

TWENTIETH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

*Introduced by Representative Rufus B. Rodriguez and
Representative Maximo B. Rodriguez, Jr.*

House Bill No. 6667

EXPLANATORY NOTE

The perennial problem of mismatch between the competencies gained through college education and the skills requirement of the industries is seen as the major cause of underemployment in the country with underemployment hovering around 21%. While underemployment in Mindanao is almost the same as the national average at 22%, Mindanao has a high poverty incidence at 27.7% compared to the national average of 18.1%.

Traditional modes for delivering higher education and training had been shown to be ineffective in addressing this crucial issue in the past, hence, a more aggressive strategy needs to be adopted to close the gap between academic training and industrial skills requirements. Graduates of public higher education institutions must possess the skills and competencies required by their industrial prospective employers and/or by the business techno-preneurial environment. Full employment and/or engagement in entrepreneurial activities is an effective means to reduce poverty incidence in the country and to break the vicious cycle of poverty in the Philippine countryside.

The Science and Technology (S&T) Parks is a strategic response to this call. The S&T Parks is lodged with the University of Science and Technology of Southern Philippines (USTSP) under Republic Act 10919. Access to quality public higher education for the poor remains concentrated in the National Capital Region whilst statistics show that the highest poverty incidence is in Mindanao. This is ironic since those living under the poverty threshold are precisely the ones who are economically unable to further their education and training in Manila and the National Capital Region. Relevance of public higher education and training is an issue that directly impacts unemployment and underemployment. The industrial employers perennially complain of the mismatch in the skills and competencies learned from universities and the skill requirements in the actual workplace.

The establishment of USTSP S&T Parks responds to this fundamental problem of job-generation and economic productivity for the underprivileged sector of the Philippines society particularly in Mindanao. To realize this goal, the S&T Parks located in Alubijid, Misamis Oriental and Claveria, Misamis Oriental need to be developed to attract researchers, start-ups, investors, industry locators and other innovation agents to these parks. Likewise, it is deemed important that the development phase of the S&T Parks require resources that can be provided by the State as an investment. Thereafter, the S&T Parks can sustain their operations independent of state subsidy.

In view of the foregoing, immediate approval of this measure is earnestly requested.


RUFUS B. RODRIGUEZ


MAXIMO B. RODRIGUEZ, JR.

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AN ACT

ESTABLISHING THE SCIENCE AND TECHNOLOGY (S&T) PARKS DEVELOPMENT FUND (STPDF) FOR THE UNIVERSITY OF SCIENCE AND TECHNOLOGY OF SOUTHERN PHILIPPINES (USTSP), AND APPROPRIATING FUNDS THEREFOR

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 “University of Science and Technology of Southern Philippines Science and Technology Parks Development Fund (STPDF) Act”.

Section 2. Declaration of Policy. – It is the declared policy of the State to establish, maintain, and support a complete, adequate and integrated system of higher education relevant to the needs of the people and society, with primary focus on research and development for science and technology, to foster innovation as a vital component of national development and sustainable economic growth.

Section 3. General Mandate. – The STPDF is hereby established to ensure the sustainable partnerships with the private sector, start-ups, other academic, research and development institutions, government agencies, industry locators and other innovation agents to foster innovation towards strengthening the country’s knowledge-based economic development that benefits all.

Section 4. Creation of the Science and Technology Parks Development Fund. The Science and Technology Parks Development Fund is hereby established with an initial funding of Four Billion Pesos (PhP4,000,000,000.00) and subsequent allocators of One Billion Pesos (PhP1,000,000,00.00) per year for the next five years.

The required funding shall be sourced out of:

- 1% of the proceeds of PAGCOR;
- 1% of the travel tax collection;
- 1% of the value-added taxes collected from the sale of petroleum and petroleum-based products

Seventy-five percent (75%) of the initial funding shall be used for the site preparations of the Science and Technology Parks of USTSP to make them attractive to industry locators.

Thereafter, only 15% shall be used to cover the costs of operations of the Science and Technology Parks while the remaining 85% shall be invested through a duly recognized Government Financial Institutions (GFIs). Interests and proceeds from the operations of the Science and Technology Parks shall form of the Fund.

Section 5. Administration of the Fund. – There shall be created a STPDF Secretariat to be headed by a Fund Director with the rank of Director III who shall report directly to the University President. The STPDF Secretariat shall be budgetarily and administratively separate from the University. Secretariat Staff under the Fund Director shall have expertise in the field of financial investment, accounting, and financial analyses. The University Board of Regents shall appoint members of the Secretariat through the recommendation of the University President.

Section 6. Duties and Responsibilities of the Fund Secretariat. The Secretariat shall have the following duties and responsibilities:

- a. Prepare and recommend a Long-Term Investment Plan for the Fund;
- b. Prepare and recommend an Annual Investment Plan for the Fund;
- c. Prepare and recommend a Long-Term Lease Agreement between any industry locator and the University;
- d. Coordinate with appropriate agencies of the Government for the collection of funds due to the Science and Technology Parks of USTSP;
- e. Provide Secretariat and logistical support to the Industry-Academe Council as provided for under RA 10919;
- f. Ensure the availability of fund support for the operations of the Science and Technology Parks for higher education and training including, but not limited to, research and scientific track system for the faculty of the University.

Section 7. Repealing Clause. – All laws, decrees, executive orders, rules and regulations and other issuances, or parts thereof, inconsistent with the provisions of this Act, are hereby repealed or modified accordingly.

Section 8. Separability Clause. – If any part or provision of this Act is declared unconstitutional, or other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

Section 9. Effectivity. – This Act shall take effect fifteen (15) days after its publication in at least one (1) national newspaper of general circulation.

Approved.