

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
SEVENTEENTH CONGRESS
First Regular Session
HOUSE BILL No. 2393



Introduced by **BAYAN MUNA**
Rep. **CARLOS ISAGANI T. ZARATE**

AN ACT
IMPOSING A THREE-YEAR MORATORIUM ON TUITION AND OTHER FEE
INCREASES (TOFI) ON ALL EDUCATIONAL INSTITUTIONS

EXPLANATORY NOTE

Among the basic needs given importance by most Filipino families is education. This is why, even if they can barely eat three meals a day, parents and working students often forego other needs just to pay for their education. In such a situation, the meteoric and unchecked rise of school fees in practically all private and public educational institutions in the country further burdens our already suffering populace.

Private education, by virtue of the deregulation policy mandated by Batas Pambansa 232, has INDEED turned into a very profitable business for many school owners. From 637 private higher education institutions (HEIs) in 1991, the numbers increased to 1,523 in 2008. In fact, several private HEIs have been consistently included in the Top 1,000 Corporations of the country. The top five (5) school-corporations earned, in a span of six years, P15.43 billion in gross revenues and P3.45 billion in net income.

Unfortunately, the government agencies tasked to protect the public against schools engaged in profiteering activities have failed miserably, as increases in tuition, miscellaneous and other fees, some of which are collected redundantly, continue without regard to the suffering of the students and their parents. In 2013, while state universities and colleges mulled the possibility of imposing a tuition moratorium following the suicide of a cash-strapped University of the Philippines student, CHED instead approved 354 or 78% of tuition increase petitions.

Since CHED imposed its Memorandum No. 3, series of 2012, under the Aquino administration, students have been bombarded by year-by-year TOFI, with tuition rate having increased at an average of P146.52, while other school fees at P587.35.

Academic Year	Average Increase in Tuition (in PHP/per unit)	Average Increase in Tuition (in %)	Average Increase in Other School Fees (in PHP/per unit)	Average Increase in Other School Fees (in %)
2013 - 2014	37.45	8.51	194.62	7.58
2014 - 2015	35.66	8.13	141.55	7.97
2015 - 2016	29.86	6.17	135.60	6.55
2016 -2017	43.55	5.10	115.58	5.41
Total Cumulated Increase from AYs 2013-2017	146.52		587.35	

Yet, if the intentions of the yearly increase in tuition rates are to augment the increase in payment of wages, benefits for teaching and non-teaching personnel, improvement of facilities, and for operational costs, the spike in profits of private HEIs under the previous Aquino administration is strikingly doubtful. Far Eastern University, for instance, posted an 81-percent growth, from P713 million in 2010 to P1.08 billion in 2015. Lyceum of the Philippines, meanwhile, netted a 140-percent profit growth, from P272.6 million in 2010 to P657.6 million in 2015.

Ironically, students enrolled in state universities and colleges (SUCs) also face the same situation. According to the Department of Budget and Management, total tuition collection in SUCs has increased by 55 percent, from P5.3 billion in 2010 to P8.1 billion in 2015. Meanwhile, collection from other school fees is also increasing faster, with SUCs posting an 83 percent increase in total other school fee collection in the past five years, from P2.6 billion in 2010 to P4.7 billion in 2015.

With such incessant increases, students are forced to recuperate from such costly tuition, opting to work abroad instead of serving our own country. Moreover, with K-12 now fully implemented, such would mean added burden to parents and students who, before K-12, barely could even make ends meet just to finance their education.

Considering how important education is for our people and how costly it has become for them, it will only be fair for government to ensure our citizen's right to education by imposing a three-year moratorium on all kinds of fee increases, whether tuition or other school fees, on all schools that have registered a profit in the previous year. Unfortunately, former Pres. Benigno Aquino and CHED Chair Patricia Licuanan did not believe that education is a right, with the latter stating that not every student should go to college.

With the imposition of a three-year moratorium, the Government shall be able to regulate the rather uncontrollable spikes in tuition of educational institutions who, in the first place, did not even register and incur net losses even before CHED and other regulatory bodies relentlessly gave go-signals to increase tuition. More importantly, this would provide necessary relief to all students burdened by these incessant tuition spikes.

By the end of the said moratorium, it is hoped that the government will already remedy the defects of a deregulated education sector and provide the proper guidelines on school fee increases so that the rights of students and parents are respected and properly observed.

This bill, originally filed in 2013 as House Bill 354 by Bayan Muna Representatives Neri Colmenares, Carlos Isagani Zarate, ACT Teachers Rep. Antonio Tino and former Kabataan party-list Rep. Terry Ridon, sought to impose a three-year moratorium on TOFI. Yet, three years since, CHED, in an ironic fashion, again approved a total of 617 applications by private HEIs for TOFI, for academic years 2015-2016 and 2016-2017.

In view of the foregoing, immediate approval of this measure is sought.

Approved,


Rep. CARLOS ISAGANI T. ZARATE
Bayan Muna Party-list

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

SECTION 1. Declaration of Basic Policy- It is the policy of the state to ensure that education shall always be a right. With this regard, the State shall promote quality education that is accessible to all and to establish, maintain and support a complete, adequate and integrated education system relevant to the needs of the Filipino people.

SECTION 2. Definition of Terms – as used in this Act, the following terms shall mean:

- (a) **“Private Educational Institutions”** – any school, college, university, company or corporation authorized by the state to grant education, either formal or informal; technical or non-technical; vocational or non-vocational; and whose subsistence relies significantly in it gaining profits, dividends or stocks from giving such.
- (b) **“Tuition”** – is used to refer to the charges that all students pay to attend an educational institution. These are composed of specific types: operating fees, building fees, services and activities fees and technology fees.
- (c) **“Miscellaneous and other school fees”**- additional charges other than tuition collected for specific actual services rendered to students, as may be identified by the school authorities and certified by the recognized student council and faculty association such as but not limited to, medical and dental, athletic, audio-visual, guidance, insurance, laboratory fee, laboratory deposit, library fee, school publication, registration, and such other fees that refer to services.

SECTION 3. Moratorium on School Fees - The Department of Education (DepEd) Commission on Higher Education (CHED), and Technical Education and Skills Authority (TESDA) are hereby mandated to impose a three year moratorium on any school fee increase,

whether it be tuition, miscellaneous and other school fees on all public and private educational institutions.

SECTION 4. *Exemptions* - A private educational institution may apply for an increase in tuition or other school fees, following existing rules and guidelines implemented by the DepEd, CHED and TESDA, provided that on the year preceding the application for fee increases, said institution posted incurred net losses as reflected in its complete annual financial statement, a copy of which should be filed together with the application for exemption.

SECTION 5. *Penalty Clause* - Any educational institution found in violation of this Act shall be punished with a fine of NOT LESS THAN 100,000 pesos (100,000 PHP) and NOT MORE THAN 500,000 pesos (500,000 PHP) or imprisonment of its officials OF NOT MORE THAN SIX (6) YEARS or both, in the discretion of the court.

Misrepresentation or misdeclaration of assets, incomes and liabilities shall be prima facie evidence of violations this Act.

SECTION 6. *Repealing Clause* – All laws, presidential decrees, executive orders, rules and regulations or parts thereof, such as CHED's Memorandum No. 3, series of 2012, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 7. *Separability Clause* – If any part or provision of this Act shall be held unconstitutional or invalid, other provisions hereof which are not affected shall continue to be in full force and effect.

SECTION 8. *Effectivity* – This Act shall take effect fifteen (15) days after its publication in two (2) national newspapers of general circulation.

Approved,