

CONGRESS OF THE PHILIPPINES
SIXTEENTH CONGRESS
First Regular Session

HOUSE OF REPRESENTATIVES
House Bill No. 777



Introduced by Representatives
GLORIA MACAPAGAL ARROYO and DIOSDADO MACAPAGAL ARROYO

EXPLANATORY NOTE

Education is the backbone of society. It is the foundation of culture and civilization and it plays a pivotal role in the development of values and virtues. Education helps realize an individual's maximum potential. It is also instrumental in spelling a nation's progress.

While it is the State's declared policy to ensure that every Filipino's intellectual growth is safeguarded by making education accessible to all, the fragmented governance of education has been a stumbling block in fully achieving an educational system that is responsive, competent and empowering.

Looking into the thrusts of the Department of Education, the Commission on Higher Education, and the Technical Education and Skills Development Authority will reveal that these agencies are all committed to common goals: quality education, continuing intellectual and skills development, excellence and nationalism.

An integrated administration of the entire educational system is therefore needed to create a synergy and steer the system to a cohesive direction.

This bill is geared to provide a comprehensive framework for the governance and development of the Philippine education system. It sets a holistic approach towards achieving optimum learning outcomes. It seeks to empower educational institutions to develop as effective partners in the delivery of educational services at all levels and in the attainment of greater access to educational opportunities.

Immediate approval of this bill is earnestly sought.


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AN ACT ESTABLISHING A FRAMEWORK OF GOVERNANCE AND DEVELOPMENT FOR THE PHILIPPINE EDUCATION SYSTEM, INTEGRATING THE PRESENT DEPARTMENT OF EDUCATION (DEPED), THE COMMISSION ON HIGHER EDUCATION, AND THE TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA) INTO ONE AGENCY TO BE CALLED THE DEPARTMENT OF EDUCATION AND TRAINING (DET), 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 "Philippine Education Integration Act of 2013."

SEC. 2 *Declaration of Policy.* - The State shall protect, foster and promote the right of all citizens to affordable quality education at all levels and shall take appropriate steps to ensure that education shall be accessible to all. The State shall likewise ensure and protect academic freedom and shall promote its exercise and observance for the continuing intellectual growth, the advancement of learning and research, the development of responsible and effective leadership, the education of high-level and middle-level professionals, and the enrichment of our historical and cultural heritage.

Towards this end, state-supported basic education, post-secondary, technical and vocational institutions shall gear their programs/course offerings to national, regional or local development plans taking into consideration the imperatives of human development, capital stock formation, national interest and globalization.

SEC. 3. *Purposes and Objectives.* - The purposes and objectives of this Act

- (a) To provide the framework for the governance of basic education, post-secondary, technical-vocational and higher education which shall set the general directions for educational policies, quality standards, guidelines and supervision for achieving learning outcomes;
- (b) To define the roles and responsibilities of and provide resources to the integrated agencies, as well as different offices at various levels of the new Department for the implementation of educational programs, projects and services in their respective jurisdictions;
- (c) To empower educational institutions to develop as effective partners in the delivery of educational services at all levels in the attainment of greater access to educational opportunities.

SEC. 4. *Governance.* - The Department of Education and Training, which is created pursuant to this Act and hereinafter, referred to as the Department, shall be vested with authority, accountability and responsibility for ensuring access to, promoting equity in, and improving the quality of basic, post-secondary, technical-vocational and higher education.

SEC. 5. *Creation of the Department of Education and Training.* - In pursuance of the abovementioned policies, the present Department of Education (DepEd), the Commission on Higher Education (CHED) and the Technical Education and Skills Development Authority (TESDA) are hereby abolished and thus, absorbed as part of the Department.

The Department shall be headed by the Department Secretary. Its coverage shall be both public and private educational institutions offering basic education, post-secondary, vocational and technical, polytechnic and higher education programs including but not limited to state universities and colleges, local universities and colleges and other basic education, non-degree and degree granting institutions operated by other government entities.

SEC. 6. *The Office of the Secretary.* - The authority and responsibility for the exercise of the mandate of the Department and for the discharge of its powers and functions shall be vested in the Secretary, who shall be part of the Cabinet and who shall have supervision and control of all the offices and personnel of the Department and its attached agencies.

SEC. 7. *Appointment of the Department Secretary and Undersecretaries* - The President, with the concurrence of the Commission on Appointments, shall appoint the Secretary who should be a holder of an earned doctorate degree taken in a reputable education institution and has been actively engaged in

education for at least ten (10) years, and must not have been a candidate for elective position in the elections immediately preceding his/her appointment. The appointee shall be an academician known for his/her high degree of professionalism and integrity and who has distinguished himself/herself as an authority in his/her chosen field of learning. The above qualifications shall also be applicable to the undersecretaries to be appointed.

SEC. 8. *The Office the Undersecretaries.* - The Department shall have as many undersecretaries as allowed by law to assist the Secretary for the discharge of the mandates, powers and functions of the Department; *provided, however,* that at least two (2) undersecretaries shall be permanent, career undersecretaries and eligible as Career Executive Service Officer (CESO).

SEC. 9. *Office of the Undersecretary for Basic Education.* - The Office of the Undersecretary for Basic Education shall include all the staff bureaus and services involved in educational program guidelines formation, quality standards development, regulatory, and service delivery programs pertinent to preschool, elementary and secondary education programs being implemented by the Department's line operating units.

SEC. 10. *Office of the Undersecretary for Skills Development, Polytechnic and Vocational Education.* - The Office of the Undersecretary for Skills Development, Polytechnic and Vocational Education shall include all the staff bureaus and services involved in educational program guidelines formation, quality standards development, regulatory, and service delivery programs pertinent to polytechnic, vocational and skills development programs being implemented by the Department's line operating units.

SEC. 11. *Office of the Undersecretary for Higher Education Programs.* - The Office of the Undersecretary for Higher Education Programs shall include all the staff bureaus and services involved in educational program guidelines formation, quality standards development, regulatory, and service delivery programs pertinent to higher education programs and courses being implemented by the Department's line operating units.

SEC. 12. *Office of the Undersecretary for Legal, Administration and Finance.* - The Office of the Undersecretary for Legal, Administration and Finance shall supervise all agencies involved in legal and legislative services, the formulation and implementation of programs and projects pertinent to the budget, and the development of Department-wide plans for administration of the Department.

SEC. 13. *Office of the Assistant Secretaries.* - The Department shall have as many assistant secretaries as allowed by law to assist the Secretary and the Undersecretaries for the discharge of the mandates, powers and functions of the Department; *provided, however,* that at least two (2) assistant secretaries shall be permanent and with CESO eligibility.

SEC. 14. *Board of Advisers.* - There shall be constituted a Board of Advisers which shall meet with the Department at least once a year to assist it in aligning its policies and plans with the cultural, political and socioeconomic needs of the nation and with the demands of world-class scholarships, technological development, and globalization.

The Board of Advisers shall be composed of the following:

- (a) The Secretary of Education and Training as Presiding Office;
- (b) The Director-General of the National Economic Development Authority, as co-Presiding Officer;
- (c) The Secretary of Labor and Employment;
- (d) The Secretary of Science and Technology;
- (e) The Secretary of Trade and Industry;
- (f) The Chairman of the Civil Service Commission; and
- (g) The President of the Philippine Chamber of Commerce and Industry, as members.

SEC. 15. *Powers and Functions of the Department.* - Aside from the usual functions of a Department mandated by the Revised Administrative Code of 1987, the Department shall have the following additional powers and functions:

- (a) Formulate development plans, policies, priorities, and programs on the entire educational system;
- (b) Set minimum standards for programs/courses of students at all levels subject to public hearing, and enforce the same, as well as to approve trade skills standards and trade tests as established and conducted by private industries, including registrations of educational institutions and conduct of certifications;

(c) Monitor and evaluate the performance of programs and educational institutions for appropriate incentives, as well as the imposition of sanctions such as, but not limited to, diminution or withdrawal of subsidy, downgrading or withdrawal of permit/ recognition/registration and/or of status conferred by the Department, non-recognition of accreditation, or termination of program or certificate, or closure of the school or training center;

(d) Identify, support and develop potential centers of excellence in different levels and program areas needed for the development of world-class scholarship, nation-building and national development.

(e) Approve and allocate the budgets of public educational institutions, including state universities and colleges (SUCs), as well as, implement general guidelines for the use of their income;

(f) Rationalize educational institutions and their educational offerings and set standards, policies and guidelines for the creation of new ones, as well as the conversion or elevation of schools to institutions of higher learning, subject to budgetary limitations and the number of institutions of higher learning in the province or region where creation, conversion or elevation is sought to be made;

(g) Administer the Education Development Fund and other existing development funds and those to be established which will promote the purposes of this Act;

(h) Review the charters of educational institutions under the jurisdiction of the Department by virtue of this Act, including the chairmanship and membership of SUCs governing boards to the extent allowed by law and regulate the offering of their education programs, as well as other government educational institutions consistent with existing laws;

(i) Promulgate such rules and regulations and exercise such other powers and functions as may be necessary to carry out effectively the purposes and objectives of this Act; and

(j) Perform such other functions as may be necessary for its effective operations and for the continued enhancement, growth or development of tertiary education.

SEC. 16. *The Department Secretariat.* - There shall be created a Secretariat, which shall provide technical and management staff support to the Office of the Secretary and the Undersecretaries and shall be headed by an Executive Director who is permanent and CESO eligible. The Executive Director shall prepare and recommend the Secretariat's staffing pattern, determine the duties, qualifications, responsibilities and functions, compensations scheme and budget subject to the national compensation and position classification plan. The Secretary shall appoint the members of the staff upon the recommendation of the Executive Director.

SEC. 17. *The Educational Development Fund (EDF).* - The Higher Education Development Fund created under R.A. 7722, the Special Education Fund of the TESDA and other trust funds in the DepEd are hereby integrated and strengthened as a trust fund and henceforth known as the Educational Development Fund hereinafter referred to as the Fund, to be used exclusively for the upgrading and strengthening of all levels of education in the entire country. The Fund shall be allocated and disbursed subject to the needs of institutions and in consonance with the priorities and development thrusts of the country.

Aside from existing sources as may be provided by law, the Fund shall be supported and sustained from the following sources, among others:

(a) The equivalent of forty percent (40%) annual share on the total gross collections of the travel tax;

(b) The equivalent of thirty percent (30%) share of the collections from the Professional Registration Fee;

(c) The equivalent of one percent (1%) of the gross sales of the lotto operation of the Philippine Charity Sweepstakes (PCSO);

(d) The contribution of an equivalent to not less than three percent (3%) but not more than five percent (5%) of the unimpaired surplus realized during the immediately preceding year starting the Fiscal Year 2011 and every year thereafter from government financial institutions identified and requested by the Department; and

(e) The contributions, donations, gifts, legacies and other conveyances including materials, equipment, real and personal properties, as well as services by gratuitous titles from private sources, such as private individuals, corporations, non-government organizations (NGOs) and government organizations (GOs), both locally and internationally, subject to the usual procedures and to be known as the private portion of the Fund.

SEC. 18. *Management and Administration of the Educational Development and Fund.* - The Fund shall be administered by the Department for sound and judicious management; the Secretary 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 the earnings thereof, shall be used to underwrite overhead expenses for administration;

(b) The equivalent of thirty percent (30%) of the amount of private contributions may be used for administrative expenses one time only and on annual basis; *provided, however*, that no part of the earnings shall be used for administrative expenses unless otherwise stipulated by the private donor;

(c) The Secretary shall appoint and organize separate staff, independent administratively and budgetarily from the Department personnel, to provide staff support to the Fund; *Provided, however*, that the compensation of said staff shall be subject to the approval of the Secretary and sourced from the private portion of the Fund and from the allowable portion of the earnings;

(d) The Fund shall be utilized equitably according to such criteria to be formulated by the Department taking into consideration the following, among others: regional spread, the needs of the institutions, the priorities and programs of the Department, national and regional needs and priorities.

SEC. 19. *Governance of State Universities and Colleges.* - Provisions of other laws notwithstanding, the Chairmanship of SUCs shall be vested in the Secretary of Education and shall continue to chair and govern such boards; *Provided, however*, that in meritorious instances, the Secretary may designate his/her Undersecretaries and Assistant Secretaries to represent him/her in the governing boards as chair-designates subject to his/her control and supervision.

SEC. 20. *The Bureaus, Department Services, Regional Offices, District Offices and other Field Offices.* - Except as otherwise provided by law, the Department is hereby authorized to establish, operate and maintain such Bureaus, Offices and Department Services including, but not limited to, the Financial and Management Service, the Administrative Service, Public Assistance Service, Management Information Service and, whenever necessary, the Technical and Legal Services. Likewise, bureaus which are either line or staff may be created to perform a single major function or closely related functions of the Department such as the Bureau of Elementary Education, Bureau of Secondary Education, Bureau of Policy, Planning and Information, Bureau of Student Services

The Department shall establish Regional Offices, District Offices and other Field Offices in each of the administrative regions of the country, insofar as necessary to promote economy and efficiency in the delivery of its services. Its Regional Offices shall be headed by a Regional Director who shall have supervision and control thereof. The Regional Director, whenever necessary, shall be assisted by an Assistant Regional Director. Likewise, District Offices and other Field Offices may be created as necessary for the effective fulfillment and discharge of the Department mandates and shall be headed by Directors or offices of appropriate rank.

SEC. 21. *The Technical Panels and Industry Boards.* - The Department may organize technical panels/industry boards /committees/ councils for different disciplines/program/certification areas insofar as necessary to promote professionalism and efficiency in the delivery of its services. They shall assist the Department in setting standards, certification and policy development. The technical panels/industry boards/committees/councils shall be composed of senior specialists or academicians, industry/business leaders and experts, noted practitioners, and other eminent persons in the field to be appointed by the Secretary.

SEC. 22. *Pathways and Incentives for Quality Assurance.* - The Department shall encourage educational institutions to upgrade their status to higher quality categories or levels through adoption of various quality pathways including, but not limited to, undergoing voluntary accreditation, compliance with Institutional Quality Assurance, Monitoring and Evaluation (IQAME), International Organization for Standardization (ISO) status or any combination of these pathways. Moreover, the Department may provide incentives to institutions, public and private, that are undergoing upgrading of their programs to attain higher quality status.

SEC. 23. *Tax Exemptions.* - Any donation, contribution, bequest, and grant which may be made to the Department shall constitute as allowable deduction from the income of the donor for the income tax purposes and shall be exempt from donor's tax, subject to such conditions as provided under the National Internal Revenue Code, as amended.

SEC. 24. *Appropriation.* - In addition to the existing balance of the HEDF, the Special Education Fund of TESDA and similar trust funds of the DepEd are hereby transferred to the Department.

Moreover, the sum equivalent to the appropriations for the current year for DepEd, CHED, and TESDA, such as those for personal services, maintenance

and other operating expenses and capital outlay, shall be transferred to the Department. Thereafter, the funds necessary for the purposes of this Act shall be included in the succeeding General Appropriations Act.

SEC. 25. *Transitory Provisions.* - Such qualified personnel, properties, assets and liabilities, functions and responsibilities of DepEd, CHED, and TESDA, as well as their attached agencies affected, are hereby transferred to the Department. The Department shall have the authority to appoint its own personnel and the compensation and benefits shall be exempt from the Salary Standardization Law (SSL).

All regular and permanent employees transferred to the Department shall not suffer any loss of seniority or rank or decrease in emoluments. Personnel of the DepEd, CHED, and TESDA not otherwise transferred to the Department, either voluntary or involuntary, may be reassigned to other departments or agencies of government; *Provided, however that,* any employee who cannot be accommodated shall be given all retirement benefits, if qualified, or the appropriate separation benefits at least equivalent to three (3) months' salary for every year of service rendered in the government or as may be as may be provided under pertinent existing laws, rules and regulations, whichever is higher.

Jurisdiction and administration of DepEd-supervised and managed schools and other entities, TESDA-supervised Technical Vocational Education and Training (TVET) schools, training centers or similar facilities, as well as, similar instrumentalities administered by CHED, if any, shall be transferred to the Department.

A transitory body is hereby created which shall be composed of the Chairman of the CHED as Chair and as members: the Director General of TESDA, Secretary of DepEd, Chairman of the Senate Committee on Education, Chairman of the House Committee of Higher and Technical Education, Chairman of the House Committee on Basic Education and the Secretary of the Department of Budget and Management (DBM).

The transitory body shall facilitate the complete and full operation of the Department, which shall not be later than six (6) months after the effectivity of this Act. It shall likewise promulgate the rules and regulations necessary to effectively implement the smooth and orderly transfer to the Department of such personnel, properties, assets and liabilities, functions and responsibilities of CHED, TESDA, and DepEd as well as, other attached agencies affected.

SEC. 26. *Repealing Clause.* - All laws, specifically the affected provisions of RA 9155, RA 7722 and RA 7796, and presidential decrees, executive orders, rules and regulations or parts thereof that are inconsistent with the provisions of this

SEC. 28. *Effectivity.* - This Act shall take effect fifteen (15) days following its publication in the *Official Gazette* or in a newspaper of general circulation, whichever is earlier.

Approved,