

Regulatory framework for Philippine private schools and practices in APEC Schools

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STANDARDS SET BY THE DEPARTMENT OF EDUCATION	PRACTICE OBSERVED IN APEC SCHOOLS	NOTES FOR LEGISLATIVE/LEGAL ACTION AND RESEARCH
A Establishment and recognition of the school		
<p>1 Ownership of private schools: 60% of the capital shall be owned by Filipino citizens (DepEd DO 88-2010, Sec. 20; 1987 Constitution, Art. XIV, Sec. 4)</p>	<p>60% owned by Ayala Education, with the ultimate parent company Ayala Corporation; and 40% by the Pearson Affordable Learning Fund (Note 1, APEC Schools, 2016a)</p>	
<p>2 Requirements for issuance of permit to operate: a notarized feasibility study detailing the school site and building, costing of the project, financial capacity for development without reliance on students' fees, proposed school personnel, need or demand for establishment of the school in the locality (DO 88-2010, Sec. 30)</p>	<p>In the MOA by and between DepEd and APEC (2013), the DepEd requirements are provided corresponding indicators of compliance or specific details that would apply to the APEC Schools, as the "innovative model . . . has distinctive characteristics which require different metrics for evaluation" (Annex A, p. 1). According to the MOA: "DepEd Regional Office, through the Division Office[,] shall review the suitability of each school site and the adequacy of school facilities using the AP Model compliance checklist outlined in Annex A. This shall be the basis for the grant of Permits to Operate for AP Schools by the Regional Office." (Sec. 4.2.2)</p> <p>In one of the feasibility studies accessed by Riep in his research, there was no indication on "financial capacity for development without reliance on students' fees" (personal communication, September 29, 2016).</p>	<p>The APEC Schools' compliance with the minimum standards set by DepEd for private schools will be based on a checklist that APEC itself prepared. (<i>See document on pages 20-22</i>) However, the indicators in this checklist are not as specific and measurable as the DepEd standards (DO 88-2010) are, for example, for requirements such as school site area and library holdings.</p>
<p>3 "A thorough inspection of the school shall be conducted by a supervisor to determine compliance with the requirements," including site, buildings and equipment; health facilities; administration and supervision (with their qualifications, compensation tenure); faculty; retirement plan for teachers and other personnel (DO 88-2010, Sec. 30.6)</p>	<p>The establishment of new schools requires a Memorandum of Agreement and is subject to "the ability of the AP Schools to fully employ the AP Model." The MOA is supposed to specify about the new school: the location (including in the map the existing schools and target market); description of facility (specifically: the number and size of classroom and floors; adequacy of toilets); size and configuration—student capacity and grade configuration; and key staff profiles (MOU by DepEd et al., 2013, Sec. 4.3).</p>	<p>The model described in the DepEd-APEC MOA (2013, Annex A) states that it "will comply" with the requirement for the "location of school in relation to the environment" (p. 1). However, the location of the school with the photos in Riep's report (2015, pp. 36-37) and the other schools found in upper levels of buildings may be in violation of the specifics in DO 88-2010, Sec. 30.9 (detailed in Section C, pages 7-8). Also, no details about teachers' compensation and benefits are provided.</p>
<p>Within the National Capital Region, the establishment of branches requires prior approval (DO 88-2010, Sec. 41)</p>		

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	<p>Under its compliance checklist (Annex A in DepEd-APEC MOA, 2013; <i>see pages 20-22 of this document</i>), the AP Model states that the requirement for a clinic will be complied with by “provid[ing] first-aid kit and relevant trainings and procedures” and “identify[ing] nearest medical facilities and procedures in case of emergency” (p. 1). In its compliance checklist, it indicates under personnel “school physician, nurse, dentist”: “outsource medical and dental health services” (p. 2).</p>	
<p>4 Permit for each year level or course, issued on a school year basis, is valid until formally revoked (DO 88-2010, Sec. 29)</p>	<p>The DepEd-APEC MOA states that “additional grades will be added in subsequent years subject to permit and MOA renewal” (Sec. 2.2). The establishment of new schools requires a Memorandum of Agreement and is subject to “the ability of the AP Schools to fully employ the AP Model.”</p>	<p>According to ACT’s statement on the September 2 budget hearing for DepEd, Secretary Briones mentioned that APEC has not renewed its MOA, which has to be done every year.</p>
<p>5 “The grant of recognition for schools shall be based on its satisfactory operation during the school year, without any deficiencies in instruction, administration and/or management and on full compliance with the prescribed requirements of the course.” (DO 88-2010, Sec. 32)</p>	<p>APEC is not yet recognized and cannot be given recognition unless majority of the teachers are licensed (interview with DepEd official, June 2015, as cited in Riep, 2015).</p>	<p>Will DepEd allow it to operate for a long time without recognition? The DepEd-APEC MOA does not have provisions on the eventual recognition of APEC Schools. <i>(Note: permit to operate is distinct from recognition, which is a permanent authority to operate the school)</i></p>
<p>B Facilities</p>		
<p>1 “Private schools should own adequate sites for their own buildings, for physical education and athletics, military training and recreation . . .” (DO 88-2010, Sec. 30.7)</p>	<p>APEC has been allowed to lease instead of own its school sites, in which some teachers have described the classrooms as “crammed,” “congested,” “poorly ventilated” and insufficient for physical education and laboratory-oriented classes (Riep, 2015, p. 32). The DepEd-APEC MOA (2013) allows APEC to “secure facilities by means of lease contracts with a minimum 3-year term” (Sec. 3.2.2).</p>	<p>The agreement between APEC and DepEd did not indicate minimum standards for the leased spaces and it is unclear whether the leased spaces will have to conform to the DepEd minimum standards for private schools (that apply when the school site is owned; <i>see Section C of this document, pages 7-8</i>). A former APEC teacher (personal communication, October 17, 2016) has noted how old office spaces are not appropriate for use as a classroom.</p>

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	<p>It also intends to lease other facilities depending on use: <i>“Sports and arts facilities: schools would be in close proximity to community facilities, fields and art centers that can be leased for extra-curricular activities”</i> (MOU by DepEd et al., 2013, Appendix A, p. 5).</p> <p>As stated in the MOU by DepEd et al. (2013): <i>“The determination by the DepEd of the adequacy of school facilities of APEC Schools shall be based solely on the APEC Model . . . and shall be on an examination of the school facilities as a whole. Hence, individual components of the APEC Model relevant to facility adequacy shall not, by themselves, be considered grounds to declare the facilities of an APEC School inadequate, provided that the APEC School complies with the APEC Model and Health and Safety standards in determining adequacy of school facilities.”</i> (Sec. 2.2.1)</p>	<p>Given the permission to lease sports and arts facilities depending on use, there would be no way to ensure that such facilities indeed become available to the students.</p>
<p>2 “In meritorious cases, a school may be allowed to lease its premises; however, a grace period may be allowed by the Department such that the private school concerned shall have: (1) acquired its own school site within five (5) years from the date of filing of the application for permit to operate; and (2) constructed school buildings/facilities on said school site within ten (10) years from the said filing of the application for permit to operate.” (DO 11-2011, 3b, amending DO 88-2010, Sec. 30.7)</p>	<p>“APEC has been given special permission to rent commercial property, with no plans for ultimate ownership” (Riep, 2015, p. 31). As stated: <i>“DepEd Central Office shall allow APEC SCHOOL to lease its school sites and buildings, without need for an ----- plan of owning the same, provided that the school sites and buildings are adequate and suitable for education purposes in accordance with the AP Model and the lease term for the school site is at least three (3) years.”</i> (DepEd-APEC MOA, 2013, Sec. 4.1.3)</p> <p>As the model annexed to the MOU by DepEd et al. (2013, Appendix A, p. 4) stipulates: <i>“Buildings: facilities will be leased, initially under short-term arrangements (e.g. 4 years), then potentially long-</i></p>	<p>APEC being allowed to lease without plans to own the site is clearly a concession or favor that has been afforded to it by DepEd.</p>

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	<p>term (e.g. 10 years) once a location is proven.” (See also DepEd-APEC MOA, Sec. 3.2.2.)</p>	
<p>3 “should be free from noise, unpleasant odors and dust, and should be sufficiently far from cockpits, dancing halls, bowling alleys, movie houses, markets, garbage dumps, funeral parlors, cemeteries, heavy traffic highway, jails, railroad yards, and manufacturing and industrial establishments” (DO 88-2010, Sec. 30.7)</p>	<p>The model described in the DepEd-APEC MOA (2013, Annex A) says that APEC will comply with the school location requirements (p. 1). The provision in DO 88-2010 does not prohibit locating in buildings used for other purposes, but the schools have been placed in the upper levels of commercial buildings, with the lower levels occupied by businesses such as banks and auto repair shops (Riep, 2015, p. 32).</p> <p>Looking at APEC’s photos of its school sites (APEC, 2016c), at least 10 may be clearly identified as being situated in upper level of buildings, or 1/3 of the sites. Some of these buildings are also along main thoroughfares. According to a former teacher (personal communication, October 17, 2016), noise from other building occupants and from the street sometimes harm students’ and teachers’ concentration.</p>	
<p>4 “The government recognition of a school which is transferred to another location is deemed cancelled” except when the new site and buildings “are found to be much better than the former, and if all other standards have been satisfactorily maintained” (DO 88-2010, Sec. 37)</p>		
<p>5 “Unless exempted by the Secretary, each private school shall own its site, or shall have a definite and feasible program for ultimate ownership thereof with a reasonable period, which should be adequate and suitable for the buildings and activities of the school.” (DO 88-2010, Sec. 160)</p>	<p><i>See Items B.1 and B.2 above.</i></p>	<p>The phrase “unless exempted by the Secretary” allowed for the waiver now in effect with APEC.</p>

STANDARDS SET BY THE DEPARTMENT OF EDUCATION	PRACTICE OBSERVED IN APEC SCHOOLS	NOTES FOR LEGISLATIVE/LEGAL ACTION AND RESEARCH
<p>6 “Each private school shall likewise own its buildings, unless otherwise exempted for special reasons by the Secretary.” (DO 88-2010, Sec. 163)</p>	<p><i>See Items B.1 and B.2 above.</i></p>	
<p>7 For laboratory-oriented courses, shall have “appropriate and suitable laboratory rooms and equipment and supplies” (DO 88-2010, Sec. 165)</p>	<p>There are no science laboratories (Riep, 2015, p. 32; Aquino 2016, “Leased spaces”, para. 2).</p> <p>The MOU by DepEd et al. (2013, Appendix A, p. 4) refers to “<i>mobile lab equipment</i>: portable kits of science and math equipment to facilitate interactive learning . . . shared across a cluster of schools in an area.” A former teacher (personal communication, October 17, 2016) noted that there were some supplies in their site, but the equipment, like a microscope, was brought to the site when needed.</p>	
<p>8 School library of adequate quality, considering the educational levels and coverage and representativeness of coverage, and quantity, based on the enrolment size (DO 88-2010, Sec. 166)</p> <p>Reference and supplementary reading materials, including encyclopedia, dictionaries, fiction and nonfiction books, almanacs, atlas, etc.; subscription to periodicals; adequate number of professional books; audio-visual equipment and materials; an initial collection of 4,000 for enrolment of 500 or less (DO 88-2010, Sec. 170b)</p>	<p>Libraries, if existent, are not fully stocked (Riep, 2015, pp. 32, 35).</p> <p>A digital library is used, as opposed to a physical library, but no specifications or detailed requirements in terms of quantity, type and content are given in the MOU by DepEd et al. (2013, Appendix A, p. 5; DepEd-APEC MOA, 2013, Annex A, p. 3). The checklist of the APEC model simply said that APEC will “provide materials necessary for the program” and “provide list of digital content listings” (DepEd-APEC MOA, 2013, Annex A, p. 3).</p> <p>A former teacher (personal communication, October 17, 2016) mentioned that in their site, no such digital library was available, and the use of the electronic devices for research was not feasible given the inadequate internet infrastructure. At times, teachers have to bring their own reference materials for students’ use.</p>	<p>It appears that students are not ensured access to other study materials or references in the school.</p>

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<p>9 School library “administered by an educationally qualified and professionally trained librarian” (DO 88-2010, Sec. 166)</p>	<p>The services of the school librarian are also shared: “assign a School Librarian to manage the digital library for all AP Schools” (DepEd-APEC MOA, 2013, Annex A, p. 2). However, a former APEC teacher (personal communication, October 17, 2016) noted that, in their site, they were not aware that the APEC system has a librarian.</p>	<p>Non-teaching personnel are shared—school registrar, medical and dental personnel and school librarian. The guidance counsellor is also shared among sites in a cluster of APEC Schools (DepEd-APEC MOA, 2013, Annex A, p. 2). A former teacher (personal communication, October 17, 2016) said that when needed, the services of the guidance counsellor has to be scheduled and only then will the counsellor come to the school.</p>
<p>C Facilities (for compliance prior to issuance of permit)</p>		
<p>1 Minimum areas of school sites depending on school enrolment, at a minimum of 0.5 ha for 50 or fewer students and 1 ha for every thousand of students (DO 88-2010, Sec. 30.8)</p>	<p>Given that some campuses have three to four office rooms converted into classrooms (Riep, 2015, p. 32), it may be safe to assume that they do not meet the area requirements. A former teacher (personal communication, October 17, 2016) also noted how the limited area of their school site did not allow for sufficient movement or exercise by students during breaks.</p> <p>APEC’s compliance checklist (DepEd-APEC MOA, 2013, Annex A, p. 1) sets a “target ratio [of] 1sqm per student.”</p>	<p>It can be assumed that the 1 sqm requirement applies to the classroom space allocated for each student, as also required by the <i>National Building Code</i>.</p> <p>Complying with only this requirement means that not only the ownership requirement was waived but also the site area requirement. If the area requirement were to be followed, having 50 or fewer students and 0.5 ha translates into a space of 100 sqm/student; and having 1,000 students and 1 ha space means 10 sqm/student.</p>
<p>2 “Situated far from traffic, neighbors and fire hazards” (DO 88-2010, Sec. 30.9a)</p>	<p>The AP Model described in the DepEd-APEC MOA (2013, Annex A) states that it “will comply” with the requirement for the “location of school in relation to the environment” (p. 1). (Also see Item B.3 above)</p>	
<p>3 Equipped with safety devices and built for prompt and safe evacuation in case of fire, typhoon or earthquake (DO 88-2010, Sec. 30.9b-c)</p>	<p>(Provision may vary by site)</p>	

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4 "Provided with satisfactory toilet facilities , separate for students and faculty by gender" (DO 88-2010, Sec. 30.9d)	(Provision may vary by site)	
5 " Adequately and properly lighted and ventilated " (DO 88-2010, Sec. 30.9e)	Teachers have been quoted as saying that conditions in the classrooms have been "unbearable," with overcrowding and poor ventilation. To further cut costs, the rooms in some sites have fans, instead of air-conditioning (Riep, 2015, p. 32).	
6 "Contains sufficient space, furniture and fixtures for the general needs of the administrative staff, faculty and students" (DO 88-2010, Sec. 30.9f) "Accessible and suitable administrative office, faculty rooms and library " (DO 88-2010, Sec. 30.9h) " Adequate space for student/personnel services " (DO 88-2010, Sec. 30.9i)	In a site Riep visited for his study, the administrative and faculty offices occupied the same room, making the space "constrained and not really suitable" for their intended purpose (personal communication, September 29, 2016). <i>(Also see Items B.8 and C.1 above)</i>	This lack of space also has implications for teachers' welfare.
7 "Sufficient space for Home Economics and other vocational courses " (DO 88-2010, Sec. 30.9j)	Subject to need, this space will also be leased (DepEd-APEC MOA, 2013, Annex A, p. 2).	APEC does not offer vocation courses, but space will still be required for Home Economics classes.
8 "The doors of the classrooms and laboratory rooms lead or open towards the corridors" (DO 88-2010, Sec. 30.9k)	(Compliance may vary by site)	
9 For buildings of 2 or more storeys , there must be at least 2 stairs of minimum width of 2 meters and provision for students with special needs (DO 88-2010, Sec. 30.9l)	In the sites observed, mostly with the classrooms in the upper levels of buildings, accessibility is limited. No provisions for students with disabilities are visible (Riep, personal communication, September 29, 2016).	

STANDARDS SET BY THE DEPARTMENT OF EDUCATION	PRACTICE OBSERVED IN APEC SCHOOLS	NOTES FOR LEGISLATIVE/LEGAL ACTION AND RESEARCH
D Teachers		
<p>1 State policy of right of teachers to professional advancement (DO 88-2010, Sec. 4[15])</p>	<p>APEC Human Resources Director Pam Wu was quoted in a report saying APEC offers a career path where “they will have an opportunity to graduate to higher levels of responsibilities which also come with higher compensation” (Rivera, 2014, “Career path for teachers”, para. 5-6). The AP Model indicates a plan for teacher development with pre-service training, supported practice and in-service training, and mentions the possibility of teachers moving on to a school management track (MOU by DepEd et al., 2013, Appendix A, pp. 7-8).</p> <p>According to the MOU by DepEd et al. (2013), teachers are to be “regularly trained using the AP Training Program,” with mechanisms for feedback and coaching (Sec. 3.1f).</p> <p>“The APEC SCHOOL shall develop a teacher development program that includes recruitment, pre-service and in-service training for teachers. The APEC SCHOOL shall provide a professional development program for non-LET passers to acquire their licenses within 5 years as mandated by Republic Act 10533.” (DepEd-APEC MOA, 2013, Sec. 3.4)</p>	
<p>2 “Every private school shall promote the improvement of the economic, social and professional status of all its personnel.” (DO 88-2010, Sec. 62)</p>		
<p>3 “. . . the employment of teaching and non-teaching academic personnel shall be governed by such rules as may from time to time be promulgated in coordination with one another by the Department of Education and the Department of Labor and Employment.” (DO 88-2010, Sec. 62)</p>		

STANDARDS SET BY THE DEPARTMENT OF EDUCATION	PRACTICE OBSERVED IN APEC SCHOOLS	NOTES FOR LEGISLATIVE/LEGAL ACTION AND RESEARCH
<p>4 Probationary period for teaching personnel of not more than three years (DO 88-2010, Sec. 63)</p>	<p>A copy of a teacher’s contract with APEC in 2014 shows that the probationary period is one year. This period appears to have been extended to two years for new contracts in 2016 (former teacher, personal communication, October 17, 2016). Part of the contract is a list of “Standards for Regularization of Employment.”</p> <p>According to the contract for a teacher in 2014: “The Company will evaluate your performance after the end of the school year. . . . If you fail to meet the standards for regularization of employment set by the Company, the Company may terminate this Employment Agreement by giving you notice before the effective date of termination. The company also has the right to terminate this Employment Agreement at any time during the Probationary Period if it determines that you are not qualified to become a regular employee.” (“Criteria for regularization”, APEC Schools teacher’s contract, 2014)</p> <p>Riep noted that teachers’ turnover is high (personal communication, September 29, 2016).</p>	
<p>5 Probationary period for non-teaching personnel of not more than six months (DO 88-2010, Sec. 63)</p>		<p>Only a teacher’s contract has been accessed.</p>
<p>6 Labor organization subject to the regulation and supervision of the Department of Labor and Employment (DO 88-2010, Sec. 65)</p>		<p>If each school is considered autonomous, the organization will be at the school level, but at the system (entirety) level if not. The information at the moment is that there is no union or labor organization at APEC (former teacher, personal communication, October 17, 2016).</p>

STANDARDS SET BY THE DEPARTMENT OF EDUCATION	PRACTICE OBSERVED IN APEC SCHOOLS	NOTES FOR LEGISLATIVE/LEGAL ACTION AND RESEARCH
<p>7 Security in employment after successfully passing the probationary period (DO 88-2010, Sec. 68c)</p>	<p><i>See Item D.4 above.</i></p>	
<p>8 Minimum qualification for school teaching personnel in the secondary level: for academic subjects, bachelor's degree in education or a bachelor's degree with additional required professional education subjects, "to teach largely in their major or minor fields of concentration"; for vocational subjects, bachelor's degree and knowledge of the course to be taught (DO 88-2010, Sec. 70)</p>	<p>APEC only requires a bachelor's degree. In 2015, up to 70% of the teachers are not licensed by the Professional Regulation Commission. Riep (2015) quotes a former APEC executive saying that "some of them are licensed but we've been open to taking anyone" (p. 38).</p> <p>Not only have unlicensed teachers been hired by APEC, they are also asked to teach subjects not within their expertise (former teacher, personal communication, October 17, 2016).</p> <p>Teaching approach as explained in the MOU by DepEd et al. (2013): "Students will be taught by an innovative mix of qualified, licensed master teachers and highly motivated learning facilitators (all college graduates), who will be sourced from the local area and adhere to any licensing requirements as per the Enhanced Basic Education Act of 2013" (Sec. 3.1e).</p>	<p>As Riep (2015) quotes a senior DepEd official, having a majority of teachers licensed is a precondition for APEC to be recognized (p. 39). (<i>Note: permit to operate is distinct from recognition, which is a permanent authority to operate the school</i>)</p> <p>While the practice of hiring unlicensed teachers is common among private schools in the Philippines, the unlicensed teachers usually have teacher training and only lack passing the licensure examination administered by the Professional Regulation Commission. This practice by APEC has implications on the professionalization of the teaching profession.</p>
<p>9 Contract or appointment for a period of one school term (for personnel with probationary status) or for an indefinite period (for personnel with permanent status) (DO 88-2010, Sec. 72)</p>	<p>The 2014 sample contract accessed has provision on the probationary term and the criteria for regularization. (<i>Also see Item D.4 above</i>)</p>	
<p>10 Removal, reduction in salary or suspension of school personnel shall be for cause and after due process (DO 88-2010, Sec. 75)</p>	<p>According to the 2014 sample contract, termination of employment will be based on failure to meet the standards for regularization of employment, with notice before the effective date of termination ("Criteria for regularization", APEC Schools teacher's contract, 2014).</p>	

STANDARDS SET BY THE DEPARTMENT OF EDUCATION	PRACTICE OBSERVED IN APEC SCHOOLS	NOTES FOR LEGISLATIVE/LEGAL ACTION AND RESEARCH
<p>11 Grievance machinery (DO 88-2010, Sec. 74)</p>		
<p>12 “In general, the salary ranges of each position or class of positions shall be comparable with those paid for the same or similar positions in the government schools or in other occupations requiring equivalent or similar qualifications, training, and abilities.” (DO 88-2010, Sec. 87a)</p>	<p>After a recent increase from only around P12,000, newly hired APEC teachers are paid P14,000 a month before taxes and receive the legally mandated contributions and benefits (former teacher, personal communication, October 17, 2016). Those in the public sector earn P19,007, with additional benefits.</p>	
<p>13 “The salary ranges or their equivalent amounts shall be such to insure for the school personnel a reasonable standard of living for himself and his family.” (DO 88-2010, Sec. 87b)</p>		
<p>14 Regular hours of work not to exceed eight hours a day (DO 88-2010, Sec. 93)</p>	<p>The 2014 sample contract has a provision stating that “as a result of business changes”, which refer to “cancelled classes, declared holidays and mandatory leaves,” adjustments in work schedule may include:</p> <ol style="list-style-type: none"> a. Work of more than 8 hours/day b. Work of up to 7 days/week (inclusive of work during rest days and Regular and Special Holidays as stipulated in RA9492, as amended from time to time). (“Work Details”, APEC Schools teacher’s contract, 2014) 	<p>The work schedule may vary by site and by teacher. The contract, however, does not indicate the payment of additional compensation legally mandated to cover these extended hours.</p>
<p>15 Retirement plan for school personnel under permanent status must be in place (DO 88-2010, Sec. 103)</p>	<p>APEC (2016a) mentions in its 2016 audited financial statements that it has “pension benefits equivalent to one-half month’s salary for every year of service, with six months or more of service considered as one year” (Note 17, p. 23).</p>	

STANDARDS SET BY THE DEPARTMENT OF EDUCATION

PRACTICE OBSERVED IN APEC SCHOOLS

NOTES FOR LEGISLATIVE/LEGAL ACTION AND RESEARCH

E | Administration**1** See DO 88-2010, Sec. 51-61

For each high school, there is a school manager, with “shared staff at the chain level to ensure the AP Model is being delivered (e.g., expert teacher trainers, curriculum experts)” (MOU by DepEd et al., 2013, Sec. 3.1h).

2 Accreditation

APEC should be under closer monitoring by DepEd if it does not apply for accreditation through the recognized accrediting agencies. Given that accrediting agencies have stricter requirements, APEC may opt to not be accredited.

3 Parent-teacher association shall be organized

“Parents will be engaged weekly to ensure students are supported, guided by a social contract signed at the start of each school year committing their involvement to their child’s schooling” (MOU by DepEd et al., 2013, Sec. 3.1g)

Elsewhere in the document, in the discussion of the involvement of parents, no provision on a formal parent-teacher association is mentioned.

F | Finance

1 “A school that is established or organized as a stock corporation shall be ineligible for any form of government subsidy, incentive or assistance, except those given to individual students and teachers in the form of scholarship, student loans or other forms of subsidy as already mandated under existing laws.” (DO 88-2010, Sec. 23)

STANDARDS SET BY THE DEPARTMENT OF EDUCATION	PRACTICE OBSERVED IN APEC SCHOOLS	NOTES FOR LEGISLATIVE/LEGAL ACTION AND RESEARCH
<p>2 In increase in tuition fee, there shall be appropriate consultation with the duly organized student government and with the parents of students (DO 88-2010, Sec. 182)</p>		<p>It appears that APEC has raised tuition recently (or for the current school year). A parent posted on APEC's Facebook page in January 2016 about changes in schedule and fees leading to "high tuition but lesser hours" (Collantes, 2016). The APEC Facebook account responded that a 30% discount may be availed of "simply by changing shifts." The APEC Schools (2016d) website shows that its fees vary by shift, thus effecting a form of segregation.</p>
<p>3 In increase in tuition or other school fees or charges, 70% has to be allocated for payment of salaries, wages, allowances and other benefits of school personnel; the rest for institutional development, student assistance and extension services, and return to investments (maximum of 12%) (DO 88-2010, Sec. 182, amended by DO 11-2011, 3i[b])</p>		

Other areas of concern

OTHER AREAS OF CONCERN/POSSIBLE CAMPAIGN POINTS	NOTES/MATTERS FOR FURTHER ACTION ON APEC
<p>1 Among the foreseen achievement of the use of the AP Model (Pearson’s model): “The AP Model may help achieve the following objectives: (a) Decongest overcrowded public schools by making private schooling more affordable to the economically disadvantaged segments of the population . . .” (MOU by DepEd et al., 2013, p. 2)</p>	<p>“. . . user fees charged by APEC are not ‘affordable’ for Class E or the majority of Class D households” (Riep, 2015, p. 2). An APEC school manager admitted that this target has not really been achieved as “50-60% of our students have shifted from private schools and the rest came from public schools” (Riep’s interview, May 2015, as cited in Riep, 2015, p. 29).</p> <p>The agreement did not intend APEC to be accessible to the lowest class as the criteria for “the development and effectiveness of the AP Schools” specifies “affordability to economically disadvantaged families” as “lower C and D” (MOU by and among DepEd et al., 2013, p. 4) or “parents from C, D, and E households [that] have the capacity to pay” (Annex A, p. 2).</p>
<p>2 Government design to open senior high school (Grades 11 and 12) to the private sector: “The AP Model may help achieve the following objectives: . . . (e) help pilot and develop a private sector approach to senior high school (Grades 11 and 12) required by 2016 . . . that will help alleviate the pressure on DepEd to build schools for hundreds of thousands of children (f) introduce new global best practices to advance student learning for Filipino students” (MOU by DepEd et al., 2013, p. 2)</p>	<p>The APEC Schools are benefiting from the voucher system which involves transfer payments from the government to the private sector to enroll students who would otherwise have attended the congested public school system. With its resources for advertising, APEC has been able to market “free tuition” for new senior high school students. APEC has pegged the fees to the amount of the voucher, for students attending the afternoon shift. A form of price differentiation, and effectively segregation, students attending the morning shift are charged higher fees, while APEC claims that the same amount of teaching time and the same standard are enjoyed by all students.</p> <p>The introduction of “new global best practices” does not involve knowledge transfer to the public school system as the program is proprietary: “For the avoidance of doubt, [Pearson] shall retain intellectual property rights over all instructional and learning material provided by the AP Schools” (MOU by DepEd et al., 2013, Sec. 3.2).</p>
<p>3 “The parties acknowledge that they have a mutual interest in the success of the AP Model. The DepEd acknowledges that they also have a duty to support the introduction of innovative models delivering quality private education such as the AP Model. Hence, AP Schools, with DepEd’s assistance and cooperation, shall be established and operated in accordance with the AP Model. The DepEd, in recognition of the unique characteristics of the AP School Model and the necessity of all its features for the success and scaling of the AP schools, shall hence afford AP Schools all assistance and the flexibility to operate in accordance with the AP model.” (MOU by DepEd et al., 2013, Sec. 2.2)</p>	<p>This is the text justifying the concessions given to APEC Schools.</p>

“The determination by the DepEd of the adequacy of school facilities of the AP Schools shall be based solely on the AP Model as described in Appendix A and shall be on an examination of the school facilities as a whole. Hence, individual components of the AP Model described in Appendix A relevant to facility adequacy shall not, by themselves, be considered grounds to declare the facilities of an AP School inadequate, provided that the AP School complies with the AP Model and Health and Safety standards in determining adequacy of school facilities.” (Sec. 2.2.1)

4 The 2013 MOU by DepEd et al. says that the parties to the MOU: “shall meet on an annual basis to discuss the development and effectiveness of the AP Schools based on the following criteria:

- (a) Learning outcomes of students,
- (b) College matriculation and employment outcomes of students,
- (c) Affordability to economically disadvantaged families (i.e., lower C and D),
- (d) Economic sustainability of the model, and
- (e) Ability to replicate and potential to scale.

“In order to answer the viability questions, monitoring and evaluation processes will be conducted on the AP Schools as described in Appendix A.” (MOU by DepEd et al., 2013, Sec. 2.3)

5 The AP Model in the MOU refers to an “expanded school schedule and calendar”, which it claims to translate into “97% more learning time than ‘traditional’ school models.” The class days are full days (Monday-Friday, and Saturday as needed), for 45 weeks (250 days) a year, and will include “remedial services, self-study, and collaborative sessions.” The MOU explains that the schedule allows more time in an “adequate learning environment” for “lower-income children [who] do not have conducive learning environments at home with poor lighting, noisy and cramped houses” (MOU by DepEd et al., 2013, Appendix A, p. 5).

6 Taxation of proprietary educational institutions that are nonprofit: preferential income tax rate of 10% on net taxable income, provided that income from “unrelated trade, business or other activity” does not exceed 50% of the total gross income, otherwise it will be subject to the rate imposed on other corporations (30%)

Appendix A (“Description of AP Model”) referred to does not provide sufficient detail to make the criteria work as specific measures of effectiveness. (*See pages 20-22 of this document*) Although, the document says that it is “preliminary and will be refined during the pilot period.” Further research will be necessary to determine how APEC has modified the model it first submitted to DepEd. A former teacher (personal communication, October 17, 2016) has confirmed that most aspects of the model were implemented, with the notable exception of the indication for a library and librarian.

The APEC Schools website now shows that it has departed from this proposal. Morning and afternoon shifts exist, charged differently, which means students do not have full-day classes. A former teacher also confirms this change.

Is there a way that APEC may be nonstock and/or nonprofit or that it may be eligible for tax incentives/exemptions?

7 “At the end of the 2014-15 school year APEC SCHOOL will prepare a report analyzing the learning outcomes, affordability and access of the school, economic sustainability of the model and plans for further replication and scale. This will be shared with DepEd to discuss the effectiveness of the approach and lessons learned. These reports are to remain confidential and not to be shared outside DepEd without the express permission of APEC SCHOOL.” (DepEd-APEC MOA, 2013, Sec. 3.1.4)

There is a provision against transparency about the performance of the APEC Schools. Official assessment and evaluation of the impacts of the concessions provided by the DepEd will not be readily available. An interview with a DepEd official may be able to provide more information.

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ANNEX A

Requirements for Proposal to Open New AP Schools

AP Schools will leverage technology and new teaching innovations to provide an interactive learning environment where access to knowledge is on high availability. The innovative model, focused on both quality and affordability, has distinctive characteristics which require different metrics for evaluation.

Requirements for approval of new AP Schools following the AP model

DepEd Requirements Checklist for Proposal for Opening of New Schools	AP Model
1. Application Form (DECS Form GPR 4)	- Will provide
2. Board Resolution on the intention to operate a school	- Will provide
3. Statements on the following: a. Philosophy and Goals b. Viability of the Course	- Will provide
4. Certificate of SEC Registration	- Will provide
5. Waiver to BP 232 on requirement of incorporation (for family-administered school offering pre-elementary only)	- Not applicable
6. School site	- School sites will be leased - Landlord's Authority to use will be submitted with the application - Space leased will be sufficient to provide a conducive learning environment - Target ratio is 1sqm per student - The lease contract will be submitted before the start of school operations once DepEd has issued the permit to operate. All leases will be for a minimum of 3 years, subject to renewal for a longer term contract once the site has been proven.
7. Location of school in relation to the environment	- Will comply
8. Campus Development plans	- Will provide
9. Documents of Ownership	- Owner's Transfer Certificate of Title will be submitted along with Authority to Use from the Landlord issued to APEC SCHOOL
a. Academic Classroom	- Classrooms will be sufficient to provide a conducive learning environment
b. Offices	- Provide an office for school staff and faculty
c. Canteen	- Provide a place for students to take their meals/snacks
d. Clinic	- Provide first-aid kit and relevant trainings and procedures - Identify nearest medical facilities and procedures in case of emergency
e. Library	- Manage the content of the digital library from a central system to ensure controlled access and topic appropriate content
f. Rest rooms	- Provide sufficient male and female comfort rooms for the students and comfort room for staff and

Detailed Requirements Checklist for Proposal for Opening of New School	AP Model
	teachers
g. Guidance	- Provide a space conducive to student-guidance counselor discussion
h. B.R. & Shop	- Life Labs will cover multi-disciplinary topics that are more relevant to modern day society, as well as covering DepEd subjects MAPEH, TLE, and Values - Should the subject require, AP School will lease community or commercial facilities
i. Science Laboratory/room	- Adopt a Mobile Lab Environment where portable kits of science and math equipment will be provided to the students to facilitate interactive learning
j. Computer Room	- Provide a portable internet environment in the classroom
k. Afterschool facilities & equipment	- Life Labs will cover multi-disciplinary topics that are more relevant to modern day society, as well as covering DepEd subjects MAPEH, TLE, and Values - Should the subjects require, AP School will lease community or commercial facilities
10. Certificate of Occupancy	- Submit Certificates of Occupancy of the leased premises
11. Pictures of the Building	- Will provide
12. Proposed budget/annual expenditures for the succeeding school year	- Will provide
13. Curriculum & Class Program	- Submit AP Model Curriculum Mathematics - 6 hours English - 6 hours Science - 6 hours Social Science - 3 hours Filipino - 3 hours Life Labs - 6 hours - Life Labs will cover multi-disciplinary topics that are more relevant to modern day society, as well as covering DepEd subjects MAPEH, TLE, and Values.
14. Proposed Tuition and Other School Fees	- Will provide
15. Copy of Retirement Plan	- Will provide
16. Administrative/Principal	- School Heads/Principals will manage a cluster of AP Schools
17. Academic Non Teaching Personnel	- Will provide
a. Guidance Counsellor	- Assign Guidance Counsellor to a cluster of AP Schools
b. School Registrar	- Provide School Registrar for the AP School chain. - Manage and administer student records through a centralized student administration system
c. School Physician, Nurse, Dentist	- Outsource medical and dental health services
d. School Librarian	- Assign a School Librarian to manage the digital library for all AP Schools - Selection and Management of titles will be centrally managed
18. List of Teaching Staff	- Provide list of hired teaching staff and teaching staff positions to be filled if recruitment is still

DepEd Requirements Checklist for Proposal for Opening of New School	AP Model
	ongoing - Master Teachers: Deliver specialized and advanced content to students and addresses complex questions - Teachers: Responsible for managing learning in the classroom on a daily basis - Provide a professional development program for non-LFT passers to acquire their licenses within 5 years as mandated by Republic Act 10533
19. List of laboratory facilities, equipment, furniture, supplies and materials classified by subject area	- Adopt a Mobile Lab Environment where portable kits of science and math equipment will be provided to the students to facilitate interactive learning - Should the subjects require, AP Schools will lease community or commercial facilities
20. List of library holdings	- Provide materials necessary for the program - Provide list of digital content listings
21. Certification of bank deposit	- Will provide
22. Application and inspection fee	- Will provide
23. School Bond	- Will provide

