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Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 5433



Introduced by Hon. John Marvin "Yul Servo" C. Nieto

EXPLANATORY NOTE

This bill aims to strengthen the Technical Education and Skills Development Authority by upgrading it into a department from an authority thereby amending RA 7796, otherwise known as TESDA Act of 1994.

Pursuant to the law creating TESDA, the authority is mandated to carry out the government efforts in providing relevant, accessible, high quality and efficient technical education and skills development of Filipinos in pursuit to empowering them towards self-actualization.

Twenty-five (25) years since their creation, TESDA has become the leading authority in ensuring that technical education and skills development (TESD) is relevant, efficient, accessible, and of high quality. However, the agency has been facing enormous challenges due to changes in the local and global environment that the organization needs to focus on. There are limitations to what TESDA can do which can be addressed if it will be elevated into a line Department of the government. TESDA must address the need for modern facilities and equipment in order to be at par with the requirements of the challenge posed by the onslaught of Industrial Revolution and other advancements that may happen in the future. It must also be bestowed with the police powers to impose sanctions and penalties to erring TESD implementers.

It is high time that the TESDA receive additional support from the government, considering their great contribution not just to our fellow Filipinos, but ultimately to the economy of the country.

As manifestation of support to the main proponents of this measure, the immediate passage of this bill is earnestly sought.


JOHN MARVIN "YUL SERVO" C. NIETO

Republic of the Philippines
HOUSE OF REPRESENTATIVES
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EIGHTEENTH CONGRESS

First Regular Session

HOUSE BILL NO. 5433

Introduced by Hon. John Marvin "Yul Servo" C. Nieto

AN ACT CREATING THE DEPARTMENT OF TECHNICAL EDUCATION AND SKILLS DEVELOPMENT, DEFINING ITS POWERS AND FUNCTIONS, REPEALING REPUBLIC ACT NO. 7796, OTHERWISE KNOWN AS THE TESDA ACT OF 1994 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 "Department of Technical Education and Skills Development (DTESD) Act of 2019."

SECTION 2. Declaration of Policy. – It is hereby declared the policy of the State to provide relevant, accessible, high quality and efficient technical education and skills development in support of the development of high quality Filipino manpower responsive to and in accordance with Philippine development goals and priorities.

The State shall encourage active participation of various concerned sectors, public as well as private technical-vocational institutions (TVIs) particularly private enterprises, being direct participants in and immediate beneficiaries of a technically educated and trained workforce, in providing technical education services and training opportunities.

SECTION 3. Objectives. –The objectives of this Act are:

- a) Promote and strengthen the quality of technical education and skills development programs to attain global competitiveness and inclusive growth;
- b) Focus technical education and skills development on meeting the changing demands for quality manpower particularly in support of the development thrust of the country;
- c) Encourage critical and creative thinking by disseminating the scientific and technical knowledge base of manpower development programs;

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- d) Recognize and encourage the complementary roles of public and private institutions, enterprises, local government units (LGUs) and Civil Society Organizations (CSOs) in technical education and skills development;
 - e) Develop the capacities of stakeholders to participate in the planning and delivery of quality technical education and skills development systems;
 - f) Inculcate desirable values through the development of moral character with emphasis on work ethics, self-discipline, self-reliance and nationalism;
 - g) Strongly support the implementation of the Philippine Qualification Framework Act (R.A. 10968), the Ladderized Education Program (R.A. 10647) and the Dual Training System (R.A. 7686); and other laws, decrees and orders on education;
 - h) Maximize returns to the country's investment in technical education and skills development through an efficient graduates' employment facilitation program within the framework of the national employment service network system; and
 - i) Help in the poverty alleviation efforts by providing the marginalized and vulnerable segments of the country's population access to income generating technical education and skills development opportunities.

117 **SECTION 3. Definition of Terms.** – As used in this Act:
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- a) *Apprenticeship* refers to the training within employment with compulsory related theoretical instruction involving a contract between an apprentice and an employer on an approved apprenticeable occupation;
 - b) *Apprentice* refers to a person undergoing training for an approved apprenticeable occupation during an apprenticeship agreement;
 - c) *Apprenticeship Agreement* refers to a contract wherein a prospective employer binds himself to train the apprentice who in turn accepts the terms of training for a recognized apprenticeable occupation emphasizing the rights, duties and responsibilities of each party;
 - d) *Apprenticeable Occupation* refers to an occupation officially endorsed by a tripartite body and approved for apprenticeable by the Authority;
 - e) *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 local government unit concerned. 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: the concept "system" means that the two instructing parties do not operate independently of one another, but rather coordinate their efforts.

- f) *Ladderized education* refers to the harmonization of all education and training mechanisms that allow students and workers to progress between technical-vocational and higher education programs, or vice-versa. It opens opportunities for career and educational advancement to students and workers. It creates a seamless and borderless education and training system that will allow transfers in terms of flexible entry and exit between technical-vocational and higher education programs in the post-secondary school educational system;
- g) *Leading Technology Center* refers to centers that provide high quality and efficient technical education, training and certification in support of the development of high quality Filipino manpower responsive to and in accordance with Philippine development goals and priorities;
- h) *Learner* refers to persons hired as trainees in semi-skilled and other industrial occupations which are non-apprenticeable. Learnership programs must be approved by the Authority;
- i) *Levy Grant System* refers to a legal contribution from participating employers who would be beneficiaries of the program (often as a percentage of the payroll) which is subsequently turned over or rebated to enterprises offering employee training programs;
- j) *Middle-Level Manpower* refers to those:
 - i. who have acquired practical skills and knowledge through formal or non-formal education and training equivalent to at least a secondary education but preferably at post-secondary education with a corresponding degree of diploma; or
 - ii. skilled workers who have become highly competent in their trade or craft as attested by industry
- k) *Philippine Qualifications Framework (PQF)* refers to the national policy which describes the levels of educational qualifications and sets the standards for qualifications outcomes. It is a quality assured national system for the development, recognition and award of qualifications based on standards of knowledge, skills, and values acquired in different ways and methods by learners and workers of a certain country;

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- l) *Private Enterprise* refers to an economic system under which property of all kinds can be privately owned and in which individuals, alone or in association with another, can embark on a business activity. This includes industrial, agricultural, or agro-industrial establishments engaged in the production, manufacturing, processing, repacking or assembly of goods including service-oriented enterprises;
 - m) *Skill* refers to the acquired and practiced ability to carry out a task or job;
 - n) *Skills Development* refers to the process through which learners and workers are systematically provided with learning opportunities to acquire or upgrade, or both, their ability, knowledge and behavior pattern required as qualifications for a job or range of jobs in a given occupational area;
 - o) *Technical Education* refers to the education process designed at upper secondary and lower tertiary levels, aligned with the levels of the PQF, with the pathways to higher education through the credit transfer system based on learning outcomes aimed at preparing technicians, technologists, para-professionals and other categories of workers and/or entrepreneurs by providing them with a broad range of general education, theoretical, scientific and technological studies, and related job skills training;
 - p) *Trade* refers to any group of interrelated jobs or any occupation which is traditionally or officially recognized as craft or artisan in nature requiring specific qualifications that can be acquired through work experience and/or training;
 - q) *Trainee* refers to persons who are participants in a vocational, administrative or technical training program for the purpose of acquiring and developing job-related skills;
 - r) *Trainer* refers to persons who direct the practice of skills towards immediate improvement in some task;
 - s) *Training* refers to teaching or developing oneself or others, any skills and knowledge that relate to specific useful competencies;
 - t) *Trainer's training* refers to training trainers aimed at developing the latter's capacities for imparting attitudes, knowledge, skills and behavior patterns required for specific jobs, tasks, occupations or group of related occupations;
 - u) *User-Led" or "Market-Driven Strategy* refers to a strategy which promotes strengthened linkages between educational/training

institutions and industry to ensure that appropriate skills and knowledge are provided by the educational system;

SECTION 4. *Creation and Mandate of the Department of Technical Education and Skills Development.* – There is hereby created a Department of Technical Education and Skills Development (DTESD) hereinafter referred to as DTESD.

The DTESD shall be the primary policy formulation, planning, coordinating, implementing, regulating and administrative entity of the Government for technical education and skills development agenda.

SECTION 5. *Powers and Functions.* – The DTESD shall have the following powers and functions:

- a) Formulate and recommend national policies and guidelines and conduct in-depth studies on all policy areas and options that will promote technical education and skills development in consultation with the relevant stakeholders;
- b) Assess, review, harmonize and coordinate all technical education and skills development policies and programs to ensure overall consistency and implementation of the national policies;
- c) Organize and constitute various standing committees, subsidiary groups, or technical working groups for efficient integration, coordination and monitoring of technical education and skills development programs at the national, regional, and local levels;
- d) Enter into, make, execute, perform and carry-out domestic and foreign contracts subject to existing laws, rules and regulations;
- e) Restructure the entire sub-sector consisting of all institutions and programs involved in the promotion and development of middle-level manpower through upgrading, merger and/or phase-out following a user-led strategy;
- f) Approve training standards and assessment packages as established and conducted by private industries;
- g) Establish and administer a system of accreditation of both public and private institutions;
- h) Establish, develop and support institutions trainors' training and/or programs;
- i) Exact reasonable fees and charges for such assessment and trainings conducted and retain such earnings for its own use, subject to guidelines promulgated by the Department;
- j) Allocate resources for the programs and projects it shall undertake pursuant to the approved National Technical Education and Skills Development (NTESDP);
- k) Determine and approve systematic funding schemes such as the Levy and Grant scheme for technical education and skills development purposes.

- l) Create, when deemed necessary, an Advisory Committee which shall provide expert and technical advice to the Secretary to be chosen from the academe and the private sector. *Provided*, That in case the Advisory Committee is created, the Department is hereby authorized to set aside a portion of its appropriation for its operations;
- m) To review and recommend action to concerned authorities on proposed technical assistance programs and grants-in-aid for technical education and skills development, including those which may be entered into between the Government of the Philippines and other nations, including international and foreign organizations, both here and abroad;
- n) Promulgate rules and regulations for the implementation of its policies and related laws; and,
- o) To perform such other functions as maybe needed to achieve its goals and objectives to the fullest and as may be provided by this Act.

SECTION 6. Composition. - The DTESD shall be composed of the Office of the Secretary, and the various bureaus, services, regional and provincial/district offices. The Office of the Secretary shall house the Office of the Department Secretary, the Offices of the Undersecretaries, the Offices of the Assistant Secretaries, and their immediate support staff.

SECTION 7. Powers and Functions of the Secretary.

The Secretary shall have the following functions;

- a) Provide executive direction and supervision over the entire operations of the DTESD;
- b) Represent and effectively advocates technical education and skills development (TESD) concerns in national and international bodies;
- c) Establish TESD policies and standards for the effective, efficient and economical operation of the Department, in accordance with the programs of the government;
- d) Mobilize resources and ensures prudent utilization of and access to TESD investments and incentives according to national development plans and priorities;
- e) Designate and appoints officers and employees of the Department, excluding the Undersecretary and Assistant Secretary, Regional Directors, in accordance with the Civil Service Laws, rules and regulations;
- f) Undertake consultations with other members of the Cabinet and officers of the government relating to TESD concerns;
- g) Advise the President on the promulgation of executive and administrative orders and formulation of regulatory and legislative proposals on matters pertaining to TESD;
- h) Promulgate rules, regulations and other issuances in carrying out the Department's mandate, objective, policies, plans, programs and projects;
- i) Direct and manage the implementation of Department's programs and services;

j) Perform such other functions as may be authorized.

SECTION 8. Undersecretaries and Assistant Secretaries. - The Secretary shall be assisted by four (4) Undersecretaries and four (4) Assistant Secretaries who shall be appointed by the President upon recommendation of the Secretary: *Provided*, that the two (2) Undersecretaries and the two (2) Assistant Secretaries shall be career officers.

SECTION 9. Qualifications and Appointments. - The person appointed as Secretary, Undersecretary, or Assistant Secretary of the DTESD must be a citizen and a resident of the Philippines, of good moral character, of proven integrity, and with at least five (5) years relevant TVET experience.

SECTION 10. Office of Undersecretary for Policy And Planning - The Undersecretary for Policy and Planning shall perform the following functions:

- a) Assist the Secretary in matters pertaining to the corporate and Technical Education and Skills Development (TESD) sector plans and policies including international cooperation and commitments;
- b) Assist the Secretary in the formulation of policies and implementation of quality management systems;
- c) Orchestrate the conduct of sectoral researches and studies as inputs to planning and policymaking for an effective and efficient allocation of resources;
- d) Direct the preparation and submission of reports on TESD to the Office of the President and other oversight agencies;
- e) Direct the development of a user-led and market-driven national TESD strategy;
- f) Lead in the development of a national marketing strategy for TESD;
- g) Oversee the effectiveness of the TESD system and proposes strategies to continuously improve the TESD sector;
- h) Ensure the participation of the stakeholders in the governance of TESD programs;
- i) Oversee the implementation of the PQF in cooperation with other relevant agencies in accordance with the PQF-Implementing Rules and Regulations;
- j) Initiate the establishment of local (inter-agency) and international technical cooperation projects;
- k) Direct the implementation of international commitments within the Department including bilateral, regional and multilateral cooperation;
- l) Provide direct supervision over the Planning Bureau, International Relations Bureau and the Quality and Organizational Management Bureau;
- m) Monitor and evaluates the programs and projects implemented; and
- n) Perform such other functions as may be authorized.

SECTION 11. Office of the Undersecretary for Partnerships and Standards Development.- The Undersecretary for Partnerships and Standards Development shall perform the following functions:

- a) Assist the Secretary in matters pertaining to partnerships and linkages;
- b) Oversee the development of a system of establishing and monitoring industry partnerships;
- c) Manage enterprise-based training systems in collaboration with the relevant Bureau;
- d) Exercise direct supervision over the Partnerships and Linkages Office (PLO) and the Globalization of TESD Programs and Services for OFWs Programs and Services;
- e) Monitor and evaluate the effectiveness of partnerships and linkages with partners and stakeholders; and
- f) Perform such other functions as may be authorized.

SECTION 12. Office of the Undersecretary for Learner Development - The Undersecretary for Learner Development shall ~~exercise direct supervision of the operations of the National Institute for Technical Education and Skills Development (NITESD) Bureau and the National TESD Trainers Academy (NTTA).~~ He/she shall perform the following functions:

- a) Assist the Secretary in matters pertaining to learner development programs;
- b) Oversee the effective and efficient implementation of TESD delivery in schools, centers, enterprises and communities;
- c) Oversee the efficient and effective implementation of the implementation of continuing development programs for trainers, teachers and instructors, partners/stakeholders in the TESD sector;
- d) Oversee the implementation of the national career guidance program and system;
- e) Exercise direct supervision over programs and projects for the continuing development and enhancement of the administrators, supervisors, teaching personnel and non-teaching personnel;
- f) Direct the establishment/maintenance of linkage with partners/stakeholders to expand training capabilities;
- g) Direct the conduct of technology researches, and studies for the optimum utilization of specialized centers and technical excellence;
- h) Perform such other functions as may be authorized.

SECTION 13. Office of the Undersecretary for TESD Operations - The Undersecretary for TESD Operations shall perform the following functions:

- a) Assist the Secretary in matters pertaining to TESD operations and scholarship programs;
- b) Oversee the effective and efficient implementation of national strategy to enhance access to TESD programs and services at the Regional and Provincial/ District level;
- c) Oversee the efficient and effective implementation of TESD policies, standards, and programs;
- d) Exercise direct supervision over Scholarship Management Bureau, Regional Operations Management Bureau, Public Information Office and the Special Projects Office;
- e) Monitor and evaluates the performance of Regional/Provincial Offices/TTIs including specialized centers; and
- f) Perform such other functions as may be authorized.

SECTION 14. Bureaus, Services, and Personnel. – The bureaus under the Office of the Secretary of DTESD shall be headed by an Executive Director to be appointed by the President upon the recommendation of the Secretary. The Executive Directors shall have the rank and emoluments of Director IV.

SECTION 15. Regional Office – There shall established Regional Office in each region of the country to be headed by the Regional Director with the rank and emoluments of Director IV and appointed by the President. The Regional Office shall have the following functions:

- a) Direct implementation of TESD programs, projects and related activities in the region;
- b) Develop and recommends TESD programs for local level implementation within set policies;
- c) Deploy policies to stakeholders;
- d) Manage TESD resources in the region;
- e) Plan and implement policy inputs;
- f) Monitor and evaluate program implementation; and
- g) Perform such other functions as may be authorized.

SECTION 16. The Provincial/District Offices- The Provincial/District Office shall be headed by a Provincial/District Director who shall have the rank and emoluments of a Director III. The Provincial/District office shall have the following functions;

- a) Serve as secretariat to the Provincial Technical Education and Skills Development Committees;
- b) Provide technical assistance to the local government units for effective supervision, coordination, integration of all technical education and training programs within their localities;

- c) Review and recommends priority technical education and training programs within their localities; and
- d) Perform such other functions as may be authorized.

SECTION 17. Technical Education and Training Centers. - The DTESD shall absorb and enhance existing Technical Education and Training Centers; and establish a network of national, regional and local technical education and skills development centers for the purpose of promoting technical education and skills development. This network shall include leading training technology centers, training centers in vocational and technical schools, technical institutes, polytechnic colleges, and all other duly accredited public and private dual system educational institutions. The technical education and skills development centers shall be administered and operated under such rules and regulations as may be established by the Department in accordance with the National Technical Education and Skills Development Plan.

These centers and schools shall have the following functions:

- a) Provide responsive formal and non-formal TESD programs;
- b) Conduct applied research and development programs and provides extension services in coordination with Regional Offices (ROs)/Provincial Offices (POs);
- c) Undertake entrepreneurship development program;
- d) Conduct outreach programs in coordination with ROs/POs;
- e) Provide job linkages;
- f) Provide assessment and certification;
- g) Devise mechanisms for sustainable operation and development;
- h) Monitor and evaluate program implementation; and
- i) Perform such other functions as may be authorized.

SECTION 18. Structure and Staffing Pattern. - Subject to the approval of the DBM, the Department through the Secretary shall determine its organizational structure, staffing, pattern, qualification standards, and placement of personnel in the DTESD shall be appointed in accordance with the civil service law, rules, and regulations.

SECTION 19. Compliance with the Salary Standardization Law. - The compensation and emoluments of the officials and employees of the DTESD shall be in accordance with the salary standardization law and other applicable laws under the national compensation and clarification plan.

SECTION 20. Consultants and Technical Assistance, Publication and Research. - In pursuance of its objectives, the DTESD is hereby authorized to set aside a portion of its appropriation for the hiring of services of qualified consultants, and private organizations for research work and publication in the field of technical education and training. It shall avail itself of the services of other agencies of the Government as may be required.

SECTION 20. Formulation of a Comprehensive Development Plan for Middle Level Manpower.- The Department shall formulate a comprehensive development plan for middle manpower based on a national employment plan or policies for the optimum allocation, development and utilization of skilled workers for employment entrepreneurship and technology development for economic and social growth. This plan shall be updated periodically and submitted to the President of the Philippines for approval. Thereafter, it shall be the plan for the technical education, training, and certification for the entire country within the framework of the National Development Plan. The Department shall direct through its offices to call on public agencies, the private sector and academe to assist in this effort. The comprehensive plan shall provide for a reformed industry-based training program including apprenticeship, dual training system and other similar schemes intended to:

- a) Promote maximum protection and welfare of the worker-trainee;
 - b) Improve the quality and relevance and social accountability of technical education and training;
 - c) Accelerate the employment generation effort of the government; and
 - d) Expand the range of opportunities for upward social mobility of the school going population beyond the traditional higher levels of formal education.
- All government and non-government agencies receiving financial and technical assistance from the government shall be required to formulate their respective annual agency technical education and training plan. The budget to support such plan shall be subject to review and endorsement by the Department to the DBM. The Department shall evaluate the efficiency and effectiveness of agencies skills development program and schemes to make them conform to the quantitative and qualitative objectives of the national technical education and skills development plan.

SECTION 21. Technical Education and Skills Development Committees. - The Department shall establish Technical Education and Skills Development Committees at the regional and local levels to coordinate and monitor the delivery of all training activities by the public and private sectors, and recommend policy, program and project. This committee shall likewise serve as the Technical Education and Skills Development Committees of the regional and local development councils. The composition of the Technical Education and Skills Development Committees shall be determined by the Secretary.

SECTION 22. Enterprise-Based Training Program. - The Department shall promote Enterprise-Based Training as a major mode of training rather than an employment arrangement and shall see to it that it is not subject to abuse by unscrupulous entities.

SECTION 23. Establishment and Administration of National Training Standards. - There shall be national training standards to be established by Department-accredited industry committees. The Department shall develop and

563 implement a certification and accreditation program in which private industry
564 groups and trade associations are accredited to conduct approved assessment
565 packages, and the local government units to promote such assessment in their
566 respective areas in accordance with the guidelines set by the Department.

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568 The Secretary shall determine the occupational trades for mandatory
569 certification. All certificates relating to the national training standards and
570 certification system shall be issued by the Department through its Regional and
571 Provincial Offices.

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573 In consonance with the Philippine Qualifications Framework (PQF), the
574 Department shall closely collaborate with the Professional Regulation
575 Commission (PRC) as regards to the assessment of technicians, master
576 craftsman and technologists.

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578 **SECTION 24. Administration of Training Programs.** - The Department shall
579 design and administer training programs and schemes that will develop the
580 capabilities of public and private institutions to provide quality and cost-
581 effective technical education and skills development and related opportunities.
582 Such training programs and schemes shall include teachers'/trainers' training in
583 occupational trades and related fields of employment, and value development
584 as an integral component of all technical education and training programs.

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586 **SECTION 25. Assistance of Employers and Organizations.** - The
587 Department shall assist any employer or organization engaged in technical
588 education and training schemes designed to attain its objectives under rules
589 and regulations established by the Department for this purpose.

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591 **SECTION 26. Accreditation and Regulation of Technical Education and**
592 **Skills Development Programs.** - All technical education and skills
593 development programs shall be duly accredited by the Department before it is
594 offered to the public by any public, private entity or non-government
595 organization.

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597 Non-compliance with the accreditation requirements of the Department
598 shall form part of the bases for the possible suspension or cancellation of the
599 entities' license to operate issued by competent authorities.

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601 **SECTION 27. Coordination of All Technical Education and Skills**
602 **Development Schemes.** - In order to integrate the national technical
603 education and skills development efforts, all technical education and skills
604 development schemes as provided for in this Act shall comply with national
605 standards as determined by the DTESD particularly those having to do with
606 competency standards. For this purpose, existing technical education and skills
607 development programs in the Government and in the private sector, specifically
608 those wholly or partly financed with government funds, shall be reported to the

Department which shall assess and evaluate such programs to ensure their efficiency and effectiveness.

Noncompliance with the above-mentioned standards as well as reportorial requirements shall be disqualified from any form of government assistance in the field of technical education and skills development.

SECTION 28. *Enterprise-Based Partnerships and Linkages.* - The Department shall establish effective and efficient institutional arrangements with industry bodies and such other organizations or associations to ensure direct participation of employers and workers in the design and implementation of technical education and skills development schemes, competency standardization and certification; and such other functions in the fulfilment of the Department's objectives.

SECTION 29. *Inclusive Training Opportunities.* - The Department shall likewise design and implement a delivery system for community based technical education and skills development opportunities for the marginalized and disadvantaged sectors of the population, providing them with new tools of wealth creation and with the capability to take on higher value-added gainful activities; and, to share equitably in productivity gains eventually leading to poverty alleviation and reduction.

SECTION 30. *Skills Competitions.* - To promote quality technical education and skills development in the country and with the view of participating in international skills competitions, the DTESD, with the active participation of private industries, shall organize and conduct annual Skills competitions.

The DTESD shall promulgate the necessary rules and guidelines for the effective and efficient conduct of National Skills competitions and for the country's participation in international Skills competitions such as ASEAN and World Skills Olympics.

SECTION 31. *The TESD Development Fund.* - A Technical Education and Skills Development Fund is hereby established, to be managed/administered by the Department, the income from which shall be utilized exclusively in awarding of grants and providing assistance to training institutions, industries, local government units for upgrading their capabilities and to develop and implement training and training-related activities.

The contribution to the fund shall be the following:

- a) A one-time lump sum appropriation from the National Government;
- b) An annual contribution from the Overseas Workers Welfare Administration Fund, the amount of which shall be determined by the Overseas Workers Welfare Administration and based on the study on financing capacity of the OWWA fund;

- 656 c) Donations, grants, endowments, and other bequests or gifts, and any
657 other income generated by the Department.
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659 The Secretary shall be the administrator of the fund, and as such, shall
660 formulate the necessary implementing guidelines for the management of the
661 fund, subject to the following:
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- 663 a) Unless otherwise stipulated by the private donor, only earnings of
664 private contributions shall be used; and
665 b) No part of the seed capital of the fund, including earnings, thereof,
666 shall be used to underwrite expenses for the administration of the
667 Fund.
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669 The Secretary shall appoint a reputable government-accredited
670 investment institution as fund manager, subject to existing government rules
671 and regulations.
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673 **SECTION 32. *Technical Assistance, Incentives and Scholarship Grants.* -**

674 The Department shall adopt a system of providing technical assistance,
675 incentives and scholarship grants which shall be designed to encourage public
676 and private sector and clientele participation in technical education and training
677 activities along the priorities identified by the National Development
678 Plan/Agenda.
679

680 **SECTION 33. *Placement Centers.* -** There shall be established a network of
681 placement centers or PLACERS in all the Provincial/District Offices to cater
682 specifically to the job placement of graduates of TESD institutions. These
683 Centers shall be financed and administered by the DTESD. In coordination with
684 the Department of Labor and Employment (DOLE), these centers shall be part
685 of the National Employment Service Network of the DOLE.
686

687 **SECTION 34. *Separation and Retirement from Service.* -** Employees who
688 are separated from service within six (6) months from the effectivity of this Act
689 as a result of the abolition/reorganization under the provisions of this Act shall
690 receive separation benefits to which they may be entitled under existing laws,
691 orders and issuances: *Provided*, that those who are qualified to retire under
692 existing retirement laws shall be allowed to retire and receive retirement
693 benefits to which they may be entitled under applicable laws, orders and
694 issuances.
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696 **SECTION 35. *Transitory Provision.* -** The Technical Education and Skills
697 Development (TESDA) created under Republic Act No. 7796 is hereby
698 abolished; and all personnel and resources therein shall be transferred to the
699 DTESD.
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701 The TESDA Board created under Section 6 and 7 of R.A. 7796 is likewise
702 abolished.

703 TheTESDA Secretariat created under Sections 10-15 of R.A. 7796 shall
704 comprise the initial manpower complement of the DTESD, *Provided*,that, no
705 employee shall be terminated by virtue of this transfer.
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708 The laws and rules on government reorganization as provided under
709 Republic Act No. 6656, otherwise known as the Reorganization Law, shall
710 govern the transfer and reorganization process of the Department.
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712 The Personnel of the TESDA shall, in a holdover capacity, continue to
713 perform their respective duties and responsibilities and receive their
714 corresponding salaries and benefits until such time when the organizational
715 structure pattern of the DTESD shall have been approved. *Provided*, That the
716 preparation and approval of the said new organizational structure and staffing
717 pattern shall, as far as practicable, respect and ensure the security of tenure
718 and seniority rights of affected government employees. Those personnel whose
719 positions are not included in the new staffing pattern or who are not
720 reappointed or who choose to be separated as a result of the reorganization
721 shall be paid their separation or retirement benefits under existing laws.
722

723 **SECTION 36. Appropriations.** - The amount needed for the initial
724 implementation of this Act shall be taken from the current fiscal year's
725 appropriation of TESDA. Thereafter, the amount needed for the operation and
726 maintenance of the DTESD shall be included in the General Appropriations Act.
727

728 **SECTION 37. Implementing Rules and Regulations.** - The DTESD shall
729 issue, within a period of ninety (90) days after the effectivity of this Act, the
730 rules and regulations for the effective implementation of this Act.
731

732 **SECTION 38. Separability Clause.** - If, for any reason, any portion or
733 provision of this Act shall be held unconstitutional or invalid, the remaining
734 provisions not affected thereby shall continue to be in full force and effect.
735

736 **SECTION 39. Repealing Clause.** - All laws, decrees, executive orders, rules
737 and regulations, issuances of parts thereof inconsistent with the provisions of
738 this Act are hereby repealed or modified accordingly.
739

740 **SECTION 40. Effectivity.** - This Act shall take effect fifteen (15) days after its
741 publication in the Official Gazette or in a newspaper of general circulation.
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743 *Approved.*
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