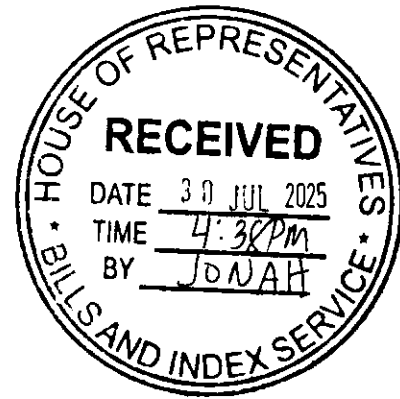


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 2698



Introduced by **Rep. FERDINAND ALEXANDER A. MARCOS**
1st District, Ilocos Norte

EXPLANATORY NOTE

Article XIV, Section 1 of Constitution of the Republic of the Philippines states that:

SECTION 1. The State shall protect and promote the right of all citizens to quality education at all levels and shall take appropriate steps to make such education accessible to all.

Section 2 (3) of the same article provides:

The State shall:

x x x

(3) Establish and maintain a system of scholarship grants, student loan programs, subsidies, and other incentives which shall be available to deserving students in both public and private schools, especially to the underprivileged xxx

In fulfillment of this constitutional mandate, the State has enacted the landmark legislation, Universal Access to Quality Tertiary Education Act (Republic Act No. 10931), which expanded access to higher education through tuition-free enrollment in state universities and colleges. However, access alone does not ensure equity, nor does it fully support the nation's need to cultivate a globally competitive, innovation-driven, and service-oriented workforce.

This bill seeks to establish the Presidential Merit Scholarship Program, a targeted, merit-based scholarship designed to identify and empower high-performing Senior High School graduates from low to middle-income households. It is envisioned to complement the existing student financial assistance programs by supporting those who demonstrate exceptional academic potential but may fall outside the coverage or reach of current government-funded scholarships and subsidies.

Eligible beneficiaries shall receive full coverage of tuition and miscellaneous fees, a tiered living stipend adjusted for geographical distance from the student's permanent residence, as well as allowances for learning resources, including books and digital connectivity.

By investing in the intellectual capital of the nation's most promising students and requiring them to give back through service and productivity, this measure advances both equity and excellence in Philippine higher education.

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



FERDINAND ALEXANDER A. MARCOS

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 2698

Introduced by **Rep. FERDINAND ALEXANDER A. MARCOS**
1st District, Ilocos Norte

AN ACT
ESTABLISHING THE PRESIDENTIAL MERIT SCHOLARSHIP PROGRAM,
PROVIDING FUNDS THEREFOR, AND FOR OTHER PURPOSES

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

SECTION 1. Short Title. — This Act shall be known as the "*Presidential Merit Scholarship Act.*"

SEC. 2. Declaration of Policy. — It is hereby declared that quality tertiary education is an inalienable right of all Filipinos, and it is the policy of the State to protect and promote the rights of all students to quality education at all levels. Accordingly, the State shall take appropriate steps to make such education accessible to all. Towards this end, the State recognizes and supports the nation's most academically gifted graduates of Philippine high schools, particularly those from low to middle-income families, and shall create pathways for these students to pursue higher education that matches their potential and prepares them for leadership and service in critical fields.

SEC. 3. Objectives. — The *Presidential Merit Scholarship Program* (hereinafter the *Program*) shall have the following objectives:

- (a) To provide full financial support to top-performing students from low to middle-income households for the pursuit of priority academic programs in high-ranking HEIs;
- (b) To cultivate a competitive and highly skilled workforce by supporting scholars in courses addressing hard-to-fill occupations;
- (c) To complement existing government scholarship programs by covering academically exceptional students not eligible under other financial assistance mechanisms; and
- (d) To institutionalize mechanisms for return service and social contribution by scholar-graduates.

SEC. 4. Definition of Terms. — As used in this Act:

- (a) **Cost of Tertiary Education** includes tuition and other mandatory school fees, educational expenses, and cost-of-living allowances;

- (b) **Higher Education or Undergraduate Course** refers to post-secondary programs leading to undergraduate or bachelor's degree;
- (c) **Higher Education Institution (HEI)** means any CHED-authorized university or college offering bachelor's courses;
- (d) **Local Universities and Colleges (LUCs)** refer to CHED-accredited public HEIs established and funded by local government units, compliant with CHED standards;
- (e) **Low to Middle-Income Households** refer to households with a combined monthly income that is equivalent to or above the Poverty Threshold, as determined by the Department of Economy, Planning, and Development (DEPDev) in coordination with other relevant government agencies.
- (f) **Private HEIs** are HEIs not owned or controlled by the government;
- (g) **Presidential Merit Scholar** refers to a student who has been granted a scholarship under this Act;
- (h) **Priority Courses** refer to courses identified by CHED with an issued Center for Excellence, addressing hard-to-fill occupations and serving the national interest;
- (i) **Return Service Agreement** refers to the mandatory service obligation of scholars to the Philippine government upon completion of their studies.
- (j) **State Universities and Colleges (SUCs)** refer to national government HEIs governed by independent boards of trustees; and
- (k) **Tuition Fees** refer to charges for academic courses enrolled in by tertiary-level students.

SEC. 5. Program Coverage and Eligibility.

The Program shall cover eligible Filipino students who:

- (a) Belong to the top ten (10) of their Senior High School graduating class as certified by their school principal;
- (b) Graduated with highest honors or its equivalent;
- (c) Have graduated from any public Senior High School within two (2) years prior to application;
- (d) Have gained admission to a CHED-recognized HEI with the following qualifications:
 1. For SUCs: Level III or IV; or
 2. For Private HEIs: Autonomous or deregulated status; or
 3. Inclusion in global university rankings within the past three (3) years;
- (e) Shall enroll in CHED-identified priority degree programs housed in Centers of Excellence;
- (f) Is not a recipient of other government funded scholarship grants; and
- (g) Belong to low to middle-income households.

Automatic Admission Provision. For the first two (2) years of the Program's implementation, top five (5) public high school graduates, regardless of the academic honor received, are granted priority scholarship placement in eligible SUCs within their region, subject to compliance with the academic and admission requirements.

SEC. 6. Scholarship Benefits. — Scholars shall be entitled to the following financial benefits per academic year, subject to satisfactory academic performance:

A. Tuition Support —

1. SUCs: Free tuition under the Universal Access to Quality Tertiary Education Act;
2. Private HEIs: Tuition and miscellaneous support, per academic year, capped at:
 - i. For HEIs located in the National Capital Region (NCR): ₱200,000;
 - ii. For HEIs located in Highly Urbanized Cities (HUCs) outside NCR: ₱100,000;
 - iii. For HEIs located in non-HUC areas: ₱50,000.

B. Yearly Stipend — To be released to the Presidential Merit Scholar.

1. For scholars from Visayas or Mindanao studying in NCR: ₱200,000;
2. For scholars studying outside their home region: ₱150,000;
3. For scholars studying within their region of residence: ₱100,000.

C. Book and Connectivity Allowance — ₱5,000 per semester or trimester, including mid-year or its equivalent.

The receipt by a Presidential Merit Scholar of scholarships or similar benefits granted by foundations, corporations, or other private entities shall not operate to disqualify or diminish their entitlement to the benefits provided under this Act.

Periodic Review and Adjustment. — CHED shall conduct a review of the benefit structure under this Section every five (5) years and shall submit its findings and recommendations to Congress for appropriate legislative action, particularly with respect to necessary adjustments due to inflation, regional disparities, or evolving educational costs.

SEC. 7. Institutional Support and Responsibilities. —

A. Commission on Higher Education (CHED). CHED shall:

1. Oversee implementation, monitoring, and evaluation of the Program;
2. Review demographic and academic performance data of Senior High School graduates to inform policy refinements;
3. Ensure SUCs' compliance with admission and performance standards; and
4. Provide academic advising and placement mechanisms in partnership with HEIs.

B. Department of Education (DepEd). DepEd shall:

1. Identify and certify the top ten (10) graduates and additional eligible students in public high schools;
2. Conduct and submit an annual census of graduating students to CHED;
3. Disseminate timely information about the Program to all public high schools; and
4. Ensure the integrity and timeliness of ranking certifications.

C. State Universities and Colleges (SUCs). SUCs shall:

1. Allocate slots and provide academic support to scholars;
2. Offer bridging programs, when necessary, to assist scholars who marginally fail to meet academic program requirements;
3. Coordinate with CHED in implementing internship and return service programs; and
4. Submit annual reports on enrolled scholars, academic outcomes, and program challenges to CHED and Congress.

SEC. 8. Return Service Agreement. — All beneficiaries of the Presidential Merit Scholarship shall be required to enter into a Return Service Agreement (RSA) with the government, under the following terms and conditions:

- (a) The scholar shall complete a research output, thesis, or equivalent scholarly work that demonstrates practical relevance and contributes to national development goals or government policy initiatives;
- (b) The scholar shall render return service to the Republic of the Philippines for a period equivalent to the number of academic years for which scholarship benefit was received; and
- (c) In the event that the scholar is unable to commence such return service immediately after graduation due to unemployment or other justifiable reasons, except employment abroad, the required period of return service shall remain unaffected by such delay or deferment and shall be computed in accordance with the duration prescribed under paragraph (b).

SEC. 9. Preferential Consideration for Government Service. — Presidential Merit Scholars shall be accorded preferential consideration in recruitment and hiring in the national government, its agencies and instrumentalities, as well as in local government units, subject to existing civil service rules and regulations.

SEC. 10. Program Monitoring and Evaluation. — CHED shall undertake robust and periodic evaluation of the Program's effectiveness. It shall conduct impact assessments every five (5) years using key indicators such as:

- (a) Enrollment and graduation rates;
- (b) Post-graduation employment and income levels;
- (c) Contribution to public service and underserved sectors; and
- (d) Geographic and socio-economic reach of the Program.

CHED may commission studies and adopt appropriate methodologies to assess program outcomes. CHED, in coordination with the Department of Budget and Management (DBM) and the Civil Service Commission (CSC), shall determine the required plantilla positions necessary for the monitoring and evaluation of the implementation of this Act.

SEC. 11. Implementing Rules and Regulations. — Within ninety (90) days from the effectivity of this Act, CHED, in coordination with the Department of Education (DepEd), state universities and colleges (SUCs), Department of Economy, Planning, and Development (DEPDev), Civil Service Commission (CSC), and in consultation with

relevant stakeholders, shall promulgate the implementing rules and regulations necessary for the effective implementation of this Act.

SEC. 12. Appropriations. — The amount necessary for the initial implementation of this Act shall be charged against the current fiscal year's appropriations of CHED. Thereafter, such sums as may be necessary for the continued implementation shall be included in the annual General Appropriations Act.

SEC. 13. Separability Clause. — If any provision of this Act is held unconstitutional or invalid, the remaining provisions not affected thereby shall continue in full force and effect.

SEC. 14. Repealing Clause. — All laws, rules, regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

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

Approved,