

SIXTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Second Regular Session)



Senate
Office of the Secretary

15 MAR -4 P4 24

SENATE

COMMITTEE REPORT NO. 110

RECEIVED BY: *[Signature]*

Submitted Jointly by the Committees on Education, Arts and Culture; Social Justice, Welfare and Rural Development; Ways and Means; Youth; Women, Family Relations and Gender Equality; and Finance on MAR - 4 2015.

Re: Senate Bill No. 2679 (Prepared by the Committees)

Recommending its approval in substitution of Senate Bill Nos. 6, 58, 270, 283, 298, 508, 511, 563, 637, 662, 827, 862, 1319, 1458, 1475, 1613, 1776, 1960, 1976, 2025, 2510, Senate Resolution No. 388, taking into consideration House Bill No. 4591 *proposal ff*

Sponsor: Senator Pia S. Cayetano

Mr. President:

The Committees on Education, Arts and Culture; Social Justice, Welfare and Rural Development; Ways and Means; Youth; Women, Family Relations and Gender Equality; and Finance to which were primarily and secondarily referred Senate Bill No. 6, introduced by Senators Loren B. Legarda and Francis "Chiz" G. Escudero, entitled:

"AN ACT ESTABLISHING A GOVERNMENT SCHOLARSHIP PROGRAM FOR SECONDARY SCHOOL GRADUATES WHO COME FROM HOUSEHOLD BENEFICIARIES OF THE NATIONAL GOVERNMENT'S PANTAWID PAMILYANG PILIPINO PROGRAM AND APPROPRIATING FUNDS THEREFOR"

Senate Bill No. 58, introduced by Senators Juan Edgardo "Sonny" M. Angara and Ralph G. Recto, entitled:

"AN ACT PROVIDING FOR A COMPREHENSIVE AND UNIFIED SYSTEM OF STUDENT FINANCIAL ASSISTANCE FOR HIGHER AND TECHNICAL EDUCATION, THEREBY RATIONALIZING ACCESS, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES"

Senate Bill No. 270, introduced by Senator Ramon B. Revilla Jr., entitled:

"AN ACT REQUIRING ALL COLLEGES AND UNIVERSITIES TO PROVIDE SCHOLARSHIP GRANTS TO AT LEAST FIVE PERCENT (5%) OF THEIR STUDENT POPULATION WHO ARE POOR BUT DESERVING STUDENTS, AND FOR OTHER PURPOSES"

Senate Bill No. 283, introduced by Senator Ramon B. Revilla Jr., entitled:

"AN ACT CREATING A NATIONAL STUDENT LOAN BOARD TO IMPLEMENT A NATIONAL STUDENT LOAN PROGRAM FOR THE POOR, DEFINING ITS IMPLEMENTING GUIDELINES, RULES AND REGULATIONS AND APPROPRIATING FUNDS THEREFOR"

Senate Bill No. 298, introduced by Senator Cynthia A. Villar, entitled:

"AN ACT ESTABLISHING A STUDENT FINANCIAL ASSISTANCE PROGRAM FOR STUDENTS OF ECONOMICALLY DISADVANTAGED FAMILIES AND AUTHORIZING THE APPROPRIATION OF FUNDS FOR THE PURPOSE"

Senate Bill No. 508, introduced by Senators Cynthia A. Villar and Ralph G. Recto, entitled:

"AN ACT CREATING A NATIONAL STUDENT LOAN BOARD TO IMPLEMENT A NATIONAL STUDENT LOAN PROGRAM FOR POST SECONDARY AND TERTIARY EDUCATION, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES"

Senate Bill No. 511, introduced by Senator Cynthia A. Villar, entitled:

"AN ACT PROVIDING FOR TEACHING SERVICE AS PAYMENT FOR EDUCATIONAL LOANS DRAWN FROM PUBLIC FUNDS, INCLUDING TUITION SUBSIDIES FOR STUDENTS OF STATE UNIVERSITIES AND COLLEGES"

Senate Bill No. 563, introduced by Senator Jinggoy Ejercito Estrada, entitled:

"AN ACT PROVIDING HIGHER EDUCATIONAL OPPORTUNITIES FOR WOMEN, ESTABLISHING A WOMEN'S HIGHER EDUCATION SCHOLARSHIP FUND AND FOR OTHER PURPOSES"

Senate Bill No. 637, introduced by Senator Antonio "Sonny" F. Trillanes IV, entitled:

"AN ACT PROVIDING FOR A COMPREHENSIVE STUDENT LOAN PROGRAM AND APPROPRIATING FUNDS THEREFOR"

Senate Bill No. 662, introduced by Senator Joseph Victor G. Ejercito, entitled:

"AN ACT REQUIRING ALL COLLEGES AND UNIVERSITIES TO PROVIDE COLLEGE SCHOLARSHIP GRANT TO AT LEAST TEN PERCENT (10%) OF THEIR STUDENT POPULATION WHO ARE POOR BUT DESERVING STUDENTS, AND FOR OTHER PURPOSES"

Senate Bill No. 827, introduced by Senator Antonio "Sonny" F. Trillanes IV, entitled:

"AN ACT GRANTING COLLEGE SCHOLARSHIP TO STUDENTS WHO GRADUATED AS VALEDICTORIANS AND SALUTATORIANS FROM PUBLIC AND STATE-SUPPORTED HIGHSCHOOLS IN THE PHILIPPINES, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES"

Senate Bill No. 862, introduced by Senator Jinggoy Ejercito Estrada, entitled:

"AN ACT TO PROVIDE EDUCATIONAL OPPORTUNITIES FOR DISADVANTAGED CHILDREN, AND FOR OTHER PURPOSES"

Senate Bill No. 1319, introduced by Senator Miriam Defensor Santiago, entitled:

"AN ACT MANDATING THE SECRETARY OF EDUCATION TO ESTABLISH AND MAINTAIN A PUBLIC WEBSITE THROUGH WHICH INDIVIDUALS MAY FIND A COMPLETE DATABASE OF AVAILABLE SCHOLARSHIPS, FELLOWSHIPS, AND OTHER PROGRAMS OF FINANCIAL ASSISTANCE IN THE STUDY OF SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS"

Senate Bill No. 1458, introduced by Senator Paolo Benigno "Bam" Aquino IV, entitled:

"STRENGTHENING THE STUDY NOW, PAY LATER PLAN FOR POST-SECONDARY EDUCATION"

Senate Bill No. 1475, introduced by Senator Jinggoy Ejercito Estrada, entitled:

"AN ACT PROVIDING FOR FREE COLLEGE EDUCATION OTHERWISE KNOWN AS THE 'REGIONAL SUBSIDIZED COLLEGE EDUCATION PROGRAM OF 2013' AND PROVIDING FUNDS THEREFOR"

Senate Bill No. 1613, introduced by Senator Jinggoy Ejercito Estrada, entitled:

"AN ACT GIVING INDIGENT BUT GIFTED AND TALENTED STUDENTS THE OPPORTUNITY TO DEVELOP THEIR CAPABILITIES"

Senate Bill No. 1776, introduced by Senator Ralph G. Recto, entitled:

"AN ACT GRANTING FREE TERTIARY EDUCATION TO THE TOP FIVE PERCENT (5%) GRADUATES OF PUBLIC SCIENCE HIGH SCHOOLS PURSUING A DEGREE IN THE FIELD OF SCIENCE AND TECHNOLOGY, MATHEMATICS AND ENGINEERING"

Senate Bill No. 1960, introduced by Senator Jinggoy Ejercito Estrada, entitled:

"AN ACT TO INSTITUTE A FREE PUBLIC COLLEGE EDUCATION SYSTEM IN THE PHILIPPINES AND FOR OTHER PURPOSES"

Senate Bill No. 1976, introduced by Senator Jinggoy Ejercito Estrada, entitled:

"AN ACT ESTABLISHING A 'TULONG-DUNONG PROGRAM' FOR STUDENTS OF UNDERPRIVILEGED FAMILIES AND AUTHORIZING THE APPROPRIATION OF ONE HUNDRED MILLION PESOS (P100,000,000.00) FOR THE PURPOSE"

Senate Bill No. 2025, introduced by Senator Jinggoy Ejercito Estrada, entitled:

"AN ACT CREATING A NATIONAL STUDENT LOAN BOARD TO IMPLEMENT A NATIONAL STUDENT LOAN PROGRAM FOR THE POOR, DEFINING ITS IMPLEMENTING GUIDELINES, RULES AND REGULATIONS AND APPROPRIATING FUNDS THEREFOR"

Senate Bill No. 2510, introduced by Senator Miriam Defensor Santiago, entitled:

"AN ACT TO PROVIDE GRANTS TO PART-TIME AND INDEPENDENT STUDENTS"

Proposal
Senate Resolution No. 388, introduced by Senator Miriam Defensor Santiago, entitled:

"RESOLUTION DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ALLEGED NEED TO INSTITUTIONALIZE THE GIVING OF SCHOLARSHIP GRANTS TO STUDENTS SEVERELY AFFECTED BY CALAMITIES"

taking into consideration House Bill No. 4591, introduced by Reps. Romulo, Del Mar, Turabin-Hataman, *et al*, entitled:

"AN ACT PROVIDING FOR A COMPREHENSIVE AND UNIFIED STUDENT FINANCIAL ASSISTANCE SYSTEM FOR HIGHER AND TECHNICAL EDUCATION, THEREBY RATIONALIZING ACCESS THERETO AND APPROPRIATING FUNDS THEREFOR"

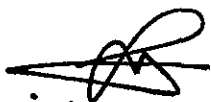
have considered the same and have the honor to report them back to the Senate with the recommendation that the attached bill, Senate Bill No. 2679, prepared by the Committees, entitled:

"AN ACT PROVIDING FOR A COMPREHENSIVE AND UNIFIED STUDENT FINANCIAL ASSISTANCE SYSTEM FOR TERTIARY EDUCATION (UniFAST), THEREBY RATIONALIZING ACCESS THERETO, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES"

be approved in substitution of Senate Bill Nos. 6, 58, 270, 283, 298, 508, 511, 563, 637, 662, 827, 862, 1319, 1458, 1475, 1613, 1776, 1960, 1976, 2025, 2510, *Proposal* Senate Resolution No. 388,

taking into consideration House Bill No. 4591, with Senators Loren B. Legarda, Francis "Chiz" Escudero, Juan Edgardo "Sonny" M. Angara, Ralph G. Recto, Ramon "Bong" B. Revilla, Jr., Cynthia A. Villar, Jinggoy Ejercito-Estrada, Antonio "Sonny" F. Trillanes IV, Joseph Victor G. Ejercito, Miriam Defensor Santiago, Paolo Benigno "Bam" Aquino IV, and Pia S. Cayetano as authors thereof.

RESPECTFULLY SUBMITTED:



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Committee on Finance

Member, Committees on Education, Arts and Culture; Ways and Means



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SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



15 MAR -4 P4:25

Senate Bill No. 2679

RECEIVED BY: J

(In substitution of SB Nos. 6, 58, 270, 283, 298, 508, 511, 563, 637, 662, 827, 862, 1319, 1458, 1475, 1613, 1776, 1960, 1976, 2025, 2510, and ^{PSR} No. 388 taking into consideration HB No. 4591)

Prepared Jointly by the Committees on Education, Arts and Culture; Social Justice, Welfare and Rural Development; Ways and Means; Youth; Women, Family Relations and Gender Equality; and Finance with Senators Loren B. Legarda, Francis "Chiz" Escudero, Juan Edgardo "Sonny" M. Angara, Ralph G. Recto, Ramon "Bong" B. Revilla, Jr., Cynthia A. Villar, Jinggoy Ejercito-Estrada, Antonio "Sonny" F. Trillanes IV, Joseph Victor G. Ejercito, Miriam Defensor Santiago, Paolo Benigno "Bam" Aquino IV, and Pia S. Cayetano as authors

AN ACT

PROVIDING FOR A COMPREHENSIVE AND UNIFIED STUDENT FINANCIAL ASSISTANCE SYSTEM FOR TERTIARY EDUCATION (UniFAST), THEREBY RATIONALIZING ACCESS THERETO, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

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

ARTICLE I

Title, Policy, Objectives, Definitions of Terms, Scope and Coverage

SECTION 1. Short Title. – This Act shall be known as the *Unified Student Financial Assistance System for Tertiary Education (UniFAST) Act*.

SEC. 2. Declaration of Policy. – It is the declared policy of the State to promote social justice and, pursuant thereto, provide all its citizens access to quality education. Towards this end, the State shall provide adequate funding and such other mechanisms to increase the participation rate among all socio-economic classes in tertiary education, especially the poor, academically able, and highly motivated students. This policy should enable them to successfully pursue and complete tertiary education programs in

1 quality institutions, thereby promoting equitable and rationalized access by poor
2 Filipinos to quality tertiary education.

3 **SEC. 3. Objectives** – The objectives of this Act are as follows:

4 a) To allocate and utilize properly all government resources intended for
5 students through effective clientele-targeting;

6 b) To ensure consistency, continuity, and efficient coordination of student
7 financial assistance policies and programs;

8 c) To ensure regional equity in the distribution of student financial assistance
9 slots;

10 d) To produce a pool of highly qualified graduates and technical experts who
11 will contribute to the country's high-level manpower through merit and
12 talent-based scholarship;

13 e) To rationalize access to quality education through grants-in-aid for
14 students belonging to marginalized sectors; and

15 f) To assist students with liquidity issues through student loans.

16 **SEC. 4. Definition of Terms.** – For purposes of this Act:

17 a) “*Cost of Tertiary Education*” refers to (1) tuition, miscellaneous and other
18 school fees, (2) educational expenses, and (3) the cost of living allowance;

19 b) “*Educational Expenses*” refer to expenses related to the education of a
20 student, such as books, school supplies, and electronic devices necessary
21 for education, but excluding tuition and miscellaneous and other school
22 fees;

23 c) “*Grantee*” refers to the recipient of any modality of StuFAP, such as
24 scholarship, grant-in-aid, or student loan;

- 1 d) *“Grant-in-Aid”* refers to a modality of free financial assistance to poor but
2 eligible students which generally requires a minimum level of competence
3 to complete tertiary education;
- 4 e) *“Higher Education”* refers to the stage of formal education, or its
5 equivalent, requiring completion of secondary education and covering
6 programs of study leading to bachelor and advanced degrees;
- 7 f) *“Higher Education Institution (or HEI)”* refers to an institution of higher
8 learning, primarily offering bachelor and advanced degree programs;
- 9 g) *“Long-Term Student Loan”* refers to a loan that is payable after a student
10 borrower has completed his/her tertiary education within a period of ten
11 (10) years;
- 12 h) *“Miscellaneous and Other School Fees”* refer to those fees which cover
13 other necessary costs supportive of instruction, including, but not limited
14 to, medical and dental, athletic, library and laboratory fees;
- 15 i) *“Qualifying Examination System for Scoring Students”* refers to the
16 appropriate annual examination and assessment of potential grantees,
17 which may be separately designed for undergraduate and graduate
18 students and adopted by the Board for all prospective applicants for any
19 one of the modalities of StuFAP, as referred to in Section 17 (h);
- 20 j) *“Rationalized Access”* refers to improved efficiency in the implementation
21 of UniFAST pursuant to the principles of increased participation of the
22 economically disadvantaged and marginalized sectors, equity in the
23 regional distribution of economic resources, congruence of the
24 qualifications of tertiary education graduates and labor market needs, and
25 relevance to the country’s national development and global
26 competitiveness, among others;
- 27
28 k) *“Registry of Programs and Institutions”* refers to quality-assured academic
29 and research programs and tertiary institutions which have been certified
30 by the Commission on Higher Education (CHED) and/or the Technical

- 1 Education and Skills Development Authority (TESDA) as complying with
2 acceptable standards;
- 3 l) “*Scholar*” refers to a student-recipient of a scholarship grant based on
4 merit and/or talent;
- 5 m) “*Scholarship*” refers to a modality of free financial assistance given to
6 deserving students on the basis of merit and/or talent, such as laudable
7 academic performance, and special technical proficiencies and skills.
8 Scholarship also refers to the intellectual pursuits of a scholar that give
9 rise to research and development, and innovations as well as other
10 creative works;
- 11 n) “*Short-Term Student Loan*” refers to a loan that is payable on a semestral,
12 trimestral, or quarterly system basis;
- 13 o) “*Special Purpose Education Assistance*” refers to financial assistance for
14 the conduct of undergraduate and graduate research, scientific studies,
15 including funding assistance for the writing and publication of books,
16 manuscripts, theses, dissertations, scientific and technical journals, or for
17 production, filming and digital technology documentation of research and
18 studies or development of instructional and academic materials, and
19 science prototypes, among others;
- 20 p) “*State Universities and Colleges (SUCs)*” refer to public HEIs established
21 by national laws which are financed and maintained by the national
22 government, and are governed by their respective independent boards of
23 trustees or regents;
- 24 q) “*Student Financial Assistance Program (StuFAP)*” refers to a system of
25 scholarships, grants-in-aid, student loans, subsidies and other incentives
26 which are or shall be made available to deserving students;
- 27 r) “*Student Loan*” refers to a modality of student financial assistance
28 consisting of short-term or long-term loans which shall be extended to
29 students facing liquidity problems, regardless of economic status which
30 shall be paid by the student, his/her parents, guardians, or co-makers;

- 1 s) “*Student-Borrower*” refers to a student-beneficiary of the National Student
2 Loan Program, as defined in Section 8;
- 3 t) “*Technical-Vocational Education and Training (TVET)*” refers to the
4 education or training process which involves, in addition to general
5 education, the study of technical and related fields and the acquisition of
6 practical skills relating to occupations in various sectors, comprising formal
7 (organized programs as part of the school systems) and non-formal
8 (organized classes outside the school system) approaches;
- 9 u) “*Technical-Vocational Institutes (TVIs)*” refer to learning institutions
10 offering TVET;
- 11 v) “*Tertiary Education*” refers to the stage of education following the
12 secondary cycle which subsumes post-secondary non-degree diploma,
13 TVET and higher education programs; and
- 14 w) “*Unified Student Financial Assistance System for Tertiary Education*
15 (*UniFAST*)” refers to the harmonized, state-run and administered system
16 of higher education and technical-vocational scholarships, grants-in-aid,
17 student loans, and other forms of modalities of StuFAP under this Act.

18 **SEC. 5. Scope and Coverage of the UniFAST.** – The UniFAST shall consist of
19 all existing modalities of StuFAPs for tertiary education in both public and private
20 institutions, including national scholarships, grants-in-aid, student loans, special
21 purpose education assistance, and government programs in partnership with other
22 stakeholders, among others, and which are nationally funded and/or implemented by
23 national and local government agencies, branches and instrumentalities. A student
24 enrolling in tertiary education, whether in public, private, national or local institutions,
25 can avail of any one or more of the said modalities of StuFAP.

26 The UniFAST under this Act shall harmonize, reform, strengthen, expand,
27 rationalize, and re-focus all legislated or ongoing StuFAPs of the government for greater
28 efficiency, coherence, synchronization, effective funding, and improved coordination
29 among implementing entities in their specific jurisdiction: *Provided*, That nothing in this
30 Act shall prevent the continuation of effective programs implemented by other

1 government agencies or of state-funded StuFAPs with specific and targeted
2 beneficiaries such as existing technical-vocational scholarship programs under the
3 TESDA, scholarships under the Indigenous Peoples Rights Act (IPRA), the National
4 Agriculture and Fisheries Education System (NAFES), Agriculture Competitiveness
5 Enhancement Fund Scholarship (ACEFS), the Science and Technology Scholarship Act
6 of 1994, the Fast-Tracked S&T Scholarship Act of 2013, Student Grants-in-Aid Program
7 for Poverty Alleviation (SGP-PA) of the CHED and the Department of Social Welfare
8 and Development (DSWD) which may continue to be under the jurisdiction of the
9 agencies currently responsible for their design and implementation: *Provided further,*
10 That the clientele-targeting and standards for selection and retention and awards shall
11 be compliant with the overall policies on quality, sustainability, and efficiency set by the
12 Board.

13 The above provisions notwithstanding, all other requirements mentioned herein
14 shall be complied with upon the approval of the Implementing Rules and Regulations of
15 this Act.

16 ARTICLE II

17 Modalities of StuFAPs

18 **SEC. 6. Scholarship.** – A unified, improved, and expanded government-funded
19 scholarship program shall be instituted to promote an environment conducive for the
20 development of bright and talented students to serve the public good and enlarge the
21 pool of world-class Filipino researchers, artists, innovators, thinkers, and leaders.

22 The Board shall formulate and establish the policies and mechanisms for the
23 identification of grantees based on objective indicators derived from credible databases,
24 including students whose families are beneficiaries of the poverty alleviation programs
25 of the government.

26 The financial amount for scholarships shall be determined by the Board. It shall
27 cover at least the average cost of tertiary education of the top forty (40) public and
28 private colleges and universities listed in the Registry of Programs and Institutions.

29 **SEC. 7. Grant-In-Aid.** – To improve equity and facilitate democratic access to
30 quality education given income poverty and inequity, grants-in-aid shall be made
31 available to students belonging to poor families and marginalized sectors.

1 The financial amount comprising grants-in-aid will be determined by the Board:
2 *Provided, That* it shall cover at least the average cost of tertiary education in the top
3 forty (40) of the public and private colleges and universities listed in the Registry of
4 Programs and Institutions.

5 The Board shall formulate and establish the policies and mechanisms for the
6 identification of grantees based on objective indicators derived from credible databases,
7 including students whose families are beneficiaries of the poverty alleviation programs
8 of the government.

9 **SEC. 8. National Student Loan Program.** – The Board shall study the feasibility
10 and sustainability of the National Student Loan Program as part of the UniFAST, which
11 shall provide short-term and long-term student loans to qualified beneficiaries. This plan
12 shall be based on a systematic evaluation of current and past student loan schemes,
13 both local and international.

14 The Board shall explore different processes, including systematic testing and
15 rigorous evaluation of methods to be undertaken to minimize the risk of non-repayment
16 of loans and collection costs. It shall also encourage private sector participation to
17 ensure the delivery of the best possible service suitable to the needs and objectives of
18 the National Student Loan Program.

19 The Government Service Insurance System (GSIS) and Social Security System
20 (SSS) shall study the feasibility of having an automatic system of salary deduction for
21 student loan repayments of members with unpaid student loans, pursuant to a
22 memorandum of agreement to be executed by the Board with the GSIS or SSS,
23 respectively, and in accordance with labor laws on deduction of payments.

24
25 **SEC. 9. Socialized Tuition Fees.** – The Board shall establish a socialized tuition
26 fee scheme and the appropriate guidelines thereof, which shall be used as a guide by
27 SUCs and public TVIs in implementing their own schemes. Private HEIs and TVIs are
28 encouraged to likewise use said guidelines.

29 The schemes of financial assistance shall establish affordability brackets based
30 on information about the applicant's personal circumstances, family income, family
31 characteristics of the applicants, and the socio-economic characteristics of their
32 households.

1 SUCs and public TVIs shall grant financial subsidy ranging from a forty percent
2 (40%) tuition discount up to one hundred percent (100%) entirely free tuition, and
3 miscellaneous and other school fees, in addition to a stipend as may be determined by
4 their respective governing boards.

5 The Board shall periodically monitor and evaluate the implementation of the
6 socialized tuition fee scheme for the purpose of modifying their criteria for acceptance,
7 resource allocation policy, and clientele-targeting.

8 **SEC. 10. Other Forms of Modalities of StuFAPs.** – Nothing in this Act shall
9 preclude the Board, the implementing SUCs, and public TVIs from promulgating and
10 developing other forms of StuFAPs, such as private scholarship or sponsorship
11 programs and student or graduate assistance programs, the standards and guidelines
12 of which shall be determined by their respective governing boards.

13 ARTICLE III

14 Eligibility of Applicants and Terms of Availment

15 **SEC. 11. Minimum Qualifications of Applicants.** – The Board shall promulgate
16 and periodically review the qualification criteria of applicants for student financial
17 assistance. An applicant must meet the following minimum qualifications:

- 18 a) Filipino citizen;
- 19 b) High School graduate or its equivalent from duly authorized institutions;
- 20 c) Obtained at least the score required by the Board for the national exit
21 examination that may be created under the K to 12 program or the
22 Qualifying Examination System for Scoring Students, or some other
23 means to measure their qualifications or suitability for StuFAP, as
24 determined by the Board;
- 25 d) Possesses good moral character with no criminal record: *Provided*, That
26 this requirement shall be waived for programs which target juvenile
27 delinquents and/or those who are undergoing or have undergone
28 rehabilitation;

- 1 e) Admitted to the HEI or TVI included in the Registry of Programs and
2 Institutions of the applicant's choice: *Provided*, That applicants may begin
3 processing their applications within a reasonable time frame set by the
4 Board to give the applicant sufficient time to enroll;
- 5 f) In the case of an applicant in TVET programs, he/she shall, in addition to
6 the criteria referred above, pass the TESDA screening/assessment
7 procedure, trade test, or skills competency evaluation;
- 8 g) Declare if he/she is already a recipient of any other student financial
9 assistance, including government StuFAP: *Provided*, That if at the time of
10 application of the scholarship, grant-in-aid, student loan, or other
11 modalities of StuFAP under this Act, the amount of such other existing
12 grant does not cover the full cost of tertiary education at the HEI or TVI
13 where he/she has enrolled in, the applicant may still avail of the StuFAPs
14 under this Act for the remaining portion; and
- 15 h) Possesses such other qualifications as may be prescribed by the Board.

16 **SEC. 12. *Disqualifications and Limitations.*** – The right of any student-
17 beneficiary to avail of the benefits of the StuFAPs under this Act shall not apply if the
18 student fails to comply with the requirements for good academic standing and such
19 other conditions that may be formulated and imposed by the Board: *Provided*, That the
20 Board shall consider the supervening circumstances of each beneficiary that may have
21 an effect on his/her studies, such as death, lingering illness of a family member, or other
22 personal reasons.

23 The Board shall not unduly deprive deserving applicants of student financial
24 assistance: *Provided*, That the Board and/or implementing agency may reasonably
25 deny student financial assistance to applicants enrolled in oversubscribed courses.
26 *Provided further*, That said students may be directed by the Board and/or the
27 implementing agency to enroll in priority courses, as may be identified by CHED, based
28 on the national development plans and manpower demands, in order to avail of student
29 financial assistance.

30 **SEC. 13. *Terms of Availment of StuFAPs.*** – The Board and/or the
31 implementing agency may, prior to the grant of scholarship, grant-in-aid, student loan,

1 or other modalities of StuFAP, impose terms and conditions of availment such as, but
2 not limited to, the following:

- 3 a) Return of service obligation, or the rendering of a minimum number of
4 years of service for the country or the implementing agency, and
- 5 b) Prohibition from leaving the country until the required return of service
6 obligation has been rendered in full or until the amount of student financial
7 assistance granted has been paid in full.

8 *Provided*, That the Board may grant exemptions as it deems reasonable to the
9 abovementioned limitations.

10 **SEC. 14. *Sanctions.*** – Any grantee who has availed of a scholarship, grant-in-
11 aid, student loan, or other modalities of StuFAP and has been found to have grossly
12 violated any of the provisions of his/her contract with the implementing agency or the
13 Board shall be meted with the following sanctions:

- 14 a) Full payment of the amount equivalent to the student financial assistance
15 given to the grantee;
- 16 b) Cancellation of passport after due notice to grantee's last known place of
17 residence and diligent efforts to locate the grantee, in case the grantee
18 has left for abroad without notifying the Board and failing to comply with
19 the return of service obligation; and
- 20
21 c) Other sanctions as may be deemed necessary by the Board to ensure
22 timely collection of and/or full payment of the amount of student financial
23 assistance in lieu of the return of service obligation.

24 **ARTICLE IV**
25 **The UniFAST Board**

26 **SEC. 15. *Creation of a UniFAST Board.*** – To carry out the purposes of this Act,
27 there is hereby created a UniFAST Board, hereinafter referred to as the Board, which
28 shall be attached to CHED, composed of the following:

- 1 a) the CHED Chairperson as ex-officio Chairperson;
- 2 b) the Secretary of the Department of Science and Technology (DOST) as
3 ex-officio Co-Chairperson;
- 4 c) the TESDA Director-General as ex-officio Co-Chairperson;
- 5 d) the Secretary of the Department of Education (DepEd) as ex-officio
6 member;
- 7 e) a representative from the Department of Labor and Employment (DOLE)
8 as ex-officio member;
- 9 f) a representative from the National Economic and Development Authority
10 (NEDA) as ex-officio member;
- 11 g) a representative from the National Youth Commission (NYC) as ex-officio
12 member; and
- 13 h) one (1) representative each from: (i) the private sector who is an expert in
14 the field of Higher Education, (ii) the private sector who is an expert in
15 TVET, (iii) the Philippine Association of State Universities and Colleges
16 (PASUC), (iv) the Association of Local Colleges and Universities (ALCU),
17 and (v) trade, business or industry groups.

18 **SEC. 16. Term of Office.** – The terms of office of the officers and members of
19 the Board shall follow the terms and tenure as heads of their respective agencies or
20 associations. Should the member of the Board fail to complete a term, a successor shall
21 be appointed by the Board from the same agency that the former represents, who shall
22 merely serve the unexpired term of office. Ex-officio members of the Board shall serve
23 co-terminously with their positions. Non ex-officio members of the Board shall serve for
24 a period of three (3) years, renewable for another term.

25 **SEC. 17. Powers and Functions of the Board.** – The Board shall exercise the
26 following powers and functions:

- 1 a) Formulate and approve policies and strategies for UniFAST, and review
2 existing policies to ensure consistency with policy framework under this Act;
- 3 b) Coordinate with the implementing agencies of existing StuFAPs in the
4 formulation, approval and issuance of guidelines towards the development
5 and promotion of the UniFAST;
- 6 c) Provide necessary support to implementing agencies, technical or otherwise,
7 to ensure the effective implementation of this Act;
- 8 d) Prepare, approve and submit to the Department of Budget and Management
9 (DBM) its own budget proposal, in addition to the individual budget proposals
10 prepared by the various implementing agencies, including vetting and
11 integrating all requests for public funding of tertiary education StuFAPs;
- 12 e) Promulgate the minimum guidelines, rules, and regulations for determining
13 qualified beneficiaries of student financial assistance for tertiary education;
- 14 f) Provide general guidelines for the drawing up of contracts with the student
15 beneficiaries specifying the rights and obligations of the parties, that may
16 include a service clause or such other stipulations of cost recovery the Board
17 may deem in the best interest of the public and consistent with, or responsive
18 to, national social, economic, and human resources development plans,
19 subject to Section 13;
- 20 g) Monitor, assess, and make impact evaluation of StuFAPs and projects, with
21 the end in view of determining whether these programs shall be adopted,
22 continued, or terminated;
- 23 h) Determine the sufficiency of the national exit examination that may be created
24 under the K to 12 program and other complementary criteria for scoring and
25 ranking applicants for scholarships, grants-in-aid, student loans, or other
26 modalities of StuFAP and, if the said exit examination, for any reason, has not
27 been made available or is found insufficient, adopt a Qualifying Examination
28 System for Scoring Students for the same purpose;

- 1 i) Provide and promote a supportive policy environment for the growth and
2 development of private sector participation for scholarships, grants-in-aid,
3 student loans or other modalities of StuFAP;
- 4 j) Establish and maintain, on the public websites of CHED and TESDA, a
5 database containing information on StuFAPs and accredited public and
6 private tertiary education programs and institutions;
- 7 k) Take all necessary actions to disseminate information on the database
8 established and maintained under this Act in order to encourage its use by
9 interested parties and to ensure that beneficiaries are able to maximize the
10 benefits from UniFAST through informed decision-making, allowing them
11 freedom of choice among accredited public and private tertiary education
12 programs and institutions;
- 13 l) Design a program of generating funds for the UniFAST;
- 14 m) Receive donations, legacies, gifts and other forms of contribution, whether in
15 cash or in kind, from both public and private sources and to receive and utilize
16 the services and assistance of experts: *Provided*, That such donations,
17 legacies, and contributions shall be exempt from donor's tax and shall be
18 allowable deductions for income tax purposes in accordance with Section 34-
19 H of the National Internal Revenue Code of 1997, as amended;
- 20 n) Appoint members of the UniFAST Secretariat, upon the recommendation of
21 the Executive Director;
- 22
- 23 o) Set up, maintain and update an official registry of quality-assured academic
24 and research programs and tertiary education institutions in accordance with
25 Section 3 of this Act;
- 26 p) Approve the appropriate honorarium and per diem for the members of the
27 Board, in accordance with the relevant government rules and regulations; and
- 28 q) Perform such other powers and functions as may be deemed necessary and
29 incidental for the effective implementation of this Act.

1 **SEC. 18. Meetings.** – The Board shall hold twelve (12) regular monthly meetings
2 in a year. The Chairperson of the Board may call a special meeting when necessary:
3 *Provided*, That the members are notified in writing at least three (3) working days prior
4 to the meeting.

5
6 In the absence of the Chairperson, the Co-Chairpersons shall preside over the
7 Board's meetings on a rotation basis. The members of the Board may also designate a
8 representative in his/her absence: *Provided*, That in the case of the Chairperson, Co-
9 Chairpersons, and the Secretaries of DepEd and DOLE, their respective
10 representatives must be occupying the position of an Assistant Secretary, or its
11 equivalent, and higher. The proceedings of all meetings shall be recorded and the
12 minutes thereof shall be attested to by a simple majority of all regular Board Members.

13 At least one meeting of the Board in every quarter must be attended by the
14 Chairperson and Co-Chairpersons and shall be devoted to a review of the performance
15 of the UniFAST in terms of the following:

- 16 a) Total number of current beneficiaries;
- 17 b) Number of dropouts from the program, voluntary or revoked, as well as
18 the reasons behind such;
- 19 c) Average academic performance by year of study;
- 20 d) Breakdown of grantees by field of study;
- 21 e) Breakdown of grantees by district and region of origin;
- 22 f) Breakdown of grantees by place of study;
- 23 g) Breakdown of grantees by gender;
- 24 h) Breakdown of grantees by size of annual family income and family
25 livelihood;
- 26 i) Completion rates of grantees;

- 1 j) Total amount of funds received;
- 2 k) Total repayments made;
- 3 l) Measures of success of financial assistance programs;
- 4 m) Current cash positions as against cash requirements for the quarter; and
- 5 n) Such other matters relating to any provision of this Act.

6 **SEC. 19. Quorum.** – The attendance of a simple majority of the Board Members
7 is necessary in order for the Board to have a quorum to transact business.

8 **SEC. 20. Creation of a UniFAST Secretariat.** – There is hereby created a
9 Secretariat to be headed by an Executive Director to support the Board in carrying out
10 its functions. The Board shall provide for the institutional set-up, qualifications, and
11 compensation of employees composing the Secretariat in accordance with existing Civil
12 Service and Career Executive Service rules and regulations and consistent with the
13 provision of the Salary Standardization Law for government personnel, and determine
14 the size and composition of the Secretariat.

15 The Secretariat shall exercise the following functions:

- 16 a) Provide technical and administrative support services to the Board's
17 policy-making and implementation functions;
- 18 b) Review, evaluate, and assess programs, plans of action, and agenda of
19 the Board, and concomitantly recommend the approval or cancellation of
20 such programs, plans of action, and agenda of the Board;
- 21 c) Review, evaluate, and assess programs, plans of action, and agenda of
22 the implementing agencies, including proposals for funding, and
23 recommend the approval or cancellation of such programs, plans of
24 action, and agenda of the implementing agencies to the Board;
- 25 d) Maintain and update a repository of data and information on all StuFAPs
26 for tertiary education administered by any government agency, branch, or
27

1 instrumentality and create and maintain a comprehensive database
2 system on the government's StuFAPs accessible to the public, pursuant to
3 the policy of transparency and good governance;

4 e) Recommend, manage, and monitor the processes of contracting out the
5 implementation of UniFAST activities which would be best accomplished
6 by third party providers, as approved by the Board; and

7 f) Perform such other powers and functions as may be determined by the
8 Board.

9 **SEC. 21. *The Executive Director.*** – There shall be an Executive Director who
10 shall be appointed by the Board and shall have the rank of an Assistant Secretary. The
11 Executive Director shall have a minimum of seven (7) years managerial experience, be
12 a holder of at least a Master's degree, and be Career Executive Service eligible. The
13 Executive Director shall perform the following functions:

14 a) Serve as the primary coordinator of StuFAPs for tertiary education
15 students being implemented by various government agencies, branches,
16 and instrumentalities;

17 b) Manage relationships with partner agencies;

18 c) Exercise leadership, supervisory, and administrative functions over the
19 Secretariat;

20 d) Ensure the provision of accurate and timely technical inputs and feedback
21 to the Board to guide it in its policy-making functions;

22 e) Ensure the proper dissemination and implementation of Board decisions;

23 f) Submit an annual report on the operations, status of programs funded,
24 and financial conditions of the Secretariat, including recommendations for
25 the budget in the ensuing year; and

26 g) Perform such other duties and functions as may be delegated to him/her
27 by the Board.

1 **ARTICLE V**

2 **Financial Management, Reporting, and Performance Evaluation**

3 **SEC. 22. *Financial Management and Accountability.*** – All public funds
4 allocated to the government StuFAPs for tertiary education shall be managed according
5 to standard government accounting and auditing rules and regulations. In addition,
6 specialized processes and procedures shall be developed to enhance transparency and
7 accountability suitable to the program or project for which the fund has been provided.

8 Other sources of funds such as grants, donations, and other forms of assistance
9 from local and foreign donor agencies, other public or private entities, and other private
10 domestic and international sources may be tapped and facilitated by the Board to
11 support the program, subject to regular auditing guidelines and procedures: *Provided,*
12 That in case of donations from foreign sources, acceptance thereof shall be subject to
13 existing government rules and regulations.

14 All donations, grants, endowments from various sources and other contributions
15 given to specific agencies for StuFAPs shall be retained by the identified donee agency
16 for that specific purpose, in accordance with government auditing rules and regulations.

17 Cost-sharing or counter-parting schemes among national government and LGUs
18 shall also be encouraged to support the implementation of the UniFAST.

19 **SEC. 23. *Accounting and Reporting of UniFAST StuFAP Funds.*** – A separate
20 book of accounts shall be kept in each implementing agency for the UniFAST StuFAP
21 Funds. It shall follow standard government rules and regulations for accounting.
22 Implementing agencies of the StuFAP Funds, however, may adopt additional measures
23 to ensure its safety particularly in authorizing payments and processing of
24 disbursements from the Funds: *Provided,* That such additional measures shall facilitate
25 a convenient and efficient means of delivering financial assistance to the grantees.

26 A mid-year and annual report shall be prepared by all implementing agencies.
27 The report shall have two parts: a financial statement and a report of operations
28 showing the accomplishments of the fund. These reports shall be submitted to
29 Congress and the DBM to inform and aid in decision making and shall be made
30 available to other interested parties for valid and acceptable reasons.

1 **SEC. 24. Responsibility of National Government Agencies Implementing**
2 **StuFAPs.** – The agencies and instrumentalities implementing StuFAPs are required to
3 submit reports, make their selection process transparent to the public, and comply with
4 the requirements that the Board may impose to ensure that these programs are in line
5 with the national policy framework on student financial assistance.

6 **SEC. 25. Performance Monitoring and Impact Assessment.** – The UniFAST
7 shall be evaluated rigorously by the Board in terms of its impact on desired results and
8 its progress towards achieving them shall be monitored regularly. The Board shall
9 clearly define those results and their target values. Impact evaluation shall be measured
10 against, among others:

- 11 a) Education outcomes such as enrolment in level IV-accredited HEIs, as
12 may be determined in the Implementing Rules and Regulations, and
13 number of graduates (by type of study program);
- 14 b) Economic indicators such as income and employment of grantees after
15 graduation; and
- 16 c) Indicators for contributions to community service and public good.

17 Performance and progress shall, in addition, be measured with regard to: (i)
18 number of students covered by scholarships, grants-in-aid, student loans, or other
19 modalities of StuFAP; (ii) type of study program, (iii) level of HEI enrolled in, and (iv)
20 initial economic status. Tracer studies and survey data for experimental and quasi-
21 experimental analyses shall be undertaken to produce credible impact evaluation
22 studies, as may be determined by the Board: *Provided*, That major programs of the
23 Board are to be evaluated within five (5) years from the date of its implementation.

24 **ARTICLE VI**
25 **Appropriations**

26 **SEC. 26. Appropriations.** – There is hereby appropriated the sum of Eleven
27 Billion Pesos (P11 Billion), of which Six Billion Pesos (P6 Billion) shall come from
28 CHED’s existing budget for scholarship and another Five Billion Pesos (P5 Billion) from
29 funds in the National Treasury appropriated for scholarships. Thereafter, such sums as

1 may be necessary for the continued implementation of this Act shall be included in the
2 Annual General Appropriations Act.

3 **ARTICLE VII**

4 **Implementation**

5 **SEC. 27. *Implementing Rules and Regulations.*** – Upon effectivity of this Act,
6 the Board shall constitute itself, in consultation with relevant stakeholders in tertiary
7 education, and promulgate the Implementing Rules and Regulations necessary for the
8 proper implementation of this Act within ninety (90) days.

9 **ARTICLE VIII**

10 **Miscellaneous Provisions**

11 **SEC. 28. *Separability Clause.*** – If for any reason, any provision of this Act is
12 declared unconstitutional or invalid, parts or provisions of this Act which are not affected
13 shall continue to be in full force and effect.

14 **SEC. 29. *Non-Impairment Clause.*** – Nothing in this Act shall be construed as to
15 diminish, impair, or repeal rights recognized, granted, or made available to
16 disadvantaged, marginalized, or specific sectors under existing laws.

17 **SEC. 30. *Repealing Clause.*** – All laws, executive orders, presidential decrees,
18 implementing rules and regulations inconsistent with this Act are hereby repealed or
19 modified accordingly, including the provisions of R.A. No. 8545 on tertiary education.

20 **SEC. 31. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
21 publication in the Official Gazette or in a newspaper of general circulation.

Approved,