


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

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} 7 JUN 30 7:40  
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SENATE  
S. B. No. 220

RECEIVED BY: 

**Introduced by SENATOR EDGARDO J. ANGARA**

**EXPLANATORY NOTE**

Studies show that out of every hundred Filipino children who enter Grade One only 69 reach grade 6 and only 48 complete high school and 18 finish college. The dropouts come mostly from the poorest regions - like Bicolandia and Eastern Visayas - which have also fallen way behind the other regions in development.

Throughout the years, the number of students entering the public schools continues to increase primarily because most families sent their children to public schools because of the unabated increase in tuition fees in private schools. In this regard, most of these public schools have become so congested and crowded thus, making it less conducive to learning.

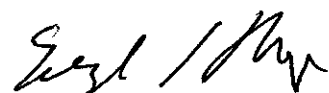
It is unfortunate that some public schools cannot anymore accommodate new students because of insufficient school facilities like classrooms, desks and textbooks. The continuous increase in the emolument in public schools every year and the pressing budgetary problems of the government aggravate the classroom and desk backlog in schools.

The passage of the Expanded Government Assistance to Students and Teachers in Private Education (GASTPE) in 1998 offers many opportunities for the poor students who cannot afford to study in private schools by providing a financial assistance through the tuition fee supplements and education service contracting scheme.

Through the GASTPE law, the system of voucher system in tuition fee payment had been introduced. However, there is a need to further improve the system and increase the amount of assistance to students-grantees by amending some sections of the Expanded GASTPE law so that it can become more responsive to the needs of the students and the schools.

For the past years of implementation, we have seen that the financial assistance given to the students through the GASTPE is way below the per capita cost spent by the government in public schools. Hence, there is a need to increase the amount of the financial assistance because of the growing needs of the students both in the Secondary and tertiary levels.

With the passage of this amendatory bill, we can improve the voucher support system provided to Secondary and tertiary students whose incomes are below the poverty line and cannot be accommodated by public educational institutions due to lack of facilities. This way, more poor Filipinos will have access to higher levels of education - even in private education - which had been denied to them in the past. For the abovementioned reasons, approval of this bill is earnestly urged.

  
**EDGARDO J. ANGARA**  
Senator

FOURTEENTH CONGRESS OF THE  
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**Introduced by SENATOR EDGARDO J. ANGARA**

**AN ACT AMENDING REPUBLIC ACT NO. 8545, OTHERWISE  
KNOWN AS THE "EXPANDED GOVERNMENT ASSISTANCE TO  
STUDENTS AND TEACHERS IN PRIVATE EDUCATION ACT"  
PROVIDING FOR AN EXPANDED VOUCHER OR COUPON SYSTEM  
IN SECONDARY AND TERTIARY EDUCATION, AND  
APPROPRIATING FUNDS THEREFOR.**

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

1           **SECTION 1.** Republic Act 8545, otherwise known as the "Expanded  
2 Government Assistance to Students and Teacher in Private Education Act,"  
3 is hereby amended to read as follows:  
4

5           **SECTION 2.** Section 3 is hereby amended to read as follows:

6           "Criteria for Assistance. The programs for assistance to  
7 STUDENTS shall be based on a set of criteria which shall include  
8 among others, tuition fees charged by the schools, socio-economic needs  
9 of each region giving priority to the 5th AND 6th CLASS  
10 MUNICIPALITIES, overall performance of the PRIVATE schools, the  
11 academic qualifications and the financial STATUS of the PRIVATE  
12 schools, as well as the RATIO OF PUBLIC SCHOOLS VIS A VIS  
13 PRIVATE SCHOOLS and size of student population IN THE PUBLIC  
14 SCHOOLS IN THE AREA."

15           "In addition to the forgoing criteria, within such reasonable time  
16 as the State Assistance Council may determine, student grantees shall  
17 be enrolled in schools which have accredited programs or are applying  
18 for accreditation as may be recognized by the respective State  
19 Assistance Council."

20           "Preference shall be given to students whose annual income is  
21 BELOW THE POVERTY THRESHOLD INCOME AS MAYBE  
22 DETERMINED BY THE APPROPRIATE GOVERNMENT AGENCY."

1 THE STATE ASSISTANCE COUNCIL MAY ADJUST THE  
2 ANNUAL FAMILY INCOME QUALIFICATION DEPENDING ON  
3 THE CHANGES IN THE ECONOMIC CIRCUMSTANCES AND  
4 CONDITIONS OF THE COUNTRY TO ACCOMMODATE MORE  
5 BENEFICIARIES.

6 "The programs of assistance under this Act shall be extended  
7 only to students who are citizens of the Philippines."  
8

9 **SECTION 3.** Section 4 is hereby amended to read as follows:

10 "Forms of Assistance- Assistance to private education shall  
11 consist of assistance to students and teachers."

12 (1) Tuition fee Supplements for students in private high schools  
13 including vocational and technical courses;

14 (2) TRANSPORTATION AND/OR BOOK ALLOWANCES for  
15 Secondary and college students;

16 (3) EXPANSION OF THE voucher system of the Philippines Education  
17 Student Financial assistance Program ( PESFA)

18 (4) Expansion of the existing Educational Service Contracting Scheme;

19 (5) Scholarship grants to students graduating as valedictorians and  
20 salutatorians from Secondary schools;

21 (6) Tuition fee supplements to students in private colleges and  
22 universities;

23 (7) Education Loan fund  
24

25 "The following are forms of assistance to teachers and faculty in  
26 private education:

27 (1) In-service training fund for teachers in private high schools

28 (2) College Faculty Development Fund"  
29

30 **SECTION 4.** FOR PURPOSES OF THIS ACT, THE TUITION FEE  
31 CEILING FOR PARTICIPATING PRIVATE SCHOOLS IN THE  
32 EDUCATION SERVICE CONTRACTING' SCHEME AND TUITION FEE  
33 SUPPLEMENTS FOR HIGH SCHOOL STUDENTS AND PRIVATE  
34 EDUCATION STUDENT FINANCIAL ASSISTANCE FOR COLLEGE  
35 STUDENTS IS SET AT SIX THOUSAND PESOS (P6,000) PER  
36 SEMESTER. THE TUITION FEE CEILING MAY SERVE AS A BASIS OF

1 SELECTING / ACCREDITING SCHOOLS THAT WOULD LIKE TO  
2 PARTICIPATE IN THE PROGRAMS UNDER GASTPE.

3 THE STATE ASSISTANCE COUNCIL SHALL REVIEW THE  
4 TUITION FEE CEILING ONCE EVERY TWO YEARS AND MAKE THE  
5 ADJUSTMENT AS DEEMED NECESSARY.

6 "The State Assistance Council shall have the discretion to allow the  
7 schools which charge higher tuition fee than the tuition fee ceiling to  
8 participate in the programs under GASTPE."

9  
10 SECTION 5. Section 5 of RA 8545 is hereby amended to read as  
11 follows:

12 Tuition Fee Supplements in Private High Schools.

13 (1) Financial Assistance for tuition for students in private high  
14 schools shall be provided by the government through a  
15 voucher system in the following manner:

16 (a) For students enrolled in schools charging NOT  
17 MORE THAN SIX THOUSAND PESOS PER  
18 SEMESTER IN TUITION AND OTHER  
19 FEES, the government shall provide them  
20 with voucher in such an amount as may be  
21 determined by the council. Provided, That the  
22 government shall reimburse the vouchers from  
23 the schools concerned within one hundred  
24 twenty (120) days from the close of the  
25 registration period. PROVIDED FURTHER  
26 THAT THE AMOUNT OF TUITION FEE  
27 SUPPLEMENT SHALL BE AT LEAST 20%  
28 OF THE PER CAPITA COST IN PUBLIC  
29 HIGH SCHOOLS.

30 (b) THE STATE ASSISTANCE COUNCIL MAY  
31 IN SUBSEQUENT YEARS INCREASE THE  
32 AMOUNT OF FINANCIAL ASSISTANCE FOR  
33 STUDENTS UNDER THE TUITION FEE  
34 SUPPLEMENT SUBJECT TO THE  
35 AVAILABILITY OF FUNDS.

1 (2) Assistance under Paragraph (1), subparagraph (a) shall be  
2 guaranteed to all private high schools participating in the  
3 program for a number of slots as of the effectivity of this Act  
4 as the total number of students who availed of tuition fee  
5 supplements for SCHOOL YEAR 2000-2001. Provided That  
6 the State Assistance Council may in subsequent years  
7 determine additional slots and/or additional participating  
8 high schools as may be deemed necessary.  
9

10 **SECTION 6.** Section 6 is hereby amended as follows:

11 HIGH SCHOOL TEXTBOOK ASSISTANCE FUND FOR SCHOOLS  
12 CHARGING NOT MORE THAN SIX THOUSAND PESOS PER SEMESTER,  
13 THE GOVERNMENT SHALL PROVIDE THE STUDENT WITH  
14 TEXTBOOK ALLOWANCE WHICH IS EQUIVALENT TO AT LEAST ONE  
15 THOUSAND PESOS (P1, 000) A YEAR OR THE ANNUAL PER CAPITA  
16 TEXTBOOK ALLOCATION PER STUDENT FOR ACADEMIC SUBJECTS  
17 IN PUBLIC SCHOOLS, WHICHEVER IS HIGHER. PROVIDED THAT THE  
18 TEXTBOOK ALLOWANCE MAY BE GIVEN TO BENEFICIARIES OF  
19 TUITION FEE SUPPLEMENTS AND/OR EDUCATION SERVICE  
20 CONTRACTING SCHEME FOR THE HIGH SCHOOL STUDENTS AND  
21 PRIVATE EDUCATION STUDENT FINANCIAL ASSISTANCE FOR  
22 COLLEGE STUDENTS.  
23

24 **SECTION 7.** Section 7 is hereby amended as follows:

25 **EDUCATIONAL SERVICE CONTRACTING SCHEME-**

26 (a) THE DEPARTMENT OF EDUCATION, CULTURE AND  
27 SPORTS SHALL CONTINUE TO ENTER INTO  
28 CONTRACTS WITH PRIVATE SCHOOLS WHEREBY THE  
29 GOVERNMENT SHALL PROVIDE DIRECT FINANCIAL  
30 ASSISTANCE TO THE STUDENTS WHO WANT TO  
31 ENROLL IN PRIVATE SCHOOLS BUT DO NOT HAVE  
32 THE FINANCIAL CAPABILITY TO AFFORD THE  
33 TUITION FEE IN THESE SCHOOLS.

34 (b) The Department shall also enter into contracts with private  
35 schools ACCREDITED BY THE DECS particularly in  
36 communities where THE PUBLIC SCHOOLS CANNOT

1 ACCOMMODATE THE STUDENTS DUE TO THE  
2 INCREASING STUDENT POPULATION, in which case the  
3 Department shall PROVIDE FINANCIAL ASSISTANCE  
4 WHICH MAY COVER THE TUITION AND OTHER FEES  
5 OF STUDENTS WHO SHALL ENROLL-IN SAID PRIVATE  
6 SCHOOLS.

7 (c) FOR STUDENTS ENROLLED IN SCHOOLS CHARGING  
8 NOT MORE THAN SIX THOUSAND PESOS PER  
9 SEMESTER IN TUITION AND OTHER FEES, the amount  
10 of assistance to be given by the government shall be EQUAL  
11 to the *per student cost in public high schools*.

12 (d) The Department shall fully pay the subsidized amount to  
13 participating schools not later than one hundred eighty (180)  
14 days from the close of the registration period.

15 (e) The amount of assistance shall be allocated and distributed  
16 among the 16 regions in proportion to the total population as  
17 well as the high school age population for the first school  
18 year;

19 (f) The amount of assistance to private high schools  
20 participating in the program shall be guaranteed for a  
21 number of slots as of the effectivity of this Act as the number  
22 of students availing of educational service contracting for  
23 SCHOOL YEAR 2000-2001: Provided that the State  
24 Assistance Council may in subsequent years determine  
25 additional slots and/or additional participating private high  
26 schools as may be deemed necessary.”

27 (g) IN CASES WHERE THE AMOUNT OF THE TUITION  
28 FEES AND OTHER FEES OF THE SCHOOL EXCEEDS  
29 THE AMOUNT OF SUBSIDY PRESCRIBED BY THE  
30 STUDENT ASSISTANCE COUNCIL, THE PRIVATE  
31 SCHOOL MAY SHOULDER THE CORRESPONDING  
32 BALANCE AS COUNTERPART FUNDING.

33 (h) THE STATE ASSISTANCE COUNCIL MAY IN  
34 SUBSEQUENT YEARS INCREASE THE AMOUNT OF  
35 FINANCIAL ASSISTANCE FOR STUDENTS UNDER THE

1 ESC PROGRAM SUBJECT TO THE AVAILABILITY OF  
2 FUNDS.

3  
4 SECTION 8. TRANSPORTATION ALLOWANCE. FOR THE  
5 STUDENT BENEFICIARIES OF THE EDUCATION SERVICE  
6 CONTRACTING AND TUITION FEES SUPPLEMENTS PROGRAM AT  
7 THE HIGH SCHOOL LEVEL AND PRIVATE EDUCATION STUDENT  
8 FINANCIAL ASSISTANCE AT COLLEGE LEVEL,WHO LIVE AT LEAST  
9 WITHIN 3 KILOMETER RADIUS FROM THE SCHOOL WHERE THEY  
10 ARE ENROLLED SHALL BE ENTITLED WITH A CORRESPONDING  
11 TRANSPORTATION ALLOWANCE WHICH SHALL BE DETERMINED BY  
12 THE STATE ASSISTANCE COUNCIL.

13  
14 SECTION 9. ASSISTANCE TO COLLEGE FRESHMEN -  
15 Subparagraph (a) of Section 8 of RA 8545 is hereby amended as follows:

16 THE VOUCHER SYSTEM OF PRIVATE EDUCATION  
17 STUDENT FINANCLAL ASSISTANCE (PESFA) PROGRAM. THE  
18 GOVERNMENT SHALL UNDERTAKE AN ANNUAL 10%  
19 INCREASE IN THE AMOUNT OF ASSISTANCE PROVIDED  
20 UNDER THE PESFA PROGRAM COVERING THE TUITION FEE,  
21 BOOK ALLOWANCE AND/OR TRANSPORTATION ALLOWANCE  
22 AND STIPEND SO AS TO HELP THE STUDENTS COPE WITH THE  
23 INCREASING COST OF EDUCATION, SUBJECT TO THE  
24 AVAILABILITY OF FUNDS. PROVIDED THAT THE TUITION FEE  
25 CEILING FOR SCHOOLS IS SIX THOUSAND PESOS ( P6,000)  
26 PER SEMESTER. PROVIDED FURTHER THAT SUCH FINANCIAL  
27 ASSISTANCE SHALL BE GRANTED TO DESERVING AND  
28 UNDERPRIVILEGED STUDENTS WHO SHALL BE SELECTED ON  
29 THE BASIS OF FAMILY INCOME, GEOGRAPHIC SPREAD AND  
30 RESULTS OF COMPETITIVE EXAMINATIONS GIVEN BY CHED  
31 FOR DEGREE COURSES PROVIDED FINALLY, THAT THE CHED  
32 SHALL DIRECTLY PAY THE AMOUNT COVERING THE TUITION  
33 FEE EXPENSES TO THE PARTICIPATING SCHOOLS. HOWEVER,  
34 THE STIPEND OF EACH STUDENT BENEFICIARY SHALL BE  
35 CLAIMED IN THE NEAREST CHED OR TESDA REGIONAL  
36 OFFICE.

1. THE CHED SHALL REVIEW AND EVALUATE THE  
2 PRESENT COURSES OF STUDENTS WHICH ARE CONSIDERED  
3 PRIORITY IN THE GRANTING OF FINANCIAL ASSISTANCE TO  
4 MAKE THE LIST OF COURSES MORE RELEVANT TO THE NEEDS  
5 OF THE COUNTRY.

6 FOR PURPOSES OF THIS ACT, AN UNDERPRIVILEGED  
7 STUDENT SHALL REFER TO A STUDENT WHOSE GROSS  
8 INCOME, IN ANY AND THAT OF THE COMBINED ANNUAL  
9 GROSS INCOME OF HIS/HER PARENTS IS BELOW THE  
10 POVERTY THRESHOLD INCOME.

11  
12 **SECTION 10. SCHOLARSHIP FUND IN PRIVATE HIGH SCHOOLS,**  
13 **COLLEGES AND UNIVERSITIES.-** THE PARTICIPATING PRIVATE  
14 SCHOOLS IN THE GASTPE PROGRAM MAY INSTITUTIONALIZE  
15 COUNTERPART FUNDING TO FINANCE THE EDUCATION SERVICE  
16 CONTRACTING SCHEME, TEXTBOOK ASSISTANCE PROGRAM AND  
17 THE PRIVATE EDUCATION STUDENT FINANCIAL, ASSISTANCE  
18 PROGRAM. THE PRIVATE SCHOOLS ARE HEREBY ENJOINED TO  
19 PROVIDE A COUNTERPART OF AT LEAST 20% OF THE  
20 BENEFICIARIES.

21 THE PRIVATE SCHOOLS WHICH ARE NOT PARTICIPATING IN  
22 THE PROGRAM MAY ALSO ALLOCATE A PORTION OF THEIR GROSS  
23 INCOME TO SCHOLARSHIP AND FINANCIAL ASSISTANCE FOR POOR  
24 BUT DESERVING STUDENTS.

25  
26 **SECTION 11. CONDITIONS FOR TUITION FEE SUBSIDY. -**  
27 ASSISTANCE PROVIDED IN THE PRECEDING SECTIONS SHALL  
28 BE GRANTED ON THE CONDITION THAT SEVENTY PERCENT (70%)  
29 OF THE AMOUNT SUBSIDIZED SHALL GO TO THE PAYMENT OF  
30 SALARIES, WAGES, ALLOWANCES AND OTHER ADMINISTRATORS  
31 WHO ARE PRINCIPAL STOCKHOLDERS OF THE SCHOOL, AND MAY  
32 BE USED TO COVER INCREASES AS PROVIDED FOR IN THE  
33 COLLECTIVE BARGAINING AGREEMENTS EXISTING OR IN FORCE  
34 UPON THE EFFECTIVITY OF THIS ACT. PROVIDED THAT AT LEAST  
35 20% SHALL GO TO THE IMPROVEMENT OR MODERNIZATION OF  
36 BUILDINGS, EQUIPMENT, LIBRARIES, LABORATORIES, GYMNASIA



1 AND SIMILAR FACILITIES AND TO THE PAYMENT OF OTHER COSTS  
2 OF OPERATION. FOR THIS PURPOSE, THE SCHOOL SHALL MAINTAIN  
3 A SEPARATE RECORD OF ACCOUNTS FOR ALL ASSISTANCE  
4 RECEIVED FROM THE GOVERNMENT, ANY TUITION FEE INCREASE  
5 AND THE DETAILED DISPOSITION AND USE THEREOF. WHICH  
6 RECORD SHALL BE MADE AVAILABLE FOR PERIODIC INSPECTION  
7 AS MAY BE DETERMINED BY THE STATE ASSISTANCE COUNCIL.

8  
9 **SECTION .12. APPROPRIATIONS**

10 THE DEPARTMENT OF EDUCATION MAY UTILIZE ITS SAVINGS  
11 FROM ANY ITEM OF APPROPRIATION IN FISCAL YEAR 2001.  
12 PROVIDED THAT ANY DEFICIENCY SHALL BE TAKEN FROM ANY OR  
13 ALL OF THE FOLLOWING SOURCES:

- 14 (1) TWENTY PERCENT (20%) OF THE TRAVEL TAX AND  
15 AIRPORT DEPARTURE TAX COLLECTIONS;
- 16 (2) TEN PERCENT (10%) OF ANY FUNDS COLLECTED BY  
17 THE SUGAR REGULATORY ADMINISTRATION OF THE  
18 PHILIPPINES COCONUT AUTHORITY
- 19 (3) TEN PERCENT ( 10%) OF THE NET INCOME OF THE  
20 DEVELOPMENT ACADEMY OF THE PHILIPPINES
- 21 (4) PORTIONS OF THE OVERSEAS WELFARE FUND TO  
22 BENEFIT THE DEPENDENTS OR CHILDREN OF  
23 OVERSEAS WORKERS;
- 24 (5) ANY OTHER LUMP SUM APPROPRIATIONS OR  
25 COLLECTIONS UNDER THE SUPERVISION AND  
26 CONTROL OF THE OFFICE OF THE PRESIDENT.

27 PROVIDED, FINALLY THAT THE TOTAL AMOUNT MADE AVAILABLE  
28 TO CARRY OUT THE PURPOSES OF THIS ACT SHALL NOT EXCEED  
29 ONE BILLION PESOS (P1,000,000,000,) FOR FISCAL YEAR 2001.  
30 THEREAFTER, SUCH AMOUNT AS MAY BE NECESSARY FOR ITS  
31 CONTINUED IMPLEMENTATION SHALL BE INCLUDED IN THE  
32 ANNUAL GENERAL APPROPRIATIONS ACT.

33  
34 **SECTION 13. *Penalties.*** In case of any violation of the provisions of  
35 this Act or the rules and regulations promulgated pursuant thereto by an  
36 institution, the Department of Education (DepED) or the Commission on

1 Higher Education, upon the recommendation of the State Assistance Council,  
2 may bar the institution from participating in or benefiting from the programs  
3 of this Act, and from other programs of the DepED and the CHED, without  
4 prejudice to administrative and criminal charges as may be filed against the  
5 school and or its responsible officers under existing laws.

6  
7 **SECTION 14.** The Senate Committee on Education and House  
8 Committee on Basic Education shall oversee the implementation of the  
9 Expanded Voucher System in coordination with the State Assistance Council.  
10 The State Assistance Council shall submit to Congress an annual  
11 accomplishment report on the implementation of this Act.

12  
13 **SECTION 15.** The State Assistance Council led by the Department of  
14 Education, Commission on Higher Education and Technical Education and  
15 Skills Development Authority shall formulate rules and regulations  
16 necessary for the smooth implementation of this Act within a period of sixty  
17 (60) days from the day of its effectivity.

18  
19 **SECTION 16. *Repealing Clause.*** All laws and decrees and such  
20 letters of instruction, rules and regulations or parts thereof which are  
21 inconsistent with this Act are hereby repealed or modified accordingly.

22  
23 **SECTION 17 *Separability Clause.*** If any provision of this Act is  
24 declared unconstitutional, the same shall not affect the validity and  
25 effectivity of the other provisions not affected thereby.

26  
27 **SECTION 18. *Effectivity Clause.*** This Act shall take effect  
28 immediately upon its publication in at least two newspaper of general  
29 circulation.

30  
31 *Approved,*