



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



Twentieth Congress
First Regular Session

HOUSE BILL NO. 5089

Introduced by **HONORABLE BENJAMIN C. AGARAO, JR.**

**AN ACT
ESTABLISHING LOCAL EDUCATION GOVERNANCE REFORM ACT OF 2025, AND
APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

The Philippines is confronting a learning crisis. International and national assessments over the last several years consistently show poor proficiency in reading, mathematics, and science. Equally troubling, Commission on Audit and oversight reviews have flagged underutilization of the Special Education Fund (SEF) in many local government units (LGUs), leaving significant education resources idle while schools face shortages in teachers, learning materials, and student support.

The Second Congressional Commission on Education (EDCOM 2), established under Republic Act No. 11899, identified weak local education governance as a major bottleneck: Local School Boards (LSBs) that are too narrow in composition, limited community oversight over SEF allocation and spending, fragmented planning between schools and LGUs, and the absence of strong school-level governance bodies. EDCOM 2's Year One findings also emphasize that greater spending alone does not guarantee better learning; results depend on how resources are planned, targeted, implemented, and monitored.

This measure answers those gaps by modernizing how education is governed and financed at the local level, consistent with the Constitution's mandate to make quality education accessible to all and aligned with the Department of Education's MATATAG agenda. It:

Expands and professionalizes Local School Boards to include a broader set of stakeholders, teachers, non-teaching personnel, parents, youth, private education, civil society,

business, indigenous peoples, religious sector, Alternative Learning System (ALS), and school heads, while restoring representation from the local legislature to ensure alignment with budgets and ordinances.

Rationalizes the SEF so it can fund what today's schools and learners actually need: locally-funded teachers and ALS facilitators, learning resources and ICT, inclusive education supports, school health and nutrition, remedial and enrichment programs, training for teachers and staff, operations of learning centers and libraries, WASH facilities, and where necessary, critical non-teaching support and utilities, paired with strong transparency and reporting safeguards.

1. **Institutionalizes School Governance Councils (SGCs)** in every public school to embed shared governance at the school level, ensure learner and parent voice, and create a durable feedback loop between schools, communities, and LSBs.
2. **Builds a culture of results and accountability** through data-driven local education plans, annual Local Education Summits, public SEF transparency dashboards, and outcome-linked reporting to oversight agencies and the local sanggunian.

This bill provides the governance backbone to translate pesos into learning: empowering communities to co-lead planning and budgeting, giving schools a voice, and making every SEF peso traceable to outcomes. In view of the urgent need to address the learning crisis with structural, inclusive, and forward-looking reforms, the immediate passage of this measure is earnestly sought.



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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 "Local Education Governance Reform Act of 2025"

SEC. 2. Declaration of Policy.

It is the policy of the State to promote quality, inclusive, safe, and equitable basic education through shared governance and enhanced accountability. The State recognizes the vital role of local governments, communities, schools, families, and civil society in improving learning outcomes, and shall strengthen the institutions and mechanisms that enable participatory, transparent, and results-oriented education planning, budgeting, and monitoring.

PART I — AMENDMENTS TO THE LOCAL GOVERNMENT CODE

SEC. 3. Amendment to Section 98 (Composition of Local School Boards).

Section 98 of Republic Act No. 7160 is hereby amended to read as follows:

SEC. 98. Local School Boards; Composition. — There shall be established in every province, city, and municipality a Local School Board (LSB) composed of:

- a) The Local Chief Executive (Governor/Mayor) and the Schools Division Superintendent (or the Public Schools District Supervisor in municipalities), as **Co-Chairpersons**;

- b) The Chairperson of the Sangguniang Kabataan Federation;
- c) The duly elected President of the city/municipal/provincial federation of public-schoolteachers;
- d) One (1) representative of the non-teaching personnel of public schools;
- e) The President of the city/municipal/provincial Parents-Teachers Association federation;
- f) The **Chairperson of the Education Committee** of the Sangguniang Panlalawigan/Panlungsod/Bayan;
- g) The Local Budget Officer, Local Planning and Development Coordinator, and the Local Treasurer;
- h) **One (1) representative of public elementary school heads and one (1) representative of public secondary school heads**, to be chosen from among themselves;
- i) One (1) representative of the Alternative Learning System (ALS);
- j) One (1) representative each from: **the private education sector; civil society organizations; business/industry; senior citizens; indigenous peoples or cultural communities; and the religious sector.**

Selection, Terms, and Balance. — Sectoral representatives shall be selected in accordance with the rules prescribed in the Implementing Rules and Regulations (IRR) with due regard for gender balance, inclusivity, and conflict-of-interest safeguards. The IRR shall prescribe fixed terms, grounds for replacement, and a simple, public process for selection and disclosure of interests.

SEC. 4. Amendment to Section 99 (Functions of Local School Boards).
Section 99 of Republic Act No. 7160 is hereby amended to read as follows:

SEC. 99. Powers and Functions of the Local School Board. — The LSB shall:

- a) **Set a local vision, goals, and measurable targets** for basic education delivery aligned with national policies and plans;
- b) **Prepare and annually update a Local Education Plan (LEP) and the SEF Budget**, through a participatory and data-driven process;
- c) **Allocate resources strategically** and authorize disbursement of SEF consistent with the approved LEP and budget;
- d) **Monitor and publicly report** key indicators, including participation, dropout,

completion, learning assessment results, ALS enrollment and completion, preschool/ECCD indicators, inclusion of learners with disabilities, and school safety and well-being; and **utilize such data to inform policy and budget decisions;**

e) **Convene an Annual Local Education Summit** to present the state of local education, SEF utilization and results, and to solicit feedback and secure stakeholder commitments;

f) Serve as **policy and advisory body** to the Sanggunian on education matters and endorse measures for local legislation;

g) **Coordinate** with other local special bodies and councils, including the Local Development Council, Local Health Board, Local Council for the Protection of Children, and Disaster Risk Reduction and Management bodies, on cross-cutting initiatives affecting education;

h) **Coordinate disaster preparedness and learning continuity** (e.g., alternative delivery modes, safe reopening, and recovery programs);

i) **Provide technical support and guidance** to School Governance/Governing Councils (SGCs) and ensure SGC inputs are considered in LSB decisions;

j) **Invite SGC Chairs or their delegates as resource persons** when school-specific matters are deliberated;

k) **Maintain a publicly accessible online transparency dashboard** showing quarterly SEF income, obligations, disbursements, school-level allocations, and progress on key indicators; and

l) Perform such other functions as may be necessary to implement this Act and its IRR.

The Department of Education (DepEd) Schools Division Office and the LGU shall provide LSB secretariat support.

SEC. 5. Amendment to Section 100 (Meetings and Quorum). Section 100 of Republic Act No. 7160 is hereby amended to read as follows:

SEC. 100. Meetings; Quorum. — The LSB shall meet at least **once every quarter**, and as often as necessary to discharge its functions. A majority of all its members shall constitute a quorum. Meetings and approved minutes shall be **posted on the transparency dashboard** within fifteen (15) days from approval.

SEC. 6. Amendment to Section 101 (Compensation and Remuneration). Section 101 of Republic Act No. 7160 is hereby amended to read as follows:

SEC. 101. Compensation; Remuneration. — Members of the LSB shall serve without compensation. They may be entitled to **reasonable reimbursement** of actual expenses incurred in the performance of their duties, chargeable to local funds in accordance with existing rules.

SEC. 7. Amendment to Section 272 (Special Education Fund). Section 272 of Republic . Act No. 7160 is hereby amended to read as follows:

SEC. 272. Special Education Fund (SEF); Allowable Uses; Transparency; Reporting. —

(a) **Levy.** — One percent (1%) of the assessed value of real property in addition to the basic real property tax shall accrue to the SEF.

(b) **Allowable Uses.** — SEF may be utilized for education programs and investments including:

1. **Hiring and compensation of locally-funded teachers, ALS facilitators, and child development workers** consistent with national standards;
2. **Construction, repair, retrofitting, and maintenance** of school buildings and facilities, including **libraries, laboratories, inclusive learning resource centers, and WASH (water, sanitation, hygiene) facilities**;
3. **Procurement of instructional and learning materials and ICT equipment and connectivity** for teaching and learning;
4. **Inclusive education supports**, including assistive devices, reasonable accommodations, accessibility improvements, and services for learners with disabilities;
5. **Capacity-building and professional development** for teachers and non-teaching personnel;
6. **Operations of ALS learning centers** and implementation of ALS, remedial, enrichment, co-curricular, and extra-curricular programs;
7. **Student welfare, health, nutrition, mental health, guidance and counseling**, school safety, sports and arts development, and learner well-being programs;
8. **Education research, innovation, monitoring and evaluation**, and community consultations;
9. **Support for School Governance/Governing Councils (SGCs)**, including training and operational needs consistent with this Act and the IRR; and
10. **Where necessary to ensure safe and continuous school operations, critical non-teaching support and essential utilities** in public schools, subject to ceilings and safeguards in the IRR.

(c) **Prohibitions.** — SEF shall **not** be used for ceremonial, representational, or non-

educational expenses, nor for any expenditure prohibited by law or audit rules.

(d) **Transparency.** — The LSB shall maintain a **publicly accessible online dashboard** updated quarterly, showing SEF collections, obligations, disbursements, school-level allocations, procurement status, and outcome indicators.

(e) **Annual SEF Utilization and Outcomes Report.** — On or before March 31 of each year, the LSB shall submit to **DepEd, DILG, DBM, and COA, with copy to the local Sanggunian**, an Annual SEF Utilization and Outcomes Report detailing programs funded and their contributions to improvements in key education indicators. Reports shall be posted on the dashboard.

(f) **Guidance and Ceilings.** — The IRR and the Local Education Governance and SEF Operations Manual shall define cost norms, ceilings (including for item 10), and templates to guide LGUs in prudent and outcomes-oriented SEF use.

PART II — SCHOOL GOVERNANCE AT THE SCHOOL LEVEL

SEC. 8. School Governance (Governing) Councils.

(a) **Establishment.** — All public elementary and secondary schools shall establish a **School Governance Council (SGC)**, herein also referred to as **School Governing Council**, consistent with DepEd policies.

(b) **Composition.** — The SGC shall be chaired by the School Head and composed of representatives from: teachers, non-teaching personnel, parents, students (**at least one [1] student representative for secondary schools**; for elementary schools, student representation shall be age-appropriate per DepEd guidelines), alumni, barangay officials, and community-based organizations and/or private sector partners.

(c) **Functions.** — The SGC shall:

1. Assist in the preparation, implementation, and monitoring of the **School Improvement Plan (SIP)**;
2. Recommend programs and policies responsive to school needs, including inclusion, safety, and learner well-being;
3. Mobilize community and private sector support and resources;
4. **Report at least annually** to the school community and the LSB on school performance, needs, and progress; and
5. Perform such other functions consistent with shared governance under this Act and DepEd regulations.

(d) **Interface with LSB.** — The LSB shall establish mechanisms to receive SGC inputs and **may invite SGC Chairs** as resource persons when school-specific matters are discussed. SGC members shall serve without compensation.

PART III — IMPLEMENTATION, TRANSITION, AND OVERSIGHT

SEC. 9. Local Education Governance and SEF Operations Manual.

Within **sixty (60) days** from effectivity, DepEd, in coordination with DILG, DBM, DOF-BLGF, and in consultation with LGU leagues, COA, teachers' and parents' organizations, civil society, private education sector, and indigenous peoples' representatives, shall issue a **Local Education Governance and SEF Operations Manual** prescribing:

- (a) standardized planning and budgeting templates;
- (b) allowable expenditures, cost norms and ceilings;
- (c) data standards and interoperability for dashboards and reports;
- (d) stakeholder participation mechanisms;
- (e) SGC set-up and training modules; and
- (f) capacity-building plans for LSBs and SGCs.

The Manual shall be **periodically updated** as necessary and disseminated to all LGUs and public schools.

SEC. 10. Implementing Rules and Regulations (IRR).

Within **sixty (60) days** from effectivity, DepEd, DILG, DBM, and DOF-BLGF, in consultation with LGU leagues, COA, civil society, and concerned stakeholders, shall promulgate the IRR of this Act. The IRR shall take effect **thirty (30) days** after publication in the Official Gazette or in a newspaper of general circulation.

SEC. 11. Oversight and Performance Monitoring.

DepEd and DILG shall **jointly submit to Congress** an **Annual Local Education Governance Report** summarizing (a) SEF utilization rates; (b) functionality of LSBs (meetings held, plans approved, dashboard compliance); (c) SGC establishment and functionality; and (d) trends in key education indicators, with recommended policy or capacity interventions.

SEC. 12. Transitory Provisions.

(a) **Reconstitution of LSBs.** — Existing LSBs shall be **reconstituted** to conform with Section 3 hereof within **six (6) months** from effectivity.

(b) **SGC Establishment.** — All public schools shall **constitute SGCs** pursuant to Section 8 within **twelve (12) months** from effectivity.

(c) **Dashboards.** — Transparency dashboards pursuant to Sections 4(k) and 7(d) shall be operational within **twelve (12) months** from effectivity.

SEC. 13. Appropriations.

National agencies may charge implementation of this Act to their current appropriations and include such amounts as may be necessary in the annual General Appropriations

Act. LGUs may fund LSB and SGC capacity-building and compliance requirements from local funds and the SEF, consistent with the Manual and IRR.

SEC. 14. Repealing Clause.

Sections 98, 99, 100, 101, and 272 of Republic Act No. 7160 are hereby amended. All laws, decrees, orders, rules and regulations inconsistent with this Act are repealed or modified accordingly. The provisions of Republic Act No. 9155, Republic Act No. 11510, and Republic Act No. 11650 shall be read **in harmony** with this Act.

SEC. 15. Separability Clause.

If any provision of this Act is declared invalid or unconstitutional, the remaining provisions shall remain in full force and effect.

SEC. 16. Effectivity.

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

Approved,