

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

TWENTIETH (20th) CONGRESS
FIRST REGULAR SESSION

House Bill No. **2062**



Introduced by
Rep. ROBERT NAZAL

AN ACT
INSTITUTIONALIZING A NATIONAL LEASING PROGRAM OF PRIVATE
EDUCATION FACILITIES FOR PUBLIC SCHOOL USE, PROVIDING FUNDS
THEREFOR, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

One of the longstanding and persistent issues facing the Philippine education system is the inadequate availability of classrooms and learning facilities. The public-school infrastructure projects by DepEd have not alleviated the issue of congestion in many public schools, especially located in urbanized areas and remote region geographically isolated regions. This compromises academic standards, threatens learner welfare, hurts their health, or safe developmental growth.¹

The persistent problem can be addressed more pragmatically through leasing underutilized private school facilities as proposed within the EduLease Act. With this initiative, both national and local governments will be empowered to lease such privately owned educational infrastructures that are rarely utilized to immediately provide learners with safe sheltered access. The program is designed to provide immediate relief while complementing medium-term plans for construction scaled government infrastructural additions for unmanaged expansion necessitated by overcrowding.

This measure aligns with the legislative advocacy of Bagong Henerasyon (BH) Partylist pursues under BH HELPS — Health, Education, Livelihood, Protection and Sustainability; further supporting Philippine Development Plan (PDP) 2023–2028 targeting accelerating human capital development alongside habitual commitments expected under sustainably managed tasks SDG 4 (Quality Education).²

¹ Department of Education. (2022). Basic Education Report 2022. <https://www.deped.gov.ph/basic-education-report-2022>

² National Economic and Development Authority. (2023). Philippine Development Plan 2023–2028. <https://pdp.neda.gov.ph>

Through this bill, we reaffirm our commitment to the principle that every Filipino child, our Bagong Henerasyon deserves a conducive, accessible, and dignified place to learn, regardless of economic status or geographic location.

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



Rep. ROBERT NAZAL
Bagong Henerasyon Party-List

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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 "EduLease Act" or the "Public Education Access through Leasing of Private Education Facilities Act."

SECTION 2. DECLARATION OF POLICY.

It is hereby declared the policy of the State to ensure universal access to quality, equitable, and inclusive education. The State recognizes the necessity of innovative solutions to address classroom shortages and the right of every Filipino learner to a safe, accessible, and conducive learning environment.

SECTION 3. OBJECTIVES.

This Act aims to:

- A. Institutionalize a government program for the temporary lease of private educational facilities for public school use;
- B. Provide learners with access to safe and proximate learning spaces;
- C. Support LGUs and DepEd in bridging infrastructure gaps;
- D. Prevent school overcrowding, especially in high-density or disaster-affected areas;

- E. Optimize public-private partnerships for education access.

SECTION 4. DEFINITION OF TERMS.

As used in this Act, the following terms shall mean:

- A. Private Educational Institution - refers to a non-government school duly recognized and accredited by the Department of Education (DepEd)
- B. Lease Agreement - refers to a formal contract for the temporary use of private school facilities by the government for educational purposes
- C. Facility Gap - refers to any deficiency in classroom, laboratory, or educational infrastructure, as identified by DepEd
- D. Eligible Facility - refers to a school infrastructure certified safe, functional, and compliant with education and building standards

SECTION 5. COVERAGE.

This Act shall apply to both public and private stakeholders in the education sector under the following conditions:

- A. Public Schools with Facility Shortages – All public elementary, secondary, and tertiary educational institutions under the supervision of DepEd that suffer from a shortage of usable and safe learning spaces may be eligible to lease additional classroom space from private educational institutions within their locality or region. Such facility shortages may arise due to high student population, natural disasters, building dilapidation, or new curriculum requirements.
- B. Accredited Private Educational Institutions – All non-government schools that are duly registered with and accredited by DepEd and have available or underutilized infrastructure may voluntarily offer their school facilities for lease to the government for use by public school students. Private institutions participating in the program must comply with national and local safety and health regulations and be located in areas with confirmed public school infrastructure gaps.
- C. Special and Emergency Situations – The program shall also apply in cases where temporary learning spaces are required due to emergencies, including but not limited to pandemics, armed conflict, displacement of populations, or extensive repair and retrofitting of public schools. In these instances, the lease arrangement may be fast-tracked and facilitated through emergency procurement protocols, in accordance with government audit regulations.

- D. Public-Private Partnerships (PPPs) – Private educational institutions engaged through PPP modalities may be covered under this Act, provided that lease conditions meet the standards prescribed by DepEd and are subject to oversight by DBM and COA.
- E. Priority for Underserved Areas – In line with equitable access, preference shall be given to public schools in geographically isolated and disadvantaged areas (GIDAs), densely populated urban communities, and calamity-affected locations.

SECTION 6. LEAD IMPLEMENTING AGENCIES.

To ensure quality, safety, and efficiency in the implementation of this Act, the following eligibility criteria shall be established and followed:

- A. For Private Educational Institutions:
 - 1. Must be duly accredited and licensed by the Department of Education (DepEd), depending on the educational level and training program provided.
 - 2. Must have available, unutilized, or underutilized classrooms, laboratories, or multi-purpose halls that comply with the minimum physical safety standards, health protocols, ventilation requirements, and accessibility laws.
 - 3. Must present a Certificate of Structural Integrity issued by a licensed civil engineer or architect, and an Occupancy Permit issued by the local government unit.
 - 4. Must be located within a five-kilometer radius from the public school or community experiencing the shortage, unless in rural or geographically isolated areas where distance shall be subject to DepEd approval.
 - 5. Must agree to abide by the standardized lease contract provided by the Department of Education, which includes clauses for compliance monitoring, data protection, non-discrimination, and emergency usage.
- B. For Public School Beneficiaries:
 - 1. Must be included in DepEd's verified list of institutions experiencing critical infrastructure shortages.
 - 2. Must have submitted a written justification and endorsement from the Division Office or Regional Office indicating the specific number of classrooms needed, duration of use, and geographic constraints.
 - 3. Must demonstrate the lack of ongoing construction or feasible on-site expansion that could otherwise address the shortage.
- C. Duration and Terms:
 - 1. Initial lease terms shall range from (1) one year to three (3) years, renewable annually based on need, performance, and budget availability.

2. Government agencies must ensure that facilities leased shall only be used for educational purposes and not for commercial or unrelated government functions.
3. Lease agreements must contain provisions for early termination, damage and repair accountability, insurance coverage, and dispute resolution.

D. Financial and Legal Compliance:

All participating private institutions shall be required to issue official receipts for lease payments, declare such income to the Bureau of Internal Revenue, and be subject to auditing and documentation as required by the Commission on Audit (COA) and Department of Budget and Management (DBM).

SECTION 7. LEASE ELIGIBILITY CRITERIA.

To ensure effective implementation of the EduLease Program, clear and rigorous eligibility criteria shall govern the selection of private educational institutions and facilities qualified for government lease:

- A. Accreditation and Legal Status – The private educational institution must be duly registered and accredited by the Department of Education (DepEd) depending on the educational level offered.
- B. Availability of Facilities – The institution must demonstrate the availability of idle or underutilized facilities suitable for public school use. Such facilities must not be in use during the proposed lease term and must meet all physical, health, and educational standards.
- C. Compliance with Safety Standards – All facilities offered for lease must comply with the National Building Code of the Philippines, Fire Code, Sanitation Code, and other applicable safety regulations. A certificate of structural integrity and occupancy from the local building official must be submitted prior to the lease.
- D. Location Suitability – Priority shall be given to facilities located in areas experiencing classroom congestion or identified as high-need zones in the DepEd’s Basic Education Information System (BEIS). Proximity to the target public school population shall also be a primary consideration.
- E. Non-Discrimination and Inclusivity – Institutions must commit to uphold non-discriminatory practices and allow all learners—regardless of gender, religion, ethnicity, or disability status—access to the leased facilities. Accessible features in accordance with BP 344 (Accessibility Law) are required.
- F. Readiness for Deployment – Institutions must demonstrate that the facilities can be made available within a reasonable timeframe from the signing of the lease agreement, including readiness in terms of staffing, cleaning, retrofitting (if needed), and utilities provision.
- G. Willingness to Enter into Standard Lease Agreement – The institution must agree to enter into a standard government lease agreement as developed by DepEd and vetted by the Department of Budget and Management (DBM) and the Office of the

Government Corporate Counsel (OGCC), covering lease rates, terms, renewal options, dispute resolution, and compliance monitoring.

- H. No Legal Encumbrances – Facilities subject to lease must not be involved in any legal dispute or encumbrance that may impede or delay the execution and performance of the lease contract.

SECTION 8. SCOPE OF LEASE.

This section outlines the types of facilities that may be considered under lease agreements for use by public educational institutions:

- A. Classrooms – Standard lecture rooms that adhere to DepEd and minimum space, lighting, and ventilation requirements. Leased classrooms must be suitable for the age group and curriculum of the public students who will be temporarily relocated.
- B. Science and Computer Laboratories – Specialized rooms used for the instruction of science and technology subjects. Laboratories must be equipped with basic furnishings, workstations, and safety protocols necessary for the level of education they are intended to serve.
- C. Libraries and Resource Centers – Dedicated areas that provide access to learning materials, reference books, and digital media. Leased libraries must meet accessibility and quiet-use standards and may serve as shared academic support hubs.
- D. Multi-purpose Halls and Gyms – Indoor halls or gymnasiums that can accommodate large groups for physical education, school assemblies, remedial classes, or alternative learning modalities. These facilities must comply with building safety codes and allow for flexible use.
- E. School Grounds and Play Areas – Open spaces that may be used for physical education, outdoor learning, or recreational activities. Such spaces must be enclosed or secured for child safety.
- F. Canteens, Clinics, and Administrative Offices (Optional) – Where necessary and available, private institutions may also lease auxiliary service areas such as canteens, health clinics, and temporary administrative offices to support full-day school operations.
- G. Dormitories or Boarding Facilities – In isolated or high-need areas where transportation is a barrier, leased dormitories may provide housing for students or teachers. These must be inspected for health, sanitation, and safety standards.

SECTION 9. IMPLEMENTATION TIMELINE AND PHASES.

The EduLease Program shall be rolled out in phased stages to ensure structured, evidence-based implementation. Each phase shall build upon the outcomes and evaluations of the preceding stages to achieve full national adoption:

- A. Phase 1 – Pilot Implementation (Year 1):

1. The Department of Education (DepEd), in collaboration with selected LGUs and private educational institutions, shall identify at least five (5) pilot regions representing urban, rural, and geographically isolated areas.
2. Memoranda of Agreement (MOAs) shall be executed between LGUs, DepEd, and qualified private institutions.
3. A monitoring and evaluation (M&E) team shall be formed to gather baseline data on learner population, classroom demand, facility conditions, and educational outcomes.

B. Phase 2 – Program Expansion (Years 2–3):

1. Based on pilot results, the program shall be expanded to cover up to 50% of regions experiencing classroom shortages.
2. Adjustments to lease templates, safety protocols, and funding allocations may be introduced through the Implementing Rules and Regulations (IRR).
3. Periodic assessments will determine effectiveness in improving access and alleviating classroom congestion.

C. Phase 3 – National Implementation (Year 4 Onward):

1. The program shall be scaled to nationwide coverage.
2. All public schools experiencing infrastructure gaps may apply for EduLease support subject to funding availability and institutional readiness.
3. Coordination with COA and DBM shall ensure streamlined financial flows and compliance with audit standards.

D. Review and Updating:

1. An independent evaluation shall be conducted at the end of each phase, measuring indicators such as student-teacher ratios, dropout rates, academic performance, and cost-efficiency.
2. The Department of Education, in consultation with, DBM, and COA, shall revise implementation procedures, guidelines, and benchmarks as necessary.

SECTION 10. INSPECTION AND CERTIFICATION.

Prior to lease, DepEd, in coordination with the DPWH and LGUs, shall inspect and certify the facilities for structural integrity, compliance with safety standards, and readiness for use.

SECTION 11. ROLE OF THE LOCAL GOVERNMENT UNITS.

LGUs shall play a critical role in facilitating and supporting the implementation of the EduLease Program at the local level. Their functions shall include, but not be limited to, the following:

- A. Needs Assessment and Identification – LGUs shall assist DepEd in identifying schools within their jurisdictions that are suffering from facility shortages. They shall provide localized data on population trends, school overcrowding, and available infrastructure within the community.
- B. Initiation and Facilitation of Lease Agreements – LGUs may initiate coordination with private institutions located within their jurisdiction and act as facilitators in the negotiation and execution of lease agreements, subject to DepEd final approval. LGUs shall also endorse participating private institutions that meet the eligibility criteria.
- C. Financial Support and Counterpart Funding – LGUs may provide financial assistance through counterpart funding, logistical support, or cost-sharing arrangements, particularly in areas with high infrastructure deficits or where national resources are limited. They may allocate funds from their Special Education Fund (SEF) or local disaster risk reduction and management fund, when applicable.
- D. Monitoring and Enforcement – LGUs shall monitor compliance with lease terms at the local level, including the proper use of facilities, adherence to safety standards, and timely resolution of grievances. They shall report violations or issues to DepED, or appropriate agencies.
- E. Community Engagement and Information Campaigns – LGUs shall be responsible for disseminating information about the EduLease Program to stakeholders, parents, school administrators, and the broader public. They shall help manage community expectations and build support for the program.
- F. Disaster Response Integration – In case of natural calamities, LGUs shall identify available leasable private school facilities that can be used for temporary learning while public school repairs or reconstruction are underway.

SECTION 12. LEASE-TO-OWN OPTION.

To address long-term educational infrastructure needs in a fiscally responsible manner, a lease-to-own modality may be adopted as part of the EduLease Program, particularly in areas with sustained facility shortages and limited opportunities for on-site expansion.

The lease-to-own option shall allow public educational institutions to lease eligible private school facilities for a fixed term with a contractual provision granting the government the right to acquire ownership of the leased facilities at the end of the lease period, subject to mutually agreed terms and valuation.

The adoption of this modality shall be governed by the following conditions:

- A. Cost Efficiency – The total financial exposure over the life of the lease-to-own agreement, including the eventual purchase price, must result in demonstrable long-term cost savings compared to equivalent infrastructure construction or continuous leasing.
- B. Legal and Regulatory Compliance – All lease-to-own agreements must comply with the Government Procurement Reform Act (RA 9184), relevant COA rules and audit guidelines, and pertinent local government regulations on property acquisition and contractual obligations.
- C. Approval and Oversight – Each proposed lease-to-own arrangement shall be subject to review and approval by the Department of Education (DepEd), in consultation with the Department of Budget and Management (DBM), and shall undergo legal vetting by the Office of the Government Corporate Counsel (OGCC). Oversight shall be exercised by the Commission on Audit (COA) and the Congressional Oversight Committee created under this Act.
- D. Transparency and Valuation – The terms of the lease-to-own agreement, including the final purchase price or acquisition value, shall be based on a fair market valuation conducted by an independent government-accredited appraiser and publicly disclosed for transparency.
- E. Eligibility of Facilities – Only private facilities that meet the safety, accessibility, and structural integrity standards as certified by DepEd, the Department of Public Works and Highways (DPWH), and the local building official may be considered for lease-to-own agreements.
- F. Ownership Transfer Process – Upon completion of the lease term and fulfillment of agreed contractual obligations, the title to the property shall be transferred to the government through a deed of sale or donation, and duly registered with the appropriate Registry of Deeds.
- G. Limitations and Prioritization – The lease-to-own option shall be applied prudently and only when justified by need, budgetary availability, and projected student population growth. Preference shall be given to facilities in Geographically Isolated and Disadvantaged Areas (GIDAs) and communities with chronic infrastructure deficits.

The Department of Education, in coordination with the DBM, COA, and OGCC, shall issue supplemental guidelines for the operationalization, procurement, implementation, and monitoring of the lease-to-own modality within ninety (90) days from the effectivity of this Act.

SECTION 13. FUNDING.

A Special Fund shall be established under DepEd to finance lease agreements. Sources of the fund shall include:

- A. Annual appropriations under the GAA;

- B. Reallocated QRF or special education funds;
- C. Public-Private Partnership grants or donations.

To implement the EduLease Program, an annual appropriation of Ten Billion Pesos (PhP 10,000,000,000) shall be included in the General Appropriations Act (GAA). The following breakdown shall guide the allocation and disbursement of funds:

Category	Allocation (%)	Amount (PHP)	Purpose
(a) Lease Payments	70%	₱7,000,000,000	Lease of private classrooms, labs, facilities (based on average sqm rates)
(b) Monitoring & Evaluation	10%	₱1,000,000,000	Personnel, digital tracking, reporting systems
(c) Retrofitting & Upgrading	8%	₱800,000,000	Ensure safety, accessibility, utilities
(d) Capacity Building & Orientation	5%	₱500,000,000	Training for DepEd, LGUs, and private partners
(e) Emergency Contingency Reserve	5%	₱500,000,000	Rapid response to facility disruptions
(f) Info & Awareness Campaign	2%	₱200,000,000	Print, digital, and community campaign materials

This fund is based on an estimated initial target of 1 million students affected by infrastructure gaps. The PhP 7 billion for lease payments can cover approximately

28,000 classrooms annually at an average of PhP 250,000 per room per year. The fund shall be reviewed annually and adjusted as needed based on program scale and performance metrics.

All appropriations shall be subject to audit by the Commission on Audit (COA), and annual reporting shall be submitted to Congress to ensure transparency and accountability in program implementation.

SECTION 14. MONITORING AND EVALUATION.

An inter-agency Oversight Committee shall monitor implementation, publish annual lease utilization reports, and make policy recommendations to Congress.

SECTION 15. IMPLEMENTING RULES AND REGULATIONS.

Within six (6) months from the effectivity of this Act, the DepEd shall formulate and promulgate the necessary rules and regulations to effectively implement the provisions of this Act.

SECTION 16. SEPARABILITY CLAUSE.

If any provision of this Act is declared invalid or unconstitutional, the provisions not affected thereby shall remain in full force and effect.

SECTION 17. REPEALING CLAUSE.

All laws, executive orders, proclamations, rules, regulations, and other issuances or parts inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

SECTION 18. EFFECTIVITY.

This Act shall take effect fifteen (15) days following its complete publication in the *Official Gazette* or a newspaper of general circulation.

Approved,