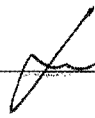


FOURTEENTH CONGRESS OF THE REPUBLIC  
OF THE PHILIPPINES  
*Third Regular Session*

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9 OCT -6 AM 1:33

SENATE

RECEIVED BY: 

COMMITTEE REPORT NO. **691**

Submitted Jointly by the Committees on Education, Arts and Culture; Finance;  
and Public Works OCT 06 2009

Re: Senate Bill No. **3471** (Prepared by the Committees)

Recommending its approval in substitution of S. B. Nos. 104, 168, 528, 848,  
and 911

Sponsors: Senators MAR Roxas, Ramon Revilla Jr., and Edgardo J. Angara

Mr. President:

The Committees on Education, Arts and Culture; Finance; and Public Works  
to which were primarily and secondarily referred Senate Bill No. 104, introduced by  
Senator Roxas, entitled:

“AN ACT  
AMENDING REPUBLIC ACT NO. 7880, OTHERWISE KNOWN AS THE ‘FAIR  
AND EQUITABLE ACCESS TO EDUCATION ACT’”

Senate Bill No. 168, introduced by Senator Revilla Jr., entitled:

“AN ACT  
ESTABLISHING A PROGRAM FOR THE ACQUISITION OF SCHOOL SITES AND  
THE CONSTRUCTION, MAINTENANCE, REHABILITATION, AND REPAIR OF  
SCHOOL BUILDINGS IN THE PUBLIC ELEMENTARY AND SECONDARY  
SCHOOLS NATIONWIDE, APPROPRIATING FUNDS THEREFOR AND FOR  
OTHER PURPOSES”

Senate Bill No. 528, introduced by Senator Ejercito Estrada, entitled:

“AN ACT  
ESTABLISHING A PROGRAM FOR THE CONSTRUCTION, MAINTENANCE,  
REHABILITATION, AND REPAIR OF SCHOOL BUILDINGS IN THE PUBLIC  
ELEMENTARY AND SECONDARY SCHOOLS NATIONWIDE, APPROPRIATING  
FUNDS THEREFOR, AND FOR OTHER PURPOSES”

Senate Bill No. 848, introduced by Senator Lapid, entitled:

"AN ACT  
ESTABLISHING A PROGRAM FOR THE ACQUISITION OF SCHOOL SITES AND  
THE CONSTRUCTION, MAINTENANCE, REHABILITATION, AND REPAIR OF  
SCHOOL BUILDINGS IN THE PUBLIC ELEMENTARY AND SECONDARY  
SCHOOLS NATIONWIDE, APPROPRIATING FUNDS THEREFOR AND FOR  
OTHER PURPOSES"

and Senate Bill No. 911, introduced by Senator Angara, entitled:

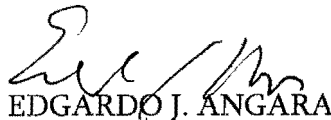
"AN ACT  
ESTABLISHING A PROGRAM FOR THE ACQUISITION OF SCHOOL SITES AND  
THE CONSTRUCTION, MAINTENANCE, REHABILITATION, AND REPAIR OF  
SCHOOL BUILDINGS IN THE PUBLIC ELEMENTARY AND SECONDARY  
SCHOOLS NATIONWIDE, APPROPRIATING FUNDS THEREFOR AND FOR  
OTHER PURPOSES"

have considered the same and have the honor to report them back to the Senate with the recommendation that the attached bill, S.B. No. 3471, prepared by the Committees, entitled:

**AN ACT**  
**AMENDING REPUBLIC ACT NO. 7880, OTHERWISE KNOWN AS "AN ACT**  
**PROVIDING FOR THE FAIR AND EQUITABLE ALLOCATION OF THE**  
**DEPARTMENT OF EDUCATION, CULTURE AND SPORTS' BUDGET FOR**  
**CAPITAL OUTLAY"**

be approved in substitution of S. B. Nos. 104, 168, 528, 848, and 911, with Senators Roxas, Revilla Jr., Ejercito Estrada, Lapid, and Angara, as authors thereof.

Respectfully submitted:

  
EDGARDO J. ANGARA

*Chairperson*

Committee on Finance

*Member*, Committee on Education,  
Arts and Culture

*Member*, Committee on Public Works

  
MAR ROXAS

*Chairperson*

Committee on Education, Arts  
and Culture

*Member*, Committee on Public  
Works

*Member*, Committee on Finance



RAMON "BONG" REVILLA JR.

*Chairperson*

Committee on Public Works

*Member*, Committee on Education, Arts and Culture

*Member*, Committee on Finance

*Members*



MIRIAM DEFENSOR SANTIAGO

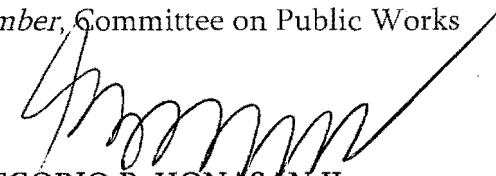
*Vice Chairperson*, Committee on Finance

*Member*, Committee on Public Works

JOKER P. ARROYO

*Vice Chairperson*, Committee on Finance

*Member*, Committee on Public Works



GREGORIO B. HONASAN II

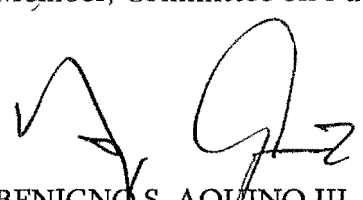
*Vice Chairperson*, Committee on Finance

*Member*, Committee on Public Works

LOREN B. LEGARDA

*Vice Chairperson*, Committee on Finance

*Member*, Committee on Education, Arts and Culture



BENIGNO S. AQUINO III

*Vice Chairperson*, Committee on Finance

*Member*, Committee on Education, Arts and Culture

*Member*, Committee on Public Works

PIA "COMPAÑERA" S. CAYETANO

*Member*, Committee on Education, Arts and Culture

*Member*, Committee on Finance



MANUEL M. LAPID

*Member*, Committee on Education, Arts and Culture

*Member*, Committee on Finance


*Member*, Committee on Public Works

RICHARD J. GORDON

*Member*, Committee on Education, Arts and Culture

*Member*, Committee on Finance

*Member*, Committee on Public Works



FRANCIS G. ESCUDERO

*Member*, Committee on Education, Arts and Culture

*Member*, Committee on Public Works



RODOLFO G. BIAZON

*Member*, Committee on Education, Arts and Culture

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M.A. MADRIGAL

*Member, Committee on Education, Arts  
and Culture*

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PANFILO M. LACSON

*Member, Committee on Finance*

ALAN PETER S. CAYETANO

*Member, Committee on Education, Arts  
and Culture*

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*Member, Committee on Public Works*

FRANCIS N. BANGILINAN

*Member, Committee on Education, Arts  
and Culture*

*Member, Committee on Finance*

*Member, Committee on Public Works*

MANNY VILLAR

*Member, Committee on Education, Arts  
and Culture*

*Member, Committee on Finance*

*Member, Committee on Public Works*

ANTONIO F. TRILLANES IV

*Member, Committee on Finance*

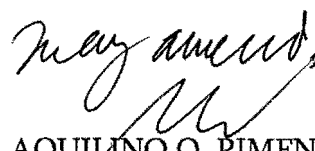
*Ex-Officio Members*

  
JINGGOY EJERCITO ESTRADA

*President Pro-Tempore*

  
JUAN MIGUEL F. ZUBIRI *To interpellate,*

*Majority Leader and amend*

  
AQUILINO Q. PIMENTEL, JR.

*Minority Leader*

HON. JUAN PONCE ENRILE

*President*

Senate of the Philippines

Pasay City

9 OCT -6 AM 33

SENATE

RECEIVED BY

S. B. No. 3471

(In substitution of Senate Bill Nos. 104, 168, 528, 848, and 911)

---

Prepared by the Committees on Education, Arts and Culture; Finance; and Public Works with Senators Roxas, Revilla Jr., Ejercito Estrada, Lapid, and Angara as authors thereof

---

AN ACT  
AMENDING REPUBLIC ACT NO. 7880, OTHERWISE KNOWN AS "AN ACT PROVIDING FOR THE FAIR AND EQUITABLE ALLOCATION OF THE DEPARTMENT OF EDUCATION, CULTURE AND SPORTS' BUDGET FOR CAPITAL OUTLAY"

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

1           **SECTION 1.** Republic Act No. 7880 is hereby amended, and the subsequent  
2 sections thereby renumbered, by inserting a new Section 3, to read as follows:

3  
4           "SEC. 3. *COVERAGE*. – THE PROVISIONS OF THIS ACT SHALL  
5 COVER ALL FUNDS AND BUDGET APPROPRIATED AS CAPITAL  
6 OUTLAY FOR THE DEPARTMENT OF EDUCATION (DEPED)  
7 INCLUDING, BUT NOT LIMITED TO, THE FUNDS APPROPRIATED FOR  
8 THE SCHOOL BUILDING PROGRAM AND LOCALLY-FUNDED PROJECTS  
9 OF THE DEPARTMENT OF EDUCATION."

10  
11           **SEC. 2.** Section 3 of the same Act is hereby amended to read as follows:

12           "SEC. [3] 4. *Definition of Terms*. – As used in this Act, the following  
13 terms are hereby defined as follows:

- 1 a) *Capital Outlay* – refers to the provisions of the General  
2 Appropriations Act, particularly those pertaining to the budget of  
3 the [DECS] DEPED for elementary and secondary education for (i)  
4 the acquisition and improvement of sites; (ii) the construction,  
5 replacement, rehabilitation and repair of buildings, classrooms,  
6 libraries, workshops, toilets AND SANITATION FACILITIES and  
7 other structures; and (iii) [furniture, fixtures, and equipment such  
8 as, but not limited to, desks, chairs, laboratory and workshop  
9 implements, computers, books,] OTHER PROPERTY, PLANT AND  
10 EQUIPMENT IN ACCORDANCE WITH THE CURRENT  
11 GOVERNMENT ACCOUNTING STANDARDS PRESCRIBED BY  
12 THE COMMISSION ON AUDIT, SUCH AS FURNITURE,  
13 FIXTURES, EQUIPMENT, COMPUTERS, and the other basic and  
14 essential tools for learning whose beneficial use shall exceed one (1)  
15 year; [and]
- 16 b) *CLASSROOM* – REFERS TO A STRUCTURE/BUILDING  
17 INTENDED FOR INSTRUCTIONAL PURPOSES, INCLUDING  
18 CHAIRS, DESK AND OTHER SIMILAR FIXTURES; AND
- 19 c) *Classroom Shortage* – refers to the number of classrooms whose  
20 construction, in considering the number of students divided by the  
21 existing number of classrooms, shall result in a student-classroom of  
22 [45:1] 40:1; classrooms, UNDER THIS DEFINITION, shall mean  
23 those exclusively used for instructional purposes and shall exclude  
24 offices libraries, laboratories, workshops and the like.”

25  
26 **SEC 3.** Section 4 of the same Act is hereby amended to read as follows:

27 “SEC. [4] 5. *Allocation of Appropriation.* - Notwithstanding any  
28 provision of the law to the contrary, the annual [DECS] DEPED budget for  
29 capital outlay, as defined in Section [3] 4(a), shall be allocated among the  
30 legislative districts in the following manner:

31  
32 [(a) On the first year of the effectivity of this Act:

33

1 (1) thirty percent (30%) of the total capital outlay to be allocated pro-  
2 rata according to each legislative district's student population in  
3 relation to the total student population of the country;

4  
5 (2) sixty percent (60%) of the total capital outlay to be allocated only  
6 among those legislative districts with classroom shortages as defined in  
7 Section 3 (b), pro-rata to the total classroom shortage of the country  
8 pursuant to Section 3 (b) as determined by the DECS; and

9  
10 (3) ten percent (10%) to be allocated in accordance with the  
11 implementation of the policy of this Act as may be determined by the  
12 DECS.

13  
14 (b) On the second year and every year thereafter:

15  
16 (1) fifty percent (50%) of the total capital outlay to be allocated *pro-rata*  
17 according to each legislative district's student population in relation to  
18 the total student population of the country;

19  
20 (2) forty percent (40%) of the total capital outlay to be allocated only  
21 among those legislative districts with classroom shortages; as defined in  
22 Section 3 (b), *pro-rata* to the total classroom shortage of the country  
23 pursuant to Section 3(b) as determined by the DECS; and

24  
25 (3) ten percent (10%) to be allocated in accordance with the  
26 implementation of the policy of this Act as may be determined by the  
27 DECS].

28  
29 (a) TEN PERCENT (10%) OF THE TOTAL CAPITAL OUTLAY TO BE  
30 ALLOCATED *PRO-RATA* ACCORDING TO EACH LEGISLATIVE  
31 DISTRICT'S STUDENT POPULATION IN RELATION TO THE TOTAL  
32 STUDENT POPULATION OF THE COUNTRY;

1 (b) EIGHTY PERCENT (80%) OF THE TOTAL CAPITAL OUTLAY TO BE  
2 ALLOCATED ONLY AMONG THOSE LEGISLATIVE DISTRICTS WITH  
3 CLASSROOM SHORTAGES, *PRO RATA* TO THE TOTAL CLASSROOM  
4 SHORTAGE OF THE COUNTRY PURSUANT TO SECTION 4(c) AS  
5 DETERMINED BY THE DEPED; AND

6  
7 (c) TEN PERCENT (10%) TO BE ALLOCATED IN ACCORDANCE WITH  
8 THE IMPLEMENTATION OF THE POLICY OF THIS ACT AS MAY BE  
9 DETERMINED BY THE DEPED.”

10  
11 **SEC. 4.** Section 5 of the same Act is hereby amended to read as follows:

12  
13 “SEC. [5] 6. *Use of Allocation.* – The total amount allocated herein shall  
14 be used exclusively for capital outlay pursuant to the educational priorities of  
15 the legislative district, as determined by the [DECS] DEPED upon prior  
16 consultation with the representative of each legislative district: Provided,  
17 That the primary objective in the use of any allocation shall be to eliminate  
18 SCHOOLBUILDING/classroom shortages if any: PROVIDED HOWEVER,  
19 THAT FOR EVERY SCHOOLBUILDING/CLASSROOM CONSTRUCTED,  
20 THE APPROPRIATE NUMBER OF TOILETS AND/OR SANITATION  
21 FACILITIES SHALL ALSO BE CONSTRUCTED IN ACCORDANCE WITH  
22 THE SCHOOL SANITATION AND HEALTH SERVICES CHAPTER OF THE  
23 CODE ON SANITATION OF THE PHILIPPINES (*CHAPTER VI, P.D. 856*);  
24 *Provided, further,* That any amounts allocated in accordance with  
25 [subparagraph (1) of paragraphs (a) and (b)] PARAGRAPH (a) of the preceding  
26 section shall be used only for the acquisition or improvement of school sites,  
27 construction of schoolbuildings and classrooms and the purchase of material or  
28 equipment that directly aid in education: *Provided, furthermore,* That the  
29 amount so appropriated in accordance with [subparagraph (2) of paragraphs (a)  
30 and (b)] PARAGRAPH (b) of the same section shall be used exclusively for the  
31 construction of new schoolbuildings AND/OR CLASSROOMS: *Provided,*  
32 *finally,* That if the amount so appropriated in [subparagraph (2) of paragraphs  
33 (a) and (b)] PARAGRAPH (b) should exceed the amount required to meet



1 classroom shortage, the excess shall be integrated with [subparagraph (1) of  
2 paragraphs (a) and (b)] PARAGRAPH (a) of the same section excluding capital  
3 outlays of division offices, regional and central offices.  
4

5 **SEC. 5.** Before Section 6 of Republic Act 7880, insert two (2) new sections to  
6 read as follows:  
7

8 *“SEC. 7. INCREASE IN THE ANNUAL BUDGET ALLOCATION. -*  
9 THE BUDGET ALLOCATION PROVIDED FOR THE CAPITAL OUTLAY OF  
10 THE DEPED UNDER THIS ACT SHALL BE INCREASED ANNUALLY BY  
11 TWENTY PERCENT (20%) TO COMPLY WITH THE TARGETED  
12 CLASSROOM-STUDENT RATIO AND TO DECREASE CLASSROOM  
13 SHORTAGE IN THE COUNTRY.  
14

15 *SEC. 8. REPORTORIAL REQUIREMENT.-* THE DEPARTMENT OF  
16 BUDGET AND MANAGEMENT (DBM), THE DEPARTMENT OF PUBLIC  
17 WORKS AND HIGHWAYS (DPWH), AND THE DEPARTMENT OF  
18 EDUCATION (DEPED) ARE HEREBY REQUIRED TO SUBMIT TO THE  
19 RESPECTIVE COMMITTEES ON EDUCATION OF BOTH HOUSES OF  
20 CONGRESS AN ANNUAL REPORT ON THE RELEASE AND UTILIZATION  
21 OF THE CAPITAL OUTLAY UNDER THIS ACT: PROVIDED, THAT SUCH  
22 SUBMISSION SHALL BE SEPARATE AND DISTINCT FROM THE REPORTS  
23 THEY SUBMIT TO CONGRESS RELATED TO DELIBERATIONS ON THE  
24 ANNUAL GENERAL APPROPRIATIONS ACT.”  
25

26 Sections 6 and 7 of Republic Act 7880 are hereby renumbered as  
27 Sections 9 and 10 respectively.  
28

29 **SEC. 6.** Section 8 of the same Act is hereby amended and accordingly  
30 renumbered to read as follows:  
31

32 *“SEC. [8] 11. Penal Clause. - ANY VIOLATION OF THE PROVISIONS*  
33 *OF THIS ACT SHALL BE CONSIDERED AS DERELICTION OF DUTY AS*

1 SET FORTH IN PERTINENT ADMINISTRATIVE AND CIVIL SERVICE  
2 LAWS, AND SHALL BE ADMINISTRATIVELY DEALT WITH IN  
3 ACCORDANCE WITH APPROPRIATE EXISTING ADMINISTRATIVE  
4 PROCEDURES AND PENALTIES.

5  
6 Any public official or employee or private individual who willfully or  
7 knowingly misappropriates the funds allocated herein or uses the same for  
8 personal gain in violation of Section [5] 6 of this Act shall be punished with  
9 perpetual disqualification from public office and imprisonment for not less  
10 than six (6) years but not more than fifteen (15) years.

11  
12 **SEC. 7.** Section 9 of the same Act is hereby amended and accordingly  
13 renumbered to read as follows:

14  
15 "SEC. [9] 12. *Release of Capital Outlays.* - The appropriation herein  
16 provided for the construction, rehabilitation, replacement, completion and repair of  
17 schoolbuildings shall be [directly released to and administered by the Department of  
18 Public Works and Highways based on the work program submitted by the DECS:  
19 *Provided*, That fifty percent (50%) of the total appropriation for capital outlay shall be  
20 released automatically on the first quarter of the calendar year, including its  
21 corresponding notice of cash allocation.] RELEASED IN THE FOLLOWING  
22 MANNER:

23  
24 1. ON THE FIRST YEAR OF THE EFFECTIVITY OF THIS ACT:

25  
26 A. FIFTY PERCENT (50%) OF THE SCHOOL BUILDING FUND  
27 SHALL BE DIRECTLY RELEASED TO AND ADMINISTERED BY  
28 THE DEPED OR THE LOCAL GOVERNMENT UNIT AS MAY BE  
29 AUTHORIZED BY THE DEPED, UNDER THE LATTER'S SCHOOL  
30 BUILDING PROGRAM;

31  
32 B. FIFTY PERCENT (50%) OF THE SCHOOL BUILDING FUND  
33 SHALL BE DIRECTLY RELEASED TO AND ADMINISTERED BY

1 THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS  
2 (DPWH) BASED ON THE WORK PROGRAM SUBMITTED BY THE  
3 DEPED.

4  
5 2. ON THE SECOND YEAR OF THE EFFECTIVITY OF THIS ACT:

6  
7 A. SEVENTY PERCENT (70%) OF THE SCHOOLBUILDING FUND  
8 SHALL BE DIRECTLY RELEASED TO AND ADMINISTERED BY  
9 THE DEPED OR THE LOCAL GOVERNMENT UNIT AS MAY BE  
10 AUTHORIZED BY THE DEPED, UNDER THE LATTER'S SCHOOL  
11 BUILDING PROGRAM;

12  
13 B. THIRTY PERCENT (30%) OF THE SCHOOLBUILDING FUND  
14 SHALL BE DIRECTLY RELEASED TO AND ADMINISTERED BY  
15 THE DPWH BASED ON THE WORK PROGRAM SUBMITTED BY  
16 THE DEPED.

17  
18 3. ON THE THIRD YEAR AND EVERY YEAR THEREAFTER, THE  
19 SCHOOLBUILDING FUND SHALL BE DIRECTLY RELEASED TO AND  
20 ADMINISTERED BY THE DEPED OR THE LOCAL GOVERNMENT UNIT  
21 AS MAY BE AUTHORIZED BY THE DEPED, UNDER THE LATTER'S  
22 SCHOOL BUILDING PROGRAM.

23  
24 PROVIDED, THAT THE DBM AND THE DEPED SHALL FORM  
25 WITHIN THE LAST QUARTER OF EVERY YEAR A COMMITTEE, TASKED  
26 TO DRAW A SCHOOL BUILDING EXPENDITURE PROGRAM WHICH  
27 SHALL BE IMPLEMENTED IN THE IMMEDIATELY SUCCEEDING YEAR,  
28 WHICH AMONG OTHERS, SHALL INCLUDE A LIST OF SCHOOL  
29 BUILDING/CLASSROOM TO BE FUNDED BY THE SAID SUCCEEDING  
30 YEAR'S BUDGET. THE DRAWING OF THE PRORAM TOGETHER WITH  
31 THE LIST SHALL BE DEEMED COMPLETE AND FINAL ON 31 DECEMBER  
32 OF EVERY YEAR, EVIDENCED BY THE SIGNATURES OF BOTH THE DBM  
33 AND DEPARTMENT OF EDUCATION (DEPED) SECRETARIES;

1           PROVIDED FURTHER, THAT THE DBM SHALL ISSUE THE  
2 SPECIAL ALLOTMENT RELEASE ORDER (SARO) (OR ITS EQUIVALENT)  
3 FOR PROJECTS IN THE LIST, TOGETHER WITH THE RELEASE OF CASH  
4 AMOUNT EQUIVALENT TO AT LEAST FIFTEEN PERCENT (15%) OF  
5 EACH TOTAL PROJECT COST, ON OR BEFORE JANUARY 31;  
6

7           PROVIDED FURTHERMORE, THAT THE BIDDING AND THE  
8 AWARDING FOR SAID PROJECTS SHALL HAVE BEEN COMPLETED  
9 WITHIN SIXTY (60) DAYS AFTER THE ISSUANCE OF THE SARO;  
10

11           PROVIDED FINALLY, THAT THE NOTICE OF CASH ALLOCATION  
12 (NCA) (OR ITS EQUIVALENT), WHICH SHALL CONTAIN THE BALANCE  
13 OF THE TOTAL PROJECT COST, SHALL BE RELEASED AND COMPLETED  
14 WITHIN THIRTY DAYS AFTER THE AWARDING OF THE PROJECT TO  
15 THE IMPLEMENTOR.  
16

17           FAILURE TO COMPLY WITH ANY OF THE PROVISIONS OF THIS  
18 SECTION SHALL RENDER THE SECRETARIES OR THE CONCERNED  
19 STAFF LIABLE UNDER THE PENAL PROVISIONS OF THIS ACT.  
20

21 **SEC. 8.** Another new Section is hereby added to RA 7880 to read as follows:

22           “SEC. 13. *MISCELLANEOUS PROVISIONS.* – ALL REFERENCES TO  
23 THE “DEPARTMENT OF EDUCATION, CULTURE AND SPORTS” IN  
24 REPUBLIC ACT 7880 ARE ACCORDINGLY AMENDED TO READ  
25 “DEPARTMENT OF EDUCATION (DEPED).”

26           THE OTHER SECTIONS IN RA 7880 AFFECTED BY THE  
27 PRECEDING SECTIONS ARE HEREBY RENUMBERED ACCORDINGLY.  
28

29 **SEC. 9. *Repealing Clause.*** - All laws, decrees, orders, rules and regulations, and  
30 all other issuances or parts thereof, which are inconsistent with this Act are deemed  
31 repealed or modified accordingly.  
32

1           **SEC. 10. *Separability Clause.*** - The provisions of this Act are hereby declared  
2 to be separable and, in the event any provision is declared unconstitutional, the other  
3 provisions which are not affected thereby shall remain in full force and effect.

4

5           **SEC. 11. *Effectivity.*** - This Act shall take effect fifteen (15) days following its  
6 publication in a newspaper of general circulation in the Philippines.

7

8           APPROVED,