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SENATE

S. No. 836

RECEIVED BY: _____

Introduced by Senator Ralph G. Recto

AN ACT
EXPANDING THE PURPOSES AND APPLICATION OF THE SPECIAL EDUCATION
FUND, AMENDING FOR THE PURPOSE SECTION 272 OF REPUBLIC ACT NO.
7160, OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991, AND
FOR OTHER PURPOSES

Explanatory Note

It is embodied under our Constitution that the State shall 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.¹

Providing basic public education has always been the responsibility of the central government. However, with the enactment of Republic Act No. 7160, otherwise known as the Local Government Code of 1991 (LGC), local government units (LGUs) now provide supplementary funding support to basic public education through a recurring financial source known as the Special Education Fund (SEF). The SEF was created under Section 235 of the LGC wherein LGUs are mandated to impose and collect an additional one percent (1%) on real property tax, which will accrue to SEF and in turn, automatically released to the local school boards. Section 272 of the LGC further provides that the proceeds of the SEF shall be allocated for the following purposes, namely: (a) operation and maintenance of public schools; (b) construction and repair of school buildings, facilities and equipment; (c) educational research; (d) purchase of books and periodicals; and (e) sports development.

However, based on the 2015-2016 Global Competitive Index released by the World Economic Forum, our country still lags behind its Association of Southeast Asian Nations (ASEAN) neighbors in terms of health and primary public education. Although our ranking has steadily improved, the Philippines still ranked 86th out of 140 countries, compared to Singapore (2nd), Malaysia (24th), Vietnam (61st) and Indonesia (80th).

LGUs have consistently pointed out that the abovementioned purposes of the SEF have been deemed to be too restrictive and are no longer responsive to the needs of the stakeholders in basic public education. Proper utilization of the SEF may help address the public education sector's perennial problems of lack of funding, teachers or instructors and classrooms.

This bill seeks to introduce amendments to Section 272 of the LGC by expanding the purposes and application of the SEF by including the construction and repair of libraries, payment of salaries, allowances and other benefits of teaching and non-teaching personnel,

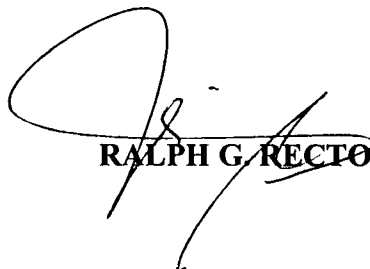
¹ Section 1, Article XIV of the 1987 Philippine Constitution.

competency trainings for teaching personnel, operation of non-formal education programs or alternative learning system (ALS) including the payment of the salaries of ALS facilitators and all other expenditures relative to the promotion of accessible public education.

There is a need to reinforce the non-formal education programs or ALS in the public education system in order to address the problem of out-of-school children and youth. According to the 2013 Functional, Literacy, Education and Mass Media Survey (FLEMMS) covering around 36 million Filipinos aged 6 to 24 years old, one in every ten or about 4 million Filipino children and youth are out-of-school. FLEMMS defined out-of-school children as persons aged 6 to 14 years who are not attending school while out-of-school youth is defined as persons aged 15 to 24 years who are not attending school, have not finished any college or post secondary course, and are not working. The survey also showed that 19.1% of the 4 million out-of-school children and youth do not attend school due to lack of interest.

To better ensure the quality and competitiveness of our public education system, the purposes and application of the SEF must be amended and expanded.

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

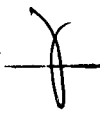

RALPH G. RECTO

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

1 **Section 1.** Section 272 of Republic Act No. 7160 is hereby amended to read as follows:

2 *“Sec. 272. Application of the Proceeds of the Additional One Percent*
3 *SEF Tax. – The proceeds from the additional one percent (1%) tax on real*
4 *property accruing to the Special Education Fund (SEF) shall be automatically*
5 *released to the local school boards. Provided, That in case of provinces, the*
6 *proceeds shall be divided equally between the provincial and municipal*
7 *school boards. Provided, however, That the proceeds shall be allocated for*
8 *the operation and maintenance of public schools, construction and repair of*
9 *school buildings AND LIBRARIES, facilities, and equipment, PAYMENT*
10 *OF SALARIES, ALLOWANCES AND OTHER BENEFITS OF*
11 *TEACHING AND NON-TEACHING PERSONNEL, COMPETENCY*
12 *TRAININGS FOR TEACHING PERSONNEL, OPERATION OF*
13 *ALTERNATIVE LEARNING SYSTEM (ALS) INCLUDING*
14 *PAYMENT OF SALARIES, ALLOWANCES AND OTHER BENEFITS*
15 *OF ALS LEARNING FACILITATORS, educational research, purchase of*
16 *books and periodicals, [and] sports development, AND ALL OTHER*
17 *EXPENDITURES RELATIVE TO THE PROMOTION OF*

1 **ACCESSIBLE PUBLIC EDUCATION** as determined and approved by the
2 local school board.”

3 “xxx”

4 **Section 2. *Implementing Rules and Regulations.*** – The Department of Interior and Local
5 Government and the Department of Education shall jointly promulgate the necessary rules and
6 regulations for the faithful and effective implementation of the provisions of this Act within thirty
7 (30) days from the date of its effectivity.

8 **Section 3. *Repealing Clause.*** – All laws, Acts, Presidential Decrees, Executive
9 Orders, issuances, presidential proclamations, rules and regulations or parts thereof which are
10 contrary to and inconsistent with any provision of this Act are hereby repealed, amended or
11 modified accordingly.

12 **Section 4. *Effectivity.*** – This Act shall take effect fifteen (15) days after its complete
13 publication either in the Official Gazette, or in at least two (2) newspapers of general circulation.

14 *Approved,*