

NINETEENTH CONGRESS OF THE) REPUBLIC OF THE PHILIPPINES ) *First Regular Session* )

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SENATE S. No. <u>1653</u>

Introduced by Senator Raffy T. Tulfo

### **AN ACT**

## STRENGTHENING THE LEGAL EDUCATION BOARD, THEREBY AMENDING REPUBLIC ACT NO. 7662, OTHERWISE KNOWN AS THE "LEGAL EDUCATION REFORM ACT OF 1993", AND APPROPRIATING FUNDS THEREFOR

## EXPLANATORY NOTE

Legal education is a critical foundation relevant to the vital areas of our society. It affects the practice of law in courts, legal teaching, legal research, administration, law-making, and all other activities which postulate and require the use of legal knowledge and skill. To ensure the quality and competency of our legal institutions and educators, as well as uplift the standard of legal education in the Philippines, the Legal Education Board (LEB) was established pursuant to Republic Act No. 7662 or the Legal Education Reform Act of 1993.

The LEB was constituted as the independent agency that would govern both the legal education system and law schools. It was mandated to accredit and set standards for law schools and promulgate rules and regulations necessary for the attainment of the objectives of the Legal Education Reform Act. In the recent years, the flaws of Legal Education Reform Act have become apparent. Despite being an independent government agency with its own charter, the LEB is attached for budgetary purposes and administrative support to the Commission on Higher Education (CHED). As a result, the financial and administrative operations of the LEB and the CHED were intertwined. Moreover, in 2019, some provisions of the Legal Education Reform Act were declared unconstitutional for intruding into areas which fell within the exclusive jurisdiction of the Supreme Court.

In order to allow the LEB to fully administer its duties and functions as provided by statutory law and highlighted by jurisprudence, amendments to the Legal Education Reform Act are necessary. This bill seeks to strengthen the authority of the LEB and establish clear parameters of its powers and to enable itself to operate at its highest potential, while pursuing and honoring every cornerstone of academic freedom.

In view of the foregoing, and the desire for a smooth transaction towards a more empowered legal regulatory agency, the approval of this measure is earnestly sought.

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

1 Section 1. *Short Title.* - This Act shall be known as the *"Revised Legal*"

2 Education Reform Act."

Sec. 2. Section 2 of Republic No. 7662, otherwise known as the "Legal
Education Reform Act of 1993," is hereby amended to read as follows:

Section 2. *Declaration of Policies.* - It is hereby declared the policy
of the State to uplift the standards of legal education in order to prepare law
students for advocacy, counselling, problem-solving and decision-making, so
as to infuse in them the ethics of the legal profession [to] AND impress upon
them the importance, nobility and dignity of the legal profession as an equal
and indispensable partner of the Bench in the administration of justice and
to develop social competence.

Towards this end, the State shall undertake appropriate reforms in 1 the legal education system, [require proper selection of law students, 2 maintain] THAT WOULD ENSURE THE MAINTENANCE OF quality 3 STANDARDS among [law-schools, and require legal-apprenticeship and 4 continuing] LEGAL EDUCATION INSTITUTIONS." 5 Sec. 3. Section 3 of Republic Act No. 7662 is hereby amended to read as 6 follows: 7 "Section 3. General and Specific Objectives of Legal Education. --8 (a) Legal education in the Philippines is geared to attain the following 9 objectives: 10 (1)to prepare students for the practice of law OR WORK IN 11 THE PUBLIC OR PRIVATE LEGAL SERVICES SECTOR; 12 to increase awareness among [members of the legal (2) 13 profession] STUDENTS of the needs of the poor, deprived 14 and oppressed sectors of society; 15 (3) to train [persons] STUDENTS OF LAW for leadership; 16 (4) to contribute towards the promotion and advancement of 17 justice and the improvement of [its] **THE** administration[, the 18 legal system and legal institutions] OF THE LEGAL SYSTEM 19 AND LEGAL EDUCATION INSTITUTIONS OF THE 20 **COUNTRY** in the light of the historical and contemporary 21 developments of law [in the Philippines-and in other 22 countries] WORLDWIDE; AND 23 (5) TO GENERATE LEGAL RESEARCH AND SCHOLARSHIP 24 THAT CONTRIBUTE TO THE EXPANSION OF LEGAL 25 **KNOWLEDGE.** 26 (b) Legal education shall aim to accomplish the following specific 27 objectives: 28 29

- to impart among law students a broad knowledge of THE law and its various fields and of legal PHILOSOPHIES,
   SYSTEMS AND institutions;
- (2) to enhance their legal research abilities to enable [them] THE STUDENTS to analyze, articulate and apply the law effectively, as well as to allow them to have a holistic approach to legal problems and issues;
- to prepare law students for advocacy, counselling, problemsolving and decision-making, and to develop their ability to deal with recognized legal problems of the present and the future;

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- 12(4)to develop competence in any field of law as is necessary for13gainful employment or sufficient as a foundation for future14training beyond the basic professional degree, and to develop15in [them] THE STUDENTS the desire and capacity for16continuing study and self-improvement THROUGH THE17DIFFERENT LEGAL EDUCATION PROGRAMS;
- 18(5)to [inculcate in them]**INSTILL** in **THE STUDENTS** the19ethics and responsibilities of the legal profession; and
- 20(6)to [produce] CREATE AN ENVIRONMENT CONDUCIVE21TO THE TRAINING OF PROSPECTIVE lawyers AND22ALLIED PROFESSIONALS who conscientiously pursue the23lofty goals of their profession [and to fully adhere]24THROUGH STRICT ADHERENCE TO ITS ETHICAL25NORMS."
- 26 Sec. 4. A new Section 4 is hereby inserted after Section 3 of Republic Act No. 27 7662, to read as follows:
- 28 "Section 4. DEFINITION OF TERMS. AS USED IN THIS ACT:
   29 A. ALLIED LEGAL STUDIES PROGRAMS -- ACADEMIC
   30 PROGRAMS INTENDED TO PROVIDE PARALEGALS AND OTHER
   31 PROFESSIONALS WITH LEGAL KNOWLEDGE AND SKILLS THAT

WOULD MEET THE EXPANDING NEEDS OF THE PUBLIC AND PRIVATE SECTORS OUTSIDE THE PRACTICE OF LAW. THE PROGRAM MAY ALSO INCLUDE A PREPARATORY LAW PROGRAM THAT MAY QUALIFY THE ENTRY OF STUDENTS TO THE BASIC LAW PROGRAM IN CONFORMITY WITH THE ADMISSION TO LEGAL STUDIES REQUIREMENTS OF THE SUPREME COURT UNDER THE RULES OF COURT.

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8B.BASIC LAW PROGRAM – AN ACADEMIC PROGRAM9LEADING TO A PROFESSIONAL DOCTORATE DEGREE10PRIMARILY DESIGNED FOR THE TRAINING AND FORMATION11OF PROSPECTIVE LAWYERS TO QUALIFY THEM TO TAKE THE12BAR EXAMINATIONS IN ACCORDANCE WITH SUPREME COURT13RULES;

14C. GRADUATE LAW PROGRAMS - ADVANCED15ACADEMIC STUDIES AFTER COMPLETION OF THE BASIC LAW16PROGRAM TO FURTHER LEGAL SCHOLARSHIP AND17PROFESSIONAL SKILLS; SUCH AS MASTER AND DOCTOR OF18LAWS, AND OTHER EQUIVALENTS;

19D. LEGAL EDUCATION – THE TOTALITY OF VARIOUS20ACADEMIC PROGRAMS IN HIGHER EDUCATION DESIGNED21FOR THE TRAINING OF PROSPECTIVE LAWYERS, ALLIED22PROFESSIONALS AND LEGAL SCHOLARS. IT SHALL23ENCOMPASS THE BASIC AND GRADUATE LAW PROGRAMS24AND OTHER LEGAL STUDIES PROGRAMS; AND

E. LEGAL EDUCATION INSTITUTIONS - ALL HIGHER 25 RECOGNIZED BY EDUCATION INSTITUTIONS THE 26 COMMISSION ON HIGHER EDUCATION (CHED) AND 27 AUTHORIZED OR ACCREDITED UNDER THIS ACT TO OFFER 28 BASIC AND/OR GRADUATE LAW PROGRAMS, ALLIED LEGAL 29 STUDIES PROGRAMS AND/OR OTHER LEGAL STUDIES 30 PROGRAMS. 31

Sec. 5. A new Section 5 is hereby inserted after Section 4 of this Act, to read
as follows:

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Section 5. COVERAGE. – THIS ACT SHALL APPLY TO ALL
EXISTING LEGAL EDUCATION INSTITUTIONS IN THE PHILIPPINES,
INCLUDING THE LEGAL EDUCATION INSTITUTIONS IN THE
BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO.

8 ALL LEGAL EDUCATION INSTITUTIONS WHICH SHALL BE 9 ESTABLISHED FOLLOWING THE APPROVAL OF THIS ACT SHALL 10 LIKEWISE BE COVERED, INCLUDING LEGAL EDUCATION 11 INSTITUTIONS WHICH SHALL BE ESTABLISHED IN AUTONOMOUS 12 REGIONS."

Sec. 6. Section 4 of Republic Act No. 7662 is hereby amended and renumbered
as Section 6, to read as follows:

"Section [4] 6. [Legal Education Board;] COMMISSION ON LEGAL
 EDUCATION; Creation and Composition. – To carry out the purpose of this
 Act, there is hereby created the [Legal Education Board] COMMISSION ON
 LEGAL EDUCATION, hereinafter referred to as the [Board, attached solely for
 budgetary purposes and administrative support to the Department of
 Education, Culture and Sports] COMMISSION OR CLED.

The [Board] COMMISSION shall be composed of a [Chairman] 21 **CHAIRPERSON** and the following as regular members: a representative of 22 the Integrated Bar of the Philippines (IBP); a representative of the Philippine 23 Association of Law Schools (PALS); a representative from the ranks of active 24 law practitioners; [and] a representative from the law students' sector; AND 25 A REPRESENTATIVE FROM THE RANKS OF THE LAW PROFESSORS. 26 [The Secretary of the Department of Education, Culture, and Sports, or his 27 representative, shall be an ex officio member of the Board.] 28

29 With the exception of the representative of the law students' sector, the 30 [Chairman] CHAIRPERSON and regular members of the [Board] 31 COMMISSION must be natural-born citizens of the Philippines and members

of the Philippine Bar, who have been engaged in the practice of law for at least 1 ten (10) years, as well as [in the teaching of law] ACTIVELY ENGAGED in 2 [a-duly-authorized-or-recognized-law-school] LEGAL EDUCATION IN AN 3 ACCREDITED LEGAL EDUCATION INSTITUTION ALSO FOR AT LEAST 4 TEN (10) YEARS. RETIRED OR RESIGNED JUSTICES OF THE SUPREME 5 COURT AND COURT OF APPEALS, OR ELECTED OR APPOINTED 6 GOVERNMENT OFFICIALS WHOSE DUTIES AND FUNCTIONS 7 PROHIBIT THEM FROM ENGAGING IN THE PRACTICE OF LAW 8 AND/OR ACTIVELY ENGAGING IN LEGAL EDUCATION DURING THEIR 9 TERM OF OFFICE, MUST HAVE BEEN ENAGAGED IN THE PRACTICE OF 10 LAW OR LEGAL EDUCATION FOR AT LEAST FIVE (5) YEARS PRIOR TO 11 OR AFTER THEIR ELECTION OR APPOINTMENT AS SUCH. 12

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THE CHAIRPERSON AND REGULAR MEMBERS, EXCEPT THE 13 REPRESENTATIVE OF THE LAW STUDENTS' SECTOR. MUST 14 PREFERABLY BE HOLDERS OF A MASTER OF LAWS DEGREE OR A 15 MASTERS DEGREE IN AN EDUCATION-RELATED FIELD, AND MUST 16 NOT HAVE BEEN CANDIDATES FOR ELECTIVE POSITIONS IN THE 17 ELECTIONS IMMEDIATELY PRECEDING THEIR APPOINTMENT. THEY 18 SHALL BE ACADEMICIANS KNOWN FOR THEIR HIGH DEGREE OF 19 PROFESSIONALISM AND INTEGRITY, WHO HAVE DISTINGUISHED 20 THEMSELVES AS AUTHORITIES IN THE FIELD OF LEGAL EDUCATION. 21 Sec. 7. Section 5 of Republic Act No. 7662 is hereby amended and renumbered 22 as Section 7, to read as follows: 23

"Section [5] 7. Term of Office; Compensation. – The [Chairman] 24 **CHAIRPERSON** and regular members of the [Board] COMMISSION shall 25 be appointed by the President for a term of five (5) years, without **PREJUDICE** 26 **TO ONE** reappointment, from a list of at least three (3) nominees prepared, 27 with prior authorization from the Supreme Court, by the Judicial and Bar 28 Council, for every position or vacancy, and no such appointment shall need 29 confirmation by the Commission on Appointments. [Of those first appointed, 30 the Chairman and the representative of the IBP shall-hold office for five (5) 31

years, the representatives of the PALS and the PALP, for three (3) years; and 1 the representative from the ranks of active law practitioners and the 2 representative of the law students' sector, for one (1) year, without 3 reappointment. Appointments to any vacancy shall be only for the unexpired 4 portion of the term of the predecessor] IF THE APPOINTMENT IS MADE TO 5 FILL UP A VACANCY CAUSED BY DEATH, DISQUALIFICATION, 6 INCAPACITY, OR RESIGNATION, THE TERM OF OFFICE SHALL BE FOR 7 THE UNEXPIRED PORTION OF THE TERM OF THE PREDECESSOR. THE 8 CHAIRPERSON OR ANY REGULAR MEMBER OF THE COMMISSION, 9 WHOSE TERM HAS ENDED, SHALL SERVE IN A HOLDOVER CAPACITY, 10 IN CONSONANCE WITH JURISPRUDENTIAL DOCTRINES. 11

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12 The [Chairman] CHAIRPERSON and regular members of the Board 13 COMMISSION shall have the same [salary-and-rank] RANKS, SALARIES, 14 PRIVILEGES, RETIREMENT, AND OTHER BENEFITS as the [Chairman] 15 CHAIRPERSON and members, respectively, of the Constitutional 16 Commissions: *Provided*, That their salaries shall not be diminished during their 17 term of office."

Sec. 8. Section 6 of Republic Act No. 7662 is hereby repealed and a new Section
8 is hereby inserted after Section 7, to read as follows:

"Section 8. Secretariat. - The COMMISSION SHALL ORGANIZE A 20 SECRETARIAT WHICH SHALL BE HEADED BY AN EXECUTIVE 21 DIRECTOR WHO SHALL BE APPOINTED BY THE COMMISSION AND 22 WHO SHALL REPORT TO, AND BE UNDER THE CHAIRPERSON'S 23 **GENERAL SUPERVISION AND CONTROL. THE SECRETARIAT SHALL** 24 CONSIST OF OFFICES FOR ACCREDITATION AND ADMISSION 25 **PROGRAMS**, LEGAL, FINANCE, STANDARDS, **RESEARCH**, 26 ACCOUNTING, HUMAN RESOURCES, AND OTHERS NECESSARY FOR 27 THE EFFECTIVE PERFORMANCE OF THE COMMISSION'S POWERS AND 28 FUNCTIONS, SUBJECT TO THE NATIONAL COMPENSATION AND 29 POSITION CLASSIFICATION PLAN. THE COMMISSION, UPON THE 30 **RECOMMENDATION OF THE EXECUTIVE DIRECTOR, SHALL FIX THE** 31

SECRETARIAT'S STAFFING PATTERN, DETERMINE THE DUTIES,
 QUALIFICATIONS, RESPONSIBILITES AND FUNCTIONS, AS WELL AS
 THE COMPENSATION SCHEME FOR THE POSITIONS TO BE CREATED.

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4 THE COMMISSION SHALL ALSO PREPARE ITS BUDGETARY 5 SUBMISSION TO CONGRESS.

6 THE COMMISSION, UPON THE EXECUTIVE DIRECTOR'S 7 RECOMMENDATION, MAY APPOINT SUCH OFFICERS AND 8 EMPLOYEES AS IT MAY DEEM NECESSARY IN THE PERFORMANCE OF 9 ITS POWERS AND FUNCTIONS.

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 THE COMMISSION SHALL ESTABLISH A FIELD OFFICE OR

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 OFFICES IN THE LUZON, VISAYAS AND IN MINDANAO REGIONS AS

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 IT MAY DEEM NECESSARY."

Sec. 9. Section 7 of Republic Act No. 7662 is hereby amended and renumberedas Section 9, to read as follows:

"Section [7] 9. *Powers and Functions.* - For the purpose of achieving the
 objectives of this Act, the [Board] COMMISSION shall have the following
 powers and functions:

[to administer the legal education system in the country in a (a) 18 manner consistent with the provisions of this Act.] TO FORMULATE 19 DEVELOPMENT PLANS, POLICIES, PRIORITIES AND 20 PROGRAMS ON LEGAL EDUCATION AND RESEARCH, AND 21 IMPLEMENT THE SAME UNDER THE PROVISIONS OF THIS ACT, 22 OR IN THE ABSENCE OF SUCH PROVISIONS, TO RECOMMEND 23 TO THE LEGISLATIVE BRANCH APPROPRIATE REMEDIAL 24 LEGISLATION; 25

(b) [to] WITHIN THE PARAMETERS OF ITS POWERS AND
FUNCTIONS AS HEREIN ENUMERATED, TO ADMINISTER THE
LEGAL EDUCATION SYSTEM AND supervise [the law schools]
LEGAL EDUCATION INSTITUTIONS in the country, BOTH PUBLIC
AND PRIVATE, IN RELATION TO THEIR LEGAL EDUCATION
PROGRAMS;

to set the standards of accreditation for [law schools] LEGAL (c) 1 EDUCATION INSTITUTIONS AND OTHER LEGAL EDUCATION 2 PROGRAMS, taking into account, among others, THE NEED FOR 3 SUCH OUALITY PROGRAMS AS WELL AS THE NUMBER OF Δ EXISTING LEGAL EDUCATION INSTITUTIONS AND OTHER 5 LEGAL EDUCATION PROGRAMS IN THE COMMUNITY, the size of 6 enrollment, the qualifications, AND AVAILABILITY of the members of 7 the faculty, library AND other PHYSICAL facilities, INCLUDING THE 8 CAPACITY TO INSTALL AND PROVIDE HARDWARE/SOFTWARE 9 FOR THE VIRTUAL TRANSMISSION OF KNOWLEDGE, AND SUCH 10 OTHER REASONABLE STANDARDS, without encroaching upon the 11 academic freedom of institutions of higher learning; 12

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13(d) to accredit [law schools] LEGAL EDUCATION INSTITUTIONS14that meet the standards of accreditation, AND PROVIDE15INCENTIVES, INCLUDING SUBSIDIES, TO ACCREDITED LEGAL16EDUCATION INSTITUTIONS, PUBLIC OR PRIVATE, AND TO17THEIR STUDENTS AND FACULTY MEMBERS;

18(e) to prescribe minimum standards for law admission TO THE19**BASIC LAW PROGRAM AND THE ALLIED LEGAL STUDIES**20**PROGRAMS** and the minimum qualifications of faculty members21WITHOUT ENCROACHING UPON THE ACADEMIC FREEDOM OF22INSTITUTIONS OF HIGHER LEARNING;

to prescribe the basic curricula [for the course of study aligned to (f) 23 the requirements for admission to the Bar, law practice, and social 24 consciousness] AND OTHER MINIMUM STANDARDS FOR THE 25 DIFFERENT LAW PROGRAMS ALIGNED TO THE PREPARATION 26 FOR PROFESSIONAL PRACTICE AND SOCIAL CONSCIOUSNESS, 27 and such other courses of study as may be prescribed by the [law 28 schools] LEGAL EDUCATION INSTITUTIONS under the different 29 levels of accreditation status. NOTHING IN THIS ACT SHALL BE 30 CONSTRUED AS LIMITING THE ACADEMIC FREEDOM OF LEGAL 31

EDUCATION INSTITUTIONS. IN PARTICULAR, NO ABRIDGMENT BY THE COMMISSION OF CURRICULAR FREEDOM OF ANY LEGAL EDUCATION INSTITUTION SHALL BE MADE, EXCEPT FOR THE FOLLOWING:

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i. MINIMUM UNIT REQUIREMENTS FOR GENERAL LEGAL EDUCATION AS MAY BE DETERMINED BY THE COMMISSION;

8 ii. MINIMUM UNIT REQUIREMENTS FOR SPECIFIC
 9 ACADEMIC PROGRAMS; AND

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 iii. SPECIFIC PROFESSIONAL SUBJECTS AS MAY BE

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 MANDATED BY RULES PROMULGATED BY THE SUPREME

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 COURT.

13ACADEMIC CURRICULAR RESTRICTIONS SHALL BE THE SAME14FOR ALL LEGAL EDUCATION INSTITUTIONS, PUBLIC OR15PRIVATE, COVERED BY THIS ACT.

to [establish a law practice internship as a requirement for taking the (q) 16 Bar which a law student shall undergo with any duly accredited private or public 17 law office or firm or legal assistance group anytime during the law course for a 18 specific period that the Board may decide, but not to exceed a total of twelve 19 (12) months. For this purpose, the Board shall prescribe the necessary 20 guidelines for such accreditation and the specifications of such internship which 21 shall include the actual work of a new-member of the-Bar] MONITOR AND 22 EVALUATE THE PERFORMANCE AND OUALITY OF LEGAL EDUCATION 23 PROGRAMS AND LEGAL EDUCATION INSTITUTIONS FOR 24 APPROPRIATE INCENTIVES, INCLUDING SUBSIDIES, AND TO 25 IMPOSE ADMINISTRATIVE PENALTIES SUCH AS, BUT NOT LIMITED 26 TO, THE DIMINUTION OR WITHDRAWAL OF SUBSIDY OR 27 INCENTIVES, WITHDRAWAL OF ACCREDITATION, PROGRAM 28 LEGAL EDUCATION TERMINATION OR CLOSURE OF THE 29 **INSTITUTION;** 30

31 (h) to <del>[adopt a system of continuing legal education. For this purpose, the</del>
 32 Board may provide for the mandatory attendance of practicing lawyers in such

courses and for such duration as the Board may deem necessary and;] IDENTIFY, SUPPORT AND DEVELOP POTENTIAL AREAS OF EXCELLENCE IN LEGAL EDUCATION PROGRAMS NEEDED FOR THE DEVELOPMENT OF WORLD-CLASS SCHOLARSHIPS, PROMOTION OF THE RULE OF LAW AND ATTAINMENT OF THE GOALS OF NATION BUILDING;

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7(i) TO RESOLVE ALL MATTERS INVOLVING ACTS OR8OMISSIONS IN RELATION TO REPUBLIC ACT NO. 7662 AND ITS9AMENDMENTS, AS WELL AS ORDERS, MEMORANDA AND10CIRCULARS ISSUED BY THE COMMISSION IN THE11PERFORMANCE OF ITS REGULATORY AND QUASI-JUDICIAL12FUNCTIONS;

(j) TO HOLD HEARINGS, CONDUCT INVESTIGATIONS AND
 OTHER APPROPRIATE DISPUTE RESOLUTIONS TO ENSURE
 SPEEDY DISPOSITION OF CASES IN THE PERFORMANCE OF ITS
 QUASI-JUDICIAL FUNCTIONS;

JURISDICTION TO HAVE APPELLATE IN THE (k) 17 **RESOLUTION OF CONTROVERSIES BETWEEN AND AMONG** 18 LEGAL EDUCATION INSTITUTIONS AND THEIR STUDENTS OR 19 FACULTY MEMBERS IN MATTERS INVOLVING LEGAL 20 EDUCATION, AND IMPOSE ADMINISTRATIVE PENALTIES 21 INCLUDING FINES, PROVIDED THAT THIS POWER DOES NOT 22 ENCROACH UPON THE ACADEMIC FREEDOM OF THE 23 INSTITUTION OR INTRUDE INTO THE JURISDICTION OF 24 **REGULAR AND SPECIAL COURTS, LABOR AND OTHER QUASI-**25 JUDICIAL TRIBUNALS: 26

27 (l) TO COLLECT FEES FOR THE ISSUANCE OF GOVERNMENT
 28 PERMIT OR GOVERNMENT RECOGNITION, AND OFFICIAL
 29 CERTIFICATIONS, AND FOR THE HOLDING OF SEMINARS AND
 30 OTHER SERVICES PROVIDED BY THE COMMISSION;

TO IMPOSE REASONABLE FINES NOT EXCEEDING ONE (m) 1 HUNDRED THOUSAND PESOS (P100,000.00), AND OTHER 2 ADMINISTRATIVE SANCTIONS FOR VIOLATIONS OF THIS ACT 3 OR THE RULES AND REGULATIONS OF THE COMMISSION 4 ADOPTED PURSUANT TO THIS ACT: PROVIDED, THAT THE 5 AMOUNT OF FINES SHALL BE AUTOMATICALLY ADJUSTED TO 6 THE VALUE PREVAILING AT THE TIME OF ADJUSTMENT USING 7 THE CONSUMER PRICE INDEX (CPI) AS PUBLISHED BY THE 8 PHILIPPINE STATISTICAL AUTHORITY (PSA); 9

10(n) TO ACCEPT DONATIONS, GRANTS, AID, FUNDING AND11ANY GRATUITOUS TRANSFERS, WHETHER IN CASH, REAL OR12PERSONAL PROPERTY, TO BE USED FOR ACCOMPLISHING THE13OBJECTIVES OF THIS ACT OR FOR THE ADVANCEMENT OF14LEGAL EDUCATION IN THE COUNTRY; AND

- 15 [(i)] (o) to perform such other **ADMINISTRATIVE** functions and 16 prescribe such rules and regulations necessary for the attainment of the 17 policies and objectives of this Act."
- 18 Sec. 10. Sections 8 and 9 of Republic Act No. 7662 are hereby amended, 19 integrated and renumbered as Section 10, to read as follows:

"Section 10. Accreditation of [Law School] LEGAL EDUCATION 20 **INSTITUTIONS.** – LEGAL [Educational] EDUCATION Institutions may not 21 [a law-school] AS SUCH OR OFFER LAW EDUCATION operate 22 **PROGRAMS** unless accredited by the [Board] COMMISSION. Accreditation 23 of [law schools] LEGAL EDUCATION INSTITUTIONS may be granted only 24 to [educational institutions] THOSE recognized by the government AND 25 WHOSE CHARTERS OR ARTICLES OF INCORPORATION EXPRESSLY 26 **OR IMPLIEDLY AUTHORIZE THEM TO OFFER LAW COURSES.** 27

The [Board] COMMISSION may withdraw or downgrade the accreditation status of a [law school] LEGAL EDUCATION INSTITUTION WHICH if it fails to maintain the standards set for its accreditation status.

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2 Sec. 11. Section 10 of Republic Act No. 7662 is hereby amended, to read as 3 follows:

of "Section 10. Effectivity of Withdrawal or Downgrading 4 Accreditation. - The withdrawal or downgrading of accreditation status shall be 5 effective after the lapse of the [semester or trimester] TERM following the 6 receipt by the school of the notice of withdrawal or downgrading unless, in the 7 meantime, the school meets and/or upgrades the standards or corrects the 8 deficiencies upon which the withdrawal or downgrading of the accreditation 9 status is based." 10

11 Sec. 12. Section 11 of Republic Act No. 7662 is hereby amended, to read as 12 follows:

"Section 11. Legal Education Fund. - There is hereby created a special
 endowment fund, to be known as the Legal Education Fund or FUND, TO BE
 USED EXCLUSIVELY FOR THE IMPROVEMENT AND STRENGTHENING
 OF LEGAL EDUCATION IN THE ENTIRE COUNTRY. THE FUND shall be
 under the control of the [Board] COMMISSION, and administered as a
 separate fund by the Social Security System (SSS) which shall invest the same
 with due and prudent regard to its solvency, safety, and liquidity.

The [Legal-Education Fund] **FUND** shall be established out of, and maintained from, [the amounts appropriated pursuant to paragraph 2, Section 13 hereof, and from sixty percent (60%) of the privilege tax paid by every lawyer effective Fiscal Year 1994, and from such donations, legacies, grant inaid and other forms of contributions received by the Board for the purposes of this Act.] THE GOVERNMENT'S CONTRIBUTION TO THE FUND, CONSISTING OF THE FOLLOWING:

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1. THE AMOUNT OF FIVE HUNDRED MILLION PESOS (P500,000,000.00) AS SEED CAPITAL;

292. THE COLLECTIONS OF FEES FOR THE ISSUANCE OF30GOVERNMENT31RECOGNITIONS, FEES FOR OFFICIAL CERTIFICATIONS

AND REGISTRATION FEES IN SEMINARS AND THE LIKE CONDUCTED BY THE COMMISSION; AND

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3. ADMINISTRATIVE FINES COLLECTED BY THE COMMISSION.

THE FUND SHALL HAVE A PRIVATE PORTION SOURCED FROM DONATIONS, CONTRIBUTIONS, BEQUESTS, AND GRANTS, IN CASH, MADE FOR THE PURPOSE OF CONTRIBUTING TO THE FUND.

8 THE EARNINGS OF THE FUND SHALL BE UTILIZED EQUITABLY 9 ACCORDING TO REGIONS AND PROGRAMS.

Being a special endowment fund, only the interests earned on the [Legal 10 Education Fund] FUND shall be used exclusively for the purposes of this Act, 11 WHICH SHALL include support for faculty development grants, professorial 12 chairs, library improvements, SUBSIDIES FOR STUDENTS' TUITION FEES, 13 AND OTHER FORMS OF FINANCIAL ASSISTANCE AND PROGRAMS for 14 the advancement of [law teaching and education in accredited law schools.] 15 IN **EDUCATION** LEGAL EDUCATION ACCREDITED LEGAL 16 INSTITUTIONS: *PROVIDED*, THAT IN THE ALLOCATION OF FUNDS, 17 PREFERENCE SHALL BE GIVEN TO LOCAL AND STATE COLLEGES AND 18 UNIVERSITIES; AND *PROVIDED*, FURTHER, THAT NO PART OF ANY 19 INCOME FROM THE FUND SHALL BE USED FOR THE OPERATIONAL 20 EXPENSES OF THE COMMISSION SUCH AS PAYMENT OF STAFF 21 **COMPENSATION AND BENEFITS, CAPITAL OUTLAYS, MAINTENANCE** 22 AND OPERATING EXPENSES, ETC. 23

[The Fund shall also be used for the operation of the Board.] For [this
 purpose] THE PURPOSE OF DETERMINING THE AVAILABLE AMOUNT
 FOR EXPENDITURE, an amount not exceeding [ten percent (10%)] FIFTY
 PERCENT (50%) of the interest on the Fund shall be utilized.

THE FUND SHALL BE IMMEDIATELY AVAILABLE, AND IN NO
 CASE LATER THAN TWO (2) YEARS FROM THE EFFECTIVITY OF THIS
 ACT.

The [Board] **COMMISSION**, in consultation with the SSS, shall issue the necessary rules and regulations for the collection, administration and utilization of the Fund."

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Sec. 13. A new Section 13 is hereby inserted after Section 12 to read as follows:

"SECTION 13. TAX EXEMPTIONS - ANY DONATION. 5 CONTRIBUTION, BEQUEST, AND GRANT, IN CASH OR PROPERTY, 6 REAL OR PERSONAL, DESTINED TO BE PART OF THE LEGAL 7 EDUCATION FUND, WHICH MAY BE MADE TO THE COMMISSION, 8 SHALL CONSTITUTE AS ALLOWABLE DEDUCTION FROM THE INCOME 9 TAX DUE OF THE DONOR, AND SHALL BE EXEMPT FROM DONOR'S 10 TAX, SUBJECT TO SUCH CONDITIONS AS PROVIDED UNDER THE 11 NATIONAL INTERNAL REVENUE CODE, AS AMENDED. VALUATION OF 12 DONATIONS, IN OTHER THAN MONEY, SHALL BE BASED ON 13 WHICHEVER IS LOWER BETWEEN THE ACQUISITION COST AND FAIR 14 MARKET VALUE OF THE PROPERTY AT THE TIME OF THE DONATION. 15

16IF THE DONOR PROVIDES THAT THE DONATION SHALL NOT17FORM PART OF THE LEGAL EDUCATION FUND, THE DONATION IS18EXEMPT FROM DONOR'S TAXES BUT THE AMOUNT DONATED SHALL19BE ALLOWED ONLY AS A DEDUCTION FROM GROSS INCOME AS20PROVIDED UNDER THE PROVISIONS OF THE NATIONAL INTERNAL21REVENUE CODE."

22 Sec. 14. Section 13 of Republic Act No. 7662 is hereby amended and 23 renumbered as Section 14, to read as follows:

Section [13] 14. Appropriations. – The amount of [One Million Pesos
 (P-1,000,000.00] THREE HUNDRED MILLION PESOS (P300,000,000.00)
 is hereby authorized to be charged against the current year's appropriation of
 the Contingent Fund for the initial expenses of the [Board] REORGANIZED
 COMMISSION, EXCLUDING CAPITAL OUTLAY. THEREAFTER, THE
 BUDGET FOR THE OPERATIONS OF THE COMMISSION SHALL BE
 INCLUDED IN THE GENERAL APPROPRIATIONS ACT.

[To form part of the Legal Education Fund, there shall be appropriated 1 annually, under the budget of the Department of Education, Culture and Sports, 2 the amount of Ten Million Pesos (P10,000,000.00) for a period of ten (10) years effective Fiscal Year 1994.1" 4

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Sec. 15. A new Section 15 is hereby inserted after Section 14, to read as 5 follows: 6

"SECTION 15. IMPLEMENTING RULES AND REGULATIONS. -7 WITHIN ONE HUNDRED TWENTY (120) DAYS FROM THE 8 **EFFECTIVITY OF THIS ACT, THE COMMISSION, IN COORDINATION** 9 WITH THE UNIVERSITY OF THE PHILIPPINES LAW CENTER, THE IBP, 10 PALS, AND OTHER RELEVANT STAKEHOLDERS, SHALL ISSUE THE 11 RULES AND REGULATIONS FOR THE IMPLEMENTATION OF THIS ACT: 12 PROVIDED, THAT, THE RULES AND REGULATIONS PREVIOULY 13 ISSUED BY THE COMMISSION IN THE FORM OF MEMORANDUM 14 ORDERS, RESOLUTIONS AND OTHER ISSUANCES SHALL CONTINUE 15 TO BE IN FULL FORCE AND EFFECT UNLESS THEY DIRECTLY 16 CONTRAVENE ANY PROVISION OF THIS ACT OR ARE AMENDED OR 17 **REPEALED BY SUBSEQUENT COMMISSION ISSUANCES."** 18

Sec. 16. A new Section 16 is hereby inserted after Section 15, to read as follows: 19

"SECTION 16. TRANSITORY PROVISIONS. - UPON THE 20 EFFECTIVITY OF THIS ACT, THE INCUMBENT CHAIRPERSON AND 21 COMMISSIONERS OF THE COMMISSION SHALL CONTINUE TO 22 PERFORM THEIR RESPECTIVE DUTIES AND RESPONSIBILITIES AND 23 **RECEIVE THEIR CORRESPONDING SALARIES AND BENEFITS** 24 ACCORDINGLY. WITH THE EXCEPTION OF THE REPRESENTATIVE OF 25 THE LAW STUDENTS' SECTOR, WHO SHALL SERVE UNTIL THE 26 EXPIRATION OF HIS TERM AS INDICATED IN HIS APPOINTMENT. 27 THE CHAIRPERSON AND OTHER COMMISSIONERS SHALL EACH 28 SERVE A FRESH TERM OF FIVE (5) YEARS RECKONED FROM 29 **EFFECTIVITY OF THIS ACT TO ENSURE THE SMOOTH TRANSITION TO** 30 THE NEW ORGANIZATIONAL STRUCTURE AND STAFFING PATTERN 31

OF THE COMMISSION. THE PREPARATION AND APPROVAL OF THE 1 SAID NEW ORGANIZATION STRUCTURE AND STAFFING PATTERN 2 SHALL, AS FAR AS PRACTICABLE, RESPECT AND ENSURE THE 3 SECURITY OF TENURE AND SENIORITY RIGHTS OF AFFECTED Δ **GOVERNMENT EMPLOYEES. THOSE PERSONNEL, WHOSE POSITIONS** 5 ARE NOT INCLUDED IN THE NEW STAFFING PATTERN AS APPROVED 6 BY THE COMMISSION, OR WHO ARE NOT REAPPOINTED, OR WHO 7 CHOOSE TO BE SEPARATED AS A RESULT OF THE REORGANIZATION, 8 SHALL BE PAID THEIR SEPARATION OR RETIREMENT BENEFITS 9 UNDER EXISTING LAWS. 10

WITHIN THREE (3) MONTHS AFTER THE EFFECTIVITY OF THE
 ACT, THE COMMISSION SHALL APPOINT THE EXECUTIVE DIRECTOR
 WHO WILL HEAD THE SECRETARIAT.

- Sec. 17. Section 14 of Republic Act No. 7662 is hereby renumbered as Section17.
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- Sec. 18. Section 15 of Republic Act No. 7662 is hereby renumbered as Section18.
- Sec. 19. Section 16 of Republic Act No. 7662 is hereby renumbered as Section19.

Sec. 20. *Separability Clause.* – Should any part or provision of this Act be determined to be unconstitutional or invalid, the other parts or provisions not affected thereby shall remain in full force and effect.

Sec. 21. *Repealing Clause.* – All laws, decrees, executive orders, rules and regulations and other issuances or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

27 Sec. 22. *Effectivity*. – This Act shall take effect fifteen (15) days after its 28 publication in the Official Gazette or in a newspaper of general circulation.

29 Approved,