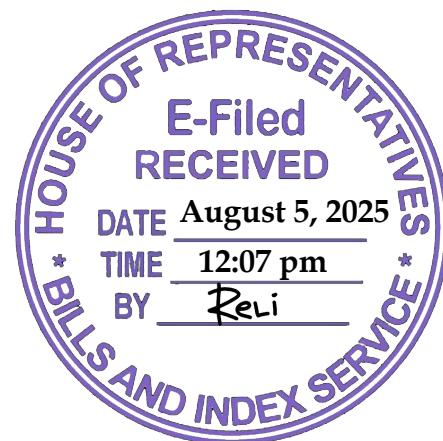


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session
House Bill No. **3048**



Introduced by: Congressman **BIENVENIDO M. ABANTE, JR.**

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

EXPLANATORY NOTE

The Constitution provides that: the State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and improved quality of life for all (*Sec. 9, Art. II*); the State shall promote social justice in all phases of national development (*Sec. 10, Art. II*); the State shall give priority to education, science and technology, arts, culture, and sports to foster patriotism and nationalism, accelerate social progress, and promote total human liberation and development (*Sec. 17, Art. II*); the Congress shall give highest priority to the enactment of measures that reduce social, economic, and political inequalities (*Sec. 1, Art. XIII*); the State shall encourage non-formal, informal, and indigenous learning systems, as well as self-learning, independent, and out-of-school study programs particularly those that respond to community needs (*Sec 2[4], Art. XIV*); and Science and technology are essential for national development and progress. The State shall give priority to research and development, invention, innovation, and their utilization; and to science and technology education, training, and services. It shall support indigenous, appropriate, and self-reliant scientific and technological capabilities, and their application to the country's productive systems and national life (*Sec. 10, Art. XIV*).

In this regard, the Technical Education and Skills Development Authority (TESDA), which was created by virtue of Republic Act 7796, otherwise known as the "Technical Education and Skills Development Act of 1994," is the government agency tasked to manage and supervise technical education and skills development in the Philippines. TESDA's vision is to be a transformational leader in the technical education and skills development of the Filipino workforce, with a mission of setting directions, promulgating relevant standards, and implementing programs geared

towards a quality-assured and inclusive technical education and skills development and certification system.

Under the bill, the proposed Department of Technical Education and Skills Development (DTESD) shall be the primary policy formulation, planning, coordinating, implementing, regulatory, and administrative entity of the government for technical education and training programs. With its gargantuan task, it is believed that by converting it into a Department, TESDA will be strengthened as an implementing and regulatory institution of the technical and vocational sector. It will put this Agency in a better position to fulfill its vision and mission, believing in demonstrated competence, institutional integrity, personal commitment, a culture of innovativeness, and a deep sense of nationalism.

The early passage of this Bill, therefore, is earnestly requested.



BIENVENIDO M. ABANTE, JR.

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

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

SEC. 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 middle-level manpower responsive to and in accordance with Philippine development goals and priorities. The State shall encourage active participation of private technical-vocational institutions (TVIs) and private enterprises, being direct participants in and immediate beneficiaries of a technically educated and trained skilled workforce, in providing technical education services and training opportunities.

SEC. 3. *Statement of Goals and Objectives.* The goals of the DTESD are as follows:

- a. *International Competitiveness.* - To promote and strengthen the quality of technical education and skills development programs to attain international competitiveness;
- b. *Quality Middle-Level Manpower.* - To focus technical education and skills development on meeting the changing demands for quality middle-level manpower and work environment, both in the national and international community;

- c. *Scientific and Technical Knowledge Base.* - To encourage critical and creative thinking by disseminating the scientific and technical knowledge base of middle-level manpower development, training, and programs;
- d. *Role of Public and Private Institutions.* - To recognize and encourage the complementary role of public and private institutions in technical education and skills development and training systems; and
- e. *Desirable Values.* - To inculcate desirable values through the development of moral character, with emphasis on work ethics of honesty, integrity, and punctuality, self-discipline, self-reliance, and nationalism.

The objectives of the DTESD are:

- a. Promotion and strengthening of the quality of technical education and skills development, training, and programs to attain global competitiveness and spur economic growth;
- b. Focus on technical education and skills development to meet the changing demands for quality manpower globally, as well as the changing work environment;
- c. Encouragement of critical and creative thinking by disseminating the scientific and technical knowledge base of manpower development, training, and programs;
- d. Recognition and encouragement of 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. Development of the capacities of stakeholders to participate in the planning and delivery of quality technical education and skills development systems;
- f. Inculcating desirable values through the development of moral character, with emphasis on work ethics of honesty, integrity, and punctuality, self-discipline, self-reliance, and nationalism;
- g. Strong support to 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 pertinent laws, decrees, and orders on education;
- h. Maximizing 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. Supporting the poverty alleviation efforts of the government by providing the marginalized and vulnerable segments of the country's population access to income-generating technical education and skills development opportunities.

SEC. 4. Definition of Terms. – As used in this Act:

- a. *Apprenticeship* refers to on-the-job practical training with compulsory related theoretical instructions 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 and approved as apprenticeable by the Department.
- 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 manpower responsive to and in accordance with Philippine

development goals and priorities.

- h. *Learner* refers to persons hired as trainees in semi-skilled and other industrial occupations that are non-apprenticeable. Learnership programs must be approved by the Department.
- i. *Levy Grant System* refers to a legal contribution from participating employers who would be beneficiaries of the program (often as a percentage of the payroll), which is subsequently turned over or rebated to enterprises offering employee training programs.
- j. *Middle-Level Manpower* refers to those:
 - i) Who have acquired practical skills and knowledge through formal or non-formal education and training equivalent to at least a secondary education, but preferably at post-secondary education with a corresponding degree or diploma; or
 - ii) Skilled workers who have become highly competent in their trade or craft, as attested by the industry.
 - iii) *Philippine Qualifications Framework (PQF)* refers to the national policy that describes the levels of educational qualifications and sets the standards for qualification outcomes. It is a quality-assured national system for the development, recognition, and award of qualifications based on standards of knowledge, skills, and values acquired in different ways and methods by learners and workers of a certain country.
 - iv) *Private Enterprise* refers to an economic system under which property of all kinds can be privately owned and in which individuals, alone or in association with others, can embark on a business activity. This includes but is not limited to industrial, agricultural, or agro-industrial establishments engaged in the production, manufacturing, processing, repacking, or assembly of goods, including service-oriented enterprises.
 - v) *Skill* refers to the acquired and practiced ability to carry out a task or job.
 - vi) *Skills Development* refers to the process through which learners and workers are systematically provided with learning opportunities to acquire or upgrade, or both, their ability, knowledge, and behavior patterns required as qualifications for a job or range of jobs in a given occupational area.

- vii) *Technical Education* refers to the education process designed at upper secondary and lower tertiary levels, aligned with the levels of the PQF, with the pathways to higher education through the credit transfer system based on learning outcomes aimed at preparing technicians, technologists, para-professionals, and other categories of workers and/or entrepreneurs by providing them with a broad range of general education, theoretical, scientific and technological studies, and related job skills training.
- viii) *Trade* refers to any group of interrelated jobs or any occupation that is traditionally or officially recognized as a craft or artisan in nature, requiring specific qualifications that can be acquired through work experience and/or training;
- ix) *Trainee* refers to persons who are participants in a vocational, administrative, or technical training program for the purpose of acquiring and developing job-related skills;
- x) *Trainer* refers to persons who direct the practice of skills towards immediate improvement in some task;
- xi) *User-Led" or "Market-Driven Strategy* refers to a strategy that promotes strengthened linkages between educational/training institutions and industry to ensure that appropriate skills and knowledge are provided by the educational system;

SEC. 5. *Creation and Mandate of the Department of Technical Education and Skills Development.* – There is hereby created a Department of Technical Education and Skills Development, hereinafter referred to as DTESD. The DTESD shall be the primary policy formulation, planning, coordinating, implementing, regulatory, and administrative entity of the government for technical education and skills development programs.

SEC. 6. *Powers and Functions.* – The DTESD shall have the following powers and functions:

- a) Formulate a roadmap for Philippine technical education and skills development and set the general directions for education and training policies and standards that shall be embodied in a National Technical Education and Skills Development Plan (NTESDP);
- b) Formulate and recommend national policies and guidelines and conduct in-depth studies on all policy areas and options that will promote technical education and skills development in consultation with the relevant stakeholders, and address job mismatch between technical vocational education and training and industry requirements;

c) Assess, review, harmonize, and coordinate all technical education and skills development policies and programs to ensure overall relevance, consistency, responsiveness, effectiveness, and efficient implementation of the national policies;

d) Organize and constitute various standing committees, subsidiary groups, or technical working groups for efficient integration, coordination, and monitoring of technical education and skills development programs at the national, regional, and local levels;

e) Enter into, make, execute, perform, and carry out domestic and foreign contracts for the purpose of attaining its goals and objectives as provided for in this Act, subject to existing laws, rules, and regulations;

f) Restructure the entire sub-sector consisting of all institutions and programs involved in the promotion and development of middle-level manpower through upgrading, merger, and/or phase-out following a user-led or market-driven strategy;

g) Approve training standards and assessment packages as established, conducted, and proven effective by private industries;

h) Establish and administer a system of accreditation of both public and private technical vocational institutions;

i) Establish, develop, and support trainers' training and/or programs;

j) Impose reasonable fees and charges for such assessment and pieces of training conducted and retain such earnings for its own use, subject to guidelines that it shall promulgate and to government auditing rules and procedures;

k) Allocate resources for the programs and projects it shall undertake pursuant to the approved NTESDP, subject to pertinent laws, rules, and regulations;

l) Determine and approve systematic funding schemes such as the levy and grant scheme for technical education and skills development purposes;

m) Create, when deemed necessary, an Advisory Committee that shall provide expert and technical advice to the Secretary of the Department to be chosen from the academe and the private sector. *Provided, That in case the Advisory Committee is created, the Department is authorized to set aside a portion of its appropriation for the Committee's operations;*

n) Formulate or review and recommend actions to concerned authorities on proposed technical assistance programs and grants-in-aid for technical education and skills development, including those which may be entered into between the Government and other nations, including international or foreign organizations, whether doing business in the Philippines or not;

o) Promulgate rules and regulations for the full, effective, and efficient implementation of its policies and related laws; and

p) Perform such other functions as may be needed to achieve its goals and objectives to the fullest and as may be provided by this Act.

SEC. 7. *Composition.* - The DTESD shall be composed of the Offices of the Department Secretary, the Undersecretaries, the Assistant Secretaries, and their immediate support staff. It shall also have bureaus, as well as regional and provincial or district offices. The Office of the Secretary shall be in the main office of the Department.

SEC. 8. *Powers and Functions of the Secretary.* - The Secretary of the DTESD shall have the following functions:

- a) Provide executive direction and supervision over the entire operations of the DTESD;
- b) Organize the DTESD for the efficient and effective performance of its functions so as to achieve its goals and objectives under this Act;
- c) Represent and effectively advocate technical education and skills development (TESD) concerns in national and international bodies;
- d) Establish TESD policies and standards for the effective, efficient, and economical operation of the DTESD, consistent with and in accordance with the annual programs of the government;
- e) Mobilize resources and ensure prudent utilization of and access to TESD investments and incentives according to national development plans and priorities;
- f) Designate and appoint Regional Directors and other officers and employees of the DTESD, excluding the Undersecretaries and Assistant Secretaries, subject to and in accordance with Civil Service Laws, rules, and regulations;
- g) Undertake consultations with other members of the Cabinet and officers of the government relating to TESD concerns;
- h) Advise the President on the promulgation of executive and administrative orders and formulation of regulatory and legislative proposals on matters pertaining to TESD;
- i) Promulgate rules, regulations, and other issuances as may be necessary to carry out the DTESD's mandate, objective, policies, plans, programs, goals,

and projects;

- j) Direct and manage the implementation of DTESD's programs and services;
and
- k) Perform such other functions as may be authorized by law.

SEC. 9. *Undersecretaries and Assistant Secretaries.* - The DTESD Secretary shall be assisted by three (3) Undersecretaries and three (3) Assistant Secretaries who shall be appointed by the President upon recommendation of the DTESD Secretary: *Provided*, that two (2) Undersecretaries and two (2) Assistant Secretaries shall be career officers.

The Undersecretaries and Assistant Secretaries shall assist the Secretary in the performance of his powers and functions under this Act in order to fully achieve the goals and objectives of the DTESD. The Undersecretaries and Assistant Secretaries shall be given specific areas of responsibility by the Secretary.

SEC. 10. *Qualifications and Appointments.* - No Secretary, Undersecretary, or Assistant Secretary of the DTESD shall be appointed unless he/she is a natural-born Filipino citizen, a resident of the Philippines, of good moral character, of proven integrity, a college degree graduate, a Civil Service eligible or its equivalent, and with at least five (5) years of experience in technical education skills and development.

SEC. 11. *Bureaus, Services, and Personnel.* - The bureaus which shall be under the Office of the Secretary shall be headed by an Executive Director to be appointed by the President upon the recommendation of the Secretary. The Executive Director shall have the rank and emoluments of Director IV and shall have the same qualifications as those of the Secretary, Undersecretary, and Assistant Secretary of the DTESD.

SEC. 12. *Regional Office* - There shall be established a Regional Office in each region of the country to be headed by a Regional Director to be appointed by the President upon the recommendation of the Secretary. A Regional Director shall have the rank and emoluments of Director IV and shall have the same qualifications as those of the Secretary, Undersecretary, and Assistant Secretary of the DTESD. The Regional Directors shall have the following functions:

- a) Direct the implementation of TESD programs, projects, and related activities in the region;
- b) Develop and recommend to the Secretary for approval TESD programs for local-level implementation within set policies;
- c) Disseminate policies to stakeholders;

- d) Manage TESD resources in the region;
- e) Plan and implement policy inputs in the region;
- f) Monitor and evaluate program implementation; and
- g) Perform such other functions as may be directed by the Secretary or as may be provided by law, rules or regulations, or executive issuances.

SEC. 13. *The Provincial/District Offices.*- The Provincial/District Office shall be headed by a Provincial/District Director to be appointed by the Secretary of the DTESD.

A Provincial/District Director shall have the rank and emoluments of Director III who shall be a natural-born Filipino citizen, a resident of the Province or District where he is appointed, of good moral character, of proven integrity, a college degree graduate, a Civil Service eligible, and with at least two (2) years of experience in technical education skills and development. A Provincial/District Director shall have the following functions:

- a) Serve as secretariat to the Provincial Technical Education and Skills Development Committee;
- b) Provide technical assistance to the local government units for effective supervision, coordination, and integration of all technical education and training programs within their localities;
- c) Review and recommend to the Secretary priority technical education and training programs within their localities; and
- d) Perform such other functions as may be authorized or directed by the Secretary,

SEC. 14. *Technical Education and Training Centers.* - The DTESD shall absorb and enhance existing government Technical Education and Training Centers, including the Cordillera State Institute of Technical Education or CSITE, as provided under Republic Act No. 11192, and establish a network of national, regional, and local technical education and skills development centers for the purpose of promoting technical education and skills development. This network shall include leading training technology centers, training centers in vocational and technical schools, technical institutes, polytechnic colleges, and all other duly accredited public and private dual-system educational institutions. The 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. 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 provide 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 by law, rules, or regulations, including executive issuances.

SEC. 15. *Structure and Staffing Pattern.* - Subject to the approval of the DBM, the DTESD, through the Office of the Secretary, shall determine its organizational structure, staffing, pattern, qualification standards, and placement of personnel in the DTESD who shall be appointed in accordance with the civil service law, rules, and regulations.

SEC. 16. *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.

SEC. 17. *Consultants and Technical Assistance, Publication and Research.* - 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 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 necessary or required.

SEC. 18. *Formulation of a Comprehensive Development Plan for Middle-Level Manpower.* - The DTESD shall formulate a comprehensive development plan for middle manpower 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 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 may, through its various offices, call on public agencies, the private sector, and academe for assistance in the full and efficient implementation of this comprehensive plan.

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, 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 students beyond the traditional higher levels of formal education. All agencies receiving financial and technical assistance from the government shall be required to formulate their respective annual agency technical education and training plans and programs. The budget to support such plans and programs shall be subject to review and endorsement by the DTESD to the DBM. The DTESD shall evaluate the efficiency and effectiveness of an agency's skills development program and schemes to make them conform to the quantitative and qualitative objectives of the national technical education and skills development plan.

SEC. 19. *Technical Education and Skills Development Committees.* - The DTESD shall establish Technical Education and Skills Development Committees for the regional and local development councils to coordinate and monitor the delivery of all training activities by the public and private sectors, and recommend policies, programs and projects to better carry out the objectives of this Act. The composition of these Committees shall be determined by the Secretary.

SEC. 20. *Enterprise-Based Training Program.* - The DTESD shall promote enterprise-based Training as the major mode of training rather than an employment arrangement and shall see to it that it is not subject to abuse by unscrupulous entities.

SEC. 21. *Establishment and Administration of National Training Standards.* - There shall be national training standards to be established by DTESD-accredited industry committees. The DTESD shall develop and implement a certification and accreditation program in which private industry groups and trade associations are

accredited to conduct approved assessment packages. The local government units shall promote these assessment packages in their respective areas in accordance with the guidelines set by the DTESD.

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

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

SEC. 22. *Administration of Training Programs.* - The DTESD shall design and administer training programs and schemes that will develop the capabilities of public and private institutions to provide quality and cost-effective technical education and skills development and related opportunities. Such training programs and schemes shall include teachers'/trainers' training in occupational trades and related fields of employment and values development as an integral component of all technical education and training programs.

SEC. 23. *Assistance to Employers and Organizations.* - The DTESD shall assist employers or organizations engaged in technical education and training schemes designed to attain its objectives under the rules and regulations established for the purpose.

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

Non-compliance with the accreditation requirements of the DTESD shall be a basis for the suspension or cancellation of the entity's license to operate issued by competent authorities.

SEC. 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 programs and 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 for assessment and evaluation to ensure their efficiency and effectiveness.

Non-compliance with these standards including reportorial requirements shall be a disqualification from any form of government assistance in the field of technical education and skills development.

SEC. 26. *Enterprise-based Partnerships and Linkages.* - 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.

SEC. 27. *Inclusive Training Opportunities.* - 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, including the beneficiaries of Pantawid Pamilyang Pilipino Program (4Ps) as provided under Republic Act No. 11310 or the Pantawid Pamilyang Pilipino Program Act, providing them with new tools of wealth creation and with the capability to take on higher value-added gainful activities, and to share equitably in productivity gains eventually leading to poverty alleviation and reduction.

SEC. 28. *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 National 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.

SEC. 29. *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 skills development 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 the financing capacity of the OWWA fund;
- c) Donations, grants, endowments, and other bequests or gifts, and any other income generated by the DTESD.

The Secretary shall be the administrator of the fund, and as such, shall formulate the

necessary implementing guidelines for the management of the fund, subject to the following:

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

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

SEC. 30. *Technical Assistance, Incentives, and Scholarship Grants.* - The DTESD shall adopt a system of providing technical assistance, incentives, and scholarship grants which shall be designed to encourage public and private sector and clientele participation in technical education and training activities along the priorities identified by the National Development Plan/Agenda.

SEC. 31. *Placement Centers.* - There shall be established a network of placement centers or PLACERS in all the Provincial/District Offices to cater specifically to the job placement of graduates of TESD institutions. These Centers shall be financed and administered by the DTESD. In coordination with the Department of Labor and Employment (DOLE), these centers shall be part of the National Employment Service Network of the DOLE.

SEC. 32. *Separation and Retirement from Service.* - Employees who are separated from service within six (6) months from the effectivity of this Act as a result of the abolition/reorganization under the provisions of this Act shall receive separation benefits to which they may be entitled under existing laws, orders and issuances: *Provided*, that those who are qualified to retire under existing retirement laws shall be allowed to retire and receive retirement benefits to which they may be entitled under applicable laws, orders, and issuances.

SEC. 33. *Transitory Provision.* - The Technical Education and Skills Development (TESDA) and the TESDA Board created under Republic Act No. 7796 are hereby abolished.

The TESDA Secretariat created under Sections 10-15 of R.A. 7796 shall comprise the initial manpower complement of the DTESD, *Provided*, that, no employee shall be terminated by virtue of this transfer. The laws and rules on government reorganization as provided under Republic Act No. 6656, otherwise known as the Reorganization Law, shall govern the transfer and reorganization process of the DTESD.

The personnel of the TESDA shall, in a holdover capacity, continue to perform their

respective duties and responsibilities and receive their corresponding salaries and benefits until such time when the organizational structure pattern of the DTESD shall have been approved and implemented. *Provided*, That the preparation and approval of the new organizational structure and staffing pattern shall, as far as practicable, respect and ensure the security of tenure and seniority rights of affected employees. Those personnel whose positions are not included in the new staffing pattern or who are not reappointed or who choose to be separated as a result of the reorganization shall be paid their separation and retirement benefits under existing laws.

SEC. 34. Appropriations. - The amount needed for the initial implementation of this Act shall be taken from the current fiscal year's appropriation of TESDA. Thereafter, the amount needed for the operation and maintenance of the DTESD shall be included in the General Appropriations Act.

SEC. 35. Implementing Rules and Regulations.- The DTESD, Department of Education, Department of Labor and Employment, Department of Budget and Management, and the Department of Finance shall, in consultation with other government agencies and concerned stakeholders, promulgate the implementing rules and regulations to effectively and efficiently carry out the provisions of this Act: *Provided*, That the non-promulgation of such rules and regulations shall not prevent the immediate implementation of this Act upon effectivity thereof.

SEC. 36. Separability Clause. - If, for any reason, any portion or provision of this Act shall be held unconstitutional or invalid, the remaining provisions not affected thereby shall continue to be in full force and effect.

SEC. 37. Repealing Clause. - Republic Act No. 7796, otherwise known as the "*TESDA Act of 1994*," is hereby repealed. All laws, presidential decrees, executive orders, rules and regulations, issuances, or parts thereof which are inconsistent with or contrary to the provisions of this Act are hereby deemed repealed, amended, or modified accordingly.

SEC. 38. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.