

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 32

Introduced by **Representative Jaime R. Fresnedi**

EXPLANATORY NOTE

This proposed legislation on strengthening the complementarity between the public and private sectors in education aims to operationalize the constitutional mandate of cooperation between the two sectors. It seeks to enhance the accessibility and quality of education at all levels by establishing mechanisms for collaboration, funding allocation and policy reforms to ensure that students have a wide range of quality educational choices.

It is undeniable that both public and private institutions play indispensable roles in the education system and in molding future generations. With that, however, it is difficult to ignore the disparities between the two. Issues regarding lack of resources, teacher-student ratios and overall quality of education seem to persist. This then further highlights the need for stronger government support and policy reforms to bridge the learning gap and promote inclusive opportunities for all Filipino learners.

There is therefore a need to synergize all efforts, be it in the public or private sector. This to ensure that a collective, balanced and sustained use of public and private education through healthy competition guided by the protection of public interest will lead to better learning outcomes and student choice for Filipinos, compared to what either of them working alone can achieve.

Concrete mechanisms through which public and private institutions can effectively collaborate in advancing quality education must be established. According to the Second Congressional Commission on Education's (EDCOM II) Year Two Report (2025), the Philippines has successfully implemented various educational PPPs particularly in basic education. Notable programs include The Education Service Contracting (ESC) scheme and the Senior High School Voucher Program, both of which have expanded student access to private educational institutions. Additionally, the PPP for School Infrastructure Project played an essential role in addressing classroom shortages as 9,296 classrooms were constructed in Regions I, III and IV-A under a Build-Lease-and-Transfer scheme. These initiatives underscore how PPPs can complement government efforts in providing quality education, improving infrastructure and broadening educational opportunities for Filipino learners. It is also important to ensure that implementation of proper funding and allocation of public funds to both public and private entities.

This proposed measure, contains among others, provisions regarding these concerns. The enactment of a law concerning complementarity in education as embodied in this bill is also one of the recommendation of the Second Congressional Commission on Education. (EDCOM II) to address this issue and put into place the needed reforms.

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



JAIME R. FRESNEDI
Representative
Lone District, Muntinlupa City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTHIETH CONGRESS
First Regular Session
HOUSE BILL NO. 32

Introduced by Rep. Jaime R. Fresnedi

AN ACT
STRENGTHENING THE COMPLEMENTARITY OF THE PUBLIC AND PRIVATE
SECTORS IN IMPROVING STUDENT CHOICE AND THE DELIVERY OF
QUALITY AND ACCESSIBLE EDUCATION ACROSS ALL LEVELS

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

SECTION 1. Short Title. – This Act shall be known as the “*Complementarity in Education Act*”.

Sec. 2. Declaration of Policy. – It is the policy of the State to protect and promote the right of all citizens to quality education at all levels. Towards this end, the State takes appropriate steps to make such education accessible to all. With due recognition of the importance of the complementary roles of the public and private education sectors in education, the State as a matter of policy undertakes to:

- a. Improve the opportunities for students to go to quality educational institutions by:
 - i. Enhancing the competitiveness of the whole education sector; and
 - ii. Improving their capabilities to access these choices; increasing their choices across early childhood centers, public and private schools, colleges, universities, technical-vocational schools and similar institutions.
- b. Implement policies and programs that develop quality education through complementarity to enhance cost-effectiveness, institutional diversity, educational innovation and agility, student choice and increased educational access and improved educational institutional performance, among others;
- c. Empower students and parents' choice of schools by making relevant information about educational institutions, degrees, careers and similar concerns available through the

establishment of integrated information and data systems across the Department of Education (DepEd), Commission on Higher Education (CHED), Technical Education and Skills Development Authority (TESDA) and the Early Childhood Care and Development (ECCD) Council;

- d. Adopt policies and programs for public and private schools that increase student choice and access to education, through student vouchers, loans, grants and similar instruments and institutional subsidies;
- e. Recognize the critical role of private education in providing quality education to students and in contributing to national development and of the State's duty to support and develop the sector;
- f. Encourage and support innovation in schools by recognizing the peculiarities of the policy environments affecting public and private sectors;
- g. Encourage and recognize the role of the private sector through Public-Private Partnerships (PPPs) in education, utilizing modes as allowed under RA 11966, otherwise known as the "PPP Code of the Philippines" and its Implementing Rules and Regulations;
- h. Through all these, increase investments in education by providing incentives to both public and private sectors in the delivery of education to improve overall student outcomes in the country; and
- i. Establish accountability mechanisms for student outcomes and for complementarity.

Sec. 3. Coverage. – This Act shall cover early childhood education, basic education, higher education and technical-vocational education in both public and private sectors.

Sec. 4. Objectives. – The following are the objectives of this Act:

- a. Strengthen and operationalize the constitutional mandate on complementarity in education by establishing concrete mechanisms through which public and private education institutions can effectively work together to advance the constitutional right to quality education, ensuring that financial support is directed towards enhancing educational outcomes, promoting student choice and expanding access to quality education;
- b. Implement systematic approaches for achieving the State's constitutional obligation to make quality education accessible to all citizens, in support of the constitutionally-recognized complementary roles of public and private institutions in the educational system;

- c. Provide the best quality education for Filipino learners, by empowering them with optimal access, student choice and support to a wide range of quality private and public educational institutions and programs;
- d. Develop the range of quality private and public educational institutions and programs through policies and programs on complementarity;
- e. Promote access to quality education and student choice by adopting various models of student financing such as subsidies, vouchers and long-term student loans, teacher subsidies, congestion alleviation programs and public-private partnerships such as private-public school management, the contracting of unused and underutilized private school sites and facilities of government with payment of just compensation, as well as other applicable models;
- f. Ensure that reasonable supervision and regulation of all educational institutions and recognition of the academic freedom of all institutions of higher learning are operationalized;
- g. Promote equal regard toward the impact of education policies and resource allocation decisions on both the public and private sectors;
- h. Introduce relevant incentives, in aid of the objectives presented above; and
- i. Through such incentives, to elevate the quality of Philippine education in all levels in both public and private sectors.

Sec. 5. Definition of Terms. – As used in this Act:

- a. *Alternative Learning Systems (ALS)* refers to a parallel learning system in the Philippines that provides a practical option to the existing formal instruction, encompassing both the non-formal and informal sources of knowledge and skills.
- b. *Cost-effective funding* is the principle that more public funds should be allotted to achieving the country's education objectives, regardless of whether they are in public or private education. This can be achieved, among other things, by directly funding the most cost-effective education providers, providing portable subsidies, grants, vouchers, student loans or similar instruments, creating systems that promote cost-effectiveness (e.g., competition, portable vouchers), or combining these.
- c. *Cost-effectiveness* is the degree to which a public or private education institution can attain a desired learning outcome or educational institution can attain a desired learning outcome or educational objective in relation to the total cost (including land, physical assets and direct and indirect costs) incurred in providing that education. An institution that can deliver a desired learning outcome at a lower total cost (in the case of private

institution, as reflected in the price cost charged) is considered a more cost-effective institution. *Provided, That* such analyses are made after correcting for differences in cost calculations between and among public and private education institutions and for any differences in desired learning outcomes or the purposes of comparability.

- d. *Early Childhood Care and Development* refers to the full range of health, nutrition, early education and social services programs that provide for the basic holistic needs of young children from birth to age eight (8), to promote their optimum growth and development.
- e. *Grant* is a modality of subsidy which is availed of by qualified learners only from a list of accredited educational institutions, subject to the number of slots available per institution.
- f. *Local universities and colleges (LUCs)* refer to public higher education institutions established and funded by local government units through local ordinances and governed and administered in accordance with the local ordinances that created them.
- g. *Non-sectarian or secular schools* are those non-denominational institutions that do not adhere to a particular religious belief, practice or tradition.
- h. *Portability* refers to the features of the grant, subsidy, voucher, student loan or similar instrument (whether in cash or in kind) to be (i) awarded directly to the student beneficiary, (ii) used to fully or partially cover the educational costs of the same student beneficiary, at the educational institution he or she is enrolled in and (iii) allows the student beneficiary to apply the grant, subsidy, voucher, student loan or similar instrument across a wide selection of eligible public and private educational institutions.
- i. *Private education* refers to privately-owned and managed educational institutions, duly established in accordance with law and the Revised Corporation Code and authorized by the government to operate certain educational programs in accordance with the prescribed policies and rules of the DepEd for the K to 12 Program; CHED for the higher education and post-graduate education courses; and the TESDA for technical skills training and development courses.
- j. *Public colleges and universities* refer to educational institutions established either by law passed by Congress or local government ordinances, whose operations and personnel resources are funded by the government and whose day to day affairs are managed by the government personnel and officers. These include SUCs and LUCs.
- k. *Public education* refers to educational institutions established through national or local legislation, providing for its funding sources and the operation of which is controlled by the government.

1. *Public interest* is used as a framework that refers to the principle that decisions about education funding and support shall be primarily based on but not limited to (i) demonstrated contribution to learning outcomes and national education priorities, (ii) enhancement of student choice and educational access, (iii) cost-effectiveness in achieving educational goals and (iv) service to disadvantaged communities; that such decisions are separate and distinct from decisions about public or private ownership, control or operations.
- m. *Public schools* refer to basic education schools established, administered, maintained and funded by the government under the DepEd.
- n. *Public technical-vocational institutions* refer to public technical-vocational institutions operated by the TESDA or local government units.
- o. *Publicly-funded independently-operated schools* refer to public schools, colleges and universities owned by the government that are operated by private entities through contractual arrangements allowed and awarded under Republic Act (R.A) No. 11966, otherwise known as the “PPP Code of the Philippines”.
- p. *Quality-assured institutions* refer to public and private educational institutions that have been recognized by the DepEd, CHED or TESDA as having achieved quality levels beyond minimum standards, through government- or third-party recognitions, including but not limited to accreditation, international ratings and ranking, autonomy and deregulation, centers of excellence or development and Professional Regulation Commission performance.
- q. *Risk-mitigation instruments* refer to risk-mitigation and risk-allocation measures for public-private partnerships, as allowed under RA 11933, otherwise known as the “Sicogon Island Wildlife Sanctuary Act.”
- r. *Scholarship* refers to a modality of subsidy given to eligible students on the basis of merit or talent, such as laudable academic performance and special technical proficiencies and skills and intellectual pursuits of a Scholar that give rise to research and development and innovations as well as other creative works.
- s. *Sectarian educational institutions* are those established to identify and conform to a specific religious belief, integrating their curricula with teaching of faith in addition to the traditional curricula prescribed by the national government.
- t. *Service provision* refers to the operation of public schools, public colleges, public universities and public TVET institutions and functions related to the distribution of government subsidies for education;

- u. *State universities and colleges (SUCs)* refer to public higher education institutions established through a law passed by Congress, financed and maintained by the national government and are governed by their respective independent boards of trustees or regents in accordance with law, particularly R.A. 829, otherwise known as the “Higher Education Modernization Act of 1997”.
- v. *Student Choice* is a policy that encourages quality as the main reason behind a family or student’s decision on which public or private educational institution to enroll in and which degree or educational pathway to pursue and aims to reduce the weight of tuition and other school fees from the student’s viewpoint as a reason for enrollment decisions. Student choice increases the range of opportunities available for students in pursuit of quality education. Student choice is dependent on the government’s orientation of its educational budget toward empowering such student choice and in the development of education systems that promote innovation and diversity in its educational institutions.
- w. *Student loan* refer to a modality of student financial assistance consisting of short-term or long-term loans which shall be extended to students facing liquidity problems, regardless of economic status, which shall be paid by the student, his or her parents, guardians or co-makers.
- x. *Subsidies* refer to publicly-funded monetary and in-kind assistance to eligible students to help pay partially or fully the cost of achieving their education, the completion of which is deemed beneficial to society. Such government financial assistance may be in the form of scholarships, grants and loans. For basic education, this includes education service contracting (ESC) and Senior High School Voucher under R.A. 8545, otherwise known as the “Expanded Government Assistance to Students and Teachers in Private Education Act”, and in tertiary education, this includes the Tertiary Education Subsidy (TES) under R.A. 10931, otherwise known as the “Universal Access to Quality Tertiary Education Act”.
- y. *Value-for-money* refers to effective, efficient and economic use of resources, which requires the evaluation of relevant costs and benefits, along with an assessment of risks and of non-price attributes or life cycle costs, as appropriate. Price alone may not be necessarily represent value-for-money.
- z. *Voucher* is a modality of subsidy which is primarily focused on eligible and qualified students, who as beneficiaries may avail of the amount of subsidy covered by such an instrument in any government-recognized public or private educational institution of their choice.

Sec. 6. *Complementarity*. - Complementarity shall refer to the principle that both public and private education are structurally indispensable to maximizing the opportunities of all Filipinos to get the best education that the country can provide given its limited resources: such

that the collective, balanced and sustained use of public and private education through healthy competition guided by the protection of the public interest will lead to better learning outcomes and student choice for Filipinos, compared to what either of them working alone can achieve.

Sec. 7. Quality Education for Filipino Learners Through Complementarity. – The DepEd, CHED, TESDA, ECCD Council, local governments and other government agencies tasked with overseeing the delivery of education, shall develop and implement complementarity policies and initiatives that improve the Filipino student's access to, and choice of, quality public and private educational institutions. Such initiatives shall include programs that:

- a. Empower families and students to be able to compare and select from a more diverse range of public and private educational institutions and programs on the basis of quality, rather than on the basis of financial costs;
- b. Encourage and support the development of a more diverse set of quality educational providers for both public and private institutions;
- c. Include targeted programs designed to address regional disparities in education quality and access to leverage the strengths of both public and private institutions;
- d. Ensure the principles of complementarity are maintained;
- e. Create mechanisms to ensure that education programs are aligned with labor market needs; and
- f. Establish a system for regular assessment and reporting of the impact of complementarity initiatives, that include metrics to show how quality, choice, access and outcomes, taken together, are improving over time.

Sec. 8. Integrated Educational Information System. - Within three (3) years from the effectivity of this Act, the Department of Economy, Planning, and Development (DEPDev), along with DepEd, CHED, TESDA, the ECCD Council, and other relevant agencies shall together establish an integrated information and data system of learners, students, teachers, faculty, trainers, and educational institutions to provide students, parents and other key stakeholders with current and relevant information on both public and private educational institutions, education quality assessments, various degrees and career opportunities, and educational pathways.

The data system shall provide information that is comparable across government agencies, educational institutions, learners, teachers and other stakeholders for the purpose of making informed decisions, and shall be readily available and accessible to these stakeholders to enable informed decisions on education choices by students and their families, as well as of education advocacy groups and educational institutions in the development of policies and strategies. The system shall also include labor market information to help students make informed decisions about their educational and career pathways.

The data system shall be continuously developed and shall comply with the relevant provisions of RA 10173, otherwise known as the “*Data Privacy Act of 2012*” to ensure the

protection of personal data against unauthorized access. In developing, operating and maintaining the Integrated Educational Information and Data System, PPP may be pursued if such shall deliver Value-for-Money on the part of the public sector.

Sec. 9. Separation of Regulatory and Operational Functions in Education Governance.

– In recognition of the complementary roles of the private and public sectors in the education system, the government through the education agencies, shall ensure the quality of education through the exercise of reasonable supervision and regulation of all educational institutions by means of standards setting and external governance.

Reasonable supervision and regulation is an oversight function. Since reasonable supervision and regulation covers both public and private education, the regulator or regulators cannot be involved in the operation of education institutions.

Education agencies, through the Partnership Board as defined in Section 10 below, shall therefore recommend on how to properly implement this requirement, including a timeframe for such an implementation. Pursuant to this principle, the DepEd, CHED, and TESDA shall ensure that:

- a. Appropriate regulatory policies are in place to make certain that student choice and the quality of learning outcomes are protected and enhanced and to emphasize quality-assured institutions;
- b. Educational institutions, regardless of whether in the public or private sector, are treated fairly in terms of policy, funding and regulation, as determined through periodic evidence-based reviews and practices, including but not limited to the conduct of regulatory impact assessments in the formulation, modification or repeal of existing or new regulations pursuant to R.A. 9485, otherwise known as the “Anti-Red Tape Act of 2007,” as amended;
- c. Resource allocation decisions are guided by the principles of student choice, cost-effectiveness and value-for-money, among others; and
- d. Private schools, training institutions or education programs that consistently fail to comply with minimum service standards and quality indicator for educational and training institutions shall not be eligible to participate in PPPs for education.

Sec. 10. Quality Assurance Framework. - To ensure the maintenance of high standards across all education providers, the following agencies shall implement specific quality assurance measures, with DEPDev taking the lead role:

- a. The DepEd for basic education, the CHED for tertiary education, TESDA for technical-vocational education and the ECCD Council for the early years shall:
 1. Establish and regularly update common learning standards that shall define specific measurable learning outcomes for each grade level and subject area, apply uniformly to both public and private providers and align with international benchmarks where applicable. These learning outcome standards shall be reviewed and updated every three years;

12. Apply support withdrawal measures by establishing clear triggers for support withdrawal, providing due process procedures, implementing phase-out periods to protect students, facilitating student transfers when necessary and managing school closure processes when required.

b. The DEPDev shall:

1. Take the lead in the implementation of the quality assurance framework by coordinating across education agencies, monitoring framework effectiveness, recommending improvements to the system and ensuring consistency in implementation; and
2. Report annually to the Partnership Board on the state of educational quality, complementarity and student choice across sectors, progress in implementing quality assurance measures, recommendation for policy or legislative action and resource requirements for quality improvement.

c. Local Government Units shall:

1. Support quality assurance implementation by participating in school monitoring, providing additional resources for improvement, supporting community engagement in quality assurance and facilitating inter-school cooperation for quality improvement; and
2. Include quality metrics in local education planning and budgeting.

d. A Quality Assurance Fund shall be established to:

1. Fund quality assurance activities including, but not limited to, training of inspectors and evaluators, implementation of assessment systems, support for school improvement initiatives and development of quality assurance tools and systems, applicable to public and private educational institutions; and
2. Be managed by the DEPDev with specific allocations for quality assurance in basic education, higher education, technical-vocational education, ECCD and cross-cutting quality improvement initiatives.

DEPDev shall be responsible for requesting annual appropriations and ensuring that such funds are utilized in accordance with the objectives set forth in this Act. Furthermore, DEPDev, through the Partnership Board, shall submit an annual report to the Office of the President through the Cabinet Cluster system, as well as to Congress detailing the utilization of the Fund and its impact on enhancing educational quality.

Sec. 11. Creation of the Partnership Board. – To ensure that the objectives of this Act are realized, a Partnership Board is hereby established, with the following responsibilities:

- a. The alignment, coordination and oversight of the strategic plans for complementarity of each agency, in consultation with various stakeholders in education, including private school associations, parent and student associations, faculty associations, and industry associations;
- b. The evaluation and recommendation of solutions to address policies and programs found detrimental to complementarity;
- c. The review of the regulatory functions of each educational agency, with the purpose of determining regulatory independence between the regulator and any service provider, whether public or private, and of making recommendations to resolve conflict if such independence is not the case;
- d. The development of a framework, through DEPDev, for assessing the quality and cost-effectiveness of both public and private education institutions in achieving desired learning outcomes;
- e. The support and funding of research on complementarity and how it can be developed toward improving learning outcomes and student choice;
- f. The establishment of mechanisms for regular dialogue and collaboration between public and private education sectors to promote innovation and best practice sharing; and
- g. The monitoring and reporting on the state of complementarity and its contributions to learning outcomes along with an annual report to the Congress.

Sec. 12. Composition of the Partnership Board. – The Partnership Board shall be organized within ninety (90) days from the effectivity of this Act, with the following composition:

- a. Secretary of DEPDev as Chairperson;
- b. Secretary of DepEd as Member;
- c. Chairperson of CHED as Member;
- d. Director-General of TESDA as Member;
- e. Chairperson of the ECCD Council as Member;
- f. Secretary of the Department of Budget and Management (DBM) as Member;

- g. Chairperson of the Philippine Competition Commission as Member;
- h. One (1) representative from a nationwide association of administrators of private basic education schools as Member;
- i. One (1) representative from a nationwide association of administrators of private higher education institutions as Member;
- j. One (1) representative from a nationwide association of private technical-vocational institutions;
- k. One (1) representative from a nationwide association of teachers, TVET trainers or higher education faculty employed by private education institution; and
- l. One (1) representative from a nationwide association of non-teaching personnel employed by private education institutions.

The private sector representatives shall be appointed by the Partnership Board from a list of nominees submitted by their respective associations for a term of one (1) school year subject to reappointment for a maximum term of four (4) school years: *Provided*, That such appointment may be terminated by the Partnership Board on the basis of the withdrawal of endorsement or recommendation of the sector they represent. Appointment to any vacancy shall be only for the unexpired term of the predecessor.

The public sector members of the Partnership Board may designate permanent alternates holding positions not lower than third-level ranks, as defined by the Career Executive Service Board, or its equivalent, *Provided*, That these alternates are granted decision-making authority.

The Partnership Board shall convene every first or last Monday of every third month, or as often as it may deem necessary.

Sec. 13. *Expanding complementarity functions in education agencies.* – Pursuant to their existing mandates, the DepEd, CHED, TESDA and the ECCD Council shall adopt policies, processes and functions in support of complementarity, to:

- a. Ensure the integration of complementarity as a principle and approach in the agency's national and subnational plans, of which The initial plan shall, among others, include expected outcomes and metrics specific to complementarity, to be achieved within a three-year period from the date of effectivity of this Act.
- b. Promptly process students' eligibility for government subsidies. Coordination with agencies in charge of processing and managing student grants, vouchers, subsidies and similar instruments to ensure prompt and timely notifications to student beneficiaries and/or their parents during the school or semestral breaks for seamless mobility of students to and from public and private education institutions in exercising their choice of schools, *Provided*: that the notice of award of such subsidies to individual students are published at least two months prior to the start of the new school year;

- c. Regularly undertake educational institution mapping of all duly recognized public and private education and training institutes in every locality all over the country, including programs, student and personnel population, and approved fees, for purposes of policy interventions and public dissemination and guidance;
- d. Monitor existing recognized public and private education and training institutions schools' absorptive capacity and utilize results as basis for policy and for public dissemination and guidance;
- e. Ensure subsidies and vouchers are designed toward targeted levels of learning outcomes and/or of improving student choice. This would include, in addition to determining the appropriate funding per student toward targeted levels of learning outcomes and student choice, considerations for targeted vouchers, through the development of a reasonable system, formula, algorithm or similar instrument to enable increased focus on the disadvantaged in accordance with existing policies; and determining how vouchers or slots would be allocated in the event of oversubscription;
- f. Ensure the proportionate access to available and appropriate government-funded training of private school teachers, faculty, and personnel;
- g. Improving industry participation by ensuring the significant participation of the private sector enterprises and industries, where applicable;
- h. Rationalize and streamline the requirements for compliances in the establishment and recognition of institutions and programs for both public and private sectors for the prompt, efficient, and transparent services to stakeholders without compromising standards for quality and accountability;
- i. Periodically review the allocation of national resources and funding towards public and private educational institutions and students, to ensure an appropriate level of complementarity consistent with this Act, including policies on investment recovery schemes for PPP projects in the education sector, pursuant to RA 11966, otherwise known as the "*PPP Code of the Philippines*," and its Implementing Rules and Regulations (IRR).;
- j. Assess and report on regional disparities in education quality and access, and develop targeted interventions to address these disparities through public-private partnerships and other complementarity initiatives;
- k. Develop mechanisms to ensure that education programs, particularly in technical and vocational education, are aligned with current and projected labor market needs; and

1. Develop a set of performance metrics to monitor efficiency and effectiveness of complementarity in the educational system, across all agencies, educational institutions and learners, and have such available publicly on a timely basis.

Sec. 14. Strengthening complementarity at the local level. — For provinces, cities and first-income-class municipalities, the Local School Board shall integrate complementarity objectives and strategies in the development of local plans, and provide the necessary appropriations for the implementation thereof.

Sec. 15. Complementarity, access and choice in the public funding of education. — Annual increases in educational budgets for public education and the training of students in DepEd, CHED, and TESDA shall be increasingly administered over time through portable student-financing instruments such as student grants, subsidies, vouchers or student loans, which students can use for either public or private educational institutions. The Partnership Board shall recommend to the President a multi-year timetable for the implementation of these allocations, such that a target of 50% of the annual increase is achieved within a period of five (5) years from the date of effectivity of this Act.

Sec. 16. Expanding the modes of complementarity. — The following models of complementarity on the following shall be allowed:

- a. Provision of instruments that empower students' choices in their selection of a quality school, college, university and/or technical-vocational institution. Under this model, portable subsidies, grants, vouchers, student loans, and other methods of funding educational costs are created and provided for by the government. Such instruments must be portable to strengthen the students' ability to choose from a variety of educational institutions pursuant to their constitutional right to select a profession and course of study.
- b. Provision of instruments that reduce student congestion in public schools. Under this model, per-student subsidies are given by the respective education agency to qualified private institutions to reduce over-enrollment or congestion in nearby public educational institutions.
- c. Management Contracts and PPP arrangements between public and private schools, colleges and universities. Under this scheme, a private educational or training institution may be engaged by a public educational institution or government agency, as the case may be, for the management of a public educational institution in full or for any part of its activities thereof, for a fixed period, subject to the payment of appropriate management fee. Such management fees and terms of the contract shall follow the requirements of RA 11966, otherwise known as the "*PPP Code of the Philippines*."
- d. Establishment of publicly-owned, independently-run schools. Under this scheme, the government funds the operation of a private educational corporation or non-profit organization subject to the delivery of qualified graduates for specific academic and training programs.

- e. Lease of school facilities, equipment or campus spaces. Under this scheme, the private education or training institution may enter into a lease agreement with a public institution for lease of its premises, equipment, or the entire campus.
- f. Program Rationalization Partnerships. Under this scheme, an upcoming or an existing SUC or LUC enters into a partnership agreement with one or more private education or training institutions to decide which courses the public institutions should offer, to minimize unnecessary duplication.
- g. Portable Local Scholarships. Under this scheme, a local government unit creates, expands or modifies its existing scholarship programs to be portable, to be used across other public and private educational institutions.
- h. Sharing of common facilities and school grounds. Under this scheme, the public and private educational institutions may agree to use and share common facilities including sharing of cost of upkeep and maintenance of the same such as playgrounds, parks, sports facilities, libraries, theaters, and similar places.
- i. Regional Disparity Reduction Partnerships. Under this scheme, public and private institutions collaborate to implement targeted interventions in underserved regions with the goal of reducing disparities in education quality and access.
- j. Industry-Education Alignment Programs. Under this scheme, partnerships between educational institutions (both public and private) and industry are formed to ensure that curriculum and training programs are aligned with current and projected labor market needs.

Sec. 17. Ensuring complementarity in teachers and faculty in all sectors. – The DepEd, CHED, and TESDA shall monitor average regional compensation levels of teachers and faculty in the public and private sectors, to see if differences in levels would cause a significant imbalance in the development of either sector. In cases that such imbalances exist or are expected to occur, the DepEd, CHED or TESDA, as the case may be, shall introduce programs or initiatives to address the imbalance and include the same in their reports to the Partnership Board.

Sec. 18. Incentives.– To further encourage private sector investment in education, the DepEd, CHED and TESDA shall create grants and support mechanisms for the private sector, including but not limited to those for:

- a. Educational programs in high need, including ECCD, ALS, educational measurement, and guidance and counseling;
- b. Education-related initiatives in remote areas;
- c. Degrees, competencies and trainings of educational institutions, prioritized by industry;
- d. Portable local scholarships in remote areas; Public-private partnerships, whether at the national or LGU level, including risk mitigation instruments and innovative models that enhance education quality and access, particularly in underserved areas, in accordance with existing laws, rules, and regulations;
- e. Initiatives that demonstrably reduce regional disparities in education quality and access; and

- f. Programs that show strong alignment with labor market needs particularly in priority sectors identified by the government.

To promote complementarity at the local level, the Department of Interior and Local Government shall develop incentives for local government units implementing complementarity plans and programs within their respective jurisdictions.

Emphasis on incentives shall be on those institutions that perform above minimum standards, as evidenced by accreditation, government quality recognitions (such as autonomy, deregulation or Centers of Excellence and Development), and other recognized national and international third-party quality recognitions, as determined by the DepEd, CHED or TESDA, as the case may be.

Sec. 19. *Appropriations*. – In the furtherance of the provisions of this Act, no direct funding of private entities shall be made and all budgets for student subsidies, loans or similar programs shall be allocated through the DepEd, CHED and TESDA for proper distribution. The budget for such financial support per student shall be computed based on the equivalent government total cost of providing public education to a student per region and locality and the prevailing cost of tuition and other school fees in the private sector in such region and locality.

The Secretary of Education, the Chairman of CHED and the Director-General of TESDA shall include in their respective programs the operationalization of complementarity under this Act, the initial funding of which shall be charged against the current appropriations of the DepEd, CHED and TESDA. Thereafter, the amount necessary for the continued implementation of complementarity shall be included in the annual General Appropriations Act.

In the case of PPPs, government undertakings and investment recovery schemes through appropriations from the national government fund shall follow R.A. 11966, otherwise known as the “PPP Code of the Philippines” and its IRR, the General Appropriations Act, National Budget Circular No. 564, or any amendments thereof and other applicable laws, rules and regulations.

Sec. 20. *Inclusivity*. – The benefits and incentives as may be provided pursuant to this Act shall apply to all public and private educational institutions regardless of whether it is secular, religious or for profit, subject to their compliance with the appropriate conditions and criteria.

Sec. 21. *Implementing Rules and Regulations*. – Within ninety (90) days after the effectivity of this Act, the DepEd Secretary, the CHED Chairperson and the TESDA Director-General, upon consultation with the Coordinating Council of Private Educational Associations (COCOPEA), industry associations and other private organizations and associations, shall promulgate the rules and regulations needed for the implementation of this Act.

Sec. 22. Repealing Clause. – All laws, decrees, executive orders, proclamations, rules and regulations and other issuances or part or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Sec. 23. Separability Clause. – If for any reason, any provision of this Act is declared invalid or unconstitutional, the remaining provisions not affected thereby shall continue to be in force and effect.

Sec. 24. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any two (2) newspapers of general circulation.

Approved,