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REPUBLIC OF THE PHILIPPINES
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MAY 20 2003

DepEd Order
No. 40 s. 2003

**IMPLEMENTING GUIDELINES FOR EDUCATIONAL SERVICE CONTRACTING
(ESC) AND TUITION FEE SUPPLEMENT (TFS) FOR SY 2003-2004**

To: Bureau Directors
Regional Directors
Schools Division Superintendent
Private Secondary School Heads

1. For the guidance of all concerned, the attached implementing guidelines of the Educational Service Contracting(ESC) and Tuition Fee Supplement (TFS) shall take effect in SY 2003-2004.
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 2003-2004.
3. All previous DepEd rules, regulations and other issuances or parts thereof, which are inconsistent with this Order are hereby repealed or modified accordingly.
4. Immediate dissemination of this Order is desired.


EDILBERTO C. DE JESUS
Secretary

Attachment to DepEd Order No. 40, s. 2003**ESC-TFS Implementing Guidelines
School Year 2003 2004****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 2003-2004

The annual approved budget for the ESC-TFS program shall be the main determining factor for the expansion or contraction of the program for schools and student beneficiaries. As a rule, ESC participating schools shall continue receiving the amount of their previous school year's grant, unless additional slots shall be approved by the Department of Education. It shall be the prerogative of the Department of Education to grant additional slots for ESC and accept new ESC-TFS schools. If at the end of school year 2003-2004, there is an unutilized portion of the budget, this portion shall be considered by the DepEd for the allocation of ESC slots or the acceptance of new participants for the next school year.

- A. For school year 2003-2004, the ESC subsidy for each grantee shall remain at Php2,500.00.
- B. Starting SY 2003-2004, the TFS program shall be gradually phased out. There shall be no first year TFS grantees.
- C. During SY 2003-2004, all participating institutions shall go through an certification process to determine their eligibility for continued participation in the program.

III. Educational Service Contracting Scheme**A. Continuing Grantees**

1. Schools participating in the ESC shall be paid a maximum of Php2,500.00 for every qualified grantee under the program.

2. The maximum of Php2,500.00 subsidy shall apply to participating schools that are charging tuition and other school fees greater than or equal to Php2,500.00.
3. If the participating school's tuition and other school fees fall below Php2,500.00, the amount of subsidy given to the students shall be equal to the actual tuition fee and other school fees of the said participating school.
4. If the participating school's tuition fee and other school fees exceed Php2,500.00, the grantee shall pay the difference between the school's actual tuition fee and other school fees of the school, and the ESC grant per student, unless the school will condone the difference.
5. An ESC grantee cannot be a participant of the TFS at the same time.
6. Qualifications for Continuing ESC Grantees
 - a. **ESC grantees** shall be qualified for the ESC subsidy for the next school year if they are promoted to the next year level.
 - b. Repeaters and/or dropouts shall be automatically disqualified from the program.
 - c. ESC grantees who dropped out due to serious illness, accidents, calamities, and other valid reasons may be readmitted by the school program committee the following school year.
 - d. Qualified ESC grantees who transfer to another participating school shall be allowed to continue as grantees provided that they have valid transfer credentials. In case a participating school accepts an ESC transferee in the upper year level from another participating school, the accepting school shall correspondingly reduce the number of grantees in the 1st year in order to maintain its allowable number of total grantees.

B. Incoming ESC Freshmen Allocation

1. All incoming freshmen grantees shall be paid an ESC subsidy equal to the actual tuition and other school fees but not to exceed Php2,500.00.
2. To determine the number of slots for 1st year, the computation formula shall be as follows:
 - a. For schools with grantees in all year-levels as of SY 2002-2003, the number of 1st year ESC slots shall be equal to:

No. of graduating grantees + dropouts in 1st, 2nd, 3rd year.

Example:

No. of Graduating ESC Grantees	= 50
No. of Dropouts/Transferees (1 st to 3 rd Year)	= <u>10</u>
No. of First Year Grantees	= 60

- b. For schools with no 4th year grantees as of SY 2002-2003, the number of 1st year slots shall not exceed thirty (30).
- c. All ESC participating schools with less than 30 grantees in the 1st year shall be allowed a maximum of 30 slots.

C. Selection of New ESC Grantees (First Year Level)

1. The process of selecting new grantees shall be carried out by the school committee composed of the school head, parents' association representative, and faculty association representative.
2. The school committee shall observe the following criteria, listed according to the order of importance, in the selection of grantees:
 - a. Preference shall be given to applicants whose family income is not more than Php72,000 per year.
 - b. The applicant meets the admission requirements of the participating school.
 - c. The applicant and his/her parent/guardian must commit in writing that the applicant shall complete the secondary school program.

IV. Tuition Fee Supplement

A. Features of the TFS

1. Starting school year 2003-2004, only students from second year to fourth year who are not recipients of the ESC program shall be qualified to participate in the TFS Program.
2. The participating school's current tuition and other fees in 2nd, 3rd, and 4th years shall not be more than Php3,500.00 per annum.
3. Participating schools in the TFS program shall be paid Php500.00 for each qualified student under the program.

4. Schools participating in the **TFS program only**, shall be allowed to participate in the ESC with a maximum of **30** 1st year slots.

B. Utilization of the 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. The participating school shall be required to submit a report on the utilization of the TFS proceeds, duly certified by the school committee.

V. Criteria for the Certification of New and Continuing Participating Institutions

In order to ensure that participating institutions deliver acceptable quality standards of education, the State Assistance Council has mandated that participating institutions shall comply with the minimum standards set by the Department of Education.

A team composed of FAPE and COCOPEA-designated representatives in each region shall visit each participating institution to conduct the certification process based on the DepEd-approved ESC Certification Instrument.

- A. The school should be included in the official DepEd roster of government-recognized educational institutions and should be able to present a document on its official recognition;
- B. Satellites, Branches, Annexes, Night Schools, and/or other school types shall be considered as separate and distinct from the main campus and shall therefore, be required to undergo the accreditation process.
- C. The school must not be encumbered by any ownership dispute.
- D. Starting school year 2004-2005, all participating schools shall be required to affiliate with any of the four recognized national school associations, namely: the Association of Christian Schools, Colleges, and Universities (ACSCU), the Catholic Educational Association of the Philippines (CEAP), the

Philippine Association of Colleges and Universities (PACU), or the Philippine Association of Private Schools, Colleges, and Universities (PAPSCU).

The results of the accreditation process shall be the basis for the grant of 1st year slots starting school year 2004-2005.

VI. Application for Additional ESC Grantees

Subject to the availability of funds and upon the recommendation of the Regional Program Committee (RPC), the DepEd may accept new participating schools and/or grant additional slots to existing schools. Priority shall be given to the following schools:

- A. Schools in areas where there are no public high schools.
- B. Schools located near public high schools with overflowing enrolment.
- C. Schools that charge TFOF higher than the ESC subsidy and that are willing to condone the difference so that ESC grantees would not have to pay additional fees.
- D. Schools that have less than 30 ESC slots in first year and have met the criteria for continued participation in the program.

The grant of more slots shall be awarded to the best performing school based on the results of the ESC certification process.

VII. Payment of Grants

The DepEd shall administer the payment of ESC-TFS grants to participating schools through any government or commercial bank that has a principal office within Metro Manila.

VIII. 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
 3. Double listing of grantees for both ESC and TFS in its documents
 4. Ownership disputes

- 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 delinquent school officials and the school committee members.

IX. 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 to the accuracy and completeness of school documents submitted to the DepEd, and the entitlements of the participating schools
- F. Conduct research regarding trends on tuition fees, enrolment, 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.

X. 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 the 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.

XI. 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. Sserve 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.

XII. 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.