

FIFTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)

SEP 19 1987

SENATE

S.B. No. **3285**

Introduced by Senator Edgardo J. Angara

EXPLANATORY NOTE

The 1987 Constitution mandates that "[the] State shall protect and promote the right of all citizens to quality education at all levels and shall take appropriate steps to make such education accessible to all." In accordance with this mandate, the Constitution likewise provides for the establishment and maintenance of free public education in the elementary and high school levels. This, however, does not mean that the right to education excludes the college level. The right to quality education and the right to choose a profession or course of study is guaranteed to all citizens "subject to fair, reasonable and equitable admission and academic requirements" at all levels.

The Supreme Court in the case of *Villar et al. vs. Technological Institute of the Philippines et al.* States: "What cannot be stressed too sufficiently is that among the most important social, economic, and cultural rights is the right to education not only in the elementary and high school grades but also on the college level. The constitutional provision as to the State maintaining 'a system of free public elementary education and, in areas where finances permit, establish and maintain a system of free public education' up to the high school level does not *per se* exclude the exercise of that right in colleges and universities. It is only at the most a reflection of the lack of sufficient funds for such a duty to be obligatory in the case of students in the colleges and universities."

The problem of cost of college education is addressed to some extent by the state universities and colleges (SUCS) and the local universities and colleges (LUCs) which regularly receive subsidy from government, hence, they charge lower tuition. Unlike SUCs and LUCs, private colleges and universities are totally dependent on tuition fees for support. It is unfortunate that private higher education, in spite of being the largest post-secondary sector in

education, remains the only sector without significant support for students and parents in terms of financial access.

Interestingly, the 1998 *Philippines EducationSector Study* or PESS, noted that the private sector has a higher rate of employment as compared to the public sector. Seventy-one percent of private school graduates are employed as compared to 64% from the public sector. The same study also observed that graduates from private institutions of higher learning do not wait for jobs as long as their counterparts from the public sector. Furthermore, as of 2009, it was estimated that the private sector accounted for over 60% of enrollment in higher education.

In the name therefore of greater access to college education and equality of opportunity for all higher education students, this bill proposes to establish a loan program for students and parents in private education.

For the foregoing reasons, the swift approval of this bill is earnestly sought.



EDGARDO J. ANGARA

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AN ACT
FURTHER DEMOCRATIZING EDUCATIONAL OPPORTUNITIES IN HIGHER
EDUCATION, CREATING A FUND AND A LOAN PROGRAM FOR STUDENTS AND
PARENTS IN PRIVATE EDUCATION, APPROPRIATING FUNDS THEREFOR, AND
FOR OTHER PURPOSES

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

1 **SECTION 1. Short Title.** – This Act shall be known as the “Fund for Assistance to
2 Students and Parents in Private Education Act of 2012.”

3
4 **SEC. 2. Declaration of Policy.** – It is declared policy of the State to protect and promote
5 the right of all citizens to quality education at all levels and to take appropriate steps to make such
6 education accessible to all.

7
8 **SEC. 3. Definition of Terms.** – For purposes of this Act, the following terms shall mean:

9
10 (a) “Loan Program for Students and Parents in Private Education” or “Loan Program” refers
11 to the government educational loan program for students and parents in the private
12 education sector which shall be designed to further democratize access to educational
13 opportunities in higher education.

14
15 (b) “Fund for Assistance to Students and Parents in Private Education” or “Fund” refers to a
16 loan fund made available by government to service the financial needs of eligible
17 students and parents in private higher education.

1 (c) "Council" refers to the Policy Making Council.

2
3 (d) "Secretariat" refers to the inter-agency body organized to assist the Council in the
4 implementation of the Loan Program for Students and Parents in Private Education and
5 serves as its implementing arm.

6
7 (e) "Tertiary Education" refers to the education and training in degree programs offered in
8 higher education institutions, the completion of which are attested by the Commission on
9 Higher Education (CHED);

10
11 (f) "Tuition Fee" refers to the fees representing direct cost of instruction, training and other
12 related activities and for the student's use of the instruction and training facilities; and

13
14 (g) "Miscellaneous Fees" refers to those fees which cover other necessary costs supportive of
15 instruction, including, but not limited to medical and dental, athletic, library
16 and laboratory fees.

17
18 **SEC. 4. *Fund for Assistance to Students and Parents in Private Education.*** – A Fund for
19 Assistance to Students and Parents in Private Education is hereby created and made available by
20 government to service the financial needs of eligible students and parents in private higher
21 education.

22
23 **SEC. 5. *Loan Program for Students and Parents in Private Education.*** – A Loan
24 Program for Students and Parents in Private Education shall be designed to (1) further
25 democratize access to educational opportunities in higher education, and (2) be self-sustaining in
26 its operations and financial viability. The Loan Program shall reside within the Fund.

27
28 The Loan Program shall be of two (2) categories: (1) student loans made to students and
29 paid directly to private colleges or universities; and (2) student loans made to parents and paid
30 directly to private colleges or universities. The loanable amounts to both student- and parent-
31 borrowers as well as interest rates and collection schemes shall be determined by the Council,
32 guided by the balance objectives of borrower repayment affordability and the Loan Program's
33 sustainability. The loaned amounts shall be used to pay for education expenses which shall
34 include school charges such as tuition and miscellaneous fees, books, supplies, room and board,
35 transportation and rental of personal computer. Payments of student loans granted to student-
36 borrowers shall be made immediately upon employment under such viable repayment systems as
37 may be established by the Council. Student loans granted to parent-borrowers may have higher
38 limits, but payments shall start immediately.

39
40 **SEC. 6. *Policy Making Council.*** – To carry out the purposes of this Act, there shall be
41 created, a Policy Making Council to oversee the Fund and implement the Loan. It shall be

1 composed of the Chairperson of the Commission on Higher Education as Chair, the Secretary of
2 the Department of Labor and Employment as Vice-Chair, the Director-General of the National
3 Economic Development Authority, Secretary of the Department of Finance, Secretary of the
4 Department of Budget and Management, Governor of the Bangko Sentral ng Pilipinas, President
5 of the Social Security System, the General Manager of the Government Service Insurance
6 System, and the heads of private tertiary education organizations, as members.

7
8 The Council shall be a governing body that shall formulate policies, guidelines, and rules
9 and regulations necessary for the operation, management, sustainability and supervision of the
10 Fund and the Loan Program.

11
12 The Council may accept donations, legacies, grants-in-aid and other contributions to form
13 part of the loan fund.

14
15 **SEC. 7. Secretariat.** – An inter-agency Secretariat, the composition and function of
16 which shall be determined by the Council, is hereafter created, to assist the Council in the
17 implementation of this Act.

18
19 The sum of Ten million pesos (Php10,000,000.00) is hereby appropriated annually to be
20 included in the budget of the Commission on Higher Education to finance the operations of the
21 Secretariat.

22
23 **SEC. 8. Qualifications of Applicants.** – The qualifications of student- or parent-
24 borrowers shall be determined by the Council.

25
26 **SEC. 9. Implementing Rules and Regulations.** – The Council shall, within sixty (60)
27 days from the effectivity of this Act, issue such rules and regulations necessary for the proper
28 implementation of this Act.

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30 **SEC. 10. Appropriations.** – There is hereby appropriated the amount of One Billion
31 Pesos (Php1,000,000,000.00) out of the funds in the National Treasury, not otherwise
32 appropriated, to be used to initially constitute the Fund for Assistance to Students and Parents in
33 Private Education and to finance the Loan Program for Students and Parents in Private
34 Education.

35
36 **SEC. 11. Repealing Clause.** – All laws, presidential decrees, executive orders,
37 proclamations, rules and regulations which are inconsistent with the provisions of this Act are
38 hereby repealed or modified accordingly.

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40 **SEC. 12. Separability Clause.** – If any provision of this Act is held invalid or
41 unconstitutional, other provisions not affected shall be continue to be in full force and effect.

1
2 **SEC. 13. *Effectivity.*** – This Act shall take effect fifteen (15) days after its complete
3 publication in the Official Gazette and in at least two (2) newspapers of general circulation.
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Approved,