

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

8 JUN 11 P3:51

SENATE  
S. No. 2402

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Introduced by **Senator Richard J. Gordon**

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### EXPLANATORY NOTE

The country is besieged by a multitude of problems but none as tremendous and far-reaching as the critical condition of our educational system today: the staggering shortage in classrooms, school facilities and educational materials, the shortage of teachers in public schools, and the dismal performance of our students. For the year 2007, there were 267 barangays without a public elementary school while four municipalities lacked public high schools. Yet in reality, the shortage is much bigger considering that public elementary and high schools now operate in double shifts, compromising standards of public school education.

Our schoolchildren are also undernourished — according to World Bank data collected from 2000-2006, 28% of under-fives are suffering from: underweight, moderate & severe, compared to 15% for the whole Asia-Pacific region. In the midst of a food crisis and skyrocketing prices of basic commodities, schoolchildren from the poorest families face the threat of hunger or malnutrition even as the government has resorted to allocating food subsidies.

These are roadblocks that keep us from moving forward. Given the scarce resources of the national government, there is a need to be innovative in our approach in harnessing investments for education and health modernization programs.

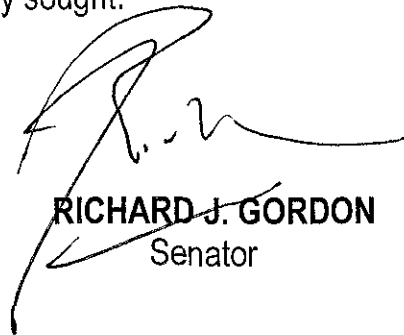
Only recently, the National Telecommunications Commission explored the possibility of lowering access charges between telecommunication companies for text messaging or short messaging service (SMS). This bill proposes that instead of merely lowering the cost of communication through lowered access charges, current rates should be maintained but with the government collecting half of the revenues, to be used to fund critical programs for acceleration of education and health standards in the country. At the same time, the economy is pump-primed with much needed investments.

For these purposes, this bill seeks to create the Health and Education Acceleration Program (HEAP) Corporation, a government corporation to spearhead the rehabilitation and acceleration of education and health infrastructure in the country. Under the HEAP, every commercial mobile service provider shall be required to remit to the HEAP Fund half or 50% of its net revenue earnings arising from local text messages. These funds shall be earmarked for the construction of classrooms, computer and science laboratories, clean cafeterias and school facilities for Filipino schoolchildren's wholistic development; acquisition of books, desks, chairs and instruction materials; hiring of teachers, regular

conduct of teacher-training programs, and augmentation of teachers' pay; provision of scholarship grants to deserving students; establishment of school clinics with dental equipment and a regular staff nurse; and school feeding and vaccination programs.

Using 2007 estimates, there are 53,958,000 mobile phone subscribers in the country. Assuming that every subscriber sends out an average of 10 text messages daily through the country's telecommunication networks at the cost of P1 peso per text message, the Fund's 50% share in revenues a day would amount to P 269,790,000. This would translate to a disposable fund of P 98,473,350,000 in one year.

To the extent that the Corporation administers the funds for the acquisition of materials needed by the Department of Education, it may be considered as a procuring agency for the Department, unburdening the latter of a lot its responsibilities to build infrastructure and allowing it to focus on the teaching profession itself. Armed with the capacity to plug the widening gaps in education and health infrastructure in the Philippines, and accelerate and modernize the country's educational landscape, the creation of the Authority shall be critical in strengthening our educational competitiveness. For these reasons, the passage of this bill is earnestly sought.



**RICHARD J. GORDON**  
Senator

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**AN ACT  
CREATING THE HEALTH AND EDUCATION ACCELERATION PROGRAM  
CORPORATION, PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES**

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

1       **SECTION 1. Title.** - This Act shall be known as the "Health and Education  
2 Acceleration Program (HEAP) Act of 2008."

3       **Sec. 2. Declaration of Policies.** - It is hereby declared the policy of the State to  
4 protect the right of all citizens to quality and accessible education especially at the  
5 elementary and high school levels, and to promote the modernization, acceleration and  
6 efficient delivery of basic education, while ensuring the right of teachers to professional  
7 advancement and adequate remuneration for their talents. It is likewise declared the policy  
8 of the State to achieve improvements in the delivery of basic health services to the  
9 studentry, recognizing the integral value of health for any nation, the coordination of  
10 resources from all sectors, and the right to access quality care. To this end, the State shall  
11 encourage the participation of the private sector and the whole citizenry in the pursuit of a  
12 comprehensive and long-term rehabilitation and modernization program in the education  
13 sector.

14       **Sec. 3. Health and Education Acceleration Program Corporation.** - There is  
15 hereby created a body corporate to be known as the Health and Education Acceleration  
16 Program Corporation (hereinafter referred to as the "Corporation") to carry out the  
17 purposes of this Act, which shall be vested with the powers of a corporation. The  
18 Corporation shall be an independent government instrumentality attached to the Office of  
19 the President for administrative purposes only. It shall establish its principal office in  
20 Metropolitan Manila.

21       **Sec. 4. Powers and Functions of the HEAP Corporation.** - The Corporation shall

1 have the following powers and functions:

2 (a) To administer the Health and Education Acceleration Program;

3 (b) To hold and administer the HEAP Fund created under Section 5, according to  
4 the purposes specified under Section 6, of this Act;

5 (c) To implement all policies and programs of the Department of Education and  
6 Department of Health necessary for the accomplishment of the objectives of this Act;

7 (d) To adopt, prepare and implement a comprehensive and detailed six-year  
8 development plan during its first fiscal year of operation, containing an assessment of the  
9 existing needs of public elementary and high schools and embodying a list of projects,  
10 including but not limited to those provided in the Medium-Term Philippine Development  
11 Plan (MTPDP), for the rehabilitation and enhancement of the national educational and  
12 school health system; *Provided*, That on its third year and every three years thereafter, the  
13 Board of Directors of the Corporation created under Section 8 of this Act shall review the  
14 existing development plan taking into consideration the completion, status and impact of  
15 projects.

16 (e) To apply for, receive and accept grants and donations and other conveyances  
17 by *gratuitous title*, including funds, materials, equipment and services needed to  
18 accomplish its objectives under this Act;

19 (f) To do all such other things and to transact all such business directly or indirectly  
20 necessary, incidental or conducive to the attainment of its purpose;

21 (g) To exercise the power of eminent domain; and

22 (h) Generally, to exercise all powers of a corporation under the Corporation Law.

23 **Sec. 5. Health and Education Acceleration Program Fund.** - For purposes of  
24 this Act, the Health and Education Acceleration Program Fund (hereinafter referred to as  
25 the "Fund") is hereby established, to consist of fifty percent (50%) of the revenue assessed  
26 and collected on all local mobile phone text messages sent from their networks, to be  
27 remitted by domestic mobile phone service providers to the Fund monthly during the  
28 lifetime of the Corporation. All proceeds accruing to the Fund shall be earmarked solely  
29 and used exclusively to finance the priority programs stated under Section 6 of this Act.

30 **Sec. 6. Priority Uses of Fund.** - The Fund shall be used to finance programs  
31 aimed at rehabilitating and modernizing educational and health infrastructure, raising the  
32 quality of instruction, and strengthening delivery of basic health services in public  
33 elementary and high schools nationwide. The programs, including but not limited to the

1 following, shall be implemented in phases to ensure continuity and sustainability,  
2 according to the following schedule of priority:

- 3 (a) Construction, repair or upgrading of school buildings, classrooms and  
4 facilities, including the establishment or upgrading of libraries to be  
5 provided with at least two computers with Internet access and science  
6 laboratories with modern equipment to improve competencies of  
7 students in science and technology;
- 8 (b) Hiring, training and remuneration of teachers;
- 9 (c) Establishment or upgrading of school clinics, to be provided with at least  
10 one registered nurse;
- 11 (d) Computerization, with the establishment of at least one computer  
12 laboratory for each public high school with a minimum of 10 computers  
13 each with Internet access;
- 14 (e) Feeding program for public elementary schools to consist of at least two  
15 meals a day; and
- 16 (f) Regular vaccination and dental checkup programs;

17 No money shall be released from the Fund without any identified program and/or  
18 project, nor used to pay obligations incurred before the approval of this Act.

19 **Sec. 7. Capitalization.** – The Corporation shall have an authorized capitalization of  
20 Twenty Million Pesos (P20,000,000) as its initial organization and/or operational expenses;  
21 *Provided*, That such amount as may be necessary for the Corporation’s administration and  
22 operation shall be set aside from the Fund; *Provided further*, That such amount shall not  
23 exceed one percent (1%) of the Fund at any time.

24 **Sec. 8. Board of Directors.** - Within 30 days from the approval of this Act, the  
25 President of the Philippines shall constitute a Board of Directors to be composed of a  
26 Chairperson and six members, as follows:

- 27 (a) In an *ex-officio* capacity, the Secretary of the Department of Education;
- 28 (b) Two representatives each from premier public and private education  
29 institutions;
- 30 (c) Two representatives from the telecommunications sector; and
- 31 (d) One representative from the national organization of Parent-Teacher  
32 Associations.

33 *Provided*, That the Chairperson and members of the Board of Directors shall serve

1 at the appointing pleasure of the President and be persons of proven integrity,  
2 independence, and administrative proficiency, and fully committed to the objectives  
3 of this Act.

4 The Board of Directors shall be the policy-making body of the Corporation and shall  
5 perform the following functions:

- 6 (a) Carry out the purposes of the Corporation as embodied in this Act;
- 7 (b) Determine the organizational structure of the Corporation, define the duties and  
8 responsibilities of all officials and employees and adopt a compensation  
9 scheme; *Provided*, That the Corporation shall engage the services of urban and  
10 regional planners, engineers and management experts ;
- 11 (c) Adopt an annual budget for and authorize such expenditures by the Corporation  
12 in the interest of its effective administration and operation, in accordance with  
13 applicable rules and regulations; and
- 14 (d) Six months from its constitution and every six months thereafter, submit a report  
15 of the operation of the Corporation to the President of the Philippines, President  
16 of the Senate and Speaker of the House of Representatives.

17 All procedural matters in the conduct of Board meetings shall be prescribed in its  
18 internal rules. Members of the Board shall receive a *per diem* for every meeting actually  
19 attended subject to the pertinent budgetary laws, rules and regulations on compensation,  
20 honoraria and allowances; *Provided*, That the *per diem* collected per month does not  
21 exceed the equivalent of four meetings.

22 **Sec. 9. Administrator.** - The President shall appoint a professional manager as  
23 Administrator of the Corporation with compensation to be determined by the Board subject  
24 to the approval of the Secretary of Budget and Management. The Administrator shall have  
25 the following duties and responsibilities:

- 26 (a) To act as Chair of the Board and Chief Executive Officer of the Corporation;
- 27 (b) To execute, administer and implement the policies and measures approved by  
28 the Board;
- 29 (c) To direct and supervise the operations and administration of the Corporation;
- 30 (d) To represent the Corporation in all dealings with offices, agencies and  
31 instrumentalities of the government and with all persons and entities, public or  
32 private, domestic or foreign;
- 33 (e) To direct and supervise the preparation of the agenda for the meeting of the

1 Board, and to submit for the consideration of the Board such policies and measures  
2 as necessary to carry out the purpose and objectives of this Act; and

3 (f) To exercise such other powers and functions provided in the by-laws and as  
4 may be vested upon the office by the Board.

5 **Sec. 10. Education Modernization Monitoring Department.** – Among the staff  
6 departments that will be established by the Corporation shall be the Education  
7 Modernization Monitoring Department which shall regularly perform the following duties  
8 and functions, in coordination with the appropriate provincial State Universities and  
9 Colleges:

10 (a) conduct of on-site inspections on the HEAP projects to ensure the projects'  
11 adequacy and responsiveness to existing sector needs;

12 (b) review and evaluation of the impact of the HEAP on the access to and quality of  
13 facilities for public elementary and high schools; and

14 An annual report on the results of these inspections, review and evaluation shall be  
15 submitted to the Board for its policy formulation.

16 **Sec. 11. Supervision.** – The Corporation shall be under the direct control and  
17 supervision of the Office of the President for purposes of policy direction and coordination.

18 **Sec. 12. Audit.** – The Commission on Audit shall appoint a representative who  
19 shall be the full time auditor of the Corporation, and such personnel as may be necessary  
20 to assist said representative in the performance of duty.

21 **Sec. 13. Report to Congress.** - The Corporation shall submit to the Department of  
22 Education and to Congress a detailed quarterly report on the funds allocated, indicating  
23 the amount released, obligated and disbursed under this Act, including but not limited to  
24 funds for the construction or repair and reconstruction of infrastructure projects, the list of  
25 contractors and projects being financed, and the accomplishments for the expended  
26 appropriation, including the percentage of completion.

27 The Corporation shall also submit as part of the quarterly report a list of all donors  
28 and the nature of their donations. The Corporation shall cause to be disseminated in the  
29 community the list of beneficiaries and contractors mentioned above.

30 **Sec. 14. Congressional Oversight Committee.** - There is hereby created a  
31 Congressional Oversight Committee, which shall be composed of three representatives  
32 each from the Senate and the House of Representatives, to be appointed by the Senate  
33 President and the Speaker of the House of Representatives, to monitor the

1 implementation of this Act. The Committee shall conduct an annual review of this Act in aid  
2 of legislation.

3       **Sec. 15. *Injunction and Restraining Order.*** - Projects under the HEAP are urgent  
4 and necessary. Their implementation shall not be restrained or enjoined except by an  
5 order issued by the Supreme Court of the Philippines.

6       **Sec. 16. *Implementing Rules and Regulation.*** - Within 90 days from the  
7 effectivity of this Act, the Board of Directors shall transmit to the President for approval  
8 such rules and regulations to implement and carry out the intent, purposes and provisions  
9 of this Act.

10       **Sec. 17. *Separability Clause.*** - If any provision of this Act or any part hereof be  
11 declared unconstitutional or invalid the remainder of this Act or any provision not affected  
12 thereby shall remain in force and effect.

13       **Sec. 18. *Repealing Clause.*** - All laws, orders, proclamations, rules and  
14 regulations, or part thereof, which are inconsistent with any provision of this Act are hereby  
15 repealed or modified accordingly.

16       **Sec. 19. *Effectivity.*** - This Act shall take effect 15 days following its publication in  
17 the Official Gazette or in at least two newspapers of general circulation.

18       Approved,