

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

FIFTEENTH CONGRESS
First Regular Session

House Bill No. 519

INTRODUCED BY HON. MARCELINO "MARCY" R. TEODORO

EXPLANATORY NOTE

In the status quo, the education sector of the Philippines is being allocated with the highest budget which is divided into the different programs and projects under the management of the Department of Education. The Department has attempted to implement educational reforms, programmes and projects to address the key issues of access and quality of basic education, relevance and efficiency of the country's education system. But in spite of these efforts, many problems are still besetting the education in the Philippines and it is, basically, because of poverty that hinders the access of many Filipinos to education.

Studies show that every year, there is an increase in the number of students entering public schools due to their incapacity to pay high tuition fees in private schools. Primarily, this is the reason why public schools are established, to help the poor Filipinos who desire to attain such level of literacy. However, because of the increasing growth of their population, there comes a big dilemma in terms of accommodating these students. It results to the problem that these public schools could no longer accommodate the great bulk of students.

It is unfortunate to say that public schools could not any longer accept more students because of the lack of resources and facilities such as classrooms, desks, textbooks and even teachers. In short, there has been too little resources for too many students who are in need of necessary attention.

From the given propositions above, the Expanded Government Assistance to Students and Teachers in Private Education (GASTPE) in 1998 offers many opportunities for the poor students who cannot afford to study in private schools. Hence, poor students are no longer limited to public schools, rather, they are encouraged and are given the chance to study in such private schools by providing them with financial assistance through tuition fee supplements and education service contracting scheme.

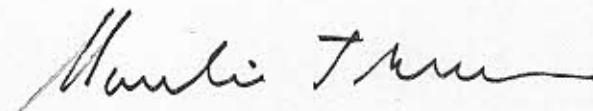
From the GASTPE law, the system of voucher system in tuition fee payment has already been introduced. However, there is still a need to further improve the system and increase the amount of assistance to students-grantees by amending some parts of the sections of the Expanded GASTPE law so that it can become more responsive to the needs of the students and schools.

For the past years of implementation, it has been experienced that the financial assistance given to the students through the GASTPE is way below the per capita cost spent by the government in public schools. More attention is needed to cater the growing needs of the students and schools both in

secondary and tertiary levels. Thus, the increase of the amount of financial assistance is highly recommended.

With the passage of this amendatory Bill, the improvement of the voucher support system, which is primarily dedicated to cater the needs of the secondary and tertiary students whose incomes are below the poverty line and cannot be accommodated by public educational institutions due to lack of facilities, can be obtained. Through this, more Filipinos, especially the poor, will have the access to higher levels of education not just in public schools but also, in private schools.

From the above-mentioned justifications and explanations, the approval of this bill is earnestly needed.

A handwritten signature in dark ink, appearing to read 'Marcy Teodoro', with a stylized, flowing script.

MARCELINO "MARCY" R. TEODORO
Representative, 1st District
Marikina City

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AN ACT
AMENDING REPUBLIC NO. 8545, OTHERWISE KNOWN AS THE
"EXPANDED GOVERNMENT ASSISTANCE TO STUDENTS AND TEACHERS
IN PRIVATE EDUCATION ACT" PROVIDING FOR AN EXPANDED VOUCHER
OR COUPON SYSTEM IN SECONDARY AND TERTIARY EDUCATION, AND
APPROPRIATING FUNDS THEREFOR.

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled.

SECTION 1. Republic Act 8545, otherwise known as the "Expanded Government Assistance To Students And Teachers in Private Education Act," is hereby amended to read as follows:

SEC. 2. Section 3 is hereby amended to read as follows:

"Criteria for Assistance. The programs for assistance to STUDENTS shall be based on a set of criteria which shall include among, the others, tuition fees charged by the schools, socioeconomic needs of each region giving priority to the 5th AND 6th CLASS MUNICIPALITIES, overall performance of the PRIVATE schools, the academic qualifications and the financial status of the PRIVATE schools, as well as the RATIO OF PUBLIC SCHOOLS VIS A VIS PRIVATE SCHOOLS and size of student population IN THE PUBLIC SCHOOLS IN THE AREA."

"In addition to the foregoing criteria, within such reasonable time as the State Assistance Council may determine, students grantees shall be enrolled in schools which have accredited programs or are applying for accreditation as may be recognized by the respective State Assistance Council."

"Preference shall be given to students whose annual income is BELOW THE POVERTY THRESHOLD INCOME AS MAY BE DETERMINED BY THE APPROPRIATE GOVERNMENT AGENCY."

"THE STATE ASSISTANCE COUNCIL MAY ADJUST THE ANNUAL FAMILY INCOME QUALIFICATION DEPENDING ON THE CHANGES IN THE ECONOMIC CIRCUMSTANCE AND CONDITIONS OF THE COUNTRY TO ACCOMMODATE MORE BENEFICIARIES."

"The programs of assistance under this Act shall be extended only to students who are citizens of the Philippines."

SEC. 3. Section 4 is hereby amended as to read as follows:

"Forms of Assistance. Assistance to private education shall consist of assistance to students and teachers."

"(1) Tuition Fee Supplements for students in private high schools including vocational and technical courses;

(2) TRANSPORTATION AND/OR BOOK ALLOWANCES for secondary and college students;

(3) EXPANSION OF THE voucher system of the Philippines Education Student Financial Assistance Program (PESFA);

(4) Expansion of the existing Educational Service Contracting Scheme;

(5) Scholarship grants to students graduating as valedictorian and salutatorians from secondary schools;

(6) Tuition fee supplements to students in private colleges and universities

(7) Education Loan Fund"

"The following are forms of assistance to teachers and faculty in private education:

1) In-service training fund for teachers in private high schools

2) College Faculty Development Fund

SEC. 4. FOR PURPOSES OF THIS ACT, THE TUITION FEE CEILING FOR PARTICIPATING PRIVATE SCHOOLS IN THE EDUCATION SERVICE CONTRACTING SCHEME AND TUITION FEE SUPPLEMENTS FOR HIGH SCHOOL STUDENTS AND PRIVATE EDUCATION STUDENT FINANCIAL ASSISTANCE FOR COLLEGE STUDENTS IS SET AT SIX THOUSAND PESOS (P6,000.00) PER SEMESTER. THE TUITION FEE CEILING MAY SERVE AS A BASIS OF SELECTING/ACCREDITING SCHOOLS THAT WOULD LIKE TO PARTICIPATE IN THE PROGRAMS UNDER GASTPE.

THE STATE ASSISTANCE COUNCIL SHALL REVIEW THE TUITION FEE CEILING ONCE EVERY TWO YEARS AND MAKE THE ADJUSTMENT AS DEEMED NECESSARY.

"The State Assistance Council shall have the discretion to allow the schools which charge higher tuition fee that the tuition fee ceiling to participate in the programs under GASTPE."

SEC. 5. Section 5 of RA 8545 is hereby emended to read as follows:

- 1) Financial Assistance for tuition for students in private high schools shall be provided by the government through a voucher system in the following manner:
 - a. For students enrolled in schools charging NOT MORE THAN SIX THOUSAND PESOS PER SEMESTER IN TUITION AND OTHER FEES, the government shall provide them with voucher in such an amount as may be determined by the council. Provided, That the government shall reimburse the vouchers from the schools concerned within one hundred twenty (120) days from the close of the registration period. PROVIDED FURTHER THAT THE AMOUNT OF TUITION FEE SUPPLEMENT SHALL BE AT LEAST 20% OF THE CAPITAL COST IN PUBLIC HIGH SCHOOLS.
 - b. THE STATE ASSISTANCE COUNCIL MAY IN SUBSEQUENT YEARS INCREASE THE AMOUNT OF FINANCIAL ASSISTANCE FOR STUDENTS UNDER THE TUITION FEE SUPPLEMENT SUBJECT TO THE AVAILABILITY OF FUNDS.

- 2) Assistance under Paragraph (1), subparagraph (a) shall be guaranteed to all private high schools participating in the program for a number of slots as of the effectivity of this Act as the total number of students who availed of tuition fee supplements for SCHOOL YEAR 2000-2001. Provided That the State Assistance Council may in subsequent years determine additional slots and/or additional participating high schools as may be deemed necessary.

SEC. 6. Section 6 is hereby amended as follows:

HIGH SCHOOL TEXTBOOK ASSISTANCE FUND FOR SCHOOLS CHARGING NOT MORE THAN SIX THOUSAND PESOS PER SEMETER, THE GOVERNMENT SHALL PROVIDE THE STUDENT WITH TEXTBOOK ALLOWANCE WHICH IS EQUIVALENT TO AT LEAST ONE THOUSAND PESOS (P1, 000) A YEAR OR THE ANNUAL PER CAPITA TEXTBOOK ALLOCATION PER STUDENT FOR ACADEMIC SUBJECTS IN PUBLIC SCHOOLS, WHICHEVER IS HIGHER. PROVIDED THAT THE TEXTBOOK ALLOWANCE MAY BE GIVEN TO BENEFICIARIES OF TUITION FEE SUPPLEMENTS AND/OR EDUCATION SERVICE CONTRACTING SCHEME FOR THE HIGH SCHOOL STUDENTS AND PRIVATE EDUCATION STUDENT FINANCIAL ASSISTANCE FOR COLLEGE STUDENTS.

SEC. 7. Section 7 is hereby amended as follows:

EDUCATIONAL SERVICE CONTRACTING SCHEME. A) THE DEPARTMENT OF EDUCATION SHALL CONTINUE TO ENTER INTO CONTRACTS WITH PRIVATE SCHOOLS WHEREBY THE GOVERNMENT SHALL PROVIDED DIRECT FINANCIAL ASSISTANCE TO THE STUDENTS WHO WANT TO ENROLL IN PRIVATE SCHOOLS BUT DO NOT HAVE THE FINANCIAL CAPABILITY TO AFFORD THE TUITION FEE IN THESE SCHOOLS.

b) The Department shall also enter into contracts with private schools ACCREDITED BY THE DepEd particularly in communities where THE PUBLIC SCHOOLS CANNOT ACCOMMODATE THE STUDENTS DUE TO THE INCRESING STUDENT POPULATION, in which case the Department shall PROVIDE FINANCIAL ASSISTANCE WHICH MAY COVER THE TUITION AND OTHER FEES OF STUDENTS WHO SHALL ENROLL IN SAID PRIVATE SCHOOLS.

c) FOR STUDENTS ENROLLED IN SCHOOLS CHRAGING MOT MORE THAN SIX THOUSAND PESOS PER SEMESTER IN TUITION AND OTHE RFEES, the amount of assistance to be given by the government shall be EQUAL to the per student cost in public high schools.

d) The Department shall fully pay the subsidized amount to participating schools not later than one hundred eighty (180) days from the close of the registration period.

e) The amount of assistance shall be allocated and distributed among the 16 regions in proportion to the total population as well as the high school age population for the first school year;

f) The amount of assistance to private high schools participating in the program shall be guaranteed for a number of slots as of the effectivity of this Act as the number of students availing educational service contracting for SCHOOL YEAR 2000-2001: Provided that the State Assistance Council may in subsequent years determine additional slots and/or additional participating private high schools as may be deemed necessary."

g) IN CASE WHERE THE AMOUNT OF THE TUITION FEES AND OTHER FEES OF THE HSCHOOL EXCEEDS THE AMOUNT OF SUBSIDY PRESCRIBED BY THE STUDENT ASSISTANCE COUNCIL, THE PRIVATE SCHOOL MAY SHOULDER THE CORRESPONDING BALANCE AS COUNTERPART FUNDING.

h) THE STATE ASSISTANCE COUNCIL MAY IN SUBSEQUENT YEARS INCREASE THE AMOUNT OF FINANCIAL ASSISTANCE FOR STUDENTS UNDER THE ESC PROGRAM SUBJECT TO THE AVAILABILITY OF FUNDS.

SEC. 8. TRANSPORTATION ALLOWANCE. FOR THE STUDENT BENEFICIARIES OF THE EDUCATION SERVICE CONTRACTING AND TUITION FEES SUPPLEMENTS PROGRAM AT THE HIGH HSCHOOL LEVEL AND PRIVATE EDUCATION STUDENT FINANCIAL ASSISTANCE AT COLLEGE LEVEL, WHO LIVE AT LEAST WITHIN 3 KILOMETER RADIUS FROM THE SCHOOL WHERE THEY ARE ENROLLED SHALL BE ENTITLED WITH A CORRESPONDING TRANSPORTATION ALLOWANCE WHICH SHALL BE DETERMINED BY THE STATE ASSISTANCE COUNCIL.

SEC. 9. ASSISTANCE TO COLLEGE FRESHMEN. Subparagraph (a) of Section 8 of RA 8545 is hereby amended as follows:

THE VOUCHER SYSTEM OF PRIVATE EDUCATION STUDENT FINANCIAL ASSISTANCE (PESFA) PROGRAM. THE GOVERNMENT SHALL UNDERTAKE AN ANNUAL 10% INCREASE IN THE AMOUNT OF ASSISTANCE PROVIDED UNDER THE PESFA PROGRAM COVERING THE TUITION FEE, BOOK ALLOWANCE AND/OR TRANSPORTATION ALLOWANCE AND STIPEND SO AS TO HELP THE STUDENTS COPE WITH THE INCREASING COST OF EDUCATION, SUBJECT TO THE AVAILABILITY FUNDS. PROVIDED THAT THE TUITION FEE CEILING FOR SCHOOLS IS SIX THOUSAND PESOS (P6,000) PER SEMESTER, PROVIDED FURTHER THAT SUCH FINANCIAL ASSISTANCE SHALL BE SELECTED ON THE BASIS OF FAMILY INCOME, GEOGRAPHIC SPREAD AND RESULTS OF COMPETITIVE EXAMINATIONS GIVEN BY CHED FOR DEGREE COURSES AND THE TESDA FOR NON-DEGREE VOCATIONAL/TECHNICAL COURSES. PROVIDED FINALLY, THAT THE CHED SHALL DIRECTLY PAY THE AMOUNT COVERING THE TUITION FEE EXPENSES TO THE PARTICIPATING SCHOOLS. HOWEVER, THE STIPEND OF EACH STUDENT BENEFICIARY SHALL BE CLAIMED IN THE NEAREST CHED OR TESDA REGIONAL OFFICE.

THE CHED SHALL REVIEW AND EVALUATE THE PRESENT COURSES OF STUDENTS WHICH ARE CONSIDERED PRIORITY IN THE GRANTING OF FINANCIAL ASSISTANCE WHICH ARE CONSIDERED PRIORITY IN THE GRANTING OF FINANCIAL ASSISTANCE TO MAKE THE LIST OF COURSES MORE RELEVANT TO THE NEEDS OF THE COUNTRY.

FOR PURPOSES OF THIS ACT, AN UNDERPRIVILEGED STUDENT SHALL REFER TO A STUDENT WHOSE GROSS INCOME, IN ANY AND THAT

OF THE COMBINED ANNUAL GROSS INCOME OF HIS/HER PARENTS IS BELOW THE POVERTY THRESHOLD INCOME.

SEC. 10. SCHOLARSHIP FUND IN PRIVATE HIGH SCHOOLS, COLLEGES AND UNIVERSITIES. THE PARTICIPATING PRIVATE SCHOOLS IN THE GASTOE PROGRAM MAY INSTITUTIONALIZE COUNTERPART FUNDING TO FINANCE THE EDUCATION SERVICE CONTRACTING SCHEME, TEXTBOOK ASSISTANCE PROGRAM AND THE PRIVATE EDUCATION STUDENT FINANCIAL ASSISTANCE PROGRAM. THE PRIVATE SCHOOLS ARE HEREBY ENJOINED TO PROVIDE A COUNTERPART OF AT LEAST 20% OF THE GOVERNMENT FINANCIAL ASSISTANCE GIVEN TO THE STUDENT-BENEFICIARIES.

THE PRIVATE SCHOOLS WHICH ARE NOT PARTICIPATING IN THE PROGRAM MAY ALSO ALLOCATE A PORTION OF THEIR GROSS INCOME TO SCHOLARSHIP AND FINANCIAL ASSISTANCE FOR POOR BUT DESERVING STUDENTS.

SEC. 11. CONDITIONS FOR TUITION FEE SUBSIDY. ASSISTANCE PROVIDED IN THE PRECEDING SECTIONS SHALL BE GRANTED ON THE CONDITION THAT SEVENTY PERCENT (70%) OF THE AMOUNT SUBSIDIZED SHALL GO TO PAYMENT OF SALARIS, WAGES, ALLOWANCES AND OTHER BENEFITS OF TEACHING AND NON-TECHING 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 UPON THE EFFECTIVITY OF THIS ACT. PROVIDED THAT AT LEAST 20% SHALL GO TO THE IMPROVEMENT OR MODERNIZATION OF BUILDINGS, EQUIPMENT, LIBRARIES, LABORATORIES, GYMNASIS 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 DISPOSITIONS AND USER THEROF, WHICH RECORD SHALL BE MADE AVAILABLE FOR PERIODIC INSPECTION AS MAY BE DETERMINED BY THE STATE ASSISTANCE COUNCIL.

SEC. 12. APPROPRIATIONS. THE DEPARTMENT OF EDUCATION MAY UTILIZE ITS SAVINGS FROM ANY ITEM OF APPROPRIATION IN FISCAL YEAR 2001. PROVIDED THAT ANY DEFICIENCY SHALL BE TAKEN FROM ANY OR ALL OF THE FOLLOWING SOURCES:

1. TWENTY PERCENT (20%) OF THE TRAVEL TAX AND AIRPORT DEPARTURE TAX COLLECTIONS;
2. TEN PERCENT (10%) OF ANY FUNDS COLLECTED BY THE SUGAR REGULATORY ADMINISTRATION OF THE PHILIPPINES COCONUT AUTHORITY;
3. TEN PERCENT (10%) OF THE NET INCOME OF THE DEVELOPMENT ACADEMY OF THE PHILIPPINES;
4. PORTIONS OF THE OVERSEAS WELFARE FUND TO BENEFIT THE DEPENDENTS OR CHILDREN OF OVERSEAS WORKERS;
5. ANY OTHER LUMP SUM APPROPRIATIONS OR COLECTIONS UNDER THE SUPERVISION AND CONTROL OF THE OFFICE OF THE PRESIDENT.

PROVIDED, FINALLY THAT THE TOTAL AMOUNT MADE AVAILABLE TO CARRY OUT THE PURPOSES OF THIS ACT SHALL NOT EXCEED ONE

BILLION PESOS (P1,000,000,000) FOR FISCAL YEAR 2001. THEREAFTER, SUCH AMOUNT AS MAY BE NECESSARY FOR ITS CONTINUED IMPLEMENTATION SHALL BE INCLUDED AS MAY BE NECESSARY FOR ITS CONTINUED IMPLEMENTATION SHALL BE INCLUDED IN THE ANNUAL GENERAL APPROPRIATIONS ACT.

SEC. 13. 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 (DepEd) or the Commission on Higher Education, upon the recommendation of the State Assistance Council, may bar the institution from participating in or benefiting from the programs of this Act, and from other programs of the DepEd and the CHED, without prejudice to administrative and criminal charges as may be filed against the school and or its responsible officers under existing laws.

SEC. 14. The Senate Committee on Education, Culture and Arts and House Committee on Basic Education shall oversee the implementation of the Expanded Voucher System in coordination with the State Assistance Council. The State Assistance Council shall submit to Congress an annual accomplishment report on the implementation of this Act.

SEC. 15. The State Assistance Council led by the Department of Education, Commission on Higher Education and Technical Education and Skills Development Authority shall formulate rules and regulations necessary for the smooth implementation of this Act within a period of sixty (60) days from the day of this effectivity.

SEC. 16. Repealing Clause. All laws and decrees and such letters of instruction, rules and regulations or parts thereof which are inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 17. Separability Clause. If any provision of this Act is declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions not affected thereby.

SEC. 18. Effectivity Clause. This Act shall take effect immediately upon its publication in at least two newspapers of general circulation.

Approved,