

SIXTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
Second Regular Session

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HOUSE OF REPRESENTATIVES

HOUSE BILL NO. **4675**

Introduced by Representative Susan A. Yap

EXPLANATORY NOTE

Section 1, Article XIV of the 1987 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. However, since the passage of the Constitution, there is yet to be a law to give flesh to the application of this provision to tuition fee increase. The current system based on Republic Act No. 6139, An Act to Regulate Tuition and other School Fees of Private Educational Institution, Providing for the Settlement of Controversies thereon and for other Purposes, which was passed in 1970, has become unresponsive given reported cases of irrational tuition fee increases which contribute to the prohibitive cost of education, jeopardizing the access of a wide majority to quality education. Likewise, the law only defines the regulatory regime for tuition fee increases in private educational institutions, leaving public educational institutions unregulated.

This Act aims to define a more responsive yet flexible policy regime for tuition fee increases. First, as a general rule, tuition fee increases without any consultations must only be imposed on incoming freshmen students in the tertiary level of education, provided that the increase shall not exceed fifteen percent (15%) of prevailing rates. If the proposed tuition fee is in excess of this level, and if this affects all other years, then it will be subject to consultations and the approval of the National Tuition Fee Rationalization Council (NTFRC). The NTFRC shall be created under this Act to be the highest policy-making body on matters pertaining to tuition fee increases, to ensure that such are acceptable to stakeholders.

Further, this Act rationalizes the increase of other school fees, which shall be no more than twenty-five percent (25%) of the amount collected as tuition fee for the semester to which the student is currently enrolled. An imposition of more than 25% increase in other school fees shall be subject to consultations and hearings and the examination of financial records and the determination of the requirements and conditions of schools by the NTFRC.

To ensure effective implementation, this Act provides for the creation of a Regional Tuition Fee Rationalization Council in all regions. Further, to strictly enforce compliance, violations of this Act shall be subject to appropriate penal provisions.


REP. SUSAN A. YAP
Second District of Tarlac

HOUSE OF REPRESENTATIVES

HOUSE BILL NO. **4675**

Introduced by Representative Susan A. Yap

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

SECTION 1. Short Title. – This Act shall be known as the “*Tuition Fee Rationalization Act of 2014.*”

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 mechanisms 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 the tertiary.
- 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 cost 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 of 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 (NTRFAC) shall be established to be composed of the following: the Chairperson of the CHED as Chair; the Director-General of 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 institutions.

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 wilfully 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 wilfully 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 (P50,000.00) nor more than One Hundred Thousand Pesos (P100,000.00) or both 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 (P500,000.00) but not more than One Million Pesos (P1,000,000.00).

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 affected thereby.

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

SECTION 12. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,