

## FIRST DIVISION

[ G.R. No. 121304, March 19, 1998 ]

**ANGELICUM FACULTY AND EMPLOYEES ASSOCIATION,  
PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION,  
ANGELICUM SCHOOL, INC., TAMERLANE LANA AND ALFONSO  
LORETO, RESPONDENTS.**

### DECISION

**BELLOSILLO, J.:**

ANGELICUM FACULTY AND EMPLOYEES ASSOCIATION (AFEA) is a legitimate labor organization and the collective bargaining agent of all teaching and non-teaching employees of respondent ANGELICUM SCHOOL, INC. (ASI), a religious educational institution existing under the laws of the Philippines with respondent TAMERLANE LANA as its school Director and respondent ALFONSO LORETO as its Assistant Director for Finance.<sup>[1]</sup>

On 15 October 1990 Wage Order No. NCR-01, which increased by ₱17.00 a day the minimum wage of private sector workers and employees in the National Capital Region receiving a basic wage of not more than ₱125.00 per day, with certain exceptions,<sup>[2]</sup> was promulgated by the Regional Tripartite Wages and Productivity Board.<sup>[3]</sup>

Subsequently, or on 20 December 1990, the NCR Regional Tripartite Wages and Productivity Board, in view of the continuing economic crisis brought about by the Gulf war and the natural calamities that befell the country, promulgated Wage Order No. NCR-02 granting another provisional wage increase of ₱12.00 per day to employees receiving a daily wage of ₱142.00 mentioned in the immediately preceding paragraph.<sup>[4]</sup>

As a consequence of Wage Orders Nos. NCR-01 and NCR-02, the Department of Education Culture and Sports (DECS) issued DECS Order No. 30, Series of 1991, setting the guidelines for tuition fee increase which would answer for wage increases, relevant provisions of which read -

1. In response to the clamor from the regions for guidelines responsive to the needs and conditions peculiar to these areas and in consideration of the regional wage orders, schools may increase their tuition fees as provided by the State Assistance Council (SAC) in accordance with the following guidelines -

a) Entering Freshman. - The tuition fee rates for entering freshman in all levels may be determined by the school itself subject to consultation. However, no consultation is required when the amount of increase will raise the tuition fee level to not more than ₱80.00 per unit for the tertiary schools and to not more than ₱1,500.00 per year for the elementary and secondary schools.

b) Upper Year Students. - Schools may increase their tuition fees for the upper year students in accordance with the following prescribed rates: x x x x

Tuition fee increase within the prescribed rates above shall not require consultation and DECS approval provided that a notice of increase is submitted to the DECS regional office not later than April 30, 1991. Schools may increase up to a maximum level rate of 25% for program below Level II accreditation and up to a maximum of 30% for programs with Level II and Level III accreditation based on approved tuition fee rates in school year 1990-1991, subject to consultation: x x x x

c) Emergency Tuition Fee Assessment. - To comply with the provisional emergency cost of living allowances mandated by the Regional Tripartite Wages and Productivity Boards of Regions VI, VII, VIII, IX, X, XI, XII and NCR, schools in these regions may collect an emergency tuition fee assessment from both the entering freshman and the upper year students in all levels in accordance with the following schedule: x x x x

The above prescribed emergency tuition fee assessments shall be collected only in school year 1991- 1992 and shall not form part of the approved tuition fee rates. Consultation and DECS approval shall not be required. However, a notice of collection shall be submitted to the DECS not later than April 30, 1991.<sup>[5]</sup>

On the basis thereof, private respondents sent DECS a letter dated 15 April 1991 notifying that office of the ₱226.50 increase in tuition fee for all grade levels and another ₱226.50 emergency tuition fee increase to comply with the Emergency Tuition Fee Allowance (ETFA).<sup>[6]</sup> All in all, ASI collected for school year 1991-1992 the amount of ₱763,021.88 as increase in the prescribed tuition fee for NCR and another ₱763,021.88 for the ETFA or a total of ₱1,526,043.76.<sup>[7]</sup>

Petitioner thereafter made several representations with private respondents for the proper distribution of the 70% share from the tuition fee increase pursuant to Sec. 5, par. 2, RA No. 6728, which reads -

2) Assistance under paragraph (1), subparagraphs (a) and (b), shall be granted and tuition fees under subparagraph (c) may be increased on the condition that seventy percent (70%) of the amount subsidized allotted for tuition fee increases shall go to the payment of salaries, wages, allowances and other benefits of teaching and non-teaching personnel except administrators who are principal stockholders of the school and may be used to cover increases as provided for in the collective bargaining agreements existing or in force at the time when this Act is approved and made effective: x x x x

According to petitioner, complementing the aforecited provision is a stipulation in Sec. 3, Art. X, of the Collective Bargaining Agreement in force which states that -

Any tuition fee increase applied for and approved by the DECS during the term of this agreement shall be treated in accordance with DECS memorandum/circular in effect at the time of the increase provided that the portion allotted for salary increase and other benefits shall be distributed in the ratio of 75:25.<sup>[8]</sup>

In effect, petitioner is asking for ₱534,115.32 or 70% of ₱763,021.88 collected pursuant to the prescribed tuition fee increase.

Private respondents, in a letter to petitioner dated 12 February 1993, presented their computation regarding the distribution of the tuition fee increase as follows:

₱534,115.32 (which is 70% of ₱763,021.88, the prescribed tuition fee increase) plus ₱763,021.88 (which is the money collected pursuant to ETFA) equals ₱1,306,137.20 (which is the amount the employees are entitled to after increasing their salaries). When they granted the gross salary increase of ₱1,545,777.15 to the faculty and non-teaching personnel, the amount constituted more than 70% of the total of the tuition fee increase and the ETFA, hence, they have fully complied with RA No. 6728.<sup>[9]</sup> In arriving at the amount of ₱1,545,777.15 private respondents included the following items in their computation:

Retroactive payment of ₱12.00/day	
provisional increase effective	
January 1991 to April 1991	₱254,880.00
₱12.00/day provisional	
increase for May 1991 to	
April 1992 (SY 1991-92)	828,360.00
Total provisional increase	₱1,083,240.00
Add: SSS/PERAA/MEDICARE	<u>108,324.00</u>
Total payments on provisional increase	
of ₱12.00/day	₱1,191,564.00
Other salary increases:	
CBA Adj. (₱75.00 per emp)	₱189,832.50
Re-ranking	102,384.00
Change in Pay class	29,250.00
Add: SSS/PERAA/MEDICARE	<u>32,146.65</u>
	<u>353,613.15</u>
Total payments for the 70%	
share at ₱12.00/day plus other	
salary increases and	
salary related benefits	<u>₱1,545,177.15</u>

Petitioner objected and maintained that the mandated salary increases per approved wage orders should not be credited against the collected tuition fee increase. The employees should receive instead ₱534,115.32 which is 70% of ₱763,021.88, the prescribed tuition fee increase. Respondents on the other hand claimed that DECS Order No. 30, Series of 1991, had in effect authorized the tuition fee increase to help the school to mitigate the effects of the increase in the wage salaries as mandated by the approved wage orders.