



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



TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 2641

Introduced by Representative WALFREDO "ARMAN" R. DIMAGUILA, JR.

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

EXPLANATORY NOTE

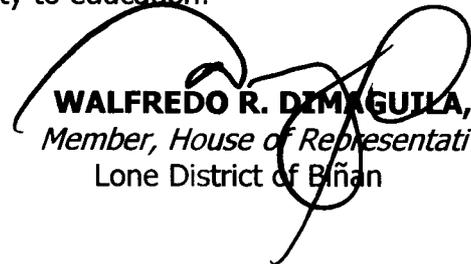
Republic Act No. 8525, or the Adopt-A-School Act of 1998, opened the door for private individuals and enterprises to partner with public schools in addressing chronic shortages in classrooms, facilities, instructional materials, and teacher development. Twenty-seven years later, program reviews reveal that the promise of this landmark statute remains largely untapped. The Second Congressional Commission on Education (EDCOM 2) reports that since 1996 no private organization has successfully claimed the tax incentives provided under the law, and between 2018 and 2025 the Department of Education endorsed only 476 applications for tax endorsement, none of which resulted in an approved tax deduction with the Bureau of Internal Revenue.

During the same period the education sector's resource gaps have widened. As of January 2025 the Department of Education estimates a shortage of more than 165,000 classrooms, with overcrowding forcing shifts in nearly one-half of all public elementary and secondary schools. Approximately 1,500 last-mile schools operate without electricity, and nearly 1,000 still lack functional toilets. Only 1.8 percent of public schools enjoy stable Wi-Fi connectivity, while many government-procured computers remain outdated or undelivered, limiting the nation's capacity for digital learning.

In the Senate, Senator Paolo Benigno "Bam" Aquino IV has filed a bill to modernize and expand the Adopt-A-School framework. Guided by the spirit and substantive proposals of his measure, this counterpart House Bill seeks to align private-sector incentives with today's urgent needs and streamline the administrative path from donor intent to classroom impact. It broadens the scope of eligible beneficiaries to include early childhood centers, alternative learning systems, technical-vocational institutions, and state universities. It rationalizes and enhances deductions, introduces payroll credits for enterprises employing public senior high-school graduates, and exempts qualified donations from customs duties and value-added tax.

To ensure ease of participation and transparency, the bill establishes an Adopt-A-School One-Stop Shop and online portal that consolidates application, endorsement, and reporting processes across government agencies. It likewise creates a stronger coordinating council composed of education, finance, trade, and labor agencies together with a reputable business-sector representative, tasked to conduct periodic reviews, publish program data, and recommend policy adjustments.

By reinforcing public-private collaboration, sharpening fiscal incentives, and removing bureaucratic hurdles, this measure empowers every Filipino and every enterprise to help build classrooms, upgrade laboratories, modernize digital infrastructure, strengthen teacher capacity, and nourish learners in the country's most underserved communities. Its passage will unlock much-needed resources that Government alone cannot supply, and will give real substance to the constitutional mandate that the State shall assign the highest budgetary priority to education.



WALFREDO R. DIMAGUILA, JR.
Member, House of Representatives
Lone District of Biñan



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**AN ACT FURTHER STRENGTHENING THE INCENTIVES FOR PRIVATE
SECTOR PARTICIPATION IN PUBLIC EDUCATIONAL INSTITUTIONS,
AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8525, OTHERWISE
KNOWN AS THE "ADOPT-A-SCHOOL ACT OF 1998"**

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

1 SECTION 1. SECTION 1. Section 1 of Republic Act No. 8525 is hereby amended
2 as follows:

3 "Section 1. *Short Title.* - This Act shall be known and cited as the ["Adopt-a-School
4 Act of 1998".] **"ADOPT-A-SCHOOL ACT OF 2025"**.

5 Sec. 2. Section 2 of Republic Act No. 8525 is hereby amended as follows:

6 "Section 2. *Declaration of policy.* - It is the policy of the State to provide quality and
7 relevant education to the Filipino youth and to encourage private initiative to support
8 public education. Towards this end, the State shall institute programs to [encourage]
9 **INCENTIVIZE THE** private [companies and enterprises] **SECTOR** to [help] **ASSIST**
10 in the **DEVELOPMENT**, upgrading, and modernization of **THE COUNTRY'S** public

11 [schools] **EDUCATION SYSTEM** [in the country, particularly those in poverty-
12 stricken provinces.] **AND ESTABLISH PROPER LINKAGES BETWEEN**
13 **EDUCATIONAL INSTITUTIONS AND INDUSTRIES, INCLUDING THE**
14 **TRAINING AND EMPLOYMENT OF SENIOR HIGH SCHOOL (SHS)**
15 **GRADUATES."**

16 Sec. 3. Section 3 of Republic Act No. 8525 is hereby amended as follows:

17 "Sec. 3. *Adopt-a-School Program.* - There is hereby established the "Adopt-a-School
18 Program" which will allow private **INDIVIDUALS OR** entities, **WHETHER LOCAL**
19 **OR FOREIGN, OF GOOD STANDING** to assist [a] public [school] **EDUCATIONAL**
20 **INSTITUTIONS,** whether **EARLY CHILDHOOD,** elementary, secondary,
21 **TECHNICAL-VOCATIONAL EDUCATION AND TRAINING, ALTERNATIVE**
22 **LEARNING SYSTEM (ALS),** or tertiary, preferably located in [any of the twenty (20)
23 poorest provinces identified by the Presidential Council for Countryside Development
24 or any other government agency tasked with identifying the poorest provinces] **THE**
25 **4th, 5th, AND 6th CLASS PROVINCES, CITIES, AND MUNICIPALITIES AS**
26 **DETERMINED BY THE DEPARTMENT OF FINANCE (DOF) AND OTHER LOCAL**
27 **GOVERNMENT UNITS (LGUs) EXPERIENCING SEVERE SHORTAGES,**
28 **INSUFFICIENT BUDGET OR HAVING NUMEROUS POOR BUT HIGH**
29 **PERFORMING LEARNERS** in, but not limited to, the following areas: **TRAINING,**
30 **DEVELOPMENT AND FURTHER EDUCATION OF SCHOOL HEADS, TEACHERS,**
31 **INCLUDING DAYCARE AND CHILD DEVELOPMENT WORKERS, TVET**
32 **TRAINERS, FACULTY AND LEARNERS; ASSESSMENTS IN PURSUIT OF**
33 **RELEVANT WORK-RELATED CERTIFICATIONS AND CREDENTIALS;**
34 **SCHOLARSHIPS FOR TEACHERS; REAL ESTATE PROPERTY** [staff and faculty
35 development for training and further education]; construction of **SCHOOL** facilities
36 **SUCH AS LIBRARIES AND LABORATORIES AND THOSE RELATED TO**
37 **POWER, WATER, AND SANITATION;** [upgrading] **UPGRADE AND REPAIR** of
38 existing facilities; provision of books, publications, **SCHOOL SUPPLIES,** and other
39 instructional materials **SUCH AS ELECTRONIC BOOKS (E-BOOKS),**
40 **COMPUTERS, FURNITURE, EDUCATIONAL FILMS AND AUDIO-VISUAL**

41 **MATERIALS; TECHNICAL VOCATIONAL LIVELIHOOD (TVL) TOOLS AND**
42 **EQUIPMENT; HEALTH AND NUTRITION PACKAGES; ASSISTIVE LEARNING**
43 **DEVICES AND EQUIPMENT FOR LEARNERS WITH SPECIAL NEEDS;** and
44 modernization of instructional technologies.

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

55 Sec. 4. Insert a new Section under Republic Act No. 8525 as follows, and
56 renumber the succeeding sections accordingly:

57 **"SEC. 4. CREATION AND ESTABLISHMENT OF AN ADOPT-A-SCHOOL ONE-**
58 **STOP SHOP. - THE DEPARTMENT OF EDUCATION (DEPED), COMMISSION**
59 **ON HIGHER EDUCATION (CHED), AND TECHNICAL EDUCATION AND SKILLS**
60 **DEVELOPMENT AUTHORITY (TESDA), IN COORDINATION WITH THE DOF,**
61 **BUREAU OF INTERNAL REVENUE (BIR), THE BUREAU OF CUSTOMS (BOC),**
62 **AND THE DEPARTMENT OF INFORMATION AND COMMUNICATIONS**
63 **TECHNOLOGY (DICT), SHALL ESTABLISH AND MAINTAIN AN ADOPT-A-**
64 **SCHOOL ONE-STOP SHOP AND AN ONLINE PORTAL TO ADDRESS QUERIES**
65 **AND CONCERNS FROM PRIVATE INDIVIDUALS AND ENTITIES INTERESTED**
66 **IN THE PROGRAM, TO RECEIVE AND PROCESS APPLICATIONS JOINTLY**
67 **WITH THE BIR AND THE BOC."**

68 Sec. 5. Section 4 of Republic Act No. 8525 is hereby amended as follows:

69 "Section [4] 5. *Periodic Review.* - A review of the adoption shall be undertaken by the
70 [local school board of the province or city where the school] **CONCERNED**
71 **REGIONAL, PROVINCIAL, OR FIELD OFFICE WHERE THE PARTICIPATING**
72 **SCHOOL** is located. The standards and guidelines for the review shall be formulated
73 by the **ADOPT-A-SCHOOL** Coordinating Council created under Sec. [7] 8 hereof. The
74 results of the review shall be taken into consideration in the assessment of the
75 application for tax credits by the adopting **INDIVIDUAL OR** entity. The [school
76 board] **CONCERNED REGIONAL, PROVINCIAL, OR FIELD OFFICE** may, after an
77 appropriate review, recommend to the **ADOPT-A-SCHOOL** Coordinating Council the
78 termination of the adoption. The adopting **INDIVIDUAL OR** entity may appeal the
79 assessment to the **ADOPT-A-SCHOOL** Coordinating Council whose decision shall be
80 final and unappealable."

81 Sec. 6. Sections 5 and 6 of Republic Act No. 8525 are hereby repealed and
82 replaced with a new Section, as follows:

83 **"SEC. 6. INCENTIVES FOR ADOPTING INDIVIDUALS OR ENTITIES. -**
84 **PROVISIONS OF EXISTING LAWS TO THE CONTRARY NOTWITHSTANDING,**
85 **ADOPTING INDIVIDUALS OR ENTITIES SHALL ENJOY THE FOLLOWING**
86 **INCENTIVES:**

87 **a) *ADDITIONAL DEDUCTION FOR EXPENSES INCURRED FOR THE***
88 ***ADOPTION - EXPENSES INCURRED BY THE ADOPTING INDIVIDUALS OR***
89 ***ENTITIES FOR THE "ADOPT-A-SCHOOL PROGRAM" SHALL BE ALLOWED AN***
90 ***ADDITIONAL DEDUCTION FROM THE GROSS INCOME EQUIVALENT TO***
91 ***FIFTY PERCENT (50%) OF SUCH EXPENSES.***

92 **VALUATION OF ASSISTANCE OTHER THAN MONEY SHALL BE BASED ON THE**
93 **ACQUISITION COST OF THE GOODS, SERVICES AND REAL PROPERTY.**
94 **SUCH VALUATION SHALL TAKE INTO CONSIDERATION THE DEPRECIATED**

95 **VALUE OF THE GOODS AND REAL PROPERTY, IN CASE SAID GOODS AND**
96 **REAL PROPERTY HAVE ALREADY BEEN USED.**

97 **b) *ONE-TIME ADDITIONAL DEDUCTION FOR HIRING OF PUBLIC SENIOR***
98 ***HIGH SCHOOL (SHS) GRADUATES - ADOPTING INDIVIDUALS OR ENTITIES***
99 ***WHO HIRE SENIOR HIGH SCHOOL (SHS) GRADUATES FROM THEIR***
100 ***PARTNER PUBLIC INSTITUTION SHALL ENJOY AN ADDITIONAL***
101 ***DEDUCTION EQUIVALENT TO TWENTY PERCENT (20%) OF THE SALARIES,***
102 ***WAGES, AND BENEFITS PAID TO THE EMPLOYED SHS GRADUATE:***
103 ***PROVIDED, THAT THE SHS GRADUATE IS REGULARLY EMPLOYED FOR AT***
104 ***LEAST ONE YEAR.***

105 **c) *ADDITIONAL INCENTIVES - IN ACCORDANCE WITH EXISTING LAWS***
106 ***AND SUBJECT TO THE IMPLEMENTING RULES AND REGULATIONS, THE***
107 ***ADOPTING INDIVIDUAL OR ENTITY SHALL BE ENTITLED TO HAVE ITS***
108 ***NAME EMBLAZONED BENEATH THE NAME OF THE SCHOOL AFTER WORDS***
109 ***INDICATING THAT THE SCHOOL IS UNDER THE "ADOPT-A-SCHOOL***
110 ***PROGRAM."***

111 Sec. 7. Insert a new Section under Republic Act No. 8525 as follows, and
112 renumber the succeeding sections accordingly:

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

119 Sec. 8. Section 7 of Republic Act No. 8525 is hereby amended as follows:

120 "Section [7] **8. *ADOPT-A-SCHOOL Coordinating Council. - AN ADOPT-A-SCHOOL***
121 ***Coordinating Council, hereinafter referred to as the Council, is hereby created to***
122 ***coordinate and monitor the implementation of this Act. The Council shall be composed***

123 of the Secretary of [the Department of Education, Culture and Sports (DECS)] **DEPED**,
124 as chairperson; the Chairman of [the Commission on Higher Education (CHED)] **CHED**
125 and the Director-General of [the Technical Education and Skills Development Authority
126 (TESDA)] **TESDA**, as co-chairpersons; **THE SECRETARY OF THE DEPARTMENT**
127 **OF TRADE AND INDUSTRY (DTI); THE SECRETARY OF THE DEPARTMENT OF**
128 **LABOR AND EMPLOYMENT (DOLE); THE COMMISSIONER OF THE BIR** and
129 [the chairperson of the Presidential Council for Countryside Development (PCCD), and]
130 a representative, **WHO SHALL HAVE A TERM OF THREE (3) YEARS AND MAY**
131 **BE REAPPOINTED FOR ANOTHER THREE (3) YEARS**, from a [national federation
132 of chambers of commerce and industry] **REPUTABLE BUSINESS GROUP** to be
133 appointed by the President of the Philippines, as members.”

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

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

143

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

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

150 Sec. 9. Insert a new Section under Republic Act No. 8525 as follows, and
151 renumber the succeeding sections accordingly:

152 **"SEC. 9. DETERMINATION OF EDUCATION SECTOR NEEDS AND**
153 **PRIORITIES. - THE DEPED, CHED, AND TESDA, THROUGH THEIR**
154 **RESPECTIVE REGIONAL, PROVINCIAL AND FIELD OFFICES, SHALL MAKE**
155 **AN ANNUAL DETERMINATION OF THE NEEDS AND PRIORITIES OF PUBLIC**
156 **EDUCATION INSTITUTIONS WITHIN THEIR LOCATION, WHICH MAY SERVE**
157 **AS A GUIDE FOR STRATEGIC INTERVENTIONS IN PARTNERSHIP WITH THE**
158 **PRIVATE SECTOR.**

159 Sec. 10. *Implementing Rules and Regulations.* - Within sixty (60) days from the
160 effectivity of this Act, the DepEd, CHED, TESDA, DTI and DOLE, in consultation with
161 the DOF, including the BIR, and the BOO, and the Early Childhood Care and
162 Development (ECCD) Council Secretariat, shall formulate the implementing rules and
163 regulations to implement this Act.

164 Sec. 11. *Transitory Clause.* - To prevent any delay in the delivery of goods,
165 services, and real property, the provisions of Republic Act No. 8525 shall apply to
166 pending and ongoing transactions and/or donations by adopting individuals or entities.

167 Sec. 12. *Repealing Clause.* - All laws, decrees, orders, rules, and regulations or
168 parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

169 Sec. 13. *Separability Clause.* - If any provision of this Act is held invalid or
170 unconstitutional, the same shall not affect the validity and effectivity of the other
171 provisions hereof.

172 Sec. 14. *Effectivity.* - This Act shall take effect after fifteen (15) days following
173 its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,