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**SENATE**  
**S. B. No. 2731**

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Introduced by Senators SONNY ANGARA and WIN GATCHALIAN

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**AN ACT**  
**FURTHER STRENGTHENING THE INCENTIVES FOR PRIVATE SECTOR  
PARTICIPATION IN PUBLIC EDUCATIONAL INSTITUTIONS BY AMENDING  
CERTAIN PROVISIONS IN REPUBLIC ACT NO. 8525 OTHERWISE KNOWN  
AS THE "ADOPT-A-SCHOOL ACT OF 1998"**

A perennial problem that has been identified across our education system is the lack of linkages between our educational institutions and our industries. One example of this is the persistent resistance of the private sector to hire learners who have completed Senior High School (SHS) despite the promise of the K to 12 basic education program to graduate individuals with adequate work-skills and competencies to land a job.

A 2018 survey conducted by JobStreet on fresh graduates even found that only 24 percent of employers—nearly 1 out of 4—were ready to hire the first batch of K to 12 graduates<sup>1</sup>. Furthermore, the same survey found that 35 percent of employers were not ready to hire SHS graduates, while 41 percent were still undecided. Such tepid reception undergirds the results of a June 2023 Pulse Asia Survey,<sup>2</sup> which showed that 4 out of 10 respondents were dissatisfied with the SHS program.

Hence, this new "Adopt-A-School Act" which amends Republic Act No. 8525 or the "Adopt-a-School Act of 1998", is proposed in response to this issue. Aimed at strengthening linkages between educational institutions and industry stakeholders, the proposed measure aims to improve on the existing "Adopt-A-School" program in several ways.

First is by expanding the menu of assistance that the private sector can extend to public educational institutions to include the following: training, development and

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<sup>1</sup> <https://www.philstar.com/headlines/2018/04/21/1807909/private-sector-urged-hire-k-12-graduates/amp/>

<sup>2</sup> Commissioned by Senator Sherwin Gatchalian

further education for school heads, teachers including daycare workers and teachers, TVET trainers, faculty and learners; assessments in pursuit of relevant work-related certifications and credentials; scholarships for teachers; real estate property; construction of school facilities such as libraries and laboratories as well as those related to power, water, and sanitation; repair of existing school facilities; provision of school supplies, and other educational materials such as electronic books (e-books), educational films and audio-visual materials; technical vocational livelihood (TVL) tools and equipment; health and nutrition packages; and assistive learning devices and equipment for learners with special needs.

Second is the provision of additional incentives to adopting individuals or entities to include an additional deduction amounting to 50 percent of labor training expenses incurred for scholarships for teachers and the skills development of enterprise-based trainees as provided for under Republic Act No. 11534 also known as the "Corporate Recovery and Tax Incentives for Enterprises Act" or "CREATE" and an additional deduction amounting to 20 percent of the salaries paid to the SHS graduates they employ. Donations made to public educational institutions under the Adopt-A-School Program shall also be exempted from customs duties, value-added tax, excise tax, donor's tax, and other fees.

Third, to ensure adequate coordination with the relevant industry stakeholders, the membership of the "Adopt-A-School" Coordinating Council is expanded to include the secretaries of the Department of Trade and Industry (DTI) and the Department of Labor and Employment (DOLE), the Commissioner of the Bureau of Internal Revenue (BIR), and a representative from a reputable business group.

In filing this measure, it is our earnest hope that the private sector be further enticed to forge linkages with our public educational institutions. It is important to note that the original Republic Act No. 8525 or the "Adopt-A-School Act of 1998" was enacted in 1998, several years before the K to 12 program was established under Republic Act No. 10533 also known as the "Enhanced Basic Education Act of 2013". In that sense, the proposed measure aims to update the existing Adopt-A-School program. Given the serious crisis our education system is facing, we call for the swift passage of this proposed measure.



**SONNY ANGARA**

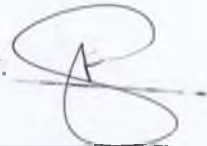


**WIN GATCHALIAN**

24 JUL 15 P4:07

SENATE  
S. B. No. 2731

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Introduced by Senators SONNY ANGARA and WIN GATCHALIAN

**AN ACT**  
**FURTHER STRENGTHENING THE INCENTIVES FOR PRIVATE SECTOR**  
**PARTICIPATION IN PUBLIC EDUCATIONAL INSTITUTIONS BY AMENDING**  
**CERTAIN PROVISIONS IN REPUBLIC ACT NO. 8525 OTHERWISE KNOWN AS**  
**THE "ADOPT-A-SCHOOL ACT OF 1998"**

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

**SECTION 1.** Section 1 of Republic Act No. 8525, otherwise known as the  
"Adopt-a-School Act of 1998", is hereby amended to read as follows:

"Section 1. Title. - This Act shall be known and cited as the [~~"Adopt-a-~~  
~~School Act of 1998".~~] **"ADOPT-A-SCHOOL ACT OF 2024".**

**SEC. 2.** Section 2 of Republic Act No. 8525 is hereby amended to read as  
follows:

"Section 2. Declaration of policy. – It is the policy of the State to provide  
quality and relevant education to the Filipino youth and to encourage private  
initiative to support public education. Towards this end, the State shall institute  
programs to [~~encourage~~] **INCENTIVIZE THE** private [~~companies and~~  
~~enterprises~~] **SECTOR** to [~~help~~] **ASSIST** in the **DEVELOPMENT**, upgrading,  
and modernization of **THE COUNTRY'S** public [~~schools~~] **EDUCATION**  
**SYSTEM** [~~in the country, particularly those in poverty stricken provinces.~~]  
**AND ESTABLISH PROPER LINKAGES BETWEEN EDUCATIONAL**  
**INSTITUTIONS AND THEIR RESPECTIVE INDUSTRIES**



1 **PARTICULARLY IN THE TRAINING AND EMPLOYMENT OF SENIOR**  
2 **HIGH SCHOOL (SHS) GRADUATES."**

3 **SEC. 3.** Section 3 of Republic Act No. 8525 is hereby amended to read as  
4 follows:

5 "Sec. 3. Adopt-a-School Program. - There is hereby established the  
6 "Adopt-a-School Program" which will allow private **INDIVIDUALS OR** entities,  
7 **WHETHER LOCAL OR FOREIGN, OF GOOD STANDING** to assist [a] public  
8 [school] **EDUCATIONAL INSTITUTIONS**, whether **EARLY CHILDHOOD**,  
9 elementary, secondary, **TECHNICAL-VOCATIONAL, ALTERNATIVE**  
10 **LEARNING SYSTEM (ALS)**, or [tertiary] **HIGHER EDUCATION**, preferably  
11 located in [~~any of the twenty (20) poorest provinces identified by the~~  
12 ~~Presidential Council for Countryside Development or any other government~~  
13 ~~agency tasked with identifying the poorest provinces]~~ **THE 4TH AND 5TH**  
14 **CLASS PROVINCES, CITIES, AND MUNICIPALITIES AS DETERMINED**  
15 **BY THE DEPARTMENT OF FINANCE (DOF) AND OTHER LOCAL**  
16 **GOVERNMENT UNITS (LGUs) EXPERIENCING SEVERE SHORTAGES,**  
17 **INSUFFICIENT BUDGET OR HAVING NUMEROUS POOR BUT HIGH**  
18 **PERFORMING LEARNERS** in, but not limited to, the following areas:  
19 **TRAINING, DEVELOPMENT AND FURTHER EDUCATION FOR SCHOOL**  
20 **HEADS, TEACHERS INCLUDING DAYCARE WORKERS AND TEACHERS,**  
21 **TVET TRAINERS, FACULTY AND LEARNERS; ASSESSMENTS IN**  
22 **PURSUIT OF RELEVANT WORK-RELATED CERTIFICATIONS AND**  
23 **CREDENTIALS; SCHOLARSHIPS FOR TEACHERS; REAL ESTATE**  
24 **PROPERTY** [~~staff and faculty development for training and further education~~];  
25 construction of **SCHOOL** facilities **SUCH AS LIBRARIES AND**  
26 **LABORATORIES AND THOSE RELATED TO POWER, WATER, AND**  
27 **SANITATION; [upgrading] UPGRADE AND REPAIR** of existing facilities,  
28 provision of books, publications, **SCHOOL SUPPLIES**, and other instructional  
29 materials **SUCH AS ELECTRONIC BOOKS (E-BOOKS), COMPUTERS,**  
30 **FURNITURE, EDUCATIONAL FILMS AND AUDIO-VISUAL MATERIALS;**  
31 **TECHNICAL VOCATIONAL LIVELIHOOD (TVL) TOOLS AND**  
32 **EQUIPMENT; HEALTH AND NUTRITION PACKAGES; ASSISTIVE**

1       **LEARNING DEVICES AND EQUIPMENT FOR LEARNERS WITH SPECIAL**  
2       **NEEDS;** and modernization of instructional technologies.

3               A Memorandum of Agreement (MOA) specifying the details of the  
4       adoption shall be entered into between the adopting **INDIVIDUAL OR** entity  
5       and the head of the ~~[school]~~ **EDUCATIONAL INSTITUTION CONCERNED**  
6       concerned: *Provided*, That such MOA shall be subject to review and approval  
7       of the ~~[Superintendent of Schools of the province or district concerned]~~  
8       **CONCERNED FIELD OFFICE OF THE EDUCATIONAL INSTITUTION:**  
9       *Provided, further*, That the agreement shall last for at least two (2) years with  
10      the possibility of extension: *Provided, finally*, That such period may be  
11      shortened only in cases where the adopting **INDIVIDUAL OR** entity is  
12      dissolved before the end of such period unless otherwise earlier terminated in  
13      accordance with ~~[the succeeding section]~~ **THIS ACT."**

14      **SEC. 4.** Insert a new Section under Republic Act No. 8525 to read as follows,  
15      and renumber the succeeding sections accordingly:

16              **"SEC. 4. CREATION AND ESTABLISHMENT OF AN ADOPT-A-**  
17      **SCHOOL ONE-STOP SHOP. – THE CENTRAL OFFICES OF THE**  
18      **DEPARTMENT OF EDUCATION (DEPED), COMMISSION ON HIGHER**  
19      **EDUCATION (CHED), AND TECHNICAL EDUCATION AND SKILLS**  
20      **DEVELOPMENT AUTHORITY (TESDA) AS WELL AS ITS RESPECTIVE**  
21      **REGIONAL OFFICES SHALL BE MANDATED TO ESTABLISH AND**  
22      **MAINTAIN AN ADOPT-A-SCHOOL ONE-STOP SHOP WHICH SHALL**  
23      **SERVE AS A LOCATION TO ADDRESS QUERIES AND CONCERNS FROM**  
24      **PRIVATE INDIVIDUALS AND ENTITIES INTERESTED IN THE**  
25      **PROGRAM, AND TO RECEIVE AND PROCESS APPLICATIONS JOINTLY**  
26      **WITH BIR AND BOC: PROVIDED, THAT DEPED, CHED AND TESDA**  
27      **SHALL, IN CONSULTATION WITH THE DEPARTMENT OF**  
28      **INFORMATION AND COMMUNICATIONS TECHNOLOGY (DICT),**  
29      **ESTABLISH AN INTEGRATED ONLINE PORTAL TO RECEIVE AND**  
30      **PROCESS APPLICATIONS."**

31      **SEC. 5.** Section 4 of Republic Act No. 8525 is hereby amended to read as  
32      follows:

1           "Section [4] **5.** Periodic review. – A review of the adoption shall be  
2 undertaken by the [~~local school board of the province or city where the school~~]  
3 **CONCERNED FIELD OFFICE WHERE THE PARTICIPATING SCHOOL** is  
4 located. The standards and guidelines for the review shall be formulated by the  
5 **ADOPT-A-SCHOOL** Coordinating Council created under Sec. [7] **8** hereof.  
6 The results of the review shall be taken into consideration in the assessment of  
7 the application for tax credits by the adopting **INDIVIDUAL OR** entity. The  
8 [~~school board~~] **CONCERNED FIELD OFFICE** may, after an appropriate  
9 review, recommend to the **ADOPT-A-SCHOOL** Coordinating Council the  
10 termination of the adoption. The adopting **INDIVIDUAL OR** entity may appeal  
11 the assessment to the **ADOPT-A-SCHOOL** Coordinating Council whose  
12 decision shall be final and unappealable."

13       **SEC. 6.** Section 5 and 6 of Republic Act No. 8525 are hereby repealed and  
14 replaced with a new Section to be read as follows:

15           "**SEC. 6. INCENTIVES FOR ADOPTING INDIVIDUALS OR**  
16 **ENTITIES. – PROVISIONS OF EXISTING LAWS TO THE CONTRARY**  
17 **NOTWITHSTANDING, ADOPTING INDIVIDUALS OR ENTITIES SHALL**  
18 **ENJOY THE FOLLOWING INCENTIVES:**

19           a) **ADDITIONAL DEDUCTION FOR EXPENSES INCURRED FOR THE**  
20 **ADOPTION - EXPENSES INCURRED BY THE ADOPTING**  
21 **INDIVIDUALS OR ENTITIES FOR THE "ADOPT-A-SCHOOL**  
22 **PROGRAM" SHALL BE ALLOWED AN ADDITIONAL DEDUCTION**  
23 **FROM THE GROSS INCOME EQUIVALENT TO FIFTY PERCENT**  
24 **(50%) OF SUCH EXPENSES.**

25           **THIS SHALL INCLUDE SCHOLARSHIPS FOR TEACHERS**  
26 **AND LABOR TRAINING EXPENSES INCURRED FOR SKILLS**  
27 **DEVELOPMENT OF ENTERPRISE-BASED TRAINEES ENROLLED**  
28 **IN PUBLIC SENIOR HIGH SCHOOLS, PUBLIC HIGHER**  
29 **EDUCATION INSTITUTIONS, OR PUBLIC TECHNICAL AND**  
30 **VOCATIONAL INSTITUTIONS AND DULY COVERED BY AN**  
31 **APPRENTICESHIP AGREEMENT UNDER PRESIDENTIAL DECREE**  
32 **NO. 442, SERIES OF 1974, OR THE 'LABOR CODE OF THE**



1 PHILIPPINES', AS AMENDED: *PROVIDED*, FURTHER, THAT FOR  
2 THE ADDITIONAL DEDUCTION FOR ENTERPRISE-BASED  
3 TRAINING OF STUDENTS FROM PUBLIC EDUCATIONAL  
4 INSTITUTIONS, THE ENTERPRISE SHALL SECURE PROPER  
5 CERTIFICATION FROM THE DEPED, TESDA, OR CHED:  
6 *PROVIDED*, FINALLY, THAT SUCH DEDUCTION SHALL NOT  
7 EXCEED TEN PERCENT (10%) OF DIRECT LABOR WAGE.

8 VALUATION OF ASSISTANCE OTHER THAN MONEY SHALL  
9 BE BASED ON THE ACQUISITION COST OF THE GOODS,  
10 SERVICES AND REAL PROPERTY. SUCH VALUATION SHALL  
11 TAKE INTO CONSIDERATION THE DEPRECIATED VALUE OF THE  
12 GOODS AND REAL PROPERTY IN CASE SAID GOODS AND REAL  
13 PROPERTY HAS ALREADY BEEN USED.

14 b) *ADDITIONAL DEDUCTION FOR HIRING OF PUBLIC SENIOR*  
15 *HIGH SCHOOL (SHS) GRADUATES* - ADOPTING INDIVIDUALS  
16 OR ENTITIES WHO HIRE SENIOR HIGH SCHOOL (SHS)  
17 GRADUATES FROM THEIR PARTNER PUBLIC SCHOOL SHALL  
18 ENJOY AN ADDITIONAL DEDUCTION EQUIVALENT TO 20% OF  
19 THE SALARIES, WAGES, AND BENEFITS PAID TO THE  
20 EMPLOYED SHS GRADUATE.

21 c) *ADDITIONAL INCENTIVES* - IN ACCORDANCE WITH EXISTING  
22 LAWS AND SUBJECT TO THE GUIDELINES THAT SHALL BE  
23 PROVIDED IN THE IRR, THE ADOPTING INDIVIDUAL OR  
24 ENTITY SHALL BE ENTITLED TO HAVE ITS NAME EMBLAZONED  
25 BENEATH THE NAME OF THE SCHOOL AFTER WORDS  
26 INDICATING THAT THE SCHOOL IS UNDER THE "ADOPT-A-  
27 SCHOOL PROGRAM."

28 **SEC. 7.** Insert a new Section under Republic Act No. 8525 to read as follows,  
29 and renumber the succeeding sections accordingly:

30 **"SEC. 7. EXEMPTION FROM IMPORT DUTIES, TAXES AND**  
31 **OTHER FEES. – THE DONATED GOODS, REAL PROPERTY, AND**  
32 **SERVICES BY AN ADOPTING INDIVIDUAL OR ENTITY SHALL BE**

1       **EXEMPT FROM CUSTOMS DUTIES, VALUE-ADDED TAX, EXCISE TAX,**  
2       **DONOR'S TAX, AND OTHER FEES: *PROVIDED*, THAT THE DONATIONS**  
3       **SHALL NOT BE RESOLD OR TRANSFERRED FOR MATERIAL**  
4       **CONSIDERATION."**

5       **SEC. 8.** Section 7 or Republic Act No. 8525 is hereby amended to read as  
6 follows:

7               "Section [7]. **ADOPT-A-SCHOOL** Coordinating Council. – A **ADOPT-**  
8       **A-SCHOOL** Coordinating Council, hereinafter referred to as the Council, is  
9 hereby created to coordinate and monitor the implementation of this Act. The  
10 Council shall be composed of the Secretary of [~~the Department of Education,~~  
11 ~~Culture and Sports (DECS)~~] **DEPED**, as chairperson; the Chairman of [~~the~~  
12 ~~Commission on Higher Education (CHED)~~] **CHED** and the Director-General of  
13 [~~the Technical Education and Skills Development Authority (TESDA)~~] **TESDA**,  
14 as co-chairpersons; **THE SECRETARY OF THE DEPARTMENT OF TRADE**  
15 **AND INDUSTRY (DTI); THE SECRETARY OF THE DEPARTMENT OF**  
16 **LABOR AND EMPLOYMENT (DOLE); THE COMMISSIONER OF THE**  
17 **BUREAU OF INTERNAL REVENUE (BIR)** and [~~the chairperson of the~~  
18 ~~Presidential Council for Countryside Development (PCCD), and~~] a  
19 representative, **WHO SHALL HAVE A TERM OF THREE (3) YEARS AND**  
20 **MAY BE REAPPOINTED FOR ANOTHER THREE (3) YEARS**, from a  
21 [~~national federation of chambers of commerce and industry~~] **REPUTABLE**  
22 **BUSINESS GROUP** to be appointed by the President of the Philippines, as  
23 members."

24               **THE SECRETARIES OF DEPED, DTI AND DOLE, THE CHAIRMAN**  
25 **OF CHED, THE DIRECTOR-GENERAL OF TESDA, AND THE**  
26 **COMMISSIONER OF BIR MAY DESIGNATE THEIR RESPECTIVE**  
27 **ALTERNATES WITH RANKS NOT LOWER THAN ASSISTANT**  
28 **SECRETARY OR ITS EQUIVALENT. ALL ALTERNATES SHALL BE**  
29 **AUTHORIZED TO DECIDE FOR OR ON BEHALF OF THEIR RESPECTIVE**  
30 **PRINCIPALS.**



1           The Council shall meet once every three (3) months. The chairpersons  
2           and members shall not receive compensation but shall be entitled to  
3           reimbursements for reasonable expenses related to the Council's activities.

4           The **DEPED** [DECS], CHED, [~~and~~] TESDA, **DTI, DOLE** through a mutual  
5           agreement, **AND IN COORDINATION WITH DBM**, shall each make  
6           provisions for the secretariat of the Council.

7           **THE COUNCIL SHALL COORDINATE WITH NATIONAL**  
8           **GOVERNMENT AGENCIES (NGAS) AND EXISTING COUNCILS**  
9           **RELEVANT TO THE IMPLEMENTATION OF THE PROVISIONS OF THIS**  
10          **ACT."**

11          **SEC. 9. *Implementing Rules and Regulations.*** – Within sixty (60) days from the  
12          effectivity of this Act, the DepEd, CHED, TESDA, DTI and DOLE, in consultation with  
13          the DOF, including the BIR, and the Bureau of Customs (BOC), as well as with the  
14          participation of the ECCD Council Secretariat, shall formulate the implementing rules  
15          and regulations to implement this Act.

16          **SEC. 10. *Transitory Clause.*** – To prevent any delay in the delivery of goods,  
17          services, and real property, the provisions of Republic Act No. 8525 also known as the  
18          "Adopt-a-School Act of 1998" shall still apply to pending and on-going transactions  
19          and/or donations by adopting individuals or entities.

20          **SEC. 11. *Separability Clause.*** – If any portion or provision of this Act is declared  
21          unconstitutional, the remainder of this Act or any provision not affected thereby shall  
22          remain in full force and effect.

23          **SEC. 12. *Repealing Clause.*** – All other laws, acts, presidential decrees,  
24          executive orders, presidential proclamations, issuances, rules and regulations or parts  
25          thereof which are contrary to or inconsistent with any of the provisions of this Act are  
26          hereby repealed, amended, or modified accordingly.

27          **SEC. 13. *Effectivity.*** – This Act shall take effect fifteen (15) days after its  
28          publication in the *Official Gazette* or in a newspaper of general circulation.

          Approved,