

Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Seventeenth Congress
First Regular Session

5180
HOUSE BILL NO. _____



Introduced by the Honorable Ann K. Hofer

EXPLANATORY NOTE

Article XIV, Section 1 of the 1987 Philippine Constitution provides that, "The State shall protect and promote the right of all citizens to quality education at all levels and shall take appropriate steps to make such education accessible to all."

According to the figures reported by the Commission on Higher Education (CHED), for AY 2015-2016, there are about 1,934 total Higher Education Institutions (HEIs) in the Philippines, and 88 percent of them are private colleges and universities. Of the country's estimated 4.1 million higher education students, 2.22 million or 54 percent are enrolled in private schools while 1.88 million or 46 percent are enrolled in public schools.

Participation rates show that Filipino families value the importance of obtaining a higher education as a critical component of human development and as a means of breaking away from the poverty line and improving quality of life.

However, empirical evidence on access to higher education is often attainable by those in the middle-income families only. For instance, the 2013 Functional Literacy, Education and Mass Media Survey (FLEMMS) results reveal that of the nearly 4 million out-of-school children and youth, 19.2 percent cited insufficient family income as the reason for the failure to send child to school.

Further, the 2015 Family Income Expenditure Survey stated that an average Filipino family's annual income is a mere Php 267,000.00. Significantly, families in the bottom 30 percent

income group reported an average annual family income of Php 111,000, an earning that is too stiff to send a child to a university.

Considering the persistent problems of inability of Filipino students to pursue and complete higher education, this measure seeks to make access to education universal by providing free tuition and other school fees in state universities and colleges and state-run technical and vocational institutions and strengthening the unified student financial assistance system for public and private school students, provided for in Republic Act No. 10687, otherwise known as the UniFAST Law.

An educated populace will not only uplift the quality of life of every Filipino family but will also produce a highly skilled workforce that is vital for the country's economic growth and development.

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



ANN K. HOFER

Second District, Zamboanga Sibugay

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

SEVENTEENTH CONGRESS
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AN ACT
PROMOTING UNIVERSAL ACCESS TO TERTIARY EDUCATION BY
PROVIDING FOR FREE TUITION AND OTHER SCHOOL FEES IN STATE
UNIVERSITIES AND COLLEGES AND STATE-RUN TECHNICAL-
VOCATIONAL INSTITUTIONS AND STRENGTHENING THE UNIFIED
STUDENT FINANCIAL ASSISTANCE SYSTEM FOR TERTIARY
EDUCATION, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 10687,
OTHERWISE KNOWN AS THE “UniFAST LAW”, AND APPROPRIATING
FUNDS THEREFOR

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

SECTION 1. *Short Title.* - This Act shall be known as the “Universal Access to Tertiary Education Act.”

SEC. 2. *Declaration of Policy.* – It is hereby declared that quality education is an inalienable right of the Filipino and it is the policy of the State to protect and promote the rights of all citizens to said quality education at all levels. Therefore, the State shall take appropriate steps to make such education accessible to all.

Likewise, the State hereby recognizes the complementary roles of public and private higher education institutions and technical-vocational institutes in the educational system and the invaluable contribution that the private tertiary schools have made and will make to education. For these intents, the State shall:

1. Provide adequate funding and such other mechanisms to increase the participation rate among all socioeconomic classes in tertiary education;
2. Provide all Filipinos with equal opportunity to quality tertiary education in both the private and public educational institutions;
3. Give priority to students who are financially challenged and academically able;
4. Ensure the optimized utilization of government resources in education; and
5. Recognize the complementary roles of public and private institutions in the higher educational system.

SEC. 3. Definition of Terms. – As used in this Act:

- a) **Bachelor's degree** – refers to any four-year to five-year program leading to a degree as may be authorized and recognized by the Commission on Higher Education (CHED);
- b) **Board** – shall refer to the Members of the Unified Student Financial Assistance System for Tertiary Education (UniFAST) Board;
- c) **Graduate courses** – refer to higher education programs leading to master's or doctorate degrees, as may be authorized and recognized by the CHED;
- d) **Higher Education Institution** – refers to an education institution that offers higher education programs, such as a four-year or five-year bachelor's degree program, as may be authorized and recognized by the CHED pursuant to Republic Act No. 7722, otherwise known as "The Higher Education Act of 1994";
- e) **K-to-12 program** – refers to the education program implemented by the Department of Education that covers 13 years of basic education with the following key stages: Kindergarten to Grade 3, Grades 4 to 6, Grades 7 to 10 (Junior High School), Grades 11 and 12 (Senior High School);
- f) **Other school fees/charges** – refer to miscellaneous fees charged by higher education institutions and technical-vocational institutes as embodied in their respective prospectuses, bulletins of information, or catalogues, which are collected and earmarked for certain specified purposes pursuant to existing laws, rules and regulations. Other school fees and miscellaneous fees are used interchangeably in this Act;
- g) **Private higher education institution** – refers to a higher education institution established and governed under Batas Pambansa Bilang No. 68, also known as the Corporation Code of the Philippines;
- h) **Private technical-vocational institute** - refers to a learning institution offering post-secondary technical-vocational education and run by the private sector, but registered with TESDA;

- i) ***Qualified student***- any college or technical-vocational student who possesses all the qualifications set forth in this Act;
- j) ***Special higher and technical education fund*** – a subsidy fund established under this Act, which shall be used solely for the purpose of implementing the full tuition and other school fees subsidy under the provisions of this Act;
- k) ***State-run technical-vocational institutes***- refer to technical-vocational institutes directly supervised by the TESDA and receiving direct funding from the State for their operation and maintenance;
- l) ***State universities and colleges*** – refer to public HEIs established by national laws which are financed and maintained by the national government and are governed by their respective independent boards of trustees or regents;
- (q) ***Student financial assistance program*** - refers to a system of scholarships, grants-in-aid, student loans, subsidies and other incentives which are or shall be made available to qualified students;
- (r) ***Technical-vocational education*** – refers to the education process designed at post K-to-12 and lower tertiary levels, officially recognized as non-degree programs aimed at preparing technicians, para-professionals and other categories of middle-level workers by providing them with a broad range of general education, theoretical, scientific and technological studies, and related job skills training;
- (s) ***Technical-vocational institute*** - refers to a learning institution offering post-secondary technical-vocational education;
- (t) ***Tertiary education*** - refers to the stage of education following the secondary cycle which subsumes post-secondary non-degree technical-vocational education and higher education programs;
- (u) ***Tuition fees*** – refer to matriculation fees or school charges for the subjects or course enrolled in by a tertiary or higher education student as well as a student pursuing a technical-vocational course, as indicated in the prospectuses of SUCs and private HEIs, which may either be on a term or yearly basis or per unit or units; and
- (v) ***Unified student financial assistance system for tertiary education*** - refers to the harmonized, state-run and administered system of higher education and technical-vocational Scholarships, Grants-in-Aid, Student Loans, and other modalities of student financial assistance program under Republic Act No. 10687;

(w) **Unified student financial assistance system for tertiary education (UniFAST) Loan Fund** – refers to the loan fund established under this Act to implement the national student loan program of Republic Act No. 10687 or the UniFAST Law;

SEC. 4. Free Higher Education in State Universities and Colleges and State-Run Technical-Vocational Institutes. - All Filipino citizens who are either currently enrolled at the time of effectivity of this Act, or shall enroll at any time thereafter, in courses in pursuance of a bachelor's degree or any comparable undergraduate degree in any SUC shall be exempt from paying tuition and other school fees for any units enrolled in, unless they are disqualified under the provisions of this Act or by any other provision of law: *Provided*, That they pass the entrance examination and other admission requirements of the SUCs where they intend to enroll in.

There shall likewise be free education to all qualified students enrolled in any post-secondary technical-vocational education and training (TVET) leading to non-degree certificate and diploma programs offered by any state-run technical-vocational institute (TVI) under the Technical Education and Skills Development Authority (TESDA): *Provided*, That they pass the profiling of applicants conducted by the state-run TVIs.

As such, the qualified student shall be free from payment of tuition and other school fees: *Provided*, That nothing in this Act shall cause or authorize the reduction or removal of any benefit which the national or local government may have granted to the students, teachers and other school personnel of these SUCs and TVIs prior to the enactment of this Act.

SEC. 5. Special Higher and Technical Education Subsidy Fund. – The Special Higher and Technical Education Subsidy Fund, hereinafter referred to as the Subsidy Fund, is hereby established. The Subsidy Fund shall be used solely for the purpose of implementing the subsidy for full tuition and other school fees under the provisions of this Act. Tuition and other school fees for units enrolled by qualified students under the provisions of this Act, payable to SUCs and TVIs, shall be paid from this Subsidy Fund.

SEC. 6. Administration of the Subsidy Fund. – The Subsidy Fund shall be administered by the CHED and TESDA, in coordination with the UniFAST Board, and shall have the following powers and functions:

- a) Manage and administer the Subsidy Fund;
- b) Devise a reporting mechanism to be implemented by the SUCS and TVIs which will detail the exact amount of higher and technical education subsidy availed of by persons eligible under this Act;

- c) Formulate and implement an efficient and transparent mechanism to ensure the payment of tuition and other school fees, using money from the Subsidy Fund to the respective SUCs and state-run TVIs, pursuant to the provisions of this Act;
- d) Resolve and mediate disputes concerning the ineligibility or disqualification of persons from the higher and technical education subsidy under the provisions of this Act or any other provision of law; and
- e) Any other powers or functions necessary for the implementation of the provisions of this Act.

SEC. 7. Tuition and Other School Fees Report. – The President of each SUC and the administrator of each state-run TVI shall submit to the CHED or TESDA, within five (5) days after the last day of late registration, for each semester in the case of higher education, and for each course in the case of technical-vocational education, a report detailing the names of persons eligible for the tuition and other school fees subsidy in the institution, as well as the amount of tuition and other school fees due based on the number of units enrolled.

SEC. 8. Payment from the Subsidy Fund. - The CHED and TESDA shall ensure the full payment of tuition and other school fees due to the SUC or TVI, as reported under the next preceding section of this Act, no later than thirty (30) days after the submission of the report to the CHED and TESDA: *Provided*, That the CHED and TESDA shall reserve the right to withhold or disallow the payment of any reported fees which are perceived to be anomalous or irregular until further investigation has been conducted.

SEC. 9. Special Grant for Financially-Disadvantaged Students. – A Special Grant for Financially-Disadvantaged Students, hereinafter referred to as the Grant, is hereby established in SUCs and shall be administered by the CHED. This Grant shall be used to support qualified financially disadvantaged students, as determined by their respective SUCs, in shouldering other personal costs related to pursuing higher education. The Grant shall cover the following:

- (1) Allowance for books, supplies, transportation, and miscellaneous personal expenses, including a reasonable allowance for the documented rental or purchase of a personal computer or laptop, as determined by the SUC where the student is enrolled;
- (2) An allowance for room and board costs incurred by the student, as determined by the SUC where the student is enrolled;
- (3) For a student with a disability, an allowance determined by the SUC where he/she is enrolled in for expenses related to the student's disability, including special services, personal assistance, transportation, equipment, and supplies that are reasonably incurred; and

- (4) For a student in a program requiring professional licensure or certification, the one-time cost of obtaining the first professional credentials.

SEC. 10. *Limitation in SUCs/State-Run TVIs.* – The right of any higher education student to avail of the free higher education shall terminate if he or she fails in the majority of the academic subjects for the school year in which he or she is enrolled during the course of his or her study. Students who have completed a bachelor's degree and who will enrol or are enrolled in a second course are excluded from the coverage of this Act.

The right of any technical-vocational student to avail of the free TVET shall terminate if he or she fails in any course he or she is enrolled during the course of his or her study. Students who have completed a bachelor's degree and who will enrol or are enrolled in a technical-vocational course, as well as those who have prior certificate or diploma for a technical-vocational course equivalent to National Certificate I and above, are excluded from the coverage of this Act.

SEC. 11. *Accountability Report.* – The President of each SUC and the administrator of each TVI shall submit to the CHED at the end of each academic semester, in the case of SUCs, and to the TESDA at the end of each course, in the case of state-run TVIs, a report reconciling the funds received from the Subsidy Fund. Any unused or improperly disbursed amount shall be returned immediately to the Subsidy Fund.

SEC. 12. *Strengthening the Unified Student Financial Assistance System for Tertiary Education.* – The scholarship and grant-in-aid programs under Republic Act No. 10687 or the Unified Student Financial Assistance System for Tertiary Education (UniFAST) are hereby strengthened to include target beneficiaries from various sectors, such as the following: qualified senior citizens, overseas Filipino students, dependents of public school teachers, dependents of deployed members of the Armed Forces of the Philippines and active members of the Philippine National Police, and dependents of farmers and fisherfolk, among others.

The National Student Loan Program under the UniFAST Law is likewise hereby strengthened. Any Filipino citizen taking up any four-to-five year bachelor's degree program in any private HEI or local university or college (LUC) recognized by the CHED may avail of the loan program through the UniFAST, which shall establish working arrangements with the private HEIs or LUCs: *Provided*, That those who did not avail of the loan during their college may avail of it to pursue post-baccalaureate vocations such as medicine and law.

Repayment shall be effected by incorporating a portion of the loan amount or a percentage thereof to the employee's monthly Social Security System (SSS) or Government Service insurance System (GSIS) contribution, as the case may be, based on a rational schedule of repayment and interest rates, as may be formulated by the UniFAST Board.

The UniFAST Board, in consultation with relevant agencies, shall formulate guidelines for loan payment by loan beneficiaries whose earnings are not covered by the GSIS or SSS, including those of overseas Filipino workers (OFWs) and emigrants.

SEC. 13. *Establishment of a UniFAST Scholarship/Grant-in-Aid Fund* – To further strengthen the scholarship and grant-in-aid (GIA) programs under RA 10687, a Unified Student Financial Assistance for Tertiary Education Scholarship/GIA Fund, hereinafter referred to as the “UniFAST Scholarship/GIA Fund”, is hereby established. The UniFAST Scholarship/GIA Fund shall be used solely and exclusively for implementing the scholarship and GIA programs under RA No. 10687 and the provisions of this Act.

SEC. 14. *Establishment of a UniFAST Loan Fund* – To further strengthen the National Student Loan Program under RA 10687, a Unified Student Financial Assistance for Tertiary Education Fund, hereinafter referred to as the “UniFAST Loan Fund”, is hereby established. The UniFAST Loan Fund shall be used solely and exclusively for implementing the National Student Loan Program under RA 10687 and the provisions of this Act.

The UniFAST Board created under Republic Act No. 10687 shall be the lead agency tasked in implementing the loan program under this Act. The UniFAST Board shall develop criteria and conditions for the grant of loans, and ensure equal opportunity and access to participating private HEIs and private TVIs.

SEC. 15. *Midterm Report*. - Starting the first school year upon the effectivity of this Act, the CHED and TESDA shall conduct a mandatory review and submit a midterm report to Congress on the status of implementation of this Act.

In this midterm report, the following key metrics of access to and quality of public tertiary education:

- a) enrollment rate;
- b) student demographics;
- c) Graduation rate;
- d) Gross tuition and other school fees receipts;
- e) Disqualification and ineligibility;
- f) Teachers’ welfare and training profiles;
- g) Adequacy of funding requirements; and

h) other educational quality indicators, including but not limited to physical learning infrastructure, teacher-to-student ratio, and student housing.

SEC. 16. *Penalties.* – Any person who shall violate the provision of this Act shall be punished with imprisonment of not less than six (6) months but not more than one (1) year or a fine of not less than twenty thousand (P20,000.00) but not more than one hundred thousand (P 100,000.00) or both at the discretion of the court. In case of a partnership, association, corporation or any other juridical entity, the penalty shall be imposed on the president, treasurer or any other officer or person responsible for the violation. If the offender is an alien he shall, after service of sentence, be deported immediately without further proceedings in the Bureau of Immigration.

SEC. 17. *Transitory Provisions.* — The CHED and TESDA, through the UniFAST Board, shall formulate the appropriate strategies and mechanisms needed to ensure the smooth and swift implementation of the provisions of this Act. Taking into consideration the influx of students who will enter SUCs or continue their college studies, the CHED, in partnership with other government agencies including the Department of Budget and Management (DBM), shall craft strategies that may cover changes in physical infrastructure, manpower, organizational and structural concerns.

To manage the initial implementation of this Act in SUCs, the CHED and the SUCs shall coordinate closely with one another to implement strategies that ensure the academic, physical, financial, and human resource capabilities of state-run universities and colleges. For this purpose, a transition period shall be provided for in the implementing rules and regulations of this Act, which shall cover capacity-building, infrastructure development, and the hiring and proper compensation of new teaching and non-teaching personnel.

SEC. 18. *Joint Congressional Oversight Committee on the Free Tuition and Other School Fees.* — There is hereby created a Joint Oversight Committee to oversee, monitor and evaluate the implementation of this Act.

The Oversight Committee shall be composed of five (5) members each from the Senate and from the House of Representatives, which shall include the following: Chairperson of the Senate Committee on Education, Arts and Culture; Chairperson of the House Committee on Higher and Technical Education; Chairperson of the Senate Committee on Finance; Chairperson of the House Committee on Appropriations; and three members each to be chosen from the membership of the Senate Committee on Education, Arts and Culture and the House Committee on Higher and Technical Education by the Senate President and the House Speaker, respectively, with at least one member each from the minority in the House of Representatives and in the Philippine Senate. Funding for the expenses of the Committee shall be taken from the appropriations of both the Senate and the House of Representatives.

SEC. 19. *Determination of Annual Funding for Free Tuition and Other School Fees.* – As the establishment of the Free Tuition and Other School Fees prohibits the collection of tuition and other school fees, the concept of tuition fees shall no longer be used as determinant/benchmark for the funding requirements of this Act.

The amount required to implement the free tuition and other school fees in SUCs shall be determined by the respective governing boards of SUCs based on the expected total cost of attendance, in relation to the projected number of enrollees for each academic year. The cost of attendance in SUCs shall become the primary factor in computing for the annual proposed budget of SUCs and shall in turn serve as the baseline during the preparation of the annual National Expenditure Program (NEP) by the DBM.

The amount required to implement the free tuition and other school fees in state-run TVIs shall be determined by the governing board of TESDA based on the expected total cost of attendance, in relation to the projected number of enrollees for each course. The cost of attendance in state-run TVIs shall become the primary factor in computing for the annual proposed budget of TESDA and shall in turn serve as the baseline during the preparation of the annual NEP by the DBM.

SEC. 20. *Appropriations.* – The initial amounts of Thirty Billion (P30,000,000,000.00) for the Higher and Technical Education subsidy and Twenty Five Billion Pesos (P25,000,000,000.00) for the Scholarship, Grant-in-Aid and National Student Loan Program under RA No. 10687 are hereby appropriated from the Presidential Social Fund and from available and unappropriated funds from the National Treasury to implement the provisions of this Act. Thereafter, such amount necessary to effectively carry out the provisions of this Act shall be included in the annual General Appropriations Act.

SEC. 21. *Other Sources of Funds.* – Other sources of funds such as grants, donations, collections, and other forms of assistance from local and foreign donors or other public or private entities, and other private domestic and international sources may be tapped and facilitated by the Board to support the strengthened scholarship, grant-in-aid and loan programs under this Act, subject to the regular auditing guidelines and procedures: *Provided*, That in case of donations from foreign sources, acceptance thereof shall be subject to existing government rules and regulations.

SEC. 22. *Financial Management and Accountability.* – All public funds allocated under this Act shall be managed according to standard government accounting and auditing rules and regulations to ensure transparency and accountability in pursuit of the intents for which the fund has been provided.

SEC. 23. *Non-impairment Clause.* – Nothing in this Act shall be construed as to diminish, impair, or repeal rights recognized, granted, or made available to disadvantaged, marginalized, or specific sectors under existing laws.

SEC. 24. *Implementing Rules and Regulations.* – Within thirty (30) days from the effectivity of this Act, the Board, in consultation with the CHED, TESDA, and other relevant stakeholders in higher and technical education, shall promulgate the implementing rules and regulations necessary to ensure the efficient and effective implementation of this Act.

SEC. 25. *Separability Clause.* – Should any part of this Act be declared unconstitutional or invalid, other parts or provisions hereof not affected thereby shall continue to be in full force and effect.

SEC. 26. *Repealing Clause.* – Republic Act No. 10687 (UniFAST Law) and all other laws, executive orders, presidential decrees, implementing rules and regulations, or parts thereof, inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 27. *Effectivity.* – This Act shall take effect after fifteen (15) days after its publication in a newspaper of general circulation.

Approved,