

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
AND COMMISSION ON HIGHER EDUCATION



JOINT CIRCULAR NO. 1, s. 2012

TO : HEADS OF STATE UNIVERSITIES AND COLLEGES (SUCS); CONCERNED OFFICIALS OF THE DEPARTMENT OF BUDGET AND MANAGEMENT (DBM) AND THE COMMISSION ON HIGHER EDUCATION (CHED)

SUBJECT : GUIDELINES ON THE ALLOCATION AND USE OF THE MAINTENANCE AND OTHER OPERATING EXPENSES (MOOE) AND CAPITAL OUTLAY (CO) FUNDS PROVIDED UNDER THE GENERAL APPROPRIATIONS ACT OF 2012

Section 1. Background

- 1.1. The Social Contract of His Excellency President Benigno S. Aquino's with the Filipino people envisions the Philippines, as a country, with an organized and widely shared rapid expansion of its economy through a government dedicated in honing and mobilizing its people's skills and energies as well as the responsible harnessing of its natural resources.
- 1.2. Under the Philippine Development Plan 2011-2016, the Government shall develop human resources by harnessing a broad range of vocational, clerical, technical, managerial and entrepreneurial skills propagating firm-level productivity and national competitiveness. In support of such goal, the Government must ensure market-responsive education and training; and that the supply side of labor equation should be addressed through quality education/training and effective assessment and certification systems (PDP 2011-2016, p. 85-86).
- 1.3. The State Universities and Colleges (SUCs) are expected to contribute to the Aquino administration's vision of inclusive national economic growth and development by producing qualified and competent human resource needed particularly by priority growth sectors namely: agriculture and fisheries, tourism, business processing outsourcing (BPO) and other new emerging industries.
- 1.4. The National Government provided additional allocation in the amount of Five Hundred Million Pesos (Php 500,000,000.00) as budgetary support for the maintenance operating and other

expenses (MOOE) and capital outlay (CO) requirements of selected SUCs eligible under these guidelines to undertake programs/projects and activities that will create key employment generators in the Priority Growth Sectors stated in 1.3. (Special Provisions of the GAA 2012)

- 1.5. Likewise, the said SUCs Fund for Growth Areas shall be earmarked for SUCs with priority research projects approved under the following innovation clusters: 1. Algae research and commercialization; 2 Disaster science and management; 3. ICT for cloud computing and software-as-a service; 4. Responsible mining technologies; 5. Precision farming and smart agriculture.

Article 2. Identification Growth Areas and SUCs recipients

2.1. Priority Growth Areas

The identification of the priority growth areas for the Priority Growth Sectors, including the regional hubs for the innovation clusters shall be guided principally by the PDP 2011-2016 and by the pertinent government agencies in charge of its sectoral plans.

a. Tourism Development

The tourism growth areas are the most frequented destinations visited by foreign tourists outside Manila such as: Boracay Island, Tagaytay, Cebu, Laguna, Batangas, Cavite, Bohol, Subic/Clark, Palawan and Davao (PDP 2011-2016, p.71).

b. Business Processing Outsourcing

The Priority Growth Areas are located in the following "Next Wave Cities": Davao; Santa Rosa, Laguna; Bacolod City; Iloilo City; Metro Cavite; Lipa, Batangas; Cagayan de Oro; Malolos, Bulacan; Baguio City; and Dumaguete. (PDP 2011-2016, p. 58).

c. Agriculture and Fisheries

For this sector, the priority growth areas are the top contributors in the agricultural sector, namely: Region 4-A; Region 6; Region 10; and Region 12 (PDP 2011-2016, p. 102)

d. Emerging Industries

Among the emerging industries, the electronics, semi-conductor and construction industries shall be prioritized particularly in the following growth areas indicated in Annex "A" of this joint circular.

2.2. Innovation clusters

The funds for these clusters are intended for research and development to be undertaken by SUCs situated in the regional hubs identified by CHED and the Congressional Committee on Science and Technology. Actual release of these funds shall be based on proposals to be evaluated by CHED in accordance with its existing criteria and procedures.

2.3. Criteria for selection of SUCs recipients

The following criteria will be used in the selection of SUCs recipients:

- a. Geographic location of the main campus within the Priority Growth Areas.
- b. Consistency of the growth areas projects with the SUCs legal mandate/primary purpose.
- c. For the innovation clusters, track record in the conduct of R & D.
- d. For the emerging industries, the SUCs mandated to offer science and technology degree programs and with good track record in their engineering, technology or ICT courses shall be given preference.
- e. Compliance of pertinent degree programs with CHED standards

The eligible SUCs per Priority Growth Sector and growth area are identified in Annex "B".

Article 3. Conditions for availment

3.1 The SUCs Fund for Growth Areas shall be utilized for the implementation of programs and projects to achieve the following objectives:

- a. To upgrade the infrastructure and facilities of the SUCs for instruction, research and extension.
- b. To review and enhance curricular programs for the development of high-level professionals needed by the industries
- c. To develop and conduct industry-responsive training for SUCs student, faculty and personnel.

3.2. Priority shall be given to projects that:

- a) Clearly indicate relevance to the specific need of the priority sector in the growth area; and
- b) Implement/build on Government-Academe-Industry partnership

Article 4. Funds allocation per priority growth sector

The P500 million SUCs Funds for Growth Areas shall be allocated as follows:

SECTOR	MOOE (In Million Pesos)	CAPITAL OUTLAY (In Million Pesos)	TOTAL (In Million Pesos)
1. BPO	125		125
2. Tourism	25	80	105
3. Agri/Fish	25	90	115
4. Emerging	25	80	105
5. Innovation	50		50
Total	250	250	500

Article 5. Processing of project proposals

- 5.1. The proponent SUCs shall submit to the Growth Area Committee to be designated by the CHED Chairperson, a full project proposal to include the following requirements:
 - a. Signed cover letter addressed to the CHED Chairperson
 - b. Project summary sheet
 - c. Executive Summary
 - d. Logical framework
 - e. Work and financial plan
 - f. Justification (objectives and impact vs. budgets)
 - g. Time lines and milestones
 - h. Undertaking for counterpart funds by the SUCs which may include manpower resources and maintenance budget for the upkeep of the equipments/facilities to be purchased under these guidelines.
- 5.2. All programs/project shall be approved by the Governing Board upon favourable endorsement by the President of the proponent SUC.
- 5.3. Within a period not to exceed thirty (30) days from receipt of proposals, the Growth Area Committee shall evaluate and select proposals for endorsement to the Commission en Banc for funding approval.

- 5.4. Upon approval, a Memorandum of Agreement shall be executed between the implementing SUC and the CHED indicating the duties, responsibilities and obligations of both parties.
- 5.5. The approved work and financial plan and shall be subject to the usual accounting and auditing rules and regulations.
- 5.6. Disbursement of the Fund for Growth shall be in accordance with the usual accounting and auditing rules and regulations.

Article 6. Separability clause

If any part or provision of this Joint Circular is declared or held invalid or unconstitutional by the proper judicial body, the other provisions thereof not affected thereby shall remain in force and effect.

Article 7. Effectivity clause.

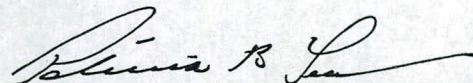
This Joint Circular shall take effect fifteen (15) days after its publication in a newspaper of general circulation and submission of three (3) certified copies to the Office of the National Administrative Register, U.P. Law Center.

Issued this 31st day of May 2012 at Quezon City, Philippines.



FLORENCIO B. ABAD

Secretary
Department of Budget
and Management



PATRICIA B. LICUANAN, Ph.D.

Chairperson
Commission on Higher Education

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ANNEX A

Emerging Growth Areas of State Universities and Colleges

Region	SUC	Engineering	Business Process Outsourcing	Agriculture and Fisheries	Tourism	Other CHED Funds	DOST
I	University of Northern Philippines	1					
	Pangasinan State University	1					
II	Cagayan State University	1				DAP RDE 15M	
III	Don Honorio Ventura Technological State University				1		
	Bulacan State University		1				
	Bataan Peninsula State University				1		
	Central Luzon State University					DAP RDE 35M, innovation Cluster 10M	PCCARD 5M
	Pampanga Agricultural College						
	Tarlac College of Agriculture						
	Aurora State College of Technology						
	Bulacan Agricultural State College						
	Ramon Magsaysay Technological University				1		
	Tarlac State University	1					
IVA	Batangas State University		1		1		
	Laguna State Polytechnic University		1		1		
	Southern Luzon State University			1			
	Cavite State University		1	1		DAP RDE 15M	PCCARD 4.6 M
	University of Rizal System			1			
IVB	Palawan State University				1	DAP RDE 5M	
	Western Philippines University				1		
V	Bicol University					DAP RDE 15M, Innovation Cluster 5M	
	Catanduanes State College-Main Campus	1					
	Camarines Norte State College	1					
	Sorsogon State College	1					
VI	University of Antique	1					
	Northern Negros State College of Science and Technology	1					
	Capiz State University			1			
	Iloilo State College of Fisheries			1			
	Guimaras State College			1			
	Negros State College of Agriculture			1			
	Aklan State University				1		
	West Visayas State University		1			DAP RDE 15M	
	Western Visayas College of Science and Technology		1				
	Carlos Hilado Memorial State College		1				
	Northern Iloilo Polytechnic State College		1				
VII	Cebu Technological University	1					
	Cebu Normal University				1	DAP GIA 15M	
	Bohol Island State University				1		PCARRD 9.1M
	Negros Oriental State University		1				
VIII	Eastern Samar State University	1					
	Naval State University	1					
	Eastern Visayas State University	1					
	Palompon Institute of Technology	1					
	Samar State University	1					
	Northwest Samar State University	1					
IX	Southern Leyte State University	1				DAP RDE 5M	
	Jose Rizal Memorial State University	1					
X	Central Mindanao University			1		DAP RDE 15M	
	Camiguin Polytechnic State College	1					
	Misamis Oriental State College of Agriculture and Technology			1			
	Bukidnon State University						
	Mindanao University of Science and Technology	1				DAP RDE 15M	
	Northwestern Mindanao State College of Science and Technology	1					
XI	Southern Philippines Agriculture, Business, Marine and Aquatic Sch. of Tech.			1			
	University of Southeastern Philippines		1			DAP RDE 10M	PCCARD 3.2M
	Davao Oriental State College of Science and Technology				1		
	Davao del Norte State College				1		

ANNEX A

Emerging Growth Areas of State Universities and Colleges

Region	SUC	Engineering	Business Process Outsourcing	Agriculture and Fisheries	Tourism	Other CHED Funds	DOST
XII	University of Southern Mindanao			1		innovation Cluster 1M, RDE 15M	PCCARD 5.5M,
	Sultan Kudarat State University			1			
	Mindanao State University -Naawan					DAP RDE 5M	
	Mindanao State University -Gen. San.						
CAR	Benguet State University		1			DAP RDE 15M, Climate Change 12M	
	Iligao State University	1				RUS complementation 10M	
	Mountain Province State Polytechnic College	1					
CARAGA	Agusan del Sur State College of Agriculture & Technology	1					
	Caraga State University	1				Innovation Cluster 10M	
	Surigao del Sur State University	1					
	Surigao State College of Technology	1					
NCR	Technological University of the Philippines	1					
	Rizal Technological University	1					
	Polytechnic University of the Philippines		1				
Total No. of SUCs - 72		30	13	12	12		

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ANNEX B

SECTOR	MOOE	CAPITAL OUTLAY	TOTAL
1. BPO	125		125
2. Tourism	25	80	105
3. Agri/ Fish	25	90	115
4. Emerging	25	80	105
5. Innovation	50		50
Total	250	250	500

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