

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Sixteenth Congress
Second Regular Session



HOUSE BILL NO. 5468

INTRODUCED BY: REP. KARLO ALEXEI B. NOGRALES, REP. EMMELINE Y.
AGLIPAY VILLAR, REP. FLORENCIO T. FLORES, JR.
AND REP. DEOGRACIAS B. RAMOS, JR.

EXPLANATORY NOTE

The October 2014 Philippine Statistics Authority's Labor Force Survey reports that there are 1.23 million unemployed youth or 14.2% of the total labor force without a job. The alarming figure is more than twice the national adult unemployment rate of 6.8%. This validates the Asian Development Bank (ADB) 2009 survey which concluded that youth in the Philippines experience a slow school-to-work transition. The survey reveals that, on average a college graduate finds a permanent job after two (2) years while for a high school graduate, it takes four (4) years. The job search period is even longer for youth who drop out of school. Of those high school graduates that find a job, less than half of them find work in the formal wage sector.

Moreover, the ADB survey identified a set of risk factors that affect youth school-to-work transition. Main risk factors include: (i) the low level of educational attainment (e.g., high school graduation only and high school dropouts), (ii) family income status, with youth from low income families having the most difficulty in the school-to-work transition because such families tend to have a lack of quality social networks, children tend to have insufficient life skills and job search skills necessary to successfully land a good job, (iii) age and gender, such that young women are more at risk of not being in employment, education and training compared to young men.

In May 2014, with funding support from the Government of Canada and technical assistance from the ADB, a project coined as "**JobStart Philippines Program**" was launched by the Department of Labor and Employment (DOLE) in four (4) localities i.e., General Trias, Cavite; San Fernando, Pampanga; Taguig City, and Quezon City. JobStart is designed as a remedial program with the objective to assist the at-risk youth

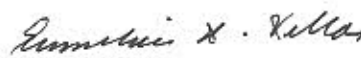
improve their school to work transition and increase their chances of integrating into productive employment. The pilot phase tested approaches and strategies that provide youth with enhanced career guidance services, life skills and technical training with work experience at the establishment or company level. The pilot project included 3,200 program beneficiaries and the development of a model full-cycle employment facilitation services at the local level, benchmarking good practices from Kenya, Chile and the United States.

This bill aims to replicate the success of the JobStart program and cascade it on a national scale. Given adequate resources and with the support of the private sector, the implementation of this proposed policy measure will cover at least 70,000 JobStart program beneficiaries by 2020. The training and exposure in an actual work place will make the jobseeker ready to assume the job and more responsive to industry skills requirement. Further, Public Employment Service Offices (PESOs) will be able to offer an enhanced employment facilitation services and an improved local labor market information system.

Given the country's employment thrust to address the job-skills mismatch and facilitate the smooth transition of graduates and trainees to the work force, it is deemed imperative to institute reforms to modernize the PESOs and implement a nationwide youth employment program that enhances the employability of jobseekers and assists their integration in the labor force.

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


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**AN ACT INSTITUTIONALIZING THE NATIONWIDE IMPLEMENTATION OF
JOBSTART PHILIPPINES PROGRAM AND PROVIDING FUNDS THEREOF**

*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 **JobStart Act**.

SECTION 2. Declaration of Policy. It is the policy of the state to promote full employment and equality of employment opportunities for all. The Philippines subscribes to the International Labor Organization's (ILO) Decent Work Agenda. As a signatory to ILO Convention 88, the state promotes the establishment of Public Employment Services as the primary institution at the local level that is responsible for implementing a variety of active labor market programs including job search assistance, training, and placement for the unemployed including young jobseekers.

SECTION 3. Definition of Terms. As used in this Act, the following shall refer to:

- a) *Establishment* – an enterprise or employer which may be a company, sole proprietorship, corporation, or any other legal entity registered under relevant laws that may provide venue for training and/or placement of JobStart trainee trainees.
- b) *JobStart Trainees* – an eligible JobStart registrant who has been selected to participate in the program.

- c) *JobStart Graduate* – JobStart trainees who have completed all the program services and undergone all stages of JobStart full-cycle employment facilitation services.
- d) *JobStart Technical Training*– the program phase where the JobStart trainee undergoes a two-stage training: (1) technology-based theoretical instruction for up to three (3) months in a lecture area and hands-on exercises in a laboratory and/or a workshop within the premises of a technical training provider (either in a TESDA-registered technical vocational institute (TVI) or in-house/establishment) and (2) practical learning in a regular work environment in a company/establishment for up to three (3) months, as determined by the latter.
- e) *JobStart Unit* – the office established and managed by the Bureau of Local Employment (BLE), Department of Labor and Employment (DOLE) Regional Office, or Public Employment Service Office (PESO) to implement and oversee the JobStart program.
- f) *Training Allowance* – the amount which the JobStart trainee receives either from the JobStart Unit or from the participating establishment for the duration of the life skills and technical training period.
- g) *Training Plan* – a written plan by the establishment that specifies skill competencies to be acquired, the training curriculum or modules to be used, and the competency levels expected to be achieved by the JobStart trainee by the end of the technical training period.
- h) *Training Certificate* – a certification that shall be jointly issued by the DOLE, TESDA and concerned establishment, after program completion and assessment of the JobStart trainee's competencies to attest the skills acquired by the JobStart trainee. The certificate shall contain a list of the units of competency and qualification acquired.

SECTION 4. Objective of JobStart Philippines Program. JobStart aims to enhance the knowledge and skills acquired in the formal education and/or technical training by jobseekers in order for them to become more responsive to the demands of the industry. The program will also help develop life skills of youth including those relevant to the values of professionalism and work appreciation and provide trainees with a venue to apply relevant theories and code of ethics within a conducive and safe work environment.

SECTION 5. Eligibility of Program Participants. The target program participants shall meet the following requirements:

- a) Aged 18-24 at the time of the registration period (those who are 17 years old may also register provided that they will be 18 years old at the time of the technical training);
- b) At least a high school graduate;
- c) Not employed, studying, nor undergoing training at the time of the registration; and
- d) With less than one year or no work experience.

SECTION 6. Program Components. The program shall include full employment facilitation services such as registration/client assessment, one-on-one career guidance, life skills and technical training, job matching, and referrals either for further technical training or for employment in an establishment.

SECTION 7. Status of JobStart Trainees. For the duration of the program, the JobStart trainee shall not be considered as an employee but rather a trainee of the establishment. JobStart graduates shall be given preference in the hiring of workers by the participating establishment. After career coaching, the PESO will assess and determine whether the JobStart trainee is ready to be placed for contractual or regular work in an establishment. In case of the latter, the JobStart trainee will be treated as an employee of the establishment.

SECTION 8. Payment of Training Allowance. The trainees shall receive a daily training allowance of Two Hundred Pesos (Php200.00) from the JobStart Unit from life skills training to technical training (lecture/theoretical stage of up to three months). Upon entry into practical training in an establishment, the latter will provide the JobStart trainees with daily allowance not less than 75% of the prevailing minimum wage in the city/municipality where the establishment is located. Amount of allowance shall be based on the trainee's actual attendance and that absences, tardiness or under time incurred shall be deducted therefrom in accordance with the Training Plan. Training allowances shall be paid at least once every two (2) weeks or twice a month at intervals not exceeding sixteen (16) days.

SECTION 9. Technical Training Period.

- a) The technical training period shall not be more than six (6) months or 1,200 hours. The total daily training hours shall be eight (8) hours exclusive of not less than sixty (60) minutes time-off for the regular meals.
- b) Training may be beyond eight (8) hours a day, not exceeding two (2) hours, provided that the JobStart trainee is paid for the overtime stay, an additional allowance equivalent to his daily training allowance plus at least twenty-five percent (25%) thereof.
- c) In case of night shift training, JobStarter shall be entitled to a night shift differential pay of not less than ten percent (10%) of the training allowance for each hour of training between 10 o'clock in the evening and 6 o'clock in the morning.

- d) JobStart trainees may be trained during regular holidays provided that the trainee is willing to and he/she will be compensated twice the daily training allowance on regular holiday.
- e) The time spent on overtime stay shall be duly credited to the trainee's training hour.
- f) A JobStart trainee may be required to undergo a probationary period. Provided that, number of days rendered by the trainee in the establishment shall be counted as part of the probationary period should the trainee be hired in the same establishment upon completion of the program.

SECTION 10. Entitlement to Other Benefits and Incentives. Notwithstanding the LGU or establishment's preference to provide additional or other health service/insurance support, the JobStart trainees shall be covered with accident insurance through the Philippine Red Cross Membership for the duration of the program to be paid by DOLE. Further, the establishment shall be reimbursed of the cost of JobStart trainee's pre-training/employment medical examinations in a maximum amount of One Thousand Pesos (PhP1,000.00) to be provided by DOLE. Said expenses shall be disbursed by DOLE through the PESO. On the other hand, the LGU shall exempt the JobStart trainees from securing a work permit.

SECTION 11. Duties and Responsibilities of the JobStart Trainee. The JobStart trainee shall exert every effort to acquire the abilities, values, and knowledge necessary to achieve the purpose of the training. Towards this end, the trainee shall:

- a) Submit to the PESO the following documents:
 - i. Birth certificate;
 - ii. High school and college diploma (if applicable);
 - iii. Transcript of records (in highest level attained); and
 - iv. Training certificates or national certification issued by TESDA (if applicable).
- b) Enter into either a training or service contract with the establishment;
- c) Report for training/work in the establishment based on the schedule indicated in the training/work contract;
- d) Perform tasks and activities indicated in the Training Plan;
- e) Use tools, instruments, machines and other equipment with due care;
- f) Not reveal any business nor trade secrets that have come to his/her knowledge in the course of the training;
- g) Adhere to the existing rules and regulations of the establishment; and
- h) Report to PESO for an exit interview after the completion of the technical training period.

SECTION 12. Participation of Establishments. An establishment shall be allowed to take in JobStart trainees only up to a maximum of twenty percent (20%) of its total workforce. The establishment shall not take in the same trainee to be part of the former's engagement in a similar training program such as the Dual Training Program and the National Apprenticeship Program.

Participating establishments must have the following:

- a) Legitimate business operating within the LGU's catchment area;
- b) Capacity to provide (in case of in-house arrangement) or facilitate (in case of third-party training provider) TVET training to JobStart trainees and arrange for the disbursement of the training allowance;
- c) Capacity to provide for up to three (3) months practical training or work experience of JobStart trainees, with a commitment to pay 75% of the daily minimum wage for the relevant city/municipality;
- d) Capacity to develop training plan to be learned and applied by the trainee in the establishment;
- e) Capacity to monitor JobStart trainee's performance; and
- f) Interest and willingness to absorb or offer possible regular employment to JobStart graduates.

SECTION 13. Duties and Responsibilities of Establishment. The participating establishment shall perform the following:

- a) Design and implement the training plan in partnership with a TVET institution (as applicable);
- b) Enter into either a training or work contract with the JobStart trainee;
- c) Provide to JobStart trainee(s) practical training or work experience for a maximum period of three (3) months or 600 hours;
- d) Pay training allowance to JobStart trainees of not less than 75% of the daily minimum wage for the relevant city/municipality;
- e) Encourage the JobStart trainee to develop his/her personality and professionalism and to the extent possible, protect the JobStart trainee from physical or moral danger;
- f) Submit monitoring and evaluation reports or other information on the trainee's performance as may be required by DOLE or PESO;
- g) Submit invoices to PESO for reimbursement or liquidation of expenses, as the case may be, of training costs, training allowances, and other administrative costs; and
- h) Notify the PESO and JobStart Unit of trainee's breach of contract or misconduct in the training premises prior to its decision to suspend or terminate the training.

SECTION 14. Termination of Training Contract. Any of the following shall be a valid cause to terminate the training contract:

By the Establishment:

- i. Habitual absenteeism of the trainee;
- ii. Willful disobedience of the establishment's rules or insubordination of lawful order of a superior;
- iii. Theft or malicious destruction of establishment's property or equipment;
- iv. Engaging in violence or other forms of misconduct in the training or establishment's premises; and

- v. Inefficiency or poor training performance for a prolonged period despite warnings duly given to the trainee.

By the JobStart Trainee:

- i. Substandard or harmful working conditions within the establishment's premises;
- ii. Cruel and inhumane treatment; and
- iii. Prolonged or continuing illness.

Either party may furnish to the other party a notice of intent to terminate the Training Contract for cause as defined in this Section.

In case the training contract has been terminated, replacement of JobStart trainee in an establishment will be allowed subject to the cause of termination. In case the termination is caused by the establishment, the JobStart trainee may still be referred to other participating establishments. In case the termination is caused by the trainee's non-adherence to program guidelines, a new trainee may still be provided to the establishment provided that there are other trainees available for deployment.

SECTION 15. Grievance Committee. In case of any violation of training agreement, upon filing a complaint by the aggrieved party, the Grievance Committee shall have the initial responsibility for settling differences. The Grievance Committee shall be composed of the officials and representatives of the concerned DOLE Regional and Field Offices and PESOs which have the jurisdiction over the concerned establishment. The Committee shall investigate and render a decision pursuant to pertinent rules and regulations. In case of failure by the Grievance Committee to settle the issue or render a decision, or in case the complaint is against the member/s of the Grievance Committee, the case shall be referred to the BLE for deliberation and appropriate action.

SECTION 16. Payment of Administrative Fee. Participating establishments shall receive an amount of One Thousand Pesos (PhP1,000.00) per month per JobStart trainee to cover administration cost in managing the trainee.

SECTION 17. Partnership with Local Government. The LGUs, through the PESOs, shall serve as the conduit of DOLE in implementing the program at the local level. The PESOs are expected to:

- a) Hire adequate staff to ensure the smooth implementation of the program;
- b) Organize the registration process for the program intake of registrants;
- c) Process and evaluate information of registrants and select eligible program beneficiaries;
- d) Conduct job matching and referral;
- e) Collect and review relevant financial and administrative documents and reports as necessary for the processing of the training grants to the JobStart trainees as well as the administrative fee provided to the establishment;

- f) Maintain a complete profile and record of transactions of program participants and establishments; and
- g) Submit a monthly program monitoring report to DOLE copy furnished the concerned DOLE Regional and Field Offices and the office of the Local Chief Executive.

SECTION 18. Role of DOLE. The DOLE is the executing agency of the JobStart Philippines Program. The BLE shall serve as the Program Manager that shall provide the necessary technical and administrative assistance to concerned Regional and Field Offices, and PESOs. The Regional and Field Offices shall supervise and monitor the implementation of the JobStart activities in their respective jurisdiction. The DOLE shall conduct capacity-building activities to train the PESOs in adopting the new model on employment facilitation services, particularly on career coaching and life skills.

SECTION 19. Role of the JobStart Unit. The DOLE shall establish a JobStart Unit at the BLE and in every DOLE Regional Offices. The JobStart Unit shall provide the establishment the training costs, trainees' stipends/allowances, administrative costs, or other fees, if any, as specified under an approved/signed Memorandum of Agreement between DOLE and the establishment.

SECTION 20. Enhancement of Labor Market Information System (LMIS). Further to the thrust of developing local LMIS, participating PESOs will make use of the *Client Tracking System* (CTS) to manage records of JobStart trainees, establishments and PESO transactions. The DOLE's Skills Registry System shall be re-designed to capture the data storage and system requirements of the JobStart's CTS. Further, PESO LMI staff will be trained in the use of the CTS and job matching.

At the regional and national level, the DOLE Field, Regional Offices and BLE shall establish the necessary information technology infrastructure and system to improve the collection, processing, analysis, report development and dissemination of PESO statistics and other LMI. Towards this end, Labor Market Analysts shall be hired by DOLE and BLE to provide technical assistance in maintaining the LMIS at all levels.

SECTION 21. Oversight Committee. An Oversight Committee shall oversee the implementation of the JobStart Philippines Program. The Committee shall be chaired by the DOLE. The Committee shall be composed of representatives from Department of Interior and Local Government (DILG), Department of Social Welfare and Development (DSWD), Technical Education and Skills Development Authority (TESDA), and representatives from the youth, employer, and labor sector. Five (5) years after the enactment of this Act, the Committee shall conduct a comprehensive assessment to evaluate the impact of the program. Through the Secretary of Labor and Employment, a report shall be transmitted to both Houses of Congress.

SECTION 22. Appropriations. The supplemental budget in the amount of One Hundred Fifty Million Pesos (PhP150,000,000.00) is allocated to the DOLE's regular budget for the current fiscal year. Thereafter, such sums as may be necessary for the

continued implementation of this Act shall be included in the General Appropriations Act.

SECTION 23. Implementing Rules and Regulations. Within ninety (90) days from the effectivity of this Act, the Secretary of Labor and Employment, in coordination with concerned agencies, shall formulate the necessary rules and regulations to implement the provisions of this Act.

SECTION 24. Repealing Clause. All statutory laws, orders and issuances, rules and regulations and/or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 25. Effectivity. This Act shall take effect after fifteen (15) days from the date of its publication in Official Gazette or in a newspaper of general circulation.

Approved,