

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH (17TH) CONGRESS
First Regular Session

House Bill No. **5364**



Introduced by: Rep. BERNADETTE R. HERRERA-DY

AN ACT
PROVIDING FOR FULL TUITION SUBSIDY IN STATE UNIVERSITIES AND
COLLEGES, AND APPROPRIATING FUNDS THEREFOR

Explanatory Note

It is an established state policy for the State to “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”¹ and to “give priority to education, science and technology, arts, culture, and sports to foster patriotism and nationalism, accelerate social progress, and promote total human liberation and development.”² In carrying out these established policies, the Constitution directs the State to “[e]stablish and maintain a system of scholarship grants, student loan programs, subsidies, and other incentives which shall be available to deserving students in both public and private schools, especially to the under-privileged”³ and “shall assign the *highest budgetary priority* to education and ensure that teaching will attract and retain its rightful share of the best available talents through adequate remuneration and other means of job satisfaction and fulfillment.”⁴

While great strides have been made in ensuring free or low-cost primary and secondary education to Filipino families, tertiary education is a completely different story. Glaring inequity in access to higher education continues to impede the Filipino's right to education at this pivotal level. In fact, according to the 2013 Annual Poverty and Indicator Survey (APIS), half of college-age youngsters were unable to pursue higher education due to financial constraints or the need to work and earn for the family. The financial difficulties of many families that simply cannot afford to send their children to college deprives them of a powerful tool to lift themselves out of poverty — a college degree. The latest Family and Income Expenditure Survey (FIES) shows that a family headed by a college graduate has an average family income more than two times larger than a family headed by a high school graduate. This, combined with studies showing more significant private returns on investment in higher education compared to secondary education, demonstrated the singular power of higher

¹ Section 1, Art. XIV, Constitution.

² Section 17, Art. II, *id.*

³ Section 2(3), Art. XIV, *id.*

⁴ Section 5(5), Art. XIV, *id.* (emphasis supplied)

education in improving economic outcomes for the neediest segments of our population. A vicious cycle emerges in which those who would benefit the most from a college education are prevented from obtaining one due to prohibitive costs.

This bill seeks to revolutionize education reform by introducing tuition-free tertiary education. This bill borrows from and builds upon H.B. 5905 filed during the Sixteenth Congress.⁵

Institutionalizing tuition-free tertiary education in state universities and colleges (SUCs) would increase access to the Philippine higher education system to the level of developed countries that enjoy high human development indices. This legislation seeks to provide for a full tuition subsidy for all current and future enrollees in SUCs. Qualified Filipino citizens will be able to avail of the full tuition subsidy, provided they maintain good academic and moral standing. The tuition fees to be paid by the students will instead be paid directly by the government to the SUCs. This bill proposes to create a Special Tuition Subsidy Fund, which shall be used solely for the purposes of implementing the full tuition subsidy. Tuition fees for units enrolled by persons eligible for the tuition benefit under the provisions of this bill, payable to state universities and colleges, shall be paid from this Fund. The Fund shall be administered by the Commission on Higher Education. The bill requires the presidents of each state university or college to submit to the Commission on Higher Education (CHED) reports detailing the number of units enrolled by persons eligible for the full tuition subsidy in their institution, as well as the tuition fee amount due based on the number of units enrolled. The CHED shall ensure the full payment of tuition fees due to the state university or college, as reported, no later than thirty (30) days after the submission or the report to the CHED. The bill proposes that the amount of Ten Billion Five Hundred Million Pesos (P10,500,000,000) is to be initially appropriated from the Presidential Social Fund to implement the provisions of this bill, once passed into law. Thereafter, the bill provides that such amount necessary to effectively carry out the objectives of this program shall be included in the annual General Appropriations Act.

In view of the foregoing, the approval of this bill is earnestly recommended.



BERNADETTE HERRERA-DY

⁵ Filed by then Representative (and now Senator) Sherwin T. Gatchalian.

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AN ACT
PROVIDING FOR FULL TUITION SUBSIDY IN STATE UNIVERSITIES AND
COLLEGES, AND APPROPRIATING FUNDS THEREFOR

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

1 SECTION 1. *Short Title.* – This Act shall be known as the “*Free Higher Education Act*
2 *of 2017.*”
3

4 SEC. 2. *Declaration of Policy.* – It is hereby declared that accessible and quality
5 education is an inalienable right of the Filipino, Therefore, the State shall renew its
6 constitutionally mandated duty to make education its top budgetary priority by providing
7 tuition-free higher education courses in state universities and colleges.
8

9 SEC. 3. *Full Tuition Subsidy.* – All Filipino citizens who are either currently enrolled
10 at the time of effectivity of this Act, or shall enroll at any time thereafter, in courses in
11 pursuance of a bachelor’s degree, certificate degree, or any comparable undergraduate degree
12 in any state university or college shall be exempt from paying tuition fees for any units enrolled
13 in any state university or college, unless they are disqualified under the provisions of this Act
14 or by any other provision of law.
15

16 SEC. 4. *Exceptions.* – The provisions of the next preceding Section of this Act
17 notwithstanding, the following are hereby disqualified and deemed ineligible for the full tuition
18 subsidy:
19

- 20 a) Persons who have already attained a bachelor’s degree or equivalent degree
21 from any higher education institution, whether public or private;
22 b) Persons who have been dishonorably discharged from any higher education institution,
23 whether public or private, for any reason other than financial difficulty in paying tuition
24 and other fees;
25 c) Persons who have been convicted of any crime involving moral turpitude; and
26 d) Persons who fail to regain good academic standing within their respective state
27 universities and colleges alter one (1) year upon being placed on academic probation or
28 delinquent status;

1 SEC. 5. *Special Tuition Subsidy Fund* – The Special Tuition Subsidy Fund, hereinafter
2 referred to as the Fund, is hereby established. The Fund shall be used solely for the purposes
3 of implementing the full tuition subsidy under the provisions of this Act. Tuition fees for units
4 enrolled by persons eligible for the tuition benefit under the provisions of this Act, payable to
5 state universities and colleges, shall be paid from this Fund.

6
7 SEC. 6. *Administration of the Fund.* – The Fund shall be administered by the
8 Commission on Higher Education, with the following powers and functions:

- 9
10 a) Manage and administer the Fund;
11 b) Devise a reporting mechanism to be implemented by the state universities and colleges
12 which will detail the exact amount of tuition fee subsidy availed of by persons eligible
13 for the full tuition, subsidy under this Act;
14 c) Formulate and implement an efficient and transparent mechanism to ensure the
15 payment of tuition fees to the respective state universities and colleges, pursuant to the
16 provisions of this Act, using money from the Fund;
17 d) Resolve and mediate disputes concerning the ineligibility or disqualification of
18 persons from the full tuition subsidy under the provisions of this Act or any other
19 provision of law; and
20 e) Any other powers or functions necessary for the implementation of the provisions of
21 this Act.

22
23 SEC. 7. *Tuition Report.* – The President of each state university or college shall submit
24 to the Commission on Higher Education (CHED), within five (5) days after the last day of late
25 registration for each semester, a report detailing the number of units enrolled by persons
26 eligible for the full tuition subsidy in their institution, as well as the tuition fee amount due
27 based on the number of units enrolled.

28
29 SEC. 8. *Payment from Fund.* – The CHED shall ensure the full payment of tuition fees
30 due to the state university or college, as reported under the next preceding section of this Act,
31 no later than thirty (30) days after the submission or the report to the CHED: Provided, That
32 the CHED shall reserve the right to disallow the payment of any reported fees which are
33 anomalous or irregular, until further investigation has been conducted.

34
35 SEC. 9. *Accountability Report.* – At the end of each academic semester, the President
36 of each state university or college shall submit to the CHED a report reconciling the funds
37 received from the Fund. Any unused or improperly disbursed amount shall be returned
38 immediately to the Fund.

39
40 SEC. 10. *Midterm Report.* – Starting during the first school year upon effectivity of this
41 Act, the CHED shall conduct a mandatory review and submit a midterm report to Congress as
42 to the status of implementation of this Act.

43
44 The CHED shall include among others, in this midterm report, the following key
45 metrics of access to and quality of public tertiary education:

- 46
47 (a) Enrollment rate;
48 (b) Student demographics;
49 (c) Graduation rate;
50 (d) Gross tuition 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. 11. *Appropriations.* – The amount of Ten Billion Five Hundred Million Pesos (P10,500,000,000) is hereby initially appropriated from the Presidential Social Fund 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. 12. *Implementing Rules and Regulations.* – Within (50) days from the effectivity of this Act, the CHED shall promulgate the implementing rules and regulations necessary to ensure the efficient and effective implementation of this Act.

SEC. 13. *Separability Clause.* – Should any part of this Act be declared unconstitutional, the rest of the provisions of this Act shall continue to be in effect and subsisting.

SEC. 14. *Repealing Clause.* – The provisions of other laws, decrees, executive orders, rules and regulations inconsistent with this Act are hereby repealed, amended, or modified accordingly.

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

Approved,