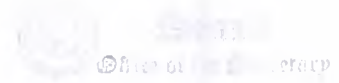


NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



24 SEP -3 P7:38

SENATE

S. No. 2809

RECEIVED

Introduced by Senator Loren B. Legarda

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"

EXPLANATORY NOTE

One of the most pressing issues in our education system is the persistent disconnect between our educational institutions and the industries that should be employing our graduates.

The Philippine Business for Education (PBE) revealed that while four out of five firms are now open to hiring senior high school graduates—an improvement from the 2018 survey where only three out of five were willing—there's still a long way to go. Nearly half of these firms said they had positions available for K to 12 graduates, but these roles are predominantly entry-level jobs in the service sector or administrative positions that fresh college graduates are already competing for. PBE pointed out that the industry still "generally prefers" college degree holders. For example, in 2024, employers expect that 73%, or 12,544 of the 17,273 entry-level jobs, will be filled by college graduates, leaving less than a quarter for senior high school finishers. Furthermore, most businesses (62%) remain uncertain about hiring more K to 12 graduates in the next two years.¹

¹ Chi, C. (2024, July 15). More firms open to hiring K-12 grads, but most still prefer college degree-holders. *Philstar.com*. <https://www.philstar.com/headlines/2024/07/15/2370370/more-firms-open-hiring-k-12-grads-most-still-prefer-college-degree-holders>

To help address this issue, the new "Adopt-a-School Act," amending Republic Act No. 8525, is proposed to fortify the partnerships between our educational institutions and industry stakeholders.

First, the bill broadens the scope of support that the private sector can extend to public educational institutions, including training and further education for school heads, teachers, and learners, as well as support for certifications, scholarships, and the construction and repair of school facilities. Additionally, it includes the provision of essential educational materials, technical vocational tools, and assistive devices for learners with special needs.

Second, the proposed measure addresses a critical issue identified by the Second Congressional Commission on Education (EDCOM2). As reported by the Bureau of Internal Revenue, not a single entity has availed of the tax incentives under the Adopt-A-School Act of 1998 (R.A. No. 8525) since 1996. The proposed measure addresses this by introducing clearer incentive provisions aimed at encouraging and strengthening partnerships between educational institutions and adopting individuals or entities.

Third, the membership of the "Adopt-A-School" Coordinating Council is expanded to include key industry and government representatives.

This measure aims to revitalize the partnership between the private sector and our educational institutions, a collaboration that is vital to the success of both our students and our economy. Given the significant evolution of our educational landscape, this amendment is essential to updating and aligning the program with the current needs of our educational system.

In view of the foregoing, the passage of this measure is earnestly sought.



LOREN LEGARDA

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

24 SEP -3 P7:38

SENATE

S. No. 2809

RECEIVED BY 

Introduced by Senator Loren B. Legarda

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:

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

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

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

7 "Section 2. *Declaration of Policy.* – It is the policy of the State to provide
8 quality and relevant education to the Filipino youth and to encourage private
9 initiatives to support public education. Towards this end, the State shall institute
10 programs to [~~encourage~~] **INCENTIVIZE THE** private [~~companies—and~~
11 ~~enterprises~~] **SECTOR** to [~~help~~] **ASSIST** in the **DEVELOPMENT**, upgrading,
12 and modernization of **THE COUNTRY'S** public [~~schools~~] **EDUCATION**

1 **SYSTEM** ~~[in the country, particularly those in poverty-stricken provinces.]~~
2 **AND ESTABLISH PROPER LINKAGES BETWEEN EDUCATIONAL**
3 **INSTITUTIONS AND THEIR RESPECTIVE INDUSTRIES**
4 **PARTICULARLY IN THE TRAINING AND EMPLOYMENT OF SENIOR**
5 **HIGH SCHOOL (SHS) GRADUATES."**

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

8 "Sec. 3. *Adopt-a-School Program.* - There is hereby established the
9 "Adopt-a-School Program" which will allow private **INDIVIDUALS OR** entities,
10 **WHETHER LOCAL OR FOREIGN, OF GOOD STANDING** to assist [a] public
11 [school] **EDUCATIONAL INSTITUTIONS**, whether **EARLY CHILDHOOD**,
12 elementary, secondary, **TECHNICAL-VOCATIONAL, ALTERNATIVE**
13 **LEARNING SYSTEM (ALS)**, or [tertiary] **HIGHER EDUCATION**, preferably
14 located in ~~[any of the twenty (20) poorest provinces identified by the~~
15 ~~Presidential Council for Countryside Development or any other government~~
16 ~~agency tasked with identifying the poorest provinces]~~ **THE 4TH AND 5TH**
17 **CLASS PROVINCES, CITIES, AND MUNICIPALITIES AS DETERMINED**
18 **BY THE DEPARTMENT OF FINANCE (DOF) AND OTHER LOCAL**
19 **GOVERNMENT UNITS (LGUs) EXPERIENCING SEVERE SHORTAGES,**
20 **INSUFFICIENT BUDGET OR HAVING NUMEROUS POOR BUT HIGH**
21 **PERFORMING LEARNERS** in, but not limited to, the following areas:
22 **TRAINING, DEVELOPMENT AND FURTHER EDUCATION FOR SCHOOL**
23 **HEADS, TEACHERS INCLUDING DAYCARE WORKERS AND TEACHERS,**
24 **TVET TRAINERS, FACULTY AND LEARNERS; ASSESSMENTS IN**

1 PURSUIT OF RELEVANT WORK-RELATED CERTIFICATIONS AND
2 CREDENTIALS; SCHOLARSHIPS FOR TEACHERS; REAL ESTATE
3 PROPERTY [staff and faculty development for training and further education];
4 construction of SCHOOL facilities SUCH AS LIBRARIES AND
5 LABORATORIES AND THOSE RELATED TO POWER, WATER, AND
6 SANITATION; [upgrading] UPGRADE AND REPAIR of existing facilities,
7 provision of books, publications, SCHOOL SUPPLIES, and other instructional
8 materials SUCH AS ELECTRONIC BOOKS (E-BOOKS), COMPUTERS,
9 FURNITURE, EDUCATIONAL FILMS AND AUDIO-VISUAL MATERIALS;
10 TECHNICAL VOCATIONAL LIVELIHOOD (TVL) TOOLS AND
11 EQUIPMENT; HEALTH AND NUTRITION PACKAGES; ASSISTIVE
12 LEARNING DEVICES AND EQUIPMENT FOR LEARNERS WITH SPECIAL
13 NEEDS; and modernization of instructional technologies.

14 A Memorandum of Agreement (MOA) specifying the details of the
15 adoption shall be entered into between the adopting INDIVIDUAL OR entity
16 and the head of the [school] EDUCATIONAL INSTITUTION concerned:
17 *Provided*, That such MOA shall be subject to review and approval of the
18 [~~Superintendent of Schools of the province or district concerned~~]
19 CONCERNED FIELD OFFICE OF THE EDUCATIONAL INSTITUTION:
20 *Provided, further*, That the agreement shall last for at least two (2) years with
21 the possibility of extension: *Provided, finally*, That such period may be
22 shortened only in cases where the adopting INDIVIDUAL OR entity is
23 dissolved before the end of such period unless otherwise earlier terminated in
24 accordance with [~~the succeeding section~~] THIS ACT."

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

3 **"SEC. 4. CREATION AND ESTABLISHMENT OF AN ADOPT-A-**
4 **SCHOOL ONE-STOP SHOP. – THE CENTRAL OFFICES OF THE**
5 **DEPARTMENT OF EDUCATION (DEPED), COMMISSION ON HIGHER**
6 **EDUCATION (CHED), AND TECHNICAL EDUCATION AND SKILLS**
7 **DEVELOPMENT AUTHORITY (TESDA), AS WELL AS ITS RESPECTIVE**
8 **REGIONAL OFFICES, SHALL BE MANDATED TO ESTABLISH AND**
9 **MAINTAIN AN ADOPT-A-SCHOOL ONE-STOP SHOP WHICH SHALL**
10 **SERVE AS A LOCATION TO ADDRESS QUERIES AND CONCERNS FROM**
11 **PRIVATE INDIVIDUALS AND ENTITIES INTERESTED IN THE**
12 **PROGRAM, AND TO RECEIVE AND PROCESS APPLICATIONS JOINTLY**
13 **WITH BIR AND BOC: PROVIDED, THAT DEPED, CHED AND TESDA**
14 **SHALL, IN CONSULTATION WITH THE DEPARTMENT OF**
15 **INFORMATION AND COMMUNICATIONS TECHNOLOGY (DICT),**
16 **ESTABLISH AN INTEGRATED ONLINE PORTAL TO RECEIVE AND**
17 **PROCESS APPLICATIONS."**

18 SEC. 5. Section 4 of Republic Act No. 8525 is hereby amended to read as
19 follows:

20 "Section [4] **5. Periodic review.** – A review of the adoption shall be
21 undertaken by the ~~[local school board of the province or city where the school]~~
22 **CONCERNED FIELD OFFICE WHERE THE PARTICIPATING SCHOOL** is
23 located. The standards and guidelines for the review shall be formulated by the
24 **ADOPT-A-SCHOOL** Coordinating Council created under Sec. [7] **8** hereof.

1 The results of the review shall be taken into consideration in the assessment of
2 the application for tax credits by the adopting **INDIVIDUAL OR** entity. The
3 ~~[school-board]~~ **CONCERNED FIELD OFFICE** may, after an appropriate
4 review, recommend to the **ADOPT-A-SCHOOL** Coordinating Council the
5 termination of the adoption. The adopting **INDIVIDUAL OR** entity may appeal
6 the assessment to the **ADOPT-A-SCHOOL** Coordinating Council whose
7 decision shall be final and unappealable."

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

10 **"SEC. 6. INCENTIVES FOR ADOPTING INDIVIDUALS OR**
11 **ENTITIES. – PROVISIONS OF EXISTING LAWS TO THE CONTRARY**
12 **NOTWITHSTANDING, ADOPTING INDIVIDUALS OR ENTITIES SHALL**
13 **ENJOY THE FOLLOWING INCENTIVES:**

14 **a) ADDITIONAL DEDUCTION FOR EXPENSES INCURRED FOR THE**
15 **ADOPTION. - EXPENSES INCURRED BY THE ADOPTING**
16 **INDIVIDUALS OR ENTITIES FOR THE "ADOPT-A-SCHOOL**
17 **PROGRAM" SHALL BE ALLOWED AN ADDITIONAL DEDUCTION**
18 **FROM THE GROSS INCOME EQUIVALENT TO FIFTY PERCENT**
19 **(50%) OF SUCH EXPENSES.**

20 **THIS SHALL INCLUDE SCHOLARSHIPS FOR TEACHERS**
21 **AND LABOR TRAINING EXPENSES INCURRED FOR SKILLS**
22 **DEVELOPMENT OF ENTERPRISE-BASED TRAINEES ENROLLED**
23 **IN PUBLIC SENIOR HIGH SCHOOLS, PUBLIC HIGHER**
24 **EDUCATION INSTITUTIONS, OR PUBLIC TECHNICAL AND**

VOCATIONAL INSTITUTIONS AND DULY COVERED BY AN APPRENTICESHIP AGREEMENT UNDER PRESIDENTIAL DECREE NO. 442, SERIES OF 1974, OR THE 'LABOR CODE OF THE PHILIPPINES', AS AMENDED: *PROVIDED*, FURTHER, THAT FOR THE ADDITIONAL DEDUCTION FOR ENTERPRISE-BASED TRAINING OF STUDENTS FROM PUBLIC EDUCATIONAL INSTITUTIONS, THE ENTERPRISE SHALL SECURE PROPER CERTIFICATION FROM THE DEPED, TESDA, OR CHED: *PROVIDED*, FINALLY, THAT SUCH DEDUCTION SHALL NOT EXCEED TEN PERCENT (10%) OF DIRECT LABOR WAGE.

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

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

1 c) ***ADDITIONAL INCENTIVES. - IN ACCORDANCE WITH EXISTING***
2 ***LAWS AND SUBJECT TO THE GUIDELINES THAT SHALL BE***
3 ***PROVIDED IN THE IRR, THE ADOPTING INDIVIDUAL OR***
4 ***ENTITY SHALL BE ENTITLED TO HAVE ITS NAME EMBLAZONED***
5 ***BENEATH THE NAME OF THE SCHOOL AFTER WORDS***
6 ***INDICATING THAT THE SCHOOL IS UNDER THE "ADOPT-A-***
7 ***SCHOOL PROGRAM."***

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

10 ***"SEC. 7. EXEMPTION FROM IMPORT DUTIES, TAXES AND***
11 ***OTHER FEES. – THE DONATED GOODS, REAL PROPERTY, AND***
12 ***SERVICES BY AN ADOPTING INDIVIDUAL OR ENTITY SHALL BE***
13 ***EXEMPT FROM CUSTOMS DUTIES, VALUE-ADDED TAX, EXCISE TAX,***
14 ***DONOR'S TAX, AND OTHER FEES: PROVIDED, THAT THE DONATIONS***
15 ***SHALL NOT BE RESOLD OR TRANSFERRED FOR MATERIAL***
16 ***CONSIDERATION."***

17 SEC. 8. Section 7 of Republic Act No. 8525 is hereby amended to read as
18 follows:

19 "Section [7] ***8. ADOPT-A-SCHOOL Coordinating Council.*** – An
20 ***ADOPT-A-SCHOOL*** Coordinating Council, hereinafter referred to as the
21 Council, is hereby created to coordinate and monitor the implementation of this
22 Act. The Council shall be composed of the Secretary of [~~the Department of~~
23 ~~Education, Culture and Sports (DECS)] **DEPED**, as chairperson; the Chairman~~
24 ~~of [the Commission on Higher Education (CHED)] **CHED** and the Director-~~

1 General of ~~[the Technical Education and Skills Development Authority (TESDA)]~~
2 **TESDA**, as co-chairpersons; **THE SECRETARY OF THE DEPARTMENT OF**
3 **TRADE AND INDUSTRY (DTI); THE SECRETARY OF THE DEPARTMENT**
4 **OF LABOR AND EMPLOYMENT (DOLE); THE COMMISSIONER OF THE**
5 **BUREAU OF INTERNAL REVENUE (BIR)** and ~~[the chairperson of the~~
6 ~~Presidential Council for Countryside Development (PCCD), and]~~ a
7 representative, **WHO SHALL HAVE A TERM OF THREE (3) YEARS AND**
8 **MAY BE REAPPOINTED FOR ANOTHER THREE (3) YEARS**, from a
9 ~~[national federation of chambers of commerce and industry]~~ **REPUTABLE**
10 **BUSINESS GROUP** to be appointed by the President of the Philippines, as
11 members."

12 **THE SECRETARIES OF DEPED, DTI, AND DOLE, THE CHAIRMAN**
13 **OF CHED, THE DIRECTOR-GENERAL OF TESDA, AND THE**
14 **COMMISSIONER OF BIR MAY DESIGNATE THEIR RESPECTIVE**
15 **ALTERNATES WITH RANKS NOT LOWER THAN ASSISTANT**
16 **SECRETARY OR ITS EQUIVALENT. ALL ALTERNATES SHALL BE**
17 **AUTHORIZED TO DECIDE FOR OR ON BEHALF OF THEIR RESPECTIVE**
18 **PRINCIPALS.**

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

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

1 **THE COUNCIL SHALL COORDINATE WITH NATIONAL**
2 **GOVERNMENT AGENCIES (NGAS) AND EXISTING COUNCILS**
3 **RELEVANT TO THE IMPLEMENTATION OF THE PROVISIONS OF THIS**
4 **ACT.”**

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

10 SEC. 10. *Transitory Clause.* – To prevent any delay in the delivery of goods,
11 services, and real property, the provisions of Republic Act No. 8525 also known as the
12 “Adopt-a-School Act of 1998” shall still apply to pending and ongoing transactions
13 and/or donations by adopting individuals or entities.

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

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

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

Approved,