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REPUBLIC OF THE PHILIPPINES
First Regular Session

SENATE
OF THE SECRETARY

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SENATE

S. B. No. 915

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Introduced by SENATOR EDGARDO J. ANGARA

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. Based on preliminary report of Department of Education (DepEd), only 50% of the 4336 high schools nationwide have computer laboratories. But most of them need to be repaired or upgraded because after these computers have been delivered to schools, they have not been properly maintained. A computer laboratory consists of a minimum of 10 computers.

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.

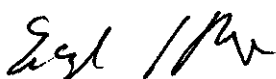
The School Modernization and Innovation bill aims to:

- 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. *C*

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.

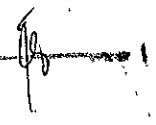
This is the opportune time for the government to seriously consider ways of increasing the share of budget devoted to computerization of schools, upgrading of libraries and science laboratories. Moreover the application of information technology in classroom instruction would increase efficiency in teaching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

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


EDGARDO J. ANGARA
Senator

SECRETARY
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SENATE
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Introduced by SENATOR EDGARDO J. ANGARA

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

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

1 **SECTION 1. *Title.*** - This Act shall be known as the “**School**
2 **Modernization and Innovation Act of 2007**”.

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

13
14 **SECTION 3. *Statement of Purpose.*** - This Act seeks to attain the
15 following objectives:

16 (a) To provide a broad framework for the institutionalization of a
17 comprehensive, and sustainable modernization program for the
18 public schools

19 (b) To encourage the schools to become more innovative and
20 resourceful in developing and implementing programs geared
21 towards modernization

22 (c) To develop mechanisms which will define the roles and
23 responsibilities of the officials from the regional, division down to

1 the school levels in the implementation of the school modernization
2 programs

3 (d) To provide mechanisms on how the private sector can participate in
4 the program

5 (e) To define a regional, division and school modernization and
6 innovation plan responsive to the needs of the students in the area.

7
8 **SECTION 4. *Implementing Agency.*** - The Department of Education,
9 hereinafter referred to as the "Department", shall be the main implementing
10 agency of the School Modernization and Innovation Act. The Secretary of
11 Education shall be responsible of ensuring the smooth implementation of the
12 modernization plan for schools.

13
14 **SECTION 5. *Components.*** - The School Modernization and
15 Innovation Program shall consist of the following:

16 (a) *Computerization of public elementary and high schools.* At least
17 one computer laboratory with a minimum of 10 computers shall be
18 established in every public high school nationwide. The Science
19 high schools in every region nationwide shall be given priority in
20 the allocation of funds for the computerization. After more than
21 50% of the public high schools have been computerized, the public
22 elementary schools shall start its own massive computerization
23 program.

24 (b) *Upgrading of Libraries in public elementary and secondary schools.*
25 A well-equipped library shall be established in every public
26 elementary and secondary high school. The library should be
27 provided with at least 2 computers which have Internet access to
28 assist the students in their research work.

29 (c) *Promotion of an integrated distance-learning program.* The
30 distance learning program aims to enable the students from local
31 and foreign private schools to share their knowledge and expertise
32 in the areas of Science and Technology, Mathematics, English and
33 Communication to students in public schools through modern
34 system of instructional and communication technology. It may
35 adopt an interactive system of instruction through television,
36 modern satellite communication or cable system whichever is

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

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

11
12 **SECTION 6. *Phased Implementation of the Program.*** - The
13 Department shall implement the program in phases to ensure continuity and
14 sustainability of the projects. The phases of implementation will be
15 determined according to the priorities set by the Department as well as the
16 absorptive capacity of the schools.

17
18 **SECTION 7. *Financing of the Program.*** The Department of Budget
19 and Management shall allocate 10% of the total appropriations of the annual
20 budget of DECS for the financing of the School Modernization and Innovation
21 Program.

22
23 **SECTION 8. *Formulation of School Modernization and***
24 ***Innovation Plan at School and Regional Level.***

- 25 (a) National Modernization and Innovation Plan. The Secretary of
26 Education in consultation with regional directors and schools
27 division superintendents shall develop a comprehensive and
28 sustainable modernization and innovation plan for public
29 elementary and secondary schools nationwide which will be
30 implemented within a period of 10 years. The plan shall be divided
31 into short, medium and long term period of implementation. It shall
32 take into account the rapid changes in the field of information
33 technology, communication and instructional delivery in various
34 part of the world. It shall also identify sources of funding both from
35 local and international financial institutions as well as the role of
36 private sector, local government units and other members of the

1 civil society. It shall likewise define the national standards and
2 framework, which will be adopted in developing the individual
3 plans.

4 (b) Regional Modernization and Innovation Plan. The Regional
5 Director in coordination with the Schools Division Superintendents
6 shall formulate a modernization framework consistent with
7 national standards which will serve as the basis for the plan taking
8 into consideration the specific needs, and requirements of the
9 region. The regional plan shall highlight the peculiarities and
10 unique needs of the various schools within its jurisdiction.

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

21
22 **SECTION 9. *School Modernization and Innovation Trust Fund.***

23 – A School Modernization and Innovation Fund, hereinafter referred to as the
24 Fund, is hereby established, exclusively to augment the regular
25 appropriations provided under Section 7 to finance the priority programs for
26 school modernization and improvement of public elementary and secondary
27 schools.

28 (a) The government's contribution to the Fund shall be the following:

- 29 1) The amount of Fifteen billion pesos (P15,000,000,000) as seed
30 capital;
- 31 2) The equivalent of twenty percent (20%) of the annual gross
32 earnings of the Philippine Amusement Gaming Corporation
33 (PAGCOR);
- 34 3) The equivalent of 10% annual share on the Total gross
35 collections of the travel tax;

- 1 4) The equivalent of 20 %of any additional increase annually in the
- 2 fees for vehicle registration;
- 3 5) The equivalent of 2% of the additional increase annually in
- 4 revenue collections;
- 5 6) The equivalent of 10% of the sales of the lotto operations of the
- 6 Philippine Charity Sweepstakes Offices.

7

8 The fund shall have a private portion to be raised from donations and

9 gifts and other conveyances including materials, equipment, properties and

10 services by gratuitous title.

11

12 (b) The fund shall be distinct and separate from the schools regular

13 allotment for maintenance and other operating expenses (MOOE).

14 (c) The Department shall be authorized to use the annual interest

15 income of the Trust Fund provided that the expenditures will be used

16 directly for the implementation of the modernization programs and not

17 on the regular programs of the Department. Provided further that 50%

18 of the entire annual income shall be retained in the Bureau of the

19 Special Treasury.

20

21 **SECTION 10. *Management and Administration of the Fund.*** -

22 The Fund shall be administered by the Department of Education. For sound

23 and judicious management of the Fund, the Commission shall appoint a

24 reputable government financial institution as portfolio manager of the Fund,

25 subject to the following conditions.

26 As administrator of the Fund, the Department shall prepare the

27 necessary guidelines for its use, subject to the following conditions:

28 (a) No part of the seed capital of the Fund, including earnings thereof

29 shall be used to underwrite overhead expenses of the

30 administration;

31 (b) Unless otherwise stipulated by the private donor, only earnings of

32 private contributions shall be used for administrative expenses;

33 (c) The Department shall appoint and organize a separate staff that

34 will be independent administratively from the Department. It shall

35 also enjoy fiscal autonomy from the Department.

36

1 **SECTION 11. *Mandatory Allocation.*** - Each local government unit
2 is hereby directed to allocate at least 5% of their Special Education Fund to
3 augment the appropriations for the financing of programs in line with the
4 thrusts of the school modernization and innovation program.

5
6 **SECTION 12. *Uses of the Fund.*** - The School Modernization and
7 Innovation Fund shall be used to finance the following:

8 (a) Projects, which have been approved and certified as priority by the
9 National Executive Committee and Regional Modernization
10 Committees created under Section 9 based on the guidelines and
11 criteria formulated by the Department.

12 (b) In service training of the teachers in the area of computer literacy
13 and instructional communication technology.

14 (c) Procurement of computer equipments including maintenance of
15 computer laboratories, audio visual and multimedia facilities, and
16 appropriate education technology softwares

17 (d) Procurement of science equipments for science laboratories in
18 schools

19
20 **SECTION 13. *Order of Priority in the allocation of funds.*** In
21 order for the school to be given priority in the allocation of funds from the
22 School Modernization Innovation Trust Fund, The following criteria should
23 be met:

24 (a) The programs, which will be funded, should be in line with the
25 formulated regional and school modernization plans.

26 (b) The school should have mobilized additional 40% counterpart
27 funding from either the local government unit, private corporations,
28 foundations, business groups or private individuals for every
29 program which will be implemented.

30 (c) The programs have been approved by either the Regional
31 Modernization Committee, and the National Executive Committee
32 or both depending on the funding required.

33
34 **SECTION 14. *Selection Process.*** - The individual schools nationwide
35 are directed to develop project proposals in line with the modernization
36 thrusts of their region and submit to their respective regional offices to

1 determine its feasibility and contribution to the overall thrusts of school
2 modernization in the country.

3 A National Executive Modernization Committee shall be established.
4 It shall be headed by the Secretary of the Department of Education, the
5 Undersecretary for Programs and Directors of Elementary and Secondary
6 Education and 2 representatives from the private sector. It shall be in-charge
7 in evaluating projects with national application and coverage.

8 A Regional Modernization Committee headed by the Regional Director
9 and composed of 3 Division Superintendents and 2 Representatives from
10 Parent Teachers Association in the region shall be established to evaluate all
11 project proposals at the regional level. The Regional Modernization
12 Committee shall have the authority to approve and recommend release of
13 funding for projects with a funding requirement of P500,000.00 and less.

14 However, the approved project proposals with a funding requirement of
15 more than P500,000.00 will be forwarded to the National Executive
16 Modernization Committee chaired by the Secretary of Department of
17 Education or his duly designated representative for final review and
18 approval.

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

22

23 **SECTION 15. *Private Sector Participation.*** - The members of the
24 private sector are hereby encouraged to provide technical and/or financial
25 support to the schools as they pursue their modernization plans. The private
26 corporations, foundations, business groups or individuals who shall provide
27 support to modernization programs shall be allowed to deduct from their
28 gross income 100% of the expenses directly used to finance the
29 implementation of the program in the schools.

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

36

1 **SECTION 16. *Implementing Rules and Regulations.*** - The
2 Secretary of Education shall promulgate the implementing rules and
3 regulations within (90) ninety days after the approval of this Act.
4

5 **SECTION 17. *Separability Clause.*** - If any portion or provision of
6 this Act shall be declared unconstitutional, such declaration shall not
7 invalidate other parts thereof, which shall remain in full force and effect.
8

9 **SECTION 18. *Repealing Clause.*** - All laws and rules and
10 regulations or parts thereof inconsistent with the provisions of this Act are
11 hereby repealed or modified accordingly.
12

13 **SECTION 19. *Effectivity.*** - This Act shall take effect fifteen (15) days
14 following the publication in at least two (2) newspapers of general circulation.
15

16 *Approved,*