

Republic of the Philippines
TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY
East Service Road, South Superhighway, Taguig City

131st TESDA Board Meeting
13 July 2021, Tuesday, 9:00 a.m.
Teleconference via Zoom Platform

Resolution No. 2021-31
(Page 1 of 6 pages)

**APPROVING THE INCREASE OF ASSESSMENT FEES FOR VARIOUS
QUALIFICATIONS CONSIDERING INFLATION RATE AND ADOPTION OF
ENHANCED FORMULA IN ITS COMPUTATION**

WHEREAS, paragraph 9, Section 8 of Republic Act No. 7796 or the Technical Education and Skills Development Act of 1994 empowers the TESDA Board to "exact reasonable fees and charges for such tests and training conducted and retain such earnings for its own use, subject to guidelines promulgated by the Authority";

WHEREAS, Administrative Order No. 31, Series of 2012, directs and authorizes all heads of departments, bureaus, commissions, agencies, offices and instrumentalities of the national government, including government-owned and/or controlled corporations (GOCCs), to rationalize the rates of their fees and charges, increase their existing rates and impose new fees and charges;

WHEREAS, the DOF – DBM – NEDA Joint Circular No. 1-2013 provides the Implementing Rules and Regulations of Administrative Order No. 31, Series of 2012, on the Rationalization of Rates of Fees and Charges, Increase in Existing Rates, and Imposition of New Fees and Charges;

WHEREAS, Section 5 of the DOF – DBM – NEDA Joint Circular No. 1-2013 states that the determination of the rates of fees and charges shall consider the direct costs of rendering the service based on current appropriation, which shall include the cost of supplies and materials, salaries and wages of personnel directly involved in the service, and the proportionate share in the expenses of the agency or department, including the depreciation costs of the equipment used;

WHEREAS, to implement the intent of the above-cited Joint Circular, the TESDA Secretariat through the Qualifications and Standards Office (QSO) initiated the review of the assessment fees and pursued a five-step process, as follows:

1. Conduct of Assessment Fee Workshops with the Technical Experts;
2. Presentation of the Proposed Assessment Fees to National Tax Research Center (NTRC);
3. Presentation of the Proposed Fees to TESDA Board Joint Standards Setting and Systems Development and Finance Committee;
4. Conduct of Public Hearing(s) for the Proposed Assessment Fee(s); and,
5. Approval and Promulgation of Assessment Fees by the TESDA Board for the nationwide implementation;

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WHEREAS, the following Operational Principles were considered in the determination of assessment fees;

- Derive an equitable fee that is affordable to the candidate;
- Use less expensive supplies and materials or substitutes, if possible;
- Where applicable, do not charge the candidate for tools and equipment;
- Use average of regional costs; and
- Provide information as FACTS (factual, accurate, comprehensive, transparent, and systematic).

WHEREAS, the Members of the TESDA Board present during the 6th Joint Standards Setting and Systems Development and Finance Committees - TESDA Board-TESDA Secretariat Consultation Meeting held on 20 April 2016 agreed that the assessment fees shall be subject to review based on the following:

1. Indicators in the industry or in the economy that may have a significant impact on certain cost items which were included in the computation of the assessment fees such as but not limited to:
 - cost of electricity;
 - cost of rental; and
 - mandated minimum wages and others, if applicable.

2. The assessment fees shall be reviewed after two (2) years unless prior cost items indicated in the computation of the assessment fees will have a significant impact that might necessitate an earlier review;

WHEREAS, the NTRC enhanced the formula in the determination of Assessment Fees to expound the Direct and Indirect Cost Items was adopted;

WHEREAS, "direct costs" is defined as costs which can be clearly and/or specifically identified with the conduct of assessment; and/or contribute to accomplishing the goal of assessment;

WHEREAS, "indirect costs" is defined as costs which are necessary for the functioning of the Assessment Center (AC) but which cannot be directly and/or easily traced to the conduct of assessment; and/or contributory to accomplishing the goal of assessment. These are also expenses incurred in the conduct of assessment which

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includes the operating costs. Also termed as overhead cost which is the amount left after deducting the direct costs;

WHEREAS, increase in inflation rate, which has significant impact on assessment fees. The application of the inflation rate¹ in the 142 promulgated Assessment Fees are as follows:

- 60 promulgated qualifications in 2016 – 2018 were applied with inflation rate of 8.5% (2.8% for 2017 and 5.7% for 2018), thus applying the same principle for 2019 - 2021 equivalent to 9.6% (2.5% for 2019, 2.6% for 2020 and 4.5% for first quarter of 2021).
- 11 promulgated qualifications in November 2018 were applied with the 2019 to 2021 inflation rate equivalent to 9.6% (2.5% for 2019, 2.6% for 2020 and 4.5% for first quarter of 2021).
- 22 promulgated qualifications in 2019 were applied with the 2020 and 2021 inflation rate equivalent to 7.1% (2.6% for 2020 and 4.5% for first quarter of 2021).
- 49 promulgated qualifications in 2020 were applied the 2021 inflation rate equivalent to 4.5% for first quarter of 2021).

WHEREAS, a ten percent (10%) recovery cost is included on top of the determined direct and indirect costs to form part of the proposed assessment fees;

WHEREAS, during the 51st and 52nd Joint Standards Setting and Systems Development — Finance (SSSD-F) Committee Meeting on 10 June and 28 June 2021, respectively, the Members of the said Committee and the TESDA Secretariat agreed to adopt the enhanced formula for the 142 promulgated assessment fees and favorably endorsed the same for the consideration and approval of the TESDA Board;

WHEREAS, national stakeholders' consultation was held virtually using zoom platform on 25 June 2021 to ensure that the proposed increased rates for the promulgated assessment fees were properly disseminated and discussed with the stakeholders, pursuant to the Implementing Rules and Regulations of Administrative

¹ Source: Banko Sentral ng Pilipinas
(https://www.bsp.gov.ph/Lists/inflation%20Report/Attachments/22/IR1qtr_2021.pdf)

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Order No. 31, series of 2012. A copy of the increased rates is hereby appended as Annex "A" and shall form an integral part of this resolution;

WHEREAS, the cost elements and technical computations of the assessment fees for the 142 qualifications are hereby appended as Annex "B" and shall form an integral part hereof;

WHEREAS, the list of participants is hereby appended as Annex "C" to form an integral part of this resolution;

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the TESDA Board on its meeting today, 13 July 2021, approves the increased assessment fees for the 142 qualifications considering inflation rate and adopting the NTRC enhanced formula;

BE IT RESOLVED, FURTHER, that this Resolution shall be published in the Official Gazette and one (1) newspaper of general circulation, and disseminated to all concerned, and the same shall be effective fifteen (15) days upon Official Gazette publication as aforementioned;

BE IT RESOLVED, FINALLY, that the TESDA Secretariat is directed to issue the appropriate Implementing Guidelines within thirty (30) days from the date of effectivity of this Board Resolution. All accredited competency assessment centers and assessors under this Resolution must comply with the aforementioned fees and the Implementing Guidelines under penalty of suspension or revocation of accreditation as appropriate, after due process.

Adopted this 13th July 2021.

ATTY. JAN MICHAEL P. JARO
Officer-in-Charge
TESDA Board Secretariat

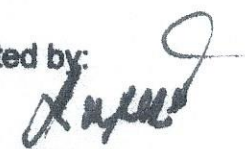
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Attested by:


SEC. ISIDRO S. LAPEÑA, PhD., CSEE
Designated Chairperson, TESDA Board
Director General, TESDA

(Original Signed)
USEC. RENATO L. EBARLE
Department of Labor and Employment

(Original Signed)
USEC. RAFAELITA M. ALDABA
Department of Trade and Industry

(Original Signed)
USEC. SANCHO A. MABBORANG
Department of Science and Technology

(Original Signed)
USEC. EPIMACO V. DENSING III
Department of Interior and Local Government

(Abstained with Reservation)
MR. ISIDRO ANTONIO C. ASPER
Board Member, Labor Sector

(Abstained with Reservation)
MR. RENE LUIS M. TADLE
Board Member, Labor Sector

(Original Signed)
MR. RAMON R. DE LEON
Board Member, Labor Sector

(Original Signed)
DR. LEONIDA BAYANI-ORTIZ
Board Member, Employer Sector

(Original Signed)
PROF. RANDOLPH I. NONATO
Board Member, Employer Sector

(Original Signed)
MS. MARY G. NG
Board Member, Business & Investment
Sector

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(Original Signed)
MR. ARTURO M. MILAN
Board Member, Business & Investment
Sector

(Original Signed)
FR. ONOFRE G. INOCENCIO JR., SDB
Board Member, Education and Training
Sector