Why the government should continue increasing the UP Budget
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The Philippine government, through the Aquino administration, started to increase earnestly the budget of the University of the Philippines in fiscal year 2013. It allocated Php 10.09B which is 1.66 times more than the 2012 UP budget. The average UP budget per year in the last ten years ending 2012 is Php 5.63B. The UP budget was Php 4.34B in 2003.

UP is the only national university of the country (Republic Act 9500). Its annual budget consists of three major expense categories: Personnel Services (PS), Maintenance, Operating & Other Expenses (MOOE), and Capital Outlay (CO). The PS allocation is used to pay for the salaries, wages and other compensation of permanent, temporary, contractual and casual employees while the MOOE is utilized to operate the seven (7) constituent universities of UP and maintain its fifteen campuses. On the other hand, the CO allocation permits UP to purchase goods and services as well as implement infrastructure projects that add to its collection of assets. Included in the UP budget is the allocation for the Philippine General Hospital (PGH).

The PS component of the 2012 UP budget was 64.8% higher than that in 2008 implying an annual average increase of 16.2% in the said span of time. The increases enabled UP to apply a series of compensation adjustments for its employees in accordance with the Salary Standardization Law Policy of the Philippine government. For example, the full professor salary (SG 29-8) in 2012 was 1.37 times higher than that in 2010. For associate (SG 25-5) and assistant (SG 21-5) professors, the corresponding increases were 1.32 and 1.2 times, respectively. Better compensation is aimed at attracting and retaining highly talented and productive scholars, scientists, researchers and artists to serve in UP on a full-time basis. The PS component of the 2013 UP budget is 24.69% higher than in 2012.

The MOOE component is a distinctive feature of the 2013 UP budget. At Php 2.06B, it is 2.88 times larger than its 2012 counterpart. The relative increase is even more telling at 3.53 times when the MOOE allocation for the PGH is considered separately. The average annual MOOE budget for UP is Php 785.655M from 2003 to 2012.

In 2012, UP Diliman, the main campus of UP, received an MOOE allocation of Php 103.243M which was highly inadequate to cover the cost of energy and water consumption as well as security and janitorial services. The energy bill of UP Diliman amounted to Php 193.203737M, which is 6.99% higher than that in 2011. Energy consumption increased by 4.18% primarily due to the completion of new buildings and facilities particularly in the National Science Complex and the Engineering Complex. The 2012 water bill was Php 70.130146M, which is 8.74% lower than in 2011. Concerted efforts to repair or replace leaking pipes and defective water fixtures have lead to a noticeable 21.95% reduction in water consumption in UP Diliman buildings.

The 2013 MOOE allocation of UP Diliman is Php 268.983M, which is 2.61 times larger than in the previous year. The said amount however, is still not sufficient to cover the increasing
cost of energy and water consumption as well as security and janitorial services that is projected to be at least Php 420M.

To bridge the gap between actual operations cost and insufficient MOOE allotment from the national government, UP Diliman uses its income from tuition fees and other asset utilization initiatives. Such a deficit-funding scheme however, reduces the amount of money that is available for making the campus more enabling and nurturing. It has postponed the overdue rehabilitation/retrofitting of aging infrastructures, scaled down vital student support programs, and stymied the acquisition of modern equipment and facilities that enhance the safety and welfare of the UP community and the general public that regularly spend time in the 493-hectare campus.

The 2013 UP budget included a CO allocation of Php 1.45B – none was allotted in the previous two years. In 2012 however, UP, through the efforts of UP President Alfredo Pascual was able to secure Php 1.3B from the Commission on Higher Education (CHED) as part of the Disbursement Acceleration Plan of Philippine President Aquino, that enabled it to implement new CO projects in its constituent universities.

For 2014, UP has requested for a budget of Php 17.1B that included funding proposals for major CO projects such as the Sports Complex (Php 435M), the College of Architecture Complex (Php 260.590M), the College of Home Economics Complex (Php 425M) and Vinzon’s Hall-Student Center (Php 100M) in UP Diliman. The Executive Branch has submitted to Congress a National Expenditure Program (NEP) for 2014 that includes a UP Budget of Php 8.098B of which Php 1.991B is allotted for PGH.

The UP Budget in the proposed 2014 NEP represents only 47.36% of the amount that has been originally requested. It features a proposed MOOE allocation that is 1.04% higher than in 2013 and there is no explicit CO budget allocation. The instruction is for UP to source the funds for its proposed CO projects separately from CHED.

Investing seriously in UP is a wise strategy for the Philippine government and the country. The infusion of public funds that permitted the on-going completion of the National Science Complex and the Engineering Complex, and increased the available number of graduate scholarships in the basic and applied sciences, mathematics and the engineering sciences, has already resulted in meaningful human capital buildup in the form of more highly trained PhD and MS graduates. It has accelerated the generation of new scientific knowledge, and advanced the development of technical expertise in critical areas of national importance such as weather forecasting, disaster risk response and mitigation as well as terrestrial and marine resource management.

Other government agencies such as the DOST, CHED, DA, DENR, DOH, DA and DepEd as well as Congress and the Judiciary continue to rely on the valuable expertise of UP scholars and researchers in the formulation and implementation of their respective programs and projects. State universities serve about a third of all college students in the country, and they have depended on UP to provide them with their next generation of PhD faculty members.
The number of high school seniors taking the yearly UP College Admission Test is increasing at an average rate of 3.94% since August 2007. In the 2012 UPCAT, only one out of every 13 applicants qualified for admission into UP Diliman – a majority of them came from private (55.7%) and public science (29.4%) high schools. A total of 12,732 applicants were qualified for the entire UP System indicating a success rate of one in 5.83.

More than 83,500 high school seniors took the 2013 UPCAT - an increase of 8.95% than the number in 2012. About 65% of them are competing for the 3,875 available slots (the same number as in 2012) that are distributed in the 68 undergraduate degree programs offered by UP Diliman. Admission is getting more difficult for SY 2014-2015.

Providing solid budgetary support to UP would allow it to continue rationalizing public access to top-quality higher education by young Filipinos from all over the country. The additional funds would enable the training of more talented undergraduate students at a rate that is proportional to the annual increase in the number of UPCAT applications. More investments are also needed to enhance and strengthen the academic and research programs in the other six constituent universities (UPLB, UP Manila, UP Baguio, UP Visayas, UP Mindanao, Open University) and reduce the relatively high concentration of undergraduate and graduate students (representing 45% of all UP students) studying in UP Diliman.

As the leading university of the country in terms of research productivity and breadth of academic programs, UP is at the forefront of on-going efforts to harmonize and standardize the academic degree programs that are offered by leading ASEAN universities in line with the implementation of the ASEAN Economic Community Blueprint in 2015. UP should be provided with the means and resources necessary to become one of the truly great universities in the ASEAN. The success of UP will mean greater opportunities of leadership for many more highly skilled Filipinos in this dynamic ASEAN region and the Pacific Rim.

Thank you.

About the author. Dr. Saloma is a professor of physics at the National Institute of Physics, UP Diliman. He received the Galileo Galilei Award from the International Commission for Optics in 2004 and the triennial ASEAN Outstanding Scientist and Technologist Award from the ASEAN Committee on Science and Technology in 2008. He is included in the Ultimate List of 15 Asian Scientists To Watch by Asian Scientist magazine (15 May 2011). He is a member of the National Academy of Science and Technology, Philippines and a Senior Member of the Optical Society of America. In August 2011, he wrote an article entitled, “Why the Philippine Government Should Increase Its Budget for the National University.”