

Fiscal Administration Variables and Productivity of State Universities and Colleges in Western Visayas, Philippines

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ABSTRACT

Funds, whether from government or generated by institutions from other sources are the lifeblood of institutional development. Since there is never an end to development and improvement, fund sourcing and allocation are continuing concerns of every educational institution. The study determined the financial variables and productivity of SUCs in Region VI. The study aimed to determine the a) institutional profile of the 11 SUCs in Region VI, b) profile of financial managers of SUCs in Region VI, c) budgetary allocation based on the General Appropriations Act (GAA) and income from the Special Trust Fund (STF), and d) how these financial resources are utilized for the operation. Descriptive method of research was employed and data were analyzed through frequency count and percentage mean. Study revealed that 11 SUCs in Region VI shared a common vision of becoming the center excellence, research, extension, and production with a mission of producing globally competitive graduates. The West Visayas State University (WVSU) had the biggest budgetary allocation from GAA, and got the highest earnings in school fees. A similar pattern of expenditures had been adopted by the 11 SUCs in Region VI. The SUCs in the region foresee their respective institutions as Center of Excellence. Fiscal managers had upgraded their educational qualifications. Faculty members have conducted extension, income generating projects and published researches. Fiscal managers of SUCs

in Region VI should think and implement strategic plans to increase budgetary allocations to meet the demands of necessary expenditures vital to the attainment of quality education.

Keywords – Fiscal Administration, SUCs productivity, descriptive research, Western Visayas, Philippines

INTRODUCTION

The management of an institution demands ingenuity in the allocation of its resources, both human and material. The proper management, mobilization, and utilization of resources result to efficient service. Gallagher and Andrews (1997) stated that like doctors, finance managers check the health of the business by running a test – to see whether the firm's performance is within the normal range of a company of its type. If it is not, the financial managers run more tests to see what if anything is wrong.

The compelling necessity to prioritize needs and allocate resources is an economic reality that can never be ignored, much less done away with it. Mikesell (2013) pointed out that the executive budget document delivers financial plan for the government, provides a clear statement of the policy visions that shaped the plan, tells the legislature and the public what enactment of the plan would bring, and provides an archive of information about the government and its agencies.

Operations management is the process of managing the resources required to produce the organization's goods and services. Like all managers, operations managers plan, organize, lead, and control. However, unlike other managers, operations managers focus on the direct production resources of a firm, often called the 5 Ps of operations management: people, plants, parts, process, and planning and control systems (Dessler, 2001). As stated by Vanhorne (2000), the modern-day financial manager is instrumental to a company's success. As cash flows beat through the organization, this individual is at the heart of what is happening. He must be practically involved in operations, marketing, and the company's overall strategy.

Since financial management had been introduced in the government a long time ago, very minimal researches on this area had been done. There seems to exist an urgent need to review and assess present financial programs and/or developing new systems of financial management, particularly, in State Universities and Colleges in Region VI, Philippines. The study was focused on financial

management, specifically, on how much of government funds are allocated for the educational institutions, how much are earned from other sources, and how efficient the system of raising and spending money. Financial utilization affects the level of productivity.

Danny Bolton (2000) noted that states must do more than provide a major phase of finding. According to him, what is needed is a coherent direction or philosophy in the school of finance system so that money will truly matters in public education.

Seeing resource-reallocation as the key to “teaching all students to high standards,” Olden and Arhchibald (2000), advised school-district leaders to create new, more effective sets of educational strategies that match students’ needs and staff members’ capabilities; cooperate with unions to make teacher contracts more flexible; provide schools with lump-sum, zero-based budgets; and create a pot of professional-development money from reallocated resources.

FRAMEWORK

The study was anchored on some concepts and principles as well as theories in fiscal management. One of the principles that should be remembered is that managers must allocate resources in such a way that planned objectives are efficiently satisfied. It was also anchored on the theory on the Operations Management which is concerned essentially in using method for production and operations control. In this area of applied management, some of the more useful techniques include inventory control models, material handling procedure, purchasing systems, production scheduling systems and cost control processes. Program managers are obviously concerned with the delivery of services according to plan. Financial managers are simultaneously concerned with maintaining internal control, defined as the methods and procedures within the agency established to safeguard assets, check the accuracy and reliability of financial and other data to promote operational efficiency and encourage adherence to the prescribed policies and procedures of the agency (Mikesell, 2013).

OBJECTIVE OF THE STUDY

The study aimed to analyze fiscal administration variables such as budget allocations to support the academic and non-academic functions, programs, and projects as they relate to the Quadro-dimension functions and productivity

of graduates and percentage of board passers of SUCs in Western Visayas, Philippines.

METHODOLOGY

Research Setting

The study covered the 11 State Universities and Colleges (SUCs) in the provinces of Aklan, Antique, Capiz, Guimaras, Iloilo and Negros Occidental, all in Region VI. In Aklan, there was only the Aklan State University located in the town of Banga; in Antique, the Polytechnic State College of Antique (PSCA) located in the municipality of Sibalom; in Capiz, the Panay State Polytechnic College (PSPC) with three units located in Pontevedra, Mambusao, and Roxas City; in Guimaras, Guimaras State Collge (GSC) located in the town of Buenavista; in Iloilo, the Iloilo State College of Fisheries (ISCF) in Barotac Viejo; the Northern Iloilo Polytechnic State College (NIPSC) in Estancia; the Western Visayas College of Science and Technology (WVCST); the West Visayas State University (WVSU) in Lapaz, Iloilo City; and in Negros Occidental, the Carlos Hilado Memorial State College (CHMSC) in Talisay City, the Northern Negros State College of Science and Technology (NONESCOST) in Sagay City and the Negros State College of Agriculture (NSCA) in Kabankalan.

Respondents of the Study

The study utilized 81 respondents consisted of the Presidents, Chancellors, Campus Administrators, Vice Presidents for Finance and Administration, Accountants, Budget Officers, Finance Officers and Registrars of the eleven State Universities and Colleges including their satellite campuses. They were chosen as respondents of the study because the investigator believes that these officers are in the best position to supply information regarding financial administration variables. As key officers of their respective institutions, they are expected to know the organization's income, budget, and expenditures and the administration of their financial affairs.

Categorization of Variables

The study used mean in determining the variable categories for size of enrollment, size of teaching personnel, non-teaching personnel, and budgetary allocation. The mean is one of the measures used to describe the central tendency of a large data set. It uses the values of all the data points in the population or

sample size. The sum of the data items are divided by the number of data items. The formula for mean according to Downie and Health (1984):

$$\bar{X} = \frac{\sum x}{N}$$

Where:

\bar{X} = Mean

$\sum x$ = Summation of raw scores

N = Number of respondents

The size of enrollment refers to the number of students enrolled in the Universities and Colleges. This was categorized as follows:

Small = if below the mean

Medium = if within the mean

Big = if above the mean

The size of teaching personnel refers to the number of teachers teaching in SUCs on a full-time and part-time basis.

Categories were:

Small = if below the mean

Medium = if within the mean

Big = if above the mean

The size of non-teaching personnel refers to a number of support employees in the SUCs on working on a casual, contractual, and full-time basis.

Categories included were:

Small = if below the mean

Medium = if within the mean

Big = if above the mean

The size of budgetary allocation from the GAA refers to the amount released by DBM for SUC institutions. This variable was categorized as follows:

Small = if below the mean

Medium = if within the mean

Big = if above the mean

Gender refers to whether the respondents are male or female.

Age refers to the entire period of life or existence of respondents. Age groups in years are: 20-29; 30-39; 40-49; 50-59; and 60 and up.

Academic preparation refers to the degree completed by the respondents. It will be categorized as bachelor's degree, master's degree and doctorate.

Instrumentation

A self-made questionnaire was the main instrument used to gather the needed data. The researcher administered the instrument to the chief executive and finance officers of the organizations concerned. Before its administration, it was subjected to scrutiny and evaluation of the panel of experts for face and content validation. The members rated each item according to their strength in measuring the respondents' responses to the schools' financial administration variables.

Data Collection

The researcher secured a written permission to administer the questionnaire from the President of each respondent institution. This was then distributed to the Presidents, Chancellors, Campus Administrators, Vice-Presidents for Finance and Administration, Accountants, Budget Officers, Finance Officers and Registrars in the 11 SUCs.

Other data gathered were from the secondary sources such as the GAA from the DBM, STF from the FMO of the respective SUCs, while the list of enrollees was taken from the CHED. The variables were income, budget allocation, and expenditures for the programs and functions of the school.

Data Analysis

The basis of data analysis was on the identified relevant variables that influence the productivity of the study area using mean, percentage, frequency and rank order.

RESULTS AND DISCUSSION

The study revealed that the 11 SUCs in the region shared a vision of becoming the center of excellence for instruction, research, extension, and production

services providing a venue to develop one's potential for a more productive, self-reliant and self-sufficient life. They also operate on a mutual mission of producing quality and globally competitive graduates in education, science and technology. Likewise, they work on a common goal of enhancing the students' intellectual capacity, technical skills, and creative talents by offering quality and improved academic, vocational and technical courses to fully equip their graduates with the knowledge and skills necessary for the improvement of their quality of life.

Panay State Polytechnic College (PSPC) had the biggest faculty size, followed by West Visayas State University (WVSU), Northern Iloilo Polytechnic State College (NIPSC) and Western Visayas College of Science and Technology (WVCST). Northern Negros State College of Science and Technology (NONESCOST) had the smallest. For the non-teaching personnel, the highest number was from WVSU followed by PSPC and NIPSC and the smallest was in NONESCOST. For the student population, PSPC had the largest followed by WVSU, and then NSCA; the smallest students population was in GSC (see Table 1).

Table 1. Size of population of the 11 SUC's in Region VI in terms of academic, non-academic personnel and students.

Institutions	Academic Personnel			Non-Academic Personnel			Students	Size		Rank
	Size	Rank	Size	Rank	Size	Rank				
ASU	285	Big	5	126	Small	6	6664	Big	4	
CHMSC	231	Small	7	116	Small	7	3984	Small	8	
GSC	92	Small	10	85	Small	9	1464	Small	11	
ISCOF	236	Small	6	140	Big	4	5170	Small	6	
NSCA	118	Small	9	51	Small	10	2531	Small	9	
NIPSC	402	Big	3	177	Big	3	7894	Big	3	
NONESCOST	56	Small	11	30	Small	11	2139	Small	10	
PSPC	476	Big	1	186	Big	2	9841	Big	1	
PSCA	193	Small	8	127	Small	5	5067	Small	7	
WVSCT	295	Big	4	86	Small	8	5798	Big	5	
WVSU	466	Big	2	318	Big	1	9222	Big	2	
Total	2850			1442			59744			
Mean	259			131			5434			

PSPC, WVSU, PSCA, ASU and NIPSC had the highest number of curricular offerings ranging from eight (8) courses to 27 as shown in table 2.

Table 2. Academic programs offered by the 11 SUC's in Region VI

Institutions	Academic Programs Offered	Total	Rank
ASU	Agriculture, Education, Fisheries, Forestry, Graduate School, Arts and Sciences, Veterinary Medicine, BS Home Technology	8	4
CHMSC	Commerce, Education, Graduate School	3	10.5
GSC	Computer Secretarial, Education, Graduate School	3	10.5
ISCOF	Computer Science, Education, Fisheries, Graduate School, Agriculture, Forestry	6	6
NSCA	Agriculture, Education, Fisheries, Forestry, Graduate School	5	8
NIPSC	Agriculture, Computer Science, Education, Engineering, Fisheries, Graduate School, Arts and Sciences, Commerce	8	4
NONESCOST	Agriculture, Computer Science, Education, Fisheries, Graduate School	5	8
PSPC	Agriculture, Computer Science, Education, Engineering, Forestry, Graduate School, Veterinary Medicine, Fisheries, Nursing, Criminology, Architecture	27	1
PSCA	Commerce, Education, Engineering, Graduate School, Arts and Sciences, Agriculture, Computer Science, Fisheries	8	4
WVCST	Education, Engineering, Graduate School, Arts and Sciences, Computer Science	5	8
WVSU	Agriculture, Education, Forestry, Graduate School, Arts and Sciences, Medicine, Nursing, Mass Communication, PESCAR, etc.	20	2
Total		98	

Financial managers in the SUCs were mostly females and married, have served their college for 21-25 years, and had administrative experience of 5-9 years. Majority were bachelor degree holders, with a monthly salary between Php19, 000.00 (413 USD) – Php 24, 000.00 (522 USD).

As to the budget allocation from the GAA, WVSU had the biggest budget allocation of Php 275, 534.00 (5,990 USD) followed by PSPC, ISCOF, and the WVCST. It was also the biggest earning SUC in the region, followed by WVCST and ISCOF. GSC had the lowest income generated from tuition and other fees. This conforms to the study conducted by Rothstein (2001) on

Resource-Allocation Patterns in Chicago schools that the use of school-based budgeting found relatively consistent spending patterns across groups of schools.

Table 3. Summary of PASUC VI total budgetary allocation from General Appropriations Act CY 2000, 2001 and 2002 (in million)

School	CY		Size	Increment/ Decrement %
	2001 and 2002	2002		
ASU	111,232,000.00	112,918,000.00	Big	1.52
CHMSC	57,965,000.00	24,059,000.00	Small	-58.49
GSC		14,796,000.00	Small	
NSCA		26,472,000.00	Small	
ISCOF	44,723,000.00	137,819,000.00	Big	208.16
NIPSC	62,138,000.00	127,762,000.00	Big	105.61
NONESCOST	18,121,000.00	18,040,000.00	Small	-4.67
PSPC	136,508,000.00	149,249,000.00	Big	9.33
PSCA	38,615,000.00	65,218,000.00	Small	68.89
WVSCT	96,379,000.00	133,723,000.00	Big	38.75
WVSU	173,812,000.00	275,564,000.00	Big	58.54

Only eight SUCs had submitted some of their programs for accreditation. WVSU and PSPC had the highest program/course accredited to Level II while NSCA had no program accredited. For the last five years, WVSU had the uppermost number of graduates, followed by NONESCOST, PSPC, PSCA, and CHMS. NIPSC and GSC had the lowest graduates turn out.

WVSU had the highest board passers in almost all programs. As to the average number of the researches published, PSCA, PSPC, ISCOF and WVSU had the uppermost researches conducted and published.

WVSU had the maximum extension projects conducted, followed by NONESCOST, PSPC, and ISCOF. PSCA had the highest IGP, followed by ASU, PSPC, NSCA, and NONESCOST. GSC had no IGP. The 11 SUCs in the region had the same pattern of expenditures from the GAA and STF. The budget from the GAA was utilized to finance the programs and projects such as GAAS, Support to Operation of Advanced Education, Higher Education Services, Secondary Education Services, Research, and Extension. Likewise, part of the budget had been used to finance projects such as building construction, repair, and equipment outlay.

Table 4. The Pattern of Financial Utilization and Program for the Operation of the SUC's in Region VI

Project Activity	Personal Service	Current Operating Expenditures	
		Maintenance & Other Operating Expense	Capital Outlays
A. PROGRAMS			
I. General Administration and Support			
General Administration and Support Services	P13,324,000.00	P11,147,000.00	
II. Support to Operations			
Auxiliary Service	6,638,000.00	290,000.00	
III. Operations			
Advanced Education Services	3,465,000.00	491,000.00	
Higher Education Services	57,621,000.00	3,108,000.00	P1,121,000.00
Secondary Education Services	25,020,000.00	651,000.00	
Research Services	606,000.00	286,000.00	
Extension Services	1,409,000.00	331,000.00	
B. PROJECTS			
I. Locally Funded Project (s)			
Building and Structure Outlay			
Repair of Related Subjects Bldg. (Pilar Campus)			1,000,000.00
Construction/Repair/Renovation of School Buildings & Facilities			10,000,000.00
TOTAL NEW APPROPRIATIONS	P108,083.00	P16,304,000.00	P12,121,000.00

Spearman Rank Correlation Analysis revealed that budgetary allocation was correlated significantly with the variables tested. Traditional performance budget presents the cost of performing measurable accomplishment units during the budget year, so the budget process has the dual role of providing funds and establishing performance objectives (Mikesell, 2013).

Supplemental budget was highly significantly correlated with the number of graduates and survival rates and STF collection. The number of academic personnel was significantly correlated with the number of extension projects

conducted, and was highly significantly correlated with the number of programs offered, student population, survival rate and a number of graduates.

The number of non-academic personnel was highly and significantly correlated with the number of programs offered, a number of extension projects and researches conducted; student population and a number of graduates were significantly interconnected with the survival rate.

For input, results revealed that budgetary allocation was significantly correlated with the supplement budget and significantly correlated with the number of academic and non-academic personnel.

Outputs like the number of programs offered was significantly correlated with the student population, a number of extension projects and researches conducted; however, it was only significantly correlated with the number of graduates produced. This was supported by a study on “Understanding Faculty Productivity: Standards and Benchmarks for Colleges” conducted by Middaugh (2001) which states that a substantial financial support gives rise to explosive growth in research activity.

The student population was correlated significantly with the survival rate, the number of researches conducted, the number of graduates turned out, and the number of projects conducted. The number of graduates was not interconnected with the IGP, but significantly related with the survival rate. This implied that the higher the number of students enrolled, the bigger is the STF collected, therefore, programs offered and projects conducted become viable and sustainable. The results further showed that there was an adequate number of faculty to handle the teaching loads proportionate to the number of programs offered and number of students and graduates. Likewise, the faculty and non-academic personnel are adequate enough to answer the needs of the programs offered, as well as the extension projects and research conducted. It can be noted that input to IGPs had nothing to do with any other output. The survival rate is quite high; the number of those who started the course was almost equal to the number of those who graduated.

As to problems encountered by the SUCs in Region VI, there was a Congress' cut down of a budget, late DBM release of allocation, and insufficient funding which were considered the most pressing problems of the administrators. Some managers reflected unforeseen contingencies needing funds such as a problem, while others considered graft and corruption, incompetent personnel, and political intervention as problems. The research was limited to the study of fiscal management variables associated with productivity in the State Universities and Colleges in Region VI.

CONCLUSIONS

The SUCs in the region foresee their respective institutions as center of excellence for instruction, research, extension as well as production, with the mission of producing quality and globally competitive graduates fully equipped with knowledge and skills necessary for the improvement of their quality of life. Majority of the fiscal managers had upgraded their educational qualifications. Larger institutions get higher budgetary allocations. The number of faculty and non-teaching personnel and the size of the student population are fiscal variables for general appropriations. Faculty members have conducted extension, income-generating projects and published researches despite the meager budget allocation. Income from tuition and other fees served as a good source of revenue which augments funding from the government. Their funds were utilized in the same way as the fund from the GAA, following the itemization set by budgeting rules and regulations. Insufficient funding due to the ever decreasing budgetary allocations as support to the operation of SUCs in Region VI continues to be the pressing problem for fiscal managers. This was supported by Picus (2000) who stated that resource allocation is only one component of a productive system. Other important ingredients include incentives for improved student and school performance, development of a public sector version of “venture capital” to pay for comprehensive school-restructuring program, and a more market-based budgeting environment featuring privatized school-choice options.

TRANSLATIONAL RESEARCH

The outcome of the study may be translated into use by administrators and finance officers of SUCs in the region as a blue print since this is the first study conducted in the region for planning, control, and drawing up financial strategies and policies. This could assess the financial administration, programs, and productivity level of their units.

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