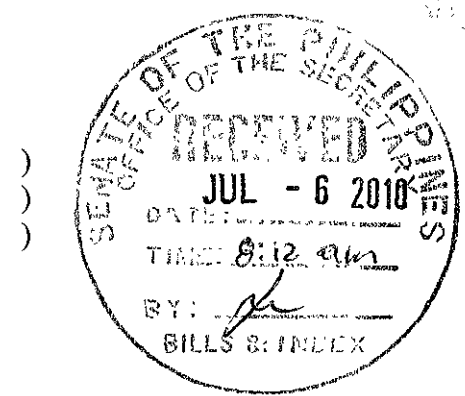


**FIFTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES**
First Regular Session



SENATE

S. B. No. 157

Introduced by **Sen Ralph G Recto**

Explanatory Note

Education plays a crucial role in the country's economic growth and prosperity. Providing quality education is a step forward in preparing our young to compete in a global economy that is driven by knowledge and new technologies.

This bill seeks to amend Republic Act No. 7880, also known as the "Fair and Equitable Access to Education Act," for the purpose of eliminating the recurring problem of classroom shortage in the country, as well as rationalizing the construction, rehabilitation, replacement, completion, and repair of needed school buildings and classrooms.

The enactment of R.A. No. 7880 was aimed at the realization of the mandate under Article XIV, Section 2(1) of the Constitution that the State shall "establish, maintain, and support a complete, adequate, and integrated system of education relevant to the needs of the people and society." The Philippine Constitution likewise has emphasized that budget priority shall be given to education.

However, the annual appropriation for school building program has not been adequate to bridge the gaps in classroom requirements. For 2010, the DEPED has reported a classroom shortage of 50,000, which number will certainly hamper the attainment of the education sector goals if the problem is left unresolved. The present state of our educational system demands urgent measures to address the problems and issues in the provision of adequate access to quality education to the Filipino youth.

As provided under R.A. No. 7880, 50% of the total capital outlay for the Department of Education (DepEd) is allocated *pro rata* to legislative districts according to student population, while only 40% is allocated to those with classroom shortages. The thrust of this bill is to shift priority, to areas with scarcity of classrooms by increasing the resource allocation for classroom shortages from 40% to 70% of the total capital outlay, while reducing the allocation for capital outlay according to student population from 50% to 20%. This is coupled with the proposed annual increase in the budget by twenty percent (20 %) to eradicate classroom shortage.

The present formula no longer responds to the existing school building/classroom statistics. A number of legislative districts are allocated more than their classroom requirement because of the priority given to the *pro rata* sharing based on student enrolment without consideration for existing classrooms while other districts with more critical classroom shortage do not get their fair share of classroom allocation.

There is likewise a need to correct the current practice whereby the Department of Public Works and Highways (DPWH) implements and administers the school building

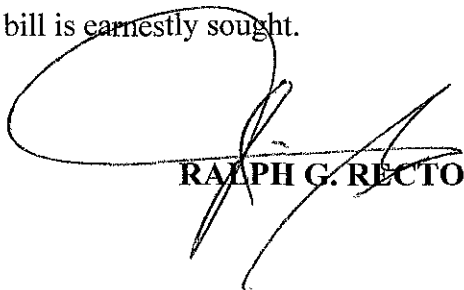
program of the DepEd. According to comparative cost estimates, DPWH's construction cost of a classroom is higher compared to that of DepEd primarily due to DPWH's high indirect cost. The DepEd has proven its capability to undertake school building projects. In a joint monitoring of school building projects conducted by the World Bank, DepEd, DPWH, and G-Watch, it was found that DepEd-led school building program implementation yielded better results than the one administered by DPWH. The implementation and administration of the school building program should therefore be gradually turned over to DepEd, or to the local government unit concerned as may be authorized by DepEd.

The bill also provides that the obligational authority whether Special Allotment Release Order (SARO) or its equivalent and the corresponding fifteen percent (15%) cash allocation shall be released not later than January 31 of the pertinent fiscal year. The agency, on the other hand, is compelled to complete the bidding and awarding process within sixty (60) days upon receipt of said fund release documents.

The bill also directs the creation of a National School Building Committee composed of the DepEd and the Department of Budget and Management (DBM) that will be tasked to draw the Annual School Building Expenditure Program.

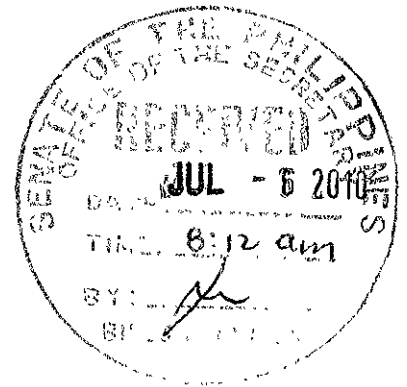
With a more meaningful rationalization of the school building program through these amendments, the DepEd is expected to be better equipped to respond to the classroom shortage and provide education that will prepare our children for a better future.

Hence, the immediate approval of this bill is earnestly sought.



RALPH G. RECTO

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SENATE
S. B. No. 157

Introduced by Sen Ralph G Recto

AN ACT
AMENDING REPUBLIC ACT NO. 7880. OTHERWISE KNOWN AS "AN ACT
PROVIDING FOR THE FAIR AND EQUITABLE ALLOCATION OF THE
DEPARTMENT OF EDUCATION, CULTURE AND SPORTS' BUDGET FOR
CAPITAL OUTLAY"

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

1 **SECTION 1.** Republic Act No. 7880 is hereby amended, and the subsequent
2 sections thereby renumbered, by inserting a new Section 3, to read as follows:
3

4 "SEC. 3. COVERAGE. - THE PROVISIONS OF THIS ACT SHALL
5 COVER ALL CAPITAL OUTLAY APPROPRIATIONS FOR THE
6 DEPARTMENT OF EDUCATION (DEPED) INCLUDING, BUT NOT
7 LIMITED TO, THE FUNDS APPROPRIATED FOR THE SCHOOL
8 BUILDING PROGRAM AND LOCALLY-FUNDED PROJECTS OF THE
9 DEPARTMENT OF EDUCATION."
10

11 **SEC. 2.** Section 3 of the same Act is hereby amended to read as follows:
12

13 "SEC. [3] 4. Definition of Terms. -As used in this Act, the following terms are
14 hereby defined as follows:
15

- 16 a) Capital Outlay -refers to the provisions of the General Appropriations Act,
17 particularly those pertaining to the budget of the [DECS] DEPED for
18 elementary and secondary education for (i) the acquisition and improvement
19 of sites; (ii) the construction, replacement, rehabilitation and repair of
20 buildings, classrooms, libraries, workshops, toilets AND SANITATION
21 FACILITIES and other structures; and (iii) [furniture, fixtures, and equipment
22 such as, but not limited to, desks, chairs, laboratory and workshop
23 implements, computers, books,] OTHER PROPERTY, PLANT AND
24 EQUIPMENT IN ACCORDANCE WITH THE CURRENT GOVERNMENT
25 ACCOUNTING STANDARDS PRESCRIBED BY THE COMMISSION ON
26 AUDIT, SUCH AS FURNITURE, FIXTURES, EQUIPMENT,
27 COMPUTERS, and the other basic and essential tools for learning whose
28 beneficial use shall exceed one (1) year; [and]
29
- 30 b) *CLASSROOM* – REFERS TO A STRUCTURE/BUILDING INTENDED
31 FOR INSTRUCTIONAL PURPOSES, INCLUDING CHAIRS, DESKS AND
32 OTHER SIMILAR FIXTURES; AND
33
- 34 c) *Classroom Shortage* -refers to the number of classrooms whose construction, in
35 considering the number of students divided by the existing number of

1 classrooms, shall result in a student-classroom of [45:1] 40:1; classrooms,
2 UNDER THIS DEFINITION, shall mean those exclusively used for
3 instructional purposes and shall exclude offices libraries, laboratories,
4 workshops and the like."
5

6 **SEC 3.** Section 4 of the same Act is hereby amended to read as follows:
7

8 "SEC. [4] 5. Allocation of Appropriation. -Notwithstanding any provision of the
9 law to the contrary, the annual [DECS] DEPED budget for capital outlay, as defined in
10 Section [3] 4(a), shall be allocated among the legislative districts in the following
11 manner:
12

13 [(a) On the first year of the effectivity of this Act:
14

15 (1) thirty percent (30%) of the total capital outlay to be allocated pro-rata according
16 to each legislative district's student population in relation to the total student
17 population of the country;
18

19 (2) sixty percent (60%) of the total capital outlay to be allocated only among those
20 legislative districts with classroom shortages as defined in Section 3 (b), pro-rata to
21 the total classroom shortage of the country pursuant to Section 3 (b) as determined
22 by the DECS; and
23

24 (3) ten percent (10%) to be allocated in accordance with the implementation of the
25 policy of this Act as may be determined by the DECS.
26

27 (b) On the second year and every year thereafter:
28

29 (1) fifty percent (50%) of the total capital outlay to be allocated pro-rata according
30 to each legislative district's student population in relation to the total student
31 population of the country;
32

33 (2) forty percent (40%) of the total capital outlay to be allocated only among those
34 legislative districts with classroom shortages, as defined in Section 3 (b), pro-rata to
35 the total classroom shortage of the country pursuant to Section 3(b) as determined
36 by the DECS; and
37

38 (3) ten percent (10%) to be allocated in accordance with the implementation of the
39 policy of this Act as may be determined by the DECS].
40

41 (a) TWENTY PERCENT (20%) OF THE TOTAL CAPITAL OUTLAY TO BE
42 ALLOCATED PRO-RATA ACCORDING TO THE STUDENT POPULATION OF
43 EACH LEGISLATIVE DISTRICT IN RELATION TO THE TOTAL STUDENT
44 POPULATION OF THE COUNTRY;
45

46 (b) SEVENTY PERCENT (70%) OF THE TOTAL CAPITAL OUTLAY TO BE
47 ALLOCATED ONLY AMONG THOSE LEGISLATIVE DISTRICTS WITH
48 CLASSROOM SHORTAGES, PRO RATA TO THE TOTAL CLASSROOM
49 SHORTAGE OF THE COUNTRY PURSUANT TO SECTION 4(c) AS DETERMINED
50 BY THE DEPED; AND
51

52 (c) TEN PERCENT (10%) TO BE ALLOCATED TO NATIONAL HIGH SCHOOLS IN
53 ACCORDANCE WITH THE IMPLEMENTATION OF THE POLICY OF THIS ACT
54 AS MAY BE DETERMINED BY DEPED."
55
56
57

1 **SEC. 4.** Section 5 of the same Act is hereby amended to read as follows:
2

3 "SEC. [5] 6. *Use of Allocation.* The total amount allocated herein shall be used
4 exclusively for capital outlay pursuant to the educational priorities of the legislative
5 district, as determined by the [DECS] DEPED upon prior consultation with the
6 representative of each legislative district: Provided, That the primary objective in the use
7 of any allocation shall be to eliminate SCHOOLBUILDING/classroom shortages if any:
8 PROVIDED HOWEVER. THAT FOR EVERY SCHOOLBUILDING/CLASSROOM
9 CONSTRUCTED, THE APPROPRIATE NUMBER OF TOILETS AND/OR
10 SANITATION FACILITIES SHALL ALSO BE CONSTRUCTED IN ACCORDANCE
11 WITH THE SCHOOL SANITATION AND HEALTH SERVICES CHAPTER OF THE
12 CODE ON SANITATION OF THE PHILIPPINES (CHAPTER VI, P.D. 856): Provided,
13 further, That any amounts allocated in accordance with [subparagraph (1) of paragraphs
14 (a) and (b)] PARAGRAPH (a) of the preceding section shall be used only for the
15 acquisition or improvement of school sites, construction of school buildings and
16 classrooms and the purchase of material or equipment that directly aid in education:
17 Provided, furthermore, That the amount so appropriated in accordance with
18 [subparagraph (2) of paragraphs (a) and (b)] PARAGRAPH (b) of the same section shall
19 be used exclusively for the construction of new school buildings AND/OR
20 CLASSROOMS: Provided. finally, That if the amount so appropriated in [subparagraph
21 (2) of paragraphs (a) and (b)] PARAGRAPH (b) should exceed the amount required to
22 meet classroom shortage. the excess shall be integrated with [subparagraph (1) of
23 paragraphs (a) and (b)] PARAGRAPH (a) of the same section excluding capital outlays
24 of division offices, regional and central offices.
25

26 **SEC. 5.** Before Section 6 of Republic Act 7880, insert two (2) new sections to
27 read as follows:
28

29 "SEC.7. *INCREASE IN THE ANNUAL BUDGET ALLOCATION - THE*
30 *BUDGET ALLOCATION PROVIDED FOR THE CAPITAL OUTLAY OF THE*
31 *DEPED UNDER THE GENERAL APPROPRIATIONS ACT SHALL BE*
32 *INCREASED ANNUALLY BY TWENTY PERCENT (20%) TO ACHIEVE*
33 *THE TARGETED CLASSROOM-STUDENT RATIO AND TO DECREASE*
34 *CLASSROOM SHORTAGE IN THE COUNTRY.*
35

36 **SEC. 8. *REPORTORIAL REQUIREMENT.***-THE DEPARTMENT OF
37 BUDGET AND MANAGEMENT (DBM), THE DEPARTMENT OF PUBLIC
38 WORKS AND HIGHWAYS (DPWH), AND THE DEPARTMENT OF
39 EDUCATION (DEPED) ARE REQUIRED TO SUBMIT TO THE
40 RESPECTIVE COMMITTEES ON EDUCATION OF BOTH HOUSES OF
41 CONGRESS AN ANNUAL REPORT ON THE RELEASE AND UTILIZATION
42 OF THE CAPITAL OUTLAY UNDER THIS ACT: PROVIDED, THAT SUCH
43 SUBMISSION SHALL BE SEPARATE AND DISTINCT FROM THE
44 REPORTS SAID DEPARTMENTS SUBMIT TO CONGRESS IN RELATION
45 TO THE DELIBERATIONS ON THE GENERAL APPROPRIATIONS BILL."
46

47 Sections 6 and 7 of Republic Act 7880 are hereby renumbered as Sections 9 and
48 10 respectively.
49

50 **SEC. 6.** Section 8 of the same Act is hereby amended and accordingly
51 renumbered to read as follows:
52

53 "SEC. [8] 11. Penal Clause. ANY VIOLATION OF THE PROVISIONS
54 OF THIS ACT SHALL BE CONSIDERED AS DERELICTION OF DUTY AS
55 SET FORTH IN PERTINENT ADMINISTRATIVE AND CIVIL SERVICE
56 LAWS, AND SHALL BE ADMINISTRATIVELY DEALT WITH IN

1 ACCORDANCE WITH APPROPRIATE EXISTING ADMINISTRATIVE
2 PROCEDURES AND PENALTIES.

3
4 Any public official or employee or private individual who willfully or
5 knowingly misappropriates the funds allocated herein or uses the same for
6 personal gain in violation of Section [5] 6 of this Act shall be punished with
7 perpetual disqualification from public office and imprisonment for not less than
8 six (6) years but not more than fifteen (15) years.

9
10 SEC. 7. Section 9 of the same Act is hereby amended and accordingly
11 renumbered to read as follows:

12
13 "SEC. [9] 12. Release of Capital Outlays. The appropriation herein
14 provided for the construction, rehabilitation, replacement, completion and repair
15 of school buildings shall be [directly released to and administered by the
16 Department of Public Works and Highways based on the work program submitted
17 by the DECS: Provided, That fifty percent (50%) of the total appropriation for
18 capital outlay shall be released automatically on the first quarter of the calendar
19 year, including its corresponding notice of cash allocation.] RELEASED IN THE
20 FOLLOWING MANNER:

21
22 1. ON THE FIRST YEAR OF THE EFFECTIVITY OF THIS ACT:

23
24 A. FIFTY PERCENT (50%) OF THE FUND FOR THE SCHOOL
25 BUILDING PROGRAM SHALL BE DIRECTLY RELEASED TO
26 AND ADMINISTERED BY THE DEPED OR THE LOCAL
27 GOVERNMENT UNIT AS MAY BE AUTHORIZED BY THE
28 DEPED.

29
30 B. FIFTY PERCENT (50%) OF THE FUND FOR THE SCHOOL
31 BUILDING PROGRAM SHALL BE DIRECTLY RELEASED TO
32 AND ADMINISTERED BY THE DEPARTMENT OF PUBLIC
33 WORKS AND HIGHWAYS (DPWH) BASED ON THE WORK
34 PROGRAM SUBMITTED BY THE DEPED.

35
36 2. ON THE SECOND YEAR OF THE EFFECTIVITY OF THIS ACT:

37
38 A. SEVENTY PERCENT (70%) OF THE FUND FOR THE
39 SCHOOLBUILDING PROGRAM SHALL BE DIRECTLY
40 RELEASED TO AND ADMINISTERED BY THE DEPED OR THE
41 LOCAL GOVERNMENT UNIT AS MAY BE AUTHORIZED BY
42 THE DEPED.

43
44 B. THIRTY PERCENT (30%) OF THE FUND FOR THE
45 SCHOOLBUILDING PROGRAM SHALL BE DIRECTLY
46 RELEASED TO AND ADMINISTERED BY THE DPWH BASED ON
47 THE WORK PROGRAM SUBMITTED BY THE DEPED.

48
49 3. ON THE THIRD YEAR AND EVERY YEAR THEREAFTER, THE FUND
50 FOR SCHOOLBUILDING PROGRAM SHALL BE DIRECTLY RELEASED
51 TO AND ADMINISTERED BY THE DEPED OR THE LOCAL
52 GOVERNMENT UNIT AS MAY BE AUTHORIZED BY THE DEPED.

53
54 PROVIDED, THAT A NATIONAL SCHOOL BUILDING COMMITTEE
55 SHALL BE FORMED COMPOSED OF THE DBM AND THE DEPED TO
56 PREPARE A SCHOOL BUILDING EXPENDITURE PROGRAM THAT WILL
57 BE IMPLEMENTED IN THE IMMEDIATELY SUCCEEDING YEAR. THE

1 PROGRAM SHALL INCLUDE AMONG OTHERS, A LIST OF SCHOOL
2 BUILDING/CLASSROOM TO BE FUNDED FROM THE BUDGET OF THE
3 SUCCEEDING YEAR. THE PROGRAM SHALL BE APPROVED BY BOTH
4 THE SECRETARIES OF THE DBM AND THE DEPED ON OR BEFORE
5 DECEMBER 31 OF EVERY EYAR.

6
7 PROVIDED FURTHER, THAT THE DBM SHALL ISSUE THE
8 OBLIGATIONAL AUTHORITY FOR THE PROJECTS INCLUDED IN THE
9 LIST, TOGETHER WITH THE INITIAL RELEASE OF CASH ALLOCATION
10 CORRESPONDING TO FIFTEEN PERCENT (15%) OF EACH TOTAL
11 PROJECT COST, ON OR BEFORE JANUARY 31 OF THE PERTINENT
12 FISCAL YEAR.

13
14 PROVIDED FURTHERMORE, THAT THE BIDDING AND THE AWARDED
15 PROCESS FOR THE SAID PROJECTS SHALL BE COMPLETED WITHIN
16 SIXTY (60) DAYS AFTER THE AGENCY RECEIPT OF THE
17 OBLIGATIONAL AUTHORITY WHETHER A SPECIAL ALLOTMENT
18 RELEASE ORDER (SARO) OR ITS EQUIVALENT.

19
20 PROVIDED FINALLY, THAT THE CASH REQUIREMENT
21 CORRESPONDING TO THE BALANCE NET OF THE INITIAL RELEASE
22 OF FIFTEEN (15) PERCENT SHALL, IN THE CASE OF THE DEPED, BE
23 CHARGEABLE AGAINST THEIR COMMON FUND WHILE IN THE CASE
24 OF THE LOCAL GOVERNMENT UNITS, SHALL BE RELEASED WITHIN
25 THIRTY DAYS AFTER THE AWARDED OF THE PROJECT.

26
27 FAILURE TO COMPLY WITH ANY OF THE PROVISIONS OF THIS
28 SECTION SHALL RENDER THE HEAD OF AGENCY AND/OR THE
29 PERSONNEL CONCERNED LIABLE UNDER THE PENAL PROVISIONS OF
30 THIS ACT.

31
32 **SEC. 8.** Another new Section is hereby added to RA 7880 to read as follows:

33
34 "SEC. 13. MISCELLANEOUS PROVISIONS. ALL REFERENCES TO THE
35 "DEPARTMENT OF EDUCATION, CULTURE AND SPORTS" IN REPUBLIC ACT
36 7880 ARE ACCORDINGLY AMENDED TO READ "DEPARTMENT OF
37 EDUCATION (DEPED)."

38 THE OTHER SECTIONS IN RA 7880 AFFECTED BY THE PRECEDING
39 SECTIONS ARE HEREBY RENUMBERED ACCORDINGLY.

40
41 **SEC. 9.** Repealing Clause. -All laws, decrees, orders, rules and regulations, and
42 all other issuances or parts thereof, which are inconsistent with this Act are deemed
43 repealed or modified accordingly.

44
45 **SEC. 10.** Separability Clause. - The provisions of this Act are hereby declared to
46 be separable and, in the event any provision is declared unconstitutional, the other
47 provisions which are not affected thereby shall remain in full force and effect.

48
49 **SEC. 11.** Effectivity. -This Act shall take effect fifteen (15) days following its
50 publication in a newspaper of general circulation in the Philippines.

51
52 APPROVED,
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