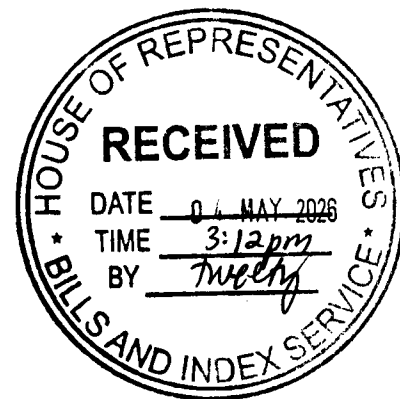


TWENTIETH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

House Bill No. 9039

Introduced by Hon. Antonio B. Legarda Jr.

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

For years, the Philippine education system has benefited from the generosity of private individuals and organizations. Through voluntary donations of school supplies and equipment, these partners have helped bridge resource gaps in our schools, particularly in underserved areas. Republic Act No. 8525, or the Adopt-a-School Act, was enacted to recognize these efforts by providing tax incentives to private entities.¹

However, more than two decades since its enactment, the existing incentive framework needs to be strengthened to reflect current economic conditions and evolving forms of engagement. Recent data from the Second Congressional Commission on Education (EDCOM II) show that participation of private entities in the program has declined. From 2018 to 2023, only 476 tax endorsement claims were recorded, equivalent to approximately Php1.8 billion.²

This bill seeks to strengthen the incentives under the Adopt-a-School Program to make them more relevant and accessible. It provides a clearer structure, including a fifty percent (50%) additional deduction on qualified expenses, the option to avail of non-fiscal recognition incentives, and a one-time additional deduction for entities that employ senior high school graduates from partner institutions.

¹ Adopt-a-School Program, Department of Education, <https://www.deped.gov.ph/about-adopt-a-school/>; Adopt-a-School Program: A Path to Tax Savings and Educational Impact, Felipe L. Juban, Jr., 8 April 2025, <https://www.grantthornton.com.ph/insights/articles-and-updates1/lets-talk-tax-adopt-a-school-program-a-path-to-tax-savings-and-educational-impact/>

² Second Congressional Commission on Education, *Fixing the Foundations: Year Two Report* (2025), p. 365, <https://edcom2.gov.ph/media/2025/01/EDCOM-2-Year-2-Report-Fixing-the-Foundations-2025.pdf>

The measure also establishes a one-stop shop and an integrated online platform to streamline processes and coordination, while ensuring that private sector support is aligned with identified education priorities.

Thus, the bill aims to encourage sustained private sector participation in education by making engagement more straightforward and practical.

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


HON. ANTONIO B. LEGARDA, JR.

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

1 Section 1. Section 1 of Republic Act No. 8525, otherwise known as the "Adopt-a-School
2 Act of 1998", is hereby amended to read as follows:

3 "Section 1. *Title.* – This Act shall be known [~~and cited~~] as the "Adopt-a-School
4 Act [~~of 1998~~]."

5
6 Section 2. Section 2 of the same Act is hereby amended to read as follows:

7 "Section 2. *Declaration of policy.* – It is the policy of the State to provide quality
8 and relevant education to the Filipino youth and to encourage private initiative
9 to support public education. Towards this end, the State shall [~~institute~~
10 ~~programs—to encourage~~] **INCENTIVIZE AND FACILITATE THE**
11 **PARTICIPATION OF THE** private [~~companies and enterprises~~] **SECTOR** to
12 [~~help~~] **ASSIST** in the **DEVELOPMENT**, upgrading and modernization, **AND**
13 **EQUITABLE ACCESS** [~~of~~] **TO THE COUNTRY'S** public [~~schools~~]

1 **EDUCATION SYSTEM, [in the country, particularly those in poverty-stricken**
2 **provinces] AND TO ESTABLISH SUSTAINABLE LINKAGES BETWEEN**
3 **EDUCATIONAL INSTITUTIONS AND INDUSTRIES, INCLUDING THE**
4 **TRAINING AND EMPLOYMENT OF SENIOR HIGH SCHOOL (SHS)**
5 **GRADUATES."**

6
7 Section 3. Section 3 of the same Act is hereby amended to read as follows:

8 "Section 3. *Adopt-a-School Program.* – There is hereby established the "*Adopt-*
9 *a-School Program*" which will allow private **INDIVIDUALS OR** entities,
10 **WHETHER LOCAL OR FOREIGN, OF GOOD STANDING** to assist {a} public
11 [school] **EDUCATIONAL INSTITUTIONS**, whether **EARLY CHILDHOOD**,
12 elementary, secondary, **TECHNICAL-VOCATIONAL EDUCATION AND**
13 **TRAINING, ALTERNATIVE LEARNING SYSTEM (ALS)**, or tertiary
14 **INSTITUTIONS.** [~~preferably located in any of the twenty (20) poorest~~
15 ~~provinces identified by the Presidential Council for Countryside Development or~~
16 ~~any other government agency tasked with identifying the poorest provinces]~~
17 **PRIORITY SHALL BE GIVEN TO INSTITUTIONS LOCATED IN FOURTH,**
18 **FIFTH, AND SIXTH CLASS MUNICIPALITIES, AND OTHER**
19 **UNDERSERVED AREAS AS IDENTIFIED BY THE DEPARTMENT OF**
20 **EDUCATION (DEPED), COMMISSION ON HIGHER EDUCATION**
21 **(CHED), AND TECHNICAL EDUCATION AND SKILLS DEVELOPMENT**
22 **AUTHORITY (TESDA).** [~~in, but not limited to, the following areas: staff and~~
23 ~~faculty]~~

24
25 **ASSISTANCE MAY INCLUDE, BUT SHALL NOT BE LIMITED TO:**
26 **TRAINING AND** development [~~for training and further education~~] **OF**
27 **SCHOOL PERSONNEL; ASSESSMENTS IN PURSUIT OF RELEVANT**
28 **WORK-RELATED CERTIFICATIONS AND CREDENTIALS;**
29 **SCHOLARSHIPS FOR TEACHERS;** construction **AND REPAIR** of **SCHOOL**
30 facilities **SUCH AS LIBRARIES AND LABORATORIES, AND THOSE**
31 **RELATED TO POWER, WATER, AND SANITATION;** [~~upgrading~~]
32 **UPGRADE AND REPAIR** of existing facilities, provision of books, publications,

1 **SCHOOL SUPPLIES**, and other instructional materials **SUCH AS**
2 **ELECTRONIC BOOKS (E-BOOKS), COMPUTERS, FURNITURE,**
3 **EDUCATIONAL FILMS AND AUDIO-VISUAL MATERIALS; TECHNICAL**
4 **VOCATIONAL LIVELIHOOD (TVL) TOOLS AND EQUIPMENT; HEALTH**
5 **AND NUTRITION PROGRAMS; ASSISTIVE LEARNING DEVICES FOR**
6 **LEARNERS WITH SPECIAL NEEDS;** and modernization of instructional
7 technologies.

8
9 A Memorandum of Agreement (MOA) specifying the details of the adoption shall
10 be entered into between the adopting **INDIVIDUAL OR** entity and the head
11 of the [school] **EDUCATIONAL INSTITUTION** concerned: *Provided*, That
12 such MOA shall be subject to review and approval of the [~~Superintendent of~~
13 ~~Schools of the province~~] **CONCERNED REGIONAL, PROVINCIAL,** or
14 [~~district concerned~~] **FIELD OFFICE OF THE EDUCATIONAL**
15 **INSTITUTION:** *Provided, further*, That the agreement shall last for at least
16 two (2) years with the possibility of extension: *Provided, finally*, That such
17 period may be shortened only in cases where the adopting **INDIVIDUAL OR**
18 entity is dissolved before the end of such period unless otherwise earlier
19 terminated in accordance with [~~the succeeding Sec.~~] **THIS ACT."**

20
21 Section 4. A new section 4 is hereby inserted under the same Act, and the succeeding
22 sections are renumbered accordingly:

23 **"SECTION 4. ADOPT-A-SCHOOL ONE-STOP SHOP. – THE DEPED,**
24 **CHED, AND TESDA, IN COORDINATION WITH THE DEPARTMENT OF**
25 **FINANCE (DOF), BUREAU OF INTERNAL REVENUE (BIR), BUREAU OF**
26 **CUSTOMS (BOC), AND THE DEPARTMENT OF INFORMATION AND**
27 **COMMUNICATIONS TECHNOLOGY (DICT), SHALL ESTABLISH AND**
28 **MAINTAIN AN ADOPT-A-SCHOOL ONE-STOP SHOP AND AN ONLINE**
29 **PORTAL TO ADDRESS QUERIES AND CONCERNS FROM PRIVATE**
30 **INDIVIDUALS AND ENTITIES INTERESTED IN THE PROGRAM, TO**
31 **RECEIVE AND PROCESS APPLICATIONS JOINTLY WITH THE BIR AND**
32 **THE BOC.**

1 **ALL APPLICATIONS SHALL BE ACTED UPON WITHIN FIFTEEN (15)**
2 **WORKING DAYS FROM RECEIPT OF COMPLETE REQUIREMENTS.”**

3
4 Section 5. Section 4 of the same Act is hereby amended and renumbered to read as
5 follows:

6 “Section [4] **5. Periodic review.** – A review of the adoption shall be undertaken
7 by the [~~local school board of the province~~] **CONCERNED REGIONAL,**
8 **PROVINCIAL,** or [city] **FIELD OFFICE** where the **PARTICIPATING** school
9 is located. The standards and guidelines for the review shall be formulated by
10 the **ADOPT-A-SCHOOL** Coordinating Council created under Sec. [7] **8** hereof.
11 The results of the review shall be taken into consideration in the assessment of
12 the application for tax credits by the adopting **INDIVIDUAL OR** entity. The
13 [~~school board~~] **CONCERNED REGIONAL, PROVINCIAL, OR FIELD**
14 **OFFICE** may, after an appropriate review, recommend to the **ADOPT-A-**
15 **SCHOOL** Coordinating Council the termination of the adoption. The adopting
16 **INDIVIDUAL OR** entity may appeal the assessment to the **ADOPT-A-**
17 **SCHOOL** Coordinating Council whose decision shall be final and unappealable.”

18
19 Section 6. Sections 5 and 6 of the same Act are hereby amended and replaced with
20 a new section, to be read as follows:

21 “**SECTION 6. INCENTIVES FOR ADOPTING INDIVIDUALS OR**
22 **ENTITIES.** – NOTWITHSTANDING ANY PROVISION OF EXISTING
23 **LAWS TO THE CONTRARY, AN ADOPTING INDIVIDUAL OR ENTITY**
24 **SHALL BE ENTITLED, AT ITS OPTION, TO AVAIL OF ONLY ONE OF THE**
25 **FOLLOWING INCENTIVES: (A) AN ADDITIONAL DEDUCTION FROM**
26 **THE GROSS INCOME EQUIVALENT TO FIFTY PERCENT (50%) OF THE**
27 **EXPENSES INCURRED FOR THE “ADOPT-A-SCHOOL PROGRAM”,**
28 **WITH THE VALUATION OF ASSISTANCE OTHER THAN MONETARY**
29 **DONATION TO BE BASED ON THE ACQUISITION COST OF THE GOODS,**
30 **SERVICES, OR REAL PROPERTY ALREADY USED, THEIR DEPRECIATED**
31 **VALUE; OR (B) IN ACCORDANCE WITH EXISTING LAWS AND SUBJECT**
32 **TO THE IMPLEMENTING RULES AND REGULATIONS, THE PRIVILEGE**

1 OF HAVING ITS NAME INSCRIBED BENEATH THE NAME OF THE
2 SCHOOL, ACCOMPANIED BY APPROPRIATE WORDS INDICATING
3 THAT THE SCHOOL IS UNDER THE "ADOPT-A-SCHOOL PROGRAM".
4

5 FURTHER, ADOPTING INDIVIDUALS OR ENTITIES THAT HIRE
6 SENIOR HIGH SCHOOL (SHS) GRADUATES FROM THEIR PARTNER
7 PUBLIC INSTITUTION SHALL BE ENTITLED TO A ONE-TIME
8 ADDITIONAL DEDUCTION EQUIVALENT TO TWENTY PERCENT (20%)
9 OF THE SALARIES, WAGES, AND BENEFITS PAID TO THE EMPLOYED
10 SHS GRADUATE: *PROVIDED*, THAT THE SHS GRADUATE IS HIRED AS
11 A REGULAR EMPLOYEE WITHIN ONE (1) YEAR FROM
12 COMMENCEMENT OF EMPLOYMENT."
13

14 Section 7. A new section 7 is hereby inserted under the same Act, and the succeeding
15 sections are renumbered accordingly:

16 **"SECTION 7. EXEMPTION FROM IMPORT DUTIES, TAXES, AND OTHER**
17 **FEES. – THE DONATED GOODS, REAL PROPERTY, AND SERVICES BY**
18 **AN ADOPTING INDIVIDUAL OR ENTITY SHALL BE EXEMPT FROM**
19 **CUSTOMS DUTIES, VALUE-ADDED TAX, EXCISE TAX, AND DONOR'S**
20 **TAX: *PROVIDED*, THAT THE DONATIONS SHALL NOT BE RESOLD OR**
21 **TRANSFERRED FOR MATERIAL CONSIDERATION."**
22

23 Section 8. Section 7 of the same Act is hereby amended and renumbered to read as
24 follows:

25 "Section [7] **8. ADOPT-A-SCHOOL** *Coordinating council. – AN ADOPT-A-*
26 **SCHOOL** Coordinating Council, hereinafter referred to as the Council, is hereby
27 created to coordinate and monitor the implementation of this Act. The Council
28 shall be composed of the Secretary of the **DEPED** [~~Department of Education,~~
29 ~~Culture and Sports (DECS)~~], as chairperson; the Chairman of [~~the Commission~~
30 ~~on Higher Education (CHED)~~] **CHED**, and the Director-General of [~~the Technical~~
31 ~~Education and Skills Development Authority (TESDA)~~] **TESDA**, as co-
32 chairpersons; **THE SECRETARY OF THE DEPARTMENT OF TRADE AND**

1 **INDUSTRY (DTI); THE SECRETARY OF THE DEPARTMENT OF LABOR**
2 **AND EMPLOYMENT (DOLE); THE COMMISSIONER OF THE BIR, and [the**
3 ~~chairperson of the Presidential Council for Countryside Development (PCCD);~~
4 ~~and]~~ a representative, **WHO SHALL HAVE A TERM OF THREE (3) YEARS**
5 **AND MAY BE REAPPOINTED FOR ANOTHER 3 YEARS,** from a [~~national~~
6 ~~federation of chambers of commerce and industry]~~ **REPUTABLE BUSINESS**
7 **GROUP** to be appointed by the President of the Philippines, as members.

8
9 **THE SECRETARIES OF DEPED, DTI, AND DOLE, THE CHAIRMAN OF**
10 **CHED, THE DIRECTOR-GENERAL OF TESDA, AND THE**
11 **COMMISSIONER OF BIR MAY DESIGNATE THEIR RESPECTIVE**
12 **ALTERNATES WITH RANKS NOT LOWER THAN ASSISTANT**
13 **SECRETARY OR ITS EQUIVALENT. ALL ALTERNATES SHALL BE**
14 **AUTHORIZED TO DECIDE FOR OR ON BEHALF OF THEIR RESPECTIVE**
15 **PRINCIPALS.**

16
17 The Council shall meet once every three (3) months. The chairpersons and
18 members shall not receive compensation but shall be entitled to
19 reimbursements for reasonable expenses related to the Council's activities.

20
21 The [~~DECS~~] **DEPED, CHED, [and] TESDA, DTI, DOLE,** through a mutual
22 agreement, **AND IN COORDINATION WITH DBM,** shall each make
23 provisions for the secretariat of the Council.

24
25 **THE COUNCIL SHALL COORDINATE WITH NATIONAL GOVERNMENT**
26 **AGENCIES (NGAs) AND EXISTING COUNCILS RELEVANT TO THE**
27 **IMPLEMENTATION OF THE PROVISIONS OF THIS ACT."**

28
29 Section 9. A new section 9 is hereby inserted under the same Act, and the succeeding
30 sections are renumbered accordingly:

31 **"SECTION 9. DETERMINATION OF EDUCATION SECTOR NEEDS AND**
32 **PRIORITIES. – THE DEPED, CHED, AND TESDA, THROUGH THEIR**

1 **RESPECTIVE REGIONAL, PROVINCIAL, AND FIELD OFFICES, SHALL**
2 **MAKE AN ANNUAL DETERMINATION OF THE NEEDS AND PRIORITIES**
3 **OF PUBLIC EDUCATION INSTITUTIONS WITHIN THEIR LOCATION,**
4 **WHICH MAY SERVE AS A GUIDE FOR STRATEGIC INTERVENTIONS IN**
5 **PARTNERSHIP WITH THE PRIVATE SECTOR.”**

6 Section 10. *Implementing Rules and Regulations.* – Within sixty (60) days from the
7 effectivity of this Act, the DepEd, CHED, TESDA, DTI, and DOLE, in consultation with
8 the DOF, including the BIR and the BOC, and the Early Childhood Care and
9 Development (ECCD) Council Secretariat, shall promulgate the necessary rules and
10 regulations for the effective implementation of this Act.

11
12 Section 10. *Transitory Clause.* – To prevent any delay in the delivery of goods,
13 services, and real property, the provisions of Republic Act No. 8525 shall apply to
14 pending and ongoing transactions and/or donations by adopting individuals or entities.

15
16 Section 11. *Separability Clause.* – If any part or provision of this Act is held invalid or
17 unconstitutional, the other provisions not affected shall remain in full force and effect.

18
19 Section 12. *Repealing Clause.* – All laws, executive orders, issuances, decrees, rules
20 and regulations or any part thereof which are inconsistent with or contrary to the
21 provisions of this Act are deemed amended, modified, or repealed accordingly.

22
23 Section 13. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication
24 in the *Official Gazette* or in a newspaper of general circulation.

Approved,