

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**TWENTIETH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 3033**



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**Introduced by Representative Paolo Henry M. Marcoleta**

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**EXPLANATORY NOTE**

Article XIV, Section 1 of the 1987 Constitution mandates that “[t]he State shall protect and promote the right of all citizens to quality education at all levels and shall take appropriate steps to make such education accessible to all.” Thus, there is a clear need to take vital steps to address the limitation set by the existing provisions of Republic Act No. 7160 or the Local Government Code (LGC) of 1991 on the utilization of the Special Education Fund (SEF).

Section 235 of LGC of 1991 states that “[a] province or city, or a municipality within the Metropolitan Manila Area, may levy and collect an annual tax of one percent (1%) on the assessed value of real property which shall be in addition to the basic real property tax.” It also declares that the proceeds of the same shall exclusively accrue to the SEF. According to existing law, the said expenses will be determined and approved by the local school board.

In a report released by the Second Congressional Commission on Education (EDCOM 2), the SEF across the country remains underutilized, despite an increase in income.<sup>1</sup> Corollary, the Department of Education continues to be challenged with perennial issues on learning environments, learning outcomes, teacher welfare and resource gaps – areas that require substantive resources. Hence, the need for the expansion of the purpose and application of SEF in order to tap the capability of local government units (LGUs) in addressing these issues within their respective jurisdiction.

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<sup>1</sup> EDCOM2, “LGU Special Education Fund underutilized, inequitable – EDCOM 2”, March 11, 2024, available at <https://edcom2.gov.ph/lgu-special-education-fund-underutilized/> (last accessed on July 07, 2025).

This measure ensures that SEF is maximized, in response to our LGUs' need for additional support to achieve the quality education for our youth.

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

A handwritten signature in black ink, featuring a large, stylized capital 'P' followed by 'HMM' and a horizontal line.

**PAOLO HENRY M. MARCOLETA**  
Representative, SAGIP Party-List

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**AN ACT**  
**EXPANDING THE PURPOSE AND APPLICATION OF THE SPECIAL**  
**EDUCATION FUND, AMENDING FOR THE PURPOSE SECTION 272**  
**OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL**  
**GOVERNMENT CODE OF 1991, AND FOR OTHER PURPOSES**

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

1       **Section 1.** Section 272 of Republic Act No. 7160 is hereby amended to  
2 read as follows:

3  
4       “Sec. 272. *Application of Proceeds of the Additional One Percent*  
5 *SEF Tax.* – The proceeds from the additional one percent (1%) tax on  
6 real property accruing to the Special Education Fund (SEF) shall be  
7 automatically released to the local school boards: *Provided, That, in*  
8 *case of provinces, the proceeds shall be divided equally between the*  
9 *provincial and municipal school boards: Provided, however, That the*  
10 *proceeds shall be allocated, [for the operation and maintenance of*  
11 ~~*public schools, construction and repair of school buildings,*~~  
12 ~~*facilities and equipment, educational research, purchase of books*~~  
13 ~~*and periodicals, and sports development]* AS DETERMINED~~  
14 **AND APPROVED BY THE LOCAL SCHOOL BOARD, FOR**  
15 **THE FOLLOWING:**

16       **1. OPERATION AND MAINTENANCE OF PUBLIC**  
17       **SCHOOLS;**

- 1           **2. ACQUISITION OF SCHOOL SITES OR LANDS;**
- 2           **3. CONSTRUCTION AND REPAIR OF SCHOOL**
- 3           **BUILDINGS, LEARNING CENTERS, LIBRARIES, AND**
- 4           **SCHOOL DORMITORIES;**
- 5           **4. FACILITIES AND EQUIPMENT INCLUDING BUT NOT**
- 6           **LIMITED TO INFORMATION TECHNOLOGY**
- 7           **EQUIPMENT AND COROLLARY SUPPORT**
- 8           **SERVICES, SCHOOL FURNITURE AND FIXTURES,**
- 9           **MEDICAL AND DENTAL SUPPLIES, AND**
- 10          **INSTALLATION OF RADIO FREQUENCY**
- 11          **IDENTIFICATION (RFID) SYSTEM AND CLOSED-**
- 12          **CIRCUIT TELEVISION (CCTV);**
- 13          **5. PURCHASE AND MAINTENANCE OF SERVICE**
- 14          **VEHICLES;**
- 15          **6. PAYMENT OF VOLUNTARY CONTRIBUTIONS**
- 16          **AUTHORIZED UNDER EXISTING LAWS;**
- 17          **7. PAYMENT OF COMPENSATION AND AUTHORIZED**
- 18          **ALLOWANCES, COMPETENCY TRAININGS,**
- 19          **BENCHMARKING, AND OTHER BENEFITS OF**
- 20          **LOCALLY-HIRED TEACHING AND NON-TEACHING**
- 21          **PERSONNEL: PROVIDED , THAT THE RATES OF**
- 22          **COMPENSATION AND AUTHORIZED ALLOWANCES**
- 23          **OF LOCALLY-HIRED TEACHING AND NON-**
- 24          **TEACHING PERSONNEL SHALL BE DETERMINED**
- 25          **BY THE LSB, BASED ON FUNDS AVAILABLE, BUT AT**
- 26          **RATES NOT TO EXCEED THE SALARY SCHEDULE**
- 27          **BEING IMPLEMENTED BY THE LGU CONCERNED;**
- 28          **8. ANY ADDITIONAL AUTHORIZED ALLOWANCES**
- 29          **GRANTED BY LGUS TO NATIONALLY-HIRED**
- 30          **TEACHING AND NON-TEACHING PERSONNEL**
- 31          **CHARGEABLE AGAINST THE SEF AS OF 31**
- 32          **DECEMBER 1997: *PROVIDED*, THAT SUCH**
- 33          **ADDITIONAL AUTHORIZED ALLOWANCES**
- 34          **GRANTED THEREAFTER SHALL BE CHARGED TO**
- 35          **THE GENERAL FUND: *PROVIDED, FURTHER*, THAT**

1 IN CASE OF FOURTH TO SIXTH CLASS  
2 MUNICIPALITIES, SUCH ADDITIONAL  
3 AUTHORIZED ALLOWANCES MAY STILL BE  
4 CHARGED TO SEF SO LONG AS THE SAME DOES  
5 NOT EXCEED 10% THEREOF, SUBJECT TO  
6 EXISTING BUDGETING RULES AND REGULATIONS;

7 9. OPERATION OF (I) NON-FORMAL EDUCATION  
8 PROGRAMS, (II) EARLY CHILDHOOD EDUCATION,  
9 (III) SPECIAL EDUCATION, (IV) SENIOR HIGH  
10 SCHOOL, (V) OPEN HIGH SCHOOL PROGRAM, (VI)  
11 MADRASAH CLASSES, AND (VII) REMEDIAL  
12 CLASSES, INCLUDING THE PAYMENT OF SALARIES,  
13 AUTHORIZED ALLOWANCES, AND OTHER  
14 BENEFITS OF LOCALLY-HIRED TEACHING AND  
15 NON- TEACHING PERSONNEL OF THE PROGRAM,  
16 AND THE CONDUCT OF TEACHERS' COMPETENCY  
17 TRAININGS;

18 10. OPERATION OF ALTERNATIVE LEARNING SYSTEM  
19 (ALS) INCLUDING PAYMENT OF SALARIES,  
20 AUTHORIZED ALLOWANCES AND OTHER  
21 BENEFITS OF THE LOCALLY-HIRED ALS LEARNING  
22 FACILITATORS;

23 11. EDUCATIONAL RESEARCH AND STUDY TRIPS,  
24 INCLUDING PARTICIPATION IN ACADEMIC AND  
25 ATHLETIC COMPETITIONS;

26 12. PURCHASE OF BOOKS AND PERIODICALS; AND

27 13. SPORTS DEVELOPMENT.  
28

29 NOTWITHSTANDING ANY PROVISION TO THE  
30 CONTRARY, ALL EXPENSES ENUMERATED UNDER THIS  
31 SECTION SHALL BE SUBJECT TO THE PREVAILING  
32 POLICIES AND GUIDELINES OF THE DEPARTMENT OF  
33 EDUCATION (DEPED). ALL LOCAL SCHOOL BOARDS  
34 SHALL SUBMIT AN ANNUAL REPORT ON THE  
35 COLLECTION, ALLOCATION, AND UTILIZATION OF THE

1       SEF TO THE BUREAU OF LOCAL GOVERNMENT FINANCE  
2       UNDER THE DEPARTMENT OF FINANCE (DOF-BLGF),  
3       COPY FURNISHED THE LOCAL SANGGUNIAN  
4       CONCERNED, REGIONAL OFFICES OF THE  
5       DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT  
6       (DILG), DEPED AND THE DEPARTMENT OF BUDGET AND  
7       MANAGEMENT ON OR BEFORE THE END OF THE FIRST  
8       QUARTER OF EVERY FISCAL YEAR THE DOF-BLGF  
9       SHALL THEN SUBMIT TO THE SENATE COMMITTEES ON  
10      LOCAL GOVERNMENT AND BASIC EDUCATION AND  
11      HOUSE COMMITTEES ON LOCAL GOVERNMENT AND  
12      BASIC EDUCATION AND CULTURE, A CONSOLIDATED  
13      REPORT ON THE COLLECTION AND UTILIZATION OF  
14      THE SEF WITHIN NINETY (90) DAYS FROM RECEIPT OF  
15      REPORTS FROM THE LGUS. ALL REPORTS ON THE SEF  
16      SHALL BE POSTED IN AT LEAST THREE CONSPICUOUS  
17      PUBLIC PLACES, WEBSITES OF ALL LOCAL  
18      GOVERNMENT UNITS, AND THE FULL DISCLOSURE  
19      POLICY PORTAL BEING ADMINISTERED BY DILG.”  
20

21       **Sec. 2. *Implementing Rules and Regulations.*** – Within sixty (60) days from  
22      the effectivity of this Act, the DILG, DepEd and DBM, shall jointly promulgate  
23      the rules and regulations to effectively implement the provisions of this Act.  
24

25       **Sec. 3. *Repealing Clause.*** – All laws, presidential decrees, executive  
26      orders, letters of instructions, proclamations or administrative regulations that are  
27      inconsistent with the provisions of this Act are hereby repealed, amended, or  
28      modified accordingly.  
29

30       **Sec. 4. *Effectivity.*** – This Act shall take effect fifteen (15) days following  
31      its publication in the Official Gazette or in a newspaper of general circulation.  
32

33       *Approved,*