



Republic of the Philippines
Department of Education

10 APR 2015

DepEd O R D E R
No. **11**, s. 2015

**POLICY GUIDELINES ON THE IMPLEMENTATION OF THE SENIOR HIGH SCHOOL (SHS)
VOUCHER PROGRAM UNDER THE GOVERNMENT ASSISTANCE TO STUDENTS
AND TEACHERS IN PRIVATE EDUCATION (GASTPE) PROGRAM**

To: Undersecretaries
Assistant Secretaries
Bureau Directors
Directors of Services, Centers and Heads of Units
Regional Secretary, ARMM
Regional Directors
Schools Division Superintendents
Heads, Public and Private Elementary and Secondary Schools
All Others Concerned

1. The Enhanced Basic Education Act of 2013 (Republic Act No. 10533) provides for the expansion of the benefits and assistance programs under the Government Assistance to Students and Teachers in Private Education (Republic Act No. 8545) to qualified students under the Senior High School (SHS) Program, which is the additional two years of secondary education included in compulsory basic education beginning School Year (SY) 2016-2017.
2. In relation to this, the Department of Education (DepEd) has developed the SHS Voucher Program, which provides qualified public and private Junior High School (JHS) completers with government subsidies which will enable them to enrol and study in non-DepEd schools licensed to offer the SHS Program.
3. The enclosed SHS Voucher Policy Brief outlines the policy guidelines on the implementation of the said program, which will take effect starting SY 2016-2017. These policy guidelines are being issued early on by the DepEd to inform and motivate all stakeholders, including students, parents and potential non-DepEd SHS providers, to prepare and mobilize for the full implementation of SHS in SY 2016-2017.
4. The policy guidelines contained in the SHS Voucher Policy Brief shall remain in effect unless otherwise amended in succeeding DepEd issuances.
5. Moreover, the DepEd reminds all non-DepEd schools interested to offer the SHS Program that have not yet submitted their applications for permits to do so in accordance with the requirements outlined in DepEd Memorandum No. 4, s. 2014 entitled *Guidelines on the Preparation for the National Implementation of the SHS Program in Non-DepEd Schools for the SY 2016-2017 and Onwards*. The deadline for submission of applications for SY 2016-2017 is on **August 31, 2015**.
6. Immediate dissemination of and strict compliance with this Order is directed.


BR. ARMIN A. LUISTRO FSC
Secretary

Encl.:

As stated

References:

DepEd Memorandum No.: (4, s. 2014)

DepEd Order Nos.: 6, s. 2015; 26 and 34, s. 2014; and 43, s. 2013

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SENIOR HIGH SCHOOL VOUCHER POLICY BRIEF

Updated as of March 31, 2015

Background

1. The *Enhanced Basic Education Act of 2013* (Republic Act No. 10533) expands the basic education system from an 11 year to a 13 year program with the addition of 2 years of Senior High School (SHS), consisting of Grades 11 and 12. In June 2016, DepEd will mainstream the new level of basic education and enroll Grade 10 completers in public and private SHSs that will offer Grade 11 and Grade 12 programs.
2. To address the needs of Grade 10 completers intending to proceed to SHS, DepEd will employ a two-pronged strategy: (1) establish SHS programs in public schools and (2) provide funding for students to enroll in non-DepEd SHS providers.
3. The *Enhanced Basic Education Act* explicitly expands the coverage of the Government Assistance to Students and Teachers in Private Education (GASTPE) to include Grades 11 and 12. The DepEd would like to use this mechanism to enable 30-40% of its students to enroll in non-DepEd schools which will offer SHS, including private JHSs (junior high schools), private HEIs (higher education institutions), state and local colleges and universities, and technical-vocational institutions (TVIs). This public-private partnership (PPP) would serve to decongest public schools, reduce or delay the need to construct DepEd SHS facilities and hire government teachers, and provide less affluent students more options for SHS education.

Senior High School Program

4. The major objectives for extending high school are: (i) decongesting the high school curriculum to allow students more time to master necessary skills and competencies, (ii) preparing graduates for employment or entrepreneurship, and (iii) meeting international norms for the length of basic education. To meet these objectives, SHS will offer a core curriculum required of all students and specializations in four tracks.
 - The Academic track will offer courses in four “strands.” These are (i) Accountancy, Business and Management; (ii) Humanities and Social Sciences; (iii) Science, Technology, Engineering and Mathematics; and (iv) General Academic.
 - The Technical, Vocational and Livelihood (TVL) track will offer various specializations categorized as (i) Agri-Fishery Arts, (ii) Home Economics, (iii) Industrial Arts, and (iv) Information and Communications Technology.
 - The Sports track will offer subjects that will prepare students for careers in sports, fitness, and recreation.
 - The Arts and Design track will prepare artists for careers in the design and creative industries.

SHS Voucher Program

5. The DepEd intends to implement a voucher-type subsidy for all eligible students enrolling in private high schools, public or private HEIs, and TVIs. This is based on students' right to state-funded education and to boost the number of SHS graduates by providing financial support to students. The voucher program design is aligned with the E-GASTPE Law (Republic Act No. 8545), which provides that the subsidy value should not exceed the cost of public provision.

6. **Policy Objectives.** From a pragmatic perspective, vouchers will reduce the institutional pressures on the Department of providing SHS program to public JHS completers directly through DepEd schools within a very short period of time. Engaging the private sector through vouchers would also minimize capital costs associated with constructing and equipping classrooms and laboratories, which, in turn, would result in significant near term cash savings. Finally, the subsidy would lessen the financial impact on colleges and universities which will experience reduced enrollment in the initial years of the SHS program.

But more importantly, the proposed SHS subsidy program will enhance school diversity, dynamism, and empowerment, and enable choice for students and their families leading, ultimately, to the very purpose for the K to 12 reform: relevant and high-quality education. Vouchers can impact substantially on the quality of SHS by increasing the diversity of providers beyond the current configuration at the elementary and JHS levels. In turn, this diversity will engender a more dynamic system, with different and smaller players deciding and innovating on their own, in contrast to a centralized state educational system with limited flexibility. For students and their families, DepEd would like to establish a system that provides greater choice and makes this choice available even to those who do not have the financial means to support their children's education on their own.

It is for the reasons cited above that the SHS Voucher Program is considered as a long-term program of the DepEd.

7. **Design Parameters.** Apart from enabling student choice, which underscores the learner-centered thrust of the Department, a voucher arrangement is preferred over a service contracting scheme because it:

- is easily scalable to accommodate more than a million students in 2 years' time
- minimizes discretion and conflict of interest situations and other governance related issues
- is efficient from a public fiscal standpoint
- is equitable and allows poor students to participate
- has built-in accountability mechanisms that lead to improvement in quality
- is administratively simple and feasible, provided appropriate systems are in place.

8. **Student Eligibility.** All Grade 10 students who finish from public JHSs are automatically eligible to receive vouchers. These students will receive the full voucher value.¹

¹ Ideally, DepEd would issue vouchers to a targeted segment of public school students. However, there is not enough reliable and verifiable information to classify students by income or other criteria. Thus, DepEd has

On the other hand, Grade 10 completers from private JHS, who are Education Service Contracting (ESC) grantees, will receive 80% of full voucher value automatically. Other completers from private JHSs or other non-DepEd schools may also apply for a voucher that will also be worth 80% of full voucher value, subject to additional guidelines that DepEd may issue for this purpose. The DepEd recognizes that, on the average, these students have some capability to pay considering that they are paying students in private schools.

Students will be notified of their eligibility prior to graduating from Grade 10. They will be informed through a letter or notice. There is no value attached to this letter/notice as the names of eligible voucher recipients are already included in the database of the Voucher Management System based on the DepEd Learner Information System (public JHS) and the ESC Management Information System (private JHS) as discussed in Section 13.

Although vouchers are automatically given to all public school Grade 10 completers and ESC recipients, it is not expected that all of them will avail of the voucher program. Student and family preferences will be influenced by the availability of non-DepEd schools in the area, their willingness and capacity to pay tuition top-ups, or their preference for local DepEd schools. The DepEd estimates that around 400,000 students or approximately 40% of the public Grade 10 completers will shift to non-DepEd schools in SHS every school year starting 2016.

9. **Shelf Life.** Vouchers must be used in the school year immediately following the year of JHS completion. The SHS voucher shall cover two (2) years of SHS, regardless of whether the voucher recipient decides to transfer to another non-DepEd school within those two years. A voucher recipient that will take more than two years to complete his SHS education can only avail of the voucher subsidy for two (2) years.

10. **Provider Eligibility.** All non-DepEd schools with an SHS permit from the DepEd can accept voucher students.⁴ Vouchers can be redeemed in any region and the value is determined by the location of the non-DepEd SHS as discussed in Section 12.

Voucher values will vary for State Universities and Colleges (SUCs) and Local Universities and Colleges (LUCs) since they already receive government funding in their regular budgets. In consideration of this, SUCs and LUCs may redeem 50% of the voucher value.

11. **Top-Ups.** Non-DepEd providers will be allowed to charge a top-up in cases where the voucher subsidy is less than the tuition they charge. Studies show that cost sharing by households encourages better performance from families, students, and schools. To mitigate the impact on the least affluent students, DepEd enjoins non-DepEd schools to minimize the top-up by providing additional subsidies or by partnering with Local Government Units and industry to share the top-up burden. In addition, when non-DepEd schools redeem the voucher, the payment they receive will be the voucher value or the normal tuition they charge, whichever is lower.

decided to issue a voucher to all public school Grade 10 completers and let the students and the marketplace decide who will redeem the vouchers and what school they will attend. Sub-tiering by income can be studied further and considered in succeeding years' implementation of the SHS Voucher Program.

⁴ DepEd Memorandum No.4, series of 2013 outlines the requirements for non-DepEd schools which intend to offer SHS. Processing of applications for SHS permits for School Year 2016-2017 is on-going. The deadline for the submission of applications for SHS permits for SY 2016-2017 is August 31, 2015.

12. **Voucher Value.** The DepEd will tier the voucher value primarily by income class of a locality, to account for variation in the cost of public provision across municipalities and cities and urban and rural areas. There will be 3 tiers – National Capital Region (NCR), Highly Urbanized Cities (HUCs) outside NCR, and non-HUCs.⁵ Within each tier, the voucher value will have a sub-tier according to type of beneficiary (80% value for private JHS completers) or type of non-DepEd school (50% value for SUCs/LUCs) as discussed in Sections 8 and 10.

The amount of subsidy that a voucher recipient is entitled to receive depends on the location of the non-DepEd SHS where he is enrolled, regardless of where he completed JHS education. Therefore, as an example, a voucher grantee enrolled in a non-DepEd SHS in a highly urbanized city is entitled to the value of the voucher for HUCs, regardless of where he completed JHS. The voucher subsidy is not released in cash to the student but is redeemed by the non-DepEd SHS through direct billing to DepEd, similar to the ESC Program.

The average voucher value will approximate the cost to government of public provision and is calibrated relative to the cost of private JHS. On a per student basis, the cost of public provision is around PhP18,000, taking into account direct costs such as school facilities and personnel, including the cost of land. Table 1 summarizes the indicative SHS voucher values. This estimated cost is based on prevailing assumptions on the requirements for public SHS provision. When the assumptions are adjusted or when actual values are determined, the voucher values would also be adjusted correspondingly.

Table 1. SHS Voucher Value

<i>National Capital Region (NCR)</i>	<ul style="list-style-type: none"> • Full Value - PhP 22,500 • 80% Value – PhP 18,000 • 50% Value – PhP 11,250
<i>Non-NCR Highly Urbanized Cities (HUCs)</i>	<ul style="list-style-type: none"> • Full Value - PhP 20,000 • 80% Value – PhP 16,000 • 50% Value – PhP10,000
<i>Non-HUCs</i>	<ul style="list-style-type: none"> • Full Value -- PhP 17,500 • 80% Value – PhP 14,000 • 50% Value – PhP8,750
<i>Estimated Weighted Average voucher value⁶</i>	PhP 18,300

13. **SHS Voucher Management System.** A management information system will be developed to facilitate the effective administration and monitoring of the voucher program. The DepEd’s Learner Information System (LIS) will generate data on the eligible voucher grantees in Grade 10 in public JHSs. Meanwhile, the ESC Management Information System is expected to provide data on eligible voucher grantees in Grade 10 in private JHSs. The Voucher Management System will have functionalities that will allow for the online submission of enrollment and billing statements, the cross-checking of names and other

⁵ The Philippine Statistics Authority (PSA) defines “Highly Urbanized Cities” as cities with a minimum population of 200,000 inhabitants, as certified by the National Statistics Office, and those with the latest annual income of at least PhP50,000,000 based on 1991 constant prices, as certified by the city treasurer. The composition of localities in this voucher tier is based on the published list of HUCs per PSA.

data, the addition of new names (for non-public, non-ESC voucher recipients) or the transfer of students to public or other non-DepEd SHSs, the submission of periodic reports and other critical requirements for the effective and efficient management of the program.

Conclusion

14. A tiered voucher available to all eligible Grade 10 completers has distinct advantages over other mechanisms. The proposed system empowers families to make choices about where to enroll in SHS thereby equalizing opportunity for less affluent families. Enabling public school students to enroll in non-DepEd schools will decrease the potential for congestion in public schools thereby improving the learning environment in DepEd SHSs. The program can also increase the diversity of SHS providers by stimulating private provision while providing private schools with a more diverse student population.

⁶ Average based on full values only.