

[REPUBLIC ACT NO. 7796, August 25, 1994]

**AN ACT CREATING THE TECHNICAL EDUCATION AND SKILLS
DEVELOPMENT AUTHORITY, PROVIDING FOR ITS POWERS,
STRUCTURE AND FOR OTHER PURPOSES**

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

SECTION 1. *Title.* - This Act shall be known as the "Technical Education and Skills Development Act of 1994" or the "TESDA Act of 1994."

SEC. 2. *Declaration of Policy.* - It is hereby declared the policy of the State to provide relevant, accessible high quality and efficient technical education and skills development in support of the development of high quality Filipino middle-level manpower responsive to and in accordance with Philippine development goals and priorities.

The State shall encourage active participation of various concerned sectors, particularly private enterprises, being direct participants in and immediate beneficiaries of a trained and skilled workforce, in providing technical education and skills development opportunities.

SEC. 3. *Statement of Goals and Objectives.* - It is the goal and objective of this Act to:

- a. Promote and strengthen the quality of technical education and skills development programs to attain international competitiveness;
- b. Focus technical education and skills development on meeting the changing demands for quality middle-level manpower;
- c. Encourage critical and creative thinking by disseminating the scientific and technical knowledge base of middle-level manpower development programs;
- d. Recognize and encourage the complementary roles of public and private institutions in technical education and skills development and training system; and
- e. Inculcate desirable values through the development of moral character with emphasis on work ethic, self-discipline, self-reliance and nationalism.

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

- a. "Skill" shall mean the acquired and practiced ability to carry out a task or job;
- b. "Skills Development" shall mean the process through which learners and workers are systematically provided with learning opportunities to acquire or upgrade, or both, their ability, knowledge and behavior pattern required as qualifications for a job or range of jobs in a given occupational area;

- c. "Technical Education" shall refer to the education process designed at post-secondary and lower tertiary levels, officially recognized as non-degree programs aimed at preparing technicians, para-professionals and other categories of middle level workers by providing them with a broad range of general education, theoretical, scientific and technological studies, and related job skills training;
- d. "Trade" shall mean any group of interrelated jobs or any occupation which is traditionally or officially recognized as craft or artisan in nature requiring specific qualifications that can be acquired through work experience and/or training;
- e. "Middle-Level Manpower" refers to those
 - 1. who have acquired practical skills and knowledge through formal or non-formal education and training equivalent to at least a secondary education but preferably a post-secondary education with a corresponding degree or diploma; or
 - 2. skilled workers who have become highly competent in their trade or craft as attested by industry;
- f. "Private Enterprises" refers to an economic system under which property of all kinds can be privately owned and in which individuals, alone or in association with another, can embark on a business activity. This includes industrial, agricultural, or agro-industrial establishments engaged in the production, manufacturing, processing, repacking or assembly of goods including service-oriented enterprises;
- g. "Trainers" shall mean persons who direct the practice of skills towards immediate improvement in some task;
- h. "Trainors/trainers" shall mean persons who provide training to trainers aimed at developing the latter's capacities for imparting attitudes, knowledge, skills and behavior patterns, required for specific jobs, tasks, occupations or group of related occupations;
- i. "Trainees" shall mean persons who are participants in a vocational, administrative or technical training program for the purpose of acquiring and developing job-related skills;
- j. "Apprenticeship" training within employment with compulsory related theoretical instructions involving a contract between an apprentice and an employer on an approved apprenticeable occupation;
- k. "Apprentice" is a person undergoing training for an approved apprenticeable occupation during an established period assured by an apprenticeship agreement;
- l. "Apprenticeship Agreement" is a contract wherein a prospective employer binds himself to train the apprentice who in turn accepts the terms of training for a recognized apprenticeable occupation emphasizing the rights, duties and responsibilities of each party;
- m. "Apprenticeable Occupation" is an occupation officially endorsed by a tripartite body and approved for apprenticeship by the authority;
- n. "Learners" refer to persons hired as trainees in semi-skills and other industrial occupations which are non-apprenticeable. Learnership programs must be approved by the Authority;
- o. "User-Led" or "Market-Driven Strategy" refers to a strategy which promotes strengthened linkages between educational/training institutions and industry to

ensure that appropriate skills and knowledge are provided by the educational system;

- p. "Dual System/Training" refers to a delivery system of quality technical and vocational education which requires training to be carried out alternately in two venues: In school and in the production plant. In school training provides the trainee the theoretical foundation, basic training, guidance and human formation, while in-plant training develops his skills and proficiency in actual work conditions as it continues to inculcate personal discipline and work values;
- q. "Levy Grant System" refers to a legal contribution from participating employers who would be beneficiaries of the program (often as a percentage of the payroll) which is subsequently turned over or rebated to enterprises offering employee training programs.

SEC. 5. *Technical Education and Skills Development Authority: Creation.* - To implement the policy declared in this Act, there is hereby created a Technical Education and Skills Development Authority (TESDA), hereinafter referred to as the Authority, which shall replace and absorb the National Manpower and Youth Council (NMYC), the Bureau of Technical and Vocational Education (BTVE) and the personnel and functions pertaining to technical-vocational education in the regional offices of the Department of Education, Culture and Sports (DECS) and the apprenticeship program of the Bureau of Local Employment of the Department of Labor and Employment.

SEC. 6. *Composition of the Authority.* - The Authority shall be composed of the TESDA Board and the TESDA Secretariat.

SEC. 7. *Composition of the TESDA Board.* - The TESDA Board shall be composed of the following:

The Secretary of Labor and Employment	Chairperson
Secretary of Education, Culture and Sports	Co-Chairperson
Secretary of Trade and Industry	Co-Chairperson
Secretary of Agriculture	Member
Secretary of Interior and Local Government	Member
Director-General of the TESDA Secretariat	Member

In addition, the President of the Philippines shall appoint the following members from the private sector: two (2) representatives, from the employer/industry organization, one of whom shall be a woman; three (3) representatives, from the labor sector, one of whom shall be a woman, and two (2) representatives of the national associations of private technical-vocational education and training institutions, one of whom shall be a woman. As soon as all the members of the private sector are appointed, they shall so organize themselves that the term of office of one-third (1/3) of their number shall expire every year. The member from the private sector appointed thereafter to fill vacancies caused by expiration of terms shall hold office for three (3) years.

The President of the Philippines may, however, revise the membership of the TESDA Board, whenever the President deems it necessary for the effective performance of

the Board's functions through an administrative order.

The TESDA Board shall meet at least twice a year, or as frequently as may be deemed necessary by its Chairperson. In the absence of the Chairperson, a Co-Chairperson shall preside. In case any member of the Board representing the Government cannot attend the meeting, he or she shall be regularly represented by an undersecretary or deputy-director general, as the case may be, to be designated by such member for the purpose.

The benefits, privileges and emoluments of the Board shall be consistent with existing laws and rules.

SEC. 8. *Powers and Functions of the Board.* - The Authority shall primarily be responsible for formulating, continuing, coordinated and fully integrated technical education and skills development policies, plans and programs taking into consideration the following:

- a. the State policy declared herein of giving new direction and thrusts to efforts in developing the quality of Filipino human resource through technical education and skills development;
- b. the implementation of the above-mentioned policy requires the coordination and cooperation of policies, plans, and programs of different concerned sectors of Philippine society;
- c. equal participation of representatives of industry groups, trade associations, employers, workers and government shall be made the rule in order to ensure that urgent needs and recommendations are readily addressed; and
- d. improved linkages between industry, labor and government shall be given priority in the formulation of any national-level plan.

The Board, shall have the following powers:

1. promulgate, after due consultation with industry groups, trade associations, employers, workers, policies, plans, programs and guidelines as may be necessary for the effective implementation of this Act;
2. organize and constitute various standing committees, subsidiary groups, or technical working groups for efficient integration, coordination and monitoring technical education and skills development programs at the national, regional, and local levels;
3. enter into, make, execute, perform and carry-out domestic and foreign contracts subject to existing laws, rules and regulations;
4. restructure the entire sub-sector consisting of all institutions and programs involved in the promotion and development of middle-level manpower through upgrading, merger and/or phase-out following a user-led strategy;
5. approve trade skills standards and trade tests as established and conducted by private industries;
6. establish and administer a system of accreditation of both public and private institutions;
7. establish, develop and support institutions' trainors' training and/or programs;
8. lend support and encourage increasing utilization of the dual training system as provided for by Republic Act No. 7686;
9. exact reasonable fees and charges for such tests and trainings conducted and retain such earnings for its own use, subject to guidelines promulgated by the Authority;

10. allocate resources, based on the Secretariat's recommendations, for the programs and projects it shall undertake pursuant to approved National Technical Education and Skills Development Plan;
11. determine and approve systematic funding schemes such as the Levy and Grant scheme for technical education and skills development purposes;
12. create, when deemed necessary, an Advisory Committee which shall provide expert and technical advice to the Board to be chosen from the academe and the private sector: *Provided, That* in case the Advisory Committee is created, the Board is hereby authorized to set aside a portion of its appropriation for its operation; and
13. perform such other duties and functions necessary to carry out the provisions of this Act consistent with the purposes of the creation of TESDA.

Sec. 9. *Power to Review and Recommend Action.* - The Authority shall review and recommend action to concerned authorities on proposed technical assistance programs and grants-in-aid for technical education or skills development, or both, including those which may be entered into between the Government of the Philippines and other nations, including international and foreign organizations, both here and abroad.

SEC. 10. *The TESDA Secretariat.* - There is hereby created a Technical Education and Skills Development Authority Secretariat which shall have the following functions and responsibilities:

- a. to establish and maintain a planning process and formulate a national technical education and skills development plan in which the member-agencies and other concerned entities of the Authority at various levels participate;
- b. to provide analytical inputs to policy decision-making of the Authority on allocation of resources and institutional roles and responsibilities as shall be embodied in annual agencies technical education and skills development plans, in accordance with the manpower plan for middle-level skilled workers as approved by the Authority;
- c. to recommend measures, and implement the same upon approval by the Authority, for the effective and efficient implementation of the national technical education and skills development plan;
- d. to propose to the Authority the specific allocation of resources for the programs and projects it shall undertake pursuant to approved national technical education and skills development plan;
- e. to submit to the Authority periodic reports on the progress and accomplishment of work programs of implementation of plans and policies for technical educational and skills development;
- f. to prepare for approval by the Authority an annual report to the President on technical education and skills development;
- g. to implement and administer the apprenticeship program as provided for in Section 18 of this Act;
- h. to prepare and implement upon approval by the Authority a program for the training of trainers, supervisors, planners and managers as provided for in Section 23 of this Act;
- i. to enter into agreement to implement approved plans and programs and perform activities as shall implement the declared policy of this Act; and
- j. to perform such other functions and duties as may be assigned by the Board: