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First Regular Session)



Senate
Office of the Secretary

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SENATE
S. B. No. 959

RECEIVED BY:

Introduced by Senator SONNY ANGARA

AN ACT
INSTITUTIONALIZING A SCHOOL MODERNIZATION AND INNOVATION
PROGRAM FOR PUBLIC ELEMENTARY AND SECONDARY SCHOOLS
PROVIDING FUNDS THEREFOR AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The era of globalization has placed extreme pressure on our government to produce highly specialized and technical personnel in a relatively short period of time. Given the rapid changes and developments in the field of Information Technology and emergence of knowledge-based society, the Philippines has to reorient the thrusts of its educational system to meet the growing needs and demands of a highly competitive world market.

To achieve this arduous task, there is a need to formulate a viable, comprehensive and sustainable long-term modernization plan for schools primarily at the elementary and secondary levels.

At present, the students in public schools have been left behind by their counterparts in the private schools. Only half of high schools nationwide reportedly have computer laboratories. Most of these need to be repaired or upgraded however, as the computers in these laboratories are not properly maintained after they've been delivered to schools.

Given the scarce resources of the national government, there is a need to be more cost-effective and innovative in our approach to finance school modernization programs. This can be achieved through active partnership with local government units and private sector such as foundations private corporations and business groups.

The School Modernization and Innovation bill aims to:

- a. Provide a broad framework for the institutionalization of a comprehensive and sustainable modernization program for the public schools;
- b. Encourage the schools to become more innovative and resourceful in developing and implementing programs geared towards modernization;
- c. Develop mechanisms that will define the roles and responsibilities of the officials from the regional, division down to the school levels in the implementation of school modernization programs;
- d. Provide mechanism on how the private sector can participate in the program;
- e. Define regional and school modernization plans responsive to the needs of the students in the area.

The bill also seeks to establish the School Modernization and Innovation Trust Fund which will augment the regular appropriations that will be provided under the annual General Appropriations Act to finance the priority programs for school modernization and improvement of public elementary and secondary schools.

This is the opportune time for the government to seriously consider ways of increasing the share of budget devoted to computerization of schools, upgrading of libraries and science laboratories. Moreover the application of information technology in classroom instruction would increase efficiency in teaching and learning process and enhance competencies of students.

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



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

1 Section 1. *Title.* – This Act shall be known as the "*School Modernization and*
2 *Innovation Act.*"

3 Sec. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to
4 promote a comprehensive and sustainable modernization program for all public
5 elementary and secondary schools aimed at improving the effectiveness and
6 efficiency of delivery of basic education. The State shall likewise take into account
7 the regional and sectoral needs and conditions in developing a viable long-term
8 modernization plan. The State shall also encourage the participation of the private
9 sector and local government units in strengthening programs which provide relevant
10 and adequate skills for public school children necessary for them to be global
11 competitive.

12 Sec. 3. *Statement of Purpose.* – This Act seeks to attain the following
13 objectives:

- 14 a) To provide a broad framework for the institutionalization of a comprehensive,
15 and sustainable modernization program for the public schools;
- 16 b) To encourage the schools to become more innovative and resourceful in
17 developing and implementing programs geared towards modernization;

- 1 c) To develop mechanisms which will define the roles and responsibilities of the
- 2 officials from the regional, division down to the school levels in the
- 3 implementation of the school modernization programs;
- 4 d) To provide mechanisms on how the private sector can participate in the
- 5 program; and
- 6 e) To define a regional, division and school modernization and innovation plan
- 7 responsive to the needs of the students in the area.

8 Sec. 4. *Implementing Agency.* – The Department of Education, hereinafter
9 referred to as the "Department", shall be the main implementing agency of the
10 School Modernization and Innovation Act. The Secretary of Education shall be
11 responsible of ensuring the smooth implementation of the modernization plan for
12 schools.

13 Sec. 5. *Components.* – The School Modernization and Innovation Program
14 shall consist of the following:

- 15 a) Computerization of public elementary and high schools. The DepEd, in
16 coordination with other appropriate government agencies, shall determine the
17 appropriate number of information technology (IT) equipment depending on
18 the number of student enrollment. The Science high schools in every region
19 nationwide shall be given priority in the allocation of funds for the
20 computerization.
- 21 b) Upgrading of Libraries in public elementary and secondary schools. A well-
22 equipped library shall be established in every public elementary and
23 secondary high school. The library should be provided with at least five (5)
24 computers, which have Internet access to assist the students in their research
25 work.
- 26 c) Promotion of an integrated distance-learning program. The distance learning
27 program aims to enable the students from local and foreign private schools to
28 share their knowledge and expertise in the areas of Science and Technology,
29 Mathematics, English and Communication to students in public schools
30 through modern system of instructional and communication technology. It
31 may adopt an interactive system of instruction through television, modern
32 satellite communication or cable system whichever is appropriate and feasible

1 in the area. The students as well as teachers in public schools shall be
2 provided with opportunities to avail of the latest trends and developments in
3 the field of educational, science, technology and communication even from
4 abroad through distance learning programs.

- 5 d) Upgrading of Science Laboratories. Each public elementary and high school
6 will be provided with well-equipped science laboratories with modern science
7 equipment, which is essential in improving the competencies of the students
8 in the area of science and technology.

9 *Sec. 6. Phased Implementation of the Program.* – The Department shall
10 implement the program in phases to ensure continuity and sustainability of the
11 projects. The phases of implementation will be determined according to the priorities
12 set by the Department as well as the absorptive capacity of the schools.

13 *Sec. 7. Financing of the Program.* – The Department of Budget and
14 Management shall allocate at least ten percent (10%) of the total appropriations of
15 the annual budget of the Department for the financing of the School Modernization
16 and Innovation Program.

17 *Sec. 8. Formulation of School Modernization and Innovation Plan at School
18 and Regional Level.* –

- 19 a) National Modernization and Innovation Plan. The Secretary of Education, in
20 consultation with Regional Directors and Schools Division Superintendents,
21 shall develop a comprehensive and sustainable modernization and innovation
22 plan for public elementary and secondary schools nationwide which will be
23 implemented within a period of five (5) years. It shall take into account the
24 rapid changes in the field of information technology, communication and
25 instructional delivery in various part of the world. It shall also identify sources
26 of funding both from local and international financial institutions as well as
27 the role of private sector, local government units and other members of the
28 civil society. It shall likewise define the national standards and framework,
29 which will be adopted in developing the individual plans.

- 30 b) Regional Modernization and Innovation Plan. The Regional Director, in
31 coordination with the Schools Division Superintendents, shall formulate a
32 modernization framework consistent with national standards which will serve

1 as the basis for the plan taking into consideration the specific needs, and
2 requirements of the region. The regional plan shall highlight the peculiarities
3 and unique needs of the various schools within its jurisdiction.

- 4 c) School Modernization and Innovation Plan. Each school shall formulate its
5 own 5-year modernization plan which reflects the aspirations and goals of the
6 school based on the regional plan of action. The plan shall consist of an
7 assessment of the existing needs of the school as well as an inventory of
8 existing educational facilities, priority programs for the allocation of funds,
9 strategies to mobilize financial resources to augment regular budget and
10 strategies to manage the use of personnel, physical and fiscal resources. The
11 individual plans of the schools shall be submitted to the regional offices for
12 consolidation.

13 Sec. 9. *School Modernization and Innovation Trust Fund.* – A School
14 Modernization and Innovation Fund, hereinafter referred to as the Fund, is hereby
15 established, exclusively to augment the regular appropriations provided under
16 Section 7 of this Act to finance the priority programs for school modernization and
17 improvement of public elementary and secondary schools.

- 18 a) The government's contribution to the Fund shall be the following:

- 19 1. The amount of Fifteen Billion Pesos (P15,000,000,000.00) as seed
20 capital;
21 2. The equivalent of ten percent (10%) of the annual gross earnings of
22 the Philippine Amusement Gaming Corporation (PAGCOR);
23 3. The equivalent of 10% annual share on the total gross collections of
24 the travel tax;
25 4. The equivalent of 10 %of any additional increase annually in the fees
26 for vehicle registration;
27 5. The equivalent of 2% of the additional increase annually in revenue
28 collections;
29 6. The equivalent of 10% of the sales of the lotto operations of the
30 Philippine Charity Sweepstakes Offices (PCSO).

1 The fund shall have a private portion to be raised from donations and gifts
2 and other conveyances including materials, equipment, properties and services by
3 gratuitous title.

4 b) The fund shall be *distinct* and separate from the schools' regular allotment for
5 maintenance and other operating expenses (MOOE).

6 c) The Department shall be authorized to use the annual interest income of the
7 Trust Fund provided that the expenditures will be used directly for the
8 implementation of the modernization programs and not on the regular
9 programs of the Department: *Provided*, that 50% of the entire annual income
10 shall be retained in the Bureau of the Special Treasury.

11 Sec. 10. *Management and Administration of the Fund.* – The Fund shall be
12 administered by the Department of Education. For sound and judicious management
13 of the Fund, the Department shall appoint a reputable government financial
14 institution as portfolio manager of the Fund, subject to the following conditions:

15 As administrator of the Fund, the Department shall prepare the necessary
16 guidelines for its use, subject to the following conditions:

17 a) No part of the seed capital of the Fund, including earnings thereof shall be
18 used to underwrite overhead expenses of the administration;

19 b) Unless otherwise stipulated by the private donor, only earnings of private
20 contributions shall be used for administrative expenses;

21 c) The Department shall appoint and organize a separate staff that will be
22 independent administratively from the Department. It shall also enjoy fiscal
23 autonomy from the Department.

24 Sec. 11. *Assistance from Local Government Units.* – Each local government
25 unit (LGU) shall allocate at least 5% of their Special Education Fund to augment the
26 appropriations for the financing of programs in line with the thrusts of the school
27 modernization and innovation program.

28 Sec. 12. *Uses of the Fund.* – The School Modernization and Innovation Fund
29 shall be used to finance the following:

30 a) Projects, which have been approved and certified as priority by the National
31 Executive Committee and Regional Modernization Committees created under

1 Section 13 based on the guidelines and criteria formulated by the
2 Department;

3 b) In service training of the teachers in the area of computer literacy and
4 instructional communication technology;

5 c) Procurement of computer equipment including maintenance of computer,
6 laboratories, audio visual and multimedia facilities, and appropriate education
7 technology software; and

8 d) Procurement of science equipment for science laboratories in schools

9 Sec. 13. *Order of Priority in the Allocation of Funds.* – In order for the school
10 to be given priority in the allocation of funds from the School Modernization
11 Innovation Trust Fund, the following criteria should be met:

12 a) The programs, which will be funded, should be in line with the formulated
13 regional and school modernization plans;

14 b) The school should have mobilized additional 40% counterpart funding from
15 the local government unit, private corporations, foundations, business groups
16 or private individuals for every program which will be implemented.

17 c) The programs have been approved by either the Regional Modernization
18 Committee or the National Executive Committee, or both depending on the
19 funding required.

20 Sec. 14. *Selection Process.* – The individual schools nationwide are directed to
21 develop project proposals in line with the modernization thrusts of their region and
22 submit to their respective regional offices to determine its feasibility and contribution
23 to the overall thrusts of school modernization in the country.

24 A National Executive Modernization Committee shall be established. It shall be
25 headed by the Secretary of the Department of Education, the Undersecretary for
26 Programs and Directors of Elementary and Secondary Education and two
27 representatives from the private sector. It shall be in-charge in evaluating projects
28 with national application and coverage.

29 A Regional Modernization Committee headed by the Regional Director and
30 composed of three Division Superintendents and two Representatives from Parent
31 Teachers Association in the region shall be established to evaluate all project
32 proposals at the regional level. The Regional Modernization Committee shall have

1 the authority to approve and recommend release of funding for projects with a
2 funding requirement of up to One million pesos (P1,000,000.00).

3 However, the approved project proposals with a funding requirement of more
4 than One million pesos (P1,000,000.00) will be forwarded to the National Executive
5 Modernization Committee chaired by the Secretary of Department of Education or
6 his duly designated representative for final review and approval.

7 The Department shall promulgate guidelines for the selection of the project
8 proposals, which will be funded by the School Modernization and Innovation Fund.

9 *Sec. 15. Private Sector Participation.* – The members of the private sector are
10 hereby encouraged to provide technical and/or financial support to the schools as
11 they pursue their modernization plans. The private corporations, foundations,
12 business groups or individuals who shall provide support to modernization programs
13 shall be allowed to deduct from their gross income 100% of the expenses directly
14 used to finance the implementation of the program in the schools.

15 The schools which would be able to seek at least 40% counterpart funding
16 support from private corporations, foundations, business groups individuals as well
17 as local government in their respective local communities shall be given the priority
18 the provision of direct grants and funding from the School Improvement and
19 Innovation Fund particularly in programs which are mentioned in Section 9.

20 *Sec. 16. Implementing Rules and Regulations.* – The Secretary of Education
21 shall promulgate the implementing rules and regulations within (90) ninety days
22 after the approval of this Act.

23 *Sec. 17. Separability Clause.* – If any portion or provision of this Act is
24 subsequently declared invalid or unconstitutional, other provisions hereof which are
25 not affected thereby shall remain in full force and effect.

26 *Sec. 18. Repealing Clause.* – All other laws, acts, presidential decrees,
27 executive orders, presidential proclamations, issuances, rules and regulations, or
28 parts thereof which are contrary to or inconsistent with any of the provisions of this
29 Act are hereby repealed, amended, or modified accordingly.

30 *Sec. 19. Effectivity.* – This Act shall take effect fifteen (15) days after its
31 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,