

# **Future-Proofing Private Education for the Next Decade**

Private Education Assistance Committee (PEAC)  
Strategic Plan for 2021-2024

May 2021

## Private Education Assistance Committee Strategic Plan 2021-2024

### 1. The Changing Context of Private Education and PEAC

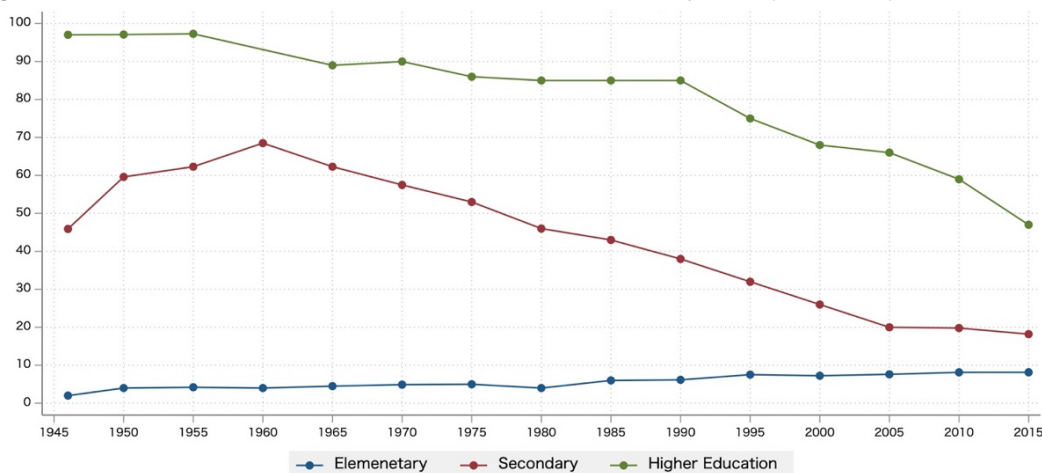
In its inception in 1968, the Fund for Assistance to Private Education (FAPE) was envisioned to support a formidable private education sector that traced its roots to the Spanish regime and then flourished in the immediate Post-World War II period. While elementary education has historically been public since the rollout of universal primary education under the American Occupation in the early 1900s, secondary and tertiary education have predominantly been provided by a strong and diverse private education sector (at its peak, accounting for 70% and 98% of student enrolment, respectively), filling the gap of government which was then far too extended by the challenge of post-war reconstruction, unprecedented population growth, and volatile economic conditions.

Against this backdrop, FAPE, through the Private Education Assistance Committee (PEAC), was earmarked by the American government in 1963 as part of the War Damage Act of 1962 as compensation for damages sustained by the Philippines, with the specific purpose of supporting private education institutions “to finance grants and or loans for faculty training and development in the form of scholarships, research grants, faculty incentives, inter-institutional cooperative projects, and other programs of benefit to private education”, based on communications between then Philippine Foreign Secretary, Narciso Ramos to US Embassy Minister James Wilson, Jr.

After years of exchanges and advocacy by private education leaders, FAPE was finally formalized on November 5, 1968 by President Ferdinand Marcos through Executive Order No. 156, s. 1968. Under said Order, the President granted considerable freedom to the PEAC, as Trustee of the Fund, to provide grants in support of private education, so long as they (1) contribute to improving the quality of education, (2) are aligned with priorities for national growth, and (3) have a focus on specific geographic areas or regions in the country.

In the past five-decades, PEAC has become an indispensable partner to private education, providing support in the form of scholarships to faculty, assistance to private educational institutions as well as associations, and has implemented vital components of the Government Assistance to Private Education, more popularly known as “GASTPE” (RAs 6728 and 8545), among them the Educational Service Contracting (ESC), Scheme In-service Training Fund, and Teachers’ Salary Subsidy Fund (TSS). Most recently, PEAC provided ready support to government in its implementation of the K to 12 Program (RA 10533) handling the Senior High School Voucher Program and the Universal Access to Quality Tertiary Education Act (RA 10931) particularly the Tertiary Education Subsidy for students in private institutions. In its pioneering efforts, PEAC was also behind the founding of Private Education Retirement Annuity Association and the Center for Educational Measurement.

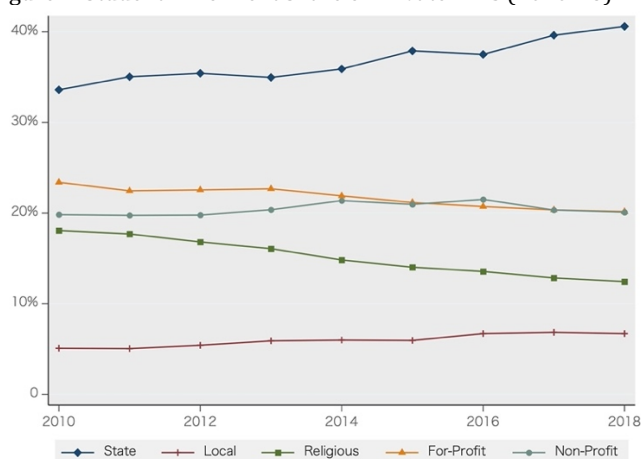
Figure 1. Student Enrolment Share of Private Education Institutions by Level (1945-2015)



Despite all these gains however, much has changed since PEAC’s inception: five-decades hence, the private education sector is smaller than ever before, comprising only of 20% student share in secondary, and 48% of higher education in 2015 (Figure 1). Likewise, headwinds have not been stronger: from total dependence on the private education sector to provide post-primary education, government has since eased out most private institutions through its gradual “nationalization” of secondary education beginning 1989, through the passage of the Free High School Act, and the relentless expansion of State Universities and Colleges (SUCs) since the 2000s. Today, private education faces a three-fold threat due to the continued uneven allocation of government resources to public institutions and personnel, the UAQTE (and the unintended consequence of encouraging the unbridled growth of local universities and colleges or LUCs), and the Covid pandemic, that has resulted to the closure of hundreds of private institutions in the past year alone.

These major changes demanded that any plans in support of private education moving forward properly comprehended how these macro-level challenges translated into day-to-day constraints in attaining sustainability and quality of private education institutions in the country. For one, a cursory look at higher education data (see Figure 2) suggests that while challenges may broadly be shared, its impact is in fact varied: between 2010 to 2018 for example, private religious HEIs appear to have suffered the most decline, while for-profit and nonprofit institutions have remained relatively stable, with the latter even increasing in number.

Figure 2. Student Enrolment Share of Private HEIs (2010-18)



To better grasp the multi-faceted stresses and emerging opportunities confronting private education institutions, a series of focused group discussions were held with a range of stakeholders, purposively including representatives from private education sub-sectors and associations, whether or not affiliated with PEAC. These insights were then synthesized to inform the revised Vision, Mission, and Strategic Directions of the organization, and served as reference as the Management Team brainstormed on priority activities and programs for PEAC for the years 2021 to 2024.

Session	Date	Participants*
1	February 19, 2021	Big Picture Brainstorming with representatives from public and private education institutions, including the TVET sector
2	February 26, 2021	Focused Group Discussion with Regional PEAC Representatives
3	March 12, 2021	Focused Group Discussion with private educational associations and institutions
4	March 23, 2021	Management Team Workshop <i>Vision and Mission, Proposed Strategic Directions</i>
5	April 8 and 9, 2021	Synthesis <i>Aligning Understandings of Private Education Challenges and Opportunities; Workshop of Proposed Plans for 2021-24</i>

\*List of participants for Sessions 1 to 3 are detailed in Appendix

## 2. Triangulating our Understanding of Private Education Concerns and Challenges

In the course of our discussions, the challenges enumerated below emerged as the most pressing, clustered according to thematic areas. This of course came alongside severe strains that the sector needed to adapt to, beginning with the K to 12 Transition in 2016, the passage of Free Tuition in SUCs and UAQTE in 2017 and 2018, and the Covid-19 pandemic in 2020-2021.

### Exodus of students and teachers to public institutions

- Declining share in student enrolment, especially due to the rising number of LUCs, specifically affecting the smaller private institutions. This is expected to continue in the coming years buoyed by the significant funding allocations received by LUCs through the UAQTE law.
- Unlike public institutions, schools felt that is a constant struggle to balance the need for student enrolment and the need to keep tuition fees low. This “sustainability constraint” invariably impacts decisions in admissions, and investments in quality.
- Continued migration of teachers to public schools once license is acquired due to higher compensation and more attractive compensation packages, in light of the Salary Standardization Law.

### Deep-seated challenges to quality

- Apart from impacting sustainability, constant teacher migration to public schools pose consequences on quality, where frequent turnovers equate to private schools having to constantly hire and train teachers “from scratch”.
- This is over and above the concern that there is poor quality of teachers completing in our teacher education institutions of late.
- In the same vein, private schools expressed concern regarding the poor performance of Filipino learners in local and international assessments (whether in the student achievement tests, or in the PISA and TIMMS). While there is a caveat that students in private institutions performed better than those enrolled in public according to studies, the problem of quality is one faced by all private institutions, whether big or small, struggling or competitive.
- Finally, because of the Covid-19 pandemic, quality of provision has been affected by the uneven capacity for online learning among schools.

### Government bias and inaction

- While it was noted that private education has demonstrated its capacity to advocate for the interests of private education institutions, as in the legislation of the K to 12 law, UAQTE, and even TRAIN, it has been lamented that the need to constantly “defend” and “lobby” for support for private education underscores the need to still attain common understanding and operationalize what an “integrated system of education, composed of both public and private” means, as enshrined in the 1987 Constitution.
- Most schools expressed dismay at the uneven allocations under RA 10931 (with private schools only included via the TES and the student loan program; further, that private concerns are hardly discussed in the UNIFAST board).
- On the other hand, those often considered as competitive schools mentioned the lack of movement of the Philippine Qualifications Framework despite the passage of the law in 2018.

The process also highlighted a few insights:

- First, that **there is a continuum of private schools served by PEAC**: on one hand, STRUGGLING schools (which can be thought of as either “SEVERE” or “SERIOUS”, AVERAGE schools (those who meet minimum standards but are generally not yet ready to muster higher demands), and COMPETITIVE schools (those that are accredited already and raring for opportunities to further themselves via international standards and other advanced metrics).
- Second, **this wide universe of private schools is consistent with PEAC’s mandate as a fund in support of private education**, giving it a wider reach compared to associations like COCOPEA. In practice, PEAC’s usual touchpoint with struggling schools is through externally-funded programs like ESC, SHS-VP, and TES.

- Third, **struggling schools are often the ones that do not have lifelines** (community of diocesan or religious order schools, or those part of a chain school), despite the ones needing it the most—highlighting the need for PEAC to work more deeply in this subsector.
- Fourth, that in this universe, **there are schools that are sustainable and yet not desiring to go further in relation to quality** (among them, diploma mills).
- Fifth, **that for struggling and average schools, the common challenge is sustainability**, usually equated to maintaining numbers in student enrolment. For said schools, a consistent decline in student enrolment and long delays in releases of funds means negative consequences on operations (delayed pay for faculty and staff). On the other hand, competitive schools are seeking support to further raise quality, with many citing the desire to “experiment” and “innovate”, given the availability of international standards and regional benchmarks.

These insights underscored the need for PEAC to lead in improving understanding of the different sub-sectors within private education to enable it to develop more responsive programs that support sustainability and quality in the years ahead.

### 3. The Role of PEAC for Private Education Development

In understanding PEAC’s core competencies and blind spots, the classic SWOT approach was employed— both externally, with the private schools and associations, and internally, among PEAC Regional Representatives and Management Team— giving rise to the inputs below:

<b>STRENGTHS</b>	<ul style="list-style-type: none"> <li>▪ Strong relationship with the private sector (schools and associations)</li> <li>▪ Has a wide reach (beyond associations)</li> <li>▪ Is trusted and seen as of “high quality”</li> <li>▪ Organizational experience in implementing national subsidy programs</li> <li>▪ Ability to propose and implement policies on programs of assistance (has the agility to be responsive to the needs of the sector)</li> <li>▪ Strong employee attitude</li> <li>▪ Strong track record and proven capability</li> <li>▪ Seen by some as playing a de facto leadership role within private education (citing its ability and agility, compared to other organizations, in convening private sector groups for policy advocacy work)</li> <li>▪ Ability to defend private education and champion its interests</li> </ul>
<b>WEAKNESSES</b>	<ul style="list-style-type: none"> <li>▪ Perception that functions overlap with regulatory responsibilities of DepEd</li> <li>▪ Tensions with DepEd (whether Central or Regional Offices), also due to unintended comparisons between both organizations</li> <li>▪ Limitations of PEAC in running the programs as efficiently or effectively given that its role is delineated in the Partnership Agreement (<i>eg. problem of schools or students due to delay in release of funds</i>)</li> <li>▪ Delayed collections from partner agencies resulting in slow growth of trust fund</li> <li>▪ Perception that PEAC is “for the rich” only</li> <li>▪ Perception that recertification requirements are too difficult.</li> <li>▪ Organizational development, so that PEAC team grows alongside new demands from government, private ed sector, and education as a field in general (need to develop technical expertise)</li> </ul>
<b>OPPORTUNITIES</b>	<ul style="list-style-type: none"> <li>▪ Strengthening its policy and advocacy arm - leveraging its access to data, to generate analysis that can feed into communications advocacies (for the general public) and policy advocacy (to lobby for funds and support)</li> <li>▪ To become a “knowledge hub” for private education - acting as repository of data, (1) advancing understanding of private education (its different sub-sectors, models/ecosystems, best practices), and (2) studying frontiers (eg. 4th industrial revolution/TVET) to scope opportunities for the private sector</li> <li>▪ To use the data to inform/better nuance quality initiatives (certifications, assessments, trainings) taking into account “space” and “time”, and to balance input with output indicators (student achievement, college acceptance, employability)</li> <li>▪ To innovate on programs that can enhance sustainability of small schools - how to attract students, best practices to admissions, etc.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ To catalyze innovation and experimentation - enabling able and ready private schools to pioneer programs or become early adopters (PQF, Level 5, TVET).</li> <li>▪ To lobby for more funds for private education - from govt or others</li> <li>▪ To invest in future leaders of private education (individuals and associations), and champions (executive and legislative branches)</li> </ul>
<b>THREATS</b>	<ul style="list-style-type: none"> <li>▪ The risk of government agencies disengaging PEAC from its externally-funded programs (ESC, Senior High VP, TES)</li> <li>▪ Annual MOAs too dependent on political climate / administration in power</li> <li>▪ Persistent questions on legal identity and COA challenges</li> <li>▪ Creation of a Bureau of Private Education in DepEd (if it will duplicate PEAC)</li> <li>▪ Revocation, repeal, or amendment of the EO that supports the existence of PEAC</li> <li>▪ Complex relationships with accrediting associations (should PEAC decide to pursue that direction in quality/standards setting)</li> </ul>

As the Management Team and the five-man committee finally processed the above SWOT, the following additional insights surfaced:

- **Externally-funded grants stand on tenuous ground unless PEAC’s legal identity as well as government support to the private education sector is secured** - While PEAC has a strong track record of efficiency in its undertakings with government, this relationship remains dependent on constantly changing political leadership and direction, posing uncertainty for the sector. To this end, policy advocacy towards the passage of a law that definitively allocates resources for private and identifies the role of PEAC in its implementation, is imperative.
- **A binding constraint is the lack of understanding of political leaders of what an “integrated education system” means** - Despite being enshrined in the 1987 Constitution, it is apparent that the lack of appreciation of private education’s role—complicated by political agenda or limitations faced by those in power— has become a stumbling block in seeking support for more even-handed policies and appropriations between public and private. This encompasses the usual suspects that is DepEd or CHED, but includes those in Legislative (House and Senate), as well as the Executive branches of government such as DBM, NEDA and COA (*See Appendix 2 for the Stakeholder Analysis undertaken during the workshop*).
- **Multi-faceted challenges in “partnership agreements” are beyond PEAC’s scope and require creative solutions** – Since externally-funded grants are covered by MOAs between the government agencies and PEAC, challenges faced in the course of implementation (eg. delayed releases of payments, or improvements in the setting of targets to ease congestion, as stated in the ADB study) are often beyond the control of PEAC. This necessitates out-of-the-box solutions to include clarifying PEAC’s role in disbursement (to stakeholders), providing consultancy supports to resolve bottlenecks in government’s system, or to advocate for policy changes from the side of the partner, prior to the renewal of MOAs.
- **There is room for strengthening engagement with non-PEAC affiliated private schools and teachers** – Since they are part of PEAC’s universe of private schools, deliberate efforts meant to include private schools and teachers (not currently working with PEAC nor receiving externally-funded grants) in PEAC’s strategies. This may range from specific efforts to “turnaround” schools (helping struggling schools to become Certification-ready to benefit from ESC), to strengthening communication channels (website information/regional outreaches), to setting targets in INSET training (eg. % of teachers trained coming from non-PEAC affiliated schools).
- **Tiered approach in programming and capacity building is needed** – As has been conceived of by PEAC previously, it is time to implement programs and capacity building initiatives (eg. INSET, Certification), in a differentiated way, given the varying needs of the private sector it serves. Ideas discussed include focusing usual INSET initiatives on “struggling” and “average” schools, and commencing innovative approaches that build in-house capacity for professional development among “competitive” schools. This is of course informed by similar shifts in Certification, wherein “next level” criteria could be formulated to catalyze existing dynamism among innovation-ready institutions.

#### 4. PEAC's Vision and Mission

**Vision Statement:** A Philippine private education system that is integrated, sustainable, and globally competitive.

**Mission Statement:** To enable quality, sustainability, and innovation of the private education sector in support of national development.

#### 5. Core Values

- Integrity
- Accountability
- Adaptability
- Responsiveness
- Inclusiveness

#### 6. Strategic Directions and Proposed Programs and Activities (See pages 9 to 18)

#### 7. Takeaways and Tabled Thoughts from the Strategic Planning

##### *Process takeaways:*

- **Systemic problems require systemic solutions** – As it designs interventions in response to challenges faced by private education institutions, it is imperative that solutions target the root cause (eg. constant teacher turnover cannot be solved by more teacher training, but by resolving policy biases in the form of SSL). To this end, PEAC may consider surveying systems-wide issues that are faced by schools individually, and package a corresponding system-wide response.
  - *One example is the proliferation of LUCs, currently challenging many small private schools across the country, where the appropriate policy response must be both at the macro (legislative; studies made to show nationwide impact vis-à-vis being an unintended outcome of RA 10931) and the micro (LGU-level; equipping stakeholders to engage with their local policymakers), to successfully arrest this trend.*
- **It is critical to prioritize path dependent targets as well as identify complementary aims during implementation** – Not all targets carry the same weight, and it has been underscored that critical to the attainment of the ultimate three-year aim are the following: (1) resolving the legal identity of PEAC, (2) conducting a needs assessment to better understand the subsectors of private education. These must take precedence in the efforts to be put in by PEAC come implementation. Likewise, complementary targets need to be identified and monitored to ensure maximum utility of resources and convergence of programs (ie. the study to understand private education subsectors informs the rethinking of quality indicators for the Certification unit, which then informs the INSET to be designed and implemented by the Training unit). These need to be operationalized in a lockstep manner so that targets do not become disparate initiatives later on.
- **Give persistent challenges faced by PEAC in its external programs, it may consider proactively growing internal funds to serve as shield for the organization**, if and when political constraints impact its work. This will be informed by the organization's financial plan, which ideally would set a target goal for the fund, and then break it down to target savings and target amounts to raise.
- **While PEAC is in a league of its own when it comes to private education, it remains part of a symbiotic system which includes, and depends on, the strength of other private sector organizations.** Because of this, it behooves PEAC to ensure the strength and sustainability of these organizations to (1) mobilize its membership, (2) push for policy reforms, and (3) encourage quality among schools. Thus, supports provided may be targeted in a way that aligns with these aims (eg. benchmarking and capacity building for secretariats, formulation of plans and targets, profiling of member schools).

### **Thoughts for further consideration and reflection in its 10-year vision:**

- **PEAC's role and relationship with "sustainable diploma mills"** – Given finite resources and a wide universe, it would be prudent to reflect on what PEAC's role is when it comes to schools that are sustainable but have no interest in improving quality. Are there incentives PEAC could provide to encourage them to undertake improvements? If not, how does PEAC foresee engagements with such institutions?
- **Playing a bigger role in setting standards for quality among private** – Ideas were floated to engage with accreditation agencies and harmonize metrics in a way that Certification acts as bridge between the minimum requirements of government, and accreditation standards. How might this be initiated? Likewise, in the consultations, stakeholders were convinced of a "private school advantage" that separates public from private schools, highlighting this to be the reason why students enroll in their schools. Is there consensus on what this "private school advantage" means? Could it be a good starting point for PEAC in its quality initiatives?
- **Direct contributions to the attainment of quality education for all learners in the country** – As PEAC works more deeply in supporting private education, its vision of attaining quality education for all Filipino learners whether those in public or private institutions looms large. After 2023, will PEAC be in the position to more directly contribute to the improvement of learning for *all* Filipino learners already? What role does it play then, circumspect of the role of DepEd and other government and public players? How can it act in this capacity without taking away from the work needed by private?
- **Crafting a blueprint for Philippine Education** – It is apparent that a significant limitation in education planning in the country today is that there are no espoused targets in relation to access or quality that anchors initiatives of all players, public or private. To what extent do we intend to expand access to higher education, for example? What areas could the private education sector invest heavily in, cognizant of its strengths and the limitations of public institutions? What guarantees are there that such investments would be respected and supported by government, not to be overtaken later on by SUCs or LUCs?

### **8. The Road Ahead for PEAC**

It is without doubt that PEAC has played an indispensable role in the private education sector in the Philippines, not only in successfully running one of the largest student-voucher programs in the world, but as an abiding partner of private education institutions, in basic or higher education, and among small or big schools alike. Through the years, PEAC has played a pivotal role in shaping the landscape of the sector, enabling the success of major government reforms, and providing invaluable assistance to teachers, schools and associations alike. In the years ahead, the call for PEAC is how to continue this service, while also deepening and extending forward its work.

The call to "deepen" pertains to the challenge of ensuring that external and internally funded programs not only run efficiently but effectively, in line with PEAC's espoused mission. For externally funded programs, this means exerting effort to ensure faithfulness of the programs to the intents of the GASTPE law or of the UAQTE. For internally funded programs, it means refining existing systems to better support PEAC's end goals. Some ideas that were brought up during the extensive consultations were for PEAC to: (1) pioneer a shift from an inputs-based perspective in Certification towards one that possibly blends input with output-based metrics, (2) rethink quality indicators used to account for the continuum of private education, and accounting for "space" and "time".

Meanwhile, "extending forward" echoes the seemingly *de facto* role of PEAC in scoping opportunities for growth on behalf of private education, and pointing to these frontiers. This means having ears on the ground, being the first to know or spot projected shifts in the landscape, and then studying and providing supports for experimentation in that area. To date, this includes emerging opportunities in technical and vocational education, pioneering the operationalization of PQF and PCTS, among others. For PEAC, this means leveraging its data and network to be at the forefront of innovations, and then constructing the ladders for private education institutions to take part.



9. Strategic Directions for 2021-24

