

SEVENTEENTH CONGRESS OF THE]
REPUBLIC OF THE PHILIPPINES]
First Regular Session]

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RECEIVED BY: 

SENATE

S. B. No. 1434

Introduced by SENATOR WIN GATCHALIAN

**AN ACT CREATING A SPECIAL TUITION SUBSIDY FUND
FOR LOCAL UNIVERSITIES AND COLLEGES**

EXPLANATORY NOTE

In line with the State policy of accessible public education, basic and secondary education are made available free-of-cost to every Filipino child through the public education system. Thus, every Filipino is guaranteed the right to education up to the high school level. While there is no law providing for free higher education, there are pending legislations in both houses of Congress that are directed towards the goal of making higher education free in all state universities and colleges.

Under the 2017 budget, the Commission on Higher Education (CHED) has been given an additional P8.3-billion (\$167.17 million) allocation meant to provide for free tuition fees in state universities and colleges (SUCs).¹ Through this budget allocation, deserving students will be given free access to tertiary education. Consistent with the mandate of the current administration, the Senate of the Philippines has already approved the Free

¹ <http://www.rappler.com/nation/155562-congress-2017-budget-ched-free-tuition-sucs>.

Higher Education bill on third reading. However, this will not benefit the students who are enrolled in local universities and colleges.

Undeniably, the significant purpose for which these local universities and colleges (LUCs) are established within the jurisdiction of a particular local government unit, is to provide access and equitable distribution of opportunities for Filipinos to acquire higher education. Considering that the students in these institutions are similarly situated with those enrolled in SUCs, it is fair and imperative then that the government provides subsidy in funding for the financial sustainability of these LUCs to ensure the institutionalization of free tertiary education.

This measure seeks to provide for full tuition subsidy to all current and future enrollees in LUCs. The tuition fees to be paid by the students will instead be paid directly by the government to the LUCs.

In view of the foregoing, support for the passage and approval of this legislation is earnestly sought.




WIN GATCHALIAN



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

1 SEC. 1. **Short Title.** - This Act shall be known as the "*Free Tuition in*
2 *Local Universities and Colleges Act.*"

3 SEC. 2. **Declaration of Policy.** - It is the policy of the State to
4 protect and promote the right of all citizens to quality education at all levels
5 and to take appropriate steps to make education accessible to all. Pursuant
6 to this policy, the State shall comply with its constitutionally mandated
7 duty to give the highest budgetary priority to education and in doing so, it
8 shall take into account regional and sectoral needs and conditions and shall
9 encourage local government units to develop educational programs and
10 policies.

11 SEC. 3. **Definition of Terms.** - As used in this Act, the terms
12 enumerated below shall have the following meaning:

13 (a) "Local Universities and Colleges" or "LUCs" refer to higher

1 educational institutions established by a local government unit
2 through an enabling ordinance, and financially supported by the
3 concerned local government unit.

4 (b) "Ordinance" refers to enabling act of the Sangguniang Bayan,
5 Panglunsod or Panlalawigan that creates a particular local
6 university or college and serves as the charter of the local
7 university or college.

8 (c) "Local Government Unit" or "LGU" refers to municipalities, cities
9 and provinces that created or established the local college or
10 university.

11 **SEC. 4. Full Tuition Subsidy in Local Universities and Colleges. -**

12 All Filipino citizens who are either currently enrolled at the time of effectivity
13 of this Act, or shall enroll at any Local Universities and Colleges shall be
14 exempt from paying tuition fees for any units enrolled, unless they are
15 disqualified under the provisions of this Act or by any other provision of law.

16 Notwithstanding the provision of the preceding paragraph, only those
17 Local Universities and Colleges duly accredited by the CHED shall be
18 covered under this Act.

19 **SEC. 5. Exceptions to the Full Tuition Subsidy. -** The following are
20 ineligible to avail of the full tuition subsidy in LUCs:

21 a) Persons who have already attained a bachelor's degree or
22 equivalent degree from any LUCs, SUCs or higher education
23 institution, whether public or private;

24 b) Persons who have been dishonorably discharged from any LUCs
25 or higher education institution, whether public or private, for any
26 reason other than financial difficulty in paying tuition and other fees;

27 c) Students who failed to complete their degree and/or non-degree
28 programs within a year after the period prescribed in their program.

29 **SEC. 6. LUC Tuition Subsidy Fund -** The LUC Tuition Subsidy Fund,
30 hereinafter referred to as the Fund, is hereby established. The Fund shall

1 be used solely for the purposes of implementing the full tuition subsidy
2 under the provisions of this Act. Tuition fees for units enrolled by persons
3 eligible for the tuition benefit under the provisions of this Act, payable to
4 LUCs, shall be paid from this Fund.

5 SEC. 7. **Administration of the Fund** - The Fund shall be
6 administered by the Commission on Higher Education (CHED), with the
7 following powers and functions:

- 8 a) Manage and administer the Fund;
- 9 b) Device a reporting mechanism to be implemented by the LUCs
10 which will detail the exact amount of tuition fee subsidy availed
11 of by persons eligible for the full tuition subsidy under this Act;
- 12 c) Formulate and implement an efficient and transparent
13 mechanism to ensure the payment of tuition subsidy, utilizing
14 money from the Fund, to the respective LUCs, pursuant to this
15 Act;
- 16 d) Resolve and mediate disputes concerning the ineligibility or
17 disqualification of persons from the full tuition subsidy under
18 the provisions of this Act or any other provision of law; and
- 19 e) Any other powers or functions necessary for the implementation
20 of the provisions of this Act.

21 SEC. 8. **Requirements for LUCs** - LUCs are hereby mandated to
22 fulfill before accessing the Fund:

- 23 a) Establish an admission and retention standard which shall be
24 meritocratic and equitable. This shall include, but not be
25 limited to, a qualifying examination and an affirmative action
26 mechanism for underprivileged but deserving students:
27 Provided, That the qualifying examination and all other
28 requirements to be fulfilled to qualify for admission under said
29 qualifying mechanism shall be free of charge to persons eligible
30 for the tuition subsidy under the provisions of this Act and the
31 payment of the cost thereof shall be sourced from the Fund;

- 1 b) In order to facilitate the tracking of students and their
2 performance, adopt the learner information system established
3 by the Department of Education (DedED) in accordance with
4 the guidelines to be developed by CHED;
- 5 c) Submit relevant information as determined by CHED on school
6 quality and performance to assist the Commission in
7 implementing this Act;
- 8 d) Determine a grade requirement and establish a monitoring
9 mechanism in maintaining the tuition subsidy so that students
10 will remain competitive; and
- 11 e) Formulate and submit to CHED and to the Committee on
12 Education of the Senate and the Committee on Higher and
13 Technical Education of the House of Representatives a detailed
14 LUC Development Plan updated every year, which shall include
15 plans for facilities and infrastructure development and
16 expansion.

17 SEC. 9. **Tuition Report.** - The President of each LUC shall submit to
18 the CHED, within five (5) days after the last day of late registration for each
19 semester, a report detailing the number of units enrolled by persons eligible
20 for the full tuition subsidy in their institution, as well as the tuition fee
21 amount due based on the number of units enrolled.

22 SEC. 10. **Payment from Fund** - The CHED shall ensure the full
23 payment of tuition fees due to the LUC, as reported under the next
24 preceding Section of this Act, no later than thirty (30) days after the
25 submission of the report to the CHED: *Provided,* That the CHED shall
26 reserve the right to disallow the payment of any reported fees which are
27 anomalous or irregular, until further investigation has been conducted.

28 SEC.11. **Accountability Report.** - At the end of each academic
29 semester, the President of each LUC shall submit to the CHED a report
30 reconciling the funds received from the Fund. Any unused or improperly
31 disbursed amount shall be returned immediately to the Fund.

1 SEC. 12. **Midterm Report.** - Starting during the first school year
2 upon effectivity of this Act, the CHED shall conduct a mandatory review and
3 submit a midterm report to Congress as to the status of implementation of
4 this Act.

5 The CHED shall include among others, in this midterm report, the
6 following key metrics of access to and quality of public tertiary education:

- 7 a) Enrollment rate;
- 8 b) Student demographics;
- 9 c) Graduation rate;
- 10 d) Gross tuition receipts;
- 11 e) Disqualification and ineligibility;
- 12 f) Teachers' welfare and training profiles;
- 13 g) Adequacy of funding requirements; and
- 14 h) Other educational quality indicators, including but not limited to
15 physical learning infrastructure, teacher-to-student ratio, and student
16 housing.

17 SEC. 13. **Tuition Fee Ceiling** – The CHED shall formulate and
18 implement policies to prevent undue and arbitrary increase in tuition fee by
19 LUCs.

20 SEC. 14. **Appropriations.** - The amount of Four Billion Pesos
21 (P4,000,000,000) is hereby initially appropriated for the LUC Tuition
22 Subsidy Fund and to implement the provisions of this Act. Thereafter, the
23 amount necessary to carry out the provisions of this Act shall be included in
24 the budget of the CHED in the General Appropriations Act.

25 SEC. 15. **Implementing Rules and Regulations.** – The (60) days
26 from the effectivity of this Act, the CHED shall promulgate the implementing
27 rules and regulations necessary to ensure the efficient and effective
28 implementation of this Act.

29 SEC. 16. **Separability Clause.** - Should any part of this Act be

1 declared unconstitutional, the rest of the provisions of this Act shall
2 continue to be in effect and subsisting.

3 SEC. 17. **Repealing Clause.** - The provisions of other laws, decrees,
4 executive orders, rules and regulations inconsistent with this Act are hereby
5 repealed, amended, or modified accordingly.

6 SEC. 18. **Effectivity.** - This Act shall take effect fifteen (15) days after
7 its publication in the *Official Gazette* and/or in at least two (2) national
8 newspapers in general circulation.

Approved,