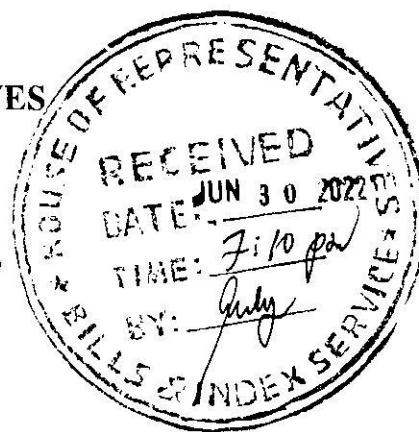


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL No. 558



Introduced by
ACT Teachers Party-List Rep. FRANCE L. CASTRO,
GABRIELA Women's Party Rep. ARLENE D. BROSAS,
and **KABATAAN Party-List Rep. RAOUL DANNIEL A. MANUEL**

AN ACT
EXPANDING THE PURPOSE AND APPLICATION OF THE SPECIAL
EDUCATION FUND, AMENDING FOR THE PURPOSE SECTION 272 OF
REPUBLIC ACT 7160, OTHERWISE KNOWN AS THE "LOCAL
GOVERNMENT CODE OF 1991"

EXPLANATORY NOTE

The almost three-decade old provision of the *Local Government Code of 1991* regarding the Special Education Fund (SEF) needs a timely amendment due to the insufficiency of the amount of the additional levy on real property and the varying interpretations in every budget circular of the Department of Budget and Management (DBM) on the expenses chargeable out of the same. As result, the implementation changes again and again based on the present administration's budget priorities. It is rare, however, that such priorities are entirely based on the actual demands of teachers, education sector personnel, and students.

This bill seeks to expand the purpose and application of the SEF based from the current laws and in addition to other school-related expenses to codify all the allowed expenses chargeable to the SEF. Supposedly, the SEF is meant to augment the national budget but, effectively, there is no augmentation. Due to huge budget cuts in education despite the annual increments in its needs, schools mainly depend on SEF to fund their expenses such as the hiring of and benefits for additional teachers and education support personnel, maintenance and operation of schools, and other necessary expenses. Collections of the SEF simply cannot keep up with the rising

needs of public schools, and whenever SEF funds become insufficient or “run dry,” Local Government Units (LGUs) are forced to stop getting the services of teachers and personnel (“endo” is common as well as salaries and benefits which are lower than those given to nationally-paid personnel) and the services and expenses previously provided are discontinued.

This bill also provides for some prohibitions or limitations: The SEF is not to be used to justify contractualization of personnel or their engagement under terms and conditions less favorable than those governing employees of the national government, and no part of the SEF can fund operations of private schools.

Lastly, the bill mandates LGUs to submit the number of their locally-hired personnel, the amount of their salaries, allowances and other benefits, and a request for the creation by the DBM of plantilla positions to regularize the long-time locally-hired personnel.

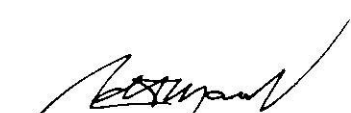
For the foregoing reasons, urgent approval of this bill is sought.



Rep. FRANCE L. CASTRO
ACT Teachers Party-List



Rep. ARLENE D. BROSAS
GABRIELA Women's Party



Rep. RAOUL DANNIEL A. MANUEL
KABATAAN Party-List

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

SECTION 1. Section 235 of Republic Act No. 7160 is hereby amended to read as follows:

Section 235. Additional Levy on Real Property for the Special Education Fund.
– A province or city, or a municipality within the Metropolitan Manila Area, may levy and collect an annual tax of **TWO** percent (2%) on the assessed value of real property which shall be in addition to the basic real property tax. The proceeds thereof shall exclusively accrue to the Special Education Fund (SEF).

SEC. 2. Section 272 of Republic Act No. 7160 is hereby amended to read as follows:

Sec. 272. Application of the Proceeds of the Additional One Percent SEF Tax. – The proceeds from the additional **TWO** percent (2%) tax on real property accruing to the Special Education Fund (SEF) shall be automatically released to the local school boards: *Provided*, That in case of provinces, the proceeds shall be divided equally between the provincial and municipal school boards: *Provided, however*, That the proceeds shall be allocated, **AS**

**DETERMINED AND APPROVED BY THE LOCAL SCHOOL BOARD,
TO AUGMENT THE FOLLOWING EXPENSES:**

- 1. OPERATION AND MAINTENANCE OF PUBLIC SCHOOLS;**
- 2. ACQUISITION OF SCHOOL SITES OR LANDS;**
- 3. CONSTRUCTION AND REPAIR OF SCHOOL BUILDINGS, LEARNING CENTERS, LIBRARIES, AND SCHOOL DORMITORIES;**
- 4. FACILITIES AND EQUIPMENT INCLUDING BUT NOT LIMITED TO INFORMATION TECHNOLOGY EQUIPMENT AND COROLLARY SUPPORT SERVICES, SCHOOL FURNITURE AND FIXTURES, AND MEDICAL AND DENTAL SUPPLIES;**
- 5. PAYMENT OF COMPENSATION AND AUTHORIZED ALLOWANCES, COMPETENCY TRAININGS AND OTHER BENEFITS OF LOCALLY-HIRED TEACHING AND NON-TEACHING PERSONNEL: *PROVIDED*, THAT THE RATES OF COMPENSATION AND AUTHORIZED ALLOWANCES OF LOCALLY-HIRED TEACHING AND NON-TEACHING PERSONNEL SHALL BE DETERMINED BY THE LSB BASED ON FUNDS AVAILABLE; *PROVIDED FURTHER*, IN NO CASE SHALL LOCAL ALLOWANCE FOR TEACHERS BE LOWER THAN P1,500; *PROVIDED FURTHER*, THAT THE COMPENSATION AND ALLOWANCES PROVIDED HEREIN FOR LOCALLY HIRED TEACHERS SHALL NOT BE LESS THAN THOSE PROVIDED BY THE NATIONAL GOVERNMENT, PURSUANT TO SECTION 17 OF REPUBLIC ACT 4670 OR THE *MAGNA CARTA FOR PUBLIC SCHOOL TEACHERS*; *PROVIDED FURTHER*, THAT SUCH ATTENDANCE IN COMPETENCY TRAININGS SHALL BE CREDITED AS PART OF THE TEACHERS' COMPLIANCE WITH RULES AND REGULATIONS ON CONTINUING PROFESSIONAL DEVELOPMENT;**
- 6. ANY ADDITIONAL AUTHORIZED ALLOWANCES GRANTED BY LGUS TO NATIONALLY-HIRED TEACHING AND NON-TEACHING PERSONNEL CHARGEABLE AGAINST THE SEF AS OF 31 DECEMBER 1997: *PROVIDED*, THAT SUCH ADDITIONAL AUTHORIZED ALLOWANCES GRANTED THEREAFTER SHALL BE CHARGED TO THE GENERAL FUND: *PROVIDED, FURTHER*, THAT IN CASE OF FOURTH TO SIXTH CLASS MUNICIPALITIES, SUCH ADDITIONAL AUTHORIZED ALLOWANCES MAY STILL BE CHARGED TO SEF SO LONG AS THE SAME DOES NOT EXCEED 10% THEREOF, SUBJECT TO EXISTING BUDGETING RULES AND REGULATIONS;**
- 7. AUGMENTATION FOR THE OPERATION OF (I) NON-FORMAL EDUCATION PROGRAMS, (II) EARLY CHILDHOOD EDUCATION, (III) SPECIAL EDUCATION, (IV) SENIOR HIGH SCHOOL, (V) OPEN HIGH SCHOOL PROGRAM, (VI) MADRASAH CLASSES, AND (VII) REMEDIAL CLASSES, INCLUDING THE PAYMENT OF SALARIES, AUTHORIZED ALLOWANCES, AND OTHER BENEFITS OF LOCALLY-HIRED TEACHING AND**

NON-TEACHING PERSONNEL OF THE PROGRAM, AND THE CONDUCT OF TEACHERS' COMPETENCY TRAININGS;

8. AUGMENTATION FOR THE OPERATION OF ALTERNATIVE LEARNING SYSTEM (ALS) INCLUDING PAYMENT OF SALARIES, AUTHORIZED ALLOWANCES AND OTHER BENEFITS OF THE LOCALLY-HIRED ALS LEARNING FACILITATORS;

9. EDUCATIONAL RESEARCH;

10. PURCHASE OF BOOKS AND PERIODICALS; AND

11. SPORTS DEVELOPMENT.

NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, ALL EXPENSES ENUMERATED UNDER THIS SECTION SHALL BE SUBJECTED TO THE PREVAILING POLICIES AND GUIDELINES OF DEPARTMENT OF EDUCATION (DEPED).

PRIVATE SCHOOLS MAY BE GRANTED THE ABOVE EXPENSES AND BENEFITS, ESPECIALLY THOSE DIRECTLY GIVEN TO TEACHERS AND EMPLOYEES: *PROVIDED, THAT* NO PART OF THE PROCEEDS SHALL INURE TO ADMINISTRATORS OR OWNERS OF PRIVATE SCHOOLS.

LOCAL GOVERNMENT UNITS SHALL TAKE STEPS TOWARDS THE GRANT BY THE NATIONAL GOVERNMENT OF PERMANENT PLANTILLA POSITIONS TO LONG-TIME LOCALLY-HIRED PERSONNEL. FOR THIS PURPOSE, LOCAL GOVERNMENT UNITS SHALL SUBMIT, AS PART OF THEIR ANNUAL BUDGET PROPOSALS, THE NUMBER OF THEIR LOCALLY-HIRED PERSONNEL; THE AMOUNT OF THEIR SALARIES, ALLOWANCES, AND OTHER BENEFITS; AND A REQUEST FOR THE CREATION OF PLANTILLA POSITIONS FOR LONG-TIME LOCALLY-HIRED PERSONNEL.

ALL LOCAL SCHOOL BOARDS SHALL SUBMIT AN ANNUAL REPORT ON THE COLLECTION, ALLOCATION, AND UTILIZATION OF THE SPECIAL EDUCATION FUND TO THE BUREAU OF LOCAL GOVERNMENT FINANCE UNDER THE DEPARTMENT OF FINANCE (DOF-BLGF), COPY FURNISHED THE LOCAL SANGGUNIAN CONCERNED REGIONAL OFFICES OF THE DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT (DILG), DEPED, AND THE DEPARTMENT OF BUDGET AND MANAGEMENT (DBM) ON OR BEFORE 31 MARCH OF THE SUCCEEDING YEAR.

THE DOF-BLGF SHALL THEN SUBMIT TO THE SENATE COMMITTEES ON LOCAL GOVERNMENT AND EDUCATION, ARTS AND CULTURE AND HOUSE COMMITTEES ON LOCAL GOVERNMENT AND BASIC EDUCATION AND CULTURE A

CONSOLIDATED REPORT ON THE COLLECTION AND UTILIZATION OF THE SEF WITHIN NINETY (90) DAYS FROM RECEIPT OF REPORTS FROM THE LGUS.

ALL REPORTS ON THE SEF SHALL BE POSTED IN AT LEAST THREE CONSPICUOUS PUBLIC PLACES WEBSITES OF ALL LOCAL GOVERNMENT UNITS, AND THE FULL DISCLOSURE POLICY PORTAL BEING ADMINISTERED BY DILG.

SEC. 3. *Implementing Rules and Regulations.* – The DILG, DepEd, and DBM shall jointly promulgate the necessary rules and regulations for the faithful and effective implementation of the provisions of this Act within ninety days from the date of its effectivity.

SEC. 4. *Repealing Clause.* – Any provision of laws, orders, agreements, rules, or regulations contrary to and inconsistent with this Act is hereby repealed, amended or modified accordingly.

SEC. 5. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication either in the *Official Gazette*, or in at least two (2) newspapers of general circulation.

Approved,