

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 2614



Introduced by **HON. KENNETH T. GATCHALIAN**

EXPLANATORY NOTE

The 1987 Constitution states that the government must ensure all citizens have access to quality education at all levels, including providing scholarships, student loans, and other support, especially for the underprivileged.

The "Adopt-a-School Act" of 1998 allows private companies to help public schools through funding and resources, particularly in the poorest provinces. These companies can get tax deductions for their contributions.

A major issue in education is the weak connection between schools and industries. Despite the K to 12 program and laws like RA No. 10533, many private sector companies are unwilling to hire Senior High School graduates, even if they have the necessary skills.

Surveys show that only about 24% of employers are ready to hire K to 12 graduates, with many unsure or unwilling to do so. Satisfaction with the Senior High School program has also declined, dropping from 40% in 2023 to 30% in 2025.

The proposed measure seeks to strengthen the existing "Adopt-a-School" Program as follows:

1. Inclusion of early childhood, alternative learning system (ALS), and technical-vocational and training (TVET) as beneficiaries of the program;
2. Encouraging private individuals and entities, whether local or foreign and of good standing, to assist public educational institutions, especially those in the 4th and 5th class provinces, cities, and municipalities experiencing severe shortages, insufficient budget, or having numerous poor but high performing learners;
3. Provision of assistance including, but not limited to, training and development for educators and learners, scholarships, construction and repair of school facilities, provision of instructional materials and equipment, and modernization of educational technologies;

4. A Memorandum of Agreement shall formalize the adoption between the private individual or entity and the educational institution, valid for at least two years and subject to approval and periodic review by the concerned educational field office;
5. The bill mandates the creation of an *Adopt-a-School One-Stop Shop* by the Department of Education, Commission on Higher Education, and Technical Education and Skills Development Authority to serve as a central hub for queries and application processing, supported by an integrated online portal;
6. Adopting individuals or entities will receive incentives, including a fifty percent (50%) additional deduction on expenses incurred, a twenty percent (20%) additional deduction for hiring of SHS graduates, naming rights, and exemptions from import duties and taxes on donations, as may be applicable; and
7. Additional members for the *Adopt-a-School Coordinating Council* composed of key government agency heads to include the Department of Trade and Industry, Department of Labor and Employment, Bureau of Internal Revenue, and a private sector representative from a reputable business group that will oversee the implementation and coordination of the program.

In view of the foregoing, the immediate passage of this amendatory legislation is earnestly sought for.



KENNETH T. GATCHALIAN

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NINETEENTH CONGRESS
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HOUSE BILL NO. 2614

Introduced by **HON. KENNETH T. GATCHALIAN**

AN ACT
FURTHER STRENGTHENING THE INCENTIVES FOR PRIVATE SECTOR PARTICIPATION IN PUBLIC EDUCATIONAL INSTITUTIONS BY AMENDING CERTAIN PROVISIONS IN REPUBLIC ACT NO. 8525, OTHERWISE KNOWN AS THE “ADOPT-A-SCHOOL ACT OF 1998”

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

Section 1. Section 1 of Republic Act (R.A.) No. 8525, otherwise known as the “Adopt-a-School Act of 1998”, is hereby amended to read as follows:

“Section 1. *Title.* - This Act shall be known and cited as the “Adopt-a-School Act of [~~1998~~] **2025**”.

Sec. 2. Section 2 of R.A. No. 8525 is hereby amended to read as follows:

“Sec. 2. Declaration of policy. - It is the policy of the State to provide quality and relevant education to the Filipino youth and to encourage private initiative to support public education. Towards this end, the State shall institute programs to [~~encourage~~] **INCENTIVIZE THE** private [~~companies and enterprises~~] **SECTOR** to [~~help~~] **ASSIST** in the **DEVELOPMENT**, upgrading, and modernization of **THE COUNTRY'S** public [~~schools~~] **EDUCATION SYSTEM** [~~in the country, particularly those in poverty stricken provinces.~~] **AND ESTABLISH PROPER LINKAGES BETWEEN EDUCATIONAL INSTITUTIONS AND THEIR RESPECTIVE INDUSTRIES, PARTICULARLY IN THE TRAINING AND EMPLOYMENT OF SENIOR HIGH SCHOOL (SHS) GRADUATES.**”

Sec. 3. Section 3 of R.A. No. 8525 is hereby amended to read as follows:

“Sec. 3. *Adopt-a-School Program.* - There is hereby established the “Adopt-a-School Program” which will allow private **INDIVIDUALS OR** entities, **WHETHER LOCAL OR FOREIGN, OF GOOD STANDING** to assist [a] public [school] **EDUCATIONAL INSTITUTIONS**, whether **EARLY CHILDHOOD**, [elementary, secondary,] **BASIC EDUCATION, INCLUDING THE ALTERNATIVE LEARNING SYSTEM (ALS), TECHNICAL-VOCATIONAL AND TRAINING (TVET),** or [tertiary] **HIGHER EDUCATION**, preferably located in [any of the twenty (20) poorest provinces identified by the Presidential Council for Countryside Development or any other government agency tasked with identifying the poorest provinces] **THE 4TH AND 5TH CLASS PROVINCES, CITIES, AND MUNICIPALITIES AS DETERMINED BY THE DEPARTMENT OF FINANCE (DOF) AND OTHER LOCAL GOVERNMENT UNITS (LGUs) EXPERIENCING SEVERE SHORTAGES, INSUFFICIENT BUDGET, OR HAVING NUMEROUS POOR BUT HIGH PERFORMING LEARNERS** in, but not limited to, the following areas: **TRAINING, DEVELOPMENT AND FURTHER EDUCATION FOR SCHOOL HEADS, TEACHERS, CHILD DEVELOPMENT TEACHERS AND WORKERS, TVET TRAINERS, FACULTY AND LEARNERS; ASSESSMENTS IN PURSUIT OF RELEVANT WORK-RELATED CERTIFICATIONS AND CREDENTIALS; SCHOLARSHIPS FOR TEACHERS; REAL ESTATE PROPERTY** [staff and faculty development for training and further education]; construction of **SCHOOL** facilities **SUCH AS LIBRARIES AND LABORATORIES AND THOSE RELATED TO POWER, WATER, AND SANITATION; [upgrading] UPGRADE AND REPAIR** of existing facilities, provision of books, publications, **SCHOOL SUPPLIES**, and other instructional materials **SUCH AS ELECTRONIC BOOKS (E-BOOKS), COMPUTERS, FURNITURE, EDUCATIONAL FILMS AND AUDIO-VISUAL MATERIALS; TECHNICAL VOCATIONAL LIVELIHOOD (TVL) TOOLS AND EQUIPMENT; HEALTH AND NUTRITION PACKAGES; ASSISTIVE LEARNING DEVICES AND EQUIPMENT FOR LEARNERS WITH DISABILITIES;** and modernization of instructional technologies.

A Memorandum of Agreement (MOA) specifying the details of the adoption shall be entered into between the adopting **INDIVIDUAL OR** entity and the head of the [school] **EDUCATIONAL INSTITUTION** concerned: *Provided*, That such MOA shall be subject to review and approval of the [Superintendent of Schools of the province or district concerned] **CONCERNED FIELD OFFICE OF THE EDUCATIONAL INSTITUTION**: *Provided, further*, That the agreement shall last for at least two (2) years with the possibility of extension: *Provided, finally*, That such period may be shortened only in cases where the adopting **INDIVIDUAL OR** entity is dissolved before the end of such period unless otherwise earlier terminated in accordance with [the succeeding section] **THIS ACT.**”

Sec. 4. Insert a new Section under R.A. No. 8525 to read as follows, and renumber the succeeding sections accordingly:

“SEC. 4. CREATION AND ESTABLISHMENT OF AN ADOPT-A-SCHOOL ONE-STOP SHOP. – THE CENTRAL OFFICES OF THE DEPARTMENT OF EDUCATION (DEPED), COMMISSION ON HIGHER EDUCATION (CHED), AND TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA) AS WELL AS THEIR RESPECTIVE REGIONAL OFFICES SHALL BE MANDATED TO ESTABLISH AND MAINTAIN AN ADOPT-A-SCHOOL ONE-STOP SHOP WHICH SHALL SERVE AS A LOCATION TO ADDRESS QUERIES AND CONCERNS FROM PRIVATE INDIVIDUALS AND ENTITIES INTERESTED IN THE PROGRAM, AND TO RECEIVE AND PROCESS APPLICATIONS JOINTLY WITH BIR AND BUREAU OF CUSTOMS (BOC): PROVIDED, THAT DEPED, CHED, AND TESDA SHALL, IN CONSULTATION WITH THE DEPARTMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY (DICT), ESTABLISH AN INTEGRATED ONLINE PORTAL TO RECEIVE AND PROCESS APPLICATIONS.”

Sec. 5. Section 4 of R.A. No. 8525 is hereby amended to read as follows:

“Section [4] **5**. Periodic review. - A review of the adoption shall be undertaken by the ~~[local school board of the province or city where the school]~~ **CONCERNED FIELD OFFICE WHERE THE PARTICIPATING SCHOOL** is located. The standards and guidelines for the review shall be formulated by the **ADOPT-A-SCHOOL** Coordinating Council created under Sec. [7] **8** hereof. The results of the review shall be taken into consideration in the assessment of the application for tax credits by the adopting **INDIVIDUAL OR** entity. The ~~[school board]~~ **CONCERNED FIELD OFFICE** may, after an appropriate review, recommend to the **ADOPT-A-SCHOOL** Coordinating Council the termination of the adoption. The adopting **INDIVIDUAL OR** entity may appeal the assessment to the **ADOPT-A-SCHOOL** Coordinating Council whose decision shall be final and unappealable.”

Sec. 6. Sections 5 and 6 of R.A. No. 8525 are hereby repealed and replaced with a new Section to be read as follows:

“SEC. 6. INCENTIVES FOR ADOPTING INDIVIDUALS OR ENTITIES. – PROVISIONS OF EXISTING LAWS TO THE CONTRARY NOTWITHSTANDING, ADOPTING INDIVIDUALS OR ENTITIES SHALL ENJOY THE FOLLOWING INCENTIVES:

a. **ADDITIONAL DEDUCTION FOR EXPENSES INCURRED FOR THE ADOPTION – SCHOLARSHIPS FOR TEACHERS AND LABOR TRAINING EXPENSES INCURRED BY THE ADOPTING INDIVIDUALS OR ENTITIES FOR THE "ADOPT-A-SCHOOL PROGRAM" SHALL BE ALLOWED AN ADDITIONAL**

DEDUCTION FROM THE GROSS INCOME EQUIVALENT TO FIFTY PERCENT (50%) OF SUCH EXPENSES: PROVIDED, THAT THE ADOPTING INDIVIDUALS OR ENTITIES SHALL SECURE PROPER CERTIFICATION FROM THE DEPED, CHED, OR TESDA: PROVIDED, FURTHER, THAT SUCH DEDUCTION SHALL NOT EXCEED TEN PERCENT (10%) OF DIRECT LABOR WAGE: PROVIDED, FINALLY, THAT ADOPTING INDIVIDUALS OR ENTITIES THAT IMPLEMENT A REGISTERED ENTERPRISE-BASED EDUCATION AND TRAINING (EBET) PROGRAM SHALL BE ALLOWED TO AVAIL THE DEDUCTIBLE TRAINING EXPENSE AS PROVIDED UNDER SECTION 20 OF REPUBLIC ACT NO. 12063 OR THE "ENTERPRISE-BASED EDUCATION AND TRAINING (EBET) FRAMEWORK ACT".

VALUATION OF ASSISTANCE OTHER THAN MONEY SHALL BE BASED ON THE ACQUISITION COST OF THE GOODS, SERVICES AND REAL PROPERTY. SUCH VALUATION SHALL TAKE INTO CONSIDERATION THE DEPRECIATED VALUE OF THE GOODS AND REAL PROPERTY IN CASE SAID GOODS AND REAL PROPERTY HAVE ALREADY BEEN USED.

b. ADDITIONAL DEDUCTION FOR HIRING OF PUBLIC SENIOR HIGH SCHOOL (SHS) GRADUATES - ADOPTING INDIVIDUALS OR ENTITIES WHO HIRE SHS GRADUATES FROM THEIR PARTNER PUBLIC SCHOOL SHALL ENJOY AN ADDITIONAL DEDUCTION EQUIVALENT TO 20% OF THE SALARIES, WAGES, AND BENEFITS PAID TO THE EMPLOYED SHS GRADUATE.

c. ADDITIONAL INCENTIVES - IN ACCORDANCE WITH EXISTING LAWS AND SUBJECT TO THE GUIDELINES THAT SHALL BE PROVIDED IN THE IMPLEMENTING RULES AND REGULATIONS (IRR), THE ADOPTING INDIVIDUAL OR ENTITY SHALL BE ENTITLED TO HAVE ITS NAME EMBLAZONED BENEATH THE NAME OF THE SCHOOL AFTER THE WORDS INDICATING THAT THE SCHOOL IS UNDER THE 'ADOPT-A-SCHOOL PROGRAM.'"

Sec. 7. Insert a new Section under R.A. No. 8525 to read as follows, and renumber the succeeding sections accordingly:

"SEC. 7. EXEMPTION FROM IMPORT DUTIES, TAXES AND OTHER FEES. - THE DONATED GOODS, REAL PROPERTY, AND SERVICES BY AN ADOPTING INDIVIDUAL OR ENTITY SHALL BE EXEMPT FROM CUSTOMS DUTIES, VALUE-ADDED TAX, EXCISE TAX, DONOR'S TAX, AND OTHER FEES: PROVIDED, THAT THE DONATIONS SHALL NOT BE RESOLD OR TRANSFERRED FOR MATERIAL CONSIDERATION."

Sec. 8. Section 7 or R.A. No. 8525 is hereby amended to read as follows:

“Section ~~[7]~~ **8. ADOPT-A-SCHOOL Coordinating Council.** – An **ADOPT-A-SCHOOL** Coordinating Council, hereinafter referred to as the Council, is hereby created to coordinate and monitor the implementation of this Act. The Council shall be composed of the Secretary of ~~[the Department of Education, Culture and Sports (DECS)]~~ **DEPED**, as chairperson; the Chairman of ~~[the Commission on Higher Education (CHED)]~~ **CHED** and the Director-General of ~~[the Technical Education and Skills Development Authority (TESDA)]~~ **TESDA**, as co-chairpersons; **THE SECRETARY OF THE DEPARTMENT OF TRADE AND INDUSTRY (DTI); THE SECRETARY OF THE DEPARTMENT OF LABOR AND EMPLOYMENT (DOLE); THE COMMISSIONER OF THE BUREAU OF INTERNAL REVENUE (BIR)** and ~~[the chairperson of the Presidential Council for Countryside Development (PCCD), and]~~ a representative, **WHO SHALL HAVE A TERM OF THREE (3) YEARS AND MAY BE REAPPOINTED FOR ANOTHER THREE (3) YEARS**, from a ~~[national federation of chambers of commerce and industry]~~ **REPUTABLE BUSINESS GROUP** to be appointed by the President of the Philippines, as members.”

THE SECRETARIES OF DEPED, DTI, AND DOLE, THE CHAIRMAN OF CHED, THE DIRECTOR-GENERAL OF TESDA, AND THE COMMISSIONER OF BIR MAY DESIGNATE THEIR RESPECTIVE ALTERNATES WITH RANKS NOT LOWER THAN ASSISTANT SECRETARY OR ITS EQUIVALENT. ALL ALTERNATES SHALL BE AUTHORIZED TO DECIDE FOR OR ON BEHALF OF THEIR RESPECTIVE PRINCIPALS.

The Council shall meet once every three (3) months. The chairpersons and members shall not receive compensation but shall be entitled to reimbursements for reasonable expenses related to the Council's activities.

The **DEPED** ~~[DECS]~~, **CHED**, ~~[and]~~ **TESDA, DTI, AND DOLE**, through a mutual agreement, **AND IN COORDINATION WITH DBM**, shall each make provisions for the secretariat of the Council.

THE COUNCIL SHALL COORDINATE WITH NATIONAL GOVERNMENT AGENCIES (NGAS) AND EXISTING COUNCILS RELEVANT TO THE IMPLEMENTATION OF THE PROVISIONS OF THIS ACT.”

Sec. 9. *Implementing Rules and Regulations (IRR).* – Within sixty (60) days from the effectivity of this Act, the DepEd, CHED, TESDA, DTI, and DOLE, in consultation with the DOF, including the BIR and the BOC, as well as with the participation of the Early Childhood Care and Development Council Secretariat, shall formulate the IRR to implement this Act. The IRR issued pursuant to this section shall take effect thirty (30) days after its publication in a newspaper of general circulation.

Sec. 10. *Transitory Clause.* – To prevent any delay in the delivery of goods, services, and real property, the provisions of R.A. No. 8525 or the “Adopt-a-School Act of 1998,” shall still apply to pending and ongoing transactions and/or donations by adopting individuals or entities.

Sec. 11. *Separability Clause.* – If any portion or provision of this Act is declared unconstitutional, the remainder of this Act or any provision not affected thereby shall remain in full force and effect.

Sec. 12. *Repealing Clause.* – All other laws, acts, presidential decrees, executive orders, presidential proclamations, administrative orders, issuances, rules and regulations, or parts thereof inconsistent with or contrary to the provisions of this Act are hereby repealed or amended accordingly.

Sec. 13. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,