

TWENTIETH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES First Regular Session

25 JUL 10 P2:06

SENATE

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RECEIVED BY:

Introduced by SENATOR WIN GATCHALIAN

AN ACT

PROVIDING FOR GOVERNMENT ASSISTANCE TO PRIVATE BASIC EDUCATION, FURTHER AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 6728, OTHERWISE KNOWN AS THE "GOVERNMENT ASSISTANCE TO STUDENTS AND TEACHERS IN PRIVATE EDUCATION ACT", AS AMENDED, AND APPROPRIATING FUNDS THEREFOR

EXPLANATORY NOTE

The 1987 Constitution provides that the State shall protect and promote the right of all citizens to quality education at all levels and shall take appropriate steps to make such education accessible to all. The enactment of Republic Act (R.A.) No. 6728, otherwise known as the "Government Assistance to Students and Teachers in Private Education Act" (GASTPE), recognizes the complementary roles of public and private educational institutions by providing assistance to students in private education at the high school, technical-vocational, and tertiary levels.

One form of assistance institutionalized under Section 4 of R.A. No. 6728 is the Educational Service Contracting (ESC) Scheme whereby a subsidy is provided to qualified high school learners in private high schools. At the time, proponents of the ESC Scheme deemed it a possible solution to four key

¹ 1987 Philippine Constitution, Article XIV, Section 1.

problems in public high schools: congestion, low quality of education, higher per student cost in public schools as compared to private schools, and declining viability of private high schools.² R.A. No. 6728 was later amended by R.A. No. 8545, entitled "Expanded Government Assistance to Students and Teachers in Private Education Act" (E-GASTPE), which expanded the coverage of assistance for high school learners and included assistance for teachers in private education by institutionalizing an In-Service Training (INSET) fund and the Teacher's Salary Subsidy (TSS).

Coverage under the E-GASTPE was further amended by Section 10 of R.A. No. 10533, otherwise known as the "Enhanced Basic Education Act of 2013", expanding benefits to qualified learners enrolled in Grades 11 and 12 or Senior High School (SHS). To address classroom shortage due to the creation of new grade levels in basic education, assistance in the form of the SHS Voucher Program (VP) was developed by the DepEd to provide vouchers to qualified SHS learners in VP-participating SHSs.³ Currently, the ESC Scheme, SHS-VP, INSET, and TSS programs are being jointly implemented by the DepEd and the Private Education Assistance Committee (PEAC).⁴

The E-GASTPE Program is the largest program under the DepEd. From Php 21.2 billion in 2016, the program's budget more than doubled to Php 53.2 billion in 2023. For 2025, the E-GASTPE Program has been allocated a budget of Php 40.51 billion based on the 2025 General Appropriations Act. This allocation makes up 5.2% of the DepEd's total annual appropriations.

On February 6, 2024, this representation filed Proposed Senate Resolution No. 925 which was referred to the Committee on Basic Education,

https://openknowledge.worldbank.org/entities/publication/1ae4cc13-e390-5059-82be-b25cca219d46, last accessed June 24, 2025.

² World Bank, A Review of the Government's Education Service Contracting Program, 2011, pp. 15-16, retrieved from

³ DepEd Order (D.O.) No. 020, s. 2023, Guidelines on the Implementation of the Senior High School Voucher Program, July 26, 2023.

⁴ As provided under the special provisions of the annual General Appropriations Act; See also DepEd D.O. No. 006, s. 2022, Reconstitution of the Government Assistance and Subsidies Composite Team, March 4, 2022.

joint with Finance, to discuss and assess the implementation of the E-GASTPE Act, for the purpose of crafting complementary or amendatory legislation. The Committee conducted two public hearings on February 28 and March 20, 2024.

The public hearings showed that the E-GASTPE Program is the main vehicle through which complementarity is practiced in basic education with certain perceived benefits. The DepEd confirmed in its analysis, together with the Asian Development Bank, that it would be more cost-efficient for the government to invest in private education by expanding the coverage of the Program rather than building classrooms and providing for complementary resources such as teacher salaries and furniture.⁵ Based on the study, accommodating an estimated 7.3 million excess learners in public schools over the next 30 years would cost the government a total of Php 3.7 trillion⁶ or Php 124 billion annually. Meanwhile, funding a voucher program over the same period would cost Php 2.6 trillion or about Php 86 billion annually. Hence, through the E-GASTPE Program, the government would save an estimated Php 1.1 trillion over the next 30 years.⁷

However, the ESC Scheme, in its current form, has failed to achieve the objectives of decongesting public high schools and providing equitable access to quality education for "poor but deserving" learners. Its inherent design flaws—lack of evidence-based slot allocation, perverse incentives for private schools, and the complexity of enabling conditions—render it ineffective and inequitable. Discontinuing the ESC Scheme in favor of a voucher system is a simpler and more cost-effective alternative. Adopting a voucher system will foster competition among private schools by incentivizing them to enhance the quality of education while keeping costs affordable. The relative simplicity

 $^{^5}$ DepEd, Transcript of Stenographic Notes on the $1^{\rm st}$ Public Hearing of the Committee on Basic Education on PSRN 925 dated February 28, 2024, p. 43.

 ⁶ In 2023 prices.
 ⁷ DepEd, Transcript of Stenographic Notes on the 1st Public Hearing of the Committee on Basic Education on PSRN 925 dated February 28, 2024, pp. 51-54.

of allocating vouchers to learners in congested public schools further enhances its appeal.

In support of these findings and to further operationalize the principle of complementarity to achieve the country's goals in education, this bill further expands the coverage of R.A. No. 6728, as amended, to integrate all basic education levels through the following provisions:

- (1) Expansion of government assistance to private basic education to include learners from Kindergarten to Grade 6;
- (2) Uniform implementation of tuition fee subsidy through a voucher system;
- (3) Strengthening the objectives of the law by decongesting overcrowded classrooms in public basic education schools and prioritizing learners belonging to low income households and Alternative Learning System completers;
- (4) Ensuring accountability and transparency in the engagement of support services of relevant government agencies or qualified private entities; and
- (5) Removing all assistance for post-secondary education programs handled by the Commission on Higher Education and the Technical Education and Skills Development Authority.

It is my fervent hope that this legislation will contribute to the strengthening of the complementary roles of public and private institutions in the Philippine education system by providing uniform government assistance for private basic education. Likewise, this bill shall ensure transparency and accountability of public funds that may be handled by private entities in the delivery of support services. Thus, I earnestly seek the support of this Congress for its immediate passage.

WIN GATCHALIAN



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s.B. No. <u>364</u>

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PROVIDING FOR GOVERNMENT ASSISTANCE TO PRIVATE BASIC EDUCATION, FURTHER AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 6728, OTHERWISE KNOWN AS THE "GOVERNMENT ASSISTANCE TO STUDENTS AND TEACHERS IN PRIVATE EDUCATION ACT", AS AMENDED, AND APPROPRIATING FUNDS THEREFOR

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

SECTION 1. This Act shall be known as the "Government Assistance to

2 Private Basic Education Act".

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4 SEC. 2. Section 2 of Republic Act No. 6728, entitled the "Government Assistance to Students and Teachers in Private Education Act", as amended by Republic Act No. 10533, or the "Enhanced Basic Education Act of 2013" and Republic Act No. 8545, or the "Expanded Government Assistance to Students and Teachers in Private Education Act" is hereby further amended

to read as follows:

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"SEC. 2. Declaration of Policy. — It is a declared policy of the State in conformity with the mandate of the Constitution, to promote and make quality education accessible to all Filipino citizens. The State also hereby recognizes the complementary roles

of public and private educational institutions in the educational system and the invaluable contribution that the private schools have made and will make to education. For these purposes, the State shall provide the mechanisms to improve quality in private education by maximizing the use of existing resources of private education, recognizing in the process the government's responsibility to provide basic [elementary and secondary education, post-secondary vocational and technical education, and higher] education as having priority over its other functions.

THE ENHANCED BASIC EDUCATION PROGRAM ENCOMPASSES AT LEAST ONE (1) YEAR OF KINDERGARTEN EDUCATION, SIX (6) YEARS OF ELEMENTARY EDUCATION, AND SIX (6) YEARS OF SECONDARY EDUCATION, PURSUANT TO REPUBLIC ACT NO. 10533, OR THE "ENHANCED BASIC EDUCATION ACT OF 2013".

["Elementary education is the first six (6) years of basic education, excluding pre-school and grade seven, the completion of which is attested by a certificate issued by or with permission of the Department of Education, Culture and Sports. Secondary education is the next four (4) years of basic education, the completion of which is attested by a high school diploma issued by or with permission of the Department of Education, Culture and Sports.]

["Post-secondary education may be education and training in non-degree vocational and technical courses offered in post-secondary vocational and technical institutions or education in degree courses offered by higher educational institutions, the completion of which are attested by a certificate or diploma issued by or with permission of the Technical Education and Skills Development Authority (TESDA) or the Commission on Higher Education (CHED), respectively.]"

SEC. 3. SEC. 3 of Republic Act No. 6728, as amended, is hereby further

amended to read as follows:

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"SEC. 3. Criteria for Assistance. — The programs for assistance shall be based on a set of criteria which shall include, [among others] BUT NOT LIMITED TO, CLASSROOM CONGESTION. OVERALL PERFORMANCE, AND tuition AND OTHER fees charged by [the] PRIVATE BASIC EDUCATION schools[3]; [the socioeconomic needs of each region giving priority to the Social Reform Agenda (SRA) provinces, overall performance of schools, the academic qualifications, and] [students] LEARNERS[-]; and financial needs of the PERFORMANCE OF PRIVATE BASIC EDUCATION [the] teachers [, and the financial needs of the schools, as well as the geographic spread and size of student population].

FOR PURPOSES OF THIS ACT, PRIVATE BASIC EDUCATION SHOOLS SHALL INCLUDE PRIVATE EDUCATION INSTITUTIONS OFFERING BASIC EDUCATION. PRIVATE BASIC EDUCATION TEACHERS SHALL INCLUDE TEACHERS IN PRIVATE EDUCATION INSTITUTIONS OFFERING BASIC EDUCATION.

["In addition to the foregoing criteria, within such reasonable time as the respective State Assistance Council may determine, student grantees under the Private Education Student Financial Assistance Program shall be enrolled in schools which have accredited programs or are applying for accreditation as may be recognized by the respective State Assistance Council.]

["Preference shall be given to students whose family income is not more than Seventy two thousand pesos (P72,000.00) or such amounts as may be determined by the respective councils, as defined hereinafter.]

["For purposes of this Act, programs of assistance to students and teachers of private post-secondary vocational and technical institutions and higher educational institutions

shall likewise be extended to students and teachers of community colleges in degree and non-degree programs. Implementation of the program shall encourage students to undergo post-secondary vocational and technical and higher education courses in the same region where their families reside.

"The programs of assistance under this Act shall be extended only to **[students] LEARNERS** who are citizens of the Philippines.

"The [State Assistance Council, jointly with the]
Department of Education (DEPED) [, Culture and Sports (DECS),
the CHED and the TESDA] shall formulate measurement
standards for the [evaluation of the quality of courses as well as
the standing and status] ACCREDITATION AND QUALITY
ASSURANCE of [the] recipient institutions.

["Within five (5) years from the approval of this Act, the assistance shall be given to schools: Provided, That the present allocation of the tuition fee and other income of the schools shall be used at the same proportion and allocation as provided by law-]"

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SEC. 4. SEC. 4 of Republic Act No. 6728, as amended, is hereby futher amended to read as follows:

- "SEC. 4. Forms of Assistance. [Assistance to private education shall consist of assistance to students and assistance to teachers.] The following are THE forms of assistance to [students] LEARNERS in private BASIC education SCHOOLS:
 - "(1) Tuition fee [supplements] SUBSIDY [for students in private high schools, including students in vocational and technical courses]; AND
 - "(2) [High School] BASIC EDUCATION [Textbook]
 LEARNING MATERIALS Assistance Fund. [: Provided, That the
 textbook assistance per student in private high schools shall
 be determined by the council and shall not exceed what

1	students in public high schools are provided on a per student
2	basis under a comprehensive textbook program of the
3	Secondary Education Development Program (SEDP):
4	Provided, further, That the textbook assistance shall be
5	granted only to beneficiaries of tuition fee supplements and
6	educational service contracting scheme provided in this Act;
7	"(3) Expansion of the existing Educational Service
8	Contracting (ESC) Scheme;
9	"(4) The voucher system of the Private Education
10	Student Financial Assistance Program (PESFA);
11	"(5) Scholarship grants to students graduating as
12	valedictorians and salutatorians from secondary schools;
13	"(6) Tuition fee supplements to students in private
14	colleges and universities; and
15	"(7) Education Loan Fund.]
16	"The following are THE forms of assistance to teachers [and
17	faculty] in private BASIC education SCHOOLS:
18	"(1) In-service training fund [for teachers in private high
19	sehools]; and
20	"(2) [College Faculty Development Fund] TEACHERS'
21	SALARY SUBSIDY FUND."
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23	SEC. 5. SEC. 5 of Republic Act No. 6728, as amended, is hereby further
24	amended to read as follows:
25	"SEC. 5. Tuition Fee [Supplements for Students in Private
26	High Schools SUBSIDY [(1) Financial Assistance for tuition
27	for students] TO COMPLY WITH THE STANDARD CLASSROOM-
28	LEARNER RATIO BY DECONGESTING OVERCROWDED
29	CLASSROOMS IN PUBLIC BASIC EDUCATION SCHOOLS,
30	TUITION FEE SUBSIDY FOR LEARNERS in [private high] SUCH
31	schools shall be provided by the government through a voucher
32	system: [in the following manner: "(a) For students enrolled in
33	schools charging an amount as may be determined by the State

Assistance Council, the government shall provide them with a voucher in such an amount as may be determined by the council:] PROVIDED, THAT LEARNERS BELONGING TO LOW INCOME HOUSEHOLDS SHALL BE PRIORITIZED: PROVIDED, FURTHER, THAT ALTERNATIVE LEARNING SYSTEM (ALS) COMPLETERS UNDER REPUBLIC ACT NO. 11510, OTHERWISE KNOWN AS THE "ALTERNATIVE LEARNING SYSTEM ACT", SHALL BE AUTOMATIC RECIPIENTS OF THE SUBSIDY.

THE AMOUNT OF THE VOUCHER SHALL BE DETERMINED BY THE DEPED AND SHALL BE REVIEWED EVERY THREE (3) YEARS: Provided, That the government shall reimburse the [vouchers from the] schools concerned within [one hundred twenty (120)] SIXTY (60) days from the close of the registration period. THE DEPED SHALL FURTHER ENSURE QUALITY STANDARDS FOR SUCH SCHOOLS TO QUALIFY AS RECIPIENT INSTITUTIONS.

["(2) Assistance under paragraph (1), subparagraph (a) shall be guaranteed to all private high schools participating in the program for a number of slots as of the effectivity of this Act as the total number of students who availed of tuition fee supplements for school year 1997-1998: Provided, That the State Assistance Council may in subsequent years determine additional slots and/or additional participating high schools as may be deemed necessary.]"

SEC. 6. SEC. 6 of Republic Act No. 6728, as amended, is hereby further amended to read as follows:

"SEC. 6. [High School] BASIC EDUCATION [Textbook] LEARNING MATERIALS Assistance Fund. — There shall be established in the [Department of Education, Culture and Sports (DECS)] DEPED, a [High School] BASIC EDUCATION [Textbook] LEARNING MATERIALS Assistance Fund, so that assistance on a

LEARNERS enrolled in private schools exclusively for the purchase of [high school] BASIC EDUCATION [textbooks] LEARNING MATERIALS [, in support of the implementation of the Secondary Education Development Program]: Provided, That the [textbook] LEARNING MATERIALS assistance per [student] LEARNER in private [high] BASIC EDUCATION schools shall be determined by the [council] DEPED and shall not exceed what [students] LEARNERS in public [high] BASIC EDUCATION schools are provided on a per [student] LEARNER basis: Provided, further, That the [textbook] LEARNING MATERIALS assistance shall be granted only to [beneficiaries] RECIPIENTS of THE tuition fee [supplements and educational service contracting scheme] SUBSIDY AS provided in this Act."

SEC. 7. Sections 7 (Expansion of the Existing Educational Service Contracting (ESC) Scheme), 8 (Assistance to College Freshmen), 9 (Further Assistance to Students in Private Colleges and Universities), 10 (Education Loan Fund), and 11 of Republic Act No. 6728, as amended, are hereby deleted.

SEC. 8. SEC. 12 of Republic Act No. 6728, as amended, is hereby further amended to read as follows:

"SEC. 12. In-service Training Fund (Inset Fund). — For the purpose of improving the quality of teaching in private [secondary] BASIC education SCHOOLS, there is hereby established in the [Department of Education, Culture and Sports] DEPED an Inset Fund to provide for the upgrading of knowledge and teaching competencies in critical subject areas and for the modernization of teaching techniques and strategies, including training in the use of [computers and of other multi-media] educational technologies to assist instruction: Provided, That the Inset Fund shall be available only to qualified licensed teachers in participating private [high] BASIC EDUCATION schools as determined by the [State]

Assistance Council DEPED: Provided, further, That the amount of
Inset Fund available to private [secondary] BASIC education
SCHOOLS shall not exceed that available to public [secondary]
BASIC education SCHOOLS on a per capita basis."

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SEC. 9. Section 13 (College Faculty Development Fund) of Republic Act No. 6728, as amended, is hereby deleted.

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SEC. 10. SEC. 14 of Republic Act No. 6728, as amended, is hereby further amended to read as follows:

"SEC. 14. Teachers' Salary Subsidy Fund. — A Teachers' Salary Subsidy Fund is hereby established in the [DECS] DEPED to grant government subsidy to teachers in private [high] BASIC **EDUCATION** schools participating in the [programs of assistance] **VOUCHER SYSTEM AS** provided in this Act: *Provided*, **THAT** PRIORITY SHALL \mathbf{BE} GIVEN TO HIGH **PERFORMING** USING **TEACHERS** STANDARDS-BASED ASSESSMENTS. PERFORMANCE EVALUATIONS, OR OTHER APPROPRIATE TEACHING **MEASURES** OF **COMPETENCE:** PROVIDED. FURTHER, That the total monthly salary which includes the subsidy to be received by such private [high] BASIC EDUCATION [school] teachers shall not be more than eighty percent (80%) of the salary of [his] THEIR counterpartS in the public sector: Provided, further MORE, That the amount of monthly subsidy shall not exceed the amount of any monthly salary increase that teachers in public high schools shall after the effectivity of this Act hereinafter receive: Provided, furtherMORE, That private [high] BASIC EDUCATION-[sehool] teachers qualified to receive THE subsidy under this Act are duly licensed by the Professional Regulation Commission: Provided, [further] FINALLY, That the **[government] DEPED** shall provide them with a **[voucher for the]** salary subsidy which shall be [reimbursed] PAID OUT directly to the teachers within [sixty (60)] THIRTY (30) days after the close

of the school year upon submission of proof of qualification and actual teaching service in [a] participating private [high] BASIC EDUCATION schoolS [: Provided, finally, That the present allocation out of increases from tuition and other income shall be maintained: Provided, finally, That in case of insufficiency of funds, priority shall be given to married teachers supporting a family]."

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SEC. 11. SEC. 15 of Republic Act No. 6728, as amended, is hereby further amended to read as follows:

"SEC. 15. Program Administration [f]; Rules and Regulations. — The [State Assistance Council] DEPED shall be responsible for policy guidance and direction, monitoring and evaluation of new and existing programs, [and the] promulgation of the rules and regulations, [while the Department of Education, Culture and **Sports, shall be responsible for**] day to day administration[,] and program implementation for the programs of assistance to private [secondary] BASIC education SCHOOLS [, post-secondary vocational and technical education and higher education, respectively]. Likewise, it may engage the SUPPORT services [and support] of any [qualified] RELEVANT government or QUALIFIED private [entity for its] ENTITIES TO ASSIST IN implementation OF THE PROGRAMS UNDER THIS PROVIDED, THAT THE ENGAGEMENT OF PRIVATE ENTITIES UNDER THIS SECTION SHALL BE SUBJECT TO PROCUREMENT LAWS AND REGULATIONS, AND SUCH PRIVATE ENTITIES SHALL BE SUBJECT TO THE POWER AND AUTHORITY OF THE COMMISSION ON AUDIT WITH RESPECT TO THE USE OF PUBLIC FUNDS RECEIVED PURSUANT TO THIS ACT.

["The State Assistance Council, hereinafter known as the Council, shall be headed by the Secretary of Education, Culture and Sports as chairperson, the chairperson of the CHED and

the director-general of the TESDA as co-chairpersons, with representatives from the National Economic and Development Authority, the Department of Budget and Management, the Department of Science and Technology, and representatives from duly organized nationwide associations of teachers, students, parents, and school administrators concerned with secondary, post secondary vocational and technical education and higher education as members. The last three (3) members shall be appointed by the Council upon the recommendation of their respective sectors for a term of one (1) school year subject to re-appointment for a maximum term of four (4) school years. A representative each from the Committees on Education of both Houses of Congress shall be designated resource persons to the Council.

["The Council shall meet, from time to time, as the need arises, to assess the effectivity of the programs and to ensure that the secondary schools, post-secondary vocational and technical institutions and higher educational institutions where student recipients are enrolled continue to provide quality education. For this purpose, the Council shall establish criteria, to determine which secondary schools, post-secondary vocational and technical institutions and higher educational institutions may continue to enroll students and teachers/faculty as recipients of government assistance under this Act.]"

SEC. 12. *Transitory Provision.* – Upon the effectivity of this Act, recipients of the Educational Service Contracting Scheme under Republic Act No. 6728, as amended, shall become voucher recipients under Sec. 5 herein: *Provided*, That they meet the criterion on financial need under Sec. 3.

Further, all forms of assistance for post-secondary education programs under Republic Act No. 6728, as amended, shall be transferred to and managed by the Unified Student Financial Assistance System for Tertiary

- Education (UniFAST) Board, as created by Republic Act No. 10687, otherwise known as the "Unified Student Financial Assistance System for Tertiary
- 3 Education (UniFAST) Act."

SEC. 13. Annual Report. – Three (3) years after the effectivity of this Act, the DepEd shall commence the submission of annual reports on the status of its implementation to the Committee on Basic Education of the Senate and the Committee on Basic Education and Culture of the House of Representatives.

SEC. 14. Implementing Rules and Regulations (IRR). – The DepEd, in consultation with the DBM, relevant government agencies, and other education stakeholders, shall formulate and issue the rules and regulations within sixty (60) days after the effectivity of this Act. The IRR issued pursuant to this section shall take effect thirty (30) days after its publication in a newspaper of general circulation.

SEC. 15. Separability Clause. – If any provision or part of this Act is declared invalid or unconstitutional, the other provisions hereof which are not affected thereby shall continue to be in full force and effect.

SEC. 16. Repealing Clause. – All other laws, executive orders, presidential decrees, administrative orders, rules and regulations, issuances, or parts thereof inconsistent with or contrary to the provisions of this Act are hereby repealed or amended accordingly.

SEC. 17. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,