

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

20th CONGRESS
First Regular Session

HOUSE BILL NO. 3734



Introduced by REP. JUAN CARLOS "ARJO" C. ATAYDE

AN ACT
ESTABLISHING MINIMUM PERFORMANCE STANDARDS AND
ACCOUNTABILITY MEASURES FOR DRIVING SCHOOLS, AND FOR OTHER
PURPOSES

EXPLANATORY NOTE

In recent years, concerns have grown over the mushrooming of expensive yet underperforming driving schools across the country. These institutions, while officially accredited by the Land Transportation Office (LTO), have collected substantial fees from learners without guaranteeing effective instruction or acceptable performance in the Theoretical and Practical Driving Exams.

This measure seeks to introduce a system of accountability based on actual student performance, particularly driving test passing rates, to assess the instructional quality of accredited driving schools. Those with consistently low passing rates will be subject to progressive penalties, ranging from mandatory retraining to revocation of accreditation.

A 2022 Commission on Audit (COA) report revealed that 189 out of 285 driving schools were issued permits despite incomplete documentation and non-compliance with facility standards. COA noted that "the inspection reports of the LTO's Regional

Accreditation Committees cannot be relied upon,” pointing to a systemic failure in screening and monitoring educational quality.

Further undermining public trust, several reports have surfaced of schools issuing course completion certificates through "non-appearance" schemes—providing credentials to students who never attended any session. As noted in an official LTO statement during a crackdown in late 2024, “what is at stake is the safety of road users,” highlighting how compromised training can endanger lives.

Public frustration has also centered on the cost-benefit mismatch of enrolling in accredited driving schools. According to reports, some students paid upwards of ₱9,500 for required courses, only to fail their LTO exams due to substandard instruction. These expenses are particularly heavy on ordinary citizens, prompting accusations that the system is “anti-poor and burdensome” rather than educational and enabling.

The call for reform is not unique to the Philippines. International models demonstrate that performance monitoring—such as the UK’s public disclosure of test center pass rates and New York State’s periodic instructor assessments—helps weed out ineffective schools while empowering students to make informed choices.

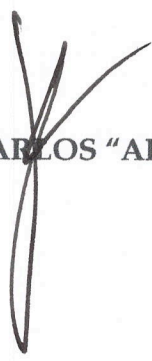
Moreover, research from Nebraska, USA, involving over 150,000 teen drivers, found that those who underwent formal driver education were 24% less likely to be involved in a fatal or injury crash and 75% less likely to receive a traffic citation during their first year. These outcomes emphasize that effective instruction leads to safer driving, and poor-quality instruction must therefore not be tolerated in any country striving for better road safety.

This measure aims to institutionalize a Minimum Annual Pass Rate policy, requiring driving schools to maintain a passing threshold among their students. Schools falling short will be subjected to a tiered response system—starting with retraining and moving toward license revocation in cases of repeated underperformance.

We also propose regular performance audits, mandatory publication of pass rates, and greater transparency in pricing, all geared toward protecting the Filipino learner from exploitative practices. As the LTO itself warned, fraudulent or poor-quality training "defeats the whole purpose of driver education."

This bill ultimately promotes consumer protection, educational integrity, and road safety. It ensures that aspiring drivers receive the quality instruction they pay for, and that only competent, well-trained individuals are granted the privilege of operating vehicles on public roads.

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



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

SECTION 1. Title. - This Act shall be known as the "*Driving School Quality Assurance Act.*"

SEC. 2. Declaration of Policy. - It is the policy of the State to ensure that all licensed drivers in the Philippines are equipped with adequate knowledge, skills, and safety awareness. The State shall ensure that accredited driving schools meet a minimum standard of instruction quality and are held accountable for the performance of their students in government-administered examinations.

SEC. 3. Coverage. - This Act shall apply to all driving schools, institutions, and training centers accredited by the Land Transportation Office (LTO) to conduct the Theoretical Driving Course (TDC) and Practical Driving Course (PDC) for student drivers, whether privately or publicly operated.

SEC. 4. Minimum Passing Rate Requirement. – All LTO-accredited driving schools shall maintain an annual minimum student passing rate of seventy-five percent (75%) in both the TDC and PDC administered by the LTO.

SEC. 5. Publication of Performance Ratings. The LTO shall publish, on its official website, the annual performance of each accredited driving school, including:

1. Overall passing rates in TDC and PDC;
2. Total number of students enrolled and examined;
3. Any violations, complaints, or sanctions imposed.

SEC. 6. Tiered Accreditation System. – A tiered accreditation system shall be established by the LTO, ranking driving schools based on student passing rates, instructor qualifications, compliance with LTO curriculum standards and verified student feedback and complaints.

Driving schools with the lowest tier rating for two consecutive years may be subject to suspension or revocation of accreditation.

SEC. 7. Independent Quality Audit. – The LTO shall conduct random quality audits of driving schools, which may include, among others, class observation, review of training materials and attendance records, interviews with students, random validation exams.

SEC. 8. Consumer Protection Measures. Driving schools whose annual TDC or PDC passing rates fall below fifty percent (50%) shall be required to offer its failing students partial refund of training/enrolment fees and/or free review sessions for students who failed their respective LTO exams.

SEC. 9. *Instructor Licensing and Training.* – All instructors of accredited driving schools shall:

1. Possess a valid LTO-issued instructor license;
2. Complete periodic refresher courses as prescribed by the LTO;
3. Be subject to evaluation during quality audits.

SEC. 10. *Transparent Fee Disclosure.* All driving schools shall publish a clear and itemized fee schedule for all courses offered and comply with maximum fee ceilings set by the LTO and the Department of Trade and Industry (DTI), where applicable.

SEC. 11. *Public Grievance Mechanism.* The LTO shall establish and maintain a public grievance platform (online and hotline-based) for reporting of substandard training, unethical practices, overcharging, or false certifications.

All valid complaints shall be investigated and resolved within thirty (30) calendar days.

SEC. 12. *Centralized Performance Monitoring.* The LTO shall maintain a centralized database linking every student's examination performance to the driving school of origin. This data shall be used to evaluate institutional performance and guide accreditation decisions.

SEC. 13. *Penalties.* Any accredited school found falsifying records, issuing certificates without proper instruction, or repeatedly failing to meet the requirements of this Act shall be subject to suspension or revocation of LTO accreditation and/or fines as determined by the LTO. This is without prejudice to criminal prosecution under relevant laws, whenever it is applicable.

SEC. 14. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the LTO, in coordination with DTI, shall promulgate the necessary rules and regulations for its implementation.

SEC. 15. Appropriations. The amount necessary for the implementation of this Act shall be charged against the current appropriations of the LTO. Thereafter, such sums as may be necessary shall be included in the annual General Appropriations Act.

SEC. 16. *Separability Clause.* If any provision of this Act is declared unconstitutional or invalid, the remaining provisions not affected shall remain in full force and effect.

SEC. 17. *Repealing Clause.* All laws, orders, rules, and regulations inconsistent with the provisions of this Act are hereby repealed or amended accordingly.

SEC. 18. Effectivity. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,