



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

TWENTIETH (20th) CONGRESS
1st Regular Session

HOUSE BILL NO. 9913



Introduced by
REP. HENRY "INDY" F. OAMINAL JR.
REP. SANCHO FERNANDO "ANDO" F. OAMINAL

EXPLANATORY NOTE

The State shall protect and promote the right of all citizens to quality education at all levels and shall take appropriate steps to make such education accessible to all.¹ At the local level, this commitment is manifested through Section 272 of the Local Government Code of 1991 ("LGC"). Section 272 allocates one percent of real property tax collections to the Special Education Fund ("SEF"). When the LGC was enacted the enumeration of allowable SEF expenditures corresponded to the education programs that existed at that time. More than three decades have passed, and numerous new education programs, not included in the previous list, have come into existence.

Local school boards are now expected to implement Early Childhood Care and Development ("ECCD"), the Alternative Learning System ("ALS"), and inclusive education for learners with disabilities – programs that Section 272 does not authorize the SEF to fund. This mismatch has produced a detrimental fiscal consequence. The Second Congressional Commission on Education documented approximately fifteen billion pesos in unspent SEF collections in 2022 alone, which could have been used to address the education crisis.²

In the 2022 Programme for International Student Assessment, the Philippines placed among the five lowest-performing countries out of 81 participants. Only 16 percent of Filipino students reached minimum proficiency in mathematics, 24 percent in reading, and 23 percent in science.³ As of the end of School Year 2024 to 2025, the Comprehensive Rapid Literacy Assessment revealed that 48.76 percent of learners in Grades 1 to 3 are still not reading at their respective grade levels.⁴ This bill, by expanding the enumerated programs for which SEF Fund can be used for, seeks to prevent billions of pesos worth of fiscal firepower to remain unutilized when it could have been used to help solve the education crisis.

Aligned with the wisdom of this initiative, the executive branch already responded through DILG-DepEd-DBM-DOF Joint Circular No. 1, series of 2025, expanding allowable SEF uses to cover all three programs. By including said expansion

¹ art. XIV, § 2(1), 1987 Constitution.

² Second Congressional Commission on Education (EDCOM II), "Fixing the Foundations: A Matter of National Survival," Year Two Report (January 27, 2025); EDCOM analysis of DOF-BLGF data, 2018–2022.

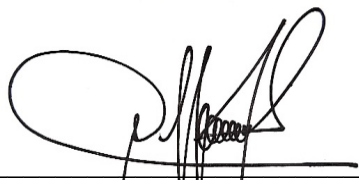
³ OECD, PISA 2022 Results: Country Note - Philippines (December 2023), accessed at https://www.oecd.org/en/publications/pisa-2022-results-volume-i-and-ii-country-notes_ed6fbcc5-en/philippines_a0882a2d-en.html

⁴ Second Congressional Commission on Education (EDCOM II), "Turning Point: A Decade of Necessary Reforms," Final Report (January 2026), citing Comprehensive Rapid Literacy Assessment (CRLA), End of School Year, SY 2024–2025 p 22.

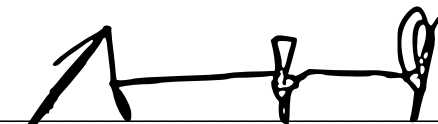
within a legislative framework, this bill erases any legal doubt that may persist despite the executive department institutionalizing the expansion of the programs allowed to be funded by the SEF Fund.

This bill amends Section 272 of the Local Government Code to permanently authorize SEF expenditures on ECCD, the ALS, and inclusive education for learners with disabilities. The sole purpose is to align the statute with the education system it was always meant to support.

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



REP. SANCHO FERNANDO "ANDO"
F. OAMINAL
Misamis Occidental, 2nd District



REP. HENRY "INDY" F. OAMINAL JR.
Asenso Pinoy Partylist



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Introduced by **REP. HENRY "INDY" F. OAMINAL JR.**
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AN ACT

AMENDING SECTION 272 OF REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE "LOCAL GOVERNMENT CODE OF 1991," TO EXPAND THE ALLOWABLE USES OF THE SPECIAL EDUCATION FUND, AND FOR OTHER PURPOSES

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

SECTION 1. *Amendment of Section 272.* Section 272 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, is hereby amended to read as follows:

"Section 272. Application of 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, FOR ANY OF THE FOLLOWING PURPOSES:

(A) OPERATION AND MAINTENANCE OF PUBLIC SCHOOLS, INCLUDING PAYMENT OF COMPENSATION, AUTHORIZED ALLOWANCES, COMPETENCY TRAINING, AND OTHER PERSONNEL BENEFITS OF LOCALLY HIRED TEACHING AND NON-TEACHING STAFF;

(B) CONSTRUCTION, REPAIR, AND MAINTENANCE OF SCHOOL BUILDINGS, LEARNING CENTERS, LIBRARIES, SCHOOL

DORMITORIES, AND OTHER SCHOOL FACILITIES, AND ACQUISITION OF SCHOOL SITES OR LANDS;

(C) ACQUISITION AND MAINTENANCE OF FACILITIES AND EQUIPMENT, INCLUDING INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) EQUIPMENT AND INFRASTRUCTURE, SCHOOL FURNITURE AND FIXTURES, AND MEDICAL AND DENTAL SUPPLIES AND EQUIPMENT;

(D) EARLY CHILDHOOD CARE AND DEVELOPMENT (ECCD), INCLUDING:

(i) SALARIES AND AUTHORIZED ALLOWANCES OF LOCALLY HIRED CHILD DEVELOPMENT TEACHERS AND WORKERS;

(ii) OPERATION AND MAINTENANCE OF CHILD DEVELOPMENT CENTERS AND COMMUNITY-BASED ECCD PROGRAMS; AND

(iii) CONTINUING PROFESSIONAL DEVELOPMENT OF ECCD SERVICE PROVIDERS;

(E) ALTERNATIVE LEARNING SYSTEM (ALS), INCLUDING:

(i) SALARIES, AUTHORIZED ALLOWANCES, AND OTHER BENEFITS OF LOCALLY HIRED ALS LEARNING FACILITATORS AND COMMUNITY ALS IMPLEMENTERS;

(ii) TEACHING AND LEARNING SUPPLIES AND EQUIPMENT FOR ALS PROGRAMS;

(iii) DEVELOPMENT AND MAINTENANCE OF COMMUNITY LEARNING CENTERS; AND

(iv) CAPACITY-BUILDING ACTIVITIES FOR ALS TEACHERS AND LEARNERS;

(F) INCLUSIVE EDUCATION FOR LEARNERS WITH DISABILITIES, INCLUDING:

(i) PROVISION OR IMPROVEMENT OF LEARNING SITES, BUILDINGS, OR CENTERS WHERE EXISTING FACILITIES ARE INADEQUATE;

(ii) ASSISTIVE DEVICES AND SPECIALIZED INSTRUCTIONAL MATERIALS; AND

(iii) TRAINING OF TEACHERS IN INCLUSIVE EDUCATION PRACTICES;

(G) EDUCATIONAL RESEARCH; PURCHASE OF BOOKS, PERIODICALS, INSTRUCTIONAL MATERIALS, AND ONLINE LEARNING RESOURCES; AND SPORTS DEVELOPMENT;

(H) LEARNER SUPPORT PROGRAMS, INCLUDING MENTAL HEALTH SERVICES, SCHOOL-BASED FEEDING PROGRAMS, AND CHILD PROTECTION PROGRAMS; AND

(I) SUCH OTHER EDUCATIONAL PROGRAMS, PROJECTS, OR ACTIVITIES AS MAY BE IDENTIFIED AND AUTHORIZED BY THE SECRETARY OF EDUCATION.

ALL EXPENDITURES UNDER THIS SECTION SHALL BE SUBJECT TO EXISTING BUDGETING, ACCOUNTING, AND AUDITING RULES AND REGULATIONS.”

SECTION. 2. *Inter-Local Cooperation for Education.* A new Section 272-A is hereby inserted after Section 272 of Republic Act No. 7160, to read as follows:

“SEC. 272-A. INTER-LOCAL COOPERATION FOR EDUCATION. – LOCAL GOVERNMENT UNITS MAY, THROUGH APPROPRIATE ORDINANCES, ENTER INTO INTER-LOCAL COOPERATION AGREEMENTS FOR THE POOLING, SHARING, OR JOINT IMPLEMENTATION OF PROGRAMS FUNDED THROUGH THE SEF: PROVIDED, THAT PRIORITY SHALL BE GIVEN TO ARRANGEMENTS BENEFITING FOURTH, FIFTH, AND SIXTH CLASS MUNICIPALITIES WHOSE SEF COLLECTIONS ARE INSUFFICIENT TO SUSTAIN QUALITY ECCD, ALS, OR INCLUSIVE EDUCATION PROGRAMS: PROVIDED, FURTHER, THAT ALL SUCH AGREEMENTS SHALL SPECIFY THE PARTICIPATING LGUS, THE AMOUNT AND PURPOSE OF POOLED FUNDS, GOVERNANCE ARRANGEMENTS, AND ACCOUNTABILITY

MECHANISMS, SUBJECT TO THE GUIDELINES TO BE ISSUED PURSUANT TO SECTION 5 OF THIS ACT.”

SECTION. 3. *Local Education Office or Local School Board Secretariat.* A new Section 272-B is hereby inserted after Section 272-A of Republic Act No. 7160, to read as follows:

“SEC. 272-B. LOCAL EDUCATION OFFICE OR LOCAL SCHOOL BOARD SECRETARIAT. – EVERY LOCAL GOVERNMENT UNIT IS HEREBY AUTHORIZED TO ESTABLISH A LOCAL EDUCATION OFFICE OR, WHERE RESOURCES ARE LIMITED, A LOCAL SCHOOL BOARD SECRETARIAT, TO COORDINATE, MONITOR, AND REPORT ON EDUCATION PROGRAMS AND PROJECTS FUNDED THROUGH THE SEF. THE ORGANIZATIONAL STRUCTURE AND STAFFING PATTERN SHALL REFLECT THE LGU’S SERVICE REQUIREMENTS AND FINANCIAL CAPABILITY, SUBJECT TO MINIMUM STANDARDS PRESCRIBED BY THE CIVIL SERVICE COMMISSION.”

SECTION. 4. *Reporting and Transparency.* A new Section 272-C is hereby inserted after Section 272-B of Republic Act No. 7160, to read as follows:

“SEC. 272-C. REPORTING AND TRANSPARENCY. – 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 OF THE DEPARTMENT OF FINANCE (DOF-BLGF), WITH COPIES FURNISHED TO THE LOCAL SANGGUNIAN, THE REGIONAL OFFICES OF THE DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT (DILG), THE DEPARTMENT OF EDUCATION (DEPED), AND THE DEPARTMENT OF BUDGET AND MANAGEMENT (DBM), NOT LATER THAN THE THIRTY-FIRST (31ST) DAY OF MARCH OF THE SUCCEEDING YEAR.

THE DOF-BLGF SHALL SUBMIT A CONSOLIDATED REPORT ON SEF COLLECTIONS AND UTILIZATION TO THE SENATE COMMITTEES ON LOCAL GOVERNMENT AND ON EDUCATION, ARTS AND CULTURE, AND TO THE HOUSE COMMITTEES ON LOCAL GOVERNMENT AND ON BASIC EDUCATION AND CULTURE, NOT LATER THAN THE THIRTIETH (30TH) DAY OF JUNE OF EACH YEAR.

ALL SEF REPORTS SHALL BE POSTED ON THE OFFICIAL WEBSITES OF THE CONCERNED LOCAL GOVERNMENT UNITS AND ON THE FULL

DISCLOSURE POLICY PORTAL ADMINISTERED BY THE DILG, AND IN AT LEAST THREE (3) CONSPICUOUS PUBLIC PLACES IN THE LOCALITY.”

SECTION. 5. *Implementing Rules and Regulations.* The DILG, DepEd, DOF, and DBM shall jointly promulgate the implementing rules and regulations necessary to carry out this Act within ninety (90) days from the date of its effectivity.

SECTION. 6. *Separability Clause.* If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected thereby shall remain in full force and effect.

SECTION. 7. *Repealing Clause.* All laws, orders, rules, and regulations contrary to or inconsistent with this Act are hereby repealed or modified accordingly.

SECTION. 8. *Effectivity.* This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,