



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

23 MAR 20 P5:57

SENATE

RECEIVED BY: _____

S.B. No. 2022

Introduced by SENATOR WIN GATCHALIAN

AN ACT
ENSURING THAT SENIOR HIGH SCHOOL GRADUATES UNDER THE
K TO 12 PROGRAM ARE EQUIPPED WITH THE KNOWLEDGE, TRAINING
AND SKILLS DEMANDED IN THE LABOR MARKET, ENHANCING THEIR
EMPLOYABILITY AND COMPETITIVENESS, CREATING THE BATANG
MAGALING COUNCILS TO STRENGTHEN MULTI-STAKEHOLDER
COLLABORATION AND SUPPORT FOR THEIR EMPLOYMENT,
ALLOWING FULL DEDUCTION OF TRAINING EXPENSES INCURRED FOR
THEIR SKILLS DEVELOPMENT, APPROPRIATING FUNDS THEREFOR,
AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Ang isang K to 12 graduate ay Batang Magaling – as the K to 12 education reform under Republic Act No. 10533 was designed to produce globally competitive graduates by equipping them with knowledge, training and skills to join the workforce. When the K to 12 Law was enacted in 2013, the Philippines was then the last country in Asia and one of only three countries in the world with a 10-year pre-university cycle.

The thirteen years in Kindergarten and basic education, which include two years of Senior High School (SHS), are intended to provide sufficient time for mastery of concepts and skills to prepare graduates for the curriculum exit of their choice: higher education, middle-level skills development, or

employment and entrepreneurship. The two-year SHS Program currently offers four tracks: Academics; Technical-Vocational-Livelihood; Sports; and Arts and Design, with at least ten strands. The additional two years of specialization were designed to allow learners to have job specific skills without a tertiary degree, make K to 12 SHS graduates employable to enter the workforce, become economically productive, and make higher levels of education now an option.

In 2018 – the same year when the first batch of SHS graduates finished the mandatory 12 years of basic education – a survey on hiring preferences conducted by Jobstreet.com, wherein 503 company representatives participated, revealed that: 41% were indefinite about hiring SHS graduates; 35% were not willing to hire; and only 24% said that they were willing to hire.¹ 36% of those who were not willing to hire SHS graduates reasoned that the available jobs were only for college graduates, 25% believed that SHS graduates were not qualified, 20% said that there were no openings for any position, and the remaining 16% stated that SHS graduates lack work experience. Meanwhile, small and medium enterprises (SMEs) were among those which were most reluctant to hire SHS graduates as these businesses have only 10 to 20 workers, hence, they would rather not take the risk in terms of recruitment.²

Following the Jobstreet survey report, the President of Philippine Chamber of Commerce and Industry's Human Resources Development Foundation Inc. (PCCI HRDF), Alberto Fenix, in April 2018, stated that, “[a]t the moment, we really have no confidence that they (SHS graduates) do have it”. They quantified that the hesitation may be due to the absence of necessary skills and training those industries need but not yet provided by the current SHS program. The SHS students’ “on-the-job training” requires a minimum of 80 hours or two weeks,

¹ Orbeta, A., Lagarto, M., Kristina, M., Ortiz, P., Aisa, D., & Potestad, M. (2018). Senior High School and the Labor Market: Perspectives of Grade 12 Students and Human Resource Officers, Discussion Paper Series No. 2018-49. https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1849_rev.pdf citing Fresh graduate hiring shows shifts in demand and preferences [Infographic]. (2018, April 27). JobStreet Philippines. <https://www.jobstreet.com.ph/career-resources/fresh-graduate-hiring-shows-shifts-demand-preferences/>

² *Ibid.*

which Mr. Fenix said were not enough for these students “to learn the rigors of the industry they want to get into”.³

It is worthy to note that the unemployment rate of individuals whose highest grade completed was SHS, has increased significantly from 1.8% in 2018 to 8.2% in December 2022.^{4,5} According to a study conducted by the Philippine Institute for Development Studies (PIDS), compared to their ASEAN neighbors, the Filipino youth (15 to 24 years old) have historically had the lowest rates of labor participation. In recent years, more than 70% of Vietnamese youth are in the labor force while only less than 60% of their counterparts in the Philippines are in the labor force. PIDS added that there is a need to re-examine the employment and entrepreneurial objectives of the SHS program and the work preparation component in the SHS curriculum due to the following reasons: (1) most of the SHS graduates continue with their education rather than enter the labor market; and (2) there is no clear advantage nor disadvantage of SHS graduates compared to grade 10 and second-year college completers.⁶

This legislation seeks to address the issue by ensuring that K to 12 SHS graduates are equipped with knowledge, training and skills demanded in the labor market, regardless of their chosen curriculum exit, through the following proposals:

1. strengthen the linkages and collaboration among the Department of Education, the local government units through the provincial, municipal and city local school boards (LSBs), the academic

³ Yee, J. (April 7, 2018). SPECIAL REPORT: Jobs a hit or miss for senior high school graduates. INQUIRER.net. <https://newsinfo.inquirer.net/980738/special-report-jobs-a-hit-or-miss-for-senior-high-school-graduates>

⁴ PSA Preliminary Results of the 2019 Annual Estimates of Labor Force Survey (LFS), December 20, 2019. See <https://psa.gov.ph/statistics/survey/labor-and-employment/labor-force-survey/title/Preliminary%20Results%20of%20the%202019%20Annual%20Estimates%20of%20Labor%20Force%20Survey%20%28LFS%29> Note: PSA defines unemployed as one without work; and currently available for work; and seeking work or not seeking work due to the following reasons: i. belief that no work is available, or ii. awaiting results of previous job application, or iii. because of temporary illness or disability, or iv. bad weather, or v. waiting for rehire or job recall.

⁵<https://psa.gov.ph/statistics/survey/labor-and-employment/labor-force-survey/title/Employment%20Rate%20in%20April%202022%20is%20Estimated%20at%2094.3%20Percent> (last accessed on June 27, 2022)

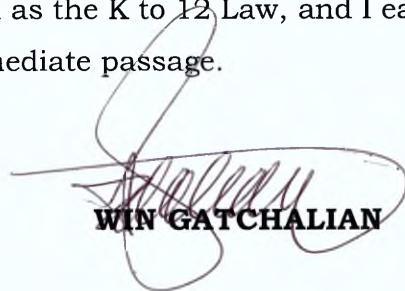
⁶ Orbeta, A. & Potestad, M. (2020). On the Employability of the Senior High School Graduates: Evidence from the Labor Force Survey, Discussion Paper Series No. 2020-40. <chrome-extension://oemmnadbldboiebfnladdacbfmadadm/https://pidswebs.pids.gov.ph/CDN/PUBLICATIO NS/pidsdps2040.pdf>

communities, and industry partners by creating the National and Local Batang Magaling Councils, and mandating regular consultations to establish a mechanism for active collaboration and meaningful communication;

2. involve the industry partners, LSBs and other stakeholders in the crafting of the Work Immersion Plans (WIPs) of all education institutions offering the SHS Program;
3. develop a national and local Batang Magaling Roadmaps in the provinces, cities and municipalities that shall introduce interventions and set measurable goals on enhancing the employability and competitiveness of K to 12 SHS graduates, among others;
4. mandate the conduct of labor market demand studies every three (3) years which shall serve as basis for the work components of the SHS Program, the Batang Magaling Roadmaps, the WIPs, the trainings to be conducted, the resources to be procured, and the skills to be developed among the learners;
5. develop, maintain and update a centralized nationwide database of skills information to serve as one-stop shop for all matters related to the employment of K to 12 SHS graduates; and
6. promote the affirmative hiring of K to 12 SHS graduates, both in the public and private sectors.

Finally, to encourage industry partners to employ K to 12 SHS graduates, the bill proposes to allow an additional item of deduction from their taxable income of the full value of training expenses incurred for the skills development of such graduates hired pursuant to this Act.

It is my fervent hope that this legislation will contribute in fulfilling the aspirations of an education reform as critical as the K to 12 Law, and I earnestly seek the support of this Congress for its immediate passage.



WIN GATCHALIAN

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

23 MAR 20 P5:57

SENATE
S.B. No. 2022

RECEIVED BY: _____



Introduced by SENATOR WIN GATCHALIAN

AN ACT
ENSURING THAT SENIOR HIGH SCHOOL GRADUATES UNDER THE
K TO 12 PROGRAM ARE EQUIPPED WITH THE KNOWLEDGE, TRAINING
AND SKILLS DEMANDED IN THE LABOR MARKET, ENHANCING THEIR
EMPLOYABILITY AND COMPETITIVENESS, CREATING THE BATANG
MAGALING COUNCILS TO STRENGTHEN MULTI-STAKEHOLDER
COLLABORATION AND SUPPORT FOR THEIR EMPLOYMENT,
ALLOWING FULL DEDUCTION OF TRAINING EXPENSES INCURRED
FOR THEIR SKILLS DEVELOPMENT, APPROPRIATING FUNDS
THEREFOR, AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 Section 1. *Short Title.* – This Act shall be known as the “*Batang Magaling*
2 *Act*”.

3

4 Sec. 2. *Declaration of Policy.* – It is the policy of the State to establish,
5 maintain, and support a complete, adequate, and integrated system of
6 education relevant to the needs of the people and society.

7 This Act likewise reiterates a declared State policy that every graduate
8 of basic education shall be an empowered individual who has learned,

1 through a program that is rooted on sound educational principles and geared
2 towards excellence, the foundations for learning throughout life, the
3 competence to engage in work and be productive, the ability to coexist in
4 fruitful harmony with local and global communities, the capability to engage
5 in autonomous, creative, and critical thinking, and the capacity and
6 willingness to transform others and one's self.

7
8 Sec. 3. *Objective.* – This Act shall ensure that the Philippine basic
9 education system, as enhanced under Republic Act (R.A.) No. 10533 or the
10 “Enhanced Basic Education Act of 2013”, will produce Senior High School
11 (SHS) graduates who are equipped with knowledge, training and skills
12 demanded in the labor market, whether they have chosen the higher
13 education, middle-level skills development, or employment or
14 entrepreneurship exit, thereby enhancing their employability and
15 competitiveness in the workforce.

16
17 Sec. 4. *Strengthening Multi-Stakeholder Linkages and Collaboration; The*
18 *Batang Magaling National and Local Councils; The Batang Magaling Roadmap.*
19 – To align the tracks and strands of the K to 12 Basic Education Curriculum
20 under R.A. No. 10533 with the needs of the labor market, a National Batang
21 Magaling Council (National Council) shall be created composed of the
22 Department of Education (DepEd), the Technical Education and Skills
23 Development Authority (TESDA), three (3) national industry partners, one (1)
24 national labor group, and the Union of Local Authorities of the Philippines.

25 Local Batang Magaling Councils (Local Councils) shall likewise be
26 formed at the provincial, city and municipal levels to ensure that K to 12 SHS
27 graduates are equipped with education, training and skills demanded by the
28 industry partners. The Local Councils shall be composed of the provincial,
29 city or municipal local school boards (LSBs), at least two (2) industry partners

1 in the locality, a representative of the TESDA provincial office, and a local
2 employee organization or association.

3 Every education institution offering the SHS Program shall regularly
4 consult with the Local Council at least twice a year to be guided by the actions
5 of the council especially the roadmap in paragraph e hereunder and to
6 establish a mechanism for active collaboration and meaningful
7 communication for the following purposes:

- 8 a. to provide information to the education institutions for the updating
9 and alignment of the work component of the SHS program with the
10 market needs as identified by the industry partners;
- 11 b. to convince industry partners to accept learners in Work Immersion
12 Programs (WIPs), ensure that their deployment is done according to
13 their tracks or specialization courses, and enable them to acquire
14 specialized skills and competencies to advance in their chosen path;
- 15 c. to enable the LSBs to provide relevant data and information to the
16 stakeholders, increase their awareness of their mutual issues and
17 concerns on the employability of SHS graduates in the locality, and
18 give local incentives to recognize best practices on collaboration;
- 19 d. to craft the WIPs of all education institutions offering the SHS
20 Program within a province, city or municipality and ensure that the
21 curriculum is aligned with industry needs, learners meet the
22 minimum requirements of the work immersion industry partners,
23 and learners develop competencies and acquire skills that are
24 industry-based to improve their work readiness and employability;
25 and
- 26 e. to develop a local Batang Magaling Roadmap in the province, city or
27 municipality that shall introduce interventions and set measurable
28 goals on enhancing the employability and competitiveness of SHS
29 graduates, including but not limited to an increase or improvement
30 in the following: the number of industry partners participating in the

1 WIPs; the number of SHS learners deployed under the WIPs
2 according to their tracks or specialization courses; and the rate of
3 employment of K to 12 SHS graduates. As such, the local roadmap
4 shall include the skills demanded by industry partners in the locality
5 vis-à-vis the needed knowledge, training and skills of K to 12 SHS
6 graduates to match the said demand, using the labor market
7 demand forecast under Sec. 6, and the skills database under Sec. 7
8 hereof.

9 Taking into consideration the local roadmaps developed at the
10 provincial, city and municipal levels, the National Council shall craft
11 a parallel National Batang Magaling Roadmap to fulfill the objective
12 under Sec. 3 of this Act. The provincial Local Councils shall similarly
13 craft their respective Provincial Batang Magaling Roadmaps based
14 on the Municipal Batang Magaling Roadmaps, while the city Local
15 Councils shall base their respective City Batang Magaling Roadmaps
16 on the WIPs within the locality under their jurisdiction.
17

18 *Sec. 5. Work Immersion Programs.* – The WIPs that are mandated to be
19 offered by education institutions offering the SHS Program shall develop in
20 learners the competencies, skills, work ethic and values relevant to pursuing
21 further education or joining the world of work.

22 The WIP shall be based on the Batang Magaling Roadmap and designed
23 to match the needs of the learners and the capabilities of the education
24 institutions vis-à-vis the demands of the work immersion industry partners.

25 The Schools Division Office of the DepEd shall approve the WIP as
26 proposed in these provinces, cities or municipalities, with due compliance to
27 legal and administrative prescriptions on the number of hours and delivery
28 models, among others.
29

1 Sec. 6. *Labor Market Demand Forecasting.* – To align the WIP with
2 market demand and ensure that the knowledge, training and skills of K to 12
3 SHS graduates match the in-demand and projected in-demand jobs of
4 industry partners in the locality, the Councils are hereby mandated to
5 conduct labor market demand studies every three (3) years.

6 The data derived from such demand forecast shall serve as basis for the
7 work components of the SHS Program, the Batang Magaling Roadmaps, the
8 WIPs, the trainings to be conducted, the resources to be procured, and the
9 skills to be developed among the learners, among others. The demand forecast
10 will also allow education institutions to focus on employable skills as
11 determined by medium- to long- term labor market demand.

12
13 Sec. 7. *Batang Magaling Database; Centralized Skills Database.* – The
14 DepEd, in collaboration with the National and Local Councils, shall develop,
15 maintain and update a centralized nationwide database of skills information
16 to serve as one-stop shop for all matters related to the employment of K to 12
17 SHS graduates.

18 The Batang Magaling Database shall help strengthen the educational
19 institutions' linkages and collaboration with industry partners, facilitating the
20 meeting of skills demand within the province, city, municipality, and the
21 country as a whole.

22 The Batang Magaling database shall register the demographic profile of
23 learners including, but not limited to, their educational background, track
24 and strand completed in SHS, training, skills, competencies, work immersion
25 performance, course taken after SHS, work experience and employment
26 history. It shall also contain the profiles, demands, and vacancies, among
27 others, of industry partners. The Implementing Rules and Regulations shall
28 prescribe the process to be followed in ensuring that the Local Councils
29 themselves provide and register such demographic information as required to
30 be included in the centralized database.

1 Sec. 8. *Affirmative Hiring of K to 12 SHS Graduates; Civil Service*
2 *Commission; Industry Partners.* – The Department of Labor and Employment
3 (DOLE), in coordination with the DepEd, shall conduct studies and research
4 for the crafting of strategies and guidelines to minimize the impediments to K
5 to 12 SHS employment, and promote the affirmative hiring of K to 12 SHS
6 graduates.

7 The Civil Service Commission (CSC) is hereby mandated to review the
8 eligibility requirements for government employment and revise its policies to
9 integrate the K to 12 qualifications in the CSC qualification standards to fulfill
10 the employability of K to 12 SHS graduates in the government sector. Such K
11 to 12 qualification standards may include, among others, one’s education as
12 a SHS graduate, experience, training, and eligibility.

13 The industry partners are likewise enjoined to rethink and review their
14 hiring policies and job requirements to provide employment opportunities,
15 such as entry-level positions, to K to 12 SHS graduates.

16
17 Sec. 9. *Fully Deductible Training Expenses from Taxable Income;*
18 *Additional Item of Deduction.* – Industry partners shall be allowed an
19 additional item of deduction from their taxable income of the full value of
20 training expenses incurred for the skills development of K to 12 SHS
21 graduates hired pursuant to this Act, hereby amending Sec. 34 (A) (1) (a) (v)
22 of R.A. No. 8424 or the National Internal Revenue Code of 1997, as amended
23 by R.A. No. 11534 or “CREATE”.

24
25 Sec. 10. *Mandatory Review and Impact Assessment.* – The DepEd shall
26 conduct a mandatory review of the implementation of this Act and submit an
27 assessment report to Congress on its impact and effectiveness, not later than
28 two (2) years from its effectivity and every two (2) years thereafter.

29

1 Sec. 11. *Appropriations.* – The amount necessary for the initial
2 implementation of this Act shall be charged against those authorized in the
3 current appropriations of the DepEd. Thereafter, the amount necessary for
4 its continued implementation shall be included in the annual General
5 Appropriations Act.

6
7 Sec. 12. *Implementing Rules and Regulations (IRR).* – Within ninety (90)
8 days from the effectivity of this Act, the DepEd, CSC, DOLE, TESDA, and
9 other public and private stakeholders, including industry partners, shall
10 issue the rules and regulations implementing its provisions. The IRR issued
11 pursuant to this section shall take effect thirty (30) days after its publication
12 in a newspaper of general circulation.

13
14 Sec. 13. *Separability Clause.* – If any provision of this Act is held invalid
15 or unconstitutional, the other provisions not so declared shall remain in force
16 and effect.

17
18 Sec. 14. *Repealing Clause.* – All laws, executive orders, presidential
19 decrees, administrative orders, rules and regulations, issuances, or parts
20 thereof contrary to or inconsistent with the provisions of this Act are hereby
21 repealed or amended accordingly.

22
23 Sec. 15. *Effectivity.* – Notwithstanding the non-issuance of the IRR, this
24 Act shall take effect fifteen (15) days after its publication in the Official Gazette
25 or in a newspaper of general circulation.

Approved,