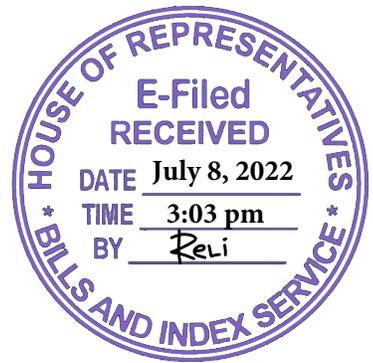


NINETEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. 1665

EXPLANATORY NOTE

This bill was filed during the 18th Congress and was approved by the House of Representatives.

Employers play a large part in ensuring the success of skills development activities through both on-the-job and off-the job training. They should be able to participate in technical vocational education and training (TVET). This will guarantee that there will be an adequate supply of skills that businesses need right now and that there will be a proper matching of qualified workers with the available job demands.

Data shows that many Filipino youth have now changed their outlook about TVET. From 2010-2015, TVET graduates in all delivery modes in the Philippines reached 9,958,974 individuals. However, enrolment in enterprise-based training is only at 408,882 or 4.11%.

This bill seeks to help meet the demand for well-trained manpower; to establish a national enterprise-based training system and standards; and to broaden the opportunities, venues of education and training towards greater access.

Engaging the business community in education and training will help reach out to as many people, especially the youth, who are seeking for jobs and other opportunities.

In view of the foregoing, immediate passage of this bill is earnestly requested.


RUFUS B. RODRIGUEZ

HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. 1665

AN ACT

ESTABLISHING AN ENTERPRISE-BASED EDUCATION AND TRAINING PROGRAM 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 "*Enterprise-Based Education and Training (EBET) Program Act.*"

SEC. 2. Declaration of Policy. - It is hereby declared the policy of the State to enhance the skills of the country's middle-level workforce. To this end, the State seeks to strengthen middle-level manpower education and training programs to ensure the steady supply of educated and competitive manpower equipped with the appropriate skills and desirable work habits and attitudes to meet the requirements, demands, and standards of the workplace both in the local and international market.

The State recognizes that apprenticeship, learnership, dual training, and other forms of industry-based training arrangement will help develop and upgrade the skills of the student trainee in a world where technology is rapidly changing, as well as provide them opportunities to acquire relevant knowledge and training within the setting of a business enterprise or industry. The State further recognizes that this mode of knowledge-acquisition will greatly contribute to the creation of a pool of well-trained middle-level workforce in the country.

SEC. 3. Objectives. - This Act shall have the following objectives:

- a) To produce well-trained and better equipped manpower capable of responding to the skill requirements and demands of employers and the industries;
- b) To rationalize the manpower training system by consolidating apprenticeship, dual training, on-the-job training programs and all other forms of industry-based training arrangement;
- c) To establish a competency and enterprise-based training system involving the active cooperation of employers, workers, industry, and the government;
- d) To institute enterprise-based training standards that shall ensure the acquisition by students and trainees of the right competencies in an environment where their rights are protected and their safety is ensured; and
- e) To broaden the opportunities, venues of education and training towards greater access by all workers.

SEC. 4. Definition of Terms. - As used in this Act:

- a) *Apprenticeship* refers to a training and employment program involving a contract between an apprentice and an employer on an approved apprenticeable occupation and generally aims to provide a mechanism that will ensure availability of qualified skilled workers based on industry requirements;
- b) *Competency assessment* refers to the process of gathering and judging evidence to

decide whether a person has achieved a standard or level of competency;

c) *Competency standards* refer to the written specifications of the knowledge, skills, attitudes and values required for the performance of a job, occupation or trade and the corresponding standard of performance required for these in the workplace;

d) *Dual education and training* refer to the combination of on-the-job training involving an enterprise and a training institution;

e) *Dual training system* refers to the delivery of technical-vocational education and training that combines in-plant and in-school training based on a plan collaboratively designed and implemented by an accredited dual system educational institution or training center and an accredited dual system agricultural, industrial, or business establishments with prior notice and advice to the concerned local government unit. Under this system, the student trainee shall be provided with the best possible learning experience, under the shared responsibility of a business establishment which provides practical training, and an educational institution which provides the required specific, general and occupation-related theoretical instruction. The dual nature of the training system requires that the two (2) instructing parties operate in a well-coordinated and symbiotic manner.

f) *Enterprise-based competencies* refer to the knowledge, skills and attitudes or values necessary for competent performance in the workplace that are required from a student trainee before admission to the EBET program;

g) *Enterprise-based education and training program* refers to a practical work-related or workplace-related training program with compulsory related theoretical instructions conducted on-the-job and implemented within companies, which includes, among others, any of the following modalities: a) Apprenticeship; b) Learnership; c) On-the-Job-Training; d) Practicum; e) Work Appreciation Program; f) Dual Training System; g) Internship; and h) In-Company Training;

h) *Enterprise-based student trainee* refers to a person qualified to undergo training for an approved enterprise-based education and training in an established period as provided for by the enterprise-based training agreement;

i) *Enterprise-based training agreement* refers to a contract between an enterprise and a student trainee emphasizing the rights, duties and responsibilities of each party wherein an enterprise binds itself to train the student trainee who in turn accepts the terms of education and training;

j) *Learnership* refers to a practical training, work-based or on-the-job program for approved learnable occupations, for a period not exceeding three (3) months. Only companies whose learnership programs are approved and registered by the Technical Education and Skills Development Authority (TESDA) can hire learners;

k) *Nominal duration of education and training* refers to the estimated number of training hours; and

l) *Period of education and training* refers to the duration when the training commences and terminates.

SEC. 5. Establishment and Coverage of an EBET Program. There shall be established an EBET Program that shall cover practical work-related or workplace-related training programs with compulsory related theoretical instructions and shall include training modalities or

schemes to be grouped as follows: a) EBET by enterprises, which include apprenticeship, learnership, in-company training; b) EBET by TVIs and enterprises, which include dual training system, practicum, on-the-job training, internship, and supervised industry training; and c) EBET by government agencies, which include work appreciation program, and government internship program.

All EBET programs established pursuant to this Act shall apply to all work-related or workplace-related trainings conducted on the job and shall be implemented within enterprises, firms or companies. The duration of the EBET Programs shall be based on the complexity of the specific competencies to be learned.

A registered enterprise, group or association, industry, organization, government institution or civic group that intends or participate in the dual training system and organize an EBET program shall choose from any of the following training schemes:

- a) EBET involving a company or entity and an identified technical-vocational institution (TVI);
- b) EBET involving a group of companies or entities and a TVI; and
- c) EBET involving an industry training center and company or entity or a group of companies or entities.

SEC. 6. Registration of an EBET Program. - An enterprise, group, association, industry, organization, civic society, or government agency or instrumentality that intends to organize an EBET Program shall register such program with the TESDA before entering into an agreement with student trainees.

The TESDA shall establish a registration mechanism and assign an office that shall process all EBET program applications, including the applications for registration of civic groups, associations, organizations, industries, TVET providers, and government institutions which desire to participate in the EBET Program created under this Act.

SEC. 7. EBET Agreements. - All EBET agreements shall conform with the rules to be issued by the TESDA and shall include the following:

- a) Nature and purpose of training;
- b) Training programs;
- c) Period of training;
- d) Training allowance equivalent to seventy-five percent (75%) of the existing minimum wage, which shall be paid in cash or in kind or both;
- e) Schedule of training allowance payments;
- f) Process of termination of EBET; and
- g) General rights and obligations of both parties.

Every EBET agreement shall be signed by the employer, or an agent of the employer, or by an authorized representative of any of the participating organizations, associations, government institutions or civic groups, and by the student trainee.

An EBET agreement with a student trainee who is a minor shall be signed on the minor's behalf by the parent or guardian: *Provided*, That if the latter is not available, an authorized representative of the TESDA shall sign on behalf of the student trainee who is a minor, and the same shall be binding within the period specified in the agreement: *Provided, further*, That a student trainee who is a minor shall be excluded from high risk, dangerous or hazardous occupations.

SEC. 8. Qualifications of EBET student trainees. - An applicant for student trainee under the EBET Program to be conducted by the TESDA must have the following qualifications:

- a) At least a high school graduate or its equivalent;

b) Possesses vocational aptitude and capacity as may be established through appropriate aptitude tests provided free of charge by enterprises, groups or associations, industry organizations, government institutions, and civic groups with duly recognized enterprise-based training programs, or by the TESDA, in case they do not have adequate facilities for the purpose; and

c) Possesses the ability to comprehend and follow oral and written instructions.

Industry associations and labor groups may recommend to the TESDA the appropriate or additional educational requirements for different occupations.

SEC. 9. Responsibility for Theoretical Instruction. - Compulsory theoretical instructions shall be part of the EBET Program. In cases where the program is undertaken in the plant, theoretical instructions may be delegated to an institution or to a registered TVET provider which has an applicable program or an existing Memorandum of Agreement or Understanding with the TESDA.

SEC. 10. EBET Administration. - The TESDA Board shall set the overall policy for the EBET Program. The responsibility for enterprise-based training administration, monitoring and evaluation of the on/off-the-job training shall be the concern of the TESDA Secretariat. The identification and prioritization of enterprise-based training qualifications and the development of competency standards and curricula shall be the joint responsibility of industry associations, labor groups, and the TESDA. A Plant EBET Committee shall be established in every participating enterprise to ensure that program implementation is in accordance with the approved policies of the TESDA Board.

SEC. 11. Investigation of Violations of EBET Agreement. - An Industry Coordinator to be designated by the TESDA for each type of industry shall be tasked to, *motu proprio*, or upon complaint of any interested party, bear the responsibility of settling differences arising from EBET agreements. In case the Industry Coordinator is not able to settle such differences, the TESDA Secretariat or its authorized representative shall investigate and render a decision pursuant to pertinent rules and regulations.

SEC. 12. Appeal. - The decision of the TESDA Secretariat may be appealed by any aggrieved person to the TESDA Board within five (5) working days from the receipt of the decision. The decision of the TESDA Board shall be final and executory.

SEC. 13. Exhaustion of Administrative Remedies. - No person shall institute any action for the enforcement of any EBET agreement or payment of damages for breach of any such agreement, unless all available administrative remedies have been exhausted.

SEC. 14. Compulsory Participation in the EBET Program. - Enterprises shall be required to provide the appropriate EBET Program under the following circumstances:

- a) When national security or the requirements of economic development so demand, the President of the Philippines shall require the implementation of the EBET Program in certain trades, occupations, jobs or employment levels where the supply of trained manpower is deemed critical, as determined by the TESDA Board, upon the recommendation of its secretariat; and
- b) In private companies which employ foreign technicians in enterprise-based training occupations.

SEC. 15. Tax Exemptions. - All grants, bequests, endowments, donations, and contributions made to and to be used actually, directly and exclusively by the participating training institution shall be exempt from donor's tax and the same shall be considered as allowable deduction from the gross income for purposes of computing the taxable income of the donor in

accordance with the provisions of the National Internal Revenue Code of 1997, as amended.

The importation of all new machineries and equipment used in the EBET Program shall be exempted from customs duties in accordance with the provisions of Republic Act No. 10863, otherwise known as the "Customs *Modernization and Tariff Act*".

SEC. 16. Award of Equivalent Unit Credits. – An EBET graduate shall be awarded equivalent unit credits in the formal system of education which can be used in pursuing higher degree courses, subject to the integrated policies and guidelines of equivalency and the adult education acceleration program of the TESDA, Commission on Higher Education, and the Department of Education.

SEC. 17. Insurance Coverage and Protection of Trainees. - Every participating enterprise, group or association, industry organization, government institution and civic group undertaking training in accordance with the provisions of this Act shall provide life and accident insurance coverage for every trainee: *Provided*, That the premium payments of said insurance policy shall be borne by the establishment.

SEC. 18. Appropriations. The initial amount for the implementation of this Act shall be charged against the current year's appropriations of the TESDA. Thereafter, such amount shall be included in the annual General Appropriations Act.

SEC. 19. Implementing Rules and Regulations. - Within ninety (90) days after the effectivity of this Act, the TESDA shall, in consultation with relevant stakeholders, issue the necessary rules and regulations for the effective implementation of this Act.

SEC. 20. Separability Clause. – In the event any of the provisions of this Act is declared unconstitutional, the validity of the other provisions shall not be affected by such declaration.

SEC. 21. Repealing Clause. - All laws, decrees, orders, rules and regulations or parts thereof inconsistent with this Act are repealed or modified accordingly.

SEC. 22. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved.