

FOURTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

7 AUG 22 2014

SENATE

RECEIVED BY

S. B. No. 1484

Introduced by Senator Manuel "Lito" M. Lapid

EXPLANATORY NOTE

The provision in our Constitution provides that the State shall give priority to education to accelerate social progress and promote total human development. It is the duty of our government to protect and promote the right of all citizens to quality education at all levels and to take appropriate measures to make such education accessible to all in order to promote total human liberation and development.

At present, the current economic state of our country indicates that about 65% of our total population still remains below the poverty level. For this reason, many of our poor Filipino families could barely send their children to quality education and could barely pay the tuition fees charged by our private schools. In fact, many parents would forego other needs just to pay for the education of their children.

Our government agencies tasked to provide protection against abusive Higher Education Institutions (HEIs) have failed miserably to protect the interest of the general public as increases in tuition, miscellaneous or other fees continued without regard to the suffering of the students and their parents. In fact, studies indicate that since the enactment of Batas Pambansa Blg. 232 in 1982, otherwise known as the "Education Act of 1982", tuition fees have risen 370% and with no end in sight.

According to the latest Commission on Higher Education (CHED) report, 15.37% of 1,321 Higher Education Institutions (HEIs) applied for an increase in tuition fees in 2005, while in the year 2006, about 381 or 39% applied for fee increases. For the current school-year 2007, eighty-eight (88) private colleges and universities in Metro Manila alone have increased their tuition fees by 10% percent or more. The figures are staggering especially since in the face of unabated sky-rocketing prices of commodities, private schools are consistently listed among the country's top 1,000 corporations.

Sadly, private education, by virtue of the policy of deregulation mandated by Batas Pambansa 232, has turned into a lucrative business indeed. In the past 14 years alone, 595 private Higher Education Institutions (HEIs) have been established.

In the past, a number of CHED memoranda, which seek to regulate tuition fees in the country, have been issued. These are CHED M.O. No. 14 of 2004, CHED M.O. No. 42 of 2006 and CHED M.O. No. 7 of 2007 all of which imposed limits on tuition fee increases. Under CMO 7, the allowable increase "should not be more than the prevailing national inflation rate." The order mandates that all schools should conduct consultations with students and other stakeholders and any agreed increase should be approved by the CHED. These CHED memoranda allow colleges and universities to increase their tuition and other fees but not more than the current inflation rate.

Yet, despite the several CHED memoranda, private schools continue to increase their tuition fees beyond the inflation rate levels.

In fact, early this year, the Coordinating Council of Private Educational Associations (COCOPEA), the largest consortium of private colleges and universities in the country, articulated that the CHED has no power to impose limits in the matter of increasing tuition and other fees, arguing that it is beyond the regulatory power of CHED, as provided by existing laws. They argued that CHED Memorandum Orders 14 - series of 2004, 42 - series of 2006 and 7 - series of 2007, which all pertain to guidelines in tuition fee increase, deprive the schools of their much needed revenues.

To address this concern, this proposed measure seeks to impose a three (3) year moratorium on all kinds of fee increase whether it be tuition or other school fees. By the end of the three-year moratorium, private schools will be allowed to increase their tuition fees at a rate not higher than the current inflation rate of the country.

It is hoped that the three-year moratorium on all fees in all private educational institutions will provide relief to the overburdened Filipino people.

In view of the foregoing, the passage of this measure is earnestly sought.


MANUEL "LITO" M. LAPID
Senator

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2015 100 SECRETARY

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AN ACT

AMENDING SECTION 42 OF BATAS PAMBANSA BLG. 232, OTHERWISE KNOWN AS THE "EDUCATION ACT OF 1982", BY IMPOSING A THREE-YEAR MORATORIUM ON TUITION AND OTHER SCHOOL FEE INCREASE ON ALL EDUCATIONAL INSTITUTIONS AND STIPULATING THEREAFTER THAT TUITION AND OTHER SCHOOL FEE INCREASE SHOULD NOT BE RAISED BEYOND THE CURRENT INFLATION RATE OF THE COUNTRY AND FOR OTHER PURPOSES

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

SECTION 1. Short Title. - This Act shall be known as the "**School Fees Regulation Act of 2007**"

SEC. 2. Declaration of Basic Policy. - It is the policy of the state to promote quality education that is accessible to all and to establish, maintain and support a complete, adequate and integrated education system relevant to the needs of the Filipino people.

SEC. 3. Section 42, Chapter 5 of Batas Pambansa Blg. 232, otherwise known as the "Education Act of 1982", is hereby amended to read as follows:

Section 42 (A). Tuition and Other Fees – THE DEPARTMENT OF EDUCATION (DEPED), COMMISSION ON HIGHER EDUCATION (CHED), TECHNICAL EDUCATION AND SKILLS AUTHORITY (TESDA) ARE HEREBY MANDATED TO IMPOSE A THREE-YEAR MORATORIUM ON ANY SCHOOL FEE INCREASE, WHETHER IT BE TUITION, MISCELLANEOUS AND OTHER SCHOOL FEES ON ALL PRIVATE EDUCATIONAL INSTITUTIONS.

THEREAFTER, each private school shall **BE ALLOWED TO INCREASE THE** [determine its] rate of tuition and other school fees or

charges **NOT BEYOND THE CURRENT INFLATION RATE OF THE COUNTRY, AS OFFICIALLY DETERMINED BY THE NATIONAL ECONOMIC DEVELOPMENT AUTHORITY (NEDA).** The rates and charges adopted by schools pursuant to this provision shall be collectible, and their application or use authorized, subject to rules and regulations promulgated by the [Ministry] **DEPARTMENT** of Education[,] (**DEPED**) [Culture and Sports].

SECTION 42 (B). EXEMPTIONS. – A PRIVATE EDUCATIONAL INSTITUTION MAY APPLY FOR AN INCREASE IN TUITION OR OTHER SCHOOL FEES, FOLLOWING EXISTING RULES AND GUIDELINES IMPLEMENTED BY THE DEPED, CHED AND TESDA, PROVIDED IT HAS POSTED NO NET PROFIT OR INCURRED LOSSES ON THE YEAR PRECEDING THE APPLICATION FOR FEE INCREASE ACCORDING TO ITS DECLARATION OF ASSETS, INCOME AND LIABILITIES, A COPY OF WHICH SHOULD BE FILED TOGETHER WITH THE APPLICATION FOR EXEMPTION.

SECTION 42 (C). PENALTY CLAUSE. - ANY EDUCATIONAL INSTITUTION FOUND IN VIOLATION OF SECTION 42 (A) AND SECTION 42 (B) OF THIS ACT SHALL BE PUNISHED WITH A FINE OF NOT LESS THAN PHP 100,000 PESOS AND NOT MORE THAN PHP 1,000,000 PESOS OR IMPRISONMENT OF NOT MORE THAN SIX (6) YEARS OR BOTH, AT THE DISCRETION OF THE COURT.

MISREPRESENTATION OR MISDECLARATION OF ASSETS, INCOMES AND LIABILITIES SHALL BE PRIMA FACIE EVIDENCE AS VIOLATING SECTION 42 (A) AND SECTION 42 (B) OF THIS ACT.

SEC. 4. All words referring to the “Ministry of Education, Culture and Sports”, as used in Batas Pambansa Blg. 232, are now amended to read as “Department of Education (DepEd)”.

SEC. 5. *Implementing Rules and Regulations (IRR).* – Within 90 days from the date of effectivity of this Act, the Department of Education (DepEd), in consultation with the Commission on Higher Education (CHED) and Technical Education and Skills Authority (TESDA), shall formulate the necessary rules and regulations to implement the provisions of this measure.

SEC. 6. *Repealing Clause.* – All laws, presidential decrees, executive orders, rules and regulations or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 7. *Separability Clause.* – If any part or provision of this Act shall be held unconstitutional or invalid, other provisions hereof which are not affected shall continue to be in full force and effect.

SEC. 8. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication to two (2) newspapers of general circulation.

Approved,