

FOURTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
Second Regular Session

8 AUG -4 P4:15

SENATE  
S. B. 2508

RECEIVED BY: 

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Introduced by Senator Villar

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#### EXPLANATORY NOTE

The 1987 Constitution recognizes the importance of both the educational institution and the health sector for the welfare of the Filipino people.

That is why, consistent herewith, is a policy that seeks to endeavor to make education, essential goods, health and other social services available at an affordable cost.

Through this policy established beforehand, priority to education and health has been enshrined in the Constitution to serve as a reminder that the value of the children are recognized and that the health of the citizenry is not to be compromised.

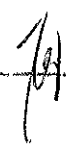
In connection with these goals of the Constitution, it is best to use the power of taxation to fund these objectives, through the funding coming from collections made in pursuance of the Value-Added Tax System.

This legislation will allow for transparency in the question of where the payments to the Value-Added Taxes goes to, and a much better alternative than giving of dole-outs to the marginalized sectors of the Philippines.

  
MANNY VILLAR

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AN ACT  
TO REVITALIZE THE PUBLIC EDUCATION AND HEALTH CARE  
INSTITUTIONS BY CREATING THE WELFARE OF THE PUBLIC EDUCATION  
AND HEALTH CARE CORPORATION AND PROVIDING FUNDS THEREFOR

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

**SECTION 1. Title.** – This Act shall be known as the “Welfare of the Public Education and Health Care Act of 2008.”

**SECTION 2. Declaration of Policies.** – It is declared as the policy of the State to give priority to education, accelerate social progress, and protect and promote the right of all citizens to quality education at all levels and shall take appropriate steps to make such education accessible to all. Accessibility of education to all can be equated with providing of school buildings appropriate for the needs of the student, nutrition that will cater to their daily needs, and provide the teachers with a fair wage for their daily work.

It is also the policy of the State to adopt an integrated and comprehensive approach to health development which shall endeavor to make essential goods, health and other social services available to all the people at affordable cost. It shall also endeavor to provide free medical care to paupers. Availability of medical services to the citizenry can likewise be equated with the presence of hospital buildings with which to house patients and the modernization of the equipment with which to aid the patient and keep up with the needs of the times.

**SECTION 3. Welfare Corporation.** – There is hereby created a body corporate to be known as the Welfare Corporation (hereinafter referred to as the “Corporation”) to carry out the purposes of this Act, which shall be vested with both the express and implied powers of a corporation. The Corporation shall be an independent government instrumentality with its own charter. It shall establish its principal office in Metro Manila.

**Sec. 4. Powers and Functions of the Welfare Corporation.** – The Corporation shall have the following powers and functions:

- (a) To administer the Welfare Program;

- (b) To hold and administer the Welfare Fund created under Section 5, according to the purposes specified under Section 6 of this Act;
- (c) To implement all policies and programs of the Department of Education and Department of Health necessary for the accomplishment of the objectives of this Act;
- (d) To adopt, prepare and implement a comprehensive and detailed six-year development plan during its first fiscal year of operation, containing an assessment of the existing needs of public elementary and high schools and embodying a list of projects, including but not limited to those provided in the Medium-Term Philippine Development Plan (MTPDP), for the rehabilitation and enhancement of the national educational and school health system; Provided, That on its third year and every three years thereafter, the Board of Directors of the Corporation created under Section 8 of this Act shall review existing development plan taking into consideration the completion, status and impact of projects.
- (e) To apply for, receive and accept grants and donations and other conveyances by gratuitous title, including funds, materials, equipment and services needed to accomplish its objectives under this Act;
- (f) To do all such other things and to transact all such business directly or indirectly necessary, incidental or conducive to the attainment of its purpose;
- (g) To exercise the power of eminent domain; and
- (h) Generally, to exercise all powers of a corporation under the Corporation Law.

**Sec. 5. Welfare Fund.** -- For purposes of this Act, the Welfare Program Fund is hereby established, to consist of ten percent (10%) of the revenue assessed and collected from the Value-Added Tax System. All proceeds accruing to the Fund shall be earmarked solely and used exclusively to finance the priority programs stated under Section 6 herein.

**Sec. 6. Priority Uses of Fund.** – The Fund shall be used to finance programs aimed at rehabilitating and modernizing educational and health infrastructure, raising the quality of instruction, and strengthening delivery of basic services in public elementary and high schools nationwide. The programs, including but not limited to the following, shall be implemented in phases to ensure continuity and sustainability, according to the following schedule of priority:

As to the education sector:

- (a) Upgrading of school buildings, classrooms and facilities, and construction of new ones should the need for the same arise.
- (b) The establishment or upgrading of libraries by providing the same with computers with internet access, purchase of books from competent authors, science laboratories with modern equipment, all aimed at improving the competency of the students.
- (c) Increasing the remuneration of teachers, and identifying the schools where additional teachers are required and in connection therewith, hire, train said teachers.
- (d) Upgrading of school clinics and establishing or construction of such clinics should the need arise, to be provided with at least one (1) registered nurse.
- (e) Regular vaccination and dental checkup programs;
- (f) Upgrading of canteens and providing for adequate meals for public elementary schools consisting of three (3) meals a day.

As to the Medical Sector:

- (a) Upgrading of the condition of hospitals, and construction of new buildings where the need arises, with the aim of increasing the number of hospital beds available;
- (b) The purchase of medical equipment to improve the efficiency of delivering basic services to the general public especially to pauper patients;
- (c) Increasing the remuneration of medical personnel, and identifying the hospitals where an increase in medical personnel is needed and in connection therewith, hire and train said medical personnel;

**Sec. 7. Capitalization.** – The Corporation shall have an authorized capitalization of Twenty Million Pesos (P20,000,000.00) as its initial organization and/or operational expenses; Provided, That such amount as may be necessary for the Corporation's administration and operation shall be set aside from the Fund; Provided further, That such amount shall not exceed one percent (1%) of the Fund at any time.

**Sec. 8. Board of Directors.** – Within 30 days from the approval of this Act, the following shall constitute a Board of Directors for the Corporation:

- (a) The Secretary of the Department of Education;
- (b) The Secretary of the Department of Health;
- (c) Six (6) representatives from State Universities, two each from Luzon, Visayas, and Mindanao respectively;
- (d) Three (3) representatives from Government health institutions;
- (e) Two (2) representatives from the private education sector;
- (f) Two (2) representatives from the private health sector.

The Board of Directors shall thereafter convene and elect a Chairperson from among the Board of Directors through a vote of majority.

**Sec. 9. Powers and functions of the Board of Directors.** – The Board of Directors shall be the policy-making body of the Corporation and shall perform the following functions:

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

Within 90 days from the promulgation of this Act, the Corporation shall enact its rules of procedure. Members of the Board shall receive a per diem for every meeting actually attended subject to the pertinent budgetary laws, rules and regulations on compensation, honoraria and allowances; Provided, that the per diem collected per month does not exceed the equivalent of four (4) meetings

**Sec. 10. Chairperson.** – The Chairperson appointed by the Board shall have the following duties and responsibilities:

- (a) To act as Chair of the Board and Chief Executive Officer of the Corporation;
- (b) To execute, administer and implement the policies and measures approved by the Board;
- (c) To direct, supervise the operations and administration of the Corporation;
- (d) To represent the Corporation in all dealings with offices, agencies and instrumentalities of the government and with all persons and entities, public or private, domestic or foreign;
- (e) To direct and supervise the preparation of the agenda for the meeting of the Board and to submit for the consideration of the Board such policies and measures as necessary to carry out the purpose and objectives of this Act; and
- (f) To exercise such other powers and functions provided in the by-laws and as may be vested upon the office by the Board.

The compensation of the Chairperson shall be determined by the Board subject to the approval by the Secretary of Budget and Management.

The Chairperson shall be appointed for a period of three (3) years, renewable for another three (3) years upon a two-thirds (2/3) vote of the Board of Directors.

**Sec. 11. Education and Health Modernization and Monitoring Department.** – Among the staff departments that will be established by the Corporation shall be the Education and Health Monitoring Department which shall regularly perform the following duties and functions, in coordination with the appropriate provincial State Universities, Colleges, and medical institutions:

- (a) conduct on-site inspections on the projects to ensure the project's adequacy and responsiveness to existing sector needs;
- (b) review and evaluation of the impact of the programs on the access to and quality of facilities for public elementary and high schools, and public health institutions; and

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

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

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

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

Representatives, to monitor the implementation of this Act. The Committee shall conduct an annual review of this Act in aid of legislation.

**Sec. 15. Injunction and Restraining Order.** – Projects under the Welfare Fund are urgent and necessary. Their implementation shall not be restrained or enjoined except by an order issued by the Supreme Court of the Philippines.

**Sec. 16. Separability Clause.** – If any provision of this Act or any part hereof be declared unconstitutional or invalid the remainder of this Act or any provision not affected thereby shall remain in force and effect.

**Sec. 17. Repealing Clause.** – All laws, orders, proclamations, rules and regulations, or part thereof, which are inconsistent with any provision of this Act are hereby repealed or modified accordingly.

**Sec. 18. Effectivity.** – This Act shall take effect after fifteen (15) days following its publication in the Official Gazette or in at least two newspapers of general circulation.

Approved.