

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Batasan Hills, Quezon City
Twentieth Congress
First Regular Session



House Bill No. 5794

Introduced by Honorable Representatives
JOSE MANUEL TADEO “CHEL” I. DIOKNO (Akbayan Partylist)
PERCIVAL V. CENDAÑA (Akbayan Partylist)
DADAH KIRAM ISMULA (Akbayan Partylist)
ARLENE “KAKA” J. BAG-AO (Dinagat Islands)

AN ACT
PROVIDING FOR A MONTHLY STIPEND FOR STUDENTS IN
HIGHER EDUCATION INSTITUTIONS BELONGING TO THE
POOREST FIFTY PERCENT OF HOUSEHOLDS,
APPROPRIATING FUNDS THEREFOR, AND FOR OTHER
PURPOSES

EXPLANATORY NOTE

Our country’s future rests on the capable hands of an empowered and educated Filipino youth. *Sa kabataan, matingkad at matiwasay ang kinabukasan ng bayan.*

To this end, Congress enacted Republic Act No. 10931 or the Universal Access to Quality Tertiary Education Act. This Act has provided free tuition in all local universities and colleges (LUCs) and state universities and colleges (SUCs) in the country. It also established the Tertiary Education Subsidy (TES), which provides financial assistance to qualified students enrolled in higher education institutions recognized by the Commission on Higher Education (CHED).

Despite the passage of Republic Act No. 10931, many students from poor families still drop out.¹ While there are various reasons for this, a common theme is that students are unable to shoulder the costs of books, transportation, food, and school supplies, or cannot do so without sacrificing their families' immediate financial needs. Many of them choose to work full-time instead of pursuing free tertiary schooling. While the TES is intended to address this, it is not enough to prevent students from poor families from dropping out of school.

Hence, the need to establish the Book Allowance and Other Necessities ("BAON") Stipend for qualified students belonging to the poorest 50% of households under the Community-Based Monitoring System (CBMS). These students will be entitled to financial assistance in the amount of P3,000 a month, in addition to all existing social welfare programs.

The goal for BAON recipients is not just for them to survive, but to thrive, and commit to finish their studies to gain access to better opportunities as skilled and empowered citizens. The government must make good on its promise to realize the potential of the Filipino youth. *Sa pamamagitan nito, mabibigyan natin ang kabataan ng pagkakataong makilahok sa pagkilos tungo sa kinabukasang puno ng pag-asa.*

¹ Lyra Paz P. Lluz. (2020). SURVIVING AND QUITTING: THE CASE OF 4PS (PANTAWID PAMILYANG PILIPINO PROGRAM) STUDENT DROPOUTS. International Journal of Research - GRANTHAALAYAH, 8(8), 297-301. <http://doi.org/10.29121/granthaalayah.v8.18.2020.971>, previously accessed on September 17, 2025

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

1 **SECTION 1. Short Title.** – This Act will be known as the “Book Allowance
2 and Other Necessities (BAON) Law.”

3 **Sec. 2. Declaration of Policy.** – It is the responsibility of the State to help
4 the youth fulfill their vital role in nation-building by ensuring that Filipino
5 students have access to quality education. The State, in addition, recognizes
6 that:

- 7 a. Quality education is a universal human right which the State has the
8 duty to respect, protect, and fulfill;
- 9 b. No student should be deprived of the right to education by reason of
10 poverty or socioeconomic inequality.
- 11 c. The State must take positive and concrete steps to make education
12 accessible to all;

- d. The equitable distribution of educational resources, opportunities, and financial support is a fundamental state obligation to ensure that no student is left behind; and
- e. Empowering students from poor and marginalized families contributes to breaking the intergenerational cycle of poverty, promoting upward mobility, and fostering inclusive national progress.

Sec. 3. Definition of Terms. – As used in this Act:

- a. **Community-Based Monitoring System (CBMS)** - refers to an organized technology-based system of collecting, processing, and validating necessary disaggregated data that may be used for planning, program implementation, and impact monitoring at the local level while empowering communities to participate in the process, as established under Republic Act No. 11315.
- b. **Local Universities and Colleges (LUCs)** - refer to public higher educational institutions established and financially supported by Local Government Units (LGUs) through an enabling ordinance, which are accredited by the Commission on Higher Education (CHED) and compliant with CHED policies, standards, and guidelines;
- c. **Pantawid Pamilyang Pilipino Program (4Ps)** - refers to the national poverty reduction strategy and human capital investment program for poor households. It provides conditional cash transfers to improve health, nutrition, and education under Republic Act No. 11310;
- d. **School** - refers to public and private higher education institutions authorized and recognized by CHED to offer bachelor's degree or graduate courses;
- e. **State Universities and Colleges (SUCs)** - refer to public higher education institutions established by the national government and are governed by their respective independent boards of trustees or

1 regents;

2 **Sec. 4. BAON Stipend.** – CHED will establish a yearly stipend known as
3 the Book Allowance and Other Necessities (BAON) Stipend. This Stipend
4 will provide allowances for the book, food, transportation, and other
5 expenses of poor and lower-income students.

6 **Sec. 5. Beneficiaries.** – In choosing the beneficiaries of the BAON Stipend,
7 CHED will target students who belong to the poorest fifty percent (50%) of
8 the population, based on the Community-Based Monitoring System.

9 The BAON Stipend will be distributed to the following as beneficiaries, in
10 this order of prioritization:

- 11 a. LUC and SUC-enrolled students whose parents are part of the 4Ps
12 program, as verified by the Department of Social Welfare and
13 Development (DSWD).
- 14 b. LUC and SUC-enrolled students who are part of indigenous
15 cultural communities or households located in geographically
16 isolated and disadvantaged areas;
- 17 c. Other LUC and SUC-enrolled students who are part of poor and
18 marginalized communities, as determined by CHED in
19 coordination with DSWD;
- 20 d. Other LUC and SUC-enrolled students who belong to the poorest
21 fifty percent (50%) of the population, including students whose
22 parents were former 4Ps beneficiaries; and
- 23 e. Other students enrolled in private higher education institutions
24 who belong to the poorest fifty percent (50%) of the population.

25 **Sec. 6. Amount of Stipend.** – For the first year of its implementation, each
26 eligible student will receive a yearly stipend of Thirty Thousand Pesos
27 (P30,000), divided into ten (10) monthly payments of Three Thousand Pesos

(P3,000) each. This subsidy is in addition to other existing in-campus subsidy programs or student subsidies or stipends created by law.

Sec. 7. Periodic Assessment. - Every three (3) years after the effectivity of this Act, CHED, in coordination with DSWD, will conduct an impact assessment to evaluate the effectiveness of the program. The assessment must involve schools, student councils, and student associations as stakeholders. Based on the assessment, CHED may increase, but not reduce, the amount of the Stipend to adjust for inflation.

Sec. 8. Verification Process. – The release of the BAON Stipend is subject to the following procedures:

- a. Students who wish to avail of the BAON Stipend must secure a certification from the DSWD stating that their family belongs to the poorest 50% of the population, based on the CBMS, and submit it to their school during the enrollment period.
- b. The school must consolidate the list of qualified students and submit this list to CHED as promptly as possible.
- c. CHED will validate the list from the school and, upon confirmation of eligibility, release the funds to the school.
- d. The school will then transfer the stipend to the students, either by cash or through bank, e-wallet, or other transfer system.
- e. To continue receiving the BAON Stipend, the eligible student must submit proof of enrollment every academic year.

To ensure the prompt release of the Stipend, CHED will adopt a time-bound disbursement schedule and an electronic monitoring system for fund transfers. Delays in release without valid cause will be subject to administrative liability under existing laws and regulations.

1 **Sec. 9. Appropriations.** – An initial amount of Twenty-Five Billion Pesos
2 (₱25,000,000,000.00) is hereby appropriated for the first year of
3 implementation of this Act, to be sourced from the budgets of the CHED and
4 the DSWD. Thereafter, the amounts as may be necessary for the
5 implementation of this Act will be included in the budget of CHED in the
6 annual General Appropriations Act.

7 **Sec. 10. Implementing Rules and Regulations.** – Within sixty (60) days
8 from the effectivity of this Act, CHED, in consultation with schools, DSWD,
9 other relevant government agencies, student governments/councils, and
10 student associations, must issue the rules and regulations to implement its
11 provisions.

12 **Sec. 11. Report of Congress.** – The CHED, LUCs and SUCs, private higher
13 education institutions, and DSWD shall submit a yearly report to Congress
14 about the status of the implementation of this Act for the purpose of review
15 and recommendation of additional measures necessary for the attainment
16 of the objectives thereof.

17 **Sec. 12. Separability Clause.** – If, for any reason, any part or provision
18 of this Act is declared unconstitutional or invalid, other parts or provisions
19 thereof not affected thereby will continue to be in full force and effect.

20 **Sec. 13. Repealing Clause.** – All laws, decrees, executive orders,
21 proclamations, rules and regulations, and other issuances or part or parts
22 thereof contrary to or inconsistent with this Act are hereby repealed or
23 modified accordingly.

24 **Sec. 14. Effectivity.** – This Act takes effect fifteen (15) days after its
25 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,