

SPECIAL EDUCATION FUND AND THE DEVOLUTION: A CASE STUDY OF THE MUNICIPALITIES IN AGUSAN DEL SUR

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Abstract

This research explores how the Special Education Fund (SEF) is being implemented during the devolution shift in Agusan del Sur, Philippines. It looks closely at how local school boards and principals are managing their roles in a more decentralized education setup. Using a qualitative multiple case study design, the study gathered insights from 14 principals based in 13 municipalities and one city, each offering firsthand accounts of working with SEF under the evolving governance structure.

What came through in the findings is a mixed picture. On one hand, devolution has opened the door to using SEF for a wider range of school needs such as fixing buildings, supporting volunteer teachers, and running student activities. On the other hand, school leaders still struggle with late fund releases, uneven distribution, and a noticeable lack of focused support for special education. These issues aren't always about the absence of money, but more often about how the system moves or doesn't move it.

Even with the complications, there's a sense that local control gives schools a better chance to respond to what their communities actually need. Principals talked about small wins made possible through coordination with their LGUs, especially when planning is clear and relationships work.

This study calls attention to a few key things: better coordination between agencies, more training for school and local officials, and clearer systems for tracking where the money goes. If the goal is to make SEF truly work, especially for learners with disabilities then the policies around it need a closer look. At its core, this research adds to the conversation about what decentralization really means on the ground and how it can be shaped to support equity in education, not just in theory, but in day-to-day school life.

Keywords: *Special Education Fund (SEF), Devolution, Local School Boards, Educational Governance*

Introduction

The Special Education Fund (SEF) in the Philippines is a local government unit fund earmarked for basic education, collected through real property tax. It accounts for about 5% of the local government unit income. It is administered by the local school board and the school division superintendent, making it both a financing and governance mechanism for education at the local level.

The program has started taking shape through pilot runs in selected municipalities across the country. Right now, it's still at the early stage of level one in what's planned to be a five-part framework. In 2022, a new law came into effect requiring that education for children with disabilities be included in local financing efforts. This means local DepEd offices must work on setting up learning resource centers, providing proper training for special education teachers, and making sure the Special Education Fund covers the needs of learners with disabilities. Some local school boards have already picked up and applied the pilot models. There's also a standing policy now that SEF allocations for children with disabilities should be part of the yearly local education budget.

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In education, the devolution was restricted to the construction and maintenance of public elementary and secondary school buildings, leaving the operation of public schools under central government oversight. Nevertheless, the Code established Local School Boards (LSBs), which are tasked with determining education-related appropriations for LGUs, thereby granting local governments a say in shaping educational priorities and addressing infrastructure needs.

The Department of Education has reported a shortfall of over 165,000 classrooms nationwide, with plans to address this deficit by 2014 ("DepEd and PPP Center Partner to Address Classroom Backlog|Department of Education"). In addition, there is a reported shortage of 62.4 million textbooks and 54,060 public school teachers as of 2012 (Dalangin-Fernandez, 2012; Umil, 2012). The national government's 2013 targets included the construction of 66,800 classrooms, the distribution of 61.76 million textbooks, and creating 61,510 teaching positions for both elementary and secondary education levels (Office of the President, 2012; DBM, 2012).

Despite the devolution, the primary responsibility for public education remains with the central government, mainly through the Department of Education (DepEd). However, LGUs provide additional financial support to public primary education via the Special Education Fund (SEF), derived from an additional one percent tax on real property as mandated by the LGC. This funding mechanism allows LGUs to make significant contributions to the education sector. Nevertheless, there are disparities in per-pupil SEF spending across different income classes and regions. Urban local government units tend to have the upper hand. With higher property values, their tax collections are larger, which means they can support education more fully. Rural LGUs don't have the same advantage. Their lower property values translate into tighter budgets, making it harder to fund basic school needs. Interestingly, many Local School Boards have reported consistent surpluses over the years. While that might sound good on paper, it also suggests that some funds are going unused. This could mean two things: reporting systems have gotten better, and spending strategies might still need work. There's a growing call to fix this through clearer budgeting rules, fairer ways to decide where the money should go, and stronger coordination between DepEd and local governments when it comes to sharing data and tracking results.

Devolution has long been framed as a way to deepen democracy and build national unity by recognizing the country's diverse local identities. It was meant to bring decision-making closer to the people. Still, challenges remain. Gallanosa and De Castro (2022) point out that many local government units continue to face serious gaps in fiscal capacity. Wealthier LGUs can do more. Poorer ones often fall behind. Programs like the Performance Challenge Fund (PCF) were introduced to bridge these differences and encourage good governance, but not all LGUs are able to meet the criteria. Some simply lack the resources or technical know-how to qualify. Their research focuses on how LGUs handle the Special Education Fund, how they collect it, how they divide it up, and how they spend it. What they found is clear: LGUs are central players in delivering basic education. But without stronger support and better equity measures, the disparities will remain. If the country is serious about its Education for All (EFA) commitments, then narrowing these gaps isn't optional, it's necessary.

Building on this, Bautista and Ocampo (2019) note that the Education Commission (EDCOM) put forth a comprehensive reform agenda with ambitious objectives: to attain functional literacy through universal primary education, to equip individuals with the skills and knowledge essential for productive citizenship, and to foster high-level professionals who will generate new knowledge, educate the youth, and provide leadership in a dynamic economy (EDCOM, 1991: 1-2). EDCOM, echoing the concerns of earlier assessments, criticized the declining quality of education in the Philippines. The commission argued that the nation's elementary and high school graduates lack the competencies necessary to lead responsible, productive, and self-fulfilling lives. Furthermore, graduates from colleges and technical/vocational schools are not adequately prepared to meet the developmental needs of the economy. The commission also pointed out that the country's graduate schools have failed to produce the research-based knowledge needed to create new jobs and enhance production value.

In addition to the national government's efforts, local government units (LGUs) play a crucial role in supporting the education sector by providing supplementary funding. LGUs are recognized as significant partners in the delivery of educational services, primarily due to their financial contributions to basic education through the Special Education Fund (SEF).

Government funding for public schools in the Philippines has long been stretched thin. The amount simply isn't enough to meet the needs of every learner. That gap is what the Special Education Fund, or SEF, was meant to fill. It's a way to boost the quality of basic education by giving local governments the means to support their schools beyond what the national budget allows.

This study matters because it offers something more than numbers. It brings real stories from the ground, stories that can help shape better policies and practices. What comes out of this research are not just findings, but concrete suggestions for how to manage and govern the SEF more effectively. At the heart of it is a hope for fairer access to education. When funds are used well, schools don't just survive; they improve. And when local governments are given both the responsibility and the tools to govern education, everyone stands to benefit.

The focus here is on the municipalities of Agusan del Sur. The study asks two basic but important questions: 1). How does the local school boards experience the implementation of SEF during the devolution transition; and 2). What are the implications that can be derived from the experiences?

Literature Review

Decentralizing education in the Philippines was supposed to make things simpler, more responsive, more local. The idea was to let decisions happen closer to the schools, where the real learning takes place. That was the thinking behind the 1991 Local Government Code. It gave rise to local school boards and handed them part of the job of managing education funds. One of those funds is the Special Education Fund, collected through an added one percent tax on real property. In theory, it's a smart setup. But in practice, things are messier. What looks good on paper doesn't always work smoothly on the ground. The promise of local control has been met with uneven results, and the system still struggles with gaps, delays, and blurred responsibilities.

In practice, the implementation of SEF varies widely from one municipality to another. Madamba-Ronquillo (2025) paints a detailed picture of how SEF is managed in parts of Agusan del Sur. Her study uncovers a range of operational issues from bureaucratic delays to insufficient technical capacity. While some municipalities managed to use the fund for constructing school buildings or supporting SPED programs, others struggled to move funds efficiently or align spending with actual school needs. It wasn't necessarily an issue of willingness, but of fragmented systems and blurred accountability.

Saguin and Ramesh (n.d.) take this further, arguing that decentralization, particularly in education, often creates what they call "delegated dysfunction." They note that local governments are given mandates but not always the tools or guidance to carry them out. Without robust policy capacity, even well-meaning local officials are left improvising. The case of SEF illustrates this perfectly. Even when funds exist, the lack of clear frameworks and support structures results in misalignment between budget and learning priorities.

Some of the implementation challenges aren't just internal to government. Robert (2013), in a study of local governance in Nasugbu, Batangas, points to the role of social dynamics and political behavior. He found that decisions over education spending often reflect negotiations among the mayor's office, school officials, and community leaders. These interactions are shaped by institutional legacies, political incentives, and even personal relationships. This means that while the SEF is a formal structure, its use is always filtered through informal realities.

The central government, for its part, continues to grapple with persistent gaps in education infrastructure. The Department of Education itself reported a classroom shortage of over 165,000 nationwide, with a renewed push in 2024 through partnerships with the PPP Center to address the backlog ("DepEd and PPP Center Partner," 2024). That push, however, also reveals a persistent tension: the national level remains heavily involved in areas that were supposed to be devolved. In many ways, SEF was designed to plug these gaps locally, yet municipalities find themselves caught between mandates and capacity constraints.

Madamba-Ronquillo (2025) and Gallanosa and De Castro (n.d.) both highlight the same bottlenecks. Even when funds are available, delays in release, procurement difficulties, and overlapping administrative layers slow everything down. In lower-income municipalities, where technical staff are few and financial processes less streamlined, these frictions are more visible. Meanwhile, wealthier localities with higher real property tax revenues can act faster, widening the inequality gap that devolution was supposed to narrow.

Policy reforms often come with big promises, but follow-through is a different story. Bautista and colleagues (2019) pointed out how education reforms in the Philippines have been anything but uniform. The Education Commission, or EDCOM, laid out bold goals as far back as the 1990s, things like achieving universal literacy and building stronger bridges between schooling and employment. Those goals still sound good today. But turning them into reality has been tough. In many areas, local governments are expected to shoulder key parts of this agenda using SEF funds, yet they often lack the tools or systems to do it well. The problems flagged by EDCOM years ago gaps in quality, poor preparation, uneven support, still hang in the air.

Inclusive education is a critical area where these gaps are especially visible. Sijuola and Davidova (2022) examined how developing countries approach inclusion and found that many lack the trained personnel, facilities, and consistent funding to implement it meaningfully. In the Philippines, Dueñas et al. (2023) discovered that while SEF had reached some IPED schools and indigenous learners, support was far from uniform. Teachers sometimes lacked proper training, and infrastructure lagged behind. In essence, the money helped but not enough to shift the system.

The literature paints a picture that is neither entirely bleak nor entirely promising. SEF, as a tool, works best when supported by capable local leadership, streamlined procedures, and responsive planning. But where these are absent or weak, the fund becomes just another underused resource. What the case studies and national reports seem to suggest is that funding alone is not the problem. It's how funding is accessed, prioritized, and translated into outcomes that makes the difference.

Methodology

This study used a qualitative multiple case study design grounded in inductive reasoning. Rather than starting with a fixed theory, the approach allowed insights to emerge from the participants' lived experiences. The focus was on school principals in Agusan del Sur who are actively involved in managing the Special Education Fund (SEF). Fourteen principals participated, six from elementary schools in District 1 and eight from high schools in District 2. These individuals were selected through non-probability sampling based on relevance and accessibility, not statistical representation. The sample size exceeded the standard threshold for data saturation, allowing for a richer, more textured view of the issue. Data were collected through semi-structured telephone interviews, which were recorded, transcribed, and verified by the participants themselves through member checking. An interview guide was used to maintain focus while still leaving room for depth and spontaneity in the conversations.

The study took place in 13 municipalities and one city within Agusan del Sur. These sites varied widely some were small and rural, others more urban and in transition giving the research a fuller picture of how SEF plays out across different local settings. Before anything else, the research went through the university's ethics process and was granted clearance. Participants gave informed consent and were briefed about their rights. Efforts to ensure trustworthiness were built into every stage. Credibility, confirmability, dependability, and transferability weren't just checked boxes, they guided how the work was done. No names or personal identifiers were stored. Everything was kept private. The researcher led the fieldwork, assisted by an enumerator and a flexible but focused interview guide. For the analysis, the study followed Yin's (2003a) approach. Patterns were examined across cases, allowing the data to speak without drifting too far from what participants actually said.

Findings

This section presents the findings derived from key informant interviews regarding the devolution of the Special Education Fund (SEF) and its implications on school operations, financial management, and educational quality. The themes identified from the responses provide insights into the evolving role of SEF in supporting public education, the challenges encountered in its administration, and strategic approaches for optimizing its utilization. The discussion integrates relevant literature to support or contrast the findings, ensuring a comprehensive analysis of SEF's impact within the decentralized education framework.

The results are structured into major themes and sub-themes, reflecting key aspects of SEF management before and after devolution. These include an overview of SEF's purpose, changes in fund allocation, governance dynamics, and the effects on educational programs. Examining informants' perspectives alongside existing research highlights the benefits, challenges, and opportunities associated with SEF devolution.

Theme 1: Understanding the Special Education Fund (SEF) and Its Purpose

The Special Education Fund (SEF) is a financial resource allocated from real property taxes to support the educational needs of public schools. Informants highlighted the SEF's significance in improving school infrastructure, providing teacher honorariums, and supporting various school activities. Studies suggest that local funding mechanisms like SEF are critical in enhancing public education quality (Brillantes & Fernandez, 2011; Tapales, 2020). However, concerns about fund allocation inefficiencies persist (Guevara, 2018).

As emphasized by Informant 1, *"The SEF is coming from the real property tax, such as land tax, house and building tax, machinery tax. One half of this tax will go to SEF. SEF is used to improve physical aspects of the school for the students to use."*

Similarly, Informant 8 stated that, *"SEF, intended for assistance for operations in public schools, is taken from the collection of Real Property Tax. It is used to fund activities like sports and honorarium of least-paid teachers."*

"As far as my self is concern, the SEF is intended for assistance for additional of the school, taken from the collection of real property tax." Informant 11

Sub-theme 1.1: SEF as a Local Government Support Mechanism

The SEF serves as a supplementary fund provided by local government units (LGUs) to public schools. Several informants emphasized its role in ensuring the continuity of educational activities and bridging financial gaps in school operations. According to Reyes (2019), LGU-managed funds contribute significantly to education, but issues of transparency and efficiency remain.

As emphasized by Informant 4, *"I can describe the special education fund as counterpart support provided by the local government unit in accordance with the mandate of RA 7160."*

"SEF is local funding to support the educational needs, as mandated by RA 7160, its main purpose is to support the classroom needs." Informant 3

"The SEF is mandated by RA 7160 for local government code. Its main purpose is to support all the public schools." Informant 7

"The SEF is very much appreciated in our school ever in our municipality because it played a vital rule in the Development of Educational system in our municipality."

"SEF is a local funding mechanism designed to support the education needs. 18 mandated by RA 7160, Local Government code. Its key purposes: Support to public school salaries and wages, special programs

and inclusive education." Informant 12

Similarly, the following informants shared the same thoughts.

"SEF is a fund allocated from LGU to DepEd coming from real property Tax. "SEF Played a vital role through fund assistance in some major school and District activities. Activities like sports (cluster meet and Division Meet), Scouting and providing fund assistance to teachers volunteers." Informant 2

"SEF is allocated from PLGU, MLGU to DepEd to support educational needs and improve learning for all pupils." Informant 6

"The SEF is very much appreciated in our school ever in our municipality because it played a vital rule in the Development of Educational system in our municipality." Informant 10

Sub-theme 1.2: SEF Utilization for School Needs

Beyond infrastructure, SEF funds are allocated for essential school resources, such as teaching materials, extracurricular programs, and support for educators. This ensures a more holistic approach to educational development. Studies have shown that adequate financial support for these areas contributes to improved student outcomes (Bautista, Bernardo, & Ocampo, 2019).

As emphasized by Informant 3, "SEF is local funding to support the educational needs, as mandated by RA 7160. Its main purpose is to support classroom needs."

"Municipal SEF is divided into the schools in the municipality the municipal government has the control to purchase the materials to the school. The school may only submit POW." Informant 1

"Sef (Mun.) is utilized to provide fund assistance to students activities specially contest representation to division, regional and even national contests. It also provides funds assistance to teacher volunteers and some school projects such as pathways and concrete walk." Informant 3

"Before devolution, it was solely use for educational needs. After devolution, it can be used for several activities like repair of school facilities, ground improvement and etc." Informant 4

"The SEF is utilized based on the annual implementation plan formulated by the school board." Informant 5

Similarly, Informant 12 stated that, "SEF is a local funding mechanism designed to support education needs.

Its key purposes include support for public school salaries and wages, special programs, and inclusive education."

Theme 2: SEF Utilization Before and After Devolution

The utilization of SEF has changed before and after devolution, with schools experiencing varied impacts on funding control and prioritization. The transition has reshaped how SEF is distributed and utilized across different levels of governance. Devolution has been linked to increased local autonomy but also new administrative challenges (Brillantes & Cuachon, 2002).

As emphasized by Informant 1, "Municipal SEF is divided into schools in the municipality. The municipal government has the control to purchase materials for the school. The school may only submit POW."

"Before the devolution the SEF still exists and dully utilized. After the devolution the same but it has little changes based on the scheme plan by the higher ups." Informant 8

"Before and after the dilapidated, it provide found assistance to are teacher & others school project repair of dilapidated classrooms." Informant 10

Before the devolution the SEF in still exist and even after the devolution its purpose was not define for it will be utilized for the development of way purpose itself.

Similarly, Informant 13 stated that,

"Before the devolution, the SEF was primarily used for basic educational needs. It was used for educational materials support for teachers and students and special programs. After devolution, it was expanded to include infrastructure projects, localized funding for SPED, teacher development, and community-based educational programs."

Sub-theme 2.1: Expanded Use of SEF Post-Devolution

With devolution, SEF allocations have widened to include various needs such as infrastructure repair, salary support for teachers, and student activities, allowing schools to address more specific concerns. Research by Manasan (2013) shows that devolution increases funding flexibility but also introduces governance issues.

As emphasized by Informant 1

"SEF could really help for additional improvement of physical aspects of the school, and payment of volunteer staff and teachers."

"It limited to support different activities. " Devolution of SEF helps the school to Facilitate appropriate Funds assistance to a more Suitable project allocation according to what are stipulated in SIP (school improvement Plan)." Informant 2

"The devolution of SEF responsibilities has allowed our school to have more localized control over funding allocations, enabling us to prioritize key areas such as infrastructure, learning materials, and tender support. This collaboration with the LGU ensure that the school needs are directly addressed through the annual implementation plan. However, funding can be inconsisted, as it depends on local tax revenues." Informant 4.

"The SEF is utilized based on the annual implementation plan formulated by the school board." Informant 5

Similarly, Informant 7 stated that,

"It can be used for ground improvements and even the honorarium of teachers if it is necessary."

"In our school the devolution of SEF responsibilities does not affect our school. Our school is an Implementary unit, receiving regular MOOE to fund school operations and other activities." Informant 8

"The devolution of SEF did not affect much in a operation for it depend only on how the budget utilize for the same purpose and to develop the school learning program." Informant 10

"The devolution of SEF responsibilities has had significant effects on school operations and funding allocations, particularly in local level. It has the positive impact to the school. The success of SEF after devolution largely depends on the collaboration between schools & Administration, LGU & community." Informant 12.

Sub-theme 2.2: Challenges in SEF Utilization

Despite its benefits, schools face difficulties in fund disbursement, bureaucratic processes, and the timely release of SEF, affecting the efficiency of school operations. Studies indicate that bureaucratic delays often hinder the effective use of local education funds (Guevara, 2018).

As emphasized by Informant 1,

"The challenge that we experienced since the devolution that SEF funds will not go directly to the school the amount intended, instead the municipal government will give the materials corresponds to the POW we submitted." Informant 3, "Delayed release of funds and less priority for allocation are among the challenges we meet."

"The limited source of budget is the challenge and the prioritization of its implementation. There are many schools in our LGU Talacogon that schools have its own claims, addressing PAPs." Informant 5

"I encountered challenges in which SEF is lately given to school in which our priority needs can't be catered in a right time but there it is still helpful to the school operation." Informant 6

"Our SEF allocation is regularly programmed to fund school ground improvement and considered as a supplemental fund. With or without SEF allocation the school can still sustain its financial needs as we are receiving regular MOOE." Informant 9

Informant 10 mentioned few other related challenges,

"The biggest challenge that I encountered was the preparation of documents to be submitted after the utilization of SEF specifically in the requirements given by the PLGU. Managing & utilizing the SEF post-devolution provides several challenges for order & LGU. The challenges include unequal fund distribution, lack of technical capacity in Local Government, delayed rebate of funds, political interference, and insufficient oversight and transparency." Informant 12

Theme 3: Impacts of SEF Devolution on School Operations

The devolution of SEF responsibilities has brought changes to school operations, particularly in decision-making and fund allocation. While it provides flexibility, it also presents challenges in implementation.

As emphasized by Informant 4, "The devolution of SEF responsibilities has allowed our school to have more localized control over funding allocations, enabling us to prioritize key areas such as infrastructure, learning materials, and teacher support. However, funding can be inconsistent as it depends on local tax revenues."

"If SEF funds are equally distributed to the schools, it will improve the quality of education, but the reality is that, sometimes SEF was distributed not equally, sometimes only a small amount." Informant 1

"The devolution has less impact or non at all because the school has regular MOOE to support school programs, project and activities relevant to education and learning of students." Informant 9.

"As far as the quality of education is concerned, it is of great help to the school for it is me as the main source of argument is the quality of education in our school. The SEF devolution played a big impact in the development of the teaching-learning process in our school for it assignments some school needs or problems encountered." Informant 11.

Similarly, Informant 12 stated that, "The success of SEF after devolution largely depends on the collaboration between schools, administration, LGU, and the community."

Sub-theme 3.1: Localized Control and Decision-Making

School administrators now play a greater role in planning SEF allocations. However, the involvement of local governing bodies still influences final decisions on how funds are utilized.

As emphasized by Informant 1,

"The local school board could only suggest how much SEF will go to that certain school but mostly the decision is on the local government."

"The role of the local school board is very essential because they are the one who formulate the guidelines for the implementation of SEF." Informant 4

"The approving authority on the presented PAPs of school under SEF with the presentation of the PSDS of the other representative." Informant 5

"The local school board played a big role in utilization of SEF because they are the one who formulate the guideline is the implementation of SEF." Informant 8

Similarly, Informant 11 stated that, "The local school board played a big role in the implementation of SEF. They make sure that school districts prepare POWs to support funding requests."

Sub-theme 3.2: Challenges in Managing SEF Post-Devolution

With added autonomy comes the challenge of fund disbursement, transparency, and communication gaps between schools and LGUs.

As emphasized by Informant 8, "There is a lack of coordination between LGUs and school heads to properly facilitate the utilization of SEF."

Similarly, Informant 6 stated that, "The challenge that we experience since the devolution is that SEF funds do not go directly to the school in the amount intended. Instead, the municipal government provides materials

corresponding to the POW we submitted."

Theme 4: SEF's Role in Educational Quality and Special Programs

The Special Education Fund (SEF) serves as a critical financial resource in fostering educational development, improving school infrastructure, supporting teacher capacity-building initiatives, and funding specialized programs. Its effective utilization directly impacts the quality of education and learning environments in public schools. However, informants emphasized that the implementation of SEF-funded projects varies across municipalities, affecting the consistency of support provided.

As highlighted by Informant 5, *"Addressing the gaps based on the presented AIP from each school. In the municipality of Talacogon, the rotation of project implementation is highly observed."*

Similarly, Informant 7 stated, *"The devolution of SEF played a significant role in ensuring quality education in our school. It has been instrumental in funding classroom and school ground improvements."*

Sub-theme 4.1: Special Education and SEF Allocation

While inclusion programs for children with disabilities are recognized, funding for special education remains inconsistent, making resource allocation a challenge.

As emphasized by Informant 1, *"Because of the small amount allocated in our school, nothing is specifically allocated for students with disabilities since SEF is distributed to all students regardless of disability."*

Similarly, Informant 3 stated that, *"As embedded in GAD and inclusion education SEF has widened its coverage to include children with disabilities for their fund allocation especially on ECCD."*

"Provision of wheelchair through MSWD. I could not remember provisions from SEF for the inclusion of education for children with disabilities." Informant 5

"The SEF is never influence the children with disabilities but whatever problems of the learners the LGU will extend their support to the students." Informant 6

"In the implementation of SEF funds, the PWD pupils are included automatically for there are no specific guidelines as to the utilization of SEF, every pupil is eligible to use it." Informant 7

"As Stated by the school, all PWD are all included in the development of our school Facilities, such as providing arm chairs to PWD lanes in the school facilities." Informant 11

Sub-theme 4.2: Future Strategies for Better SEF Utilization

In order to optimize SEF, informants suggested improved transparency, efficient documentation, and stronger collaboration among stakeholders to ensure timely fund disbursement.

As emphasized by Informant 4,

"To overcome there are same things to be considered in strenghten communication and collaboration including the capacity builds of all local administrator and even in the provincial." Informant 4

"In the implementation of the SEF. our proposal PPAS are submitted for consolidation in the district and schools shall later be notified when fund are ready for release/ implementation." Informant 9

"One of the strategies is to prepare all the necessary requirements and submit them promptly to ensure the budget release is not delayed." Informant 10

Similarly, Informant 12 stated that, *"To overcome the challenges, we should strengthen communication and collaboration, ensure transparent planning, and prioritize immediate and essential needs."*

Discussion

Principals in Agusan del Sur see the SEF as more than just another line in the budget but it's a hands-on tool for repairing classrooms, supporting contests, and even paying honoraria for volunteer teachers. This aligns with studies across the Philippines showing that when local education funds are applied effectively, they make a real difference in infrastructure and teacher welfare (Dueñas et al., 2023). But clarity and timing in fund releases remain persistent stumbling blocks.

After devolution, SEF appeared to gain flexibility such that the principals spoke of funding ground improvements, SPED initiatives, and teacher training. The catch? Those same principals also highlighted delays and uneven distributions. One described how materials would only be provided when the municipal office had time to process the Program of Works. It's a reminder that autonomy comes with administrative friction.

Inclusion for learners with disabilities continues to fall short in practice. Schools often rely on general repairs rather than targeted projects. This matches patterns seen across developing countries, where lack of infrastructure, funding gaps, and unclear policy guidance hamper inclusive education efforts (Sijuola and Davidova, 2022).

Importantly, where SEF was used effectively when principals and LGUs worked well together, it reflected positively in school operations and teacher morale. These findings echo a wider review in the Philippines suggesting that stronger transparency and capacity at the local level lead to more responsive education services (Mamba-Ronquillo, n.d.).

Ultimately, SEF's impact is tethered to local relationships and governance capacity. It may exist in law, but in action, it is shaped by coordination, clarity in procedure, and shared commitment among school and municipal leaders. Turning those shared commitments into reliable systems, clear guidelines, timely releases, and joint trainings could help SEF fulfill its promise to support inclusive, quality education at the grassroots.

Conclusion

This study unpacked the lived experiences of school principals navigating the implementation of the Special Education Fund (SEF) during the shift toward fuller devolution in Agusan del Sur. Across the board, the SEF was seen not as an abstract policy mechanism, but as a tangible support system that could fund real, everyday school needs from contest participation and volunteer allowances to small but vital repairs. When used well, it made a difference, but that wasn't always the case.

Some municipalities moved faster, responded better, and showed more cohesion in deploying SEF funds. Others, hampered by administrative bottlenecks or unclear local processes, ended up delaying releases or misaligning priorities. The differences were not rooted in the idea of devolution itself, but in how ready and responsive local systems were to take it on. The same fund worked differently depending on who was handling it, how clearly roles were defined, and how well school heads and LGUs communicated.

The study also surfaced a reality that has long hovered over inclusive education, there is intention, but there is also hesitation. Schools recognized the mandate to include learners with disabilities, but actual SEF allocations for inclusion remained patchy or symbolic. The structural support wasn't always there, and when it was, it wasn't consistent. That gap matters. It means that the learners who need the most tailored interventions are often the ones least reached by local education budgets.

Still, there's reason for optimism. Several principals spoke of moments when collaboration between school boards and LGUs worked well when plans were honored, funds released on time, and programs rolled out smoothly. These are not just success stories; they are templates that can be adapted and scaled. What they show is that SEF can work, not just on paper, but in practice.

In the end, the success of the Special Education Fund doesn't rest solely on its design, but on the people who run it, the clarity of the rules that guide it, and the willingness of local institutions to make it count. The promise of devolution lies not in simply handing over responsibility, but in building the systems, trust, and shared vision needed to carry it forward. If these are strengthened, then SEF can be more than a funding stream. It can be a foundation for real, lasting change in public education.

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