

Original Article

Financing for Equity in the Alternative Learning System: Evidence from the 2026 EDCOM II Reform

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Abstract. The Alternative Learning System (ALS) plays a critical role in expanding access to education for out-of-school youth and adults in the Philippines. However, persistent governance and financing constraints continue to challenge the program's capacity to deliver equitable learning opportunities. This study examines ALS financing within the context of the 2026 EDCOM II reform to understand how national and local funding mechanisms are structured to support program equity and implementation. The study employed a qualitative policy analysis using document review of official policy reports, fiscal allocations, and reform frameworks related to ALS financing. This study does not evaluate implementation outcomes, learner-level effects, or empirically observed program impacts, and is limited to policy-documentary analysis of financing structures and reform intent. Key sources included the FY 2026 proposed national ALS budget, formal EDCOM II reform documents, DEPED-DBM-DILG Joint Circular No. 1 (s. 2025) on the Special Education Fund (SEF), and related governance issues. A results-chain conceptual model was used to analyze the expected and policy-derived relationships between financing inputs, intended program outcomes as reflected in policy logic, rather than empirically validated effects. The documentary analysis suggests that a significant portion of the ALS budget is allocated to direct learner subsidies, reflecting a learner-centered and equity-oriented financing design. Policy reforms under EDCOM II also introduce governance and financing mechanisms, such as decentralization, dedicated ALS budget lines, and SEF co-financing, designed to support more equitable resource allocation. However, persistent bottlenecks, including infrastructure gaps, uneven regional access, and service-delivery capacity constraints, may constrain implementation effectiveness. The study concludes that coordinated national and local financing mechanisms may provide enabling conditions for strengthening ALS implementation. Integrating Program Support Funds and SEF allocations may support more responsive resource distribution and locally responsive service delivery. The findings provide policy-documentary analysis that may inform ALS financing reforms and future efforts toward more equitable resource allocation.

Keywords: ALS financing; Alternative Learning System; EDCOM II reform; Equity in education

Alternative Learning System (ALS) is an inclusive education program in the Philippines that provides equitable access to education for out-of-school youths and adults. It plays a vital role in the Philippine education system (Albert et al., 2024) by addressing several educational challenges, such as functional illiteracy, that hinder individuals from completing formal schooling, and by providing learning opportunities that improve essential skills and promote lifelong learning. It also addresses the challenges of geographic isolation, in which learners in remote or hard-to-reach communities have limited access to formal schools. Additionally, the Alternative Learning System primarily serves disadvantaged sectors of society, including learners from low-income households, working youth, and adults who were unable to complete basic education, while supporting the national goal of inclusive and lifelong learning by expanding educational opportunities beyond the formal school system (Republic Act No. 11510, 2020; Albert et al., 2024). Given the diverse needs and contexts of ALS learners, the effective implementation of the program requires adequate and responsive resource support. Strengthening ALS, therefore, depends not only on program delivery but also on financing mechanisms that help direct resources to learners who need them most.

Recent discussions under the EDCOM II (2025) reform have highlighted persistent governance and financing challenges that constrain the effective implementation of the Alternative Learning System (ALS). One key issue involves the adherence of some Local Government Units (LGUs) to DepEd-DBM-DILG Joint Circular No. 1, s. 2020, which was perceived to provide limited or unclear guidance regarding the use of the Special Education Fund (SEF) for ALS-related expenditures, thereby restricting the allocation of resources needed to support ALS learners. In response to these limitations, DepEd-DBM-DILG Joint Circular No. 1, s. 2025, subsequently introduced updated provisions that expanded allowable ALS-related SEF expenditures and expanded the scope of allowable expenditures relevant to literacy and ALS-related support. This policy transition reflects ongoing efforts to strengthen local financing support for ALS.

Budgetary constraints remain a major concern, particularly when proposed allocations do not adequately reflect the actual per-learner cost of ALS implementation and when funds are distributed evenly across regions despite differences in enrollment and local needs (EDCOM II, 2024). These financing limitations may reduce the program's capacity to respond to areas with larger learner populations and contribute to inequities in resource availability. As a result, ALS teachers often receive limited specialized training designed for the alternative learning context and have fewer opportunities for professional development (EDCOM II, 2024). Such constraints may affect the quality and accessibility of ALS services, particularly for learners in disadvantaged communities.

Equity in ALS financing is crucial because it directly addresses the concern that ALS receives a disproportionately small fraction of the education budget despite its critical role in providing alternative access to education (Albert et al., 2024). When financing does not align with learner needs, operational challenges may arise and will lead to service insufficiency, such as a lack of instructional materials, inadequate facilities, and a lack of trained personnel, all of which hinder program effectiveness and student outcomes (Abad & Galleto, 2020). The current EDCOM II reform provides a critical opportunity to re-evaluate government funding mechanisms to ensure that the Alternative Learning System is allocated adequate resources to fulfill its mandate effectively. This study intends to provide policymakers with data-driven insights that may enable improved resource allocation and strategic planning (Albert et al., 2024; Mahinay & Manla, 2025). The findings of this study may provide a basis for strategic planning and budget prioritization, particularly in allocating resources toward critical needs such as improvement of ALS infrastructure, including Community Learning Center (CLC) maintenance and renovation, provision of technological resources, support for ALS teachers, and enhancement of pedagogical materials and learning support.

Funding structures play a significant role in shaping the accessibility and quality of ALS services for marginalized and underserved learners. Previous studies consistently highlight the influence of resource constraints on ALS implementation, noting that administrative challenges and field-level adaptations significantly affect program quality and learner outcomes (Mahinay & Manla, 2025). Empirical findings also show that severe resource limitations hinder program effectiveness and create substantial operational challenges for ALS providers (Albert et al., 2024). These conditions have led some scholars to suggest that educational divisions explore sustainable and innovative ways to generate additional resources rather than relying solely on government budget allocations (Abad & Galleto, 2020). Policy initiatives such as the proposed Enhanced Alternative Learning System Development Plan further emphasize the importance of strengthening resource mobilization and improving ALS implementation (Cagang, 2024). These studies suggest that financing remains a critical factor in determining the

effectiveness and equity goals of ALS delivery. However, further examination of ALS budget allocations and financing mechanisms is needed to determine whether resources are distributed in ways that support learners in geographically isolated and disadvantaged areas (Mahinay & Ortiz, 2025).

This study aims to provide policy-based evidence on financing for equity in the Alternative Learning System (ALS), drawing on data and policy insights from the 2026 EDCOM II reform and the DepEd-DBM-DILG Joint Circular No. 1, s. 2025 as the primary policy framework, and acknowledging the DepEd-DBM-DILG Joint Circular No. 1, s. 2020 as part of the historical policy context. Specifically, it seeks to: (1) analyze the ALS financing structure, including the proposed national budget and the program's positioning as a national reform priority; (2) assess equity-oriented financing and governance mechanisms, such as the Special Education Fund (SEF) and related policy reforms; (3) identify system bottlenecks that constrain ALS program quality and implementation; and (4) develop a results-chain conceptual model that illustrates the synergy between national and local financing mechanisms in improving ALS outcomes.

Methodology

This section describes the method used to study the financing changes in the Alternative Learning System (ALS) within the 2026 EDCOM II framework. Since the study focuses on changes in national policy and financial adjustment, the analysis examines institutional documents, budget records, and reform announcements that affect the fair distribution of resources. The methods aimed to evaluate how financing mechanisms, governance tools, and decentralization resources work together to impact program quality and accessibility in ALS. The following subsections explain the research design, data collection procedures, and ethical considerations that inform this policy-focused investigation.

Research Design

This study employed a qualitative policy analysis, using document review, to examine ALS financing in the context of the 2026 EDCOM II reform. The analysis focused on institutional policy documents, fiscal allocations, and governance frameworks to assess how financing structures and mechanisms influence equity in ALS implementation. By systematically reviewing and synthesizing national and local financing provisions, the study provides an integrated examination of how resource allocation, decentralization, and accountability mechanisms interact within a multi-level governance system to support program quality and access. This included the Fiscal Year 2026 Proposed National Budget for ALS, EDCOM II reform reports, DEPED-DBM-DILG Joint Circular No. 1 (s. 2025) regarding the use of the Special Education Fund (SEF) for ALS, and relevant laws such as Republic Act 11510. The study did not create new survey or experimental data; instead, it relied on official institutional documents as sources of policy intent and fiscal guidance.

To improve analytical depth, the study applied a results-chain conceptual model. This model traced the connection between financial inputs, such as per-capita learner subsidies and SEF allocations, implementation activities, including literacy mapping and support for Community Learning Centers, and expected outputs and outcomes like better retention, completion, and functional literacy. This method allowed the researchers to evaluate not only the presence of budgetary reforms but also their structural coherence in promoting equity-focused results.

The approach is suitable for examining large-scale reform, as ALS financing operates within intergovernmental fiscal systems and multi-level governance. By situating ALS financing within the broader EDCOM II reform framework, the study offers a systemic analysis rather than a mere budget review.

Data Gathering Procedure

Data were collected by systematically examining official policy and fiscal documents related to ALS reform. The main sources of data included: (1) the FY 2026 Proposed National Budget for the Alternative Learning System; (2) EDCOM II Reform Roadmap documents that identified ALS as Priority Area 9 and Education Financing Reform as Priority Area 26; (3) DEPED-DBM-DILG Joint Circular No. 1, s. 2025 that governs SEF use for ALS; and (4) related governance issuances from DepEd, DBM and DILG.

All documents came from publicly available government releases, institutional repositories, and official policy communications. Inclusion criteria required that documents: (1) explicitly reference ALS financing or governance reforms; (2) contain fiscal allocation data or reform directives; and (3) be issued or recognized within the 2025–

2026 reform cycle. Reform dimensions, including budget allocation structures, decentralization mechanisms, governance levers, accountability requirements, and service delivery implications organized the collected documents. Tabular summaries (Tables 1–6) were created to summarize fiscal components, reform levers, and system bottlenecks.

To ensure reliable analysis, policy statements were cross-referenced across documents to verify consistency in reform intent and fiscal direction. Attention was given to shifts from historically centralized flat allocations toward performance- and demand-sensitive funding models. The PSF-SEF synergy framework was developed by reviewing national-local fiscal interactions outlined in DEPED-DBM-DILG Joint Circular No. 1 and EDCOM II financing reforms.

Data Analysis

The study employed a structured qualitative policy analysis, combining document review and deductive and inductive thematic coding. Deductive categories included financing structures, decentralization mechanisms, governance tools, and equity-oriented design. Inductive themes emerged from repeated patterns in policy documents. This study followed a structured qualitative policy analysis protocol to ensure transparency and reproducibility. A set of primary policy and fiscal documents was analyzed, including:

- 1. FY 2026 Proposed National ALS Budget
- 2. EDCOM II Reform Roadmap and formal reports
- 3. DepEd-DBM-DILG Joint Circular No. 1 (s. 2025)
- 4. Republic Act No. 11510
- 5. Supporting governance issuances

Coding was conducted iteratively, and policy statements were cross-referenced across documents to ensure consistency. Coded excerpts were compared across documents to ensure consistency and to identify convergent policy themes. The PSF-SEF results-chain model was developed through:

- 1. Identification of financing inputs
- 2. Mapping of implementation mechanisms
- 3. Analytical inference of outputs and outcomes based on policy logic

The results-chain therefore represents a coherent analytical model, a structured conceptual model derived from policy-documentary evidence and researcher interpretation, rather than an empirically validated causal framework.

Table 1. Policy Documents, Financing Themes, and Roles in the PSF-SEF Results-Chain Conceptual Model

Document Source	Type	Key Financing Theme	Role in Results Chain
FY 2026 ALS Budget	Fiscal document	Learner subsidies	Input
EDCOM II Roadmap	Policy framework	Reform priorities	Input/ Activity
Joint Circular 2025	Governance issuance	SEF allocation	Input/Activity
RA 11510	Legal framework	ALS institutionalization	Structural input

Ethical Considerations

Although this study did not involve human participation, it adheres to rigorous ethical standards consistent with educational research and public policy analysis in the Philippine context. Ethical considerations are particularly important given the study’s focus on public-sector financing. All secondary data sources, including government reports and policy documents from the Department of Education (DepEd) and EDCOM II, are properly cited in accordance with APA standards. The researchers ensure that data are used responsibly and interpreted within their appropriate context.

Results and Discussion

This section presents and discusses the key findings on equity financing in the Alternative Learning System (ALS) in the context of the 2026 EDCOM II reform. Based on the analysis of policy documents, fiscal allocations, and governance frameworks, it examines how financing mechanisms are intended to influence program quality, accessibility, and equity. The discussion covers national budget allocation, policy positioning, governance and

financing levers, system bottlenecks, and the results-chain conceptual model linking financing to outcomes.

Table 2. Fiscal Year 2026 Proposed National Budget for the Alternative Learning System

Budget Component	Amount (P Million)	Share of Total (%)	Intended Use
Total ALS Budget (FY 2026)	645.5	100.0	National financing for ALS reform
Direct Learner Subsidies	556.3	86.18	Per-capita learner support, instructional materials, and learning resources
Program Management, QA, and Systems Support	89.2	13.82	National coordination, monitoring, and capacity building

Second Congressional Commission on Education (EDCOM II 2025)

Table 2 presents the proposed Fiscal Year 2026 national budget allocation for the Alternative Learning System, amounting to ₱645.5 million, which serves as the primary national financing support for ALS reform (EDCOM II, 2024; FY 2026 Budget Document). A large portion of the budget, ₱556.3 million (86.18%), is allocated to direct learner subsidies, including per-capita learner support, instructional materials, and learning resources. This allocation reflects a learner-centered financing approach, where a significant share of funds is intended to directly support ALS participants and support access to learning opportunities. The proposed FY 2026 allocation, the ₱645.5 million budget, represents a modest increase from the ₱632.48 million appropriated in 2024. This suggests continuity in national support for ALS rather than a substantial expansion. A significant portion (86.18%) is allocated to direct learner subsidies, reflecting a learner-centered and equity-oriented financing design. While the increase may reflect sustained policy attention, its scale indicates that resource adequacy warrants continued policy attention, particularly given the program’s nationwide mandate and the diverse needs of out-of-school youth and adult learners. The distribution of funds reflects a policy orientation toward learner-centered allocation; however, this alone does not demonstrate equitable distribution across geographic or socio-economic groups.

Moreover, only ₱89.2 million (13.82%) is allocated to program management, quality assurance, and systems support, including national coordination, monitoring, and capacity building. While this component is necessary for effective program implementation, the relatively smaller allocation suggests that the proposed budget prioritizes direct service delivery over administrative functions.

While the allocation reflects a strong learner-centered orientation, the relatively limited investment in program management, quality assurance, and systems support may constrain the long-term sustainability and quality of ALS delivery. Insufficient resourcing for coordination, monitoring, and capacity building can potentially weaken implementation fidelity and limit the system’s ability to scale and sustain more equitable intended outcomes.

The distribution of funds indicates an effort to align ALS financing with learners' needs, particularly through equity-oriented subsidy mechanisms intended to benefit marginalized and underserved sectors. However, the table also suggests that limited total funding may constrain the program’s ability to fully address infrastructure needs, technological support, and teacher development, all of which remain critical components of more equity-responsive ALS implementation.

Table 3. Alternative Learning System as a National Reform Priority under the EDCOM II Roadmap

Reform Dimension	EDCOM II Evidence	Implication for ALS Financing
Policy Status of ALS	Designated as Priority Area 9: Alternative Learning System	Establishes ALS as a core national reform area requiring dedicated funding
System Role	ALS is positioned as a pathway for learners excluded from formal schooling	Justifies targeted financing to reach high-need populations
Integration with the National Plan	Included in the National Education and Workforce Development Plan	Links ALS investments to workforce and social inclusion goals
Reform Urgency	Identified as essential to address functional literacy gaps	Supports scaling of learner-centered funding mechanisms

Table 3 presents the Alternative Learning System (ALS) as a national reform priority under the EDCOM II Roadmap, highlighting its policy status and financing implications. Designating ALS as Priority Area 9 establishes the program as a core national reform area and underscores the need for dedicated, sustained funding. The positioning of ALS as a national reform priority has important implications for financing, as it signals a shift from a peripheral intervention to a core component of the education system. This policy status strengthens the rationale for dedicated, sustained funding, supports priority-based resource allocation, and reinforces the integration of

ALS into broader national development and workforce strategies. This policy recognition strengthens the justification for allocating national resources to ALS as part of broader education reforms.

The table also shows that ALS is positioned as a pathway for learners excluded from formal schooling, which supports the need for targeted financing strategies that address the needs of marginalized and underserved populations. This reinforces the role of ALS in promoting educational inclusion and more equitable access. In addition, ALS is integrated into the National Education and Workforce Development Plan (NatPlan), a strategic framework submitted by the EDCOM II, linking ALS investments to broader workforce development and social inclusion goals. This integration suggests that ALS financing is not only an educational concern but also part of national development efforts.

ALS is identified as essential in addressing functional literacy gaps, highlighting the urgency of strengthening learner-centered financing mechanisms. These insights from the EDCOM II roadmap indicate that ALS financing is increasingly recognized as a strategic investment intended to support more equitable access to education.

Table 4. *Financing and Governance Levers Enabling Equity-Oriented ALS Funding*

Reform Lever	EDCOM II Priority Area	Policy Direction	Implication for Equity in ALS
Education Financing Reform	Priority Area 26	Shift from historically flat, centralized allocations to performance- and demand-sensitive financing	Enables resources to flow to regions and communities with higher concentrations of out-of-school youth and low functional literacy
Decentralization & Participatory Governance	Priority Area 27	Strengthens LGU roles in education planning, budgeting, and service delivery	Allows local targeting, contextualized spending, and community-based ALS outreach
Dedicated ALS Budget Line	PA9 (ALS) + PA26 (Financing)	ALS receives a distinct national allocation rather than embedded funding	Improves transparency and protects ALS from being deprioritized
Local Co-Financing Mechanism (SEF)	PA27 (Decentralization)	Empowers LGUs to supplement national funds through local school boards	Bridges national standards with community-level implementation
Performance & Accountability Orientation	PA26 (Financing)	Aligns funding with measurable outcomes	Links financial inputs to program quality and learner results

Table 4 highlights five key financing and governance tools within the EDCOM II framework that together support equity-oriented funding design in the Alternative Learning System (ALS). Moving from flat, centralized allocations to financing that responds to demand and performance is designed to strengthen vertical equity by directing resources to areas with higher out-of-school youth rates and lower functional literacy. Decentralization reforms boost the role of Local Government Units (LGUs) in planning and implementation. This allows for interventions that respond to local needs.

While decentralization and demand-sensitive financing are designed to enhance equity by directing resources to high-need areas, these reforms also introduce capacity-related trade-offs. Variations in LGU technical capacity, administrative readiness, and data systems may result in uneven implementation, where areas with weaker institutional capacity are less able to effectively utilize available resources. This creates a potential tension between equity objectives and system capacity, suggesting that financing reforms must be complemented by targeted capacity-building and technical support to ensure that decentralized mechanisms translate into equitable and effective ALS delivery. Creating a dedicated ALS budget line ensures fiscal protection and boosts the program's visibility within national funding. Including the Special Education Fund (SEF) further increases fiscal capacity through local co-financing. Finally, linking funding to measurable outcomes promotes accountability and connects financial resources to program quality and learner results.

EDCOM II reforms introduce mechanisms such as decentralization, dedicated ALS budget lines, and SEF co-financing. These are designed to support more responsive and context-specific resource allocation, particularly in high-need areas. However, the effectiveness of these financing and governance reforms depends on the capacity of Local Government Units (LGUs) to operationalize decentralized functions and use data for evidence-based planning. Variations in technical capacity, data availability, and planning systems across LGUs may result in uneven implementation and limit the intended equity gains of demand-sensitive financing. Despite recognition

of financial barriers, empirical insights on the effectiveness of specific interventions remain limited and context-dependent. Monitoring and transparency issues in subsidy management reduce accountability and impact (Koramoah, 2016). Additionally, many financing schemes inadequately target the poorest learners, risking perpetuation of inequities (Makoelle & Burmistrova, 2020).

Table 5. *Key Provisions of Joint Circular No. 1 (s. 2025) on SEF Use for ALS*

Provision Area	What the Joint Circular Requires	Purpose for Equity-Oriented ALS Financing
Legal Status of ALS in SEF	ALS must be listed as a distinct line item in SEF expenditure reports	Ends the historical “invisibility” of ALS in LGU budgets
Authorized Uses of SEF for ALS	Literacy mapping; learner mobilization; hiring and training of Community ALS Implementors; development and maintenance of Community Learning Centers (CLCs); printing/reproduction of learning modules	Allows LGUs to directly fund community-based ALS delivery
Accountability Mechanism	LGUs are required to separately report ALS SEF expenditures	Enables monitoring, benchmarking, and compliance checks
Governance Signatories	Jointly issued by DepEd, DBM, DOF, and DILG (Dec. 3, 2025)	Aligns national and local finance systems
Policy Linkage	Explicitly aligned with RA 11510 and EDCOM II financing reforms	Institutionalize local co-financing for ALS

Table 5 outlines the institutional mechanisms that DEPED-DBM-DILG Joint Circular No. 1 (s. 2025) used to implement local co-financing for the Alternative Learning System (ALS). A key requirement is that ALS must be included as a separate line item in Special Education Fund (SEF) expenditure reports. This addresses the historical absence of ALS in local budgets. This formal recognition improves fiscal transparency and strengthens the program's legitimacy within Local Government Units (LGUs). The Circular also allows LGUs to use SEF resources for literacy mapping, mobilizing learners, hiring and training Community ALS Implementors, developing Community Learning Centers, and reproducing learning materials. These provisions increase local fiscal autonomy and directly support community-based delivery. Accountability improves through mandatory separate reporting of ALS-related SEF expenditures. This enables better monitoring and oversight of compliance.

These provisions enhance fiscal visibility by formally integrating ALS into local budgeting processes; however, their effectiveness depends on consistent compliance, accurate reporting, and robust monitoring to ensure allocated resources are used for intended program purposes. Effective governance and accountability frameworks are necessary to support more equitable use of funds. Studies highlight challenges in transparency, stakeholder involvement, and the alignment of funding with local educational needs and priorities (Makoelle & Burmistrova, 2020; Edwards et al., 2017; Taysum & Arar, 2018). The joint issuance by DepEd, DBM, DOF, and DILG bolsters interagency cooperation and ensures policy consistency. Together, the Circular establishes a structured approach to local co-financing, promoting conditions for more equity-oriented ALS implementation while improving transparency and governance.

Table 6. *System Bottlenecks Affecting ALS Program Quality*

System Constraint	Evidence from EDCOM II	Quality Implication for ALS
Aging and Inadequate Learning Facilities	Visuals and data on classroom age distribution and shortages show widespread use of old, substandard spaces	Limits safe, consistent, and conducive learning environments for ALS learners
Regional Classroom Shortages	Regional breakdown of classroom deficits highlights uneven access to learning spaces	High-need areas face lower program quality and access
Infrastructure Gap for Non-formal Learners	Facilities reform is framed as essential to reach marginalized learners	Constrains the expansion of Community Learning Centers (CLCs)
Service Delivery Capacity Gaps	Reform sections emphasize the need to modernize and expand delivery systems	Affects learner retention, attendance, and completion

Table 6 highlights systemic bottlenecks that significantly constrain the quality and equity of the Alternative Learning System (ALS) in the Philippines. The aging of facilities and inadequate learning facilities, alongside regional classroom shortages, reflect long-standing infrastructure deficits and are considered general school-facility problems in ALS, specifically in infrastructure and delivery constraints. These constraints limit the provision of safe, consistent, and conducive learning environments for ALS learners, particularly those relying on

Community Learning Centers (CLCs) and other non-formal learning spaces. EDCOM II (2023) specifically highlights gaps in facilities supporting non-formal and alternative education delivery, indicating that infrastructure constraints are not only system-wide but also directly affect ALS service delivery mechanisms. Such gaps align with broader findings that infrastructure quality is strongly associated with learner engagement, attendance, and achievement outcomes (Earthman, 2004; OECD, 2019).

Moreover, infrastructure gaps for non-formal learners and service-delivery capacity constraints hinder the expansion and modernization of Community Learning Centers (CLCs), which serve as the backbone of ALS implementation. Inadequate facilities and limited delivery systems constrain outreach, and learner retention and completion rates are critical indicators of ALS effectiveness. This is particularly concerning given the mandate of Republic Act No. 11510, which institutionalizes ALS as a parallel learning system designed to promote inclusive and equitable access to education. Consistent with UNESCO (2020), strengthening learning environments and delivery mechanisms is essential to ensure that alternative and flexible education programs genuinely serve disadvantaged and out-of-school populations. Addressing these systemic bottlenecks is therefore foundational to improving the quality, equity, responsiveness, and long-term sustainability of ALS programs.

These bottlenecks highlight a critical disconnect between the financing provisions and the ALS system's actual service-delivery capacity. While reforms expand resource availability, persistent constraints in infrastructure, facilities, and implementation capacity limit the system's ability to translate financial inputs into consistent and high-quality learning outcomes.

Table 7. Results-Chain Conceptual Model for the PSF–SEF Synergy in ALS Financing

Results Level	PSF (National) Role	SEF (Local) Role	Expected Effect on ALS Quality
Inputs	Per-capita learner subsidies; national standards; QA systems	ALS as a distinct SEF line item; local co-financing	Potentially more adequate and equity-oriented resource base
Activities	Curriculum development; training; monitoring	Literacy mapping, hiring implementors, and CLC support	Targeted and responsive service delivery
Outputs	Learning modules, certified facilitators, and QA tools	Operational CLCs, enrolled learners, and local outreach	Improved program availability and reach
Outcomes	Improved instructional quality; system coherence	Higher retention; improved completion	Better learner performance and continuity
Impact	Functional literacy: transition pathways	Social inclusion; workforce readiness	More equitable learning opportunities

Table 7 presents a results-chain conceptual model illustrating how synergy between the national Program Support Fund (PSF) and the local Special Education Fund (SEF) is designed to support ALS program quality across input, process, and outcome levels. At the input stage, national provisions such as per-capita learner subsidies, quality assurance (QA) systems, and standards-setting establish a regulatory and financing backbone, while local governments institutionalize ALS within SEF allocations to ensure contextualized co-financing. This vertical alignment reflects principles of multilevel governance in education, where national standardization and local fiscal autonomy jointly contribute to conditions for adequacy and a more equitable distribution of resources (Bray, 2007; OECD, 2017). In the Philippine context, Republic Act No. 11510 institutionalizes ALS and mandates strengthened coordination across governance levels, reinforcing the need for coherent national–local financing mechanisms (Republic Act No. 11510, 2020).

At the activity and output levels, the PSF's role in curriculum development, facilitator training, and monitoring complements SEF-supported literacy mapping, the hiring of implementers, and the operationalization of Community Learning Centers (CLCs). This complementary division of labor is intended to strengthen targeted service delivery and expand program reach, particularly among marginalized learners. The conceptual model emphasizes that adequate financing combined with local responsiveness improves instructional quality, retention, and completion rates in alternative education programs (UNESCO, 2020). The outcomes and impact levels further demonstrate that sustained PSF–SEF synergy may contribute to improved instructional coherence, higher learner retention, functional literacy gains, and stronger transition pathways toward employment or further education. Such systemic alignment supports inclusive and more equitable lifelong learning opportunities, consistent with Sustainable Development Goal 4 (United Nations, 2015). In essence, the results-chain conceptual model underscores that financing integration is not merely fiscal coordination but a structural mechanism intended to support ALS quality, equity, and long-term sustainability.

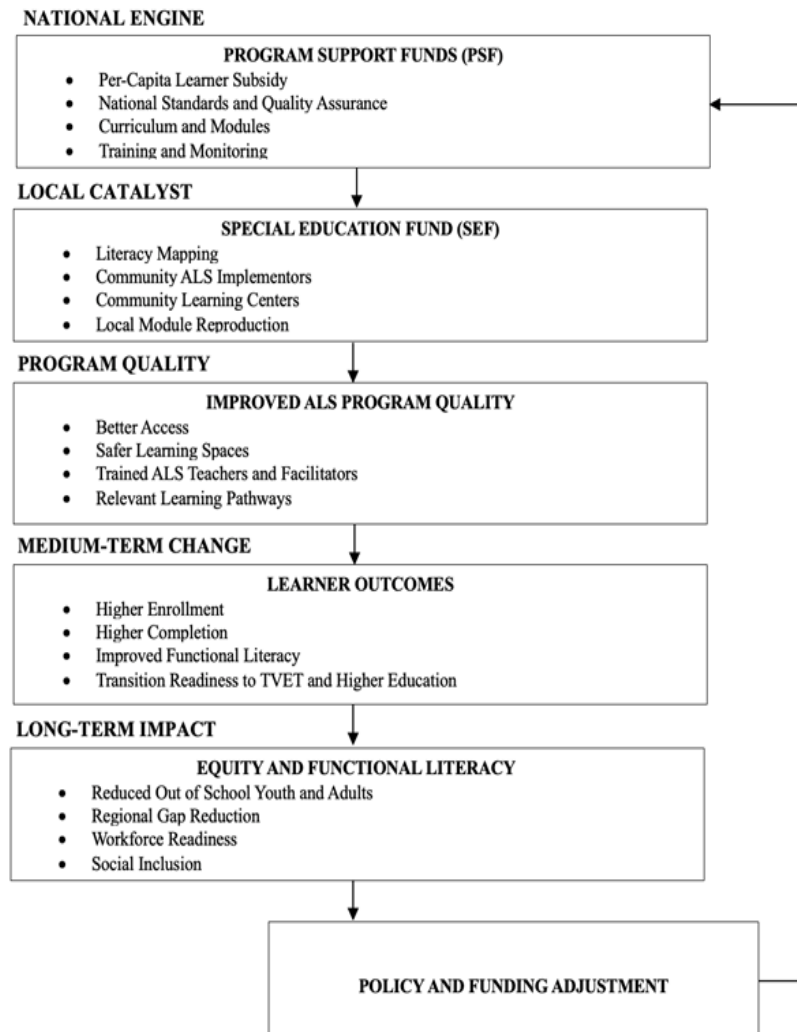


Figure 1. PSF-SEF Results-Chain Conceptual Model for ALS Program Quality

Figure 1 presents a multi-level financing conceptual model that illustrates how national funding sources may interact with local implementation mechanisms to support ALS outcomes. The model also illustrates expected relationships between financing inputs, implementation processes, and intended outcomes, rather than empirically validated causal effects. Input and activity components (learner subsidies, reform priorities, SEF allocations, ALS institutionalization) are directly derived from official policy documents and reform issuances. Output represents researcher-informed analytical inferences based on policy logic and related literature.

At the national level, Program Support Funds (PSF) act as the main driver. They provide per-capita learner subsidies, create national standards and quality assurance systems, support curriculum development, training and monitoring. These resources build a consistent, quality-controlled foundation for delivering ALS. At the local level, the Special Education Fund (SEF) plays a vital role by turning national resources into community-based action. It does this through literacy mapping, hiring Community ALS Implementors, developing Community Learning Centers, and reproducing local modules. SEF operationalizes ALS delivery in specific local contexts. The collaboration between PSF and SEF is intended to strengthen program quality. This may be reflected in improved access, safer learning environments, trained facilitators, and more relevant learning pathways. These changes may support better learner outcomes, such as higher enrollment, increased completion rates, enhanced functional literacy, and greater readiness to transition to technical-vocational education and higher education.

The effectiveness of the proposed results-chain conceptual model depends on several key assumptions, including sufficient LGU capacity to implement decentralized financing mechanisms, effective use of allocated resources at both national and local levels, and robust monitoring systems that link financial inputs to program performance

and learner outcomes. In the long run, the integrated financing model is intended to promote fairness and functional literacy. It is intended to help reduce the number of out-of-school youth and adults, close regional gaps, strengthen workforce readiness, and encourage social inclusion. The results-chain conceptual model ends with changes in policy and funding, creating a feedback loop where policy-based analytical insights from outcomes shape future financial and program decisions. The conceptual model positions coordinated national and local financing as a potential driver of sustainable improvements in ALS quality.

Limitation of the Study

This study is inherently limited by its reliance on document-based qualitative policy analysis, which restricts the ability to examine implementation processes, learner-level outcomes, and empirically validated program effects. While it provides insight into financing structures and policy intent, it does not examine implementation data, learner-level outcomes, or empirical effects of financing reforms. As such, the findings should be interpreted as policy-level analyses of financing design and intended mechanisms rather than verified evidence of operational effectiveness.

Conclusion

The findings underscore that strengthening the financing architecture of the Alternative Learning System (ALS) is critical to supporting equity goals and strengthening program quality. National budget allocations reflect a learner-centered approach, with a substantial share directed toward direct learner support, demonstrating a strong commitment to expanding access for out-of-school youth and adults. Within the EDCOM II framework, ALS is positioned as a national reform priority, underscoring the need for sustained, strategic investments aligned with workforce development and social inclusion goals. Governance and financing reforms, including dedicated budget lines, decentralization, performance-based funding, and the institutionalization of local co-financing through the Special Education Fund (SEF) under Joint Circular No. 1 (s. 2025), are designed to enhance transparency, accountability, and more equitable distribution of resources, particularly in underserved communities. However, persistent system bottlenecks, such as aging infrastructure, regional disparities, and limited service-delivery capacity, continue to constrain program effectiveness.

The PSF-SEF results-chain conceptual model highlights that coordinated national and local financing can serve as a structural mechanism intended to support ALS quality by linking financial inputs to targeted implementation, improved access, and better learner outcomes. When aligned effectively, these mechanisms may contribute to intended improvements in instructional quality, retention, completion, and functional literacy as reflected in policy design, rather than empirically observed outcomes, while contributing to long-term outcomes such as workforce readiness and social inclusion. This study is limited by its reliance on document-based analysis, which constrains the ability to empirically examine the relationship between financing mechanisms and actual program outcomes. As such, the findings reflect policy-level interpretations rather than empirically validated effects. Future research may focus on the impact evaluation of ALS financing models and on the empirical testing of the PSF-SEF linkage to better assess the effects on program quality and learner outcomes.

Contributions of Authors

Author 1: abstract, introduction, discussion of tables 2 and 3, discussion of figure 1, limitations of the study, review of the entire manuscript, references

Author 2: research design, data gathering procedure, discussion of tables 4 and 5, discussion of figure 1, limitations of the study, conclusion, review of entire manuscript, references

Author 3: data analysis, ethical consideration, discussion of tables 6 and 7, discussion of figure 1, review of entire manuscript, references

Author 4: conceptualization, research title, data inputs, creation of conceptual model, manuscript reviewer

Author 5: data analysis expansion, table 1

Author 6: manuscript reviewer

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