



Republic of the Philippines
Department of Education
NEGROS ISLAND REGION

REGIONAL MEMORANDUM

No. 907, s. 2026

AUG 26 2026

**FUNDING STRATEGIES AND INTERIM POLICY DIRECTIONS FOR THE
CONTINUOUS IMPLEMENTATION OF THE EXPANDED CAREER
PROGRESSION (ECP) SYSTEM**

TO: Assistant Regional Director
Schools Division Superintendents
All Others Concerned

1. Attached is Memorandum DM-OUHRODI-2026-2789 dated August 5, 2026, re: "Funding Strategies and Interim Policy Directions for the Continuous Implementation of the Expanded Career Progression (ECP) System," which is self-explanatory.

2. Immediate dissemination of and compliance with this Memorandum are desired.

RAMIR B. UYTICO EdD, CESO III
Regional Director

Encl.: As stated

Reference: As stated

To be indicated in the Perpetual Index
under the following subjects:

BUREAUS AND OFFICES
POLICY

ASD/PS/JEM/REGIONAL MEMO -Dissemination-DM-OUHRODI-2026-2789-Funding strategies and interim policy...



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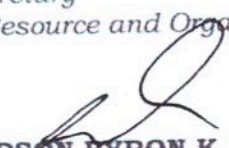


Republika ng Pilipinas
Department of Education
OFFICE OF THE UNDERSECRETARY
HUMAN RESOURCE AND ORGANIZATIONAL DEVELOPMENT

MEMORANDUM
DM-OUHRODI-2026-2789

TO : **REGIONAL DIRECTORS**
SCHOOLS DIVISION SUPERINTENDENTS
REGIONAL AND DIVISION HRMOs
REGIONAL AND DIVISION BUDGET OFFICERS
ALL OTHERS CONCERNED

FROM : 
WILFREDO E. GABRAL
Undersecretary
Human Resource and Organizational Development and Infrastructure


ATTY. EDSON BYRON K. SY
Undersecretary
Finance

SUBJECT : **FUNDING STRATEGIES AND INTERIM POLICY DIRECTIONS FOR**
THE CONTINUOUS IMPLEMENTATION OF THE EXPANDED
CAREER PROGRESSION (ECP) SYSTEM

DATE : August 5, 2026

I. BACKGROUND

Pursuant to Executive Order No. 174, s. 2022, its Implementing Rules and Regulations (IRR), DBM-DepEd Joint Circular No. 01, s. 2025, DepEd Order No. 024, s. 2025, and other related issuances¹, the Department of Education (DepEd) continues to implement the Expanded Career Progression (ECP) System for teachers and school heads.

Since its implementation in Fiscal Year (FY) 2025, the Department has facilitated large-scale promotions through reclassification under both previous² and ECP³ guidelines, significantly expanding career advancement opportunities for teachers and school leaders nationwide.

¹ **DepEd Order No. 019, s. 2025** – Amended Qualification Standards for Teacher I-III, Master Teacher I-IV, and School Principal I-IV Positions, and the Qualification Standards for Newly Created Teacher IV-VII and Master Teacher V Positions

DepEd Order No. 034, s. 2025 – Amendments and Clarifications to DepEd Order No. 024, s. 2025

² Equivalent Records Form (EFR), MEC 10, DO 97, s. 2011

³ DOs 024 and 034, s. 2025

While these accomplishments reflect the Department's commitment to providing broader career advancement opportunities for teachers and school leaders, they likewise highlight the need to ensure that the implementation of the ECP System remains fiscally sustainable and aligned with the national budget preparation cycle, particularly with respect to the financial capacity required to sustain the salary differentials of those already reclassified and with issued NOSCA from FYs 2025 and 2026, which are critical to ensure the continued, orderly, and sustainable implementation of the ECP. For reference, the table below presents the total physical targets and accomplishments, as well as the corresponding projected funding requirements, from January 2025 to June 2026.

Reclassification from January 2025 to June 2026

	Physical	Projected Funding Requirement
Reclassified Positions		
With Appointment	82,092	7,403,491,536.78
With Issued NOSCA	9,005	866,125,798.48
TOTAL	91,097	8,269,617,335.26
Pending Reclassification Applications		
Applications under DBM's Processing and Approval	25,976	2,447,320,347.86
Waiting in the CAREER	75,562	7,155,385,269.40
TOTAL	101,538	9,602,705,617.26
GRAND TOTAL	192,635	17,872,322,952.52

*Projected amount is based on reported number of reclassified positions as of July 7, 2026

Based on the validation of regional reclassification data, several regions are expected to incur funding deficiencies in their FY 2026 Reclassification Budget allocations after accounting for (a) the **Unfunded Recurring Cost carried over from FY 2025** and (b) the funding requirements for **FY 2026 approved reclassifications**. This situation indicates that the current allocations may not be sufficient to fully cover all expected funding requirements, as detailed below:

Region	FY 2026 GAA Reclassification of Positions	Unfunded Recurring Cost from FY 2025 (Pertaining to the payment of salary differentials of personnel appointed and issued NOSCA from May to December 2025)	FY 2026 Funding Requirements (Pertaining to Salary Differential Payment for those appointed and with issued NOSCA from January 2026 onwards)	Total Funding Requirements	Deficiency (FY 2026 Reclass Budget Less Total Funding Requirement)
CAR	137,837,000.00	1,189,087,476.00	2,757,648.00	1,191,845,124.00	1,054,008,124.00
NCR	499,612,000.00	With Certification of no Deficits			
NIR	303,340,000.00	With Certification of no Deficits			
Region I	355,304,000.00	806,300,995.00	1,256,689,087.00	2,062,990,082.00	1,707,686,082.00
Region II	261,172,000.00	138,110,902.00	347,773,548.00	485,884,450.00	224,712,450.00
Region III	635,165,000.00	No deficit based on report submitted			
Region IV-A	725,932,000.00	With Certification of no Deficits			
Region IV-B	243,271,000.00	965,000,602.00	98,336,356.00	1,063,336,958.00	820,065,958.00
Region V	477,704,000.00	567,652,697.00	730,360,990.00	1,298,013,687.00	820,309,687.00

Region	FY 2026 GAA Reclassification of Positions	Unfunded Recurring Cost from FY 2025 (Pertaining to the payment of salary differentials of personnel appointed and issued NOSCA from May to December 2025)	FY 2026 Funding Requirements (Pertaining to Salary Differential Payment for those appointed and with issued NOSCA from January 2026 onwards)	Total Funding Requirements	Deficiency (FY 2026 Reclass Budget Less Total Funding Requirement)
Region VI	308,658,000.00	94,695,076.00	2,415,964,878.00	2,510,659,954.00	2,202,001,954.00
Region VII	392,518,000.00	233,250,331.00	792,524,119.00	1,025,774,450.00	633,256,450.00
Region VIII	394,325,000.00	With Certification of no Deficits			
Region IX	303,186,000.00	217,563,479.00	254,403,216.00	471,966,695.00	168,780,695.00
Region X	303,671,000.00	694,649,543.00	290,911,129.00	985,560,672.00	681,889,672.00
Region XI	317,181,000.00	463,534,533.00	211,481,839.00	675,016,372.00	357,835,372.00
Region XII	275,175,000.00	271,895,723.00	11,327,232.00	283,222,955.00	8,047,955.00
CARAGA	214,382,000.00	With Certification of no Deficits			
TOTAL	6,148,433,000.00	5,641,741,357.00	6,412,530,042.00	12,054,271,399.00	8,678,594,399.00

Source: Reclassification Data Report from Regional and Division HRMOs and Budget Officers as of July 7, 2026

II. FUNDING SOURCE TO ADDRESS THE DEFICIENCY

To ensure the continuous implementation of approved reclassification actions despite the identified funding deficit, the Department shall utilize available unreleased appropriations for the **New School Personnel Positions (NSPP) – Lumpsum for Filling-up of Positions**, as authorized under Republic Act No. 12314, or the FY 2026 General Appropriations Act (GAA), subject to the release of the corresponding Special Allotment Release Order (SARO) and the issuance of Notice of Cash Allocation (NCA) by the Department of Budget and Management (DBM).

Specifically, portions of the unreleased appropriations under NSPP - Lumpsum for Filling-up of Positions from Regional Offices with filling-up rates below ten percent (10%) shall be pooled and transferred to the DepEd-CO to address the funding requirements for the approved reclassification, as detailed below:

Region	Filling Up Rate**	Unreleased Appropriation (NSPP - Lump Sum for Filling-Up of Positions as of June 30, 2026)	Proposed Amount to be Pooled and Transferred to DepEd CO	Net Amount After Pooling
CAR	14.5 %	263,295,690.00	-	263,295,690.00
NCR*	-3.9 %	3,492,708,933.00	2,223,215,154.00	1,269,493,779.00
NIR*	-1.2 %	1,690,085,165.00	523,216,295.00	1,166,868,870.00
Region I	11.8 %	1,587,473,000.00	-	1,587,473,000.00
Region II	10.5 %	763,571,845.00	-	763,571,845.00
Region III	13.4 %	1,368,439,492.00	-	1,368,439,492.00
Region IVA*	7.4 %	3,269,042,000.00	2,023,216,295.00	1,245,825,705.00
Region IVB*	-0.1 %	1,296,308,964.00	423,216,295.00	873,092,669.00
Region V*	3.0 %	1,094,008,837.00	423,216,295.00	670,792,542.00
Region VI	22.5 %	1,496,360,365.00	-	1,496,360,365.00

Region	Filling Up Rate**	Unreleased Appropriation (NSPP - Lump Sum for Filling-Up of Positions as of June 30, 2026)	Proposed Amount to be Pooled and Transferred to DepEd CO	Net Amount After Pooling
Region VII*	3.0 %	1,352,483,431.00	723,216,295.00	629,267,136.00
Region VIII*	-4.7 %	1,069,378,877.00	223,216,295.00	846,162,582.00
Region IX*	0.1 %	881,749,786.00	223,216,295.00	658,533,491.00
Region X*	1.7 %	1,698,776,000.00	523,216,295.00	1,175,559,705.00
Region XI*	3.8 %	1,737,526,000.00	623,216,295.00	1,114,309,705.00
Region XII*	4.3 %	1,318,607,923.00	523,216,295.00	795,391,628.00
Region XIII*	6.2 %	492,640,679.00	223,216,295.00	269,424,384.00
TOTAL:	5.3%	24,872,456,987.00	8,678,594,399.00	16,193,862,588.00

*Regional Offices with a filling-up rate of below 10% as of April 2026

**A negative filling-up rate reflected in the table indicates that the number of unfilled items as of February 2026 has increased compared with the GMIS data on filling-up as of April 2026

Upon release of the corresponding **SARO** and **NCA**, the DepEd-CO shall allocate and sub-allot the necessary amounts to the concerned ROs based on their validated funding requirements, and shall issue the corresponding budget authorities and implementation guidance to ensure the timely obligation and utilization of funds, consistent with existing budgeting, accounting, auditing, and other relevant rules and regulations.

III. IMPLEMENTATION DIRECTIONS AND PRIORITY ACTIONS

A. Regions with Funding Deficit:

(CAR, Regions I, II, IV-B, V, VI, VII, IX, X, XI, and XII)

To ensure that approved salary differentials remain within available appropriations and prevent the accumulation of unfunded personnel obligations, the following interim measures shall be observed:

1. Pending Reclassification Applications

All remaining reclassification applications that have not yet been issued NOSCA shall be temporarily deferred, pending the availability of funds, **except for retitling actions, which do not involve salary adjustments.**

2. Processing of New Applications

Regional and Division Offices may continue receiving, evaluating, validating, and processing new reclassification applications up to the RO level to facilitate future funding requirements and budget planning. However, **such applications shall not be submitted to the DBM until funding becomes available.**

All deferred applications **shall be prioritized for funding under the FY 2027 appropriations for the reclassification of positions.**

B. Regions with Remaining Budget:

(NCR, NIR, Regions III, IV-A, VIII, and CARAGA)

Regions with remaining FY 2026 reclassification funds may continue processing reclassification applications and submitting requests to the DBM until their respective FY 2026 regional allocations are fully utilized.

Should the available FY 2026 regional allocation have been exhausted, any remaining qualified reclassification applications shall be carried over and prioritized for funding under the FY 2027 appropriations for the reclassification of positions.

Likewise, given that the DBM April 2026 processing cut-off has already lapsed, reclassification actions approved and implemented thereafter may result in unfunded Personnel Services (PS) requirements in the subsequent fiscal year. In such cases, the corresponding salary differentials shall be included in and charged against the FY 2027 Reclassification Budget, subject to the availability of appropriations to ensure that the corresponding salary differentials are adequately funded.

IV. NEW PROCESSING TIMELINE FOR FY 2026 ONWARDS

The implementation of the ECP during FYs 2025 and 2026 highlighted also the need to further align the reclassification process with the national budget preparation cycle. While the ECP has significantly expanded career advancement opportunities for teachers and school leaders, the timing of reclassification activities prescribed under DepEd-DBM Joint Circular No. 1, s. 2025, and relative to budget preparation schedules has created challenges in ensuring the availability of appropriations to support the resulting salary differentials.

Accordingly, all ROs and SDOs shall strictly follow a forward-looking processing timeline prescribed in **Annex A**, which is intended to ensure that reclassification applications are processed, validated, and integrated into the budget cycle in a timely manner. Further, this approach is expected to minimize funding gaps, strengthen fiscal planning, and promote sustainable implementation of the ECP System.

The Department remains fully committed to ensuring that all qualified and deserving teachers and school leaders are provided with opportunities for career advancement under the ECP System. However, this commitment must be considered alongside the scale of the teaching workforce, which comprises approximately 900,000 teaching personnel and school leaders nationwide and in a manner that ensure prudent and sustainable use of public resources

In light of these considerations, the implementation of reclassification and promotion initiatives must be carefully prioritized and strategically phased. This calibrated, step-by-step approach will enable the Department to responsibly manage available resources, ensure the timely and sustainable payment of salary differentials, avoid disruptions in personnel compensation, and safeguard the long-term viability of the ECP System.

The Department therefore seeks the continued support and understanding of all concerned stakeholders as it pursues a balanced, equitable, and fiscally responsible implementation of career progression opportunities for public school teachers and school leaders nationwide.

For more information and further clarifications, you may coordinate with the Bureau of Human Resource and Organizational Development – Human Resource Development Division (BHROD-HRDD) through **Mr. Raymond C. Oplado** at bhrod.hrdd@deped.gov.ph.

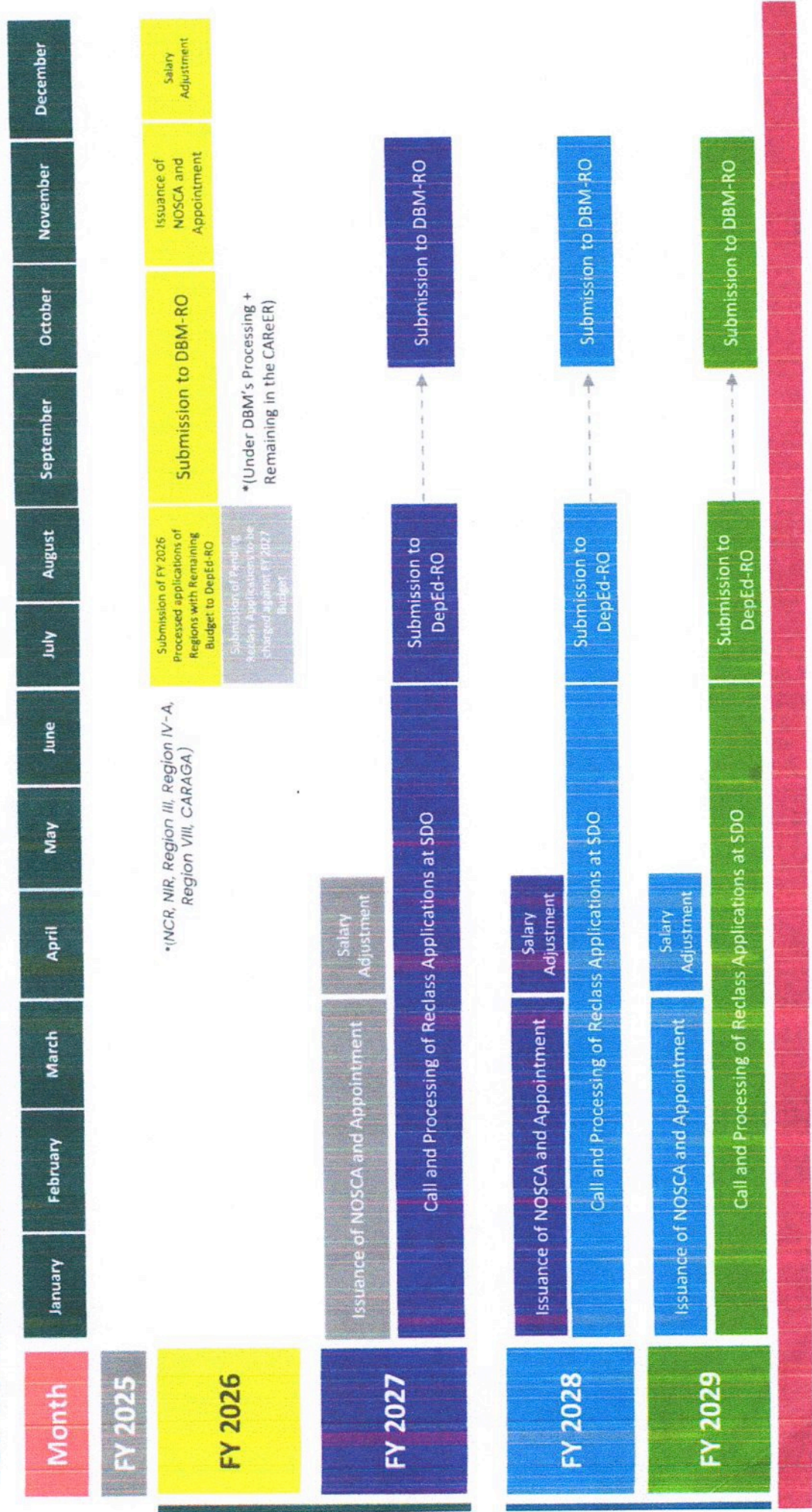
For information, guidance, and strict compliance.

Copy Furnished:

Office of the Secretary

ECP Reclassification Process Timeline

Annex A





Republic of the Philippines
Department of Education
OFFICE OF THE SECRETARY

13 July 2026

SECRETARY KIM ROBERT C. DE LEON

Department of Budget and Management
Boncodin Hall, General Solano Street
San Miguel Manila

ATTENTION:

WILFORD WILL L. WONG

Undersecretary
Functional Group Head of the Organization and Systems
Improvement (OSI) Group

MARY ANNE Z. DELA VEGA

OIC Undersecretary
Functional Group Head of the Budget Preparation and
Execution (BPE) Group

Dear **Secretary De Leon**:

Greetings in the spirit of genuine service to our public-school teachers!

Following a series of technical-level meetings and consultations between Department of Budget and Management (DBM) and Department of Education (DepEd) key offices, the Department respectfully submits the validated data of approved and pending reclassification covering Fiscal Years 2025 and 2026, including identified budget deficiency, fiscal impact, and recommended actions for the reclassification of positions under the Expanded Career Progression (ECP), as presented below:

I. Items Chargeable Against the FY 2026 Reclassification Budget

(With appointment and issued NOSCA from May 2025-June 2026)

Region	FY 2026 GAA Reclassification of Positions	FY 2025 Unfunded Recurring Cost <i>(Pertaining to the payment of salary differentials of personnel appointed and issued NOSCA from May to December 2025)</i>	FY 2026 Funding Requirements <i>(Pertaining to Salary Differential Payment for those appointed and with issued NOSCA from January 2026 onwards)</i>	Total Funding Requirements	Deficiency <i>(FY 2026 Reclass Budget Less Total Funding Requirement)</i>
CAR	137,837,000	1,189,087,476	2,757,648	1,191,845,124	1,054,008,124
NCR	499,612,000		*With Certification of no Deficits		
NIR	303,340,000		*With Certification of no Deficits		
Region I	355,304,000	806,300,995	1,256,689,087	2,062,990,082	1,707,686,082
Region II	261,172,000	138,110,902	347,773,548	485,884,450	224,712,450
Region III	635,165,000		*With Certification of no Deficits		
Region IV-A	725,932,000		*With Certification of no Deficits		
Region IV-B	243,271,000	965,000,602	98,336,356	1,063,336,958	820,065,958

Region IX	303,186,000	217,563,479	254,403,216	471,966,695	168,780,695
Region V	477,704,000	567,652,697	730,360,990	1,298,013,687	820,309,687
Region VI	308,658,000	94,695,076	2,415,964,878	2,510,659,954	2,202,001,954
Region VII	392,518,000	233,250,331	792,524,119	1,025,774,450	633,256,450
Region VIII	394,325,000	*With Certification of no Deficits			
Region X	303,671,000	694,649,543	290,911,129	985,560,672	681,889,672
Region XI	317,181,000	463,534,533	211,481,839	675,016,372	357,835,372
Region XII	275,175,000	271,895,723	11,327,232	283,222,955	8,047,955
CARAGA	214,382,000	*With Certification of no Deficits			
TOTAL	6,148,433,000	5,641,741,357	6,412,530,042	12,054,271,399	8,678,594,399

Source: Reclassification Data Report from Regional and Division HRMOs and Budget Officers as of July 7, 2026

Under the FY 2026 General Appropriations Act (GAA), the allocation for the Reclassification of Positions amounts to **Php 6,148,433,000.00**. However, based on the validation of the Department's actual funding requirements for the implementation of the ECP System, the total validated requirement covering the FY 2025 unfunded recurring costs and FY 2026 expenses of eleven (11) regions amounts to **Php 12,054,271,399.00**. Accordingly, the FY 2026 appropriation is insufficient to fully cover the same, resulting in a funding deficit of **Php 8,678,594,399.00**.

These updated figures are based on the validated funding requirements reports submitted by the DepEd field offices. Notably, these figures differ from the initial estimates previously presented during the DepEd-DBM meeting last May 5, 2026,¹ following comprehensive data validation activities conducted with the DepEd Regional and Schools Division Offices.

The validated data include the actual roster of reclassified incumbents, corresponding plantilla positions, and salary differential used to determine accurate funding requirements. These validated figures are more reliable basis for budget resource allocation and determination of the Department's actual funding requirement for the ECP System.

Recommended Funding Source:

To address the identified funding deficiency, DepEd respectfully requests the **utilization of the unreleased appropriations for the New School Personnel Positions (NSPP)**, as authorized under Republic Act No. 12314, or the FY 2026 General Appropriations Act (GAA).

Specifically, DepEd proposes that portions of the unreleased appropriation under NSPP - Lump-sum for Filling-up of Positions in the Regional Offices be pooled and transferred to the DepEd Central Office to augment the funding requirements for the approved reclassification of positions. The proposed transfer covers the unreleased appropriations of Regional Offices with a filling-up rate of below ten percent (10%), totaling **Php 8,678,594,399.00**, as detailed below:

¹ **8,251,329,335.10** - FY 2025 Unfunded Recurring Cost and FY 2026 Expenses as of May 4, 2026
2,102,896,281.10 - Computed Reclass Deficit as of May 4, 2026

Region	Filling Up Rate**	Unreleased Appropriation (NSPP – Lump Sum for Filling-Up of Positions as of June 30, 2026)	Proposed Amount to be Pooled and Transferred to DepEd-CO	Net Amount After Pooling
CAR	14.5 %	263,295,690	-	263,295,690
NCR*	-3.9 %	3,492,708,933	2,223,215,154	1,269,493,779
NIR*	-1.2 %	1,690,085,165	523,216,295	1,166,868,870
Region I	11.8 %	1,587,473,000	-	1,587,473,000
Region II	10.5 %	763,571,845	-	763,571,845
Region III	13.4 %	1,368,439,492	-	1,368,439,492
Region IVA*	7.4 %	3,269,042,000	2,023,216,295	1,245,825,705
Region IVB*	-0.1 %	1,296,308,964	423,216,295	873,092,669
Region IX*	0.1 %	881,749,786	223,216,295	658,533,491
Region V*	3.0 %	1,094,008,837	423,216,295	670,792,542
Region VI	22.5 %	1,496,360,365	-	1,496,360,365
Region VII*	3.0 %	1,352,483,431	723,216,295	629,267,136
Region VIII*	-4.7 %	1,069,378,877	223,216,295	846,162,582
Region X*	1.7 %	1,698,776,000	523,216,295	1,175,559,705
Region XI*	3.8 %	1,737,526,000	623,216,295	1,114,309,705
Region XII*	4.3 %	1,318,607,923	523,216,295	795,391,628
Region XIII*	6.2 %	492,640,679	223,216,295	269,424,384
TOTAL:	5.3%	24,872,456,987	8,678,594,399	16,193,862,588

*Regional Offices with a filling-up rate of below 10% as of April 2026

**A negative filling-up rate reflected in the table indicates that the number of unfilled items has increased compared with the GMIS data on filling-up as of April 2026

Accordingly, subject to the approval of the proposed transfer of appropriations, the Department likewise requests the release of a **Special Allotment Release Order (SARO)** in the amount of **Php 8,678,594,399.00** to DepEd-Office of the Secretary Proper (Central Office) to facilitate the allocation and distribution of allotments to the concerned Regional Offices.

The Department further requests that the corresponding **Notice of Cash Allocation (NCA)** be released directly to the concerned DepEd Operating Units as specified in the requests and/or reports to be submitted to their respective DBM Regional Offices counterparts.

Approval of this request will enable the Department to efficiently allocate and utilize the funds based on the validated funding deficits and requirements of the field offices and ensure the timely payment of salary differentials arising from the approved reclassification.

For reference and evaluation, attached as **Annex A** is the detailed computation of the validated funding deficiency, including the list of incumbents with corresponding reclassification details, financial requirements by region, and other pertinent documents to support this request.

II. Remaining Reclassification Applications

(Assessed Reclassification Applications awaiting Issuance of NOSCA and Appointment)

Region	Under DBM's Processing and Approval ²		Remaining in the CAREER ³		TOTAL	
	Physical	Financial	Physical	Financial	Physical	Financial
CAR	15	3,546,332	856	79,866,885	871	83,413,217
NCR	31	1,093,961	1,120	75,710,895	1,151	76,804,857
NIR	6,965	624,533,672	155	14,540,392	7,120	639,074,063
Region I	792	74,569,179	5,100	510,491,564	5,892	585,060,742
Region II	10	387,173	4,927	494,651,064	4,937	495,038,236
Region III	14,902	1,503,725,890	19,721	2,015,700,933	34,623	3,519,426,822
Region IVA	331	15,599,536	15,778	1,420,711,493	16,109	1,436,311,029
Region IVB	17	458,758	26	2,350,832	43	2,809,590
Region IX	35	1,235,118	3	333,326	38	1,568,444
Region V	479	31,527,078	1,806	180,789,593	2,285	212,316,671
Region VI	581	51,791,195	441	41,697,967	1,022	93,489,162
Region VII	19	670,493	3,317	295,415,907	3,336	296,086,399
Region VIII	1,168	89,609,866	12,033	1,034,848,005	13,201	1,124,457,872
Region X	31	1,093,961	4,991	481,613,811	5,022	482,707,772
Region XI	504	40,460,300	3,610	347,852,788	4,114	388,313,088
Region XII	3	105,867	-	-	3	105,867
Region XIII	93	6,911,969	1,678	158,809,816	1,771	165,721,785
TOTAL:	25,976	2,447,320,348	75,562	7,155,385,271	101,538	9,602,705,616

Source: Reclassification Data Report from Regional and Division HRMOs and Budget Officers as of July 7, 2026

To ensure prudent fiscal management and the sustainable implementation of the ECP, all **pending reclassification applications shall be funded under the FY 2027 appropriations for the reclassification of positions**, except those from regions with sufficient remaining FY 2026 reclassification funds to fully or partially cover their corresponding funding requirements.

For regions with available FY 2026 balances shall first be utilized, with any remaining funding requirements to be charged against the FY 2027 appropriations.

III. Implementation Directions and Priority Actions

Regions with Funding Deficit:

To prevent the recurrence of funding deficiencies and ensure that salary differentials are fully supported by available appropriations, the Department proposes that remaining reclassification applications without an issued NOSCA in regions⁴ with funding deficits be temporarily hold, pending the availability of funds, **except for retitling actions, which do not involve salary adjustments.**

To sustain implementation of the ECP System despite budget constraints, affected regions may continue evaluating reclassification applications up to the DepEd RO level only for consolidation and future funding consideration.

² Submitted to DBM but no Issued NOSCA yet

³ Pool of assessed reclassification applications ready for submission to DBM

⁴ CAR, Regions I, II, IV-B, V, VI, VII, IX, X, XI, and XII

Regions with Remaining Budget:

Regions with remaining FY 2026 reclassification funds⁵ may continue processing and submitting reclassification applications to the DBM until their respective FY 2026 budgetary allocations are fully utilized.

However, given that the DBM April 2026 processing cut-off has already lapsed, reclassification actions approved and implemented thereafter may result in unfunded Personnel Services (PS) requirements and corresponding budget deficiencies in the subsequent fiscal year. As such, any resulting funding requirement shall be considered in and charged against the FY 2027 Reclassification Budget.

IV. Proposed Timeline for Processing of Reclassification for FY 2026 onwards

The implementation experience in FY 2025 and FY 2026 highlighted the need to further align the ECP reclassification process with the national budget preparation cycle. While the ECP has significantly expanded career advancement opportunities for teachers and school leaders, the timing of reclassification activities prescribed under DepEd-DBM Joint Circular No. 1, s. 2025, and relative to budget preparation schedules has created challenges in ensuring the availability of appropriations to support the resulting salary differentials.

To address this concern, DepEd respectfully submits the proposed forward-looking implementation timeline outlined in **Annex B**, which is intended to ensure that reclassification applications are processed, validated, and integrated into the budget cycle in a timely manner. This approach is expected to minimize funding gaps, strengthen fiscal planning, and promote sustainable implementation of the ECP System.

Given the urgency and significance of the matters presented herein, we respectfully **request DBM's prompt review, favorable consideration, and appropriate action on this Special Budget Request, together with the corresponding recommendations and proposals presented herein, including the following:**

1. Pooling and centralization of unreleased appropriations amounting to **Php 8,678,594,399.00** to DepEd Central Office to augment the funding requirements for the approved reclassification of positions
2. Release of a Special Allotment Release Order (SARO) to DepEd-Office of the Secretary Proper (Central Office) to facilitate the allocation and distribution of allotments to the concerned Regional Offices.
3. Direct release of Notice of Cash Allocation (NCA) to the concerned DepEd Operating Units
4. Adoption and dissemination to DBM Regional Offices of the proposed reclassification directions and forward-looking timeline

These measures are intended to strengthen fiscal planning, optimize the utilization of available appropriations, ensure the availability of funding for approved personnel actions, and support the continued implementation of ECP System.

DepEd remains fully committed to working closely with DBM in identifying practical and fiscally sound funding and implementation strategies and welcomes any additional recommendations that may further strengthen the administration of the ECP System. We look forward to DBM's favorable action on the foregoing request and

⁵ NCR, NIR, Regions III, IV-A, VIII, and CARAGA

proposals and assure our continued cooperation in ensuring that all actions undertaken remain aligned with applicable budgeting policies, rules, and regulations.

For further queries and clarifications, your staff may directly coordinate with **BHROD- Human Resource and Development Division**, 4th Floor, Mabini Building, Department of Education Central Office, DepEd Complex, Meralco Avenue, Pasig City, through email at bhrod.hrdd@deped.gov.ph or at telephone number **(02) 8470-6630**.

Thank you for your continued support and partnership in advancing teacher welfare and strengthening the education workforce.

Very truly yours,


ATTY. FATIMA LIPP D. PANONTONGAN
Undersecretary and Chief of Staff

Copy Furnished:

GERALD R. JANDA

Assistant Secretary
Organization and Systems Improvement Group
Department of Budget and Management

VIVIEN V. LABASTILLA

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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
General Solano Street, San Miguel, Manila

SPECIAL ALLOTMENT RELEASE ORDER
For Fiscal Year 2026

Department : Department of Education (DepEd) Agency : Office of the Secretary Operating Unit : Central Office		ORG CODE 07 001 0100000 (A0699)	
Locality :			
Funding Source : Regular Agency Fund, FY 2026 General Appropriations Act, RA 12314, Specific Budgets of National Government Agencies		01 1 01 101	
Purpose : To cover the funding requirements for the continued implementation of the Expanded Career Progression (ECP) System of the DepEd.			
MFO/PAP Code	Particulars	Object Code	Amount
310200100002000	Operations OO : Access of every Filipino to an enhanced basic education program enabling them to prepare for further education and the world of work achieved BASIC EDUCATION INPUTS PROGRAM New School Personnel Positions Personnel Services	50100000 00	P 8,678,594,399 8,678,594,399
Amount in words: *** EIGHT BILLION SIX HUNDRED SEVENTY-EIGHT MILLION FIVE HUNDRED NINETY-FOUR THOUSAND THREE HUNDRED NINETY-NINE PESOS ONLY ***			
Notes: The allotment herein released shall be valid for obligation until December 31, 2026.			
The allotment herein authorized shall be used solely for the purposes indicated and disbursements therefrom shall be made in accordance with existing budgeting, accounting, and auditing rules and regulations. It is the primary responsibility of the head of the Department, Bureau or Agency concerned to keep expenditures within the limits of the amount allotted.			
In following - up, pls. cite barcode #SARO-2026-F00345B 		(Signature on the last page) KIM ROBERT C. DE LEON Acting Secretary	





REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
General Solano Street, San Miguel, Manila

SPECIAL ALLOTMENT RELEASE ORDER

For Fiscal Year 2026

Department : Department of Education (DepEd)	ORG CODE
Agency : Office of the Secretary	07 001 0100000
Operating Unit : Central Office	(A0699)

Locality :	
Funding Source : Regular Agency Fund, FY 2026 General Appropriations Act, RA 12314, Specific Budgets of National Government Agencies	01 1 01 101

Purpose :

To cover the funding requirements for the continued implementation of the Expanded Career Progression (ECP) System of the DepEd.

MFO/PAP Code	Particulars	Object Code	Amount
	TOTAL:		P 8,678,594,399

Amount in words:

***** EIGHT BILLION SIX HUNDRED SEVENTY-EIGHT MILLION FIVE HUNDRED NINETY-FOUR THOUSAND THREE HUNDRED NINETY-NINE PESOS ONLY *****

Notes:

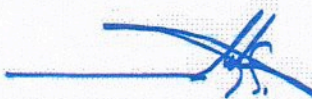
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Signed By: Kim Robert C. De Leon
Acting Secretary
C=PH, O=DBM, I-CN: Government Signing CA - G2
Date: August 12, 2026

In following - up, pls. cite barcode #SARO-2026-F00345B




KIM ROBERT C. DE LEON
Acting Secretary

CP Reclassification Process Timeline

Annex A

