



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF EDUCATION, CULTURE AND SPORTS

Marikina Avenue, Pasig City

August 5, 1996

DECS O R D E R  
No. 53, s. 1996

**TRANSFER OF MANAGEMENT OF EDUCATIONAL SERVICE CONTRACTING (ESC)  
AND TUITION FEE SUPPLEMENT (TFS) PROGRAMS TO THE FUND  
FOR ASSISTANCE TO PRIVATE EDUCATION (FAPE)  
FOR SY 1996-1997**

To: Bureau Directors  
Regional Directors  
Schools Superintendents  
Heads of Private Schools, Colleges and Universities

1. Effective SY 1996-1997, the Management of the Educational Service Contracting (ESC) and Tuition Fee Supplement (TFS) programs is hereby transferred from the Bureau of Secondary Education (DECS) to the Fund for Assistance to Private Education (FAPE) per Memorandum of Agreement signed on February 28, 1996.
2. Provisions of DECS Order No. 51, s. 1994, entitled "Educational Service Contracting and Tuition Fee Supplement at the Secondary Level SY 1994-95", as revised by the State Assistance Council (SAC) in its March 7, 1995 meeting are still in force and in effect.
3. Inclosed is a set of policies/guidelines to be followed in the implementation of the Educational Service Contracting and Tuition Fee Supplement (ESC/TFS) which includes the revisions agreed upon in the SAC meeting in March. The prescribed ESC/TFS forms included as Inclosure No. 2 to DECS Order No. 51, s. 1994 shall remain in use until otherwise revised.
4. All previous DECS rules, regulations and other issuances or parts thereof, which are inconsistent with this Order are hereby repealed or modified accordingly.
5. Immediate dissemination of this Order is expected.

  
RICARDO T. GLORIA  
Secretary

Incl.: As stated  
References: DECS Orders: Nos. (51, s. 1994)  
and 22, s. 1995  
Allotment: 1-2-4--(M.O. 1-87)  
To be indicated in the Perpetual Index  
under the following subjects:

✓ AMENDMENTS

✓ FEES

✓ RULES & REGULATIONS

✓ SCHOOLS

✓ STUDENTS

✓ INVESTMENTS & SERVICES

(Inclosure to DECS Order No. 53, s. 1996)

### IMPLEMENTING GUIDELINES FOR ESC FOR SY 1996-1997

1. R.A. 6728 entitled "An Act Providing Assistance to Students and Teachers in Private Education, and Appropriating Funds Thereafter," stipulates that it is the declared policy of the State, in conformity with the mandate of the Constitution, to promote and make quality education accessible to all Filipino citizens. The State also hereby recognizes the complementary roles of public and private schools in the educational system especially the latter's invaluable contribution to education.
2. The Educational Service Contracting (ESC) Scheme which was formerly managed by the Department of Education, Culture and Sports (DECS) through the Bureau of Secondary Education (from SY 1991-92 to SY 1995-1996) shall be managed by the Fund for Assistance to Private Education effective SY 1996-97.

#### FEATURES OF THE PROGRAM:

3. Pursuant to DECS Order No. 67, s. 1992, in Educational Service Contracting (ESC), the government and a private school may enter into a contract for the purpose of accommodating overflow students in the said private school. The government pays the tuition and other school fees of the overflow students (those who cannot be accommodated in public schools because of lack of teachers space/facilities, or similar reasons). The scheme may also be applicable in communities where only a private school is available to deliver educational service; however, this shall be subject to the school meeting the prescribed requirements, the approval of the Regional Director and the availability of funds.
4. As agreed upon in the State Assistance Council (SAC) meeting held on March 7, 1995, ESC payment per student grantee shall be at the rate prescribed by the school for other students but not to exceed ₱ 1,700.00.
5. These guidelines on the management and implementation of the Educational Service Contracting program for high school students (ESC) are hereby promulgated for school year 1996-97 and shall be enforceable and in effect unless otherwise changed, modified or repealed.

#### a. Project Management

- 1) The State Assistance Council (SAC) shall be responsible for policy, guidance and direction, monitoring, evaluation and the promulgation of rules and regulations of GASTPE programs (ESC).
- 2) Implementation of these policies, rules and regulations as promulgated by the State Assistance Council (SAC) shall be the

responsibility of the Fund for Assistance to Private Education (FAPE). The ESC Unit of FAPE (1) shall supervise, monitor and oversee the implementation of the ESC program in all participating private schools; (2) send written communications to Regional Project Committees (RPCs) on DECS guidelines and policies, through channels; (3) collect, collate and interpret pertinent data on ESC from the RPCs and make periodic reports whenever needed; and (4) evaluate the ESC program implementation.

- 3) The ESC National Executive Committee is composed of the Secretary of Education, as Chairman, an Undersecretary of Education, the Director of the Bureau of Secondary Education (DECS), and the President of the Fund for Assistance to Private (FAPE) as members.
- 4) The ESC National Secretariat is composed of a Project Director, and Project Staff members to be determined according to needs.
- 5) The Regional Project Committee is composed of the DECS Regional Director as Chair, the Regional Chief of Secondary Education Division and the Regional COCOPEA Representative as co-chairs and a Private School Representative, as member.

The unit sets up the Regional Project Committee (RCC) (1) to handle ESC at the Division level; (2) identify sites where excess enrollment is registered; (3) supervise, monitor and oversee the implementation of ESC program in the regional level; (4) provide FAPE-GASTPE Implementing Unit with needed ESC data/reports; (5) disseminate relevant information on ESC implementing rules; (6) resolve issues/problems on ESC Program in the region and (7) submit duly certified periodic updates to the ESC National Secretariat using the prescribed ESC Forms.

- 6) The Division Project Committee is composed of the Division Superintendent as Chair, a duly appointed Division ESC Coordinator and a COCOPEA Representative as co-chairs.

The Unit: (1) identifies overflow students according to guidelines set; (2) checks, reviews and processes ESC required documents presented by participating private schools; (3) monitors and confirms enrollment data; (4) prepares and submits needed statistical data on ESC program to the RPC; and (5) endorses to the RPC a duly certified list of ESC participating schools indicating the

number of grantees by year level and the total amount claimed (actual tuition and fees charged). This list should be duly certified by the Division Finance Officer and Schools Division Superintendent.

b. Procedural Management

1) EDUCATIONAL SERVICE CONTRACTING (ESC) SCHEME

- a) Selection of Schools. Any duly recognized private high school in the student's area of residence may participate in ESC. A school may be excluded from the ESC Program when it does not comply with ESC guidelines, has a high dropout rate and has congested classrooms and inadequate support facilities. When a school is excluded from further participation, the RPC shall make a report to the ESC National Secretarial at FAFE.
- b) Selection of ESC Grantees/Enrollment Procedure. The public high school principal implements early enrollment schedule on a first-come-first-served basis and numbers the names in the list consecutively until the limit of 56 per class is reached. Students enrolled after the school quota of 56 per class is reached are considered excess or overflow.

The public high school principal issues an individual Certification of Excess Enrollment to each overflow student advising him/her to enroll in a duly recognized private school of his/her choice in the area of his/her Region/Division under the condition that the government shall pay the tuition and other school fees actually charged by the school up to a maximum of P1,700.00.

The overflow student presents a Certification of Excess Enrollment from the public high school principal, his/her elementary report card and the parent's latest income tax or Certification of Family Income, to the private high school participating in the ESC program. He/She undergoes the normal enrollment procedure. Among ESC grantees, preference is given to overflow students whose family income falls below the poverty line (1991:P43,274 per annum) as defined by NEDA.

In a municipality where there is no public school and the only educational service available is in a private school, ESC may be undertaken subject to the avail-

ability of funds. However, priority shall be given to students who are residents of the community and who come from families whose income falls below the poverty line as defined by NEDA.

After the enrollment of excess/overflow students, the private high school principal prepares a Certification of Enrollment together with the tuition fee schedule per year level and submits them to the Schools Division Superintendent, chair of DPC.

After checking and reviewing the list of ESC grantees, the Schools Division Superintendent endorses it to the co-chair of the Division Project Committee who in turn endorses it to the Regional Project Committee for approval and submission to the ESC National Secretariat at FAPE, Makati City.

The Regional Project Committee submits to the Bureau of Secondary Education, the number of ESC grantees by school/division/year level not later than August 30, 1996 and every year thereafter for monitoring purposes.

Replacement of dropout ESC grantees is not allowed. ESC grantees who drop out shall no longer be eligible for any GASTPE grant.

c) Conditions and Limitations of Student Participation

Due to budgetary constraints, effective SY 1996-97, the number of first year entrants shall be the same as the number of ESC fourth year grantees in SY 1995-96. This policy shall be enforced until such time when the budgetary shortfall for the previous school years shall have been settled.

Once the student is enrolled as an ESC grantee in a participating private school, he/she shall be considered as a bonafide student of said school and shall be subject to its rules and regulations.

ESC grantees must pass the minimum requirements that will qualify them for promotion to the next year level under DECS rules, otherwise their privileges of free education under ESC shall terminate.

In the event that the tuition and other school fees of a private school exceed the set ceiling, it may collect the balance from an ESC grantee provided that the student is notified of said arrangement and

d) Policy on Dropouts, Transferees and Refunds

In schools where an ESC grantee drops out or transfers within the year, the government through FAPE shall pay to the schools:

- 1) 10% of the subsidy if ESC grantee drops out or transfers within the first week after the start of classes;
- 2) 20% of the subsidy if grantee drops out or transfers after the first week or within the second week after the start of classes, regardless of whether or not the student has actually attended classes (Section 66, entitled: Tuition charges of the Manual of Regulations for Private Schools, 8th Edition, 1992);
- 3) 50% of the subsidy if an ESC grantee drops out or transfers after the second week or within the third week after the start of classes; and
- 4) 100% of subsidy if an ESC grantee drops out or transfers anytime after the fourth week of the start of classes.

The Directors/Administrators of ESC participating schools shall refund to the ESC National Secretariat at FAPE payments for grantees who drop out or transfer. The ESC participating schools should furnish the ESC National Secretariat, the official dropout or transfer form of students duly certified under oath.

All requests for payments are processed by the ESC National Secretariat at the Fund for Assistance to Private Education (FAPE) office in Makati City upon receipt of the summary list and prepares the Memorandum of Agreement between FAPE as agent of the Department of Education, Culture and Sports (DECS) and the individual institution.

e) Processing of MOAs by ESC National Secretariat and Payment to Participating Schools

The ESC National Secretariat:

- 1) Receives the MOAs from RPCs under a covering transmittal slip in duplicate; acknowledges receipt by signing and returning the transmittal duplicate to the RPC.

2) Records the MOAs by school within a division and region in a register with the following suggested column headings:

- a) date
- b) school name
- c) school address
- d) number of students
- e) contract amount
- f) date of 1st payment
- g) check number and amount
- h) date of 2nd payment
- i) check number and amount

3) Checks the following:

a) That the first year students are listed in ESC Form-2 or LSSP signed by the team leader and all members of the Local Screening Team (LST);

b) That the non-freshmen are listed by year level on the ESC Form-4 or LCSYL which is signed by the School Principal;

c) That the fees charged conform to those approved by the DECS per official communication, a copy of which should be attached to the MOA;

4) Verifies the accuracy of computations in the billing section of the MOA to ascertain correctness of the contract amount.

5) Checks that the first year enrollments in the divisions/regions are within the authorized slot allocations for the school year; Brings to RPC's attention any excess enrollment detected

6) Arranges for the signing of the MOAs by the FAPE President and thereafter, for their notarization and distribution as follows:

Original and Duplicate --FAPE [ESC National Secretariat with the attached List of Selected Student Participants (LSSP) and List of Contract Student by Year Level (LCSYL)];

3rd copy - Participating Private High School Principal;

4th copy - RPC Secretariat;

5th copy - ESC National Secretariat/FAPE;

6th copy - Notary Public's Office;

7) Based on aforesaid register of MOAs (preceding step 2), issues payment requests to FAPE's Accounting Department for the first fifty (50) percent of the contract amount payable 45 days after the receipt of the MOA

8) Upon release of the checks, posts to register information such as date of release of the payment, amount and check number

9) Eight months after the start of classes of the current school year, arranges for the payment of the balance of the contract amount due the schools in accordance with the MOA stipulations

10) Records the information on the checks released in the MOA register, i.e. date of release of the 2nd payment, check number and amount.

## 2) PENALTIES

In case of any violation of these guidelines such as:

- discrimination against the poor/disadvantaged ESC enrollees;
- padding of enrolment register;
- adjustment in tuition fee charged to accommodate the tuition fee ceiling under ESC; and
- acceptance of ESC enrollees even without the proper certification of overflow from the public high school principal and the provisions of R.A. 8728, DECS upon recommendation of SAC, may ban the institution/s from participating in or benefiting from GASTPE programs and in other programs of the Department, without prejudice to administrative and criminal charges which may be filed against it and/or its responsible officers under existing laws.

Any school that refuses to furnish copies of its audited financial statements to concerned sectors with whom it is having consultation prior to tuition fee increases, shall forfeit the right to increase its tuition fees, in addition to other penalties or sanctions as may be imposed under the preceding paragraph or by existing laws.

## OTHER RESPONSIBILITIES OF THE ESC NATIONAL SECRETARIAT

1. For each of the payments made to participating schools, take steps to obtain their official receipts (ORs) if the ORs are not received 30 days after the release of the check payments.
2. Perform random checks at the division level with the DCCs to verify the validity of the ESC grantees enrolled in the private schools.
3. Sample-test of the ESC enrollment in schools located within reasonable distance from where the said random-checking is being done, by tracing the ESC students in class registers or other school documents.



4. Report significant findings based on preceding steps 2 and 3 to the National Advisory Committee (NAC) not later than the close of the current schoolyear.
5. About the 15th of the month following the close of the school year, follow up through the Regional Coordinators the submission to the ESC National Secretariat at FAPE of ESC Form-5 or the year-end status report on ESC students
6. At the end of the month following the close of the school year, give the Regional Coordinator the lists of schools which have not submitted the ESC Form-5 in their respective regions requesting them to expedite compliance with this requirement.

#### IMPLEMENTING GUIDELINES FOR TFS FOR SY 1996-1997

1. As in ESC, the legal basis for the provision and implementation of the TFS program is R.A. 6728.
2. The Tuition Fee Supplement (TFS) for high school students which was formerly managed by the Bureau of Secondary Education, DECS through the DECSROs shall be administered by the Fund for Assistance to Private Education (FAPE) effective SY 1996-97.

#### FEATURES OF THE PROGRAM:

3. The Tuition Fee Supplement (TFS), is a subsidy given by the government in the amount of two hundred ninety pesos (P290.00) per student enrolled in a qualified private secondary school. This private school must have charged tuition and other school fees not higher than the ceiling of P 2,500.00 inclusive of subsidy for SY 1995-96.
4. These guidelines on the management and implementation of the Tuition Fee Supplement program for high school students (TFS) are hereby promulgated for school year 1996-97 and shall be enforced and in effect until otherwise changed, modified or repealed.

##### a. Project Management

- 1) The State Assistance Council (SAC) shall be responsible for policy, guidance and direction, monitoring, evaluation and the promulgation of rules and regulations of this GASTPE program (TFS).
- 2) Implementation of these policies, rules and regulations as promulgated by the State Assistance Council (SAC) shall be the responsibility of the Fund for Assistance to Private Education (FAPE). The ESC/TFS Unit of FAPE (1) supervises, monitors, and oversees the implementation of the TFS program in all participating private schools; (2) sends written communications to the Regional Project Committee (RPCs) on DECS guidelines and policies through

pertinent data on TFS from the RPCs and makes periodic reports whenever needed; and (4) evaluates the TFS program implementation.

- 3) The TFS National Executive Committee is composed of the Secretary of Education as Chairman, an Undersecretary of Education, the Director of the Bureau of Secondary Education (DECS), and the President of the Fund for Assistance to Private Education (FAPE) as members.
- 4) The TFS National Secretariat is composed of a Project Director, and Project Staff members to be determined according to needs.
- 5) The Regional Project Committee is composed of the DECS Regional Director as chair, the Regional Chief of Secondary Education Division and the Regional COCOPEA Representative as co-chairs and a Private School representative as member.

The unit sets up Division Coordinating Committees (DCCs) (1) to handle TFS at the Division level; (2) supervises, monitors and oversees the implementation of the TFS program in the regional level; (3) provides FAPE-GASTPE Implementing Unit with needed TFS data/reports; (4) disseminates relevant information on TFS implementing rules; (5) resolves issues/problems on TFS program in the regions and (6) submits duly certified periodic update to the TFS National Secretariat using the prescribed TFS forms.

- 6) The Division Project Committee is composed of the Division Superintendent as Chair, a duly appointed Division TFS Coordinator and a COCOPEA representative as co-chair.

The Unit (1) identifies TFS students according to guidelines set; (2) checks, reviews and processes TFS required documents presented by participating schools; (3) monitors and confirms enrollment data; (4) prepares and submits needed statistical data on TFS program to the RPC; and (5) endorses to the RPC a duly certified list of TFS participating schools indicating the number of grantees by year level and the total amount claimed. This list should be duly certified by the Division Finance Officer and Schools Division Superintendent.

## 5. PROCEDURAL MANAGEMENT (TFS)

- a. Private high schools which charge tuition and other fees not higher than the ceiling of P 2,500.00 including subsidy in SY 1995-96, shall register with the DCC on or before July 25, 1996 and every year thereafter using TFS Form-1 (Tuition and Other Fees Supplement Voucher)

Division, one copy for the RPC, one for the school, one (1) copy for public posting in school premises and one copy for the Bureau of Secondary Education. The data in Form-1 shall be the basis for payment of TFS claims. A copy of TFS Form-1 should be submitted to the Bureau of Secondary Education not later than August 30, 1996 and every year thereafter.

The Chair of DCC prepares and submits to the RPC a report on tuition fee supplement claims for SY 1996-1997 using TFS Form 2, not later than August 20, 1996. The data in Form 2 will be the basis for budgetary allocation.

TFS Regional Coordinator (TFS-RC) prepares the consolidated report also using TFS Form 2 and submits it to the TFS National Secretariat not later than August 30, 1996. A copy of the TFS Form 1 should be submitted to the Bureau of Secondary Education also not later than August 30, 1996 and every year thereafter.

Vouchers are processed at the TFS National Secretariat which issues checks directly to the schools corresponding to the aggregate amount indicated in the vouchers.

After the payment of participating schools, TFS- RC submits the following:

- 1) periodic disbursement update using TFS Form 3;
- 2) year-end report using TFS Form 4; and
- 3) a final report using TFS Form 5 before the end of the school year addressed to:

The TFS National Secretariat  
(Attn.: Project Director)  
Fund for Assistance to Private Education  
5th Floor, Concorde Condominium  
Salcedo cor. Benavidez Sts.  
Legaspi Village, Makati City

In case there are balances to be paid, a duly certified financial statement by the Regional Project Committee Chair indicating the school and the exact amount due shall be submitted to the TFS National Secretariat to serve as basis for additional allotment.

- b. Limitation of Student Participation. An awardee is disqualified from TFS benefits if (a) he/she fails in majority of the academic subjects he/she is enrolled in for one (1) school year, unless such failure is due to some valid cause beyond his/her control; and (b) he/she transfers residence outside the region.
- c. Allocation of Proceeds. Pursuant to No. 2 of Section 5, R.A. 6728: Assistance under paragraph (1) sub-paragraph (a) shall be granted, and tuition fees under sub-paragraph (b) may be increased, on the condition, that seventy percent (70%) of the amount subsidized allotted for tuition fee or of the tuition fee increases shall go to the payment of salaries, wages, allowances and other

benefits of teaching and non-teaching personnel except administrators who are principal stockholders of the school, and may be used to cover increases as provided for in the collective bargaining agreement existing or in force at the time when this Act was approved and made effective. Provided, that government subsidies are not used directly for salaries of teachers of non-secular subjects. At least twenty percent (20%) shall go to improvement or modernization of buildings, equipment, libraries, laboratories, gymnasias and similar facilities and to the payment of other costs of operation. For this purpose, schools shall maintain a separate record of accounts for all assistance received from the government, any tuition fee increase, and the detailed disposition and use thereof, which record shall be made available for periodic inspection as may be determined by the State Assistance Council (SAC), during business hours, by the faculty, the non-teaching personnel, students of the school concerned, the Department of Education, Culture and Sports and other concerned government agencies.

A certification on the above allocation of proceeds shall be attached to the final report on GASTPE at the end of the school year.

- d. Penalties. In case of any violation of these guidelines and the provisions of R.A. 6728, the DECS, upon recommendation of SAC, may ban the institution/s from participating in or benefiting from GASTPE programs and in other programs of the Department, without prejudice to administrative and criminal charges which may be filed against it and/or its responsible officers under existing laws.

Any school who shall refuse to furnish copies of their audited financial statements to concerned sectors with whom they are having consultations prior to tuition fee increases, shall forfeit the right to increase their tuition fees, in addition to other penalties or sanctions as may be imposed under the preceding paragraph or by existing laws.