

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

SIXTEENTH CONGRESS
First Regular Session



HOUSE BILL NO. 29

Introduced by : **REP. RAUL V. DEL MAR**

EXPLANATORY NOTE

This proposed measure seeks to unify and rationalize the existing programs of the government on scholarship and grant-in-aid program for vocational and tertiary education. With this measure, poor Filipino students will have an avenue to finish their education and pursue productive careers.

The Constitution mandates not only that quality education must be provided by the State to all qualified citizens – the poor and the underprivileged in particular – at all levels of education, but that it must likewise put in place a system of education geared towards establishing and making available a continuing pool of trained manpower for the country's development efforts.

Given the present business practice that places a premium on formal post-secondary education or college training, and given the sheer number of graduates of our public school system, this proposed legislation is a first concrete step towards providing the deserving graduates of our public high schools with appropriate quality college education keyed to the demands of a high competitive marketplace.

This proposed measure is a consolidated version of several similar bills filed last 15th Congress which were subjected to hearings conducted by the Committee on Higher and Education and the Technical Working Group created by the said committee.

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


RAUL V. DEL MAR

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AN ACT
PROVIDING FOR A UNIFIED SCHOLARSHIP AND GRANT-IN-AID PROGRAM
FOR STUDENTS IN TECHNICAL-VOCATIONAL AND TERTIARY EDUCATION,
THEREBY RATIONALIZING ACCESS, APROPRIATING FUNDS THEREFOR 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 "Unified Scholarship and Grant-in-Aid Act."

SEC. 2. Declaration of Policies and Objectives. It is the declared policy of the State to provide quality education at all levels for all citizens, accelerate social progress and promote total human liberation and development. Towards this end, the State shall take appropriate steps to make education accessible to all and establish and maintain a system of scholarships, grants, subsidies and such other assistance which shall be available to deserving students, especially the economically disadvantaged but academically qualified, in pursuit of technical-vocational or tertiary education in both public and private schools in the country.

For these reasons, the existing scholarship and grant-in-aid programs of the government for technical-vocational and tertiary education are hereby harmonized and unified as crucial State intervention to improve their efficiency and ensure that

access and equity to educational opportunities are given to those who need them most.

The unified scholarship and grant-in-aid program shall be specifically designed as the government articulation and enabling agenda to equitable access to educational opportunities in technical-vocational and tertiary levels to qualified Filipino students through the herein expanded scholarship awards, grants-in-aid, subsidies and socialized financing, tuition fee discounts and other special purpose education assistance projects and programs as may be determined by the Commission on Higher Education (CHED), Technical Education and Skills Development Authority (TESDA) and the Department of Science and Technology (DOST).

SEC. 3. Definition of Terms. For purposes of this Act, the following terms shall mean:

a). **United Scholarship and Grant-in-Aid Program** -- refers to the harmonized state-run and administered technical-vocational and tertiary education scholarship and grant-in-aid program under this Act which may include full and partial subsidies and discounts on matriculation, miscellaneous and other school fees, and other necessary educational expenses.

b). **Rationalized Access** – refers to improved efficiency in the implementation of state-funded scholarship and student financial aid for tertiary and post-secondary education pursuant, among others, to the principles of increased participation of the economically disadvantaged and marginalized sectors, equity in regional disparity of economic resources, labor market-education congruence and competitive relevance.

c) **Economically Disadvantaged** – refers to poor but deserving students, or those with highest demonstrable financial need, or who largely come from low-income families and are qualified under this Act as falling below the poverty threshold index, as determined by the National Economic and Development Authority (NEDA), or based on the Economic Eligibility Index (EEI) and/or Academic Ranking Index (ARI), and who possess the ability to finish a course enrolled in;

d) **Scholar** – strictly refers to qualified recipient of any tertiary or technical-vocational scholarship grant selected through criteria based on merit and fitness set by the CHED, TESDA and DOST, respectively, which may include, but not be limited to, qualifying examination results, athletic ability, special skill or talent, Academic Ranking Index (ARI) and Economic Eligibility Index (EEI), among others;

e) **Scholarship** – refers to the financial assistance granted to a student on the basis of merit, such as laudable academic performance, unusual talent or special skill, or technical-vocational skills aptitude and competence, or for successfully meeting the qualifying selection criteria for a full or partially subsidized or funded tertiary or technical-vocational education regardless of economic status;

f.) **Grants-in-Aid** – refers to cash or in-kind assistance such as vouchers to help poor students with their education; generally requires some minimum level of academic competence, but not excellence;

g.) **Beneficiary/Grantee/Recipient** – refers to the qualified participant under the Unified Scholarship and Grant-In-Aid Program for Technical-Vocational and Tertiary Education;

h.) **Fund** – refers to the special program fund allocated to finance the implementation of the Unified Scholarship and Grant-In-Aid Program for Technical-Vocational and Tertiary Education;

i.) **Technical-Vocational** – refers to education and training in non-degree program at the post-secondary level oriented toward skills proficiency leading to one, two, or three-year certificates in preparation for a particular occupation or group of middle-level occupations. This also includes short-term programs of instruction, including the acquisition of technical, theoretical, scientific and technological knowledge and skills lasting a school year or less, for which academic credit is neither sought nor granted, and those offered by higher educational institutions, the

completion of which is attested by a certificate or diploma issued by or with permission of the TESDA;

j.) **Tertiary Education** – refers to the education and training in professional degree programs offered in higher education institutions (HEIs), the completion of which is attested by the CHED;

k.) **Tuition Fee** – refers to the fee representing direct cost of instruction, training, and other related activities and for the student's use of the instruction and training facilities;

l.) **Miscellaneous and Other School Fees** – refers to fees which cover other necessary costs supportive of instruction, including but not limited to medical and dental, athletic, library, and laboratory fees; and

m.) **Educational Expenses** – refers to expenses related to the education of the student such as books, subsistence and board and lodging, transportation, monthly stipend or allowance, but excluding tuition and miscellaneous and other school fees.

SEC. 4. Unified Scholarship and Grant-In-Aid Program for Technical-Vocational and Tertiary Education. There shall be instituted a unified scholarship and grant-in-aid program which shall have as integral component all existing and actively enforced college scholarships and grants-in-aid programs, including local scholarships for the poor but deserving students and for members of specific target sectors, which are currently implemented as Student Financial Assistance Programs (STUFAPs) by the CHED, TESDA, DOST, and those implemented by other government agencies, including local government units (LGUs), and other non-government program partners and stakeholders.

All legislated college scholarship and aid grants such as those enforced under the Expanded Government Assistance for Students and Teachers in Private Education (E-GASTPE Law) or RA 8545, or the Private Education Student Financial

Assistance (PESFA), or the State Scholarship Program (RA 4090), and the current assistance programs and projects for tertiary and technical education created pursuant to pertinent provisions of special laws for specific sector or special beneficiaries shall be integrated in the unified scholarship and grant-in-aid program under this Act.

The Unified Scholarship and Grand-In-Aid Program under this Act shall harmonize, reform, strengthen, expand, rationalize, and re-focus ongoing STUFAPs for greater efficiency, coherence, synchronization, effective funding and improved coordination among implementing entities in their specific jurisdiction: *Provided*, that there shall be implementation *status quo* of these STUFAPs until the implementing mechanism for the new unified scholarship and grant-in-aid program has been crafted and put in place: *Provided further*, that in the interim, the CHED, TESDA and DOST shall institute necessary improvements in their respective continuing implementation of the student financial assistance programs under their administrative supervision.

Pursuant to the purpose of this Act, there shall be established an effective targeting system to ensure the identification and participation of those qualified from among the society's economically and socially disadvantaged sectors, and preferentially from priority development areas or classified depressed regions, in the selection and choice of scholarships and aid beneficiaries.

SEC. 5. Rationalization of Technical-Vocational and Tertiary Education Scholarship and Grant-in-Aid Program. The Unified Scholarship and Grant-in-Aid program shall rationalize the existing scholarship programs of the government pursuant to the following guiding principles and mechanics:

5.1. Increased access and participation of the economically disadvantaged and marginalized sectors but academically competent to educational opportunities;

5.2. Regionalized equity distribution to address regional disparity as direct state intervention to the poorest regions and areas lagging behind the national economic and development targets;

5.3. Socialized financing of baccalaureate and technical-vocational education in State Colleges and Universities (SUCs) and state-owned Technical and Vocational Institutes (TVIs) which will benefit a far large number of academically qualified students from different income classes to efficiently leverage public subsidies for education;

5.4. Massive investment infusion from private sector participation and partnership particularly to beef-up the amended scholarship program component under this Act;

5.5. Enhanced implementation of all STUFAPs under the CHED, TESDA and DOST respectively for college scholarships, grants-in-aid, special educational assistance for specific sectors, technical education student assistance, and similar Science and Technology Program portfolios falling under scholarship or grant-in-aid support for tertiary education; which shall hereto be made integral component of the Unified Scholarship and Grant-In-Aid Program under this Act;

5.6. Integration into this Act of all currently enforced *legislated* educational assistance and benefits for the poor but deserving students which include among others the Expanded GASTPE and PESFA in RA 8545, the State Scholarship Program under RA 4090, and those presently covered by special laws, or recipients of current programs and projects for specific sectors, and all ongoing assistance programs to education with funding support from the national government or from private stakeholders including foreign sources;

5.7. Inclusion as eligible beneficiaries those sectors or groups and students from not necessarily low income families but have met the competitive academic eligibility requirements for scholarships and/or funding support for highly specialized, or scientific, or intensive studies and trainings for expertise and skills excellence which may incur expense beyond the liquidity capacity of the student and the family; *Provided*, that the subject or field of special study and technical training is within the identified priority or preferred baccalaureate or technical-vocational courses by CHED, TESDA and DOST; and, *Provided further* the study shall be pursued in

competent and accredited HEIs or TVIs in the Philippines, subject to approval by the CHED, TESDA, or DOST.

5.8. Business-Labor-Industry-Academe Congruence towards competitive relevance of Philippine Higher Education, such that higher and technical education institutions shall have to be responsive to sharp and profound shifts in the 21st century work settings that will require graduates who will be competent professionals equipped with analytical, innovative, as well as technical knowledge. The Unified Scholarship and Grant-in-Aid Program for Technical-Vocational and Tertiary Education under this Act shall strongly impact on the academe paradigm shift to produce graduates with increased marketability and technical know-how to supply the demands of a globalized world;

5.9. Curricular innovation in technical-vocational and tertiary courses through identification of under subscribed but preferred academic fields and technical skills competencies as prerequisite to the grant of student assistance; *Provided*, that Unified Student Scholarship and Grant-in-Aid Program under this Act shall pursue pre-determined priority courses or preferred fields of technical and vocational trainings subsequently identified by competent authorized education agencies in consultation with academic experts, industry and business leaders, and stakeholders to pole-vault the country and its manpower to greater competitive advantage, global relevance and economic progress.

SEC. 6. Scope and Coverage. The Unified Scholarship and Grant-in-Aid Program for technical-vocational and tertiary education shall include under its implementation scope the pertinent provisions in Sections 4 and 5 hereof.

Necessarily, it shall apply to all existing and currently enforced STUFAPs consolidated under this Act to constitute the new comprehensive scholarship and aid program, the expansive coverage of which shall hence include the following components:

6.1. Educational Assistance Programs for the poor but academically qualified students in the technical-vocational and tertiary levels under the present

administrative jurisdiction by the CHED, TESDA and DOST, other national government agencies (NGAs), including the LGUs, respectively;

6.2. Legislated educational assistance and benefits for technical-vocational or tertiary education of the poor but deserving students under the E-GASTPE Law and PESFA, the State Scholarship Program, and current study programs and projects for specific sectors pursuant to the provision of existing laws such as those pertaining to the disabled, women, senior citizens, solo parents, uniformed personnel, indigenous and ethnic groups, rebel returnees, victims of heinous crimes, among others;

6.3. Student assistance programs with current enforced funding support from the national government, or from private stakeholders including foreign sources;

6.4. Expanded financial assistance programs and services for technical-vocational and tertiary education proposed under this Act, as may be determined and institutionalized through the CHED, TESDA and DOST, as follows:

- (a) Competitive Scholarships;
- (b) Grants-in-Aid;
- (c) Socialized Tuition Financing/Subsidized Education in SUCs;
- (d) Financial Assistance for Education in Private Tertiary Institutions;
- (e) Educational Expenses Subsidies (for Books, Stipend and Living Allowances);
- (f) Special Purpose Education Assistance (for the conduct of Undergraduate and Graduate Research, Scientific Studies, including funding assistance for the writing and publication of Books, Manuscripts, Theses, Dissertations, Scientific and Technical Journals, or for production, filming and digital technology documentation of research and studies, or development of instructional and academic materials, and science prototypes, etc); and
- (g) Other Qualified Educational Assistance and Incentives.

Provided, that eligibility for graduate financial assistance shall be for preferred fields of advanced research and studies determined or identified to significantly

impact on the country's economic viability and to the global competitive advantage of its human resources. Selection and assessment of eligible beneficiaries shall be conducted by competent government agencies authorized under this Act through criteria which include, as far as practicable and applicable, the household targeting system, the Economic Eligibility Index (EEI) and/or Academic Ranking Index (ARI)

Provided further, that to democratized access and promote equity to offered educational opportunities for post-secondary and tertiary education, slots shall be distributed by regional representation in all sixteen (16) regions with priority tilted in favor of the most depressed priority provinces pursuant to the latest Poverty/Priority Ranking Index pursuant to competent and official data.

Provided further, that all eligible beneficiaries under this Act shall pursue priority courses or preferred fields of technical and vocational trainings subsequently identified towards enhanced competitive advantage, global relevance and economic productivity.

Provided finally, that the CHED in consultation with TESDA, DOST, DOLE, NEDA and such other stakeholders and entities, both public and private, including the industry and business sectors shall craft the Master Plan of Tertiary Education Priority Courses and Technical-Vocational Trainings to be pursued under this Act

All scholarships and student financial assistance granted under this Act shall be applicable exclusively for education expenses in accredited HEIs and post-secondary technical-vocational schools in the Philippines.

SEC. 7. Scholarship and Grant-in-Aid Entitlement. The maximum scholarship package and grant-in-aid program under this Act may cover the full cost of matriculation, miscellaneous and incidental fees and other educational expenses of qualified students such as but not limited to books, reasonable monthly stipend and/or reasonable subsidy on board and lodging, transportation and living allowance:

Provided, that the amounts covering payments for tuition and other necessary school fees shall be paid directly to the school concerned. *Provided further,* that the

amount of financial assistance package shall be base on actual costs with automatic adjustment based on the inflation index, or as may be determined by competent government economic agencies such as the NEDA.

Provided finally, that the herein financial assistance shall be guaranteed in its entire program amount which shall be put in a Trust Account for the individual beneficiary to be established by the implementing agencies such as the CHED, TESDA and DOST which shall be responsible to make the financial assistance efficiently and readily available pursuant to the school's actual billing schedule in either by semester or tri-semester payment mode.

SEC. 8. Qualifications and Eligibility Requirements. A student shall be eligible to the benefits of Scholarship and Aid assistance under this Act subject to the following entry requirements:

- ***For All Programs:***

- a) Filipino citizen
- b) Graduated from a duly recognized high school
- c) Passed the college or university entrance examination or technical school admission requirements where the preferred priority course applying for or interested to pursue is offered
- d) Annual gross family income eligible for assistance as may be determined by the NEDA
- e) Does not enjoy any other scholarship or grant
- f) Good scholastic and moral standing
- g) Not convicted of any juvenile disciplinary action or crime
- h) Joint Student-Parents After-Graduation Return Service Undertaking or Contract, subject to the mechanics to be determined by CHED, NEDA, TESDA, DOST, LGU, (for LGU-funded local Scholarships and Grants); and
- i) Such other pertinent documentary requirements as may be imposed

- ***Additional Criteria for Scholarships:***

a) Has met the high school academic grade requirement and academic rank ratio to the graduating high school class where applicant belongs (Top 10 %) and;

b) Has passed the competitive qualifying examinations that may be required by the implementing agency such as the CHED, TESDA and DOST.

- ***Additional Criteria for Science Scholarships:***

a) Has graduated from a science high school, or special science class, or science-oriented high school and belongs to the top 15% of the graduating class; and

b) Has qualified in the DOST-Science Education Institute (SEI) scholarship examinations

- ***Additional Criteria for Technical-Vocational Scholarship:***

a) Has passed the TESDA screening/assessment procedure; and

b) Has passed the TESDA qualifying exams, or trade test, or skills competency assessment/evaluation

SEC.9. Disqualification and Limitations. The following shall constitute as grounds or conditions for disqualification from the Program:

a) Failure to meet the maintaining or qualifying grade for two (2) consecutive semesters (in the case of scholarship grant with maintaining grade requirement), unless for valid cause beyond the scholar's control;

- b) Failure in the majority of the academic subjects enrolled (50% or more) for two (2) consecutive semesters unless for valid cause beyond the student's control (for all assistance programs);
- c) Absence without official leave (AWOL), suspension, perpetual disqualification or expulsion, and dishonorable dismissal from the school where enrolled in;
- d) Disqualification from, or dropping, or changing of the priority course enrolled in without prior approval by the CHED, TESDA, or DOST, or without valid cause beyond the student's control;
- e) Discontinuation of school attendance unless for valid cause beyond the student's control;
- f) Deceit, fraud, cheating or misrepresentation;
- g) Conviction of any serious violation and juvenile-related crime; and
- h) Such other disqualification criteria as may be imposed under this Act.

SEC. 10. Preferred Courses and Curricular Rationalization For Competitiveness. The unified scholarship and grant-in-aid program for technical-vocational and tertiary education shall strongly impact on the academe paradigm shift to produce graduates with increased marketability and technical know-how to serve the country's economic purposes and supply the demands of a globalized world.

As direct intervention to institute circular rationalization in post-secondary technical-vocational and tertiary education courses, and create a business-labor-industry-academe congruence towards competitive and continuing relevance of Philippine higher and technical-vocational education, the grant of student financial assistance under this Act shall be earmarked to the pursuit of pre-determined priority courses or preferred of technical and vocational trainings.

Such preferred courses shall be subsequently identified by competent education agencies such as the CHED, TESDA and DOST in consultation and critical collaboration with academic experts, industry and business leaders, and stakeholders to pole-vault the country and its manpower to greater competitive advantage, global relevance and economic viability.

The Unified Scholarship and Grand-In-Aid Program for Technical-Vocational and Tertiary Education shall be made available to preferred, undersubscribed but priority academic fields of study and technical-vocational skills trainings which may include but not limited to curricular programs in the Sciences, Innovative Technology (including IT/ICT, Computer Science, and Info System Management), Engineering (mechanical, electronics and communications, metallurgical, mining and computer), Maritime education (marine engineering and marine transportation), Agriculture and related fields (Agribusiness, agro-forestry, veterinary medicine, fisheries), Teacher Education (major in Mathematics, Science, Computer, Reading and English), Economics and Business Entrepreneurship, Courses for social integration (sociology, social work, community development, psychology, library science), Foreign and Diplomatic Languages, relevant Arts and Trade Skills Development Trainings, Technology-based Skills Courses, Environment, Climate Change and Ecology, and such other preferred fields indexed with business, industry and the global labor market requirements. There shall be substantial curricular innovation to make Philippine Higher and Technical Education responsive to labor and market demands in producing graduates armed in competitive professional knowledge and skills, competencies and proficiencies.

The CHED, in consultation with the TESDA, DOST, Department of Labor and Employment (DOLE), Philippine Association of State Universities and Colleges (PASUC), Coordinating Council of Private Educational Associations (COCOPEA), Association of Local Colleges and Universities (ALCU), experts and stakeholders in both public and private sectors, including those from the industry, business and labor, shall craft the Comprehensive Master Plan of Priority Courses and Technical-Vocational Trainings and the corresponding Higher and Technical Education Road Map as Guiding Principles in the grant of scholarships and grant-in-aid, pursuant to

the aforementioned purposes.

SEC. 11. *Administrative Jurisdiction, Implementation and Coordination.*

The CHED, as lead implementing agency, shall consult with the TESDA, DOST, and other government agencies and stakeholders to craft the implementing mechanics, including the collaborative and partnership framework to institutionalize and effectively administer the Unified Scholarship and Grand-In-Aid Program for Technical-Vocational and Tertiary Education.

11.1. *Administrative Jurisdiction.* To ensure the competent administrative jurisdiction of the Program, the CHED, TESDA, and DOST shall adopt the implementation arrangement pursuant to their core functions as follows:

a.) The CHED shall have administrative control and supervision over scholarship and grants-in-aid programs given to qualified students enrolled in college or baccalaureate degree courses, including the selection of applicants and distribution system in the availment of the various college education assistance portfolios under this Act.

b.) The DOST shall exercise administrative jurisdiction over its scholarship programs granted to qualified students enrolled in college or baccalaureate degree courses in the Science and Technology courses, including the selection of applicants and distribution system in the availment of the various Science education assistance portfolios under this Act.

c.) The TESDA, for its part, shall have administrative control and supervision over scholarships and financial assistance granted to qualified students enrolled in technical vocational education and skills trainings, including the selection of applicants and distribution system in the availment of the various relevant education assistance portfolios under the program.

11.2. *Program Office and Staff.* For expansive but cost-effective program operations and implementation, the CHED shall strengthen the Office of Student Services to perform its tasks effectively under this Act. Similarly, the same capacity

building shall be undertaken by TESDA and DOST for their present offices handling their scholarship and financial aid programs, respectively.

To meet the staff work requirements of a unified scholarship and grant-in-aid program under this Act, there shall be created additional positions in the CHED, TESDA and DOST corresponding to their respective actual staff complement requirements to effectively implement the program, which shall be included in the proposed rationalization plan of said agencies through the Department of Budget and Management.

11.3 Coordination Mechanism. To effectively administer the Program and facilitate the efficient coordination among the three (3) implementing agencies, the CHED, TESDA and DOST shall constitute themselves into the Executive Committee headed by CHED which shall act as overall program coordinator to oversee and monitor the entire implementation and operations of the Unified Scholarship and Grant-in-Aid Program under this Act.

As program coordinator, the CHED shall have coordinative yet collegial function with TESDA and DOST to ensure a system of collective performance efficiency and substantial compliance of responsibilities, reportorial requirements, and delivery commitments relative to the implementation of the Unified Scholarship and Student Aid Program under this Act.

SEC. 12. The Executive Committee. The Executive Committee shall meet regularly, as deemed necessary, and shall be entitled to authorized and allowable per diems and honoraria, subject to auditing rules.

The staff of the Executive Committee shall be drawn from their existing personnel of the three (3) implementing agencies comprising the Executive Committee established herein.

SEC. 13. Powers and Functions of the Executive Committee. To accomplish the purposes of this Act, the Executive Committee comprising of CHED, TESDA and DOST shall have, among others, the following functions:

- (a) Formulate policies, standard procedures and guidelines, and issue rules and regulations necessary for the operation, management, and supervision of the Scholarship program and the fund, and for effective implementation of this Act pursuant to its declared objectives and purposes;
- (b) Develop efficient selection criteria and eligibility standards of qualified beneficiaries, subject to the policy of rationalized, proportional and equitable regional distribution of scholarship slots, including performance monitoring of recipients;
- (c) Coordinate closely with the NEDA in determining the income brackets for scholarships and grants-in-aid available to eligible students who come from low-income families and from priority poor regions: *Provided*, however, that allocation of scholarship slots to depressed regions shall be in proportion to their population: *Provided further*, that the CHED through the Executive Committee shall draw a synchronized list of scholarships and grants-in-aid by regional representation and per agency allocation representing slots for CHED's baccalaureate, TESDA's technical-vocational, and DOST's science scholarships and aid grants;
- (d) Develop an efficient system and standard guidelines of fund generation and sourcing, use and disbursement subject to auditing rules, including reportorial requirements for the three implementing agencies pursuant to their respective jurisdiction under this Act;
- (e) Develop an efficient and updated unified database system of relevant information about qualified beneficiaries enjoying scholarships and grants-in-aid and amount of assistance;
- (f) Develop an efficient unified database system of comprehensive information on preferred courses offered in CHED-TESDA-DOST accredited public and private post-secondary and tertiary educational

institutions and detailed information of participation in the Program;

(g) Develop a unified contract, including its mechanics and compensation, containing provision for return service of scholars and aid grantees after graduation in identified service areas relevant to the scholars' finished degrees and technical courses;

(h) Develop an efficient unified database system of tracking information on the occupational status of scholars and beneficiaries of grants-in-aid who have graduated and deemed employed, including but not limited to collaboration and coordination with relevant agencies including the Social Security Service (SSS), Government Service Insurance System (GSIS), PAG-IBIG, Philippine Health Insurance Corporation (PhilHealth), Philippine Overseas Employment Administration (POEA), and the National Bureau of Investigation (NBI) for purposes of enforcing the return service contract agreement;

(i) Conduct a review of the unified scholarship and grant-in-aid program for post-secondary technical-vocational and tertiary education and its implementation at the end of every year after the effectivity of this Act and submit a summary report on the effectiveness and utilization of the scholarships and grants-in-aid, as well as recommendations for remedial actions, to the Congressional Committee created under this Act;

(j) Receive donations, legacies, gifts and other forms of contribution, whether in cash or in property, from both public and private sources here in the country and abroad, which shall accrue to the special fund created under this Act, and to receive and utilize the services and assistance of experts: *Provided*, that such donations, legacies and contributions shall be exempt from tax and shall be allowable deductions for income tax purposes; and

(k) Exercise such other powers and functions reasonably necessary for the proper and effective implementation of this Act.

SEC. 14. Additional Powers and Functions of the CHED, TESDA and DOST. To accomplish their respective tasks, the CHED, TESDA and DOST shall implement and perform the functions specifically stipulated in Section 12 hereof in their individual jurisdiction as well as in joint and collective undertakings and partnerships.

In addition, the CHED, TESDA and DOST shall exercise the following powers and functions:

- a). Formulate respective policies, implementing standards and regulation in the effective management, administration and supervision of the National Scholarship and Aid Program under their respective administrative jurisdiction stipulated in Section 11 of this Act;
- b). Implement the effective mechanics and procedures of the Scholarship and Student Aid Assistance Program which shall be specifically designed to ensure equitable and broader access to college and technical-vocational education to qualified students through expanded fund subsidies in scholarship awards, grants-in-aid, socialized financing and tuition fee discounts, and other special purpose education assistance projects and programs;
- c). Allocate and disburse funds earmarked for the implementation of their respective tasks and administrative jurisdiction under this Act;
- d). Formulate procedures and mechanism of guaranteed fund availability of the entire scholarship and grants-in-aid financial package deposited in a trust account in the scholars or beneficiaries account;
- e). Carry out an efficient selection process for eligible beneficiaries through an *effective targeting system*, and conduct careful investigation and evaluation of documentary proofs submitted: *Provided*, that the selection and choice of scholarships and aid beneficiaries shall be subject to regional distribution and to the policy on the pursuit of preferred courses

f). Plan and implement curricular shifts and innovation in higher and technical education towards priority and highly preferred tertiary and technical-vocational courses indexed on market and industry demand, and increased global competitiveness: *Provided*, that all scholarships and grants-in-aid under this Act shall pursue pre-determined priority courses or preferred fields of technical and vocational trainings subsequently identified.

g). Develop an efficient database of official consolidated list of identified *priority or preferred academic fields and technical skills courses* as prerequisite to the grant of scholarships and grants-in-aid for college and technical-vocational education;

h). Develop an efficient database of relevant information on the qualified student beneficiaries of all scholarships and grants-in-aid implemented by the CHED, TESDA and DOST, including list of higher education schools offering relevant and preferred courses under this Act;

i). Plan and implement a program of generating and sourcing of funds to finance the Program, including the possible establishment and management of an investment portfolio;

j). Receive donations, legacies, gifts, and other forms of contribution, whether in cash or in kind, from both public and private sources here in the Philippines or abroad, which shall accrue to the special fund created under this Act. Such donation, legacies and contributions shall be exempt from taxes and shall be allowable tax deductions for income tax purposes.

k). Perform such necessary functions to carry out the functions of this Act.

SEC. 15. Compulsory Provision of Scholarship and Grant-in-Aid by HEIs. All HEIs are hereby required to provide scholarships and grants-in-aid to poor

but deserving students representing at least ten percent (10%) of the student population.

SEC. 16. *Tax Incentives.* The HEIs may claim the total expenses incurred in providing the scholarship and grant-in-aid provided in this Act as tax deductions in proportion to the scholarship given: *Provided*, That the total expenses shall be allowed as deductions from the HEI's gross income for the taxable year that the expenses were incurred for the scholarship: *Provided , further*, That the total amount of the claimed tax deductions net of value-added Tax (VAT), if applicable, shall be included in their gross income or revenues derived from their school operations for tax purposes in accordance with the provisions on allowable deductions covered by Chapter VII of the National Internal Revenue Code of 1997, as amended.

SEC. 17. *Implementing Rules and Regulations.* The CHED, TESDA, DOST, DSWD and NEDA, in coordination or consultation with relevant stakeholders, shall within 90 days but not to exceed 180 days or six (6) months, draft the Implementing Rules and Regulations, which shall be submitted to the Office of the President for approval.

SEC. 18. *Congressional Oversight Committee.* There is hereby created a Congressional Oversight Committee composed of five members each from the Committees on Higher and Technical Education of the Senate of the Philippines and the House of Representatives. The members from the Senate shall be appointed by the Senate President based on proportional representation of the parties or coalitions therein with at least two (2) senators representing the minority. The members from the House of Representatives shall be appointed by the Speaker also based on proportional representation of the parties or coalitions therein with at least two (2) congressmen representing the minority.

The oversight committee shall have the power to review the implementing rules within thirty (30) days from the promulgation of the said rules, and oversee the

implementation of this Act: *Provided*, that the Secretariat of the Oversight Committee shall be drawn from the existing Secretariat personnel of the committees comprising the oversight.

Funding shall be taken from the appropriations of both the Senate and the House of Representatives.

SEC. 19. Appropriations. For the initial implementation of this Act, the amount of Twenty Billion Pesos (P20,000,000,000.00) shall be appropriated out of the President's Social Fund in the Philippine Amusement and Gaming Corporation and from the available funds of the CHED, TESDA, and DOST under their respective current allocations for student financial assistance programs, including supplemental funds in the National Treasury not otherwise earmarked for any other purpose. Thereafter, such sums as may be necessary for its continued implementation shall be included in the annual General Appropriations Act.

The CHED, TESDA, and DOST may tap other sources of funds such as grants, donations, and other forms of assistance from donor agencies and other public or private entities to support the program, subject to regular auditing guidelines and procedures. Cost-sharing or counter-parting schemes between the national government and LGUs shall also be encouraged to support the implementation of the Unified Scholarship and Grant-In-Aid Program for Post-Secondary Technical-Vocational and Tertiary Education.

Expanded funding for the Unified Scholarship and Grant-in-Aid Program for Technical-Vocational and Tertiary Education shall be sourced from the national government, private partner agencies, and such other non-government stakeholders, including business and industry-based financing and foreign fund sources.

SEC. 20. Separability Clause. If any provision of this Act is held invalid or unconstitutional, other provisions not affected shall continue to be in full force and

effect.

SEC. 21. *Non-Impairment Clause.* Nothing in this Act shall be construed as to diminish, impair, or repeal rights recognized, granted, or available to the disadvantaged, the marginalized or specific sectors under existing laws.

SEC. 22. *Effectivity Clause.* This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) national newspapers of general circulation.

Approved,