

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasang Pambansa, Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4598

INTRODUCED BY REP. JOSEPH VICTOR G. EJERCITO

EXPLANATORY NOTE

The Philippine educational system has been largely affected by the worsening condition of the economy. Last school year, some 376 private learning institutions increased their tuition fees. For school year 2009-2010, more than 50% of the private colleges and universities nationwide raised their tuition fees. Ninety-Three of these schools that raised their tuition fees are in Metro Manila.

The average tuition fee increase ranges from 10% in Region II and CAR, in other Regions such as Region I and VII, it raised to about 15%. In the National Capital Region, the average increase is 12%. State Universities and Colleges charge lower tuition fees due to the fact that they receive subsidy from the National Government. However, under the present administration, as reflected in the General Appropriations Act of FY 2011, State Universities and Colleges' suffered huge budgetary cuts. This was brought about by the policy of the government to reduce subsidy in higher education in order to increase the share of basic education. However, this seems to run counter with the Constitutional mandate that the government should provide quality and accessible education to all.

This measure therefore aims to provide affordable access to quality education by rationalizing or reasonably regulating tuition fee increases in all educational institutions and instituting an effective and rational mechanism for fixing the tuition fee rate. It proposes the creation of Tuition Fee Rationalization Council, envisioned to be a multi-sectoral body serves as the highest policymaking body on matters pertaining to tuition fee rates and other increases or adjustments in school fees.



Rep. JOSEPH VICTOR G. EJERCITO

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasang Pambansa, Quezon City

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 4598

INTRODUCED BY REP. JOSEPH VICTOR G. EJERCITO

**AN ACT RATIONALIZING AND REGULATING TUITION AND OTHER
SCHOOL FEES IN ALL HIGHER EDUCATION INSTITUTIONS,
CREATING A TUITION FEE RATIONALIZING COUNCIL, AND FOR
OTHER PURPOSES**

*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 "**Tuition Fee Rationalization Act.**"

SECTION 2. Declaration of Policy. - Section 1, Article XIV of the 1987 Philippine Constitution mandates the protection and promotion of the right of all citizens to quality and affordable education at all level and that the State shall take appropriate steps to make such education accessible to all. Section 13, Article II, further recognizes the role of the youth in nation-building and promotes and protects their physical, moral, spiritual, intellectual and social being. In view of these, the following are hereby declared the objectives of this Act.

- a. To promote affordable access to quality education by rationalizing and/or reasonably regulating tuition fee rate and increases in all educational institutions including other fees;
- b. To provide all educational institutions with accredited program greater flexibility and autonomy in tuition fee rate fixing and/or tuition fee increase adjustments;
- c. To establish a Tuition Fee Rationalization Council which is envisioned to be a multi-sectoral body that shall serve as the highest policy-making body on matters pertaining to tuition fee rates and other increases or adjustments in school fees; and
- d. To provide an effective and rational mechanism for fixing the tuition fee rates and adjustments in other school fees in all educational institutions including those to be adopted by the Board of Regents of State Universities and Colleges that is acceptable to concerned stakeholders taking into account the socio-economic and other considerations and safety nets.

SECTION 3. Coverage. - a) Tuition Fees - As a general rule, public and private academic and technical institutions shall be allowed to impose tuition fee increases and/or adjustments without any prior consultations, on

incoming freshmen students in the tertiary level. There shall be no tuition fee increases and/or adjustments in all other year levels.

The tuition fee increases which may be allowed to be imposed shall not exceed fifteen percent (15%) of prevailing rates: Provided, however, That any proposed tuition fee increase and/or adjustment in excess of the stipulated percentage affecting not only the segment of the students stated above but all other years level including those to be imposed by the State Universities and Colleges shall be subject to the approval of the National Tuition Fee Rationalization Council or its regional council having jurisdiction and on a case-to-case basis.

b) **Other School Fees** – The amount of other school fees to be collected from students in the freshmen level of the tertiary institutions, and from the first grade and fifth in the elementary level shall in no way be more than twenty-five percent (25%) of the amount collected as tuition fee for the semester to which the student is currently enrolled: Provided, further, That an imposition of more than fifteen percent (15%) in tuition fees and twenty-five percent (25%) in the case of miscellaneous fees may be allowed after the concerned schools shall have conducted thorough consultations and hearings, and the examination of financial records and the determination of the distinct requirements and conditions of schools shall have been assessed by the Council.

c) **Exemptions** – Schools or courses classified under Level III Accreditation duly recognized by the Commission on Higher Education (CHED), and the Technical Education and Skills Development Authority (TESDA) as the case may be and whose categorization standards are duly affirmed by the major association of private and state institutions shall enjoy autonomy in fixing the rates of their tuition fees or any rates increase or adjustment with respect to the accredited programs/courses only and subject to minimal and reasonable guidelines from the Council.

SECTION 4. Definition of Terms. As used in this Act, the following terms shall mean:

- a. *Student* – shall refer to any person enrolled in school in tertiary level including those enrolled in vocational and technical education.
- b. *School* – shall refer to any academic institution of learning, public or private, offering any or all courses in tertiary level.
- c. *Board* – shall refer to the governing board of the school, such as the Board of Directors, Trustees or Regents, which represents its highest policy-making body.
- d. *Council* – shall refer to the Tuition Fee Rationalization Council which shall serve as the highest policy-making body on matters pertaining to tuition and other school fees and which shall have regional counterparts for efficient rate fixing and determination.
- e. *Tuition* – shall refer to the fee representing direct costs of instruction, training and other related activities and the use of school facilities.
- f. *Other school fees* – shall refer to fees which cover other necessary costs supportive of instruction, including but not limited to medical and

dental, athletic, library, laboratory and National Service Training Program (NSTP) fees.

- g. *Tertiary* – shall refer to the higher learning level after high school which includes those offering Baccalaureate degrees or four (4) to five (5) year courses or technical vocational programs.
- h. *Level II Accreditation* – shall refer to a classification conferred to an institution or any of its program courses by a recognized accrediting body based on certain quality indicators and standards duly recognized by the CHED or the TESDA as the case may be, and prescribed by the national accrediting arm of the major association of private and state institutions.

SECTION 5. *Establishment of the National Tuition Fee Rationalization Council and its Regional Counterpart.* – Within thirty (30) days after the effectivity of this Act, the National Tuition Fee Rationalization Council (NTFRAC) shall be established to be composed of the following: the Chairperson of the CHED as Chair; the Director-General of the TESDA as Vice-Chair; and with the following as members: Chairman of the House of Representative's Committee on Higher and Technical Education, Chairman of the Senate Committee on Education, representatives from the National Economic and Development Authority (NEDA), and the Philippine Association of State Universities and Colleges (PASCU); one (1) representative each from these sectors; parent, university or college student council or government, campus publication, faculty association, leading association of higher education institutions, major aggrupation of technical education institution as well as other sectors which may be deemed indispensable by the Council.

A regional Tuition Fee Rationalization Council (RTFRAC) shall also be established in all the regions of the country whose membership shall include the CHED, the TESDA, NEDA Regional Director, and representatives from the faculty associations, student council/government, and association of private schools and from a recognized association of State Institution.

The manner and procedure of selecting and appointing representatives and/or members of the Council from the different sectors other than those directly identified shall be made jointly by the Chairperson of the CHED, and the Director-General of the TESDA based on criteria that shall be instituted for the purpose.

SECTION 6. *Office and Expenditure.* – Every member of the Council shall serve in an ex-officio capacity without compensation from the government except for travel and other actual expenses incurred in the performance of their duties and responsibilities.

SECTION 7. *Administration and Enforcement.* – After due investigation and proper observance of due process, any person, natural or juridical, found willfully violating any provisions of this Act and its implementing rules, shall be subjected to the appropriate administrative sanctions, including the suspension or revocation of the school's license to operate, disqualification from enjoying tuition fee rate increases or adjustment, and/or the imposition of reasonable penalties and administrative fines.

SECTION 8. *Penal Provisions.* – Any person who shall willfully violate or commit any act intended to defeat any provision of this Act, and its

Implementing rules, shall, upon conviction, be punished by a fine of not less than Fifty Thousand Pesos (P50,000) nor more than One Hundred Thousand Pesos (P 100,000) or imprisonment of not less than one (1) year nor more than five (5) years, or both at the discretion of the court.

Any school found likewise to have violated the provisions of this Act and its implementing rules shall be fined the amount of not less than Five Hundred Thousand Pesos (P500,000) but not more than One Million Pesos (P1,000,000).

Pursuant thereto, the CHED and the TESDA shall be empowered to investigate violations of this Act as well as the implementing rules and regulations and other issuances appurtenant thereto, and for this purpose shall have the power to issue summons, writs, orders, subpoena and subpoena duces tecum to secure attendance of witnesses and the production of documents in connection with the charges presented.

SECTION 9. *Implementing Rules and Regulations.* – Upon the approval of this Act and within sixty (60) days after the Council shall have been constituted, the Council shall formulate the rules and regulations (IRR) to implement the provisions of this Act. Public hearings and consultation may be conducted to facilitate the drafting of the IRR.

SECTION 10. *Separability Clause.* – In case any provision of this Act or portion thereof is declared unconstitutional by a competent court, other provisions shall not affect thereby.

SECTION 11. *Repealing Clause.* – Any provisions of laws, order, proclamations, rules and regulations, or part thereof, which are inconsistent with any provision of this Act are hereby repealed and modified accordingly.

SECTION 12. *Effectivity Clause.* – This Act shall take effect (15) days following its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,