



**Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila**

**TWENTIETH CONGRESS
FIRST REGULAR SESSION**

HOUSE BILL NO. 5043



**Introduced by Representative
ZIAUR-RAHMAN "ZIA" ALONTO ADIONG**

EXPLANATORY NOTE

Technical education and skills development are indispensable pillars of national progress. In today's rapidly changing economy shaped by globalization, digital transformation, and evolving industry demands, our workforce must be equipped not only with foundational skills but also with competencies that are adaptive, future-ready, and internationally competitive.

The Technical Education and Skills Development Authority (TESDA), created under Republic Act No. 7796 or the TESDA Act of 1994, has played a vital role in providing Filipinos with technical-vocational education and training for more than three decades. However, the landscape of education and labor has dramatically shifted since the passage of the law. Industries now demand higher-level qualifications, integration of technology in training, recognition of micro-credentials, flexible learning pathways, and stronger collaboration between public and private sectors. To remain relevant and responsive, TESDA must be modernized to address these challenges.

The TESDA Modernization Act of 2025 seeks to strengthen TESDA's institutional capacity to align technical education with national development goals and emerging industry needs. It introduces flexible learning mechanisms such as recognition of prior learning, micro-credentials, and digital badges, while rationalizing the classifications of TVET institutions and integrating pathways between technical-vocational and higher education through ladderized programs. It establishes closer linkages with industries, local government units, and international partners to ensure that training programs are market-driven and globally benchmarked. It also provides sustainable financing mechanisms, including the TESDA Development Fund and levy-grant systems, to expand training opportunities and strengthen industry participation. Finally, it ensures accountability and regular review of TESDA's programs to guarantee effectiveness, inclusivity, and long-term sustainability.

This measure builds on the strengths of TESDA while introducing structural reforms that position technical-vocational education and training as a dynamic, inclusive, and future-oriented component of the Philippine education system. By modernizing TESDA, we invest in a Filipino workforce that is not only skilled but also competitive on the global stage, capable of driving innovation, attracting investments, and uplifting communities.

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



REP. ZIAUR-RAHMAN ALONTO ADIONG
1st District, Lanao del Sur



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**AN ACT
MODERNIZING THE TECHNICAL EDUCATION AND SKILLS
DEVELOPMENT AUTHORITY (TESDA), AMENDING AND
REPEALING FOR THE PURPOSE REPUBLIC ACT NO. 7796,
OTHERWISE KNOWN AS THE "TESDA ACT OF 1994," AND
FOR OTHER PURPOSES**

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

SECTION 1. *Short Title.* - This Act shall be known as the "TESDA
Modernization Act of 2025."

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-assured Filipino workforce responsive to and in accordance with
Philippine development goals and priorities.

The State shall encourage active participation of various concerned sectors,
particularly private enterprises, being direct participants in and immediate
beneficiaries of a trained and skilled workforce, in providing technical
education and skills development opportunities.

SECTION 3. *Statement of Goals and Objectives.* - It is the goal and objective of this Act to:

- a. Promote and strengthen the quality of technical education and skills development programs to attain international competitiveness;
- b. Focus technical education and skills development on meeting the changing demands for quality-assured workforce;
- c. Encourage innovation, continuous learning, growth-mindset, and collaboration by disseminating the scientific and technical knowledge base of workforce development programs;
- d. Recognize and encourage the complementary roles of public and private institutions in technical education and skills development and training system; and
- e. Inculcate desirable values through the development of moral character with emphasis on work ethic, self-discipline, self-reliance and nationalism.

SECTION 4. *Definition of Terms.* - As used in this Act:

- a. **"Skill"** shall mean the acquired and practiced ability to carry out a task or job;
- b. **"Skills Development"** shall mean the process through which learners and workers are systematically provided with learning opportunities to acquire or upgrade, or both, their ability, knowledge and behavior pattern required as qualifications for a job or range of jobs in a given occupational area;
- c. **"Technical Education"** shall refer to the education process designed at post-secondary and lower tertiary levels, officially recognized as non-degree programs, including associate degrees and diploma programs, aimed at preparing technicians, para-professionals and other categories of skilled workers by providing them with a broad range of general education, theoretical, scientific and technological studies, and related job skills training;
- d. **"Trade"** shall mean any group of interrelated jobs or any occupation which is traditionally or officially recognized as craft or artisan in nature requiring specific qualifications that can be acquired through work experience and/or training;
- e. **"Quality-assured Workforce"** 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 a post-secondary education with a corresponding associate degree or diploma, as defined in this Act; or

- (ii) skilled workers who have become highly competent in their trade or craft as attested by industry;
- f. **"Private Enterprises"** refers to an economic system under which property of all kinds can be privately owned and in which individuals, alone or in association with another, can embark on a business activity. This includes industrial, agricultural, or agro-industrial establishments engaged in the production, manufacturing, processing, repacking or assembly of goods including service-oriented enterprises;
- g. **"Trainors/Trainers"** shall mean persons who provide training to trainees aimed at developing the latter's capacities for imparting attitudes, knowledge, skills and behavior patterns, required for specific jobs, tasks, occupations or group of related occupations;
- h. **"Trainees"** shall mean persons who are participants in a vocational, administrative or technical training program for the purpose of acquiring and developing job-related skills;
- i. **"Apprenticeship"** refers to an enterprise-based education and training (EBET) program that covers higher levels of competencies covered by National Certificates (NC) 3 and above. Apprenticeship shall be for trainees at least eighteen (18) years old;
- j. **"Apprentice"** is a person undergoing training for an approved apprenticeable occupation during an established period assured by an apprenticeship agreement;
- k. **"Apprenticeship Agreement"** is 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;
- l. **"Apprenticeable Occupation"** is an occupation officially endorsed by a tripartite body and approved for apprenticeship by the Authority;
- m. **"User-Led" or "Market-Driven Strategy"** refers to a strategy which promotes strengthened linkages between educational/training institutions and industry to ensure that appropriate skills and knowledge are provided by the educational system;
- n. **"Dual System/Training"** refers to a delivery system of quality technical and vocational education which requires training to be carried out alternately in two venues: In school and in the production plant. In school training provides the trainee the theoretical foundation, basic training, guidance and human formation, while in-plant training develops his skills and proficiency in actual work conditions as it continues to inculcate personal discipline and work values;
- o. **"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;
- p. **"Work-Based Learning"** refers to learning that occurs in a real work environment and equips individuals with the necessary skills to obtain, maintain, and progress in their jobs and careers;
 - q. **"Competency-Based Training"** refers to a system by which the learner acquires a competency or a qualification based on demonstrated ability;
 - r. **"Recognition of Prior Learning (RPL)"** refers to the acknowledgement of a person's skills and knowledge acquired through previous training, work or life experience, which may be used to grant status, credit, or qualification. It is also defined as a process of identifying, documenting, assessing, and certifying formal, non-formal and informal learning outcomes against standards used in formal education and training. Thus, RPL provides an opportunity for people to acquire qualifications or credits towards a qualification or exemptions (from all or part of the curriculum, or even exemption from an academic prerequisite for entering a formal study program) without going through a formal education or training program;
 - s. **"Micro-credentials"** refers to records of focused learning achievement that verifies what the learner knows, understands, or can do. It meets the standards required by relevant quality assurance frameworks and offers flexibility, making it stackable and targeted toward specific competencies that can be assessed and verified;
 - t. **"Digital Badges"** serve as visual representations of micro-credentials, symbolizing skill achievement and accomplishments;
 - u. **"Technical-Vocational Education and Training (TVET)"** refers to the education or training process where it involves, in addition to general education, the study of technologies and related sciences and acquisition of practical skills relating to occupations in various sectors of economic life and social life, comprises formal (organized programs as part of the school system) and non-formal (organized classes outside the school system) approaches;
 - v. **"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;
 - w. **"Community-Based Technical Vocational Education and Training (CBTVET)"** refers to TVET programs intended to address specific needs of the community or local government unit that may be delivered in an informal or formal setting, implemented with

assistance and coordination of the authority; and

- x. **"Community-Training and Employment Coordinators"** refers to personnel of local government units trained by the authority to plan, organize, manage and monitor community-based training and enterprise development programs of local governments
- y. **"TVET institute or TVI"** refer to postsecondary education institutions that offer short-term non degree, diploma or certificate technical-vocational education and training programs or courses;
- z. **"Polytechnic Institute or Technological Institute"** refer to post-secondary education institutions with a focused and technical industry-driven or curricula, that offer at least three (3) or more programs that grant or award National Certificates (NC) to qualified recipients, with a corresponding diploma or similar credential and an established on-the-job training program;
- aa. **"Polytechnic College or Technological College"** refers to a college that offers the following:
 - i. at least three (3) or more programs that grant or award NC levels 4-5 in TESDA's National Competency Assessment scale, that provide pathways towards bachelor's degree programs offered by the same institution;
 - ii. three (3) or more ladderized and/or applied bachelor's degree programs, and
 - iii. a highly-specialized or technical industry on-the-job training program for all of its offered programs;
- ab. **"Polytechnic University or Technological University"** refers to a university that offers the following:
 - i. all of the cited qualifications for a polytechnic or technological college;
 - ii. three (3) or more masteral or doctoral programs in applied fields including but not limited to highly technical or technologically-focused professions such as engineering or other applied sciences; and
 - iii. an expansive and direct linkage of its degree programs to practical engagements with applicable industries;
- ac. **"Associate Degrees"** refers to post-secondary qualifications attained after completion of the K to12 basic education program, normally requiring a minimum of two years of study. It equips learners with specialized skills for gainful employment in related professions, while also providing the academic preparation necessary for progression to baccalaureate programs;
- ad. **"Applied Bachelor's Degrees"** refer to a generally four-year degree program that combines academic learning with a substantial proportion of practical or on-the-job experience, targeted for specific career paths instead of academic or research-focused outcomes;

- ae. **"Philippine Qualifications Framework (PQF)"** refers to the national policy that describes the levels of educational qualifications and sets standards for learning outcomes across all education and training sectors in the Philippines, namely basic education, technical-vocational education and training (TVET), higher education, and post-graduate scale of completion;
- af. **"Diploma"** refers to a credential awarded after completing a compressed and technically-focused program, specializing in a particular trade or vocational skill, and corresponds to a level 5 qualification in the PQF framework;
- ag. **"Bachelor's Degree Program"** refers to an undergraduate university degree that requires the completion of a secondary-level education and involves 4 years of full-time study for most programs, consisting of general education courses and specialized subjects focused on a major degree;
- ah. **"Masteral Degree"** refers to a postgraduate academic program that provides advanced and specialized knowledge and skills beyond a bachelor's degree; and
- ai. **"Doctoral Degree"** refers to the highest academic degree, earned by conducting significant research and producing original work, typically in a Doctor of Philosophy (PhD) or a practice-based professional doctorate.
- aj. **"Tertiary Education"** refers to formal post-secondary programs offered by degree-granting colleges, universities, and diplomas offered by TVIs. It shall encompass both higher education and TVET.

SECTION 5. *Creation of the Technical Education and Skills Development Authority.* - To implement the policy declared in this Act, pursuant to the provisions of Republic Act 7796, the Technical Education and Skills Development Authority (TESDA), hereinafter referred to as the Authority, shall continue to exercise its mandate in accordance with the provisions of this Act, and other applicable laws thereto. The Authority shall be attached to the Office of the President.

SECTION 6. *Composition of the Authority.* - The Authority shall be composed of the Board of Advisers and TESDA.

SECTION 7. *Board of Advisers.* - There is hereby created a Board of Advisers which shall serve as the policy direction and functional oversight body of TESDA. The Board shall convene twice a year.

The Board of Advisers shall be composed of the following:

Director-General of TESDA	Co-Chairperson
Secretary of Labor and Employment	Co-Chairperson
Secretary of Education	Co-Chairperson
Secretary of Trade and Industry	Member
Secretary of Agriculture	Member
Secretary of Interior and Local Government	Member
Chairperson of the Commission on Higher Education	Member

In addition, the President of the Philippines shall appoint the following members from the private sector, upon the recommendation of the Board of Advisers: four (4) representatives, from the employer/industry organization, six (6) representatives, from the labor sector, two (2) representatives of the national associations of private technical-vocational education and training institutions, and two (2) representatives from the business and investment sectors. As soon as all the members of the private sector are appointed, they shall so organize themselves that the term of office of one-third (1/3) of their number shall expire every year. The member from the private sector appointed thereafter to fill vacancies caused by expiration of terms shall hold office for three (3) years.

In the absence of the Chairperson, a Co-Chairperson shall preside. In case any member of the Board representing the Government cannot attend the meeting, he or she shall be regularly represented by an undersecretary or deputy-director general, as the case may be, to be designated by such member for the purpose.

The benefits, privileges and emoluments of the Board shall be consistent with existing laws and rules.

SECTION 8. Powers and Functions of the Board of Advisers. - The Authority shall primarily be responsible for policy-making on matters concerning Technical-Vocational Education and Training. The Board of Advisers shall have the following powers:

- (1) Approve an annual roadmap for Philippine Technical Education, in alignment with National Development Goals and the Philippine Development Plan, as applicable;

- (2) Provide new direction and thrusts to efforts in developing the quality of human resources through Technical Education and Skills Development, pursuant to the provisions of Republic Act No. 12124, otherwise known as the "Expanded Tertiary Education Equivalency and Accreditation Program," Republic Act No. 11962, otherwise known as the "Trabaho Para sa Bayan Act," and Republic Act No. 12063, otherwise known as the "Enterprise-Based Education and Training Framework Act";
- (3) Initiate the regular evaluation of existing TVET programs, including their quality, implementation, and outcomes, in view of ensuring relevance of TVET policies and programs;
- (4) Review and propose programs and policies to ensure that learner eligibility requirements for TVET programs are flexible, aligned with specific qualification nature and context, and responsive to industry standards and learners' unique learning capacities and needs, thereby promoting inclusive education and enabling access for learners with literacy gaps and disabilities;
- (5) Prioritize the adoption and institutionalization of industry standards and industry-based assessment and certification systems;
- (6) Ensure linkages between industry, labor, and government in the formulation of national level plans;
- (7) Approve the Philippine Labor Force Competitiveness Program under section 5 of Republic Act No. 11230; and
- (8) Exercise all other powers incidental or necessary to the accomplishment of the aims and objectives of the Board.

SECTION 9. *Power to Review and Recommend Action.* - The Authority, through its Director-General and Secretariat, shall review and recommend action to concerned authorities on proposed technical assistance programs and grants-in-aid for technical education or skills development, or both, including those which may be entered into between the Government of the Philippines and other nations, including international and foreign organizations, both here and abroad.

SECTION 10. *Director-General.* - The TESDA shall be headed by a Director-General. The Director-General shall be appointed by the President of the Philippines and shall enjoy the benefits, privileges and emoluments equivalent to the rank of a Secretary. The Director-General shall exercise general supervision and control over its technical and administrative personnel.

SECTION 11. Powers and Functions of the Director-General. - The Director-General of the Authority shall have the following powers and functions:

- a. To exercise oversight over the implementation of the current system of accreditation of Technical-Vocational Education and Training (TVET) programs conducted by public and private institutions,
- b. To promulgate, after due consultation with industry groups, trade associations and employers, workers, and technical vocational institutions, the policies, plans, programs and guidelines as may be necessary for the effective implementation of this Act, through the Secretariat;
- c. To restructure the entire sub-sector consisting of all institutions and programs involved in the promotion and development of quality-assured workforce through upgrading, merger and/or phase-out following a user-led strategy, as deemed necessary;
- d. To ensure the coordination and cooperation of the policies, plans, and programs of the different concerned sectors of Philippine society, including collaboration with the Department of Education (DepEd) for Senior High School (SHS) and with the Commission on Higher Education (CHED) for the development and expansion of ladderized curriculum, under Republic Act 10647 or the Ladderized Education Act of 2014, and the Expanded Tertiary Education Equivalency and Accreditation Program on higher education under Republic Act 12124;
- e. To coordinate with DepEd for aligning K to 12 education to facilitate the incorporation and improvement of SHS TVET programs pursuant to Republic Act 10533 or the Enhanced Basic Education Act of 2013;
- f. To work closely with DepEd to ensure systemic support and opportunities for access to National Certification programs for out of school youth, Alternative Learning System (ALS) learners, learners with disabilities, indigenous people and other potentially marginalized learners, consistent with the provisions of the Alternative Learning System Act under Republic Act No. 11510 and the Inclusive Education Act under Republic Act No. 11650, including provision of support for scholarships, as well as other equitable pathways to access for formal TVI opportunities;
- g. To support the development of an adequate supply of educators across all aspects of Philippine education, including for learning facilitators for ALS learners consistent with the provisions of Republic Act No. 11510, early childhood care and development service providers pursuant to Republic Act No. 12199, learning support aids under Republic Act No. 11650, and other applicable laws for ensuring adequate development and supply of educators,

and education personnel, in coordination with the Teacher Education Council, consistent with Republic Act No. 11713;

- h. To uphold equal participation of representatives of industry groups, trade associations, employers, workers, and government in order to ensure that urgent needs and recommendations are readily addressed;
- i. To rationalize classifications of TVET institutions, including Technical Vocational Institutions (TVIs), TESDA Technology Institutions (TTIs), Polytechnic or Technological Institutes, Polytechnic or Technological Colleges, and Polytechnic or Technological Universities to promote program differentiation and complementarity, address program overlaps, and discontinue programs with little to no industry demand in specific localities;
- j. To collaborate with CHED in developing and implementing a typology for tertiary education in the country, in view of differentiating regulations, supports, and standards of excellence, in a way that better reflects the unique mandates and roles of tertiary education institutions;
- k. To recommend and approve reasonable fees and charges for such competency assessments and trainings conducted and retain such earnings for its own use, subject to guidelines promulgated by the Authority;
- l. To determine and approve systematic funding schemes such as the levy and grant scheme for technical education and skills development purposes;
- m. To facilitate devolution of skills-based training and TVET programs to local government units and private sectors through a system of coordination and engagement with the relevant local government units and industry;
- n. To coordinate with relevant departments for the continued enhancement of the Ladderized Education Program under Republic Act No. 10647;
- o. To approve the provision of funding for post-secondary state-run TVIs under Republic Act No. 10931,
- p. To approve enterprise-based education and training programs (EBET) under Republic Act No. 12063, and delegate oversight, monitoring and implementation to the EBET office under section 14(f) of this Act;
- q. To oversee and facilitate full devolution of training programs to local government units through the Community and Local Skills Development Office, pursuant to Section 25; and

- r. To perform such other powers and functions as may be authorized by the Board of advisers.

SECTION 12. *The TESDA Secretariat.* - There is hereby created a Technical Education and Skills Development Authority Secretariat which shall have the following functions and responsibilities:

- a. To establish and maintain a planning process and formulate a national technical education and skills development plan in which the member-agencies and other concerned entities of the Authority at various levels participate;
- b. To establish, develop and support institutions' trainers' training and/or programs;
- c. To provide analytical inputs to policy decision-making on allocation of resources and institutional roles and responsibilities as shall be embodied in annual agencies technical education and skills development plans, in accordance with the manpower plan for quality-assured Filipino workforce as approved by the Authority;
- d. To recommend measures, and implement the same upon approval by the Authority, for the effective and efficient implementation of the National Technical Education and Skills Development Plan;
- e. To propose to the Board of Advisers and the Director-General the specific allocation of resources for the programs and projects it shall undertake pursuant to approved National Technical Education and Skills Development Plan;
- f. To submit periodic reports on the progress and accomplishment of work programs of implementation of plans and policies for technical educational and skills development;
- g. To prepare an annual report to the President on technical education and skills development;
- h. To prepare and implement a program for the training of trainers, supervisors, planners and managers under the oversight and guidance of the Director-General;
- i. To enter into agreements, whether local and international, to implement approved plans and programs and perform activities as shall implement the declared policy of this Act;
- j. To allocate resources, based on the Board of Adviser's recommendations, for the programs and projects it shall undertake pursuant to approved National Technical Education and Skills Development Plan;

- k. To submit a proposal for the creation, institutionalization and funding of industry boards, in terms of their composition, sector, and functions; and
- l. All other duties and functions to perform their mandate, as determined by the Director-General.

SECTION 13. Deputy Directors-General. - The Director-General shall be assisted by six (6) Deputy Directors-General to be appointed by the President of the Philippines. One to be responsible for Policies and Planning; one for Training Programs Development, Registration, Accreditation and Monitoring and Evaluation; one for Skills Assessment and Certification; one for Scholarship, Learners' Welfare, and Career Guidance, one for Administration and Innovation, and one for Finance and Legal Affairs.

The Deputy Directors-General shall enjoy the benefits, privileges and emoluments equivalent to the rank of an Undersecretary.

SECTION 14. Structural Organization and Personnel. - The TESDA Secretariat, in addition to the offices of the Director-General, Deputy Director-Generals and Chief of Services for Administration shall be composed of the following offices to be headed by an Executive Director to be appointed by the Director-General and shall have the rank and emoluments of Director IV.

- (a) *Planning Office (PO)* - The Planning Office shall have the following functions:
 - (1) To design and establish planning processes and methodologies which will particularly enhance the efficiency of resource allocation decisions within the technical education and skills development sector;
 - (2) To lead in the preparation and periodic updating of a national plan for technical education and skills development which shall become the basis for resource allocation decisions within the sector;
 - (3) To conduct research, studies and develop information systems for effective and efficient planning and policymaking within the sector;
 - (4) To develop and implement programs and projects aimed at building up planning capabilities of various institutions within the sector; and
 - (5) To perform such other powers and functions as may be authorized by the Authority.

(b) *Skills Standards and Certification Office (SSCO)*. - The Skills Standards and Certification Office shall take responsibility as the principal linkage with industry to establish competency standards, assessment arrangements including recognition of prior learning, quality assurance and certification systems. The SSCO shall have the following functions:

- (1) To develop and establish a national system of skills standardization, testing and certification in the country;
- (2) To design, innovate and adopt processes and methodologies whereby industry groups and workers' guilds take note on progressively the responsibility of setting skills standards for identified occupational areas, and the local government units actively participate in promoting skills standards, testing and certification;
- (3) To establish and implement a system of accrediting private enterprises, workers' associations and guilds and public institutions to serve as skills testing venues;
- (4) To conduct research and development on various occupational areas in order to recommend policies, rules regulations for effective and efficient skills standardization, testing and certification system in the country; and
- (5) To perform such other duties and functions as may be authorized.

(c) *National Institute for Technical Vocational and Education Training (NITVET)*. - The National Institute for Technical Vocational and Education Training shall have the following functions:

- (1) To serve as the research and development arm of the government in the field of technical-vocational education and training;
- (2) To develop curricula and program standards for various technical-vocational education and training areas;
- (3) To develop and implement and integrated program for continuing development of trainors, teachers and instructors within the technical education and skills development sector;
- (4) To develop programs and projects which will build up institutional capabilities within the sector; and

- (5) To perform such other powers and functions as may be authorized.

(d) *Office of Formal Technical Vocational Education and Training (OFFVET).* - The Office of Formal Technical Vocational Education and Training shall have the following functions:

- (1) To provide policies, measures and guidelines for effective and efficient administration of formal technical-vocational education and training programs implemented by various institutions in the country;
- (2) To establish and maintain a system for accrediting, coordinating, integrating, monitoring and evaluating the different formal technical-vocational education and training programs vis-a-vis the approved National Technical Education and Skills Development Plan;
- (3) To establish and maintain a network of institutions engaged in institutionalized technical-vocational education and training particularly with local government units; and
- (4) To perform such other duties and functions as may be authorized.

(e) *Office of the Non-Formal Technical-Vocational Education and Training (ONFTVET).* - The Office of the Non-Formal Technical-Vocational Education and Training shall have the following functions:

- (1) To provide direction, policies and guidelines for effective implementation of non-formal community-based technical-vocational education and training;
- (2) To accredit, coordinate, monitor and evaluate various non-formal technical-vocational education and training programs implemented by various institutions particularly, by local government units;
- (3) To establish and maintain a network of institutions including local government units, non-government organizations, implementing non-formal, community-based technical-vocational education and training;
- (4) To perform such other powers and functions as may be authorized.

(f) *Enterprise-Based Education and Training (EBET) Office* - Pursuant to the provisions of Republic Act No. 12063, the Office shall have the following functions:

- (1) To provide direction, policies and guidelines on the implementation of the systems;
- (2) To accredit, coordinate, monitor and evaluate all enterprise-based education and training schemes and programs implemented by various institutions and enterprises;
- (3) To establish a network of institutions and enterprises conducting enterprise-based education and training schemes and programs;
- (4) To perform such other powers and functions as may be authorized.

(g) *Community and Local Skills Development Office (CLSDO)*. - The Community and Local Skills Development Office shall have the following functions:

- (1) To facilitate and implement the devolution of the Authority's training function to local government units, pursuant to Section 25 of this Act;
- (2) To provide overall capacity-building training for community-based technical education and skills development of the local community under a particular local government unit;
- (3) To provide formal training, guidance and oversight of community-training and employment coordinators designated by local government units; and
- (4) To maintain a system of coordination between the Authority and the local government unit, to ensure full devolution and autonomy of community-based education and skills development.

(h) *Regional TESDA Offices*. - The Regional TESDA Offices shall be headed by Regional Directors with the rank and emoluments of Director IV to be appointed by the President.

The Regional TESDA Offices shall be under the direct control of the Director-General and shall have the following functions:

(1) To serve as Secretariat to Regional TESDA Committees;

(2) To provide effective supervision, coordination and integration of technical education and skills development programs, projects and related activities in their respective jurisdiction;

(3) To develop and recommend TESDA programs for regional and local-level implementation within the policies set by the Authority;

(4) To perform such other duties and functions as may be deemed necessary.

SECTION 15. *The Provincial TESDA Offices.* - The Provincial Offices shall be headed by Skill Development Officers who shall have the rank and emoluments of a Director III.

The Provincial TESDA offices shall be under the direct control of the Regional Directors and shall have the following functions:

(1) To serve as Secretariat to Provincial TESDA Committees;

(2) To provide technical assistance particularly to local government units for effective supervision, coordination, integration and monitoring of technical-vocational education and training programs within their localities;

(3) To review and recommend TESDA programs for implementation within their localities; and

(4) Perform such other duties and functions as may be authorized.

Furthermore, the TESDA Secretariat may be further composed of such offices as may be deemed necessary by the Authority. The Director-General shall appoint such personnel necessary to carry out the objectives, policies and functions of the Authority subject to Civil Service laws, rules and regulations.

SECTION 16. *Compliance with the Salaries Standardization Law.* - The compensation and emoluments of the officials and employees of the Authority shall be in accordance with the salary standardization law and other applicable laws under the national compensation and classification plan. All directors duly appointed by the Director General shall serve at the corresponding plantilla position provided in the salary grade of their appointment, and shall not be subject to diminution in the corresponding salary grade and benefits afforded to that position.

SECTION 17. *Consultants and Technical Assistance, Publication and Research.* - In pursuing its objectives, the Authority 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 skills development. It shall avail itself of the services of other agencies of the Government as may be required.

SECTION 18. *Technical Education and Skills Development Committees.* - The Authority shall establish Technical Education and Skills Development Committees at the regional and local levels to coordinate and monitor the delivery of all skills development activities by the public and private sectors. These committees shall likewise serve as the Technical Education and Skills Development Committees of the Regional and local development councils. The composition of the Technical Education and Skills Development Committees shall be determined by the Director-General subject to the guidelines to be promulgated by the Authority.

SECTION 19. *Skills Development Centers.* - The Authority shall establish regional centers shall serve as exemplars for niche, higher level qualifications, as well as ladderized offerings, relative to the unique needs of the region, and in support of the local public and private providers in the area. Said centers shall iterate new programs, provide training for trainors, lead the formulation of responsive regional initiatives and programs vis-a-vis local labor market information, and other similar initiatives. These centers shall be administered and operated under such rules and regulations as may be established by the Authority in accordance with the National Technical Education and Skills Development Plan.

SECTION 20. *Establishment and Administration of National Trade Skills Standards.* - There shall be national occupational skills standards to be established by TESDA-accredited industry committees, prioritizing those established and conducted by industries. The Authority shall develop and implement a certification and accreditation program in which private industry groups and trade associations are accredited to conduct approved trade tests, and the local government units to promote such trade testing activities in their respective areas in accordance with the guidelines to be set by the Authority. This prioritization shall aim to shorten the development cycle of competency standards, competency assessment tools and training regulations, and ensure timely rollout of higher-level qualifications, thereby aligning workforce competencies with emerging industry requirements.

The Director General shall determine the occupational trades for mandatory certification.

All certificates relating to the national trade skills testing and certification system shall be issued by the Authority through the TESDA Secretariat.

SECTION 21. *Recognition of Alternative Assessment Systems.* - The Authority shall duly recognize and adapt industry-based and other systems of skills assessment, qualification and certification, including but not limited to work-based learning, competency-based training, recognition of prior learning, micro-credentials, and digital badges.

SECTION 22. *Assistance to Employers and Organizations.* - In consonance with Republic Act No. 12063, otherwise known as the "Enterprise-Based Education and Training Framework Act", the Authority shall assist any employer or organization engaged in skills training schemes designed to attain the objectives of relevant and accessible skills training provision.

SECTION 23. *Industry Boards.* - The Authority shall establish effective and efficient institutional arrangements with industry boards and such other bodies or associations to provide direct participation of employers and workers in the design and implementation of skills development schemes, trade skills standardization and certification and such other functions in the fulfillment of the Authority's objectives. These industry boards shall be formed in order to discuss broad-based policies and direction of TESDA in determining the continuation, abolition and propagation of new programs, skills training and other applicable proposals to meet industry needs.

To ensure coherence with the education system, said Boards shall work closely with the Department of Education Bureau of Curriculum Development, the CHED Technical Panels, as well as the PRC Professional Regulatory Boards to ensure and enable smooth learning transitions, well-designed ladderized offerings, and alignment in curriculum and assessment.

SECTION 24. *Incentives Schemes.* - The Authority shall develop and administer appropriate incentive schemes to encourage government and private industries and institutions to provide high-quality technical education and skills development opportunities.

SECTION 25. *Devolution of TESDA's Training Function to Local Governments.* - In establishing the delivery system provided for in the preceding Section, the Authority shall formulate, implement and finance a specific plan to develop the capability of local government units to assume ultimately the responsibility for effectively providing community-based technical education and skills development opportunities: *Provided, however,* That there shall be formulated and implemented, and effective and timely retraining of TESDA personnel that would be affected by the devolution to ensure their being retained if the concerned local government units would not be able to absorb them.

SECTION 26. *Skills Olympics.* - To promote quality skills development in the country and with the view of participating in international skills competitions, the Authority, with the active participation of private industries, shall organize and conduct annual National Skills Olympics. The Authority, through the TESDA Secretariat, shall promulgate the necessary rules and guidelines for the effective and efficient conduct of Annual National Skills Olympics and for the country's participation in international skills olympics.

SECTION 27. *The TESDA Development Fund.* - A TESDA Development Fund is hereby established, to be managed/ administered by the Authority, the income from which shall be utilized exclusively in awarding of grants and providing assistance to training institutions, industries, local government units for upgrading their capabilities and to develop and implement training and training-related activities. Furthermore, the TESDA Development Fund shall be reoriented to serve as the main source of support for the operations of the industry TVET boards (ITBs), which is crucial for ensuring the agency can effectively lead in developing a future-ready workforce and elevating the quality and relevance of TVET across the country. 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;
- (c) Donations, grants, endowments, and other bequests or gifts; and
- (d) Any other income generated by the Authority.

The Board of Advisers, through its Secretariat, 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 administration.

The Board shall appoint a reputable government-accredited investment institution as fund manager, subject to guidelines promulgated by the Board.

SECTION 28. *Scholarship Grants.* - Pursuant to the provisions of Republic Act No. 11230, the Authority shall adopt a system of allocation and funding of scholarship grants which shall be responsive to the technical education and skills development needs of the different regions in the country. This system shall include a systematic targeting mechanism to accurately identify and prioritize genuinely poor but committed scholars in every region, ensuring guaranteed allocation under mandatory appropriations and compliance with laws that expand TESDA's clientele.

Consistent with Republic Act No. 10687 or ""Unified Student Financial Assistance System for Tertiary Education (UniFAST) Act", the Authority shall work closely with the UNIFAST Secretariat in conducting and/or

commissioning reputable research organizations or universities, to undertake regular impact evaluations for its scholarship grants at least every three (3) years, with the aim of informing program design, subsidy amounts, and other needed interventions, in order to improve efficiency and efficacy of programs. Said studies shall be submitted to the TESDA Board, to the Department of Budget and Management, and to Congress.

SECTION 29. *Automatic Review.* - Every five (5) years, after the effectivity of this Act, an independent review panel composed of three (3) persons appointed by the President shall review the performance of the Authority and shall make recommendations, based on its findings to the President and to both Houses of Congress.

SECTION 30. *Implementing Rules and Regulations.* - The Board of Advisers shall issue, within a period of ninety (90) days after the effectivity of this Act, the rules and regulations for the effective implementation of this Act.

The Board of Advisers shall submit to the Committees on Higher and Technical Education of both Houses of Congress copies of the implementing rules and regulations within thirty (30) days after its promulgation.

Any violation of this Section shall render the official/s concerned liable under R.A. No. 6713, otherwise known as the "Code of Conduct and Ethical Standards for Public Officials and Employees" and other existing administrative and/or criminal laws.

SECTION 31. *Repealing Clause.* - All laws, presidential decrees, executive orders, presidential proclamations, rules and regulations or parts thereof contrary to or inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 32. *Separability Clause.* - If any provision of this Act is declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

SECTION 33. *Effectivity.* - This Act shall take effect fifteen (15) days after its complete publication in two (2) newspapers of general circulation.

Approved,