

TWENTIETH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF
REPRESENTATIVES HOUSE
BILL No. 3527

INTRODUCED BY HON. RICARDO S. CRUZ, JR.

EXPLANATORY NOTE

This timeless verse affirms what educators and scholars have long recognized, that basic education, especially the early years of a child’s instruction, is important in shaping their future. The foundational principles and values instilled during these formative years often influence the decisions they make and the paths they take later in life.

Article XIV, Section 1 of the Constitution guarantees the right of every Filipino to accessible and quality education at all levels and mandates the State to take appropriate steps to make such education available to all. The Constitution likewise mandates the State to establish and maintain a system of scholarships and other incentives for deserving students in both public and private schools, especially to the underprivileged.

These constitutional mandates are also reflected in international law and obligations. The Convention of the Rights of the Child affirms every child’s right to education and obligates States to ensure its progressive realization on the basis of equal opportunity. It also provides that in all actions concerning children, whether undertaken by public or private institutions, the best interests of the child shall be a primary consideration. Similarly, Sustainable Development Goals (SDG) 4 calls on all nations to ensure an inclusive and equitable quality education.

However, our current realities fall short of these ideals. The Second Congressional Commission on Education’s (EDCOM II’s) Year Two Report (2025) confirmed that the country is currently faced with a learning crisis amounting to an education emergency. Programme for International Student Assessment (PISA) 2022 results showed that similar to 2018, more than 75% of the 15-year-old Filipino learners scored below the minimum proficiency level in Math, Reading, and Science.

This crisis is worsened by accessibility and infrastructure gaps in public basic education schools. A study by the Philippine Institute for Development Studies (PIDS, 2025) showed severe classroom congestion in NCR, Region IV-A, Region XII, and BARMM, with up to 90% of public elementary students in Northern Manila District studying in schools with at least a 1:50 classroom-student ratio. High congestion was also recorded in Southern and Eastern NCR, Rizal (66%), and Cavite (57.7%). The

classroom backlog is most severe in elementary schools and is projected to persist in NCR, Cebu, Occidental Mindoro, BARMM, and SOCCSKSARGEN through 2040.

These structural inequities extend beyond physical infrastructure. Public school congestion continues to limit parental choice, especially for low-income families who would otherwise prefer nearby private schools offering quality instruction and values formation. While the Expanded Government Assistance to Students and Teachers in Private Education (E-GASTPE) law has helped bridge this gap, it is in need of an upgrade to align with evolving challenges and successful local innovations.

One such model is the Taguig Learner’s Certificate (TLC), which EDCOM II recognizes as a unique voucher system – an evolved and upgraded form of EGASTPE that emphasizes student choice. It is a learner-based, portable scholarship program that allows families to choose accredited private schools when public school capacity is lacking, by providing up to Php10,000 in educational allowance and a tuition subsidy of up to Php18,000 per school year. With over 60 participating private schools, the program reduces overcrowding in public classrooms, supports private school enrollment, and reflects a strong partnership between the LGU, families, and the private education sector.

This proposed measure aims to enhance and unify the government’s voucher-based education assistance system, improving existing schemes such as the Educational Service Contracting (ESC) program and replacing them with a learner-centered, needs-based voucher system from Kindergarten to Grade 12. It also seeks to strengthen the voucher management framework to ensure transparent, efficient, and accountable use of public funds, and to uphold the integrity of the program by preventing leakages, such as ghost students and fraudulent claims, through improved data validation and monitoring systems.

In keeping with the proverb *“It takes a village to raise a child,”* this measure calls upon families, LGUs, private schools, and the State to work together in shaping a more inclusive, equitable, and high-quality education system.

In line with the policy adopted by its original proponent Senator Alan Peter “Compañero” S. Cayetano, this bill therefore serves as a counterpart measure. It is for the reason stated above that the passage of this measure is earnestly sought.


RICARDO S. CRUZ, JR.

HOUSE OF
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AN ACT
INSTITUTIONALIZING A UNIFIED AND LEARNER-CENTERED VOUCHER
SYSTEM FOR BASIC EDUCATION TO RATIONALIZE GOVERNMENT
SUBSIDIES TO LEARNERS AND TEACHERS IN PRIVATE EDUCATION
AND STRENGTHEN COMPLEMENTARITY BETWEEN PUBLIC AND
PRIVATE EDUCATIONAL INSTITUTIONS, AND FOR OTHER PURPOSES

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 “*The Learner’s Choice (TLC) in Private Basic Education Act of 2025.*”

Sec. 2. Declaration of Policy. – It is hereby declared the policy of the State to promote the right of all citizens to quality education at all levels and take appropriate steps to make such education accessible to all. The State recognizes the indispensable and complementary roles of public and private educational institutions in the education system.

Toward this end, the State shall operationalize the principle of complementarity by institutionalizing a unified, rationalized, and learner-centered framework for government assistance to learners and teachers in private basic education. This framework shall be anchored on the principles of learner choice and funding portability, empowering families to select from a diverse range of quality educational institutions. To ensure equity and social justice, this assistance shall be targeted, prioritizing the underprivileged and most vulnerable learners. The entire system shall be governed by the highest standards of accountability and linked to a strong quality assurance framework to guarantee that public funds contribute directly to improved learning outcomes and to help address the learning crisis in the country.

The State shall likewise recognize and affirm its international obligations under the Convention on the Rights of the Child and commit to advancing Sustainable Development Goal 4 on ensuring inclusive and equitable quality education for all.

Sec. 3. Objectives. – The objectives of this Act are as follows:

1. Institutionalize a unified, learner-centered voucher system covering all basic education levels, including Kindergarten, that enables learner choice and funding portability across eligible private basic education institutions;

2. Promote equitable access to quality basic education by providing targeted financial assistance to disadvantaged learners from low-income households and congested public schools; and

3. Strengthen the delivery and governance of education subsidies through improved quality assurance, performance monitoring, and accountability mechanisms in both government and participating private institutions.

Sec. 4. Definition of Terms. – As used in this Act, the following terms shall mean:

- (a) **Alternative Learning System (ALS)** refers to a parallel learning system that provides a practical option to the existing formal instruction, encompassing both the non-formal and informal sources of knowledge and skills;
- (b) **Complementarity** refers to the principle that both public and private education are structurally indispensable to maximizing the opportunities for all Filipinos to get the best education that the country can provide given its limited resources, such that the collective, balanced and sustained use of public and private education through healthy competition guided by the protection of the public interest will lead to better learning outcomes for Filipinos, compared to what either of them working alone can achieve;
- (c) **Portability** refers to the features of the grant, subsidy, voucher, learner loan, or similar instrument, whether in cash or in kind, to be (i) awarded directly to the learner beneficiary, (ii) used to fully or partially cover the educational costs of the same learner beneficiary, at the educational institution he or she is enrolled in, and (iii) allows the learner beneficiary to apply the grant, subsidy, voucher, learner loan or similar instrument across a wide selection of eligible public and private educational institutions;
- (d) **Learner Choice** refers to a policy that encourages quality as the main reason behind a family or learner's decision on which educational institution to enroll in, and aims to reduce the weight of tuition and other school fees from the learner's viewpoint as a reason for enrollment decisions;
- (e) **Learning Materials** refers to any resource – including print and non-print materials and online/open-access resources – which supports and enhances, directly or indirectly, learning and teaching; and
- (f) **Voucher** refers to a modality of subsidy which is primarily focused on eligible and qualified learners, who as beneficiaries may avail of the amount of subsidy covered by such an instrument in any government-recognized public or private educational institution of their choice.

Sec. 5. Coverage and Eligibility; Tiered Priority System. – This Act shall cover all basic education learners, including those in Kindergarten, enrolled or intending to enroll in eligible private basic education institutions recognized by the Department of Education (DepEd), including ALS completers seeking to enroll in formal basic education, learners enrolled in DepEd and non-DepEd public schools, and learners with disabilities, subject to the following tiered priority system:

(a) First Priority – Learners from low-income households who are enrolled in or transferring from public basic education schools officially identified by the DepEd as congested.

(b) Second Priority – This tier shall cover the following groups:

(1) Learners, regardless of household income, who are enrolled in or transferring from public schools officially identified as congested.

(2) Learners from low-income households who are not from congested schools but require financial assistance to access or remain in private education.

(b) Third Priority – All other basic education learners not falling under the above priority tiers may apply and be granted vouchers, subject to the availability of funds after the higher-priority tiers have been served.

Notwithstanding the tiered system, ALS completers seeking to enroll in formal basic education shall be considered automatic voucher recipients and shall be classified under the First Priority tier.

The DepEd shall, in coordination with the Philippine Statistics Authority (PSA) and the Department of Social Welfare and Development (DSWD), establish and maintain a clear and transparent system for identifying low-income households, which may include the use of the National Household Targeting System for Poverty Reduction (Listahanan). Furthermore, the DepEd is mandated to regularly map, update, and publicly release the list of congested public basic education schools, which shall serve as the official basis for voucher prioritization and allocation under this Act.

Sec. 6. *Learner-Based Voucher System; Learner Choice.* – To operationalize the constitutional mandate on complementarity in education and to empower learners' choice in their selection of a quality private basic education institution, a learner-based voucher system is hereby institutionalized.

The voucher shall be a portable, learner-held financial grant that enables an eligible learner to enroll in a DepEd-recognized private basic education institution of their choice, subject to the private basic education institution's participation in the program and availability of slots.

Learners, their parents, parent-substitutes, or guardians shall have the freedom to select among participating private basic education institutions based on factors such as program offerings, quality of instruction, school culture, location, and affordability.

The DepEd shall maintain and regularly update a publicly accessible database of all participating private basic education institutions, indicating tuition rates, program tracks, accreditation status, and performance indicators to support informed decision-making of learners, their parents, parent-substitutes, or guardians.

Sec. 7. *Forms of Assistance; Voucher Amount.* – Assistance to learners in private basic education institutions under this Act shall be in the form of a voucher to cover tuition fees and learning materials, and school allowance of not less than Five Thousand Pesos (PhP 5,000) per school year, to cover education-related expenses, such as school supplies, uniforms, transportation, and other related needs of the learners. This assistance may be supplemented by a Top-up or Co-Fund Assistance

from local government units (LGUs), private sponsors, or other scholarship providers to cover any difference between the voucher amount and the total cost of schooling.

The amount of education voucher shall be determined by the DepEd based on the average per-learner cost of public education in the locality where the learner resides, adjusted for prevailing private school tuition and other fees, and shall consider the minimum criteria stated in Section 5 of this Act. The said amount shall be reviewed every three (3) years by the DepEd, in accordance with the Implementing Rules and Regulations (IRR) in Section 17 of this Act.

Sec. 8. Voucher System Management and Quality Assurance Framework. –

The DepEd shall have primary responsibility for the administration, supervision, and quality assurance of the Voucher System established under this Act. It shall formulate policy directions, set implementation standards, and conduct regular monitoring and evaluation of all programs and activities related to the voucher system.

To support effective coordination with private education stakeholders, a dedicated Bureau of Private Education shall be created within DepEd to address the operational needs, concerns, and development goals of participating private basic education institutions. It shall also act as permanent secretariat for the implementation of the Voucher System program under this Act.

The DepEd may contract the services of qualified private entities, including education service providers and civil society partners, to assist in the implementation, capacity-building, information systems management, and monitoring of the voucher program: Provided, That such engagements shall comply with applicable procurement laws and regulations, and all private entities receiving public funds pursuant to this Act shall be subject to the oversight authority of the Commission on Audit (COA).

In relation to the immediately preceding paragraph, the DepEd shall ensure that the contracted entity has met the following minimum qualifications:

- (1) Sufficient manpower and qualified personnel to support the regional and national operations, in the verification of eligible learners, validation of school compliance, and monitoring of fund disbursement, among others; and
- (2) Automated systems for real-time tracking of voucher beneficiaries and school performance.

The DepEd shall ensure that all aspects of voucher administration are governed by a comprehensive quality assurance framework, which includes accreditation, learner outcome tracking, financial accountability, and continuous program improvement.

Sec. 9. Complementarity in Teachers and Faculty in All Sectors; Teacher's Salary Subsidy Fund and In-Service Training Fund. – To uphold the principle of complementarity in education and to promote equity in the treatment of teachers and faculty across public and private sectors, the Teacher's Salary Subsidy (TSS) Fund is hereby enhanced.

The TSS shall be granted to licensed teachers employed in DepEd-recognized private basic education institutions participating in the voucher system, in order to align their compensation with prevailing market conditions. Priority shall be given to

high-performing teachers, as determined by the DepEd through a merit system based on standards-based assessments, performance evaluations, and other objective measures of teaching competence and effectiveness.

In addition to the salary subsidy, an In-Service Training (INSET) Fund shall be enhanced for the continuous professional development of teachers and school administrators. All training programs supported by the INSET Fund shall be subject to a rigorous quality assurance framework, which must include pre- and post-training assessments to measure their effectiveness and impact on teacher competence and student learning outcomes. The INSET Fund shall be directly paid to eligible teachers in accordance with guidelines to be issued by the DepEd.

The DepEd shall, in consultation with relevant stakeholders, regularly review the subsidy amounts and program guidelines to ensure their responsiveness, fairness, and alignment with national education standards and goals.

Sec. 10. *Inclusion of Private School Teachers in DepEd Training Programs.*

– In addition to the immediately preceding Section, school divisions of the Department of Education are encouraged to include teachers from participating private basic education institutions in their training, learning action cells, and capacity-building programs. DepEd shall issue additional guidelines on the integration and resource sharing between DepEd and the concerned private basic education institutions.

Sec. 11. *Portable Local Scholarships; Alignment with the Learner-Based Voucher System.* – LGUs are hereby encouraged to create, expand, or modify their existing scholarship and education assistance programs to be portable, allowing learners to use such financial assistance in any eligible private basic education institution, whether within or outside the LGU’s territorial jurisdiction.

LGUs shall align their local scholarship systems with the learner-based voucher framework under this Act, and are further encouraged to:

- (a) Provide top-ups to augment national voucher amounts for learners in private basic education institutions with higher tuition fees;
- (b) Coordinate with the DepEd for data sharing, program monitoring, and learner validation; and
- (c) Adopt performance and equity-based criteria in designing portable local assistance, consistent with national education policy goals.

Sec. 12. *Seal of Good Local Governance.* – In recognition of the role of LGUs in supporting access to quality education, LGUs that create, expand, or align their local education assistance programs with the objectives and standards of this Act shall be accorded recognition under the Seal of Good Local Governance (SGLG) administered by the Department of the Interior and Local Government (DILG). The DILG, in coordination with DepEd, shall issue the necessary guidelines to integrate these criteria into the SGLG evaluation framework.

Sec. 13. *Penalties.* – Any person, institution, or entity that is found to have committed fraudulent practices, including but not limited to misrepresentation of student eligibility or the submission of falsified documents, act or omission that results in the

exclusion of eligible learners or unjustified delays in voucher processing, shall, after due process, be subject to the following penalties:

- (a) Immediate suspension or revocation of its participation in the voucher program;
- (b) Refund of all improperly received government funds, with interest; and
- (b) Blacklisting from future government education contracts.

The penalties herein imposed shall be without prejudice to the filing of appropriate administrative, civil, or criminal charges against the responsible person or school officials.

Sec. 14. *Annual Report.* – Three (3) years after the effectivity of this Act, the DepEd shall commence the submission of annual reports on the status of its implementation to the Committee on Basic Education of the Senate and the Committee on Basic Education and Culture of the House of Representatives.

Sec. 15. *Transitory Provisions.* – Upon the effectivity of this Act, all existing recipients of the Educational Service Contracting scheme shall be automatically transferred to the voucher system, subject to the eligibility and prioritization criteria established herein. All forms of government assistance for post-secondary and tertiary education under Republic Act No. 8545, as amended, are hereby transferred to the jurisdiction of the Unified Student Financial Assistance System for Tertiary Education (UniFAST) Board.

Sec. 16. *Appropriations.* – The amount necessary for the initial implementation of this Act shall be charged against the current appropriations of the Department of Education (DepEd) under the General Appropriations Act (GAA). Thereafter, the funds necessary for the continued implementation of the programs under this Act shall be appropriated annually in the GAA as a separate budget item under the DepEd.

LGUs are likewise authorized to appropriate funds from their respective local budgets, including the Special Education Fund, to support portable local scholarship programs aligned with this Act.

All appropriations and disbursements made pursuant to this Act shall be subject to the usual budgeting, accounting, auditing, and procurement laws, rules, and regulations, and shall be subject to oversight by the Commission on Audit (COA).

Sec. 17. *Implementing Rules and Regulations.* – The DepEd, DILG and other relevant stakeholders shall promulgate not later than ninety (90) days upon the effectivity of this Act, the necessary rules and regulations for the effective implementation of this Act: Provided, That the failure to promulgate the rules and regulations shall not prevent the implementation of this Act upon its effectivity.

Sec. 18. *Separability Clause.* – If any provision or part of this Act is declared invalid or unconstitutional, the remaining parts not affected shall remain in full force and effect.

Sec. 19. *Repealing Clause.* – All laws, executive orders, presidential decrees, administrative orders, rules and regulations, issuances, or parts thereof inconsistent

with or contrary to the provisions of this Act are hereby repealed or amended accordingly.

Sec. 20. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or a newspaper of general circulation.

Approved,