

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

24 OCT -3 P6:10

SENATE

S. B. No. 2845

Introduced by SENATOR JOEL VILLANUEVA

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

EXPLANATORY NOTE

In 2018, 81% of students scored below minimum proficiency levels in reading and math, and 78% in science in the Programme for International Student Assessment (PISA).¹ Furthermore, in the 2019 Trends in International Mathematics and Science Study (TIMSS), the Philippines scored the lowest among all 58 participating countries for math and science.²

Additionally, the World Bank's Learning Poverty Brief on the Philippines in 2022 noted that 91% of children are not proficient in reading and that large-scale learning assessments of students revealed that 90% do not achieve the minimum proficiency level at the end of primary school.³

These results show indications of the challenges faced by the Philippine education sector, thus, necessitating the need to tackle the constraints hindering learners from achieving their potential. One of the

¹ World Bank Philippines Country Report on the Programme for International Student Assessment (PISA 2018), June 2020. Available at <https://documents1.worldbank.org/curated/en/184251593328815913/pdf/Main-Report.pdf>.

² TIMSS 2019. International Results in Mathematics in Science. Available at <https://www.iea.nl/sites/default/files/2021-01/TIMSS%202019-International-Results-in-Mathematics-and-Science.pdf>.

³ World Bank Philippines Learning Poverty Brief, June 2022. Available at <https://documents1.worldbank.org/curated/en/099000207152223103/pdf/IDU002b5536c0db4104ec3087d809906ec2eae56.pdf>.

ways to address this is by increasing education spending to ensure better education outcomes.

The United Nations Educational, Scientific, and Cultural Organization's (UNESCO) Education 2030 Framework for Action⁴ proposes the allocation of at least 4% to 6% of Gross Domestic Product (GDP) to education, and/or at least 15% to 20% of public expenditure to education. From 2019 to 2023, there has been an increase in the percentage of the budget of the Department of Education (DepEd) vis-à-vis the GDP from 2.7% to 3.6%.

As an additional support, at the local level, Republic Act No. 5447, which was passed in 1968, established the Special Education Fund (SEF) as a means for local government units (LGUs), through the Local School Boards, "to contribute to the financial support of the goals of education."

At present, under the Local Government Code, the SEF is derived from the proceeds of the one percent (1%) tax on real property, which shall be allocated 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."⁵

Over the years, the utilization of the SEF has been expanded to cover other expenditures relevant to the education sector, particularly through the passage of laws, such as the Republic Act No. 10410 ("Early Years Act of 2013") for the implementation of the Early Childhood Care and Development Program, Republic Act No. 11037 ("Masustansyang Pagkain para sa Batang Pilipino Act") for the National Feeding Program, and Republic Act No. 11510 ("Alternative Learning System (ALS) Act") for the implementation of the ALS at the local level.

It is of utmost importance that continuous innovation and reforms be introduced given the various disruptions that affect learners. The expansion of the use of the SEF will allow the government to invest more in the education of future generations. Given the foregoing, the immediate passage of this bill is earnestly sought.


JOEL VILLANUEVA

⁴ Global Education Monitoring Report. UNESCO. Available at <https://gem-report-2016.unesco.org/en/chapter/target-4-8-finance/#:~:text=The%20Education%202030%20Framework%20for,of%20public%20expenditure%20to%20education.>

⁵ Section 272 of Republic Act No. 7160, or the Local Government Code of 1991.

**NINETEENTH CONGRESS OF THE
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24 OCT -3 26:10

SENATE

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**AN ACT
EXPANDING THE PURPOSE AND APPLICATION OF THE SPECIAL
EDUCATION FUND, AMENDING FOR THE PURPOSE SECTION 272
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GOVERNMENT CODE OF 1991" AND FOR OTHER PURPOSES**

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

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

*"Sec. 272. Application of the Proceeds of the Additional One Percent SEF Tax. – The proceeds from the additional one percent (1%) tax on real property accruing to the Special Education Fund (SEF) shall be automatically released to the local school boards: *Provided*, That in case of provinces, the proceeds shall be divided equally between the provincial and municipal school boards: *Provided, however*, That the proceeds shall be allocated, [~~for 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.~~] **AS DETERMINED AND APPROVED BY THE LOCAL SCHOOL BOARD, FOR THE FOLLOWING EXPENSES:***

1. **OPERATION OF (I) PUBLIC ELEMENTARY AND SECONDARY SCHOOLS, (II) INFORMAL AND NON-FORMAL EDUCATION PROGRAMS, INCLUDING THE ALTERNATIVE LEARNING SYSTEM (ALS), (III) EARLY CHILDHOOD EDUCATION, (IV) SPECIAL EDUCATION, (V) SENIOR HIGH SCHOOL, (VI) OPEN HIGH SCHOOL**

1 PROGRAM, (VII) MADRASAH CLASSES, AND (VIII)
2 REMEDIAL CLASSES;

- 3
4 2. PAYMENT OF COMPENSATION AND AUTHORIZED
5 ALLOWANCES, COMPETENCY TRAINING,
6 BENCHMARKING, AND OTHER BENEFITS OF
7 LOCALLY-HIRED TEACHING AND NON-TEACHING
8 PERSONNEL: *PROVIDED*, THAT THE RATES OF
9 COMPENSATION AND AUTHORIZED ALLOWANCES
10 OF LOCALLY-HIRED TEACHING AND NON-TEACHING
11 PERSONNEL SHALL BE DETERMINED BY THE LOCAL
12 SCHOOL BOARD BASED ON FUNDS AVAILABLE, BUT
13 AT RATES NOT TO EXCEED THE SALARY SCHEDULE
14 BEING IMPLEMENTED BY THE LGU CONCERNED;
15
- 16 3. ANY ADDITIONAL AUTHORIZED ALLOWANCES
17 GRANTED BY LGUS TO NATIONALLY-HIRED
18 TEACHING AND NON-TEACHING PERSONNEL
19 CHARGEABLE AGAINST THE SEF AS OF 31
20 DECEMBER 1997: *PROVIDED*, THAT SUCH
21 ADDITIONAL AUTHORIZED ALLOWANCES GRANTED
22 THEREAFTER SHALL BE CHARGED TO THE GENERAL
23 FUND: *PROVIDED, FURTHER*, THAT IN CASE OF
24 FOURTH TO SIXTH CLASS MUNICIPALITIES, SUCH
25 ADDITIONAL AUTHORIZED ALLOWANCES MAY STILL
26 BE CHARGED TO SEF SO LONG AS THE SAME DOES
27 NOT EXCEED 10% THEREOF, SUBJECT TO EXISTING
28 BUDGETING RULES AND REGULATIONS;
29
- 30 4. ACQUISITION OF SCHOOL SITES OR LANDS;
- 31
32 5. CONSTRUCTION, REPAIR, AND MAINTENANCE OF
33 SCHOOL BUILDINGS, CHILD DEVELOPMENT
34 CENTERS/LEARNING CENTERS, AND OTHER
35 FACILITIES, INCLUDING, BUT NOT LIMITED TO,
36 WORKSHOPS, LIBRARIES, DORMITORIES, AND
37 LABORATORIES;
38
- 39 6. PURCHASE AND MAINTENANCE OF EQUIPMENT,
40 INCLUDING BUT NOT LIMITED TO, INFORMATION
41 TECHNOLOGY EQUIPMENT AND COROLLARY
42 SUPPORT SERVICES, SCHOOL FURNITURE AND
43 FIXTURES, MEDICAL AND DENTAL SUPPLIES, AND
44 INSTALLATION OF RADIO FREQUENCY
45 IDENTIFICATION (RFID) SYSTEM AND CLOSED-
46 CIRCUIT TELEVISION (CCTV);
47
- 48 7. PURCHASE AND MAINTENANCE OF SERVICE
49 VEHICLES FOR SCHOOL SUPERVISION;
50

- 1 8. **PAYMENT OF VOLUNTARY CONTRIBUTIONS**
2 **AUTHORIZED UNDER EXISTING LAWS;**
- 3
- 4 9. **EDUCATIONAL RESEARCH, SUMMITS, STUDY TRIPS,**
5 **AND OTHER CONSULTATIONS ON INFORMATION,**
6 **ISSUES, AND CONCERNS RELATED TO EDUCATION;**
- 7
- 8 10. **PURCHASE OF BOOKS, INSTRUCTIONAL, AND OTHER**
9 **LEARNING MATERIALS;**
- 10
- 11 11. **SPORTS ACTIVITIES, YOUTH FORMATION, AND**
12 **LEADERSHIP DEVELOPMENT PROGRAMS, AND**
13 **OTHER CO-CURRICULAR ACTIVITIES; AND**
- 14
- 15 12. **MAINTENANCE AND OTHER OPERATING EXPENSES**
16 **OF THE LOCAL SCHOOL BOARD, INCLUDING**
17 **SUPPLIES, MATERIALS, EQUIPMENT, AND OTHER**
18 **RELATED EXPENSES.**
- 19

20 **NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, ALL**
21 **EXPENSES ENUMERATED UNDER THIS SECTION SHALL BE SUBJECT**
22 **TO THE PREVAILING POLICIES AND GUIDELINES OF THE DEPARTMENT**
23 **OF EDUCATION (DEPED).**

24

25 **ALL LOCAL SCHOOL BOARDS SHALL SUBMIT AN ANNUAL**
26 **REPORT ON THE COLLECTION, ALLOCATION, AND UTILIZATION OF**
27 **THE SEF TO THE BUREAU OF LOCAL GOVERNMENT FINANCE UNDER**
28 **THE DEPARTMENT OF FINANCE (DOF-BLGF), COPY FURNISHED TO**
29 **THE LOCAL SANGGUNIAN CONCERNED, REGIONAL OFFICES OF THE**
30 **DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT (DILG), DEPED,**
31 **AND THE DEPARTMENT OF BUDGET AND MANAGEMENT (DBM) ON OR**
32 **BEFORE MARCH 31 OF THE SUCCEEDING YEAR.**

33

34 **THE DOF-BLGF SHALL THEN SUBMIT TO THE SENATE**
35 **COMMITTEES ON LOCAL GOVERNMENT AND BASIC EDUCATION, AND**
36 **THE HOUSE COMMITTEES ON LOCAL GOVERNMENT AND BASIC**
37 **EDUCATION AND CULTURE, A CONSOLIDATED REPORT ON THE**
38 **COLLECTION AND UTILIZATION OF THE SEF WITHIN NINETY (90) DAYS**
39 **FROM RECEIPT OF REPORTS FROM THE LGUS.**

40

41 **ALL REPORTS ON THE SEF SHALL BE POSTED IN AT LEAST**
42 **THREE CONSPICUOUS PUBLIC PLACES, WEBSITES OF ALL LOCAL**
43 **GOVERNMENT UNITS, AND THE FULL DISCLOSURE POLICY PORTAL**
44 **BEING ADMINISTERED BY DILG.**

45

46 **SEC. 2. *Implementing Rules and Regulations.*** – Within ninety (90)
47 days from the date of its effectivity of this Act, the DILG, DepEd, and DBM shall
48 jointly promulgate the necessary rules and regulations for the effective
49 implementation of the provisions of this Act.

1 **SEC. 3. *Repealing Clause.*** –All laws, decrees, orders, rules, and
2 regulations or parts thereof inconsistent with this Act are hereby repealed or
3 modified accordingly.
4

5 **SEC. 4. *Separability Clause.*** – If any provision of this Act is held invalid
6 or unconstitutional, the same shall not affect the validity and effectivity of the
7 other provisions hereof.
8

9 **SEC. 5. *Effectivity.*** – This Act shall take effect after fifteen (15) days
10 following its publication in the *Official Gazette* or a newspaper of general
11 circulation.