

CONGRESS OF THE PHILIPPINES
SIXTEENTH CONGRESS
First Regular Session

HOUSE OF REPRESENTATIVES
House Bill No. 1982



Introduced by Representatives
GLORIA MACAPAGAL ARROYO and DIOSDADO MACAPAGAL ARROYO

EXPLANATORY NOTE

Studies show that out of every hundred Filipino children who enter Grade One, only 69 reach grade 6 and only 48 complete high school and 18 finish college. The dropouts come mostly from the poorest regions – like Bicolandia and Eastern Visayas- which have also fallen way behind the other regions in development.

Throughout the years, the number of students entering the public schools continues to increase primarily because most families sent their children to public schools because of the unabated increase in tuition fees in private schools. In this regard most of these public schools have become so congested and crowded thus making it less conducive to learning.

It is unfortunate that some public schools cannot anymore accommodate new students because of insufficient school facilities like classrooms, desks and textbooks. The continuous increase in the enrollment in public schools every year and the pressing budgetary problems of the government aggravate the classrooms and desk backlog in schools.

The passage of 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 by providing a financial assistance through the tuition fee supplements and education service contracting scheme.

Throughout the GASTPE law, the system of voucher system in tuition fee payment had been introduced. However, there is a need to further improve the system and increase the

amount of assistance to students-grantees by amending some sections of the students and the school.

For the past years of implementation, we have seen the financial assistance given to the students through the GASTPE is way below the per capita cost spent by the government in public schools. Hence, here is a need to increase the amount of the financial assistance because of the growing needs of the students both in the Secondary and tertiary levels.

With the passage of 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 levels of education even in private education - which have been denied to them in the past. For the abovementioned reasons, approval of the bill is earnestly urged.



GLORIA MACAPAGAL ARROYO
Second District, Pampanga



DIOSDADO MACAPAGAL ARROYO
Second District, Camarines Sur

CONGRESS OF THE PHILIPPINES
SIXTEENTH CONGRESS
First Regular Session

HOUSE OF REPRESENTATIVES
House Bill No. 1982

Introduced by Representatives
GLORIA MACAPAGAL ARROYO and DIOSDADO MACAPAGAL ARROYO

AN ACT AMENDING REPUBLIC ACT 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 THEREFORE

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 Teacher in Private Education Act,**" is hereby amended to read as
follows:

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

"Criteria for Assistance. The programe for assistance to STUDENTS shall be based on a
set of criteria which shall include among others, tuition fees charged by the schools, socio-
economic 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-À-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, student 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 MAYBE DETERMINED BY THE APPROPRIATE GOVERNMENT AGENCY.”

THE STATE ASSISTANCE COUNCIL MAY ADJUST THE ANNUAL FAMILY INCOME QUALIFICATION DEPENDING ON THE CHANGES IN THE ECONOMIC CIRCUMSTANCES 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.”

SECTION 3. Section 4 is hereby amended 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 Philippine Education Student Financial Assistance Program (PESFA)
- (4) Expansion of the existing Education Service Contracting Scheme;
- (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) Educational 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 Department Fund

SECTION 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) PER SEMESTER. THE TUITION FEE CEILING MAY SERVE AS 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 than the tuition fee ceiling to participate in the program under GASTPE.”

SECTION 5. Section 5 of RA 8545 is hereby amended to read as follows:

“Tuition Fee Supplements 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:
 - (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 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.
 - (b) THE STATE ASSISTANCE COUNCIL MAY IN SUBSEQUENT YEARS 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.

SECTION 6. Section 6 is hereby amended as follows:

HIGH SCHOOL TEXTBOOK ASSISTANCE FUND, FOR SCHOOLS CHARGING NOT MORE THAN SIX THOUSAND PESOS PER SEMESTER, 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.

SECTION 7. Section 7 is hereby amended as follows:

EDUCATION SERVICE CONTRACTING SCHEME.

- (a) THE DEPARTMENT OF EDUCATION, CULTURE AND SPORTS SHALL CONTINUE TO ENTER INTO CONTRACTS WITH PRIVATE SCHOOLS WHEREBY THE GOVERNMENT SHALL PROVIDE DIRECT FINANCIAL ASSISTANCE TO 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 DECS particularly in communities where THE PUBLIC SCHOOLS CANNOT ACCOMMODATE THE STUDENTS DUE TO THE INCREASING 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 CHARGING NOT MORE THAN SIX THOUSAND PESOS PER SEMESTER IN TUITION AND OTHER FEES 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 of educational service contracting for SCHOOL TEAR 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 CASES WHERE THE AMOUNT OF THE TUITION FEES AND OTHER FEES OF THE SCHOOLS 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 ASSSITANCE FOR STUDENTS UNDER THE ESC PROGRAM SUBJECT TO THE AVAILABILITY OF FUNDS.

SECTION 8. TRANSPORTATION ALLOWANCE FOR THE STUDENT BENEFICIARIES OF THE EDUCATION SERVICE CONTRACTING AND TUITION FEES SUPPLEMENTS PROGRAM AT THE HIGH SCHOOL 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.

SECTION 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 OF 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 GRANTED TO DESERVING AND UNDERPRIVILEGED STUDENTS WHO SHALL BE SELECTED ON THE BASIS OF FAMILY INCOME, GEOGRAPHIC SPREAD AND RESULTS OF COMPETITIVE EXAMINATIONS GIVEN BY CHED FOR DEGREE 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 AVALUATE THE PRESENT COURSES OF STUDENTS 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 IMCOME, IN ANY AND THAT OF THE COMBINED ANNUAL GROSS INCOME OF HIS/HER PARENTS IS BELOW THE POVERTY THRESHOLD INCOME.

SECTION 10. SCHOLARSHIP FUND IN PRIVATE HIGH SCHOOLS, COLLEGES AND UNIVERSITIES. THE PARTICIPATING PRIVATE SCHOOLS IN THE GASTE 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 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.

SECTION 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 THE PAYMENT OF SALARIES, WAGES, ALLOWANCES AND OTHER ADMINISTRATORS WHO ARE PRINCIPAL STOCKHOLDERS OF THE SCHOOL, AND MAY BE USED TO COVER INCREASES AS PROVIDED 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, GYMNASIA 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 DISPOSITION AND USE THEREOF WHICH RECORD SHALL BE MADE AVAILABLE FOR PERIODIC INSPECTION AS MAY BE DETERMINED BY THE STATE ASSISTANCE COUNCIL.

SECTION 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 PHILIPPINE 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 2001. THEREAFTER, SUCH AMOUNT AS MAY BE NECESSARY FOR ITS CONTINUED IMPLEMENTATION SHALL BE INCLUDED IN THE ANNUAL GENERAL APPROPRIATIONS ACT.

SECTION 13. *Penalties.* In cases of any violation of the provision 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 14. The State Committee on Education 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.

SECTION 15. The State Assistance Council led by the Department of Education, Commission on Higher Education and Technical Education and Skills and 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 16. *Repealing Clause.* All laws and decrees and such letters of instruction, rules and regulations or paths thereof which are inconsistent with this Act are hereby repealed or modified accordingly.

SECTION 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.

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

Approved,