

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
Regular Session
House Bill No. **7078**



Introduced by **REP. BENJAMIN C. AGARAO, JR.**

AN ACT
CREATING THE DEPARTMENT OF TERTIARY EDUCATION, INTEGRATING THE
GOVERNANCE OF HIGHER EDUCATION, TECHNICAL-VOCATIONAL
EDUCATION, AND LIFELONG LEARNING, ESTABLISHING MECHANISMS FOR
AI-READY AND FUTURE-READY SKILLS DEVELOPMENT, AND FOR OTHER
PURPOSES

EXPLANATORY NOTE

The 1987 Constitution mandates the State to protect and promote the right of all citizens to quality education at all levels and to take appropriate steps to make education accessible to all. In an era of unprecedented technological disruption, this constitutional mandate requires not only access to education, but a system capable of **rapid adaptation, lifelong learning, and workforce relevance**.

Fragmentation of Tertiary Education Governance

At present, post-secondary education in the Philippines is administered through separate governance frameworks for higher education and technical-vocational education and training. While these systems were established to address distinct educational needs, decades of institutional separation have resulted in fragmented policy direction, weak articulation between academic and technical pathways, limited credit transfer, and misalignment between educational outcomes and labor market demand.

International evidence shows that countries with **high-performing tertiary education systems**, including **Singapore, Finland, and the Republic of Korea**, operate under **integrated governance structures** that align universities, vocational institutions, skills development, and lifelong learning under a coherent national framework, while maintaining internal specialization and academic autonomy.

The Acceleration of Skills Obsolescence in the AI Era

The urgency of reform is intensified by the rapid acceleration of technological change. The **World Economic Forum** reports that approximately **39% of core job skills are expected to change by 2030**, driven largely by artificial intelligence, automation, and digital transformation. The **OECD** likewise emphasizes that traditional degree-based education systems alone can no longer meet labor market needs, and that governments must build **micro-credential ecosystems, credit portability frameworks, and lifelong learning infrastructures** to ensure workforce adaptability.

Without structural reform, tertiary education systems risk producing graduates whose skills become obsolete shortly after graduation, while workers lack accessible pathways for reskilling and upskilling throughout their careers.

Global Best Practices in Integrated and Agile Tertiary Education

Countries that have successfully responded to this challenge share common features:

- **Integrated tertiary education governance** under a single ministry or department (Singapore, Finland, Korea);
- **Strong quality assurance systems** to protect academic standards and prevent credential dilution;
- **Labor-market intelligence and skills forecasting** embedded within education governance;
- **Micro-credentials and stackable qualifications** recognized across institutions and employers; and
- **Safeguards for academic freedom and institutional autonomy.**
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Singapore's **SkillsFuture** framework, administered within its education governance system, exemplifies how lifelong learning, micro-credentials, and industry alignment can be institutionalized at scale.

Purpose of the Measure

This bill seeks to establish the **Department of Tertiary Education (DTE)** as the central authority responsible for the integrated governance of post-secondary education in the Philippines. Rather than abolishing existing institutions, the measure **reconstitutes and integrates** the functions of higher education and technical-vocational education within a unified department, while preserving internal specialization, academic freedom, and institutional diversity.

The proposed Department shall:

- unify policy direction for higher education, technical-vocational education, and lifelong learning;
- establish a **national micro-credential and credit portability framework**;
- institutionalize **labor market intelligence and skills forecasting**;

- promote **AI literacy, digital skills, and responsible technology use** across tertiary education;
- strengthen **independent quality assurance mechanisms**; and
- ensure that tertiary education remains globally competitive, inclusive, and responsive to national development goals.

In doing so, the Philippines positions itself not merely to respond to technological disruption, but to **lead in developing a future-ready, adaptable, and resilient workforce**.

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



BENJAMIN C. AGARAO, JR.

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
Regular Session
House Bill No. 7078

Introduced by REP. BENJAMIN C. AGARAO, JR.

AN ACT
CREATING THE DEPARTMENT OF TERTIARY EDUCATION, INTEGRATING THE
GOVERNANCE OF HIGHER EDUCATION, TECHNICAL-VOCATIONAL
EDUCATION, AND LIFELONG LEARNING, ESTABLISHING MECHANISMS FOR
AI-READY AND FUTURE-READY SKILLS DEVELOPMENT, 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 “**Department of Tertiary Education Act.**”

SEC. 2. Declaration of Policy. It is the policy of the State to ensure accessible, inclusive, high-quality, and globally competitive tertiary education that supports lifelong learning, workforce adaptability, and national development. The State shall establish an integrated governance framework that aligns higher education, technical-vocational education and training, and lifelong learning pathways, while safeguarding academic freedom and institutional autonomy, and ensuring integrity through strong quality assurance.

SEC. 3. Creation of the Department of Tertiary Education. There is hereby created the **Department of Tertiary Education (DTE)** as the primary government agency responsible for integrated governance, regulation, development, and coordination of all post-secondary education and training systems, including lifelong learning initiatives recognized under national qualifications standards.

SEC. 4. Integration and Reconstitution of Functions. The functions, powers, programs, projects, assets, appropriations, records, equipment, property, and personnel of the Commission on Higher Education (CHED) and the Technical Education and Skills Development Authority (TESDA), insofar as these relate to tertiary education governance, regulation, and development,

are hereby **integrated and reconstituted** into the Department of Tertiary Education, subject to transition provisions under this Act.

Nothing herein shall be construed as diminishing existing rights and benefits of personnel, scholars, learners, and stakeholders, or as interrupting the delivery of education and training services.

SEC. 5. Safeguards for Academic Freedom and Institutional Autonomy. Nothing in this Act shall be interpreted to diminish academic freedom as guaranteed by the Constitution, nor to unduly interfere with the internal governance of higher education institutions, subject to reasonable regulation for quality assurance, public accountability, and the protection of learners.

ARTICLE I POWERS AND FUNCTIONS

SEC. 6. Mandate and Core Functions. The Department shall:

- a) Formulate, implement, and coordinate national policies, plans, and standards for higher education, technical-vocational education and training, and lifelong learning;
- b) Ensure coherence and articulation among academic, technical, and work-based learning pathways;
- c) Establish and maintain national standards for program quality, learning outcomes, assessment, certification, and recognition of qualifications;
- d) Strengthen governance mechanisms to align tertiary education to labor market needs, technological developments, and national development priorities;
- e) Promote equitable access to tertiary education, including pathways for disadvantaged learners, workers, and out-of-school youth to gain credentials with labor market value;
- f) Promote partnerships with industry, local government units, professional bodies, and international institutions to enhance relevance and competitiveness; and
- g) Exercise such other powers and functions necessary to carry out the purposes of this Act.

ARTICLE II AI-READY AND LIFELONG LEARNING SYSTEM REFORMS

SEC. 7. National Micro-Credential and Credit Portability Framework.

The Department shall establish a **National Micro-Credential and Credit Portability Framework** that:

- a) Defines micro-credentials and sets minimum standards for learning outcomes, assessment integrity, learner authentication, workload/credit equivalence, and alignment to the Philippine Qualifications Framework;

- b) Provides for stackability of micro-credentials toward certificates, diplomas, and degree programs;
- c) Establishes national rules on credit transfer and recognition across institutions and modalities, including blended and online learning; and
- d) Creates mechanisms to promote employer recognition and transparency for learners.

SEC. 8. Labor Market Intelligence and Skills Forecasting Office. There is hereby created within the Department a **Labor Market Intelligence and Skills Forecasting Office** which shall:

- a) Conduct continuous analysis of labor market trends, including emerging and declining occupations and skills;
- b) Establish sectoral skills councils or advisory mechanisms, in coordination with industry and relevant government agencies;
- c) Issue periodic skills forecasts and priority skills lists to guide curriculum updates, scholarship priorities, and program authorization; and
- d) Support evidence-based policy-making and rapid program adjustments.

SEC. 9. Agile Program Authorization and Regulatory Sandboxes. To ensure responsiveness to rapid technological change, the Department may establish **Agile Program Authorization and Regulatory Sandboxes** for priority and emerging fields, including but not limited to artificial intelligence, cybersecurity, data science, advanced manufacturing, health and care economy skills, and green technologies.

Such sandboxes shall be time-bound, outcomes-based, and subject to quality assurance safeguards, including independent evaluation, learner protection measures, and clear standards for scaling, modification, or termination.

SEC. 10. AI Literacy, Digital Skills, and Responsible Technology Use. The Department shall ensure the integration of **AI literacy, digital skills, data ethics, and critical thinking** in tertiary education standards and guidelines, consistent with the objectives of employability, adaptability, and responsible citizenship.

The Department shall likewise develop capacity-building programs for faculty, trainers, and assessors to implement these competencies effectively.

ARTICLE III QUALITY ASSURANCE AND INTEGRITY SAFEGUARDS

SEC. 11. Quality Assurance and Integrity Mechanisms.

The Department shall strengthen tertiary education integrity and public trust by adopting quality assurance mechanisms that include:

- a) Standards-based accreditation and/or recognition systems for programs and providers;
- b) Risk-based monitoring and audits to prevent credential fraud, non-genuine training, and substandard program delivery;
- c) Transparent outcomes reporting for programs, where appropriate, consistent with data privacy and lawful requirements; and
- d) Learner protection measures, including clear complaint mechanisms and remedies.

SEC. 12. Independent Quality Assurance Structure.

The Department shall establish or designate an **independent quality assurance structure** within the tertiary education system, with safeguards to ensure objectivity and freedom from undue influence, to support evaluation, audits, and integrity measures.

**ARTICLE IV
ORGANIZATION, TRANSITION, AND APPROPRIATIONS**

SEC. 13. Organizational Structure. The Department shall be headed by a Secretary and assisted by Undersecretaries for:

- a) Higher Education;
- b) Technical-Vocational Education and Skills Development;
- c) Lifelong Learning, Micro-Credentials and Innovation; and
- d) Industry, Labor Market Intelligence, and Partnerships.

SEC. 14. Transition Committee; Phased Integration. A Transition Committee is hereby created to ensure an orderly integration. The integration shall be phased for a period of not more than **five (5) years**, ensuring continuity of scholarships, certifications, training programs, accreditation processes, and personnel benefits.

SEC. 15. Personnel; Non-Diminution of Benefits. All personnel affected by the integration shall be absorbed subject to civil service laws, and shall enjoy security of tenure. No employee shall suffer diminution in rank, salary, benefits, or privileges as a result of this Act.

SEC. 16. Appropriations. The initial funding for the implementation of this Act shall be charged against the current appropriations of CHED and TESDA. Thereafter, such sums as may be necessary for the continued operation of the Department shall be included in the annual General Appropriations Act.

SEC. 17. Implementing Rules and Regulations. Within ninety (90) days from effectivity, the Secretary of Tertiary Education shall promulgate the Implementing Rules and Regulations for this Act, with stakeholder consultations.

SEC. 18. Separability Clause. If any provision of this Act is declared unconstitutional or invalid, the remaining provisions not affected thereby shall remain in full force and effect.

SEC. 19. Repealing Clause. All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with this Act are hereby repealed or modified accordingly.

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