

SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



Senate
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'15 JUL 21 AM 16

SENATE

S. B. NO. 2861

RECEIVED BY: 

Introduced by SENATOR LOREN LEGARDA

AN ACT
ESTABLISHING A LEGACY FUND TO SUPPORT, IMPROVE AND SUSTAIN
HIGHER EDUCATION INSTITUTIONS DURING THE TRANSITION
PERIOD OF THE ENHANCED BASIC EDUCATION ACT OF 2013,
APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES

Republic Act 10533 or the Enhanced Basic Education Act of 2013 is a landmark law reforming the country's basic education sector, aligning the country's previous 10-year basic education cycle to the global standards set by European Union under the Bologna Process and the Washington Accord set by the United States which both call for 12-year pre-university cycle. However, the law's implementation has raised fears that there will be massive displacement of educators and higher education institutions (HEIs) once the first batch of students enter grade 11 in 2016 and grade 12 for 2017. Based on the data provided by the Commission on Higher Education, around 38,071 teaching staff and 14,351 non-teaching staff will be displaced over the next five years beginning 2016.

Instead of postponing the implementation of this important education reform which will have long-term impact on developing the country's human capital, there is a clear need for government to manage this transition period and minimize its impact on both the teaching and non-teaching staff and the HEIs concerned which this proposed measure seeks to address thru a Legacy Fund.

With an initial capital of P12 billion, the Legacy Fund will be managed by the CHED in close coordination with the DepEd and the Technical Education and Skills Development Authority and shall be used to provide financial assistance to academic and non-academic personnel and HEIs that will be affected by the adoption of RA 10533. Moreover, it also provides for income support to the affected teaching and non-teaching staff.

Given the importance of this measure in managing the impact of the RA 10533's implementation, passage of the foregoing is earnestly requested.



LOREN LEGARDA
Senator

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OF THE ENHANCED BASIC EDUCATION ACT OF 2013, APPROPRIATING
FUNDS THEREFOR, AND FOR OTHER PURPOSES**

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

1 **SECTION 1. Short Title** - This Act shall be known as the "Legacy Fund
2 Act of 2015."

3 **SEC. 2. Declaration of Policy.** - The state policy of enhancing the
4 country's basic education in order to align it with current modern global
5 standards has been promulgated in 2013 through Republic Act 10533. Such
6 national mandate is in full accord with the constitutional provision that the
7 State shall establish, maintain and support a complete, adequate and
8 integrated system of the education relevant to the needs of the people and
9 society.

10 This Act intends to advance the constitutional objective by easing and
11 smoothly facilitating the transition period to the full and ultimate
12 implementation of RA 10533. By doing so, the Philippines is enabled to
13 ensure its competitiveness and to respond to the increasing demand for
14 skilled and professional manpower of our fast growing economy

15 **SEC. 3. Definition of Terms** - The terms used in this Act are defined as
16 follows:

1 **(a) Transition period** refers to the period starting September 2013 to the end
2 of School Year 2021-2022, as provided in the Implementing Rules and
3 Regulations of RA 10533 or the Enhanced Basic Education Act of 2013.

4 **(b) Personnel** refers to a person, singly or collectively, working in a higher
5 education institution, as defined in the Manual of Regulations for Private
6 Higher Education (MORPHE) or in technical-vocational schools as defined
7 under existing rules and regulations of the Technical Skills and
8 Development Authority (TESDA):

9 *a. Academic Personnel* – refers to those who are formally engaged in
10 teaching or in research, either on full-time or part-time basis.

11 *i. Full-time faculty or academic personnel* - refers to one who
12 meets all the following requirements:

13 1. Possesses at least the minimum academic qualifications
14 prescribed under the MORPHE for all academic personnel
15 without prejudice to the full-time status acquired prior to the
16 issuance of the DOLE-DECS-CHED-TESDA Order No. 1, dated
17 February 7, 1996;

18 2. Paid monthly or hourly, based on the regular teaching loads as
19 provided for in the policies, rules and standards of the
20 Commission on Higher Education (CHED) and the HEI;

21 3. Devotes not less than eight (8) hours of work a day to the HEI;

22 4. Has no other remunerative occupation elsewhere requiring
23 regular hours of work, except when permitted by the HEI; and

24 5. Is not teaching full-time in any HEI

25 *ii. Part time faculty or academic personnel* – refers to faculty or
26 academic personnel who do not meet the qualifications for full-
27 time faculty or academic personnel.

- 1 **b. Academic Support Personnel** -- refers to those who perform certain
2 prescribed academic functions directly supportive of teaching, such
3 as registrars, librarians, guidance counselors, researchers, and other
4 persons performing similar functions, including institution officials
5 responsible for academic matters and affairs.
- 6 **c. Non-Academic Personnel** refers to the rank-and-file employees of
7 the institution engaged in administrative functions and maintenance.
- 8 **(c) Displacement** refers to the laying off of employees due to retrenchment,
9 end of probationary period, or expiration of the contract of employment;
- 10 **(d) Enhanced Basic Education Program** refers to at least one (1) year of
11 kindergarten schooling, six (6) years of primary and six (6) years of
12 secondary education in that sequence. Secondary education refers to four
13 (4) years of junior high school and two (2) years of senior high school (SHS)
14 education;
- 15 **(e) Higher education** refers to post secondary education offering
16 baccalaureate, graduate or post-graduate programs;
- 17 **(f) Higher education degree programs** refer to specific courses of study
18 leading to a bachelor's, master's, or doctoral degree;
- 19 **(g) Higher education institutions (HEI)** refers to an educational institution,
20 private or public, offering higher education programs with an organized
21 group of students, receiving instructions from several faculties, located in a
22 building or complex of buildings in a particular site, specifically intended
23 for educational purposes.
- 24 **(h) Post-secondary school** refers to an institution that offers non-degree
25 technical-vocational programs, which require the possession of a high
26 school diploma for admission, and which are accredited by TESDA;
- 27 **(i) Technical-vocational programs** refers to post-secondary certificate
28 courses, officially recognized as non-degree programs aimed at preparing

1 technicians paraprofessionals and other categories of middle-level workers
2 by providing them with a broad range of general education, theoretical,
3 scientific and technological studies and related job skills training; and

4 **(j) Tertiary education** refers to post secondary technical/vocational
5 education and training, as well as higher education programs.

6 **SEC. 4. Legacy Fund** – The Legacy Fund is hereby established to
7 provide, during the transition period, financial assistance to academic,
8 academic support, and non-academic personnel, as well as tertiary education
9 institutions, directly and adversely affected as a consequence of the
10 mandatory adoption and implementation of Enhanced Basic Education Act.

11 It shall be used for the following specific purposes:

12 (1) To provide academic, academic support, and non-academic
13 personnel with grants and scholarships to upgrade their
14 qualifications through masteral, doctoral or post-doctoral studies,
15 research, or further practical training. This includes similar grants of
16 scholarship to attract new teachers and researchers from among
17 their ranks to the higher education sector;

18 (2) To invest in the development of innovative and relevant curricula,
19 learning and teaching systems, and new processes and equipment
20 related to the Enhanced Basic Education Program and such best
21 practices at the tertiary education level;

22 (3) To provide income support to academic, academic support and non-
23 academic personnel who will be displaced from employment due to
24 the multi-year low enrolment during said transition; and

25 (4) To provide financial augmentation to academic, academic support
26 and non-academic personnel who may not have been displaced from
27 employment, but whose salary or wage is reduced due to the multi-
28 year low enrolment during said transition.

1 The above package shall be made available every school year beginning
2 June 2016, the commencement of full scale implementation of SHS in the
3 country, until School Year 2021-2022, the completion of the transition period
4 of RA10533.

5 **SEC. 5. Grants for Academic Personnel.** – A portion of the Legacy
6 Fund shall be set apart for current and incoming academic and academic
7 support personnel, for, but not limited to:

8 (a) Scholarship for Graduate Studies

9 (b) Research Grants

10 (c) Practice Fellowships

11 Recipients of said grants shall execute a return service contract in
12 which they:

13 (a) Agree to teach as their return of service (ROS); and

14 (b) Agree to any of the approved ROS conditions to be formulated
15 by CHED.

16 Failure to comply with the terms of the service contract will result in the full
17 repayment (plus interest and penalties, if applicable) of all award monies
18 received.

19 **SEC. 6. Grants for Non-Academic Personnel.** – A portion of the Legacy
20 Fund shall also be set apart for the development of non-academic personnel
21 through graduate studies or further training relevant to their work. Availment
22 of said grant shall similarly be accompanied by a service contract that
23 includes a provision for return of service (ROS).

24 **SEC. 7. Development of Innovative Curricula, Training and**
25 **Systems.** – A portion of the Legacy Fund shall also be set aside for tertiary
26 education institutions, public and private, to enable them to introduce
27 innovations in curricular, learning and teaching systems, and digital

1 processes. Said fund should be used for the following, in accordance with
2 guidelines to be formulated by the CHED:

3 (a) Initiatives for twinning between a local program or institution with a
4 proven track record of competence and a foreign program or
5 institution recognized for its expertise in the relevant discipline/s, and
6 other internationalization initiatives for students and faculty;

7 (b) Benchmarking and articulation activities among locally organized
8 universities and colleges, whether for academic or non-academic
9 purposes;

10 (c) Review and reform of existing policies and procedures concerning
11 faculty load, tuition, faculty development, research and extension in
12 order to raise the quality and efficiency of education services and
13 modernize their physical plants;

14 (d) Enhancement of program courses and training for faculty, aligning
15 them to competency-based standards, as well as the K12 and the
16 revised General Education (GE) curriculum;

17 (e) Development of new and relevant graduate education programs as well
18 as niche programs within the context of the Association of Southeast
19 Asian Nations (ASEAN);

20 (f) Facilitation of academe-industry linkages; and

21 (g) *Establishment of continuing education programs, targeted towards*
22 *solving job-skills mismatch, leading to unemployment and*
23 *underemployment.*

24 **SEC. 8. Income Support to Academic, Academic Support, Non-**
25 **Academic Personnel and Tertiary Education Institutions.**

26 (a) Personnel who are displaced during the transition period of RA
27 10533 shall be provided with income support for a maximum period
28 of 12 months in an amount not more than their monthly net wage at

1 the time of the displacement, in accordance with the following
2 minimum criteria and such other conditions as the DOLE may
3 require for its availment:

- 4 1. The personnel must be registered with the Public Employment
5 Service Office (PESO) as displaced by reason of the
6 implementation of K-12 during the Transition Period;
- 7 2. He or she must be able to work, be ready for suitable work,
8 and willing to have job training;
- 9 3. He or she must be both physically and mentally competent,
10 ready to take on any suitable and available employment;
- 11 4. He or she must be actively looking for work; and
- 12 5. He or she must not be involved in any income-generating or
13 profit-generating activity from the day of displacement.

14 The income support shall be graduated. Further, said support shall
15 be discontinued if the displaced personnel gets another employment.
16 Finally, said support shall be separate and distinct from the
17 separation pay provided under the Labor Code, as amended,
18 company policy, or collective bargaining agreement.

19 (b) Private Tertiary Education Institutions, which incur costs as a result
20 of foregone enrollments during the transition period, as well as
21 displacement of affected personnel, may avail of financial support, as
22 necessary to ensure sustainability of their institution.

23 *Provided*, That they meet the criteria to be set by the CHED and
24 TESDA.

25 *Provided Further*, That no amount of the Fund shall be used to pay
26 any HEI which has an outstanding obligation to the Government
27 without said obligation being settled or offset first, subject to the
28 requirements provided for by law.

1 *Provided Finally*, That the affected HEI has no other adequate source
2 of funds.

3 (c) State Universities and Colleges (SUCs) shall receive, through their
4 annual allocation in the General Appropriations Act (GAA) the
5 necessary funding required to fulfill financial obligations to
6 personnel and to continue operations.

7 However, the CHED and the Department of Budget and Management
8 (DBM), shall develop a separate financing policy framework to govern
9 funding and operations of SUCs during said period of transition.

10 SUCs nonetheless shall have equal access to the services and
11 support provided for in this Act.

12 **SEC. 9. Other Forms of Support.**

13 (a) **Assistance to Affected Tertiary Education Institutions** – Further
14 assistance should be provided to all tertiary education institutions
15 through E-GASTPE, as well as facilitation of special loan assistance
16 from the Development Bank of the Philippines (DBP), the Land Bank
17 of the Philippines (LBP), Veterans Bank and the United Coconut
18 Planters Bank.

19 (b) **Assistance to Academic, Academic Support and Non-Academic**
20 **Personnel** – The DOLE shall provide other assistance such as wage
21 employment, retraining and retooling, livelihood or entrepreneurship
22 programs, as well as welfare assistance.

23 **SEC. 10. Fund Application and Dispensation.** – Application of the
24 Fund shall be subject to guidelines, rules and regulations, which shall be
25 formulated and promulgated by DBM, upon consultation with CHED, DOLE,
26 DepEd and TESDA, to carry out provisions of this Act.

27 **SEC. 11. Implementing Arrangements and Operational Structures.**

28 – The CHED shall be the main implementing agency and shall coordinate

1 closely with the DepEd, DOLE and TESDA, from June 2016 to the end of
2 School Year 2021-2022. The respective duties and responsibilities of the
3 agencies include, but are not limited to the following:

4 (a) **CHED** – As the main implementing agency, the CHED is hereby tasked
5 to form and lead the Interagency Secretariat, with personnel seconded
6 from relevant offices within the Commission, as well as from DepEd,
7 DOLE and TESDA, in order to coordinate, streamline, and monitor, the
8 various support and other services that shall be made available to
9 academic, academic support and non- academic personnel and tertiary
10 education institutions, during the transition.

11 (b) **DepEd** – The DepEd is hereby tasked to facilitate the hiring of displaced
12 faculty and staff from affected higher education institutions, *Provided*
13 that they meet the criteria set by the Department, consistent with the
14 provisions of RA 10533, RA 4670, and RA 10612.

15 The CHED and DepEd shall likewise work closely in finding
16 complementary activities between private and higher education
17 institutions and basic education schools. This may include, but is not
18 limited to, the employment and utilization of human and physical
19 resources of HEIs, consistent with Sec. 12 of RA 10533.

20 (c) **DOLE** – The DOLE is hereby tasked to coordinate and facilitate smooth
21 displacement procedure of HEI, awareness building initiatives for
22 employers and employees affected by the transition, the redeployment of
23 faculty and staff, as well as the conduct of livelihood training for the
24 displaced personnel, in cooperation with TESDA.

25 The Interagency Secretariat is hereby tasked to ensure the timely
26 delivery as well as the quick provision of information and rendering of services
27 to stakeholders concerned, locally and online. Further, said Secretariat shall,

1 at the end of each calendar year, submit an annual report to Congress, giving
2 a detailed account of its proceedings and accomplishments.

3 **SEC. 12. Funding of the Legacy Fund.** – The initial amount of 12
4 Billion Pesos is hereby appropriated for this purpose, 50% of which shall
5 come from the proceeds of RA 10351 (Sin Taxes Act); 40% from contributions
6 of PAGCOR and Philippine Charity Sweepstakes Office and the balance of 10%
7 from the amount appropriating Outlay of CHED, TESDA and DepEd.

8 Private Donations through the HEDF may also be sourced and used to
9 support the Legacy Fund. Thereafter the balance of 17 Billion Pesos, as well
10 as corresponding annual budgetary requirements needed to attain the
11 purposes of this Act, shall be included in the annual GAA, for a period of four
12 (4) years, from 2017 to 2021. Said fund shall only be utilized during the
13 transition period of RA 10533. Any such amount not fully utilized shall revert
14 back to the National Treasury.

15 **SEC. 13. Implementing Rules and Regulations.** - Within sixty (60)
16 days after the effectivity of this Act, the CHED Chair, DepEd Secretary, DOLE
17 Secretary and TESDA Director-General, shall promulgate the rules and
18 regulations needed for the implementation of this Act.

19 **SEC. 14. Separability Clause.** – If any provision of this Act is held
20 invalid or unconstitutional, the same shall not affect the validity and
21 effectivity of the other provisions hereof.

22 **SEC. 15. Repealing Clause.** – All other laws, decrees, executive
23 orders and rules and regulations contrary to or inconsistent with the
24 provisions of this Act are hereby repealed or modified accordingly.

25 **SEC. 16. Effectivity Clause.** – This Act shall take effect fifteen (15)
26 days after its publication in at least two (2) newspapers of general circulation.

27 Approved,