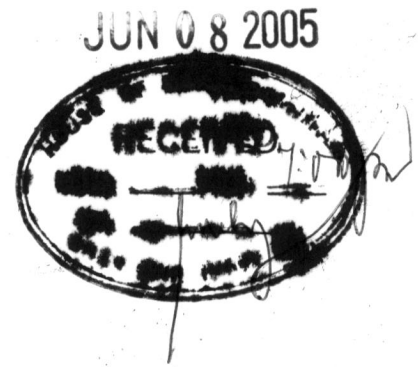


THIRTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4450



Introduced by Representative Teodoro A. Casiño

EXPLANATORY NOTE

The budget for education has been going down every year. From 2003 till 2005, the education sector's budget decreased by P3.3 billion. In constant 1994 prices, the education budget has gone down 3.11% since 2003 – from 13.24% share of the 2003-2004 budget to a dismal 11.30% in 2005. In contrast, the budget for debt servicing has increased steadily.

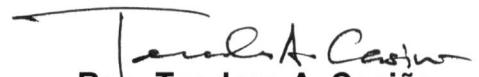
According to the Department of Education, teachers in public schools are handling on the average, 65 students this year. Various reports reveal that some schools even go as far as making teachers handle around 70 to 100 students.

To add to the increasing burden of the state is the projected hundreds of thousands of students from private schools who will flock to public schools due to unabated tuition fee hikes in private schools.

This bill seeks to get the cooperation of private education institutions by granting subsidies and scholarship grants to a select number of their students to compensate for government's lack of finances to bankroll the public school system.

While it is not the main answer to the country's education crisis, these tax creditable scholarship benefits to be granted by private education institutions will hopefully help ease the already over-populated public school's populace.

In view of the foregoing, immediate approval thereof is highly recommended.


Rep. Teodoro A. Casiño
Bayan Muna Party-list

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4450

Introduced by Rep. Teodoro A. Casiño

AN ACT
MANDATING PRIVATE EDUCATION INSTITUTIONS TO ALLOT A CERTAIN
NUMBER OF STUDENTS AS SCHOLARSHIP GRANTEES

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress Assembled:

Section 1. Title – This Act shall be known as the “*Private Educational Institution Scholarship Act of 2005.*”

Section 2. Declaration of Policy – It is a declared policy of the state to protect and promote the right of all citizens to quality education at all levels. Further, the state is mandated by the Constitution to take appropriate steps to make such education accessible to all. Likewise, the state recognizes the complementary roles of public and private institutions in the educational system. Accordingly, this Act shall seek the cooperation of Private Education Institutions in ensuring accessible education for all.

Section 3. Definition of Terms – as used in this Act, the following terms shall mean:

- (a) “Private Educational Institutions” – any school, college, university, company or corporation authorized by the state to grant education, either formal or informal; technical or non-technical; vocational or non-vocational; and whose subsistence relies significantly in it gaining profits, dividends or stocks from giving such.
- (b) “Academic Program” – elementary and secondary education as well as baccalaureate degree courses, including vocational and technical non-degree academic programs as well as professional certification courses for international technical skill requirements. So there shall be no confusion, any educational program which requires a student at least six (6) months to complete said program, and a resulting certification was issued for completing such program shall be classified as an “academic program”.

Section 4. Agencies – the Department of Education (DepEd) is hereby mandated to ensure the full implementation of this Act for private educational institutions offering primary and

secondary academic programs only. Likewise, the Commission on Higher Education (CHED) is hereby mandated to see to the full implementation of this Act for private learning institutions that offer baccalaureate degree programs, while the Technical Education Skills Development Authority (TESDA) shall oversee the implementation of this Act for institutions offering vocational and technical academic programs.

Section 5. Scholarship Grants – all private educational institutions, hereinafter termed to as “institutions”, are mandated to grant scholarships to ten percent (10%) of the student population per academic program said institution has, and per branch or satellite each institution maintains.

Provided that institutions with more than ten thousand (10,000) enrollees shall grant scholarships to fifteen percent (15%) of its student population per academic program said institution has, per branch or satellite each institution maintains.

Scholarship grantees by virtue of this Act shall be exempt from all forms of tuition fees, including miscellaneous fees or any other fees or charges the institution regularly imposes on every student population.

Unless otherwise stated, the term “*scholarship grant*” and “*scholarship grantees*” respectively refers to the scholarship granted, and scholarship beneficiaries by virtue of this Act.

Section 6. Implementation – immediately after this Act takes effect, all private educational institutions shall submit to the DepEd, CHED, TESDA, or all three whichever is appropriate, the number of students enrolled per academic program for the entire academic year. For institutions with more than one branch or satellite, they shall submit the number of enrollees per academic program enrolled in each of their respective branches or satellite institutions.

After determining the number of scholarship grantees allotted per institution, the number shall be fixed for at least four (4) years but not more than seven (7) years. After said time frame has elapsed, the DECS, CHED, TESDA, or all three, whichever is applicable, shall re-determine the number of scholarship grants mandated for each institution based on the number of enrollees of the immediately preceding academic year.

After the corresponding government agencies have already fixed the mandated scholarship grant allotments for each institution, the individual institutions shall find ways to fulfill mandated quota. Each institution shall submit to the corresponding government agency a complete list of their scholarship grantees with the required information which shall prove the fulfillment of set requirements in this Act, and additional requirements DepEd or CHED may deem appropriate. Submission of this list shall not be more than three months after the opening of each academic year.

Section 7. Eligibility for Scholarship – the following are the minimum criteria for selecting scholarship grantees:

- (a) the grantee should be a Filipino citizen;
- (b) should have been residing in the Philippines at least six (6) months prior to enrolment;
and
- (c) depending on the latest available poverty statistics, the Department of Education, the Commission on Higher Education and Technical Skills and Development Authority, through their respective financial aids or scholarship grants departments, shall set the criteria based on one's annual family income as follows:
 - (1) the scholarship grantee's family annual income belongs to the lowest 30% of the population; or
 - (2) the scholarship grantee's family's per capita income belongs to the lowest 20% of the population;
- (d) In cases where subparagraph (c) of this section cannot be immediately fulfilled for any reason; the institution may choose to grant scholarships to its student populace whose income bracket belong to the lowest 20% in every academic program it offers, and every satellite or branches it maintains,

Upon their discretion, the DepEd, CHED or TESDA through their respective financial aids and scholarship grants divisions, may add additional criteria for scholarship grants. Each institution, may also add criteria for scholarship grants in accordance to their respective academic standards. Provided however, that each institution fulfill the set number of scholarship grants as mandated by this Act and under no circumstances shall the number be decreased except when the period for scholarship grant as provided for in section 8 of this Act has elapsed and a re-assessment of the number of mandated scholarship grants had been done.

Section 8. Tax Credits – the total amount of tuition fees and other school charges waived by the institution for each and every scholarship grantee shall be entered into the ledgers. Said amount shall be paid for by the Republic of the Philippines in the form of tax credits deductible to the total tax due the institution for the immediately following fiscal year after the corresponding academic year. Provided, that the tax credit shall not exceed the total tax due to the institution for the entire fiscal year.

Section 9. Penalties – Violations of this Act shall constitute a fine of not less than one hundred thousand pesos (P100,000.00) but not more than three hundred thousand pesos

(P300,000.00), or imprisonment for not less than six (6) years, or both in the discretion of the courts.

If the act is committed by a juridical entity, the head, together with the person or persons responsible for the offense or violation shall be equally liable.

The license to operate and accreditation privileges granted by the state to the institution shall likewise be revoked for a period not less than two years.

Section 10. Exemptions – institutions who have acquired losses in the previous year and hence may want to be exempted from implementing this Act may file the application for exemption with with DepEd, CHED, TESDA or all three, whichever is appropriate.

Section 11. Oversight – two (2) years after this act takes effect, the Congress' Committees on Basic Education, and Higher and Technical Education shall practice its oversight functions and recommend amendments that will help ensure the proper and expeditious implementation of this Act.

Section 12. Repealing Clause – All laws, presidential decrees, executive orders, rules and regulations or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 13. Separability Clause. – If any part or provision of this Act shall be held unconstitutional or invalid, other provisions hereof which are not affected shall continue to be in full force and effect.

Section 14. Effectivity – This Act shall take effect fifteen (15) days after its publication to two (2) national newspapers of general circulation.

So approved,