



REPUBLIKA NG PILIPINAS  
REPUBLIC OF THE PHILIPPINES  
KAGAWARAN NG EDUKASYON, KULTURA AT ESPORTE  
DEPARTMENT OF EDUCATION, CULTURE AND SPORTS  
L.L. Complex, Mejales Avenue  
Pasig, Metro Manila



Sama-Sama  
sa DECS

October 6, 1997

DECS ORDER  
No. 75, s. 1997

IMPLEMENTING GUIDELINES FOR EDUCATIONAL SERVICE CONTRACTING  
(ESC) AND TUITION FEE SUPPLEMENT (TFS) FOR SY 1997-98

To: Bureau Directors  
Regional Directors  
Schools Superintendents  
Private Secondary School Principals

1. Effective SY 1996-97, the management of the ESC and TFS programs was transferred from the Bureau of Secondary Education (BSE) to the Fund for Assistance to Private Education (FAPE).
2. The State Assistance Council in its last meeting held on July 10, 1997, agreed on certain revisions of some provisions of DECS Order No. 53, s. 1996, entitled "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 1996-97." These revisions have been incorporated in the implementing guidelines found in the Inclosure.
3. The revised guidelines include, in brief, the following:
  - no need for certification on overflow from the public school principal;
  - no need for BIR Certification of parent's income; and
  - the implementation of the quota system per region will take effect in SY 1998-99.
4. All previous DECS rules, regulations and other issuances or parts thereof, which are inconsistent with this Order are hereby repealed or modified accordingly.

  
RICARDO T. GLORIA  
Secretary

Incl:

As stated

Reference:

DECS Order (NO. 53, s. 1996)

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

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

AMENDMENTS

FEEs

RULES & REGULATIONS

SCHOOLS

STUDENTS

UNIVERSITIES & COLLEGES

## IMPLEMENTING GUIDELINES FOR ESC FOR SY 1997-98

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 shall be managed by the Fund for Assistance to Private Education (FAPE) this SY 1997-98.

### 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 July 10, 1997, ESC payment per student granted shall be at the rate prescribed by the school for other students but not to exceed P1,700.00.

5. These guidelines on the management and implementation of the Educational Service Contracting program for high school students (ESC) are hereby promulgated for SY 1997-98 and shall be enforceable and in effect unless otherwise changed, modified or repealed.

#### Sa. 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 program (ESC).

27

- 2) Implementation of these policies, rules and regulations as promulgated by the State Assistance Council (SAC) shall be the responsibility of FAPE.

The ESC Unit of FAPE shall (1) supervise, monitor and oversee the implementation of the ESC program in all participating private schools; (2) send written communication to Regional Project Committees (RPCs) on DECS guidelines and policies, through channels; (3) collect, collate and interpret pertinent data on ESC from the RPCs 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 Education (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 (RPC) which shall (1) handle ESC at the Division level; (2) identify sites where excess enrollment is registered; (3) supervise, monitor and oversee the implementation of ESC program at 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) checks, reviews and processes ESC required documents proffered by participating private schools; (2) monitors and confirms enrollment data; (3) prepares and submits to the RPC needed statistical data on ESC program, and (4) 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 Office and Schools Division Superintendent.

### 5b. Procedural Management

- 1) 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 the ESC guidelines, has a high drop-out 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 Secretariat at FAPL.

- 2) Selection of 1st Year ESC Grantees and Enrollment Procedure: The student applicant enrolls in the ESC participating private school of his/her choice in the area of his/her Region/Division on condition that the government shall pay the annual tuition and other school fees actually charged by the school up to a maximum of P1,700.

The student applicant presents his/her elementary report card to the private high school participating in the ESC program. He/she undergoes the normal enrollment procedure. Among ESC grantees, preference is given to applicants whose family income falls below poverty line (1991 P42,274 per annum) as defined by NEDA.

The private high school principal prepares the Memorandum of Agreement (MOA) and its supporting documents for review and processing by the Division Project Committee. The supporting documents to be submitted are as follows: 1) ESC Form 2 or the List of Selected Student Participants (LSSP); 2) Form 4 or List of Continuing Contract Students by Year Level (LCCSYL); 3) ESC Form 5 or year-end Status Report (submitted on the 15<sup>th</sup> of the following month after school closes); and 4) ESC Form 6 or Certification of Tuition Fees and Other Fees Charged.

- 3) Conditions and Limitations of Student Participation

For SY 1998-99, the DECS is adopting the quota system of allocating new ESC entrants to the existing participating schools which will be determined by the Regional Director based on the capability of the school in terms of physical facilities, number of teachers, etc. The allowable number of new ESC entrants (first year) for SY 1997-98 should be the same number as in SY 1996-97.

First year ESC applicants will enroll on a first-come-first-served basis upon presentation of their elementary report card to the Local Screening Team.

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.

pit

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 of P1,700, it may collect the balance from an ESC grantee provided that the student is notified of said arrangement and the consent of his/her parents is obtained.

In a municipality where there is no public school and the only educational service available is in a private school, ESC may be extended to the students of said school subject to the availability 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.

Due to budgetary constraints, the acceptance of new participating schools will depend on the availability of the CASITE budget allocated for the region.

4) Policy on Drop-outs, Transferees and Refunds

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

- a. 10% of the subsidy if ESC grantee drops out or transfers within the first week after the start of classes;
- b. 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: Tuition charges of the Manual of Regulations for Private Schools, 8<sup>th</sup> Edition, 1992);
- c. 50% of the subsidy if the ESC grantee drops out or transfers after the second week or within the third week after the start of classes; and
- d. 100% of subsidy if the 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 FAPÉ payments for grantees who drop out or transfer. The ESC participating schools should furnish the ESC National Secretariat, the official drop-out or transfer form of students duly certified under oath.

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

a. Regional Project Committee

The participating schools submit the Memorandum of Agreement (MOA) together with the necessary forms and supporting documents to the Division Project Committee for review and processing.

The documents are forwarded to the Regional Project Committee-FAPE Regional Coordinator for review and endorsement to the Regional Project Committee (RPC) Chairman. The DECS Regional Director signs the MOA and endorses the application to the FAPE ESC National Secretariat in Makati City.

An advanced copy of the MOA will be forwarded to the FAPE National Secretariat at Makati. On the basis of the advanced copy, initial payment can be made when funds are available, subject to verification of the final MOA.

In the processing of the applications and MOAs, the forms must be reviewed, evaluated and checked as follows:

- 1) The first year students are listed in ESC Form 2 (LSSP) duly signed by the team leader and members of the Local Screening Team (LST)
- 2) The non-freshmen are listed by year level on the ESC Form 4 (LCCYL), duly accomplished by the school principal.
- 3) Compare the current ESC grantees enrollment with that of the list in the ESC Form 3 or the Year-End Report. It must be ensured that the student is a continuing grantee and no drop-outs are included.
- 4) The tuition fees and other fees charged by the school indicated in the ESC Form 6 conform to that approved officially by DECS duly noted by the DECS Regional Director.
- 5) Verify the accuracy of computations in the billing section of the MOA to ascertain correctness of the contract amount.

b. ECS National Secretariat

The ESC National Secretariat receives the MOAs from FAPE, RPC counterpart under a covering transmittal slip in duplicate, and acknowledges receipt.



The ESC National Secretariat 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 2<sup>nd</sup> payment
- i. check number and amount

The ESC National Secretariat verifies the accuracy of computations in the billing section of the MOA to ascertain correctness of the contract amount; checks that the first year enrolment in the divisions/regions are within the authorized slot allocations for the school year; and brings to RPC attention any excess enrolment detected, and 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 Students by Year Level (LCSYL); 3<sup>rd</sup> copy - Private High School Principal; 4<sup>th</sup> copy - RPC Secretariat; 5<sup>th</sup> copy - ESC National Secretariat/FAPE and 6<sup>th</sup> copy - Notary Public's Office

All requests for payment are processed by the ESC National Secretariat, FAPE.

Based on aforesaid register of MOAs, the ESC National Secretariat issues payment requests to FAPE's Accounting Department for the first fifty percent (50%) of the contract amount, payable within 45 days after the receipt of the MOA.

Upon release of the check for payment to schools, the National Secretariat informs the DECSROs by post on the date of the release of payment, amounts and check number. Eight months after the start of classes of the current school year, the National Secretariat arranges for the payment of the balance of the contract amount to the schools in accordance with the MOA stipulations.

M



## 5c. PENALTIES

In case of any violation of these guidelines such as:

- discrimination against the poor/disadvantaged ESC enrollees;
- padding of enrolment register; and
- adjustment in tuition fee charged to accommodate the tuition fee ceiling under ESC.

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.

## 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 DFCs to verify the validity of the ESC grantees enrolled in the private schools.
3. Sample test the ESC enrolment 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 related to student enrolment.
4. Report to the National Advisory Committee (NAC) significant findings based on proceeding steps 2 and 3 not later than the close of the current school year.
5. About the 15<sup>th</sup> of the month following the close of the school year, follow up through the Regional Coordinator the list 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 1997-1998

1. As in ESC, the legal basis for the provisions 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 1997-98.

### 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 P2,500.00 inclusive of subsidy for SY 1996-1997. A student can be recipient of either one of the two Programs, ESC or TFS.
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 1997-98 and shall be enforced and in effect until otherwise changed, modified or repealed.

#### 4a. 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 GASIPG program (TFS).
2. Implementation of these policies, rules and regulations as promulgated by the State Assistance Council (SAC) shall be the responsibility of the FAPE. The ESC/DECS Unit of FAPE: (1) supervises, monitors, and oversees the implementation of the TFS Program in all participating private schools; (2) sends to the Regional Project Committee (RPC), through channels, written communications on DECS guidelines and policies; (3) collects, collates and interprets 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 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 Project Committees (DPCs) which shall (1) handle TFS at the Division level; (2) supervise, monitor and oversee the implementation of the TFS program at the regional level; (3) provide FAFE-CASITE implementing Unit with needed TFS data/reports; (4) disseminate relevant information on TFS implementing rules; (5) resolve issues/problems on TFS program in the region and (6) submit 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-chairs.

The Unit (1) identifies TFS students according to guidelines set; (2) check, reviews and processes TFS required documents presented by participating schools; (3) monitors and confirms enrolment data; (4) prepares and submits to the RPC needed statistical data on TFS program; 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.

#### 4b. Procedural Management

- Private High schools which charge tuition and other fees not higher than the ceiling of P2,500.00 including subsidy for SY 1996-97, shall register and apply for subsidy with the DPC on or before July 25, 1997 and every year thereafter. Once the school qualifies, it registers with the DPC using TFS Form 1 (Tuition and Other Fees Supplement Voucher) and TFS Form 1-A (Schedule of Tuition and Other Fees) to be prepared in triplicate: one copy for the Division, a copy for the RPC, a copy for the school, a copy for public posting at school premises, and a copy for the Bureau of Secondary Education and for the TFS National Secretariat. The data in Form 1 shall

*M*

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, 1997 and every year thereafter. The private school prepares a Memorandum of Agreement (6 copies) based on the approved TFS Form 1.

The DPC endorses the private school for TFS to the RPC-FAPE. The Regional Coordinator evaluates the application and prepares a Memorandum of Agreement (6 copies) between the school and FAPE. The Regional Coordinator forwards the MOA and its supporting documents to the Chief of Secondary Education for signature of the DECS Regional Director. The FAPE-Regional Coordinator will then endorse this to the TFS National Secretariat at FAPE in Makati City.

An advanced copy of the MOA will be forwarded to the National Secretariat at FAPE. On the basis of the advanced copy, initial payment can be made when funds are available, subject to verification of the final MOA.

The RPC-FAPE-Regional Coordinator prepares and submits to the TFS National Secretariat not later than August 20, 1997 a report on tuition fee supplement claims for SY 1997-98 using TFS Form 2. The data in Form 2 will be the basis for budgetary allocation.

The TFS National Secretariat makes a final evaluation of the MOAs and the supporting documents submitted by the private schools. It verifies the accuracy of the computations in the billing section of the MOA to ascertain the correctness of the contract amount.

The TFS National Secretariat arranges for the signing of the MOAs by the FAPE President and thereafter, for their notarization and distribution as follows:

- Original and duplicate -FAPE/TFS National Secretariat.
- 1<sup>st</sup> copy - Private High School Principal.
- 4<sup>th</sup> copy - RPC Secretariat.
- 5<sup>th</sup> copy - Bureau of Secondary Education, and
- 6<sup>th</sup> copy - Notary Public's Office.

Based on the MOA, the TFS National Secretariat issues payment requests to FAPE's Accounting Department for the full payment of the TFS claims.

2. Limitation of Student Participation - An awardee is disqualified from IFS benefits if (a) he/she fails in the majority (5 or more) academic subjects in which he/she is enrolled during the course of his/her study unless such failure is due to some valid cause; and (b) he/she transfers residence outside the region.

3. Allocation of Proceeds Pursuant to No. 2 of Section 5, RA 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, gymnasiums 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 and the detailed disposition and use thereof which received from the government, any tuition fee increase, record shall be made available for the 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.

4. Penalties: In case of any violation of these guidelines and the provisions of RA 6728, the DECS upon recommendation of SAC, may ban the institution/s from participating in or benefiting from the 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 shall refuse to furnish copies of their audited financial statements to concerned sectors with whom they are having consultation prior to tuition 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.

5. Other Responsibilities of the RPC-FAPE

- a. 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, 1997. A copy of the TFS Form 1 should be submitted also to the Bureau of Secondary Education not later than August 30, 1997 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.
- b. After the payment to 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  
Fund for Assistance to Private Education  
6<sup>th</sup> Floor, Concorde Condominium  
Salcedo and Benavidez Streets  
Legaspi Village, Makati City
- c. In case there are balances to be paid, a duly certified financial statement by the Regional 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.

6. Other Responsibilities of TFS National Secretariat

- a. 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 payment.
- b. Perform random checks at the division level with the DPCs to verify the validity of the TFS grantees enrolled in the private schools.
- c. Sample test the TFS enrolment in schools located within reasonable distance from where the said random checking is being done, by tracing the TFS students in class registers or other school documents related to student enrolment.
- d. Report significant findings based on preceding steps 2 and 3 to the National Advisory Committee (NAC) not later than the close of the current school year.

