

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 5603



Introduced by HONORABLE LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

EXPLANATORY NOTE

"Ignorance is servitude, because as a man thinks, so he is; a man who does not think for himself and allows himself to be guided by the thought of another is like the beast led by a halter."
- Jose Rizal

The mission of education, according to Jose Rizal, is to elevate the country to the highest seat of glory and develop the people's mentality. Rizal further claimed that education is the foundation of society and a pre-requisite for social progress.

The importance of education cannot be overemphasized; it is ingrained in the law of the land— Section 1, Article 14 of the 1987 Constitution provides that the "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". However, access to education becomes more and more elusive for an average Filipino especially upon entering college. Every year, fewer high school graduates are going to college. For a number of reasons, higher education is proving to be a less than ideal life choice.¹

A country which had made a high degree of social and economic commitment to education as the Philippines must at some point reexamine the nature of that commitment very closely.² Glaring inequity in access to higher education continues to impede the Filipinos' right to education at this pivotal level. According to the 2013 Annual Poverty and Indicator Surver (APIS), half of college-age youngsters were unable to pursue higher education due to financial constraints or the need to work and earn for the family. More than 26 million Filipinos remain poor with almost half, or a little more than 12 million, living in extreme poverty.³

¹ Hernandez, Butch (2017, May 04). The real cost of college education. *The Philippine Daily Inquirer*. Retrieved from <http://opinion.inquirer.net/87421/the-real-cost-of-college-education#ixzz4g68HpFrV>

² Excerpt from "Higher Education in the Philippines," Special Area Report, Presidential Commission to Survey Education in the Philippine Education, December 1970.

³ Yap, DJ. 12M Filipinos living in extreme poverty. *Philippine Daily Inquirer*. *Philippine Daily Inquirer* / 11:55 PM March 18, 2016. Available URL: <http://newsinfo.inquirer.net/775062/12m-filipinos-living-in-extreme-poverty#ixzz4fMIQtYEF>

Higher education is currently greatly privileged, with financial burdens serving to be a limiting force for many potential students. The ultimate tool to increase the abundance of educational opportunities begins at lowering if not removing entirely, the tuition for higher education.

This bill seeks to provide tuition subsidies and financial assistance to students in state universities and colleges private higher institutions and technical and vocational institutions. It is a re-filed version of Senate Bill No. 1304 prepared jointly by the Committees on Education Arts and Culture and Finance with Senators Recto, Villanueva, Ejercito, Aquino IV, Gatchalian, Pangilinan, Angara, Legarda as authors.

The passage of this bill shall translate to a brighter future for millions of underprivileged but deserving students. Further, the Affordable Higher Education for All Act shall complement other existing policies and laws on scholarship programs such as the Iskolar ng Bayan Act, streamlining the Student Financial Assistance Program (StuFAP) found in the United Student Financial Assistance System for Tertiary Education (UNIFAST) in the UNIFAST Law, and other scholarships offered by the Commission on Higher Education, Department of Science and Technology, Department of National Defense, among other agencies.

The immediate approval of this bill is earnestly sought.



LUIS RAYMUND "LRAY" VILLAFUERTE, JR.

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HOUSE BILL NO. **5603**

Introduced by HONORABLE LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

AN ACT ACCELERATING UNIVERSAL ACCESS TO TERTIARY EDUCATION BY PROVIDING TUITION SUBSIDY AND FINANCIAL ASSISTANCE TO STUDENTS ENROLLED IN STATE UNIVERSITIES AND COLLEGES (SUCs), PRIVATE HIGHER EDUCATION INSTITUTIONS (HEIs) AND TECHNICAL-VOCATIONAL INSTITUTIONS (TVIs) AND APPROPRIATING FUNDS THEREFOR

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 "Affordable Higher Education for All Act".

SECTION 2. Declaration of Policy. – It is hereby declared that universal access to quality education is an inalienable right of the Filipino. Therefore, it shall be the policy of the State to make higher education accessible to all, especially to the financially disadvantaged but deserving students by recognizing the complementary roles of public and private higher education institutions (HEIs) and technical-vocational institutions (TVIs) in delivering quality education. Towards this end, the State shall renew its constitutionally mandated duty to make education its top budgetary priority by providing tuition subsidy and financial assistance to students in State Universities and Colleges (SUCs), private HEIs and TVIs.

SECTION 3. Definition of Terms. – As used in this Act, these terms shall mean:

- (a) **Cost of Tertiary Education** refers to (1) Tuition, and Other School Fees, (2) Educational Expenses, and (3) Cost of living allowance;
- (b) **Educational Expenses** refer to expenses related to the education of a student, such as books, school supplies, and electronic devices necessary foreducation, but excluding tuition and miscellaneous and Other School Fees;
- (c) **Higher Education** refers to the stage of formal education, or its equivalent,requiring completion of secondary education and covering programs of study leading to bachelor and advanced degrees;
- (d) **Higher Education Institution (HEI)** refers to an institution of higher learning,primarily offering bachelor and advanced degree programs;

- (e) **Other School Fees** refer to those fees which cover other necessary costs supportive of instruction, including, but not limited to, medical and dental, athletic, library, laboratory, and miscellaneous fees;
- (f) **State Universities and Colleges (SUCs)** refer to public HEIs established by national laws which are financed and maintained by the national government, and are governed by their respective independent boards of trustees or regents;
- (g) **Technical-Vocational Education and Training (TVET)** refers to the post-secondary education or training process which involves, in addition to general education, the study of technical and related fields and the acquisition of practical skills relating to occupations in various sectors, comprising formal (organized programs as part of the school systems) and nonformal (organized classes outside the school system) approaches;
- (h) **Technical-Vocational Institutes (TVIs)** refer to learning institutions offering post-secondary TVET;
- (i) **Tertiary Education** refers to the stage of education following the secondary cycle which subsumes post-secondary nondegree diploma, TVET, and Higher Education programs;
- (j) **Tuition Fee** refers to the fee representing direct costs of instruction, training and other related activities and for the students' use of the instruction and training facilities;
- (k) **Unified Student Financial Assistance System for Tertiary Education (UniFAST)** refers to the harmonized, state-run and administered system of Higher Education and technical-vocational Scholarships, Grants-in-Aid, Student Loans, and other modalities of StuFAP created by Republic Act No 10867;
- (l) **Student Financial Assistance Program (StuFAP)** refers to a system of Scholarships, Grants-in-Aid, Student Loans, subsidies and other incentives which are or shall be made available to eligible students;
- (m) **Grant-in-Aid** refers to a modality of financial assistance to poor but eligible students which generally requires a minimum level of competence to complete Tertiary Education;
- (n) **Scholarship** refers to a modality of financial assistance given to eligible students on the basis of merit and/or talent, such as laudable academic performance, and special technical proficiencies and skills and intellectual pursuits of a Scholar that give rise to research and development, and innovations as well as other creative works;
- (o) **Student Loan** refers to a modality of student financial assistance consisting of short-term or long-term loans which shall be extended to students facing liquidity problems, regardless of economic status, which shall be paid by the student, parents, guardians, or co-makers.

SECTION 4. *Eligibility to the Full Tuition Subsidy.* – All Filipino citizens who are either currently enrolled at the time of effectivity of this Act, or shall enroll at any time thereafter, in courses in pursuance of a bachelor's degree, certificate degree, or any comparable undergraduate degree in any SUC shall qualify for a full tuition subsidy; Provided, That they meet the admission requirements of the SUC; Provided further, That all SUCs shall create a mechanism to identify students with the financial capacity to be excluded from receiving tuition subsidy or to enable them to make a donation to the school.

SECTION 5. *Exceptions to the Full Tuition Subsidy.* — The following are ineligible to avail of the full tuition subsidy in SUCs:

- (a) Persons who have already attained a bachelors degree or equivalent degree from any higher education institution, whether public or private;
- (b) Students who fail to complete their degree and/or non-degree programs within a year after the period prescribed in their program;
- (c) Persons who have been dishonorably discharged from any higher education institution, whether public or private, for any reason other than financial difficulty in paying tuition and other fees; or
- (d) Persons who have the financial capacity to shoulder the cost of Tertiary Education.

SECTION 6. *SUC Tuition Subsidy Fund.* – The SUC Tuition Subsidy Fund, hereinafter referred to as the Fund, is hereby established. The Fund shall be used solely for the purpose of implementing the full tuition subsidy under the provisions of this Act. Tuition for units enrolled by persons eligible for the tuition subsidy under the provisions of this Act, payable to SUCs, shall be sourced from this Fund.

SECTION 7. *Administration of the Fund.* – The Fund shall be administered by the Commission on Higher Education (CHED), which shall have the following powers and functions:

- (a) Manage and administer the Fund;
- (b) Devise a reporting mechanism to be implemented by the SUCs which will detail the exact amount of tuition subsidy availed of by persons eligible for the full tuition subsidy under this Act;
- (c) Formulate and implement an efficient and transparent mechanism to ensure the payment of the tuition subsidy, utilizing money from the Fund, to the respective SUCs, pursuant to this Act;
- (d) Resolve and mediate disputes concerning the ineligibility or disqualification of persons from the full tuition subsidy under the provisions of this Act or any other provision of this law;
- (e) Develop and utilize technology and data systems for collecting and analyzing data of all eligible students under this Act and further ensure that entries therein are accurate and up-to-date; and
- (f) Any other powers or functions necessary for the implementation of the provisions of this Act.

SECTION 8. Requirements for SUCs. – SUCs are hereby mandated to fulfill the following before accessing the Fund:

- (a) Establish a qualifying mechanism, which shall be meritocratic and equitable. This shall include but not be limited to a qualifying examination and an affirmative action mechanism for financially disadvantaged students;
- (b) Determine and publish the maximum number of students the SUC can accommodate per campus and degree program. For the initial implementation of this Act, the maximum number of students SUCs may accept shall be equivalent to the total number of students that were enrolled in the school year prior to the effectivity of this Act. For subsequent years, SUCs may increase their number of students subject to conditions set by and upon the approval of CHED;
- (c) Submit the following documents to assist the CHED in implementing this Act:
 - i. Previous enrollment rate, student demographics and other relevant information;
 - ii. Graduation rate, performance in previous licensure examinations, and employability rate of graduates;
 - iii. Gross tuition receipts;
 - iv. Teachers' welfare and training profiles; and
 - v. Other educational quality indicators, including but not limited to physical learning infrastructures, teacher-to-student ratio and student housing
- (d) Formulate and submit to CHED and to the committee on education of the senate and the committee on higher and technical education of the house of representatives a detailed SUC Development Plan updated every ten (10) years, which shall include plans for facilities and infrastructure development and expansion.

The submissions to CHED shall be subject to the Commission's determination of completeness. Provided, That CHED shall have the right to request for additional information from the SUCs. Provided further, that any plans of expansion shall be approved and defended before CHED and Congress during the SUCs' budget hearing.

SECTION 9. Tuition Report. – The President of each SUC shall submit to the CHED, within five (5) days after the last day of late registration for each semester, a report detailing the names of persons eligible for the full tuition subsidy in their institution, as well as the amount of tuition due based on the number of units enrolled.

SECTION 10. Payment from the Fund. — The CHED shall ensure the full payment of tuition due to the state university or college, as reported under this Act, no later than thirty (30) days after the submission of the report to the CHED; Provided, That

the CHED shall reserve the right to withhold or disallow the payment of any reported fees which are perceived to be anomalous or irregular until further investigation has been conducted.

SECTION 11. *Strengthening Student Financial Assistance Programs (StuFAP).* – The CHED, through UniFAST, shall strengthen all scholarships, grants-in-aid, student loans, subsidies and other incentives, to other educational expenses and cost of living allowance that will be incurred by students pursuing higher education in SUCs and private HEIs and TVIs. StuFAPs shall also be made available to cover the cost of tertiary education, fully or partially, to students who wish to pursue tertiary education in other HEIs or TVIs.

SECTION 12. *Tuition subsidy and financial assistance for students in private HEIs and TVIs.* – Students who wish to enroll in private HEIs and TVIs shall be covered by the appropriate STuFAPs in such modalities where they qualify as may be determined by the uniFAST board. The subsidy up to the amount approved by the uniFAST board shall cover tuition fees and/or any additional student financial assistance to cover for the other costs of education in the private HEI and TVI of choice, subject to its admission policies. *Provided*, that the amount of tuition subsidy and/or student financial assistance shall be based on the guidelines set forth by the uniFAST board and on the annual budgetary appropriation for this purpose. *Provided further*, that the conditions stipulated under Section 5 of this Act shall also apply to students qualified under this section.

SECTION 13. *Appropriations.* – The amount necessary to effectively carry out the provisions of this act shall be included in the annual General Appropriations Act.

SECTION 14. *Implementing Rules and Regulations.* – Within sixty (60) days from the effectivity of this Act, the CHED shall promulgate the implementing rules and regulations necessary for the implementation of this Act.

SECTION 15. *Separability Clause.* – Should any provision herein be declared unconstitutional, the same shall not affect the validity of the other provisions of this Act.

SECTION 16. *Repealing Clause.* – All laws, decrees, orders, rules, and regulations or other issuances or parts inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 17. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation in the Philippines.

Approved,