



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 4970



Introduced by Representative Gloria Macapagal-Arroyo

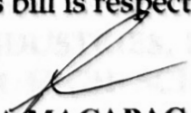
AN ACT
FURTHER STRENGTHENING THE INCENTIVES FOR PRIVATE
SECTOR PARTICIPATION IN PUBLIC EDUCATIONAL INSTITUTIONS,
AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 8525,
OTHERWISE KNOWN AS THE "ADOPT-A-SCHOOL ACT OF 1998"

EXPLANATORY NOTE

Republic Act No. 8525, or the Adopt-A-School Act of 1998, was enacted to encourage private sector participation in the delivery of quality education by granting tax incentives to those who extend assistance to public schools. Over the years, the program has proven to be a valuable mechanism for mobilizing private resources to complement public investments in education. However, developments in the education sector, coupled with evolving economic and social realities, highlight the need to strengthen and expand this framework to ensure that it remains responsive, equitable, and impactful.

This proposed measure seeks to modernize and enhance the Adopt-A-School Program by broadening the coverage of beneficiaries and donors, targeting underserved areas, creating an Adopt-A-School One-Stop Shop and Online Portal to streamline processes, and enhancing incentives for private sector participation.

In view of the foregoing, the urgent passage of this bill is respectfully sought.


GLORIA MACAPAGAL-ARROYO
Representative, 2nd District, Pampanga



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

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

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

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

"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 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 INDUSTRIES, INCLUDING THE TRAINING AND EMPLOYMENT OF SENIOR HIGH SCHOOL (SHS) GRADUATES."**

SEC. 3. Section 3 of Republic Act No. 8525 is hereby amended 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, TECHNICAL-VOCATIONAL EDUCATION AND TRAINING, ALTERNATIVE LEARNING SYSTEM (ALS), or tertiary, 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, 5th, AND 6th 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 OF SCHOOL HEADS, TEACHERS, INCLUDING DAYCARE AND CHILD DEVELOPMENT 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 SPECIAL NEEDS; 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 REGIONAL, PROVINCIAL, OR 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 Republic Act No. 8525 as follows, and renumber the succeeding sections accordingly:

"**SEC. 4. CREATION AND ESTABLISHMENT OF AN ADOPT-A-SCHOOL ONE-STOP SHOP.** - THE DEPARTMENT OF EDUCATION (DEPED), COMMISSION ON HIGHER EDUCATION (CHED), AND TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA), IN COORDINATION WITH THE DOF, BUREAU OF INTERNAL REVENUE (BIR), THE BUREAU OF CUSTOMS (BOC), AND THE DEPARTMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY (DICT), SHALL ESTABLISH AND

MAINTAIN AN ADOPT-A-SCHOOL ONE-STOP SHOP AND AN ONLINE PORTAL TO ADDRESS QUERIES AND CONCERNS FROM PRIVATE INDIVIDUALS AND ENTITIES INTERESTED IN THE PROGRAM, TO RECEIVE AND PROCESS APPLICATIONS JOINTLY WITH THE BIR AND THE BOC."

SEC. 5. Section 4 of Republic Act No. 8525 is hereby amended 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 REGIONAL, PROVINCIAL, OR 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 REGIONAL, PROVINCIAL, OR 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 Republic Act No. 8525 are hereby repealed and replaced with a new Section, 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 - 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.**

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

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

SEC. 7. Insert a new Section under Republic Act No. 8525 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, AND DONOR'S TAX: PROVIDED, THAT THE DONATIONS SHALL NOT BE RESOLD OR TRANSFERRED FOR MATERIAL CONSIDERATION."

SEC. 8. Section 7 of Republic Act No. 8525 is hereby amended 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 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, 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. Insert a new Section under Republic Act No. 8525 as follows, and renumber the succeeding sections accordingly:

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

SEC. 10. *Implementing Rules and Regulations.* - 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 BOO, and the Early Childhood Care and Development (ECCD) Council Secretariat, shall formulate the implementing rules and regulations to implement this Act.

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

SEC. 12. *Separability Clause.* - If any provision or part hereof is declared unconstitutional, the remainder of this Act or any provision not affected thereby shall remain in full force and effect.

SEC. 13. *Repealing Clause.* -All laws, acts, decrees, executive orders, issuances, and rules and regulations or parts thereof which are contrary to and inconsistent with this Act are hereby repealed, amended or modified accordingly.

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

Approved,