

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL No. **3135**

Introduced by Reps. TEDDY A. CASIÑO, NERI JAVIER COLMENARES,
RAYMOND V. PALATINO, LUZVIMINDA C. ILAGAN RAFAEL V. MARIANO,
EMERENCIANA A. DE JESUS

EXPLANATORY NOTE

The passage of several tax measures by the 13th Congress has subjected our people to the double whammy of lower incomes and higher prices, making it more difficult for most families to meet even their most basic needs.

Among the basic needs given importance by most families is education. This is why, even if they can barely eat three meals a day, parents and working students often forego other needs just to pay for their education.

In such a situation, the meteoric and unchecked rise of school fees in practically all private and public educational institutions in the country further burdens our already suffering populace.

Private education, by virtue of the deregulation policy mandated by Batas Pambansa 232, has turned into a very profitable business indeed. From 637 private higher education institutions (HEIs) in 1991, the numbers increased to 1,523 in 2008. In fact, several private HEIs have been consistently included in the Top 1,000 Corporations of the country. The top five school-corporations earned, in a span of six years, P15.43 billion in gross revenues and P3.45 billion in net income.

Unfortunately, the government agencies tasked to protect the public against schools engaged in profiteering activities have failed miserably, as increases in tuition, miscellaneous and other fees, some of which are collected redundantly, continue without regard to the suffering of the students and their parents.

The Commission on Higher Education's Memorandum Order 13 (CMO 13), series of 1998 was the commission's first attempt to check the unabated rise in tuition increases. This was followed by CMO 14, series of 2005, which allowed schools to automatically increase tuition by up to 7.6% even without consultation. Through intense lobbying by student groups who viewed exemptions from consultations as illegal and unconstitutional, CMO 14 was suspended and a new order was drafted putting a cap on fee increases and making consultations mandatory for all fees. However, in February 20, 2007, CHED abandoned the new draft memorandum and reinstated CMO 13 as the

guideline for all increases in tuition. It should be noted that CMO 13 allows for an unlimited tuition increase and exempts miscellaneous and other school fees from the consultation process. The CHED chairman even admitted that their action was the direct result of intense lobbying by school owners to the President.

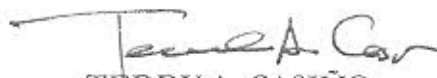
According to CHED, 15.37% of 1,321 HEIs applied for an increase in tuition fees in 2005 while this year, 390 or more than a quarter of HEIs applied and 339 or 22.25% were given the greenlight to increase tuition. From the national average of P257.41 per unit in A.Y. 2001-2002, tuition increased by 107.8% for A.Y. 2010-2011 and is now pegged at P501.22.

Considering how important education is for our people and how costly it has become for them, it will only be fair for government to ensure our citizen's right to education by imposing a three-year moratorium on all kinds of fee increases, whether tuition or other school fees, on all schools that have registered a profit in the previous year. This is just to give our people some kind of relief, considering that they have yet to feel the promised social payback from higher taxes,

By the end of the said moratorium, it is hoped that the government will already remedy the defects of a deregulated education sector and provide the proper guidelines on school fee increases so that the rights of students and parents are respected and properly observed.

In view of the foregoing, immediate approval of this measure is sought.

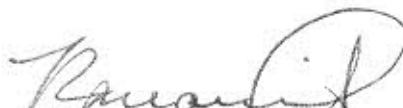
Approved,


TEDDY A. CASIÑO
Bayan Muna Party-list


NERI JAVIER COLMENARES
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LUZVIMINDA C. ILAGAN
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Gabriela Women's Party

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AN ACT
IMPOSING A THREE-YEAR MORATORIUM ON TUITION AND OTHER FEE
INCREASES ON ALL EDUCATIONAL INSTITUTIONS

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

SECTION 1. *Declaration of Basic Policy*- It is the policy of the state to promote quality education that is accessible to all and to establish, maintain and support a complete, adequate and integrated education system relevant to the needs of the Filipino people.

SECTION 2. *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) **“Tuition”** – is used to refer to the charges that all students pay to attend an educational institution. These are composed of specific types: operating fees, building fees, services and activities fees and technology fees.
- (c) **“Miscellaneous and other school fees”**- additional charges other than tuition collected for specific actual services rendered to students, as may be identified by the school authorities and certified by the recognized student council and faculty association such as but not limited to, medical and dental, athletic, audio-visual, guidance, insurance, laboratory fee, laboratory deposit, library fee, school publication, registration, and such other fees that refer to services.

SECTION 3. *Moratorium on School Fees* - The Department of Education (DepEd) Commission on Higher Education (CHED), and Technical Education and Skills Authority (TESDA) are hereby mandated to impose a three year moratorium on any school fee increase, whether it be tuition, miscellaneous and other school fees on all public and private educational institutions.

SECTION 4. *Exemptions* - A private educational institution may apply for an increase in tuition or other school fees, following existing rules and guidelines implemented by the DepEd, CHED and TESDA, provided that on the year preceding the application for fee increases, said institution posted incurred net losses as reflected in its complete annual financial statement, a copy of which should be filed together with the application for exemption.

SECTION 5. *Penalty Clause* - Any educational institution found in violation of this Act shall be punished with a fine of NOT LESS THAN 100,000 pesos (100,000 Php) and NOT MORE THAN 500,000 pesos (500,000Php) or imprisonment of its officials OF NOT MORE THAN SIX (6) YEARS or both, in the discretion of the court.

Misrepresentation or misdeclaration of assets, incomes and liabilities shall be prima facie evidence of violations this Act.

SECTION 6. *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 7. *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 8. *Effectivity* – This Act shall take effect fifteen (15) days after its publication in two (2) national newspapers of general circulation.

Approved,