

REPUBLIC ACT NO. 8545

AN ACT AMENDING REPUBLIC ACT NO. 6728, OTHERWISE KNOWN AS "AN ACT PROVIDING GOVERNMENT ASSISTANCE TO STUDENTS AND TEACHERS IN PRIVATE EDUCATION AND APPROPRIATING FUNDS THEREFOR," ESTABLISHING A FUND FOR THE PURPOSE OF SUBSIDIZING SALARIES OF PRIVATE SCHOOL TEACHERS, AND APPROPRIATING FUNDS THEREFOR

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

SECTION 1. Republic Act No. 6728, otherwise known as the "Government Assistance to Students and Teachers in Private Education Act," is hereby amended to read as follows:

"SECTION 1. *Title.* – This Act shall be known as the 'Expanded Government Assistance to Students and Teachers in Private Education Act.'

"SEC. 2. *Declaration of Policy.* – It is a declared policy of the State in conformity with the mandate of the Constitution, to promote and make quality education accessible to all Filipino citizens. The State also hereby recognizes the complementary roles of public and private educational institutions in the educational system and the invaluable contribution that the private schools have made and will make to education. For these purposes, the State shall provide the mechanisms to improve quality in private education by maximizing the use of existing resources of private education, recognizing in the process the government's responsibility to provide basic elementary and secondary education, post-secondary vocational and technical education and higher education as having priority over its other functions.

"Elementary education is the first six (6) years of basic education, excluding pre-school and grade seven, the completion of which is attested by a certificate issued by or with permission of the Department of Education, Culture and Sports. Secondary education is the next four (4) years of basic education, the completion of which is attested by a high school diploma issued by or with permission of the Department of Education, Culture and Sports.

"Post-secondary education may be education and training in non-degree vocational and technical courses offered in post-secondary vocational and technical institutions or education in degree courses offered by higher educational institutions, the completion of which are attested by a certificate or diploma issued by or with permission of the Technical Education and Skills Development Authority (TESDA) or the Commission on Higher Education (CHED), respectively.

"SEC. 3. *Criteria for Assistance.* – The programs for assistance shall be based on a set of criteria which shall include, among others, tuition fees charged by the schools, the socioeconomic needs of each region giving priority to the Social Reform Agenda (SRA) provinces, overall performance of the schools, the academic qualifications and the financial needs of the students and the teachers and the financial needs of the schools, as well as the geographic spread and size of student population.

"In addition to the foregoing criteria, within such reasonable time as the respective State Assistance Council may determine, student grantees under the Private Education Student Financial Assistance Program shall be enrolled in schools which have accredited programs or are applying for accreditation as may be recognized by the respective State Assistance Council.

"Preference shall be given to students whose family income is not more than Seventy-two thousand pesos (P72,000) or such amounts as may be determined by the respective councils, as defined hereinafter.

"For purposes of this Act, programs of assistance to students and teachers of private post-secondary vocational and technical

institutions and higher educational institutions shall likewise be extended to students and teachers of community colleges in degree and non-degree programs. Implementation of the program shall encourage students to undergo post-secondary vocational and technical and higher education courses in the same region where their families reside.

"The programs of assistance under this Act shall be extended only to students who are citizens of the Philippines.

"The State Assistance Council, jointly with the Department of Education, Culture and Sports (DECS), the CHED and the TESDA shall formulate measurement standards for the evaluation of the quality of courses as well as the standing and status of the recipient institutions.

"Within five (5) years from the approval of this Act, the assistance shall be given to schools: *Provided*, That the present allocation of the tuition fee and other income of the schools shall be used at the same proportion and allocation as provided by law.

"SEC. 4. *Forms of Assistance.* – Assistance to private education shall consist of assistance to students and assistance to teachers.

"The following are forms of assistance to students in private education:

"(1) Tuition fee supplements for students in private high schools, including students in vocational and technical courses;

"(2) High School Textbook Assistance Fund: *Provided*, That the textbook assistance per student in private high schools shall be determined by the council and shall not exceed what students in public high schools are provided on a per student basis under a comprehensive textbook program of the Secondary Education Development Program (SEDP): *Provided, further*, That the textbook assistance shall be granted only to beneficiaries of tuition fee supplements and educational service contracting scheme provided in this Act;

"(3) Expansion of the existing Educational Service Contracting (ESC) Scheme;

"(4) The voucher system of the Private Education Student Financial Assistance Program (PESFA);

"(5) Scholarship grants to students graduating as valedictorians and salutatorians from secondary schools;

"(6) Tuition fee supplements to students in private colleges and universities; and

"(7) Education Loan Fund.

"The following are forms of assistance to teachers and faculty in private education:

"(1) In-service training fund for teachers in private high schools; and

"(2) College Faculty Development Fund.

"SEC. 5. *Tuition Fee Supplements for Students in Private High Schools.* – (1) Financial Assistance for tuition for students in private high schools shall be provided by the government through a voucher system in the following manner:

"(a) For students enrolled in schools charging an amount as may be determined by the State Assistance Council, the government shall provide them with a voucher in such an amount as may be determined by the council: *Provided,* That the government shall reimburse the vouchers from the schools concerned within one hundred twenty (120) days from the close of the registration period.

"(2) Assistance under paragraph (1), subparagraph (a) shall be guaranteed to all private high schools participating in the program for a number of slots as of the effectivity of this Act as the total number of students who availed of tuition fee supplements for school year 1997-1998: *Provided,* That the State Assistance

Council may in subsequent years determine additional slots and/or additional participating high schools as may be deemed necessary.

"SEC. 6. *High School Textbook Assistance Fund.* – There shall be established in the Department of Education, Culture and Sports (DECS), a High School Textbook Assistance Fund, so that assistance on a per student basis shall be given to students enrolled in private schools exclusively for the purchase of high school textbooks, in support of the implementation of the Secondary Education Development Program: *Provided*, That the textbook assistance per student in private high schools shall be determined by the council and shall not exceed what students in public high schools are provided on a per student basis: *Provided, further*, That the textbook assistance shall be granted only to beneficiaries of tuition fee supplements and educational service contracting scheme provided in this Act.

"SEC. 7. *Expansion of the Existing Educational Service Contracting (ESC) Scheme.* – (a) The Department of Education, Culture and Sports (DECS) shall continue to enter into contracts with private schools whereby the government shall shoulder the tuition and other fees of high school students who shall enroll in private high schools under this program.

"(b) The Department shall also enter into contracts with private schools in communities where there are no public high schools, in which case the Department shall shoulder the tuition and other fees of students who shall enroll in said private schools.

"(c) The amount of assistance to be given by the government under this section shall not exceed that determined as the per student cost in public high schools.

"(d) The Department shall fully pay the subsidized amount to participating schools not later than one hundred eighty (180) days from the close of the registration period.

"(e) The amount of assistance shall be allocated and distributed among the sixteen (16) regions in proportion to the

total population as well as the high school age population for the first school year: *Provided*, That starting school year 1998, an equalization scheme shall be implemented by the State Assistance Council.

"(f) The amount of assistance to private high schools participating in the program shall be guaranteed for a number of slots as of the effectivity of this Act as the number of students availing of educational service contracting assistance for school year 1997-1998: *Provided*, That the State Assistance Council may, in subsequent years determine additional slots and/or additional participating private high schools as may be deemed necessary.

"SEC. 8. *Assistance to College Freshmen.* – (a) The Voucher System of Private Education Student Financial Assistance (PESFA) Program. The existing Private Education Student Financial Assistance (PESFA) Program which covers degree and non-degree vocational/technical courses shall be expanded so that all qualified enrolling first year students can benefit from a scholarship, plus an allowance. Such financial assistance shall be granted to deserving underprivileged students, who shall be selected on the basis of family income, geographic spread and results of competitive examinations to be given by the CHED for degree courses and the TESDA for non-degree vocational/technical courses in all secondary schools in coordination with the DECS. The program shall be equitably allocated to provinces and cities in accordance with regional and national plans to priority courses as determined by the CHED and the TESDA.

"For purposes of this Act, an underprivileged student shall refer to a student whose gross income, if any, and that of the combined annual gross income of his/her parents do not exceed Seventy-two thousand pesos (P72,000).

"(b) Tuition Waiver. - Private post-secondary vocational and technical institutions and higher educational institutions shall provide for full or half tuition waivers for five percent (5%) of the entering freshmen, which shall include among others, valedictorians and salutatorians of both public high schools and

private high schools: *Provided*, That those valedictorians and salutatorians meet admission tests of the schools concerned.

"(c) Allowance for Valedictorians. - Subject to rules and regulations as may be promulgated by the State Assistance Council, valedictorians referred to under subparagraph (b) above, may, in addition to tuition waivers granted by the school concerned, be entitled to such allowances from the government as are provided to PESFA grantees, provided they shall enroll in priority courses.

"(d) Allowance for other Honorees. - In case the graduating class is composed of more than two hundred and fifty (250) students, all salutatorians and first honorable mention graduates thereof may also be entitled to the allowance granted to valedictorians under the preceding paragraph.

"SEC. 9. *Further Assistance to Students in Private Colleges and Universities.* - Tuition fee supplements for students of private post-secondary vocational and technical institutions and higher educational institutions enrolled in priority course programs determined by the TESDA and the CHED shall be provided by the government through a voucher system in the following manner:

"For students in priority programs in schools charging an effective per unit tuition rate of such amount as may be determined by the State Assistance Council, the government shall provide the student with a voucher for the amount of tuition fee supplement determined by the State Assistance Council.

"Government assistance and tuition increases as described in this Section shall be governed by the same conditions as provided under Section 5(2).

"SEC. 10. *Education Loan Fund.* - (a) 'Study Now, Pay Later Plan.' There is hereby created a special fund to be known as the Students' Loan Fund to be administered by the CHED and the TESDA or upon delegation by the CHED by the Student Loan Fund Authority created under Republic Act No. 6014 which is

hereby reinstated pursuant to the terms of the same Republic Act which shall be used to finance educational loans to cover matriculation and other school fees and educational expenses for book subsistence, and board and lodging.

"(b) Amounts covering payments for tuition and other school fees shall be paid directly to the school concerned.

"(c) Any loan granted under this section shall be paid by the student-debtor after he has finished the course or profession for which the proceeds of the loan was expended, but only after a period of two (2) years from the time he has acquired an employment: *Provided, however,* That interest at the rate of not more than six percent (6%) *per annum* shall accrue on the balance thereof.

"(d) Social Security Fund. - The Social Security System shall make available low interest educational loans to its members and to private educational institutions for school buildings and/or improvement of their plants and facilities.

"SEC. 11. The right of any student to avail himself/herself of the benefits under this Act shall not apply if he/she fails for one (1) school year in the majority of the academic subjects in which he/she has enrolled during the course of his/her study unless such failure is due to some valid cause beyond his/her control.

"SEC. 12. *In-service Training Fund (Inset Fund).* – For the purpose of improving the quality of teaching in private secondary education, there is hereby established in the Department of Education, Culture and Sports an Inset Fund to provide for the upgrading of knowledge and teaching competencies in critical subject areas and for the modernization of teaching techniques and strategies, including training in the use of computers and of other multi-media educational technologies to assist instruction: *Provided,* That the Inset Fund shall be available only to qualified licensed teachers in participating private high schools as determined by the State Assistance Council: *Provided, further,* That the amount of Inset Fund available to private secondary education shall not exceed that available to public secondary education on a per capita basis.

"SEC. 13. *College Faculty Development Fund.* – For the purpose of improving the quality of teaching in private post-secondary vocational and technical institutions and higher educational institutions, there is hereby established in the TESDA and the CHED, a College Faculty Development Fund to provide for scholarships for graduate degree, degree and non-degree workshops or seminars for faculty members in private post-secondary vocational and technical institutions and higher educational institutions: *Provided*, That faculty member recipients of such scholarships shall serve as many number of years return service for every year of scholarship availed of as may be determined by the State Assistance Council in conformity with prevailing National Economic and Development Authority (NEDA) policies on return service of government scholars. The scholarship shall be in priority courses as determined by the TESDA and the CHED and cannot be awarded to promote or inhibit sectarian purposes.

"SEC. 14. *Teachers' Salary Subsidy Fund.* – A Teachers' Salary Subsidy Fund is hereby established in the DECS to grant government subsidy to teachers in private high schools participating in the programs of assistance provided in this Act: *Provided*, That the total monthly salary which includes the subsidy to be received by such private high school teachers shall not be more than eighty percent (80%) of the salary of his counterpart in the public sector: *Provided, further*, That the amount of monthly subsidy shall not exceed the amount of any monthly salary increase that teachers in public high schools shall after the effectivity of this Act hereinafter receive: *Provided, further*, That private high school teachers qualified to receive subsidy under this Act are duly licensed by the Professional Regulation Commission: *Provided, further*, That the government shall provide them with a voucher for the salary subsidy which shall be reimbursed directly to the teachers within sixty (60) days after the close of the school year upon submission of proof of qualification and actual teaching service in a participating private high school: *Provided, further*, That the present allocation out of increases from tuition and other income shall be maintained: *Provided, finally*, That in case of insufficiency of funds, priority shall be given to married teachers supporting a family.

"SEC. 15. *Program Administration / Rules and Regulations.*

– The State Assistance Council shall be responsible for policy guidance and direction, monitoring and evaluation of new and existing programs, and the promulgation of the rules and regulations, while the Department of Education, Culture and Sports, the TESDA and the CHED shall be responsible for the day to day administration and program implementation for the programs of assistance to private secondary education, post-secondary vocational and technical education and higher education, respectively. Likewise, it may engage the services and support of any qualified government or private entity for its implementation.

"The State Assistance Council, hereinafter known as the Council, shall be headed by the Secretary of Education, Culture and Sports as chairperson, the chairperson of the CHED and the director-general of the TESDA as co-chairpersons, with representatives from the National Economic and Development Authority, the Department of Budget and Management, the Department of Science and Technology, and representatives from duly organized nationwide associations of teachers, students, parents, and school administrators concerned with secondary, post-secondary vocational and technical education and higher education as members. The last three (3) members shall be appointed by the Council upon the recommendation of their respective sectors for a term of one (1) school year subject to re-appointment for a maximum term of four (4) school years. A representative each from the Committees on Education of both Houses of Congress shall be designated resource persons to the Council.

"The Council shall meet, from time to time, as the need arises, to assess the effectivity of the programs and to ensure that the secondary schools, post-secondary vocational and technical institutions and higher educational institutions where student recipients are enrolled continue to provide quality education. For this purpose, the Council shall establish criteria, to determine which secondary schools, post-secondary vocational and technical institutions and higher educational institutions may continue to enroll students and teachers/faculty as recipients of government assistance under this Act.

"SEC. 16. *Appropriations.* – The amount needed to implement these programs shall be provided for in the annual General Appropriations Act for the year 1998. The appropriation of One billion pesos (P1,000,000,000) already appropriated under the General Appropriations Act of 1998 shall be used for this purpose.

"All funds appropriated for this purpose shall be constituted as a trust fund to be administered by the State Assistance Council, which shall be directly and automatically released to the different regional offices of the DECS.

"SEC. 17. *Penalties.* – In case of violations of the provisions of this Act or the rules and regulations promulgated pursuant thereto by an institution, the Department of Education, Culture and Sports, the TESDA and the CHED, upon the recommendation of the Council, may bar the institution from participating in or benefiting from the programs of this Act, and from other programs of the Department, without prejudice to administrative and criminal charges as may be filed against the school and/or its responsible officers under existing laws.

"SEC. 18. *Repealing Clause.* – All laws and decrees, particularly Presidential Decree Nos. 932 and 1371, and such letters of instructions, rules and regulations or parts thereof which are inconsistent with this Act are hereby repealed or modified accordingly.

"SEC. 19. *Separability Clause.* – If any provision of this Act is declared unconstitutional, the same shall not affect the validity and effectivity of the other provisions not affected thereby.

"SEC. 20. *Effectivity Clause.* – This Act shall take effect immediately upon its publication in English in an English newspaper and in Filipino in a Filipino newspaper, both of general circulation: *Provided,* That the implementation of new programs of assistance provided in this Act shall be effective in the school year of the succeeding fiscal year within which the appropriations necessary to implement the new programs shall have been approved into law."

SEC. 2. *Effectivity Clause.* – This Act shall take effect immediately upon its publication in English in an English newspaper and in Filipino in a Filipino newspaper, both of general circulation.

Approved, February 24, 1998.