



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



Twentieth Congress
Second Regular Session

HOUSE BILL NO. **11348**

Introduced by Hon. Ferdinand Alexander A. Marcos and Hon. Ernesto M. Dionisio, Jr.

EXPLANATORY NOTE

The *Pamantasan ng Lungsod ng Maynila* (PLM), chartered under R.A. No. 4196, stands as a unique institution within the national higher education landscape. While categorized alongside local colleges, PLM is the first local public university in the Philippines created by an explicit Act of Congress rather than a local ordinance, carrying a historical statutory mandate to provide tuition-free education to qualified residents. Currently, national funding meant for PLM, such as standard institutional support and tuition reimbursements, must transit through the administrative clearinghouses of the Commission on Higher Education (CHED). In practice, this arrangement exposes PLM's daily operations to structural delays and cash-flow bottlenecks at the commission level. Because PLM caters heavily to top-tier, low-income scholars within a densely populated urban center, these administrative delays directly impair immediate local educational delivery, faculty compensation, and essential campus development.

To ensure public efficiency, this bill introduces a Direct National Budgetary Allocation of Five Hundred Million Pesos (Php 500,000,000.00). It establishes a direct fiscal channel from the Department of Budget and Management (DBM) straight to PLM, thereby shortening layered processes.

Furthermore, to safeguard the university's purchasing power against inflation, accommodate growing enrollment numbers, and support sustained institutional development, this measure mandates an automatic annual increment of five percent (5%) on the base allocation for succeeding fiscal years.

This standalone fiscal approach does not constitute a generic or arbitrary legislative exception. Instead, it addresses factual circumstances unique to PLM that distinguish it from other higher education institutions:

1. A Unique Congressional Foundation - PLM's operational and free-tuition mandates were established by Congress under RA 4196 long before the creation of regular local colleges under the Local Government Code.

2. A Distinct Socio-Economic Urgency - The high concentration of high-merit, zero-income urban scholars relying on PLM creates an acute vulnerability to administrative delays.

3. Operational Relevance - Abbreviates lengthy administrative measures and processes thereby ensuring timely direct release to the educational institution concerned for the benefit and obvious advantage of the qualified low-income scholars.

4. Institutional Scope - This law applies uniformly to the singular class of local public universities operating under a distinct, pre-existing congressional charter.

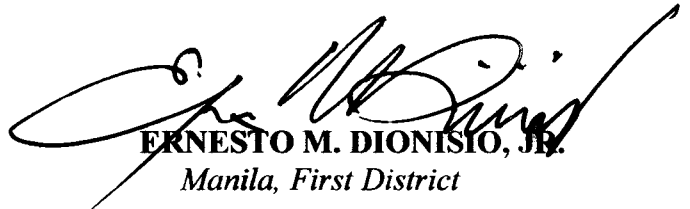
By securing a direct, time-bound transfer of funds from the DBM to PLM, this measure eliminates red tape, respects institutional autonomy, and guarantees that public funds immediately serve their intended student beneficiaries.

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



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Ilocos Norte, First District



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Manila, First District



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AN ACT
PROVIDING A DIRECT NATIONAL BUDGETARY ALLOCATION IN THE
AMOUNT OF FIVE HUNDRED MILLION PESOS (PhP500,000,000.00) TO THE
PAMANTASAN NG LUNGSOD NG MAYNILA (PLM), MANDATING THE DIRECT
AND AUTOMATIC DISBURSEMENT OF FUNDS BY THE DEPARTMENT OF
BUDGET AND MANAGEMENT (DBM) TO PLM, AND THEREBY ENSURING
TIMELY MANNER OF RELEASE AND FOR OTHER PURPOSES

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

1 **SECTION 1. Short Title.** — This Act shall be known as the “PLM Direct National
2 Budgetary Allocation Act.”

3 **Sec. 2. Declaration of Policy.** — It is the declared policy of the State to protect and promote
4 the right of all citizens to quality education, ensuring that public higher education institutions
5 are provided with adequate and timely financial resources. The State recognizes that the unique
6 historical genesis of the *Pamantasan ng Lungsod ng Maynila* (PLM) as a congressionally
7 chartered local university, coupled with its distinct student profile, necessitates direct fiscal
8 coordination with the national government to ensure operational continuity and prevent
9 administrative delays.

1 ***Sec. 3. Definition of Terms.*** — As used in this Act, the following terms shall be defined as
2 follows:

3 a. “Annual Increment” refers to the compulsory, automatic five percent (5%) compounded
4 increase applied to the base Direct National Budgetary Allocation of PLM for each succeeding
5 fiscal year, calculated to adjust for inflation, operational expansion, and institutional growth
6 without requiring separate annual legislative re-authorization.

7 b. “Automatic Release” refers to the mandatory transfer of the appropriated amount by the
8 DBM to the recipient institution without requiring further administrative clearances or separate
9 memorandums of agreement from any other national government agency.

10 c. “Comprehensive Release” refers to the issuance of the total allocated funding in full, or by
11 quarter, as the case may be, strictly prohibiting any form of truncation or installment-based
12 scheduling.

13 d. “Direct National Budgetary Allocation” refers to the standalone public fund created by
14 Congress under this Act, carved out of the National Treasury as a direct operation and capital
15 budget line-item for PLM.

16 e. “Direct Release” refers to the financial transmission of public funds directly from the
17 Bureau of the Treasury, via the DBM, to the official bank accounts of PLM, omitting any
18 intermediary agency transit points.

19 f. “Intermediary Administrative Channels” refers to any government department or
20 commission—specifically the Commission on Higher Education (CHED)—that traditionally
21 acts as a central distribution conduit or evaluator for public higher education funding.

22 g. “Modified Disbursement System (MDS)” refers to the specific public finance settlement
23 facility utilized by the National Government where national agencies and operating units settle
24 their payables through the issuance of specialized government checks or direct electronic bank

1 account transfers, which are cleared directly against the national treasury's consolidated
2 account maintained with authorized government depository banks.

3 h. "Notice of Cash Allocation (NCA)" refers to the official cash authority issued periodically
4 by the DBM to government servicing banks, authorizing a specific operating unit to issue
5 checks or direct credits chargeable against the account of the Treasurer of the Philippines up to
6 a specified amount. It serves as the actual cash backing for an agency's budget.

7 ***Sec. 4. The Direct Budgetary Allocation.*** — The amount of Five Hundred Million Pesos
8 (P500,000,000.00) is hereby appropriated from the National Treasury as a Direct National
9 Budgetary Allocation for the operational maintenance, infrastructure development, and student
10 support programs of PLM. This amount shall be handled independently of standard local
11 government funds or regular tertiary education subsidy frameworks. Provided, that this
12 allocation shall be subject to an automatic annual increment of five percent (5%) in the annual
13 General Appropriations Act (GAA) for succeeding fiscal years to account for inflation,
14 expanding student enrollment, and institutional development. This amount shall be handled
15 independently of standard local government funds or regular tertiary education subsidy
16 frameworks.

17 ***Sec. 5. Execution and Intermediary Bypass.*** — The DBM shall execute the Direct Release of
18 the funds appropriated under Section 4 of this Act comprehensively and automatically to PLM,
19 crediting the full amount straight to the official institutional bank accounts of the university.
20 CHED shall have no administrative, regulatory, supervisory, or clearinghouse role regarding
21 the handling, processing, or disbursement of this specific allocation. No portion of this fund
22 shall be channeled through, held by, or subjected to review by CHED Central or CHED
23 Regional offices.

1 **Sec. 6. Mandatory Timeline.** — The DBM shall complete the direct transfer of the full, or by
2 quarter, as the case may be, an aggregate annual amount of Five Hundred Million Pesos
3 (PhP500,000,000.00) to PLM from the effectivity of this Act.

4 **Sec. 7. Mode of Disbursement.** — The funding authorized under this Act shall be disbursed
5 directly from the Bureau of the Treasury to PLM using the Modified Disbursement System
6 (MDS). The Department of Budget and Management (DBM) shall immediately issue the
7 corresponding Notice of Cash Allocation (NCA) covering the full Five Hundred Million Pesos
8 (P500,000,000.00), which shall be credited directly into the existing MDS sub-accounts or
9 corporate accounts of PLM maintained with the Land Bank of the Philippines (LBP), as the
10 university's authorized government depository bank.

11 The DBM shall execute this electronic fund transfer comprehensively and without requiring
12 sub-allotment or pass-through clearance via CHED.

13 **Sec. 8. Implementing Rules and Regulations (IRR).** — Within thirty (30) calendar days from
14 the effectivity of this Act, the DBM, in direct coordination and consultation with the Board of
15 Regents and the President of PLM, shall draft and promulgate the Implementing Rules and
16 Regulations (IRR) necessary for the execution of this Act. *Provided*, however, that the absence,
17 delay, or non-issuance of the IRR by the DBM upon the expiration of the fifteen (15) day period
18 shall not suspend, hinder, or delay the mandatory direct disbursement of the funds as mandated
19 under Section 6 and Section 7 of this Act.

20 **Sec. 9. Institutionalization of the Direct Fiscal Pipeline.** — To ensure the permanent financial
21 autonomy of the university and eliminate structural delays in higher education delivery, the
22 direct-release fiscal pipeline established under this Act is hereby institutionalized as a
23 permanent administrative framework.

24 Hereafter, all national government funds, allocations, subsidies, institutional grants, and tuition
25 cost-reimbursements under Republic Act No. 10931, or any future national education laws,

1 designated for PLM shall be appropriated as a distinct, independent line-item and operating
2 unit code in the annual General Appropriations Act (GAA), incorporating the mandatory five
3 percent (5%) annual increment specified under Section 4 of this Act. The DBM is hereby
4 mandated to release all such future funds directly, comprehensively, and automatically to PLM
5 via its MDS sub-accounts.

6 ***Sec. 10. Accountability and Reporting.*** — The administration of PLM shall submit a detailed
7 financial utilization report to the House Committee on Appropriations, the Senate Committee
8 on Finance, and the Commission on Audit (COA) within one (1) year from the receipt of the
9 allocation.

10 ***Sec. 11. Separability Clause.*** — If any provision of this Act is declared invalid, the remaining
11 provisions not affected shall remain in full force and effect.

12 ***Sec. 12. Amending and Repealing Clause.*** — Section 8 of Republic Act No. 7722 or the The
13 Higher Education Act of 1994 and Section 7 of Republic Act No. 10931 or the Universal
14 Access to Quality Tertiary Education Act, alongside all executive orders, administrative
15 guidelines, or DBM-CHED Joint Memorandum Circulars, are hereby permanently amended
16 and /or modified insofar as they apply to the PLM. Any provision of law that places PLM's
17 fiscal releases under the administrative discretion or supervision of CHED is hereby repealed.

18 ***Sec. 13. Effectivity.*** — This Act shall take effect fifteen (15) days after its publication in the
19 Official Gazette or in two (2) newspapers of general circulation.

Approved,