

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

H. B. No. **1502**



Introduced by Congresswoman **BELLAFLOR J. ANGARA-CASTILLO**

EXPLANATORY NOTE

Studies show that for every 100 children who enter elementary school in the Philippines only 69 of them reach Grade 6, only 48 of them complete their high school education (now Grade 10 under the K-12 program), and only 18 finish their college education. The highest rate of school dropouts is in the poorest regions in the Philippines - like Bicolandia and Eastern Visayas - which contributes to the lack of economic development in these regions.

The number of enrollees in the Philippine public schools has been constantly increasing over the years because more and more Filipino families cannot afford the tuition in private schools. The public school system has been unable to cope with the surge in student populations, resulting in many public schools becoming too congested and no longer conducive to student learning. Worse, some public schools are no longer able to accommodate additional students because they lack classrooms, desks and textbooks. The problem of classroom and desk backlog in public schools is aggravated by the annual increase in the budgetary needs of public schools.

In 1998, the expansion of Republic Act No. 6728, otherwise known as the Government Assistance to Students and Teachers in Private Education (GASTPE) Act, gave many poor students the opportunity to avail of quality education in private schools by providing financial assistance to private schools through tuition fee supplements and the education service contracting scheme. The law also introduced a more efficient manner of tuition fee payment through the voucher system.

There is a need to enhance the Expanded GASTPE law to make it responsive to the needs of poor students and public and private schools. This requires an improvement of the existing system and an increase in the amount of assistance to students-grantees.

Over the years, the GASTPE financial assistance to students has fallen far below the government's per capita cost in the public schools. Hence, there is an urgent need to increase the amount of financial assistance to poor students in order to reduce their burden of high education cost in the secondary and tertiary levels.

With this amendatory bill, we can improve the voucher support system provided to secondary and tertiary students whose incomes are below the poverty line and cannot be accommodated by public educational institutions due to lack of facilities. This way, more poor Filipinos will have access to higher education, which was denied them in the past. For the abovementioned reasons, the approval of this bill is earnestly urged.


BELLAFIOR J. ANGARA-CASTILLO
Representative
Lone District, Aurora Province

SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
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H. B. No. 1502

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AN ACT
FURTHER AMENDING REPUBLIC ACT NO. 6728, AS AMENDED, OTHERWISE
KNOWN AS THE "EXPANDED GOVERNMENT ASSISTANCE TO STUDENTS
AND TEACHERS IN PRIVATE EDUCATION ACT" TO PROVIDE FOR AN
EXPANDED VOUCHER IN SECONDARY AND TERTIARY EDUCATION,
APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

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

SECTION 1. Section 3 of Republic Act 6728, as amended by Republic Act No. 8545 and other laws, otherwise known as the "*Expanded Government Assistance to Students and Teacher in Private Education Act*," is hereby amended to read as follows:

"SECTION 3. Criteria for Assistance. — The programs for assistance shall be based on a set of criteria which shall include, among others, tuition fees charged by the schools, the socioeconomic needs of each region giving priority to the FIFTH (5th) AND SIXTH (6th) CLASS MUNICIPALITIES, overall performance of the PRIVATE schools, the academic qualifications and the financial needs of the students and the teachers and the financial STATUS of the PRIVATE schools, as well as the RATIO OF PUBLIC SCHOOLS TO PRIVATE SCHOOLS IN THE AREA and size of student population IN THE PUBLIC SCHOOLS IN THE AREA.

In addition to the foregoing criteria, within such reasonable time as the respective State Assistance Council may determine, student grantees under the Private Education Student Financial Assistance Program 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, or such amounts as may be determined by the respective councils, as defined hereinafter.

For purposes of this Act, programs of assistance to students and teachers of private post-secondary vocational and technical institutions and higher educational institutions shall likewise be extended to students and teachers of community colleges in degree and non-degree programs. Implementation of the program shall encourage students to undergo post-secondary vocational and technical and higher education courses in the same region where their families reside.

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

The State Assistance Council, jointly with the Department of Education, Culture and Sports (DECS), the CHED and the TESDA shall formulate measurement standards for the evaluation of the quality of courses as well as the standing and status of the recipient institutions.

Within five (5) years from the approval of this Act, the assistance shall be given to schools: Provided, That the present allocation of the tuition fee and other income of the schools shall be used at the same proportion and allocation as provided by law."

SECTION 2. Section 4 of Republic Act 6728, as amended by Republic Act No. 8545 and other laws, otherwise known as the *"Expanded Government Assistance to Students and Teacher in Private Education Act,"* is hereby amended to read as follows:

"SECTION 4. Forms of Assistance. — Assistance to private education shall consist of assistance to students and teachers.

The following are forms of assistance to students in private education:

- (1) Tuition fee supplements for students in private high schools, including students in vocational and technical courses;
- (2) High School Textbook Assistance Fund: Provided, That the textbook assistance per student in private high schools shall be determined by the council and shall not exceed what students in public high schools are provided on a per student basis under a comprehensive textbook program of the Secondary Education Development Program (SEDP): Provided, further, That the textbook assistance shall be granted only to beneficiaries of tuition fee supplements and educational service contracting scheme provided in this Act;
- (3) Expansion of the existing Educational Service Contracting (ESC) Scheme;
- (4) EXPANSION OF the EXISTING voucher system of the Private Education Student Financial Assistance Program (PESFA);
- (5) Scholarship grants to students graduating as valedictorians and salutatorians from secondary schools;
- (6) Tuition fee supplements to students in private colleges and universities;
- (7) Education Loan Fund; AND
- (8) TRANSPORTATION ALLOWANCE.

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

- (1) In-service training fund for teachers in private high schools; and
- (2) College Faculty Development Fund."

SECTION 3. Section 5 of Republic Act 6728, as amended by Republic Act No. 8545 and other laws, otherwise known as the *"Expanded Government Assistance to Students and Teacher in Private Education Act,"* is hereby amended to read as follows:

"SECTION 5. Tuition Fee Supplements for Students in Private High Schools. —

- (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: For students enrolled in schools charging an amount as may be determined by the State Assistance Council, the government shall provide them with a 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 PER CAPITA COST IN PUBLIC HIGH SCHOOLS.

(2) Assistance under PARAGRAPH (1) 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."

SECTION 4. Section 6 of Republic Act 6728, as amended by Republic Act No. 8545 and other laws, otherwise known as the *"Expanded Government Assistance to Students and Teacher in Private Education Act,"* is hereby amended to read as follows:

"SECTION 6. High School Textbook Assistance Fund. — There shall be established in the Department of Education, Culture and Sports (DECS), a High School Textbook Assistance Fund, so that assistance on a per student basis shall be given to students enrolled in private schools CHARGING AN AMOUNT AS MAY BE DETERMINED BY THE STATE ASSISTANCE COUNCIL exclusively for the purchase of high school textbooks, in support of the implementation of the Secondary Education Development Program: Provided, That the textbook assistance per student in private high schools shall be determined by the council and shall not BE LESS THAN THE ANNUAL TEXTBOOK ALLOCATION FOR ACADEMIC SUBJECTS FOR EVERY STUDENT in THE public high schools; Provided, further, That the textbook assistance MAY be granted to beneficiaries of tuition fee supplements and educational service contracting scheme FOR HIGH SCHOOL STUDENTS provided in this Act AND OF PRIVATE EDUCATION STUDENT FINANCIAL ASSISTANCE FOR COLLEGE STUDENTS."

SECTION 5. Section 7 of Republic Act 6728, as amended by Republic Act No. 8545 and other laws, otherwise known as the *"Expanded Government Assistance to Students and Teacher in Private Education Act,"* is hereby amended to read as follows:

"SECTION 7. Expansion of the Existing Educational Service Contracting (ESC) Scheme. — (a) The Department of Education, Culture and Sports (DECS) shall continue to enter into contracts with private schools whereby the government shall PROVIDE DIRECT FINANCIAL ASSISTANCE TO high school students who WANT TO enroll in private high schools BUT DO NOT HAVE THE FINANCIAL CAPABILITY TO PAY THE TUITION IN THESE SCHOOLS.

(b) The Department shall also enter into contracts with private schools ACCREDITED BY THE DEPARTMENT PARTICULARLY in communities where THE PUBLIC HIGH SCHOOLS CANNOT ACCOMMODATE THE ENTIRE 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) The amount of assistance to be given by the government under this section shall BE EQUAL TO THE COST PER STUDENT 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 sixteen (16) regions in proportion to the total population as well as the high school age population for the first school year: Provided, That starting school year 1998, an equalization scheme shall be implemented by the State Assistance Council.

- (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 of educational service contracting assistance 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) WHERE THE AMOUNT OF TUITION AND FEES EXCEEDS THE AMOUNT OF THE PRESCRIBED SUBSIDY, A PRIVATE SCHOOL MAY SHOULDER THE BALANCE AS ITS COUNTERPART FUNDING. THE STATE ASSISTANCE COUNCIL MAY IN SUBSEQUENT YEARS INCREASE THE AMOUNT OF FINANCIAL ASSISTANCE FOR STUDENTS UNDER THE ESC SCHEME SUBJECT TO THE AVAILABILITY OF FUNDS."

SECTION 6. Paragraph (a) of Section 8 of Republic Act 6728, as amended by Republic Act No. 8545 and other laws, otherwise known as the *"Expanded Government Assistance to Students and Teacher in Private Education Act,"* is hereby amended to read as follows:

"SECTION 8. Assistance to College Freshmen. — (a) The Voucher System of Private Education Student Financial Assistance (PESFA) Program. The existing Private Education Student Financial Assistance (PESFA) Program which covers degree and non-degree vocational/technical courses shall be expanded so that all qualified enrolling first year students ENROLLED IN PRIORITY COURSE PROGRAMS DETERMINED BY THE TESDA AND THE CHED can benefit from a scholarship, plus an allowance. Such financial assistance shall be granted to deserving underprivileged students, who shall be selected on the basis of family income, geographic spread and results of competitive examinations to be given by the CHED for degree courses and the TESDA for non-degree vocational/technical courses in all secondary schools in coordination with the DECS. The program shall be equitably allocated to provinces and cities in accordance with regional and national plans to priority courses as determined by the CHED and the TESDA. For purposes of this Act, an underprivileged student shall refer to a student whose gross income, if any, COMBINED WITH THE annual gross income of his/her parents IS BELOW THE POVERTY THRESHOLD INCOME AS MAY BE DETERMINED BY THE APPROPRIATE GOVERNMENT AGENCY. SUBJECT TO THE AVAILABILITY OF FUNDS, THE AMOUNT OF FINANCIAL ASSISTANCE SHALL BE INCREASED BY TEN PERCENT (10%) EVERY YEAR TO HELP STUDENTS COPE WITH THE INCREASING COST OF EDUCATION. THE FINANCIAL ASSISTANCE FOR TUITION SHALL BE PAID DIRECTLY TO THE PARTICIPATING SCHOOLS."

SECTION 7. The following provision is inserted as Section 9-A of Republic Act 6728, as amended by Republic Act No. 8545 and other laws, otherwise known as the *"Expanded Government Assistance to Students and Teacher in Private Education Act"*:

"SECTION 9-A. CONDITIONS FOR TUITION FEE SUBSIDY. — THE TUITION FEE SUBSIDY PROVIDED IN THE PRECEDING SECTIONS SHALL BE GRANTED ON THE CONDITION THAT (i) AT LEAST SEVENTY PERCENT (70%) OF THE SUBSIDY AMOUNT SHALL BE USED TO PAY SALARIES, WAGES, ALLOWANCES, AND INCREASES IN THE SAME, INCLUDING THOSE AS PROVIDED FOR IN COLLECTIVE BARGAINING AGREEMENTS IN FORCE UPON THE EFFECTIVITY OF THIS ACT FURTHER AMENDING REPUBLIC ACT NO. 6728, AND (ii) AT LEAST TWENTY PERCENT (20%) OF THE SUBSIDY AMOUNT SHALL BE USED TO PAY FOR THE COST OF OPERATION AND THE IMPROVEMENT OR MODERNIZATION OF BUILDINGS, EQUIPMENT, LIBRARIES, LABORATORIES, GYMNASIA AND SIMILAR FACILITIES. FOR THIS PURPOSE, EACH PRIVATE SCHOOL RECEIVING TUITION FEE SUBSIDY SHALL MAINTAIN A SEPARATE RECORD OF ACCOUNTS

FOR ALL ASSISTANCE RECEIVED FROM THE GOVERNMENT, ANY TUITION FEE INCREASE AND THE DETAILED DISPOSITION AND USE THEREOF. SUCH RECORD OF ACCOUNTS SHALL BE MADE AVAILABLE FOR PERIODIC INSPECTION AS MAY BE DETERMINED BY THE STATE ASSISTANCE COUNCIL."

SECTION 8. The following provision is inserted as Section 10-A of Republic Act 6728, as amended by Republic Act No. 8545 and other laws, otherwise known as the *"Expanded Government Assistance to Students and Teacher in Private Education Act"*:

"SECTION 10-A. TRANSPORTATION ALLOWANCE. — HIGH SCHOOL STUDENT BENEFICIARIES OF THE EDUCATION SERVICE CONTRACTING SCHEME AND THE TUITION FEES SUPPLEMENT PROGRAM AND THE COLLEGE STUDENT BENEFICIARIES OF THE PRIVATE EDUCATION STUDENT FINANCIAL ASSISTANCE WHO LIVE BEYOND A 3-KILOMETER RADIUS OF THEIR SCHOOL SHALL BE ENTITLED TO A TRANSPORTATION ALLOWANCE IN SUCH AMOUNT AS SHALL BE DETERMINED BY THE STATE ASSISTANCE COUNCIL."

SECTION 9. The following provision is inserted as Section 14-A of Republic Act 6728, as amended by Republic Act No. 8545 and other laws, otherwise known as the *"Expanded Government Assistance to Students and Teacher in Private Education Act"*:

"SECTION 14-A. SCHOLARSHIP FUND IN PRIVATE HIGH SCHOOLS, COLLEGES AND UNIVERSITIES. — EACH PRIVATE SCHOOL PARTICIPATING IN ANY OF THE PROGRAMS UNDER THIS ACT IS ENJOINED TO PROVIDE COUNTERPART FUNDING FOR AT LEAST TWENTY PERCENT (20%) OF THE STUDENT BENEFICIARIES IN SUCH SCHOOL. OTHER PRIVATE SCHOOLS ARE ALSO ENJOINED TO PROVIDE SCHOLARSHIPS AND FINANCIAL ASSISTANCE TO UNDERPRIVILEGED STUDENTS."

SECTION 10. The following provision is inserted as Section 16-A of Republic Act 6728, as amended by Republic Act No. 8545 and other laws, otherwise known as the *"Expanded Government Assistance to Students and Teacher in Private Education Act"*:

"SECTION 16-A. THE DEPARTMENT OF EDUCATION MAY UTILIZE ITS SAVINGS FROM ANY ITEM OF ITS APPROPRIATION IN THE FISCAL YEAR 2013; 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 AND 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 COLLECTIONS 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 2013. THEREAFTER, SUCH AMOUNT AS MAY BE NECESSARY FOR ITS CONTINUED IMPLEMENTATION SHALL BE INCLUDED IN THE ANNUAL GENERAL APPROPRIATIONS ACT."

SECTION 11. *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.

SECTION 12. The Senate Committee on Education and the 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.

SECTION 13. The State Assistance Council led by the Department of Education, the Commission on Higher Education and the 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 its effectivity.

SECTION 14. *Repealing Clause.* All laws, presidential decrees, letters of instruction, rules and regulations that are inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 15. *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 newspaper of general circulation.

Approved,