

SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

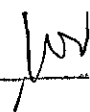


Senate
Office of the Secretary

15 MAR 18 P6:05

SENATE

S. B. No. 2715

RECEIVED BY: 

Introduced by SENATOR SONNY ANGARA

**AN ACT
ESTABLISHING A TERTIARY EDUCATION TRANSITION FUND TO SUPPORT, IMPROVE
AND SUSTAIN HIGHER EDUCATION INSTITUTIONS DURING THE TRANSITION PERIOD
OF THE ENHANCED BASIC EDUCATION ACT OF 2013, APPROPRIATING FUNDS
THEREFOR, AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

The Enhanced Basic Education Act (Republic Act No. 10533) or the K-to-12 Law mandates the country's transition into the 12-year basic education program—a year of kindergarten, six years of elementary school, four years of junior high school and two years of senior high school. This aims to make the Philippines at par with almost all countries of the world in terms of the number of years devoted to basic education as we remain the last country in Asia and one of only three countries worldwide—the other two being Angola and Djibouti—to have only 10 years of basic education.

With the implementation of the K-to-12 Law, today's fourth year high school or grade 10 students would go to senior high school instead of college in the school year 2016-2017. Because of the lack of first and second year college enrollees during the transition period starting next year, the Commission on Higher Education estimated some 54,000 education workers—39,071 teaching staff and 14,351 non-teaching staff—who will be displaced when K-to-12 goes into full implementation.

To address this adverse impact, this bill seeks to establish a Tertiary Education Transition Fund that will provide financial assistance to affected college faculty and non-teaching personnel during the transition period. The proposed fund will be used to provide grants and scholarships with return of service agreements to academic and non-academic personnel to upgrade their qualification through masteral, doctoral or post-graduate studies. It will also be used to invest in the development of innovative and relevant curricula, learning and teaching systems and new processes and equipment related to the Enhanced Basic Education Program.

On top of the separation packages and other benefits that the displaced workers are entitled to receive under the Labor Code, this bill also provides for adjustment assistance and financial augmentation not only to academic and non-academic personnel who will be retrenched or displaced from employment, but also to those whose salary will be reduced due to the multi-year low enrollment during the transition.

While we recognize the sentiments and concerns of our teachers and non-teaching staff, we should keep in mind the noble intent of the K-to-12 law which is to help our country's graduates be more globally competitive. The two additional years will equip our secondary school graduates with better skills and competencies to improve their chances of finding gainful employment without any college degree. With the increased competition for jobs from our neighbors with the upcoming ASEAN integration, our youth will remain behind unless we modernize Philippine education.

In view of the foregoing, passage of this bill is earnestly sought.



SENATOR SONNY ANGARA



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

1 **Section 1. Short Title.** – This Act shall be known as the “Tertiary Education Transition
2 Fund Act.”

3 **Section 2. Declaration of Policy.** – The state policy of enhancing Philippine basic
4 education in order to align it with current modern global standards has been promulgated in 2013
5 through Republic Act No. 10533.

6 Such national mandate is in full accord with the constitutional provision that the State shall
7 establish, maintain and support a complete, adequate and integrated system of the education
8 relevant to the needs of the people and society.

9 This Act intends to advance the Constitutional objective by easing and smoothly facilitating
10 the transition period to the full and ultimate implementation of Republic Act No. 10533. By doing
11 so, the Philippines is enabled to ensure its competitiveness and to respond to the increasing
12 demand for skilled and professional manpower of our fast growing economy

13 **Section 3. Definition of terms.** – The terms used in this Act are defined as follows:

14 (a) **Transition period** – refers to the period starting September 2013 to the end of School Year
15 2021-2022, as provided in the Implementing Rules and Regulations of Republic Act
16 No.10533, the Enhanced Basic Education Act of 2013.

- 1 (b) **Personnel** – refers to a person, singly or collectively, working in a higher education
2 institution, as defined in the Manual of Regulations for Private Higher Education (MORPHE)
3 or in technical-vocational schools as defined under existing rules and regulations of the
4 Technical Skills and Development Authority (TESDA):
- 5 a. **Academic Personnel** – refers to those who are formally engaged in teaching or in
6 research, either on full-time or part-time basis.
- 7 i. **Full-time faculty or academic personnel** – refers to one who meets all the
8 following requirements:
- 9 1. Possesses at least the minimum academic qualifications prescribed under the
10 MORPHE for all academic personnel without prejudice to the full-time status
11 acquired prior to the issuance of the DOLE-DECS-CHED-TESDA Order No. 1,
12 dated February 7, 1996;
- 13 2. Paid monthly or hourly, based on the regular teaching loads as provided for in
14 the policies, rules and standards of CHED and the HEI;
- 15 3. Devotes not less than eight (8) hours of work a day to the HEI;
- 16 4. Has no other remunerative occupation elsewhere requiring regular hours of
17 work, except when permitted by the HEI; and
- 18 5. Is not teaching full-time in any HEI
- 19 ii. **Part-time faculty or academic personnel** – refers to faculty or academic
20 personnel who do not meet the qualifications for full-time faculty or academic
21 personnel.
- 22 b. **Academic Support Personnel** – refers to those who perform certain prescribed
23 academic functions directly supportive of teaching, such as registrars, librarians,
24 guidance counselors, researchers, and other persons performing similar functions,
25 including institution officials responsible for academic matters and affairs.
- 26 c. **Non-Academic Personnel** – refers to the rank-and-file employees of the institution
27 engaged in administrative functions and maintenance.
- 28 (c) **Displacement** – refers to the laying off of employees due to retrenchment, end of
29 probationary period, or expiration of the contract of employment;
- 30 (d) **Enhanced Basic Education Program** – refers to at least one (1) year of kindergarten
31 schooling, six (6) years of primary and six (6) years of secondary education in that sequence.

1 Secondary education refers to four (4) years of junior high school and two (2) years of senior
2 high school (SHS) education;

3 (e) **Higher education** – refers to post-secondary education offering baccalaureate, graduate
4 or post-graduate programs;

5 (f) **Higher education degree programs** – refer to specific courses of study leading to a
6 bachelor's, master's, or doctoral degree;

7 (g) **Higher education institutions (HEI)** – refers to an educational institution, private or public,
8 offering higher education programs with an organized group of students, receiving
9 instructions from several faculties, located in a building or complex of buildings in a particular
10 site, specifically intended for educational purposes.

11 (h) **Post-secondary school** – refers to an institution that offers non-degree technical-
12 vocational programs, which require the possession of a high school diploma for admission,
13 and which are accredited by TESDA;

14 (i) **Technical-vocational programs** – refers to post-secondary certificate courses, officially
15 recognized as non-degree programs aimed at preparing technicians paraprofessionals and
16 other categories of middle-level workers by providing them with a broad range of general
17 education, theoretical, scientific and technological studies and related job skills training; and

18 (j) **Tertiary education** – refers to post-secondary technical/vocational education and
19 training, as well as higher education programs.

20 **Section 4. Tertiary Education Transition Fund.** – The Tertiary Education Transition
21 Fund is hereby established to provide, during the transition period, financial assistance to
22 academic, academic support, and non-academic personnel, as well as tertiary education
23 institutions, directly and adversely affected as a consequence of the mandatory adoption and
24 implementation of Enhanced Basic Education Act. It shall be used for the following specific
25 purposes:

26 (1) To provide academic, academic support, and non-academic personnel with grants and
27 scholarships to upgrade their qualifications through masteral, doctoral or post-doctoral
28 studies, research, or further practical training.

29 This includes similar grants of scholarship to attract new teachers and researchers
30 from among their ranks to the higher education sector;

1 (2) To invest in the development of innovative and relevant curricula, learning and
2 teaching systems, and new processes and equipment related to the Enhanced Basic
3 Education Program and such best practices at the tertiary education level;

4 (3) To provide income support to academic, academic support and non-academic
5 personnel who will be displaced from employment due to the multi-year low enrolment
6 during said transition; and

7 (4) To provide financial augmentation to academic, academic support and non-academic
8 personnel who may not have been displaced from employment, but whose salary or
9 wage is reduced due to the multi-year low enrolment during said transition.

10 The above package shall be made available every school year beginning June 2016, the
11 commencement of full scale implementation of SHS in the country, until School Year 2021-2022,
12 the completion of the transition period of Republic Act 10533.

13 **Section 5. Grants for Academic Personnel.** – A portion of the Tertiary Education
14 Transition Fund shall be set apart for current and incoming academic, and academic support
15 personnel, for, but not limited to:

16 (a) Scholarship for Graduate Studies;

17 (b) Research Grants; or

18 (c) Practice Fellowships.

19 Recipients of said grants shall execute a return service contract in which they:

20 (a) Agree to teach as their return of service (ROS); and

21 (b) Agree to any of the approved ROS conditions to be formulated by CHED.

22 Failure to comply with the terms of the service contract will result in the full repayment
23 (plus interest and penalties, if applicable) of all award monies received.

24 **Section 6. Grants for Non-Academic Personnel.** – A portion of the Tertiary Education
25 Transition Fund shall also be set apart for the development of non-academic personnel, through
26 graduate studies or further training relevant to their work. Availment of said grant shall similarly
27 be accompanied by a service contract that includes a provision for return of service (ROS).

28 **Section 7. Development of Innovative Curricula, Training and Systems.** – A portion
29 of the Tertiary Education Transition Fund shall also be set aside for tertiary education institutions,
30 public and private, to enable them to introduce innovations in curricular, learning and teaching

1 systems, and digital processes. Said fund should be used for the following, in accordance with
2 guidelines to be formulated by the CHED:

- 3 (a) Initiatives for twinning between a local program or institution with a proven track record
4 of competence and a foreign program or institution recognized for its expertise in the
5 relevant discipline/s, and other internationalization initiatives for students and faculty;
- 6 (b) Benchmarking and articulation activities among locally organized universities and
7 colleges, whether for academic or non-academic purposes;
- 8 (c) Review and reform of existing policies and procedures concerning faculty load, tuition,
9 faculty development, research and extension in order to raise the quality and efficiency
10 of education services and modernize their physical plants;
- 11 (d) Enhancement of program courses and training for faculty, aligning them to competency-
12 based standards, as well as the K12 and the revised General Education (GE) curriculum;
- 13 (e) Development of new and relevant graduate education programs as well as niche
14 programs within the context of the Association of Southeast Asian Nations (ASEAN);
- 15 (f) Facilitation of academe-industry linkages; and
- 16 (g) Establishment of continuing education programs, targeted towards solving job-skills
17 mismatch, leading to unemployment and underemployment.

18 **Section 8. Income Support to Academic, Academic Support, Non- Academic**
19 **Personnel and Tertiary Education Institutions. –**

- 20 (a) Personnel who are displaced during the transition period of RA 10533 shall be
21 provided with income support for a maximum period of 12 months in an amount not
22 more than their monthly net wage at the time of the displacement, in accordance with
23 the following minimum criteria and such other conditions as the DOLE may require for
24 its availment:
 - 25 a. The personnel must be registered with the Public Employment Service Office
26 (PESO) as displaced by reason of the implementation of K-12 during the
27 Transition Period;
 - 28 b. He or she must be able to work, be ready for suitable work, and willing to have
29 job training;
 - 30 c. He or she must be both physically and mentally competent, ready to take on
31 any suitable and available employment;

1 d. He or she must be actively looking for work; and

2 e. He or she must not be involved in any income-generating or profit-generating
3 activity from the day of displacement.

4 The income support shall be graduated. Further, said support shall be discontinued if
5 the displaced personnel gets another employment. Finally, said support shall be
6 separate and distinct from the separation pay provided under the Labor Code, as
7 amended, company policy, or collective bargaining agreement.

8 (b) Private Tertiary Education Institutions, which incur costs as a result of foregone
9 enrollments during the transition period, as well as displacement of affected personnel,
10 may avail of financial support, as necessary to ensure sustainability of their institution;
11 *Provided*, That they meet the criteria to be set by the CHED and TESDA;

12 *Provided Further*, That no amount of the Fund shall be used to pay any HEI which has
13 an outstanding obligation to the Government without said obligation being settled or
14 offset first, subject to the requirements provided for by law;

15 *Provided Finally*, That the affected HEI has no other adequate source of funds.

16 (c) State Universities and Colleges (SUCs) shall receive, through their annual allocation
17 in the General Appropriations Act (GAA) the necessary funding required to fulfill
18 financial obligations to personnel and to continue operations.

19 However, the CHED and the Department of Budget and Management (DBM), shall
20 develop a separate financing policy framework to govern funding and operations of
21 SUCs during said period of transition. SUCs nonetheless shall have equal access to
22 the services and support provided for in this Act.

23 **Section 9. Other Forms of Support. –**

24 (a) **Assistance to Affected Tertiary Education Institutions** – Further assistance should
25 be provided to all tertiary education institutions through E-GASTPE, as well as
26 facilitation of special loan assistance from the Development Bank of the Philippines
27 (DBP), the Land Bank of the Philippines (LBP), Veterans Bank and the United Coconut
28 Planters Bank.

1 (b) **Assistance to Academic, Academic Support and Non-Academic Personnel** – The
2 DOLE shall provide other assistance such as wage employment, retraining and
3 retooling, livelihood or entrepreneurship programs, as well as welfare assistance.

4 **Section 10. Fund Application and Dispensation.** – Application of the Fund shall be
5 subject to guidelines, rules and regulations, which shall be formulated and promulgated by DBM,
6 upon consultation with CHED, DOLE, DepEd and TESDA, to carry out provisions of this Act.

7 **Section 11. Implementing Arrangements and Operational Structures.** – The CHED
8 shall be the main implementing agency and shall coordinate closely with the DepEd, DOLE and
9 TESDA, from June 2016 to the end of School Year 2021-2022. The respective duties and
10 responsibilities of the agencies include, but are not limited to the following:

11 (a) **CHED** – As the main implementing agency, the CHED is hereby tasked to form and lead
12 the Interagency Secretariat, with personnel seconded from relevant offices within the
13 Commission, as well as from DepEd, DOLE and TESDA, in order to coordinate,
14 streamline, and monitor, the various support and other services that shall be made
15 available to academic, academic support and non-academic personnel and tertiary
16 education institutions, during the transition.

17 (b) **DepEd** – The DepEd is hereby tasked to facilitate the hiring of displaced faculty and staff
18 from affected higher education institutions, *Provided* that they meet the criteria set by the
19 Department, consistent with the provisions of RA 10533, RA 4670, and RA 10612.

20 The CHED and DepEd shall likewise work closely in finding complementary activities
21 between private and higher education institutions and basic education schools. This may
22 include, but is not limited to, the employment and utilization of human and physical
23 resources of HEIs, consistent with Sec. 12 of RA 10533.

24 (c) **DOLE** – The DOLE is hereby tasked to coordinate and facilitate smooth displacement
25 procedure of HEI, awareness building initiatives for employers and employees affected by
26 the transition, the redeployment of faculty and staff, as well as the conduct of livelihood
27 training for the displaced personnel, in cooperation with TESDA.

28 The Interagency Secretariat is hereby tasked to ensure the timely delivery as well as the
29 quick provision of information and rendering of services to stakeholders concerned, locally and
30 online. Further, said Secretariat shall, at the end of each calendar year, submit an annual report
31 to Congress, giving a detailed account of its proceedings and accomplishments.

1 **Section 12. Funding of the Tertiary Education Transition Fund.** – The initial amount
2 of Twelve Billion Pesos (Php 12,000,000,000.00) is hereby appropriated for this purpose, 50% of
3 which shall come from the proceeds of RA 10351 (Sin Taxes Act); 40% from contributions of
4 PAGCOR and Philippine Charity Sweepstakes Office and the balance of 10% from the amount
5 appropriating Outlay of CHED, TESDA and DepEd.

6 Private Donations through the HEDF may also be sourced and used to support the Tertiary
7 Education Transition Fund. Thereafter the balance of 17 Billion Pesos, as well as corresponding
8 annual budgetary requirements needed to attain the purposes of this Act, shall be included in the
9 annual GAA, for a period of four (4) years, from 2017 to 2021. Said fund shall only be utilized
10 during the transition period of RA 10533. Any such amount not fully utilized shall revert back to
11 the National Treasury.

12 **Section 13. Implementing Rules and Regulations.** – Within sixty (60) days after the
13 effectivity of this Act, the CHED Chair, DepEd Secretary, DOLE Secretary and TESDA Director-
14 General, shall promulgate the rules and regulations needed for the implementation of this Act.

15 **Section 14. Separability Clause.** – If any provision of this Act is held invalid or
16 unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

17 **Section 15. Repealing Clause.** – All other laws, decrees, executive orders and rules and
18 regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or
19 modified accordingly.

20 **Section 16. Effectivity Clause.** – This Act shall take effect fifteen (15) days after its
21 publication in at least two (2) newspapers of general circulation.

22 Approved,