



Introduced by Representative ANTOLIN “LENLEN” A. ORETA III

AN ACT

INSTITUTIONALIZING A COHERENT FRAMEWORK BY ALIGNING THE QUALITY ASSURANCE SYSTEMS OF THE COMMISSION ON HIGHER EDUCATION, THE TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY, AND THE DEPARTMENT OF LABOR AND EMPLOYMENT WITH LABOR MARKET NEEDS, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

The Constitution recognizes education as a fundamental instrument of national development and directs the State to establish and maintain an educational system that is responsive to the needs of the people and society. In an increasingly technology-driven and rapidly changing economy, this responsibility extends beyond expanding access to education. It also requires ensuring that the knowledge, skills, and competencies acquired by Filipinos remain relevant to the changing demands of work and enable them to obtain productive, decent, and sustainable livelihoods. The Philippines has made significant gains in educational access and attainment. Nevertheless, persistent unemployment, underemployment, skills shortages, and education-to-employment mismatches continue to challenge the country's human capital development. These conditions suggest that the issue is not simply whether Filipinos have access to education, but whether education and training are sufficiently connected to labor-market opportunities and the evolving requirements of the economy.

Data from the Philippine Statistics Authority (PSA) underscore the continuing challenge. In January 2026, the unemployment rate stood at 5.8 percent, equivalent to approximately 2.96 million unemployed Filipinos. In May 2026, approximately 2.50 million Filipinos remained unemployed, while the underemployment rate stood at 12.2 percent. These figures demonstrate that the challenge extends beyond creating jobs; it also involves improving the quality of employment and ensuring that workers are able to find jobs that appropriately utilize their skills and provide opportunities for advancement.^{1, 2}

The concern is particularly significant as the Philippine economy undergoes technological and structural transformation. The World Bank's Philippines Country Growth and Jobs Report 2025 identified skills scarcity as one of the constraints affecting technology adoption and productivity among Philippine firms. It emphasized the need to address skills mismatches and strengthen human capital to support the creation of better and more productive jobs.³ Earlier World Bank research likewise found that Philippine employers experienced difficulty finding workers with the technical and socioemotional competencies required in the workplace, including communication, interpersonal skills, work ethic, adaptability, and other capabilities necessary for effective

¹ <https://psa.gov.ph/content/number-unemployed-persons-january-2026-increased-296-million-filipinos-aged-15-years-and>

² <https://psa.gov.ph/content/underemployment-rate-declined-122-percent-may-2026>

³ <https://www.worldbank.org/en/country/philippines/publication/philippines-growth-and-jobs-report-2025>

participation in changing work environments.⁴ These findings demonstrate that employability cannot be measured solely by the possession of a degree, diploma, or technical certificate. Workers increasingly require a combination of technical, cognitive, interpersonal, and adaptive competencies that can be continuously developed throughout their careers.

The education-employment mismatch has also been recognized by Philippine stakeholders. The Philippine Business for Education has consistently called attention to the gap between the competencies developed through education and the requirements of employers and has supported initiatives involving stronger industry participation and skills-based approaches to workforce development. The Philippine Institute for Development Studies has likewise identified skills mismatch as an issue affecting Philippine economic growth and the efficient utilization of human capital.⁵

The challenge, therefore, is not necessarily the absence of programs or institutions. Rather, it is the need for stronger coherence among the country's education, technical-vocational training, labor-market information, and employment systems. A stronger education-to-employment framework can help ensure that labor-market information is meaningfully considered in curriculum development, program review, quality assurance, skills training, career guidance, and workforce planning. Reliable information concerning occupational demand, skills shortages, vacancies, wages, emerging occupations, and regional labor-market conditions can enable educational and training institutions to make better-informed decisions while allowing government to identify areas requiring intervention. However, should not reduce education to a short-term response to employer vacancies. Educational institutions serve broader purposes, including intellectual development, professional formation, research, citizenship, creativity, and lifelong learning. Accordingly, labor-market information should be treated as an important source of evidence for continuous improvement, not as the sole or mechanical determinant of academic decisions. Academic freedom, institutional autonomy, diverse educational missions, and learner choice must remain protected.

The transition from education to employment likewise requires greater attention. Possession of a qualification does not automatically guarantee successful entry into the workforce. Students and graduates may encounter barriers involving insufficient workplace experience, limited access to career information and professional networks, geographic constraints, or differences between classroom instruction and actual workplace requirements. Strengthening work-integrated learning, apprenticeships, internships, enterprise-based training, career guidance, job placement, and recognition of prior learning can help address these barriers.

The proposed Comprehensive Education-to-Employment Alignment Act seeks to respond to these challenges by strengthening coherence among the existing education, training, and labor-market systems. It seeks to encourage closer coordination among the Commission on Higher Education (CHED), TESDA, and the Department of Labor and Employment (DOLE), while respecting their respective statutory mandates and preserving the autonomy and academic freedom of educational institutions. The measure likewise recognizes that education-to-employment challenges differ across regions, sectors, and learner populations. Labor-market conditions and skills requirements vary between regions and industries; consequently, national policy should provide a coherent framework while allowing appropriate regional and sectoral responsiveness. Particular attention should also be given to first-time jobseekers, displaced workers, disadvantaged learners, and workers whose occupations are being transformed by technological or economic change.

Ultimately, the objective of the proposed measure is not merely to increase the number of graduates who obtain their first job. It is to strengthen an education and workforce-development system capable of producing relevant competencies, facilitating successful transitions into work,

⁴ <https://www.worldbank.org/en/country/philippines/publication/developing-socioemotional-skills-for-the-philippines-labor-market>

⁵ <https://www.pids.gov.ph/details/news/in-the-news/skills-mismatch-hampers-philippine-economic-growth-experts-say>

supporting career mobility, and enabling Filipinos to continuously adapt to changes in the economy. A more coherent connection among education, training, labor-market intelligence, and employment services can contribute to better job matching, improved productivity, more responsive curricula and training programs, and greater opportunities for social and economic mobility. It can also help ensure that public investments in education and skills development produce meaningful benefits for learners, workers, employers, and the Philippine economy.

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

A handwritten signature in black ink, appearing to read 'Antolin A. Oreta III'.

ANTOLIN “LENLEN” A. ORETA III
Lone District of Malabon City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
Second Regular Session

HOUSE BILL NO. 11147

Introduced by Representative ANTOLIN “LENLEN” A. ORETA III

AN ACT
INSTITUTIONALIZING A COHERENT FRAMEWORK BY ALIGNING THE QUALITY ASSURANCE SYSTEMS OF THE COMMISSION ON HIGHER EDUCATION, THE TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY, AND THE DEPARTMENT OF LABOR AND EMPLOYMENT WITH LABOR MARKET NEEDS, 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 "*Comprehensive Education-to-Employment Alignment Act.*"

SEC. 2. *Declaration of Policy.* - It is the policy of the State to advance education and workforce development as shared national responsibilities and centrals pillars of national development, social mobility, and human dignity. Higher education, technical-vocational education and training, and workforce development shall function as an integrated and mutually reinforcing system that enables every learner to attain productive, decent, and sustainable employment, meaningful livelihood, and lifelong economic participation.

The State shall ensure the coherent alignment of quality assurance, curriculum, program delivery, and credential recognition across the full span of education, training, and employment. Such alignment shall be pursued within the respective statutory mandates of the Commission on Higher Education (CHED), the Technical Education and Skills Development Authority (TESDA), and the Department of Labor and Employment (DOLE), guided by labor market realities, national development priorities, and technological transformation, while respecting academic freedom, institutional autonomy, and the diversity of educational missions.

SEC. 3. *Education-to-Employment Framework.* – An Education-to-Employment Framework, hereinafter referred to as the Framework, is hereby established as the national policy architecture for ensuring that education and training operate in a coherent, integrated, and outcomes-oriented manner from initial learning entry through workforce participation and lifelong skills upgrading.

The Framework shall apply to all public and private higher education institutions, technical-vocational institutions, training providers, and all post-secondary learning programs, whether degree-granting or non-degree-granting, including alternative learning pathways and industry-recognized training arrangements authorized by law.

The Framework shall ensure coherence and alignment among the following:

- (a) **Learning Standards and Competency Frameworks** – These refer to the definitions and determination of the knowledge, skills, values, and competencies required for effective participation in the labor market and for lifelong learning, and which shall be periodically reviewed to reflect technological change and national development priorities;
- (b) **Curriculum Design and Delivery** – These refer to an assessment of labor market needs which shall be outcomes-based, competency-aligned, and responsive to labor market needs, and which may incorporate work-integrated learning, apprenticeships, internships, simulation, and blended modalities, consistent with minimum academic standards and applicable professional requirements;

(c) **Quality Assurance and Accreditation** – This refers to the overall system of quality assurance to ensure meeting professional standards and the corresponding system of accreditation which shall assess not only academic rigor and institutional capacity but also workforce relevance, program effectiveness, and graduate outcomes, supporting continuous improvement rather than mere regulatory compliance; and

(d) **Employment and Lifelong Learning Outcomes** – These refer to the corresponding learning outcomes and rubrics of performance, including employability, job quality, skills adaptability, career mobility, and access to upskilling and reskilling, which shall be recognized as essential indicators of program effectiveness and societal value.

Provided that the Framework shall be guided by labor market intelligence, industry engagement, and evidence-based policy, and shall take into account regional and sectoral conditions, priority industries, and inclusive development goals.

Sec. 4. Institutional Responsibilities. – CHED, TESDA, and DOLE shall jointly implement this Act, each within its respective statutory mandate. Their specific responsibilities are as follows:

(a) CHED shall exercise primary jurisdiction over higher education policy, academic program standards, outcomes-based education, and higher education quality assurance, including program approval, monitoring, evaluation, and accreditation reform;

(b) TESDA shall exercise primary jurisdiction over technical-vocational education and training, including competency-based standards, training regulations, assessment and certification systems, quality assurance of non-degree and skills-oriented programs, and refinement of program registration and external accreditation mechanisms consistent with national qualifications frameworks; and

(c) DOLE shall serve as the principal source and coordinating agency for labor market intelligence, including employment statistics, occupational demand and supply data, skills shortage analyses, vacancy trends, wage information, and projections of emerging and declining occupations. DOLE shall provide such data to CHED and TESDA in a timely, systematic, and usable manner, and shall support school-to-work transition through its employment facilitation and labor market services.

Provided, that nothing in this section shall impair institutional autonomy, academic freedom, or the diversity of educational missions, nor authorize undue interference in academic decision-making.

SEC. 5. Inter-Agency Coordination. – CHED, TESDA, and DOLE shall establish and maintain a structured inter-agency coordination mechanism to ensure policy coherence, joint planning, and synchronized implementation across education, training, and employment systems. The mechanism shall facilitate regular consultations, information-sharing, harmonized issuance of policies, and development of interoperable data systems, without duplicating the functions or regulatory processes of any agency.

Within ninety (90) days from the effectivity of this Act, CHED, TESDA, and DOLE shall execute a joint memorandum of agreement operationalizing this mechanism, specifying meeting schedules, data-sharing protocols, and coordination procedures. The mechanism shall operate on a co-equal basis, with decisions made by consensus and within each agency's statutory mandate.

SEC. 6. Quality Assurance and Accreditation Reform. – CHED and TESDA shall, within their respective jurisdictions, recalibrate and modernize quality assurance and accreditation systems to establish a direct and enduring link between education quality, workforce outcomes, and societal relevance. Quality assurance and accreditation shall function not merely as regulatory instruments but as strategic mechanisms for continuous improvement, workforce alignment, and public accountability.

Accreditation standards and processes shall explicitly incorporate the following:

(a) Substantive weight given to employability, workforce readiness, skills adaptability, and career progression, in addition to academic and institutional inputs;

(b) Ladderized pathways across technical-vocational education and training and higher education, including recognition of prior learning to encourage learner progression and upskilling, consistent with Republic Acts No. 10647 and No. 12124;

- (c) Recognition of programs with strong and sustained industry engagement, work-integrated learning, enterprise partnerships, or professional alignment;
- (d) Developmental feedback and outcomes assessment rather than prescriptive or purely compliance-based requirements, to support innovation and continuous improvement; and
- (e) Streamlining of accreditation and program registration processes to reduce unnecessary regulatory burden and eliminate duplicative documentation.

Provided, that any reform to accreditation systems shall be consistent with the respective statutory mandates of CHED and TESDA and shall not undermine the independence and credibility of recognized accrediting agencies.

SEC. 7. *Expanded Quality Assurance Criteria.* – CHED and TESDA shall expand their quality assurance criteria to systematically incorporate the following workforce relevance indicators alongside established academic and institutional standards:

- (a) Graduate employment outcomes, including employment rates, underemployment rates, and job-matching quality, assessed using labor market information, tracer studies, and employment data provided or validated by DOLE;
- (b) Curriculum alignment with industry-validated competencies, national qualifications frameworks, and applicable professional or licensure requirements, including the regularity of curriculum updates;
- (c) Work-integrated learning, including the extent, quality, duration, and workforce relevance of apprenticeships, internships, and other forms of experiential learning appropriate to the program and sector;
- (d) Employer and industry participation in curriculum development, program design, and review, including employer feedback on graduate readiness; and
- (e) Regional and sectoral responsiveness, including alignment with national and local development plans, priority industries, and inclusive growth objectives.

Provided, that workforce relevance indicators shall be contextualized according to institutional typology, program nature, and learner profile, and shall not be applied uniformly or mechanically. Provided further, that these indicators shall support continuous improvement, and shall not result in the withdrawal of program recognition or accreditation without due process and reasonable transition mechanisms.

SEC. 8. *Differentiated Quality Assurance Pathways.* – CHED and TESDA shall establish differentiated quality assurance and accreditation pathways for emerging, priority, and rapidly evolving sectors, including digital technologies, health and care services, advanced manufacturing, agriculture and agri-technology, green and climate-resilient industries, and creative and knowledge-based sectors. Such pathways may include accelerated or adaptive accreditation cycles, modular or stackable accreditation approaches, and provisional or pilot accreditation mechanisms to allow innovation while ensuring minimum quality thresholds.

Provided, that in sectors where accrediting bodies or formal program standards are nascent, CHED and TESDA shall provide technical and institutional support, including grants where appropriate, to facilitate their establishment. Provided further, that differentiated pathways shall be implemented in a manner that ensures quality, protects learners, and maintains public trust.

SEC. 9. *Mandatory Graduate Tracer Studies and Employer Feedback.* –

- (a) **Mandatory Conduct.** All covered higher education institutions and technical-vocational institutions and training providers shall conduct regular and systematic graduate tracer studies and structured employer feedback surveys as integral components of their quality assurance and continuous improvement processes.
- (b) **Components and Composition.** Graduate tracer studies shall generate reliable and actionable data on the employment status, job relevance, skills utilization, job quality, and career progression of graduates within a defined period after program completion, subject to applicable data privacy laws. Employer feedback mechanisms shall assess graduate

preparedness, workplace adaptability, technical and transversal competencies, and capacity for continuous learning, as observed in actual employment settings

- (c) **Mandatory Submission of Report.** Submission of Report Findings shall be formally submitted to CHED or TESDA, as applicable, and shall be meaningfully integrated into curriculum review, program redesign, and faculty development. Aggregated data shall be utilized by CHED and TESDA to inform quality assurance standards, accreditation processes, and national policy. Provided, that tracer study and employer feedback requirements shall be calibrated according to institutional typology, program nature, and scale of operations, and shall not impose disproportionate administrative burden, particularly on small or developing institutions.

SEC. 10. Curriculum-to-Occupation Mapping. – CHED and TESDA shall require all covered institutions to undertake and maintain curriculum-to-occupation mapping, which refers to the documented correspondence between program learning outcomes and recognized occupations, job roles, or competency standards relevant to the labor market, as a mandatory component of program development, approval, review, and quality assurance processes. Such mapping shall demonstrate clear and evidence-based alignment between what programs teach and what employers and the labor market require.

Programs that are unable to demonstrate reasonable occupational alignment, as determined in accordance with evidence-based guidelines issued by CHED or TESDA, shall be subject to review, redesign, consolidation, or phase-out, undertaken in a developmental manner with the primary objective of improving relevance and outcomes rather than imposing punitive measures.

Provided, that any decision to redesign, consolidate, or phase out a program shall be implemented with due regard for learner protection, including reasonable transition arrangements, teach-out plans, and credit transfer or bridging options.

Sec. 11. Continuous Program Review. – CHED and TESDA shall require all covered academic and training programs to undergo systematic and outcomes-oriented program review at least every three (3) years to ensure continued relevance, quality, and alignment with labor market needs and national development priorities.

At a minimum, each review shall assess the following:

- (a) Labor market demand, informed by intelligence provided or validated by DOLE, including sectoral, regional, and occupational trends;
- (b) Currency of curricula with respect to technological change, evolving occupational standards, and emerging competencies;
- (c) Quality and sufficiency of work-integrated learning components, including apprenticeships, internships, and enterprise-based training; and
- (d) Graduate outcomes and employer feedback, including findings from tracer studies and employer surveys.

Programs in rapidly evolving sectors, including digital technologies, health and care services, advanced manufacturing, and green industries, shall be subject to shorter and more adaptive review cycles, as may be determined by CHED or TESDA. Provided, that program review shall be implemented with due regard for academic freedom, institutional autonomy, and learner protection.

Sec. 12. Rapid Curriculum Adjustment for High-Mismatch Sectors. – CHED and TESDA shall establish accelerated and adaptive mechanisms for curriculum adjustment education-to-employment mismatches, skills shortages, or rapid occupational change. Such mechanisms may include expedited program approvals, provisional program offerings, modularized or stackable course structures, and flexible modes of delivery, consistent with quality assurance standards and learner protection sectors exhibiting persistent or emerging requirements.

Such mechanisms shall be informed by labor market intelligence, skills gap analyses, employer Education-to-Employment Gap Assessment under Section 14 of this Act, and shall prioritize sectors critical to national and regional development. Provided, that rapid curriculum adjustment mechanisms shall not compromise academic standards, quality assurance requirements, or learner protection, and shall be subject to minimum standards, monitoring arrangements, and periodic review.

Sec. 13. *Management of Low-Outcome Programs.* – CHED and TESDA shall systematically identify and monitor academic and training programs that exhibit consistently poor employment outcomes over a reasonable review period as determined by CHED or TESDA, persistent graduate underemployment, or significant job mismatch, hereinafter referred to as low-outcome programs. Such identification shall be based on evidence from tracer studies, labor market data provided or validated by DOLE, employer feedback, and quality assurance indicators.

Upon identification of a low-outcome program, CHED or TESDA, as applicable, may, in accordance with guidelines duly issued for this purpose, require any of the following corrective measures:

- (a) Program redesign or curriculum enhancement to improve alignment with labor market needs and graduate outcomes;
- (b) Adjustment or reduction of student intake pending demonstrated improvement in outcomes;
- (c) Consolidation with related or complementary programs;
- (d) Transformation into alternative learning pathways or skills programs; or
- (e) Gradual phase-out of the program, subject to the learner protection measures prescribed below.

Any corrective action shall be undertaken in a developmental and evidence-based manner. Institutions shall be afforded due process, reasonable timelines for compliance, and access to technical assistance where appropriate. Provided, that in all cases, affected learners shall be protected through approved teach-out arrangements, credit transfer or bridging options, and articulation to related programs, to ensure continuity of studies without undue disadvantage.

Sec. 14. *National Education-to-Employment Gap Assessment.* – CHED, TESDA, and DOLE shall jointly conduct a National Education-to-Employment Gap Assessment at least once every three (3) years to identify and analyze mismatches between educational and training offerings and actual labor market demand. The Assessment shall serve as a core evidence-based planning tool for the agencies in carrying out their respective mandates under this Act.

The Assessment shall include:

- (a) Analysis of skills shortages and surpluses by sector, occupation, and region, including current and projected workforce demand;
- (b) Identification of low-outcome programs producing graduates with persistent underemployment, unemployment, or job mismatch;
- (c) Analysis of occupations with high vacancy rates despite available graduate supply, including barriers such as credential misalignment or geographic mismatch; and
- (d) Identification of emerging occupations insufficiently addressed by existing curricula or training regulations, particularly in priority and fast-changing sectors.

The results of the Assessment shall be formally documented and publicly disseminated, and shall directly inform:

- (a) Curriculum review and enhancement under Section 11;
- (b) Program rationalization and phase-out decisions under Sections 10 and 13;
- (c) Rapid curriculum adjustment under Section 12;
- (d) Funding and scholarship prioritization by CHED, TESDA, and other relevant agencies; and
- (e) Targeted workforce development interventions by DOLE.

Provided, that assessment results shall inform developmental and corrective action, and shall be applied with due regard for institutional autonomy, academic freedom, and regional and sectoral context.

SEC. 15. Regional and Local Labor Market Alignment. – All covered higher education institutions and technical-vocational institutions shall demonstrate alignment with local and regional labor market needs as an integral component of program design, delivery, and quality assurance. Institutions shall engage with local employers, industry groups, professional associations, and local government units to ensure that educational and training offerings respond to regional workforce demand, priority industries, and development plans, including those identified in regional development councils and local investment and employment plans. Provided, that regional alignment requirements shall be proportionate and contextualized, with due regard for institutional mission and academic freedom, and shall not restrict the right of graduates to seek employment beyond their region.

SEC. 16. School-to-Work Transition. –

(a) Establishment of School-to-Work Systems.

CHED and TESDA, in coordination with DOLE, shall strengthen and institutionalize school-to-work transition mechanisms to ensure smooth, timely, and inclusive movement of learners from education and training into productive employment, entrepreneurship, or further skills development. Such mechanisms shall include work-based learning, apprenticeships, internships, enterprise-based training, career guidance and counseling, job placement and referral services, and recognition of prior learning and competencies, as appropriate to program nature and sectoral requirements.

(b) Institutional Deployment.

CHED and TESDA shall embed these mechanisms in program design and delivery, aligned with labor market demand and employer participation, in the respective tertiary institutions of their jurisdiction. DOLE shall support implementation through its employment facilitation services and public employment programs. Priority shall be given to first-time jobseekers, displaced workers, and learners from disadvantaged or marginalized backgrounds, including those from low-income households and geographically isolated and disadvantaged areas. Provided, that school-to-work transition mechanisms shall be implemented with due regard for learner protection, quality assurance, and applicable fair labor standards.

SEC. 17. Industry and Labor Participation. –

- (a) Private Sector and Industry Engagement.** CHED and TESDA shall institutionalize formal mechanisms for the participation of industry, employers, professional associations, and labor sector representatives in curriculum review, program development, and quality assurance processes, in an advisory capacity and consistent with established principles of academic governance.
- (b) Vetting and Due Diligence Evaluation.** Such participation shall be subject to conflict-of-interest safeguards, including mandatory disclosure of interests, prohibition against using advisory roles to secure preferential treatment or undue commercial advantage, recusal from deliberations where a material conflict exists, and representational balance to prevent dominance by any single sector or interest group. Provided, that industry and labor participation shall complement, and not supplant, the authority of educational institutions over academic decisions, and shall not undermine academic freedom, institutional autonomy, or the integrity of quality assurance processes.

SEC. 18. Labor Market Intelligence and Data Integration. – DOLE shall serve as the primary source and coordinating agency for labor market intelligence, including employment statistics, occupational demand and supply data, skills shortage and surplus analyses, vacancy trends, wage information, and projections of emerging and declining occupations. DOLE shall generate, validate, and regularly update such data using reliable methodologies and employer inputs, consistent with Republic Act No. 10173, otherwise known as the Data Privacy Act of 2012, and other applicable data privacy laws.

CHED and TESDA shall systematically utilize labor market intelligence from DOLE to inform curriculum design and review, program approval and rationalization, quality assurance processes, funding and scholarship prioritization, and identification of priority sectors and regions.

The three agencies shall establish interoperable data-sharing mechanisms, including shared databases, dashboards, and standardized indicators, to enable timely and accurate exchange of information across education, training, and employment systems.

Labor market intelligence shall be disaggregated, where feasible, by sector, occupation, region, gender, and age group to support targeted, inclusive, and regionally responsive policy interventions. Provided, that labor market intelligence shall serve as a strategic planning and improvement tool and not as the sole or mechanical basis for academic decisions, and shall be interpreted with due regard for institutional mission, learner pathways, and long-term human development goals.

SEC. 19. *Accountability for Education-to-Employment Outcomes.* – CHED and TESDA shall integrate education-to-employment outcome indicators into institutional and program-level quality assurance systems as an essential component of continuous improvement and evidence-based policy. Such indicators may include graduate employment and underemployment rates, job relevance and skills utilization, career progression, employer feedback, and alignment with labor market demand, selected and applied with methodological rigor and contextual sensitivity.

These indicators shall be used primarily for developmental purposes, including identification of strengths and gaps, curriculum enhancement, program redesign, and capacity-building interventions. They shall not be applied in a mechanistic or punitive manner, nor used as the sole basis for sanctions, funding withdrawal, or adverse regulatory action.

SEC. 20. *Annual Education-to-Employment Alignment Report.* – CHED, TESDA, and DOLE shall jointly prepare and submit to the Senate and the House of Representatives an Annual Education-to-Employment Alignment Report as the principal accountability and oversight instrument under this Act.

The Report shall contain: (a) a summary of identified education-to-employment gaps, priority skills mismatches, and regional or sectoral disparities; (b) the policies, programs, and corrective actions undertaken in response; (c) trends in employment and workforce outcomes based on available data; (d) the implementation status of this Act; and (e) recommended legislative, regulatory, or budgetary measures to address emerging challenges and support priority sectors and regions.

SEC. 21. *Capacity Building and Institutional Support.* – CHED and TESDA, in coordination with DOLE, shall provide and institutionalize capacity-building programs and technical assistance to support the effective implementation of workforce-responsive quality assurance systems and curriculum reform under this Act. Such support shall include training and professional development for faculty, trainers, administrators, and quality assurance personnel; technical guidance on curriculum redesign and outcomes-based education; assistance in the use of labor market intelligence; and support for the development of industry partnerships and work-integrated learning arrangements. Subject to existing laws and available appropriations, incentives may be provided to encourage innovation and sustained improvement in workforce alignment.

SEC. 22. *Funding.* – The funds necessary for the implementation of this Act shall be included in the annual General Appropriations Act. Each implementing agency shall include in its annual budget proposal the necessary appropriations for programs, activities, and projects required under this Act.

SEC. 23. *Implementing Rules and Regulations.* – CHED, TESDA, and DOLE shall jointly promulgate the Implementing Rules and Regulations of this Act within one hundred eighty (180) days from its effectivity. In promulgating the Implementing Rules and Regulations, the agencies shall conduct public consultations with higher education institutions, technical-vocational institutions, employers, labor organizations, and learner groups.

SEC. 24. *Separability Clause.* - If any part or provision of this Act which shall be held to be invalid or unconstitutional, other parts or provisions hereof which are not affected thereby shall continue to be in force and effect.

SEC. 24. *Repealing Clause.* – All other laws, decrees, ordinances, administrative order, rules and regulations, or any part thereof, which are inconsistent with this Act are hereby repealed or amended accordingly.

SEC. 25. *Construction.* - In the interpretation of this law, the best interest of the child shall prevail.

SEC. 26. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette and at least two (2) newspapers of national circulation.

Approved,