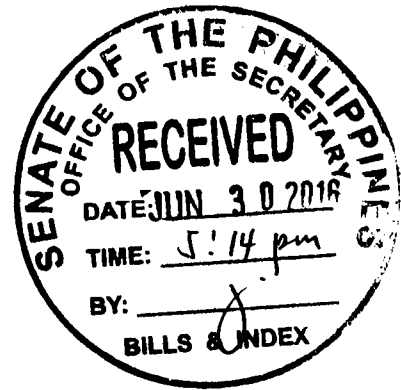


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
FIRST REGULAR SESSION)



SENATE
S. B. NO. 158

INTRODUCED BY **SENATOR JOSEPH VICTOR G. EJERCITO**

AN ACT PROVIDING FOR A FULL TUITION SUBSIDY FOR STUDENTS ENROLLED IN STATE UNIVERSITIES AND COLLEGES (SUCs), AND APPROPRIATING FUNDS THEREFOR

EXPLANATORY NOTE

The Budget Allocation to basic education has been getting a substantial share in the national expenditures and has continued to increase over the years. It has gone from 12.3% of the National budget in 2009 to 14.4% in 2016. Whereas, the subsidy provided to SUCs by the National Government (NG) has remained at lower levels. Since 2005 to date, the SUCs' share of the NG budget has never gone beyond the 2% mark ¹

Allocation for capital outlay of SUCs (fund for the construction of additional classrooms and equipment) has been nil for the past 15 years, with the exception in 2013-2014. No funds for additional faculty and administrative personnel for the increasing number of students enrolling in the SUCs since the 80's. The budget of SUCs now is on the same level as the budget in the early 80's (in real terms) where the student population was still about 30% of what we have today.

According to FY 2014 data, the estimated annual government cost per student in an SUC is at an average of P21,000. This drives SUC to internally generate their own income through the collection of tuition fees and through grants and donations, among others, to sustain the cost of their operations. In 2014, income collected by 114 SUC's nationwide from tuition fees amounted to P7.9 Billion while other income collected from students totaled P4.7 Billion². Tuition fees that form part of students' out-of-pocket expenses for their college education range from as low as P12 to as high as P1,000 per unit and are expected to increase further to adjust for inflation. These fees become one of the compelling reasons that discourage some students to pursue and finish tertiary education.

¹ Budget Facts and Figures Vol. 2. Jan-Mar 2014, Legislative Budget Research and Monitoring Office

² Data from CHED

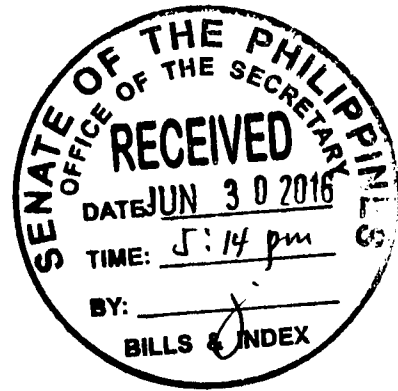
Thus, this bill seeks to provide for a full tuition subsidy to students enrolled in SUC's and reduce the out-of-pocket expenses which hinder some students from completing tertiary education. The initial funding requirement shall be sourced from the fifty percent (50%) share of the National Government from the annual gross income of the Philippine Amusement and Gaming Corporation (PAGCOR).

In view of the foregoing, approval of this bill is earnestly sought.



JOSEPH VICTOR G. EJERCITO
Senator

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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 "Tuition-Free
2 Higher Education Act of 2016."
- 3 SEC. 2. Declaration of Policy. - It is hereby declared that accessible and
4 quality education is an inalienable right of the Filipino. Therefore, the State
5 shall renew its constitutionally mandated duty to make education its top
6 budgetary priority by providing tuition-free higher education courses in state
7 universities and colleges.
- 8 SEC. 3. Eligibility to the Full Tuition Subsidy. - All Filipino citizens who are
9 either currently enrolled at the time of effectivity of this Act, or shall enroll
10 at any time thereafter, in courses in pursuance of a bachelor's degree,
11 certificate degree, or any comparable undergraduate degree in any state
12 university or college shall be exempt from paying tuition fees: Provided, That
13 they meet the admission requirements of the SUCs where they intend to
14 enroll in.
- 15 SEC. 4. Special Tuition Subsidy Fund. - The Special Tuition Subsidy Fund,
16 hereinafter referred to as the Fund, is hereby established. The Fund shall be
17 used solely for the purpose of implementing the full tuition subsidy under
18 the provisions of this Act. Tuition fees for units enrolled by persons eligible
19 for the tuition benefit under the provisions of this Act, payable to state
20 universities and colleges, shall be paid from this Fund.
- 21 SEC. 5. Administration of the Fund. - The Fund shall be administered by
22 the Commission on Higher Education and shall have the following powers
23 and functions:

- 1 a) Manage and administer the Fund;
- 2 b) Devise a reporting mechanism to be implemented by the state
3 universities and colleges which will detail the exact amount of tuition
4 fee subsidy availed of by persons eligible for the full tuition subsidy
5 under this Act;
- 6 c) Formulate and implement an efficient and transparent mechanism
7 to ensure the payment of tuition fees, using money from the Fund, to
8 the respective state universities and colleges, pursuant to the
9 provisions of this Act;
- 10 d) Resolve and mediate disputes concerning the ineligibility or
11 disqualification of persons from the full tuition subsidy under the
12 provisions of this Act or any other provision of law; and
- 13 e) Any other powers or functions necessary for the implementation of
14 the provisions of this Act.

15 SEC. 6. Tuition Report. - The President of each state university or college
16 shall submit to the Commission on Higher Education (CHED), within five (5)
17 days after the last day of late registration for each semester, a report
18 detailing the names of persons eligible for the full tuition subsidy in their
19 institution, as well as the amount of tuition fee due based on the number of
20 units enrolled.

21 SEC. 7. Payment from the Fund. - The CHED shall ensure the full payment
22 of tuition fees due to the state university or college, as reported under the
23 next preceding section of this Act, no later than thirty (30) days after the
24 submission of the report to the CHED: Provided, That the CHED shall
25 reserve the right to withhold or disallow the payment of any reported fees
26 which are perceived to be anomalous or irregular until further investigation
27 has been conducted.

28 SEC. 8. Accountability Report. - At the end of each academic semester, the
29 President of each state university or college shall submit to the CHED a
30 report reconciling the funds received from the Fund. Any unused or
31 improperly disbursed amount shall be returned immediately to the Fund.

32 SEC. 9. Midterm Report. - Starting the first school year upon the effectivity
33 of this Act, the CHED shall conduct a mandatory review and submit a
34 midterm report to Congress as to the status of implementation of this Act.

35 In this midterm report, the following key metrics of access to and
36 quality of public tertiary education:

- 37 a) Enrollment rate;
- 38 b) Student demographics;
- 39 c) Graduation rate;

- 1 d) Gross tuition receipts;
- 2 e) Disqualification and ineligibility;
- 3 f) Teachers' welfare and training profiles;
- 4 g) Adequacy of funding requirements; and
- 5 h) Other educational quality indicators, including but not limited to
- 6 physical learning infrastructure, teacher-to-student ratio, and student
- 7 housing.

8 SEC. 10. Appropriations. - The amount necessary to carry out the
9 implementation of this Act shall be initially charged against the fifty percent
10 (50%) share of the National Government from the annual gross income of
11 the Philippine Amusement and Gaming Corporation (PAGCOR). Thereafter,
12 such amounts necessary to effectively carry out the provisions of this Act
13 shall be included in the annual General Appropriations Act.

14 SEC. 11. Implementing Rules and Regulations. - Within (60) days from the
15 effectivity of this Act, the CHED shall promulgate the implementing rules
16 and regulations necessary to ensure the efficient and effective
17 implementation of this Act.

18 SEC. 12. Separability Clause. - Should any part of this Act be declared
19 unconstitutional, the rest of the provisions of this Act shall continue to be in
20 effect and subsisting.

21 SEC. 13. Repealing Clause. - The provisions of other laws, decrees, executive
22 orders, rules and regulations inconsistent with this Act are hereby repealed,
23 amended, or modified accordingly.

24 SEC. 14. Effectivity. - This Act shall take effect fifteen (15) days after its
25 publication in the Official Gazette and/or in at least two (2) national
26 newspapers in general circulation.

27 Approved,