

NINETEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session

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Senate
Office of the Secretary

'22 NOV -9 P2:31

SENATE
S. No. 1492

RECEIVED BY:

Introduced by SENATOR RAMON BONG REVILLA, JR.

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

EXPLANATORY NOTE

Article XIV, Section 5, Paragraph 5 of the 1987 Constitution emphasizes that: "The State shall assign the highest budgetary priority to education." The Department of Education (DepEd) reported more than 27.1 million students enrolled for the current school year. Also, DepEd has noted that it lacks around 91,000 classrooms, based on their survey conducted among their regional offices. Current data showed that areas in Metro Manila and CALABARZON are still at the student-classroom ratio of 68:1. In Quezon City, there were 10 out of 158 schools that could not implement the full resumption of face-to-face classes due to lack of classrooms.

With the data stated above, the disparity between the number of students and the number of school facilities is a problem acknowledged by the State. The number of educational facilities built does not meet the yearly building requirements caused by the continuous increase in enrolment. The shortage in the number of public school buildings in our country has always been a perennial problem associated with the deteriorating quality of our educational system. It is something the State should take notice of and fix immediately for the future of our nation's youth.

This bill seeks to create a comprehensive program, which will address the problem of classroom shortage. A salient feature of this bill is the provision of build-operate-transfer, build-lease-transfer, build-transfer, rehabilitate-operate transfer,

and other contractual arrangements that will allow the use of both government and private funds to finance the construction of needed school buildings, and the creation of an inter-agency committee to formulate and ensure the effective implementation of the program by the Department of Education (DepEd). The program also provides for the integration of all the necessary information for the effective monitoring and maintenance of existing school buildings. It is hoped that with the passage of this bill, class sizes will be reduced to a manageable level for a more conducive learning environment for the children and thus result in the improvement in the quality of their education.

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



RAMON BONG REVILLA, JR.

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

1 Section 1. Republic Act (RA) No. 7880 is hereby amended, and 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 COVER**
5 **ALL FUNDS AND BUDGET APPROPRIATED AS CAPITAL OUTLAY**
6 **FOR THE DEPARTMENT OF EDUCATION (DEPED) INCLUDING,**
7 **BUT NOT LIMITED TO, THE FUNDS APPROPRIATED FOR THE**
8 **SCHOOL BUILDING PROGRAM AND LOCALLY-FUNDED**
9 **PROJECTS OF THE 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
14 terms are hereby defined as follows:

15 a) *Capital Outlay* – refers to the provisions of the General
16 Appropriations Act, particularly those pertaining to the budget of the
17 [DECS] **DEPED** for elementary and secondary education for (i) the
18 acquisition and improvement of sites; (ii) the construction,

1 replacement, rehabilitation and repair of buildings, classrooms,
2 libraries, workshops, toilets **AND SANITATION FACILITIES** and
3 other structures; and (iii) ~~[furniture, fixtures, and equipment such~~
4 ~~as, but not limited to, desks, chairs, laboratory and workshop~~
5 ~~implements, computers, books,]~~ **OTHER PROPERTY, PLANT AND**
6 **EQUIPMENT IN ACCORDANCE WITH THE CURRENT**
7 **GOVERNMENT ACCOUNTING STANDARDS PRESCRIBED BY**
8 **THE COMMISSION ON AUDIT, SUCH AS FURNITURE,**
9 **FIXTURES, EQUIPMENT, COMPUTERS,** and the other basic and
10 essential tools for learning whose beneficial use shall exceed one (1)
11 year; ~~[and]~~

12 b) **CLASSROOM – REFERS TO A STRUCTURE OR BUILDING**
13 **INTENDED FOR INSTRUCTIONAL PURPOSES, INCLUDING**
14 **CHAIRS, DESK AND OTHER SIMILAR FIXTURES; AND**

15 c) *Classroom Shortage* – refers to the number of classrooms whose
16 construction, in considering the number of students divided by the
17 existing number of classrooms, shall result in a student-classroom of
18 ~~[45:1]~~ 40:1; classrooms, **UNDER THIS DEFINITION,** shall mean
19 those exclusively used for instructional purposes and shall exclude
20 offices, libraries, laboratories, workshops and the like.”

21
22 Sec. 3. Section 4 of the same Act is hereby amended to read as follows:

23 “Sec. ~~[4]~~ 5. *Allocation of Appropriation.* – Notwithstanding any
24 provision of the law to the contrary, the annual ~~[DECS]~~ **DEPED** budget
25 for capital outlay, as defined in Section ~~[3]~~ 4(a), shall be allocated
26 among the legislative districts in the

27
28 ~~[(a) on the first year of the effectivity of this Act:~~

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

1 ~~(2) Sixty percent (60%) of the total capital outlay to be allocated only~~
2 ~~among those legislative districts with classroom shortages as defined~~
3 ~~in Section 3 (b), pro-rata to the total classroom shortage of the~~
4 ~~country pursuant to Section 3 (b) as determined by DECS; and~~
5 ~~(3) Ten percent (10%) to be allocated in accordance with the~~
6 ~~implementation of the policy of this Act as may be determined by the~~
7 ~~DECS.~~

8 (b) On the second year and every year thereafter:

9 ~~(1) Fifty percent (50%) of the total capital outlay to be allocated pro-~~
10 ~~rata according to each legislative district's student population in~~
11 ~~relation to the total student population of the country;~~

12 ~~(2) Forty percent (40%) of the total capital outlay to be allocated only~~
13 ~~among those legislative districts with classroom shortages, as~~
14 ~~defined in Section 3 (b), pro-rata to the total classroom shortage of~~
15 ~~the country pursuant to Section 3(b) as determined by the DECS;~~

16 ~~(3) Ten percent (10%) to be allocated in accordance with the~~
17 ~~implementation of the policy of this Act as may be determined by the~~
18 ~~DECS.}~~

19 **(a) TEN PERCENT (10%) OF THE TOTAL CAPITAL OUTLAY TO BE**
20 **ALLOCATED PRO-RATA ACCORDING TO EACH LEGISLATIVE**
21 **DISTRICT'S STUDENT POPULATION IN RELATION TO THE**
22 **TOTAL STUDENT POPULATION OF THE COUNTRY;**

23 **(b) EIGHTY PERCENT (80%) OF THE TOTAL CAPITAL OUTLAY**
24 **TO BE ALLOCATED ONLY AMONG THOSE LEGISLATIVE**
25 **DISTRICTS WITH CLASSROOM SHORTAGES, PRO-RATA TO**
26 **THE TOTAL CLASSROOM SHORTAGE OF THE COUNTRY,**
27 **PURSUANT TO SECTION 4(C) AS DETERMINED BY THE**
28 **DEPED; AND**

29 **(c) TEN PERCENT (10%) TO BE ALLOWED IN ACCORDANCE**
30 **WITH THE IMPLEMENTATION OF THE POLICY OF THIS ACT**
31 **AS MAY BE DETERMINED BY THE DEPED."**

32

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

29
30 Sec. 5. Before Section 6 of RA 7880, insert two (2) new sections to read as
31 follows:

1 **"SEC. 7. INCREASE IN THE ANNUAL BUDGET**
2 **ALLOCATION. – THE BUDGET ALLOCATION PROVIDED FOR THE**
3 **CAPITAL OUTLAY OF THE DEPED UNDER THIS ACT SHALL BE**
4 **INCREASED ANNUALLY BY TWENTY PERCENT (20%) TO**
5 **COMPLY WITH THE TARGETED CLASSROOM-STUDENT RATIO**
6 **AND TO DECREASE CLASSROOM SHORTAGE IN THE COUNTRY.**

7 **SEC. 8. REPORTORIAL REQUIREMENT. – THE**
8 **DEPARTMENT OF BUDGET AND MANAGEMENT (DBM), THE**
9 **DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS (DPWH),**
10 **AND THE DEPARTMENT OF EDUCATION (DEPED) ARE HEREBY**
11 **REQUIRED TO SUBMIT TO THE RESPECTIVE COMMITTEES ON**
12 **EDUCATION OF BOTH HOUSES OF CONGRESS AN ANNUAL**
13 **REPORT ON THE RELEASE AND UTILIZATION OF THE CAPITAL**
14 **OUTLAY UNDER THIS ACT: *PROVIDED*, THAT SUCH**
15 **SUBMISSION SHALL BE SEPARATE AND DISTINCT FROM THE**
16 **REPORTS THEY SUBMIT TO CONGRESS RELATED TO**
17 **DELIBERATIONS ON THE ANNUAL GENERAL APPROPRIATIONS**
18 **ACT."**

19
20 Sections 6 and 7 of Republic Act No. 7880 are hereby renumbered as sections
21 9 and 10 respectively.

22
23 Sec. 6. Section 8 of the same Act is hereby amended and accordingly
24 renumbered to read as follows:

25 **SEC. [8] 11. *PENAL CLAUSE*. – ANY VIOLATION OF THE**
26 **PROVISIONS OF THIS ACT SHALL CONSIDERED AS**
27 **DERELICTION OF DUTY AS SET FORTH IN PERTINENT**
28 **ADMINISTRATIVE AND CIVIL SERVICE LAWS, AND SHALL BE**
29 **ADMINISTRATIVELY DEALT WITH IN ACCORDANCE WITH**
30 **APPROPRIATE EXISTING ADMINISTRATIVE PROCEDURES AND**
31 **PENALTIES.**

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

7 Sec. 7. Section 9 of the same Act is hereby amended and accordingly
8 renumbered to read as follows:
9

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

19 **1. ON THE FIRST YEAR OF EFFECTIVITY OF THIS ACT:**

20 **A. FIFTY PERCENT (50%) OF THE SCHOOL BUILDING FUND**
21 **SHALL BE DIRECTLY RELEASED TO AND ADMINISTERED**
22 **BY THE DEPED OR THE LOCAL GOVERNMENT UNIT (LGU)**
23 **AS MAY BE AUTHORIZED BY THE DEPED, UNDER THE**
24 **LATTER'S SCHOOL BUILDING PROGRAM.**

25 **B. FIFTY PERCENT (50%) OF THE SCHOOL BUILDING FUND**
26 **SHALL BE DIRECTLY RELEASED TO AND ADMINISTERED**
27 **BY THE DEPARTMENT OF PUBLIC WORKS AND HIGHWAY**
28 **(DPWH) BASED ON THE WORK PROGRAM SUBMITTED BY**
29 **THE DEPED.**

30 **2. ON THE SECOND YEAR OF THE EFFECTIVITY OF THIS ACT:**

31 **A. SEVENTY PERCENT (70%) OF THE SCHOOL BUILDING**
32 **FUND SHALL BE DIRECTLY RELEASED TO AND**

1 ADMINISTERED BY THE DEPED OR THE LGU AS MAY BE
2 AUTHORIZED BY THE DEPED, UNDER THE LATTER'S
3 SCHOOL BUILDING PROGRAM;

4 B. THIRTY PERCENT (30%) OF THE SCHOOL BUILDING
5 FUND SHALL BE DIRECTLY RELEASED TO AND
6 ADMINISTERED BY THE DPWH BASED ON THE WORK
7 PROGRAM SUBMITTED BY THE DEPED.

8 3. ON THE THIRD YEAR AND EVERY YEAR THEREAFTER, THE
9 SCHOOL BUILDING FUND SHALL BE DIRECTLY RELEASED
10 TO AND ADMINISTERED BY THE DEPED OR THE LGU AS MAY
11 BE AUTHORIZED BY THE DEPED, UNDER THE LATTER'S
12 SCHOOL BUILDING PROGRAM:

13
14 *PROVIDED*, THAT THE DBM AND THE DEPED SHALL FORM
15 WITHIN THE LAST QUARTER OF EVERY YEAR A COMMITTEE,
16 TASKED TO DRAW A SCHOOL BUILDING EXPENDITURE
17 PROGRAM, WHICH SHALL BE IMPLEMENTED IN THE
18 IMMEDIATELY SUCCEEDING YEAR, WHICH AMONG
19 OTHERS, SHALL INCLUDE A LIST OF SCHOOL
20 BUILDING/CLASSROOM TO BE FUNDED BY THE SAID
21 SUCCEEDING YEARS BUDGET. THE DRAWING OF THE
22 PROGRAM TOGETHER WITH THE LIST SHALL BE DEEMED
23 COMPLETE AND FINAL ON 31 DECEMBER EVERY YEAR,
24 EVIDENCED BY SIGNATURES OF BOTH THE DBM AND DEPED
25 SECRETARIES:

26
27 *PROVIDED FURTHER*, THAT THE DBM SHALL ISSUE THE
28 SPECIAL ALLOTMENT RELEASE ORDER (SARO) (OR ITS
29 EQUIVALENT) FOR PROJECTS IN THE LIST, TOGETHER WITH
30 THE RELEASE OF CASH AMOUNT EQUIVALENT TO AT LEAST
31 FIFTEEN PERCENT (15%) OF EACH TOTAL PROJECT COST,
32 ON OR BEFORE JANUARY 31:

1
2 **PROVIDED FURTHERMORE, THAT THE BIDDING AND THE**
3 **AWARDING FOR SAID PROJECTS SHALL HAVE BEEN**
4 **COMPLETED WITHIN SIXTY (60) DAYS AFTER THE**
5 **ISSUANCE OF THE SARO:**

6
7 **PROVIDED FINALLY, THAT THE NOTICE OF CASH**
8 **ALLOCATION (NCA) (OR ITS EQUIVALENT), WHICH SHALL**
9 **CONTAIN THE BALANCE OF THE TOTAL PROJECT COST,**
10 **SHALL BE RELEASED AND COMPLETED WITHIN THIRTY (30)**
11 **DAYS AFTER THE AWARDING OF THE PROJECT TO THE**
12 **IMPLEMENTOR.**

13
14 **FAILURE TO COMPLY WITH ANY OF THE PROVISIONS OF**
15 **THIS SECTION SHALL RENDER THE SECRETARIES OR THE**
16 **CONCERNED STAFF LIABLE UNDER THE PENAL PROVISIONS**
17 **OF THIS ACT.**

18
19 Sec. 8. Another new Section is hereby added to RA 7880, to read as follows:

20
21 **"SEC. 13. MISCELLANEOUS PROVISIONS. – ALL REFERENCES**
22 **TO THE "DEPARTMENT OF EDUCATION, CULTURE AND**
23 **SPORTS" IN REPUBLIC ACT 7880 ARE ACCORDINGLY**
24 **AMENDED TO READ "DEPARTMENT OF EDUCATION (DEPED)",**
25 **THE OTHER SECTIONS IN RA 7880 AFFECTED BY THE**
26 **PRECEDING SECTIONS ARE HEREBY RENUMBERED**
27 **ACCORDINGLY."**

28
29 *Sec. 9. Separability Clause.* – The provisions of this Act are hereby declared to
30 be separable and, in the event any provision is declared invalid or unconstitutional,
31 the other provisions which are not affected thereby shall remain in full force and
32 effect.

1 Sec. 10. *Repealing Clause.* – All laws, presidential decrees, orders, rules and
2 regulations and all other issuances or parts thereof, which are inconsistent with this
3 Act are deemed repealed or modified accordingly.

4 Sec. 11. *Effectivity.* – This Act shall take effect fifteen (15) days following its
5 complete publication in the *Official Gazette* or at least two (2) newspapers of general
6 circulation in the Philippines.

7
8 *Approved,*
9