

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila

**TWENTIETH CONGRESS**  
*First Regular Session*

**HOUSE BILL NO. 37**



Introduced by **Representative Jaime R. Fresnedi**

**EXPLANATORY NOTE**

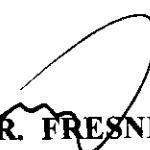
This proposed measure seeks to enhance the delivery of early childhood care and development (ECCD) and basic education services at the local level. It expands the membership of, and introduces new mandates to, local school boards, which are being proposed to be renamed into local education boards (LEBs), to further capacitate local government units (LGUs) to address ECCD and basic education concerns in their respective jurisdictions. The bill also expands the use of the Special Education Fund (SEF) to ensure that LGUs have greater flexibility for its efficient and effective utilization.

According to the Second Congressional Commission on Education (EDCOM II) disparities in Special Education Fund (SEF) income across local government units (LGUs) have led to significant inequities in access to resources. The EDCOM Year One Report highlighted that municipalities receive only 4% of the SEF income that cities and provinces do, and first-class municipalities earn 68 times more than sixth-class ones. This inequality severely limits the ability of lower-income LGUs to fund essential education programs. Alongside that, SEF underutilization has been a persistent issue, with an estimated P15 billion unspent in 2022 alone, particularly in cities where 57% of available SEF funds remain unused.

Cognizant of these findings, the bill also contains provisions on how the preparation of the budget of LEBs shall be undertaken to ensure that these are based on relevant data in order to efficiently and effectively address ECCD and basic education concerns at the local level. Another significant feature of this proposed measure are provisions to ensure that LEBs shall be able to perform their functions efficiently and effectively and that the SEF is properly utilized through the development of a manual of operations for LEBs and manual on the utilization of the SEF.

The bill envisions to create a more responsive and equitable education system in the country by strengthening local governance. This is in recognition of the critical role of LGUs in the delivery of education. By empowering them with the necessary tools, funding and authority, they will be able to make significant improvements in their respective jurisdictions.

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

  
**JAIME R. FRESNEDI**  
*Representative*  
Lone District, Muntinlupa City

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**AN ACT**  
**TO ENHANCE THE DELIVERY OF EARLY CHILDHOOD CARE AND DEVELOPMENT (ECCD) AND BASIC EDUCATION SERVICES AT THE LOCAL LEVEL**

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

SECTION 1. Title Four of Republic Act No. 7160 or the “*Local Government Code of 1991*”, as amended, is hereby further amended to read as “**TITLE FOUR. – LOCAL [SCHOOL] EDUCATION BOARDS**”.

Sec. 2. Section 98 of the same law is hereby amended to read as follows:

“**SECTION 98. Creation, Composition and Compensation. –**

(a) There shall be established in every province, city or municipality a provincial, city or municipal [school] **EDUCATION** board, respectively.

(b) The composition [school] **EDUCATION** boards shall be as follows:

(1) The provincial school board shall be composed of the [g]Governor and the division superintendent of schools as co-[chairman;] **CHAIRPERSONS** the chairman of the education committee of the sangguniang panlalawigan, the provincial treasurer, the representative of the “pederasyon ng mga sangguniang kabataan” in the sangguniang panlalawigan, the duly elected president of the provincial federation of parents-teachers associations, the duly elected representative of the teachers’ organizations in the province, and the duly elected representative of the non-academic personnel of public schools in the province,] **AND THE FOLLOWING** as members;

- 1. CHAIRMAN OF THE EDUCATION COMMITTEE OF THE SANGGUNIANG PANLALAWIGAN;**
- 2. PROVINCIAL TREASURER;**
- 3. REPRESENTATIVE OF THE “PEDERASYON NG MGA SANGGUNIANG KABATAAN” IN THE SANGGUNIANG PANLALAWIGAN;**
- 4. DULY ELECTED PRESIDENT OF THE PROVINCIAL FEDERATION OF PARENTS-TEACHERS ASSOCIATIONS;**
- 5. DULY ELECTED REPRESENTATIVE OF THE TEACHERS’ ORGANIZATIONS IN THE PROVINCE;**
- 6. DULY ELECTED REPRESENTATIVE OF THE NON-ACADEMIC PERSONNEL OF PUBLIC SCHOOLS IN THE PROVINCE;**
- 7. REPRESENTATIVE FOR EARLY CHILDHOOD CARE AND DEVELOPMENT (ECCD) IN THE PERSON OF PROVINCIAL SOCIAL WELFARE AND DEVELOPMENT OFFICER OR THE DESIGNATED ECCD FOCAL PERSON IN THE LGU;**
- 8. DIVISON ALTERNATIVE LEARNING SYSTEM (ALS) REPRSENTATIVE; AND**
- 9. ONE (1) REPRESENTATIVE EACH FROM THE FOLLOWING ADDITIONAL SECTORS, DETERMINED JOINTLY BY THE CO-CHAIRS FROM A SHORTLIST IDENTIFIED THROUGH PUBLIC NOMINATIONS:**
  - a. A REPRESENTATIVE FROM PRIVATE EDUCATION COMING FROM A LOCAL ASSOCIATION OR ORGANIZATION OF PRIVATE SCHOOLS WITHIN THE TERRITORIAL JURISDICTION OF THE LOCAL GOVERNMENT;**
  - b. A REPRESENTATIVE OF PERSONS WITH DISABILITIES;**
  - c. A REPRESENTATIVE OF PRIVATE INDUSTRY/BUSINESS;**

**d. A REPRESENTATIVE OF ACCREDITED NON-GOVERNMENTAL OR CIVIL SOCIETY ORGANIZATIONS; AND**

**e. A REPRESENTATIVE FROM THE YOUTH SECTOR**

**WITH THE PROVINCIAL BUDGET OFFICER AND THE PROVINCIAL PLANNING AND DEVELOPMENT OFFICER AS RESOURCE PERSONS.**

(2) The city [school] EDUCATION board shall be composed of the City Mayor and the [city] SCHOOLS DIVISION Superintendent [of schools] as [co-chairmen;] **AS CO-CHAIRPERSONS** [the chairman of the education committee of the sangguniang panlungsod, the city treasurer, the representative of the “pederasyon ng mga sangguniang kabataan” in the sangguniang panlungsod, the duly elected president of the city federation of parents-teachers associations, the duly elected representative of the teachers’ organizations in the city, and the duly elected representative of the non-academic personnel of public schools in the city,] **AND THE FOLLOWING** as members[;]:

- 1. CHAIRPERSON OF THE EDUCATION COMMITTEE OF THE SANGGUINANG PANLUNGSOD;**
- 2. CITY TREASURER;**
- 3. REPRESENTATIVE OF THE PEDERASYON NG MGA SANGGUNIANG KABATAAN IN THE SANGGUNIANG PANLUNGSOD;**
- 4. DULY ELECTED PRESIDENT OF THE CITY FEDERATION OF PARENTS-TEACHERS ASSOCIATIONS;**
- 5. DULY ELECTED REPRESENTATIVE OF THE TEACHERS’ ORGANIZATIONS IN THE CITY;**
- 6. DULY ELECTED REPRESENTATIVE OF THE NON-ACADEMIC PERSONNEL OF PUBLIC SCHOOLS IN THE CITY;**
- 7. REPRESENTATIVE FOR ECCD IN THE PERSON OF THE CITY SOCIAL WELFARE AND DEVELOPMENT OFFICER OR THE DESIGNATED ECCD FOCAL PERSON IN THE LGU;**
- 8. DIVISION ALS REPRESENTATIVE, AS MEMBER; AND**

**9. ONE REPRESENTATIVE EACH FROM THE FOLLOWING ADDITIONAL SECTORS, DETERMINED JOINTLY BY THE CO-CHAIRS FROM A SHORTLIST IDENTIFIED THROUGH PUBLIC NOMINATIONS:**

- a. A REPRESENTATIVE FROM PRIVATE EDUCATION COMING FROM A LOCAL ASSOCIATION OR ORGANIZATION OF PRIVATE SCHOOLS WITHIN THE TERRITORIAL JURISDICTION OF THE LOCAL GOVERNMENT;**
- b. A REPRESENTATIVE OF PERSONS WITH DISABILITIES;**
- c. A REPRESENTATIVE OF PRIVATE INDUSTRY/BUSINESS;**
- d. A REPRESENTATIVE OF ACCREDITED NON-GOVERNMENTAL OR CIVIL SOCIETY ORGANIZATIONS; AND**
- e. A REPRESENTATIVE FROM THE YOUTH SECTOR.**

**WITH THE CITY BUDGET OFFICER AND THE CITY PLANNING AND DEVELOPMENT OFFICER AS RESOURCE PERSONS; AND**

The municipal school board shall be composed of the municipal mayor and the district supervisor of schools as co-chairmen; the chairman of the education committee of the sangguniang bayan, the municipal treasurer, the representative of the “pederasyon ng mga sangguniang kabataan” in the sangguniang bayan, the duly elected president of the municipal federation of parent-teacher associations, the duly elected representative of the teachers’ organizations in the municipality, and the duly elected representative of the non-academic personnel of public schools in the municipality, as members.

- (3) The municipal [school] **EDUCATION** board shall be composed of the Municipal Mayor and the District Supervisor of Schools as [co-chairmen] **CO-CHAIRPERSONS**; the chairman of the education committee of the sangguniang bayan, the municipal treasurer, the representative of the “pederasyon ng mga sangguniang kabataan” in the sangguniang bayan, the duly elected president of the municipal federation of parent-teacher associations, the duly elected representative of the teachers’ organizations in the municipality, and the duly elected representative of the non-academic personnel of public schools in the municipality,] **AND THE FOLLOWING** as members[.]:

- 1. THE CHAIRMAN OF THE EDUCATION COMMITTEE OF THE SANGGUNIANG BAYAN;**
- 2. THE MUNICIPAL TREASURER;**
- 3. THE REPRESENTATIVE OF THE “PEDERASYON NG MGA SANGGUNIANG BABATAAN” IN THE SANGGUNIANG BAYAN;**
- 4. THE DULY ELECTED PRESIDENT OF THE MUNICIPAL FEDERATION OF PARENT-TEACHER ASSOCIATIONS;**
- 5. THE DULY ELECTED REPRESENTATIVE OF THE TEACHERS’ ORGANIZATIONS IN THE MUNICIPALITY;**
- 6. THE DULY ELECTED REPRESENTATIVE OF THE NON-ACADEMIC PERSONNEL OF PUBLIC SCHOOLS IN THE MUNICIPALITY;**
- 7. THE REPRESENTATIVE FOR ECCD IN THE PERSON OF THE MUNICIPAL SOCIAL WELFARE AND DEVELOPMENT OFFICER OF THE DESIGNATED ECCD FOCAL PERSON IN THE LGU;**
- 8. THE DIVISON ALSO REPRESENTATIVE; AND**
- 9. ONE REPRESENTATIVE EACH FROM THE FOLLOWING ADDITIONAL SECTORS, DETERMINED JOINTLY BY THE CO-CHAIRS FROM A SHORTLIST IDENTIFIED THROUGH PUBLIC NOMINATIONS:**
  - a. A REPRESENTATIVE FROM PRIVATE EDUCATION COMING FROM A LOCAL ASSOCIATION OR ORGANIZATION OF PRIVATE SCHOOLS WITHIN THE TERRITORIAL JURISDICTION OF THE LOCAL GOVERNMENT;**
  - b. A REPRESENTATIVE OF PERSONS WITH DISABILITIES;**
  - c. A REPRESENTATIVE OF PRIVATE INDUSTRY/BUSINESS;**
  - d. A REPRESENTATIVE OF ACCREDITED NON-GOVERNMENTAL OR CIVIL SOCIETY ORGANIZATIONS; AND**

**e. A REPRESENTATIVE FROM THE YOUTH SECTOR.**

**WITH THE PROVINCIAL BUDGET OFFICER AND THE CITY PLANNING AND DEVELOPMENT OFFICER AS RESOURCE PERSONS.**

- (c) In the event that a province or city has two (2) or more school superintendents and in the event that a municipality has two (2) or more district supervisors, **ALL SUCH SCHOOL SUPERINTENDENTS AND DISTRICT SUPERVISORS SHALL SERVE AS MEMBERS** [the co-chairman] of the local [school] EDUCATION board; **PROVIDED, THAT ONE (1) SCHOOL SUPERINTENDENT OR DISTRICT SUPERVISOR SHALL SERVE AS THE CO-CHAIR ALONGSIDE THE LOCAL CHIEF EXECUTIVE, WHILE THE REMAINING SCHOOL SUPERINTENDENTS OR DISTRICT SUPERVISORS SHALL SERVE AS THE VICE-CHAIRS;** **PROVIDED, FURTHER THAT THE POSITION OF CO-CHAIR FOR SCHOOL SUPERINTENDENTS AND DISTRICT SUPERVISORS SHALL ROTATE REGULARLY AND EQUITABLY, AS DETERMINED BY THE RULES TO BE ESTABLISHED BY THE LOCAL EDUCATION BOARD.** [shall be determined as follows:]
1. [The Department of Education, Culture and Sports shall designate the co-chairman for the provincial and city school boards; and]
  2. [The division superintendent of schools shall designate the district supervisor who shall serve as co-chairman of the municipal school board.]

(d) x x x

Sec. 3. A new section to be designated as Section 98-B shall be inserted after Section 98 of the same law which shall read as follows:

**“SECTION 98-B. CREATION OF THE LOCAL EDUCATION OFFICE. – THERE IS HEREBY CONSTITUTED AN ORGANIZATIONAL UNIT FOR EACH PROVINCE, CITY AND MUNICIPALITY. THIS UNIT SHALL SERVE AS THE PRINCIPAL OFFICE OF THE LOCAL GOVERNMENT UNIT RESPONSIBLE FOR IMPLEMENTING AND OVERSEEING THE IMPLEMENTATION OF ALL EDUCATION-RELATED PROGRAMS, PROJECTS AND ACTIVITIES WITHIN ITS TERRITORIAL JURISDICTION, WITH PARTICULAR FOCUS ON ECCD, BASIC EDUCATION, HIGHER EDUCATION AND TECHNNICAL AND VOCATIONAL EDUCATION AND TRAINING (TVET).**

**THE LOCAL EDUCATION OFFICE SHALL BE HEADED BY A LOCAL EDUCATION OFFICER, WHO SHALL CONCURRENTLY SERVE AS THE HEAD OF THE SECRETARIAT FOR THE LOCAL EDUCATION**

**BOARD. IT SHALL ALSO FUNCTION AS THE SECRETARIAT OF THE LOCAL EDUCATION BOARD, PROVIDING ADMINISTRATIVE AND TECHNICAL SUPPORT TO FACILITATE THE EFFICIENT AND EFFECTIVE OPERATION OF THE LOCAL EDUCATION BOARD.**

**THE ORGANIZATIONAL STRUCTURE AND STAFFING PATTERN OF THE LOCAL EDUCATION OFFICE SHALL BE DESIGNED AND IMPLEMENTED WITH DUE CONSIDERATION OF THE SERVICE REQUIREMENTS AND FINANCIAL CAPABILITY OF THE PROVINCE, CITY OR MUNICIPALITY, SUBJECT TO THE MINIMUM STANDARDS AND GUIDELINES PRESCRIBED BY THE CIVIL SERVICE COMMISSION (CSC) AND THE DEPARTMENT OF BUDGET AND MANAGEMENT (DBM)."**

Sec. 4. Section 99 of the same law is hereby amended to read as follows:

**"Section 99. Functions of Local [School] EDUCATION Boards. – The provincial, city or municipal [school] EDUCATION board shall:**

**(a) Determine [, in accordance with the criteria set by the Department of Education, Culture and Sports,] the annual supplementary budgetary needs for the FOLLOWING:**

- 1. Operation and maintenance of public schools within the province, city, or municipality, as the case may be, and the supplementary local cost of meeting such needs [, which shall be reflected in the form of an annual school board budget corresponding to its share of the proceeds of the special levy on real property constituting the Special Education Fund and such other sources of revenue as this Code and other laws or ordinances may provide]; AND**
- 2. ECCD PROGRAMS AND INITIATIVES;**

**THESE SHALL BE REFLECTED IN THE FORM OF AN ANNUAL SCHOOL BOARD BUDGET CORRESPONDING TO ITS SHARE OF THE PROCEEDS OF THE SPECIAL LEVY ON REAL PROPERTY CONSTITUTING THE SPECIAL EDUCATION FUND AND SUCH OTHER SOURCES OF REVENUE AS THIS CODE AND OTHER LAWS OR ORDINANCES MAY PROVIDE;**

**ASSESS AND MONITOR THE IMPLEMENTATION OF EDUCATION PROGRAMS IDENTIFIED AS THE LOCALITY'S PRIORITIES BASED ON LEARNING NEEDS AND OUTCOMES AT THE LOCAL LEVEL;**

**(B) RECOMMEND EDUCATION REFORMS TO THE SANGGUNIAN FOR THE ENACTMENT OF NECESSARY ORDINANCES AND TO**

**THE DEPARTMENT OF EDUCATION FOR COUNTERPART ISSUANCES;**

- (C) PROPOSE ALLOCATION OF RESOURCES AND INTRODUCE INTERVENTIONS FOR THE ESTABLISHMENT OF CHILD DEVELOPMENT CENTERS AND SUPPORT TO SPECIAL NEEDS EDUCATION, ALTERNATIVE LEARNING SYSTEM (ALS) AND PARENT EFFECTIVENESS SERVICE PROGRAM;**
- (D) PROVIDE THE SANGGUNIAN AND OTHER OFFICES RELEVANT INFORMATION AND DATA ON EDUCATION WHICH SHALL INCLUDE, BUT NOT BE LIMITED TO, THE FOLLOWING:**
  - I. PARTICIPATION RATES OF STUDENTS;**
  - II. NUMBER OF DROP-OUTS AS WELL AS OUT-OF-SCHOOL YOUTHS;**
  - III. ACHIEVEMENT SCORES AS MEASURED BY NATIONAL TESTS OR ASSESSMENT TOOLS AND OTHER STANDARDIZED TEST SCORES; AND**
  - IV. STATUS OF PROVISION OF RESOURCES TO SCHOOLS COMPARED AGAINST DEPED MINIMUM SERVICE STANDARDS AND OTHER RESOURCES (SUCH AS THE NUMBER OF SCHOOLS WITH PRINCIPALS, MATCHING OF TEACHER SPECIALIZATION AND THEIR ASSIGNED TEACHING LOAD AND OTHER PERTINENT AND RELATED DATA);**
- (E) ORGANIZE EDUCATION SUMMITS AT LEAST ONCE A YEAR TO REPORT TO THE COMMUNITY THE PROGRESS IN THE IMPLEMENTATION OF ITS EDUCATION REFORMS, PROGRAMS AND INTERVENTIONS AND CONSULT COMMUNITY MEMBERS ON ISSUES IN ECCD AND BASIC EDUCATION TO FURTHER GUIDE ITS PRIORITIZATION IN THE ALLOCATION OF THE SPECIAL EDUCATION FUND;**
- (F) IDENTIFY WEAKNESSES, IRREGULARITIES AND SHORTAGES IN THE DELIVERY OF EDUCATION SERVICES AND INTRODUCE TIMELY, ORGANIZED AND LOCALIZED INTERVENTIONS IN ECCD AND BASIC EDUCATIONS ESPECIALLY DURING TIMES OF CALAMITIES, DISASTERS, EMERGENCIES, CATASTOPHES**

**AND OTHER SIMILAR CAUSES, THAT MAY DISRUPT THE REGULAR SCHOOL CALENDAR AND ACTIVITES;**

- (G) STRATEGICALLY ALLOCATE THE SPECIAL EDUCATION FUND AND OTHER SOURCES OF REVENUE AS THIS CODE AND OTHER LAWS OR ORDINANCES MAY PROVIDE IN A PARTICIPATORY AND TRANSPARENT MANNER AS PRESCRIBED UNDER SECTION 100(B) OF THIS CODE, AND COORDINATE BUDGETARY REQUIREMENTS THAT COULD NOT BE COVERED IN THE CURRENT YEAR'S SPECIAL EDUCATION FUND BUDGET WITH THE LOCAL DEVELOPMENT COUNCIL;**
- (H) PROPOSE MECHANISMS TO ENSURE THAT PUBLIC AND PRIVATE SCHOOLS WITHIN TERRITORIAL JURISDICTION OF ITS COMPLEMENT EACH OTHER IN TERMS OF PROMOTING ACCESS TO STUDENTS, ALLOCATION OF RESOURCES, IMPLEMENTATION OF EXISTING GOVERNMENT SUBSIDY PROGRAMS FOR STUDENTS AND TEACHERS AND PROMOTE JOINT ACTIVITIES, SHARING OF RESOURCES, COLLABORATION AND COOPERATION ON LOCAL EDUCATION PROGRAMS;**
- (I) [b] Authorize the Provincial, City or Municipal Treasurer, as the case may be, to disburse funds from the Special Education Fund pursuant to the budget prepared and in accordance with existing rules and regulations;**
- (J) [c] Serve as an advisory committee to the Sanggunian concerned on educational matters such as, but not limited to, the necessity for and the uses of local appropriations for educational purposes; [and]**
- (K) COORDINATE THE IMPLEMENTATION OF THE ALSO PROGRAM WITH DEPED AT THE CITY OR MUNICIPAL LEVEL, INCLUDING THE IDENTIFICATION OF PRIORITY ALSO PROGRAMS, ESTABLISHMENT, OPERATION AND MAINTENANCE OF ALSO COMMUNITY LEARNING CENTERS, PROVISION OF TECHNICAL ASSISTANCE TO ALS TEACHERS, PROGRAM MONITORING AND EVALUATION INCLUDING PARALLEL ASSESSMENTS AND COORDINATION WITH GOVERNMENT AND NON-GOVERNMENT PARTNERS FOR POST-PROGRAM SUPPORT ACTIVITIES;**
- (L) [d] Recommend changes in the names of public schools within the territorial jurisdiction of the local government unit for enactment by the sanggunian concerned[.]**

- (M) FOR MUNICIPAL AND CITY SCHOOL BOARDS, EXPLORE AND RECOMMEND, AT THE BARANGAY AND SCHOOL LEVELS, PROGRAMS AND INTERVENTIONS TO FACILITATE COLLABORATIVE ACTION AND DEVELOP PARTNERSHIPS WITH COMMUNITY STAKEHOLDERS IN ORDER TO MAKE THE DELIVERY OF ECCD AND BASIC EDUCATION SERVICES AND THE HOLISTIC EDUCATION AND DEVELOPMENT OF LEARNERS A SHARED RESPONSIBILITY;**
- (N) PROMOTE EFFICIENCY AND SYNERGY WITH HEALTH SERVICES, SOCIAL SERVICES AND OTHER INTERVENTIONS AT THE LOCAL LEVEL THAT IMPACT EDUCATION OUTCOMES, PROVINCIAL EDUCATION BOARDS MAY DEVELOP A PROVINCIAL ROADMAP FOR EDUCATION IN CONSULTATION WITH RELEVANT STAKEHOLDERS AND EDUCATION BOARDS OF COMPONENT CITIES AND MUNICIPALITIES WITHIN ITS TERRITORIAL JURISDICTION; AND**
- (O) PERFORM SUCH OTHER FUNCTIONS ANALOGOUS TO THE FOREGOING.**

The [Department of Education, Culture and Sports] **DEPED** shall consult the local school board on the appointment of division superintendents, district supervisors, school principals, and other school officials.

Sec. 5. Section 100 of the same law is hereby amended to read as follows:

“SECTION 100. Meetings and Quorum; Budget. –

- (a) The local [school **EDUCATION** board shall meet at least once a month or as often as may be necessary.
- (b) Any of the co-chair[men]**PERSONS** may call a meeting. A majority of all its members shall constitute a quorum. However, when both co-chair[men]**PERSONS** are present in a meeting, the local chief executive concerned, as a matter of protocol, shall be given preference to preside over the meeting. The [division superintendent, city superintendent or district supervisor, as the case may be,] **LOCAL EDUCATION BOARD** shall prepare [the] ITS budget [of the school board concerned. [Such budget shall be supported by programs, projects, and activities of the school board for the ensuring fiscal year. The affirmative vote of the majority of all the members shall be necessary to approve the budget.] AS FOLLOWS:

- 1. THE LOCAL TREASURER AND THE LOCAL ACCOUNTANT SHALL SUBMIT TO THE LOCAL EDUCATION BOARD A CERTIFIED STATEMENT OF THE ACTUAL INCOME AND EXPENDITURES OF THE SPECIAL EDUCATION FUND IN THE PRECEDING FISCAL YEAR, THE ACTUAL INCOME AND EXPENDITURES IN THE FIRST TWO QUARTERS OF THE CURRENT YEAR, THE ESTIMATED INCOME FOR THE LAST TWO QUARTERS OF THE CURRENT YEAR AND THE ESTIMATE OF THE SPECIAL EDUCATION FUND INCOME FOR THE INCOMING BUDGET YEAR BY AUGUST 15; AND**
- 2. THE LOCAL EDUCATION BOARD SHALL ENSURE THAT:**
  - A. THE NEEDS IN BASIC EDUCATION AS WELL AS THAT OF CHILDREN AGED 0 TO 8 AND OUT-OF-SCHOOL CHILDREN IN SPECIAL CASES ARE INCLUDED IN THE BUDGET, WITH PRIORITY GIVEN TO ECCD BUDGETARY REQUIREMENTS, WHICH INCLUDE SERVICES AND INTERVENTIONS, FOR THE FIRST 1,000 DAYS OF LIFE AS WELL AS THE SUPPLEMENTARY FEEDING PROGRAM FOR UNDERNOURISHED CHILDREN AGED THREE TO FIVE, IN RECOGNITION OF THE OUTSIZED INFLUENCE OF INTERVENTIONS IN THE EARLY YEARS ON CHILDREN'S FUTURE LIFE OUTCOMES;**
  - B. THAT PRIORITIES ACROSS ECCD AND BASIC EDUCATION ARE DETERMINED BASED ON NEEDS AND ISSUES IDENTIFIED THROUGH ANALYSIS OF DATA AND IN CONSONANCE WITH THE LOCAL NUTRITION ACTION PLAN, IMPROVEMENT PLANS OF ALS, ECCD AND SCHOOLS, THE COMPREHENSIVE DEVELOPMENT PLAN (CDP), THE PROVINCIAL DEVELOPMENT AND PHYSICAL FRAMEWORK PLAN (PDPFP), THE LOCAL DEVELOPMENT AND INVESTMENT PLAN (LDIP) AND OTHER RELATED PLANS PREPARED AT THE LOCAL LEVEL; AND**
  - C. THAT THE PROPOSAL MUST HAVE UNDERGONE CONSULTATIONS WITH KEY LOCAL EDUCATION STAKEHOLDERS AND THOROUGHLY DELIBERATED BY THE BOARD.**

3. THE LOCAL EDUCATION BOARD SHALL REVIEW THE BUDGET PROPOSAL AND APPROVE THE SAME BY THE AFFIRMATIVE VOTE OF THE MAJORITY OF ALL ITS MEMBERS. THE REVIEW AND APPROVAL OF THE MUNICIPAL OR CITY SPECIAL EDUCATION FUND BUDGET FOR THE INCOMING BUDGET YEAR SHALL NOT BE LATER THAN OCTOBER 21 OF THE CURRENT YEAR. ANY UNFUNDED PROPOSALS SHALL BE SUBMITTED BY THE MUNICIPAL EDUCATION BOARD TO THE PROVINCIAL EDUCATION BOARD FOR CONSIDERATION. THE PROVINCIAL EDUCATION BOARD SHALL REVIEW THE UNFUNDED PROPOSALS FROM MUNICIPAL EDUCATION BOARDS NO LATER THAN NOVEMBER 30 OF THE CURRENT YEAR.
4. THE ALLOCATION OF SPECIAL EDUCATION FUND AT THE PROVINCIAL LEVEL SHALL BE EQUITABLY AND STRATEGICALLY ALLOCATED, THROUGH:

  - A. ORGANIZING CONSULTATIONS WITH THE EDUCATION BOARD REPRESENTATIVES OF MUNICIPALITIES AND COMPONENT CITIES WITHIN THE TERRITORIAL JURISDICTION OF THE PROVINCE;
  - B. AUGMENTING THE BUDGETARY REQUIREMENTS THAT COULD NOT BE COVERED BY MUNICIPAL SEF BUDGETS;
  - C. GIVING PRIORITY TO THE NEEDS OF FOURTH AND FIFTH INCOME CLASS MUNICIPALITIES, AND/OR DEPED IDENTIFIED PRIORITIES, IF ANY; AND
  - D. CONSULTING WITH THE LOCAL DEVELOPMENT COUNCILS ON OTHER FUND SOURCES FOR EDUCATION INVESTMENTS THAT COULD NOT BE COVERED BY THE SEF.
5. THE REVIEW AND APPROVAL OF THE CITY AND PROVINCIAL SPECIAL EDUCATION FUND BUDGETS FOR THE INCOMING BUDGET YEAR SHALL NOT BE LATER THAN DECEMBER 31.

[(c) The annual school board budget shall give priority to the following:

- (1) Construction, repair, and maintenance of school buildings and other facilities of public elementary and secondary schools;
- (2) Establishment and maintenance of extension classes where necessary; and
- (3) Sports activities at the division, district, municipal, and barangay levels.]

Sec. 6. New sections to be designated as Section 100 (A), (B), (C), (D) and (E) shall be inserted after Section 100 which shall read as follows:

**“SEC. 100-A. TRANSPARENCY IN OPERATIONS AND UTILIZATION OF THE SEF. TO INSTITUTIONALIZE GREATER TRANSPARENCY IN ITS OPERATIONS AND UTILIZATION OF THE SEF, EVERY LOCAL EDUCATION BOARD IS HEREBY MANDATED TO HAVE A TRANSPARENCY BOARD AND ENSURE THE TIMELY SUBMISSION TO THE FULL DISCLOSURE POLICY PORTAL OF ALL REPORTS ON THE FOLLOWING INFORMATION DURING THE BUDGET YEAR:**

- (A) THE FUNDS AND OTHER RESOURCES THAT SCHOOLS RECEIVE FROM THE DEPED BUDGET;**
- (B) THE ACTUAL SEF COLLECTIONS AND ITS UTILIZATION DURING THE BUDGET YEAR;**
- (C) A QUARTERLY REPORT OF REALIZED SEF INCOME, EXPENDITURES AND BALANCES NOT LATER THAN ONE MONTH AFTER THE REFERENCE QUARTER;**
- (D) THE ACTUAL SEF INCOME AND EXPENDITURES IN THE PRECEDING FISCAL YEAR AND ACTUAL INCOME AND EXPENDITURES OF THE FIRST TWO QUARTERS OF THE CURRENT YEAR;**
- (E) THE AMOUNT OF RESOURCES THAT INDIVIDUAL SCHOOLS RECEIVE UNDER THE GENERAL APPROPRIATIONS ACT, INCLUDING SCHOOL-LEVEL MAINTENANCE AND OTHER OPERATING EXPENSES DOWNLOADED TO SCHOOLS;**
- (F) SCHEDULE OF CONSTRUCTION OF CLASSROOMS BY SCHOOL UNDER THE SCHOOL BUILDING PROGRAM; AND**
- (G) INDICATORS OF SCHOOL PERFORMANCE BY GRADE LEVEL INCLUDING NATIONAL ACHIEVEMENT TEST (NAT) RESULTS, OTHER STANDARDIZED TEST SCORES, PARTICIPATION RATES OF STUDENTS, DROP-OUT RATES, COHORT SURVIVAL RATES AND OTHER RELEVANT MEASURES OF PERFORMANCE ON THE QUALITY OF EDUCATION.**

**SEC. 100-B. MANUAL ON THE FUNCTIONS OF LOCAL SCHOOL BOARDS AND SEF UTILIZATION.** – THE DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT (DILG), THE DEPED, THE DEPARTMENT OF SOCIAL WELAFRE AND DEVELOPMENT (DSWD), PHILIPPINE STATISTICS AUTHORITY (PSA) AND THE UNION OF LOCAL AUTHORITIES OF THE PHILIPPINES (ULAP) SHALL DEVELOP A MANUAL TO GUIDE THE ALLOCATION AND UTILIZATION OF THE SEF AND THE EFFICIENT FUNCTIONING OF THE SCHOOL BOARD. THE MANUAL SHALL ALSO INCLUDE, AMONG OTHERS, THE SEF EXPENDITURES THAT ARE ALLOWABLE OR NOT, THE BUDGET CALENDAR, THE TRANSPARENCY MECHANISMS AND THE EFFECTIVE PROCESSES FOR THE OPERATION OF THE SCHOOL BOARD. THE MANUAL SHALL BE FORMUALTED AND RELEASED TO THE SCHOOL BOARDS NOT LATER THAN SIXTY (60) DAYS AFTER THE PROMULGATION OF THE IMPLEMENTING RULES AND REGULATIONS OF THIS ACT.

**SEC. 100-C. INCENTIVES FOR COOPERATIVE UNDERTAKINGS THAT PROMOTE EQUITY.** – CONSISTENT WITH SECTION 33 OF THIS CODE, THE DILG SHALL DEVELOP INCENTIVES FOR COOPERATIVE UNDERTAKING UNDERTAKEN BY LOCAL GOVERNMENT UNITS TO AUGMENT THE RESOURCES OF FOURTH AND FIFTH INCOME CLASS MUNICIPALITIES IN THE PROVISION OF EDUCATION PROGRAMS AND SERVICES.

**SEC. 100-D. SUPPORT FROM NATIONAL GOVERNMENT AGENCIES.** – CONSISTENT WITH THE OPERATIVE PRINCIPLE OF IMPROVED COORDINATION OF NATIONAL GOVERNMENT POLICIES TO LESS DEVELOPED AND DESERVING LOCAL GOVERNMENT UNITS PROVIDED UNDER SECTION 3(K) OF THIS CODE AND THE PRINCIPLE OF SHARED GOVERNANCE PROVIDED UNDER SECTION 5 OF RA 9155, THE DEPED, THE ECCD COUNCIL, THE DSWD, THE DOH AND THE DEPARTMENT OF BUDGET AND MANAGEMENT (DBM) AND OTHER RELATED AGENCIES ARE HEREBY MANDATED TO EXTEND THE NECESSARY RESOURCES AND TECHNICAL SUPPORT TO LOCAL EDUCATION BOARDS AND LOCAL GOVERNMENTS OF FOURTH AND FIFTH INCOME CLASS MUNICIPALITIES TO ENSURE EQUITABLE ACCESS TO QUALITY SERVICES IN ECCD AND ALS, PARTICULARLY IN THE PROVISION OF RESOURCE-INTENSIVE BUT CRITICAL INPUTS SUCH AS THE HIRING OF CHILD DEVELOPMENT WORKERS AND TEAHCERS AND THE ESTABLISHMENT OF CHILD DEVELOPMENT CENTERS.

**SEC. 100-E. MONITORING AND OVERSIGHT.** – TO STRENGHTEN MONITORING AND OVERSIGHT IN THE UTILIZATION OF THE SEF, THE BUREAU OF LOCAL GOVERNMENT FINANCE (BLGF) SHALL:

- (A) REGULARLY MONITOR AND ASSESS THE EFFICIENCY OF LOCAL EDUCATION BOARDS IN UTILIZING THE SPECIAL EDUCATION FUND;

- (B) IN COORDINATION WITH THE DILG, CAUSE THE CONDUCT OF MANAGEMENT AUDIT, EVALUATION OR SUCH ACTION AS MAY BE NECESSARY TO RECTIFY THE PERFORMANCE OF EDUCATION BOARDS THAT RECORDED LOW UTILIZATION OF THEIR SEF BUDGET IN THE PRECEDING YEAR;**
- (C) SUBMIT AN ANNUAL REPORT ON THE STATUS OF THE FUND'S UTILIZATION TO THE ECCD COUNCIL, THE DEPARTMENT OF EDUCATION, THE DEPARTMENT OF INTERIOR AND LOCAL GOVERNMENT, OTHER RELEVANT AGENCIES AND BOTH HOUSES OF CONGRESS; AND**
- (D) PERIODICALLY HOLD CONSULTATIONS WITH RELEVANT STAKEHOLDERS AND REVIEW ITS SYSTEMS TO ENSURE THAT ACTIONABLE DATA ON THE SEF IS COLLECTED.**

**THE COUNCIL OF GOOD LOCAL GOVERNANCE SHALL:**

- (A) DEVELOP FUNCTIONAL INDICATORS TO GAUGE THE PERFORMANCE OF LOCAL EDUCATION BOARDS IN CONSULTATION WITH THE ECCD COUNCIL, THE DEPED AND OTHER RELEVANT STAKEHOLDERS;**
- (B) REGULARLY MONITOR AND ASSESS THE PERFORMANCE OF LOCAL EDUCATION BOARDS IN CARRYING OUT ITS FUNCTIONS PROVIDED UNDER EXISTING LAWS THROUGH THE DILG; AND**
- (C) ADDRESS REPEATED LOW PERFORMANCE OF IDENTIFIED LOCAL EDUCATION BOARDS BY DEVELOPING INTERVENTIONS AND CORRECTIVE MEASURES TO BE IMPLEMENTING BY ITS MEMBER AGENCIES.**

Sec. 6. Section 272 of the same law is hereby amended to read as follows:

*“Section 272. Application of Proceeds of the Additional One Percent SEF Tax. – The proceeds from the additional one percent (1%) tax on real property accruing to the Special Education Fund (SEF) shall be automatically released to the local school boards: Provided, That, in case of provinces, the proceeds shall be divided equally between the provincial and municipal school boards: Provided, however, That the proceeds shall be allocated for the [operation and maintenance of public schools, construction and repair of school buildings, facilities and equipment, educational research, purchase of books and periodicals, and sports development as determined and approved by the local school board.] FOLLOWING:*

- (A) SALARIES OR WAGES OF SEF-PAID TEACHERS ASSIGNED TO PUBLIC ELEMENTARY AND SECONDARY SCHOOLS;**
- (B) PAYMENT FOR TEACHING AS WELL AS TECHNICAL AND ADMINISTRATIVE SUPPORT SERVICES PROVIDED BY**

**PERSONNEL IN SCHOOLS AND COMMUNITY LEARNING CENTERS, INCLUDING ALLOWANCES AND OTHER BENEFITS THAT MAY BE PROVIDED IN ACCORDANCE WITH EXISTING CIVIL SERVICE LAWS AND GUIDELINES;**

- (C) SALARIES AND OF CHILD DEVELOPMENT WORKERS AND TEACHERS, CAPITAL OUTLAY FOR CHILD DEVELOPMENT CENTERS AND EXPENDITURES FOR DIRECT SERVICES RELATED TO THE IMPLEMENTATION OF THE ECCD PROGRAM THROUGH PUBLIC AND PRIVATE PROVIDERS AS WELL AS ALTERNATIVE DELIVERY MODES IDENTIFIED IN EXISTING LAWS AND ISSUANCES;**
- (D) CONSTRUCTION, REPAIR AND MAINTENANCE OF PUBLIC ELEMENTARY AND SECONDARY SCHOOL BUILDINGS, EQUIPMENT AND OTHER FACILITIES INCLUDING WORKSHOPS, LABORATORIES, SCHOOL FENCES, SCHOOL TOILETS AND SCHOOL FURNITURE, IN INSTANCES WHERE SUCH NEEDS ARE BEYOND THE COVERAGE OF EXISTING SCHOOL MAINTENANCE AND OTHER OPERATING EXPENSES (MOOE) BUDGET AND OTHER FUND SUPPORT ALLOCATED BY DEPED;**
- (E) ACQUISITION OR PROCUREMENT OF BOOKS, INSTRUCTIONAL OR LEARNING MATERIALS AND INFORMATION AND COMMUNICATIONS TECHNOLOGY PACKAGES;**
- (F) EDUCATIONAL RESEARCH;**
- (G) EDUCATION SUMMITS, COMMUNITY TOWNHALL MEETINGS, DISCUSSIONS AND CONSULTATIONS ON INFORMATION, ISSUES AND CONCERNS RELATED TO EDUCATION;**
- (H) COMMUNITY MAPPING OF DATA RELATED TO EDUCATION;**
- (I) OPERATION AND MAINTENANCE OF ALS PROGRAMS WITHIN THE CITY OR MUNICIPALITY AND THE SUPPLEMENTARY LOCAL COST OF IMPLEMENTING SUCH PROGRAMS, INCLUDING BUT NOT LIMITED TO THE HIRING AND PAYMENT OF SALARIES OF ADDITIONAL ALS TEACHERS WITHIN THE LGU'S AREA OF JURISDICTION;**
- (J) FORMULATION AND IMPLEMENTATION OF LOCALLY ORIENTED NON-FORMAL AND DISTANCE EDUCATION CLASSES AND TRAINING PROGRAMS AND OTHER SIMILARLY RELATED PROGRAMS, PROJECTS AND ACTIVITIES;**

- (K) ESTABLISHMENT AND MAINTENANCE OF EXTENSION OR REMEDIAL CLASSES WHERE NECESSARY;**
- (L) HONORARIA AND ALLOWANCES FOR TEACHERS AND OTHER NON-TEACHING SCHOOL PERSONNEL, WHETHER NATIONALLY OR LOCALLY COMPENSATED, TO BE GIVEN IN ADDITION TO THEIR SALARIES FOR ADDITIONAL SERVICES RENDERED OUTSIDE OF REGULAR SCHOOL HOURS;**
- (M) SCHOOL SPORTS ACTIVITIES, YOUTH FORMATION AND LEADERSHIP DEVELOPMENT PROGRAMS INVOLVING LEARNERS IN BOTH PUBLIC AND PRIVATE SCHOOLS AND OTHER CO-CURRICULAR ACTIVITES;**
- (N) PROVISION OF SCHOOL UNIFORMS AND OTHER ESSENTIAL SUPPLIES SUCH AS BAGS AND SCHOOL SHOES; AND**
- (O) MAINTENANCE AND OTHER OPERATING EXPENSES OF THE LOCAL SCHOOL BOARD, INCLUDING SUPPLIES, MATERIALS, EQUIPMENT AND RELATED EXPENSES;**

**IN THE EVENT OF A NATIONWIDE DECLARED EMERGENCY OR WHEN THE EXECUTIVE DEPARTMENT DEEMS IT NECESSARY, THE DEPED, IN COORDINATION WITH THE RESPECTIVE LOCAL GOVERNMENT UNITS, UPON SHOWING THE NECESSITY AND UPON APPROVAL OF THE LOCAL EDUCATION BOARD, MAY LEVY FUNDS FROM THE SEF FOR THE PREEMPTIVE OR RESPONSIVE MEASURES INCLUDING, BUT NOT LIMITED TO, THE ITEMS LISTED ABOVE AND ALL OTHER PURPOSES NECESSARY FOR THE PROPER IMLEMENTATION OF THE PREEMPTIVE AND RESPONSIVE PROGRAMS OF THE DEPED FOR THE DURATION OF THE PUBLICLY DELCARED EMERGENCY OR UNTIL THE EXECUTIVE DEPARTMENT AND DEPED MAY DEEM NECESSARY.**

**THE DEPED SHALL REPORT TO THE LOCAL EDUCATION BOARD AS TO THE USE AND DISBURSEMENT OF THE LEVIED FUNDS, AS OFTEN AS MAY BE REQUIRED BY THE LOCAL EDUCATION BOARD.”**

**Sec. 7. Implementing Rules and Regulations.** – The Department of the Interior and Local Government and the Department of Education shall promulgate the necessary rules and regulations to implement this Act not later than ninety (90) days after its effectivity.

**Sec. 8. Transitory Provision.** – All existing local school boards established pursuant to the provisions of RA No. 7160, as amended, shall continue to operate pursuant to, and shall be covered by, the provisions of this Act and its IRR.

**Sec. 9. Separability Clause.** – Should any provision or part of this Act be declared invalid or unconstitutional, the remaining parts not affected shall remain in full force and effect.

Sec. 10. *Repealing Clause.* – All laws, executive orders, presidential decrees, administrative orders, rules and regulations, issuances, or parts thereof inconsistent with or contrary to the provisions of this Act are hereby repealed or amended accordingly.

Sec. 11. *Effectivity.* – Notwithstanding the non-issuance of the IRR, this Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

*Approved,*