

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1915



INTRODUCED BY THE HONORABLE GERRY A. SALAPUDDIN

EXPLANATORY NOTE

The Islamic educational institution known as Madrasah has undergone a process of evolution commencing from the traditional family-based education of the Holy Qur'an to the community-organized and more sophisticated institution that it is today.

As proof of the growing awareness of the significance of Islamic philosophy as an essential component of the larger Philippine educational system, Islamic Studies have been included in both the undergraduate and graduate programs at the Institute of Islamic Studies of the University of the Philippines and at the King Faisal Center for Islamic and Arabic Studies of the Mindanao State University. The study of the Arabic language has also been integrated in the curricula of higher education of both institutions as well as in the Foreign Service Institute of the Department of Foreign Affairs. Private schools have also started to offer courses in Arabic and Islamic Studies.

Despite the above-mentioned developments, the Madrasah has yet to fulfill the educational needs of the majority of the Muslim population of the Philippines. There are presently about 2,000 Madaris serving the needs of the Muslims and the other indigenous cultural minorities. But there is no standard in the facilities and the quality of education offered by these Madaris. This is compounded by the problem of the lack of funds to finance the acquisition of additional facilities and instructional materials, the construction of additional classrooms, and the training of Madrasah teachers and administrators.

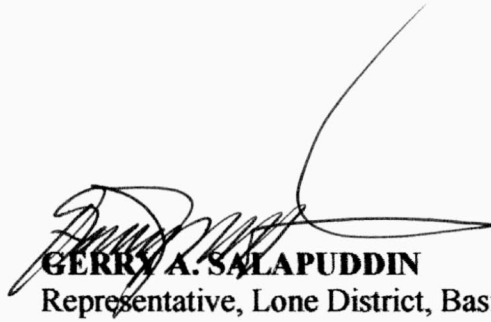
To overcome these problems this Bill seeks to establish a permanent trust fund to be known as the Fund for Madrasah Education (FAME). The FAME is envisioned to be under the supervision of a Board acting as the Trustee of the Fund, which shall be managed by a Secretariat under the stewardship of an Executive Secretary.

As a safeguard to ensure the non-impairment of the Fund, this Bill also provides for the corresponding guidelines and criteria for its use and allocation. The Board of Trustees will also be required to submit copies of the annual financial statement of the FAME within sixty days

from the close of each calendar year, to Congress as well as to the Office of the President.

The approval of this Bill will be in consonance with the policy of the State as embodied in BP No. 232 “to promote the right of the nation’s cultural communities in the exercise of their rights to develop themselves within the context of their cultures, customs, traditions, interests, and beliefs.”

Approval of this bill is therefore earnestly sought.



GERRY A. SALAPUDDIN
Representative, Lone District, Basilan

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AN ACT
STRENGTHENING THE MADRASAH EDUCATION SYSTEM AND
PROVIDING GOVERNMENT ASSISTANCE TO MADRASAH
EDUCATION THROUGH THE ESTABLISHMENT OF THE FUND FOR
ASSISTANCE TO MADRASAH EDUCATION, APPROPRIATING
FUNDS THEREFOR, AND FOR OTHER PURPOSES

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Title.* This Act shall be known as the FUND ASSISTANCE FOR MADRASAH EDUCATION ACT OF 2004.

SEC 2. *Declaration of Policy.* It is a declared policy of the State to promote and ensure that quality education is accessible to all Filipino citizens, regardless of cultural origin, conviction, creed, or belief. The State recognizes the invaluable role of private educational institutions, including Madaris, in educating the citizenry, and in preparing them for responsible roles in nation-building.

The development of the Islamic philosophy of education along with the national goals of education and the development of a national heritage are desirable goals of the State. For this purpose, the State shall ensure a sound and stable management of the Madrasah as an Islamic institution forming an essential component of the Philippine Educational System, by providing for a perpetual source of funding for its operations and expansion.

SEC 3. *Madrasah Curriculum.* The Madrasah curriculum shall be enriched and harmonized in order to make it compatible with the formal educational system. Equivalency, learning accreditation, experience-based learning, and other innovative education approaches shall be utilized in order to make possible the smooth transition of the recipients of Madrasah education system to the formal educational system, and vice-versa.

SEC. 4. *The Fund for Assistance to Madrasah Education: Its Creation and Purpose.* There shall be created the Fund Assistance for Madrasah Education (hereinafter FAME or the Fund), which shall serve as a foundation to continually finance and support the operation of Madaris throughout the Philippines. For its seed capital, the amount of One Hundred Million Pesos (P 100,000,000.00) Philippine Currency is hereby appropriated from the funds of the National Treasury.

In order to augment the said seed capital, the FAME shall solicit and receive grants, loans, donations, and any other forms of assistance from domestic or foreign sources.

The assistance received by the FAME shall be held in trust, and only the earnings thereof in the form of dividends, interest, and profit of similar nature shall be utilized to support and maintain the programs and operations of the FAME.

SEC. 5. *The FAME Board of Trustees: Its Composition.* There is hereby created the FAME Board of Trustees (hereinafter the Board), which shall serve as the trustee of the FAME, as well as serve as its policy-making body. The Board shall be composed of ten (10) members as follows:

- (a) The Secretary of the Department of Education as Chairperson;
- (b) The Regional Governor of the Autonomous Region in Muslim Mindanao as Co-Chairperson;
- (c) The Executive Director of the Office on Muslim Affairs as Vice-Chairperson;
- (d) Representative from Region 9;
- (e) Representative from Region 10;
- (f) Representative from Region 11;
- (g) Representative from Region 12;
- (h) Representative from Northern Luzon;
- (i) Representative from Metro Manila; and
- (j) Representative from the Visayas as Members.

The Chairperson, Co-Chairperson, Vice Chairperson, and Members of the Board shall be appointed by the President of the Philippines within sixty (60) days from the approval of this Act.

The Members of the Board from Regions 9, 10, 11, 12, Northern Luzon, Metro Manila, and the Visayas shall be appointed by the President of the Philippines from among those nominated by the administrators of the Madaris of their respective geographical units for a term of three (3) years and shall hold office until their successors shall have been appointed and qualified. They shall be of proven educational capability and possess the appropriate qualifications and expertise in the Islamic culture, customs, traditions, and philosophy.

The Members of the Board shall serve without compensation but they shall receive a reasonable per diem not exceeding two thousand pesos (P 2,000.00) per month, and reasonable travel allowances.

SEC. 6. *Powers and Functions.* In order to carry out the effective implementation of this Act, the Board shall exercise the following powers and functions:

- (a) Formulate and lay down the policies on developmental programs and projects of the FAME as well as the solicitation of funds and the expenditures thereof;
- (b) Establish priorities, which shall be reviewed periodically and revised in accordance with existing conditions, among the various possible project areas defined in the guidelines hereinafter set forth in Section 13 hereof;
- (c) Determine the proper use and application of the income, capital gains, and other profits of the FAME, including final action on the individual application for grants and/or loans;
- (d) Avail of professional and technical assistance and expertise to enhance the capabilities of FAME;
- (e) Ensure the non-impairment of the Fund by engaging the services of an independent certified public accountant who shall prepare an independent financial report, which report shall be subject to review by the Commission on Audit.

SEC. 7. *The Secretariat and the Executive Director.* There is hereby created the Secretariat, which is the implementing arm of the Board. The Secretariat shall be headed by an Executive Director, who shall be a Muslim of known probity and integrity, with extensive experience in educational management. He shall be appointed by the Board upon majority vote of its members, and shall serve for a period of three (3) years, subject to renewal, and may be removed for cause after due notice and hearing by the Board.

Other personnel as may be necessary to carry out the objectives of the FAME shall be appointed by the Executive Director with the approval of the Board, provided that, in no case shall more than twenty-five percent (25%) of the personnel belong to one tribe. These personnel shall receive such compensation and benefits as provided for under existing laws.

SEC. 8. *Functions and Responsibilities of the Secretariat.* The Secretariat, under the stewardship of the Executive Director, shall take charge of the day-to-day operations of the FAME and shall exercise the following duties and responsibilities:

- (a) To execute the policies formulated by the Board;
- (b) To manage and administer the activities of the FAME, and coordinate and follow-up the implementation of the same;
- (c) To conduct research and studies relevant to the goals of the FAME and to submit recommendations thereon to the Board;
- (d) To prepare and submit to the Board its annual budget and the quarterly and annual reports on the activities of the FAME, together with its proposed development plans;
- (e) To act as the Secretariat of the Board during its meetings, and to keep a record of the proceedings of the said meetings;
- (f) To perform such other duties as may be assigned to it by the Board.

SEC. 9. *Non-Impairment of the Trust Fund.* To ensure the permanent character of the Fund, it shall be operated strictly as a capital fund for investment and reinvestment. It shall be maintained intact with only the net earnings thereof to be utilized for financing programs of assistance to Madrasah education.

SEC. 10. *Rules for Determining Impairment or Non-Impairment of the Trust Fund.* For the purpose of determining whether or not the trust fund herein constituted is being maintained intact and unimpaired, a determination must be made on April 30, August 31, and December 31 of each year, hereinafter known as the determination dates, in accordance with the following rules:

- (a) If as of a determination date, the total of the cash on hand and in the bank, the market value of the investment then held after adjusting for all accrued expenses as of the date be at least equal to the dollar equivalent of the Fund as provided for in Section 4 hereof, or as such trust fund as may have been augmented in accordance with the provisions of Section 12 hereof, then in that event the trust fund shall be deemed to have been maintained intact and unimpaired; Provided that if any part, or all, of the Fund shall be converted into Philippine pesos, or invested in the Philippines in assets the value of which is normally denominated in Philippine pesos, then the value of the Fund which is not to be impaired will be determined in Philippine pesos for whatever portion of the fund is so converted, said value to be calculated by multiplying the actual number of dollars converted times the rate of exchange prevailing at the time the conversion or conversions are actually made.
- (b) If as of a determination date, the total of the cash on hand and in the bank, the market value of the investments then held be less than the dollar value of its peso equivalent or the trust fund as provided in Section 3 hereof, or as such trust fund may have been augmented in accordance with Section 12 hereof, then the trust fund shall be deemed not to have been maintained intact and unimpaired.
- (c) Should the trust fund be determined not to have been maintained intact and unimpaired as of a determination date, then in that event no disbursement for programs or projects of assistance to Madrasah education shall be authorized until after the succeeding determination date at which it shall be shown that the impairment of the trust fund has been remedied by the application of stricter control on the programming of expenses and other disbursements, or

through the appreciation of the value of investments held or the receipt of additional cash derived from profits, dividends or other rights on investments or from the proceeds of sale of investments whose value has been appreciated. Nothing in this paragraph shall, however, be construed to prevent the payment by the Board of reasonable expenses incident to the investment operations of the Fund as distinguished from expenses or disbursements for programs of assistance to Madrasah education. Neither shall the Board be deemed to have been temporarily unauthorized from paying the compensation of the administrative staff it had previously hired and could not lay off in the meantime either on legal grounds or because of the serious disruptive effects any such lay-off may entail on the operations of the Fund.

SEC. 11. *Net Earnings from Investment of the Fund.* The Fund shall be deemed to have net earnings that may be earmarked or disbursed for financing programs of assistance to Madrasah education if as of a determination date the total of the cash on hand and in the bank, the market value of the investments then held, after adjusting for accrued expenses as of that date, be in excess of the dollar value or its peso equivalent of the trust fund provided in Section 4 hereof, or as such fund may be augmented in accordance with the provisions of Section 12 hereof. The dollar value of its peso equivalent of such excess shall be the maximum level of funds that may be earmarked or disbursed for financing programs of assistance to Madrasah education for the period immediately following a determination date at which earnings have been established and until the succeeding determination date. In order to provide a hedge against the impairment of the trust fund, the Board shall, as far as practicable, refrain from committing funds for programs of assistance to Madrasah education in excess of ninety percent (90%) of such net earnings.

SEC. 12. *Additions to Trust Fund.* The trust fund herein constituted may be augmented from time to time by grants, donations, or other lawful transfers by the Government of the Philippines or any other public or private entity, the disposition of the principal and/or the income of which shall likewise be governed by the provisions of this Act, or by such special terms and conditions as may be imposed in the particular deed, bequest, or other instrument or transfer covering such grants, donations, or other transfer, and agreed to by the Board. Any unused earnings may be capitalized to increase the principal of the Fund.

SEC. 13. *Guidelines for Board Decisions.* In arriving at decisions on individual project applications for grants, loans, or other forms of financing from the Fund, the Board shall be guided by the following:

- (a) The project's contribution to improvement in the quality of Philippine education, and Madrasah education in particular;
- (b) The project's relation to a field of study or specialization of high priority for the development of human resources in the Filipino Muslim communities;
- (c) The significance of the contribution, and potential contribution through the project, of the applying institution or association to educational needs in a specific Filipino Muslim community;
- (d) The amount of funds requested for the project as consistent with the Fund assistance to as many institutions as possible; and
- (e) An assessment of the applying institution/s or association/s past and current efforts to improve the quality of its education and that of its planning for the future.

SEC. 14. *Cooperation with the Board.* The Board may call upon any department, bureau, office, agency, or instrumentality in the government of the Republic of the Philippines, including government-owned or -controlled corporations, for such assistance as it may desire and need in the pursuit of the purposes and objectives of the Fund and the discharge of its functions and responsibilities.

SEC. 15. *Quorums, Meetings, and Annual Reports.* A majority of the Board shall constitute a quorum to do business. The board shall meet at least once every three months or s such time as may be determined by the Chairperson or upon the written request of at least four Members of the Board and shall render to the President of the Philippines, the Senate President, and the Speaker of the House of Representatives an annual written report of its activities as well as its financial position within sixty days after the close of each calendar year.

SEC. 16. *Implementing Rules and Regulations.* Within 90 days from the effectivity of this Act, the Secretary of Education, the Governor of the Autonomous Region in Muslim Mindanao, and the Executive Director of the Office on Muslim Affairs shall issue the necessary rules and regulations for the effective implementation of this Act.

SEC. 17. *Repealing Clause.* All laws, presidential decrees, executive orders, presidential proclamations, rules and regulations, or parts thereof contrary to or inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 18. *Separability Clause.* If any provision of this Act is declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions thereof.

SEC. 19. *Effectivity.* This Act shall take effect fifteen days after its complete publication in two newspapers of general circulation.

Approved,