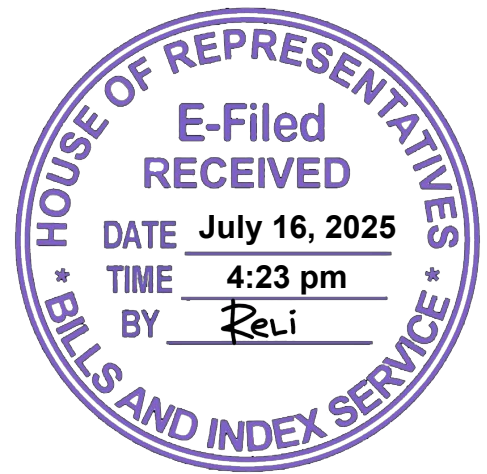


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 2029



Introduced by REPRESENTATIVE MERCEDES K. ALVAREZ, MNSA

EXPLANATORY NOTE

This bill seeks to operationalize the constitutional principle of complementarity between public and private education in the Philippines.

The 1987 Philippine Constitution mandates that education is a right of every Filipino and that the State should protect and promote this right by making education accessible at all levels. The public sector alone cannot meet the growing and diverse educational needs of the population. Thus, private education is recognized as a critical partner in ensuring quality, accessibility, and diversity in educational offerings.

This measure intends to address resource limitations, regional disparities, and inefficiencies through collaborative governance and innovative financing models. It embodies a whole-of-society approach to education, where public-private cooperation is harnessed to meet the constitutional goal of quality education for all. By institutionalizing complementarity, this measure aspires to raise the overall standard of Philippine education and empower Filipino learners to reach their full potential.

In view of the foregoing, the immediate passage of this bill is earnestly sought.


ATTY. MERCEDES K. ALVAREZ, MNSA

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 2029

Introduced by REPRESENTATIVE MERCEDES K. ALVAREZ, MNSA

AN ACT
STRENGTHENING THE COMPLEMENTARITY OF PUBLIC AND PRIVATE
SECTORS IN IMPROVING STUDENT CHOICE AND THE DELIVERY OF
QUALITY AND ACCESSIBLE EDUCATION ACROSS ALL LEVELS

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

1 SECTION 1. *Short Title.* — This Act shall be known as the “Complementarity in
2 Education Act.”

3
4 Sec. 2. *Declaration of Policy.* — It is the policy of the State to protect and
5 promote the right of all citizens to quality education at all levels. Towards this end, the
6 State takes appropriate steps to make such education accessible to all. With due
7 recognition of the importance of the complementary roles of the public and private
8 education sectors in education, the State as a matter of policy undertakes to:

- 9 a) Improve the opportunities for students to go to quality educational
10 institutions by enhancing the competitiveness of the whole education
11 sector, improving the capabilities of students to access these choices, and
12 increasing the choices of students across early childhood centers, basic
13 education institutions, higher education institutions, technical-vocational
14 schools, and other similar institutions;
- 15 b) Implement policies and programs that develop quality education through
16 complementarity to enhance cost-effectiveness, institutional diversity,
17 educational innovation and agility, student choice and increased

1 educational access, and improved educational institutional performance,
2 among others;

- 3 c) Empower the parents and students in choosing schools by making relevant
4 information about educational institutions, programs, careers and similar
5 concerns available through the establishment of integrated information
6 and data systems across the Department of Education (“DepEd”),
7 Commission on Higher Education (“CHED”), Technical Education and
8 Skills Development Authority (“TESDA”), and the Early Childhood Care
9 and Development (“ECCD”) Council;
- 10 d) Adopt policies and programs for public and private schools that increase
11 student choice and access to education, through student vouchers, loans,
12 grants and similar instruments, and institutional subsidies;
- 13 e) Recognize the critical role of private education in providing quality
14 education to students and in contributing to national development, and of
15 the duty of the State to support and develop the sector;
- 16 f) Encourage and support innovation in schools by recognizing the
17 peculiarities of the policy environments affecting public and private
18 sectors;
- 19 g) Encourage and recognize the role of the private sector through Public-
20 Private Partnerships (“PPPs”) in education, utilizing modes as allowed
21 under Republic Act No. 11966, otherwise known as the PPP Code of the
22 Philippine and its Implementing Rules and Regulations;
- 23 h) Increase investments in education by providing incentives to both public
24 and private sectors in the delivery of education to improve overall student
25 outcomes in the country; and
- 26 i) Establish accountability mechanisms for student outcomes and for
27 complementarity.

28
29 Sec. 3. *Coverage.* — This Act shall cover early childhood education, basic
30 education, higher education, and technical-vocational education in both public and
31 private sectors.

32
33 Sec. 4. *Objectives.* — The following are the objectives of this Act:

- 34 a) To strengthen and operationalize the constitutional mandate on

1 complementarity in education by establishing concrete mechanisms
2 through which public and private education institutions can effectively
3 work together to advance the constitutional right to quality education,
4 ensuring that financial support is directed towards enhancing educational
5 outcomes, promoting student choice, and expanding access to quality
6 education;

7 b) To implement systematic approaches for achieving the constitutional
8 obligation of the State to make quality education accessible to all citizens,
9 in support of the constitutionally-recognized complementary roles of
10 public and private institutions in the educational system;

11 c) To provide the best quality education for Filipino learners, by empowering
12 them with optimal access, student choice and support to a wide range of
13 quality private and public educational institutions and programs;

14 d) To develop the range of quality private and public educational institutions
15 and programs through policies and programs on complementarity;

16 e) To provide students and parents with the information needed to properly
17 make such choices, and to enable policymakers to discern which
18 institutions are of quality;

19 f) To promote access to quality education and student choice by adopting
20 various models of student financing such as subsidies, vouchers and long-
21 term student loans, teacher subsidies, congestion alleviation programs,
22 and PPP such as private-public school management, the contracting of
23 unused and underutilized private school sites and facilities of government
24 with payment of just compensation, as well as other applicable models;

25 g) To ensure that reasonable supervision and regulation of all educational
26 institutions and recognition of the academic freedom of all institutions of
27 higher learning are operationalized;

28 h) To promote equal regard toward the impact of education policies and
29 resource allocation decisions on both the public and private sectors;

30 i) To introduce relevant incentives, in aid of the objectives presented above;
31 and

32 j) Through such initiatives, to elevate the quality of Philippine education in
33 all levels in both public and private sectors.

1 Sec. 5. *Definition of Terms.* — As used in this Act:

- 2 a) *Alternative Learning System (“ALS”)* refers to a parallel learning system
3 in the Philippines that provides a practical option to the existing formal
4 instruction, encompassing both the non-formal and informal sources of
5 knowledge and skills;
- 6 b) *Cost-effective funding* is the principle that more public funds should be
7 allotted to achieving the education objectives of the country, regardless of
8 whether they are in public or private education. This can be achieved,
9 among other things, by directly funding the most cost-effective education
10 providers, providing portable subsidies, grants, vouchers, student loans,
11 or similar instruments, creating systems that promote cost-effectiveness
12 (e.g., competition and portable vouchers), or combining these;
- 13 c) *Cost-effectiveness* is the degree to which a public or private education
14 institution can attain a desired learning outcome or educational objective
15 in relation to the total cost (including land, physical assets, and direct and
16 indirect costs) incurred in providing that education. An institution that
17 can deliver a desired learning outcome at a lower total cost (in the case of
18 private institutions, as reflected in the price charged) is considered a more
19 cost-effective institution, provided: that such analyses are made after
20 correcting for differences in cost calculations between and among public
21 and private education institutions and for any differences in desired
22 learning outcomes, for the purposes of comparability;
- 23 d) *Early Childhood Care and Development* refers to the full range of health,
24 nutrition, early education, and social services programs that provide for
25 the basic holistic needs of young children from birth to age of eight (8), to
26 promote their optimum growth and development;
- 27 e) *Grant* is a modality of subsidy which is availed of by qualified learners only
28 from a list of accredited educational institutions, subject to the number of
29 slots available per institution;
- 30 f) *Local Universities and Colleges (“LUCs”)* refer to public higher education
31 institutions established and funded by local government units through
32 local ordinances, and governed and administered in accordance with the
33 local ordinances that created them;
- 34 g) *Private education* refers to privately-owned and managed educational

1 institutions, duly established in accordance with law and Republic Act No.
2 11232, otherwise known as the Revised Corporation Code, and authorized
3 by the government to operate certain educational programs in accordance
4 with the prescribed policies and rules of the DepEd for the K to 12 Basic
5 Education Program, the CHED for higher education and post-graduate
6 education programs, and the TESDA for technical skills training and
7 development programs;

8 h) *Public colleges and universities* refer to educational institutions
9 established either by law passed by Congress or local government
10 ordinances, whose operations and personnel resources are funded by the
11 government, and whose daily affairs are managed by government
12 personnel and officers, such as SUCs and LUCs;

13 i) *Public education* refers to educational institutions established through
14 national or local legislation, providing for its funding source, and the
15 operation of which is controlled by the government;

16 j) *Public interest* is used as a framework that refers to the principle that
17 decisions about education funding and support shall be primarily based
18 on but not limited to: (i) demonstrated contribution to learning outcomes
19 and national education priorities; (ii) enhancement of student choice and
20 educational access; (iii) cost-effectiveness in achieving educational goals,
21 and; (iv) service to disadvantaged communities, and that such decisions
22 are separate and distinct from decisions about public or private
23 ownership, control or operation;

24 k) *Public schools* refer to basic education schools established, administered,
25 maintained and funded by the government under the DepEd;

26 l) *Quality-assured institutions* refer to public and private educational
27 institutions that have been recognized by the DepEd, the CHED, or the
28 TESDA as having achieved quality levels beyond minimum standards,
29 through government- or third-party recognitions, including but not
30 limited to accreditation, international ratings and rankings, autonomy and
31 deregulation, centers of excellence or development, and Professional
32 Regulation Commission performance;

33 m) *Scholarship* refers to a modality of subsidy given to eligible students on
34 the basis of merit and/or talent, such as laudable academic performance,

1 and special technical proficiencies and skills and intellectual pursuits of a
2 scholar that give rise to research and development, and innovations as well
3 as other creative works;

4 n) *State Universities and Colleges (“SUCs”)* refer to public higher education
5 institutions established through a law passed by Congress, financed and
6 maintained by the national government, and are governed by their
7 respective independent boards of trustees or regents in accordance with
8 law, particularly Republic Act No. 8292, otherwise known as the Higher
9 Education Modernization Act of 1997;

10 o) *Student choice* is a policy that encourages quality as the main reason
11 behind a decision of the family and/or the student on which public or
12 private educational institution to enroll in and which program or
13 educational pathway to pursue, and aims to reduce the weight of tuition
14 and other school fees from the viewpoint of the student as a reason for
15 enrollment decisions;

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

20 q) *Subsidies* refer to publicly-funded monetary and in-kind assistance to
21 eligible students to help pay partially or fully the cost of achieving their
22 education, the completion of which is deemed beneficial to society. Such
23 government financial assistance may be in the form of scholarships,
24 grants, and loans;

25 r) *Value-for-Money* refers to the effective, efficient, and economic use of
26 resources, which requires the evaluation of relevant costs and benefits,
27 along with an assessment of risks, and of non-price attributes and/or life
28 cycle costs, as appropriate;

29 s) *Voucher* is a modality of subsidy which is primarily focused on eligible and
30 qualified students, who as beneficiaries may avail of the amount of subsidy
31 covered by such an instrument in any government-recognized public or
32 private educational institution of their choice.

33
34 Sec. 6. *Complementarity*. — Complementarity shall refer to the principle that

1 both public and private education are structurally indispensable to maximizing the
2 opportunities of all Filipinos to get the best education that the country can provide
3 given its limited resources: such that the collective, balanced and sustained use of
4 public and private education through healthy competition guided by the protection of
5 the public interest will lead to better learning outcomes and student choice for
6 Filipinos, compared to what either of them working alone can achieve.

7
8 *Sec. 7. Quality Education for Filipino Learners through Complementarity. —*

9 The DepEd, the CHED, the TESDA, ECCC, local governments, and other government
10 agencies tasked with overseeing the delivery of education, shall develop and
11 implement complementarity policies and initiatives that improve the access of Filipino
12 students to, and choice of, quality public and private educational institutions. Such
13 initiatives shall include programs that:

- 14 (a) Empower families and students to be able to compare and select from a
15 more diverse range of public and private educational institutions and
16 programs on the basis of quality, rather than on the basis of financial costs;
- 17 (b) Encourage and support the development of a more diverse set of quality
18 educational providers for both public and private institutions;
- 19 (c) Include targeted programs designed to address regional disparities in
20 education quality and access to leverage the strengths of both public and
21 private institutions;
- 22 (d) Ensure the principles of complementarity are maintained;
- 23 (e) Create mechanisms to ensure that education programs are aligned with
24 labor market needs; and
- 25 (f) Establish a system for regular assessment and reporting of the impact of
26 complementarity initiatives, that include metrics to show how quality,
27 choice, access, and outcomes, taken together, are improving over time.

28
29 *Sec. 8. Integrated Educational Information System. —* Within three (3) years
30 from the effectivity of this Act, the Department of Economy, Planning, and
31 Development (“DEPDev”), along with DepEd, the CHED, the TESDA, the ECCD
32 Council, and other relevant agencies shall together establish an integrated information
33 and data system of, students, teachers, faculty, trainers, and educational institutions
34 to provide students, parents and other key stakeholders with current and relevant

1 information on both public and private educational institutions, education quality
2 assessments, various degrees and career opportunities, and educational pathways.

3 The data system shall provide information that is comparable across
4 government agencies, educational institutions, students, teachers and other
5 stakeholders for the purpose of making informed decisions, and shall be readily
6 available and accessible to these stakeholders to guide them on education choices, as
7 well as to education advocacy groups and educational institutions in the development
8 of policies and strategies. The system shall also include labor market information to
9 help students make informed decisions about their educational and career pathways.

10 The data system shall be continuously developed and shall comply with the
11 relevant provisions of Republic Act No. 10173, otherwise known as the Data Privacy
12 Act of 2012 to ensure the protection of personal data against unauthorized access. In
13 developing, operating, and/or maintaining the Integrated Educational Information
14 and Data System, PPP may be pursued if such shall deliver Value-for-Money on the
15 part of the public sector.

16
17 *Sec. 9. Separation of Regulatory and Operational Functions in Education*
18 *Governance.* — In recognition of the complementary roles of the private and public
19 sectors in the education system, the government through the education agencies, shall
20 ensure the quality of education through the exercise of reasonable supervision and
21 regulation of all educational institutions by means of standards setting and external
22 governance. Pursuant to this principle, the DepEd, the CHED, and the TESDA shall
23 ensure that:

- 24 a) The functions of regulation and of service provision (the operation of
25 public schools, public colleges, public universities and public Technical
26 and Vocational Education Training (“TVET”) institutions and functions
27 related to the distribution of government subsidies for education) are at a
28 minimum kept distinct and separate across its offices and officers;
- 29 b) Appropriate regulatory policies are in place to ensure that student choice
30 and the quality of learning outcomes are protected and enhanced, and to
31 emphasize quality-assured institutions;
- 32 c) Educational institutions, regardless of whether in the public or private
33 sector, are treated fairly in terms of policy, funding and regulation, as
34 determined through periodic evidence-based reviews of policies and

practices, including but not limited to the conduct of regulatory impact assessments in the formulation, modification, or repeal of existing or new regulations pursuant to Republic Act No. 9485, otherwise known as the Anti-Red Tape Act of 2007”, as amended;

- d) Resource allocation decisions are guided by the principles of student choice, cost-effectiveness and value-for-money, among others; and
- e) Private schools, training institutions, or education programs that consistently fail to comply with minimum service standards and quality indicators for educational and training institutions shall not be eligible to participate in PPPs for education.

Sec. 10. Quality Assurance Framework. — To ensure the maintenance of high standards across all education providers, the following agencies shall implement specific quality assurance measures, with the DEPDev taking the lead role:

- a) The DepEd for basic education, the CHED for tertiary education, the TESDA for technical-vocational education, and the ECCD Council for the early years shall:
 - i. Establish and regularly update common learning standards that shall define specific measurable learning outcomes for each grade level and subject area, apply uniformly to both public and private providers, and align with international benchmarks where applicable. The said learning standards shall be reviewed and updated every three (3) years;
 - ii. Implement regular assessment of student achievement through annual standardized national assessments at key grade levels, regular classroom-based assessments, sample-based international assessments, and assessment of 21st century skills and socio-emotional learning;
 - iii. Regularly measure, monitor and publish assessments on the level of student choice and access available;
 - iv. Ensure reporting of results while protecting student privacy by publishing school-level performance data annually on the Integrated Educational Information and Data System, providing contextual information about school circumstances, and

1 including trend data and comparison metrics;

2 v. Use the results of student learning outcomes and student choice
3 to guide cost-effective funding decisions;

4 vi. Conduct regular institutional performance reviews through
5 annual self-assessments by schools, external reviews every three
6 (3) years, and review of school improvement plans and their
7 implementation;

8 vii. Recognize the existence of alternative quality assurance metrics
9 or certifications, such as with national and international
10 accreditation, ratings and rankings, that if attained by an
11 educational institution or program, are deemed sufficient to meet
12 the quality assurance measures envisioned under this section,
13 thus reducing the demand on public resources needed for
14 inspection and review, *Provided*, that such exemptions from
15 inspections and reviews are valid only while the quality assurance
16 certifications and metrics are unexpired;

17 viii. Implement an enhanced inspection system by training and
18 deploying qualified school inspectors, using standardized
19 evaluation instruments, conducting both announced and
20 unannounced visits, monitoring teaching-learning processes,
21 assessing school leadership and management, and evaluating
22 resource utilization and financial management;

23 ix. Establish stakeholder feedback mechanisms through regular
24 surveys of students, parents, and teachers, community
25 consultations, online feedback platforms, public hearings on
26 quality issues, and student government participation in quality
27 monitoring;

28 x. Implement clear consequences for underperformance;

29 xi. Enforce mandatory improvement requirements through
30 development of time-bound improvement plans, additional
31 professional development for teachers and administrators,
32 regular progress monitoring, and resource reallocation to address
33 deficiencies; and

34 xii. Apply support withdrawal measures by establishing criteria for

1 support withdrawal, providing due process procedures,
2 implementing phase-out periods to protect students, facilitating
3 student transfers when necessary, and managing school closure
4 processes when required.

5 b) The DEPDev shall:

- 6 i. Take the lead in the implementation of the quality assurance
7 framework by coordinating across education agencies,
8 monitoring framework effectiveness, recommending
9 improvements to the system, and ensuring consistency in
10 implementation; and
11 ii. Report annually to the Partnership Board on the state of
12 educational quality, complementarity and student choice across
13 sectors, progress in implementing quality assurance measures,
14 recommendations for policy or legislative action, and resource
15 requirements for quality improvement.

16 c) Local Government Units shall:

- 17 i. Support quality assurance implementation by participating in
18 school monitoring, providing additional resources for
19 improvement, supporting community engagement in quality
20 assurance, and facilitating inter-school cooperation for quality
21 improvement; and
22 ii. Include quality metrics in local education planning and
23 budgeting.

24 d) A Quality Assurance Fund shall be established to:

- 25 i. Fund quality assurance activities including but not limited to
26 training of inspectors and evaluators, implementation of
27 assessment systems, support for school improvement initiatives,
28 and development of quality assurance tools and systems,
29 applicable to public and private educational institutions; and
30 ii. Be managed by the DEPDev with specific allocations for quality
31 assurance in basic education, higher education, technical-
32 vocational education, ECCD, and cross-cutting quality
33 improvement initiatives.

34 The DEPDev shall be responsible for requesting annual

1 appropriations and ensuring that such funds are utilized in accordance
2 with the objectives set forth in this Act. Furthermore, DEPDev, through
3 the Partnership Board, shall submit an annual report to the Office of the
4 President, as well as to Congress detailing the utilization of the fund and
5 its impact on enhancing educational quality.
6

7 *Sec. 11. Creation of the Partnership Board.* — To ensure that the objectives of
8 this Act are realized, a Partnership Board is hereby established, with the following
9 responsibilities:

- 10 a) The alignment, coordination and oversight of the strategic plans for
11 complementarity of each agency, in consultation with various
12 stakeholders in education, including private school associations, parent
13 and student associations, faculty associations, and industry associations;
- 14 b) The evaluation and recommendation of solutions to address policies and
15 programs found detrimental to complementarity;
- 16 c) The review of the regulatory functions of each educational agency, with the
17 purpose of determining regulatory independence between the regulator
18 and any service provider, whether public or private, and of making
19 recommendations to resolve conflict if such independence is not the case;
- 20 d) The development of a framework, through DEPDev, for assessing the
21 quality and cost-effectiveness of both public and private education
22 institutions in achieving desired learning outcomes;
- 23 e) The support and funding of research on complementarity and how it can
24 be developed toward improving learning outcomes and student choice;
- 25 f) The establishment of mechanisms for regular dialogue and collaboration
26 between public and private education sectors to promote innovation and
27 best practice sharing; and
- 28 g) The monitoring and reporting on the state of complementarity and its
29 contributions to learning outcomes along with an annual report to the
30 Congress.

31
32 *Sec. 12. Composition of the Partnership Board.* — The Partnership Board shall
33 be organized within ninety (90) days from the effectivity of this Act, with the following
34 composition:

- a) Secretary of the DEPDev, as Chairperson;
- b) Secretary of the DepEd;
- c) Chairperson of the CHED;
- d) Director-General of the TESDA;
- e) Chairperson of the ECCD Council;
- f) Secretary of the Department of Budget and Management (“DBM”);
- g) Chairperson of the Philippine Competition Commission;
- h) One (1) representative from a nationwide association of administrators of private basic education schools;
- i) One (1) representative from a nationwide association of administrators of private higher education institutions;
- j) One (1) representative from a nationwide association of private technical-vocational institutions;
- k) One (1) representative from a nationwide association of teachers, TVET trainers, or higher education faculty employed by private education institutions; and
- l) One (1) representative from a nationwide association of non-teaching personnel employed by private education institutions.

The private sector representatives shall be appointed by the Partnership Board from a list of nominees submitted by their respective associations for a term of one (1) school year subject to reappointment for a maximum term of four (4) school years: *Provided, however, That* such appointment may be terminated by the Partnership Board on the basis of the withdrawal of endorsement or recommendation of the sector they represent. The appointment to any vacancy shall be only for the unexpired term of the predecessor.

The public sector members of the Partnership Board may designate permanent alternates holding positions not lower than third-level ranks, as defined by the Career Executive Service Board, or its equivalent, *Provided, that* these alternates are granted decision-making authority.

The Partnership Board shall convene every quarter, or as often as it may deem necessary.

Sec. 13. Expanding Complementarity Functions in Education Agencies. — Pursuant to their existing mandates, the DepEd, the CHED, the TESDA, and the ECCD

1 Council shall adopt policies, processes and functions in support of complementarity,
2 including:

- 3 a) Ensuring the integration of complementarity as a principle and approach
4 in the national and subnational plans of the government. The initial plan
5 shall, among others, include expected outcomes and metrics specific to
6 complementarity, to be achieved within a three (3)-year period from the
7 date of effectivity of this Act;
- 8 b) Prompt processing of eligibility of students to government subsidies
9 through coordination with agencies in charge of processing and managing
10 student grants, vouchers, subsidies and similar instruments to ensure
11 prompt and timely notifications to student beneficiaries and/or their
12 parents during the school or semestral breaks for seamless mobility of
13 students to and from public and private education institutions in
14 exercising their choice of schools, *Provided: that* the notice of award of
15 such subsidies to individual students are published at least two (2) months
16 prior to the start of the new school year;
- 17 c) Undertaking the regular mapping of all duly recognized public and private
18 education and training institutions in every locality all over the country,
19 including programs, student and personnel population, and approved
20 fees, for purposes of policy interventions and public dissemination and
21 guidance;
- 22 d) Determining and monitoring the absorptive capacity of existing
23 recognized public and private education and training institutions as basis
24 for policy and for public dissemination and guidance;
- 25 e) Ensuring subsidies and vouchers are designed toward targeted levels of
26 learning outcomes and/or of improving student choice. This would
27 include, in addition to determining the appropriate funding per student
28 toward targeted levels of learning outcomes and student choice,
29 considerations for targeted vouchers, through the development of a
30 reasonable system, formula, algorithm or similar instrument to enable
31 increased focus on the disadvantaged in accordance with existing policies;
32 and determining how vouchers or slots would be allocated in the event of
33 oversubscription;
- 34 f) Ensuring the proportionate access to available and appropriate

1 government-funded training of private school teachers, faculty, and
2 personnel;

3 g) Ensuring the significant participation of the private sector enterprises and
4 industries, where applicable;

5 h) Rationalizing and streamlining the requirements for compliances in the
6 establishment and recognition of institutions and programs for both
7 public and private sectors for the prompt, efficient, and transparent
8 services to stakeholders without compromising standards for quality and
9 accountability;

10 i) Periodically reviewing the allocation of national resources and funding
11 towards public and private educational institutions and students, to
12 ensure an appropriate level of complementarity consistent with this Act,
13 including policies on investment recovery schemes for PPP projects in the
14 education sector, pursuant to Republic Act No. 11966, otherwise known as
15 the PPP Code of the Philippines and its Implementing Rules and
16 Regulations;

17 j) Regularly assessing and reporting on regional disparities in education
18 quality and access, and develop targeted interventions to address these
19 disparities through PPPs and other complementarity initiatives;

20 k) Developing mechanisms to ensure that education programs, particularly
21 in technical and vocational education, are aligned with current and
22 projected labor market needs; and

23 l) Developing a set of performance metrics to monitor efficiency and
24 effectiveness of complementarity in the educational system, across all
25 agencies, educational institutions and learners, and have such available
26 publicly on a timely basis.

27
28 Sec. 14. *Strengthening Complementarity at the Local Level.* — For provinces,
29 cities and first-income-class municipalities, the Local School Board shall integrate
30 complementarity objectives and strategies in the development of local plans and
31 provide the necessary appropriations for the implementation thereof.

32
33 Sec. 15. *Complementarity, Access, and Choice in the Public Funding of*
34 *Education.* — Annual increases in educational budgets for public education and the

1 training of students in the DepEd, the CHED, and the TESDA shall be increasingly
2 administered over time through portable student-financing instruments such as
3 student grants, subsidies, vouchers or student loans, which students can use for either
4 public or private educational institutions. The Partnership Board shall recommend to
5 the President a multi-year timetable for the implementation of these allocations, such
6 that a target of fifty percent (50%) of the annual increase is achieved within a period
7 of five (5) years from the date of effectivity of this Act.

8
9 Sec. 16. *Modes of Complementarity.* — The following models of
10 complementarity, among others, shall be allowed:

- 11 a) Provision of instruments that empower students in making choices on
12 their selection of a quality school, college, university and/or technical-
13 vocational institution wherein portable subsidies, grants, vouchers,
14 student loans, and other methods of funding educational costs are created
15 and provided for by the government;
- 16 b) Provision of instruments that reduce student congestion in public schools
17 wherein per-student subsidies are given by the respective education
18 agency to qualified private institutions to reduce over-enrollment or
19 congestion in nearby public educational institutions;
- 20 c) Management Contracts and PPP arrangements between public and
21 private schools, colleges and universities wherein a private educational or
22 training institution may be engaged by a public educational institution or
23 government agency, as the case may be, for the management of a public
24 educational institution in full or for any part of its activities thereof, for a
25 fixed period, subject to the payment of appropriate management fee. Such
26 management fees and terms of the contract shall follow the requirements
27 of the PPP Code of the Philippines;
- 28 d) Establishment of publicly-owned, independently-run schools *wherein* the
29 government funds the operation of a private educational corporation or
30 non-profit organization subject to the delivery of qualified graduates for
31 specific academic and training programs;
- 32 e) Lease of school facilities, equipment or campus spaces wherein the private
33 education or training institution may enter into a lease agreement with a
34 public institution for lease of its premises, equipment, or the entire

campus;

- f) Program Rationalization Partnerships wherein an upcoming or an existing SUC or LUC enters into a partnership agreement with one or more private education or training institutions to decide which courses the public institutions should offer, to minimize unnecessary duplication;
- g) Portable Local Scholarships wherein a local government unit creates, expands or modifies its existing scholarship programs to be portable, to be used across other public and private educational institutions;
- h) Sharing of common facilities and school grounds wherein public and private educational institutions may agree to use and share common facilities including sharing of cost of upkeep and maintenance of the same such as playgrounds, parks, sports facilities, libraries, theaters, and similar places;
- i) Regional Disparity Reduction Partnerships wherein public and private institutions collaborate to implement targeted interventions in underserved regions with the goal of reducing disparities in education quality and access; and
- j) Industry-Education Alignment Programs wherein partnerships between educational institutions, both public and private, and industry are formed to ensure that curriculum and training programs are aligned with current and projected labor market needs.

Sec. 17. *Ensuring Complementarity in Teachers and Faculty in All Sectors.* — The DepEd, the CHED, and the TESDA shall monitor average regional compensation levels of teachers and faculty in the public and private sectors, to see if differences in levels would cause a significant imbalance in the development of either sector. Should imbalances exist or are expected to occur, the DepEd, the CHED, or the TESDA, as the case may be, shall introduce programs or initiatives to address the imbalance, and include the same in their reports to the Partnership Board.

Sec. 18. *Incentives.* — To further encourage private sector investment in education, the DepEd, the CHED, and the TESDA shall create grants and support programs for the private sector, including but not limited to those for:

- a) Educational programs in high need, including ECCD, ALS, educational

- 1 measurement, and guidance and counseling;
- 2 b) Education-related initiatives in remote areas;
- 3 c) Degrees, competencies and trainings of educational institutions,
- 4 prioritized by industry;
- 5 d) Portable local scholarships in remote areas;
- 6 e) Public-private partnerships, whether at the national or local government
- 7 unit level, including risk mitigation instruments and innovative models
- 8 that enhance education quality and access, particularly in underserved
- 9 areas, in accordance with existing laws, rules, and regulations;
- 10 f) Initiatives that demonstrably reduce regional disparities in education
- 11 quality and access; and
- 12 g) Programs that show strong alignment with labor market needs
- 13 particularly in priority sectors identified by the government

14 To promote complementarity at the local level, the Department of Interior and
15 Local Government shall develop incentives for local government units implementing
16 complementarity plans and programs within their respective jurisdictions.

17 Emphasis on incentives shall be on those institutions that perform above
18 minimum standards, as evidenced by accreditation, government quality recognitions,
19 and other recognized national and international third-party quality recognitions, as
20 determined by the DepEd, the CHED or the TESDA, as the case may be.

21
22 *Sec. 19. Appropriations.* — In the furtherance of the provisions of this Act, no
23 direct funding of private entities shall be made and all budgets for student subsidies,
24 loans or similar programs shall be allocated through the DepEd, the CHED, and the
25 TESDA for proper distribution. The budget for such financial support per student shall
26 be computed based on the equivalent government total cost of providing public
27 education to a student per region and locality, and the prevailing cost of tuition and
28 other school fees in the private sector in such region and locality.

29 The Secretary of the DepEd, the Chairman of the CHED, and the Director-
30 General of the TESDA shall include in their respective programs the operationalization
31 of complementarity under this Act, the initial funding of which shall be charged
32 against the current appropriations of their respective departments. Thereafter, the
33 amount necessary for the continued implementation of complementarity shall be
34 included in the annual General Appropriations Act.

1 In the case of PPPs, government undertakings and investment recovery
2 schemes through appropriations from the national government fund shall follow the
3 PPP Code of the Philippines, and its Implementing Rules and Regulations, the General
4 Appropriations Act, the relevant budget circulars of the DBM, or any amendments
5 thereof, and other applicable laws, rules, and regulations.
6

7 Sec. 20. *Inclusivity*. — The benefits and incentives as may be provided
8 pursuant to this Act shall apply to all public and private educational institutions
9 regardless of whether it is secular, religious, or for profit, subject to their compliance
10 with the appropriate conditions and criteria.
11

12 Sec. 21. *Implementing Rules and Regulations*. — Within ninety (90) days after
13 the effectivity of this Act, the Secretary of the DepEd, the Chairperson of the CHED,
14 and the Director-General of the TESDA, upon consultation with the Coordinating
15 Council of Private Educational Associations, industry associations, and other private
16 organizations and associations, shall promulgate the rules and regulations needed for
17 the implementation of this Act.
18

19 Sec. 22. *Separability Clause*. — If any provision of this Act is declared
20 unconstitutional, the remainder thereof not otherwise affected shall remain in full
21 force and effect.
22

23 Sec. 23. *Repealing Clause*. — Any law, presidential decree or issuance, executive
24 order, letter of instruction, rule or regulation inconsistent with the provisions of this
25 Act is hereby repealed or modified accordingly.
26

27 Sec. 24. *Effectivity*. — This Act shall take effect fifteen (15) days after its
28 publication in the *Official Gazette* or in a newspaper of general circulation.
29

 Approved,