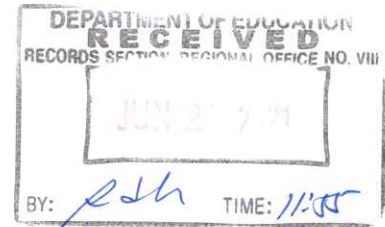




Republic of the Philippines  
**Department of Education**  
OFFICE OF THE UNDERSECRETARY FOR FINANCE


MEMORANDUM  
OUF-2021-0417

FOR : UNDERSECRETARIES  
ASSISTANT SECRETARIES  
BUREAU/SERVICE DIRECTORS  
REGIONAL DIRECTORS  
SCHOOLS DIVISION SUPERINTENDENTS  
ALL OTHERS CONCERNED



FROM :   
ANNALYN M. SEVILLA  
Undersecretary for Finance



  
RAMON FIEL G. ABCEDE  
Assistant Secretary for Finance

SUBJECT : ADVISORY ON DEPARTMENT OF BUDGET AND MANAGEMENT  
(DBM) LOCAL BUDGET MEMORANDUM (LBM) NO. 82

DATE : June 24, 2021

This refers to LBM No. 82 dated June 14, 2021, entitled "Indicative FY 2022 National Tax Allotment (NTA) Shares of Local Government Units (LGUs) and Guidelines on the Preparation of the FY 2022 Annual Budgets of LGUs." The purpose of the LBM is "to inform the LGUs of their indicative NTA shares for FY 2022 based on the certifications issued by the Bureau of Internal Revenue, Bureau of Customs, and the Bureau of Treasury on the computation of the share of LGUs from the actual collections of national taxes in FY 2019 pursuant to the Local Government Code of 1991 (Republic Act No. 7160) and the Supreme Court decision in the consolidated cases of *Congressman Hermilando I. Mandanas, et al. vs. Executive Secretary Paquito N. Ochoa, Jr. et al. and Honorable Enrique T. Garcia, Jr. vs. Executive Secretary Paquito Ochoa, et al.* and to prescribe guidelines on the preparation of the FY 2022 annual budgets of LGUs."

The specific provisions that are relevant to DepEd have been directly lifted from the LBM and are enumerated below for easier reference:

1. Priorities in the Use of the NTA and Other Local Resources

In accordance with Executive Order No. 138 dated June 1, 2021, entitled "Full Devolution of Certain Functions of the Executive Branch to Local Governments, Creation of a Committee on Devolution, and For Other Purposes," the functions services, and facilities which shall be fully devolved from National Government

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(NG) to the LGUs not later than the end of FY 2024, shall include those indicated under Section 17 of RA No. 7160 and other existing laws which subsequently devolved functions of the NG to the LGUs.

Section 2 (a) of EO No. 138 prescribes as one of the guiding principles of full devolution of functions to the LGUs, the role of the NG to set the national policy, development strategy, and service delivery standards, and to assist, oversee and supervise the LGUs, complementary to the stronger implementing role that the LGUs shall assume by reason of devolution.

As such, starting FY 2022, there shall be scaling down of the financial subsidy of NGAs for local programs and projects of LGUs. As prescribed under item 2.7 of National Budget Memorandum No. 138 dated January 6, 2021, the NGAs concerned shall:

- (i) refrain from funding devolved local projects for LGUs belonging to the 1st to 4th income classifications;
- (ii) include the funding requirement for capacity building for LGUs; and
- (iii) limit subsidies for local projects to LGUs belonging to the 5th and 6th income classes, the Geographically Isolated and Depressed Areas, as well as those with the highest poverty incidences, ranked in top third highest.

Accordingly, the LGUs that will no longer be covered by the pertinent “programs of” NGAs starting FY 2022 shall be primarily and ultimately responsible and accountable in providing funds for the implementation and delivery of devolved functions and services pursuant to Section 17 (b) of RA No. 7160 and other existing laws.

2. List of functions and services that fall within the expenditure assignments of LGUs that were previously implemented by certain NGAs and government-owned and/or – controlled corporations.

Department/ Agency/GOCC	Functions/ Services	Provinces	Municipalities	Cities <sup>1</sup>	Barangays
Department of Education	Local Infrastructure Services	-	School buildings and other facilities for public elementary and secondary schools		-
		-	Information services which include maintenance of public library		Information and reading center

For information and guidance.

<sup>1</sup> All the services and facilities of the municipality and province, and in addition thereto, adequate communication and transportation facilities and support for education, police and fire services and facilities