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HOUSE OF REPRESENTATIVES
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H. B. No. 437

Introduced by HONORABLE JUAN EDGARDO "SONNY" M. ANGARA

EXPLANATORY NOTE

The era of globalization has placed extreme pressure on our government to produce highly specialized and technical personnel in a relatively short period of time. Given the rapid changes and developments in the field of Information Technology and emergence of knowledge-based society, the Philippines has to reorient the thrusts of its educational system to meet the growing needs and demands of a highly competitive world market.

To achieve this arduous task, there is a need to formulate a viable, comprehensive and sustainable long-term modernization plan for schools primarily at the elementary and secondary levels.

At present, the students in public schools have been left behind by their counterparts in the private schools. According to 2006 statistics, only about 4% of public high schools have facilities that give students internet training or access. Only 39% of the 5,443 public high schools in the country have computer equipment platforms that can be wired to the internet.

Given the scarce resources of the national government, there is a need to be more cost-effective and innovative in our approach to finance school modernization programs. This can be achieved through active partnership with local government units and private sector such as foundations private corporations and business groups.

The School Modernization and Innovation bill aims to:

- a) Provide a broad framework for the institutionalization of a comprehensive and sustainable modernization program for the public schools;
- b) Encourage the schools to become more innovative and resourceful in developing and implementing programs geared towards modernization;
- c) Develop mechanisms that will define the roles and responsibilities of the officials from the regional, division down to the school levels in the implementation of school modernization programs;
- d) Provide mechanism on how the private sector can participate in the program;
- e) Define regional and school modernization plans responsive to the needs of the students in the area.

The bill also seeks to establish the School Modernization and Innovation Trust Fund which will augment the regular appropriations that will be provided under the annual General Appropriations Act to finance the priority programs for school modernization and improvement of public elementary and secondary schools.

This is the opportune time for the government to seriously consider ways of increasing the share of budget devoted to computerization of schools, upgrading of libraries and science laboratories. Moreover the application of information technology in classroom instruction would increase efficiency in teaching and learning process and enhance competencies of students.

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



JUAN EDGARDO "SONNY" M. ANGARA
Representative
Lone District, Province of Aurora

Introduced by Honorable JUAN EDGARDO "SONNY" M. ANGARA

AN ACT
INSTITUTIONALIZING A SCHOOL MODERNIZATION AND INNOVATION
PROGRAM FOR PUBLIC ELEMENTARY AND SECONDARY SCHOOLS,
PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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

SECTION 1. Title. This Act shall be known as the ***"School Modernization and Innovation Act of 2010."***

SEC. 2. Declaration of Policy. It is hereby declared the policy of the State to promote a comprehensive and sustainable modernization program for all public elementary and secondary schools aimed at improving the effectiveness and efficiency of delivery of basic education. The State shall likewise take into account the regional and sectoral needs and conditions in developing a viable long-term modernization plan. The State shall also encourage the participation of the private sector and local government units in strengthening programs which provide relevant and adequate skills for public school children necessary for them to be global competitive.

SEC. 3. Statement of Purpose. This Act seeks to attain the following objectives:

- a) To provide a broad framework for the institutionalization of a comprehensive, and sustainable modernization program for the public schools;
- b) To encourage the schools to become more innovative and resourceful in developing and implementing programs geared towards modernization;
- c) To develop mechanisms which will define the roles and responsibilities of the officials from the regional, division down to the school levels in the implementation of the school modernization programs;
- d) To provide mechanisms on how the private sector can participate in the program; and
- e) To define a regional, division and school modernization and innovation plan responsive to the needs of the students in the area.

SEC. 4. Implementing Agency. The Department of Education, hereinafter referred to as the "Department," shall be the main implementing agency of the School Modernization and

Innovation Act. The Secretary of Education shall be responsible of ensuring the smooth implementation of the modernization plan for schools.

SEC. 5. *Components.* The School Modernization and Innovation Program shall consist of the following:

- a) Computerization of public elementary and high schools - At least one computer laboratory with a minimum of 10 computers shall be established in every public high school nationwide. The Science high schools in every region nationwide shall be given priority in the allocation of funds for the computerization. After more than fifty percent (50%) of the public high schools have been computerized, the public elementary schools shall start its own massive computerization program.
- b) Upgrading of Libraries in public elementary and secondary schools - A well-equipped library shall be established in every public elementary and secondary high school. The library should be provided with at least two (2) computers which have Internet access to assist the students in their research work.
- c) Promotion of an integrated distance-learning program - The distance learning program aims to enable the students from local and foreign private schools to share their knowledge and expertise in the areas of Science and Technology, Mathematics, English and Communication to students in public schools through modern system of instructional and communication technology. It may adopt an interactive system of instruction through television, modern satellite communication or cable system whichever is appropriate and feasible in the area. The students as well as teachers in public schools shall be provided with opportunities to avail of the latest trends and developments in the field of educational, science, technology and communication even from abroad through distance learning programs.
- d) Upgrading of Science Laboratories - Each public elementary and high school will be provided with a well-equipped science laboratories with modern science equipment, which is essential in improving the competencies of the students in the area of science and technology.

SEC. 6. *Phased Implementation of the Program.* The Department shall implement the program in phases to ensure continuity and sustainability of the projects. The phases of implementation will be determined according to the priorities set by the Department as well as the absorptive capacity of the schools.

SEC. 7. *Financing of the Program.* The Department of Budget and Management shall allocate ten percent (10%) of the total appropriations of the annual budget of DECS for the financing of the School Modernization and Innovation Program.

SEC. 8. *Formulation of School Modernization and Innovation Plan at School and Regional Level.*

- a) National Modernization and Innovation Plan - The Secretary of Education in consultation with regional directors and schools division superintendents shall develop a comprehensive and sustainable modernization and innovation plan for public elementary and secondary schools nationwide which will be implemented within a period of ten (10) years. The plan shall be divided into short, medium and long term period of implementation. It shall take into account the rapid changes in the field of information technology, communication and instructional delivery in various part of the world. It shall also identify sources of funding both from local and international financial institutions as well as the role of private sector, local government units and other members of the civil society. It shall likewise define the national standards and framework, which will be adopted in developing the individual plans.
- b) Regional Modernization and Innovation Plan - The Regional Director in coordination with the Schools Division Superintendents shall formulate a modernization framework consistent with national standards which will serve as the basis for the plan taking into consideration the specific needs, and requirements of the region. The regional plan shall highlight the peculiarities and unique needs of the various schools within its jurisdiction.
- c) School Modernization and Innovation Plan - Each school shall formulate its own 10-year modernization plan which reflects the aspirations and goals of the school based on the regional plan of action. The plan shall consist of an assessment of the existing needs of the school as well as an inventory of existing educational facilities, priority programs for the allocation of funds, strategies to mobilize financial resources to augment regular budget and strategies to manage the use of personnel, physical and fiscal resources. The individual plans of the schools shall be submitted to the regional offices for consolidation.

SEC. 9. School Modernization and Innovation Trust Fund. A School Modernization and Innovation Fund, hereinafter referred to as the Fund, is hereby established, exclusively to augment the regular appropriations provided under Section 7 to finance the priority programs for school modernization and improvement of public elementary and secondary schools.

- a) The government's contribution to the Fund shall be the following:
 - 1) The amount of Fifteen billion pesos (P15,000,000,000) as seed capital;
 - 2) The equivalent of twenty percent (20%) of the annual gross earnings of the Philippine Amusement Gaming Corporation (PAGCOR);
 - 3) The equivalent of ten percent (10%) annual share on the Total gross collections of the travel tax;
 - 4) The equivalent of twenty percent (20%) of any additional increase annually in the fees for vehicle registration;
 - 5) The equivalent of two percent (2%) of the additional increase annually in revenue collections;

- 6) The equivalent of ten percent (10%) of the sales of the lotto operations of the Philippine Charity Sweepstakes Offices.

The fund shall have a private portion to be raised from donations and gifts and other conveyances including materials, equipment, properties and services by gratuitous title.

- b) The fund shall be distinct and separate from the schools regular allotment for maintenance and other operating expenses (MOOE).
- c) The Department shall be authorized to use the annual interest income of the Trust Fund provided that the expenditures will be used directly for the implementation of the modernization programs and not on the regular programs of the Department. Provided further that fifty percent (50%) of the entire annual income shall be retained in the Bureau of the Special Treasury.

SEC. 10. *Management and Administration of the Fund.* The Fund shall be administered by the Department of Education. For sound and judicious management of the Fund, the Commission shall appoint a reputable government financial institution as portfolio manager of the Fund.

As administrator of the Fund, the Department shall prepare the necessary guidelines for its use, subject to the following conditions:

- a) No part of the seed capital of the Fund, including earnings thereof shall be used to underwrite overhead expenses of the administration;
- b) Unless otherwise stipulated by the private donor, only earnings of private contributions shall be used for administrative expenses; and
- c) The Department shall appoint and organize a separate staff that will be independent administratively from the Department. It shall also enjoy fiscal autonomy from the Department.

SEC. 11. *Mandatory Allocation.* Each local government unit is hereby directed to allocate at least five percent (5%) of their Special Education Fund to augment the appropriations for the financing of programs in line with the thrusts of the school modernization and innovation program.

SEC. 12. *Uses of the Fund.* The School Modernization and Innovation Fund shall be used to finance the following:

- a) Projects, which have been approved and certified as priority by the National Executive Committee and Regional Modernization Committees created under Section 9 based on the guidelines and criteria formulated by the Department;
- b) In service training of the teachers in the area of computer literacy and instructional communication technology;

- c) Procurement of computer equipments including maintenance of computer laboratories, audio-visual and multimedia facilities, and appropriate education technology software; and
- d) Procurement of science equipments for science laboratories in schools.

SEC. 13. Order of Priority in the allocation of funds. In order for the school to be given priority in the allocation of funds from the School Modernization Innovation Trust Fund, The following criteria should be met:

- a) The programs, which will be funded, should be in line with the formulated regional and school modernization plans;
- b) The school should have mobilized additional forty percent (40%) counterpart funding from either the local government unit, private corporations, foundations, business groups or private individuals for every program which will be implemented; and
- c) The programs have been approved by either the Regional Modernization Committee, and the National Executive Committee or both depending on the funding required.

SEC. 14. Selection Process. The individual schools nationwide are directed to develop project proposals in line with the modernization thrusts of their region and submit to their respective regional offices to determine its feasibility and contribution to the overall thrusts of school modernization in the country.

A National Executive Modernization Committee shall be established. It shall be headed by the Secretary of the Department of Education, the Undersecretary for Programs and Directors of Elementary and Secondary Education and two (2) representatives from the private sector. It shall be in-charge in evaluating projects with national application and coverage.

A Regional Modernization Committee headed by the Regional Director and composed of three (3) Division Superintendents and two (2) Representatives from Parent Teachers Association in the region shall be established to evaluate all project proposals at the regional level. The Regional Modernization Committee shall have the authority to approve and recommend release of funding for projects with a funding requirement of Five Hundred Thousand (P500,000.00) Pesos and less.

However, the approved project proposals with a funding requirement of more than P500,000.00 will be forwarded to the National Executive Modernization Committee chaired by the Secretary of Department of Education or his duly designated representative for final review and approval.

The Department shall promulgate guidelines for the selection of the project proposals, which will be funded by the School Modernization and Innovation Fund.

SEC. 15. Private Sector Participation. The members of the private sector are hereby encouraged to provide technical and/or financial support to the schools as they pursue their modernization plans. The private corporations, foundations, business groups or individuals who shall provide support to modernization programs shall be allowed to deduct from their gross

income one hundred percent (100%) of the expenses directly used to finance the implementation of the program in the schools.

The schools which would be able to seek at least forty percent (40%) counterpart funding support from private corporations, foundations, business groups individuals as well as local government in their respective local communities shall be given the priority the provision of direct grants and funding from the School Improvement and Innovation Fund particularly in programs which are mentioned in Section 9.

SEC. 16. *Implementing Rules and Regulations.* The Secretary of Education shall promulgate the implementing rules and regulations within ninety (90) days after the approval of this Act.

SEC. 17. *Separability Clause.* If any portion or provision of this Act shall be declared unconstitutional, such declaration shall not invalidate other parts thereof, which shall remain in full force and effect.

SEC. 18. *Repealing Clause.* All laws and rules and regulations or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 19. *Effectivity.* This Act shall take effect fifteen (15) days following the publication in at least two (2) newspapers of general circulation.

Approved,