philippine Tourism Authority 40% annual share from the total gross collections of travel tax	3,795,622,000	2,449,111,000
Professional Regulation Commission 30% annual share from the collections of professional registration fees	477,206,000	362,142,000
PCSO/PAGCOR 1% of the gross sales of the lotto operations of the Philippine Charity Sweepstakes Office (PCS0)	4,838,251,000	4,228,662,000
Total	9,111,079,000	7,039,915,000

The total projected shares of the HEDF from various sources between fiscal years 2010 to 2024 amounted to PHP 9.1 billion, but actual remittances amounted to PHP 7 billion. There are significant data gaps in this computation

4 R.A. No. 7722, Section 10.

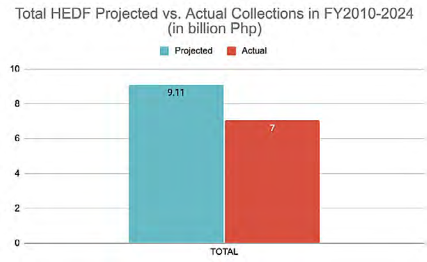


Figure 11

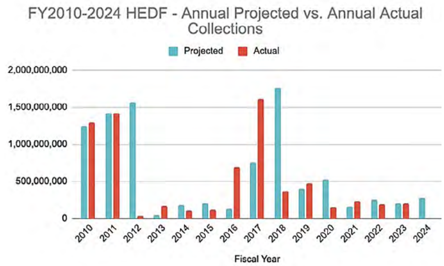


Figure 12

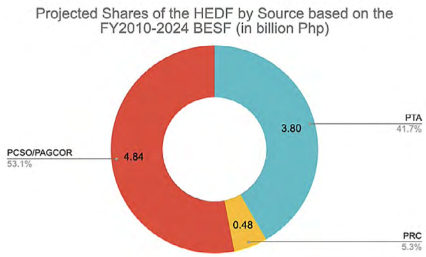


Figure 13

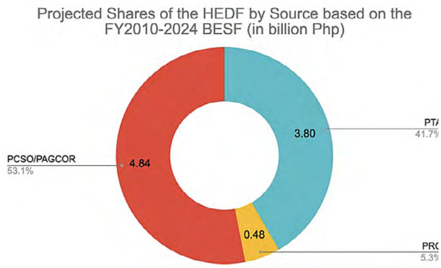


Figure 14

of the total HEDF for the period covered by this study. Notably, there were no reported figures from travel tax collections in the Budget of Expenditures and Sources of Financing from fiscal year 2013 up to 2024. Thus, the total funding level of the HEDF for the period covered in this study may in fact be much higher than what is reflected in publicly available reports.

The absence of remittance data from the shares in travel taxes also explains why the actual levels of the HEDF plummeted beginning in fiscal year 2012 as shown in Figure 12. Nonetheless, these levels recovered with the surge in the actual HEDF level in fiscal year 2017 and the projected HEDF level in 2018 due to the increase in shares from the Philippine Charity Sweepstakes Office.

Disaggregated by sources, the remittances of PCSO/PAGCOR from proceeds in lotto operations account for 60 percent of the HEDF. Despite data gaps, the shares from travel tax collection still accounts for 35 percent of the HEDF from fiscal year 2010 to 2023. Figures 13 and 14 show the total projected and total actual shares of the HEDF by contributing entity based on figures reflected in the Budget of Expenditures and Sources of Financing.

In addition to the mandated contributions of government entities under Section 10, item a of R.A. 7722, Section 10, item b also provides that CHED may request contributions equivalent to three to five percent of the "unimpaired surplus" of GFIs realized in the preceding year.[5] Furthermore, the Commission on Audit[6] noted in its 2023 Annual Audit Report on CHED, that CHED is entitled to a one percentshare in the net proceeds from the disposition of Metro Manila Military Camps as contribution of the Bases Conversion and Development Act under R.A.7919,[7] and Section 4.5.7 of Administrative Order No. 236 series of 1996.[8]

The Budget of Expenditures and Sources of Financing do not show any remittances from GFIs from 2010 to 2024 or the BCDA, but the BCDA's remittance to the HEDF in FY 2013 was accounted for in the FY 2013 COA Annual Audit Report on CHED. The BCDA remitted a total of PHP 196,557,518.34 to the HEDF in fiscal year 2013.[9] As the administrator of the HEDF, CHED must report to the DBM and publish a full and reliable accounting of the contributions to the HEDF. This must include the remittances of the BCDA in FY 2013 and more importantly, the remittances to the HEDF from travel tax collections from FY 2013 to present.

Over the years, a significant audit finding on the HEDF is that the remittances to the HEDF in the Bureau of the Treasury are only subject to monitoring by the HEDF Staff, but they not recorded in CHED's book of accounts.[10] The Commission on Audit noted that only the "Notice of Cash Allocations" issued by the DBM were being recorded by CHED. Since CHED failed to record the

5 R.A.7722, Section 10, Item b.

6 COA (Commission on Audit), FY 2013 CHED Annual Audit Report, 124.

7 The one percent share of the HEDF from the BCDA is under Section 1, item d (7), R.A. No. 7919, https://www.bcda.gov.ph/sites/default/files/2023-06/RA_7917.pdf.

8 Administrative Order No. 236, series of 1996, "Prescribing the Rules and Regulations on the Collection, Remittance, and Utilization of Sales Proceeds Under R.A. No. 7227 as Amended by R.A. No. 7917,". 8 January 1996. https://lawphil.net/executive/ao/ao1996/ao_236_1996.html.

9 COA, "FY 2013 CHED Annual Audit Report, Part 2 Observations and Recommendations," Items 167-168, 124.

10 COA, "FY 2020 CHED Annual Audit Report, Part 2 Observations and Recommendations," Items 1.10-1.20, 66.

remittances to the Bureau of the Treasury for the HEDF, the cash balance of the HEDF was underreported by PHP 12 billion.[11]

Based on the FY 2020 COA Annual Audit Report on CHED, the total remittances to the HEDF from 1995 to 31 December 2020 amounted to Php32.7 billion while total releases covered by Notice of Cash Allocations issued by DBM to CHED amounted to Php20.8 billion. By the close of fiscal year 2020, the HEDF had an available balance of Php12 billion.

FY 2010-2024 National Government Subsidies to State Universities and Colleges (SUCs)

The national government's subsidies to state universities and colleges (SUCs) around the country is equivalent to 1.8% of the total nation budget from fiscal years 201 to 2024 (see Figure 1). It also takes the lion's share of higher education budgets comprising 72.5% of the total higher education budget for the same period. The annual subsidies to SUCs nationwide have been consistently increasing since fiscal year 2010 along with the annual growth of the national budget (See Figure 15). From Php22.4 billion in fiscal year 2010, the total subsidies to SUCs have grown sixfold to Php128.2 billion in 2024. (See Figure 16)

Figure 17 shows the annual share of SUC subsidies to the national budget for the same period. Between 2010–2012 the shares were decreasing - from 1.5% in 2010, it went down to 1.3% in 2011 and then to 1.2% in 2012. It increased again in 2013 and remained at a constant level of 1.6% until 2016. Between 2018 to 2020, it slightly climbed to 1.8% with the exception of 2018 when it dipped back to 1.6% of the national budget. Since 2021, the share of SUC subsidies to the national budget averaged 2.0% owing to the direct allocation of portions of the UAQTE funds to the SUCs. Figure 18 shows the nominal figures of the national budget vs the SUC subsidies.

11 COA, "FY2020 CHED Annual Audit Report, Part 2 Observations and Recommendations," Items 1.10-1.20, 66.

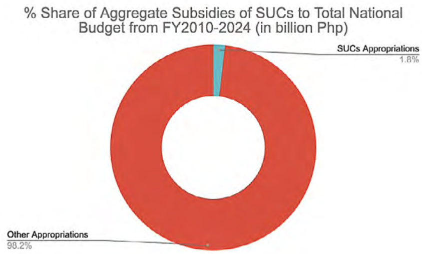


Figure 15

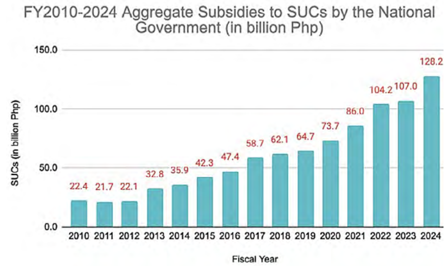


Figure 16

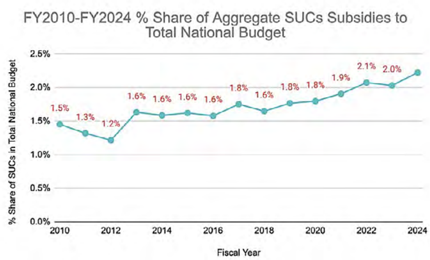


Figure 17

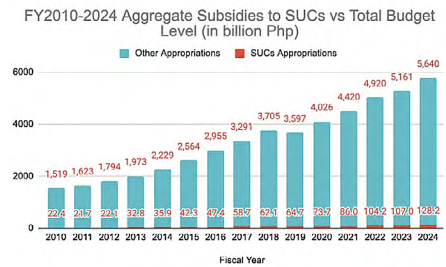


Figure 18

Management, Administration and Use of the HEDF

Section 11 of R.A. 7722 identified CHED as the administrator of the HEDF. To this end, it was tasked to 1) organize a separate staff that is administratively and budgetarily separate from the Commission Secretariat,[12] and 2) promulgate the guidelines pertaining to its use. Several CHED Memorandum Orders (CMOs) were then issued to provide operational guidelines for the HEDF including authorized signatories for the approval and release of the Fund. Annex 2 presents the list of CHED issuances on the HEDF since it was created by R.A. 7722.

CHED Memorandum Order No. 57, series of 2007 explicitly stated that the Fund shall be used to improve higher education programs in both public and private institutions of higher learning. It also identified the following priority

12 R.A. 7722, Section 11, Item d.

areas for funding and the corresponding percentage allocation for each as shown in Table 4.[13]

Table 4. Priority Areas and Percentage Allocation of HEDF

Priority Areas	% Allocation
1. Research and graduate scholarships	40%
2. Quality assurance and upgrading	40%
3. Management and information development	20%
Total	100%

Between 2010–2016, CHED mentioned in its accomplishment report that a total of PHP 8.75 billion worth of programs and project were funded through the HEDF. These include the K to 12 Transition Program with an allocation of PHP 3 billion, the Student Financial Assistance Program with PHP 2.7 billion, Quality Assurance and Improvement programs/projects with PHP 1.1 billion, Research and Development programs/projects with PHP 992 million and Centers of Excellence/Centers of Development and Internationalization initiatives with PHP 262.5 billion.[14]

Under Quality Assurance and Improvement, some of the specific programs/projects funded were: curricular reengineering, development/operations for PQF and alignment with international standards, monitoring and evaluation of HEI programs and institutions, and harmonization of accreditation standards. Meanwhile, under Research and Development, the HEDF financed the establishment of research centers in HEIs, grants in aid for research and development activities, and support for participation in international conferences among others.

The total appropriations for the HEDF from FY 2017–2024 amounted to PHP 14 billion. The highest level of allocation amounting to PHP 5.6 billion was provided in FY 2023. Meanwhile, PHP 799 million of the PHP 5.6 billion was

13 The COA 2012 Annual Audit Report on CHED noted that the use of the HEDF is governed by CHED Order No. 1, series of 2011 and that CHED followed the HEDF Manual but these guidelines are not publicly available.

14 CHED, "Advancing a Locally Responsive and Globally Competitive Philippine Higher Education System: Higher Education Accomplishments, 2010-2016", 47.

allocated for the operations of the Commission as stated in Special Provision 1 of the CHED Budget under the FY 2023 General Appropriations Act.

Of the total PHP 14 billion appropriations for the HEDF, PHP 11.8 billion has already been obligated, but a significant portion of the FY 2023 and FY 2024 HEDF remained unobligated as of end September 2024. Moreover, only PHP 7.3 billion was disbursed from FY 2017 to 2024. This is equivalent to only half of the total appropriations for the HEDF for those years. Higher Education Development Fund disbursements deteriorated beginning in 2018 and consistently posted low disbursements until the present.

During this period, CHED said it prioritized the grant of funding from the HEDF to SUCs for projects such as improvement of facilities and financial assistance to students. Table 5 shows a summary of the appropriations, obligations, disbursements and unutilized balances of the HEDF from FY 2017 to 2024.

Table 5. HEDF Budget Utilization

Fiscal Year	Appropriations	Obligations	Disbursements	Unobligated	Undisbursed
2017	1,760,808,000	1,633,814,000	1,009,032,000	126,994,000	624,782,000
2018	1,073,691,000	1,008,297,000	356,880,000	65,394,000	651,417,000
2019	907,204,000	836,174,000	448,341,000	71,030,000	387,833,000
2020	1,087,800,000	1,087,798,000	179,911,000	2,000	907,887,000
2021	1,291,928,000	1,291,912,000	195,648,000	16,000	1,096,264,000
2022	1,026,655,000	1,026,647,000	604,628,000	8,000	422,019,000
2023	5,633,878,000	4,398,557,000	4,076,543,000	1,235,321,000	322,014,000
2024	1,267,814,000	505,962,000	447,404,000	761,852,000	58,558,000
Total	14,049,778,000	11,789,161,000	7,318,387,000	2,260,617,000	4,470,774,000

Source: CHED, 2017–2024 Financial Accountability Report No. 1

Conclusion

The analysis of the budget allocations provided to the CHED, SUCs, and the HEDF from 2010 to 2024 shows that the national government has allocated PHP 1.3 trillion for higher education or an average of 1.7 percent of the total national budget. Total subsidies to SUCs from is equivalent to 1.8 percent of the total national budget, while the total budget of CHED for the same period is equivalent to 0.7 percent. The HEDF is equivalent to only 0.6 percent of the total higher education budget.

Since the study is only an initial fiscal analysis of higher education budgets in the Philippines and does not cover program-level budget data and program-level budget utilization data of the SUCs, CHED, and the HEDF, further analysis is required to better understand the trends and patterns of higher education resource allocation and the absorptive capacities of the aforementioned public higher education institutions.

Nevertheless, an initial analysis of the use of the HEDF based on available issuances, reports, interviews with current and former officials of COA, as well as various COA audit findings, the following broad policy recommendations to EDCOM II are proposed:

1. A full accounting of the HEDF must be undertaken by EDCOM II together with CHED. The reports should be fully transparent to the public especially to higher education stakeholders. While financial accountability reports on the HEDF are available as part of the annual reports of CHED, there is currently no publicly accessible database that shows the status of the HEDF.

2. There is a need implement the provision in the guidelines regarding the creation of an HEDF secretariat that is separate from the CHED secretariat. The HEDF itself may be tapped to fund the personnel requirements of the HEDF Secretariat as it has in fact already been used to hire 47 CHED personnel based on previous COA audit reports.

3. There is a need to review the allocation of the HEDF and the purposes for which they should be used in consultation with both public and private HEIs to respond to present-day challenges.

4. There is a need to strengthen the linkage between the use of the HEDF and the societal outcomes for education encapsulated in the Philippine Development Plan to improve the programming of the HEDF. There is currently no strategic plan/roadmap and performance indicators that anchors the use of the HEDF since it has been treated as a fund augmentation of CHED, and of late, to capital expenditures of SUCs. While these programs and projects qualify for funding under RA7722 and

existing guidelines, the intent of the Higher Education Act goes beyond the kinds of programs and projects that it is currently being used for. To this end, a medium-term expenditure plan for the HEDF will help CHED strategically prioritize and align HEDF programs with the societal goals in the Philippine Development Plan.

5. The allocation of the HEDF should not be limited to financing the needs of SUCs. The law and existing guidelines explicitly provide that it should also benefit private HEIs.

References

Administrative Order No. 236, series of 1996. 1996. "Prescribing the Rules and Regulations on the Collection, Remittance, and Utilization of Sales Proceeds Under R.A. 7227 as Amended by R.A. No. 7917." 8 January 1996. https://lawphil.net/executive/ao/ao1996/ao_236_1996.html.

CHED (Commission on Higher Education." 2016. "Advancing a Locally Responsive and Globally Competitive Philippine Higher Education System: Higher Education Accomplishments, 2010-2016." June 2016. https://library.ched.gov.ph/cgi-bin/koha/opac-detail.pl?biblionumber=7426.

———. 2023. "2017-2024 Financial Accountability Report No. 1." 23 December 2023. https://www.dbm.gov.ph/index.php/2024/general-appropriations-act-gaa-fy-2024.

COA (Commission on Audit). 2020–2021. "FY2010-FY2020 CHED Annual Audit Reports." https://www.coa.gov.ph/wpfd_file/commission-on-higher-education-annual-audit-report-2020/.

CPBRD (Congressional Policy and Budget Research Department). August 2016. "Agency Budget Notes 2017-08 on the 2017 Proposed Budget of the Commission on Higher Education." CPRD. https://cpbrd.congress.gov.ph/images/PDF%20Attachments/ABN/ABN2016-08_CHED.pdf.

DBM (Department of Budget and Management). 2024. "2010-2024 General Appropriations Act." https://www.dbm.gov.ph/index.php/2024/general-appropriations-act-gaa-fy-2024.

———. 2025. "2010–2025 Budget of Expenditures and Sources of Financing." 29 July 2024. https://www.dbm.gov.ph/index.php/2025/budget-of-expenditures-and-sources-of-financing-fy-2025.

Republic Act No. 7722. "The Higher Education Act of 1994." 18 May 1994. https://lawphil.net/statutes/repacts/ra1994/ra_7722_1994.html.

Republic Act No. 7919. "An Act Amending Section 8 of Republic Act 7227." 24 February 1995. https://www.bcda.gov.ph/sites/default/files/2023-06/RA_7917.pdf.

Annex

Annex 1

FY 2010-2024 Projected and Annual Remittances to the Higher Education Development Fund

Sources of Shares in Income of the HEDF under RA7722 and other laws		Philippine Tourism Authority	Professional Regulation Commission	Philippine Charity Sweepstakes Office	Bases Conversion and Development Authority	Total
FY2010	Projected	1,101,600,000	60,500,000	77,000,000		1,239,100,000
	Actual	1,093,210,000	36,807,000	160,000,000		1,290,017,000
	Difference	-8,390,000	-23,693,000	83,000,000		50,917,000
FY2011	Projected	1,202,531,000	40,488,000	176,000,000		1,419,019,000
	Actual	1,355,901,000	31,145,000	33,000,000		1,420,046,000
	Difference	153,370,000	-9,343,000	-143,000,000		1,027,000
FY2012	Projected	1,491,491,000	34,260,000	36,300,000		1,562,051,000
	Actual		36,542,000			36,542,000
	Difference	-1,491,491,000	2,282,000	-36,300,000		-1,525,509,000
FY2013	Projected		40,196,000			40,196,000
	Actual		22,853,000	145,000,000		167,853,000
	Difference		-17,343,000	145,000,000		127,657,000
FY2014	Projected		25,138,000	159,500,000		184,638,000
	Actual		8,456,000	100,000,000		108,456,000
	Difference		-16,682,000	-59,500,000		-76,182,000
FY2015	Projected		27,652,000	175,450,000		203,102,000

Sources of Shares in Income of the HEDF under RA7722 and other laws		Philippine Tourism Authority	Professional Regulation Commission	Philippine Charity Sweepstakes Office	Bases Conversion and Development Authority	Total
	Actual		9,302,000	110,000,000		119,302,000
	Difference		-18,350,000	-65,450,000		-83,800,000
FY2016	Projected		10,232,000	121,000,000		131,232,000
	Actual		26,102,000	660,000,000		686,102,000
	Difference		15,870,000	539,000,000		554,870,000
FY2017	Projected		28,712,000	726,000,000		754,712,000
	Actual		41,071,000	1,566,524,000		1,607,595,000
	Difference		12,359,000	840,524,000		852,883,000
FY2018	Projected		45,178,000	1,723,177,000		1,768,355,000
	Actual		20,907,000	342,682,000		363,589,000
	Difference		-24,271,000	-1,380,495,000		-1,404,766,000
FY2019	Projected		22,997,000	376,950,000		399,947,000
	Actual		48,128,000	425,764,000		473,892,000
	Difference		25,131,000	48,814,000		73,945,000
FY2020	Projected		52,941,000	468,340,000		521,281,000
	Actual		52,941,000	93,700,000		146,641,000

Sources of Shares in Income of the HEDF under RA7722 and other laws		Philippine Tourism Authority	Professional Regulation Commission	Philippine Charity Sweepstakes Office	Bases Conversion and Development Authority	Total
	Difference		0	-374,640,000		-374,640,000
FY2021	Projected		58,235,000	103,070,000		161,305,000
	Actual		27,888,000	199,607,000		227,495,000
	Difference		-30,347,000	96,537,000		66,190,000
FY2022	Projected		30,677,000	219,567,000		250,244,000
	Actual			186,850,000		186,850,000
	Difference		-30,677,000	-32,717,000		-63,394,000
FY2023	Projected			205,535,000		205,535,000
	Actual			205,535,000		205,535,000
	Difference					
FY2024	Projected			270,362,000		270,362,000
	Actual					
	Difference					
Total	Projected	3,795,622,000	477,206,000	4,838,251,000		9,111,079,000
	Actual	2,449,111,000	362,142,000	4,228,662,000		7,039,915,000

Annex 2

Links to the Open Data on the Fiscal Overview of Public Higher Education Budgets

1. FY2010–2024 Philippines Higher Education Budget
2. FY2010–2024 CHED Budget
3. FY2010–2024 SUC Subsidies
4. FY2010–2024 Higher Education Development Fund
5. Draft Presentation on Philippine Higher Education Budgets

THE UP CIDS DISCUSSION PAPER SERIES

The UP CIDS Discussion Paper Series features preliminary researches that may be subject to further revisions and is circulated to elicit comments and suggestions for enrichment and refinement. They contain findings on issues that are aligned with the core agenda of the research programs under the University of the Philippines Center for Integrative and Development Studies (UP CIDS).

Center for Integrative and Development Studies

Established in 1985 by University of the Philippines (UP) President Edgardo J. Angara, the UP Center for Integrative and Development Studies (UP CIDS) is the policy research unit of the University that connects disciplines and scholars across the several units of the UP System. It is mandated to encourage collaborative and rigorous research addressing issues of national significance by supporting scholars and securing funding, enabling them to produce outputs and recommendations for public policy.

The UP CIDS currently has twelve research programs that are clustered under the areas of education and capacity building, development, and social, political, and cultural studies. It publishes policy briefs, monographs, webinar/conference/forum proceedings, and the Philippine Journal for Public Policy, all of which can be downloaded free from the UP CIDS website.

The Program

The Program on Higher Education Research and Policy Reform (HERPRP) aims to chart a research agenda, systematically build an evidence base for policy analysis, and create a network of experts and researchers doing work in this sector. HERPRP also serves as a convening body seeking to build partnerships and working collaborative networks among stakeholders.

Get your policy papers published.
Download open-access articles.

The Philippine Journal of Public Policy: Interdisciplinary Development Perspectives (PJPP), the annual peer-reviewed journal of the UP Center for Integrative and Development Studies (UP CIDS), welcomes submissions in the form of full-length policy-oriented manuscripts, book reviews, essays, and commentaries. The PJPP provides a multidisciplinary forum for examining contemporary social, cultural, economic, and political issues in the Philippines and elsewhere. Submissions are welcome year-round.

For more information, visit cids.up.edu.ph.
All issues/articles of the PJPP can be downloaded for free.

Get news and the latest publications.

Join our mailing list to get our publications delivered straight to your inbox! Also, you'll receive news of upcoming webinars and other updates.

bit.ly/signup_cids

We need your feedback.

Have our publications been useful? Tell us what you think.

bit.ly/dearcids

UNIVERSITY OF THE PHILIPPINES
CENTER FOR INTEGRATIVE AND DEVELOPMENT STUDIES

Lower Ground Floor, Ang Bahay ng Alumni, Magsaysay Avenue
University of the Philippines Diliman, Quezon City 1101

Telephone (02) 8981-8500 loc. 4266 to 4268
(02) 8426-0955

Email cids@up.edu.ph
cidspublications@up.edu.ph

Website cids.up.edu.ph