FIFTEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES

First Regular Session



SENATE

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S. B. No. 153

Introduced by Senator Ralph G. Recto

Explanatory Note

The central role of education in human development is enshrined in the Constitution which affirms that the Sate shall promote quality education at all levels and shall take appropriate steps to make such education accessible to all Filipino citizens.

The goal to establish and support a complete, adequate, and integrated system of education is however hampered by an appropriations program that is never enough to cover our yearly educational funding requirements.

This bill proposes to allocate ten percent (10%) of the annual VAT collections to support preschool education, address the classroom shortage in the elementary and secondary levels, and provide scholarship grants to technical education and skills development, and to qualified indigent students enrolled in science and engineering courses.

In the Philippines, preschool education is optional since not everyone can afford it. By allocating funds for the establishment of preschool buildings/classrooms and granting funding support to Government Assistance to Students and Teachers in Private Education (GASTPE) Program for preschool education, the government will address the importance of strengthening early childhood care and development that would equip the children for formal schooling. Support for preschool education enhances competitiveness of the quality of education and improves students' chances of finishing college.

Allocating VAT proceeds for the construction, replacement, rehabilitation and repair of elementary and secondary buildings and classrooms will help address the need to build 50,000 additional classrooms, in order to improve our current classroom-student ratio of 1:45, which is below the international standard of 1:35. More funding support is allocated for secondary education than elementary education because there are lesser secondary schools than elementary schools.

Providing scholarship grants to underprivileged students enrolled in science and engineering courses will not only address our declining tertiary gross enrollment ratio but will also improve the percentage of tertiary graduates in science which as of 2006 is only 10.2% of total graduates.

In order to increase the budgetary support to pre-school education, elementary and secondary school buildings, technical skills and development, and tertiary scholarship to nurture the well being of our youth, immediate passage of this bill is earnestly sought.

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FIFTEENTH CONGRESS OF THE REPUBLIC **OF THE PHILIPPINES**

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s. BILL NO. 153

Introduced by Senator Ralph G. Recto

AN ACT

ALLOCATING TEN PERCENT (10%) OF ANNUAL VALUE-ADDED TAX COLLECTIONS TO FINANCE THE "EDUCATION FOR ALL INITIATIVES", AMENDING FOR THE PURPOSE THE NATIONAL INTERNAL REVENUE CODE OF 1997, AS AMENDED

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

1	SECTION 1. A new section, to be numbered two hundred eighty-seven, shall be added to
2	Chapter II, Title XI of the National Internal Revenue Code, as amended to read as follows:
3	
4	"SEC. 287. DISPOSITION OF PROCEEDS OF VALUE-ADDED TAX TEN
5	PERCENT (10%) OF THE VALUE-ADDED TAX COLLECTED UNDER TITLE IV OF THIS ACT,
6	AS AMENDED, SHALL BE ALLOCATED TO THE FOLLOWING EDUCATION EXPENDITURES
7	IN THE FOLLOWING PROPORTIONS:
8	
9	1.) THIRTY PERCENT (30%) SHALL BE ALLOCATED FOR THE CONSTRUCTION OF
10	BUILDINGS, CLASSROOMS, LIBRARIES, WORKSHOPS, TOILETS AND OTHER
11	STRUCTURES FOR PRESCHOOL EDUCATION, TO BE ADMINISTERED BY THE
12	DEPARTMENT OF EDUCATION (DEPED);
13	2.) TEN PERCENT (10%) SHALL BE ALLOCATED TO FUND THE GOVERNMENT
14	ASSISTANCE TO STUDENTS AND TEACHERS IN PRIVATE EDUCATION (GASTPE)
15	PROGRAM FOR PRESCHOOL EDUCATION, TO BE ADMINISTERED BY THE
16	DEPARTMENT OF EDUCATION (DEPED);
17	3.) TEN PERCENT (10%) SHALL BE ALLOCATED FOR ELEMENTARY
18	EDUCATION FOR THE ACQUISITION AND IMPROVEMENT OF SITES; THE
19	CONSTRUCTION, REPLACEMENT, REHABILITATION AND REPAIR OF
20	BUILDINGS, CLASSROOMS, LIBRARIES, WORKSHOPS, TOILETS AND OTHER
21	STRUCTURES, TO BE ADMINISTERED BY THE DEPARTMENT OF EDUCATION
22	(DEPED);
23	4.) THIRTY PERCENT (30%) SHALL BE ALLOCATED FOR SECONDARY EDUCATION
24	FOR THE ACQUISITION AND IMPROVEMENT OF SITES; THE CONSTRUCTION,
25	REPLACEMENT, REHABILITATION AND REPAIR OF BUILDINGS, CLASSROOMS,

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1	LIBRARIES, WORKSHOPS, TOILETS AND OTHER STRUCTURES, TO BE
2	ADMINISTERED BY THE DEPARTMENT OF EDUCATION (DEPED);
3	5.) TEN PERCENT (10%) SHALL BE ALLOCATED FOR SCHOLARSHIP GRANTS FOR
4	TECHNICAL EDUCATION AND SKILLS DEVELOPMENT IN THE DIFFERENT
5	REGIONS, AS PROVIDED FOR IN SECTION 32 OF REPUBLIC ACT 7796, TO BE
6	ADMINISTERED BY THE TECHNICAL EDUCATION AND SKILLS DEVELOPMENT
7	AUTHORITY (TESDA);
8	6.) TEN PERCENT (10%) SHALL BE ALLOCATED FOR SCHOLARSHIP GRANTS FOR
9	QUALIFIED INDIGENT STUDENTS ENROLLED IN SCIENCE AND ENGINEERING
10	COURSES TO BE ADMINISTERED BY THE COMMISSION ON HIGHER
11	EDUCATION (CHED).
12	
13	ASIDE FROM THE ABOVE ITEMS OF EXPENSES, AT NO TIME SHALL ANY PORTION
14	OF THE EARMARKED FUNDS BE USED TO AUGMENT PERSONAL SERVICES AND OTHER
15	MAINTENANCE AND OTHER OPERATING EXPENSES, EXCEPT BOOKS.
16	
17	SEC. 2. The succeeding Sections of the National Internal Revenue Code are hereby renumbered
18	accordingly.
19	
20	SEC. 3. Coverage of this Act The allocation of value-added tax revenues shall commence in
21	the fiscal year within which this Act shall take effect.
22	
23	SEC. 4. Separability Clause If any part or provision of this Act shall be held to be
24	unconstitutional or invalid, other parts or provisions hereof which are not affected thereby shall continue
25	to be in full force and effect.
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27	SEC. 5. Repealing Clause All laws, decrees, executive orders, rules and regulations, or parts
28	thereof which are inconsistent with this Act are hereby repealed, amended or modified accordingly.
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30	SEC. 6. Effectivity This Act shall take effect upon its approval.

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Approved,

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