

## TWENTIETH DIVISION

[ CA-G.R. SP NO. 07911, January 12, 2015 ]

**SILLIMAN UNIVERSITY FACULTY ASSOCIATION, PETITIONER,  
VS. NATIONAL LABOR RELATIONS COMMISSION, SEVENTH  
DIVISION, AND SILLIMAN UNIVERSITY, RESPONDENTS.**

### D E C I S I O N

**QUIJANO-PADILLA, J.:**

This is a Petition for Certiorari under Rule 65 of the Rules of Court assailing the following issuances of public respondent National Labor Relations Commission (NLRC) in NLRC Case No. VAC-02-000062-2013, to wit: (1) Decision<sup>[1]</sup> dated March 27, 2013 vacating and setting aside the labor arbiter's decision<sup>[2]</sup> dated November 26, 2012, and dismissing the complaint of Silliman University Faculty Association against Silliman University; and (2) Resolution<sup>[3]</sup> dated June 14, 2013 denying petitioner's motion for reconsideration.

### The Antecedents

Petitioner Silliman University Faculty Association (the Faculty Association) is the collective bargaining representative of the academic personnel of private respondent Silliman University (Silliman). It filed before the labor arbiter a complaint against Silliman for allegedly violating Republic Act (RA) No. 6728, otherwise known as *An Act Providing Government Assistance To Students And Teachers In Private Education, And Appropriating Funds Therefor*, specifically Section 5(2) thereof, which provides, thus:

**Section 5. Tuition Fee Supplement for Students in Private High School.** - xxx

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(2) xxx **tuition fees under subparagraph (c) may be increased, on the condition that seventy percent (70%) of the amount subsidized allotted for tuition fee or of the 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: Provided, That government subsidies are not used directly for salaries of teachers of non-secular subjects. At least twenty percent (20%) shall go to the improvement or

modernization of buildings, equipment, libraries, laboratories, gymnasias and similar facilities and to the payment of other costs of operation. **For this purpose, [the] school shall maintain a separate record of accounts for all assistance received from the government, any tuition fee increase, and the detailed disposition and use thereof, which record shall be made available for periodic inspection as may be determined by the State Assistance Council, during business hours, by the faculty, the non-teaching personnel, students of the school concerned, the Department of Education, Culture and Sports and other concerned government agencies.**  
[Emphasis and underscoring supplied.]

The Faculty Association averred<sup>[4]</sup> that Silliman effected tuition fee increases for the school years 2008-2009, 2009-2010, and 2010-2011. However, Silliman did not maintain a record of accounts on the use and disposition of the 70% share of the employees in accordance with the above-cited provision of RA 6728. Silliman's record did not show that the 70% tuition increment was given to teaching and non-teaching personnel since such record did not show the names of the employees and how much they received. Also, there were items charged to the 70% tuition increment, like the coaching honorarium for non-employees of the university and hotel accommodation of one professor, which were not supposed to be charged thereto pursuant to the law. The Faculty Association asserted that per Section 5(2) of RA 6728, only employee benefits should be charged to the 70% tuition increment share of the employees.

For its part, Silliman countered<sup>[5]</sup> that it did not violate RA 6728 since the law had already been superseded and repealed by RA 8545, otherwise known as *An Act Amending Republic Act No. 6728, or The Expanded Government Assistance To Students And Teachers In Private Education Act*. Silliman contended that the requirement of maintaining a record of accounts relating to the tuition increments and the details of its disposition was no longer carried over to the amendatory law. Even assuming that RA 6728 was still in effect, Silliman had nevertheless complied with Section 5(2) thereof since it had maintained, and even made available to the Faculty Association the financial records containing the details of the disposition of the 70% tuition increment. Also, RA 6728 should not be construed as to require Silliman to keep individualized records showing the per peso and centavo share of each employee in the 70% tuition increment for the same would not be practical.

After evaluating the parties' respective positions, the labor arbiter ruled in favor of the Faculty Association. It declared that the provision in RA 6728 on how the 70% tuition increment should be handled still remained effective and operative considering that the same had not been expressly repealed by RA 8545. The labor arbiter, however, ruled that the handling of such tuition increment was a management prerogative and Silliman had the discretion regarding its disposition. Nonetheless, the Faculty Association had the right to ask for the details of the disposition and the use of such amount, to the extent of having the recipient employees properly identified, and the amounts they received disclosed. According to the labor arbiter, Silliman's evidence did not sufficiently reveal these details. Hence, it ordered Silliman to disclose to the Faculty Association the correct and true amounts of the proceeds of the tuition increments for the school years 2008-2009,

2009-2010 and 2010-2011, the names of the employees who received them, and the amounts that they received.

Silliman appealed<sup>[6]</sup> the labor arbiter's decision to the NLRC. It insisted on its position that RA 8545 was intended to substitute and replace RA 6728.

Meanwhile, the Faculty Association was also discontented with the labor arbiter's decision, hence, it appealed<sup>[7]</sup> to the NLRC. The Faculty Association claimed that it was not enough for the labor arbiter to only direct Silliman to disclose the details specified in the decision; but it was also necessary to order Silliman to distribute the 70% share of the tuition fee increases for the covered school years, considering that the records presented by Silliman failed to show that such amount was actually distributed to the employees.

In ruling on both appeals, the NLRC, vacated and set aside the labor arbiter's decision and dismissed the appeals for lack of jurisdiction. The NLRC ruled that the matters involved were generally within the province of the State Assistance Council (SAC), or on a more specific scale, with the Department of Education for private secondary education concerns; the Technical Education and Skills Development Authority (TESDA) for post-secondary vocational and technical concerns; or the Commission on Higher Education (CHED) for higher education concerns. Although the Faculty Association's cause of action appeared to be a money claim, it was however very clear that it arose from the enforcement and/or application of RA 6728, as amended by RA 8545, hence, jurisdiction thereof was with the SAC and/or the CHED.

The Faculty Association moved for reconsideration<sup>[8]</sup> but the NLRC stood pat on its decision. Aggrieved, the Faculty Association brought this petition on the following grounds, viz.:

- A) THAT PUBLIC RESPONDENT GRAVELY ABUSED ITS DISCRETION, AMOUNTING TO LACK OR EXCESS OF JURISDICTION WHEN IT DISMISSED THE INSTANT CASE FOR LACK OF JURISDICTION;
- B) THAT THE LABOR ARBITER COMMITTED SERIOUS ERROR IN MERELY ORDERING PRIVATE RESPONDENT TO DISCLOSE THE AMOUNTS OF THE INCREMENTAL PROCEEDS AND THE NAMES OF THE EMPLOYEES WITH THE AMOUNTS THEY RECEIVED FROM THE 70% OF THE INCREMENTAL PROCEEDS OF THE TUITION FEE INCREASES FOR THE SCHOOL YEARS SUBJECT MATTER OF THE CASE DESPITE THE FINDING THAT THE RECORDS PRESENTED BY PRIVATE RESPONDENT DOES NOT SUFFICIENTLY DISCLOSE A DETAIL AS TO WHO IN PARTICULAR RECEIVE THE AMOUNTS.

On the first ground, the Faculty Association contended that its claims for the 70% share of the employees in the tuition increments effected by Silliman arose from the employer-employee relations between the members of the Faculty Association and Silliman. Hence, pursuant to Article 217<sup>[9]</sup> of the Labor Code, the labor arbiter and the NLRC have jurisdiction over the same. Allegedly, it was not the first time that the Faculty Association brought a complaint for money claims arising from RA 6728.

In NLRC Case No. V-000612-2003, the NLRC promulgated a decision dated December 15, 2004 ordering Silliman to pay its teaching and non-teaching personnel the 70% tuition fee increase for the year 1998-99. The decision was ultimately affirmed by the Supreme Court in G.R. No. 175376 dated January 17, 2007. Besides, the issue on jurisdiction was never raised by either parties in their respective appeals with the NLRC.

On the second ground, the Faculty Association insisted that aside from ordering the disclosure of the details of the disposition of the 70% tuition increment, Silliman should be ordered to distribute such amount to the employees considering that the records it presented failed to show that the same was actually distributed.

### **This Court's Ruling**

The petition is without merit.

The core issue for resolution is whether or not the NLRC had jurisdiction over the Faculty Association's case against Silliman.

The NLRC correctly declared that it had no jurisdiction to adjudicate the case lodged by the Faculty Association. This Court perused the Faculty Association's Position Paper and found that the question therein presented for resolution was whether or not Silliman violated Section 5 of RA 6728.<sup>[10]</sup> Specifically, the Faculty Association wanted the labor tribunal to determine if Silliman: 1) had properly used and disposed the 70% share of the employees in the tuition increments for the inclusive school years; and (2) had complied with the reportorial requirements under the law.

The questions sought to be resolved, however, were not within the ambit of the labor court's authority. As correctly found by the NLRC, matters involving the implementation, enforcement, application and compliance of RA 6728, as amended by RA 8545, were with the SAC; and the implementation of sanction for any violation thereof was lodged with the Department of Education, upon the recommendation also of the SAC. This is obvious from a reading of Sections 14 and 16 of RA 6728, the very law invoked by the Faculty Association, thus:

Section 14. *Program Administration/Rules and Regulations.* - **The State Assistance Council shall be responsible for policy guidance and direction, monitoring and evaluation of new and existing programs, and the promulgation of rules and regulations, while the Department of Education, Culture and Sports shall be responsible for the day to day administration and program implementation.** Likewise, it may engage the services and support of any qualified government or private entity for its implementation.

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Section 16. *Penalties.* - **In case of any violation of the provisions of this Act or the rules and regulations promulgated pursuant thereto by an institution, the Department of Education, Culture and Sports, upon the recommendation of the Council, may bar the institution from participating in or benefiting from the programs of this Act, and from other programs of the Department, without**