



Republic of the Philippines
Department of Education



DepEd O R D E R
No. 31, s. 2005

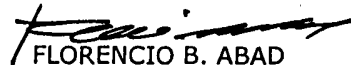
Trunk line: 632-1361
Fax: 633-7231
DEText: 0919-4560027
Website: <http://www.deped.gov.ph>

JUN 07 2005

IMPLEMENTING GUIDELINES FOR EDUCATIONAL SERVICE CONTRACTING (ESC)
AND TUITION FEE SUPPLEMENT (TFS) FOR SY 2005 - 2006

To: Bureau Directors
Regional Directors
Schools Divisions / City Superintendents
Heads, Private Secondary Schools

1. For the guidance of all concerned, the enclosed implementing guidelines of the Educational Service Contracting (ESC) and the Tuition Fee Supplement (TSF) shall take effect in SY 2005 - 2006.
2. The Fund for Assistance to Private Education (FAPE) shall continue to function as service provider for the implementation of the ESC - TFS Programs for School Year 2005 - 2006.
3. All previous DepEd rules, regulations and other issuances or parts thereof, which are inconsistent with this Order are hereby rescinded or modified accordingly.
4. Immediate dissemination of and compliance with this Order is directed.


FLORENCIO B. ABAD
Secretary

Reference:
DECS Order No. 36, s. 2004

Allotment: 1- -(D.O. 50-97)

To be indicated in the Perpetual Index
under the following subjects:

FEES
PROGRAMS
RULES & REGULATIONS
STUDENTS

ESC-TFS Implementing Guidelines School Year 2005-2006

I. Constitutional Basis for the GASTPE Program

Republic Act 8545 (amending R.A. 6728), otherwise known as the "Expanded Government Assistance to Students and Teachers in Private Education (GASTPE)", stipulates that it is the declared policy of the state, in conformity with the mandate of the constitution, to promote and make quality education available to all Filipino citizens. Through this law, the state also recognizes the complementary roles of public and private schools in the educational system, especially the latter's invaluable contribution to education.

II. General Guidelines for SY 2005-2006

The budget for 2006 allows for an expansion of the number of slots open for ESC.

- A. The "Schools First Initiative" of the Department is an initiative that aims to revolutionize the management of basic, public and private education, in the Philippines. In this light, the retention or acquisition of ESC slots in the future shall henceforth be governed by the willingness and desire of schools to institute the reforms as envisioned in the Schools First Initiative.
- B. Current first year ESC slots shall be equal to the number of fourth year ESC graduates of SY2004-2005 but shall not be less than 50 slots for the participating schools that passed the ESC Certification Program. (Please refer to Section III.B of the guidelines)
- C. The ESC subsidy shall be maintained at Php4,000 per grantee in all year levels.
- D. Current TFS slots are limited to fourth year high school only. No new TFS slots are to be granted.
- E. The distribution of the 50,000 new ESC slots shall be in accordance with a formula indicated in III.B.8.

III. Educational Services Contracting

A. Who May Participate in the ESC Program

The following schools, provided they are willing or have undertaken reforms covered under the *Schools First Initiative* of

the Department of Education, may be allowed to participate in the ESC program:

1. Government-recognized private secondary schools that have passed the ESC Certification program
2. Night schools or branches of existing ESC participating private institutions that have already earned government recognition and passed the ESC Certification program - these schools must be covered by a separate MOA
3. Schools that failed to meet the minimum standard criteria for certification shall be given two years to comply. Schools that are under "probationary" or "disqualified" status may request at their own expense for a re-visit within the school year if they feel that they have already complied with the minimum standards
4. Participation of qualified schools in the program is subject to the availability of funds. The order of priority in accepting new participant schools into the ESC program shall be as follows:
 - a. Applicant schools that have attained level 2 accredited status and are willing to condone any monetary difference between the ESC subsidy and its own tuition and other fees;
 - b. Applicant schools that have attained level 2 accredited status but are not willing to condone any monetary difference between the ESC subsidy and its own tuition and other fees;
 - c. Applicant schools that have passed the ESC certification program with a rating of "above standard";
 - d. Applicant schools that have passed the ESC Certification program with a rating of "within standards";
 - e. Applicant schools that have undertaken reforms covered under the Schools First Initiative;

B. Allocation of Slots

1. For school year 2005-2006, the number of first year slots for current ESC participant schools, that have undergone and passed the ESC Certification program (getting "above

standard" and "within standards"), shall be equal to the number of fourth year graduates in school year 2004-2005, but in no case shall be less than 50 slots. Provided, further, that they are willing or have undertaken reforms covered under the Schools First Initiative. There shall be no replacement of dropouts or transferees.

2. Schools that were rated "on probation" in the ESC Certification program are entitled to a first year-slot equal only to the number of ESC fourth year graduates in school year 2004-2005 but in no case less than 30 slots. Provided, further, that they are willing or have undertaken reforms covered under the Schools First Initiative. There shall be no replacement of dropouts and transferees. Schools under this category may request at their own expense for a re-visit within two years as soon as they are certain to have complied with DepEd minimum standards.
3. Schools that were rated "disqualified" in the ESC Certification program are not allowed to accept first year grantees under the program. They shall, however, continue to participate only as far as their continuing grantees are concerned. Schools under this category may reapply as new applicants, subject to the usual procedures required of new applicant schools.
4. Applicant schools that have attained level 2 status in the accreditation process need not undergo the certification program and shall be admitted into the ESC program with a minimum of 50 first year slots, provided that said applicant schools are willing or have undertaken reforms covered under the Schools First Initiative;
5. Applicant schools that have passed the ESC Certification program shall be entitled to a minimum of 50 first year slots.
6. Certification is valid for three years.
7. Schools not visited for certification shall recruit first year grantees equivalent to their number of graduates for SY 2004-05 but no less than 50. There shall be no replacement of dropouts and transferees.
8. The grant of additional slots for 50,000 incoming freshmen shall be based on a formula that shall factor in the following:
 - a. DepEd priority areas
 - b. Institution of School First Initiative reforms;

c. ESC certification results

C. ESC Grantees

1. Selection of New Grantees (1st Year Level)

- a. The process of selecting new grantees shall be carried out by the school committee composed of the school head as chairperson, and parents' association representative and faculty association representative as members.
- b. The school committee shall observe the following criteria, listed according to the order of importance, in the selection of grantees:
 1. Preference shall be given to applicants whose family income is not more than Php72,000 per year.
 2. The applicant meets the admission requirements of the participating school.
 3. The applicant and his/her parent/guardian must make a commitment in writing that the ESC grantee shall exert all efforts to be promoted to the next year level to qualify for continued participation in the program.

2. Continuing ESC Grantees (2nd to 4th Year Level)

- a. ESC grantees shall be qualified for the ESC subsidy for the subsequent school year if they are promoted to the next academic level.
- b. Repeaters and dropouts are automatically disqualified from the program.
- c. Only students who have actually enrolled and have attended classes up to the end of June shall be admitted into the program.
- d. Qualified ESC grantees who transfer to another participating school shall be allowed to continue as grantees provided that they have valid transfer credentials.
- e. An ESC grantee cannot be a participant of the TFS program.

D. Amount of Grant

The ESC subsidy for each grantee in school year 2005-2006 shall be Php4,000 or the actual tuition fee and other school fees charged by the participating school, whichever is lower.

IV. Tuition Fee Supplement

A. Who May Participate in the TFS Program

Schools that are currently participating in the TFS program, provided that their tuition and other school fees in 4th year are not more than Php3,500 per annum.

B. Qualified TFS Grantees

For school year 2005-2006, only students from 4th year who are not recipients of the ESC program shall be qualified to participate in the TFS Program. Students from the 1st, 2nd and 3rd year levels shall no longer be included in the TFS program.

C. Amount of Grant

Participating schools in the TFS program shall be paid Php500.00 for each qualified student under the program.

D. Utilization of TFS Grants

1. The total amount of TFS grants collected by the school shall be allocated in accordance with the law, as follows:
 - a. 70% shall be for the payment of salaries, wages, allowances, and other benefits of teaching and non-teaching personnel;
 - b. 20% for the improvement of school facilities and other operational costs; and
 - c. 10% for return on investment.
2. Participating schools shall be required to submit a report on the utilization of the TFS proceeds, duly certified by the school committee. The report must be supported by the school's plantilla of actual amounts received by the teachers, with their signatures, and copies of receipts for the acquisition or improvements of school facilities and services.

V. Deadline of Submission of ESC and TFS Contracts

All schools must submit their required ESC and TFS documents to the FAPE Regional Program Secretariat not later than September 30, 2005. Schools that fail to submit within the prescribed deadline shall be dropped from the program.

All participating schools are encouraged to submit their ESC and TFS school documents earlier than the deadline. Contracts shall be processed on a first come-first served basis and forwarded to DepEd for release of payments.

VI. Payment of Grants

The DepEd shall release the payment of ESC-TFS grants through the school's respective Land Bank accounts.

VII. Sanctions Against Schools Violating Program Guidelines

- A. The following shall be the grounds for suspension/termination of the school's participation in the program:
1. Falsification of data in the MOA and supporting documents
 2. Padding and/or inclusion of "ghost students" in the list of grantees. Ghost students also refer to the following:
 3. Grantees listed in the participating school's ESC forms who attend classes in another campus, branch, or unit
 4. Students who have enrolled but have not attended the first month of classes
 5. Grantees whose names are listed in both ESC and TFS in the school's documents
 6. Schools with ownership disputes. FAPE is not a judicial body and will therefore not rule on any dispute. Unless a competent court or the DepED division office issues an official ruling on a dispute, the school shall be suspended from the program.
- B. After due process, the sanctions shall be imposed by the Department of Education upon recommendation of the Regional Program Committee and/or the Program Monitoring Team.

- C. The sanctions may also include the filing of appropriate charges against the responsible school officials and school committee members.

VIII. Roles of the FAPE National Secretariat

The FAPE National Secretariat shall perform the following functions:

- A. Formulate the proposed ESC and TFS Implementing Guidelines and Procedures for approval by the State Assistance Council through the DepEd
- B. Designate the FAPE Regional Program Director and Coordinator
- C. Conduct orientation assemblies or meetings on the ESC-TFS Implementing Guidelines and Procedures for all RPCs, RPSs, and participating schools, and distribute school MOAs and official ESC-TFS Forms
- D. Receive, review, and process school MOAs and supporting documents forwarded by the RPSs
- E. Certify the accuracy and completeness of school documents submitted to the DepEd, as well as the computation and amount of entitlements of the participating schools
- F. Conduct research regarding trends on tuition fees, enrollment, dropouts, transferees, retention and promotion rates, etc.
- G. Monitor and evaluate the operations of the Regional Program Secretariats
- H. Resolve issues and concerns of the RPCs, RPSs, and participating schools, relative to the implementation of the ESC-TFS programs
- I. Make recommendations to the DepEd and SAC for the improvement of the implementation of the programs
- J. Render terminal reports to the DepEd and SAC.

IX. Roles of the FAPE Regional Program Secretariat (RPS)

- A. The FAPE Regional Program Secretariat shall be composed of the following:

1. Regional Program Director who shall exercise general supervision over the secretariat operations and staff
2. Regional Program Coordinator who shall manage the day-to-day operations of the secretariat
3. Support Staff who shall be designated by the Regional Program Director and shall assist the Regional Program Coordinator in the secretariat operations

B. The RPS shall perform the following functions:

1. Provide advisory assistance to the participating schools in the proper accomplishment of required documents
2. Receive and review the completeness and accuracy of the documents submitted by the participating schools
3. Forward to FAPE the documents deemed to be complete and accurate
4. Check the compliance of participating schools in terms of the ESC-TFS Implementing Guidelines and Procedures, with the assistance of the DepEd Regional Private School Area Supervisor
5. Provide reports and support services to the Regional Program Committee
6. Submit the required reports to the FAPE National Secretariat

X. Roles of Regional Program Committee (RPC)

A. The Regional Program Committee shall be composed of the following:

1. DepEd Regional Director as Chair
2. Regional Program Director as Co-chair
3. Chief of Secondary Education as member
4. Regional Program Coordinator as member
5. DepEd Division Superintendents

B. The RPC shall perform the following functions:

1. Serve as oversight committee for the implementation of the programs in the region
2. Recommend to the DepEd Central Office sanctions against delinquent participating schools as recommended by the monitoring team
3. Make recommendations for the improvement of the programs' implementation

XI. Roles of the Regional Monitoring Team (RMT)

A. Composition:

1. One (1) representative from the Regional Program Secretariat
2. One (1) representative from the DepEd Division or Regional Office

B. Functions:

1. Inform the participating schools in the region regarding the schedule of monitoring visits to ensure that all grantees (day, night, Sunday, Satellite, Annex, Branch schools, and other school types) are accounted for
2. Monitor the compliance of all participating schools with program guidelines
3. Submit a report regarding the monitoring observations to FAPE
4. Make recommendations to FAPE, based on the monitoring observations