

13<sup>th</sup> CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )

'04 JUL -6 11:15

SENATE

RECEIVED BY:                     

S. BILL NO. 1359

---

*Introduced by Senator Ralph G. Recto*

---

**EXPLANATORY NOTE**

This bill seeks to expand the purposes and application of the Special Education Fund (SEF) by amending for the purpose Section 272 of Republic Act No. 7160, otherwise known as "The Local Government Code."

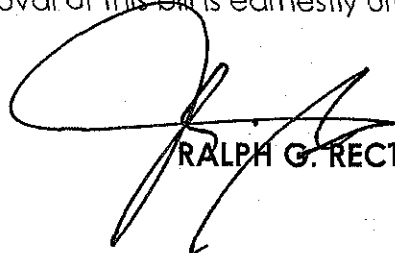
Local government units (LGUs) have the power to create its own sources of revenue and to levy taxes, fees, and charges subject to the provisions of the Local Government Code and consistent with the basic policy of local autonomy. Local School Boards have been established to determine the annual supplementary budgetary needs for the operation and maintenance of public schools within the province, city, or municipality, as the case may be, and the supplementary local cost of meeting such needs. This has been reflected in the form of an annual school board budget corresponding to its share of the proceeds of the special levy on real property constituting the Special Education Fund.

Section 272 of the Local Government Code gives priority budget allocation only to 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.

However, there is a continuing clamor to expand the application of the SEF as more and more LGUs post fund surplus that they believe can be used to cover needs of the school districts, other than that specified by law.

This bill addresses such concerns as it proposes to include among the priority areas for SEF coverage the budget of the payment of electric and water bills, payment of salaries, allowances, and other benefits of non-teaching personnel, procurement of service vehicles for conveyance of teachers and non-teaching personnel, establishment and maintenance of extension classes, including the creation of teacher items for said classes, purchase of prescribed textbooks, teaching aids, and other instructional materials.

In view of the foregoing, immediate approval of this bill is earnestly urged.

  
RALPH G. RECTO

13<sup>th</sup> CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )

'04 JUL -6 AM 11:15

SENATE

RECEIVED BY: \_\_\_\_\_

S. BILL NO. 1359

---

*Introduced by Senator Ralph G. Recto*

---

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

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

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

3               "Sec. 272. - The proceeds from the additional one percent  
4 (1%) tax on real property accruing to the SEF shall be automatically  
5 released to the local school boards: *Provided*, That in case of  
6 provinces, the proceeds shall be divided equally between the  
7 provincial and municipal school boards: *Provided*, however, That  
8 the proceeds shall be allocated for the operation and  
9 maintenance of public schools, **INCLUDING THE PAYMENT OF**  
10 **ELECTRIC AND WATER BILLS;** construction and repair of school  
11 buildings, facilities and equipment, **PAYMENT OF SALARIES,**  
12 **ALLOWANCES, AND OTHER BENEFITS OF TEACHING AND NON-**  
13 **TEACHING PERSONNEL, PROCUREMENT OF SERVICE VEHICLES FOR**  
14 **USE IN THE TRANSPORT OF TEACHERS AND NON-TEACHING**

1           **PERSONNEL, ESTABLISHMENT AND MAINTENANCE OF EXTENSION**  
2           **CLASSES, INCLUDING THE CREATION OF TEACHER ITEMS FOR SAID**  
3           **CLASSES,** educational research, purchase of [books,] **PRESCRIBED**  
4           **TEXTBOOKS,** periodicals, **TEACHING AIDS, OTHER INSTRUCTIONAL**  
5           **MATERIALS,** and sports development as determined and approved  
6           by the Local School Board."

7           **SEC. 2.** All laws and decrees, rules and regulations or parts thereof  
8           inconsistent with this Act are hereby repealed or modified accordingly.

9           **SEC. 3.** This Act shall take effect within fifteen (15) days after its  
10          publication in two (2) newspapers of general circulation.

11          Approved,