

THIRTEENTH CONGRESS OF THE REPUBLIC
OF THE PHILIPPINES
First Regular Session

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S E N A T E

S. No. 302

Introduced by Senator S. R. Osmeña III

EXPLANATORY NOTE

Our educational system has been largely affected by the worsening condition of the economy. Last school year, some 376 private schools increased their tuition fees. For school year 2001-2002, 400 out of 1,189 private colleges and universities (HEIs) nation wide raised their tuition fees. This accounts to 34% of the total number of HEIs, nationwide. Ninety-three of these schools or 23.25% of schools that raised their tuition fees are in Metro Manila. The average tuition fee increase ranges from 10% in Region II and CAR to 15% in Region I and Region VII. In NCR, the average percent increase is 12%.

Public colleges and universities charge lower tuition fees because they receive subsidy from the government. However, public colleges and universities are also in a tight financial fix because of drastic cuts in their budget in the last couple of years. This was brought about by the economic problems saddling the country and the policy of the government to reduce subsidy in higher education in order to increase the share of basic education. This seems to run counter with the Constitutional mandate that the government should provide quality and accessible education to all.

This bill therefor aims to provide affordable access to quality education by rationalizing and/or reasonably regulating tuition fee rates increases in all educational institutions and instituting an effective and rational mechanism for fixing the tuition fee rate. It proposes the creation of Tuition Fee Rationalization Council, envisioned to be a multi-sectoral body to serve as the highest policy-making body on matters pertaining to tuition fee rates and other increases or adjustments in school fees.

S. Osmeña III

SERGIO OSMEÑA III
Senator

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AN ACT
RATIONALIZING AND REGULATING TUITION AND OTHER SCHOOL FEES
IN ALL HIGHER AND BASIC EDUCATION INSTITUTIONS, CREATING A
TUITION FEE RATIONALIZING COUNCIL, AND FOR OTHER PURPOSES

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

1 SECTION 1. **Title.**- This Act shall be known as the "Tuition Fee
2 Rationalization Act of 2004."

3 SEC. 2. **Declaration of Policy.** – Section 1, Article XIV of the 1987
4 Constitution mandates the protection and promotion of the right of all citizens to
5 quality and affordable education at all level and that the State shall take
6 appropriate steps to make such education accessible to all. Section 13, Article II,
7 further recognizes the role of the youth in nation-building and promotes and
8 protects their physical, moral, spiritual, intellectual and social well-being. In view
9 of these, the following are hereby declared the objectives of this Act.

10 a. To promote affordable access to quality education by rationalizing
11 and/or reasonably regulating tuition fee rate and increases in all educational
12 institutions including other fees;

13 b. To provide all educational institutions with accredited program greater
14 flexibility and autonomy in tuition fee rate fixing and/or tuition fee increase
15 adjustments;

1 c. To establish a Tuition Fee Rationalization Council which is envisioned
2 to be a multisectoral body that shall serve as the highest policy-making body on
3 matters pertaining to tuition fee rates and other increases or adjustments in
4 school fees; and

5 d. To provide an effective and rational mechanism for fixing the tuition
6 fee rates and adjustments in other school fees in all educational institutions
7 including those to be adopted by the boards of State Universities and Colleges
8 that is acceptable to concerned stakeholders taking into account socio-economic
9 and other considerations and safety nets.

10 SEC. 3. **Coverage.** – a) Tuition Fees- As a general rule, public and
11 private academic and technical institutions shall be allowed to impose tuition fee
12 increases and/or adjustments without any prior consultations, on incoming
13 freshmen students in the secondary and tertiary level, and in the first and fifth
14 grade in the elementary level only. There shall be no tuition fee increases and/or
15 adjustments in all other year levels.

16 The tuition fee increases which may be allowed to be imposed shall not
17 exceed fifteen percent (15%) of prevailing rates: Provided, however, That any
18 proposed tuition fee increase and/or adjustment in excess of the stipulated
19 percentage affecting not only the segment of students stated above but all other
20 years level including those to be imposed by State universities and Colleges shall
21 be subject to the approval of the National Tuition Fee Rationalization Council
22 and/or its regional council having jurisdiction and on a case-to-case basis.

23 b) Other school fees- The amount of other school fees to be collected from
24 students in the freshmen level of the secondary and tertiary institutions, and from
25 the first grade and fifth in the elementary level shall in no way be more than
26 twenty-five percent (25%) of the amount collected as tuition fee for the semester
27 to which the student is currently enrolled: Provided, further, That an imposition of
28 more than fifteen percent (15%) in tuition fees and twenty-five percent (25%) in
29 the case of miscellaneous fees may be allowed after the concerned schools shall

1 have conducted thorough consultations and hearings, and the examination of
2 financial records and the determination of the distinct requirements and
3 conditions of schools shall have been assessed by the Council.

4 c. Exemptions – Schools and/or courses classified under Level III
5 Accreditation duly recognized by the Commission on Higher Education (CHED),
6 the Department of Education (DepEd) and the Technical Education and Skills
7 Development Authority (TESDA) as the case may be, and whose categorization
8 standards are duly affirmed by the major association of private and state
9 institutions shall enjoy autonomy in fixing the rates of their tuition fees and/or any
10 rates increase or adjustment with respect to the accredited programs/courses
11 only and subject to minimal and reasonable guidelines from the Council.

12 SEC. 4. **Definition of Terms.** – As used in this Act, the following terms
13 shall mean:

14 a. Student- shall refer to any person enrolled in school in the elementary,
15 secondary, and tertiary levels including those enrolled in vocational and technical
16 education.

17 b. School- shall refer to any academic institution of learning, public or
18 private, offering any or all courses in the above mentioned levels.

19 c. Board- shall refer to the governing board of the school, such as the
20 board of directors, trustees or regents, which represents its highest policy-making
21 body.

22 d. Council- shall refer to the Tuition Fee Rationalization Council which
23 shall serve as the highest policy-making body on matters pertaining to tuition and
24 other school fees and which shall have regional counterparts for efficient rate
25 fixing and determination.

26 e. Tuition- shall refer to the fee representing direct costs of instruction,
27 training and other related activities, and the use of school facilities.

1 f. Other school fees- shall refer to fees which cover other necessary costs
2 supportive of instruction, including but not limited to medical and dental, athletic,
3 library, laboratory, and citizens military training (CMT) fees.

4 g. Tertiary- shall refer to the higher learning level after high school which
5 includes those offering baccalaureate degrees or four (4) to five (5) year courses
6 and/or technical-vocational programs.

7 h. Secondary- shall refer to the middle segment in the educational system
8 comprising a four-year program after attendance from elementary or grade
9 school level.

10 i. Grade School- shall pertain to the level of education which constitutes
11 four (4) years of primary learning and two (2) or three (3) years of intermediate
12 training usually for children with age levels of 6-13 years.

13 j. Level III Accreditation- shall refer to a classification conferred to an
14 institution and/or any of its program/courses by a recognized accrediting body
15 based on certain quality indicators and standards duly recognized by the DepEd,
16 the CHED or the TESDA as the case may be, and prescribed by the national
17 accrediting arm of the major association of private and state institutions.

18 **SEC. 5. *Establishment of the National Tuition Fee Rationalization***
19 ***Council (NTFRAC) and its Regional Counterpart.*** – Within thirty (30) days
20 after the effectivity of this Act, the National Tuition Fee Rationalization Council
21 (NTFRAC) shall be established to be composed of the following: the Chair of the
22 CHED as chair; the Secretary of the DepEd as co-chair; the Director-General of
23 the TESDA as vice-chair; and with the following as members: representatives of
24 the House of Representatives' Committee on Higher and Technical Education
25 and the Committee on Basic Education and Culture, the Senate Committee on
26 Education, the National Economic and Development Authority (NEDA), and the
27 Philippine Association of State Universities and Colleges; one (1) representative
28 each from these sectors: parent, legitimately recognized students' organizations,
29 leading associations of private higher and basic education institutions, major

1 aggrupation of technical education institution, faculty associations as well as
2 other sectors which may be deemed indispensable by the Council.

3 A regional Tuition Fee Rationalization Council (RTFRAC) shall also be
4 established in all the regions of the country whose membership shall include the
5 DepEd, the CHED, the TESDA, and NEDA regional directors, and
6 representatives from the provincial school boards, faculty associations student
7 councils, parent-teachers association (PTA), from the association of private
8 schools, and from a recognized association of state institution.

9 The manner and procedure of selecting and appointing representatives
10 and/or members of the Council from the different sectors other than those directly
11 identified shall be made jointly by the Chairperson of the CHED, the Secretary of
12 the DepEd, and the Director-General of the TESDA based on a criteria that shall
13 be instituted for the purpose.

14 **SEC. 6. Office and Expenditure.** – Every member of the Council shall
15 serve in an ex-officio capacity without compensation from the government except
16 for travel and other actual expenses incurred in the performance of their duties
17 and responsibilities.

18 **SEC. 7. Administration and Enforcement.** – After due investigation and
19 proper observance of due process, any person, natural or juridical, found wilfully
20 violating any provisions of this Act and its implementing rules, shall be subjected
21 to the appropriate administrative sanctions, including the suspension or
22 revocation of the school's license to operate, disqualification from enjoying tuition
23 fee rate increases or adjustment, and/or the imposition of reasonable penalties
24 and administrative fines.

25 **SEC. 8. Penal Provisions.** – Any person who shall wilfully violate or
26 commit any act intended to defeat any provision of this Act and its implementing
27 rules, shall, upon conviction, be punished by a fine of not less than Fifty thousand
28 pesos (P50,000.00) nor more than One hundred thousand pesos (P100,000.00)

1 or imprisonment of not less than one (1) year nor more than five (5) years, or
2 both at the discretion of the court.

3 Any school found likewise to have violated the provisions of this Act and
4 its implementing rules shall be fined the amount of not less than Five hundred
5 thousand pesos (P500,000.00) but not more than One million pesos
6 (P1,000,000.00)

7 Pursuant thereto, the DepEd, the CHED, and the TESDA shall be
8 empowered to investigate violations of this Act as well as the implementing rules
9 and regulations and other issuances appurtenant thereto, and for this purpose
10 shall have the power to issue summons, writs, orders, subpoena and subpoena
11 duces tecum to secure the attendance of witnesses and the production of
12 documents in connection with the charges presented.

13 SEC. 9. **Implementing Rules and Regulations.** – Upon the approval of
14 this Act and within the sixty (60) days after the Council shall have been
15 constituted, the Council shall formulate the rules and regulations (IRR) to
16 implement the provisions of this Act. Public hearings and consultation may be
17 conducted to facilitate the drafting of the IRR.

18 SEC. 10. **Separability Clause.** – In case any provisions of this Act or
19 portion thereof is declared unconstitutional by a competent court, other
20 provisions shall not be affected thereby.

21 SEC. 11. **Repealing Clause.** – Any provision of laws, order,
22 proclamations, rules and regulations, or part thereof, which are inconsistent with
23 any provision of this Act are hereby repealed and modified accordingly.

24 SEC. 12. **Effectivity Clause.** – This Act shall take effect (15) days
25 following its publication in the Official Gazette or in at least two (2) newspapers of
26 general circulation.

27 Approved,