



SMERU RESEARCH REPORT NO. 2/2024

THE USE AND USEFULNESS OF SCHOOL GRANTS: RESEARCH FROM SOUTHEAST ASIA, EAST ASIA, AND THE ASIA-PACIFIC QUALITATIVE ANALYSIS REPORT—INDONESIA

Vita Febriany, Nina Toyamah, Ruhmaniyati, Lina Rozana

SMERU RESEARCH REPORT NO. 2/2024

THE USE AND USEFULNESS OF SCHOOL GRANTS:
RESEARCH FROM SOUTHEAST ASIA, EAST ASIA,
AND THE ASIA-PACIFIC
QUALITATIVE ANALYSIS REPORT–INDONESIA

An IIEP-UNICEF Research Program in Collaboration with
the Ministry of Education and Culture and The SMERU Research Institute

Vita Febriany
Nina Toyamah
Ruhmaniyati
Lina Rozana

Editors

Jamie Evans
Julienne Welsh
Mohammad Gabriell Firdausy Erfan

The SMERU Research Institute
April 2024

The Use and Usefulness of School Grants: Research from Southeast Asia, East Asia, and the Asia-Pacific

Authors: Vita Febriany, Nina Toyamah, Ruhmaniyati, Lina Rozana

Editors: Jamie Evans, Julienne Welsh, Mohammad Gabriell Firdausy Erfan

Cover photo: SMERU doc.

Published by:

The SMERU Research Institute

Jl. Cikini Raya No.10A

Jakarta 10330

Indonesia

First published in April 2024

Suggested citation

Febriany, Vita, Nina Toyamah, Ruhmaniyati, and Lina Rozana (2024) 'The Use and Usefulness of School Grants: Research from Southeast Asia, East Asia, and the Asia-Pacific'. Research Report No. 2/2024. Jakarta: The SMERU Research Institute <URL> [access date].



This work is licensed under a Creative Commons Attribution-NonCommercial 4.0 International License.

SMERU's content may be copied or distributed for noncommercial use provided that it is appropriately attributed to The SMERU Research Institute. In the absence of institutional arrangements, PDF formats of SMERU's publications may not be uploaded online and online content may only be published via a link to SMERU's website.

The findings, views, and interpretations published in this report are those of the authors and should not be attributed to any of the agencies providing financial support to The SMERU Research Institute.

A significant part of the research in this publication uses interviews and focus group discussions. All relevant information is recorded and stored at the SMERU office.

For further information on SMERU's publications, please contact us on 62-21-31936336 (phone), 62-21-31930850 (fax), or smeru@smeru.or.id (e-mail); or visit www.smeru.or.id.

Research Team

SMERU Researchers

Vita Febriany

Nina Toyamah

Ruhmaniyati

Lina Rozana

Acknowledgements

We would like to thank Candy Lugaz, Anton De Grauwe, Carmella Salzano, and Sofie Pauwels from IIEP-UNESCO, and Suhaeni Kudus from UNICEF-Jakarta for their support, technical guidance, and valuable input and suggestions provided during the course of the study. Our sincere thanks also go to the Ministry of Education and Culture of the Republic Indonesia, particularly the Directorate General of Elementary Education for their support and guidance.

We also highly appreciate all assistance given by the education agencies of Kabupaten Lebak, Polewali Mandar (Polman), Agam, and Jayapura, who granted the permit to conduct this research, became the informants, and spent their precious time to make it possible for the researchers to meet and have discussions with the schools. Our thanks also go to all informants in all sample schools who provided valuable information for this study.

We extend our thanks to UNICEF-Jakarta, which provided funding during all stages of this research.

Abstract

The Use and Usefulness of School Grants: Research from Southeast Asia, East Asia, and the Asia-Pacific

Vita Febriany, Nina Toyamah, Ruhmaniyati, Lina Rozana

The initial aim of the school grants program in Indonesia (known as the School Operational Assistance/BOS Program) was to compensate the burden carried by the community, especially the poor, for the costs of education (elementary and junior high school) following the government's decision to reduce fuel subsidies in 2005. This study is part of a regional research program on school grants, which includes field research in four countries in Southeast Asia, East Asia, and the Asia-Pacific, namely Indonesia, Timor-Leste, Mongolia, and Vanuatu. The field study in Indonesia was carried out from April–September 2013 in 14 schools in 4 *kabupaten* (districts) in 4 provinces: Kabupaten Lebak in Banten Province, Kabupaten Agam in West Sumatra Province, Kabupaten Polewali Mandar (Polman) in West Sulawesi Province, and Kabupaten Jayapura in Papua Province. The study aims to examine the use and usefulness of BOS funds at the school level. In schools, interviews were conducted with the school head teachers, BOS treasurers, and the school committees. Group discussions were conducted with the teachers, students' parents, and students. At the *kabupaten* education agencies, the team conducted interviews with the BOS managers, the heads of the elementary and junior high school education section, as well as the school superintendents. The study finds that the BOS Program is able to contribute to the improvement of education quality. The BOS funds also had effects on the improvement of the teachers' motivation and management of school administration. In contrast, most informants assessed that the BOS funds were still unable to narrow the gap between schools located in urban areas and in rural or remote areas. The study also reveals some challenges in the implementation of the BOS Program, including low rates of parental participation in schools, delay in BOS fund disbursement, weak supervision, and limited amount of funds per student.

Keywords: school grants, use and usefulness of BOS funds, BOS Program implementation

Table of Contents

Acknowledgements	i
Abstract	ii
Table of Contents	iii
List of Tables	iv
List of Figures	v
List of Abbreviations	vi
Executive Summary	vii
I. Introduction	1
1.1 Research Methodology in Indonesia	1
1.2 This Report	3
II. Profiles of Study Schools and Their Environments	4
2.1 Profiles of the Four Sample <i>Kabupaten</i>	4
2.2 Basic Profiles of the Sample Schools	5
III. BOS: Purpose, Policy Formulation, and Information Dissemination Process	17
3.1 The Purpose of the BOS Program	17
3.2 Policy Formulation and Implementation	19
3.3 Policy Dissemination	20
IV. Criterion and Mechanisms for BOS Distribution	28
4.1 Criterion	28
4.2 Mechanisms	32
V. Use of BOS Funds at Schools	36
5.1 School Financial Resources	36
5.2 BOS Funds Amounts	45
5.3 How Schools Decide on How to Use BOS Funds	48
5.4 How Schools Use BOS Funds	51
5.5 Results from Quantitative Analysis	62
VI. Monitoring and Control of Bos Funds Use	77
6.1 At the School Level	77
6.2 External Monitoring	78
VII. Overall Assessments	80
7.1 Contribution to Access, Equity, Quality, and School Functioning	80
7.2 Challenges and Weaknesses	84
7.3 Suggestions for Successful BOS Policy Implementation	85
List of References	88

List of Tables

- Table 1. Types and Numbers of Informants in Each Sample *Kabupaten* | 2
- Table 2. The Number of Elementary Schools, Teachers, and Students in the Four Sample *Kabupaten* | 5
- Table 3. Profiles of the Sample Schools (2012–2013 School Year) | 6
- Table 4. Profiles of the School Head Teachers | 9
- Table 5. Profiles of Teachers (1) | 12
- Table 6. Profile of Teachers (2) | 12
- Table 7. Informants' Opinions toward the Criterion for the Allocation of BOS Funds Based on the Number of Enrolled Students | 30
- Table 8. Proportions of BSM Recipients in Sample Public Elementary Schools in the 2012–2013 Academic Year | 39
- Table 9. Types of Levies and Contributions Requested from Parents by Sample Schools | 41
- Table 10. The Rural-Urban Allocation of BOS Funds Annually Per Student (in Rupiah) | 46
- Table 11. Amount of BOS Funds Received by Sample Schools during the 2012–2013 Academic Year | 48
- Table 12. How Sample Schools Used Their BOS Funds | 53
- Table 13. Number and Percentage of Schools That Had Submitted Accountability Reports in Kabupaten Agam and Kabupaten Polman, 2013 | 63
- Table 14. Proportion of BOS Funds Spent on BOS Administration Fund Based on Location, Kabupaten Agam and Kabupaten Polman, 2013 | 65
- Table 15. Proportions and Percentages of BOS Funds Used for Contract Teachers and School Support Staff's Salaries at Schools in Kabupaten Agam, 2013 | 66
- Table 16. Proportion and Percentage of BOS Funds Used for Contract Teachers and School Support Staff's Salaries at Schools in Kabupaten Polman, 2013 | 66
- Table 17. Number of Students and Total Amount of BOS Funds Received per Quintile in Kabupaten Agam, 2013 | 67
- Table 18. Number of Students and Total Amount of BOS Funds Received per Quintile in Kabupaten Polman, 2013 | 68
- Table 19. Proportion of Schools per Quintile (Number of Students) Based on Location, Kabupaten Agam and Kabupaten Polman, 2013 | 71
- Table 20. Proportion of BOS Funds Spent by Schools on Poor Students, 2013 | 74
- Table 21. Number of Schools That Allocated a Proportion of Their BOS Funds to Poor Students, 2013 | 74
- Table 22. Number of Schools and Percentage of Spending on Assistance for Poor Students Based on Location, Kabupaten Agam and Kabupaten Polman, 2013 | 76
- Table 23. Challenges and Weaknesses of the BOS Program | 85

List of Figures

- Figure 1. Map of the Study Areas | 4
- Figure 2. Pictures of Classrooms | 15
- Figure 3. BOS Fund Bulletin Board | 23
- Figure 4. Numbers of Elementary School Students Who Received BSM, 2009–2012 | 38
- Figure 5. The Use of BOS Funds at Schools in Kabupaten Agam, 2013 | 64
- Figure 6. The Use of BOS Funds at Schools in Kabupaten Polman, 2013 | 65
- Figure 7. Comparison of Total Amount Actually Spent by Schools in Kabupaten Agam, Q1 and Q5, 2013 | 68
- Figure 8. Number of Students and Proportion of BOS Funds Spent on Learning and Extracurricular Activities in Kabupaten Agam | 69
- Figure 9. Comparison of BOS Funds Use by Schools in Kabupaten Polman, Q1 and Q5, 2013 | 70
- Figure 10. The Use of BOS Funds Based on School Location in Kabupaten Agam | 71
- Figure 11. The Use of BOS Funds Based on School Location in Kabupaten Polman | 73
- Figure 12. Allocation of BOS Funds to Poor Students per Quintile in Kabupaten Agam, 2013 | 75
- Figure 13. Allocation of BOS Funds to Poor Students per Quintile in Kabupaten Polman, 2013 | 75
- Figure 14. School Information Board | 83

List of Abbreviations

APBD	Anggaran Pendapatan dan Belanja Daerah	regional budget
Baznas	Badan Amil Zakat Nasional	National Alms Agency
BOS	Biaya Operasional Sekolah	School Operational Assistance
BPD	Badan Permusyawaratan Desa	Village Consultative Body
BPK	Badan Pemeriksa Keuangan	Audit Board of Indonesia
BSM	Bantuan Siswa Miskin	Cash Transfers for Poor Students
DAK	<i>dana alokasi khusus</i>	specific allocation fund
DO		dropout
Gol		Government of Indonesia
Kemendikbud	Kementerian Pendidikan dan Kebudayaan	Ministry of Education and Culture
NGO		nongovernmental organization
PNPM	Program Nasional Pemberdayaan Masyarakat	National Program for Community Empowerment
Polman	Polewali Mandar	Polewali Mandar
Respek	Rencana Strategis Pembangunan Kampung	Strategic Plan for Village Development
RKAS	<i>rencana kerja dan anggaran sekolah</i>	school activity and budget plan
RSBI	<i>rintisan sekolah berbasis internasional</i>	international-standard pilot trial school
S1	<i>sarjana</i>	bachelor's degree
SBI	<i>sekolah berbasis internasional</i>	international-standard school
SD	<i>sekolah dasar</i>	elementary school
SDLB	<i>sekolah dasar luar biasa</i>	special needs elementary school
SDN	<i>sekolah dasar negeri</i>	public elementary school
SMP	<i>sekolah menengah pertama</i>	junior high school
SMPT	<i>sekolah menengah pertama terbuka</i>	open junior high school
SMPLB	<i>sekolah menengah pertama luar biasa</i>	special education junior high school
UNICEF		United Nations Children's Fund
UPTD	<i>unit pelaksana teknis daerah</i>	regional technical implementation unit

Executive Summary

Indonesia's school grants program—known as the School Operational Assistance (BOS) Program—was first introduced in 2005. The policy, which abolished school fees for students, was brought in following the central government's decision to reduce fuel subsidies in 2005. It was aimed at reducing the increased economic burden on the community, especially the poor, due to the fuel price hikes. The BOS Program is intended to support the central government's program for the compulsory nine years of basic education at the elementary and junior high school levels for both public and private schools. BOS funds are allocated to schools based on the number of students and must be managed in accordance with the technical guidelines from the government.

This study is part of a regional research program on school grants, which includes field research in four countries in Southeast Asia, East Asia, and the Asia-Pacific, namely Indonesia, Timor-Leste, Mongolia, and Vanuatu. The field study in Indonesia was carried out between April and September 2013 in 14 schools in 4 *kabupaten* (districts) in 4 provinces, namely Kabupaten Lebak in Banten Province, Kabupaten Agam in West Sumatra Province, Kabupaten Polewali Mandar (Polman) in West Sulawesi Province, and Kabupaten Jayapura in Papua Province.

This study aims to examine the use and usefulness of BOS funds at the school level, including the (i) policy's purposes, formulation, and the dissemination of information on the program; (ii) criteria and procedures for BOS distribution; (iii) monitoring and control of BOS funds; (iv) program's contribution to education access, equity, quality, and school operations; and (v) challenges experienced.

The study was conducted in two stages. The first was carried out between March and September 2013, during which the research team collected qualitative information through interviews and group discussions with various informants at schools and *kabupaten* education agencies. At the schools, the interviews were conducted with the school head teachers, BOS treasurers, and school committee chairs and/or members. The group discussions involved around six people consisting of teachers, students, and parents.

At *kabupaten* education agencies, the team conducted interviews with the BOS manager, the head of the elementary and junior high school education section, as well as the school superintendent and/or the head of *kecamatan* (subdistrict) education agency. In total, the team conducted interviews and discussions with 308 informants. The research team consisted of two SMERU senior researchers and two research assistants—all women.

The second stage of the research, conducted in October and November 2013, was focused on quantitative data analysis involving the examination of data on the use of BOS funds by schools in 2013. Of the four sample *kabupaten* in the qualitative study, the team could only collect the data from two *kabupaten*—179 schools in Kabupaten Agam and 76 schools in Kabupaten Polman.

The qualitative study finds that all informants' first impressions of BOS funding were very positive. They felt satisfied that the provision of BOS funds meant it was no longer necessary to collect school fees from the students' parents, which they considered very hard to do. The informants believed that the aims of the BOS program include providing funding for (in order of most to least frequent response) (i) general school needs and activities, such as purchasing textbooks, teaching and learning activities, and contract teacher and school support staff salaries; (ii) easing the financial burden faced by parents in sending their children to school; (iii) improving access to education and reducing dropout rates; and (iv) helping poor students.

On the formulation of the BOS policy, all informants from schools and three *kabupaten* education agencies felt that they were left out of the initial policy formulation process and subsequent revision of the BOS Program. The informants felt that schools are only treated as funding recipients. Schools receive written and verbal information on BOS through the program's written guidelines and briefings. School head teachers and BOS treasurers are invited to annual information briefings organized by *kabupaten* education agencies; however, teachers, parents, and students never participate in the briefings. The school head teachers and BOS treasurers think the briefings are very useful because there are direct question and answer sessions. The absence of briefings for parents and the community means their understanding of the BOS Program is limited. Several school head teachers complain that parents and community members' lack of knowledge of the program makes it difficult to get them to contribute funds to schools because of their misconception that all educational costs should be paid using BOS funds.

This study reveals that almost all informants considered that the way BOS funds are allocated to schools is unfair. Only a small number of informants, mostly from large and easily accessed schools, viewed the allocation criteria as fair. In general, the informants believe that the current criteria disadvantage schools that have (i) small student numbers; (ii) a remote and difficult-to-access location; (iii) minimal facilities; (iv) low-income parents; and (v) are located in Papua Province, which has higher living costs than Java.

All informants in schools, apart from parents, students, and several committee chairs, know that BOS funds are allocated to schools every three months via school bank accounts. All informants said that the method of disbursing the funds is appropriate and effective because it avoids lengthy bureaucratic hold-ups, and schools receive the full amount of funding with no deductions. Schools must submit a BOS accountability report for the previous three months to the *kabupaten* education agency before they can access the BOS funds.

BOS funds are the primary source of funding for all sample schools. Additional sources include other funds from the central or regional government, parents, or other nongovernmental organizations (NGOs). Generally, schools consider other financial sources as unreliable due to their limited number, irregularity, voluntary nature, the tendency not to provide funds for school operational needs, and because they are inclined to be earmarked for specific purposes.

In most schools, the school head teachers have the main responsibility for deciding how the BOS funds are to be spent. However, in some schools, although inputs from BOS treasurers and teachers are considered in the decision-making process, parents are still left out. Before schools can withdraw their BOS funds, they must submit a school financial and activities plan detailing how they will use their BOS funds in accordance with the 13 authorized and 13 prohibited uses set out in the BOS guidelines.

Our quantitative analysis indicates that, in two study *kabupaten*, schools spent most of their BOS funds on contract teacher and school support staff salaries at 20.2% and 27.5%, respectively. Such uses of BOS funds comprise salaries for contract teachers, non-civil-servant school administrative staff, librarians, security guards, and cleaners; with salaries for contract teachers taking the largest proportion. Furthermore, the analysis shows that there are differences in the use of BOS funds between large and small schools. While large schools tend to focus their spending on improving learning quality after paying their basic operational costs, small schools with more limited BOS funds concentrate on covering basic operational costs. The study also shows that only around 30% of schools allocate their BOS funds to poor students.

In relation to the monitoring and control of how BOS funds are used, the study finds that barely any formal internal monitoring is carried out at the school level. Most informants said that internal monitoring should be conducted by school committees. However, so far, school committees' involvement has been limited to signing the school accountability reports. Meanwhile, external institutions that monitor the use of BOS funds in schools are the *kabupaten*-level BOS management team, *kabupaten* inspectorate, regional superintendent of schools, Audit Board of Indonesia (BPK), NGOs, and journalists. The only institution that conducts routine monitoring in all schools is the *kabupaten* education agency, which mainly checks the accountability reports it receives from schools. Monitoring by other institutions is irregular and only conducted at selected schools, mostly those with easy accessibility.

The BOS Program can contribute to the improvement of education quality. BOS funds allow schools to improve and increase the number of their facilities to support the teaching and learning activities. The funds also help schools to (i) provide extra courses for students in the sixth grade as well as for those in lower-level grades who are unable to count and read; (ii) run extracurricular activities, such as scouting, sports, and art; and (iii) send students to participate in various interschool competitions. BOS funds also positively affect teacher motivation. They are used to help obtain required teaching aids and pay teachers' additional allowances for purposes such as delivering extra lessons, mentoring in extracurricular activities, and covering transportation costs for out-of-school activities, such as meetings at their *kabupaten* education agency.

In contrast, most informants assessed that BOS funds cannot narrow the gap in the quality of education between urban and rural schools. As schools with small numbers of students receive limited BOS funds, they often cannot hold many extracurricular activities or cover the costs of their students' participation in various competitions. They said that BOS funds have no significant influence on teacher motivation as well, since the school head teachers never give teachers the financial incentives they are meant to receive for delivering extra

lessons, checking examination papers, and doing other teaching-related activities. The study also reveals some challenges in relation to the BOS Program, including (i) reduced parent and community participation in schools; (ii) delays in the disbursement of BOS funds which cause difficulties for schools; (iii) weak supervision due to irregular monitoring, and it being carried out only in a certain number of schools located close to urban centers; and (iv) the limited amount of funding per student.

To improve the implementation of the BOS Program, informants from schools and *kabupaten* governments suggested (i) creating additional BOS allocation criteria to take into account school size and location, as well as the condition of their facilities; (ii) increasing BOS funds per student; (iii) involving school committees and parents in the decision-making process; (iv) ensuring timely and scheduled disbursement of BOS funds; (v) granting schools full autonomy to manage their BOS funds; (vi) better informing parents and the community about the BOS Program; (vii) providing training that involves teachers and school committees; and (viii) improving the internal and external monitoring of BOS funds management, including making it a routine activity in all schools.

I. Introduction

1.1 Research Methodology in Indonesia

In Indonesia, the study focused on the School Operational Assistance (BOS) Program. BOS was first launched in 2005 as one of the programs to compensate the reduction of fuel subsidies. In March and October 2005, the Government of Indonesia (GoI) reduced the fuel subsidies and reallocated most of the funds to four large programs that were designed to reduce the burden on communities, especially the poor, as a result of the rise in the fuel prices. The four programs were aimed at the education, health, and rural infrastructure sectors, as well as for direct (unconditional) cash transfer. In the education sector, the program that received a large budget allocation was BOS. BOS is provided for elementary and junior high schools and is intended to reduce the burden on the community, especially the poor, of the costs of education after the fuel price rose (SMERU, 2006). Therefore, this program also supports the nine-year compulsory basic education program.

BOS funds are given to schools to be managed in accordance with the guidelines set by the central government. The amount of funds for each school is based on the number of students. BOS is targeted at all elementary schools and special education elementary schools (SDLB), as well as junior high schools, special education junior high schools (SMPLB), and open junior high schools (SMPT)—both state and privately owned—in Indonesia. This also includes co-located elementary and junior high schools (*SD-SMP satap*) and independent community learning centers (*TKB mandiri*).

The research was conducted in four *kabupaten* (districts) in four provinces representing western, central, and eastern Indonesia. The four *kabupaten* are Kabupaten Lebak in Banten Province, Kabupaten Polewali Mandar (Polman) in West Sulawesi Province, Kabupaten Agam in West Sumatra Province, and Kabupaten Jayapura in Papua Province. One of the criteria used to select the *kabupaten* in this study was that they had a School-Based Management Program (from the United Nations Children's Fund/UNICEF). In every *kabupaten*, the team visited three to four public elementary schools (SDN) that were chosen based on the size of the student populations and their accessibility to the urban center, in terms of distance and difficulty to reach. Every school was visited for one to two days, depending on the informants' availability. In most remote schools, the research team even had to stay at the school head teacher's house because the schools were far and the quality of the road used to access it was very poor.

The research was undertaken over a period of nine months from March to November 2013 and conducted in two stages.

The first stage was conducted between March and September 2013. It involved the collection of qualitative information through interviews and group discussions with various informants from schools and *kabupaten* education agencies. At the school level, the research team conducted interviews with school head teachers, BOS treasurers, as well as

chairs and members of school committees. Group discussions were held with teachers, parents, and students, with each group consisting of around six people.

At the *kabupaten* education agencies, the research team conducted interviews with the BOS manager, the head of the elementary and junior high school education section, as well as the superintendent of schools and/or the head of the *kecamatan* technical implementation unit (UPTD). In total, the team conducted interviews and discussions with 308 informants, the details of which are presented in Table 1. The research team that visited the schools consisted of two SMERU senior researchers and two research assistants—all women. In Kabupaten Lebak, Kabupaten Agam, and Kabupaten Polman, the researchers were also accompanied by one or two staff members from the *kabupaten* education agency and/or school superintendent during the school visits. To ensure that the two staff members from the *kabupaten* education agency did not interfere with the interviews or group discussions, the research team always made sure that each interview and group discussion was conducted in a separate room.

Table 1. Types and Numbers of Informants in Each Sample *Kabupaten*

Informants	Lebak	Polman	Agam	Jayapura	Total
Number of schools	3	4	3	4	14
At schools					
School head teachers	3	4	3	4	14
BOS treasurers (and BOS computer clerks)	5	4	3	5	17
Teachers	20	26	12	21	79
School committees	4	3	4	5	16
Parents	15	20	19	18	72
Students	18	21	18	26	83
At education agencies					
School/superintendents/head of UPTD	6	6	3	3	18
BOS managers	1	1	1	1	4
Heads of agency/education section	2	1	1	1	5
Total number of informants					308

The second stage of the research focused on the quantitative data analysis, which was conducted in October and November 2013. The analysis was conducted using the data on the use of BOS funds at schools in 2013. The use of BOS funds was based on the technical guidelines on the management of BOS funds issued by the Ministry of Education and Culture (Kemendikbud) in 2013. Out of the four sample *kabupaten* in the qualitative study, the team was able to collect the softcopies of data on the use of BOS funds in only two *kabupaten*, Kabupaten Agam and Kabupaten Polman. The quantitative analysis was conducted based on reports on the use of BOS funds by 179 (out of 446) schools in Kabupaten Agam and 76 (out of 326) schools in Kabupaten Polman.

1.2 This Report

This report synthesizes all information obtained during the field visits to 14 schools in 4 *kabupaten*. Before this synthesis report was put together, the research team had prepared a monograph for each of the elementary schools in the study. In general terms, the outlines of the monograph and this synthesis report do not differ greatly. This report also includes a quantitative analysis on the usage of BOS funds at schools in two sample *kabupaten*, which are Kabupaten Agam and Kabupaten Polman.

This synthesis report consists of seven chapters. Chapter 2 profiles the schools and their surrounding environments. Chapter 3 focuses on the BOS policy in Indonesia, including the objectives of the program and the policy's formulation and dissemination. Chapter 4 analyzes the criteria and procedures for the distribution of BOS funds. Chapter 5 and 6, respectively, focus on the use of the BOS funds by the schools and the monitoring process for the management of BOS funds. Chapter 7 summarizes the overall assessments made, including the challenges identified and recommendations developed based on this study.

II. Profiles of Study Schools and Their Environments

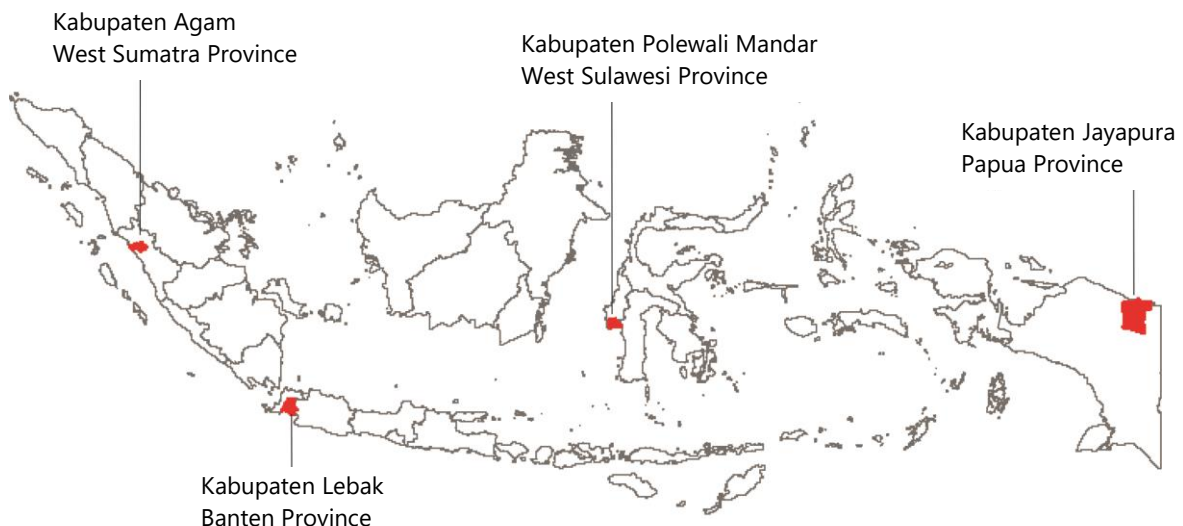
2.1 Profiles of the Four Sample *Kabupaten*

This research was conducted in four *kabupaten* in four different provinces. Below is a general description of the four *kabupaten*.

In terms of distance from the capital city Jakarta, Kabupaten Lebak in Banten Province is the closest study region, at a distance of approximately 90 kilometers; reachable by road in around 2.5 hours. The next closest study region, Kabupaten Agam in West Sumatra Province, is around 4.5 hours from Jakarta, including 1.5 hours of air travel to the capital city of West Sumatra Province (Kota [City of] Padang), then around 3 hours (114 kilometers) by car. The third study region, Kabupaten Polman in West Sulawesi Province, is six hours from Jakarta, including two hours of air travel and four hours by road. The farthest *kabupaten*, Kabupaten Jayapura in Papua Province, can be reached by air in around 5 hours, followed by around 30 minutes overland.

Based on the population size, Kabupaten Lebak is the largest at 1.2 million (2011 estimate), whereas Kabupaten Jayapura is the smallest with 119,000 (2011 estimate). Kabupaten Agam and Kabupaten Polman had a similar population size at around 400,000.

Figure 1. Map of the Study Areas



The livelihood of the majority of the people in the four *kabupaten* is farming. Besides rice, other crops, such as maize, pulses, fruits, and vegetables, are also cultivated. In Kabupaten Polman and Kabupaten Jayapura, the communities also cultivate cocoa, coffee, coconut, candlenut, and cashew trees. Some people in Kabupaten Agam and Kabupaten Jayapura also rely on fishing in the lakes in their regions, namely Lake Maninjau in Kabupaten Agam and Lake Sentani in Kabupaten Jayapura.

In terms of community welfare, Kabupaten Lebak is the poorest of the four *kabupaten*. The percentage of the population in poverty in Kabupaten Lebak in 2011 was 57% (based on the national poverty line). In the same year, the national poverty rate was 12.4%. Kabupaten Agam had the lowest proportion of poor people at 9.4%. Meanwhile, the other two *kabupaten*, Kabupaten Polman and Kabupaten Jayapura, had almost the same proportion of poor people at 19.7% and 17.3%, respectively.

The four *kabupaten* have different majority ethnic groups. The Sundanese are the majority in Kabupaten Lebak; the Minang in Kabupaten Agam; and the Mandar in Kabupaten Polman. Meanwhile, in Kabupaten Jayapura, the indigenous Papuans come from many tribes, and the region has relatively more migrants from other areas of Indonesia compared to the other three *kabupaten*.

In 2012, out of the 4 study regions, Kabupaten Lebak had the most elementary schools at 789, with 9,782 teachers and 164,258 students. Meanwhile, Kabupaten Jayapura had the least number of schools at 124, with 1,503 teachers and 28,399 students. For a further breakdown of these numbers, see Table 2.

Table 2. The Number of Elementary Schools, Teachers, and Students in the Four Sample *Kabupaten*

<i>Kabupaten</i>	Number of Elementary Schools	Number of Teachers	Number of Students	Student-Teacher Ratio
Lebak	789	9,782	164,258	17
Agam	443	5,952	61,045	10
Polman	326	3,936	51,268	13
Jayapura	124	1,503	28,399	19

2.2 Basic Profiles of the Sample Schools

Out of the 14 schools visited, all are public elementary schools. We categorized them based on accessibility, defined as the distance and travel time from the school to the *kabupaten's* urban center, which can be influenced by the road conditions and types of vehicles suitable with the terrains. We also categorized the schools based on student population size, as in the number of students enrolled. Categorizing the schools based on accessibility and number of students is very important because the number of students affects the amount of BOS funds schools receive, whereas accessibility affects the amount of the BOS funds schools have to spend on various expenditures. These two factors will be discussed further in chapters four and five of this report, which review the distribution and use of BOS funds.

Five sample schools in urban areas have easy accessibility; four schools have moderate accessibility; and five schools have difficult accessibility.¹ The school with the most difficult accessibility is in Kabupaten Polman, located 5 hours (74 kilometers) from Kabupaten Polman’s capital city (Polewali) connected through very poor roads and hilly terrains. To visit the school, the research team had to rent a four-wheel drive vehicle and stay overnight at the school head teacher’s house.

Based on the number of students, 4 schools are classified as large (more than 300 students), 4 as medium (more than 150 but fewer than 300), and 5 as small (fewer than 150) (see Table 3).

Table 3. Profiles of the Sample Schools (2012–2013 School Year)

Kabupaten	School	Accessibility	Student Population Size	Number of Study Groups	Number of Students			
					Total	Male	Female	% of Female
Lebak	SD 1	Easy	Medium	8	224	113	111	50
	SD 2	Easy	Large	12	391	208	183	47
	SD 3	Moderate	Medium	10	263	140	123	47
Polman	SD 4	Easy	Large	12	399	211	188	47
	SD 5	Difficult	Small	6	146	78	78	53
	SD 6	Moderate	Small	6	139	69	70	50
	SD 7	Difficult	Medium	12	225	102	123	55
Agam	SD 8	Easy	Small	6	121	57	64	53
	SD 9	Difficult	Small	6	37	16	21	57
	SD 10	Moderate	Large	16	465	246	219	47
Jayapura	SD 11	Moderate	Small	6	117	60	57	49
	SD 12	Easy	Large	15	452	211	240	53
	SD 13	Difficult	Medium	8	230	114	116	50
	SD 14	Difficult	Medium	6	153	79	74	48

2.2.1 Student Attendance

Some schools in the study had student absenteeism issues. Based on feedback from school head teachers and other respondents, it has been observed that students are absent from school for various reasons during regular times. These reasons include illness, fatigue due to the long distance between their homes and school, or simply a lack of motivation to attend classes. The student absenteeism rate increased during certain seasons, such as the rainy, harvest, and wedding seasons.

¹Easy accessibility: urban; moderate: rural; difficult: remote

It floods when it's raining; it's difficult to cross the river, so that they cannot go to school. (Teacher, SD 10)

During the harvest season, their parents tell them to help scare away birds from the rice fields [rather than to attend school]. (Teacher, SD 10)

The worst is during the wedding season when there are always parties. It's the worst during the wedding season, when only 30% of students come to school. (Teacher, SD 5)

2.2.2 Dropout Rate

The GoI has made it compulsory for children aged between 7 and 15 years to complete 9 years of elementary and junior high school education. BOS is a policy aimed at supporting this program. However, in reality, there are children that are not enrolled in elementary school, have dropped out of elementary school, or have not continued on to junior high school. Most of the 14 schools in this study have had no dropouts over the past 3 years. However, there were still three schools with a high dropout rate, two of which were in a region with poor accessibility in Kabupaten Jayapura, and the other in a rural area with moderate accessibility to the capital of Kabupaten Agam (Lubuk Basung). One of the school head teachers stated that the high dropout rate in his school is a significant and complicated problem. A teacher at SD 14 said, "The dropout rate is still very high. There are about ten students at all grade levels who drop out of school each year. It even happened with a sixth-grade student."

According to school head teachers, teachers, and parents, the main reasons students drop out are not only economic-related, but also due to the low awareness among parents about the importance of education, as well as lack of motivation or disobedience among students. The dropout cases usually start with a student not attending school, then often leaving class, and finally dropping out. Moreover, students who drop out are more likely to be male.

Actually, it's been made clear by the school that schooling is free. Due to the low human resource quality of the parents, however, our recommendations are not taken into consideration. (School head teacher, SD 10)

Dropout cases still happen to this day. This is due to problems with negative influences from the students' environment, with them not being able to pay fees prior to exams and afford to buy uniforms. (Parent, SD 13)

It's because the children have to help their parents during the harvest season. The parents tell them to find iron to be so sold to factories, which makes them reluctant to go to school. Sometimes, parents say their children are slacking. [The children become lazy] mainly due to the lack of support from their parents. (Teacher, SD 10)

In 2012, the Kabupaten Polman Government launched an initiative called Ayo Kembali ke Sekolah (Back to School Campaign). The program was fully funded by the regional budget (APBD) and supported by the UNICEF. The program's goal was to facilitate and support out-of-school children's admission or readmission to school. The children were identified through the Community-Based Education Information System (CBEIS), which utilized full

community involvement. The CBEIS data from 2011 indicates that more than 4,000 elementary and junior high school age (7–15 years) children were identified as being out of school. Stakeholders from village communities and schools must support the children's readmission to school. As many as 2,316 children were successfully readmitted to regular schools or undertook the government's *Kelompok Belajar* (Learning Group) program—an informal education program for learners who wish to obtain their elementary, junior high school, or senior high school certificates, but have exceeded the normal age limits. Approximately another 1,700 out-of-school children could not be readmitted to schools. However, efforts were being made to achieve this by school stakeholders and village communities through specific/targeted approaches.

2.2.3 School Head Teachers

School head teachers have the main responsibility of managing BOS funds at schools, as explained in the BOS Program's operational guidelines. Due to this important role, they must possess good financial management abilities and are obliged to act transparently and accountably in managing the BOS funds.

Most of the school head teachers of the 14 schools in this study are senior teachers who have been in the profession for more than 20 years—only two of them have less than 10 years of experience at 7 and 8.5 years each. In addition, the school head teacher is usually a native of the region and lives near the school. Only one school head teacher lives relatively far from their school (30 minutes by motorcycle). Meanwhile, five school head teachers live around the schools, and eight others live approximately 10–15 minutes away by motorcycle from their schools. In terms of their education levels, two school head teachers have a master's degree, ten have a bachelor's degree, and two others from schools in Kabupaten Jayapura with difficult accessibility only have an associate degree (D-2)². All of them are certified, except for one who is also from a region with difficult accessibility in Kabupaten Jayapura. Nine of the 14 elementary schools in this study have female school head teachers.

²A D-2 associate degree is a two-year academic degree focused on teaching practical skills.

Table 4. Profiles of the School Head Teachers

Kabupaten	School	Accessibility	Profiles			
			Gender	Education Level	Certification Status	Years of Teaching
Lebak	SD1	Easy	Female	Undergraduate	Certified	35
	SD 2	Easy	Male	Undergraduate	Certified	30
	SD 3	Moderate	Male	Undergraduate	Certified	9
Polman	SD 4	Easy	Female	Postgraduate	Certified	29
	SD 5	Difficult	Male	Undergraduate	Uncertified	18
	SD 6	Moderate	Female	Undergraduate	Certified	21
	SD 7	Difficult	Female	Undergraduate	Certified	25
Agam	SD 8	Easy	Female	Postgraduate	Certified	23
	SD 9	Difficult	Female	Undergraduate	Certified	7
	SD 10	Moderate	Male	Undergraduate	Certified	29
Jayapura	SD 11	Moderate	Female	Undergraduate	Certified	29
	SD 12	Easy	Female	Undergraduate	Certified	23
	SD 13	Difficult	Female	Associate degree (D-2)	Certified	31
	SD 14	Difficult	Male	Associate degree (D-2)	Uncertified	18

Kemendikbud requires a school head teacher to teach for six hours a week. Generally, a school head teacher becomes a subject and substitute teacher, but not a homeroom teacher. Non-civil-servant contract teachers (*guru honorer*) often take over the school head teachers' classes when they are required to attend external meetings.

Almost all informants (including the parents) have a positive impression toward their school head teachers. According to the them, important attributes for a school head teachers are discipline, transparency (especially in using the BOS funds), and care for the teachers. There was only one school where the school head teacher was considered lacking in discipline; and another school where the school head teacher was deemed not transparent, especially in the use of BOS funds.

Teachers consider it very important that school head teachers use BOS funds transparently. In one of the schools in Kabupaten Polman, the previous school head teacher was demoted by the community and teachers because he had not used the BOS funds transparently. The replacement process began with community members demonstrating at the *kabupaten's* education agency. The community then proposed a replacement, a senior teacher who lived near the school.

2.2.4 BOS Treasurers

In managing BOS funds, according to the BOS guidelines, a school head teacher can be assisted by a BOS treasurer and, if necessary, a computer clerk. As elementary schools usually do not have administration officers, the management of BOS funds are usually handled by the school head teacher along with a homeroom teacher acting as BOS treasurer. Of the 14 sample schools, 11 have BOS treasurers who actively help the school head teachers manage BOS funds, while at the remaining three schools, the school head teachers share only limited authority with the BOS treasurer in relation to the management of BOS funds. Only six schools have a computer clerk to help the BOS treasurer prepare the BOS accountability report. Other schools either do not have a computer clerk and the BOS treasurer prepares the accountability report (five schools) or they use the services of an external computer clerk (three schools).

In the 14 schools, the school head teacher and teachers usually agree on who fills role of BOS treasurer. Some treasurers admitted that they were chosen based on their computer skills—they were considered more computer literate.

Even though becoming a BOS treasurer adds the teachers' workloads, they are not compensated by the reduced teaching hours. They usually complete their additional BOS treasurer duties after classes. Several teachers complained that their responsibilities as treasurer sometimes meant they have to miss classes, such as when they have to attend briefings at the *kabupaten* education agency, prepare the BOS report in the capital city of the *kecamatan* (because their school has no electricity or photocopying facilities nearby), or to withdraw BOS funds from the bank. Although some teachers are reluctant to take on the role of BOS treasurer, they have no choice but to accept the extra responsibilities. According to the BOS guidelines, BOS treasurers should receive a quarterly allowance of Rp300,000. However, some treasurers claimed they only receive Rp250,000 per quarter. The amount paid to treasurers and computer clerks is determined by school head teachers.

There are no deductions for teaching hours. Rather, there are additional hours for treasurer work. (BOS treasurer, SD 11)

If there is a training session, we have to participate. So, we have to leave our classes. (BOS treasurer, SD 11)

When I have to withdraw the BOS funds, I can be away from classes for two days and need to be substituted by another teacher. (BOS treasurer, SD 6C)

2.2.5 Teachers

The employment of contract teachers in addition to civil servant teachers significantly decreases the student-teacher ratios. Table 6 shows that at SD 7, for example, the student-teacher ratio for civil servant teachers alone (excluding contract teachers) is 38, but the ratio decreases to 12 when contract teachers are included. Table 6 also shows that schools located in remote and rural areas with difficult and moderate accessibility have a higher percentage of contract teachers than schools in urban areas with easy accessibility. According to the Kabupaten Polman Education Agency, the region has a surplus of

approximately 2,000 contract teachers. The employment terms of the contract teachers vary. Even after teaching for nine years, one contract teacher had not been promoted to civil servant teacher.

The main difference between contract and civil servant teachers is that the civil servant teachers' salaries are distributed through *kabupaten* government budgets, whereas the contract teachers' salaries are paid using BOS funds. The school head teachers decide on the appointment and salaries of contract teachers, while the government usually determines the appointment and remuneration of civil servant teachers. According to the school head teachers, schools appoint contract teachers mainly because of a lack of teachers or due to civil servant teachers often being away from school. Contract teachers usually live near schools, while some civil servant teachers live relatively far away.

Three out of the 14 schools in the study have 50% or more contract teachers. One school head teacher who had 13 contract and six civil servant teachers said that civil servant teachers from outside the *kecamatan* are often away for longer than the official absence limit, which is one week per month.

The school head teacher of SD 7 said, "Civil servant teachers living outside the village often take leave for more than the official leave limit [of one week per month]. There are various reasons for this, such as a sick family member. Out of welfare concern, they are given permission to take leave." Another school head teacher, who had seven civil servant and six contract teachers, reported that, although the number of teachers at her school is actually adequate, due to many teachers being away on a daily basis, it sometimes feels as though the school has too few teachers.

If all teachers are present, the numbers are adequate. But they don't come every day, saying they don't have enough money to pay for transportation to school. (School head teacher, SD 11)

The number of female teachers is far greater than the male teachers. Out of the 193 teachers at the 14 schools studied, 67 % are women. Only two schools have more male teachers than female teachers, and there are three schools with only one male teacher. According to a number of teachers, the job of elementary school teacher is stereotypically a woman's job because, in addition to possessing the required knowledge, primary school teachers need to show love and patience towards the students, particularly those in lower grades (year 1 and 2).

In terms of education levels, the number of teachers with a bachelor's degree and an associate degree was almost equal. Three elementary schools in rural areas of Kabupaten Jayapura stood out as exceptions, as they had a higher number of teachers without a bachelor's degree compared to those with one. At one school in Papua, none of the seven teachers, including the school head teacher, have a bachelor's degree. Moreover, only 33% of the teachers, including the school head teacher, are certified. Certified teachers get a professional teacher allowance equal to one-month basic salary. Information on teachers in the schools studied is provided in Table 5 and 6 below.

Table 5. Profiles of Teachers (1)

Schools	Location/ Accessibility	Total Teachers	Gender		Education			Certification Status	
			Men	Women	Graduate	Bachelor's Degree	Associate Degree	Certified	Uncertified
SD 1	Easy	15	3	12	1	10	4	5	10
SD 2	Easy	18	8	10	0	9	9	9	9
SD 3	Moderate	14	6	8	0	9	5	4	10
SD 4	Easy	18	5	13	4	11	3	12	6
SD 5	Difficult	9	6	3	0	4	5	1	8
SD 6	Moderate	8	3	5	0	6	2	3	5
SD 7	Difficult	19	12	7	0	5	14	1	18
SD 8	Easy	10	1	9	0	5	5	4	6
SD 9	Difficult	6	1	5	0	4	2	1	5
SD 10	Moderate	20	6	14	0	8	12	3	17
SD 11	Moderate	14	4	10	0	4	10	3	11
SD 12	Easy	25	1	24	0	17	8	16	9
SD 13	Difficult	10	4	6	0	2	8	1	9
SD 14	Difficult	7	3	4	0	0	7	0	7

Table 6. Profile of Teachers (2)

	Location/ Accessibility	Employment Status			Student-Teacher Ratios	
		Civil Servant	Contract (Non-Civil- Servant)	% Contract Teachers	Only Civil Servant Teachers ^a	All Teachers
SD 1	Easy	11	4	27	20	15
SD 2	Easy	14	4	22	28	22
SD 3	Moderate	8	6	43	33	19
SD 4	Easy	15	3	17	27	22
SD 5	Difficult	7	2	22	21	16
SD 6	Moderate	7	1	13	20	17
SD 7	Difficult	6	13	68	38	12
SD 8	Easy	5	5	50	24	12
SD 9	Difficult	2	4	67	19	6
SD 10	Moderate	11	9	45	42	23
SD 11	Moderate	8	6	43	15	8
SD 12	Easy	23	2	8	20	18
SD 13	Difficult	6	4	40	38	23
SD 14	Difficult	5	2	29	31	22

^awithout contract teachers

2.2.6 School Committees

Every school must have a school committee whose members are selected by parents and the local community. The members consist of parents, teachers, and community representatives. In principle, the committee plays a significant role in the management of BOS funds at the school level. Based on the BOS Program's guidelines, the use of BOS funds must be based on the agreement and joint decision of the school's BOS management team, teachers board, and the school committee.

In practice, although every school in the study formally has a school committee, activity levels among committees vary. According to the informants, only five of the 14 school committees evaluated played an active role for the school. In the nine other schools, the committees' roles were minimal or they are simply not active. The activity level of the school committee tends to depend on the diligence of the committee chair and whether the school head teacher is open and willing to share tasks and work together with the committee. Less active committees serve as mere formalities and their members only occasionally come to their schools, usually at the invitation of the school head teacher, rather than from the initiative of the committee. The committee's activeness greatly affects how it manages and monitors the use of the BOS funds by the school, which will be discussed further in chapter six of this report.

They [school committees] do not have the initiative to come to schools, except if they are invited by the school. They never provide input for the advancement and sustainability of the school and always rely on the school and completely entrust all affairs to the school [administration]. (School head teacher, SD 5)

When invited to the meetings, committee members usually come, but no proposals or initiatives are forthcoming. The committee often asks about the use of BOS funds. (BOS treasurer, SD 9)

The number of committee members range between 5 and 12 people, consisting of parents, community representatives, and one or two teachers as school representatives. Almost all committee chairpersons were elected by parents based on one or a few candidate names proposed by the school or the school head teacher. The term of leadership of the committee was unclear and generally not known by the informants. The committee chair is normally only replaced if the incumbent passes away, is very ill, or has moved to a different *kabupaten*.

There is a process, a deliberation among parents in choosing the committee. There are three candidates for the committee chair, if I'm not mistaken. (School head teacher, SD 6)

The occupations of committee chairs vary, such as farmers, entrepreneurs, civil servants, members of the local parliament, and retirees. For schools in rural areas, the committee chair is usually a well-respected local figure who lives not far from the school. In Kabupaten Polman, for example, one of the committee chairs only lives 500 meters from the school. In addition to being the committee chair, he is the chairperson of the Village Consultative Body (BPD) and a local religious leader. A teacher at SD 9 said, "Here, the committee is attentive because its members are community leaders who understand

matters of education.” In Kabupaten Jayapura, the committee chair is generally a community cultural leader in the area. One of the reasons behind this is because the land used for the school buildings is a traditional customary land.

The biggest impact of committees on schools was their role in the development of school infrastructure. At one of the large urban schools, the committee facilitated the construction of a fence and flood levee, as well as the purchase of classroom furniture. Around 80% of parents donated money ranging from Rp50,000–Rp200,000 or building materials, such as sand and cement. The school considered the committee’s role in assisting with the construction of the facilities to be significant because BOS funds cannot be used to build infrastructure. The school head teacher of SD 6 said, “The BOS funds can only be used for renovation, but not for building construction. The school’s buildings would not be in such good condition had it not been for the committees [contribution].”

Another role of committees that some schools consider important is connecting parents with the school. However, some schools assess that this role is not carried out effectively by their committee. This bridging role is limited to conveying school meeting invitations to parents and mediating for problems between schools and parents or between parents.

2.2.7 Parental Concerns for Schools

Based on the assessments of school head teachers, teachers, and school superintendents at all but two large schools in urban areas, there seems to be a general lack of parental involvement in their children's education. Typically, parents show minimal interest in their children's schooling, with most only attending school events such as student report meetings and grade advancement ceremonies once or twice a year. Even during these occasions, not all parents attend. One of the school head teachers in Kabupaten Jayapura said that parents come to school when their children are involved in a fight or when they are upset with a teacher. The school head teacher of SD 11 related, “Only one or two parents have come to the school angry over something.” Meanwhile, the chairperson of SD 11’s committee said, “They often come if children have been fighting.” Nevertheless, there are instances where parents casually inquire about their children's progress in school when they encounter teachers or the school head teacher outside of formal settings, such as on the street, in their neighborhood, or at places of worship .

Informants (including parents) said that parents in general simply entrusted matters concerning their children’s education to the school. The school head teacher of SD 7 said, “Regarding education, it’s left in the hands of the schools. The role of and support provided by parents is to encourage their children to go to school.” Some informants at schools said that the main reason parents lack concern is often attributed to their low level of education and busy work schedules. This is especially the case for parents who work as farmers because they have to leave for the field in the morning before their children wake up, and therefore cannot help preparing their children for school. A parent at SD 8 said, “If there is no meeting, there is no reason to go to the school.” Another parent at SD 9 also said, “In my situation, how can I go to the school? Given that I set out early for the rice fields and return home in the afternoon. If I leave my work, I get no money. So, how could my child attend school?”

2.2.8 School Infrastructure

Schools have voiced their primary infrastructure concern, highlighting the shortage of classrooms and the deteriorating condition of existing ones as their most significant complaint. Consequently, there is a pressing need for schools to prioritize the construction of additional classrooms and the repair of existing ones. Lack of classrooms forced some schools to combine two study groups in one classroom, even though there were two teachers. One of the large schools in Kabupaten Polman had nine study groups, but only six classrooms. The school combined three study groups totaling 55 students in one classroom. The BOS treasurer at SD 7 said, "All students can sit in the classroom. There are long benches that can seat three people. It's not possible to put more tables inside." The condition of certain classrooms requiring renovation poses a significant safety hazard for students. These classrooms, constructed with semipermanent materials like wooden walls, exhibit numerous structural issues, such as holes in the floors, walls, and roofs, allowing rainwater to seep in. Despite the schools' submission of proposals to their *kabupaten* education agency for additional classrooms, no action has been taken to address the shortage. It is important to note that BOS funds cannot be allocated for renovating school buildings.

Figure 2. Pictures of Classrooms

A classroom set up for 55 students



A poorly maintained classroom



Three schools in Kabupaten Jayapura have submitted proposals for fences to keep out farm animals owned by the community that often enter their school grounds. The school head teacher of SD 11 said, "[We] need a fence because animals owned by the community often enter the school grounds." In addition, at one school, youths enter the school grounds and put graffiti on the school walls. According to the BOS treasurer of SD 11, "A fence is needed because pigs can enter the school grounds. Children from outside the school also often scribble graffiti on the school walls." Another school in Kabupaten Polman had a fence built using funds donated by parents through the school committee. The school also needed a toilet. Some schools had toilets, but they were out of order, or no water is available for use.

Some schools also revealed they need computers because their students often lag behind other schools when participating in computer skills competitions and when they enter junior high school. The school head teacher of SD 6 reported, "We need a computer for each classroom. There is a demand for this because other schools already use LCD [projectors]. SDN 007, and 020 use LCD; they are good for getting children interested in studying."

III. BOS: Purpose, Policy Formulation, and Information Dissemination Process

3.1 The Purpose of the BOS Program

Based on the 2013 BOS Technical Guidelines, BOS is a government program that essentially aims to provide funding for nonpersonnel operational costs for elementary and junior high schools as providers of the government's compulsory nine years basic education policy. Nonpersonnel costs are costs incurred in the procurement of educational materials and equipment as well as indirect costs, such as for energy, water, telecommunications, facilities and infrastructure maintenance, overtime allowances, transportation, refreshments, and taxes.

According to the program guidelines, the BOS Program is aimed at

- a) Providing students with fee-free education for school operational costs in public elementary schools and SDLB, as well as junior high schools, SMPLB, and SMPT, but not international-standard pilot trial schools (RSBI) and international-standard schools (SBI). RSBI and SBI cannot charge excessive fees or receive exorbitant donations because education must be considered as a nonprofit activity;
- b) Providing fee-free education for all poor students, both at public and private schools;
- c) Easing the burden of school operating costs on private school students.

As the BOS Program has been running since 2005, some informants could not remember when exactly the program was launched. Informants usually obtain information on the program through television first.

Firstly, [I obtain information on the program] from the media, TV, and newspaper, then from the school during the committee meeting every school year. (School committee member, SD 10)

I know from TV. Once on TV, there was a student who used to walk to school, but was then given BOS support for poor children, which was used to buy him a bicycle to ride to school so that he did not have to arrive late anymore. (Parent, SD 8)

I've heard about the BOS Program from the television, but I don't remember [what was said]. I've learned how BOS works since becoming [BOS] treasurer. (BOS treasurer, SD 10)

School head teachers, BOS treasurers, teachers, committees, and superintendents could easily state the aim of the BOS Program based on their own understandings. On the contrary, some parents and most students had only heard of the term 'BOS' and had only limited information on the program. During discussions with student groups, participants

often confused the term 'BOS' for the identically pronounced 'boss'; thus, some of them misunderstood BOS as an employer or a superior.

All informants' first impressions of BOS funding were very positive, and they felt pleased with the initiative. They were satisfied because the provision of BOS funds meant it was no longer necessary to collect school fees from students' parents, which they considered very hard to do. Contract teachers in particular were even more welcoming of BOS funding because it could be used to pay their salaries. The BOS treasurer at SD 7 said, "With BOS, [we] get salaries, whereas previously there were no [regular] salaries for contract teachers. Just after BOS [was introduced], we received Rp50,000 a month."

In general, the aims of the BOS Program as described by informants can be grouped into the following four categories.

- a) Helping to fulfill school needs and fund school activities, such as purchasing textbooks, paying contract teachers' salaries, and funding teaching and learning activities. This was the aim most frequently mentioned by the informants, especially school head teachers, BOS treasurers, and teachers. One school head teacher said that before BOS funding was introduced, they sometimes had trouble paying contract teachers. Their pay previously was sourced from student fees, which were not always paid on time.

[BOS funds are used] to pay for a range of facilities for teaching and learning activities, as well as to help buy school textbooks. (BOS treasurer, SD 7)

[BOS funds are used to] enhance contract teachers' [capabilities] as human resources. (Teacher, SD 7)

The school activities are helped by the BOS fund to improve quality, such as book purchase, teaching-learning activities, and [contract] teachers' salaries. In terms of [contract] teachers' salaries, it is a great help because previously their pay came from the students and finally it didn't run smoothly, once even contract teachers were not paid; it's troublesome. (School head teacher, SD 10)

- b) Easing the financial burden experienced by parents in sending their children to school. Before the BOS Program, parents had to pay monthly levies to their child's school, as well as other kinds of fees for various purposes, such as enrolment, exams, and extracurricular activities.

Before BOS, even the school head teacher had to donate stationery to students to ease the burden on parents. However, this is now no longer necessary because there are BOS funds. (BOS treasurer, SD 3)

[BOS funds have] reduced complaints from the community about the cost of raising children. (Teacher, SD 7)

[BOS funds] ease the burden of school costs on parents. Parents only need to buy the uniform and other necessities. (Teacher, SD 6)

- c) Improving accessibility to schools and reducing student dropout rates. According to one BOS treasurer, the aim of the BOS Program was to achieve the nine-year compulsory basic education program. One teacher revealed that the BOS Program was also closely related to the great number of students who drop out of school or do not continue.

Research results indicate that the village is full of poverty. The poor struggle to fulfill their dietary needs. As a result, education is neglected. (Superintendent, SD 3)

[BOS has been introduced] in order to provide free schooling, so that there are no more school dropouts. (Teacher, SD 3)

- d) Helping poor students. This aim was mentioned by a school head teacher in Kabupaten Polman, among others, who said that the BOS Program was useful in providing poor students with assistance. Most informants do not associate the BOS Program with poor students because they assume the Cash Transfers for Poor Students (BSM) program is the relevant program for poor students.

It's good too because there is assistance to ease the burden on parents, particularly for [parents of] poor students. (School head teacher, SD 9)

The school operational assistance is predominantly for students to facilitate their studies; in the end, it is to help the poor students. (School head teacher, SD 9)

3.2 Policy Formulation and Implementation

The BOS policy was formulated at the central level of government by Kemendikbud. The policy is explained in the Technical Guidelines Book on the Implementation of the BOS Program, which was sent to all participating schools.

All informants at schools and the three *kabupaten* education agencies felt that they were not involved in the initial policy formulation process and the subsequent policy revisions. Additionally, only one informant at a *kabupaten* education agency stated that they were involved in the preparation of the BOS guidelines. According to the BOS manager at the education agency in Kabupaten Lebak, the central government's BOS management team had invited the agency to provide input on the formulation of the BOS guidelines. At that time, the BOS Program was widely rumored to be a free schooling program. The agency therefore noted that the concept of free schooling could make it difficult for schools to collect community contributions to help build schools.

Informants at schools generally said that schools have only been recipients of BOS funds and were not involved in the policy formulation process. The school head teacher of SD 8 said, "[We] were not involved; we only heard about it. Those involved were people higher up." Similarly, a teacher at SD 11 said, "[We] knew about it from the central government. But we don't know how it works; we just receive it." Informants at schools also do not know whether the central government involved regional governments or schools in the formulation of the BOS Program.

When the informants were asked whether their involvement was necessary in the formulation of the BOS Program, there were two opposing answers. Some informants said that regional governments and schools should have been involved in formulating the BOS policy because each school having different needs, and because schools and *kabupaten* education agencies are the bodies that implement the program.

Schools probably needed to be involved in the formulation of the policy, possibly asked to give their opinions. (BOS treasurer, SD 10)

To avoid commotion, there should have been regional consultation. (Superintendent, SD 10)

People from the regions should have been involved. After all, they are the ones who implement it. (School head teacher, SD 4)

[People from the regions] should have been involved because the needs of each school are not the same. (BOS treasurer, SD 11)

One superintendent gave an example of another policy that was difficult to implement because the regional stakeholders were not involved in its formulation. "For example, the policy on the 2013 Curriculum—it's hard to implement. [...] The orders are passed down from the top, but those below are not ready [to implement them]," said the superintendent for SD 10.

In contrast, some other informants felt it was not necessary to involve regional stakeholders, particularly schools, in the preparation of the BOS Program. Several teachers at one of the schools in Kabupaten Polman said that it was not important for the schools to be involved in the policy formulation, as long as the policy brings positive impacts to the school. One of the BOS treasurers stated that the reason why it was not necessary to involve BOS Program stakeholders at the regional level was because members of the House of Representatives (DPR) represented their regions in the policy's ratification.

3.3 Policy Dissemination

3.3.1 Communication

The BOS guidelines state that the dissemination of information on the program must be conducted periodically. The central government's BOS management team is responsible for training and briefing the BOS management teams at the provincial level. Provincial BOS management teams are responsible for training and briefing the *kabupaten/kota* BOS management team. *Kabupaten* BOS management teams are responsible for briefing schools, school committees, and communities³. Meanwhile, school BOS management teams must inform parents about the amount of BOS funds the school had received and

³These teams have a manager, staff responsible for maintaining data on elementary and high schools, and a monitoring and evaluation unit. The position of *kabupaten* BOS manager is usually held by the head for primary or secondary schools at the *kabupaten* education agency as an additional task.

how it will be used in an announcement on the school noticeboard signed by the school head teacher, treasurer, and committee chair.

BOS briefings are usually held after education agencies receive the latest guidelines book from the central government. *Kabupaten* education agencies generally give an annual BOS Program briefing to the schools. However, briefings are conducted biannually if there are any changes made to the BOS policy in the middle of the year.

Annual BOS briefings are meant to be carried out early in the year. During the research team's visits to the schools, which were conducted between April and September 2013, only Kabupaten Jayapura had conducted their annual BOS briefing. However, Kabupaten Jayapura was the last *kabupaten* the team visited, and the briefing was conducted in late August. The other three *kabupaten* had not conducted briefings because they had not received the 2013 BOS Technical Guidelines Book.

Because of the number and dispersed nature of schools in the *kabupaten*, education agencies usually conduct briefings at a regional or *kecamatan* level. One *kabupaten* normally consists of four or more *kecamatan*, and each *kecamatan* usually has around 50 schools. According to an informant at a *kabupaten* education agency, up until 2011, the central government funded BOS briefings at the *kabupaten* level. However, this responsibility was transferred to *kabupaten* governments in 2012. Because the Kabupaten Agam Education Agency had inadequate funds to pay for BOS briefings, they combined them with other events run by the agency. Meanwhile, in Kabupaten Polman, the education agency dealt with insufficient funding by concluding briefings before lunch time so that they did not have to provide attendees with lunch. In addition, according to one school head teacher, his school had to pay the education agency Rp200,000 to cover the costs involved in attending the briefings. Other schools did not disclose whether they had to pay a fee to the education agency.

All informants at the schools stated that only school head teachers, BOS treasurers, BOS computer clerks (if hired), and some superintendents and school committee members attend formal annual BOS briefings. Of the 14 sample schools, only five school committee chairpersons (two in Kabupaten Lebak and one each in Kabupaten Agam, Polman, and Papua) claimed to have only once participated in BOS briefings run by their *kabupaten* education agency. Moreover, there are no special briefings for teachers, parents, and students.

BOS briefings are usually delivered by *kabupaten* BOS managers. Sessions usually include advice on how to prepare a school activity and budget plan (RKAS), the types of expenses for which BOS funds can and cannot be used, reporting procedures, and changes to the previous guidelines. The school head teacher of SD 6 said, "What's discussed are usually changes to the technical guidelines (if any), if there's been an increase in BOS funds, and what can be and cannot be funded."

School head teachers and BOS treasurers feel that the briefings are very useful because they have question and answer sessions. Briefings usually start at 09:00 a.m. and finish at 12:30 p.m. They begin with an explanation on any changes to the previous year's

guidelines. The explanation mainly focuses on the purposes for which BOS funds can be used and how to prepare the BOS accountability report. This is followed by a question and answer session with the *kabupaten* BOS manager as the main source of information. Furthermore, the briefings are considered important to get uniformity in perceptions about the regulations on the use of BOS funds as per the guidelines. According to one school head teacher, attendees can have different comprehensions of the guidelines; thus, doubts can emerge over how to implement them. In Kabupaten Polman, briefings also involve the inspectorate responsible for checking the school's BOS accountability report. In briefings, the inspectorate conveys problems they have found in the accountability report.

However, some informants, such as school head teachers and BOS treasurers from remote schools, consider BOS briefings ineffective. They believe that, firstly, too many people attend the briefings, such that if a participant arrives slightly late and sits in the back row, they have difficulty following briefing proceedings. In addition, travel from remote schools with poor accessibility to *kabupaten* education agencies to attend briefings can involve tiring and expensive journeys. As a result, it is difficult for people from such schools to concentrate and follow briefings. School head teachers and BOS treasurers from remote schools also have to spend the night in the town where the education agency is located because they cannot make a return trip in one day, which also means they have to be absent from their schools for two days.

Several school head teachers and BOS treasurers commented that guidance in briefings is easy to understand yet difficult to implement. One BOS treasurer gave an example that, while they understand that the maximum amount for contract teacher and school support staff salary expenditure is 20% of schools' total BOS funds, it can reach 60% in practice. The BOS treasurer of SD 9 reported, "[The guidance] was clear during the briefing, but it cannot be put in practice, such as [the maximum limit for contract teacher and school support staff] salaries of only 20%. In reality, staff salaries can reach up to 60%, leaving the remaining 40% to be maximalised."

Whereas school head teachers and BOS treasurers attend BOS briefings periodically, school committee chairs and superintendents attend on an irregular basis. The committee chair or secretary usually only attend briefings once during their term. A school committee secretary in Kabupaten Jayapura said that, during the briefings, they only focused on the materials that were relevant to the committee's role in managing BOS funds.

Meanwhile, superintendents said that they have never attended a briefing specifically given for superintendants. The only time superintendents obtain information on BOS is when their *kabupaten* education agency holds a briefing for schools and superintendents are invited to participate. In addition, superintendents are given information on the BOS Program during briefing sessions for schools delivered by *kecamatan* UPTD. Some superintendents complain that there are no specific briefings for superintendents, despite the fact that they are asked to resolve problems with BOS funds that might arise in schools.

Moreover, all teachers admitted that they do not attend BOS program briefings. Teachers usually obtained information on BOS from school head teachers and BOS treasurers

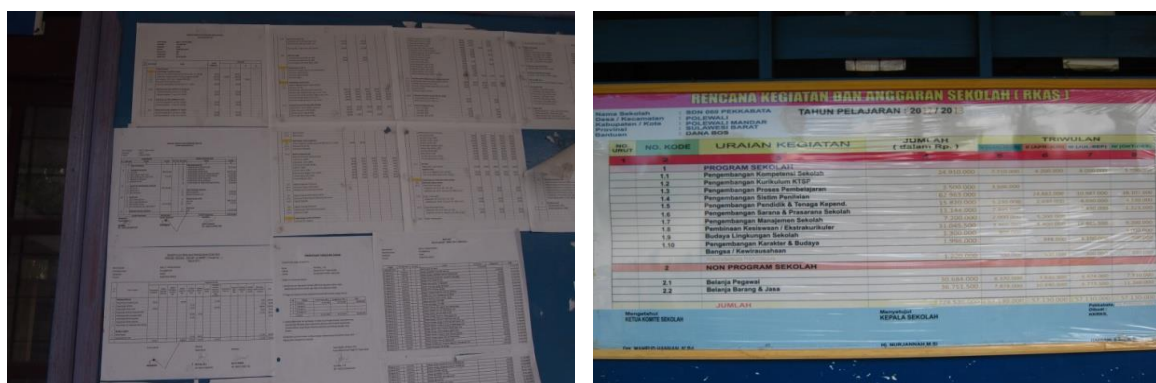
during school meetings or informal conversations. Teachers' knowledge also greatly depends on how forthcoming school head teachers are with information on the program. According to several teachers, they had limited knowledge on BOS because they do not receive special briefings. Teachers' limited knowledge means they cannot be sufficiently involved in the monitoring of BOS at their schools. This topic will be discussed further in the chapter on BOS Program's internal monitoring (Chapter 6).

Similar to the teachers, the parents also never receive briefings on the BOS Program. When the BOS program was first launched in 2005, an intensive information campaign was conducted through advertisements on television. However, the information was very limited, only mentioning that schools would receive operational funding from the government and that parents no longer had to pay regular school fees.

Some parents said that they receive information on BOS funding during student grade promotion meetings. The information usually is limited to the amount of BOS funds the school has received. At one school, parents said that, during grade promotion meetings, rewards are usually given to the top three students, and they are informed that the rewards are purchased using BOS funds. At another school, the school only gives information on the BOS Program to parents of newly enrolled students during special briefings.

According to the 2013 BOS Technical Guidelines, the school and its committee are responsible for providing parents with information on BOS. The school-level BOS management team is responsible for placing a notice signed by the school's head teacher, BOS treasurer, and committee chair on the school's BOS funding bulletin board detailing the amount of BOS funds the school has received and its usage plan. Of the 14 schools visited, only five schools had a bulletin board for BOS fund notices. School head teachers and BOS treasurers at other schools said that they used to put up BOS fund notices but stopped because they thought that no one read them. After a while, they forgot about providing the information and the bulletin boards have been removed.

Figure 3. BOS Fund Bulletin Board



The absence of briefings for parents and the general community has led to their limited understanding of the BOS Program. Some school head teachers complained that this made it difficult for schools to get financial contributions from parents because of their

misconception that BOS funds should cover all costs. Some parents even thought that BOS funds belonged to the students had to be paid out in full. The superintendent of SD 9 said, "The parents and the community do not understand it wholly. They think that the Rp580,000 [should be paid out to] their children." A school head teacher in Kabupaten Agam said that there was a parent at his school who thought that BOS funds were meant to cover the purchase of student notebooks. Thus, the student came to school without a notebook and when his parents were asked why, they said, "Well, there are BOS funds [to pay for that]." Furthermore, the limited knowledge among parents and the community concerning the BOS Program means they cannot be involved in monitoring the management of BOS funding at the school-level.

3.3.2 Capacity Building and Training

Almost all school head teachers and BOS treasurers believe that the yearly briefings constitute training because they include training on how to prepare an accountability report or RKAS. Several informants feel that due to the time limitation, the information provided during the training is insufficiently detailed. Briefings usually run for half a day from 09:00 a.m. until 12:30 p.m.

In addition to the yearly briefing, the school head teachers in Kabupaten Jayapura received extra training in May 2013 on the online reporting system for BOS funds. The two-day training was held by the UNICEF and Kabupaten Jayapura Education Agency. Two school head teachers said that they could not fully understand the training because they lacked computer literacy skills. The training should have been given to BOS treasurers or computer clerks.

Meanwhile, a school in Kabupaten Agam received training on taxation. The training, delivered by the central taxation office's *kabupaten*-level branch, explained which BOS fund expenditures were taxable and how to calculate and pay the taxes. No fees were charged for the training; participants only needed to cover their transportation costs. Other schools also indicated that they had not received training on taxation, but they expressed hope that they too would receive it. They believe that the information on taxation in the BOS guidelines is limited and difficult to understand. Moreover, problems related to taxation often emerge in accountability reports.

[When] reading the technical guidelines book, the terms used to explain taxation were sometimes repetitive, and I became rather confused. Sometimes I had to look them up in the dictionary. There was this word '*takun*'; whatever '*takun*' means. (School head teacher, SD 9)

School head teachers and BOS treasurers also greatly need training materials on how to prepare BOS accountability reports, the types of expenditure for which BOS funding can be used, as well as the administrative procedures, such as how to make receipts. Furthermore, BOS treasurers and teachers also felt that they needed computer literacy training for BOS-related tasks and to help with their teaching duties.

Even though BOS treasurers and school head teachers rarely receive formal training, they said they receive capacity development informally through personal consultations with the

kabupaten BOS manager. Personal consultations are held as problems arise, and several informants considered frequent consultations as more effective. Of the 14 schools, five (four in Kabupaten Jayapura and one in Kabupaten Agam) acknowledged having personal consultations with *kabupaten* BOS managers. The school head teacher of SD 13 noted, "Face-to-face meetings are the most effective. [I] usually consult the [*kabupaten* education] agency once or twice a week, not only about the BOS Program."

3.3.3 Government Guidelines

Since the BOS Program was launched in 2005, the central government has published yearly technical guidelines books on the use and financial accountability of BOS funds. The 2013 BOS Technical Guidelines Book is contained in the Regulation of the Minister for Education and Culture No. 76 of 2012. The book comprises nine chapters: I. Introduction; II. BOS Implementing Organizations; III. BOS Implementation Procedures; IV. The Use of BOS Funds; V. Monitoring and Supervision; VI. Reporting and Accountability; VII. Controls, Reviews and Sanctions; VIII. Community Service and Complaint Handling; and IX. Appendices, with various form templates.

The content of the BOS technical guide generally does not change much from year to year. Changes have mainly been made to Chapter V and Chapter VII. To illustrate, the 13 components of authorized uses in the 2012 and 2013 guidelines are the same, except for the following changes made to the following three authorized uses:

- a) In the 2013 edition, the name of Authorized Use 1 on book procurement was changed to "library development". In the 2012 edition, the authorized use provided for the replacement of damaged textbooks and addition of more textbooks to meet the ratio of one student is one book. In 2013, it was expanded to allow expenditure on library staff professional development and maintenance of library furniture. Spending on this authorized use was set at a minimum of 5% of individual school BOS expenditure.
- b) Authorized Use 8 refers to the payment of monthly salaries for contract teachers and school support staff. In 2012, this authorized use stated that "public schools are allowed to use a maximum of 20% of their BOS funds for spending on the monthly salaries of contract teachers and nonteaching staff." In 2013, this was changed to "In the appointment of contract teachers or nonteaching staff, the school must consider the ceiling for employee salary expenditure as well as how well contract teachers' qualifications match the schools' requirements". The term 20% has been deleted, but limits on the maximum use of BOS funds for staffing remains.
- c) Authorized Use 13 contains other types of expenditure for when Authorized Uses 1 to 12 have been fulfilled. In 2012, these were teaching aids and media, typewriters, and medical equipment. In 2013, the procurement of tables and chairs for students, if the existing furniture was already heavily damaged, was added as an expenditure item.

In the 2012 guidelines, there were 13 prohibited areas of expenditure. In the 2013 guidelines, an area was added which prohibited the use of BOS funds for purchasing student workbooks (LKS).

The 2013 guidelines contained a change to Chapter VII. In the 2012 version, guidance on preparing BOS funding reports, including on taxation issues, was placed in Appendix II. However, in the 2013 version, this information was detailed in Chapter VII. The 2013 version contained few changes, including the addition of a recommendation for schools to no longer prepare quarterly BOS reports in order to make administrative and review processes more efficient. The 2013 guidelines state that schools only have to prepare an accountability report once a year, which had to be submitted to the *kabupaten* education agency by 15 January 2014.

Provincial and *kabupaten* education agencies distribute one copy of each annual BOS guidelines book to all schools. Since 2013, schools have been able to download the book from the BOS website of the Ministry of Education and Cultural Affairs at <http://bos.kemdikbud.go.id>. Versions dating back to 2009 can also be downloaded from the website.

Informants from schools and education agencies said that annual guidelines books are schools' only reference resource for managing BOS funds. Unfortunately, schools often receive the books late. Each school is supposed to receive a copy of the latest version of the book in December. Schools in Kabupaten Agam received the 2013 book in July, whereas schools in Kabupaten Jayapura received their copies in August 2013 after BOS funds for two quarters had been disbursed. Kabupaten Polman Education Agency received approximately 100 copies in April 2013 and only received the remaining copies in June 2013. However, the agency and several schools had printed off downloaded copies before they received copies from the central government. Informants from two sample schools in the urban areas of Kabupaten Polman and Kabupaten Jayapura mentioned that they can obtain the latest guidelines via the internet. The delayed distribution of guidelines books also delayed *kabupaten* education agencies' BOS Program briefings for schools. Moreover, during the first two quarters of 2013, schools had to use the 2012 guidelines.

At schools, guidelines books are usually only read by the school head teacher and the BOS treasurer. The most commonly read sections are Chapter V on the Use of BOS Funds and Chapter VII on Reporting and Accountability. Some teachers know about the book and can access a copy, apart from those at the three schools in rural areas in Kabupaten Jayapura. In these schools, the school head teacher keeps the book, and teachers cannot access it. Some teachers who can access the guidelines have never read it. They said that they neither have the time nor feel it is the necessity to read it. However, school head teachers and BOS treasurers provide teachers with an outline of the book.

Parents and most school committee chairs do not know where to obtain a copy of guidelines books at their schools. However, some school committee chairs know where to get a copy of the guidelines, but they have never read them. Meanwhile, most superintendents never read the guidelines book because, according to them, the books are only distributed to schools and not superintendents or UPTD. One superintendent in Kabupaten Jayapura obtained a copy by photocopying a book belonging to a school head teacher. Another superintendent in Kabupaten Polman received the book from the *kabupaten* education agency because their agency had excess copies.

Technical guidelines [books are available at] schools only. None gets allocated to UPTD and superintendents, maybe because UPTD don't have anything to do with BOS and only convey information from the *kabupaten* to the schools. (Superintendent, SD 4)

Some informants who have already read the 2012 guidelines admitted that, in general, it is easy to understand because the content was comprehensive and clearly explained. One informant said that the guides are becoming more comprehensive and easier to understand each year. Not many informants read the 2013 book because of its delayed distribution.

"Technical guidelines are read thoroughly, but not memorized. It's easy; there's nothing that's difficult to understand," said the school head teacher of SD 6. Compared to the previous years, the school head teacher felt that the 2012 and 2013 technical guidelines books are easier to understand because their guidance on using BOS funds is more detailed. "They're different from the technical guidelines of 2008 and 2009, which are not detailed in terms of [funding] use. [In the] past, technical guidelines were not detailed," said the school head teacher of SD 6.

However, some BOS treasurers and school head teachers still face problems in understanding certain parts of the guidelines or feel that they understand the guidelines, but they face difficulties implementing them. The most difficult parts to understand are on accountability report preparation, taxation, and the authorized uses of BOS funds. One large school in Kabupaten Agam once had to return a large amount of BOS funds in 2011 because they did not understand the term "capital expenditure".

Because some informants still face difficulty understanding the BOS guidelines, the book is considered inadequate. Face-to-face briefings are still necessary in addition to personal consultations with *kabupaten* BOS managers, school head teachers, or BOS treasurers from other schools believed to have more knowledge on the topic. Briefings and guidelines books have advantages and disadvantages. At briefings, schools can directly obtain information and explanations during the question and answer sessions. The briefing is also necessary to make sure that schools have the same understanding of the guidelines. Meanwhile, guideline books offer the advantage of being accessible at any time, serving as a valuable reference for individuals who may have forgotten explanations provided during briefings. Briefings and the guidelines complement each other and need to be provided to schools.

With briefings, we get a better understanding of BOS funding. However, [these understandings] are only temporary because we may forget them, right? We cannot remember. That's why we also need to read the technical guidelines book. So, both of them are necessary. (School head teacher, SD 12)

Technical guidelines are explained during briefings. At that time, participants ask about matters that are unclear [to them]. (School head teacher, SD 7)

IV. Criterion and Mechanisms for BOS Distribution

4.1 Criterion

The amount of BOS funds allocated to schools is based on the number of students at the schools. This criterion has remained the same since the BOS Program was first implemented in 2005. Before 2012, urban and rural schools received slightly different amounts of funding. Urban and rural schools received Rp400,000 and Rp397,000, respectively, per student annually.

All school head teachers, BOS treasurers, and teacher group discussion participants (except those in one group in Kabupaten Jayapura) were aware of the BOS distribution criterion and knew the designated funding amount for each student. In contrast, 5 of the 14 school committees, 8 discussion groups for parents, and all discussion groups for students were not aware of the distribution criterion (see Table 7). Of the informants who were aware, most said that the criterion is unfair, while only a small number of informants said that the criterion is fair.

Informants who view the criterion as fair tend to be those who come from schools that are large or have easy accessibility (see Table 7). They considered it fair because funding amounts differed depending on the number of students at schools—considering that large schools have greater costs than smaller schools. One informant said that the criterion is fair, but everything depends on who manages BOS at schools, including whether they are transparent, honest, and have adequate financial management ability. The school superintendent of SD 11 in Kabupaten Jayapura said, “The criterion is already acceptable. What should be considered is who is managing the BOS funds from the school; whether they are transparent, honest, and have the capability to manage funds. A superintendent from Kabupaten Jayapura said, “Whether or not the amount [funding received] is a little or a lot, everything depends on those managing it. If it’s only a little but he can manage it, it will turn out good. If it’s a lot but the person cannot manage it, it’s useless.”

On the contrary, informants who consider the criterion is unfair believe that it disadvantages schools that (i) have few students; (ii) are remote and have difficult accessibility; (iii) have minimum facilities; (iv) have parents on low incomes; and (v) are located in Papua Province, which has a far higher cost of living than Java.

According to the school head teachers and teachers, the primary necessities for teaching and learning activities at small schools are generally the same as other schools. With a smaller amount of BOS funds, small schools face difficulties meeting their primary needs. In Kabupaten Jayapura, around 30% of schools were small, having less than 100 students. In Kabupaten Polman some schools had only 14 and 18 students; and accordingly, they only received Rp2–3 million each quarter in BOS funds. The BOS manager of Kabupaten

Lebak said that his region has a significant number of small schools, as settlements are widespread and distant from each other. If schools—albeit small—had not been built, children from remote villages in the region would not be able to go to school. On the contrary, according to the BOS manager, there are large schools with many students and located close together who have become overwhelmed in managing their funds. Many schools even returned their excess BOS funds because they were not used. This occurred in one of the sample schools in Kabupaten Agam, which had to return approximately Rp40 million or around 25% of the total of their BOS funds in 2011.

Informants who consider the criterion unfair argue that schools in remote regions face greater costs due to accessibility issues. A school head teacher of a remote school in Kabupaten Polman (located 50 km from the city) said that a significant amount of the BOS funds his school receives is spent on transportation costs, which would not have been a problem for those in cities. The school head teacher gave an example of the high transportation costs his school incurs when purchasing stationery in the city. The school head teacher of SD 7 said, "To buy stationery in the city, Rp5,000 is enough to cover transportation. Meanwhile, at our school we have to spend Rp200,000 per person on transportation." The school head teacher also explained that even if his school has not incurred any expenses over a month, they still have to prepare a tax report and submit it to the taxation office in the *kabupaten's* capital city. Furthermore, the accountability report must be prepared in the city because the school has no electricity. A teacher at SD 12 said, "The [difference in] prices between cities and remote locations renders it unfair. It's more expensive in remote places."

With the varying conditions of school facilities, some informants consider the criterion of student numbers is unfair for those schools with facilities in poor condition. Schools with inadequate facilities are usually located in remote areas and have few students. As they have fewer students, they receive less BOS funds even though they need a significant amount of funds to bring their facilities up to the standard of other schools. In addition, some informants also said that it is necessary to consider parents' financial means. Schools whose parents have good financial means can collect parental contributions, giving the schools extra income in addition to the BOS funding. However, at schools where parents lack financial means, funding relies solely on BOS funds. A teacher at SD 4 said, "Actually, the criterion should not be uniform. For us here in the villages, there are many parents who are poor. There should not be any generalization [of school funding requirements]."

In contrast to informants in other *kabupaten*, some informants, especially those in Kabupaten Jayapura in Papua Province, said that the uniform criterion for the allocation of BOS funds across all schools in Indonesia is unfair for schools in Papua Province. This is because prices are much higher in Papua Province than elsewhere in Indonesia. The school head teacher of SD 12 in Papua said, "To illustrate, the cost of photocopying in Papua is around Rp300 per sheet, compared to only Rp150 per sheet in other regions." Meanwhile, a teacher at SD 12 commented, "If the amount [of BOS funds given to schools in Papua Province] is the same as the amount [given to schools in] Jakarta, it's unfair. In Papua, it's expensive. Moreover, things are harder for [schools] in remote places compared to [other places]."

Some informants said that the inequity could worsen if BOS funds continue to be allocated based on student numbers, particularly for remote schools with few students, inadequate facilities, and parents with low financial means.

Table 7. Informants’ Opinions toward the Criterion for the Allocation of BOS Funds Based on the Number of Enrolled Students

School	Accessibility	Student Population Size	School Head Teacher	BOS Treasurer	Teacher	Committee Chair	Parents	Superintendent
SD 1	Easy	Average	Fair	Fair	Fair	Unfair on remote schools. Results in school facilities disparities.	Unaware of the criterion	No information
SD 2	Easy	Large	Unfair: schools given same amount of BOS despite different needs	Fair	Fair	Unfair: remote schools disadvantaged	Unaware of the criterion	Fair
SD 3	Medium	Average	Unfair for small schools	Fair	Unfair for small schools	Fair	Unfair: schools needs differ	Unfair
SD 4	Easy	Large	Fair	Aware of the criterion but provided no opinion	Fair	No information	Unfair for schools in remote areas and schools where the parents have low financial means	Fair
SD 5	Difficult	Small	Unfair for remote schools	Unfair for remote schools	No information	Unfair for remote schools	Aware of the criterion but provided no opinion	Unfair for remote schools
SD 6	Medium	Small	No information	Unfair for remote schools	Unfair for remote schools	No information	Unfair for remote schools	Unfair for small schools

School	Accessibility	Student Population Size	School Head Teacher	BOS Treasurer	Teacher	Committee Chair	Parents	Superintendent
SD 7	Difficult	Average	Unfair for remote schools	Aware of the criterion but provided no opinion	Aware of the criterion but provided no opinion	Unaware of the criterion	Unaware of the criterion	Unfair for remote schools and small schools
SD 8	Easy	Small	Unfair for small schools	Unfair for small schools. Results in school facilities disparities.	Unfair for schools in remote areas and schools where parents' have low financial means. Results in school facilities disparities.	Unaware of the criterion	Unaware of the criterion	Unfair for small schools
SD 9	Difficult	Small	Unfair for remote schools and small schools	Unfair for small schools	Unfair for small schools	Unaware of the criterion	Unaware of the criterion	Unfair for small schools
SD 10	Medium	Large	Unfair for small schools	Fair	Fair	Unfair for schools where parents have low financial means. Results in school facilities disparities.	Unaware of the criterion	Unfair for small schools
SD 11	Medium	Small	Unfair for remote schools and schools in more expensive Papua	Unfair for small schools	Unaware of the criterion	Unaware of the criterion	Unaware of the criterion	Fair: depending on the accountability of those managing it
SD 12	Difficult	Large	Unfair for schools in more expensive Papua	Unfair because private schools have alternative	Unfair for schools in more expensive Papua	No information	Fair	No information

School	Accessibility	Student Population Size	School Head Teacher	BOS Treasurer	Teacher	Committee Chair	Parents	Superintendent
				financial sources				
SD 13	Difficult	Average	Unfair for remote schools	Fair	Fair	Unfair for remote schools. Results in school facilities disparities.	Unfair for small schools	Unfair for small schools
SD 14	Difficult	Average	No information	Fair	No information	Unaware of the criterion	Unaware of the criterion	No information

Sources: interviews and group discussions

4.2 Mechanisms

Based on the 2013 guidelines, the disbursement of BOS funds from the central government to schools is to be done in two stages. Stage One is the transfer of funds from the state general treasury single account (RKUN) to the regional general treasury single account (KUD) of each province. Stage Two is the transfer of funds from KUD to schools' bank accounts.

Quarterly BOS funds disbursements for nonremote areas are transferred from KUN to KUD, as follows:

- a) First quarter (January to March): within fourteen working days from 1 January 2013
- b) Second quarter (April to June): within seven working days from 1 April 2013
- c) Third quarter (July to September within seven working days from 1 July 2013
- d) Fourth quarter (October to December): within fourteen working days from 1 October 2013

Since 2013, BOS funds for schools in remote areas are transferred from KUN to KUD each semester (six months), as follows:

- a) First semester (January to June): within fourteen working days from 1 January 2013
- b) Second semester (July to December): within seven working days from 1 July 2013

Subsequently, in stage two of the disbursement process, regional general treasurers (BUD) transfer the allocated BOS funds to schools within seven working days from receiving the funds from the KUD.

All informants at schools, except for parents and several committee chairpersons, know that BOS funds are disbursed to schools through schools bank accounts. All informants assert that this method is appropriate and effective because it avoids the long bureaucratic hurdles, and schools receive their funds in their entirety without any illicit

deductions beforehand. The guidelines state that “BOS funds have to be received in their entirety by the school and all parties are prohibited from imposing any forms of deduction or cost levy for any reason”.

Schools must submit their BOS accountability report for the previous three months to their *kabupaten* education agency before they can be given their BOS funds. Schools in Kabupaten Lebak do not submit their accountability report directly to the agency. They must first submit the report to the *kecamatan* education agency along with their RKAS for the next three months. The *kecamatan*-level agency then forwards the accountability report and RKAS to the *kabupaten* education agency. After the report is checked and determined to be complete, the BOS manager at the *kabupaten* education agency issues an authorization letter that the school has to present to their bank before they can withdraw their BOS funds. In Kabupaten Polman and Kabupaten Jayapura, the authorization was given in writing and could only be signed by the BOS manager. Meanwhile, in Kabupaten Lebak, the education agency did not provide schools with authorization letters, but instead directly communicated with banks on the disbursement of BOS funds to its schools.

The length of time it takes to issue the recommendation letter very much depends on the availability of the *kabupaten* BOS manager. The school head teachers from two schools in Kabupaten Polman with difficult accessibility complained about the cost of transportation and the time the school had to spend to obtain authorization letters. A school head teacher said that if the BOS manager was in the office, he could withdraw the funds on the same day. However, if the BOS manager is not present, the school head teacher or the BOS treasurer could make the long return journey to the *kabupaten* education agency two to three times every time they need to withdraw the funds (once every three or six months).

In Kabupaten Agam, as of the second semester of 2012, the education agency no longer asked schools to submit quarterly accountability reports before allowing them to withdraw their BOS funds. The school can now go to the bank to directly withdraw the funds. The report could instead be submitted as late as the end of the year. The agency removed this requirement because, in the previous periods, many schools experienced delayed disbursement because they could not complete their accountability report. Moreover, the 2013 guidelines book states, “Schools are not required to submit their accountability reports every quarter. Schools only have to prepare accountability reports yearly. The report is to be submitted to the *kabupaten* education agency by 15 January [2014].” Schools responded positively to this policy change because they believe it helps them. However, some informants, especially the school superintendents, worry that loosening fund disbursement requirements increase the likeliness of schools putting off the preparation and submission of their accountability reports, especially when the possibility of their BOS funds being withheld is removed. The superintendent of SD 9 commented, “With the [BOS] policy, it is no different from a person with a savings account at a bank. [Schools] can also withdraw BOS funds without having to be accountable for the use of the fund beforehand, even though it’s not personal money.” The superintendents’ concerns were unfounded in two of the three sample schools in Agam. Even though it is no longer a prerequisite for BOS funds withdrawals, the school head teachers of the two

schools still ask their BOS treasurers to try to complete the schools' accountability reports before they withdraw their BOS funds. The school head teachers do this because they worry that the report preparation duties could accumulate at the end of the year and become a burden.

Accountability reports are prepared by BOS treasurers and school head teachers in all schools, except for two schools in Kabupaten Jayapura, in which only the school head teachers knew about and prepared the report. At the other two schools in Kabupaten Jayapura, accountability reports are prepared by the school head teacher and BOS treasurer, as at other sample schools. Several schools believe that they do not experience difficulties in preparing their accountability reports because they can rely on the regulations in the BOS guidelines book. Meanwhile, at other schools, accountability report preparation is outsourced (using BOS funds) because their school head teachers and BOS treasurers do not have adequate computer skills and the schools do not have computer clerks. For example, a school in Kabupaten Jayapura spends Rp200,000 on report preparation every quarter; a school in a remote area of the same *kabupaten* spends Rp1.2 million on report preparation every six months; and a school in Kabupaten Polman spends Rp400,000 per report. These "contract clerks" are usually experienced in BOS report preparation and handle several schools' reports simultaneously.

Schools withdraw BOS funds at banks, where they have to present a passbook for a bank account in the name of the school and complete a withdrawal slip signed by the school head teacher and BOS treasurer. The funds can be withdrawn by the BOS treasurer or the school head teacher. Schools usually withdraw the funds in cash twice-quarterly. The cash is kept at the home of school head teachers or BOS treasurers because the guidelines prohibit BOS funds from being kept in personal bank accounts.

Almost all informants said that despite ongoing delays in the disbursement of BOS funds, delays have not been excessively long since 2012. In 2011, disbursement could be delayed for up to a quarter or more. For example, funds for the first quarter of 2011 were only disbursed in April. Meanwhile, in 2012 and 2013, delays were usually less than one month. Funds for the first quarter—which, according to the guidelines, are supposed to be disbursed by 21 January—were only disbursed in mid-February. Several schools admitted that disbursements are sometimes delayed because schools are late in completing their accountability reports. One BOS treasurer said that due to being busy with homeroom teacher duties, their school's accountability report is sometimes prepared late. In addition, one school said it only finds out about BOS funds being disbursed after the disbursement because the school is located in an area that does not have a cellular telephone reception and is located far from the *kabupaten* education agency via a poor-quality road.

If BOS funds disbursement is delayed, schools usually use the school head teacher or BOS treasurer's personal money as emergency funds in the meantime. School head teachers source the money in different ways, such as by pawning their own jewelry, using their teacher professional allowance, and borrowing money from their spouses. Schools also pay on credit using store charge accounts when purchasing items from stores or merchants, as well as borrowing money from the teacher or student savings. Aimed at encouraging students to save some of their pocket money, homeroom teachers collect

money from students and return the balance at grade promotion. Amounts of emergency funds needed vary depending on schools' needs at that time. One of the study schools had borrowed up to Rp6 million for one quarter from the school head teacher.

To cover [the costs] when BOS funds are delayed, we have to use our own money first. The teachers still have to be paid. (School head teacher, SD 11)

[If the funds are disbursed any later than] the second month, it's late. Because [school] activities continue to run, the school head teacher pays [for costs] using the school head teacher's certification allowance. (BOS treasurer, SD 6)

V. Use of BOS Funds at Schools

5.1 School Financial Resources

Our research indicates that nine years after its introduction, BOS funds have become the primary source of funding for almost every public elementary school in Indonesia. Other sources include donations from parents and funds from either the central government or regional governments and other nongovernmental parties. Non-BOS assistance can take the form of money, human resources, and goods. Generally, schools consider other sources of funding and assistance as unreliable because they are limited, irregular, and voluntary, can only be managed by the school, and are not able to be used to fund school operational costs.

Every sample school receives BOS, and all have students who receive BSM funding. Ten of the 14 schools received contributions from parents; eight received funds from their *kabupaten* government and other donors (including individuals and the local village government); and six schools receive funds from their provincial government and the Special Allocation Fund (DAK). These alternative sources of funding are explained below.

While the guidelines from the central government stipulate that regional governments should allocate funds for school operational costs in their budgets irrespective of the availability of BOS funding, this study indicates that not all *kabupaten* or provincial governments allocate money accordingly.

5.1.1 *Kabupaten* Governments

The Governments of Kabupaten Agam and Kabupaten Jayapura have assistance programs with funds provided directly to the schools. The Government of Kabupaten Agam provides cash to schools for operational expenses, known as accountable funding (UUDP), which was introduced before the BOS Program was launched. The amount of UUDP funds received by schools is determined by the number of classes. The funds are deposited every quarter into the school's bank account. A sample school with six classes, for example, received Rp510,000 in UUDP funds every quarter.

The superintendents, school head teachers, BOS treasurers, and teachers in this study generally knew about UUDP, but school committee chairs and parents did not. Some informants stated that schools cannot rely on UUDP because the amount of money it provides is very small. Moreover, some UUDP are allocated for activities related to the School head teachers Working Group (K3S) at UPT offices. UUDP cannot be used for the same purposes as BOS funds and cannot be used to buy textbooks.

Before BOS funding was introduced, UUDP was used to fund teaching and learning activities, such as buying chalks. [UUDP] were much smaller than BOS [funding now]. (BOS treasurer, SD 8)

If we buy markers using BOS funds, we cannot also buy them using UUDP. (Superintendent, SD 9)

UUDP cannot be used to buy reference books. (Teacher, SD 10)

Meanwhile, in Kabupaten Jayapura, the *kabupaten* education agency assists the schools by providing them with textbooks. The schools receive the books at different times. One school last received textbooks from the agency in 2010 or 2011, while another received them in 2012, and another received its books in 2013. Schools are not in favour of the *kabupaten* education agency's program because it often provides books that are unsuitable for the schools' needs.

The school head teacher of SD 11 reported, "BOS funding from the *kabupaten* budget is for textbooks, but sometimes the books [that the *kabupaten*] provided are unsuitable, which makes many schools upset." This mainly happens because the *kabupaten* education agency distributes the same sets of books to every school, which may differ from the types of books each school needs.

Meanwhile, in Kabupaten Polman, one particular school received government funding (it is unclear whether the source was the *kabupaten* or provincial government) which was temporary in nature and to be specifically used for (i) a grant (Rp30 million) to provide increased funds for teacher training and laptop procurement in 2008; (ii) one-off character education funding (Rp30 million); and (iii) buying equipment for a healthy canteen program (funds received in 2010).

5.1.2 Provincial Government

Provincial government assistance was received by one school in Kabupaten Lebak, one in Kabupaten Polman, and all schools in Kabupaten Jayapura. In Kabupaten Lebak, the assistance was given in the form of a library building, while in Kabupaten Polman, it was for classroom renovation. Meanwhile, in Kabupaten Jayapura, the four sample schools called the funding special autonomy funds or provincial BOS funds. In 2001, the provinces of Papua and Aceh received special autonomy status. The main objective of this policy is to address the grievances that had fuelled separatist conflict in the two provinces. Special autonomy also resulted in an enormous increase in resources flowing into the province that had to be budgeted and distributed. A minimum of 30% of the funds must be allocated for the education sector.

The school head teacher in one school confirmed that in 2012 the school received Rp10 million in provincial BOS funds. The school head teacher of SD 14 commented, "Now, there are only BOS funds from the central government. There used to be provincial BOS funds, but not anymore."

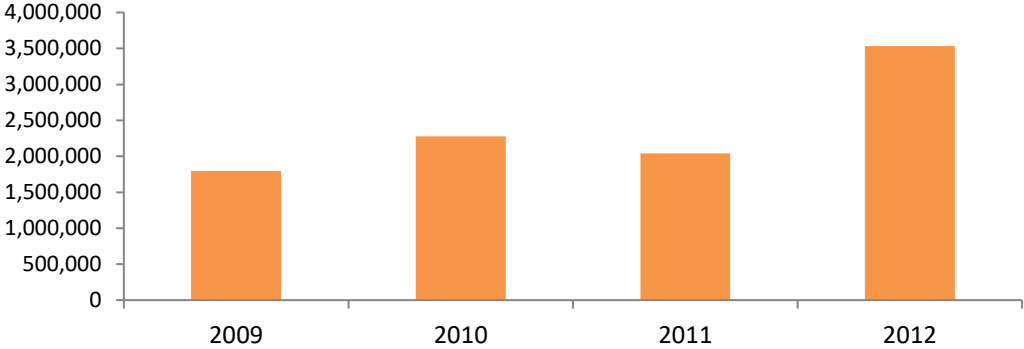
5.1.3 Cash Transfers for Poor Students (BSM)

BSM is a national program aimed at helping poor students access proper education services, preventing dropouts, encouraging poor students to return to school, providing necessities for learning activities, supporting the nine-year compulsory education program

(and continuing to senior high school level), as well as assisting the running of school programs. Through the BSM program, it is expected that students from underprivileged families will continue their studies, so that they can help break the poverty cycle currently experienced by their parents. The program also supports the government's commitment to increasing the education participation numbers in the *kabupaten*, particularly in poor and remote towns, as well as amongst marginalized groups.

BSM are provided to students based on their financial means, rather than academic achievements. BSM recipients at elementary school are given Rp360,000 per student annually. The number of BSM recipients per year increases by an average of almost 30% nationally. In 2011, the number of recipients decreased, but in 2012 it increased drastically, as revealed in Figure 4.

Figure 4. Numbers of Elementary School Students Who Received BSM, 2009–2012



Source: National Team for the Acceleration of Poverty Reduction (TNP2K), 2013

The number of BSM recipients varies greatly between the schools. This study finds that remote schools tend to have a higher proportion of poor students and BSM recipients than urban schools with fewer poor students.

Table 8. Proportions of BSM Recipients in Sample Public Elementary Schools in the 2012–2013 Academic Year

<i>Kabupaten</i>	Sample School	Accessibility	Student Population	Number of Students	BSM Recipients	Percentage of BSM Recipients at School
Lebak	SD 1	Easy	Medium	224	30	13.4%
	SD 2	Easy	Large	391	22	5.6%
	SD 3	Moderate	Medium	263	20	7.6%
Polman	SD 4	Easy	Large	399	21	5.3%
	SD 5	Difficult	Small	146	25	17.1%
	SD 6	Moderate	Small	139	17	12.2%
	SD 7	Difficult	Medium	225	25	11.1%
Agam	SD 8	Easy	Small	121	16	13.2%
	SD 9	Difficult	Small	37	7	18.9%
	SD 10	Moderate	Large	465	63	13.6%
Jayapura	SD 11	Moderate	Small	117	30	25.6%
	SD 12	Easy	Large	464	30	6.5%
	SD 13	Difficult	Medium	230	18	7.8%
	SD 14	Difficult	Medium	153	20	13.0%

5.1.4 Special Allocation Fund (DAK)

The central government uses a DAK, funded by the state budget (APBN), to provide *kabupaten* governments with funding for specific investment expenditures. Recipient regions assume responsibility for the funds, which must be used in accordance with the national priorities. Education is one national priority for which regional governments are responsible. Kemendikbud has sole responsibility for regulating DAK used for education. The ministry applied the following provisions to the use of DAK for elementary school education from 2011 to 2013:

2011–2012: The establishment of school infrastructure, namely building classrooms and libraries and acquiring the necessary equipment for the facilities, as well as renovating classrooms in major to moderate disrepair.

2012–2013: School renovations—with priority given to completing renovations to heavily and moderately damaged classrooms and acquiring the necessary equipment for the facilities.

Of the 14 sample schools, six (three in Kabupaten Polman, two in Kabupaten Agam, and one in Kabupaten Jayapura) received DAK funds between 2011 and 2013. During the 2011–2013 financial year, in accordance with the ministry provisions, the three *kabupaten* used their DAK for library construction and library equipment procurement (books,

laptops, and computers), as well as to fund renovations of classrooms. The DAK funds are fully managed by the contractors under the supervision of the *kabupaten* education agency. Schools only receive the ready-to-use facility or school building.

5.1.5 Contributions from School Committees and Parents

Elementary and junior high schools are prohibited from charging levies under the Regulation of the Minister for Education and Culture No. 60 of 2011. The regulation states that state-owned elementary and junior high schools (excluding RSBI junior high schools) are prohibited from charging levies to students and their parents or caretakers. Levies charged by RSBI schools must follow the procedures in the ministerial regulation and must be approved by their *kabupaten* education agency. The 2012 BOS guidelines state that, subject to the approval of their regional government and school committee, RSBI and SBI public schools may charge levies to parents with sufficient financial means in order to fund operational costs unmet by the central government and/or regional government funding.

Based on the BOS guidelines, routine levies are not allowed [at non-RSBI and SBI schools]. In the BOS fund guidelines, it is stated that if a school wants to receive BOS funds, it must stop charging levies. But it's alright if we collect donations from parents. (School head teacher, SD 10)

Almost all sample schools admitted that they no longer charge compulsory and routine levies to parents. However, parallel with the BOS Program, the central government runs the RSBI program and has revitalized the Community-Based School (SBM) program, and these programs allow their schools to charge routine levies to parents. This research finds that parents in most sample schools are willing give to schools with voluntary and irregular contributions (such as cash, manpower, or goods), but they are not willing to pay compulsory and routine levies. The contributions do not violate the ministerial regulation because the 2013 BOS guidelines state that schools can request contributions from the community and parents who have sufficient financial means in order to cover school costs that are not met by government funding. This study finds at least nine types of levies and contributions, as detailed below Table 9.

Table 9. Types of Levies and Contributions Requested from Parents by Sample Schools

Sample School	Accessibility	Student Population Size	Types of Levies/Contributions Requested from Parents
SD 1	Easy	Medium	School committee levy School health service levy Social levy Incidental contributions (cash, manpower, or goods)
SD 2	Easy	Large	Grade promotion and/or sixth grade graduation ceremony levy Social levy Incidental contributions (cash, manpower, or goods) School supplies (student workbooks) charge
SD 3	Moderate	Medium	Grade promotion levy
SD 4	Easy	Large	Social levy Incidental contributions (cash, manpower, or goods) School supplies (student workbooks) contribution
SD 5	Difficult	Small	Incidental contribution (manpower)
SD 6	Moderate	Small	Student recreational activities levy Incidental contributions (cash, manpower, or goods)
SD 7	Difficult	Medium	-
SD 8	Easy	Small	Sixth grade graduation ceremony contribution (goods)
SD 9	Difficult	Small	Incidental contribution (manpower)
SD 10	Moderate	Large	Sixth grade graduation ceremony contribution Social contribution Incidental contribution (cash, manpower, or goods)
SD 11	Moderate	Small	Grade promotion ceremony contribution
SD 12	Easy	Large	Sixth grade graduation ceremony contribution
SD 13	Difficult	Medium	National examination levy New student admission levy
SD 14	Difficult	Medium	Sixth grade graduation ceremony contribution National examination levy

Note: The levies in this table are prohibited by the BOS guidelines. The contributions, however, are permitted.

a) School Committee Levy

A sample school in Kabupaten Lebak, an SBM school, charges routine committee levy. Under the coordination of school committee members, parents had agreed to pay a committee levy of Rp3,000 per student per month, which they have paid since 2009. The

levy is fully managed by the school committee and is used to fund activities that cannot be financed by BOS funds, such as building and land procurement costs for building a mosque, as well as general maintenance.

Meanwhile, a former RSBI school in Kabupaten Jayapura stopped charging a school committee levy at the beginning of the 2013–2014 school year after the RSBI program was terminated. Parents, the committee, and the school previously agreed to charge a committee levy of Rp50,000 per student per month, but not all parents were obliged to pay.

The committee could only collect around Rp10 million per month [in revenue from the committee levy], because not all students paid. Indigenous people, teachers' children, and poor students were exempt [from paying]. (Teacher, SD 12)

b) National and Semesterly Examination Levies

In Kabupaten Jayapura, one school charges every sixth grade student a Rp200,000 examination levy, which can be paid in installments prior to examinations. According to the school head teacher, the levy is used to finance students and teachers' transportation costs to the examination location; while the schools cover the costs associated with holding the annual national examination. Another school charges students a levy for semesterly examinations of Rp10,000 for first and second grade students and Rp15,000 for fifth and sixth grade students.

We pay everything for the examination. Parents are only asked to pay for transportation costs of Rp200,000 because the students must travel to Genyem to sit the examinations. We use a rented car and always leave in the morning. (School head teacher, SD 14)

Some parents ask about how the BOS funds are spent. However, many understand that the [cost of the] school's needs exceed the money they receive through the BOS Program. (BOS treasurer, SD 13)

c) Grade Promotion and/or Sixth Grade Graduation Ceremony Levy

Seven out of the 14 sample schools, including all sample schools in Kabupaten Jayapura, implement levies for the cost of grade promotion and/or sixth grade graduation ceremonies, which are held simultaneously. Although the implementation of this levy is voluntary, the amount is agreed on by parents, school committees, and the schools at school meetings. Some schools impose a levy to all students from the first to sixth grade, while some charged sixth grade students a levy. The money is collected by homeroom teachers or directly given to the school committee.

In the meeting, [the school's funding] needs are announced [along with] how much [money] the school has, how much we still need, and parents are asked if they can contribute as well as how much they can donate. (BOS treasurer, SD 12)

The levy ranges from Rp15,000 to Rp35,000 per student, when imposed on all students. Meanwhile, a levy for sixth grade graduation ceremonies is only imposed on sixth grade students, and ranges from Rp75,000 to Rp150,000 per student. In one school, the levy could be in the form of two chickens, which together are worth Rp150,000.

d) New Student Admission Levy

A new student admission levy is imposed at one school in Kabupaten Jayapura. The levy is Rp50,000 for each new student and is implemented by the school committee.

e) Student Recreational Activities Levy

At one school in Kabupaten Polman, parents initiated a student recreational activities levy as a sole source of funding for student recreational activities.

f) School Health Service Levy

This mandatory levy was found in only one sample school in Kabupaten Lebak. The levy is Rp1,000 per student per month, and is administered by a homeroom teacher. The levy is used to finance activities related to students' health in the school, in cooperation with the local health clinic. The health service covers general health, dental health, and blood type testing. Accessing the service incurs an additional fee ranging from Rp1,000 to Rp5,000.

g) Social Levy

Four sample schools implement a voluntary social levy, ranging from Rp500 to Rp2,000 per student per week. Schools' homeroom teachers and religious education teachers manage the levy. The levy is also known as *jimpitan* or Friday donation. It is used for social purposes like charity for students experiencing difficult circumstances, such as when a student or a parent is sick or passes away, and for orphans. In one school, this levy was also used to top up graduation ceremony funding.

h) Incidental Contributions (Cash, Manpower, or Goods)

Seven sample schools in Kabupaten Agam, Polman, and Jayapura receive incidental contributions from parents. The contributions are coordinated by school committees. Contributions can be in the form of cash, manpower, and goods. This assistance is usually for upgrades and/or urgent repairs to school facilities, such as prayer facilities, libraries, and toilets.

Cash contributions have ranged from Rp50,000 to Rp300,000. In two schools, a total of Rp20 million in cash contributions were successfully collected. Meanwhile, parents have also donated construction materials, including cement, wood, and sand. In addition, in one school, parents donated benches and chairs, while parents in other schools provided classroom equipment and fittings, such as buckets, brooms, and window grilles. Parents, especially those in rural areas, are very willing to contribute human resources.

Committees, parents, and teachers cooperate to build school fences by contributing money, goods, and manpower. Before, the school environment was an open area, so chickens and cows entered freely. (Teacher, SD 6)

The assistance we receive is only human resources, such as when erecting a school fence. None is in the form of money or goods. Parents work voluntarily without being paid. (Teacher, SD 9)

i) School Supplies Charges

Two sample schools in Kabupaten Lebak and Polman require their students to buy LKS from the school. The price of workbooks, depending on whether they are for individual or multiple subjects, range from Rp6,000 to Rp8,000. In addition, urban schools generally supplied student uniforms and other items for purchase by parents.

According to informants at the sample schools, not all parents are willing to contribute money, materials, and/or manpower to their schools. Parents usually question collection of levies considering that schools already receive BOS funding to pay for their operational costs. A number of parents believe that schools do not need to be given further assistance. Some have even ask to be paid for helping improve school facilities, while some ask for part of the BOS funds because they think that BOS funds are meant to be paid to students.

It's very difficult to ask parents for contributions for school needs that are not funded by BOS. They question what the BOS funds are for if they still have to pay [money to the school]. (Committee chairperson, SD 7)

Many people believe that BOS funding means that students are no longer charged levies. (School head teacher, SD 9)

5.1.6 Contributions from Other Sources

Eight schools received financial and material assistance from other sources, such as local community members, village governments, companies, and the National Alms Agency (Baznas).

a) Local Community Members

One school in Kabupaten Lebak received support in the form of labor for the construction of a road leading to the school. One teacher said, "The road in front of the school was not built by the school, but by the people around here." According to the school head teacher, people living near the school voluntarily gave up to one meter of their own road frontage land to assist with the road widening, which enabled cars to travel to and from the school.

b) Village Governments

Three schools in Kabupaten Polman and one school in Kabupaten Jayapura received support through local village government programs. One of them was the construction of a road leading to a school, which was financed by the National Program for Community Empowerment (PNPM). At two other schools, some students received direct assistance from the village-level Healthy and Smart Generation (GSC) program, which provides school supplies, such as uniforms and transportation money, for students who live far from their school. Meanwhile, students at one school in Kabupaten Jayapura received assistance in the form of uniforms and school supplies from the PNPM's Strategic Plan for Village Development (Respek).

PNPM Respek funds are given to village governments, [which distribute the funding] to students. [PNPM Respek funds are] given directly to the students, and do not go through the schools. (Teacher, SD 13)

In general, all schools have a good relationship with their village community, and especially with village government officers. One school in Kabupaten Polman, for example, always coordinated with and received support from its village community concerning all school administrative matters. A school committee member in Kabupaten Lebak noted that their school coordinates with the village government on all developments at the school. People living around schools also sometimes voluntarily clean up schoolyards.

c) Foundations and Companies

An oil palm company in Kabupaten Agam provided direct material assistance through its employee cooperative to a school of many of its workers' families. The assistance was in the form of benches, chairs, cement for construction, and the building of a toilet facility. The assistance was a result of the efforts of the school and committee members in preparing the proposal that was submitted to the company. Meanwhile, a school in Kabupaten Lebak located near a military complex had once received assistance in the form of building materials from the military institute.

d) Baznas⁴

Baznas provided financial support to six poor students at a remote school in Kabupaten Agam, at an amount of Rp150,000 per student. Because all students at the school came from low to middle income families, the school used the funds to purchase three school uniforms (a red and white uniform, sports uniform, and Muslim clothing), and notebooks.

5.2 BOS Funds Amounts

Not all informants at schools know how much BOS funds their schools receive—neither the total amount nor the allocation per student. Generally, only school head teachers and BOS treasurers know how much BOS funds their school receives because, in practice, they are the only people with access to those information and full authority over the management of BOS funds at schools. Only one BOS treasurer in Kabupaten Jayapura did not have any information on the amount of BOS funding their school receives because the school head teacher did not involve the BOS treasurer in the management of BOS. At nine schools (with easy accessibility and large student population), the teachers said they know how much their schools receive in BOS funds. In contrast, the teachers at five other schools in Kabupaten Polman and Kabupaten Jayapura (with difficult accessibility and relatively small student population) do not know how much BOS funds their schools receive. Meanwhile, no school committee members, students, and parents at the sample schools have information on how much BOS funds their schools receive.

⁴Baznas collects and distributes the Islamic alms of zakat, *infaq*, and *sadaqah*.

There are two reasons why only some informants at schools know the amount of BOS funds their schools receives:

- a) In almost every school, there have never been special briefings on the BOS Program for all stakeholders at schools, including the teachers, committee members, and parents. Similarly, not all schools follow the requirement to display up-to-date information on the use of BOS funds on their school bulletin boards. There were committee members and parents at some schools in Kabupaten Lebak, Agam, and Polman who were unaware of the details of their school’s BOS funds.
- b) There is an assumption that BOS fund management is the full authority of the school head teacher assisted by the BOS treasurer, and therefore, there is no obligation for them to openly report the developments related to the disbursement of BOS funds to all school stakeholders. There is also an emerging perception among some school head teachers that if committee members and parents knew about BOS funds, it would be counterproductive because it could interfere with the school leadership’s independence.

Since the BOS Program was first implemented in mid-2005, the nominal value of annual BOS funding per student increased by almost 150%—from Rp235,000 to Rp580,000—as indicated in Table 10⁵. In general, most informants at schools said that schools’ total BOS funds have tended to increase. However, some schools have experienced declining BOS funds because their student enrolment numbers have decreased over the last three years, albeit not significantly. The smallest amount of BOS funds received among sample schools for the 2012 financial year (2012–2013 school year) was Rp21.5 million by a school with 37 students, while the largest funding for the same period was Rp270 million by a school with 465 students.

Table 10. The Rural-Urban Allocation of BOS Funds Anually Per Student (in Rupiah)

Elementary school	2005–2006	2007–2008	2009–2011	2012–2013
Rural			397,000	
	235,000	254,000		580,000
Urban			400,000	

Source: Ministry of National Education, 2005; 2006; 2007; 2008; 2009; National Budget, 2010

Only one sample school, which is located in Kabupaten Agam and has the largest number of students of the schools in this study, stated that their BOS funds is more than adequate. The school at one point even had to return the BOS funds because they did not use all of it. The school head teachers at two sample schools in Kabupaten Lebak stated that their BOS funds are sufficient to cover the schools’ budgetary expenses. However, this is because the schools estimate the amount of BOS funds they will receive and take it into account when preparing their budgets.

⁵The nominal value of BOS funding per student for pupils in junior high schools increased from Rp324,000 (2005) to Rp710,000 (2013).

The school's plans have always been in accordance with the estimated BOS funds. (School head teacher, SD 2)

The [school's] expenses are always made to match the BOS. [We] prioritize meeting the most urgent needs. (School head teacher, SD 3)

The remaining 11 schools, particularly those that are located in remote areas and have a small number of students, receive funding that is far from adequate. Many school activities cannot be held and school supplies cannot be afforded, particularly in schools that rely on contract teachers.

Even if the funds received are not enough to cover the school's needs, they will be maximized to meet these priorities. (School head teacher, SD 4)

If we say it's not enough, then it's not enough. We just make do. (School head teacher, SD 12)

Schools in remote areas have to pay higher prices for goods and transportation costs while also allocating BOS funds for contract teachers' salaries. As shown in Table 11, three out of five small schools with BOS funds of less than Rp85 million per year have to spend more on contract teachers' salaries.

Of the Rp21 million per quarter [in BOS funds received by this school], a minimum of Rp500,000 to Rp1 million is spent on other expenses. The transportation costs [travelling to the bank] to withdraw the funds can be up to Rp150,000–200,000 for one trip to the city. Purchasing materials always incurs an additional transportation fee. (School head teacher, SD 5)

If asked whether BOS fund is enough or not, I will instantly answer no! The oil [fuel] price here is Rp9,000–10,000 per liter, not to mention the costs of students' school supplies. (School head teacher, SD 9)

Table 11. Amount of BOS Funds Received by Sample Schools during the 2012–2013 Academic Year

Sample Kabupaten	Sample Schools	BOS Funds Received	Percentage of Contract Teachers
Lebak	SD 1	131,660,000	27%
	SD 2	226,780,000	22%
	SD 3	150,800,000	46%
Polman	SD 4	230,840,000	17%
	SD 5	84,680,000	22%
	SD 6	80,620,000	13%
	SD 7	128,760,000	68%
Agam	SD 8	70,000,000	50%
	SD 9	21,460,000	67%
	SD 10	269,700,000	50%
Jayapura	SD 11	70,180,000	46%
	SD 12	269,120,000	11%
	SD 13	133,980,000	40%
	SD 14	101,500,000	29%

5.3 How Schools Decide on How to Use BOS Funds

Annual BOS guidelines state that no deductions can be taken from BOS funds before they are given to schools. At the school level, BOS funds must be managed independently and involve the teachers board and the school committee in applying school-based management, whereby:

- a) Schools manage funds professionally, transparently, and accountably;
- b) Schools must prepare a mid-term plan every four years;
- c) Schools must provide an annual work plan in their RKAS, and BOS funding must be an integral part of the plan;
- d) Mid-term plans and RKAS must be agreed upon at a meeting of the teachers board. This occurs after input from the school committee has been considered and the plans have been signed off by the school's *kabupaten/kota* education agency (for public schools) or foundation (for private schools).

In practice, at most schools, decisions on the use of BOS funds are made exclusively by school head teachers, BOS treasurers, and teachers, and are included in their RKAS. RKAS is prepared at the beginning of the school year, and information on school activities in RKAS are broken down into three-month periods, in line with the BOS fund disbursement

periods. Expenditure needs detailed in RKAS have to refer to the corresponding authorized use in the guidelines.

The process of preparing plans for the use of BOS funds is similar in most schools, which is as follows:

- a) School head teachers ask teachers to advise on items they need in relation to the school's teaching-learning process, including equipment. Only some schools held meetings with all teachers to identify school needs. Generally, teachers are only asked to submit a list of their needs. They usually note teaching aids, stationery, supplies for tests, textbooks, and reference books. The school head teachers at the small and remote schools in this study do not ask for input from teachers. This is mainly because the limited BOS funds these schools receive do not cover their needs, so that school head teachers unilaterally decide the schools' priorities.

Before funds are allocated, teachers hold a meeting to identify the needs. The management of the funds is based on decisions agreed in the meeting. The school committee is sometimes invited, but not always. (Committee chairperson, SD 6)

Previously, there was a special meeting for teachers during the first quarter. But now, due to time limitations because teachers and the school head teacher are always busy, they only ask teachers what they need [without holding a meeting]. (School head teacher, SD 8)

- b) School head teachers, who in some schools were assisted by the school's BOS treasurer, compile an initial RKAS draft based on the needs noted by teachers. In the draft, school head teachers estimate how much BOS funds the school will receive for the school year and each quarter to then determine how to use the funds to cover teachers' needs. In compiling the draft, aside from prioritizing urgent needs, decisions on the urgency of needs take into account the price of the goods or services. Additionally, drafts always refer to school activities carried out during the previous year. At one large school with a significant number of teachers in Kabupaten Jayapura, the initial RKAS draft is formulated and discussed by a team of five people.

During these deliberations, the initial draft is made through direct discussions and is then agreed on. (BOS treasurer, SD 6)

The draft is made by the [BOS] treasurer, who then explains which [estimates] need to be increased or decreased and who will purchase [the items], depending on who is available. I also ask that the tax be calculated every time we make a purchase. (School head teacher, SD 10)

- c) In most sample schools (except in three in Kabupaten Jayapura), the school head teacher, BOS treasurer, and teachers meet to discuss, correct, and refine the initial RKAS draft. In this phase, only a small number of schools specifically invite committee members—usually the committee chairperson—to provide input or suggestions on the draft. However, school committee representatives generally only conduct a cursory check of the draft, providing little input and few corrections.
- d) The final version of the RKAS must be signed by the school head teacher and the committee chair. In some schools, the committee chair is asked to come to the school to sign the RKAS, while at others, school representatives were sent to the committee

chair's home to have the RKAS signed. The committee chair usually only studies the RKAS briefly and then signs it, which can happen especially because they are not obliged to conduct any administrative supervision related to RKAS.

The role of the school committee is just to know, agree upon, and then sign RKAS. To date, the school committee has never given any major or significant corrections because they do not quite understand the schools' needs and circumstances. (School head teacher, SD 2)

During the preparation of RKAS, I am only called on for signing. [I] just serve as a witness. (Committee chairperson, SD 7)

In all sample schools, parents were not directly involved in the decision-making process for determining how to use BOS funds. To date, most schools do not openly report decisions made to parents. However, school head teachers and BOS treasurers assess the decision-making process to be effective. They think there is no need for parents to be directly involved because parents are represented by the school committee.

External actors, including parents, aren't appropriate [for the decision-making process] because they often create problems instead. (Committee chairperson, SD 1)

Schools have autonomy over their BOS funds, and there should be no intervention. If we speak to parents, they often think negatively. It's better not to inform them. Maybe, it can be more transparent in the city. (School head teacher, SD 14)

After the decision-making, the next phase is the purchase of the school supplies and funding school activities in line with the school's schedule or academic calendar. School supplies can be purchased by school head teachers, BOS treasurers, or teachers. In remote schools, to save on transportation costs, purchasing is done by anyone who needs to go to the local *kecamatan* or *kabupaten* government office. Most sample schools have their own regular goods supplier. After this, the purchase receipts have to be well documented to account for funds use.

The school head teacher sees what the school needs. He can buy these things himself. Teachers can buy [items] for their own classes, but usually it's the [BOS] treasurer who goes shopping. (Teacher, SD 14)

Most informants at almost all schools reported that there are no significant problems in the decision-making process. However, the main challenge faced is school needs exceeding the BOS funds. Yet, arguments over spending priorities at schools do not escalate into conflict because, in the end, agreement can be reached.

Decisions are made based on funds available, and priorities are voted on. (School head teacher, SD 6)

Needs are [decided] based on BOS funds. If needs are not presently covered, funding for these items can be allocated next year. (BOS treasurer, SD 8)

5.4 How Schools Use BOS Funds

All informants at schools understood that BOS funds must be used in accordance with the authorized uses in the BOS guidelines. All schools used the 2012 guidelines as a reference during the 2012–2013 academic year because schools only received the 2013 guidelines around July to August in 2013. In the 2012 guidelines, there are 13 authorized uses and 13 prohibited uses for BOS funds. The authorized uses are:

- a) Replacement of damaged textbooks;
- b) New student admission costs;
- c) Student learning and extracurricular activities;
- d) Examinations and tests;
- e) Nonrenewable goods procurement;
- f) Utilities;
- g) Facilities maintenance;
- h) Monthly salaries for contract teachers and school support staff;
- i) Teacher professional development;
- j) Assistance for poor students;
- k) BOS management costs;
- l) Computer procurement; and
- m) Other designated expenditures if remaining BOS funds are not required for authorized uses 1–12.

Meanwhile, the 13 prohibited uses are:

- a) Interest accrual using a bank savings account⁶;
- b) Loans to other parties;
- c) Funding expensive nonpriority activities;
- d) Funding activities carried out by either *kecamatan*, *kabupaten/kota*, provincial, or central UPTD or other parties, excluding the expenses of students and teachers who participate in the activity;
- e) Payment of regular bonuses and transportation costs for teachers;
- f) Purchase of clothes, uniforms, and shoes for teachers or students for personal use, except for the BSM recipients;
- g) Funding moderate to large renovations;
- h) Construction of new buildings and rooms;
- i) Purchase of materials and equipment that are not part of the learning process;
- j) Purchase of capital stocks;
- k) Funding of activities already fully funded by the central or regional governments;

⁶BOS funds are not allowed to be put into savings to earn interests.

- l) Funding of activities not related to school operations, such as celebrations for national holidays and religious events; and
- m) Funding of training, briefing, or mentoring activities related to BOS taxation held by bodies other than to *kabupaten/kota* and provincial education agencies and Kemendikbud.

In general, only school head teachers and BOS treasurers know how BOS funds must be used. Only a few teachers were able to mention various BOS uses. Teachers in the study believe the main uses of BOS funds are contract teachers' salaries, textbooks, and office stationery (paper, chalks, pencils, and pens), work travel expenses, and food for teachers. However, as most have not read the BOS guidelines, they only have rough understanding of the authorized and prohibited uses of BOS funds.

The knowledge of school committee members, especially the chair, regarding BOS uses tend to differ between regions. In Kabupaten Lebak, committee members generally know and can mention a number of authorized BOS uses. In Kabupaten Polman, only some committee members are able to mention them, and most committee chairs in Kabupaten Agam and Jayapura do not know any authorized uses for BOS. Meanwhile, most parents in almost all schools do not know what activities can be financed by BOS. However, they did mention that BOS is used for all necessities at schools, such as repairing buildings and facilities, textbook supplies, desk and chair supplies, direct assistance for students, and salaries for contract teachers.

School head teachers, BOS treasurers, and some teachers in almost all sample schools assess that the authorized uses for BOS funds in the guidelines essentially correspond with school operational needs that are aimed at supporting teaching and learning activities. Additionally, one school head teacher said that the regulations are becoming less binding every year.

Based on the explanations of school head teachers, BOS treasurers, and some teachers, most BOS funding is spent on Authorized Uses 1, 2, and 3 in Table 12. Moreover, Authorized Use 5—teacher professional development—is often mentioned as one of the largest expenses financed by BOS funds. In a school where over 50% of teachers are contract teachers, a reasonably large amount of the school's BOS funds is spent on Authorized Use 4. Meanwhile, most schools use their BOS funds to procure textbooks, but this does not take up a large proportion of their BOS funds because the purchases are not made all at once. Meanwhile, remaining BOS funds are usually allocated for other uses, such as minor maintenance and building and facility rehabilitation, school cleanliness, and benches and chairs for students.

Table 12. How Sample Schools Used Their BOS Funds

School	Accessibility	Student Population Size	Type of Usage
SD 1	Easy	Medium	<ol style="list-style-type: none">1. Expenses related to student learning and extracurricular activities: administrative tasks (preparing syllabi and other related to the learning process), photocopying, improving sixth grade students' readiness for their final examination (buying textbooks, funding practice examinations, and teacher overtime pay), teaching aids, and participation in various competitions.2. Examinations and tests.3. Purchase of nonrenewable materials: stationery, electricity, and water.4. Payment of contract teachers' salaries: Rp9 million each per year or Rp250,000 each per month.5. Teacher professional development through training (especially transportation costs and course registration fees).6. –7. –8. Others: library books, building maintenance (such as painting walls), and furniture.
SD 2	Easy	Large	<ol style="list-style-type: none">1. Student learning and extracurricular activities: teaching aids and the costs of student participation in various competitions, such as scouting, art, and the Healthy School competition. These costs include paying incentives to teachers for mentoring students or hiring an external coach, paying teachers for delivering extra lessons, uniforms, and transportation costs.2. Examinations and tests: test equipment (for regular tests and mid- and end-of-semester examinations).3. Nonrenewable materials purchase: stationery.4. Payment of contract teachers and school janitors' salaries.5. Teacher professional development: transportation costs for travel to teacher working group meetings.6. –7. –8. Others: construction of new classrooms, library, and toilets; purchase of new desks and chairs; and rehabilitation of school yard.
SD 3	Moderate	Medium	<ol style="list-style-type: none">1. Student learning and extracurricular activities: teaching aids, financing costs of student participation in competitions (including transportation, accommodation,

School	Accessibility	Student Population Size	Type of Usage
			<p>meals, and training (fee for mentors). Prizes for students who win first place.</p> <ol style="list-style-type: none"> Examinations and tests: photocopying and checking of daily tests. Nonrenewable materials: stationery and teachers' meals. Contract teacher salaries: six contract teachers, paid Rp400,000 each per month. – Textbooks for teachers and students. Assistance for poor students: uniforms, shoes, and books; and transportation allowances. Others: building maintenance and renovation of other school facilities, including paving in the schoolyard.
SD 4	Easy	Large	<ol style="list-style-type: none"> Student learning and extracurricular activities: teaching aids and remedial assistance. Examinations and tests: holding tryouts for the national examination, regular tests, and mid-semester and end-of-year examinations. Nonrenewable materials: stationery. Payment of contract teacher salaries and incentives for additional activities for all teachers. The additional activities are providing remedial assistance, running tryouts, checking regular tests, writing report cards, and checking papers. Teacher professional development through training—transportation costs. Workbooks for students. Assistance for poor students (up to Rp 100,000 per student): bags; shoes; and uniforms for 24 students. Others: minor renovations to school facilities, observance of the the Islamic prophet Muhammad's birthday, and graduation ceremonies.
SD 5	Difficult	Small	<ol style="list-style-type: none"> Student learning and extracurricular activities: student performance improvement activities, such as additional lessons, especially for sixth graders; participation in competitions on commemorative days such as Independence Day (17 August) and Education Day (2 May); yearly <i>kabupaten</i>-level activities for which attendance is mandatory; and activities such as scouting and national commemorative day activities. Examinations and tests: logistics costs for the national examination. Nonrenewable materials: stationery, classroom supplies, and food and drink for teacher meetings.

School	Accessibility	Student Population Size	Type of Usage
			<ol style="list-style-type: none"> 4. Payment of contract teacher and school support staff salaries: two contract teachers, paid Rp16,000 per day. In addition, teachers receive Rp20,000 per hour for delivering extra lessons for two hours a day. 5. Teacher professional development: training and seminars, especially for teachers' transportation to the venue, which costs Rp150,000 per person. 6. Textbooks and workbooks for students. 7. Assistance for poor students: uniforms, shoes, and Bags. 8. Others: minor rehabilitation of school building.
SD 6	Moderate	Small	<ol style="list-style-type: none"> 1. Student learning and extracurricular activities: student admission costs; teaching aids; remedial assistance; purchasing a tent (for scouting); school participation in <i>kabupaten</i>-level activities, such as an annual jamboree; sports competitions; and prizes for the three highest performing students in classes. 2. Examinations and tests: procurement of papers for regular tests and semesterly examinations. 3. Nonrenewable materials: stationery. 4. Contract teacher salaries and and payments to civil servant teachers for delivering extra teaching activities. Teachers are paid up to Rp750,000 per quarter each for checking tests; when combined with reimbursement for delivering extra teaching activities, this can reach Rp1 million. The payment for extra teaching is Rp20,000 per teacher for each two-hour session. 5. Teacher professional development: transportation costs for travel to teacher working group meetings. 6. Textbooks and workbooks for students. 7. – 8. Others: regular maintenance costs or minor repairs of school facilities (painting buildings and repairing leaking roofs), building a mosque and library, giving money to journalists.
SD 7	Difficult	Medium	<ol style="list-style-type: none"> 1. Student learning and extracurricular activities: teaching aids. 2. Examinations and tests: examination costs. 3. Nonrenewable materials: stationery. 4. Contract teacher and school support staff's salaries: contract teachers' salary is Rp4 million per month. For extra teaching activities, teachers are paid Rp5,000 per hour (maximum two hours per day).

School	Accessibility	Student Population Size	Type of Usage
			<ol style="list-style-type: none"> 5. Teacher professional development: every teacher receives over Rp100,000 for transportation and Rp 100,000 for course fees. 6. Textbooks and workbooks for students. The school purchased 225 sets of workbooks at Rp80,000 per set, with each set containing eight books. 7. – 8. Othes: six copies of magazines delivered by the <i>kabupaten</i> education agency costing Rp300,000; school fence renovation; replacement of damaged classroom floors; and student uniforms.
SD 8	Easy	Small	<ol style="list-style-type: none"> 1. Student learning and extracurricular activities: teaching aids, payment for delivering extra lessons in the afternoon (outside of school hours), student participation in several competitions. Prizes for highest performing students. 2. Examinations and tests: doubling examination supplies. 3. Nonrenewable materials: books, stationery, electricity, and water. 4. Contract teacher and school support staff salaries: the minimum salary of a contract teacher is Rp260,000 per month, while the salaries of teachers of specific subjects are based on teaching hours. Computer clerks are paid Rp100,000 per month; they only come to the school once a week. 5. Teacher professional development: transportation costs for travel to official meetings at the <i>kecamatan</i> or <i>kabupaten</i> education agency, such as teacher working group meetings, training courses, seminars, and workshops. 6. Textbooks for students. 7. Assistance for poor students: During one year, 40 students have received money for transportation costs to school. The amounts ranged between Rp2,000 and Rp3,000 each (around Rp90,000 per student every three months). Some of poor students were also provided uniforms, shoes, and books. 8. Others: window repairs.
SD 9	Difficult	Small	<ol style="list-style-type: none"> 1. – 2. Examinations and tests: semesterly examinations, transportation costs of sixth grade students who have to sit the national examination at another school. 3. Nonrenewable materials: stationery, such as markers.

School	Accessibility	Student Population Size	Type of Usage
			<ol style="list-style-type: none"> 4. Contract teachers' salaries (60% of the school's BOS funds). 5. – 6. Textbooks for teachers' reference. 7. – 8. Others: cleaning equipment, such as brooms and garbage bins.
SD 10	Moderate	Large	<ol style="list-style-type: none"> 1. Student learning and extracurricular activities: extra lessons and remedial classes, extra lessons for sixth grade students, school competitions for subjects, such as art and science (including preparation costs, equipments, mentoring). 2. Examinations and tests. 3. Nonrenewable materials: stationery and classroom supplies. 4. Contract teacher and school support staff's salaries: total spending on contract teachers' salaries is about Rp8,250,000 per quarter. Each teacher receives between Rp200,000 and Rp400,000 per month. Reimbursement for delivering extra lessons is Rp35,000 per session. Salary of BOS treasurer: Rp300,000 per month. 5. Teacher professional development: transportation allowance for travel to teacher working group meetings. 6. Textbooks for all students (students borrow the textbooks from the school). 7. – 8. Others: student admission committee costs (members provided with reimbursement for three days work and a meal allowance), repair of school facilities and furniture, construction of school fence and garden.
SD 11	Moderate	Small	<ol style="list-style-type: none"> 1. Student learning activities: additional lessons, teaching aids, prizes for students who win competitions. 2. Examinations and tests: student examination expenses. 3. Nonrenewable materials purchase: stationery, morning food and drinks for teachers. 4. Contract teacher and school support staff's salaries. Contract teachers are paid Rp 250,000 per month. Transportation costs for teachers' travel to the <i>kabupaten</i> education agency at Rp20,000 per trip per teacher. 5. Teacher professional development: transportation and food for attending activities such as teacher working group meetings. 6. Textbooks: only for teachers.

School	Accessibility	Student Population Size	Type of Usage
			<ol style="list-style-type: none"> 7. Transportation to school for poor students living in remote areas. Poor students are also given clothes, books, shoes, and bags for school. 8. Others: building maintenance and food for students who do not bring lunch.
SD 12	Easy	Large	<ol style="list-style-type: none"> 1. Student learning and extracurricular activities: reimbursement for teachers who provide extra lessons to sixth grade students; preparatory workbooks for examinations; student travel costs (paid by the school) to Independence Day and sports competitions—even to Jakarta; and interclass competitions held during the school’s anniversary. 2. Examinations and tests. 3. Nonrenewable material purchase: stationery and lunch for teachers every Saturday. 4. Contract teacher and school support staff’s salaries: salaries range from Rp700,000 to Rp1 million each per month. Transportation allowance for teachers who deliver extra lessons. 5. Teacher professional development: transportation allowance for travel to teacher working group meetings. 6. Textbooks. 7. Assistance for poor students: school uniforms for approximately 15 to 20 students. 8. Others: classroom repairs and maintenance, such as the replacement of the school building roof.
SD 13	Difficult	Medium	<ol style="list-style-type: none"> 1. Student learning activities: no BOS funds allocated for students participating in competitions or exhibitions or extracurricular activities. 2. Examinations and tests. 3. Nonrenewable materials: class stationery and routine meals and drinks for teachers. 4. Contract teacher and support salaries: six contract teachers are paid from Rp500,000 to Rp1.2 million each per month, depending on how long they work. All teachers, including civil servant teachers, receive additional reimbursement for writing report cards at Rp2,000 per student. Teachers also receive an incentive of Rp200,000 to Rp300,000 each per semester for delivering extra lessons. 5. Teacher professional development: transportation costs for travel to teacher working group meeting at <i>kabupaten</i> education agency. 6. Textbooks.

School	Accessibility	Student Population Size	Type of Usage
			7. – 8. Others: transportation costs for teachers and the principal, repair of furniture, and new desks.
SD 14	Difficult	Medium	1. – 2. Examinations and tests. 3. Nonrenewable materials: stationery. 4. Contract teacher and school support staff: contract teachers' salaries and reimbursement for additional teaching hours by contract and civil servant teachers. 5. – 6. Textbooks. 7. – 8. – 9. Others: wages of gardener (lawn mowing); transportation costs for school head teacher to visit or attend meetings at the local education agency; uniforms, hats, and books (for all students); and cupboards, desks, chairs, and cleaning equipment.

Only six schools specifically allocated BOS funds to assist poor students. However, as this use was not prioritized, only a relatively small amount of BOS funds was used for this purpose. The number of recipient students are limited to only one to three students per class. Recipients are categorized as poor based on their financial circumstances and/or unkempt appearance. The assistance usually is not provided continuously over one year, but rather distributed on a rotating basis among poor students. Similarly, the form of assistance given can change each year. Generally, schools choose not to provide assistance in the form of direct payments because most parents would not use it to buy school needs. The form of assistance given by the schools to poor students in the 2012–2013 academic year included:

- a) School supplies and equipment, such as uniforms, shoes, hats, veils, and notebooks. Uniforms are the most common item provided to poor students. Not all types of supplies are distributed evenly among poor students. For example, in a school in Kabupaten Polman, the form of assistance was adjusted according to students' needs, so that different students received different types of goods.
- b) Transportation money. A school in Kabupaten Lebak provides students with Rp100,000 quarterly in transportation money, whereas a school in Kabupaten Agam provides their students with Rp90,000 each quarter. At a school in Kabupaten Agam, transportation money was distributed on a rotating basis between 40 students, whereby 10 students received it each per quarter.
- c) Cash to buy school needs. A school in Kabupaten Polman provides grants to 24 poor students, with each receiving Rp100,000.

Some reasons why schools do not use their BOS funds to provide direct assistance to students are (i) the school believes that the BSM already serves this purpose; (ii) the number of students from underprivileged families at the school range from 50% to almost all students; or (iii) the school is concerned that using BOS funds in this way would create social envy between recipients' and nonrecipients' parents, which might ignite conflicts between the school, fund recipients and nonrecipients. Therefore, in two schools in Kabupaten Jayapura, for example, all students were given school supplies, especially red and white uniforms funded by BOS.

Actually, in the technical guidelines, [direct assistance using BOS funds] is only for poor students. But, in its application, parents of students [who do not receive the direct assistance] may protest out of envy because they have not received it as well. The students can actually leave school because their parents are angry that they did not get the same aid. (School head teacher, SD 5)

Almost all school head teachers and BOS treasurers said that BOS funds have to be spent in accordance with RKAS. They also admitted that, in practice, schools may have excess or insufficient funds. If schools found that they have excess BOS funds after three months, they generally use it to maintain school facilities and infrastructure. One school in Kabupaten Polman had experienced a funding shortfall, which they overcame by reducing their BOS expenditure in the following months. However, the school altered the RKAS to align it with the actual expenditure recorded in the school's accountability report to make it appear as though the funds were used as planned.

School Independence over BOS Funds

Opinions about schools' independence over their use of BOS funds were mostly voiced by school head teachers and BOS treasurers, with only a few teachers and school committee members expressing their view on the issue. In general, most informants consider that schools are not given complete autonomy because:

- a) The guidelines are too binding or rigid because schools are not allowed to deviate at all from the 13 authorized uses. Since schools cannot use BOS funds for sudden and unplanned needs, such as physical repairs and maintenance to school buildings, erecting a fence, procuring or repairing benches, chairs, or desks for students, procuring laptops for teachers, those needs cannot be fulfilled. The latest guidelines even prohibit schools from giving uniforms to students, while most students, especially in remote areas, urgently require them.

The technical guidelines limit schools' autonomy too much, and it's very binding. (School head teacher, SD 5)

- b) Funding for contract teachers is set to a maximum of 20% of each school's BOS funds.⁷ In small schools with a high number of contract teachers, this rule resulted in contract teachers receiving very small salaries, at less than Rp100,000 per month. These schools are unable to provide adequate incentives for teachers who deliver additional classes.
- c) The BOS regulations were decided at the national level, and they do not accommodate or suit local conditions.

At a glance, on a national scale, the technical guidelines are, of course, good as guidelines, but at the local level, they greatly hinder because local condition should be considered. (School head teacher, SD 5)

On the contrary, some informants are positive about schools' autonomy in managing their BOS funds because:

- a) BOS guidelines do not reduce school autonomy, but they provide those managing it with a guide that can prevent them from acting arbitrarily. The informants also assess that the regulations on authorized BOS uses are in accordance with school needs.

School has the autonomy, but it is bound by technical guidelines and that is already appropriate because there must be autonomy limitation. Even with limitation, there's still misuse. (Superintendent, SD 8)

- b) Schools still use BOS funds to cover needs that fall outside of the guidelines' authorized uses by reporting the expenditures under the approved categories.

Actually, we can manage the school's other needs that fall outside of the guidelines. However, the [accountability] report must be in accordance with the BOS guidelines. (School head teacher, SD 11)

This study identified that schools could use their BOS funds for needs other than the authorized uses set out in the guidelines. Schools only have to submit receipts for BOS uses detailed in their RKAS. Some schools even report expenses that do not comply with the guidelines. According to one school head teacher, as long as expenses fulfil the school's needs, no one can be blamed for wrongdoing.

[At this school,] reports are prepared transparently. If there are expenses that don't fall within the guidelines, we explain this during inspections. There is nothing to hide because [the funds are spent on] what the school needs. (School head teacher, SD 7)

In general, BOS fund expenditures by schools that do not comply with the guidelines can be categorized into the following three groups:

- a) Expenses for urgent needs. For example: construction of additional classrooms and school building maintenance; fence construction; and contract teachers' salaries, more than the 20% of total BOS funds limit.

⁷The 2014 BOS guidelines stated that BOS funds received by schools in one year can be used for (i) paying the salaries of contract teachers and support staff up to a maximum of 20%; (ii) buying additional textbooks up to a maximum of 5%; and (iii) purchasing internet/mobile modem facilities up to a maximum of Rp250,000. The guidelines also confirm that the central government provides additional funding for schools to buy books (for the new 2013 curriculum), which are transferred to the provincial government through a deconcentration fund scheme. Particularly for the salaries of contract teachers and support staff, the 2015 BOS guidelines state that the maximum percentage for this allocation is reduced from 20% to 15%.

- b) Unplanned expenses ordered or suggested by the *kabupaten* education agency, but not included in the school RKAS. For example: funding activities at *kabupaten* level and school head teachers' transportation to deliberations at the UPTD, buying student textbooks and workbooks provided by the local education agency.
- c) In addition, schools often receive external visitors, such as media and NGO representatives, on the pretext of conducting school checks. Ultimately, schools need to make contribution for the transportation costs.

In general, school head teachers and BOS treasurers do not face significant difficulties in managing their BOS funds, and they claimed to have sufficient experience. In addition, they receive briefings and/or training every year from the government and can consult in-person or via telephone with their *kabupaten* BOS manager or education agency, or even consult other third parties when they are experiencing a problem.

5.5 Results from Quantitative Analysis

This quantitative analysis was conducted to examine:

- a) The use of BOS funds at schools based on the 13 authorized uses in the BOS guidelines;
- b) How the use of BOS funds varies based on school size (the number of students per school or the amount of BOS funds spent by each school);
- c) How the use of BOS funds varies based on school location—either urban, rural, or remote; and
- d) How schools allocate their BOS funds, specifically for poor students.

Quantitative data was collected from two *kabupaten* during this study's field work, namely Kabupaten Agam in West Sumatra Province and Kabupaten Polman in West Sulawesi Province. The data collected is on the use of BOS funds at the school level based on the school accountability reports submitted to and compiled by the *kabupaten* education agency. The schools are requested to submit their accountability report every quarter (Q). However, not all schools had done so, thus affecting availability of data for this analysis. The following are more detailed explanations.

- a) The analysis of Kabupaten Agam is based on the data on the use of BOS funds by schools in the area during Q1 (January–March) and Q2 (April–June) in 2013. This is due to the limited availability of the data for Q3 and Q4; only few schools had submitted their Q3 accountability reports to the local education agency and almost none had for Q4. Of the total 446 schools that receive BOS funds in Kabupaten Agam, only 179 schools (40.7%) have submitted the Q1 and Q2 reports and are included in this analysis. Because the school year is divided into two semesters, we assume that the pattern of the use of funds does not significantly differ between semesters.
- b) The analysis of Kabupaten Polman is based on the data on the use of BOS funds by schools in the area throughout 2013. The research team did not get complete quarterly data from the education agency because schools in this *kabupaten* submitted their reports in hard copy format, making it difficult for the education agency to compile them for the study. The computer clerk had submitted the data from several schools—

particularly those located in the qualitative study areas—only after the team requested to access the agency’s data on the use of BOS funds. However, the data compiled is on the 2013 (RKAS), not on the actual uses of BOS fund in 2013. Of the 326 recipient schools in the *kabupaten*, only 76 (23.9%) had submitted their RKAS and are included in this analysis.

As these problems have persisted over several years, a new rule for schools was introduced in 2013. Schools must now submit their reports to the local education agency in a soft copy format. The rule came into effect immediately for schools in Kabupaten Agam, while in Kabupaten Polman, this policy will be applied in 2014.

5.5.1 General Use of BOS at the School Level

In Kabupaten Agam, 446 elementary schools—444 general elementary schools and 2 schools for children with special needs—are recipients of BOS funds. By October 2013, 179 of them (40.1%) had submitted their school accountability reports for Q1 and Q2 to the local education agency, with the proportion of schools located in remote areas being slightly lower than those in rural or urban areas. The same analysis cannot be conducted of schools in Kabupaten Polman because the data provided by the education agency is limited to only schools located in the qualitative study areas.

Table 13. Number and Percentage of Schools That Had Submitted Accountability Reports in Kabupaten Agam and Kabupaten Polman, 2013

Location	Kabupaten Agam			Kabupaten Polman ^a		
	Total No. of Schools	No. and % of Schools with Submitted Acc. Report		Total No. of Schools	No. and % of Schools with Financial Data Entered	
Urban	146	118	81%	104	61	59%
Rural	228	198	87%	96	0	0%
Remote	72	46	64%	126	17	13%

^aFor Kabupaten Polman, the data is limited to only that provided by the local education agency.

The quantitative analysis indicates that, in both Kabupaten Agam and Kabupaten Polman, the biggest single BOS expenditure was contract teacher and school support staff’s salaries at 20.2% and 27.5%, respectively. This authorized use consists of salaries for contract teachers, noncivil servant school administrative staff, librarians, security guards, and cleaning service staff, with the salaries of contract teachers being the largest. Schools are allowed to hire contract teachers due to the inadequate number of civil servant teachers. According to the education agency in Kabupaten Polman, there was an excess of 2,000 contract teachers in the *kabupaten*.

The second largest use of BOS funds in Kabupaten Agam was for the procurement of consumable goods, while in Kabupaten Polman, it is for learning and extracurricular activities—totaling 17.3% and 25.7%, respectively. Consumable goods included stationery, daily food and beverages, and spare parts of school’s equipment. In Kabupaten Polman,

only 6.8% was used for purchasing consumable goods, which was much lower than in Kabupaten Agam. In contrast, the portion of funds used for learning and extracurricular activities was much higher in Kabupaten Polman than in Kabupaten Agam, which spent only 17.3% of its BOS funds on these activities. The qualitative analysis reveals that most expenditure on learning and extracurricular activities was reimbursement, including payment for teacher overtime, teacher transportation costs for overtime, as well as transportation and accommodation costs for students and teachers when attending competitions.

It is interesting to highlight that schools in Kabupaten Agam and Kabupaten Polman spent approximately 3% and 4% of their BOS funds, respectively, for BOS funds management. This proportion is similar to the schools' spending on library improvement, which mainly consisted of buying textbooks for students. Library improvement expenditure was 2.4% in Kabupaten Agam—lower than its expenditure on school BOS funds management—and 5.4% in Kabupaten Polman. School BOS funds management expenditure included office stationery for administering BOS funding (including printing devices, ink, compact disks, and flash disks), photocopies, incentives for BOS treasurers for preparing accountability reports, and transportation cost reimbursement for travel to the bank to collect BOS funds in cash.

Figure 5. The Use of BOS Funds at Schools in Kabupaten Agam, 2013

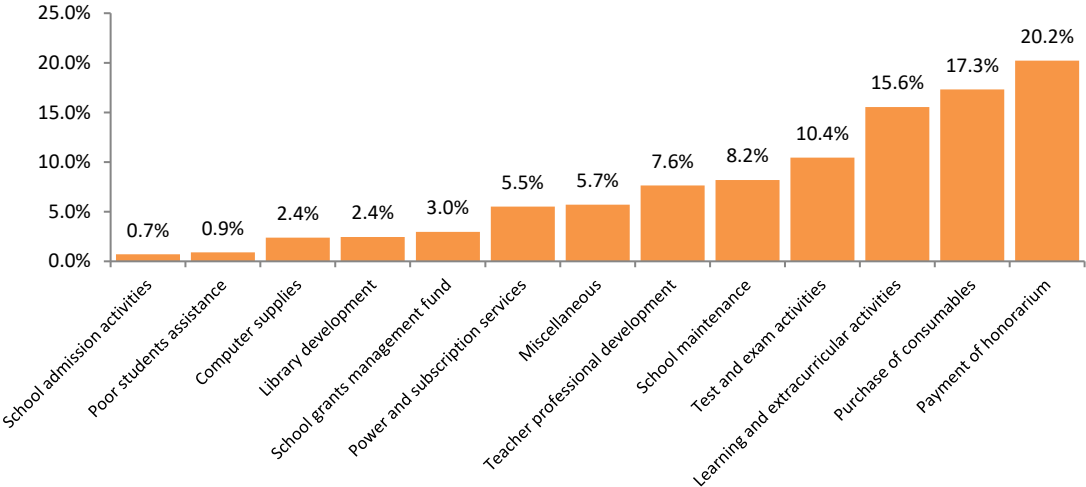
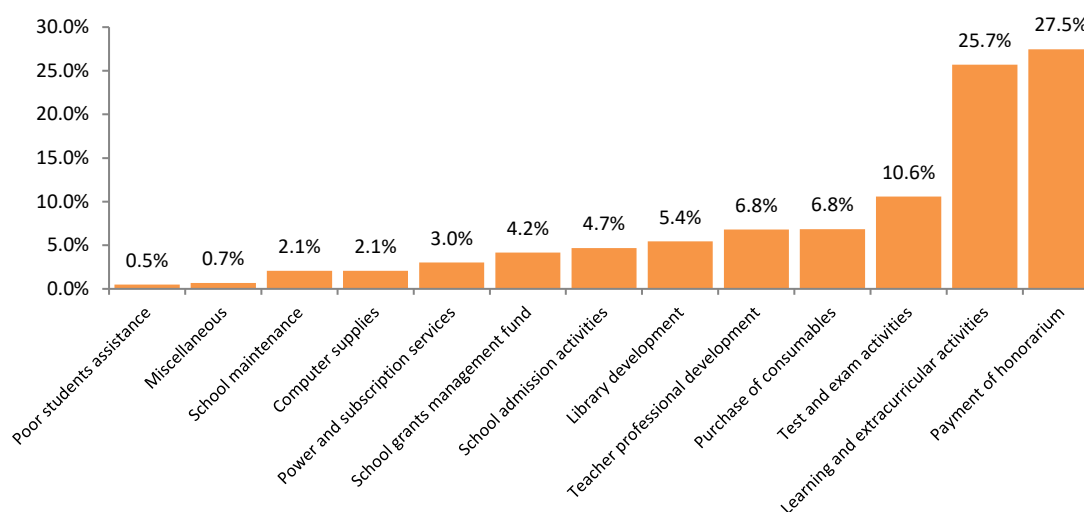


Figure 6. The Use of BOS Funds at Schools in Kabupaten Polman, 2013



The qualitative study indicates that schools, particularly those in remote areas, had to spend a larger proportion of their BOS funds on BOS administrative costs, including for transportation costs to attend the BOS briefing at the local education agency and to collect BOS funds at the bank, preparing the school accountability report, as well as transportation costs to submit the report to the local education agency. In Kabupaten Agam, schools in remote areas spent a slightly higher proportion of BOS funds on BOS administrative costs at 3.28%, compared to schools in urban areas at 2.87% (Table 14).

Table 14. Proportion of BOS Funds Spent on BOS Administration Fund Based on Location, Kabupaten Agam and Kabupaten Polman, 2013

School Location	Kabupaten Agam	Kabupaten Polman
	%	%
Urban	2.87%	4.13%
Rural	2.78%	n.a.
Remote	3.28%	4.28%

a) Spending on Contract Teacher and School Support Staff's Salaries

In addition to regulating the uses of BSO funding, the BOS guidelines also set the maximum and minimum proportions of the funds that schools may use for particular needs. According to the 2012 guidelines, schools are allowed to spend a maximum of 20% of their BOS funds on contract teacher and school support staff's salaries. Although it is no longer stated in the 2013 guidelines—which were changed to instead state that schools need to consider the maximum amount, but does not explicitly state the maximum amount—this study indicates that the 14 schools still follow the 2012 guidelines concerning contract teacher and school support staff's salaries. One justifiable reason for this is the late delivery of the 2013 guidelines to the schools. The document was received

by the schools between June and July 2013, while it should have been received in December 2012.

Of the 177 public elementary schools in Kabupaten Agam, 102 schools (57.6%) used 20% or less of their BOS funds to pay contract teachers and school support staff's salaries, while 75 schools (42.4%) spent more than 20%. There are two schools that spent more than 30% of their BOS funds on contract teacher and school support staff's salaries. In contrast, in Kabupaten Polman, the majority of schools spent more than 20% of their BOS funds on contract teachers and school support staff's salaries. The data collected reveals that 61 of 76 schools (82.4%) spent more than 20% of their BOS funds on contract teachers and school support staff's salaries, while only 15 schools (19.7%) spent 20% or less. Of the 61 schools that spent more than 20% on this, 25 of them (32.9%) spent higher than 30%, four schools (5.3%) spent more than 40%, and one school (1.3%) spent more than 50%.

Table 15. Proportions and Percentages of BOS Funds Used for Contract Teachers and School Support Staff's Salaries at Schools in Kabupaten Agam, 2013

Percentage of BOS Funds	Number of Schools	Proportion
≤ 20%	102	57.6%
21%–30%	73	41.3%
31%–40%	2	1.1%

Table 16. Proportion and Percentage of BOS Funds Used for Contract Teachers and School Support Staff's Salaries at Schools in Kabupaten Polman, 2013

Percentage of BOS Funds	Number of Schools	Proportion
≤ 20%	15	19.7%
21%–30%	36	47.4%
31%–40%	21	27.6%
41%–50%	3	4.0%
51%–60%	1	1.3%

b) Spending on Library Improvement

The 2013 BOS guidelines state that schools should spend at least 5% of their BOS funds on library improvement. This includes purchasing new books, replacing damaged books, publication subscriptions, and access to online information. A study by World Bank (2020) indicates that the availability of a library is a factor that affects teaching and learning, and thus influences learning outcomes. Figure 6 shows that, on average, schools in Kabupaten Polman used 5.4% of their BOS funds for library improvement, while schools in Kabupaten Agam used only 2.4% (Figure 5). The possible reason behind this discrepancy is that schools usually purchase textbooks at the beginning of the school year (July), while the

expenditure reports for schools in Kabupaten Agam only cover the period of January–June.

5.5.2 The Use of BOS Funds at the School Level per Quintile (Number of Students)

Quintiles in statistics terms are cut-off or defining points that divide data into five groups containing observations/values of possibly equal number. The analysis of the use of BOS funds at the school level per quintile is aimed at examining the differences in the uses of BOS funds between different-sized schools—based on their number of students or the amount of BOS funds they spent. Quintile 1 (Q1), generally referred to as the lowest 20%, consists of observations or schools whose number of students or whose BOS funds spending is in the lowest 20%. Q5, generally referred to as the top 20%, consists of observations or schools whose number of students or whose BOS funds spending is in the highest 20%.

In Kabupaten Agam, the student population size ranges from 33 to 373, with the majority of schools having less than 160 students. As shown in Table 17, 179 schools are divided into five groups of quintiles with the same number of schools per quintile (36 schools). Quintile 1, or the lowest quintile, consists of schools that have 33 to 72 students or receive Rp9,570,000 to Rp20,960,000 in BOS funds. The highest quintile (quintile 5) comprises groups of schools that receive the largest amount of BOS funds, ranging from Rp46,110,000 to Rp108,127,970.

Table 17. Number of Students and Total Amount of BOS Funds Received per Quintile in Kabupaten Agam, 2013

Quintile	Number of Students	Total Amount of BOS Fund Spent
1	33–72	Rp9,570,000–Rp20,960,000
2	74–99	Rp21,540,390–Rp28,819,225
3	100–122	Rp28,952,399–Rp35,400,000
4	124–157	Rp35,850,000–Rp45,634,232
5	159–373	Rp46,110,000– Rp108,127,970

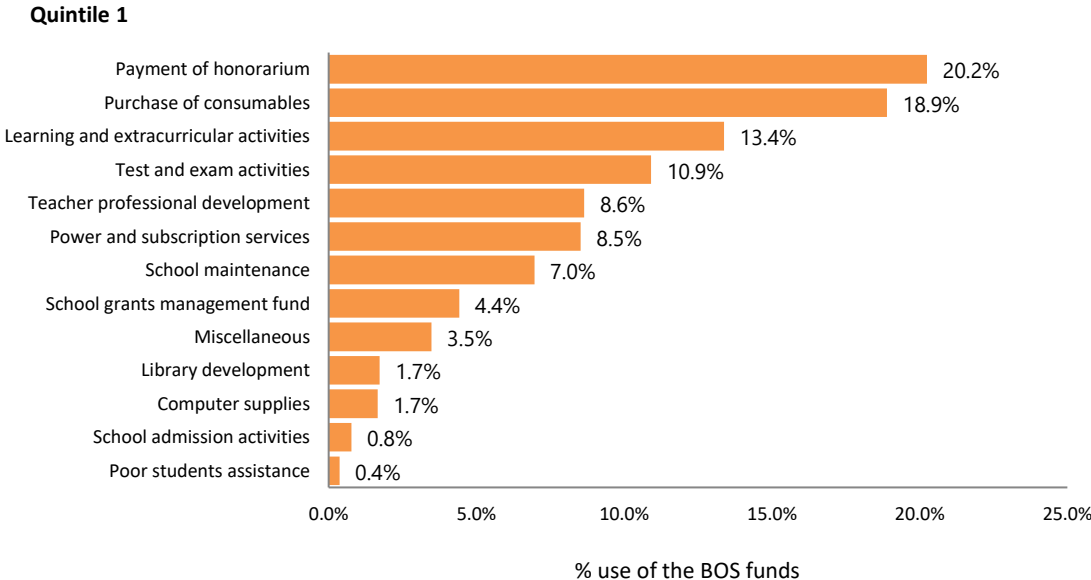
As for the schools in Kabupaten Polman, the number of students per school ranges from 40 to 509, with the majority of schools having less than 160 students. As shown in Table 18, all the 78 schools are grouped into five quintiles, with the same number of schools (16) per quintile.

Table 18. Number of Students and Total Amount of BOS Funds Received per Quintile in Kabupaten Polman, 2013

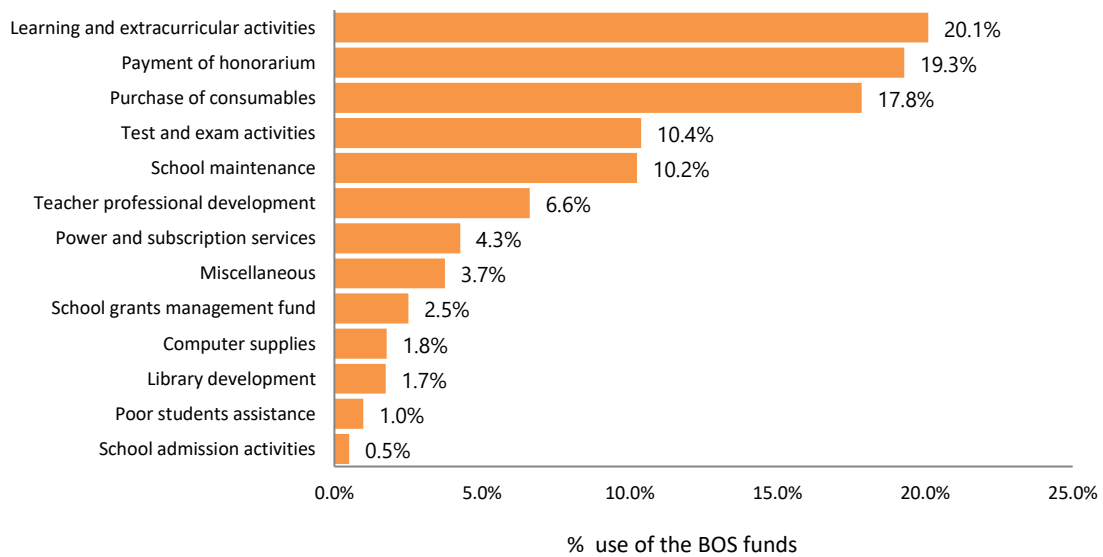
Quintile	Number of Students	BOS Funds Spent for Q1 and Q2 in 2013
1	40–85	Rp 23,200,000–Rp 49,300,000
2	87–131	Rp50,460,090–Rp75,980,000
3	134–172	Rp77,750,000–Rp99,760,000
4	175–270	Rp101,500,000–Rp156,600,000
5	272–509	Rp157,760,000–Rp295,220,000

There were several differences in the use of BOS funds between schools in Q1 and Q5. In Kabupaten Agam, the most significant difference was spending on learning and extracurricular activities, followed by utilities, and BOS administration costs. The proportion of BOS funds used for learning and extracurricular activities was much higher in Q5 than in Q1 at 20.1% and 13.4%, respectively. In contrast, schools in Q1 used a larger proportion of their BOS funds to pay for utilities compared to schools in Q5 at 8.5% and 4%, respectively. This authorized BOS use includes electricity, water, telephone, and internet services. As for BOS administration costs, the data shows that the schools in Q1 had to spend more than schools in Q5 at 4.4% and 2.5%, respectively.

Figure 7. Comparison of Total Amount Actually Spent by Schools in Kabupaten Agam, Q1 and Q5, 2013

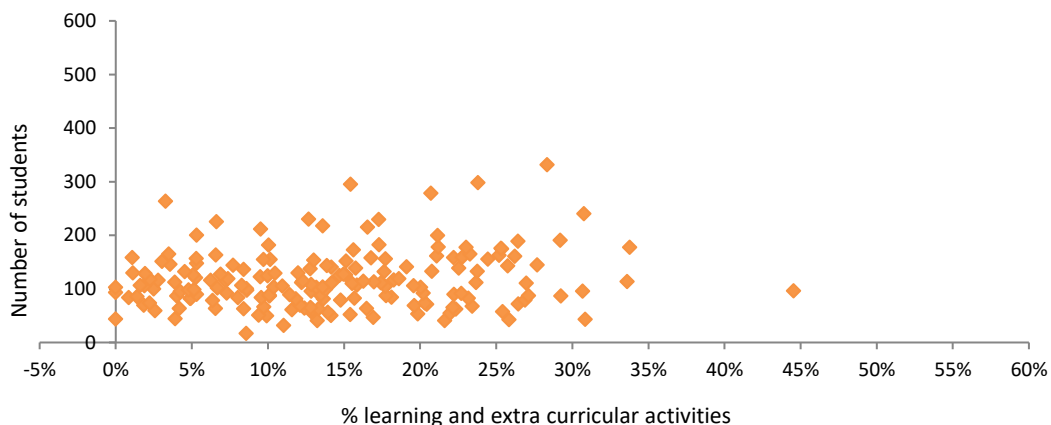


Quintile 5



To further verify how schools spent their BOS funds on learning and extracurricular activities, Figure 8 shows the relationship between the number of students and the proportion of spending for learning and extracurricular activities. There is no clear pattern showing that schools with a larger number of students spend a larger amount of their BOS funds on learning and extracurricular activities. Schools in Q5, which had more than 300 students, spent more than 15% of their BOS funds on learning and extracurricular activities.

Figure 8. Number of Students and Proportion of BOS Funds Spent on Learning and Extracurricular Activities in Kabupaten Agam

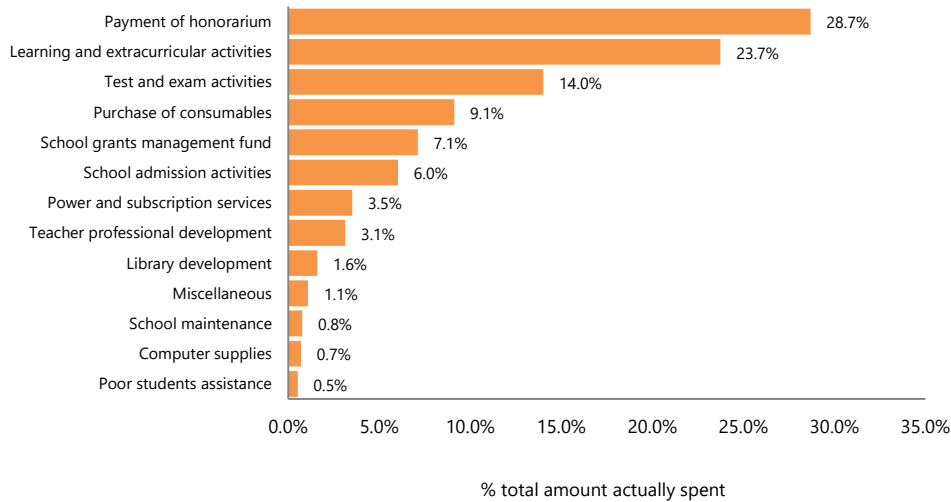


The same comparison between schools in Kabupaten Polman shows slightly different patterns. The most significant differences are in spending on library improvement, followed by BOS funds administration costs and the purchase of consumable goods. Schools in Q5 spent 8.3% of their BOS funds on library improvement, while those in Q1 spent only 1.6%. Similar to Kabupaten Agam, schools in Q1 in Kabupaten Polman also

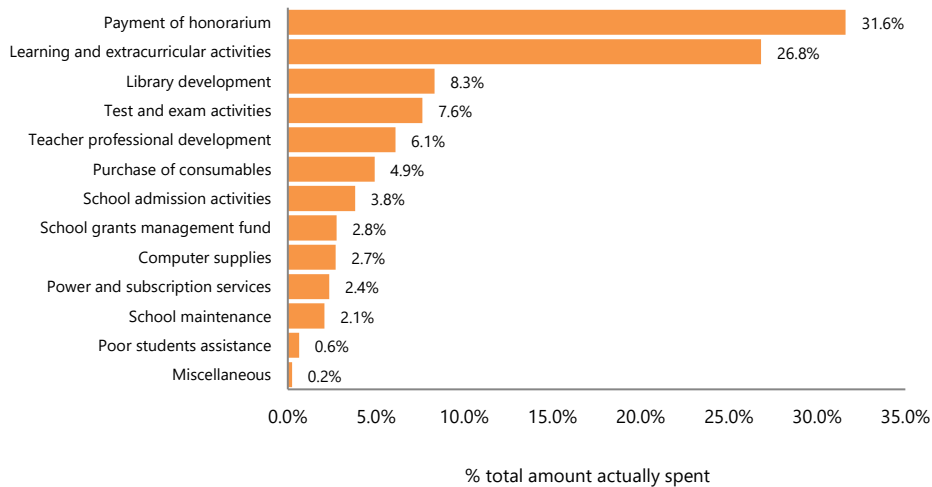
spent more on BOS administration costs compared to the schools in Q5 at 7.1% and 2.8%, respectively.

Figure 9. Comparison of BOS Funds Use by Schools in Kabupaten Polman, Q1 and Q5, 2013

Quintile 1



Quintile 5



It is important to highlight that, in a comparison of the two quintiles from Figure 9, the top 20% schools can spend more on expenses to improve the quality of teaching and learning, including on learning and extracurricular activities and library improvement, while schools from Q1 are only able to cover their basic operational costs. As shown in Table 19, there is a higher proportion of schools in remote areas than in urban areas in Q1, while the proportion in Q5 shows the opposite. The data shows that schools in remote areas generally have less students than schools in the urban areas. The qualitative study indicates that employing the number of students as the criterion for BOS funds distribution is not fair on schools that have a smaller number of students, most of which are located in remote areas.

Table 19. Proportion of Schools per Quintile (Number of Students) Based on Location, Kabupaten Agam and Kabupaten Polman, 2013*

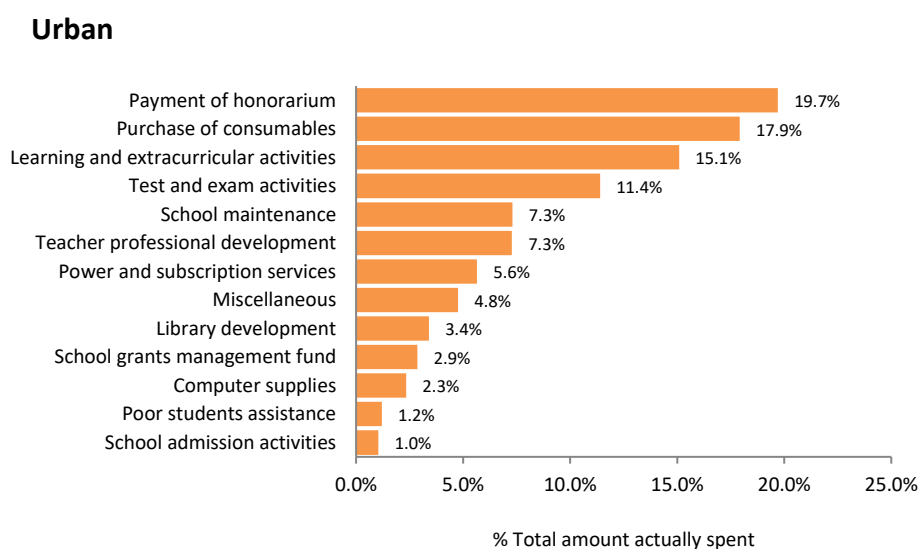
Quintile	Kabupaten Agam			Kabupaten Polman		
	Urban	Rural	Remote	Urban	Rural	Remote
1	10%	21%	39%	15%	13%	29%
2	12%	23%	28%	17%	17%	25%
3	27%	19%	12%	18%	21%	21%
4	23%	19%	12%	21%	25%	14%
5	29%	18%	8%	28%	24%	10%

*including schools that have not submitted their accountability report

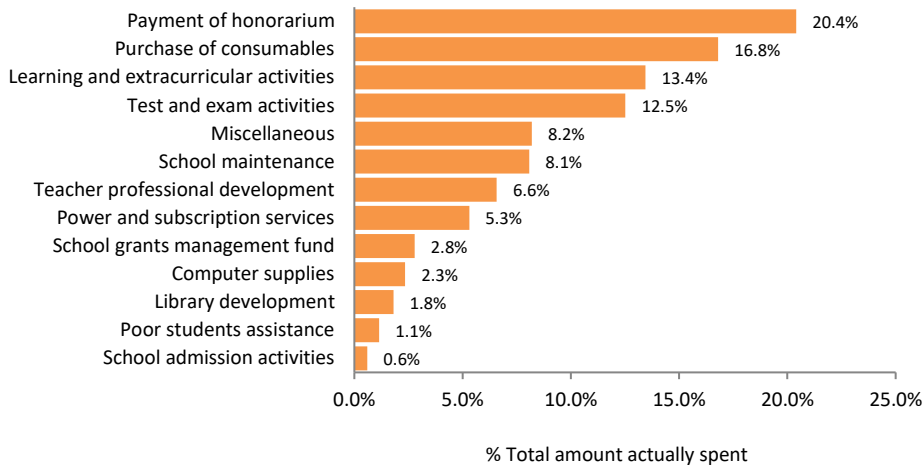
5.5.3 Schools' Use of BOS Funds by Location

The differences in the use of BOS funds based on school locations—urban, rural, and remote areas—are not as significant as those based on the number of students enrolled. Figure 10 shows that the highest proportion of spending for schools in Kabupaten Agam, both in urban and rural areas, is on contract teachers and school support staff's salaries, followed by the purchase of consumables. Meanwhile, for schools in remote areas, the highest proportion is spent on learning and extracurricular activities, followed by payment of contract teachers and school support staff's salaries.

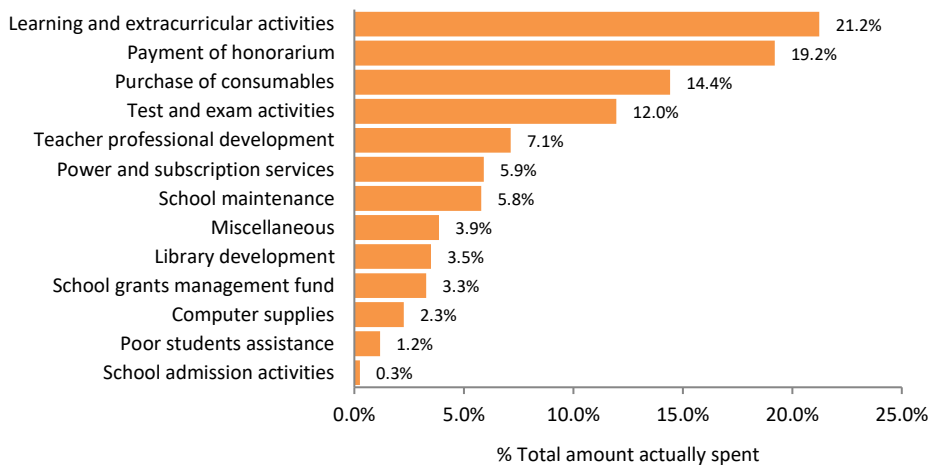
Figure 10. The Use of BOS Funds Based on School Location in Kabupaten Agam



Rural

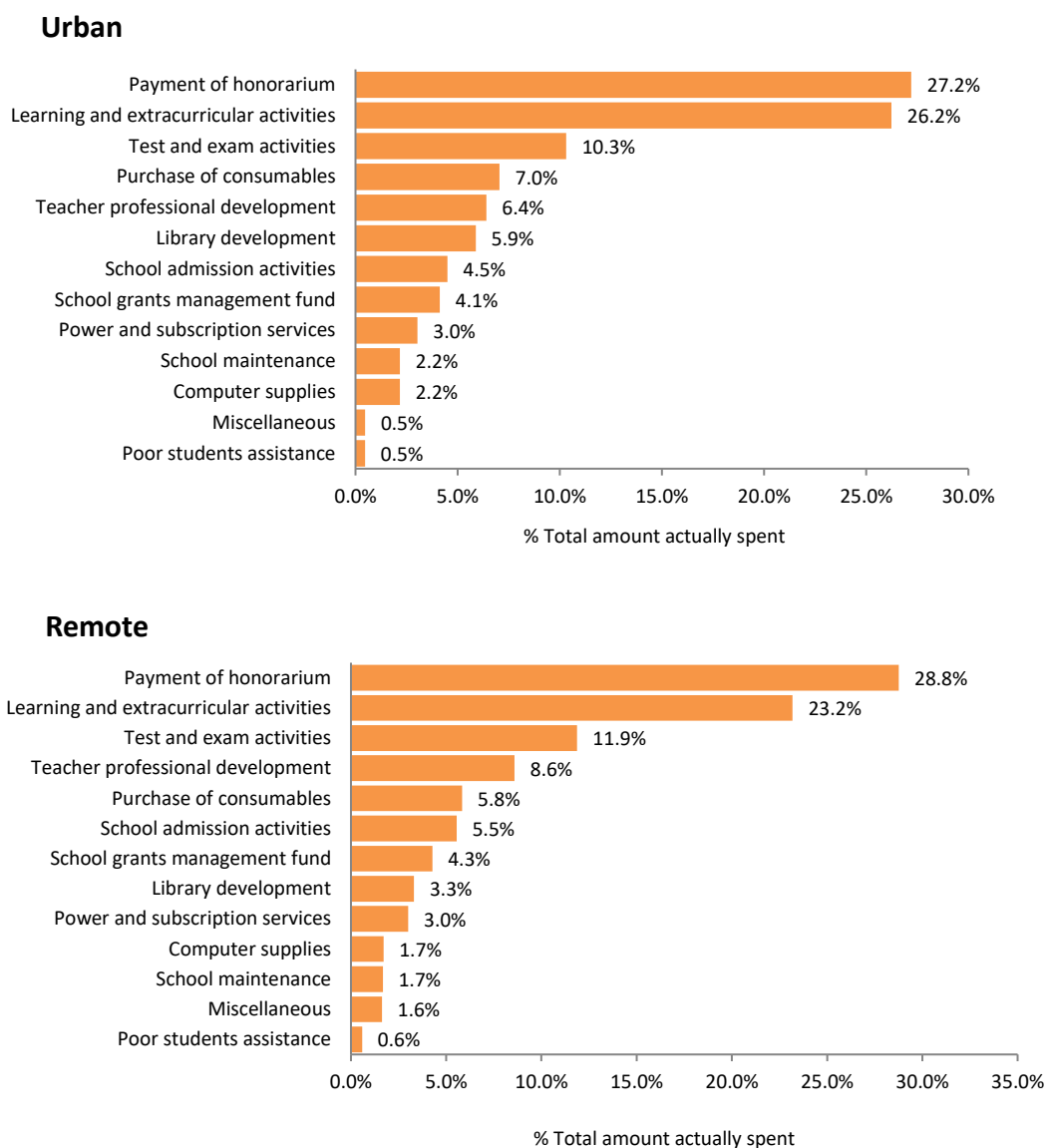


Remote



In Kabupaten Polman, payment of contract teachers and school support staff's salaries takes up the highest proportion of spending in both urban and remote areas, followed by spending on learning and extracurricular activities, which is slightly higher in urban areas than in rural areas at 26% and 23%, respectively. One significant difference is in the spending on library improvement. In urban areas, schools allocate on average 5.9% for library improvement, while schools in remote areas allocate only 3.3%.

Figure 11. The Use of BOS Funds Based on School Location in Kabupaten Polman



5.5.4 Use of BOS Funds for Poor Students

One of the specific purposes of the BOS Program, as stated in the guidelines, is to free poor students both in public and private schools from any fees and charges. This includes a transportation allowance for every poor student and the provision of modes of transportation, such as bicycles or boats, as well as providing uniforms, shoes, and stationery for poor students who receive BSM.

The quantitative analysis finds that about 70% of schools in Kabupaten Agam and 60% of schools in Kabupaten Polman did not allocate their BOS funds to poor students. Schools in Kabupaten Agam that do use their BOS funds to provide assistance to poor students spend between 0.1% to 15.7%, and schools that do likewise in Kabupaten Polman spend between 0.2% to 4.1%. The qualitative study finds there are two reasons for the relatively small proportion of BOS funds being used for poor students. Firstly, schools argue that a specific program aimed at helping poor students already exists—BSM. Secondly, it is not

easy for schools to provide assistance only to poor students since it would create jealousy among other parents whose children do not receive BSM. Even for targeted scholarship funds, some schools—particularly those located in poor areas—have to distribute the scholarship funds equally to all students, regardless of their parents' economic condition.

Table 20. Proportion of BOS Funds Spent by Schools on Poor Students, 2013

Percentage of BOS Funds	Kabupaten Agam		Kabupaten Polman	
	No. of Schools	%	No. of Schools	%
(none)	125	69.8%	47	60.2%
0.1%–1.0%	9	5.0%	17	21.8%
1.1%–2.0%	17	9.5%	12	15.4%
2.1%–3.0%	10	5.6%	1	1.3%
3.1%–4.0%	3	1.7%	0	0.0%
> 4.0%	15	8.4%	1	1.3%

Furthermore, we analyzed how the allocation of BOS funds to poor students differs between quintiles. In Kabupaten Polman, there is a clear linear pattern showing that the higher the quintile, the more schools allocate their BOS funds to poor students. In Kabupaten Agam, there no linear pattern between quintiles. Moreover, the numbers of schools that allocate their BOS funds to poor students are 17 in Q3; 8 in Q4; 15 in Q5; and 5 in Q1.

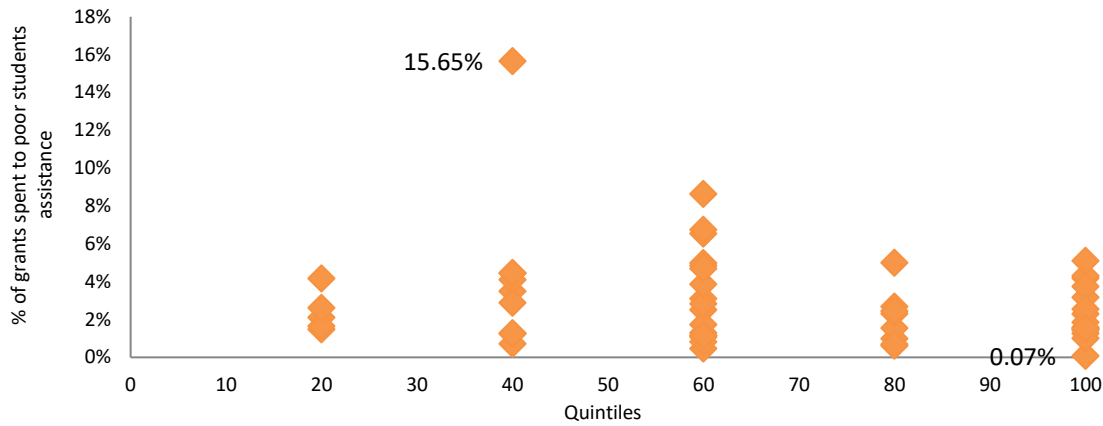
Table 21. Number of Schools That Allocated a Proportion of Their BOS Funds to Poor Students, 2013

Quintile	Kabupaten Agam		Kabupaten Polman	
	No. of Schools	%	No. of Schools	%
1	5	9.2%	6	19.4
2	9	16.7%	0	0%
3	17	31.5%	5	16.1
4	8	14.8%	10	29.3
5	15	27.8%	11	35.5

It is interesting to note that while there are more schools in Q5 in Kabupaten Agam that allocated their BOS funds to poor students compared to schools in other quintiles, Figure 12 shows that the highest proportion of BOS funds allocated to poor students (15.7%) was spent by a school in Q2, and the lowest proportion (0.1%) was spent by a school in Q5. This indicates that schools receiving larger funds did not necessarily allocate more of their BOS funds to poor students. In fact, these schools provided little assistance to poor

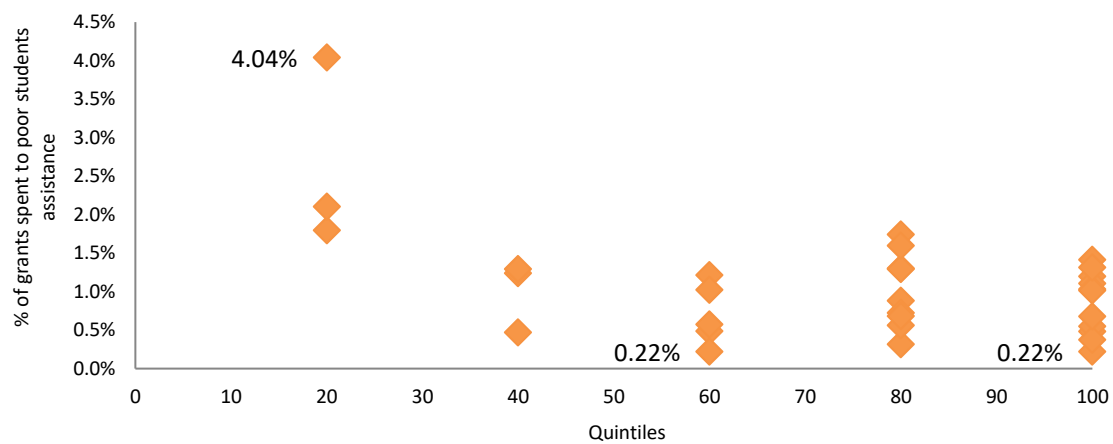
students compared to those that received less funds. On average, the proportions of schools that provided assistance to poor students in Q2 and Q5 are 4.3% and 2.4%, respectively.

Figure 12. Allocation of BOS Funds to Poor Students per Quintile in Kabupaten Agam, 2013



Similar to Kabupaten Agam, even though the number of schools using a portion of their BOS funds for poor students is highest in Q5, Figure 13 shows that, in Kabupaten Polman, the highest proportion of spending on assistance for poor students (4%) was by schools in Q1, and the lowest proportion was 0.2% by the schools in Q5. On average, schools that receive more funds tend to spend less on poor students. The average percentage of BOS spending on poor students is 0.9% in Q5 and 2.7% in Q1.

Figure 13. Allocation of BOS Funds to Poor Students per Quintile in Kabupaten Polman, 2013



As can be seen in Table 22, in Kabupaten Agam, there are more schools in urban and rural areas (33%) that allocate BOS funds to poor students than those in remote areas (24%). The percentage of the total BOS funds allocated is slightly higher for schools in urban areas (1.2%) than in remote areas (1.18%). In contrast, in Kabupaten Polman, there are more schools that allocate the BOS funds to poor students in remote areas (41%) than in

urban areas (24%). The proportion of BOS funds received is also higher for schools in remote areas (0.59%) than those in urban areas (0.47%).

Table 22. Number of Schools and Percentage of Spending on Assistance for Poor Students Based on Location, Kabupaten Agam and Kabupaten Polman, 2013

School Location	Kabupaten Agam		Kabupaten Polman	
	No. of Schools	% of Total BOS Funds Received	No. of Schools	% of Total BOS Funds Received
Urban	39 (33%)	1.20%	24 (39%)	0.47%
Rural	66 (33%)	1.14%	n.a.	n.a.
Remote	11 (24%)	1.18%	7 (41%)	0.59%

VI. Monitoring and Control of Bos Funds Use

6.1 At the School Level

The 2013 guidelines state that monitoring and supervision are to be conducted separately and in tiers. Monitoring is to be performed by the BOS management teams at the central, provincial, and *kabupaten* levels of government. Monitoring is also performed by parties external to BOS management teams, such community supervisory groups, to ensure the transparency of the program implementation.

In general, there is barely any formal internal monitoring on the use of the BOS funds at the school level. Most informants said that internal monitoring should be conducted by the school committee. The guidelines state that the use of BOS funds must be based on a mutual agreement between schools' BOS management team, the teachers' board, and school committee. However, thus far, committee involvement tends to be limited to signing school accountability reports. Committee involvement is low due to several reasons. Firstly, some committee chairpersons believe that schools have the right to manage BOS funds autonomously because only schools know exactly what they need. Therefore, committees are unwilling to conduct detailed supervision of BOS funds, such as the checking all the receipts for purchases made using BOS funds. Committees' ability to supervise BOS funds are also limited by pressure from the school head teachers. Secondly, committees consider that it is more appropriate for them to oversee school activities involving donations or contributions from parents rather than those funded by BOS funds. Thirdly, committees do not have a good understanding of the BOS Program. Committees are generally not included in BOS Program briefings. Finally, as previously mentioned, some committees are not active and see their role in the management structure as a formality only. Consequently, they only come to schools when invited or asked by their school to sign its accountability report. Yet in some schools, committees confirmed they would take action if they received reports from students' parents or the community regarding misuse of BOS funds at their school.

Four large schools located in the urban area stated that teachers monitor the use of BOS funds at their schools by involving teachers in the planning and procurement of various school needs. The chair of SD 2's committee said, "The school head teacher and teachers themselves control how the school budget is used and, in this case, BOS funds." In one large urban school, the teachers take turns in managing BOS-funded activities. They are responsible for everything, from purchasing materials for the activity and calculating the taxes paid to preparing reports and compiling receipts. The school head teacher of SD 4 reported, "With the division of roles and responsibilities, all teachers at the school automatically take part in overseeing the use of BOS funds."

The role of the parents and community in the supervision of BOS funds use in schools is almost nonexistent. Parents in general do not know who should monitor the school's BOS

funds or say it is the committee's role. Parents' lack of knowledge about the program is one reason why they do not assume a role in the supervision of BOS funds.

6.2 External Monitoring

External monitoring of schools' usage of BOS funds is conducted by a number of parties, including *kabupaten* BOS management teams, *kabupaten* inspectorates, superintendents, BPK, NGOs, and journalists.

Superintendents are employed by *kabupaten* education agencies, but stationed at *kecamatan* education agencies, servicing the schools within their respective *kecamatan*. Superintendents' main responsibility is overseeing teaching learning activities. On average, superintendents are responsible for supervising 3–10 elementary schools, depending on the region size. They usually visit schools one to two times each semester, particularly while schools are preparing for the final exam and to attend grade promotions. However, superintendents can visit schools with easy accessibility more often. In general, most informants, including superintendents, say that superintendents do not have the authority to monitor schools' usage of BOS funds. Some superintendents said that aside from not having the authority, they are also not adequately briefed on the BOS Program. There is no BOS briefing or specialized training for superintendents, and even some superintendents admitted to not having a copy of the guidelines. Yet, as mentioned by some superintendents, if there are any complaints from the community about the misuse of BOS funds by schools in their area, the *kabupaten* education agency usually asks the superintendent to investigate and, if possible, solve the problem.

Kabupaten education agencies' BOS management teams, led by a BOS manager, monitor the management of BOS funds mainly through the inspection of accountability reports that schools submit to the agency. According to school head teachers and BOS treasurers, the reviews of accountability reports conducted by *kabupaten* education agencies are often not very detailed or of an audit nature. Nonetheless, *kabupaten* education agencies often find problems with unpaid tax in schools reports. Additionally, BOS treasurers and head teachers gain the most benefits from this process, by being shown and learning from mistakes in their accountability reports. All schools studied said that they had never been sanctioned by their education agencies due to mistakes in their accountability reports. Education agencies only ask schools to revise reports containing errors and to finish incomplete reports. In addition, education agencies also conduct monitoring visits to schools unrelated to BOS funding. This monitoring is conducted using a sample system. In Kabupaten Lebak, around five schools were visited per *kecamatan*, while in Kabupaten Agam, around 10% of schools in the *kabupaten* are surveyed every year.

Regional Supervisory Boards (Bawasda), usually known as inspectorates, audit schools' usage of BOS funds annually. The audits can be conducted at schools or the *kecamatan* UPTD office. School head teachers are asked to attend the audits at the UPTD office. Inspectorates only audit sample schools instead of all schools in their region. In Kabupaten Lebak, around 400 schools are surveyed each year. In Kabupaten Agam, only 10% of schools are sampled, with a particular focus on schools that receive a high amount of BOS funds. In Kabupaten Polman, the inspectorate audits around 70% of schools. Only schools

that are hard to reach (located in remote villages with difficult accessibility), are not visited. In Kabupaten Jayapura, the inspectorate visits schools if they receive a report from the community or school about the misuse of BOS funds in the school involved. The BOS manager of Kabupaten Jayapura said, "The inspectorate visits [schools] only if there's a report. They only show up when they are required to. The inspectorate should come before the others arrive."

When inspectorates conduct their reviews from UPTD offices, they only check whether the accountability reports are complete and inspect schools' receipts. If conducted at schools, inspectorates checks also include inspecting goods bought using BOS funds. Inspectorates also verify information in accountability reports with teachers. Similar to the education agency's reviews of accountability reports, inspectorates also highlight problems related to tax, BOS funds expenditure that is inconsistent with the guidelines (such as using BOS funds to build school fences and purchase teachers' uniform), as well as incorrectly prepared receipts. To date, eight of the sample schools have been subject to monitoring by the inspectorate (three schools in Kabupaten Lebak, four in Kabupaten Polman, and one in Kabupaten Agam). None of these schools have ever been sanctioned by the inspectorate for violations of the guidelines. They have only been asked to improve their accountability reports and not to make the same mistakes the following year.

According to informants from *kabupaten* education agencies, inspectorates cannot monitor all schools because of the limited funding. The central government does not provide inspectorates with a budget to fund monitoring of the BOS Program. Inspectorates rely solely on limited funds from the *kabupaten* APBD. In Kabupaten Polman, for example, according to the BOS manager, time spent on monitoring has been cut short due to funding limitations. Ideally, inspections of all SD and SMP should take place over 30 days. However, this has been reduced to around 10–18 days.

Provincial-level BPK offices also oversee BOS funds expenditure. However, their monitoring is not regular and far fewer of the sample schools in this study were visited by provincial BPK compared to *kabupaten* inspectorates. Of the 14 schools in this study, only two said that they had been visited by their provincial BPK. One school in Kabupaten Agam was visited in 2012 and one school in Kabupaten Jayapura in 2010.

In addition to monitoring by government agencies, people purporting to be NGO staff and journalists visit schools to check on how BOS funds are being spent. They usually come directly after schools receive their BOS funds. Some schools strictly prohibit NGO staff or journalists checking their BOS fund report in detail, saying that they do not have the appropriate authority. Moreover, other schools are compelled to give visiting NGO staff and journalists transport money, usually from the school head teacher or BOS treasurer's personal funds, in order to make sure they do not spend too long looking into the school's affairs. The school head teacher of SD 10 said, "Journalists and NGO [representatives] usually ask about BOS funds use. I tell them to look at the board out front. However, if they ask for receipts, I don't want to [show them] because it's beyond their authority." According to one *kabupaten* BOS manager, some NGO staff and journalists genuinely monitor the management of the BOS funds at schools, and if they find any misuse, they report it to the head of the *kabupaten*.

VII. Overall Assessments

7.1 Contribution to Access, Equity, Quality, and School Functioning

7.1.1 Access

In general, most informants said that the BOS Program can increase community's access to education at the studied schools. After the introduction of BOS funding, parents were exempted from paying fees for admissions and monthly levies, as well as costs for student participation in extracurricular activities, examinations, and textbooks. Although some people did not know about the BOS Program, they generally know that sending their children to elementary school was free of charge. The program was also able to prevent students from dropping out of school. One school head teacher explained that there was a student in his school that was about to drop out of school due to financial reasons, but the child was then given stationery and a school uniform using BOS funds. Along with teacher support, the student was able to continue studying at the school.

Back then, before BOS funds were available, leading up to an examination, parents would be levied Rp2,500 per student. Only 60% of the targeted amount could be collected. (BOS treasurer, SD 11)

At the same time, some informants, in particular parents, said the BOS Program is not the only reason why community access to school has increased. Increased awareness among parents regarding the importance of education, as well as students' desire to study, has also played a role in increasing community access to education. A number of informants also stated that BOS funding cannot guarantee that there will be no student dropouts. Students dropping out of school is not only caused by financial factors, but also by other factors, such as parental divorce, antisocial behaviour, or negative environmental influences.

[Students'] enthusiasm for going to school is not merely because of the provision of BOS funds, but because of the childrens' own desire which encourages their parents to send them to school, and parents are also aware of this. (Parent, SD 11)

7.1.2 Quality

Almost all informants said that the BOS Program contributes to an improvement in the quality of education at their school. This improvement is actualized in several ways. Firstly, BOS funds enable schools to acquire more and improve existing support facilities for teaching and learning activities, meaning that teachers have more facilities and creative tools for delivering their lessons. Secondly, schools can provide after hour classes. Some schools only give these additional lessons to sixth graders to prepare them for the national examination. These additional classes were believed to improve students' national exam results although the improvement is not really significant. In some other schools, in addition to the sixth graders, additional class periods are also given to lower grade

students, especially for those unable to read or do basic mathematical calculations. BOS funds are used to pay teachers for delivering the extra lessons and to cover photocopying costs.

The informants also said that schools can improve the quality of the education they provide by conducting extracurricular activities paid by BOS funds, such as scouting, sports and arts activities, and participating in many interschool competitions. However, for schools with a small number of students, the limited amount of BOS funds they receive often results in the schools being unable to carry out many extracurricular activities. These smaller schools are also unable to afford to send their students to participate in various competitions.

BOS funds have also resulted in improved teacher motivation. In addition to fulfilling their needs for teaching aids, teachers also receive additional allowances, such as when they deliver additional lessons, mentor students during extracurricular activities, undertake proctor duties, and write student reports. They also receive a transportation allowance for travel to teacher working group meetings or other school assignments. A large school in Kabupaten Jayapura had a policy of giving prizes of Rp1 million to teachers upon completion of their undergraduate studies. The prize is meant to motivate teachers to continue their bachelor's degree. However, one of the school head teachers believed that an improvement in teacher motivation should not be based merely on having an incentive. He was worried that such motivation would quickly drop if the incentive was to be removed.

Before the BOS Program, teachers had to rely on their personal funds for classroom needs. Now, everything is paid for [by the school]. Just report to the school head teacher, then the teacher will be given money, then the purchase can be made alone as long as the receipt is provided. (BOS treasurer, SD 11)

Those who have completed a bachelor's degree will be [provided] Rp1 million for graduation expenses, so that teachers are encouraged to earn their bachelor's degree. (School head teacher, SD 12)

In contrast, at one remote school, the teachers said that the introduction of BOS funding has had no significant influence on the improvement of teacher motivation for teaching because they never receive the incentives their school head teacher is supposed to give them for delivering extra lessons, checking exam papers, and performing other teaching-related activities.

7.1.3 Equity

Most informants assessed that BOS funding has not been able to narrow the gap between urban schools and rural and remote schools. Some even said that the BOS Program tended to widen the gap. According to them, BOS funding only narrowed the gap between schools with similar characteristics and schools in the same *kecamatan*.

There were several factors, as revealed by informants, as to why BOS funding could not narrow the gap between schools. Firstly, it is because the amount of BOS funding schools

receive is based on their number of students. This means that schools with a small number of students, which are usually in rural areas with limited facilities, receive a very small amount of BOS funds. In contrast, schools in the cities with a large number of students and good facilities receive a large amount of BOS funds. In addition, another informant also commented that the prices of school supplies were lower in the cities than in remote regions. Parents in urban areas were generally more willing and able to contribute to school improvements. Meanwhile, in the remote regions where parents have poor financial conditions, schools' only source of funding are BOS funds.

Schools with complete facilities are preferred. They have many students and are more advanced and complete. On the contrary, for small schools lacking in facilities and not having many students, it's very difficult to keep up with the developed schools. (School head teacher, SD 5)

In the city, when we want to buy things, we don't incur transportation costs. It's not like this [for schools] in the mountains. (BOS treasurer, SD 5)

In the city, there are many rich people who make contributions to the school committee fund. Here, it's hard to ask for committee fund contributions. [Parents] ask why BOS funds [cannot be used] instead. Besides, now there are a lot of banners [on display with messages] about free education. (BOS treasurer, SD 5)

In relation to the gap between students at schools, informants provided two contradictory responses. Most informants believed that BOS funds narrowed the gap between poor and rich students. Firstly, that is because all students, both rich and poor, could benefit from BOS funds. Before the BOS Program, students had to buy their own books, and poor students were usually unable to afford them. After the BOS Program was introduced, all students obtain the same textbooks bought by their school using BOS funds. Furthermore, BOS funding assistance for poor students enabled them to have their own school supplies, such as a uniform and decent pair of shoes. In a large school in Kabupaten Agam, BOS funds of Rp90,000 per student per year was allocated to poor students. The funds were used to buy school supplies, including uniforms, so that poor students were on par with other students in terms of appearance.

All students can access textbooks, no matter whether they are rich or poor. As for poor students, they do not need to buy books, as they can borrow them from the school. The number of the books [available] is in accordance with the number of students. (Treasurer, SD 8)

In contrast, some other informants in small and remote schools said that BOS funding did not affect the gap between poor students and rich students. The reason being is that BOS funds at these schools are not sufficient to equip poor students with school supplies. Although schools give equal treatment, the difference between poor and well-to-do students is still apparent, at least in terms of their physical appearance.

7.1.4 Participation in School Operations and Management

a) School Administration

Almost all school head teachers, BOS treasurers, and teachers in this study felt that school administration improved following the introduction of the BOS Program. Before BOS funding, there was no funding allocation for buying stationery for administrative purposes. Teachers frequently had to use their personal money. In addition, schools' ability to prepare their accountability reports improved, with the reports becoming more orderly and financial statements documented more completely.

From the research team's observation, there is a striking difference between large and small schools. In large schools, a significant amount of information is placed on information boards around the schools, not only in the classrooms, but also in the teachers' staff room, as well as in the school corridors. One school even has an excessively large board, covering almost the whole school wall. In contrast, in one small school, the information board installed looked very minimal and contained only essential information, such as teacher timetables and the number of students.

Figure 14. School Information Board

Large school



Small school



b) Professional Relationships among Teachers

Most school head teachers, BOS treasurers, and teachers surveyed said that BOS funding does not greatly affect the relationship between the school head teacher and teachers, nor does it affect the relationship between teachers. Generally, informants said that relations between teachers were good before the BOS Program. However, some other informants stated that the relationship between teachers improved after the BOS program was introduced. This is because more activities can be held with BOS funding, resulting in greater and more intense interaction between teachers. In addition, at some schools, BOS funds are also allocated for food and drinks for teachers, which has encouraged teachers to gather in one room more often to simply share their experiences or to have informal discussions.

In contrast, at one school where the school head teacher was less open about his school's management of BOS funds, the teachers said that the relationship between the school head teacher and the teachers had been affected. According to parents of students at the school, the school head teacher's unwillingness to be transparent regarding BOS funding made the relationship between the teachers and the school head teacher strained, with teachers becoming unmotivated.

7.2 Challenges and Weaknesses

This study identifies five challenges and weaknesses of the BOS Program as revealed by the informants.

First, the most common challenge mentioned by the school head teachers, teachers, BOS treasurers, and school superintendents was that BOS funding led to parents and the public participating less at school in terms of contributing money, goods, and manpower. Schools experience problems obtaining voluntary contributions from parents when additional funds for activities not funded by the BOS Program are required, such as for the construction of school facilities. According to the informants, the "free schooling" campaign that the government launched in the early stages of the BOS Program and the lack of BOS Program briefings for the community became the root cause of weakening public contribution. Only the large schools in urban areas were not concerned about the reduction in parental contributions.

Second, limitations on the types of use of BOS funds by schools is a shortcoming of the BOS Program, according to informants, including school parents. The most troublesome limitation is that BOS funds cannot be used to build physical facilities at schools. Almost all schools stated their most pressing need was the development and maintenance of classrooms. Some schools also criticized the restriction of BOS funds expenditure on contract teachers' salaries to a maximum 20% of total BOS funds received, while parents complained that BOS funds are not directly distributed to students.

Third, delay in BOS fund disbursement is another problem mentioned by school head teachers, BOS treasurers, and teachers in this study. Although these delays were not as bad as the previous year, they can disrupt school operations, especially when schools are about to hold an exam. Delayed disbursement prompted schools to seek emergency funding, which usually comes from the school head teacher's personal funds.

Fourth, school superintendents, committee members, parents, and teachers complained that there is a lack of supervision of BOS funds. Current supervision is irregular and not conducted at all schools. Some schools, especially in Kabupaten Jayapura, also complained about the lack of transparency by their school head teacher regarding the management of BOS funds. This lack of transparency hinders the supervision by teachers and school committees of the management of BOS funds. Informants also complained that the sanctions aimed at discouraging actors who misuse BOS funds are unclear.

The fifth challenge, which only affected some schools, relates to the criterion for the distribution of BOS funds and the insufficient amount allocated per student. This weakness

was mentioned by all small schools and all schools in Kabupaten Jayapura. A problem was also experienced whereby BOS funds allocations were calculated based on the financial year rather than the school year, causing some schools to receive BOS funds that did not correspond with the number of enrolled students at the schools. Schools must return excess funding, but the procedure for rectification is unclear when schools receive insufficient funds, which often is disadvantageous to the school.

Table 23. Challenges and Weaknesses of the BOS Program

No	Type of Challenge or Weakness	Number of Schools Mentioning the Challenge or Weakness (Total Number of Schools = 14)
1	Weakens parent participation	10
2	BOS guidelines excessively limit use of funds (particularly as it cannot be used for construction)	9
3	Disbursement delays	7
4	Lack of supervision	4
5	Difficult report preparation (especially concerning tax)	4
6	Unfair distribution criterion	4
7	Insufficient funds received	4
8	Number of students is based on school year, but fund disbursement is based on budget year	2

7.3 Suggestions for Successful BOS Policy Implementation

Most informants in the schools in this study assessed that the BOS Program is a government program that could ease the financial burden of the community and provide certainty to schools concerning the availability of funds, hence allowing them to increase the number and improve the organization of learning activities. Therefore, all informants including committee members and parents, either at *kabupaten* or *kecamatan* education agency or school level, hoped that the BOS Program would continue.

To improve the implementation of the BOS Program in the coming years, informants at schools, *kabupaten*, and *kecamatan* levels whom the researchers met during this study had formulated a number of recommendations based on the stages of the program implementation. The recommendations that the researchers recorded during their interviews are as follows:

a) BOS Funds Allocation Criterion

The criterion for the allocation of BOS funds needs to be modified. This recommendation was made particularly by school head teachers, BOS treasurers, teachers, school

committee members at small schools or schools with difficult accessibility, as well as superintendents responsible for these schools. The current criterion, which entails an equal amount of BOS funds given to schools based on the number of students at each school, greatly disadvantages schools that have a small student population size and schools located far from the center of the *kabupaten* or in remote regions. More specifically, informants suggest three additional criteria for determining the allocation BOS funds in addition to the number of students, namely (i) *school size*—considering the provision of additional funds to schools with a small number of students (for example, fewer than 100 students)⁸; (ii) *the condition of school facilities*—schools without adequate basic facilities need to be provided with additional funds so as not to be below the standard of other schools; (iii) *geographical aspect or school location*—providing additional funds to remote schools, which have to bear higher prices and procurement costs for goods due to significantly higher transportation costs.

b) The Amount of BOS Funds Provided to Schools

The amount of BOS fund per student needs to be increased.⁹ School head teachers, BOS treasurers, and teachers in small schools and schools in Kabupaten Jayapura propose that BOS funds should range from an estimated Rp600,000 to Rp1 million per student per year, depending on the price of local goods, wage rates, and transportation costs. Education agencies suggest that the central government conducts an advanced study to determine tuition fees in every region.

c) Planning of BOS Funds Use

The most common recommendation mentioned by school committees and parents is that school committee members and parent representatives must be involved in the sensitive decision-making processes of BOS fund use at the school level, which requires transparent management. The planning of the use of BOS funds must involve all stakeholders at the school level, which are the school head teacher, BOS treasurer, teachers, school committee, parent representatives, as well as the superintendent.

d) Disbursement of BOS Funds

School head teachers, BOS treasurers, and teachers suggest that the disbursement of BOS funds must be conducted in a timely manner, which is at the beginning of each quarter or by the second week of January, April, July, and October. Postponed and irregular fund disbursement interrupts the teaching-learning process in schools and forces the school head teacher and teachers to borrow funds or take out loans.

⁸In the 2014 BOS guidelines, the government imposed the following policy for BOS fund allocation for small schools: (i) elementary schools with less than 80 students will receive BOS funds equal to 80 students and (ii) junior high school with less than 120 students will receive BOS funds equal to 120 students. This policy was readjusted. As stipulated in the 2015 BOS guidelines, elementary and junior high schools with less than 60 students will receive BOS funds equal to 60 students.

⁹Since 2015, the government increased the amount of BOS funds to Rp800,000 per student for elementary schools and Rp1,000,000 per student for junior high schools.

e) The Use of BOS Funds

School head teachers and BOS treasurers recommend that schools be given complete autonomy in managing their BOS funds, so that the funds can be used according to the real needs of each school, with a view to improving education access and quality. This research finds that there are still many schools that require infrastructure, such as more classrooms, a library, toilets, and school fence. Unfortunately, BOS funds cannot be used for constructing school facilities.

This study also suggest that the Ministry of Education and Culutral Affairs adds a statement to the BOS guidelines' "Chapter V. Use of BOS Funds" to allow schools to use BOS funds to help dropouts from poor families in the neighborhood to return to school, or to help enrol school-age children from poor families who have never attended school.

f) BOS Program Briefings for the Community

School head teachers, teachers, BOS treasurers and school superintendents argue that there needs to be a BOS Program information campaign for the community, especially parents and committee members, to provide a more accurate understanding of the "free school" policy, which has tended to erode their participation in school improvements.

g) Training for and Development of BOS Funds Management Capacity

Teachers, superintendents, and school committees recommend that training on the management of BOS funds be given periodically, involving not only the school head teacher and the BOS treasurer, but also teachers, the school committee, and the school superintendent. Computer literacy training for teachers is also necessary.

h) Supervision and Monitoring of the Use of BOS Funds at the School Level

The school committee's role in the management of BOS funds must be increased because it serves as a bridging role between the school and parents. This will avoid misunderstandings by the public of the management of BOS funds. Schools are obliged to install information boards displaying details on the school's use of BOS funds, which can be easily accessed by parents and the surrounding community.

i) External Supervision and Monitoring

School superintendents, committee members, parents, and teachers recommend that external supervision on the use of BOS funds be conducted, involving the *kabupaten* education agency, inspectorate, and BPK. The supervision must be conducted regularly and in all schools, not only sample schools. The supervisory role of school superintendents also needs to be improved, which can be done by giving superintendents more authority and improving their understanding of BOS fund management.

List of References

- Badan Pusat Statistik Kabupaten Lebak (2011) *Kabupaten Lebak dalam Angka 2011* [Kabupaten Lebak in Figures 2011] <<https://lebakkab.bps.go.id/publication/2012/12/06/d63fe0e3eccf154cfa489def/kabupaten-lebak-dalam-angka-2011.html>> [26 September 2012].
- Badan Pusat Statistik Kabupaten Agam (2011) *Kabupaten Agam dalam Angka 2010/2011* [Kabupaten Agam in Figures 2010/2011] <<https://agamkab.bps.go.id/publication/2012/03/27/0943944274860bb57f2d978e/agam-dalam-angka-2010-2011.html>> [13 September 2012].
- Badan Pusat Statistik Kabupaten Polewali Mandar (2011) *Kabupaten Polewali Mandar dalam Angka 2011* [Kabupaten Polewali Mandar in Figures 2011] <<https://polewalimandarkab.bps.go.id/publication/2012/01/02/b5ee4e1c96f1b16d7ef39a4b/polewali-mandar-dalam-angka-2011.html>> [7 September 2012].
- Badan Pusat Statistik Kabupaten Jayapura (2011) *Kabupaten Jayapura dalam Angka 2011* [Kabupaten Jayapura in Figures 2011] <<https://jayapurakab.bps.go.id/publication/2012/04/27/91537538fa9893d5aea3f65a/kabupaten-jayapura-dalam-angka-2011.html>> [9 September 2012].
- Isdijoso, Widjajanti, Hastuti, Syaikhu Usman, Nina Toyamah, Bambang Sulaksono, Sri Budiayati, Wenefrida Dwi Widyanti, Meuthia Rosfadhila, Robert Justin Sodo, and Sami Bazzi (2006) 'A Rapid Appraisal of the PKPS-BBM Education Sector: School Operational Assistance (BOS)'. Research Report. Jakarta: The SMERU Research Institute <<https://smeru.or.id/en/publication/rapid-appraisal-pkps-bbm-education-sector-school-operational-assistance-bos>> [18 September 2012].
- World Bank (2020) 'Infrastructure, Learning Complements, and Student Learning: Working Together for a Brighter Future'. Report. Washington, DC: World Bank. DOI: 10.1596/34890.

Government Laws and Regulations

- Regulation of the Minister for Education and Culture No. 76 of 2012 on Technical Guidelines for the Use and Financial Accountability of School Operational Assistance Funds for the Fiscal Year 2013 [Peraturan Menteri Pendidikan dan Kebudayaan No. 76 Tahun 2012 tentang Petunjuk Teknis Penggunaan dan Pertanggungjawaban Keuangan Dana Bantuan Operasional Sekolah Tahun Anggaran 2013].

Regulation of the Minister for Education and Culture No. 51 of 2011 on Technical Guidelines for the Use of School Operational Assistance Funds and Financial Reports on School Operational Assistance Funds for the Fiscal Year 2012 [Peraturan Menteri Pendidikan dan Kebudayaan No. 51 Tahun 2011 tentang Petunjuk Teknis Penggunaan Dana Bantuan Operasional Sekolah dan Laporan Keuangan Bantuan Operasional Sekolah Tahun Anggaran 2012].

Regulation of the Minister for Education and Culture No. 101 of 2013 on Technical Guidelines for the Use and Financial Accountability of School Operational Assistance Funds for the Fiscal Year 2014 [Peraturan Menteri Pendidikan dan Kebudayaan No. 101 Tahun 2013 tentang Petunjuk Teknis Penggunaan dan Pertanggungjawaban Dana Bantuan Operasional Sekolah Tahun Anggaran 2014].



 Jl. Cikini Raya No. 10A
Jakarta 10330 Indonesia

 +62 21 3193 6336

 +62 21 3193 0850

 smeru@smeru.or.id

 smeru.or.id

   The SMERU Research Institute

 @SMERUInstitute

 @smeru.institute