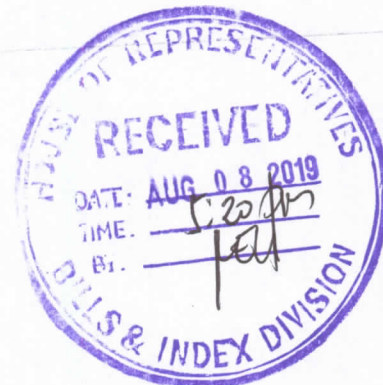


EIGHTEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. **3740**

EXPLANATORY NOTE


Employers play a large part in ensuring the success of skills development activities through both on-the-job and off-the job training. They should be able to participate in technical vocational education and training (TVET). This will guarantee that there will be an adequate supply of skills that businesses need right now and that there will be a proper matching of qualified workers with the available job demands.

Data shows that many Filipino youth have now changed their outlook about TVET. From 2010-2015, TVET graduates in all delivery modes in the Philippines reached 9,958,974 individuals. However, enrolment in enterprise-based training is only at 408,882 or 4.11%.

This bill seeks to help meet the demand for well-trained manpower; to establish a national enterprise-based training system and standards; and to broaden the opportunities, venues of education and training towards greater access.

Engaging the business community in education and training will help reach out to as many people, especially the youth, who are seeking for jobs and other opportunities.

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


RUFUS B. RODRIGUEZ

HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. **3740**

AN ACT
EXPANDING ENTERPRISE-BASED EDUCATION AND TRAINING, AND
APPROPRIATING FUNDS THEREFOR

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

SECTION 1. Short Title. - This Act shall be known as the "Enterprise-Based Education and Training (EBET) Act."

SEC. 2. Declaration of Policy. - It is hereby declared the policy of the State to enhance the skills of middle-level workforce of the entire nation. The State seeks to strengthen middle-level manpower education and training in the country and to promote employment so that it can be assured of an ever-growing supply of educated and competitive manpower equipped with the appropriate skills and desirable work habits and attitudes to meet the requirements, demands, and standards of the workplace both in the local and international market.

The State recognizes that apprenticeship and dual training will help develop and upgrade the skills of the student/trainee in a technologically changing world and in providing relevance in the training of a student/trainee by encouraging work experiences as a valid part and means of education and training. The recognition of the benefits of combining these two paths will greatly contribute to the creation of a pool of well-trained middle-level workforce in the country.

SEC. 3. Objectives. - This Act shall have the following objectives:

- (a) To help meet the demands of the economy for well-trained manpower through technical-vocational education and training (TVET);
- (b) To establish a national enterprise-based training system and standards that are competency-based, including an on/off-the-job training program through the participation of employers, workers, and government;
- (c) To establish enterprise-based training standards that will ensure that the student/trainees will acquire the right competencies in an environment where their rights and safety are protected; and,
- (d) To broaden the opportunities, venues of education, and training towards greater access by all workers.

SEC. 4. Definition of Terms. - As used in this Act:

- (a) *Competency assessment* refers to the process of gathering and judging evidence to decide whether a person has achieved a standard or level of competency;
- (b) *Competency standards* refer to the written specifications of the knowledge, skills, attitudes and values required for the performance of a job, occupation or trade and the corresponding standard of performance required for these in the workplace;
- (c) *Dual education and training* refer to the combination of on and off-the-job

- training involving an enterprise and a training institution;
- (d) *Dual Training System* refers to an instructional delivery system of technical and vocational education and training that combines in-plant training and in-school training based on a training plan collaboratively designed and implemented by an accredited dual system educational institution/training center and accredited dual system agricultural, industrial and business establishments with prior notice and advice to the concerned local government unit. Under this system, said establishments and the educational institution share the responsibility of providing the trainee with the best possible job qualifications, the former essentially through practical training and the latter by securing an adequate level of specific, general and occupation-related theoretical instruction. The word "dual" refers to the two parties providing instruction while "system" means that the two instructing parties do not operate independently of one another, but rather in a well-coordinated manner;
 - (e) *Enterprise-Based Education and Training Fund* refers to the amount of money made available to defray expenses of the trainees and other expenses related to the implementation of *Enterprise-Based Training Program*;
 - (f) *Enterprise-based education and training qualifications* refer to the required set of skills and aptitudes that a student/trainee must possess before admission to the enterprise-based education and training;
 - (g) *Enterprise-based student/trainee* refers to a person qualified to undergo training for an approved enterprise-based education and training in an established period as provided for by the enterprise-based education and training agreement;
 - (h) *Enterprise-based training agreement between enterprise and student/trainee* refers to a contract emphasizing the rights, duties and responsibilities of each party wherein an enterprise binds itself to train the trainee who in turn accepts the terms of education and training for an enterprise-based training qualification;
 - (i) *Nominal duration of education and training* refers to the estimated number of training hours; and
 - (j) *Period of education and training* refers to the duration when the training commences and terminates.

SEC. 5. Establishment of Enterprise-Based Education and Training Programs. - Enterprise-based education and training programs (EBET) refer to practical training programs with compulsory related theoretical instructions conducted on/off-the-job being implemented within companies, the duration of which, shall be based on the complexity of the competencies to be learned in the specific qualification.

A registered enterprise, group or association, industry, organization, government institution or civic group wishing to organize the EBET program shall choose from any of the following training schemes:

- (a) EBET involving a company or entity and an identified technical-vocational institution (TVI);
- (b) EBET involving a group of company or entities and a TVI; and
- (c) EBET involving an industry training center and company or entity or a group of companies or entities:

SEC. 6. EBET Application. - An enterprise, group or association, industry, organization, government or civic group wishing to organize an EBET program shall have its program registered with the TESDA before entering into an agreement with students/trainees.

This Act shall apply to all work-related or workplace-related training in any of the following modalities: (a) Apprenticeship; (b) Learnership; (c) On-the-Job-Training; (d) Practicum; (e) Work Appreciation Program; (f) Dual Training System; and, (g) Internship.

SEC. 7. EBET Agreement. - EBET agreements shall conform with the rules issued by the TESDA and shall include the following:

- (a) Nature and purpose of training;
- (b) Curriculum;
- (c) Period of training;
- (d) Training allowance equivalent to seventy-five percent (75%) of the existing minimum wage, which shall be paid in cash or in kind or both;
- (e) Schedule of training allowance payments;
- (f) Process of termination of enterprise-based training; and
- (g) General rights and obligations of both parties.

Every EBET agreement shall be signed by the employer or an agent of the employer or by an authorized representative of any of the recognized organizations, associations, government institutions or civic groups, and by the student/trainee.

An EBET agreement with a minor shall be signed on the minor's behalf by the parent or guardian: *Provided*, That if the latter is not available, an authorized representative of TESDA shall sign on behalf of the minor student/trainee, and the same shall be binding within the period specified in the agreement.

SEC. 8. EBET Qualifications. – Any applicant for student/trainee under the enterprise-based education and training (EBET) to be conducted by the TESDA must have the following qualifications:

- (a) Must be at least a high school graduate or its equivalent;
- (b) Possesses vocational aptitude and capacity for EBET as established through appropriate aptitude tests provided free of charge by enterprises, groups or associations, industry organizations, government institutions and civic groups with duly recognized enterprise-based training programs, or by the TESDA, in case they do not have adequate facilities for the purpose; and
- (c) Possesses the ability to comprehend and follow oral and written instructions.

Industry associations and labor groups may recommend to the TESDA the appropriate or additional educational requirements for different occupations.

SEC. 9. Responsibility for Theoretical Instruction. – Compulsory theoretical instructions shall be part of the EBET program. In cases where the program is undertaken in the plant, theoretical instructions may be given by the enterprise. If the latter is not prepared to assume the responsibility, the same may be delegated to an appropriate government agency.

SEC. 10. EBET Administration. – The TESDA Board shall set the overall policy for EBET. The responsibility for enterprise-based training administration, monitoring and evaluation of the on/off-the-job training shall be the concern of the TESDA Secretariat. The identification and prioritization of enterprise-based training qualifications and the development of competency standards and curricula shall be the joint responsibility of industry associations, labor groups, and the TESDA. A Plant EBET Committee shall be established in every participating enterprise to ensure that program implementation is in accordance with the approved policies of the TESDA Board.

SEC. 11. Investigation of Violations of EBET Agreement. – The Industry Coordinator, upon complaints of any interested party or *motu proprio*, shall have the initial responsibility of settling differences arising from EBET agreements. In case the Industry Coordinator is not able to settle such differences, the TESDA secretariat or its authorized representative shall investigate and render a decision pursuant to pertinent rules and regulations.

SEC. 12. Appeal. - The decision of the TESDA Secretariat may be appealed by any aggrieved person to the TESDA Board within five (5) working days from the receipt of the decision. The decision of the TESDA Board shall be final and executory.

SEC. 13. Exhaustion of Administrative Remedies. - No person shall institute any action for the enforcement of any EBET agreement or payment of damages for breach of any such agreement, unless all available administrative remedies have been exhausted.

SEC. 14. Compulsory Participation in EBET Program. - Enterprises shall be required to provide the appropriate EBET program under the following circumstances:

- (a) When national security or the requirements of economic development so demand, the President of the Philippines shall require EBET in certain trades, occupations, jobs or employment levels where the supply of trained manpower is deemed critical, as determined by the TESDA Board, upon the recommendation of its secretariat.
- (b) In private companies which employ foreign technicians in enterprise-based training occupations.

SEC. 15. Tax Exemptions. - All grants, bequests, endowments, donations, and contributions made to the participating training institution to be used actually, directly and exclusively by the participating training institution shall be exempt from donor's tax and the same shall be allowed as allowable deduction from the gross income of the donor for purposes of computing the taxable income of the donor in accordance with the provisions of the National Internal Revenue Code of 1997, as amended.

SEC. 16. Exemption from Probationary Employment. - Certified EBET graduates shall be exempted from the rules applicable to probationary employment. They shall be employed as regular workers if chosen to be retained by the participating enterprise, group or association, industry organization, government institution or civic group.

EBET graduates shall likewise be awarded equivalent unit credits in the formal system of education and which can be used in pursuing higher degree courses, subject to the integrated policies and guidelines of equivalency and the adult education acceleration program of the TESDA, Commission on Higher Education, and the Department of Education.

SEC. 17. Insurance Coverage and Protection of Trainees. - Every participating enterprise, group or association, industry organization, government institution and civic group undertaking training in accordance with the provisions of this Act shall provide life and accident insurance coverage for every trainee: *Provided*, That the premium payments of said insurance policy shall be borne by the establishment.

SEC. 18. Implementing Rules and Regulations. - Within ninety (90) days after the effectivity of this Act, the TESDA, in consultation with relevant stakeholders, shall issue the necessary rules and regulations for the effective implementation of this Act.

SEC. 19. Separability Clause. - In the event any of the provisions of this Act is declared unconstitutional, the validity of the other provisions shall not be affected by such declaration.

SEC. 20. Repealing Clause. - All laws, decrees, orders, rules and regulations or parts thereof inconsistent with this Act are repealed or modified accordingly.

SEC. 21. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,