

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

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RECEIVED BY:

SENATE

S.B. NO. 908

Introduced by Senator JINGGOY EJERCITO ESTRADA

EXPLANATORY NOTE

In its effort to augment the existing policies and programs in making education accessible to all Filipinos, R.A. 7323, otherwise known as the " Special Program for the Employment of Students" was passed and implemented in 1993. This law, which is primarily aimed towards helping poor but deserving students to pursue their education through wages earned by working during summer and Christmas vacations, is being successfully implemented by the Department of Labor and Employment (DOLE), the department of Finance (DOF) and the Department of Education.

From 1993 to 1997, the innovative educational financing program has benefited about 420,000 poor but deserving students. For the past four years, a total of 2.2 Billion pesos was awarded wherein 60% or 1.3 Billion came from employees while 40% or 890 million was contributed directly from the national budget through DOLE.

While the program has gained popular acceptance and approval by the public, the time has come to make necessary amendments that will make it more relevant and responsive under present and future conditions.

Based on the analysis done by implementors of the program, the following areas need to be addressed:

1. ***Employer Participation Coverage-*** to encourage a wide participation of private employers in the program, the existing employee requirement of 50 should be lowered to 20. This will definitely encourage the cottage, small and medium enterprises to participate.
2. ***Maximum Family Income Requirement*** – the present P36, 000 annual family income requirement to qualify as "poor" has become irrelevant, considering that the poverty threshold for a family of six has increased since 1993.
3. ***Exclusion of National and Local Government Units*** - Since the intent of the law was for the private employees to share in financing the education of the poor but deserving students, it would be better to maximize their contribution by using government budget counterparts for wider private participants.
4. ***Automatic Appropriation-*** the program, as its performance showed deserves automatic appropriations without reduction. This will provide

further from the ill effect of partisan interests and ensure regular increases in its allocations.


5. **Additional Penalties-** penalties should be specified for those who will be found liable in not honoring the program's education vouchers.

In view of the above- mentioned considerations, the passage of this bill is earnestly requested.


JINGGOY EJERCITO ESTRADA
Senator

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AN ACT

MAKING R.A. 7323 MORE EFFECTIVE AND RELEVANT TO PRESENT AND FUTURE CONDITIONS BY EXPANDING ITS COVERAGE IN TERMS OF EMPLOYER PARTICIPATION, ADJUSTING THE INCOME CLASSIFICATION REQUIREMENT THEREIN, PROVIDING AUTOMATIC AND NON-DIMINUTION CLAUSES ON ITS BUDGETARY ALLOCATION AND PROVIDING PENALTIES FOR THOSE WHO DISHONOR THE EDUCATION VOUCHERS, AMENDING FOR THESE PURPOSES R.A. 7323 ENTITLED "AN ACT TO HELP POOR BUT DESERVING STUDENTS PURSUE THEIR EDUCATION BY ENCOURAGING THEIR EMPLOYMENT DURING SUMMER AND/ OR CHRISTMAS VACATIONS, THROUGH INCENTIVES GRANTED TO EMPLOYERS, ALLOWING THEM TO PAY ONLY SIXTY PER CENTUM OF THEIR SALARIES OR WAGES AND THE FORTY PER CENTUM THROUGH EDUCATION VOUCHERS TO BE PAID BY THE GOVERNMENT PROHIBITING AND PENALIZING THE FILING OF FRAUDULENT OR FICTITIOUS CLAIMS, AND FOR OTHER PURPOSES.

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

SECTION 1. Section 1 of R.A. 7323 otherwise known as "Special Program for the Employment of Students (SPES)" is hereby amended to read as follows:

SECTION 1. Any provision of law to the contrary notwithstanding, any person or entity EXCEPT NATIONAL AND LOCAL GOVERNMENT UNITS employing at least [fifty (50)] TWENTY (20) persons may during the summer and/or Christmas vacations employ poor but deserving students fifteen (15) years of age but not more than twenty-five (25) years old, paying them a salary or wage not lower than the minimum wage provided by law and other applicable labor rules and regulations.

For purposes of this Act, poor but deserving students refer to those whose parents' combined incomes, together with their incomes, if any, do not exceed [Thirty-six thousand pesos (P36, 000) per annum] THE ANNUAL APPLICABLE REGIONAL POVERTY THRESHOLD LINE FOR A FAMILY OF SIX FOR THE PRECEDING YEAR AS MAY BE DETERMINED BY THE NATIONAL ECONOMIC DEVELOPMENT AUTHORITY (NEDA). Employment should be at the Labor Exchange Center of the Department of Labor and Employment (DOLE)".

SECTION 2. Section 2 of the same law is hereby amended to read as follows:

“SEC 2. Sixty per centum (60%) of said salary or wage shall be paid by the employer in cash and forty per centum (40%) by the Government in the form of a voucher which shall be applicable in the payment for his tuition fees and books in any educational institution for secondary, tertiary, vocational or technological education. The amount of the education voucher shall be paid by the Government to the educational concerned within thirty (30) days from its presentation to the officer or agency designated by the Secretary of Finance.

The voucher shall not be transferable except when the payee thereof dies or for a justifiable cause stops in his duties in which case it can be transferred to his brothers and sisters. If there be none, the amount thereof shall be paid his heirs or to the payee himself, as the case may be.

ANY PERSON OR ENTITY WHO REFUSES OR DISHONORS AN EDUCATION VOUCHER, SHALL UPON CONVICTION BE PUNISHED UNDER SECTION 4 OF THIS ACT.”

SECTION 3. Section 5 of the same law is hereby amended to read as follows:

“SEC. 5. The amount necessary to carry out the purposes of this Act is hereby authorized to be appropriated in the General Appropriation Act for 1992 and the subsequent annual general appropriations acts; PROVIDED THAT, THE APPROPRIATION, FOR THE PURPOSES OF THIS ACT, SHALL NOT BE REDUCED BY CONGRESS BELOW THE AMOUNT APPROPRIATED FOR THE PREVIOUS YEAR AND, AFTER APPROVAL, SHALL BE AUTOMATICALLY AND REGULARLY RELEASED; PROVIDED FURTHER, THAT THE APPROPRIATION HEREIN SHALL BE INCREASED BY AT LEAST TWENTY (20%) PER CENTUM ANNUALLY”.

SECTION 4. All laws, rules and regulations, decrees, issuances or any parts thereof inconsistent with this Act, are hereby repealed, modified or amended accordingly.

SECTION 5. This Act shall take effect fifteen (15) days after its complete publication in the Official gazette or in at least two (2) national papers of general circulation, whichever comes earlier.

Approved,