

Sixteenth Congress of the Republic )  
Of the Philippines )  
First Regular Session )



Senate *OK*  
Office of the Secretary

13 JUL -1 P4:16

SENATE

S.B. No. 175

BY: *ja*

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Introduced by Senator Ramon Bong Revilla, Jr.

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**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) nationwide 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 therefore 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 policymaking body on matters pertaining to tuition fee rates and other increases or adjustments in school fees.

  
RAMON BONG REVILLA, JR.

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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:*

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

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

- a. To promote affordable access to quality education by rationalizing and/or reasonably regulating tuition fee rate and increases in all educational institutions including other fees;
- b. To provide all educational institutions with accredited program greater flexibility and autonomy in tuition fee rate fixing and/or tuition fee increase adjustments;
- c. To establish a Tuition Fee Rationalization Council which is envisioned to be a multi-sectoral body that shall serve as the highest policy-making body on matters pertaining to tuition fee rates and other increases or adjustments in school fees; and
- d. To provide an effective and rational mechanism for fixing the tuition fee rates and adjustments in other school fees in all educational institutions including those to be adopted by the boards of State Universities and Colleges that is acceptable to concerned stakeholders taking into account socio-economic and other considerations and safety nets.

**SECTION 3. Coverage.** - a) Tuition Fees- As a general rule, public and private academic and technical institutions shall be allowed to impose tuition fee increases and/or adjustments without any prior consultations, on incoming freshmen students in the secondary

and tertiary level, and in the first and fifth grade in the elementary level only. There shall be no tuition fee increases and/or adjustments in all other year levels.

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

b) Other school fees- The amount of other school fees to be collected from students in the freshmen level of the secondary and tertiary institutions, and from the first grade and fifth in the elementary level shall in no way be more than twenty-five percent (25%) of the amount collected as tuition fee for the semester to which the student is currently enrolled: Provided, further, That an imposition of more than fifteen percent (15%) in tuition fees and twenty-five percent (25%) in the case of miscellaneous fees may be allowed after the concerned schools shall have conducted thorough consultations and hearings, and the examination of financial records and the determination of the distinct requirements and conditions of schools shall have been assessed by the Council.

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

**SECTION 4. Definition of Terms.** - As used in this Act, the following terms shall mean:

- a. Student- shall refer to any person enrolled in school in the elementary, secondary, and tertiary levels including those enrolled in vocational and technical education.
- b. School- shall refer to any academic institution of learning, public or private, offering any or all courses in the above mentioned levels.
- c. Board- shall refer to the governing board of the school, such as the board of directors, trustees or regents, which represents its highest policy-making body.
- d. Council- shall refer to the Tuition Fee Rationalization Council which shall serve as the highest policy-making body on matters pertaining to tuition and other school fees and which shall have regional counterparts for efficient rate fixing and determination.
- e. Tuition- shall refer to the fee representing direct costs of instruction, training and other related activities, and the use of school facilities.
- f. Other school fees- shall refer to fees which cover other necessary costs supportive of instruction, including but not limited to medical and dental, athletic, library, laboratory, and citizens military training (CMT) fees.
- g. Tertiary- shall refer to the higher learning level after high school which includes those offering baccalaureate degrees or four (4) to five (5) year courses and/or technical vocational programs.

- h. Secondary- shall refer to the middle segment in the educational system comprising a four-year program after attendance from elementary or grade school level.
- i. Grade School- shall pertain to the level of education which constitutes four (4) years of primary learning and two (2) or three (3) years of intermediate training usually for children with age levels of 6-13 years.
- j. Level III Accreditation- shall refer to a classification conferred to an institution and/or any of its program courses by a recognized accrediting body based on certain quality indicators and standards duly recognized by the DepEd, the CHED or the TESDA as the case may be, and prescribed by the national accrediting arm of the major association of private and state institutions.

**SECTION 5. Establishment of the National Tuition Fee Rationalization Council (TFRAC) and its Regional Counterpart.** - Within thirty (30) days after the effectivity of this Act, the National Tuition Fee Rationalization Council (NTFRAC) shall be established to be composed of the following: the Chair of the CHED as Chair; the Secretary of the DepEd as co-chair; the Director-General of the TESDA as vice-chair; and with the following as members: representatives of the House of Representatives' Committee on Higher and Technical Education and the Committee on Basic Education and Culture, the Senate Committee on Education, the National Economic and Development Authority (NEDA), and the Philippine Association of State Universities and Colleges; one (1) representative each from these sectors: parent, legitimately recognized students' organizations, leading associations of private higher and basic education institutions, major aggregation of technical education institution, faculty associations as well as other sectors which may be deemed indispensable by the Council.

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

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

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

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

**SECTION 8. Penal Provisions.** - Any person who shall willfully violate or commit any act intended to defeat any provision of this Act and its implementing rules, shall, upon

conviction, be punished by a fine of not less than Fifty thousand pesos (P50, 000.00) nor more than One hundred thousand pesos (P100, 000.00) or imprisonment of not less than one (1) year nor more than five (5) years, or both at the discretion of the court.

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

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

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

**SECTION 10. Separability Clause.** - In case any provision of this Act or portion thereof is declared unconstitutional by a competent court, other provisions shall not be affected thereby.

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

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

Approved,