

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

'04 JUN 30 P10:37

SENATE

S.B. NO. 978

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Introduced by Senator **JINGGOY EJERCITO ESTRADA**

EXPLANATORY NOTE

In an era of rapid transformation, the Local Government Academy (LGA) needs to adopt structural reforms. It must be more accountable and should be run by committed professionals capable of meeting new challenges. It is the intention of this bill to strengthen the Academy and re-create it as a more autonomous body corporate with more powers, functions and privileges to the end that its programs will be more innovations and responsive to the needs of its clients. For the next decade there is an optimism that flexibility, dynamism and maturity will enable LGA to rise above the challenges.

As the LGA responds to the process of increasing private and public participation and more demands for decentralization, the inadequacy of local chief executives and functionaries in terms of managerial and technical capability continue to derail local autonomy. This situation is attributed to the absence of the necessary support system bureaucratic structures and decades of statism. Since its creation by virtue of Executive Order 262 and reiterated by RA 6975 the LGA has maintained its status as an attached agency of the government, the Department of Interior and Local Government (DILG). It is charged with the responsibility of improving the capabilities of local government executives and functionaries and the DILG personnel.

With this mandate, the LGA needs a framework for the continuous evolution of its strategic thinking in terms of performing its critical role in local government capability building. It must continuously align its objectives with the changing situation. It must remove barriers to human resource development and standardize training programs to avoid proliferation of trainings and wastage of resources.

Currently, the Academy in its attempt to cope with the fast changing policy and institutional requirements at the local level, the information revolution, technological changes and increasing globalization finds great difficulty in addressing these demands. The constraint of a meager budget, inadequate manpower, increasing bureaucratic red tape has not maximized its operation as an autonomous organization.

Strengthening the LGA and granting it more powers will enable it to take bold and innovative steps in intensifying its capability to a proactive response to the development needs of local governments and human resource development programs of the DILG.

Passage of this bill is therefore earnestly requested.

Jinggoy Ejercito Estrada
JINGGOY EJERCITO ESTRADA
Senator

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AN ACT
CREATING THE LOCAL GOVERNMENT ACADEMY OF THE PHILIPPINES,
PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES

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

Section 1. Title. - This Act shall be known as the "Local Government Academy Act of 2004."

Sec. 2. Declaration of Policy. - Pursuant to the Constitutional mandate to ensure local autonomy and decentralization, it is hereby declared as a national policy to develop the institutional capabilities of local government units (LGUs), including the administrative and technical capabilities of local government officials and employees, DILG personnel and other government and non-government personnel concerned with local governments by enhancing the powers, duties and functions of the Local Government Academy (LGA).

Sec. 3. Name. - This entity is named Local Government Academy, hereinafter referred to as the Academy.

Sec. 4. Status - The Academy shall be established as a body corporate which shall be under the direct supervision of an Executive Director.

Sec. 5. Powers. - The Academy shall have the following powers:

- a. To adopt, alter and use a corporate seal;
- b. To take and hold by request, devise, gift, purchase or lease, either absolutely or in trust for any of its purposes, any property, real or personal, without limitation as to amount or value; to convey such property and to invest and reinvest any principal in such manner as will promote its objectives.

- c. To collect, receive and maintain a fund or funds, by allocation, donation thereof to the promotion of its aims, enhancement of its operations or rehabilitation of any physical structure or its facilities/utilities and purposes herein before set out.
- d. To contract any obligation, or enter into any agreement necessary or incident to the proper management of its corporate powers; and
- e. To carry out capability building programs with greater efficiency and effectiveness and perform any activity with all the powers conferred by a law or laws upon private or government owned or controlled corporation; and to do any and all of the acts and things herein set forth to the same extent as judicial person should do, and in any part of the world, as a principal factor, agent or otherwise alone or in syndicate or otherwise in conjunction with any person, entity partnership, association or corporations, domestic or foreign.

Sec. 6 *Functions.* – The Academy shall have the following functions:

- a. Design and implement training and human resource development programs for local government units, executives and functionaries and the DILG personnel that will ultimately effect institutional development and organization effectiveness;
- b. Assist the DILG in promulgating policies, rules and regulation and other issues relative to human resource development and training for LGUs;
- c. Establish and maintain a mechanism to enable LGUs to access technical as well as financial assistance in building institutional capabilities to respond to the needs of local governance within the framework of local autonomy;
- d. Establish and maintain a continuing linkage and network with different institutions and civil society for synergy in local government capability building and to cope with the technological and institutional needs of LGUs in the context of globalization;

- e. Develop a corp of efficient, effective and competent LGA personnel which shall be provided with all remunerations and benefits needed for their enhancement and satisfaction.
- f. Undertake rehabilitation, upgrading and expansion of its training center as a venue for conducting efficient and effective capability building programs.

Sec. 7. *Location and Offices.* - The LGA shall maintain a central office in the Metro Manila area and three training and technical assistance centers in Luzon, Visayas and Mindanao.

Sec. 8. *Board of Trustees.* - The governing and policy-making body of the LGA shall be the Board of Trustees composed of the Secretary of the Interior and Local Government as ex-officio Chairman and four (4) other members. The LGA Executive Director shall be an ex-officio member of the Board while the three (3) remaining members shall be appointed by the President but shall represent the academe and the private sector who shall be recommended by the Secretary.

The President of the League of Provinces, League of Cities, League of Municipalities and Liga ng mga Barangay shall sit as non-voting members of the board shall serve as such from the duration of their incumbency in their respective offices.

The appointive members shall serve for a term of three years without reappointment. Appointment to any vacancy shall only be for the unexpired term of the predecessor.

In no case shall any trustee be appointed or designated in a temporary or acting capacity.

Trustee shall be entitled to reasonable honorarium for the performance of their duties and to reimbursement for expenses incurred while discharging their functions as trustees.

Sec. 9. *Powers and Duties of the Board.* - The powers of the LGA shall be vested in the Board of Trustees. It shall have the following powers and duties:

- a. Prepare and adopt policies, guidelines, rules and regulations necessary for the smooth operations of the LGA and for the enhancement and development of its personnel; and
- b. Prepare and/or approve the organization, structure and staffing of LGA employees;

All position shall be governed by compensation and position qualification system and qualification standards approved by the board based on a comprehensive job analysis and or audit of actual duties and responsibilities. The compensation plan shall be comparable to the prevailing compensation plans in the private sector and shall be subjected to periodic review by the board no more than every three (3) years without prejudice to yearly merit review or increases based on productivity and profitability.

LGA shall be exempt from existing laws, rules and regulations compensation, position classification and qualification standards.

- c. Approve courses of training/study for LGUs and training fees required for training programs as well for the rental of LGA facilities;
- d. Approve work plans and budget proposals of the Academy for consideration of appropriate agencies and other funding institutions, both local and foreign;
- e. Review periodically the administration and programs of the LGA its performance and accomplishment;
- f. Perform such other duties as may be required by law.

Sec. 10. *Officers of the Academy.* – The Academy shall be headed by an Executive Director as Chief Executive and assisted by a Deputy Director, who shall be appointed by the President of the Philippines upon recommendations of the Board of Trustees. In addition, the Executive Director shall have passed the Career Executive Service Officers Exam or its equivalent and/or shall satisfy the qualification standards required by the Civil Service Commission.

The Executive Director shall have the following duties and responsibilities:

- a. Recommend to the Board of Trustees, the measures and policies which he/she believes are necessary in carrying out the purposes of the Academy and all matters pertinent to its operations including the enhancement and development of its personnel;
- b. To recommend to the Board of Trustees the programs and projects of the Academy and coordinate and administer the same;
- c. To direct and supervise the operations and internal administration of the Academy and to delegate administrative responsibilities to the appropriate officer or employee in accordance with the rules and regulations of the academy.
- d. To submit an annual report to the Board of Trustees setting forth the work of the Academy during the year, its financial operation and status;
- e. Appoint, subject to civil service laws, rules and regulations, all subordinate officers and employees, who shall enjoy security of tenure and may be removed only for cause in accordance with the law;
- f. Engage the service of experts/consultant either on full-time or part-time basis, as may be required in the performance of his functions and duties as determined by him/her;
- g. Exercise such other powers and discharge such other functions as may be vested by the Board of Trustees . The Executive Secretary who shall be appointed by the Board shall be the ex-officio secretary of the Board of Trustees and shall head the secretariat of the Board. He/she shall also perform such other functions as may be lawfully delegated or assigned by the Board.

Sec. 11. *Financial Resources of the Academy.* – The financial resources of the shall comprise of the following:

1. Funds from the government appropriation for the LGA for its initial operation and funds from international and national organization, foundations as well as from the private sectors;

2. Voluntary contributions;
3. Income from the use of training facilities, sale of publications, materials and other services;
4. Contributions of non-financial nature or "in-kind" service or equipment/vehicle needed for its operation.

Sec. 12. *Account and Audit.* – The auditor assigned at the Academy shall conduct an annual audit of its funds.

Sec. 13. *Exemption from Taxes.* – Any provision of existing laws to the contrary notwithstanding, any donation, contribution, bequest, subsidy or financial and which may be made to the Academy shall be exempt from taxes of any kind, and shall constitute allowable deductions in full from the income of the donors or givers for income tax purpose.

The LGA, its assets, acquisitions including grants and donations, income from its operations and transactions shall be exempt from taxes fees, charges and imports, licensed and assessments, direct or indirect, imposed by the Republic of the Philippines or any its political subdivision or taxing authority thereof, except import taxes, duty and fees.

Sec. 14. *Transitory Provision.* – All function, powers and responsibilities of the existing Local Government Academy (LGA) presently attached to the Department of the Interior and Local Government (DILG) as well as assets, funds properties, indebtedness or liabilities, including its budgetary appropriations, shall be transferred to the LGA created under this Act, subject to the conditions that may be established by the Department of Budget and Management (DBM), the Commission on Audit (COA) and Office of the President (OP).

Pending full implementation of the LGA organization structure and staffing pattern under this Act, all officials and employees of the present LGA shall continue to exercise their duties and functions and receive their salaries and allowances until they shall be given notice of separation or position re-classification in accordance with Civil

Service Laws, Rules and Regulations but shall not exceed one (1) year from the approval of the Act.

Sec. 15. *Separability Clause.* - If any part or provision, of this Act is held unconstitutional or invalid, other parts or provisions thereof, which are not affected shall continue to remain in full force and effect.

Sec. 16. *Appropriation Clause.* - The amount necessary to carry out the purpose of this act, including its operation, maintenance and improvement of the Academy shall be included in the General Appropriation Act and renewed every year thereafter.

Sec. 17. *Repealing Clause.* - Executive Order 262 as well as Republic Act 6975 is hereby amended accordingly.

Sec. 18. *Effectivity.* - This Act shall take effect fifteen (15) days after its complete publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,