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SENATE

S. B. NO. 392

RECEIVED BY: 

Introduced by SENATOR LOREN LEGARDA

AN ACT ESTABLISHING A LEGACY FUND TO SUPPORT, IMPROVE AND SUSTAIN HIGHER EDUCATION INSTITUTIONS DURING THE TRANSITION PERIOD OF THE ENHANCED BASIC EDUCATION ACT OF 2013, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

Explanatory Note

Republic Act 10533 or the Enhanced Basic Education Act of 2013 is a landmark law reforming the country's basic education sector, aligning the country's previous 10-year basic education cycle to the global standards set by European Union under the Bologna Process and the Washington Accord set by the United States which both call for 12-year pre-university cycle. However, the law's implementation has raised fears that there will be massive displacement of educators and higher education institutions (HEIs) once the first batch of students enter grade 11 in 2016 and grade 12 for 2017. Based on the data provided by the Commission on Higher Education, around 38,071 teaching staff and 14,351 non-teaching staff will be displaced over the next five years beginning 2016.

Instead of postponing the implementation of this important education reform which will have long-term impact on developing the country's human capital, there is a clear need for government to manage this transition period and minimize its impact on both the teaching and non-teaching staff and the HEIs concerned which this proposed measure seeks to address thru a Legacy Fund.

With an initial capital of P12 billion, the Legacy Fund will be managed by the CHED in close coordination with the DepEd and the Technical Education and Skills Development Authority and shall be used to provide financial assistance to academic and non-academic personnel and HEIs that will be affected by the adoption of RA 10533. Moreover, it also provides for income support to the affected teaching and non-teaching staff.

Given the importance of this measure in managing the impact of the RA 10533's implementation, passage of the foregoing is earnestly requested.


LOREN LEGARDA
Senator

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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 "Legacy Fund
2 Act of 2016."
3

4 **SEC. 2. Declaration of Policy.** - The state policy of enhancing the
5 country's basic education in order to align it with current modern global
6 standards has been promulgated in 2013 through Republic Act 10533.
7 Such national mandate is in full accord with the constitutional provision
8 that the State shall establish, maintain and support a complete, adequate
9 and integrated system of the education relevant to the needs of the people
10 and society.
11

12 This Act intends to advance the constitutional objective by easing and
13 smoothly facilitating the transition period to the full and ultimate
14 implementation of RA 10533. By doing so, the Philippines is enabled to
15 ensure its competitiveness and to respond to the increasing demand for
16 skilled and professional manpower of our fast growing economy
17

18 **SEC. 3. Definition of Terms** - The terms used in this Act are defined as
19 follows:
20

21 **(a) Transition period** refers to the period starting September 2013 to the
22 end of School Year 2021-2022, as provided in the Implementing Rules
23 and Regulations of RA 10533 or the Enhanced Basic Education Act of
24 2013.

25 **(b) Personnel** refers to a person, singly or collectively, working in a higher
26 education institution, as defined in the Manual of Regulations for

1 Private Higher Education (MORPHE) or in technical-vocational schools
2 as defined under existing rules and regulations of the Technical Skills
3 and Development Authority (TESDA):

4 a. **Academic Personnel** – refers to those who are formally engaged in
5 teaching or in research, either on full-time or part-time basis.
6

7 i. **Full-time faculty or academic personnel** - refers to one who
8 meets all the following requirements:

- 9 1. Possesses at least the minimum academic qualifications
10 prescribed under the MORPHE for all academic personnel
11 without prejudice to the full-time status acquired prior to
12 the issuance of the DOLE-DECS-CHED-TESDA Order No.
13 1, dated February 7, 1996;
- 14 2. Paid monthly or hourly, based on the regular teaching loads
15 as provided for in the policies, rules and standards of the
16 Commission on Higher Education (CHED) and the HEI;
- 17 3. Devotes not less than eight (8) hours of work a day to the
18 HEI;
- 19 4. Has no other remunerative occupation elsewhere requiring
20 regular hours of work, except when permitted by the HEI;
21 and
- 22 5. Is not teaching full-time in any HEI
23

24 ii. **Part time faculty or academic personnel** – refers to faculty
25 or academic personnel who do not meet the qualifications for
26 full-time faculty or academic personnel.
27

28 b. **Academic Support Personnel** – refers to those who perform
29 certain prescribed academic functions directly supportive of
30 teaching, such as registrars, librarians, guidance counselors,
31 researchers, and other persons performing similar functions,
32 including institution officials responsible for academic matters and
33 affairs.
34

35 c. **Non-Academic Personnel** refers to the rank-and-file employees of
36 the institution engaged in administrative functions and
37 maintenance.
38

39 (c) **Displacement** refers to the laying off of employees due to retrenchment,
40 end of probationary period, or expiration of the contract of employment;
41

42 (d) **Enhanced Basic Education Program** refers to at least one (1) year of
43 kindergarten schooling, six (6) years of primary and six (6) years of
44 secondary education in that sequence. Secondary education refers to
45 four (4) years of junior high school and two (2) years of senior high
46 school (SHS) education;
47
48

- 1 (e) **Higher education** refers to post secondary education offering
2 baccalaureate, graduate or post-graduate programs;
3
- 4 (f) **Higher education degree programs** refer to specific courses of study
5 leading to a bachelor's, master's, or doctoral degree;
6
- 7 (g) **Higher education institutions (HEI)** refers to an educational
8 institution, private or public, offering higher education programs with
9 an organized group of students, receiving instructions from several
10 faculties, located in a building or complex of buildings in a particular
11 site, specifically intended for educational purposes.
12
- 13 (h) **Post-secondary school** refers to an institution that offers non-degree
14 technical-vocational programs, which require the possession of a high
15 school diploma for admission, and which are accredited by TESDA;
16
- 17 (i) **Technical-vocational programs** refers to post-secondary certificate
18 courses, officially recognized as non-degree programs aimed at
19 preparing technicians paraprofessionals and other categories of middle-
20 level workers by providing them with a broad range of general
21 education, theoretical, scientific and technological studies and related
22 job skills training; and
23
- 24 (j) **Tertiary education** refers to post secondary technical/vocational
25 education and training, as well as higher education programs.
26

27 **SEC. 4. Legacy Fund** – The Legacy Fund is hereby established to provide,
28 during the transition period, financial assistance to academic, academic
29 support, and non-academic personnel, as well as tertiary education
30 institutions, directly and adversely affected as a consequence of the
31 mandatory adoption and implementation of Enhanced Basic Education
32 Act. It shall be used for the following specific purposes:
33

- 34 (1) To provide academic, academic support, and non-academic
35 personnel with grants and scholarships to upgrade their
36 qualifications through masteral, doctoral or post-doctoral studies,
37 research, or further practical training. This includes similar
38 grants of scholarship to attract new teachers and researchers
39 from among their ranks to the higher education sector;
- 40 (2) To invest in the development of innovative and relevant curricula,
41 learning and teaching systems, and new processes and equipment
42 related to the Enhanced Basic Education Program and such best
43 practices at the tertiary education level;
- 44 (3) To provide income support to academic, academic support and
45 non-academic personnel who will be displaced from employment
46 due to the multi-year low enrolment during said transition; and
- 47 (4) To provide financial augmentation to academic, academic support
48 and non-academic personnel who may not have been displaced

1 from employment, but whose salary or wage is reduced due to the
2 multi-year low enrolment during said transition.
3

4 The above package shall be made available every school year beginning
5 June 2016, the commencement of full scale implementation of SHS in the
6 country, until School Year 2021-2022, the completion of the transition
7 period of RA10533.
8

9 **SEC. 5. Grants for Academic Personnel.** – A portion of the Legacy Fund
10 shall be set apart for current and incoming academic and academic
11 support personnel, for, but not limited to:

- 12 (a) Scholarship for Graduate Studies
- 13 (b) Research Grants
- 14 (c) Practice Fellowships

15
16 Recipients of said grants shall execute a return service contract in which
17 they:

- 18 (a) Agree to teach as their return of service (ROS); and
- 19 (b) Agree to any of the approved ROS conditions to be formulated
20 by CHED.
21

22 Failure to comply with the terms of the service contract will result in the
23 full repayment (plus interest and penalties, if applicable) of all award
24 monies received.
25

26 **SEC. 6. Grants for Non-Academic Personnel.** – A portion of the Legacy
27 Fund shall also be set apart for the development of non-academic
28 personnel through graduate studies or further training relevant to their
29 work. Availment of said grant shall similarly be accompanied by a service
30 contract that includes a provision for return of service (ROS).
31

32 **SEC. 7. Development of Innovative Curricula, Training and Systems.** –
33 A portion of the Legacy Fund shall also be set aside for tertiary education
34 institutions, public and private, to enable them to introduce innovations in
35 curricular, learning and teaching systems, and digital processes. Said
36 fund should be used for the following, in accordance with guidelines to be
37 formulated by the CHED:
38

- 39 (a) Initiatives for twinning between a local program or institution with
40 a proven track record of competence and a foreign program or
41 institution recognized for its expertise in the relevant discipline/s,
42 and other internationalization initiatives for students and faculty;
- 43 (b) Benchmarking and articulation activities among locally organized
44 universities and colleges, whether for academic or non-academic
45 purposes;
- 46 (c) Review and reform of existing policies and procedures concerning
47 faculty load, tuition, faculty development, research and extension
48 in order to raise the quality and efficiency of education services and
49 modernize their physical plants;

- 1 (d) Enhancement of program courses and training for faculty, aligning
2 them to competency-based standards, as well as the K12 and the
3 revised General Education (GE) curriculum;
4 (e) Development of new and relevant graduate education programs as
5 well as niche programs within the context of the Association of
6 Southeast Asian Nations (ASEAN);
7 (f) Facilitation of academe-industry linkages; and
8 (g) Establishment of continuing education programs, targeted towards
9 solving job-skills mismatch, leading to unemployment and
10 underemployment.
11

12 **SEC. 8. Income Support to Academic, Academic Support, Non-**
13 **Academic Personnel and Tertiary Education Institutions.**

- 14 (a) Personnel who are displaced during the transition period of RA
15 10533 shall be provided with income support for a maximum
16 period of 12 months in an amount not more than their monthly
17 net wage at the time of the displacement, in accordance with the
18 following minimum criteria and such other conditions as the
19 DOLE may require for its availment:
20

- 21 1. The personnel must be registered with the Public
22 Employment Service Office (PESO) as displaced by reason of
23 the implementation of K-12 during the Transition Period;
- 24 2. He or she must be able to work, be ready for suitable work,
25 and willing to have job training;
- 26 3. He or she must be both physically and mentally competent,
27 ready to take on any suitable and available employment;
- 28 4. He or she must be actively looking for work; and
- 29 5. He or she must not be involved in any income-generating or
30 profit-generating activity from the day of displacement.
31

32 The income support shall be graduated. Further, said support
33 shall be discontinued if the displaced personnel gets another
34 employment. Finally, said support shall be separate and distinct
35 from the separation pay provided under the Labor Code, as
36 amended, company policy, or collective bargaining agreement.
37

- 38 (b) Private Tertiary Education Institutions, which incur costs as a
39 result of foregone enrollments during the transition period, as well
40 as displacement of affected personnel, may avail of financial
41 support, as necessary to ensure sustainability of their institution.
42 *Provided*, That they meet the criteria to be set by the CHED and
43 TESDA.
44

45 *Provided Further*, That no amount of the Fund shall be used to
46 pay any HEI which has an outstanding obligation to the
47 Government without said obligation being settled or offset first,
48 subject to the requirements provided for by law.

1 *Provided Finally*, That the affected HEI has no other adequate
2 source of funds.
3

- 4 (c) State Universities and Colleges (SUCs) shall receive, through their
5 annual allocation in the General Appropriations Act (GAA) the
6 necessary funding required to fulfill financial obligations to
7 personnel and to continue operations.
8

9 However, the CHED and the Department of Budget and
10 Management (DBM), shall develop a separate financing policy
11 framework to govern funding and operations of SUCs during said
12 period of transition. SUCs nonetheless shall have equal access to
13 the services and support provided for in this Act.
14

15 **SEC. 9. Other Forms of Support.**
16

- 17 (a) **Assistance to Affected Tertiary Education Institutions** –
18 Further assistance should be provided to all tertiary education
19 institutions through E-GASTPE, as well as facilitation of special
20 loan assistance from the Development Bank of the Philippines
21 (DBP), the Land Bank of the Philippines (LBP), Veterans Bank and
22 the United Coconut Planters Bank.
23

- 24 (b) **Assistance to Academic, Academic Support and Non-**
25 **Academic Personnel** – The DOLE shall provide other assistance
26 such as wage employment, retraining and retooling, livelihood or
27 entrepreneurship programs, as well as welfare assistance.
28

29 **SEC. 10. Fund Application and Dispensation.** – Application of the Fund
30 shall be subject to guidelines, rules and regulations, which shall be
31 formulated and promulgated by DBM, upon consultation with CHED,
32 DOLE, DepEd and TESDA, to carry out provisions of this Act.
33

34 **SEC. 11. Implementing Arrangements and Operational Structures.** –
35 The CHED shall be the main implementing agency and shall coordinate
36 closely with the DepEd, DOLE and TESDA, from June 2016 to the end of
37 School Year 2021-2022. The respective duties and responsibilities of the
38 agencies include, but are not limited to the following:
39

- 40 (a) **CHED** – As the main implementing agency, the CHED is hereby
41 tasked to form and lead the Interagency Secretariat, with personnel
42 seconded from relevant offices within the Commission, as well as
43 from DepEd, DOLE and TESDA, in order to coordinate, streamline,
44 and monitor, the various support and other services that shall be
45 made available to academic, academic support and non- academic
46 personnel and tertiary education institutions, during the transition.
47

- 48 (b) **DepEd** – The DepEd is hereby tasked to facilitate the hiring of
49 displaced faculty and staff from affected higher education

1 institutions, *Provided* that they meet the criteria set by the
2 Department, consistent with the provisions of RA 10533, RA 4670,
3 and RA 10612.

4
5 The CHED and DepEd shall likewise work closely in finding
6 complementary activities between private and higher education
7 institutions and basic education schools. This may include, but is
8 not limited to, the employment and utilization of human and
9 physical resources of HEIs, consistent with Sec. 12 of RA 10533.

- 10
11 (c) **DOLE** – The DOLE is hereby tasked to coordinate and facilitate
12 smooth displacement procedure of HEI, awareness building
13 initiatives for employers and employees affected by the transition, the
14 redeployment of faculty and staff, as well as the conduct of livelihood
15 training for the displaced personnel, in cooperation with TESDA.

16
17 The Interagency Secretariat is hereby tasked to ensure the timely
18 delivery as well as the quick provision of information and rendering
19 of services to stakeholders concerned, locally and online. Further,
20 said Secretariat shall, at the end of each calendar year, submit an
21 annual report to Congress, giving a detailed account of its
22 proceedings and accomplishments.

23
24 **SEC. 12. Funding of the Legacy Fund.** – The initial amount of 12 Billion
25 Pesos is hereby appropriated for this purpose, 50% of which shall come
26 from the proceeds of RA 10351 (Sin Taxes Act); 40% from contributions of
27 PAGCOR and Philippine Charity Sweepstakes Office and the balance of
28 10% from the amount appropriating Outlay of CHED, TESDA and DepEd.

29
30 Private Donations through the HEDF may also be sourced and used to
31 support the Legacy Fund. Thereafter the balance of 17 Billion Pesos, as
32 well as corresponding annual budgetary requirements needed to attain the
33 purposes of this Act, shall be included in the annual GAA, for a period of
34 four (4) years, from 2017 to 2021. Said fund shall only be utilized during
35 the transition period of RA 10533. Any such amount not fully utilized shall
36 revert back to the National Treasury.

37
38 **SEC. 13. Implementing Rules and Regulations.** - Within sixty (60) days
39 after the effectivity of this Act, the CHED Chair, DepEd Secretary, DOLE
40 Secretary and TESDA Director-General, shall promulgate the rules and
41 regulations needed for the implementation of this Act.

42
43 **SEC. 14. Separability Clause.** – If any provision of this Act is held invalid
44 or unconstitutional, the same shall not affect the validity and effectivity of
45 the other provisions hereof.

46
47 **SEC. 15. Repealing Clause.** – All other laws, decrees, executive orders
48 and rules and regulations contrary to or inconsistent with the provisions of
49 this Act are hereby repealed or modified accordingly.

1 **SEC. 16. Effectivity Clause.** – This Act shall take effect fifteen (15) days
2 after its publication in at least two (2) newspapers of general circulation.
3
4 Approved,