

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
SEVENTEENTH CONGRESS
First Regular Session
House Bill No. **5581**



Introduced by Representative H. Harry L. Roque Jr.

AN ACT PROVIDING FOR A FULL TUITION SUBSIDY FOR STUDENTS ENROLLED IN STATE UNIVERSITIES
AND COLLEGES (SUCs), AND APPROPRIATING FUNDS THEREOF

EXPLANATORY NOTE

In the 1987 Constitution, the sovereign people have audaciously proclaimed "the right of all citizens to quality education at all levels¹" mandating the State to "take appropriate steps to make such education accessible to all²." In line with the State policy of accessible public education, basic and secondary education are made available free-of-cost to every Filipino child through the public education system. Thus, every Filipino is guaranteed the right to education up to the high school level.

Tertiary education, however, is a completely different story altogether. 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 Family and Income Expenditure Survey (FIES) 2012 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

¹ Art. XIV, Sec. 1, 1987 Constitution. (Emphasis added)

² Ibid.

investment in higher education compared to secondary education³, demonstrated the singular power of higher education in improving economic outcomes for the most marginalized segments of our population. With such limited access to higher education, 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.

The benefits of higher education, however, are not limited to the individual and his family. In terms of human capital formation, State investment in human capital gives its citizens the knowledge and ability to make the most of the limited resources available. This is what higher education provides, giving countries an advantage in the current global shift toward knowledge-based economies. In addition, higher education allows a country to produce and train more engineers and scientists who play a vital role in the uptake of new technology. By innovating or replicating technologies from more advanced economies, such specialists will contribute toward stimulating entrepreneurial activity and in turn help in job creation⁴. Thus, producing a better-educated workforce has immense implications on collective social and economic development, making inclusive growth a tangible reality.

Given the individual and social advantages of higher education, it would be greatly beneficial to the Philippines if higher education would be given the same level of importance as basic education and secondary education. This would mean implementing a simple but revolutionary education reform - the institutionalization of tuition-free tertiary education. Instituting 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 with firm commitments to public education, such as Denmark, Finland, Germany, and Sweden, as well as strong emerging economies which have followed in their footsteps, such as Brazil and Chile.

In 2014, the government fell short of its spending target, meaning there are funds that have not been spent accordingly. For infrastructure alone, the shortfall amounted to P89 billion.⁵ This is more

³Psacharopoulos, G., "Returns to Investment in Education: A Global Update", 1994.

⁴CeydaOzsoy (2008) "The Contribution of Higher Education to Economic Development".

⁵ Pena, Z.B.D., "Gov't infra spending falls below target in 2014", The Philippine Star, May 2015. <<http://www.philstar.com/business/2015/05/01/1449761/govt-infra-spending-falls-below-target-2014>>

than enough to have funded tuition-free education for students in SUCs for at least the last five power of higher education in improving economic outcomes for the most marginalized segments of our population. With such limited access to higher education, 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.

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than enough to have funded tuition-free education for students in SUCs for at least the last five years. For fiscal year 2014, the SUCs had an unutilized budget amounting to P5.64 billion.⁸ These funds alone would make up approximately one-third (1 /3) of the estimated funding needed for 2016. And for the said fiscal year 2016, the government is running under a budget of about P3 trillion.⁹ The sum required to make SUCs tuition-free in the country would amount to P126 to 16.4 billion¹⁰ which is about 0.42 to 0.55 percent of the 2016 budget, which is a reasonable and easily justifiable budget appropriation to make considering the program's vast positive effects on individual and collective development.

Therefore, 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.

It is time for us to secure, once and for all, the Filipino's right to higher education through decisive action. It is time for us to institute a reform which will ensure that millions of deserving but underprivileged young men and women will be given their rightful opportunity to pursue a college degree. By passing this legislation, we are making a genuine and tangible collective commitment to building the world-class education system that our people deserve.

The support for the passage and approval of this landmark legislation is earnestly sought.



H. HARRY L. ROQUE, JR.

⁸ COA: FY 2014 Annual Report on Appropriations, Allotments, Obligations and Disbursements

⁹ Flores, M.F.E., "Up to P3 trillion eyed for 2016 budget", Business World Online, April 26, 2015. <http://www.bworldonline.com/content.php?section=TopStory&title=up-to-p3-trillion-eyed-for-2016-budget&id/106843>.

¹⁰ CHED: State Universities and Colleges Statistical Bulletin 2013-2014

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

3 SECTION. 1. Short Title. - This Act shall be known as the "Free Higher Education for All Act."

4 SEC. 2. Declaration of Policy. - It is hereby declared that accessible and quality education is an
5 inalienable right of the Filipino. Therefore, it shall be the policy of the State to make higher
6 education accessible to financially disadvantaged but deserving students. Towards this end, the
7 State shall renew its constitutionally mandated duty to make education its top budgetary priority by
8 providing free higher education for students in State Universities and Colleges (SUCs).

9 SEC. 3. Definition of Terms. - As used in this Act, these terms shall mean:

10 a) Cost of Tertiary Education refers to (1) tuition, and Other School Fees, (2) Educational
11 Expenses, and (3) the cost of living allowance;

12 b) Educational Expenses refer to expenses related to the education of a student, such as
13 books, school supplies, and electronic devices necessary for education, but excluding tuition
14 and miscellaneous and Other School Fees;

15 c) Higher Education refers to the stage of formal education, or its equivalent, requiring
16 completion of secondary education and covering programs of study leading to bachelor and
17 advanced degrees;

18 d) Higher Education Institution (HEI) refers to an institution of higher learning, primarily
19 offering bachelor and advanced degree programs;

1 e) Other School Fees refer to those fees which cover other necessary costs supportive of
2 instruction, including, but not limited to, medical and dental, athletic, library, laboratory,
3 and miscellaneous fees;

4 f) State Universities and Colleges (SUCs) refer to public HEIs established by national laws
5 which are financed and maintained by the national government, and are governed by their
6 respective independent boards of trustees or regents;

7 g) Technical-Vocational Education and Training (TVE T) refers to the post-secondary
8 education or training process which involves, in addition to general education, the study of
9 technical and related fields and the acquisition of practical skills relating to occupations in
10 various sectors, comprising formal (organized programs as part of the school systems) and
11 nonformal (organized classes outside the school system) approaches;

12 h) Technical-Vocational Institutes (TV/s) refer to learning institutions offering post-
13 secondary TVET

14 i) Tertiary Education refers to the stage of education following the secondary cycle which
15 subsumes post-secondary non-degree diploma, TVET, and Higher Education programs; and

16 j) Tuition Fee refers to the fee representing direct costs of instruction, training and other
17 related activities and for the students' use of the instruction and training facilities;

18 k) Unified Student Financial Assistance System for Tertiary Education (UniFAST) refers to the
19 harmonized, state-run and administered system of Higher Education and technical-
20 vocational Scholarships, Grants-in-Aid, Student Loans, and other modalities of StuFAP
21 created by Republic Act No 10867;

22 l) Student Financial Assistance Program (StuFAP) refers to a system of Scholarships, Grants-
23 in-Aid, Student Loans, subsidies and other incentives which are or shall be made available to
24 eligible students;

25 m) Grant-in-Aid refers to a modality of financial assistance to poor but eligible students
26 which generally requires a minimum level of competence to complete Tertiary Education;

27 n) Scholarship refers to a modality of financial assistance given to eligible students on the
28 basis of merit and/or talent, such as laudable academic performance, and special technical
29 proficiencies and skills and intellectual pursuits of a Scholar that give rise to research and
30 development, and innovations as well as other creative works;

o) Student Loan refers to a modality of student financial assistance consisting of short-term or long-term loans which shall be extended to students facing liquidity problems, regardless of economic status, which shall be paid by the student, his/her parents, guardians, or co-makers;

SEC. 4. Eligibility to the Full Tuition Subsidy. - 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, certificate degree, or any comparable undergraduate degree in any SUC shall qualify for a full tuition subsidy; Provided, That they meet the admission requirements of the SUC; Provided further, That all SUCs shall create a mechanism to enable students with the financial capacity to pay for their education in the SUC to opt out of the tuition subsidy or to make a donation to the school.

SEC. 5. Exceptions to the Full Tuition Subsidy. - The following are ineligible to avail of the full tuition subsidy in SUCs:

a) Persons who have already attained a bachelors degree or equivalent degree from any higher education institution, whether public or private; and

b) Persons who have been dishonorably discharged from any higher education institution, whether public or private, for any reason other than financial difficulty in paying tuition and other fees.

SEC. 6. SUC Tuition Subsidy Fund. - The SUC Tuition Subsidy Fund, hereinafter referred to as the Fund, is hereby established. The Fund shall be used solely for the purpose of implementing the full tuition subsidy under the provisions of this Act. Tuition for units enrolled by persons eligible for the tuition subsidy under the provisions of this Act, payable to SUCs, shall be sourced from this Fund.

SEC. 7. Administration of the Fund. - The Fund shall be administered by the Commission on Higher Education (CHED), which shall have the following powers and functions:

a) Manage and administer the Fund;

b) Devise a reporting mechanism to be implemented by the SUCs which will detail the exact amount of tuition subsidy availed of by persons eligible for the full tuition subsidy under this Act;

c) Formulate and implement an efficient and transparent mechanism to ensure the payment of the tuition subsidy, utilizing money from the Fund, to the respective SUCs, pursuant to this Act;

1 d) Resolve and mediate disputes concerning the ineligibility or disqualification of persons
2 from the full tuition subsidy under the provisions of this Act or any other provision of this
3 law; and

4 e) Any other powers or functions necessary for the implementation of the provisions of this
5 Act.

6 SEC. 8. Requirements for SUCs. - SUCs are hereby mandated to fulfill the following before accessing
7 the Fund:

8 a) Establish a qualifying mechanism, which shall be meritocratic and equitable. This shall
9 include but not be limited to a qualifying examination and an affirmative action mechanism
10 for financially disadvantaged students;

11 b) Determine and publish the maximum number of students the SUC can accommodate per
12 campus and degree program. For the initial implementation of this Act, the maximum
13 number of students SUCs may accept shall be equivalent to the total number of students
14 that were enrolled in the school year prior to the effectivity of this Act. For subsequent years,
15 SUCs may increase their number of students subject to conditions set by and upon the
16 approval of CHED;

17 c) Submit the following documents to assist the CHED in implementing this Act:

18 i. Previous enrollment rate, student demographics and other relevant information;

19 ii. Graduation rate, performance in previous licensure examinations, and
20 employability rate of graduates;

21 iii. Gross tuition receipts;

22 iv. Teachers' welfare and training profiles; and

23 v. Other educational quality indicators, including but not limited to physical learning
24 infrastructures, teacher-to-student ratio and student housing; and

25 d) Formulate and submit to CHED and oversight committees in both Houses of Congress a
26 detailed SUC Development Plan updated every ten years, which shall include plans for
27 facilities and infrastructure development and expansion.

28 The submissions to CHED shall be subject to the Commission's determination of completeness.

29 Provided, That CHED shall have the right to request for additional information from the SUCs.

1 Provided further, that any plans of expansion shall be approved and defended before CHED and
2 Congress during the SUCs' budget hearing.

3 SEC. 9. Tuition Report. - The President of each SUC shall submit to the CHED, within five (5) days
4 after the last day of late registration for each semester, a report detailing the names of persons
5 eligible for the full tuition subsidy in their institution, as well as the amount of tuition due based on
6 the number of units enrolled.

7 SEC. 10. Payment from the Fund. - The CHED shall ensure the full payment of tuition due to the state
8 university or college, as reported under this Act, no later than thirty (30) days after the submission of
9 the report to the CHED; Provided, That the CHED shall reserve the right to withhold or disallow the
10 payment of any reported fees which are perceived to be anomalous or irregular until further
11 investigation has been conducted.

12 SEC. 11. Strengthening Student Financial Assistance Programs (StuFAP). - The CHED, through
13 UniFAST, shall strengthen all scholarships, grants-in-aid, student loans, subsidies and other
14 incentives, to other educational expenses and cost of living allowance that will be incurred by
15 students in pursuing higher education in SUCs.

16 Moreover, StuFAP programs shall also be made available to cover the cost of tertiary education, fully
17 or partially, to students who wish to pursue tertiary education in other HEIs or TVIs.

18 SEC. 12. Appropriations. - The amount of Fifteen Billion Pesos (P15,000,000,000.00) is hereby initially
19 appropriated from the Presidential Social Fund for the SUC Tuition Subsidy Fund and to implement
20 the provisions of this Act. Thereafter, such amount necessary to effectively carry out the provisions
21 of this Act shall be included in the annual General Appropriations Act.

22 SEC. 13. Implementing Rules and Regulations. - Within sixty (60) days from the effectivity of this Act,
23 the CHED shall promulgate the implementing rules and regulations necessary for the
24 implementation of this Act.

25 SEC. 14. Separability Clause. - Should any provision herein be declared unconstitutional, the same
26 shall not affect the validity of the other provisions of this Act.

27 SEC. 15. Repealing Clause. - All laws, decrees, orders, rules, and regulations or other issuances or
28 parts inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

29 SEC. 16. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official
30 Gazette or in two (2) newspapers of general circulation in the Philippines.

31 Approved,