

SIXTEENTH CONGRESS
CONGRESS OF THE PHILIPPINES
Second Regular Session
HOUSE OF REPRESENTATIVES



House Bill No. **5493**

Introduced by REPRESENTATIVE ROMAN T. ROMULO

EXPLANATORY NOTE

The implementation of Republic Act 10533 or the "Enhanced Basic Education Act of 2013", which is also known as the K to 12 Law, will come in full swing in School Year 2016-2017. The law will add two (2) more years to the present high school system so that the total number of years spent for basic education will be twelve (12) years. This will make the Philippines at par with almost all countries of the world in terms of the number of years devoted to basic education.

However, the impending implementation of the K to 12 Law has brought to the fore serious concerns regarding the fate of college faculty and non-teaching personnel of higher education institutions (HEIs). If these concerns were not properly attended to by the government, the worst case scenario would be a grim unemployment status for more than 70,000 college faculty and non-teaching personnel who will stand to lose their jobs because of the lack of first year college and second year college enrollees during the transition period starting 2016.

To mitigate the adverse impact of the K to 12 Law on affected college faculty and non-teaching personnel, including the contractual and temporary teaching personnel of HEIs, it is proposed that a tertiary education transition fund (TETF) be made available by the government to provide the much needed financial assistance to personnel of HEIs who will be displaced by the implementation the K to 12 Law. This is on top of the separation packages and other benefits that the displaced workers are entitled to receive under the Labor Code of the Philippines.

The TETF is just one of the recommended solutions to the problems confronting the affected college personnel. This may not be the be-all and end-all solution to the nagging concerns brought about by the implementation of the K to 12 Law. Nevertheless, this bill is being proposed in the hope that the availability of such fund will somehow ease the pain and burden of college personnel who will be affected by the K to 12 Law while the government is still looking for more palatable and permanent solutions to the issues.

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

A handwritten signature in black ink, appearing to read "Roman T. Romulo".

ROMAN T. ROMULO

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AN ACT
ESTABLISHING THE TERTIARY EDUCATION TRANSITION FUND TO
DEVELOP AND SUSTAIN TERTIARY EDUCATION INSTITUTIONS DURING
THE TRANSITION PERIOD OF THE ENHANCED BASIC EDUCATION ACT OF
2013, 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. **Short Title.** – This Act shall be known as the “*Tertiary Education Transition Fund or the TETF Act of 2015.*”

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 further recognizes the role of education in securing the future of the youth and in the development of our nation. Article XIV, Section 2 (1) of the 1987 Philippine Constitution provides that the State shall establish, maintain, and support a complete, adequate, and integrated system of education relevant to the needs of the people and society. Therefore, pursuant to the foregoing and in view of impact of the implementation of the Republic Act 10533, otherwise known as the “Enhanced Basic Education Act of 2013”, the State shall endeavor to support affected higher education institutions, invest in the human capital of its tertiary education workforce, and ensure its viability and sustainability.

SEC. 3. **Definition of Terms.** – The terms used in this Act are defined as follows:

- (a) **Transition period** refers to the period starting September 2013 to the end of School Year 2021-22, as defined in the Implementing Rules and Regulations of RA 10533 or the Enhanced Basic Education Act of 2013;
- (b) **Personnel** refers to a person, singly or collectively, working in higher education institutions, as defined in the Manual of Regulations for Private Higher Education (MORPHE) or in technical-vocational schools as maybe defined under existing rules and regulations of the Technical Skills and Development Authority (TESDA):
 - a. **Academic Personnel** – refers to those who are formally engaged in actual teaching or in research assignments, either on full-time or part-time basis.
 - i. **Full-time faculty or academic personnel** – refers to one who meets all the following requirements:
 - 1. Possesses at least the minimum academic qualifications prescribed under the MORPHE for all academic personnel without prejudice to the full-time status acquired prior to the issuance of the Department of

Labor and Employment (DOLE)-Department of Education, Culture and Sports (DECS) -Commission on Higher Education (CHED)-TESDA Order No. 1, dated February 7, 1996;

2. Paid monthly or hourly, based on the regular teaching loads as provided for in the policies, rules and standards of CHED and the higher education institution (HEI);

3. Devotes not less than eight (8) hours of work a day to the HEI;

4. Has no other remunerative occupation elsewhere requiring regular hours of work, except when permitted by the HEI; and

5. Is not teaching full-time in any other HEI.

ii. **Part time faculty or academic personnel** – refers to faculty or academic personnel who do not meet the qualifications for full-time faculty or academic personnel.

b. **Academic Support Personnel** – refers to those who perform certain prescribed academic functions directly supportive of teaching, such as registrars, librarians, guidance counsellors, researchers, and other persons performing similar functions including institution officials responsible for academic matters and affairs.

c. **Non-Academic Personnel** – refers to the rank-and-file employees of the institution engaged in administrative functions and maintenance.

(c) **Regular employees** – refers to employees engaged to perform activities which are usually necessary or desirable in the usual business or trade of the employer, except where the employment has been fixed for a specific project or undertaking the completion or termination of which has been determined at the time of the engagement of the employee or where the work or service to be performed is seasonal in nature and the employment is for the duration of the season.

(d) **Casual employees** – refers to employees not covered by the preceding paragraph: Provided, That any employee who has rendered at least one year of service, whether such service is continuous or broken, shall be considered a regular employee with respect to the activity in which he is employed and his employment shall continue while such activity exists.

(e) **Probationary employees** – refers to employees engaged in a period not exceeding six (6) months from the date the employee started working, unless it is covered by an apprenticeship agreement stipulating a longer period. The services of an employee who has been engaged on a probationary basis may be terminated for a just cause or when he fails to qualify as a regular employee in accordance with reasonable standards made known by the employer to the employee at the time of his engagement. An employee who is allowed to work after a probationary period shall be considered a regular employee.

(f) **Retrenchment** refers to the reduction of personnel for the purpose of cutting down on costs of operations in terms of salaries and wages reported by an employer because of perceived losses in the operation of a business;

(g) **Displacement** refers to the laying off of employees due to retrenchment, end of probationary period, or expiration of the contract of employment;

- (h) **Enhanced Basic Education Program** refers to at least one (1) year of kindergarten education, six (6) years of elementary education, and six (6) years of secondary education, in that sequence. Where, secondary education refers to the compulsory four (4) years of junior high school education and two (2) years of senior high school (SHS) education;
- (i) **Higher education** refers to the higher learning level after high school offering baccalaureate, graduate or post-graduate programs;
- (j) **Higher education degree programs** refer to specific courses of study in the higher level of the education system leading to a bachelor's, master's or doctoral degree;
- (k) **Higher education institution (HEI)** refers to an educational institution, private or public, undertaking operations of higher education programs with an organized group of students pursuing defined studies in higher education, receiving instructions from teachers, usually located in a building or group of buildings in a particular site specifically intended for educational purposes;
- (l) **Post-secondary school** refers to an institution that offers non-degree technical-vocational programs, which require the possession of a high school diploma for admission, and which are accredited by TESDA;
- (m) **Technical-vocational programs** refer to post-secondary certificate courses, officially recognized as non-degree programs aimed at preparing technicians, paraprofessionals and other categories of middle-level workers by providing them with a broad range of general education, theoretical, scientific and technological studies, and related job skills training; and
- (n) **Tertiary education** refers to post-secondary technical/vocational education and training as well as higher education programs.

SEC. 4. **Tertiary Education Transition Fund.** – The Tertiary Education Transition Fund (TETF) is hereby established to provide support to academic personnel, academic support personnel, non-academic personnel, as well as tertiary education institutions, which will be affected by the initial implementation of SHS. It shall be used specifically for the following purposes:

- (1) To provide academic personnel, academic support personnel, and non-academic personnel affected by the initial implementation of SHS, with opportunities to pursue graduate studies, conduct research, and/or update their practice. This includes provisions to attract new faculty to the higher education sector through incentives, scholarships and other similar benefits;
- (2) To invest in the development of innovative curricula, education and training, systems, and processes aligned to the Enhanced Basic Education Program, and global best practices at the tertiary education level;
- (3) To provide financial assistance to academic, academic support and non-academic personnel who will be retrenched or displaced from employment due to the multi-year low enrolment during said transition; and
- (4) To provide financial augmentation to academic, academic support and non-academic personnel who may not have been retrenched or displaced from employment, but whose salary or wage is reduced due to the multi-year low enrolment during said transition.

1 The above shall be made available from June 2016, the commencement of full-scale
2 implementation of SHS in the country, until School Year 2021-22, the completion of the
3 transition period of RA 10533.

4
5 **SEC. 5. *Grants for Academic and Academic Support Personnel.*** – A portion of the TETF
6 shall be set apart for current and incoming academic and academic support personnel, for
7 individual capacity building such as, but not limited to the following:

- 8
9 (a) Scholarships for Graduate Studies
10 (b) Research Grants
11 (c) Practice Fellowships
12

13 Recipients of said grants shall execute a service contract in which they:

- 14
15 (a) Agree to teach as their return of service (ROS);
16 (b) Agree to any of the approved ROS conditions; and
17 (c) Agree to repay the amounts disbursed plus interest pursuant to the terms of
18 their service contract.
19

20 Failure to comply with the terms of the service contract will result in the full
21 repayment (plus penalties, if applicable) of all award monies received within a specified
22 time limit.
23

24 **SEC. 6. *Grants for Non-Academic Personnel.*** – A portion of the TETF shall also be set
25 apart for the development of non-academic personnel, through graduate studies or further
26 training relevant to their work. Availment of said grant shall similarly be accompanied by a
27 service contract that includes a provision for return of service (ROS).
28

29 **SEC. 7. *Development of Innovative Curricula, Training and Systems.*** – A portion of the
30 TETF shall also be set apart for the development of tertiary education institutions, public
31 and private, through the provision of resources to enable innovations in curricula, education
32 and training, systems, and processes. Said fund can be used for, but not limited to:

- 33
34 (a) Initiatives for twinning between a local program or institution with a proven track
35 record of competence, as to be formulated by CHED, with a foreign program or
36 institution that is recognized for its expertise in the relevant discipline/s;
37
38 (b) Benchmarking and articulation activities among locally organized universities and
39 colleges, whether for academic or non-academic purposes;
40
41 (c) Review and reform of existing policies, among them faculty loading, tuition, faculty
42 development, research and extension, internationalization, among others, in view of
43 enabling HEIs to improve quality of education and service; and
44
45 (d) Development of new or existing graduate education programs as well as niche
46 programs within the context of the Association of Southeast Asian Nations
47 (ASEAN).
48

49 **SEC. 8. *Financial Support to Academic, Academic Support, Non-Academic Personnel***
50 ***and Tertiary Education Institutions.***
51

- 52 (a) Personnel who are retrenched or displaced during the transition period of RA 10533
53 shall be provided with financial assistance, the amount and requirements for
54 availment shall be determined by the DOLE, together with CHED. The availment of
55 assistance under this provision is without prejudice to other assistance from the
56 government. Further, said assistance shall be separate and distinct from the
57 separation pay due to a retrenched employee under the Labor Code, as amended.

1
2 *Provided*, That for contractual personnel, he or she must have served an equivalent
3 of at least three (3) years full-time service to the institution, to qualify.
4

- 5 (b) Private Tertiary Education Institutions which incur costs as a result of foregone
6 enrollments during the transition period, as well as displacement thru redundancy or
7 retrenchment of affected personnel, may avail of financial support, as necessary to
8 ensure sustainability of their institution.
9

10 *Provided*, That they meet the criteria to be set by the CHED and TESDA. *Provided*
11 *Further*, That no amount of the Fund shall be used to pay any HEI which has an
12 outstanding obligation to the Government without said obligation being settled or
13 offset first, subject to the requirements provided for by law: *Provided Finally*, That
14 the affected HEI has no other adequate source of funds.
15

- 16 (c) State Universities and Colleges (SUCs) shall receive, through their annual allocation
17 in the General Appropriations Act (GAA) the necessary funding required to fulfil
18 financial obligations to personnel and to continue operations.
19

20 However, the CHED and the Department of Budget and Management (DBM), shall
21 develop a separate financing policy framework to govern funding and operations of
22 SUCs during said period of transition. SUCs nonetheless shall have equal access to
23 the services and support provided for in this Act.
24

25 SEC. 9. *Other Forms of Support.*

26

- 27 (a) *Assistance to Affected Tertiary Education Institutions* – Further assistance should
28 be provided to affected tertiary education institutions through the Expanded
29 Government Assistance to Students and Teachers in Private Education (E-GASTPE),
30 as well as through the facilitation of possible loan assistance from the Development
31 Bank of the Philippines (DBP), the Land Bank of the Philippines (LBP), and
32 Veterans Bank.
33

- 34 (b) *Assistance to Academic, Academic Support and Non-Academic Personnel* – Other
35 forms of support, such as wage employment, retraining and retooling, livelihood or
36 entrepreneurship programs, as well as other forms of welfare assistance, must
37 similarly be provided.
38

39 SEC. 10. *Fund Application and Dispensation.* - Application of the Fund shall be subject to
40 guidelines, rules and regulations, which shall be formulated and promulgated by the CHED,
41 with DOLE, Department of Education (DepEd) and TESDA to carry out provisions of this
42 Act.
43

44 SEC. 11. *Implementing Arrangements and Operational Structures.* - The CHED shall be
45 the main implementing agency and thus shall be tasked to coordinate closely with the
46 DepEd, DOLE and TESDA, in the fulfillment of the goals of this Act, from June 2016 to the
47 end of School Year 2021-22. The responsibilities of the agencies include, but are not limited
48 to the following:
49

- 50 (a) **CHED** – As the main implementing agency, the CHED is hereby tasked to form
51 and lead the Interagency Secretariat, with personnel seconded from relevant offices
52 within the Commission, as well as from DepEd, DOLE and TESDA, in order to
53 coordinate, streamline, and monitor, the various support and other services that
54 shall be made available to academic, academic support and non-academic
55 personnel and tertiary education institutions, during the transition.
56

1 (b) **DepEd** – The DepEd is hereby tasked to facilitate and ensure the job placement
2 and hiring of retrenched faculty and staff from affected higher education
3 institutions: *Provided*, That they meet the criteria set by the Department, consistent
4 with the provisions of RA 10533, RA 4670, and RA 10612.
5

6 The CHED and DepEd shall likewise work closely in finding complementary
7 activities between private and public higher education institutions and basic
8 education schools. This may include, but is not limited to, the utilization of human
9 and physical resources of HEIs, consistent with Sec. 12 of RA 10533.
10

11 (c) **DOLE** – The DOLE is hereby tasked to facilitate the retrenchment activities of
12 higher education institutions, awareness building initiatives for employers and
13 employees who will be affected by the transition, the redeployment of faculty and
14 staff, as well as the conduct of livelihood training for the displaced personnel, in
15 cooperation with TESDA.
16

17 The Interagency Secretariat is hereby tasked to ensure the timely delivery as well as
18 the accessibility of information and of services to stakeholders concerned, locally and
19 online.
20

21 Further, said Secretariat shall, at the end of each calendar year, submit an annual report
22 to Congress, giving a detailed account of its proceedings and accomplishments.
23

24 **SEC. 12. *Funding of the Tertiary Education Transition Fund.*** – The initial amount of
25 Twenty Nine Billion Pesos (P29,000,000,000.00) is hereby appropriated for this purpose.
26 Said fund shall be sourced partly from the Higher Education Development Fund (HEDF) in
27 the Bureau of Treasury, SUCs, and from taxes collected from higher education institutions,
28 incremental dividends and receipts from government corporations, and overall savings of the
29 National Government.
30

31 Private donations through the HEDF may also be sourced and used to support the
32 TETF. Thereafter, corresponding annual budgetary requirements needed to attain the
33 purposes of this Act shall be included in the annual GAA.
34

35 Said fund shall only be utilized during the transition period of RA 10533. Any such
36 amount not fully utilized after said period shall revert back to the National Treasury.
37

38 **SEC. 13. *Implementing Rules and Regulations.*** – Within sixty (60) days after the
39 effectivity of this Act, the CHED Chairperson, DepEd Secretary, DOLE Secretary and
40 TESDA Director-General shall promulgate the rules and regulations needed for the
41 implementation of this Act.
42

43 **SEC. 14. *Separability Clause.*** – If any provision of this Act is held invalid or
44 unconstitutional, the same shall not affect the validity and effectivity of the other provisions
45 hereof.
46

47 **SEC. 15. *Repealing Clause.*** – All other laws, decrees, executive orders and rules and
48 regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or
49 modified accordingly.
50

51 **SEC. 16. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication in at
52 least two (2) newspapers of general circulation.
53
54

55 Approved,