

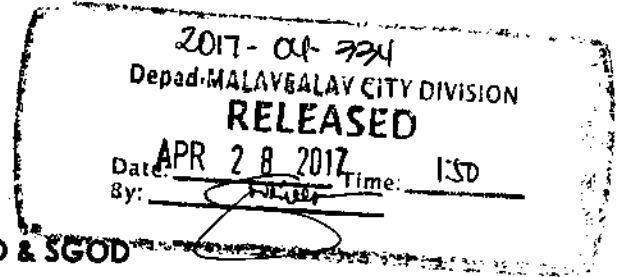


DEPARTMENT OF EDUCATION
Region X- Northern Mindanao
DIVISION OF MALAYBALAY CITY
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DIVISION MEMORANDUM
NO. 2017-01-724 S. 2017



TO : Chief Education Supervisors CID & SGOD
Education Program Supervisors
Public Schools District Supervisors
Private/SUC Secondary School Heads
This Division

FROM :  EDILBERTO L. OPLENARIA, CESO VI
Schools Division Superintendent

SUBJECT : DISSEMINATION OF DEPED ORDER NO. 20, S. 2017 dated April 20, 2017 RE: GUIDELINES ON THE IMPLEMENTATION OF THE EDUCATIONAL SERVICE CONTRACTING AND TEACHER'S SALARY SUBSIDY PROGRAMS IN JUNIOR HIGH SCHOOL EFFECTIVE SCHOOL YEAR 2017-2018

DATE : April 25, 2017

1. For the information and guidance of all concerned, this Office hereby disseminates the herein **DEPED ORDER NO. 20, S. 2017 dated April 20, 2017 RE: GUIDELINES ON THE IMPLEMENTATION OF THE EDUCATIONAL SERVICE CONTRACTING AND TEACHER'S SALARY SUBSIDY PROGRAMS IN JUNIOR HIGH SCHOOL EFFECTIVE SCHOOL YEAR 2017-2018** for your reference.
2. The field is hereby directed to strictly follow the guidelines stipulated to this DepEd Order.
3. Immediate dissemination and compliance of this memorandum is desired.

Encl:

As stated

Copy Furnished:

Records

Office File

To be posted in the website



Republic of the Philippines
Department of Education

20 APR 2017

DepEd ORDER
No. 20, s. 2017

**GUIDELINES ON THE IMPLEMENTATION OF THE EDUCATIONAL SERVICE
CONTRACTING AND TEACHERS' SALARY SUBSIDY PROGRAMS
IN JUNIOR HIGH SCHOOL EFFECTIVE
SCHOOL YEAR 2017-2018**

To: Undersecretaries
Assistant Secretaries
Bureau and Service Directors
Regional Secretary, ARMM
Regional Directors
Schools Division Superintendents
Public and Private Elementary and Secondary Schools Heads
All Others Concerned

1. The Expanded Government Assistance to Students and Teachers in Private Education Act, which provides for the Educational Service Contracting (ESC), and the Teachers' Salary Subsidy (TSS) Programs, is a demonstration of the Government's commitment to maintaining the viability of private education, in recognition of the private education sector as a key partner in the delivery of quality basic education.
2. In support of this commitment, the Department of Education (DepEd) has issued the enclosed **Guidelines on the Implementation of the Educational Service Contracting and Teachers' Salary Subsidy Programs in Junior High School Effective School Year 2017-2018** to ensure effective and efficient program implementation.
3. These policies and guidelines shall remain in effect unless otherwise amended or repealed.
4. Immediate dissemination of and strict compliance with this Order is directed.


LEONOR MAGTOLIS BRIONES
Secretary

Encl.: As stated

References: DepEd Order Nos. 16 and 18, s. 2016)

To be indicated in the Perpetual Index under the following subjects:

FUNDS	SECONDARY EDUCATION
POLICY	STUDENTS
PROGRAMS	TEACHERS
SCHOOLS	

(Enclosure to DepEd Order No. 20, s. 2017)

Guidelines on the Implementation of the Educational Service Contracting and Teachers' Salary Subsidy Programs in Junior High School Effective School Year 2017-2018

I. Rationale

Republic Act No. 8545 (RA 8545), or the Expanded Government Assistance to Students and Teachers in Private Education (E-GASTPE) Act, provides the legal basis for state-funded programs of financial assistance to stakeholders in private education.

The programs on Educational Service Contracting (ESC) and the Teachers' Salary Subsidy (TSS) are respectively provided for in Sections 7 and 14 of RA 8545.

RA 8545 supports Article XIV Section 2.3 of the Philippine Constitution of 1987 which mandates the State to establish a system of, among others, subsidies and incentives to deserving individuals in both public and private schools.

II. Scope

These implementing guidelines shall have national applicability, and detail the processes and flow of activities that relate to ESC and TSS programs in private junior high schools for School Year (SY) 2017-2018. These include school certification, slot allocations, grantee selection, and creation of billing statements, among others.

III. Definition of terms

Educational Service Contracting (ESC) – A partnership program by the Department of Education (DepEd) aimed at decongesting overcrowded public junior high schools. In ESC, the excess capacities of certified private junior high schools are “contracted” through slot allocations for students who would otherwise have gone to public schools. The slots come with subsidies called ESC grants, and program beneficiaries are called ESC grantees or, for the purposes of these guidelines, simply grantees.

ESC-participating Junior High School (ESC-participating JHS) – Private junior high schools certified to participate in the ESC and are thus subject to these program guidelines.

Teachers' Salary Subsidy (TSS) – A program where an annual government subsidy is provided to qualified teachers in ESC-participating JHSs. Such teachers are called TSS recipients.

ESC Information Management System (ESC IMS) – An online facility and database maintained by the Private Education Assistance Committee (PEAC) to track ESC grantees and TSS recipients, and to create and track billing statements and payments.

IV. Policy Statement

Section 2 of the E-GASTPE Act, states, “It is a declared policy of the State in conformity with the mandate of the Constitution, to promote and make quality education accessible to all Filipino citizens. The State also hereby recognizes the complementary roles of public and private educational institutions in the educational system and the invaluable contribution that the private schools have made and will make to education. For these purposes, the State shall provide the mechanisms to improve quality in private education by maximizing the use of existing resources of private

- Coordinate with and perform monitoring and oversight functions on PEAC and disseminate the necessary Orders/Memoranda regarding their implementing guidelines to its field offices and other parties concerned
- Ensure that the annual as well as long-term funding requirements of the ESC and TSS programs are supported and provided for by their inclusion in the DepEd's annual budget
- Process and ensure the prompt release of the entitlements of the participating schools in the ESC and TSS programs with complete billing documents
- Set the agenda and policy directions for the conduct of research and evaluation studies on the ESC and TSS programs
- Conduct monitoring and evaluation activities and report to appropriate authorities, the performance of the ESC and TSS programs and of the stakeholders, including but not limited to PEAC, the participating private schools, and the DepEd field units, as well as report other concerns in connection with or relating to the ESC and TSS programs and its stakeholders
- Work with PEAC on the updating and management of the information systems for ESC and TSS programs, including providing access to data, documents and other information that are pertinent to the programs, such as status reports on the payment of grants to participating schools, and the LIS

following responsibilities:

Specifically, at the DepEd Central Office (CO) is the Interim Project Management Office (PMO) for GASTPE, as created by DO 16, s. 2016. DepEd CO, through the interim GASTPE PMO has the

Committees (RPFComs), coordinate with PEAC and provide it with data pertinent to the programs. and oversee and evaluate implementation of the programs. It shall organize the Regional Program guidelines; provide the needed resources for financial assistance, teacher training and research; programs. It implements ESC and TSS to fulfill RA 8545. It shall formulate program policies and

The Department of Education (DepEd) is the institutional owner and regulator of the ESC and TSS

V. Implementation roles and responsibilities

teachers in ESC-participating junior high schools.

The TSS aims to improve the quality of private junior high schools by providing a salary subsidy to

is sought in all levels of the program's operations.

The ESC is a concrete demonstration of public-private partnership in education and this partnership

the requirements for regular promotion in each grade level.

ESC grantees are assured of financial assistance throughout junior high school as long as they meet

this mechanism, ESC also helps to decongest public junior high schools.

deserving elementary school graduates who wish to study junior high school in private schools. By

ESC aims to make quality junior high school education accessible by providing financial assistance to

To fulfill the goals of RA 8545, the ESC and TSS programs are governed by the following policies:

priority over its other functions."

education, recognizing in the process the government's responsibility to provide education as having

<http://fape.org.ph/articles/view/25> for the required list of documents). To be accepted into the program, applicant schools must be:

1. Recognized by DepEd; and
2. Certified with at least a “within standards” rating by PEAC or accredited by any member of the Federation of Accrediting Agencies of the Philippines (FAAP).

A list of newly accepted schools can be found at the PEAC website (www.fape.org.ph). Applicant schools accepted in the ESC as of March 31 may participate in the coming school year, while those accepted after March 31 shall wait until the following school year. Participation is subject to the availability of slots based on a queuing system.

B. Requirements for ESC-participating JHSs

1. Attend the summer orientation on the ESC and TSS Program Guidelines and on the use of the ESC IMS;
2. Form a School Committee. The School Committee shall be composed of the school head as chairperson, a representative of the parents-teachers association, and a representative of the faculty association. The committee shall prepare profiles of each student applying for an ESC grant, screen the applicants and select the grantees;
3. Open and maintain an account with the Land Bank of the Philippines (LBP). The account name shall be the official name of the school. Schools shall coordinate directly with any LBP branch on the bank’s requirements to open an account;
4. Conduct an orientation on the ESC program to new grantees and their parents at the start of each school year. It shall keep a copy of the orientation program and attendance sheet as evidence of the activity;
5. Be available for recertification after three years for schools rated “within standard” or after five years for schools rated “above standard” in their certification/last recertification.

Schools must submit all documents needed for a recertification visit within two (2) months of receipt of written notice for recertification (See <http://fape.org.ph/articles/view/25> for the required list of documents); otherwise, the school cannot accept Grade 7 ESC grantees in the next school year. Complete documents are required before a school visit is scheduled.

Schools that fail recertification are not allotted additional slots and have one school year to comply with the recommendations of the certification team. Thereafter, they must pass a final recertification visit; otherwise, such schools are phased out from the ESC and allowed to graduate only their remaining grantees. Schools that fail a final recertification visit may re-apply to participate in the ESC after three years.

VII. Features of the ESC program

A. Terms of the ESC grant

The ESC grant covers four years of junior high school starting from Grade 7. If grantees are enrolled in delivery modes where junior high school extends beyond four years, the grant still covers only four years. No new ESC grants are awarded at higher grade levels.

- Give final approval and sign off on payrolls and requests for payment, and the corresponding disbursements to be made

At the regional level, the DepEd Regional Office (RO) has the following responsibilities:

- Coordinate with PEAC on the conduct of regional orientations on the implementation of ESC and TSS programs
- Represent the Department in the Regional Program Committee and help carry out its duties
- Check, approve, and sign off on billing statements

The **Private Education Assistance Committee (PEAC)** has been contracted by the DepEd to administer the ESC and TSS programs. PEAC is the trustee of the Fund for Assistance to Private Education (FAPE), a perpetual trust fund created to provide assistance to private education in the country. PEAC is represented nationally by its National Secretariat (PEAC NS) and in each region by its Regional Secretariats (PEAC RS).

The PEAC NS has the following responsibilities:

- Provide the infrastructure, systems, coordination and controls required for the smooth implementation of the ESC and TSS programs
- Provide in-service training of teachers in ESC-participating JHSs and conduct pertinent research (see <http://www.fape.org.ph/> for details on these programs).

The PEAC RSs shall be the first line of program support to ESC-participating JHSs in the regions. The PEAC RS has the following responsibilities:

- Manage day-to-day implementation and coordinate its efforts with its RPSCom and the PEAC NS
- Advise, guide and/or assist schools in complying with the guidelines
- Conduct field audits and training and mentoring sessions as may be needed in their regions.

The **Regional Program Committees (RPSComs)** shall oversee compliance of participating schools in their regions with the policies and guidelines of the GASTPE programs of assistance. It shall resolve problems that may occur and recommend measures to improve program implementation. The RPSCom in each region is composed of representatives from DepEd and the PEAC RS with the DepEd Regional Director as Chair and the PEAC Regional Program Director as Co-Chair.

ESC-participating JHSs shall provide grantees with education that meets or exceeds the minimum standards set by DepEd. They shall orient grantees and their parents on the ESC, encode correct and complete information in the ESC IMS, prepare billing statement packages, undergo certification, and comply with these guidelines.

VI. ESC-participating JHS eligibility and requirements

A. Applicant schools

Private junior high schools that would like to participate in the ESC and TSS programs shall submit a letter of intent and supporting documents to the PEAC Executive Director (see

The grant remains in force for the next school year if the grantee is promoted to the next grade level and enrolls in an ESC-participating JHS. No maintaining grades are required of grantees within a school year.

The grant is terminated if a grantee does any one of the following:

- Drops out for non-health reasons in the middle of the school year;
- Does not reenroll the following school year;
- Fails to be promoted to the next grade level or is retained at the same grade level;
- Is suspended for more than two (2) weeks, dismissed or expelled by the school for disciplinary reasons; or
- Transfers to a non-ESC-participating JHS

Transfers to another ESC-participating JHS are allowed. In cases when the applicable subsidy amount of the releasing school is different from that of the accepting school, the accepting school will be paid the lower of the two applicable subsidy amounts.

Grantees who drop out due to prolonged illness, accident, force majeure, or death of a parent or guardian may be reinstated in the ESC program, provided they submit relevant documents to PEAC. The documents to be submitted are to support their claim i.e. for illness, a medical certificate issued by a licensed medical doctor.

B. Slot allocations

Slot allocations represent the maximum number of grantees ESC-participating JHSs can accept in Grade 7 in the coming school year. Allocations are based on the capacity of schools to accommodate grantees (fixed slots), with more slots awarded for demonstrated quality (incentive slots).

1. Fixed slots

- a) The maximum allocation for newly participating schools is fifty (50) slots.
- b) The minimum slots for currently participating schools of good standing is equal to the number of billed Grade 7 grantees in the previous school year. A school is considered in good standing when all of the following are met:
 - It has passed the latest recertification;
 - It has no adverse findings in its last monitoring visit;
 - It has no sanctions or penalties.

2. Incentive slots

ESC-participating JHSs that rate 3.0 or higher in their last certification or are accredited by any member of the Federation of Accrediting Agencies of the Philippines (FAAP) are awarded incentive slots as follows:

Table 1. Schedule of incentive slots

ESC certification rating/accreditation level	Incentive slots
ESC certification rating of 3.00 or higher	30
Level I accreditation	30
Level II or higher accreditation	60

The total slots allocated to a school in a given year is the sum of its fixed and incentive slots.

3. Slots allocations for the coming school year shall be posted on the school's ESC IMS accounts on the last week of April. Allocations posted on the ESC IMS are final.

C. Selecting grantees

ESC-participating JHS shall give preference to graduates of public elementary schools. The School Committee shall profile and assess the students considered for ESC grants and select grantees based on need, given the limited slots allocated to the school.

D. Amount of ESC grant

The amount of the grant depends on the location of the ESC-participating JHS and is quoted per ESC grantee per school year. It is paid to the school and remains the same over its four-year term, unless adjustments are approved by the State Assistance Council. The amounts of the grant are shown below.

*Table 2. Amounts of the ESC grant for SY 2017-2018 (in PHP per student per SY)**

Grade Level	Schools in NCR	Schools outside NCR
Grade 7	Php11,000	Php8,500
Grade 8	Php11,000	Php8,500
Grade 9	Php11,000	Php8,500
Grade 10	Php10,000	Php7,500

**subject to adjustments approved by the State Assistance Council*

However, if the total school fees declared by the school in the ESC IMS are lower than the amount of the ESC grant, the school will only be paid the total school fees.

VIII. Features of the TSS program

A. Teacher qualifications

Teachers in ESC-participating JHSs that meet the following conditions qualify for the TSS and are called TSS recipients:

- Have a valid PRC license, or pass the Licensure Exam for Teachers (LET) on or before August 15 of the current school year;
- Be employed by the school on or before August 15 of the current school year.
- Teach ESC grantees for at least 180 teaching minutes a week;

B. Amount of the TSS

The subsidy to TSS recipients shall be Eighteen Thousand Pesos (PhpP18,000) per teacher per year, unless adjustments are approved by the State Assistance Council.

DepEd remits TSS funds to the ESC-participating JHS which must in turn pay its TSS recipients. TSS recipients that have resigned or retired from service at the time the TSS is remitted to schools shall be paid the TSS in proportion to actual services rendered.

IX. Creating ESC and TSS billing statements

ESC-participating JHSs work use the ESC IMS to obtain payments for their ESC grantees and TSS recipients. Schools shall encode or update data on their school profiles, ESC grantees and TSS recipients and generate billing statements in the ESC IMS. ESC-participating JHSs access the ESC IMS at <http://ims.peac.org.ph/main/login>

PEAC NS shall provide schools with unique IDs and passwords to access their accounts in the ESC IMS. It shall conduct an orientation in every region during April and May to instruct the point persons of ESC-participating JHSs on online and documentary requirements and procedures.

A. ESC billing statements

An ESC-participating JHSs shall access the ESC IMS and carry out the following steps to create billing statements for its ESC grantees:

1. *Encode or update school profile information.* In particular, the following should be correct and updated:
 - Annual school fees (tuition, other and miscellaneous fees) per grade level
 - LBP account details
 - Details of contact person for ESC and TSS concerns
2. *Register its new grantees in Grade 7.* To register a grantee, encode the grantee's complete name, Learner Reference Number and other details.
3. *Update the information and status of its ESC grantees in Grades 8 to 10.* Schools shall update both the status of the grantees in the previous year and their enrolment status in the current year as shown in the table below. Updating the status of the grantees allows PEAC to track the grantees and the school to create correct billing statements.

Table 3. Status options for current ESC grantees

Previous year-end status options	Current year-end status options
Passed	Leaver
Failed	Enrolled
Did not Finish	Transfer-out
Accelerated	

4. *Process transferees (only for accepting schools).* Transferees are grantees of an ESC-participating JHS that transferred to and are accepted by another ESC-participating JHS. The accepting school is responsible for reporting transfer details in the ESC IMS.

The accepting school accesses the "Process Transfer-in" module and inputs the ESC Student ID number of the transferee. If a match is found, ESC IMS returns the details of the transferee. ESC IMS prompts the school to accept the transferee. If accepted, ESC IMS automatically transfers the ESC grantee to the accepting school.

For record purposes, transferees encoded on or before July 15 are counted as grantees of the accepting school and transferees encoded after July 15 as grantees of the releasing school. Similarly, DepEd pays the ESC grant to the accepting school for transferees encoded on or before July 15 and to the releasing school for transferees encoded after July 15. It shall be the responsibility of the transferee to settle accounts with the accepting school.

5. *Create ESC billing statements.* The ESC IMS requires an ESC-participating JHS to select the names of the ESC grantees as a way of certifying that the grantees are in fact enrolled in the school for the year it will bill. Erroneous and/or multiple entries of learners are subject to validation, which will delay processing and payment.

Create the billing statement by clicking on the "Create Billing Statement" icon at the bottom of the list of grantees. Billing statements contain the following information:

- Unique billing statement number that shall be used to process and track payments
- Total number of grantees billed
- Total amount due to the school

Schools may view, print or delete billing statements in the "View/Print/Delete Billing Statement" section under the "Billing Statement" navigation link. The "View" option allows schools to do a final check on the grantees included in a billing statement. The "Print" option provides a hard copy of the billing statement.

6. *Prepare the billing statement package.* Print five copies of the ESC billing statement and have the School Committee members sign all copies. Billing statements shall be supported by the following documents:
 - Certification of Tuition, Other and Miscellaneous Fees per grade level (template available in the ESC IMS)
 - ST11 (savings account) or IM11 (current account) printout from LBP
 - Official receipt for ESC payments received in the previous school year

A matrix on the folders, supporting documents and number of copies to be prepared is available on the home page of the ESC IMS. This set of documents shall hereafter be referred to as the billing statement package.

B. TSS Billing Statements

An ESC-participating JHS shall access the ESC IMS and carry out the following steps to create billing statements for its TSS recipients:

1. *Register TSS recipients.* To register a TSS recipient, the school encodes the teacher's complete name, PRC License Number, total teaching minutes per week, and other details.
2. *Create TSS billing statements.* The ESC IMS requires an ESC-participating JHS to select the names of the TSS recipients as a way of certifying that the recipients are in fact teaching in the school for the year it will bill.

Create the billing statement by clicking on the "Create Billing Statement" icon at the bottom of the list of recipients. Billing statements contain the following information:

- Unique billing statement number that shall be used to process and track payments
- Total number of TSS recipients billed
- Total amount due to the school

Schools may view, print or delete billing statements in the "View/Print/Delete Billing Statement" section under the "Billing Statement" navigation link. The "View" option allows schools to do a final check on the recipients included in a billing statement. The "Print" option provides a hard copy of the billing statement.

3. *Prepare the billing statement package.* Print five copies of the TSS billing statement and have the School Committee members sign all copies. Billing statements shall be supported by the following documents:
 - List of TSS recipients (generated from the ESC IMS)
 - For each TSS recipient, a photocopy of his or her:
 - Professional Regulation Commission (PRC) License; or

- Claim stub issued by the PRC for teachers renewing their licenses; or
- LET Certificate of Rating for recent passers
- Class schedule of teachers signed by the school principal
- Payroll for TSS payments received the previous school year (template available in the ESC IMS)
- ST11 (savings account) or IMI1 (current account) printout from LBP
- Official receipt for TSS payments received in the previous school year

A matrix on the folders, supporting documents and number of copies to be prepared is available on the home page of the ESC IMS. This set of documents shall hereafter be referred to as the billing statement package.

C. Important Deadlines

ESC-participating JHSs must create their ESC and TSS billing statements by the second Friday of August and submit the billing statement packages by the third Friday of August of the current year.

X. Processing ESC and TSS billing statement packages

A. Processing of billing statement packages

An ESC-participating JHS shall set an appointment with its PEAC RS through the "Set a Document Submission Appointment Schedule" section in the ESC IMS. It will then submit the billing statement packages to the PEAC RS at its scheduled appointment.

PEAC RS shall process the billing statement packages in the order received. It verifies that the billing statement packages are in order and the billing statements exist in the ESC IMS. The PEAC Regional Program Director (PEAC RPD) signs the billing statements and forwards these to the DepEd Regional Director (DepEd RD) for his signature. The PEAC RPD and the DepEd RD may authorize alternate signatories to sign the billing statements. The PEAC RS retrieves the billing statements from the DepEd RD and forwards these to the PEAC NS.

The PEAC NS verifies that the billing statement packages are in order and the billing statements exist in the ESC IMS. It prepares the billing statement packages in batches and submits these along with a List of Schools for Payment to the DepEd Central Office Accounting Division (DepEd AD).

DepEd AD checks that the submitted billing statement packages and the List of Schools for Payment are in order. It then prepares the Payroll and Obligation Request Status (ORS). Once endorsed and approved by DepEd authorities, DepEd pays the ESC-participating JHSs through their accounts with LBP.

Schools shall pay its TSS recipients soon after TSS payments have been received from DepEd. Funds not paid to TSS recipients as billed by the school cannot be paid to any other teacher and must instead be refunded to DepEd (see Section C below for refund procedure).

B. Monitoring payments

ESC-participating JHSs can monitor the status of all their billing statements at the Tools section in the ESC IMS. The PEAC RS, the PEAC NS and the DepEd AD update the status in the ESC IMS as the billing statement package is processed at their offices. The different statuses and the office that handles the billing statement package at a given status are shown below:

Table 4. Billing statement statuses in the ESC IMS

Status	Handling unit	Approximate processing time
On Process (School)	ESC-participating JHS	
On Process (Region)	PEAC RS	2-3 weeks
On Hold (Region)	PEAC RS	
Submitted to DepEd RO for Signature	DepEd RO	
Submitted to PEAC National Secretariat	PEAC RS	2-3 weeks
Received by PEAC National Secretariat	PEAC NS	
On Hold (PEAC National Secretariat)	PEAC NS	
Submitted to DepEd	DepEd AD	4-6 weeks
Payment Released	DepEd AD	

An "On Hold" status indicates an issue with the billing statement package. In such cases, ESC-participating JHSs are enjoined to proactively follow-up with the unit concerned.

C. Refunding excess ESC and TSS payments

A refund is due to DepEd when its payments exceed what is due to an ESC-participating JHS and its TSS recipients despite due care. Below are the steps to process refunds.

1. The school shall send PEAC NS a bank check payable to the Department of Education OSEC and a letter explaining the reason for the refund;
2. The PEAC NS shall review the documents and endorse them to DepEd AD;
3. DepEd shall issue official receipts for cleared check refunds. These will be delivered to PEAC NS for further delivery to the schools concerned.

XI. Program monitoring and compliance

A. Monitoring of ESC-participating JHSs

The PEAC NS shall monitor ESC-participating JHSs and report its findings to DepEd. It verifies the ESC grantees and TSS recipients listed in the schools' billing statements and their compliance with the guidelines of the ESC and TSS programs.

Monitoring is done through unannounced visits by a monitoring team. All ESC-participating JHSs are subject to such visits and cannot turn away monitoring teams. When visited, an ESC-participating JHS is required to gather all their ESC grantees and TSS recipients for a roll call and present the following documents for inspection:

- Class Record
- DepEd School Form 1
- DepEd School Form 2
- Form 137 and Form 138
- Orientation Attendance Sheet

The monitoring team may require other documents from the ESC-participating JHS to verify its ESC grantees and TSS recipients.

PEAC shall report the results of its monitoring visits at its quarterly meetings with DepEd. The report will include ESC-participating JHSs that violated or did not comply with the ESC and TSS guidelines.

B. Program violations and penalties

Program violations and acts of ESC-participating JHSs that defraud government and/or its ESC grantees and TSS recipients are penalized as follows:

Table 5. Program violations and corresponding penalties

Program Violation	Penalty
Falsification of data or information in any of the program forms, database fields or submitted documents	Suspension from recruiting ESC grantees in Grade 7 for at least one school year
Padding and/or inclusion of "ghost students" and unqualified teachers and/or "ghost teachers" in the list of billed ESC grantees and TSS recipients discovered during monitoring visits*	Return of payments to and duly acknowledged by DepEd for the "ghost students" and/or "ghost teachers" identified and termination from further participation in the ESC and TSS programs
Charging ESC grantees in excess of the total school fees declared in the ESC IMS	Return of excess payments duly acknowledged by the ESC grantees and suspension from recruiting ESC grantees in Grade 7 for at least one school year
Non-reimbursement or undue delay in reimbursing school fees advanced by ESC grantees after the school has been paid by DepEd. Schools are expected to reimburse the payment advanced by the ESC grantees within 30 days after the receipt of the payment from DepEd.	Reimbursement of school fees advanced, duly acknowledged by the ESC grantees and suspension from recruiting ESC grantees in Grade 7 for at least one school year
Retention rate of Grade 7 ESC grantees below 80% except for force majeure (e.g. calamities, armed conflict) Retention rate refers to the number of Grade 7 grantees of the previous school year that are qualified grantees in Grade 8 of the current school year. The retention rate of SY 2016-2017 shall be the basis for any penalties SY 2017-2018.	Use of the retention rate to reduce Grade 7 slot allocations in the next school year For example, a school with a total allocation of 100 slots in Grade 7 had a retention rate of 75% in SY 2016-17. The final allocation for that school shall be 100 x 75% or 75 slots for SY 2017-2018. Calculated slots shall be rounded to the nearest whole number.
Refusal to release transfer credentials to grantees that opt to transfer to other schools	Reduction in the total ESC Grade 7 slot allocation of the school by the number of grantees affected
Requiring transferring grantees to pay for unattended school years	Reduction in the total ESC Grade 7 slot allocation of the school by the number of grantees affected
ESC-participating JHSs with unresolved ownership disputes filed in court	Suspension from further participation in the ESC and TSS programs. Suspension starts once an ownership dispute is established through submitted documents or when

Program Violation	Penalty
	<p>another party makes a claim over the grants received by the school and ends when the dispute is resolved.</p> <p>Payment for the school's existing ESC grantees and TSS recipients shall be made only upon the written endorsement of the DepEd Regional Office after consulting its Legal Unit.</p>
ESC-participating JHSs unduly withholding TSS payments to qualified licensed teachers	Suspension from the TSS program until payments due are made and duly acknowledged by the TSS recipients
ESC-participating JHSs that fail two consecutive recertification visits	Termination from participation in the ESC and TSS programs

* Ghost students refer to the following:

- a. Significant number of absent ESC grantees during a monitoring visit whose absence cannot be satisfactorily explained by the school officials;
- b. ESC grantees billed under a specific school campus/unit/delivery mode but attend classes in a different school campus/unit/delivery mode;
- c. ESC grantees listed as "enrolled" but have not attended classes since the start of the semester; and
- d. ESC grantees listed and billed multiple times in the same school or in different ESC-participating JHSs;

Schools reported by the monitoring teams, PEAC RS or PEAC NS as not having complied with procedural requirements shall be issued a written warning. Slots allocations shall be reduced for repeat violations and the school may be suspended for a minimum of one year.

Violations analogous to the list above may also be penalized. The PEAC reserves the right to decide on cases of violations and their corresponding penalties. Finally, violations of the ESC and TSS guidelines may bar the ESC-participating JHS from other GASTPE programs of DepEd without prejudice to administrative and criminal charges that may be filed against the school and/or its responsible officers under existing laws.

C. Processing adverse findings

Schools with adverse findings are based on reports submitted by the monitoring teams to PEAC NS. Below are the steps to process adverse findings:

1. The PEAC Executive Director shall write a letter to the school specifying the following:
 - Summary of the findings of the monitoring team
 - Violations committed by the school
 - Sanctions based on the violations
 - Evidence and supporting documents, if applicable
 - Period within which the school can respond

The letter shall be sent by courier or registered mail.

2. If the school responds within the prescribed period, PEAC NS shall review the documents submitted by the school with a particular focus on the following:
 - Authenticity of documents submitted
 - Unaccounted ESC grantees/TSS recipients with and without supporting documents

3. PEAC NS shall report the schools with adverse findings and recommend sanctions to the PEAC during its regular meetings. Recommended sanctions shall conform to the GASTPE guidelines of the school year the monitoring visit was conducted.
4. The PEAC shall decide on the sanctions for schools with adverse findings.
5. The PEAC shall inform the school of its decision within two weeks through courier or registered mail. If the school does not respond within two weeks after receipt of the letter, the decision is deemed final and executory.
6. The PEAC shall submit to DepEd the final List of Schools with Sanctions together with copies of the monitoring reports.
7. ESC grantees disenfranchised by the sanctions shall be allowed to transfer to another ESC-participating JHS.

XII. Monitoring and Evaluation

The Department and PEAC shall continuously gather feedback on the implementation of the ESC and TSS Programs from all concerned internal and external stakeholders. A period review of these guidelines shall be conducted to further enhance the provisions stipulated herein, and ensure effectiveness of the programs.

Annex 1: Contact numbers and addresses

Inquiries regarding the ESC and TSS Programs at the DepEd may be sent to the following contact numbers and addresses:

Department of Education Central Office (DepEd)

Planning Service

(02) 6337216; 6388634

Accounting Division

(02) 6337961; 6337233

The PEAC National Secretariat may be reached at the following contact numbers and address:

PEAC National Secretariat (Makati office)

(02) 8406000 (trunk line)

Website: www.fape.org.ph

Monitoring and Processing Unit

(02) 840600 loc. 121 to 127

(02) 8406001; (02) 8406002

(0917) 5013273

Email addresses: processing@fape.org.ph / monitoring@fape.org.ph

Certification Unit

(02) 8406000 loc. 150 to 152

(02) 8406003

Email address: certification@fape.org.ph

Training and Development Unit

(02) 8406000 loc. 161

(02) 8406004

Email address: jhs.inset@fape.org.ph

IT and Information Management Unit

(02) 8406000 loc. 131

(02) 8406007

Email address: it.im@fape.org.ph

Communications and Research Unit

(02) 8406000 loc. 171

(02) 8406006

Email address: communications@fape.org.ph

Finance Unit

(02) 8406000 loc. 142

(02) 8406005

Email address: finance@fape.org.ph

The PEAC Regional Secretariats may be reached at the following contact numbers and address:

PEAC Regional Secretariat Region 1

University of Luzon
c/o APSCU Office
DBS Building, Tapuac District
Dagupan City

Contact No.: (075) 5227244
Email Address: rs.01@fape.org.ph

PEAC Regional Secretariat Region 2

Saint Paul University Philippines
Tuguegarao City

Contact No.: (078) 3961987 loc. 304
Email Address: rs.02@fape.org.ph

PEAC Regional Secretariat Region 3

Saint Scholastica's Academy
San Fernando City

Contact No.: (045) 4553808
Email Address: rs.03@fape.org.ph

PEAC Regional Secretariat Region 4A

Lycium of the Philippines University-Laguna
Calamba City

Contact No.: (049) 5020972
Email Address: rs.04a@fape.org.ph

PEAC Regional Secretariat Region 4B

First Asia Institute of Technology and Humanities
Tanauan City

Contact No.: (043) 7780656 loc. 103
Email Address: rs.04b@fape.org.ph

PEAC Regional Secretariat Region 5

Ateneo de Naga University
Naga City

Contact No.: (054) 4738447 loc. 409
Email Address: rs.05@fape.org.ph

PEAC Regional Secretariat Region 6

Colegio del Sagrado Corazon de Jesus
Iloilo City

Contact No.: (033) 3369408
Email Address: rs.06@fape.org.ph

PEAC Regional Secretariat Region 7

University of San Jose-Recoletos
Magallanes Street
Cebu City
Contact No.: (032) 2537900 loc. 343
Email Address: rs.07@fape.org.ph

PEAC Regional Secretariat Region 8
Holy Infant College
Tacloban City
Contact No.: (053) 8325544
Email Address: rs.08@fape.org.ph

PEAC Regional Secretariat Region 9
Ateneo de Zamboanga University
La Purisima Street
Zamboanga City
Contact No.: (062) 9910871 loc. 1004
Email Address: rs.09@fape.org.ph

PEAC Regional Secretariat Region 10
Lourdes College
Capistrano Street
Cagayan de Oro City
Contact No.: (088) 8571423 loc. 117
Email Address: rs.10@fape.org.ph

PEAC Regional Secretariat Region 11
University of the Immaculate Conception
c/o Davao Association of Catholic Schools
413 Corner Aguho & Champaca Streets, Juna Subdivision, Matina
Davao City
Contact No.: (082) 2983317
Email Address: rs.11@fape.org.ph

PEAC Regional Secretariat Region 12 & ARMM
Notre Dame Educational Association
Purok San Jose, New Isabela
Tacurong City
Contact No.: (064) 5620019
Email Address: rs.12@fape.org.ph; rs.armm@fape.org.ph

PEAC Regional Secretariat Region 13
Father Saturnino Urios University
Butuan City

Contact No.: (085) 3421830 loc. 1912
Email Address: rs.13@fape.org.ph

PEAC Regional Secretariat NCR

Saint Paul University Manila
Pedro Gil Street
Manila

Contact No.: (02) 5260410
Email Address: rs.ncr@fape.org.ph

PEAC Regional Secretariat CAR

University of Baguio
Baguio City

Contact No.: (074) 4425935
Email Address: rs.car@fape.org.ph