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Assessment of Student Financial Assistance Programs (StuFAP) Policies, Procedures, and Control Mechanisms

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Philippine Institute for Development Studies
Surian sa mga Pag-aaral Pangkaunlaran ng Pilipinas

Assessment of Student Financial Assistance Programs (StuFAP) Policies, Procedures, and Control Mechanisms

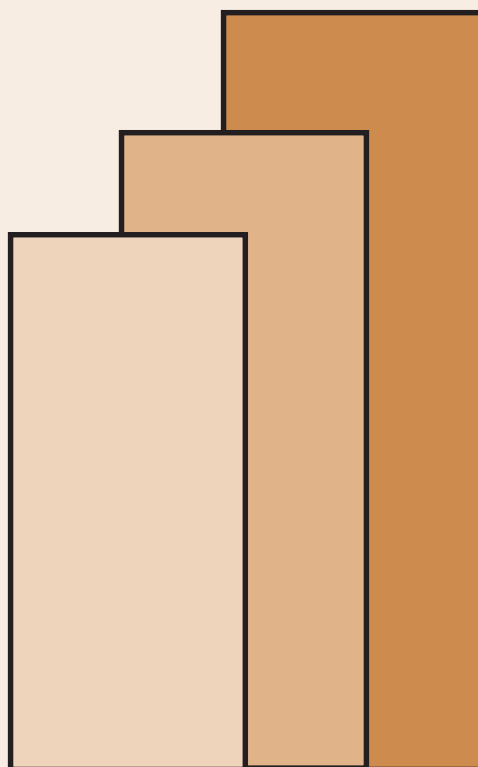
Riza Halili

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Assessment of Student Financial Assistance Programs (StuFAP) Policies, Procedures and Control Mechanisms

Abstract

This study targets to examine the existing design and processes of student grants and loans and to identify the strengths and weaknesses on the control mechanism of student grants. A look into the present procedures and control mechanisms of policies concerning scholarships and grants-in-aid is an imperative measure when seeking to reform the delivery of higher education in the country. This can shed light on the reasons why the administration of a public good is efficient or inefficient.

Though, the funds for these scholarship programs and grants are expended in the spirit of charity and altruism for the poor and deserving, they are nonetheless from the government and thus, from the taxpayers' pockets. This makes scholarship funds and other subsidies no different from ordinary government procurement that should be expended in a transparent, accountable, and cost-efficient manner ensuring that every centavo is going where it should.

Undergraduate, graduate, and post-graduate scholarships and grants-in-aid (GIAs) implemented by National Government Agencies (NGAs) are generally guided by policies and guidelines for the administration and monitoring of the said subsidies through laws, implementing rules and regulations (IRRs), and department issuances. However, testing is not widely observed by all agencies to ensure that the student is ready and able to complete tertiary education. More importantly, the result of this study shows much can be improved in the institutionalization of policies that would strengthen transparency, and accountability and would reduce conflict of interest and vulnerabilities to unethical behavior.

Keywords: General Appropriations Act, Scholarships, Grants-In-Aid (GIA), Student loans Commission on Higher Education (CHED), Student Financial Assistance Programs (StuFAP), Department of Science and Technology (DOST), Priority Development Assistance Fund (PDAF)

JEL: I230, I280

Assessment of Student Financial Assistance Programs (StuFAP) Policies, Procedures and Control Mechanisms

Riza Halili¹

I. Introduction

The Commission on Higher Education (CHED) and the Philippine Institute for Development Studies (PIDS) had entered into an agreement to jointly take the lead in the implementation of the project on “Grants-in-Aid for Research, Development and Extension (RDE) for State Universities and Colleges (SUCs).” The project aims to address the need to upgrade the institutional capability of SUCs and to provide quality higher education for generating/adapting/transferring technologies in order to enhance productivity, alleviate poverty, and further improve the country’s competitiveness. In addition, the project aims to develop and concretize the Higher Education Research Agenda of PIDS and CHED. Further, it seeks to know if subsidies can be used more cost-effectively to achieve increased access to better quality HE, greater inclusivity and improved research outputs.

This study targets to examine the existing design and processes of student grants and loans and to identify the strengths and weaknesses on the control mechanism of student grants.

A look into the present procedures and control mechanisms of policies concerning scholarships and grants-in-aid is an imperative measure when seeking to reform the delivery of higher education in the country. This can shed light on the reasons why the administration of a public good is efficient or inefficient.

The main implementers of tertiary scholarships and grants-in-aid in the country under the Government Appropriations Act (GAA) are the CHED, Department of Science and Technology (DOST), and SUCs by virtue of approved provisions included in their budgets of funds for this purpose. CHED administers its scholarship programs and grants through CHED Memorandum Orders (CMOs) that are primarily anchored on Republic Act (RA) 7722, otherwise known as the “Higher Education Act of 1994.” Similarly, DOST administers its science and technology scholarship programs through RA 7687, “An Act Instituting a Science and Technology Scholarship Program and Other Purposes,” RA 8248 that strengthens RA 7687, its Implementing Rules and Regulations (IRR), and department memoranda. Meanwhile, legislators are given the opportunity to implement higher education scholarship programs through the Priority Development Assistance Fund (PDAF) that they receive every year from the GAA managed by the Department of Budget and Management (DBM) that releases the funds to implementing agencies identified in the “Project Menu and List of Requirements”. These scholarship programs should be governed by the policies and guidelines of the implementing agency.

¹ Ms. Riza Halili is a PIDS consultant under the PIDS-CHED project entitled “Grants-in-Aid for Research, Development and Extension (RDE) for State Universities and Colleges.”

II. Overview of Scholarship and Grants-In-Aid Programs

A. Commission on Higher Education

Student Financial Assistance Programs

CHED's Student Financial Assistance Programs (StuFAP) are authorized by CHED Memorandum Order (CMO) No. 29, s. 2009, which was amended by CMO No. 3, s. 2011 and CMO No. 7, s. 2012. These CMOs govern CHED's main student financial assistance programs with the objective of selecting the most deserving beneficiaries through objective selection requirements and awards ranges. It covers full-merit and half-merit scholarships, the Study-Now-Pay-Later Plan Program (SNPLP), and the following grants-in-aid programs:

1. Office of the President Adviser of Peace Process-CHED Study Grant Program for Rebel Returnees;
2. DND-CHED-PASUC Study Grant Program;
3. CHED Special Study Grant Program (CSSGP)
 - a. Congressional Districts/Party Lists
 - b. Senate; and
4. *Tulong-Dunong* (TD).

General requirements for applicants are:

1. Must be a Filipino citizen of good moral character;
2. Must be a high school graduate or a candidate for graduation from high school;
3. Must have at least 80% general weighted average (GWA) based on Form 138 and a general scholastic aptitude (GSA) of National Career Assessment Examination (NCAE), as follows:
 - a. 90% above – full-merit
 - b. 85% above – half-merit
 - c. 80-84% - grant-in-aid and student loan programs;
4. Combined Annual Gross Income of Parents/Guardian not to exceed Three Hundred Thousand Pesos (PhP 300,000.00);
5. Must not be more than 30 years of age at the time of application except for CHED-OPAPP-SGPRR;
6. Entering freshmen and/or college student in any curricular year level;
7. For student borrower:
 - a. Must enter into a loan agreement with CHED Regional Office (CHEDRO); and
 - b. Must have a co-borrower who is a member of SSS/GSIS in good standing (at least paying contribution for 6 months for the last 12 months);
8. Has not availed of any government scholarship and/or grant.

There are documentary requirements to prove the applicant's qualifications such as High School Report Card, NCAE Result, and Annual Tax Return or Certificate of Tax Exemption of parents from the BIR among others. The co-borrowers for the SNPLP should submit a certified true copy of grades, notarized contract between CHED and the student-borrower, and proof of SSS/GSIS premium contribution of co-borrower.

Main tasks of the CHEDROs in administration and management of StuFAPs is to monitor the implementation and administration of HEIs; decide on termination of CHED

StuFAPs and request for transfer, reconsideration, deferment, and shifting of course; attend to the payment of beneficiaries; and disburse and/or refund financial benefits. The AFS/HEDF is primarily tasked to transfer to CHEDROs the financial benefits. HEIs are to assist the CHEDROs, submit to CHEDRO masterlist of beneficiaries, and submit status reports to CHEDROs.

Three percent of the StuFAPs allocation is apportioned to monitoring and evaluation of these programs at the CHEDRO and OSS level.

Enhanced Study-Now-Pay-Later Plan

Last 2011, CHED released CMO No. 16 to ensure viability, productivity, and sustainability of the implementation and management of the Enhanced SNPLP (E-SNPLP). Under this, the applicant should have the following qualifications:

1. Shall be a Filipino citizen;
2. Shall not exceed the age limit of 30 years old;
3. Shall be enrolled in any curricular level, in any CHED identified priority courses;
4. No income limit but priority is given to children of parents with a combined gross annual income of PhP 300,000.00 or less;
5. Shall be of good moral character; and
6. Shall not be enjoying other government scholarship and financial assistance programs.

The CMO also enumerates the following requirements/qualifications of the co-borrower:

1. Must not be more than 50 years old; and
2. Must be a member of SSS and GSIS and in good standing as evidenced by a Certificate of Employment and Compensation from his/her employer.

In order to prove that the applicant is indeed qualified, he or she should submit an admission slip/enrollment registration form, NCAE Certificate, Certified True Copy of Grades, latest BIR Income Tax Return (ITR) or Certificate of Exemption from filing ITR of parent, and TIN, SSS, or GSIS number of applicant student (for future tracking of borrower) among others. The co-borrower must also submit his or her ITR or latest BIR Withholding Tax Certificate, and certificate of employment.

It is basically the CHEDROs that screen, evaluate, award, and processes payments to student borrower for the E-SNPLP. Funds are transferred from the CHED Central Office (CHEDCO) to the CHEDROs.

In the administration and monitoring of the program, CHEDROs are tasked to maintain and update database of subsidiary ledgers of student-borrowers, monitor status of student-borrowers in HEIs, submit semestral monitoring and evaluation and status reports to the OSS, and conduct a tracer study of student-borrowers among others. Main task of the CHED-OSS is to maintain and update the database send by CHEDROs, monitor the CHEDRO's implementation of the program, prepare periodic reports, and consolidate tracer studies from CHEDROs. HEIs are also tasked to assist the CHEDRO to monitor and track student-borrowers even after graduation.

CHED-Faculty Development Program

The CHED-Faculty Development Program (CHED-FDP), through CMO No. 26, s. 2009, aims to upgrade qualifications of HE faculty to masters and doctorate degree levels and to also enhance faculty performance. This would hopefully contribute to better student learning. CHED-FDP has the following components that HE faculty can choose from:

1. Non-thesis Masters Degree Program;
2. Masters Degree Program with Thesis;
3. Full Ph. D. Program (Local);
4. Ph. D. Sandwich Program (Foreign); and
5. Continuing Professional Education (Non-degree Program).

It also has set priority areas and modes of delivery can vary from on-campus, distance education, consortium program, and offshore program. Each component has its own procedures but eligibility for all are the same. The eligibility requirements are:

1. Must be Filipino citizen not more than 47 years old for the masters degree program and not more than 45 years old for the Ph.D. Program;
2. Must be a full-time faculty member with at least 12 units of teaching load in a public or private HEI in the country;
3. Must be currently teaching in any identified priority fields;
4. Must have no master's degree/doctorate degree in the priority field applied for;
5. Must good academic record;
6. Must be in good health and good moral character;
7. Must have no pending criminal/administrative charges or must not be convicted for violation of any Philippine law; and
8. Must have no scholarship at the time of application. (Joint scholarships may be considered provided that there are no duplication of benefits and privileges.)

Delivering Higher Education Institutions (DHEIs) are the only host/degree granting institution.

CHED is responsible for issuing awards, providing/releasing financial requirements, monitoring progress of the grantee, and verifying liquidation reports submitted by the DHEI among others. The DHEI must assign a program coordinator, monitor the progress of the beneficiaries, submit a report on the performance of the beneficiaries, submit a comprehensive report on the conduct and implementation of the program, and return to CHED all unexpended balance. SHEIs are tasked to coordinate with CHED on monitoring the progress of the beneficiary, deload the scholar while on study, require grantee to render return service equivalent, reimburse CHED total financial assistance released, and provide CHED certification that grantee has resumed teaching after the program.

Students' Grants-In-Aid Program for Poverty Alleviation

CMO No. 9, s. 2012 paved the way for the Students' Grants-In-Aid Program for Poverty Alleviation (SGP-PA) in the CHED Disbursement Acceleration Program. It aims to address poverty alleviation by increasing the number of higher education graduates among poor households. Beneficiaries of the SGP-PA should hail from the identified and classified poor households in 609 focus municipalities under the Pantawid Pamilyang Pilipino Program (4P) of the Department of Social Welfare and development (DSWD). The eligibility requirements for the beneficiaries are as follows:

1. Identified as a "4P" beneficiary;
2. Not more than 30 years of age;

3. Must be physically and mentally fit;
4. Had completed high school and/or equivalent;
5. Must not be covered by other higher education scholarship/grant from public institutions;
6. Must pass the entrance exam and academic requirements set by the leading SUCs;
7. Must pass the requirements set by the National SGP-PA Committee; and
8. Must enroll/shift/transfer to CHED priority programs preferably in the leading identified SUCs most accessible from their residence.

In order to provide evidence to support the requirements, applicants are asked to submit a certification from the DSWD declaring that they are a “4P” beneficiary and a certificate of grades, among others. A maximum of Php 60,000.00 a year can be awarded to the student beneficiary.

The CMO also enumerates the responsibilities of the implementers who are CHED, DSWD, the Department of Labor and Employment (DOLE), and State Universities and Colleges (SUCs). CHED is responsible for issuing the award to the beneficiaries, transferring funds to the partner SUC, monitoring the implementation of the program in coordination with DSWD, and convening regular and special meetings of the National SGP Committee (NSC). DSWD is tasked to identify beneficiaries, submit a shortlist of beneficiaries to the NSC, coordinate the provision of necessary interventions to the grantee and family, and monitor the implementation of the program in coordination with the LGUs. SUCs have the most responsibilities but the most important ones are to monitor and report the academic performance of the grantees at the end of each academic year, receive the financial benefits from CHED for disbursement, process the release of the financial benefits to the student-beneficiary, inform the NSC about any beneficiary who drops out, maintain a separate book of account for the program, and submit status and liquidation reports to CHED. DOLE is primarily responsible for updating the partner agencies and recipients on the development and availability of high-value added jobs, provide family support livelihood opportunity, enhance career guidance to prepare for placement, and report to the NSC family support and livelihood programs.

For this scholarship program, the National SGP-PA Committee plays an integral role. It is an inter-agency body (CHED, DSWD, DOLE, and PASUC) tasked to oversee the entire operation and implementation of the program. The NSC is mainly responsible for formulating policies, selecting beneficiaries, orienting SUCs, deciding on appeals and grievances and the like, resolving concerns, reviewing guidelines, and submitting annual progress and financial reports to the Office of the President through the Presidential Management Staff copy furnishing the DSWD.

The NSC implements program monitoring and evaluation through annual spot checks and a mid-term evaluation.

B. Department of Science and Technology

The Department of Science and Technology (DOST) Science and Technology Institute (SEI) has several programs for undergraduate and graduate scholarships to boost science and technology human resource development in the country.

R.A. 7687 S&T Scholarship

RA 7687 or the Science and Technology Scholarship Act of 1994 provides scholarships to the poor, talented, and deserving students who would like to pursue undergraduate, graduate, and post-graduate degrees in science and technology in identified priority areas in selected HEIs in the country. The specific eligibility requirements for undergraduate beneficiaries are:

1. Poor, talented, and deserving student whose family socio-economic status does not exceed the set values of certain indicators as approved by the Advisory Committee on S&T Scholarships;
2. Member of the top 5% of the regular high school graduating class; or
3. Member of the graduating class of a DOST-SEI-identified or DepEd-recognized science high school;
4. Natural-born Filipino citizen;
5. Resident of the municipality for the last 4 years as attested by the barangay/school records;
6. Of good moral character and in good health; and
7. A qualifier of the S&T Scholarship Examination.

There is an inter-agency Advisory Committee that ensures the effective coordination of the program. The agencies composing this committee are DOST (Secretary as the Chairperson), DepEd (Secretary as the Co-Chairperson), Department of Agriculture, Department of Budget and Management, Department of Trade and Industry, Department of Interior and Local Government, Department of Finance, National Economic and Development Authority, CHED, Philippine Chamber of Commerce and Industry. The Advisory Committee is responsible for the development of guidelines and priorities for the scholarship program and for the selection of awardees.

The DOST-SEI takes the lead in monitoring and evaluation of scholars. Its Technical and Selection Committee is responsible for establishing policies for the periodic evaluation of the academic performance.

DOST-SEI Merit Scholarship Program

The scholars under the DOST-SEI Merit Scholarship Program study priority courses in the basic sciences, engineering, and other applied sciences and sciences and mathematics teaching at identified universities, similar to the RA 7687 Scholarship Program. Eligible applicants should fall under the following criteria:

1. Must belong to the upper 5% of the high school graduating class;
2. Must be a natural born Filipino;
3. Must be in good health;
4. Must be of good moral character; and
5. Must be a qualifier of the S&T Scholarship Examination.

Junior Level Science Scholarship Program

The Junior Level Science Scholarship (JLSS) Program is for third year students who are already enrolled in priority fields of study such as engineering, basic and applied sciences, science and mathematics teaching at identified universities and colleges. It is composed of two components: the Project GIFTS for the Disadvantaged (for the underprivileged) and the Junior Level Science Scholarships-Merit (for undergraduates who will be tapped to pursue graduate courses). The eligibility criteria for the JLSS Program are:

1. Must be a third year student in a priority S&T course at an identified university;

2. Must have a grade of 83% or better in Math and Science and no failing grade in any academic subject;
3. Must not be more than 21 years old;
4. Must not be a recipient of any other scholarship except tuition feed supplement; and
5. Must pass the qualifying examination and second level screening.

C. Department of Budget and Management – Priority Development Assistance Fund

The Department of Budget and Management (DBM) oversees appropriations under the GAA, in which the Priority Development Assistance Fund (PDAF) falls under. Through PDAF, legislators are given the opportunity to fund their own scholarship programs. The DBM requires all congressmen and senators to choose from a Project Menu and List of Requirements and the PDAF can only be spent on particulars that are included in the menu. Under education, there is an option for scholarships and implementing agencies are identified to which the funds may be released.

III. Governance in Higher Education Financial Assistance Programs

Though the funds for these scholarship programs and grants are expended in the spirit of charity and altruism for the poor and deserving these funds are nonetheless from the government and thus, from the taxpayers pockets. This makes scholarship funds and other subsidies no different from ordinary government procurement that should be expended in a transparent, accountable, and cost-efficient manner ensuring that every peso is going where it should.

A. Strengths

1. Commission on Higher Education

Generally, there are existing laws, policies, and guidelines for the administration of CHED's financial assistance programs. Main strengths are that there are provisions for monitoring scholarships and grants and even templates for reports and MOAs, qualifications are primarily targeted to the poor but deserving Filipino students, and most CMOs have set deadlines and timelines for milestone activities.

More specifically, these are the strengths of the following CMOs for CHED's scholarships and grants-in-aid programs:

CMO No. 29, s. 2009 for Student Financial Assistance Programs

- i) There are existing provisions on monitoring and creation of reports;
- ii) There is budget allocated to monitoring;
- iii) For HEIs, there are number of days required and templates to guide them in the development of masterlists of scholars;
- iv) Policy has a template for Work and Financial Plan and stipulates when this must be submitted to the OSS;
- v) Presence of calendar as guidance; and
- vi) Includes provision on conditions for replacement of scholars/grantees which should be recommended by CHEDRO and approved by the OSS.

CMO No. 16, s. 2011 for Enhanced Study-Now-Pay-Later Plan

- i) There are already existing guidelines on the screening, evaluation, and awarding procedures;
- ii) There are existing guidelines on payment of loan procedures, mode of repayment; and
- iii) There are specific requirements before payment of financial assistance.

CMO No. 26, s. 2009 CHED-Faculty Development Programs

- i) Contains timeline for the release of the grant and specific deliverables; and
- ii) Monitoring of scholarships and grants is stipulated in the CMO.

CMO No. 9, s. 2012 Students' Grants-In-Aid Program for Poverty Alleviation in the CHED Disbursement Acceleration Program

- i) Very specific and detailed;
- ii) Contains provision on program/project outputs/deliverables and timelines;
- iii) Contains provision on transparency and accountability (only for infrastructure and facilities);
- iv) DSWD to monitor program implementation in coordination with LGU;
- v) SUCs have deadline for submission of report in academic performance of awardees;
- vi) Stipulates that SUCs will be monitored annually; and
- vii) Conduct of midterm evaluation.

2. Department of Science and Technology

Pertinent DOST memoranda, administrative orders, or circulars that govern the administration the implementation of the DOST-SEI scholarship programs were deemed to be confidential information. Even divisions within the DOST that are not involved in the administration of scholarships are not privy to these department memoranda, administrative orders, or circulars. However, an assessment of the RA 7687 and its Implementing Rules and Regulations (IRR) and key informant interviews illustrate that their scholarship programs have guidelines and control mechanisms for the administration and monitoring. Observed strengths of the DOST-SEI scholarship programs are:

- i) There is an Advisory Committee, composed of heads of various agencies (DepEd, DA, DBM, DILG, DOF, NEDA, and CHED) tasked to guide and monitor the financial assistance program;
- ii) There is also the Science and Technology Human Resource Development Council (chaired by the DOST Secretary and made up of representatives from CHED, DepEd, TESDA, DBM, and PASUC) that is responsible for formulating broad policies for the allocations of science and technology scholarships among others;
- iii) The law also requires the scholarship to be given to a specific number of scholars per municipality, which is a good control mechanism for greater inclusion (the law even states that applicants from fifth and sixth municipalities should be prioritized);
- iv) All applicants are required to take the DOST-SEI National Scholarship Examination, an aptitude test for science and technology courses, which is a good control mechanism to gauge whether the applicant truly qualifies for the scholarship;
- v) Qualifications require applicants to be part of a certain income group and to have exceptional class standing as a control measure that scholarship awardees are the poor, talented, and deserving only; and

- vi) Even if it is not required in the law or its IRR, all awardees and Notices of Award are posted on their website making their procedures very transparent and they use control numbers rather than names in screening applications in order to level the playing field and avoid interference from sectors that might want to influence the results of the examination.

3. Department of Budget and Management – Priority Development Assistance Fund

DBM does not have specific policies and guidelines for the administration and monitoring of scholarships under the PDAF and it is not their mandate to do so. Ideally, the implementing agency's (CHED, SUCs, or LGUs) guidelines should prevail.

B. Weaknesses

1. Commission on Higher Education

General weaknesses observed among all CMOs are that there is no provision on making processes and procedures transparent and accountable like by posting list of awardees and Notice of Awards online, no provision stating that there is a “pass/fail” criterion meaning that all qualifications should be adhered to and all requirements should be present, thus opening the process of approval to arbitrariness. This may explain why some awardees were found to not satisfy some qualifications and requirements. Also, there are no sanctions for non-compliance to the rules and there is no incentive mechanism to positively encourage strict compliance to set policies and guidelines, especially those regarding monitoring and accomplishment of reports. There is lack of provisions on conflict of interest, disclosure of relations, or allowable degree of consanguinity between the scholarship committee and applicant even in the CHED Special Study Grant Program for Congressional Districts (CSSGP) which allocates 15 slots for each legislator. There is no provision on conduct of impact assessment of financial assistance programs. Lastly, there is no standardized test or examination to gauge the applicant's aptitude and readiness for higher education.

An assessment of each CMO reflects the following specific weaknesses for each:

CMO No. 29, s. 2009 for Student Financial Assistance Programs

- i) Masterlist not publicly available;
- ii) No sanctions or incentives in the fulfillment of tasks;
- iii) No deadline for the Regional Tracer Study;
- iv) No separate guidelines or policies for the Regional Tracer Study;
- v) Calendar of Activities does not include the Regional Tracer Study and Works and Financial Plan;
- vi) No provision on conflict of interest;
- vii) Replacement of scholar/grantee for CSSGP lies with the respective scholarship committee;
- viii) No provision in conduct of impact assessment; and
- ix) No provision on pass/fail criteria.

CMO No. 16, s. 2011 for Enhanced Study-Now-Pay-Later Plan

- i) Does not explicitly state that screening and evaluation would also be based on a pass/fail criteria for requirements;
- ii) No set number of days for CHED Regional Offices (CHEDRO) process payments and when student-borrower would receive corresponding check;

- iii) No set number of days for payment of fund transfer from CHED Central Office (CHEDCO) to CHEDRO;
- iv) No timeline for monitoring the status of student-borrowers in HEIs, status reports, and tracer-study;
- v) No sanctions or incentives;
- vi) No provision on conflict of interest;
- vii) No provision on conducting an impact assessment; and
- viii) No provision on transparency.

CMO No. 26, s. 2009 CHED-Faculty Development Programs

- i) No stipulation of pass/fail criteria;
- ii) The comprehensive reports does not have a deadline;
- iii) No sanctions or incentives for program administrators;
- iv) No provision on transparency;
- v) No provisions on conflict of interest; and
- vi) No provision on conduct of impact assessment.

CMO No. 9, s. 2012 Students' Grants-In-Aid Program for Poverty Alleviation in the CHED Disbursement Acceleration Program

- i) No provision on transparency in the implementation of scholarships and grants;
- ii) No provision on conflict of interest;
- iii) No provision on conduct of impact assessment;
- iv) No sanctions or incentives for administrators and monitors of program; and
- v) No stipulation of pass/fail criteria.

2. Department of Science and Technology

RA 7687 and its IRR do not contain provisions on upholding transparency in all procedures in administering scholarship programs, on conflict of interest, and on declaration of relations. Though DOST is currently practicing posting of awardees and Notices of Award on their website, not having these policies stipulated in law or in the IRR does not guarantee the implementation of these important measures in the long run.

Pertinent department memoranda pertaining to the administration of scholarships are not available on their website. The lack of the public's access to these documents can curtail the accountability of all officials handling the scholarship programs.

3. Department of Budget and Management – Priority Development Assistance Fund

Because PDAF is allocated through the benevolence of the legislator there are chances that his preferences will take precedence setting aside implementing agency guidelines, rules and regulations. The main weakness pertaining to PDAF scholarships is that there is no law or policy that strengthens and reinforces the authority of the implementing agency to independently administer and monitor PDAF scholarships. Without this, the PDAF can be susceptible to abuse for politicking and for the subsequent awarding of scholarships to those who may not even be qualified or eligible.

Existing DBM policies on reporting allocation and actual expenditure is already efficient in terms of procurement for goods, services, and infrastructure because RA 9184 or the procurement law also guides these. In the case of scholarships, however, there is no overarching law that ensures the efficient and honest expenditure of

government funds. This creates gaps in the system that can increase opportunities for unethical behavior.

C. Options for Improvement

1. Commission on Higher Education

In order to address the weaknesses and potential sources of vulnerabilities to unethical behavior, the following are recommended:

- i) CHED to create policies that would make their procedures more transparent to create public trust;
- ii) Include a provision on a “pass/fail” criterion in terms of evaluating scholarship applications to strengthen the already existing rules by ensuring strict compliance and decreasing discretion from evaluators;
- iii) Incorporate policies on conflict of interest and disclosure of relations in the implementing rules and guidelines would greatly improve CHED’s control mechanisms, considering the nature of scholarship grants and programs. It would benefit CHED to also clearly stipulate the degree of consanguinity that would be tolerated;
- iv) Require the conduct of impact assessment of all programs to help CHED improve their programs and systems and see whether they are hitting all of their targets;
- v) CHED may also opt to have a screening test or exam for all their scholarship and grant programs. This would create a mechanism in which the aptitude of each applicant is ascertained according to standards that CHED requires; and
- vi) CHED could likewise explore the possibility of tying-up with the testing being done by HEIs with credible college admissions tests to fulfill the requirement for an aptitude test to determine the capacity of a student to pursue tertiary level education.

2. Department of Science and Technology

The DOST-SEI can implement the following options for improvement to address the observed weaknesses based on the RA 7687 and its IRR:

- i) Having provisions on transparency, such as posting scholarship results and NOAs on their website, dictated in the law would ensure its implementation in the long-run;
- ii) Creating sanctions for non-compliance to the law and policies or implementing an incentive program/mechanism would incentivize compliance to the rules and would encourage good governance within the bureaucracy;
- iii) Make publicly available pertinent department memoranda; and
- iv) Personnel who have intimate knowledge of test development and processing of results must be made to sign waivers in writing and inhibit themselves from participation if a relative within the 4th degree of consanguinity applies to take the test. Currently, inhibition is practiced but this rule is not firmly set by a written waiver.

3. Department of Budget and Management – Priority Development Assistance Fund

A way forward for the greater governance of the PDAF under DBM is the creation of a separate legislation for government subsidies, such as scholarships, that

would strengthen control mechanisms and deter conflict of interest in awarding scholarships. An omnibus or overarching law for scholarships and GIAs would be especially beneficial to PDAF student financial assistance allocations that are apportioned to LGUs as the implementing agency. This should take into consideration the principles of transparency, accountability, and cost-efficiency by having provisions on:

- i) A “pass/fail” criterion in screening and evaluating applications;
- ii) Sanctions or incentive mechanisms to maximize compliance to set rules;
- iii) Requirement for testing as a prerequisite for qualification to ensure that scholarships are awarded to those who are indeed talented and deserving; and
- iv) A good monitoring system.

Another option is the creation of a separate law or policy that would strengthen and reinforce the authority of the implementing agency to independently administer and monitor PDAF scholarships.

IV. Conclusion

Undergraduate, graduate, and post-graduate scholarships and GIAs implemented by NGAs are generally guided by policies and guidelines for the administration and monitoring of the said subsidies through laws, IRRs, and department issuances. However, much can be improved in the institutionalization of policies that would strengthen transparency, and accountability and would reduce conflict of interest and vulnerabilities to unethical behavior. Also, testing is not widely observed by all agencies to ensure that the student is ready and able to complete tertiary education.

CHED would need to implement the aforementioned options for improvement but they are generally on the right track. DOST seems to be employing best practices in providing scholarships by implementing measures that promote transparency and accountability, though it is not explicit in the law and its IRR. PDAF student financial assistance still has much to be desired as to monitoring, transparency, accountability, and reduction of conflict of interest.

V. References

CHED website (2012) *Student Financial Assistance Programs (StuFAPs)*. Available at <http://www.ched.gov.ph/index.php/stufaps/stufapstp/>

DOST website (2012) *Science Education Institution (SEI)*. Available at <http://www.sei.dost.gov.ph/index.php>

Annexes

Annex A. Matrix of CHED Scholarship and Grants-In-Aid Programs

Scholarship/ Grants-In-Aid Program	Description	Strengths	Weaknesses	Recommendations
<p>Student Financial Assistance Programs (StuFAP)</p> <p>CMO No. 29 s. 2009</p> <p>Amended by: CMO No. 3 s. 2011 CMO No. 7 s. 2012</p>	<ul style="list-style-type: none"> Scholarships: Full- Merit and Half-Merit Grant-In-Aid <ul style="list-style-type: none"> Office of the President Adviser of Peace Process-CHED Study Grant Program for Rebel Returnees DND-CHED-PASUC Study Grant Program CHED Special Study Grant Program (CSSGP): <ul style="list-style-type: none"> Congressional Districts/Party Lists Senate Tulong-Dunong (TD) Student Loans: Study-Now-Pay-Later Plan Program 80% GWA and GSA of National Career Assessment Examination (NCAE) <ul style="list-style-type: none"> 90% above - full merit 85% above – half merit 80-84% - grant-in-aid and student loan programs Parents' Annual Gross Income: PhP 300,000.00 and below 	<ul style="list-style-type: none"> There are existing provisions on monitoring and creation of reports There is budget allocated to monitoring For HEIs, there are number of days required and templates to guide them in the development of masterlists of scholars Policy has a template for Work and Financial Plan and stipulates when this must be submitted to the OSS Presence of calendar as guidance Includes provision on conditions for replacement of scholars/grantees which should be recommended by CHEDRO and approved by the OSS 	<ul style="list-style-type: none"> Masterlist not publicly available No sanctions or incentives in the fulfillment of tasks No deadline for the Regional Tracer Study No separate guidelines or policies for the Regional Tracer Study Calendar of Activities does not include the Regional Tracer Study and Works and Financial Plan No provision on conflict of interest Replacement of scholar/grantee for CSSGP lies with the respective scholarship committee No provision in conduct of impact assessment No provision on pass/fail criteria 	<ul style="list-style-type: none"> Include provision on transparency, ex. Making masterlist of scholars and grantees publicly available online or in a conspicuous place Create sanctions or incentive to ensure strict compliance to screening and monitoring policies Include the Regional Tracer Study in the Calendar of Activities Include the Works and Financial Plan submission in the Calendar of Activities Create provision for conflict of interest and/or allowable degree of consanguinity between scholarship committee and applicant especially for CSSGP In the case of CSSGP, replacement of scholar/grantee should lie with CHED or the SUC Include provision on conducting an impact assessment Include provision on pass/fail criteria when screening

Scholarship/ Grants-In-Aid Program	Description	Strengths	Weaknesses	Recommendations
				applicants
Enhanced Study- Now-Pay-Later Plan CMO No. 16 s. 2011	<ul style="list-style-type: none"> For incoming college students or those who have already earned units in any curriculum year Covers tuition fee and miscellaneous fees in CHED identified public or private HEIs Children of parents with combined gross annual income of Php 300,000.00 or less 	<ul style="list-style-type: none"> There are already existing guidelines on the screening, evaluation, and awarding procedures There are existing guidelines on payment of loan procedures, mode of repayment There are specific requirements before payment of financial assistance 	<ul style="list-style-type: none"> Does not explicitly state that screening and evaluation would also be based on a pass/fail criteria for requirements No set number of days for CHEDRO process payments and when student-borrower would receive corresponding check No set number of days for payment of fund transfer from CHEDCO to CHEDRO No timeline for monitoring the status of student-borrowers in HEIs, status reports, and tracer-study No sanctions or incentives No provision on conflict of interest No provision on conducting an impact assessment No provision on transparency 	<ul style="list-style-type: none"> Include provision on pass/fail criteria when screening applicants Have set number of days for processing of payments and when student-borrower would receive their check Have set number of days for payment of fund transfer between CHEDCO and CHEDRO Have a timeline for monitoring the status of student-borrowers in HEIs, status reports, and tracer-study Create sanctions or incentive to ensure strict compliance to screening and monitoring policies Create provision for conflict of interest and/or allowable degree of consanguinity between scholarship committee and applicant Include provision on conducting an impact assessment Include provision on transparency, ex. Making masterlist of scholars and grantees publicly available online or in a conspicuous place
CHED-Faculty	<ul style="list-style-type: none"> Non-thesis Masters 	<ul style="list-style-type: none"> Contains timeline for the release 	<ul style="list-style-type: none"> No stipulation of pass/fail 	<ul style="list-style-type: none"> Include provision on pass/fail

Scholarship/ Grants-In-Aid Program	Description	Strengths	Weaknesses	Recommendations
Development Programs CMO No. 26 s. 2009	<ul style="list-style-type: none"> Degree Program Masters Degree Program with Thesis Full Ph. D. Program (Local) Ph. D. Sandwich Program (Foreign) Continuing Professional Education Full time faculty member 	<ul style="list-style-type: none"> of the grant and specific deliverables Monitoring of scholarships and grants is stipulated in the CMO 	<ul style="list-style-type: none"> criteria The comprehensive reports does not have a deadline No sanctions or incentives for program administrators No provision on transparency No provisions on conflict of interest No provision on conduct of impact assessment 	<ul style="list-style-type: none"> criteria when screening applicants All reports to have set deadlines or timelines Create sanctions or incentive to ensure strict compliance to screening and monitoring policies Create provision for conflict of interest and/or allowable degree of consanguinity between scholarship committee and applicant Include provision on conducting an impact assessment Include provision on transparency, ex. Making masterlist of scholars and grantees publicly available online or in a conspicuous place
Students' Grants-In-Aid Program for Poverty Alleviation in the CHED Disbursement Acceleration Program CMO No. 9 s. 2012	<ul style="list-style-type: none"> "4P" beneficiary Must pass entrance exam and requirements of SUC Php 60,000.00 per school year 	<ul style="list-style-type: none"> Very specific and detailed Contains provision on program/project outputs/deliverables and timelines Contains provision on transparency and accountability (infra and facilities) DSWD: monitor program implementation in coordination with LGU SUCs have deadline for submission of report in academic performance of awardees 	<ul style="list-style-type: none"> No provision on transparency in the implementation of scholarships and grants No provision on conflict of interest No provision on conduct of impact assessment No sanctions or incentives for administrators and monitors of program No stipulation of pass/fail criteria 	<ul style="list-style-type: none"> Include provision on transparency, ex. Making masterlist of scholars and grantees publicly available online or in a conspicuous place Create provision for conflict of interest and/or allowable degree of consanguinity between scholarship committee and applicant Include provision on conducting an impact assessment

Scholarship/ Grants-In-Aid Program	Description	Strengths	Weaknesses	Recommendations
		<ul style="list-style-type: none"> • Stipulates that SUCs will be monitored annually • Conduct of midterm evaluation 		<ul style="list-style-type: none"> • Create sanctions or incentive to ensure strict compliance to screening and monitoring policies • Include provision on pass/fail criteria when screening applicants