

Republic of the Philippines
House of Representatives
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. **5608**



INTRODUCED BY CONGRESSMAN ALFRED VARGAS

EXPLANATORY NOTE

According to the 2015 Economic Insight Report of the Institute of Chartered Accountants in England and Wales or the ICAEW cites the Philippines as the fastest growing economy in the Southeast Asian region, recording a gross domestic product growth of 6.2 percent in 2015. However, the growth momentum of the economy is undermined by human capital flight or "brain drain." The ICAEW further reported that the Philippines lost an estimated ten percent of its population to work abroad, including many highly-qualified professionals. This phenomenon continues to deprive us of national development as the best and the brightest of the Filipinos have left the country for greener pastures.

This bill seeks to reverse human capital flight by establishing a fellowship program for qualified Filipino professionals from the public and private sectors and for those who are self-employed.

Through this initiative, we are allowing our helping our professionals obtain high-quality credentials, new skills, and expanded professional networks. This may lead to the development of the country's workforce as the returning professional scholars are expected to exert a broader influence on those around by applying their knowledge and networks that they developed overseas. Therefore, this proposal will surely effect the advancement of the Philippine economy and improvement of the country's capacity and potential for innovation.

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


ALFRED VARGAS

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AN ACT

CREATING AN ADVANCED STUDIES DEVELOPMENT PROGRAM FOR EXCEPTIONAL EMPLOYEES FROM THE GOVERNMENT AND THE PRIVATE SECTOR AND FOR OTHER PURPOSES

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

SECTION 1. Short Title – This bill shall be known as the “**Pensionado Act of 2017.**”

SEC. 2. Declaration of Policies – Human resources developments are essential for economic development and progress. In the pursuit of economic development and progress, the State shall give priority to the creation of a critical mass of elite professionals who shall take the lead in harnessing science, technology and related disciplines towards accelerating the productivity of the country’s human resources.

Consonant with this thrust, it is hereby declared a policy of the State to devise a program for exceptionally able and highly motivated employees, preferably 30 to 40 years old, from the government, the private sector and/or the self-employed to undertake advanced studies in a branch of science, technology or related fields of learning on which the development and progress of the country depends on. As such, it shall provide for fellowships to enable them to pursue advanced studies or research in their field of expertise.

The State shall develop a critical mass of first-rate specialist in various disciplines and areas of specializations vital to national development to form a collective national “think tank” who shall place their knowledge and skills continuously at the service of the nation, be it in industry, the academe or the highest policy-making levels of government, with the government taking the lead in harnessing their knowledge and skills for the greatest good of the country.

SEC. 3. Definition of Terms. – For purposes of this Act, the following terms are hereunder defined accordingly:

- a) Graduate – formal degree course program of education, training or research requiring at least a Bachelor's Degree for entry; a student pursuing such program;
- b) Post-Graduate – a formal degree course program of education, training or research requiring at least a Master's Degree for entry; a student pursuing such program;
- c) Advanced studies – a graduate or post-graduate, problem-oriented program of studies and/or research, not necessarily leading to a degree, undertaken for further specialization or advanced knowledge in a specific field of a study, or to acquire specialized knowledge and/or skills in a particular area of science or technology; and
- d) *Pensionado* – a Filipino citizen selected and supported by the Philippine government under this program to undertake advanced studies in selected institutions of higher learning or recognized research centers, in fields relevant to the officially-declared priority areas for development.

SEC. 4. Establishment of a Program.—There shall be established under the Commission on Higher Education, hereafter referred to as CHED, in coordination with the non-government organizations (NGOs), the private sector and other government agencies, namely, the National Economic and Development Authority (NEDA), the Department of Trade and Industry (DTI), the Department of Science and Technology (DOST) and the Department of Education (DepEd), a fellowship program to be called as the "*Pensionado Program*" for Filipinos employed in the government and the private sectors and those who are self-employed. The program must be designed based on specific objectives and include concrete plans to measure their impact on the country's national development.

The program shall pool together all fellowships, scholarships, training grants sponsored or extended by foreign government, agencies and other bodies, as well as by local agencies and organizations, whether public or private, intended for advanced studies in international centers of advanced learning, scholarship and research.

SEC. 5. Establishment of a National Secretariat; Functions and Composition.
– There shall be established a National Secretariat, hereafter referred to as the Secretariat, with the following functions:

- a) Identify and assist in negotiations with sponsors (foreign and local, public and private) of fellowships, scholarships and grants;
- b) Provide assistance to the selection panel in accomplishing its work;
- c) Provide the *Pensionados* continuing assistance from the time of selection through the time of their return to the country, including assistance for the productive utilization of their newly-gained expertise;
- d) Serve as the administrative arm of the government for the program; and

- e) In general, promulgate and implement the policies and guidelines governing the Program

The National Secretariat shall be headed by an Executive Officer with the rank of Assistant Secretary, to be appointed by the President of the Republic of the Philippines upon the recommendation of the CHED. Members of the Secretariat shall consist of representatives from the NEDA, DTI, DOST and CHED. These representatives shall be seconded to the Secretariat for a period of one year, subject to renewal every year. Service rendered thereat shall be considered as part of their performance for promotions purposes.

SEC. 6. Number of *Pensionados* and Length of Grant. – There shall be selected twenty-four (24) fellows annually – three (3) fellows of each priority discipline/industry field of the eight (8) vital disciplines or areas of specializations identified by the CHED in consultation with the NEDA as frontiers or new areas essential for pushing the economic and social development thrusts of the country. The scholarship shall be for a period not exceeding three (3) years.

SEC. 7. Selection Process. – There shall be a Selection Panel under the Secretariat consisting of three (3) university presidents and two (2) eminent members from the academe to be appointed by the CHED. They shall serve on a staggered basis for the purposes of continuity and consistency, each for a term of three (3) years. The Selection Panel shall make the final selection of the *Pensionados* from among the nominees from the academe, industry and research centers. The integrity and objectives of the program are paramount considerations for the panel in making the selection.

SEC. 8. Qualifications. – In order to qualify for the Fellowship Program, the applicant must be:

- a) A Filipino citizen;
- b) Gainfully employed;
- c) A college degree graduate;
- d) With demonstrated leadership and proven exceptional performance in his/her present work;
- e) Enthusiastic in undergoing further training; and
- f) Willing to sign a contract requiring him/her to return to his/her job in another capacity after training;

SEC. 9. Place of Study. – The *Pensionados* shall be sent to a foreign country well-known for its advanced stage in particular discipline of area of specialization. Training and education may be an academic institution, research and development (R&D) center or a major industrial establishment with and R&D program. It may or may not lead to an advanced academic degree.

SEC. 10. Assistance to Grantees. – The *Pensionado* is entitled to the following benefits:

- a) Up to three (3) years leave with pay, including allowances and other benefits;

- b) One economy round-trip air fare to and from the host country plus other travel expenses required for foreign travel;
- c) Clothing allowance to be determined by the Secretariat;
- d) Monthly stipend while on study abroad, of such amount to determine by the Secretariat;
- e) Books/Instructional Materials/Research allowance of such amount to be determined by the Secretariat; and
- f) Health, Travel and Insurance fees of such amount to be determined by the Secretariat.

SEC. 11. Program Funding. – The cost of each fellowship grant shall be shared by the *Pensionado's* employer and the National Government. The employer pays the salary, allowances and other benefits due the Fellow as employed during the one year period of advance studies overseas while the National Government, through the program, shall be responsible for items b, c, d, e, and f as enumerated in Section 10 hereof. With the transfer of all pertinent foreign and local grants for coordination under the Program, the government, through the Program, may negotiate bilateral arrangements with hosts governments, host universities, host research institutions and host corporations to share at least 50% of the total cost of items b, c, d, e, and f under Section 10 hereof.

The National Government may also negotiate bilateral agreements with host governments, host universities, research institutions and corporations to enable our scholars to stay abroad and continue their studies or training at a minimal cost to the National Government. A sharing program can be established where the host government, host-universities, research institutions and corporations can pick up of the expenses of the scholars while he is abroad.

SEC. 12. Service Obligation. – Immediately upon completion of the studies or training, a fellow shall be required to return to his job or in another capacity approved by the Secretariat and serve on a full-time basis for a minimum period equivalent to two twice the period covered by the fellowship grant. In addition, the scholar shall be required to hold seminars or training sessions for employees of the government and the private sectors on topics related to the course or training he has completed. Any recipient of the program who has not completed his course shall reimburse the Fellowship the grant received or render service to the sponsoring agency or company for a period equivalent to the period covered by the fellowship grant. Any *Pensionado* who violates the service obligation imposed under this section shall reimburse the sponsoring agency or company and the National Government of the Fund assistance received under this act in full or in part as the case may be.

SEC. 13. Mechanism for Utilization of Returned Fellows. – There shall be established and developed a National Network of Specialized Institutes for Advanced Studies in universities selected by CHED in consultation with the DOST and other appropriate agencies to be determined by the Secretariat to provide returned scholars an office, laboratory, library and conference facilities for their continuing activities. The Institute shall also serve as a place for an Exchange Program and Collaborative Research among local and international scientists and scholars in priority areas of research and development.

The National Government may, through the CHED and/or the National Secretariat, negotiate bilateral agreements with foreign government, universities, research institutions and corporations, public and private, to effect exchange of scholars and scientists for collaborative advanced studies, as well as to equip the Institute for purposes of benefit to the cause of scholar and scientists for collaborative advanced studies, as well as to equip the institute for purposes of benefit to the cause of scholarly or scientific advancement and national development.

A sharing program may be established whereby the host government/university/institution/corporation can pick up part of the expenses of the Fellow in pursuit of his/her Fellowship.

SEC. 14. Appropriations. – The amount necessary to carry out the initial implementation of this Act shall be drawn from the savings of the National Government. Thereafter, the funds necessary for the continuous implementation of the program shall be included in the General Appropriations Act. The program shall receive 2% from the share of the DOST and 1% from the share of the Philippine Youth Commission in the Bases Conversion Development Authority (BCDA) proceeds.

SEC. 15. Transfer of other Fellowship, Scholarship and Training Grants. – All foreign and locally sponsored fellowship, scholarship and training grants will be transferred to the program for coordination. With respect to government employees who may be affected by the transfer, the pertinent rules and regulations of the Civil Service Commission (CSC) shall apply.

SEC. 16. Implementing Rules and Regulations. – Within ninety (90) days from the approval of this Act, the Secretariat shall promulgate the necessary rules and regulations for the effective implementation of the provisions thereof.

SEC. 17. Repealing Clause. – All laws, decrees, orders, rules and regulations, or portions thereof inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 18. Separability Clause. – In the event wherein any of the provisions of this Act is declared unconstitutional, the validity of the other provisions shall not be affected by such declaration.

SEC. 19. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved,