



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

TWENTIETH CONGRESS
First Regular Session



HOUSE BILL NO. 5693

Introduced by
REPRESENTATIVE DAVID “JAY-JAY” C. SUAREZ

AN ACT
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

Articles XIV, Section 1 of the 1987 Philippine Constitution affirm the State’s duty to protect and promote every citizen’s right to quality education at all levels, and to take appropriate steps to make such education accessible to all. The Constitution likewise mandates the State to assign the highest budgetary priority to education to ensure that teaching personnel, facilities, and learning resources are adequately provided¹.

In line with this Constitutional mandate, Republic Act No. 8525, otherwise known as 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. Since its passage, the Adopt-a-School Program (ASP) has mobilized private donations in the form of infrastructure, equipment, learning resources, and training support, thereby supplementing government efforts to bridge persistent gaps in the education system.

More than two decades later, however, several implementation challenges remain. According to the 2025 Year II Report of the Second Congressional Commission on Education (EDCOM II), the ASP secured a total of 476 tax endorsement claims between 2018 and 2023, amounting to an

¹ 1987 Constitution, Art. XIV, Sec. 5[5]).

estimated cumulative value of Php 1.8 billion². While this contribution is significant, it pales in comparison to the resources generated by *Brigada Eskwela*, which mobilized Php 4.8 billion worth of financial and in-kind support in 2023 alone, or approximately 11.5 times more than the ASP.

The EDCOM II identified the following key challenges in the implementation of RA 8525:

1. **Low awareness of incentives** – Many private donors, especially SMEs, are unaware of the tax benefits provided by the law.
2. **Ambiguity in assistance** – The Act and its rules do not clearly cover support for Technical Vocational Institutions (TVIs) and Higher Education Institutions (HEIs), while vague tax provisions create gray areas often narrowly interpreted by tax administrators.
3. **Administrative barriers** – SMEs face difficulties with paperwork, and slow processing of tax claims discourages participation.
4. **Program design gaps** – The law mainly assumes large private sector participation, limiting accessibility for smaller donors and individuals.
5. **Limited staffing** – The ASP Secretariat has limited manpower handling applications, causing delays and restricting program reach.³

In response to these challenges, this measure seeks to strengthen and modernize the Adopt-a-School Program by expanding eligible assistance to include digital resources and industry-led training, establishing a one-stop shop to streamline applications, enhancing tax incentives for both local and foreign corporations, as well as individual donors, broadening the Coordinating Council to include education and industry agencies, and mandating regular needs assessments to align private sector contributions with priority areas such as digital learning, infrastructure, and workforce preparation.

Through these reforms, the Adopt-a-School Program will be better equipped to harness private sector partnership, sustain public confidence, and address the evolving demands of the Philippine education system.

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

DAVID "AY JAY" C. SUAREZ
2nd District, Province of Quezon

² Second Congressional Commission on Education (2025). report. Congress of the Philippines.

³ *Id.*



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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, otherwise known as the “Amend-A-School Act of 1998”, is hereby amended to read as follows:

“Section 1. *Title.* – This Act shall be known and cited as the “Adopt-a-School Act of ~~{1998}~~ 2025”.”

Sec 2. Section 2 of Republic Act No. 8525 is hereby further amended to read as follows:

“Section 2. *Declaration of Policy.* – It is the policy of the State to provide quality and 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 in the country, particularly those in poverty-stricken provinces.}~~ **EDUCATION SYSTEM AND TO ESTABLISH PROPER LINKAGES BETWEEN EDUCATIONAL INSTITUTIONS AND THEIR RESPECTIVE INDUSTRIES, PARTICULARLY IN THE TRAINING AND EMPLOYMENT OF SENIOR HIGH SCHOOL (SHS) GRADUATES.**

Sec 3. Section 3 of Republic Act No. 8525 is hereby further amended to read as follows:

"Section 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**, to assist ~~{a}~~ public ~~{school}~~ **EDUCATIONAL INSTITUTIONS**, whether **IN** elementary, secondary, **TECHNICAL-VOCATIONAL, ALTERNATIVE LEARNING SYSTEM (ALS)** or ~~{tertiary}~~ **HIGHER EDUCATION**, 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 ECONOMICALLY DISADVANTAGED YET HIGH-PERFORMING LEARNERS** in, but not limited to, the following areas: ~~{staff and faculty development for training and further education; construction of facilities; upgrading of existing facilities; provision of books, publications and other instructional materials; and modernization of instructional technologies.}~~

- (A) **FURTHER TRAINING, DEVELOPMENT, OR EDUCATION FOR SCHOOL HEADS, TEACHERS, INCLUDING EARLY CHILDHOOD CARE AND DEVELOPMENT SERVICE PROVIDERS, TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING (TVET) TRAINERS, AND HIGHER EDUCATION FACULTY MEMBERS;**
- (B) **EDUCATION OF LEARNERS IN THE ALS;**
- (C) **ASSESSMENT IN PURSUIT OF RELEVANT WORK-RELATED CERTIFICATIONS AND CREDENTIALS;**
- (D) **SCHOLARSHIPS FOR TEACHERS;**
- (E) **ACQUISITION OF REAL ESTATE PROPERTY FOR SCHOOL FACILITIES;**
- (F) **CONSTRUCTION OF SCHOOL FACILITIES SUCH AS LIBRARIES AND LABORATORIES, AND INFRASTRUCTURE RELATED TO POWER, INTERNET, WATER, AND SANITATION;**
- (G) **UPGRADING AND REPAIR OF EXISTING FACILITIES;**
- (H) **PROVISION OF BOOKS, PUBLICATIONS, SCHOOL SUPPLIES, AND OTHER INSTRUCTIONAL MATERIALS, INCLUDING ELECTRONIC BOOKS, COMPUTERS, FURNITURE, EDUCATIONAL FILMS AND AUDIO-VISUAL MATERIALS, AS WELL AS LICENSED EDUCATIONAL SOFTWARE AND DIGITAL PRODUCTIVITY TOOLS;**

- (I) **PROCUREMENT OF TECHNICAL VOCATIONAL LIVELIHOOD TOOLS AND EQUIPMENT;**
- (J) **DISTRIBUTION OF HEALTH AND NUTRITION PACKAGES;**
- (K) **ACQUISITION OF ASSISTIVE LEARNING DEVICES AND EQUIPMENT FOR LEARNERS WITH SPECIAL NEEDS; and**
- (L) **MODERNIZATION OF INSTRUCTIONAL TECHNOLOGIES.**

Sec 4. Section 4 of Republic Act No. 8525 is hereby further amended to read as follows:

“Section 4. ONE STOP SHOP (OSS) PROCESSING. - APPLICATIONS TO PARTICIPATE IN THE PROGRAM SHALL BE FILED WITH ONE STOP SHOP TO BE ESTABLISHED IN THE CENTRAL AND REGIONAL OFFICES OF THE DEPARTMENT OF EDUCATION (DEPED), COMMISSION ON HIGHER EDUCATION (CHED), AND TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA).

THE OSS SHALL SERVE AS THE CENTRAL RECEIVING OFFICE WHERE PROSPECTIVE ADOPTING INDIVIDUAL/S OR ENTITY/ENTITIES SHALL FILE THEIR APPLICATION. THE ONE STOP-SHOP SHALL CONDUCT AN INITIAL REVIEW TO DETERMINE COMPLETENESS OF THE DOCUMENTARY REQUIREMENTS AND SHALL TRANSMIT APPLICATIONS TO THE CONCERNED REGIONAL, PROVINCIAL, OR FIELD OFFICE OF THE EDUCATIONAL INSTITUTION.

THIS OSS SHALL ALSO SERVE AS A CENTRAL HUB FOR ADDRESSING QUERIES AND CONCERNS FROM PRIVATE INDIVIDUALS AND ENTITIES INTERESTED IN PARTICIPATING IN THE PROGRAM: *PROVIDED*, THAT THE DEPED, CHED, AND TESDA SHALL, IN CONSULTATION WITH THE DEPARTMENT OF INFORMATION AND COMMUNICATIONS TECHNOLOGY (DICT), ESTABLISH AN INTEGRATED ONLINE PORTAL TO RECEIVE AND PROCESS APPLICATIONS.”

Sec 5. Section 5 of Republic Act No. 8525 is hereby further amended to read as follows:

“Section 5. MEMORANDUM OF AGREEMENT. – A Memorandum of Agreement (MOA) specifying the details of the adoption shall be entered into between the adopting **INDIVIDUAL/S OR entity/**ENTITIES** 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]~~**REGIONAL, PROVINCIAL, OR FIELD OFFICE OF THE EDUCATIONAL INSTITUTION** IN ACCORDANCE**

WITH THE STANDARDS AND GUIDELINES FORMULATED BY THE ADOPT-A-SCHOOL COORDINATING COUNCIL. THE GUIDELINES SHALL INCLUDE, BUT NOT BE LIMITED TO THE FOLLOWING:

- (a) CREDIBILITY AND TRACK RECORD OF THE ADOPTING INDIVIDUAL OR ENTITY;
- (b) PERIOD OF LEGAL EXISTENCE AND PROPER REGISTRATION WITH THE APPROPRIATE REGULATORY AGENCY; AND
- (c) ABSENCE OF CONVICTION FOR, OR INVOLVEMENT IN, ILLEGAL ACTIVITIES SUCH AS MONEY LAUNDERING AND OTHER SIMILAR CIRCUMSTANCES.

Provided, That the agreement shall last for at least two (2) years with the possibility of extension: *Provided*, further 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 Sec.~~ **THIS ACT.**

Sec 6. Section 6 of Republic Act No. 8525 is hereby further amended to read as follows:

“Section [4] **6. 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 EDUCATIONAL INSTITUTION** is located. **THE ADOPT-A-SCHOOL COORDINATING COUNCIL SHALL FORMULATE** the standards and guidelines for the review, ~~shall be formulated by the Coordinating Council~~ **INCLUDING BUT NOT LIMITED TO:**

- (d) **DELIVERY AND UTILIZATION OF PROPOSED PROJECT;**
- (e) **IMPACT OF PROPOSED PROJECT ON THE EDUCATIONAL INSTITUTION AND THE COMMUNITY IN TERMS OF SOCIAL BENEFITS; AND**
- (f) **PARTICIPATION OF OTHER STAKEHOLDERS TO SUPPORT THE PROJECT.**

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. **PROVIDED, FURTHER, THAT** the ~~school board~~ **CONCERNED REGIONAL, PROVINCIAL, OR FIELD OFFICE** may, after an appropriate review, also recommend to the **ADOPT-A-SCHOOL** Coordinating Council the termination of the adoption **DUE TO POOR PERFORMANCE OF PARTIES AND OTHER GROUNDS AS MAY BE ISSUED BY THE ADOPT-A-SCHOOL COORDINATING COUNCIL.** The adopting entity may appeal

the assessment to the **ADOPT-A-SCHOOL** Coordinating Council whose decision shall be final and unappealable.”

Sec 7. Section 5 and 6 of Republic Act No. 8525 are hereby repealed and replaced with a new Section to be read as follows:

**“Sec. 7. INCENTIVES FOR ADOPTING INDIVIDUALS OR ENTITIES.
- NOTWITHSTANDING ANY LAW TO THE CONTRARY, ADOPTING
INDIVIDUALS OR ENTITIES SHALL ENJOY THE FOLLOWING
INCENTIVES:**

**A) ADDITIONAL DEDUCTION FOR EXPENSES INCURRED
FOR THE ADOPTION - EXPENSES INCURRED BY THE
ADOPTING INDIVIDUAL 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 SHS GRADUATES - ADOPTING INDIVIDUALS OR
ENTITIES WHO EMPLOY SHS GRADUATES FROM THEIR
PARTNER PUBLIC INSTITUTION SHALL BE ENTITLED TO
AN ADDITIONAL DEDUCTION FROM THEIR GROSS
INCOME, EQUIVALENT TO TWENTY PERCENT (20%) OF
THE TOTAL SALARIES, WAGES, AND BENEFITS PAID TO
THE EMPLOYED SHS GRADUATE, SUBJECT TO THE
PROVISIONS OF SECTION 34 OF THE NATIONAL
INTERNAL REVENUE CODE, AS AMENDED: 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 GUIDELINES THAT
SHALL BE PROVIDED IN THE IRR, 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. 8. Insert two (2) new Sections under Republic Act No. 8525 to read as follows and renumbered accordingly:

"SEC. 8. TAX EXEMPTION - THE DONATED GOODS, REAL PROPERTY, AND SERVICES BY AN ADOPTING INDIVIDUAL OR ENTITY SHALL BE EXEMPT FROM CUSTOMS, DUTIES, VALUE-ADDED TAX, EXCISE TAX, DONOR'S TAX, AND OTHER FEES, AS THE CASE MAY BE: PROVIDED, THAT THE DONATIONS SHALL NOT BE RESOLD OR TRANSFERRED FOR MATERIAL CONSIDERATION."

SEC. 9. PROCEDURE FOR THE AVAILMENT OF TAX INCENTIVES UNDER THE PROGRAM. - UPON ENDORSEMENT BY THE ADOPT-A-SCHOOL COORDINATING COUNCIL, THE BUREAU OF INTERNAL REVENUE (BIR) SHALL GRANT THE CORRESPONDING TAX INCENTIVES TO THE ADOPTING PRIVATE ENTITY, SUBJECT ONLY TO THE SUBMISSION OF ADEQUATE PROOF OF DONATION OR CONTRIBUTION.

Sec. 9. Section 7 of Republic Act No. 8525 is hereby further amended to read as follows:

"Section ~~7~~ 10. 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 **DEPED** [~~Department of Education, Culture and Sports (DECS)~~], as chairperson; the Chairman of the CHED [~~Commission on Higher Education (CHED)~~] and the Director-General of the TESDA [~~Technical Education and Skills Development Authority (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 REPUTABLE BUSINESS GROUP** [~~national federation of chambers of commerce and industry~~] 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 THE DBM**, shall each make provisions for the secretariat of the Council.

THE COUNCIL SHALL COORDINATE WITH NATIONAL GOVERNMENT AGENCIES AND EXISTING COUNCILS RELEVANT TO THE IMPLEMENTATION OF THE PROVISIONS OF THIS ACT.

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

"SEC. 11. 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 JURISDICTION, WHICH MAY SERVE AS A GUIDE FOR STRATEGIC INTERVENTIONS IN PARTNERSHIP WITH THE PRIVATE SECTOR."

Section 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 BOC, as well as with the participation of the ECCD Council Secretariat, shall formulate the implementing rules and regulations to implement this Act.

Section 11. *Transitory Clause.* – To prevent any delay in the delivery of goods, services, and real property, the provisions of Republic Act No. 8525 also known as the 6 "Adopt-a-School Act of 1998" shall still apply to pending and on-going transactions and/or donations by adopting individuals or entities.

Section 12. *Separability Clause.* – If any portion or provision of this Act is declared unconstitutional, the remainder of this Act or any provisions not affected thereby shall remain in force and effect.

Section 13. *Repealing Clause.* – Any law, presidential decree or issuance, executive order, letter of instruction, rule or regulation inconsistent with the provisions of this Act is hereby repealed or modified accordingly.

Section 14. *Effectivity Clause.* – This Act shall take effect fifteen (15) days following its complete publication in the Official Gazette or a newspaper of general circulation.

Approved,