

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 2125



Introduced by REP. RODOLFO "OMPONG" M. ORDANES

**AN ACT MANDATING LOCAL GOVERNMENT UNITS TO ALLOCATE
THIRTY PERCENT (30%) OF THE SPECIAL EDUCATION FUND FROM REAL
PROPERTY TAX COLLECTIONS FOR THE PROVISION OF EDUCATIONAL
ASSITANCE TO POOR AND DESERVING STUDENTS, AND FOR OTHER
PURPOSES**

EXPLANATORY NOTE

Education remains one of the most effective tools to break the cycle of poverty and uplift the lives of Filipinos, especially those in marginalized sectors. However, access to quality education remains a challenge for many low-income but deserving students due to financial constraints.

Under the Local Government Code of 1991, the Special Education Fund (SEF) is sourced from an additional one percent (1%) real property tax imposed by provinces, cities, and municipalities. This fund is intended for the operation and maintenance of public schools, including the construction and repair of school buildings, as well as support for educational programs. Despite its intended purpose, the full potential of the SEF to directly support underprivileged students remains underutilized. A recent study by the Second Congressional Commission on Education (EDCOM 2) found that from 2018 to 2022, an estimated ₱15 billion of SEF was unspent, by 2022 alone, with LGUs using only about 43% of their SEF, and cities showing the highest underutilization rate at 57%¹.

As such, this bill seeks to maximize the use of the SEF by mandating that thirty percent (30%) of its annual collection be allocated for educational assistance to poor and deserving students residing within the local government unit (LGU). This allocation will ensure that a portion of public resources is directly invested in the academic advancement and future of financially disadvantaged learners.

To ensure transparency and accountability, the selection of beneficiaries shall be

¹ <https://edcom2.gov.ph/lgu-special-education-fund-underutilized/>

determined by a Local Scholarship Selection Committee composed of representatives from the Schools Division Office, civil society organizations, people's organizations, religious groups, and other relevant stakeholders. This multisectoral approach promotes inclusivity and fairness in the identification and recommendation of qualified applicants.

By institutionalizing this measure, LGUs will be empowered to take a more active role in addressing educational inequality, and thousands of Filipino families will have a better chance at a brighter future.

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



RODOLFO "OMPONG" M. ORDANES

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 2125

Introduced by REP. RODOLFO “OMPONG” M. ORDANES

**AN ACT MANDATING LOCAL GOVERNMENT UNITS TO ALLOCATE
THIRTY PERCENT (30%) OF THE SPECIAL EDUCATION FUND FROM REAL
PROPERTY TAX COLLECTIONS FOR THE PROVISION OF EDUCATIONAL
ASSISTANCE TO POOR AND DESERVING STUDENTS, AND FOR OTHER
PURPOSES**

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

1 SECTION 1. *Short Title.* – This Act shall be known as the “*Scholar ng Bayan*
2 *Act.*”

3 SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to
4 promote equal access to quality education for all. To achieve this, the State shall
5 strengthen the role of local government units (LGUs) in supporting poor and
6 deserving students by mandating the allocation of a portion of the Special Education
7 Fund (SEF) from real property tax collections for educational assistance.

8 SEC. 3. *Allocation of Educational Assistance Fund.* – Section 272 of Republic
9 Act No. 7160, otherwise known as the “Local Government Code” shall be amended to
10 read as follows:

11 “Section 272. **Application of Proceeds of the Additional One**
12 **Percent SEF Tax.** - The proceeds from the additional one percent (1%) tax
13 on real property accruing to the Special Education Fund (SEF) shall be
14 automatically released to the local school boards: Provided, That, in case
15 of provinces, the proceeds shall be divided equally between the provincial
16 and municipal school boards: Provided, however, That the proceeds shall
17 be allocated for the operation and maintenance of public schools,
18 construction and repair of school buildings, facilities and equipment,
19 educational research, purchase of books and periodicals, and sports
20 development as determined and approved by the Local School Board:
21 **PROVIDED FURTHER, THAT ALL PROVINCES, CITIES AND**
22 **MUNICIPALITIES SHALL ALLOCATE THIRTY PERCENT (30%) OF**
23 **THE TOTAL ANNUAL COLLECTIONS FROM THE SEF FOR THE**

1 **PROVISION OF EDUCATIONAL ASSISTANCE TO POOR AND**
2 **DESERVING STUDENTS RESIDING IN THEIR RESPECTIVE**
3 **LOCALITIES.”**

4 **SEC. 4. *Eligibility Criteria.*** – To qualify for the educational assistance program,
5 students must:

- 6 a. be a resident of the LGU for at least one (1) year prior to application;
- 7 b. be enrolled in any public or private college or university duly recognized
- 8 by the Commission on Higher Education (CHED);
- 9 c. belong to a household whose income does not exceed the poverty threshold
- 10 set by the Philippine Statistics Authority (PSA); and
- 11 d. demonstrate academic potential or consistent satisfactory academic
- 12 performance.

13 **SEC. 5. *Selection Committee.*** – Each LGU shall create a Local Scholarship
14 Selection Committee (LSSC) composed of the following:

- 15 a. Representative from the Schools Division Office (DepEd) in the LGU;
- 16 b. Representative from Civil Society Organizations (CSOs) in the LGU;
- 17 c. Representative from People’s Organizations (POs) in the LGU;
- 18 d. Representative from a Religious Group operating in the locality;
- 19 e. Representative from the Local Youth Development Office, if available; and
- 20 f. One (1) member of the Sangguniang Panlungsod or Sangguniang Bayan as
- 21 designated by the Mayor.

22 The LSSC shall formulate the implementing guidelines, evaluate applications,
23 and recommend qualified beneficiaries to the Local Chief Executive for approval.

24 **SEC. 6. *Implementation Guidelines.*** – The Department of the Interior and Local
25 Government (DILG), in consultation with the Department of Education (DepEd) and
26 the Department of Budget and Management (DBM), shall issue the necessary
27 guidelines for the effective implementation of this Act within ninety (90) days from its
28 effectivity.

29 **SEC. 7. *Separability Clause.*** – If any provision of this Act is declared
30 unconstitutional or invalid, the remaining provisions not affected shall continue to be
31 in full force and effect.

32 **SEC. 8. *Repealing Clause.*** – All laws, executive orders, rules, and regulations
33 inconsistent with this Act are hereby repealed or modified accordingly.

34 **SEC. 9. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
35 publication in the Official Gazette or in a newspaper of general circulation.

36 *Approved,*