

Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT

Special TESDA Board Meeting

28 May 2003, Wednesday, 8:30 a.m.
7th Floor TESDA Board Room, Office of the Chair
TESDA Administrative Building, Taguig, Metro Manila

Resolution No. 2003- 16

ENDORISING THE PROPOSED BUDGET OF TESDA FOR FY 2004

WHEREAS, pursuant to Section 8 "Power and Functions of the Board" of R.A. 7796 otherwise known as the TESDA Act of 1994, the TESDA Board is mandated to ensure implementation of the authority's responsibilities of formulating, continuing coordinated and fully integrated technical education and skills development policies, plans and programs;

WHEREAS, the Department of Budget and Management has issued National Budget Memorandum No. 96 dated May 5, 2003 or the FY 2004 National Budget Call prescribing policies, guidelines and procedures in the preparation of the FY 2004 budget proposals of all departments/agencies of the National Government;

WHEREAS, the TESDA Secretariat presented to the TESDA Board the proposed budget for FY 2004 for both Fund 101 and Fund 102 by Core Business;

NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the Board endorses the FY2004 proposed budget of TESDA as attached and shall form an integral part of this Resolution;

BE IT RESOLVED FURTHER, that the Board extends its support to the Secretariat for the passage of the proposed budget particularly during the period of deliberations in Congress.

Adopted this 28th day of May 2003

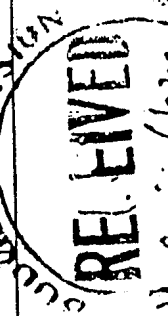
Ma. Adorinda de Jesus-Forro
MA. ADORINDA DE JESUS-FORRO
Board Secretary VI

Attested By:

Patricia A. Sto. Tomas
PATRICIA A. STO. TOMAS
Secretary, Department of Labor and Employment
Chair, TESDA Board

**TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY
FY 2004 PROPOSED BUDGET**

	PS	MOOE	CO	TOTAL
Total Agency Budget	1,121,181,000	2,059,796,000	753,320,000	3,934,297,000
o Regular Operations	1,092,128,000	1,631,629,000	32,600,000	2,756,357,000
✓ Central Office	134,031,000	145,515,000	23,000,000	302,546,000
✓ ROs/POs/	284,825,000	432,170,000		716,995,000
✓ R/P/TCs	127,647,000	63,750,000		191,397,000
✓ Schools	545,625,000	190,194,000	9,600,000	745,419,000
✓ PESFA		300,000,000		300,000,000
✓ TDF		500,000,000		500,000,000
o FAPS	29,053,000	428,167,000	720,720,000	1,177,940,000
✓ TESDP	20,302,000	325,206,000	407,749,000	753,257,000
✓ EDETP	5,406,000	62,744,000	82,850,000	151,000,000
✓ CEMMT	3,345,000	40,217,000	230,121,000	273,683,000


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SALIENT FEATURES OF FY 2004 TESDA BUDGET

The FY 2004 Budget is reflective of TESDA's resolution to deliver its role as the Authority by setting the overall directions for the entire technical vocational education and training sector through policies and standards within the context of quality assurance and excellence.

The directions of TESDA for 2003-2004 is anchored on the theme "Competency Equals Higher Productivity." This amply describes areas where the resources of the Authority shall be focused, to wit: (a) improvement of the corporate governance system; (b) individualized approach to staff development programs; (c) full implementation of the competency-based TVET system; and (d) installation of quality management systems in centers of excellence.

Beginning FY 2004, TESDA is proposing a modification of the budget allocation scheme (MOOE) for Central Office and its field offices in lieu of the traditional manner of estimating allocations. This is primarily based on the Gross Regional Domestic Product (GRDP) thereby ensuring a equitable distribution of funds particularly at the field or operational level. Hence, the ratio of 20:80 shall be adapted, i.e 20% shall be for the Central Office and 80% share for the Regional/Provincial Offices consistent with the principle of area-based budgeting.

Core Business (MFO)	Central Office	Regional/ Provincial Office	Schools and TCS
I. OPERATIONS			
Direction Setting (TVET Information, Plans and Policies)	20%	15%	5%
Standards Setting and Systems Development (TVET Standards and Systems)	35%	15%	10%

Support to TVET Provision (Support to TVET Delivery Services)	15%	35%	-Incentives 50%-Research & Extension -Training Administration & Production
Institutional Capacity Building (Quality TESDA Services)	10%	15%	15%
II. GASS (Support to Operations)	20%	20%	20%
TOTAL	100%	100%	100%

Considering anticipated budgetary deficits, TESDA have identified one flagship program per core business where funding priority (at least 10%) shall be assured. These are:

The Enhancement and Operationalization of the Information System

1.1.1 Enhancement of Information System in support of a Quality Assured TVET

The Full Implementation of the Philippine TVET Qualifications Framework

1.1.2 Implementation of the Philippine TVET Qualification System

The Provision of Scholarships and Other Merit Awards, and Other Student Assistance Programs

1.1.3 Private Education Student Financial Assistance Scholarship Program (PESFA)

The Installation of QMS in All Operating Units

1.1.4 TESDA QMS which will be equal to the allocation for ICB. This means that ICB activities should all be aligned within the TESDA QMS program.

2003-2004 TESDA Priority Program and Targets

Core Business/ Priority Programs	Targets	
	2003	2004
Direction Setting		
Enhancement of Information System	Enhancement of the information system <ul style="list-style-type: none"> ▪ IT hardware/software/network enhanced ▪ NMIS enhanced; EMIS developed ▪ Web-based information system ▪ TESDA staff trained in IT 	Information System operational
	TVET Situation Analysis	TVET Situation Analysis
	TVET Sector Monitoring (1 Million persons trained monitored)	TVET Sector Monitoring built in the EMIS
Updating of TESD Plans	Updated TESD Plans 2003-2004	Draft TESD Plans 2005-2009
Formulation of Industry Skills Plans	Industry Skills Plans for the 4 priority sectors (Agri-Fishery, ICT, Tourism and Health)	Industry Skills Plans for other sectors
	Organization of Industry Working Groups for the 4 priority sector	Organization of Industry Working Groups for other sectors
Strengthening of TESDCs	TESDA Board Regional Focalship activated	Policy recommendations generated
Conduct of Policy Fora/Social Dialogue	TESDA Board-TESDC Forum (8 th TVET Forum)	9 th TVET Forum
	National CTEC Congress	National CTEC Congress
Mainstreaming of TVET in LGU Investments/ Development Plans	20% of LGUs (with budget for skills devt. in their investment plan) <ul style="list-style-type: none"> ▪ LSD Plans 	50% of LGUs

Core Business/ Priority Programs	Targets	
	2003	2004
Standards Setting and Systems Development		
Implementation of PTQF	Competency-based training system fully implemented in 41 CenTex	Competency-based training system fully implemented
	Training Regulations for 12 priority sectors (including ICT) developed and promulgated	Training Regulations for other sectors developed and promulgated
National Trainors Qualification System	NTQS finalized and pilot-tested	NTQS fully implemented
Registration and Accreditation	Monitoring and evaluation of 20% of registered programs	Monitoring and evaluation of 20% of registered programs
	Competency-based program registration of DACs and support programs of CenTex implemented	
	Accreditation bodies organized per RO/PO	
	Accreditation of programs of 41 CenTex and 40 private institutions	Accreditation of programs of public and private TVET institutions
Assessment and Certification	300,000 persons assessed	330,000 persons assessed
	Monitoring and evaluation of assessment centers	Monitoring and evaluation of assessment centers
Equivalency	1 Equivalency agreement within TVET or between TVET and HEI in each region	3 Equivalency agreements within TVET or between TVET and HEI in each region
Skills Competition	Participation in International Abilympics	Participation in International Abilympics
	Participation in World Skills Competition	Participation in ASEAN Skills Competition
	PNSC in coordination with Industry Associations	
	National Skills Olympics Body organized	

Core Business/ Priority Programs	Targets	
	2003	2004
Support to TVET Provision		
TVET Delivery Services	300,000 persons trained by TESDA training institutions	300,000 persons trained by TESDA training institutions
Enterprise-based Training Delivery Schemes	Incentive Schemes for: <ul style="list-style-type: none"> ▪ EBT schemes developed ▪ EBT schemes utilized 	Incentive Schemes for: <ul style="list-style-type: none"> ▪ EBT schemes developed ▪ EBT schemes utilized
Scholarship and Other Student Assistance Programs <ul style="list-style-type: none"> ▪ PESFA ▪ ADB-TESDP ▪ Other Student Assistance Programs for priority sectors and high-end skills 	13,800 scholars 4,000 scholars 1,500 scholars	13,800 scholars 4,000 scholars 1,500 scholars
Capability Building	1,000 School/Center Administrators, trainers and other partners trained on: <ul style="list-style-type: none"> ▪ TVET Management ▪ Curriculum Devt. Methodology, etc. 	1,000 School/Center Administrators, trainers and other partners trained on: <ul style="list-style-type: none"> ▪ TVET Management ▪ Curriculum Devt. Methodology, etc.

Core Business/ Priority Programs	Targets	
	2003	2004
Institutional Capacity Building		
TESDA QMS <ul style="list-style-type: none"> ▪ Compliance with PQA Law ▪ TQAU strengthened (national and in each office) 	TESDA QMS Strategic Plan formulated and implemented	TESDA QMS Plan implemented
	TESDA Quality Office Award launched (using PQA Criteria) open for all interested	TESDA Quality Office Award implemented
	TESDA Contact Center established	TESDA Contact Center maintained
Organizational Development	Validate OD studies and consolidate all documents	OD studies implemented
	HRD Plan formulated and implemented (based on OD)	HRD Plan implemented
	Administrative systems and processes improved	Continuous improvement of administrative systems and processes
	FMIS developed and operationalized based on NGAS	Full implementation of FMIS
Corporate Planning	Corporate planning and performance evaluation system established	Corporate planning and performance evaluation system maintained
	Corporate Planning Unit established	Corporate Planning Unit maintained
Building and Equipment Maintenance System	BEMS developed and implemented	BEMS maintained
International Services/ Partnerships/ Alliances	International Services/Partnerships/ Alliances	International Services/Partnerships/ Alliances

THE TESDA DEVELOPMENT FUND

Legal Basis

Section 31 of Republic Act 7796, otherwise known as the "Technical Education and Skills Development Act of 1994" states that a TESDA Development Fund is hereby established, to be managed/administered by the Authority, the income from which shall be utilized exclusively in awarding of grants and providing assistance to training institutions, industries, local government units for upgrading their capabilities and to develop and implement training and training-related activities. The contribution to the fund shall be the following:

1. a one-time lump sum appropriation from the national government;
2. an annual contribution from the Overseas Workers Welfare Administration Fund (OWWA), the amount of which should be part of the study on financing in conjunction with letter (D) of Section 34 of R.A. 7796;
3. donations, grants, endowments, and other bequests or gifts; and
4. any other income generated by TESDA.

The TESDA Board shall be the administrator of the fund, and as such, shall formulate the necessary implementing guidelines for the management of the fund, subject to the following: a) unless otherwise stipulated by the private donor, only earnings of private contributions shall be used; and b) no part of the seed capital of the fund, including earnings, thereof, shall be used to underwrite expenses for administration.

The Board shall appoint a reputable government-accredited investment institution as fund manager, subject to guidelines promulgated by the Board.

Historical Perspectives

On September 1997, a study on financing TVET conducted by Laya, Mananghaya, Salgado et al paved the way for the preparation of a plan for the establishment and operationalization of the TESDA Development Fund.

On April 1998, a paper entitled "A Plan for the Establishment and Operationalization of the TESDA Development Fund" was presented to the Special Committee Chaired by the late TESDA Board Member Zenaida Gordon. The Committee endorsed the paper to the TESDA Board including further complete-staff-work on clarification of sources of funds.

On June 20, 2002, the TESDA Board has approved Resolution No. 2002-17, declaring the establishment and operationalization of the TESDA Development Fund (TDF) and the TDF Policy Framework through Resolution No. 2002-11 during the 34th TESDA Board Meeting and has directed the TESDA Secretariat to take appropriate steps to immediately operationalize the TDF.

Also on June 20, 2002, the TESDA Board has approved the TESDA Development Fund Operational Guidelines through Resolution No. 2002-18.

Objectives and Purposes

The general objective on the use of TESDA Development Fund is to strengthen technical education and skills development in the country. Specifically, the TESDA Development Fund shall be used for the following purposes:

- (a) support programs and projects that will enhance and improve the quality of technical education and skills development in the country;
- (b) support programs and projects that will improve access to quality technical education and skills development authority particularly those in the disadvantaged sectors;
- (c) support programs and projects that will promote relevance and responsiveness of technical education and skills development programs; and
- (d) support programs and projects that will enhance efficiency and effectiveness of training institutions, both public and private, in delivering quality technical education and skills development program.

Trust Fund

A TESDA Development Fund Account (Trust Fund 101) was activated at the Land Bank of the Philippines -FTI Branch under Savings Account No. 2812-1012-37 where contributions are to be deposited.

The TDF cannot be fully operational unless a sizable amount is generated as seed capital since only the interests earned can be used in the absence of the one time lump-sum appropriation from the national government and other major fund sources as stipulated in R.A. 7796. The Laya study have estimated the amount of =P=5.0 billion for the Fund to effectively operate. Cognizant of financial problems of the government, the amount of =P=500.0 million is being proposed to implement the programs it was intended for.

BP 201 - SCHEDULE C
 OBLIGATION BY OBJECT OF EXPENDITURES
 CAPITAL OUTLAYS
 (IN P'000)

AGENCY : TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY

2004 - PROPOSED

PROGRAM/ACTIVITY/PROJECT	Land and Land Improvement Outlays	Building and Structures Outlays	Furniture, Fixtures, Equipment and Books Outlay	2004 - PROPOSED	
				Information Technology (IT) Equipment Outlay	TOTAL Salaries and Wages
A. PROGRAMS					
A.I - General Administration and Support					
A.I.a - General Administration and Supervision					
Central Office		6,000	1,000	1,000	8,000
TOTAL, A.I		6,000	1,000	1,000	8,000
A.II - Support to Operations					
A.II.b - Provision of Management and Information Technology Services					
Central Office				15,000	15,000
TOTAL, A.II				15,000	15,000
A.III - Operations					
A.III.f - Supervision, Coordination and Integration of Technical Education and Skills Development Programs, Projects and Related Activities in the Regions and Provinces					
2.2 Technical -Vocational Schools					
Lump-Sum Expenditures	3,000	3,600	3,000		9,600
TOTAL, A.III	3,000	3,600	3,000		9,600
Total A. Programs	3,000	9,600	4,000	16,000	32,600

**BP 201 - SCHEDULE C
OBLIGATION BY OBJECT OF EXPENDITURES
CAPITAL OUTLAYS
(IN P'000)**

AGENCY : TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY

2004 - PROPOSED

PROGRAM/ACTIVITY/PROJECT	Land and Land Improvement Outlays	Building and Structures Outlays	Furniture, Fixtures, Equipment and Books Outlay	Information Technology (IT) Equipment Outlay	TOTAL Salaries and Wages-
B. PROJECTS					
B.I. - Foreign-Assisted Projects					
B.I.a. - Technical Education and Skills Development Fund (TESDP) (ADB Loan)					
Peso Counterpart		8,749	11,400	7,600	27,749
Loan Proceeds		74,000	300,000	6,000	380,000
Sub-Total, B.I.a	-	82,749	311,400	13,600	407,749
B.I.b. - Expansion of Dual Education and Training Project (EDEPTP) (KFW Loan)					
Peso Counterpart			82,850		82,850
Loan Proceeds			82,850		82,850
Sub-Total, B.I.b	-	-	82,850	-	82,850
B.I.c. - Center of Excellence in Modern Manufacturing Technology (CEMMT)					
Peso Counterpart			230,121		230,121
Loan Proceeds			230,121		230,121
Sub-Total, B.I.c	-	-	230,121	-	230,121
TOTAL, B. PROJECTS					
Peso Counterpart	-	8,749	11,400	7,600	27,749
Loan Proceeds	-	74,000	612,971	6,000	692,971
TOTAL, B. PROJECTS	-	82,749	624,371	13,600	720,720
TOTAL, AGENCY	3,000	92,349	628,371	29,600	753,320

PREPARED BY:

Raul K. Tanchico
RAUL K. TANCHICO
Budget Officer

Susan P. De la Rama
MA. SUSAN P. DELA RAMA
Planning Officer

APPROVED BY:

Alcestis M. Guiang
DR. ALCESTIS M. GUIANG
Director General

Date

FY 2004 BUDGET PROPOSAL BY CORE BUSINESS

	TOTAL	Direction Setting	Quality Assurance	Support to TVET Provision	GASS
Central Office	145,514,726.00	29,102,945.20 20%	43,654,417.80 30%	29,102,945.20 20%	29,102,945.20 20%

(As presented during the Special TESDA Board Meeting, May 28, 2003)

	TOTAL	Direction Setting	Quality Assurance	Support to TVET Provision	GASS
Central Office	145,514,726.00	29,102,945.20 20%	50,930,154.10 35%	21,827,208.90 15%	29,102,945.20 20%

(As corrected/revised during the Special TESDA Board Meeting, May 28, 2003)

	TOTAL	Direction Setting	Quality Assurance	Support to TVET Provision	GASS
Regions	432,170,274.00	86,434,054.80 20%	86,434,054.80 20%	129,651,082.20 30%	86,434,054.80 20%

(As presented during the Special TESDA Board Meeting, May 28, 2003)

	TOTAL	Direction Setting	Quality Assurance	Support to TVET Provision	GASS
Regions	432,170,274.00	64,825,541.10 15%	64,825,541.10 15%	151,259,595.90 35%	86,434,054.80 20%

(As corrected/revised during the Special TESDA Board Meeting, May 28, 2003)

	TOTAL	Direction Setting	Quality Assurance	Support to TVET Provision	GASS
Institutions					
TechVoc Schools	190,194,000.00	19,019,400.00 10%	38,038,800.00 20%	76,077,600.00 40%	38,038,800.00 20%
RTCs	30,000,000.00	3,000,000.00	6,000,000.00	12,000,000.00	6,000,000.00
PTCs	33,750,000.00	3,375,000.00	6,750,000.00	13,500,000.00	6,750,000.00

(As presented during the Special TESDA Board Meeting, May 28, 2003)

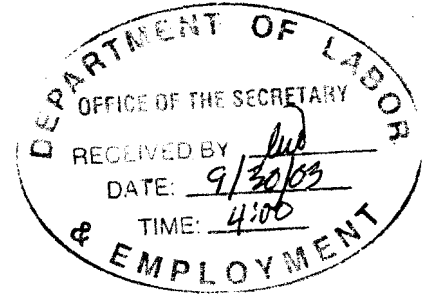
	TOTAL	Direction Setting	Quality Assurance	Support to TVET Provision	GASS
Institutions					
TechVoc Schools	190,194,000.00	19,019,400.00 10%	38,038,800.00 20%	76,077,600.00 40%	38,038,800.00 20%
RTCs	30,000,000.00	3,000,000.00	6,000,000.00	12,000,000.00	6,000,000.00
PTCs	33,750,000.00	3,375,000.00	6,750,000.00	13,500,000.00	6,750,000.00



TECHNICAL
EDUCATION
AND SKILLS
DEVELOPMENT
AUTHORITY

TESDA

25 September 2003



HON. PATRICIA A. STO. TOMAS

Chair, TESDA Board
Secretary, Department of Labor and Employment
DOLE Executive Offices
Intramuros, Manila

Dear Secretary Sto. Tomas:

May we forward for your signature/approval the Board Resolution No. 2003___ "Approving and Adopting the Unified Technical Vocational Education and Training Program Registration and Accreditation Systems (UTPRAS) Guidelines on Sanctions and Penalties, which was agreed upon during the 39th TESDA Board Meeting held last 4 September 2003.

We have attached for your information the Guidelines on Sanctions and Penalties on Unified Program Registration and Accreditation System (UTPRAS).

Your positive feedback on this request is appreciated.

Thank you.

Very truly yours,

ATTY. RANULFO P. PAYOS

Chair, Committee on Standard Setting and Systems Development (SSSD)
Member, TESDA Board

UTPRASLET.

