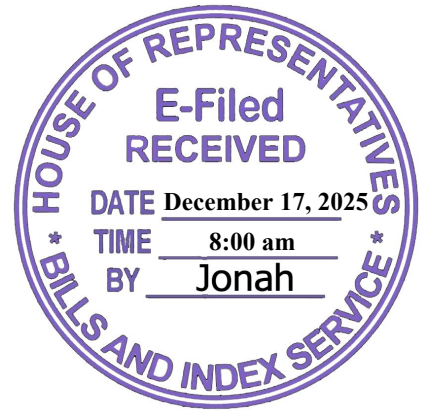




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

20th CONGRESS
1st Regular Session

HOUSE BILL NO. 6910



Introduced by Representative SITTIE SHAHARA “BAI DIMPLE” I. MASTURA

AN

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

EXPLANATORY NOTE

Education is without doubt universally recognized as a fundamental right and should always be a key priority program of any administration, government and sovereign nation.

In the Philippines, support to education as an important contributor to national development comes in many forms of funding mechanisms, one of which is the Special Education Fund or SEF for brevity.

The SEF was institutionalized under Section 272 of Republic Act No. 7160 otherwise known as the “Local Government Code of 1991”, as amended, providing for the imposition of additional levy on real property taxes. This provision is consistent with prior laws, such as Presidential Decree No. 464 (The Real Property Tax Code of 1974) which introduced the concept of additional taxes for educational purposes.

In its present form, the basis for such additional tax imposition is the constitutional mandate under Article XIV, Section 1 of the 1987 Philippine Constitution, which states that the State shall protect and promote the right of all citizens to quality education at all levels.

In effect, the SEF serves as a decentralized funding mechanism, empowering local government units (LGUs) to address specific educational needs within their jurisdictions, complementing national allocations from the Department of Education (DepEd).

Through the years, subsequent laws and issuances have refined the implementation of the Special Education Fund such as RA 9155 otherwise known as the “Governance of Basic Education Act of 2001.”

In 2011, the Philippine Institute for Development Studies assessed the application of the LGC and Republic Act No. 9155 and found that although not inconsistent with each other, the provisions of the said laws are not congruent with one another and that the mismatches cause confusion.

The seeming lack of clarity in the implementation of both laws especially with respect to the utilization of the SEF brought to the fore the term "operation and maintenance of public schools" in Section 272 of the LGC as a subject of varying interpretations.

And although the guidelines as it is being used at present gives local school boards flexibility to respond to actual needs at the level of the schools, it likewise blurs accountability considering that an effective and efficient assignment of expenses and items of expenditures in fiscal decentralization requires clarity in the assignment of functions across levels of government.

In previous Congresses, the House Committee on Local Government undertook a review of the Local Government Code wherein SEF was among the provisions revisited.

This bill therefore seeks the amendment of Section 272 by proposing the inclusion of a broader list of expenses for funding coverage of the SEF, a measure that if enacted will further extend a more flexible but robust, and pro-active support and response to the needs of the education sector.

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



SITTIE SHAHARA “BAI DIMPLE” I. MASTURA

Representative

Maguindanao del Norte with Cotabato City
Lone District



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

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

"Sec. 272. Application of the Proceeds of the Additional One Percent SEF Tax. — The proceeds from the additional one percent (1%) tax on real property accruing to the Special Education Fund (SEF) shall be automatically released to the local school boards: Provided, That in case of provinces, the proceeds shall be divided equally between the provincial and municipal school boards: Provided, however, That the proceeds shall be allocated, [for the operation and maintenance of public schools, construction and repair of school buildings, facilities and equipment, educational research, purchase of books and periodicals, and sports development as determined and approved by the Local School Board.] **AS DETERMINED AND APPROVED BY THE LOCAL SCHOOL BOARD, FOR THE FOLLOWING EXPENSES:**

1. OPERATION AND MAINTENANCE OF PUBLIC SCHOOLS;
2. ACQUISITION OF SCHOOL SITES OR LANDS;
3. CONSTRUCTION AND REPAIR OF SCHOOL BUILDINGS, LEARNING CENTERS, LIBRARIES AND SCHOOL DORMITORIES;
4. FACILITIES AND EQUIPMENT INCLUDING BUT NOT LIMITED TO INFORMATION TECHNOLOGY EQUIPMENT AND COROLLARY SUPPORT SERVICES, SCHOOL FURNITURE AND FIXTURES, AND MEDICAL AND DENTAL SUPPLIES;
5. PAYMENT OF COMPENSATION AND AUTHORIZED ALLOWANCES, COMPETENCY TRAININGS AND OTHER BENEFITS OF LOCALLY-HIRED TEACHING AND NON-TEACHING PERSONNEL: PROVIDED, THAT THE RATES OF COMPENSATION AND AUTHORIZED ALLOWANCES OF LOCALLY-HIRED TEACHING AND NON-TEACHING PERSONNEL SHALL BE DETERMINED BY THE LSB BASED ON AVAILABILITY IF

FUNDS, BUT AT RATES NOT TO EXCEED THE SALARY SCHEDULE BEING IMPLEMENTED BY THE LGU CONCERNED;

- 6. ANY ADDITIONAL AUTHORIZED ALLOWANCES GRANTED BY LGUS TO NATIONALLY-HIRED TEACHING AND NON-TEACHING PERSONNEL CHARGEABLE AGAINST SEF AS OF DECEMBER 1997: PROVIDED, THAT SUCH ADDITIONAL AUTHORIZED ALLOWANCES GRANTED THEREAFTER SHALL BE CHARGED TO THE GENERAL FUND: PROVIDED, FURTHER, THAT IN CASE OF FOURTH TO SIXTH CLASS MUNICIPALITIES, SUCH ADDITIONAL AUTHORIZED ALLOWANCES MAY STILL BE CHARGED SEF AS LONG AS THE SAME DOES NOT EXCEED 10% THEREOF, SUBJECT TO EXISTING BUDGETING RULES AND REGULATIONS;**
- 7. OPERATION OF (I) NON-FORMAL EDUCATION PROGRAMS, (II) EARLY CHILDHOOD EDUCATION, (III) SPECIAL EDUCATION, (IV) SENIOR HIGH SCHOOL, (V) OPEN HIGH SCHOOL PROGRAM, (VI) MADRASAH CLASSES, AND (VII) REMEDIAL CLASSES, INCLUDING THE PAYMENT OF SALARIES, AUTHORIZED ALLOWANCES, AND OTHER BENEFITS OF LOCALLY-HIRED TEACHING AND NON-TEACHING PERSONNEL OF THE PROGRAM, AND THE CONDUCT OF TEACHERS' COMPETENCY TRAININGS;**
- 8. OPERATION OF ALTERNATIVE LEARNING SYSTEM (ALS) INCLUDING PAYMENT OF SALARIES, AUTHORIZED ALLOWANCES AND OTHER BENEFITS OF THE LOCALLY-HIRED ALS LEARNING FACILITATORS;**
- 9. EDUCATIONAL RESEARCH;**
- 10. PURCHASE OF BOOKS AND PERIODICALS;**
- 11. SPORTS DEVELOPMENT;**
- 12. MENTAL HEALTH PROGRAMS; AND**
- 13. FEEDING PROGRAMS.**

NOTWITHSTANDING ANY PROVISION TO THE CONTRART, ALL POLICIES AND GUIDELINES UNDER THIS SECTION SHALL BE SUBJECT TO THE PREVAILING POLICIES AND GUIDELINES OF THE DEPARTMENT OF EDUCATION (DEPED).

ALL LOCAL SCHOOL BOARDS SHALL SUBMIT AN ANNUAL REPORT ON THE COLLECTION, ALLOCATION, AND UTILIZATION OF THE SPECIAL EDUCATION FUND TO THE BUREAU OF LOCAL GOVERNMENT FINANCE UNDER THE DEPARTMENT OF FINANCE (DOF-BLGF), COPY FURNISHED THE LOCAL SANGGUNIAN CONCERNED, REGIONAL OFFICES OF THE DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT (DILG), DEPED AND THE DEPARTMENT OF BUDGET AND MANAGEMENT (DBM) ON OR BEFORE 31 MARCH OF THE SUCCEEDING YEAR.

THE DOF-BLGF SHALL THEN SUBMIT TO THE SENATE COMMITTEES ON LOCAL GOVERNMENT AND EDUCATION, ARTS AND CULTURE AND HOUSE COMMITTEES ON LOCAL GOVERNMENT AND BASIC EDUCATION, ARTS AND CULTURE AND HOUSE COMMITTEES ON LOCAL GOVERNMENT AND BASIC EDUCATION AND CULTURE, A CONSOLIDATED REPORT ON THE COLLECTION AND UTILIZATION OF THE SEF WITHIN NINETY (90) DAYS FROM RECEIPT OF REPORTS FROM THE LGUS. ALL REPORTS ON THE SEF SHALL BE POSTED IN AT LEAST THREE (3) CONSPICUOUS PUBLIC PLACES, WEBSITES OF ALL LOCAL GOVERNMENT UNITS, AND THE FULL DISCLOSURE POLICY PORTAL BEING ADMINISTERED BY THE DILG.

SEC. 2. Implementing Rules and Regulations. — The DILG, DEPED AND DBM, shall jointly promulgate the necessary rules and regulations for the faithful and effective implementation of the provisions of this Act within ninety (90) days from the date of its effectivity.

SEC. 3. Repealing Clause. — Any provision of laws, orders, agreements, rules, or regulations contrary to and inconsistent with this Act is hereby repealed, amended or modified accordingly.

SEC. 4. Effectivity. — This Act shall take effect fifteen (15) days after its complete publication either in the Official Gazette, or in at least two (2) newspapers of general circulation.

Approved,