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SENATE

S.B. No. 54

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Introduced by SENATOR 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"**

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.¹ The State shall also establish and maintain a system of scholarship grants, student loan programs, subsidies, and other incentives which shall be available to deserving students in both public and private schools, especially to the underprivileged.²

Republic Act (RA) No. 8525 or the "Adopt-a-School Act of 1998" was enacted on February 14, 1998, which established the Adopt-a-School Program allowing private entities to support public elementary, secondary, or tertiary schools, particularly in the twenty (20) poorest provinces as identified by the government. Assistance may include teacher training, facility

¹ 1987 Philippine Constitution, Article XIV, Section 1.

² *Id.*, at Section 3.

construction or improvement, provision of learning materials, and modernization of instructional technologies. Expenses incurred by the adopting entity for the “Adopt-a-School Program” shall be allowed an additional deduction from the gross income equivalent to fifty percent (50%) of such expenses.

However, a perennial problem that has been identified across our education system is the lack of linkages between educational institutions and industries. One example of this is the persistent resistance of the private sector to hire Senior High School (SHS) graduates with adequate work skills and competencies despite the promises of the K to 12 basic education program with the enactment of RA No. 10533 or the “Enhanced Basic Education Act of 2013”.

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. Furthermore, the same survey found that 35 percent of employers were not ready to hire SHS graduates, while 41 percent (41%) were still undecided. Such tepid reception undergirds the results of a June 2023 Pulse Asia Survey, which showed that only 4 out of 10 respondents were satisfied with the SHS program. By March 2025, this figure had declined, with only 3 out of 10 respondents expressing satisfaction with the SHS program.

The proposed measure seeks to strengthen the existing “Adopt-a-School” Program as follows:

1. Inclusion of early childhood, alternative learning system (ALS), and technical-vocational and training (TVET) as beneficiaries of the program;
2. Encouraging private individuals and entities, whether local or foreign and of good standing, to assist public educational institutions, especially those in the 4th and 5th class provinces, cities, and

municipalities experiencing severe shortages, insufficient budget, or having numerous poor but high performing learners;

3. Provision of assistance including, but not limited to, training and development for educators and learners, scholarships, construction and repair of school facilities, provision of instructional materials and equipment, and modernization of educational technologies;
4. A Memorandum of Agreement shall formalize the adoption between the private individual or entity and the educational institution, valid for at least two years and subject to approval and periodic review by the concerned educational field office;
5. The bill mandates the creation of an *Adopt-a-School One-Stop Shop* by the Department of Education, Commission on Higher Education, and Technical Education and Skills Development Authority to serve as a central hub for queries and application processing, supported by an integrated online portal;
6. Adopting individuals or entities will receive incentives, including a fifty percent (50%) additional deduction on expenses incurred, a twenty percent (20%) additional deduction for hiring of SHS graduates, naming rights, and exemptions from import duties and taxes on donations, as may be applicable; and
7. Additional members for the *Adopt-a-School Coordinating Council* composed of key government agency heads to include the Department of Trade and Industry, Department of Labor and Employment, Bureau of Internal Revenue, and a private sector representative from a reputable business group that will oversee the implementation and coordination of the program.

It is my fervent hope that the private sector will be further enticed to forge linkages with our public educational institutions. Given the serious crisis our education system is facing, I earnestly seek the support of this Congress for the immediate passage of this ~~amendatory~~ legislation.



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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 (R.A.) No. 8525, otherwise known
2 as the "Adopt-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
4 "Adopt-a-School Act of [1998] **2025**".

5
6 Sec. 2. Section 2 of R.A. No. 8525 is hereby amended to read as follows:

7 "Sec. 2. Declaration of policy. - It is the policy of the State to
8 provide quality and relevant education to the Filipino youth and to
9 encourage private initiative to support public education. Towards
10 this end, the State shall institute programs to [encourage]
11 **INCENTIVIZE THE** private [companies and enterprises] **SECTOR**
12 to [help] **ASSIST** in the **DEVELOPMENT**, upgrading, and
13 modernization of **THE COUNTRY'S** public [schools] **EDUCATION**
14 **SYSTEM** [in the country, particularly those in poverty stricken

1 ~~provinces.]~~ **AND ESTABLISH PROPER LINKAGES BETWEEN**
2 **EDUCATIONAL INSTITUTIONS AND THEIR RESPECTIVE**
3 **INDUSTRIES, PARTICULARLY IN THE TRAINING AND**
4 **EMPLOYMENT OF SENIOR HIGH SCHOOL (SHS) GRADUATES.”**
5

6 Sec. 3. Section 3 of R.A. No. 8525 is hereby amended to read as follows:

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

1 **REPAIR** of existing facilities, provision of books, publications,
2 **SCHOOL SUPPLIES**, and other instructional materials **SUCH AS**
3 **ELECTRONIC BOOKS (E-BOOKS), COMPUTERS, FURNITURE,**
4 **EDUCATIONAL FILMS AND AUDIO-VISUAL MATERIALS;**
5 **TECHNICAL VOCATIONAL LIVELIHOOD (TVL) TOOLS AND**
6 **EQUIPMENT; HEALTH AND NUTRITION PACKAGES; ASSISTIVE**
7 **LEARNING DEVICES AND EQUIPMENT FOR LEARNERS WITH**
8 **DISABILITIES;** and modernization of instructional technologies.

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

22
23 Sec. 4. Insert a new Section under R.A. No. 8525 to read as follows, and
24 renumber the succeeding sections accordingly:

25 **“SEC. 4. CREATION AND ESTABLISHMENT OF AN ADOPT-**
26 **A-SCHOOL ONE-STOP SHOP. – THE CENTRAL OFFICES OF**
27 **THE DEPARTMENT OF EDUCATION (DEPED), COMMISSION ON**
28 **HIGHER EDUCATION (CHED), AND TECHNICAL EDUCATION**
29 **AND SKILLS DEVELOPMENT AUTHORITY (TESDA) AS WELL AS**
30 **THEIR RESPECTIVE REGIONAL OFFICES SHALL BE**
31 **MANDATED TO ESTABLISH AND MAINTAIN AN ADOPT-**
32 **A-SCHOOL ONE-STOP SHOP WHICH SHALL SERVE AS A**
33 **LOCATION TO ADDRESS QUERIES AND CONCERNS FROM**

1 PRIVATE INDIVIDUALS AND ENTITIES INTERESTED IN THE
2 PROGRAM, AND TO RECEIVE AND PROCESS APPLICATIONS
3 JOINTLY WITH BIR AND BUREAU OF CUSTOMS (BOC):
4 PROVIDED, THAT DEPED, CHED, AND TESDA SHALL, IN
5 CONSULTATION WITH THE DEPARTMENT OF INFORMATION
6 AND COMMUNICATIONS TECHNOLOGY (DICT), ESTABLISH AN
7 INTEGRATED ONLINE PORTAL TO RECEIVE AND PROCESS
8 APPLICATIONS.”
9

10 Sec. 5. Section 4 of R.A. No. 8525 is hereby amended to read as follows:

11 “Section [4] 5. Periodic review. - A review of the adoption shall
12 be undertaken by the [~~local school board of the province or city~~
13 ~~where the school~~] **CONCERNED FIELD OFFICE WHERE THE**
14 **PARTICIPATING SCHOOL** is located. The standards and
15 guidelines for the review shall be formulated by the **ADOPT-A-**
16 **SCHOOL** Coordinating Council created under Sec. [7] 8 hereof. The
17 results of the review shall be taken into consideration in the
18 assessment of the application for tax credits by the adopting
19 **INDIVIDUAL OR** entity. The [~~school board~~] **CONCERNED FIELD**
20 **OFFICE** may, after an appropriate review, recommend to the
21 **ADOPT-A-SCHOOL** Coordinating Council the termination of the
22 adoption. The adopting **INDIVIDUAL OR** entity may appeal the
23 assessment to the **ADOPT-A-SCHOOL** Coordinating Council whose
24 decision shall be final and unappealable.”
25

26 Sec. 6. Sections 5 and 6 of R.A. No. 8525 are hereby repealed and
27 replaced with a new Section to be read as follows:

28 “**SEC. 6. INCENTIVES FOR ADOPTING INDIVIDUALS OR**
29 **ENTITIES. - PROVISIONS OF EXISTING LAWS TO THE**
30 **CONTRARY NOTWITHSTANDING, ADOPTING INDIVIDUALS OR**
31 **ENTITIES SHALL ENJOY THE FOLLOWING INCENTIVES:**

32 a) **ADDITIONAL DEDUCTION FOR EXPENSES**
33 **INCURRED FOR THE ADOPTION - SCHOLARSHIPS FOR**

1 **TEACHERS AND LABOR TRAINING EXPENSES INCURRED BY**
2 **THE ADOPTING INDIVIDUALS OR ENTITIES FOR THE "ADOPT-**
3 **A-SCHOOL PROGRAM" SHALL BE ALLOWED AN ADDITIONAL**
4 **DEDUCTION FROM THE GROSS INCOME EQUIVALENT TO**
5 **FIFTY PERCENT (50%) OF SUCH EXPENSES: PROVIDED, THAT**
6 **THE ADOPTING INDIVIDUALS OR ENTITIES SHALL SECURE**
7 **PROPER CERTIFICATION FROM THE DEPED, CHED, OR**
8 **TESDA: PROVIDED, FURTHER, THAT SUCH DEDUCTION SHALL**
9 **NOT EXCEED TEN PERCENT (10%) OF DIRECT LABOR WAGE:**
10 **PROVIDED, FINALLY, THAT ADOPTING INDIVIDUALS OR**
11 **ENTITIES THAT IMPLEMENT A REGISTERED ENTERPRISE-**
12 **BASED EDUCATION AND TRAINING (EBET) PROGRAM SHALL**
13 **BE ALLOWED TO AVAIL THE DEDUCTIBLE TRAINING**
14 **EXPENSE AS PROVIDED UNDER SECTION 20 OF REPUBLIC**
15 **ACT NO. 12063 OR THE "ENTERPRISE-BASED EDUCATION**
16 **AND TRAINING (EBET) FRAMEWORK ACT".**

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

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

30 **c) *ADDITIONAL INCENTIVES - IN ACCORDANCE WITH***
31 ***EXISTING LAWS AND SUBJECT TO THE GUIDELINES THAT***
32 ***SHALL BE PROVIDED IN THE IMPLEMENTING RULES AND***
33 ***REGULATIONS (IRR), THE ADOPTING INDIVIDUAL OR ENTITY***

1 **SHALL BE ENTITLED TO HAVE ITS NAME EMBLAZONED**
2 **BENEATH THE NAME OF THE SCHOOL AFTER THE WORDS**
3 **INDICATING THAT THE SCHOOL IS UNDER THE ‘ADOPT-A-**
4 **SCHOOL PROGRAM.’”**

5
6 Sec. 7. Insert a new Section under R.A. No. 8525 to read as follows, and
7 renumber the succeeding sections accordingly:

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

15
16 Sec. 8. Section 7 or R.A. No. 8525 is hereby amended to read as follows:

17 “Section [7] **8. ADOPT-A-SCHOOL Coordinating Council.** – An
18 **ADOPT-A-SCHOOL** Coordinating Council, hereinafter referred to as
19 the Council, is hereby created to coordinate and monitor the
20 implementation of this Act. The Council shall be composed of the
21 Secretary of [~~the Department of Education, Culture and Sports~~
22 (~~DECS~~)] **DEPED**, as chairperson; the Chairman of [~~the Commission~~
23 ~~on Higher Education (CHED)~~] **CHED** and the Director-General of
24 [~~the Technical Education and Skills Development Authority~~
25 (~~TESDA~~)] **TESDA**, as co-chairpersons; **THE SECRETARY OF THE**
26 **DEPARTMENT OF TRADE AND INDUSTRY (DTI); THE**
27 **SECRETARY OF THE DEPARTMENT OF LABOR AND**
28 **EMPLOYMENT (DOLE); THE COMMISSIONER OF THE BUREAU**
29 **OF INTERNAL REVENUE (BIR)** and [~~the chairperson of the~~
30 ~~Presidential Council for Countryside Development (PCCD), and]~~ a
31 representative, **WHO SHALL HAVE A TERM OF THREE (3)**
32 **YEARS AND MAY BE REAPPOINTED FOR ANOTHER THREE (3)**
33 **YEARS**, from a [~~national federation of chambers of commerce and~~

1 industry] **REPUTABLE BUSINESS GROUP** to be appointed by the
2 President of the Philippines, as members.”

3 **THE SECRETARIES OF DEPED, DTI, AND DOLE, THE**
4 **CHAIRMAN OF CHED, THE DIRECTOR-GENERAL OF TESDA,**
5 **AND THE COMMISSIONER OF BIR MAY DESIGNATE THEIR**
6 **RESPECTIVE ALTERNATES WITH RANKS NOT LOWER THAN**
7 **ASSISTANT SECRETARY OR ITS EQUIVALENT. ALL**
8 **ALTERNATES SHALL BE AUTHORIZED TO DECIDE FOR OR ON**
9 **BEHALF OF THEIR RESPECTIVE PRINCIPALS.**

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

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

17 **THE COUNCIL SHALL COORDINATE WITH NATIONAL**
18 **GOVERNMENT AGENCIES (NGAS) AND EXISTING COUNCILS**
19 **RELEVANT TO THE IMPLEMENTATION OF THE PROVISIONS**
20 **OF THIS ACT.”**

21
22 Sec. 9. *Implementing Rules and Regulations (IRR).* – Within sixty (60)
23 days from the effectivity of this Act, the DepEd, CHED, TESDA, DTI, and
24 DOLE, in consultation with the DOF, including the BIR and the BOC, as well
25 as with the participation of the Early Childhood Care and Development
26 Council Secretariat, shall formulate the IRR to implement this Act. The IRR
27 issued pursuant to this section shall take effect thirty (30) days after its
28 publication in a newspaper of general circulation.

29
30 Sec. 10. *Transitory Clause.* – To prevent any delay in the delivery of
31 goods, services, and real property, the provisions of R.A. No. 8525 or the
32 “Adopt-a-School Act of 1998,” shall still apply to pending and ongoing
33 transactions and/or donations by adopting individuals or entities.

1 Sec. 11. *Separability Clause.* – If any portion or provision of this Act is
2 declared unconstitutional, the remainder of this Act or any provision not
3 affected thereby shall remain in full force and effect.

4
5 Sec. 12. *Repealing Clause.* – All other laws, acts, presidential decrees,
6 executive orders, presidential proclamations, administrative orders,
7 issuances, rules and regulations, or parts thereof inconsistent with or
8 contrary to the provisions of this Act are hereby repealed or amended
9 accordingly.

10
11 Sec. 13. *Effectivity.* – This Act shall take effect fifteen (15) days after its
12 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,