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Senate Bill No. 521

INTRODUCED BY SEN. 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 an autonomous body corporate with more powers, functions, and privileges to ensure that its programs will be more innovative 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 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. The situation is attributed to the absence of the necessary support system, bureaucratic structures, and decades of centralism. Since its creation by virtue of Executive Order 262, reiterated by RA 6975, the LGA has maintained its status as an attached agency of 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 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 useless 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, and 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.

The early passage of this bill is therefore earnestly sought.


JINGGOY EJERCITO ESTRADA
Senator

- d) To contract any obligation, or enter into any agreement necessary or incidental 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 regulations 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 *enhancement and satisfaction.*
- f) Undertake a 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 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 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 Province, 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 (3) 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 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 positions 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 train 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 recommendation 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 Academy shall comprise of the following:

- 1) Funds from the government appropriations 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 of equipment / vehicle needed for its operations.

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 distinctions 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 of 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,