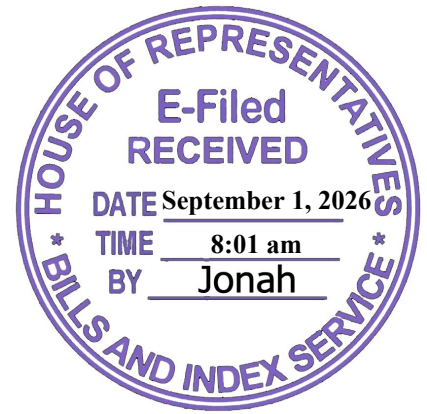


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
Second Regular Session

HOUSE BILL NO. **11026**



Introduced by Representative LEILA M. DE LIMA

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

EXPLANATORY NOTE

Article XIV, Section 1 of the 1987 Constitution provides that “[t]he State shall protect and promote the right of all citizens to quality education at all levels, and shall take appropriate steps to make such education accessible to all.”

Almost three (3) decades ago, Republic Act No. 8525, otherwise known as the “Adopt-a-School Act of 1998,” was enacted as a step towards achieving accessible quality education by facilitating the participation of the private sector in the country’s education sector. Under the law, tax incentives are given to private entities supporting public schools. However, recent data reflect the need for the law to be amended to better respond to current challenges, such as bureaucratic red tape and administrative complexity that prevent private entities from receiving their mandated tax incentives.¹

Amidst the education crisis, exacerbated by inadequate learning facilities and classroom shortages, limited digital connectivity, and insufficient teaching resources, Filipino children and students increasingly struggle with access to quality education.² These gaps accumulate and become barriers hindering the Filipino youth from enjoying their freedoms and rights to education, to self-development and self-actualization, and to social mobility.

This bill amends Republic Act No. 8525 to allow private sector donors to support a wider range of educational programs, including early childhood care, technical-

¹ Second Congressional Commission on Education (2025). Fixing the Foundations: A matter of national survival, EDCOM II year two report. Congress of the Philippines.

² Cariaso, B. (28 May 2025). Classroom shortage still at 165,000 – DepEd. The Philippine Star. <https://www.philstar.com/headlines/2025/05/28/2446283/classroom-shortage-still-165000-deped>.

vocational education and training (TVET), and alternative-learning system (ALS). The bill also restructures the tax incentives to include clear and enhanced deductions, payroll tax credits for employing senior high school graduates, and exemptions for imported donations.

This bill recognizes that addressing the education crisis requires not only sustained government investment and action, but also participation from the private sector, communities, and civil society. This bill affirms the principle that the equal opportunity for a better life through quality education cannot and should not be achieved by the government alone, but also through institutions that empower citizens, communities, and the private sector to participate in the endeavor of nation-building.

In the 20th Congress, similar bills were filed by Representatives Jaime Fresnedi, Crispin Diego Remulla, Ryan Recto, Kenneth Gatchalian, Walfredo Dimaguila, Roman Romulo, Agatha Paula Cruz, Gloria Macapagal-Arroyo, David Suarez, Eric Go Yap, and Antonio Legarda in the House of Representatives, and Senators Win Gatchalian, Bam Aquino, Pia Cayetano, Loren Legarda, and Joel Villanueva. This bill adopts Senator Bam Aquino's Senate Bill No. 129.

Early approval of this measure is earnestly sought.


LEILA M. DE LIMA

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

TWENTIETH CONGRESS
Second Regular Session

HOUSE BILL NO. **11026**

Introduced by Representative LEILA M. DE LIMA

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

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 is hereby amended as follows:

2
3 “SECTION 1. *Title.* – This Act shall be known and cited as the “Adopt-a-School
4 Act of [1998] **2026**”.

5
6 SEC. 2. Section 2 of Republic Act No. 8525 is hereby amended as follows:

7
8 “SEC 2. *Declaration of Policy.* – It is the policy of the State to provide quality
9 and relevant education to the Filipino youth and to encourage private initiative to
10 support public education. Towards this end, the State shall institute programs to
11 [encourage] **INCENTIVIZE THE** private [companies and enterprises] **SECTOR** to
12 [help] **ASSIST** in the **DEVELOPMENT**, upgrading, and modernization of **THE**
13 **COUNTRY’S** public [schools] **EDUCATION SYSTEM** [in the country, particularly
14 those in poverty-stricken provinces.] **AND ESTABLISH PROPER LINKAGES**
15 **BETWEEN EDUCATIONAL INSTITUTIONS AND INDUSTRIES, INCLUDING THE**
16 **TRAINING AND EMPLOYMENT OF SENIOR HIGH SCHOOL (SHS) GRADUATES.”**

17
18 SEC. 3. Section 3 of Republic Act No. 8525 is hereby amended as follows:

19
20 “SEC. 3. *Adopt-a-School Program.* – There is hereby established the “Adopt-a-
21 School Program” which will allow private **INDIVIDUALS OR** entities, **WHETHER**

22 **LOCAL OR FOREIGN, OF GOOD STANDING** to assist [a] public [school]
23 **EDUCATIONAL INSTITUTIONS**, whether **EARLY CHILDHOOD**, elementary,
24 secondary, **TECHNICAL-VOCATIONAL EDUCATION AND TRAINING**,
25 **ALTERNATIVE-LEARNING SYSTEM (ALS)**, or tertiary, preferably located in [any of
26 the twenty (20) poorest provinces identified by the Presidential Council for Countryside
27 Development or any other government agency tasked with identifying the poorest
28 provinces] **THE 4TH, 5TH, AND 6TH CLASS PROVINCES, CITIES, AND**
29 **MUNICIPALITIES AS DETERMINED BY THE DEPARTMENT OF FINANCE (DOF)**
30 **AND OTHER LOCAL GOVERNMENT UNITS (LGUs) EXPERIENCING SEVERE**
31 **SHORTAGES, INSUFFICIENT BUDGET OR HAVING NUMEROUS POOR BUT**
32 **HIGH PERFORMING LEARNERS** in, but not limited to, the following areas:
33 **TRAINING, DEVELOPMENT AND FURTHER EDUCATION OF SCHOOL HEADS,**
34 **TEACHERS, INCLUDING DAYCARE AND CHILD DEVELOPMENT WORKERS,**
35 **TVET TRAINERS, FACULTY, AND LEARNERS; ASSESSMENTS IN PURSUIT OF**
36 **RELEVANT WORK-RELATED CERTIFICATIONS AND CREDENTIALS;**
37 **SCHOLARSHIPS FOR TEACHERS; REAL ESTATE PROPERTY** [staff and faculty
38 development for training and further education]; construction of **SCHOOL** facilities
39 **SUCH AS LIBRARIES AND LABORATORIES AND THOSE RELATED TO POWER,**
40 **WATER, AND SANITATION;** [upgrading] **UPGRADE AND REPAIR** of existing
41 facilities; provision of books, publications, **SCHOOL SUPPLIES**, and other
42 instructional materials **SUCH AS ELECTRONIC BOOKS (E-BOOKS), COMPUTERS,**
43 **FURNITURE, EDUCATIONAL FILMS, AND AUDIO-VISUAL MATERIALS;**
44 **TECHNICAL VOCATIONAL LIVELIHOOD (TVL) TOOLS AND EQUIPMENT;**
45 **HEALTH AND NUTRITION PACKAGES; ASSISTIVE LEARNING DEVICES AND**
46 **EQUIPMENT FOR LEARNERS WITH SPECIAL NEEDS;** and modernization of
47 instructional technologies.

48
49 A Memorandum of Agreement (MOA) specifying the details of the adoption
50 shall be entered into between the adopting **INDIVIDUAL OR** entity and the head of the
51 [school] **EDUCATIONAL INSTITUTION** concerned: *Provided*, That such MOA shall
52 be subject to review and approval of the [Superintendent of Schools of the province or
53 district] concerned **REGIONAL, PROVINCIAL, OR FIELD OFFICE OF THE**
54 **EDUCATIONAL INSTITUTION**: *Provided, further*, That the agreement shall last for at
55 least two (2) years with the possibility of extension: *Provided, finally*, That such period
56 may be shortened only in cases where the adopting **INDIVIDUAL OR** entity is
57 dissolved before the end of such period unless otherwise earlier terminated in
58 accordance with [the succeeding section] **THIS ACT."**

59
60 SEC. 4. Insert a new Section under Republic Act No. 8525 as follows, and
61 renumber the succeeding sections accordingly;

62
63 **"SEC. 4. CREATION AND ESTABLISHMENT OF AN ADOPT-A-SCHOOL**
64 **ONE-STOP SHOP. – THE DEPARTMENT OF EDUCATION (DEPED),**
65 **COMMISSION ON HIGHER EDUCATION (CHED), AND TECHNICAL EDUCATION**

66 **AND SKILLS DEVELOPMENT AUTHORITY (TESDA), IN COORDINATION WITH**
67 **THE DOF, BUREAU OF INTERNAL REVENUE (BIR), THE BUREAU OF CUSTOMS**
68 **(BOC), AND THE DEPARTMENT OF INFORMATION AND COMMUNICATIONS**
69 **TECHNOLOGY (DICT), SHALL ESTABLISH AND MAINTAIN AN ADOPT-A-**
70 **SCHOOL ONE-STOP SHOP AND AN ONLINE PORTAL TO ADDRESS QUERIES**
71 **AND CONCERNS FROM PRIVATE INDIVIDUALS AND ENTITIES INTERESTED IN**
72 **THE PROGRAM, AND TO RECEIVE AND PROCESS APPLICATIONS JOINTLY**
73 **WITH THE BIR AND THE BOC."**

74
75 SEC. 5. Section 4 of Republic Act No. 8525 is hereby amended as follows:
76

77 "SEC. [4] **5. Periodic Review.** – A review of the adoption shall be undertaken by
78 the [local school board of the province or city where the school] **CONCERNED**
79 **REGIONAL / PROVINCIAL / OR FIELD OFFICE WHERE THE PARTICIPATING**
80 **SCHOOL** is located. The standards and guidelines for the review shall be formulated
81 by the **ADOPT-A-SCHOOL** Coordinating Council created under Sec. [7] **8** hereof. The
82 results of the review shall be taken into consideration in the assessment of the
83 application for tax credits by the adopting **INDIVIDUAL OR** entity. The [school board]
84 **CONCERNED REGIONAL / PROVINCIAL / OR FIELD OFFICE** may, after an
85 appropriate review, recommend to the **ADOPT-A-SCHOOL** Coordinating Council the
86 termination of the adoption. The adopting **INDIVIDUAL OR** entity may appeal the
87 assessment to the **ADOPT-A-SCHOOL** Coordinating Council whose decision shall be
88 final and unappealable."
89

90 SEC. 6. Sections 5 and 6 of Republic Act No. 8525 are hereby repealed and
91 replaced with a new Section, as follows:
92

93 "SEC. 6. **INCENTIVES FOR ADOPTING INDIVIDUALS OR ENTITIES.** –
94 **PROVISIONS OF EXISTING LAWS TO THE CONTRARY, NOTWITHSTANDING,**
95 **ADOPTING INDIVIDUALS OR ENTITIES SHALL ENJOY THE FOLLOWING**
96 **INCENTIVES:**
97

- 98 a) **ADDITIONAL DEDUCTION FOR EXPENSES INCURRED FOR THE**
99 **ADOPTION – EXPENSES INCURRED BY THE ADOPTING**
100 **INDIVIDUALS OR ENTITIES FOR THE "ADOPT-A-SCHOOL**
101 **PROGRAM" SHALL BE ALLOWED AN ADDITIONAL DEDUCTION**
102 **FROM THE GROSS INCOME EQUIVALENT TO FIFTY PERCENT**
103 **(50%) OF SUCH EXPENSES.**
104

105 **VALUATION OF ASSISTANCE OTHER THAN MONEY SHALL BE**
106 **BASED ON THE ACQUISITION COST OF THE GOODS / SERVICES**
107 **AND REAL PROPERTY. SUCH VALUATION SHALL TAKE INTO**
108 **CONSIDERATION THE DEPRECIATED VALUE OF THE GOODS**

109 AND REAL PROPERTY, IN CASE SAID GOODS AND REAL
110 PROPERTY HAVE ALREADY BEEN USED.

111
112 b) **ONE-TIME ADDITIONAL DEDUCTION FOR HIRING OF PUBLIC**
113 **SENIOR HIGH SCHOOL (SHS) GRADUATES – ADOPTING**
114 **INDIVIDUALS OR ENTITIES WHO HIRE SENIOR HIGH SCHOOL**
115 **(SHS) GRADUATES FROM THEIR PARTNER PUBLIC INSTITUTION**
116 **SHALL ENJOY AN ADDITIONAL DEDUCTION EQUIVALENT TO**
117 **TWENTY PERCENT (20%) OF THE SALARIES, WAGES, AND**
118 **BENEFITS PAID TO THE EMPLOYED SHS GRADUATE: PROVIDED,**
119 **THAT THE SHS GRADUATE IS REGULARLY EMPLOYED FOR AT**
120 **LEAST ONE YEAR.**

121
122 c) **ADDITIONAL INCENTIVES – IN ACCORDANCE WITH EXISTING**
123 **LAWS AND SUBJECT TO THE IMPLEMENTING RULES AND**
124 **REGULATIONS, THE ADOPTING INDIVIDUAL OR ENTITY SHALL**
125 **BE ENTITLED TO HAVE ITS NAME EMBLAZONED BENEATH THE**
126 **NAME OF THE SCHOOL AFTER WORDS INDICATING THAT THE**
127 **SCHOOL IS UNDER THE "ADOPT-A-SCHOOL PROGRAM."**

128
129 SEC. 7. Insert a new Section under Republic Act No. 8525 as follows, and
130 renumber the succeeding sections accordingly;

131
132 **"SEC. 7. EXEMPTION FROM IMPORT DUTIES, TAXES AND OTHER FEES.**
133 **– THE DONATED GOODS, REAL PROPERTY, AND SERVICES BY AN ADOPTING**
134 **INDIVIDUAL OR ENTITY SHALL BE EXEMPT FROM CUSTOMS DUTIES, VALUE-**
135 **ADDED TAX, EXCISE TAX, AND DONOR'S TAX: PROVIDED, THAT THE**
136 **DONATIONS SHALL NOT BE RESOLD OR TRANSFERRED FOR MATERIAL**
137 **CONSIDERATION."**

138
139 SEC. 8. Section 7 of Republic Act No. 8525 is hereby amended as follows:

140
141 **"SEC. [7] 8. ADOPT-A-SCHOOL** Coordinating Council. – [A] **AN ADOPT-A-**
142 **SCHOOL** Coordinating Council, hereinafter referred to as the Council, is hereby
143 created to coordinate and monitor the implementation of this Act. The Council shall be
144 composed of the Secretary of [the Department of Education, Culture and Sports
145 (DECS)] **DEPED**, as chairperson; the Chairman of [the Commission on Higher
146 Education (CHED)] **CHED**, and the Director-General of [the Technical Education and
147 Skills Development Authority (TESDA)] **TESDA**, as co-chairpersons; **THE**
148 **SECRETARY OF THE DEPARTMENT OF TRADE AND INDUSTRY (DTI); THE**
149 **SECRETARY OF THE DEPARTMENT OF LABOR AND EMPLOYMENT (DOLE);**
150 **THE COMMISSIONER OF THE BIR; [the chairperson of the Presidential Council for**
151 **Countryside Development (PCCD),] and a representative, WHO SHALL HAVE A**
152 **TERM OF THREE (3) YEARS AND MAY BE REAPPOINTED FOR ANOTHER**

153 **THREE (3) YEARS**, from a [national federation of chambers of commerce and
154 industry] **REPUTABLE BUSINESS GROUP** to be appointed by the President of the
155 Philippines, as members.

156
157 **THE SECRETARIES OF DEPED, DTI, AND DOLE, THE CHAIRMAN OF**
158 **CHED, THE DIRECTOR-GENERAL OF TESDA, AND THE COMMISSIONER OF**
159 **BIR MAY DESIGNATE THEIR RESPECTIVE ALTERNATES WITH RANKS NOT**
160 **LOWER THAN ASSISTANT SECRETARY OR ITS EQUIVALENT. ALL**
161 **ALTERNATES SHALL BE AUTHORIZED TO DECIDE FOR OR ON BEHALF OF**
162 **THEIR RESPECTIVE PRINCIPALS.**

163
164 The Council shall meet once every three (3) months. The chairpersons and
165 members shall not receive compensation but shall be entitled to reimbursements for
166 reasonable expenses related to the Council's activities.

167
168 The **DEPED** [DECS], CHED, [and] TESDA, **DTI, AND DOLE** through a mutual
169 agreement, **AND IN COORDINATION WITH DBM**, shall each make provisions for the
170 secretariat of the Council.

171
172 **THE COUNCIL SHALL COORDINATE WITH NATIONAL GOVERNMENT**
173 **AGENCIES (NGAS) AND EXISTING COUNCILS RELEVANT TO THE**
174 **IMPLEMENTATION OF THE PROVISIONS OF THIS ACT."**

175
176 SEC. 9. Insert a new Section under Republic Act No. 8525 as follows, and
177 renumber the succeeding sections accordingly:

178
179 **"SEC. 9. DETERMINATION OF EDUCATION SECTOR NEEDS AND**
180 **PRIORITIES. – THE DEPED, CHED, AND TESDA, THROUGH THEIR RESPECTIVE**
181 **REGIONAL, PROVINCIAL, AND FIELD OFFICES, SHALL MAKE AN ANNUAL**
182 **DETERMINATION OF THE NEEDS AND PRIORITIES OF PUBLIC EDUCATION**
183 **INSTITUTIONS WITHIN THEIR LOCATION. THIS DETERMINATION MAY SERVE**
184 **AS A GUIDE FOR STRATEGIC INTERVENTIONS IN PARTNERSHIP WITH THE**
185 **PRIVATE SECTOR, AND SHALL BE PUBLISHED ON THE RESPECTIVE**
186 **WEBSITES OF THE DEPED, CHED, AND TESDA AND MADE ACCESSIBLE**
187 **THROUGH THE ADOPT-A-SCHOOL ONE-STOP SHOP."**

188
189 SEC. 10. *Implementing Rules and Regulations.* – Within ninety (90) days from
190 the effectivity of this Act, the DepEd, CHED, TESDA, DTI, and DOLE, in consultation
191 with the DOF, including the BIR, the BOC, and the Early Childhood Care and
192 Development (ECCD) Council Secretariat, shall formulate the implementing rules and
193 regulations for the implementation of this Act.

195 SEC. 11. *Transitory Clause*. – To prevent any delay in the delivery of goods,
196 services, and real property, the provisions of Republic Act No. 8525 shall apply to
197 pending and ongoing transactions and/or donations by adopting individuals or entities.
198

199 SEC. 12. *Repealing Clause*. – All laws, presidential decrees, executive and
200 administrative orders, letters of instruction, rules and regulations, or parts thereof
201 inconsistent with the provisions of this Act are hereby repealed, modified, or amended
202 accordingly.
203

204 SEC. 13. *Separability Clause*. – If any section or provision of this Act is declared
205 invalid or unconstitutional, the sections or provisions not affected thereby shall
206 continue to be in full force and effect.
207

208 SEC. 14. *Effectivity*. – This Act shall take effect fifteen (15) days following its
209 publication in the Official Gazette or in two (2) newspapers of general circulation in the
210 Philippines.

Approved,