

**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila**

Thirteenth Congress
Third Regular Session

House Bill No. 5745



Introduced by Honorable Catalino V. Figueroa

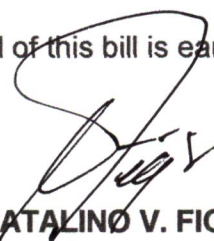
EXPLANATORY NOTE

This bill seeks to institute the Technical Education and Skills Development Authority (TESDA) Revolving Fund.

Republic Act No. 7796, otherwise known as the "Technical Education and Skills Act of 1994," provides for the establishment of the TESDA Development Fund to be sourced from the National Government, the Overseas Workers Welfare Administration Fund, donations, grants, endowments and other bequests or gifts and from any other income generated by the Authority. The income from this fund is used exclusively for awarding of grants and providing assistance to training institutions and industries, local government units to upgrade their capabilities and to develop and implement training and training-related activities. Thus, the income generated from the production projects of the technical vocational schools forms part of the TESDA Development Fund as provided under the said Act.

This bill, however, seeks to provide additional incentive to technical schools by giving them back fifty-percent of the income generated through their production projects and allowing them to use it for their operational expenses subject to certain limitations as provided for under this measure.

In view of the foregoing, approval of this bill is earnestly sought.


CATALINO V. FIGUEROA

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**AN ACT
INSTITUTIONALIZING THE TECHNICAL EDUCATION AND SKILLS
DEVELOPMENT AUTHORITY (TESDA) REVOLVING FUND AND
APPROPRIATING FUNDS THEREFOR**

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

SECTION 1. There is hereby created the Technical Education and Skills Development Authority (TESDA) Revolving Fund, hereinafter referred to as the Revolving Fund, which shall be sourced from the income or proceeds generated or earned from production projects initiated by technical vocational schools under the supervision of TESDA.

SECTION 2. TESDA is hereby authorized to disburse from the said Revolving Fund, in favor of the technical vocational school concerned, the amount equivalent to fifty percent (50%) of the income generated by the said school on account of the production projects it has initiated: Provided, That the said amount shall be utilized exclusively for the operational expenses of the technical vocational school subject to guidelines issued by TESDA and to pertinent budgeting, accounting, and auditing rules and regulations: Provided, further, That the TESDA Revolving Fund shall be separately recorded and deposited in an authorized government depository bank and that no amount from the said fund shall be used for the payment of discretionary and representation expenses.

SECTION 3. TESDA shall submit an annual report of income and expenditure from this Revolving Fund to the Department of Budget and Management (DBM), the Committee on Appropriations of the House of Representatives, and the Committee on Finance of the Senate.

SECTION 4. The amount of One Hundred Million (P 100,000,000.00) Pesos is hereby authorized to be appropriated for the initial capital of the Revolving Fund.

SECTION 5. This Act shall take effect fifteen (15) days after publication in at least two (2) national newspapers of general circulation.

Approved,