

HOUSE OF REPRESENTATIVES
Quezon City

Eighteenth Congress
First Regular Session

HOUSE BILL NO. 4927



Introduced by Rep. Bernadette Herrera-Dy

**AN ACT CREATING THE DEPARTMENT OF TECHNICAL EDUCATION AND
SKILLS DEVELOPMENT, DEFINING ITS POWERS AND FUNCTIONS,
REPEALING REPUBLIC ACT NO. 7796, OTHERWISE KNOWN AS THE TESDA
ACT OF 1994, AND APPROPRIATING FUNDS THEREOF**

Explanatory Note

It has been twenty-five (25) years since the Technical Education and Skills Development Authority (TESDA) was created by virtue of Republic Act 7796. It is the government agency tasked to manage and supervise technical education and skills development (TESD) in the Philippines. It replaced and absorb the National Manpower and Youth Council (NMYC), the Bureau of Technical and Vocational Education (BTVE) and the personnel and functions pertaining to technical-vocational education in the regional offices of the Department of Education, Culture and Sports (DECS), and the apprenticeship program of the Bureau of Local Employment of the Department of Labor and Employment (DOLE).

With the changing times, there is a need for government to adapt. Since TESDA manages and implements technical vocational education and training (TVET) programs, it also has to keep up with the demands of different industries. Earlier this year, TESDA prompted to increase its budget appropriation. With this, TESDA Director-General Isidro Lapena argued that "you cannot give a job or a livelihood without going through training." TESDA's mandate is relevant since skills and training are essential to the workforce. To properly support such relevant activities, there is a need to revamp the system. By elevating the authority into a department, adequate budgetary support, personnel, and resources will be provided to further develop the projects and programs of TESDA.

This measure seeks to repeal R.A. 7796 or the TESDA Act of 1994 and transitions the authority into a department to strengthen the powers and organizational function of TESDA. The proposed department shall be the primary policy formulation, planning, coordinating, implementing, regulating, and administrative entity of the government for technical education and training and certification policies, plans and programs. It shall be headed by a Secretary, four (4) Undersecretaries and four (4) Assistant Secretaries. The department shall also have Bureaus, Service Offices, and Regional/Provincial/District Offices. The proposed department shall absorb and enhance existing Technical Education and Training Centers and establish a network of national, regional and local technical education, and skills development centers.

Despite the abolishment of TESDA, all personnel and resources shall be transferred to the proposed department. It shall undergo reorganization under Republic Act No. 6656, otherwise known as the Reorganization Law. TESDA's personnel shall continue to perform their respective duties and responsibilities and receive their corresponding salaries and benefits until such time when the organizational structure of the proposed department has been approved. It is seen that the functions and capacity of TESDA will be enhanced once it becomes a separate agency. Power and resources shall be centralized and a better form of jurisdiction shall take place.

It is the duty of the state to provide access to relevant opportunities to the country's workforce through technical education and skills development. To be globally competitive and labor efficient, there is a need to centralize all efforts and resources to manage and develop the country's labor force. To this end, the state shall pursue a policy creating the Department of Technical Education and Skills Development, defining its powers and functions, repealing Republic Act No. 7796, otherwise known as the TESDA Act of 1994, and appropriating funds thereof.

The passage of this measure is earnestly sought.



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REPUBLIC ACT NO. 7796, OTHERWISE KNOWN AS THE TESDA ACT OF 1994,
AND APPROPRIATING FUNDS THEREOF**

Section 1. *Short Title.* This Act shall be known as the “Department of Technical Education and Skills Development (DTESD) Act.”

Section 2. *Declaration of Policy.* It is hereby declared the policy of the state to provide relevant, accessible, high quality and efficient technical education and skills development in support of the development of high-quality Filipino workforce responsive to and in accordance with Philippine development goals and priorities and the National Technical Education and Skills Development Plan (NTESDP) 2018 – 2022.

The state shall encourage active participation of various concerned sectors, public as well as private technical-vocational institutions (TVIs) particularly private enterprises, being direct participants in and immediate beneficiaries of a technically educated and trained workforce, in providing technical education services and training opportunities.

Section 3. *Objectives.* The objectives of this Act are:

- a) Promote and strengthen the quality of technical education and skills development programs to attain global competitiveness and inclusive growth;
- b) Focus technical education and skills development on meeting the changing demands for quality workforce particularly in support of the development thrust of the country;
- c) Encourage critical and creative thinking by disseminating the scientific and technical knowledge base of workforce development programs;
- d) Recognize and encourage the complementary roles of public and private institutions, enterprises, local government units (LGUs) and Civil Society Organizations (CSOs) in technical education and skills development;
- e) Develop the capacities of stakeholders to participate in the planning and delivery of quality technical education and skills development systems;
- f) Inculcate desirable values through the development of moral character with emphasis on work ethics, self-discipline, self-reliance and nationalism;

- g) Strongly support the implementation of the Philippine Qualification Framework Act (R.A. 10968), the Ladderized Education Program (R.A. 10647) and the Dual Training System (R.A. 7686); and other laws, decrees and orders on education;
- h) Maximize returns to the country's investment in technical education and skills development through an efficient graduates' employment facilitation program within the framework of the national employment service network system; and
- i) Help in the poverty alleviation efforts by providing the marginalized and vulnerable segments of the country's population access to income generating technical education and skills development opportunities.

Section 3. Definition of terms. For the purpose of this Act, the following terms will mean:

- a) **Apprenticeship** - refers to the training within employment with compulsory related theoretical instruction involving a contract between an apprentice and an employer on an approved apprenticeable occupation;
- b) **Apprentice** - refers to a person undergoing training for an approved apprenticeable occupation during an apprenticeship agreement;
- c) **Apprenticeship Agreement** - refers to a contract wherein a prospective employer binds himself to train the apprentice who in turn accepts the terms of training for a recognized apprenticeable occupation emphasizing the rights, duties and responsibilities of each party;
- d) **Apprenticeable Occupation** - refers to an occupation officially endorsed by a tripartite body.
- e) **Dual Training System** - refers to an instructional delivery system of technical and vocational education and training that combines in-plant training and in- school training based on a training plan collaboratively designed and implemented by an accredited dual system educational institution/training center and accredited dual system agricultural, industrial and business establishments with prior notice and advice to the local government unit concerned. Under this system, said establishments and the educational institution share the responsibility of providing the trainee with the best possible job qualifications, the former essentially through practical training and the latter by securing an adequate level of specific, general and occupation-related theoretical instruction. The word "dual" refers to the two parties providing instruction: the concept "system" means that the two instructing parties do not operate independently of one another, but rather coordinate their efforts.
- f) **Ladderized education** - refers to the harmonization of all education and training mechanisms that allow students and workers to progress between technical- vocational and higher education programs, or vice- versa. It opens opportunities for career and educational advancement to students and workers. It creates a seamless and borderless education and training system that will allow transfers in terms of flexible entry and exit between technical-vocational and higher education programs in the post-secondary school educational system;
- g) **Leading Technology Center** - refers to centers that provide high quality and efficient technical education, training and certification in support of the development of high-quality Filipino workforce responsive to and in accordance with Philippine development goals and priorities;

- 1 h) **Learner** - refers to persons hired as trainees in semi-skilled and other industrial
2 occupations which are non-apprenticeable. Learnership programs must be approved by the
3 Authority;
- 4 i) **Levy Grant System** - refers to a legal contribution from participating employers who
5 would be beneficiaries of the program (often as a percentage of the payroll) which is
6 subsequently turned over or rebated to enterprises offering employee training programs;
- 7 j) **Middle-Level Workforce** - refers to those:
8 i. who have acquired practical skills and knowledge through formal or non-formal
9 education and training equivalent to at least a secondary education but preferably
10 at post- secondary education with a corresponding degree of diploma; or
11 ii. skilled workers who have become highly competent in their trade or craft as attested
12 by industry
- 13 k) **Philippine Qualifications Framework (PQF)** - refers to the national policy which
14 describes the levels of educational qualifications and sets the standards for qualifications
15 outcomes. It is a quality assured national system for the development, recognition and
16 award of qualifications based on standards of knowledge, skills, and values acquired in
17 different ways and methods by learners and workers of a certain country;
- 18 l) **Private Enterprise** - refers to an economic system under which property of all kinds can
19 be privately owned and in which individuals, alone or in association with another, can
20 embark on a business activity. This includes industrial, agricultural, or agro-industrial
21 establishments engaged in the production, manufacturing, processing, repacking or
22 assembly of goods including service-oriented enterprises;
- 23 m) **Skill** - refers to the acquired and practiced ability to carry out a task or job;
- 24 n) **Skills Development** - refers to the process through which earners and workers are
25 systematically provided with learning opportunities to acquire or upgrade, or both, their
26 ability, knowledge and behavior pattern required as qualifications for a job or range of jobs
27 in a given occupational area;
- 28 o) **Technical Education** - refers to the education process designed at upper secondary and
29 lower tertiary levels, aligned with the levels of the PQF, with the pathways to higher
30 education through the credit transfer system based on learning outcomes aimed at preparing
31 technicians, technologists, para-professionals and other categories of workers and/or
32 entrepreneurs by providing them with a broad range of general education, theoretical,
33 scientific and technological studies, and related job skills training;
- 34 p) **Trade** - refers to any group of interrelated jobs or any occupation which is traditionally or
35 officially recognized as craft or artisan in nature requiring specific qualifications that can
36 be acquired through work experience and/or training;
- 37 q) **Trainee** - refers to persons who are participants in a vocational, administrative or technical
38 training program for the purpose of acquiring and developing job-related skills;
- 39 r) **Trainer** - refers to persons who direct the practice of skills towards immediate
40 improvement in some task;
- 41 s) **Training** - refers to teaching or developing oneself or others, any skills and knowledge
42 that relate to specific useful competencies;
- 43 t) **Trainer's training** - refers to training trainers aimed at developing the latter's capacities
44 for imparting attitudes, knowledge, skills and behavior patterns required for specific jobs,
45 tasks, occupations or group of related occupations;

- 1 u) **“User-Led” or “Market-Driven Strategy”** - refers to a strategy which promotes.
2 strengthened linkages between educational/training institutions and industry to ensure that
3 appropriate skills and knowledge are provided by the educational system;

4 **Section 4. Adoption and Application of the National Technical Education and Skills**
5 **Development Plan (NTESDP) 2018 – 2022.** This Act shall be in line with the National Technical
6 Education and Skills Development Plan (NTESDP) 2018 – 2022. The aim of NTESDP is to
7 galvanize and strengthen the TVET sector through a Two-Pronged Strategic Thrust: (1) Global
8 Competitiveness and Workforce Readiness; and (2) Social Equity for Workforce Inclusion and
9 Poverty Reduction. All appropriate actions and measures as well as revisions in the national
10 development plan in order to cater to the provisions of this Act shall be stipulated in the
11 Implementing Rules and Regulations of this Act.

12 **Section 5. Creation of the Department of Technical Education and Skills Development.** In line
13 with the government’s actions towards the development of the country’s technical education and
14 skills development, a Department of Technical Education and Skills Development (DTESD) shall
15 be created, hereinafter referred to as DTESD.

16 **Section 6. Mandate.** The DTESD shall be the primary policy formulation, planning, coordinating,
17 implementing, regulating and administrative entity of the government for technical education and
18 skills development agenda.

19 **Section 7. Powers and Functions.** The DTESD shall have the following powers and functions:

- 20 a) Formulate and recommend national policies and guidelines and conduct in-depth studies
21 on all policy areas and options that will promote technical education and skills development
22 in consultation with the relevant stakeholders;
23 b) Assess, review, harmonize and coordinate all technical education and skills development
24 policies and programs to ensure overall consistency and implementation of the national
25 policies;
26 c) Organize and constitute various standing committees, subsidiary groups, or technical
27 working groups for efficient integration, coordination and monitoring of technical
28 education and skills development programs at the national, regional, and local levels;
29 d) Enter into, make, execute, perform and carry-out domestic and foreign contracts subject to
30 existing laws, rules and regulations;
31 e) Restructure the entire sub-sector consisting of all institutions and programs involved in the
32 promotion and development of middle-level workforce through upgrading, merger and/or
33 phase-out following a user-led strategy;
34 f) Approve training standards and assessment packages as established and conducted by
35 private industries;
36 g) Establish and administer a system of accreditation of both public and private institutions;
37 h) Establish, develop and support institutions trainers’ training and/or programs;
38 i) Exact reasonable fees and charges for such assessment and trainings conducted and retain
39 such earnings for its own use, subject to guidelines promulgated by the DTESD;
40 j) Allocate resources for the programs and projects it shall undertake pursuant to the approved
41 National Technical Education and Skills Development (NTESDP);
42 k) Determine and approve systematic funding schemes such as the Levy and Grant scheme
43 for technical education and skills development purposes.

- 1 l) Create, when deemed necessary, an Advisory Committee which shall provide expert and
2 technical advice to the Secretary to be chosen from the academe and the private sector.
3 Provided, that in case the Advisory Committee is created, the DTESD is hereby authorized
4 to set aside a portion of its appropriation for its operations;
- 5 m) Review and recommend action to concerned authorities on proposed technical assistance
6 programs and grants-in-aid for technical education and skills development, including those
7 which may be entered into between the Government of the Philippines and other nations,
8 including international and foreign organizations, both here and abroad;
- 9 n) Promulgate rules and regulations for the implementation of its policies and related laws;
10 and,
- 11 o) Perform such other functions as maybe needed to achieve its goals and objectives to the
12 fullest and as may be provided by this Act

13 **Section 8. *Composition.*** The DTESD shall be composed of the Office of the Secretary, and the
14 various bureaus, services, regional and provincial/district offices. The Office of the Secretary shall
15 house the Office of the DTESD Secretary, the Offices of the Undersecretaries, the Offices of the
16 Assistant Secretaries, and their immediate support staff.

17 **Section 9. *Powers and Functions of the Secretary.*** The Secretary shall have the following
18 functions;

- 19 a) Provide executive direction and supervision over the entire operations of the DTESD;
- 20 b) Organize the DTESD for its efficient and effective performance of its functions to achieve
21 the objectives and mandate of this Act;
- 22 c) Represent and effectively advocates technical education and skills development (TESD)
23 concerns in national and international bodies;
- 24 d) Establish TESD policies and standards for the effective, efficient and economical operation
25 of the DTESD, in accordance with the programs of the government;
- 26 e) Mobilize resources and ensures prudent utilization of and access to TESD investments and
27 incentives according to national development plans and priorities;
- 28 f) Designate and appoints officers and employees of the DTESD, excluding the
29 Undersecretary and Assistant Secretary, Regional Directors, in accordance with the Civil
30 Service Laws, rules and regulations;
- 31 g) Undertake consultations with other members of the Cabinet and officers of the government
32 relating to TESD concerns;
- 33 h) Advise the President on the promulgation of executive and administrative orders and
34 formulation of regulatory and legislative proposals on matters pertaining to TESD;
- 35 i) Promulgate rules, regulations and other issuances in carrying out the DTESD's mandate,
36 objective, policies, plans, programs and projects;
- 37 j) Direct and manage the implementation of DTESD's programs and services;
- 38 k) Perform such other functions as may be authorized.

39 **Section 10. *Powers and Functions of Undersecretaries and Assistant Secretaries.*** The Secretary
40 shall be assisted by four (4) Undersecretaries and four (4) Assistant Secretaries who shall be
41 appointed by the President upon recommendation of the Secretary: Provided, that the two (2)
42 Undersecretaries and the two (2) Assistant Secretaries shall be career officers.

1 The Undersecretaries and Assistant Secretaries shall assist the Secretary in the performance of his
2 powers and functions to achieve the objectives of this Act. The Undersecretaries and Assistant
3 Secretaries shall be given specific area of responsibility.

4 **Section 11. *Qualifications.*** The person appointed as Secretary, Undersecretary, or Assistant
5 Secretary of the DTESD must be a citizen and a resident of the Philippines, of good moral
6 character, of proven integrity. The Secretary must have at least ten (10) years of relevant
7 experience. The Undersecretary and Assistant Secretary must have at least five (5) years relevant
8 experience.

9 **Section 12. *Bureaus, Services, and Personnel.*** The bureaus under the Office of the Secretary of
10 DTESD shall be headed by an Executive Director to be appointed by the President upon the
11 recommendation of the Secretary. The Executive Directors shall have the rank and emoluments of
12 Director IV.

13 **Section 13. *Regional Office.*** There shall established Regional Office in each region of the country
14 to be headed by the Regional Director with the rank and emoluments of Director IV and appointed
15 by the President. The Regional Office shall have the following functions:

- 16 a) Direct implementation of TESD programs, projects and related activities in the region;
- 17 b) Develop and recommends TESD programs for local level implementation within set
- 18 policies;
- 19 c) Deploy policies to stakeholders;
- 20 d) Manage TESD resources in the region;
- 21 e) Plan and implement policy inputs;
- 22 f) Monitor and evaluate program implementation; and
- 23 g) Perform such other functions as may be authorized.

24 **Section 14. *The Provincial/District Offices.*** The Provincial/District Office shall be headed by a
25 Provincial/District Director who shall have the rank and emoluments of a Director III. The
26 Provincial/District office shall have the following functions:

- 27 a) Serve as secretariat to the Provincial Technical Education and Skills Development
- 28 Committees;
- 29 b) Provide technical assistance to the local government units for effective supervision,
- 30 coordination, integration of all technical education and training programs within their
- 31 localities;
- 32 c) Review and recommends priority technical education and training programs within their
- 33 localities; and
- 34 d) Perform such other functions as may be authorized.

35 **Section 15. *Technical Education and Training Centers.*** The DTESD shall absorb and enhance
36 existing Technical Education and Training Centers and establish a network of national, regional
37 and local technical education and skills development centers for the purpose of promoting
38 technical education and skills development. This network shall include leading training technology
39 centers, training centers in vocational and technical schools, technical institutes, polytechnic
40 colleges, and all other duly accredited public and private dual system educational institutions. The
41 technical education and skills development centers shall be administered and operated under such

rules and regulations as may be established by the DTESD in accordance with the National Technical Education and Skills Development Plan as provided in Section 4 of this Act.

These centers and schools shall have the following functions:

- a) Provide responsive formal and non-formal TESD programs;
- b) Conduct applied research and _ development programs and provides extension services in coordination with Regional Offices (ROs) / Provincial Offices (POs);
- c) Undertake entrepreneurship development program;
- d) Conduct outreach programs in coordination with ROs/POs;
- e) Provide job linkages;
- f) Provide assessment and certification;
- g) Devise mechanisms for sustainable operation and development;
- h) Monitor and evaluate program implementation; and
- i) Perform such other functions as may be authorized.

Section 16. *Organizational Structure.* Subject to the approval of the DBM, the DTESD through the Secretary shall determine its organizational structure, staffing, pattern, qualification standards, and placement of personnel in the DTESD shall be appointed in accordance with the civil service law, rules, and regulations.

Section 17. *Compliance with the Salary Standardization Law.* The compensation and emoluments of the officials and employees of the DTESD shall be in accordance with the salary standardization law and other applicable laws under the national compensation and clarification plan.

Section 18. *Technical and Research Assistance.* In pursuance of its objectives, the DTESD is hereby authorized to set aside a portion of its appropriation for the hiring of services of qualified consultants and private organizations and/or the academe for research work and publication in the field of technical education and training. It shall avail itself of the services of other agencies of the government as may be required.

Section 19. *Formulation of a Comprehensive Development Plan for Middle-Level Workforce.* The DTESD shall formulate a comprehensive development plan for middle-level workforce based on a national employment plan or policies for the optimum allocation, development and utilization of skilled workers for employment entrepreneurship and technology development for economic and social growth. This plan shall be updated periodically and submitted to the President of the Philippines for approval. Thereafter, it shall be the plan for the technical education, training, and certification for the entire country within the framework of the National Development Plan. The DTESD shall direct through its offices to call on public agencies, the private sector and academe to assist in this effort. The comprehensive plan shall provide for a reformed industry-based training program including apprenticeship, dual training system and other similar schemes intended to:

- a) Promote maximum protection and welfare of the worker-trainee;
- b) Improve the quality and relevance and social accountability of technical education and training;
- c) Accelerate the employment generation effort of the government; and
- d) Expand the range of opportunities for upward social mobility of the school going population beyond the traditional higher levels of formal education. All government and

1 non-government agencies receiving financial and technical assistance from the government
2 shall be required to formulate their respective annual agency technical education and
3 training plan. The budget to support such plan shall be subject to review and endorsement
4 by the DTESD to the DBM. The DTESD shall evaluate the efficiency and effectiveness of
5 agencies skills development program and schemes to make them conform to the
6 quantitative and qualitative objectives of the national technical education and skills
7 development plan.

8 **Section 20. Technical Education and Skills Development Committees.** The DTESD shall
9 establish Technical Education and Skills Development Committees at the regional and local levels
10 to coordinate and monitor the delivery of all training activities by the public and private sectors,
11 and recommend policies, programs, and projects in accordance with the National Technical
12 Education and Skills Development Plan as provided in Section 4 of this Act. This committee shall
13 likewise serve as the Technical Education and Skills Development Committees of the regional and
14 local development councils.

15 **Section 21. Promotion of Enterprise-Based Training Programs.** The DTESD shall promote
16 Enterprise-Based Training as a major mode of training rather than an employment arrangement
17 and shall see to it that it is not subject to abuse by unscrupulous entities.

18 **Section 22. Establishment and Administration of National Training Standards.** There shall be
19 national training standards to be established by DTESD-accredited industry committees. The
20 DTESD shall develop and implement a certification and accreditation program in which private
21 industry groups and trade associations are accredited to conduct approved assessment packages,
22 and the local government units to promote such assessment in their respective areas in accordance
23 with the guidelines set by the DTESD and the National Development Plan of the

24 The Secretary shall determine the occupational trades for mandatory certification. All certificates
25 relating to the national training standards and certification system shall be issued by the DTESD
26 through its Regional and Provincial Offices.

27 In consonance with the Philippine Qualifications Framework (PQF), the DTESD shall closely
28 collaborate with the Professional Regulation Commission (PRC) as regards to the assessment of
29 technicians, master craftsman and technologists.

30 **Section 23. Assistance of Employers and Organizations.** The DTESD shall assist any employer
31 or organization engaged in technical education and training schemes design to attain its objectives
32 under rules and regulations established by the DTESD for this purpose.

33 **Section 24. Accreditation and Regulation of Technical Education and Skills Development**
34 **Programs.** All technical education and skills development programs shall be duly accredited by
35 the DTESD before it is offered to the public by any public, private entity or non-government
36 organization.

37 Non-compliance with the accreditation requirements of the DTESD shall form part of the bases
38 for the possible suspension or cancellation of the entities' license to operate issued by competent
39 authorities.

Section 25. Coordination of All Technical Education and Skills Development Schemes. In order to integrate the national technical education and skills development efforts, all technical education and skills development schemes as provided for in this Act shall comply with national standards as determined by the DTESD particularly those having to do with competency standards. For this purpose, existing technical education and skills development programs in the Government and in the private sector, specifically those wholly or partly financed with government funds, shall be reported to the DTESD which shall assess and evaluate such programs to ensure their efficiency and effectiveness.

The DTESD shall establish effective and efficient institutional arrangements with industry bodies and such other organizations or associations to ensure direct participation of employers and workers in the design and implementation of technical education and skills development schemes, competency standardization and certification and such other functions in the fulfillment of the DTESD's objectives.

Noncompliance with the above-mentioned standards as well as reportorial requirements shall be disqualified from any form of government assistance in the field of technical education and skills development.

Section 26. Inclusivity. The DTESD shall likewise design and implement a delivery system for community-based technical education and skills development opportunities for the marginalized and disadvantaged sectors of the population, providing them with new tools of wealth creation and with the capability to take on higher value-added gainful activities in all processes, and to share equitably in productivity gains eventually leading to poverty alleviation and reduction.

Section 27. Skills Competitions. To promote quality technical education and skills development in the country and with the view of participating in international skills competitions, the DTESD, with the active participation of private industries, shall organize and conduct annual Skills competitions.

The DTESD shall promulgate the necessary rules and guidelines for the effective and efficient conduct of National Skills competitions and for the country's participation in international Skills competitions such as ASEAN and World Skills Olympics.

Section 28. The TESD Development Fund. A Technical Education and Skills Development Fund is hereby established, to be managed/administered by the DTESD, the income from which shall be utilized exclusively in awarding of grants and providing assistance to training institutions, industries, and local government units for upgrading their capabilities and to develop and implement training and training-related activities.

The contribution to the fund shall be the following:

- a) A one-time lump sum appropriation from the National Government;
- b) An annual contribution from the Overseas Workers Welfare Administration Fund, the amount of which shall be determined by the Overseas Workers Welfare Administration and based on the study on financing capacity of the OWWA fund;
- c) Donations, grants, endowments, and other bequests or gifts, and any other income generated by the DTESD.

1 The Secretary shall be the administrator of the fund, and as such, shall formulate the necessary
2 implementing guidelines for the management of the fund, subject to the following:

- 3 a) Unless otherwise stipulated by the private donor, only earnings of private contributions
4 shall be used; and
- 5 b) No part of the seed capital of the fund, including earnings, thereof, shall be used to
6 underwrite expenses for the administration of the Fund.

7 The Secretary shall appoint a reputable government- accredited investment institution as fund
8 manager, subject to existing government rules and regulations.

9 **Section 29. Technical Assistance, Incentives and Scholarship Grants.** The DTESD shall adopt a
10 system of providing technical assistance, incentives and scholarship grants which shall be designed
11 to encourage public and private sector and clientele participation in technical education and
12 training activities along the priorities identified by the National Development Plan/Agenda.

13 **Section 30. Placement Centers.** There shall be established a network of placement centers in all
14 the Provincial/District Offices to cater specifically to the job placement of graduates of TESD
15 institutions. These Centers shall be financed and administered by the DTESD. In coordination with
16 the Department of Labor and Employment (DOLE), these centers shall be part of the National
17 Employment Service Network of the DOLE.

18 **Section 31. Separation and Retirement from Service.** Employees who are separated from service
19 within six (6) months from the effectivity of this Act as a result of the abolition/reorganization
20 under the provisions of this Act shall receive separation benefits to which they may be entitled
21 under existing laws, orders and issuances: Provided, that those who are qualified to retire under
22 existing retirement laws shall be allowed to retire and receive retirement benefits to which they
23 may be entitled under applicable laws, orders and issuances.

24 **Section 32. Transitory Provision.** The Technical Education and Skills Development (TESDA)
25 created under Republic Act No. 7796 is hereby abolished; and all personnel and resources therein
26 shall be transferred to the DTESD.

27 The TESDA Board created under Section 6 and 7 of R.A. 7796 is likewise abolished.

28 The TESDA Secretariat created under Sections 10-15 of R.A. 7796 shall comprise the initial
29 workforce complement of the DTESD, Provided, that, no employee shall be terminated by virtue
30 of this transfer.

31 The laws and rules on government reorganization as provided under Republic Act No. 6656,
32 otherwise known as the Reorganization Law, shall govern the transfer and reorganization process
33 of the DTESD.

34 The Personnel of the TESDA shall, in a holdover capacity, continue to perform their respective
35 duties and responsibilities and receive their corresponding salaries and benefits until such time
36 when the organizational structure pattern of the DTESD shall have been approved. Provided, That
37 the preparation and approval of the said new organizational structure and staffing pattern shall, as
38 far as practicable, respect and ensure the security of tenure and seniority rights of affected
39 government employees. Those personnel whose positions are not included in the new staffing

1 pattern or who are not reappointed or who choose to be separated as a result of the reorganization
2 shall be paid their separation or retirement benefits under existing laws.

3 **Section 33. Appropriations.** - The amount needed for the initial implementation of this Act shall
4 be taken from the current fiscal year's appropriation of TESDA. Thereafter, the amount needed
5 for the operation and maintenance of the DTESD shall be included in the General Appropriations
6 Act.

7 **Section 34. Implementing Rules and Regulations.** Within ninety (90) days from the effectivity of
8 this Act, the DTESD, in consultation with appropriate government agencies and other
9 stakeholders, shall promulgate the necessary rules and regulations to implement this Act.

10 **Section 35. Separability Clause.** If, for any reason or reasons, any part of the provision of this Act
11 shall be held to be unconstitutional or invalid, other parts or provisions hereof which are not
12 affected thereby shall continue to be in full force and effect.

13 **Section 36. Repealing Clause.** All laws, decrees, orders, rules, and regulations, or parts thereof,
14 inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

15 **Section 37. Effectivity Clause.** This Act shall take effect after fifteen (15) days following its
16 publication in the Official Gazette and at least two (2) newspapers of general circulation.

17 **Approved,**