

Republika ng Pilipinas
(Republic of the Philippines)
KAGAWARAN NG EDUKASYON AT KULTURA
(DEPARTMENT OF EDUCATION AND CULTURE)
Maynila

January 17, 1978

DEPARTMENT ORDER
No. 3, s. 1978

REVISED IMPLEMENTING RULES FOR PRESIDENTIAL
DECREE NO. 451

To: Bureau Directors
Regional Directors
Schools Superintendents
Heads of Private Schools, Colleges
and Universities

1. For the information and guidance of all concerned, inclosed is the Revised Implementing Rules for Presidential Decree No. 451 governing increase in tuition and other school fees as well as new school fees or charges to be imposed by new or existing private schools beginning the school year 1978-79.
2. Attention is invited to the new and/or revised provisions of the Rules, particularly Sections 3, 5 and 6 of Rule I; Sections 1 and 2 of Rule II; Sections 1 to 4 of Rule III; Sections 1 to 5 of Rule IV; Sections 1 to 10 of Rule V; and Sections 4, 6 and 7 of Rule VI thereof.
3. Conformably to Section 1 of Rule III, the deadline for the filing of applications for increase and/or new fees of existing private schools, proposed to take effect beginning next school year, shall not be later than the last day of the current school year.
4. Immediate dissemination of this Department Order to all concerned is desired.

(SGD.) JUAN L. MANUEL
Secretary of Education and Culture

Incl.:

As stated

References:

Department Orders: Nos. 65, s. 1976; 19 and
38, s. 1977

Allotment: 1-2-4--(D.O. 1-76)

To be indicated in the Perpetual Index
under the following subjects:

FEEES
RULES & REGULATIONS

SCHOOLS
UNIVERSITIES and COLLEGES

REVISED IMPLEMENTING RULES FOR
PRESIDENTIAL DECREE NC. 451

Pursuant to Section 4 of Presidential Decree No. 451, in relation to Section 1 thereof, the following revised implementing rules governing increase in tuition and other school fees as well as new school fees or charges by new or existing private schools beginning the school year 1978-79, unless otherwise specifically amended, are hereby prescribed and promulgated for guidance:

RULE I - POLICY AND SCOPE

Section 1. Scope. - The rules herein prescribed shall apply to all private schools authorized to operate courses by the Secretary of Education and Culture.

Section 2. Authority to Regulate. - The Secretary of Education and Culture has the authority to regulate on the rates of tuition and other school fees, including any increase or changes thereof, collected or to be collected from students or their parents by all private schools.

Any increase or change in the approved rates, including new tuition and/or other school fees, of private schools shall not be effected without the prior approval of the Secretary of Education and Culture. Any violation shall be subject to the penal provisions of the law.

Section 3. Purpose of Increase. - The purposes for which an increase in the current rates of tuition and/or other school fees of a private school may be considered are:

- a. to allow the school to generate additional funds to increase equitably the current salary rates of all teaching and non-teaching personnel, to support its approved retirement plan, to implement social legislations providing benefits for school personnel, and/or to support its faculty development program;
- b. to allow the school to have additional funds for the improvement of instructional, library and research or laboratory facilities, for student services, and for extension services; and
- c. to provide additional scholarships as called for under existing laws.

c. Current School Fees - refer to the tuition and/or other school fees charged by each private school previously approved by the Secretary of Education and Culture, pursuant to Presidential Decree No. 451.

d. Increase in Fees - means any addition in the amount of the current tuition and/or other school fees as defined in sub-sections a, b and c herein.

e. New School Fees - mean the charges which are to be imposed for each new course, or on which essential service ought to be rendered and were not included in the previously approved rates of school fees of existing schools or courses.

f. Private Schools - include all private educational institutions duly authorized by the Secretary of Education and Culture to operate any course or courses.

g. Students - refer to all enrollees in all levels in any and all private schools.

h. School Administration - includes all departments, offices or units of a private school.

i. Entrance Examination Fee - means the amount charge for the preparation, administration, correction and evaluation of an examination for purposes of admission into any post-secondary course, including the release of results to individual examinees.

j. Registration Fee - covers the cost of establishing and maintaining records of students; and all other expenses incurred relative to the enrollment and attendance of students during each school term.

k. Medical and Dental Fee - refers to the cost of health services such as medical and dental consultation and treatment, hospitalization and infirmary privileges, and other required health services pertaining thereto.

l. Library Fee - covers the cost of library services and the improvement and maintenance of library facilities made available to students during each school term.

m. Laboratory Fee - refers to the expenses incurred in the operation and maintenance of the school laboratories, including acquisition of expendable laboratory supplies and materials, and is imposed only on students enrolled in laboratory subjects.

n. Laboratory Deposit - means the refundable fee deposited by a student enrolled in a laboratory subject to cover loss, breakage, or non-return of laboratory equipment used or borrowed by him.

o. Athletic Fee - covers the expenses for school sports activities in consonance with the sports development program of the Department of Education and Culture.

p. Guidance and Counselling - refers to the cost of the operation of the guidance and counselling office of each school, and the maintenance of guidance and counselling facilities and services therein made available to the students.

Section 2. Special Application. - For Nursing, Midwifery and/or other para-medical courses, in particular, the following terms shall be taken to mean:

a. Tuition or Clinical Instruction or Instructional Fee - refers to the amount of money charged to students for enrolling in a given subject or subjects which shall be assessed on the basis of unit load for each school term.

b. Clinical Experience Fee - covers the cost of instruction and clinical training of students in basic and special areas in hospitals and/or other health agencies approved for the purpose.

c. School Dormitory Fee - refers to the amount of money charged of students for their residence in the school dormitory and/or use of its facilities as defined in the school rules and regulations, in consonance with existing government policies. Residence in, and/or use of school dormitory shall be strictly voluntary or optional on the part of the students or their parents.

RULE III - APPLICATION

Section 1. Period of Filing. - All applications for increase in tuition and/or other school fees, including new charges of existing schools, together with all the necessary supporting documents, should be submitted in triplicate, by mail or personal delivery, not later than the last day of the school year with the Regional Office. In the case of pre-elementary, elementary and secondary schools, the applications, in quadruplicate, should be submitted through the Division Office. Except as provided for in Section 1(a) of

Rule IV, all applications filed within the reglementary period should be forwarded to the Secretary of Education and Culture within fifteen (15) days after receipt thereof.

Applications filed beyond the reglementary period shall be denied and returned to the school concerned.

Section 2. Contents. - Each application for increase in current rates of tuition and/or other school fees as well as for new fees or charges of existing schools shall indicate among others, the following:

- a. item(s) for which the school is applying for increase or change in school fees;
- b. current rates of tuition and/or other school fees which shall be itemized or broken down into specific items;
- c. proposed percentage of increase for each school fee;
- d. proposed revised rate to be imposed or collected for each school fee;
- e. proposed allocation as prescribed in Section 2 of Rule IV hereof;
- f. proposed program of expenditures on each allocation to be effected if the application is approved;
- g. purpose and justification of each item in the proposal; and
- h. effectivity, in point of school year or term, at which time the new rate(s) shall be implemented, if approved.

Each application for new rates of tuition and/or other school fees shall include the proposed amount to be charged for each proposed school fee, and (e), (f), (g), and (h) above.

Section 3. Notice. - Any proposal for increase in tuition and/or other school fees, or for new fees or charges of existing schools, shall be announced in writing to the student body in the case of post secondary schools, or to the parents or Parent-Teachers' Association, if available, in the case of pre-elementary, elementary and secondary schools, by the school administration not later than



February 15 of the year. A dialogue and/or consultation shall be held between the students and/or their parents and the school administration before or immediately after the announcement.

For purposes of the dialogue or consultation, the following suggestions may be observed:

- a. For pre-elementary, elementary and secondary schools, with the Parent-Teachers' Association or association of parents; and
- b. For post-secondary schools, with the heads of duly recognized student associations, fraternities, sororities, or other recognized student organizations.

Section 4: Oath and Other Requirements. - The application shall be signed under oath by the school head. Each application shall be supported by the following documents:

- a. For increase in current rates of existing schools -
 - (1) a complete copy of the latest statement on the financial status of the school, including the Audit Certificate of a Certified Public Accountant.
 - (2) a copy of the latest Corporate Annual Income Tax Return filed with the Bureau of Internal Revenue. Or a copy of the Annual Information Return of Organization Exempt From Income Tax and a copy of the exemption certificate under P.D. No. 304 from the BIR.
 - (3) a certification, under oath, by the school head on the announcement of the proposed increase in tuition and/or other school fees, and on the dialogue or consultation held as required in Section 3 hereof. The certification should specify the date(s) and the manner the announcement and the dialogue or consultation were effected.
 - (4) a copy of the school retirement plan, duly registered with and approved by the Bureau of Internal Revenue, and a certification from the trustee-bank re the trust funds (not savings or time deposit) deposited by the school to support the retirement plan, if applicable; or a copy of the school's membership certificate with the PERAA or CEAP Retirement Plan and a certification from the PERAA/CEAP management on the up-to-date remittance of retirement premiums, if pertinent.

(5) a list indicating the monthly or by-the-hour rates of salary and the specific benefits granted to all school teaching and non-teaching personnel, by name and position, for the school years 1974-75, 1975-76, 1976-77 and 1977-78, as the case may be; and the proposed monthly or by-the-hour rates of salary and the specific benefits to be granted equitably to all school personnel, by name and position, for the school year 1978-79.

(6) a list of the students specifically granted scholarships under P.D. No. 451, including their respective courses, based on the ratio of one (1) scholar for every 500 enrollment, for schools with a total enrollment of at least 1,000.

(7) a narrative report on the school's projects on student services for 1977-78, i.e. those rendered by the school for the students, such as library, athletic, medical-dental, laboratory, guidance and counselling, housing, etc.

(8) a narrative report on the extension projects of the school for the school year 1977-78, i.e. community-oriented projects organized or established, managed and financed by the school to help people in indicated depressed areas.

(9) a narrative report on the school's YCAP projects for the school year 1977-78, including the number of teachers and students involved and the program of expenditures therefor.

(10) a list of the items purchased for classroom instruction (teaching aids or devices), library and research or laboratory facilities during the school year 1977-78, including the actual cost of each item.

(11) a detailed and complete report on the distribution of the incremental proceeds from approved increases for the school years 1974-75, 1975-76, 1976-77 and 1977-78, as the case may be, showing (a) the gross revenue for the school year; (b) the total incremental proceeds for the school year; (c) the specific items of expenditures for which incremental proceeds were allocated; and (d) the actual amount disbursed for each specific item of expenditure.

(12) others as may be required.

b. For proposed new fees of existing schools -

(1) the proposed program and projects including the justification of each proposed new fee.

(2) a copy of school retirement plan duly registered with and approved by the Bureau of Internal Revenue, and a certification from the trustee-bank re the trust funds deposited by the school to support the retirement plan, if applicable; or a copy of the school's membership certificate with the PERAA/CEAP Retirement Plan and a certification re the up-to-date remittance of retirement premiums if pertinent.

(3) a list indicating the monthly or by-the-hour rates of salary and the specific benefits granted to all school personnel, by name and position, for the school year 1977-78; and the proposed monthly or by-the-hour rates of salary and the specific benefits to be granted to all school personnel, by name and position, for the school year 1978-79.

(4) the proposed budget for the proposed program and projects prescribed in (1) above.

(5) a certification, under oath, by the school head on the announcement of the proposed new fees or charges, and the dialogue or consultation as provided under Section 3 hereof. The certification should indicate the specific date(s) and the manner the announcement and the dialogue or consultation were effected.

(6) others as may be required.

For proposed fees of new schools -

(1) a copy of the school's Articles of Incorporation registered with the Securities and Exchange Commission, if applicant-school is a corporation.

(2) a copy of school's brochure, indicating the institutional philosophy and objectives of the school.

(3) certified true copy of "go-signal" issued by the Secretary of Education and Culture, for the operation of the course as required under existing rules.

- (4) a copy of proposed budget of the school.
- (5) a list indicating the proposed monthly or by-the-hour rates of salary and the specific benefits to be granted to all school personnel, by name and position.
- (6) others as may be required.

RULE IV - ACTION ON APPLICATION

Section 1. Delegation of Authority to the Regional Director. - Subject to compliance with the prescribed requirements, the Regional Director, is authorized to:

- a. approve applications for increase in tuition and/or other school fees of pre-elementary, elementary, secondary and special vocational schools, provided that the total aggregate of the school fees to be charged per curriculum year or grade does not exceed ₱250.00 per school year in the case of pre-elementary, elementary and secondary schools, and ₱300.00 per semester or course in the case of special vocational schools, and provided further that the prescribed requirements are complied with;
- b. scrutinize all other applications to determine if the contents are in accordance with the standards and that the supporting documents are available; if in the negative, to inform the school concerned accordingly; and
- c. conduct hearings on protested applications for increase and/or new charges in school fees in pursuance to Rule V of this Order.

Section 2. Retained Action by the Secretary of Education and Culture. - The Secretary of Education and Culture shall act on applications of pre-elementary, elementary, secondary and special vocational schools charging school fees in excess of the amounts provided under Section 1(a) hereof, and on the applications of all post secondary schools. The DEC Tuition Fee Unit, under the immediate supervision of the Director of Higher Education, is hereby authorized to process and evaluate all applications for increase in tuition and/or other school fees included in Section 1(b) of this Rule, as well as applications for new

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school fees or charges, and to submit corresponding recommendations thereon to the Secretary of Education and Culture for final action.

Section 3. Distribution of Proceeds. - The following distribution of the total incremental proceeds from the increase in tuition and/or other school fees, and of new fees or charges of existing courses, of each school shall be observed:

- a. 60% - for equitable increase in the rates of salary of all teaching and non-teaching school personnel, for retirement benefits, for allowances and other fringe benefits, and for faculty development;
- b. 28% - for improvement in instructional, library and research or laboratory facilities, for student services, additional scholarships, and extension services; and
- c. 12% - Return of Investments.

Section 4. Percentage of Increase. - The rate of increase in tuition and/or other school fees shall in no case exceed fifteen percent (15%) of the approved school fees of the school concerned during the current school year. On a case to case basis, however, schools may be allowed to increase the corresponding charges for certain specific and essential items by more than fifteen percent (15%) depending on the needs therein; subject to the provisions of these implementing rules, and provided that the total aggregate increase by curriculum year or grade does not exceed the fifteen percent (15%) ceiling as provided herein.

Pre-elementary, elementary and secondary schools currently charging tuition and other school fees not exceeding ₱250.00 per school year may be allowed to increase by more than fifteen percent (15%), provided that the total amount per curriculum year or grade shall not exceed ₱250.00.

Section 5. Scholarships. - As a condition for the grant of any application for increase in tuition and/or other school fees, each private school is required to provide scholarships to poor and deserving students at the ratio of one free scholarship for every five hundred (500) students enrolled: Provided, however, that this require-



ment may not cover schools with a total enrolment of less than one thousand (1,000) students; and provided, further, that the free scholarships herein called for shall be exclusive of or in addition to any existing privileges internally granted by the school to class valedictorians, salutatorians, or other students who have achieved scholastic distinctions as well as to other forms or kinds of scholarship such as those granted to athletes, working students, and/or other beneficiaries.

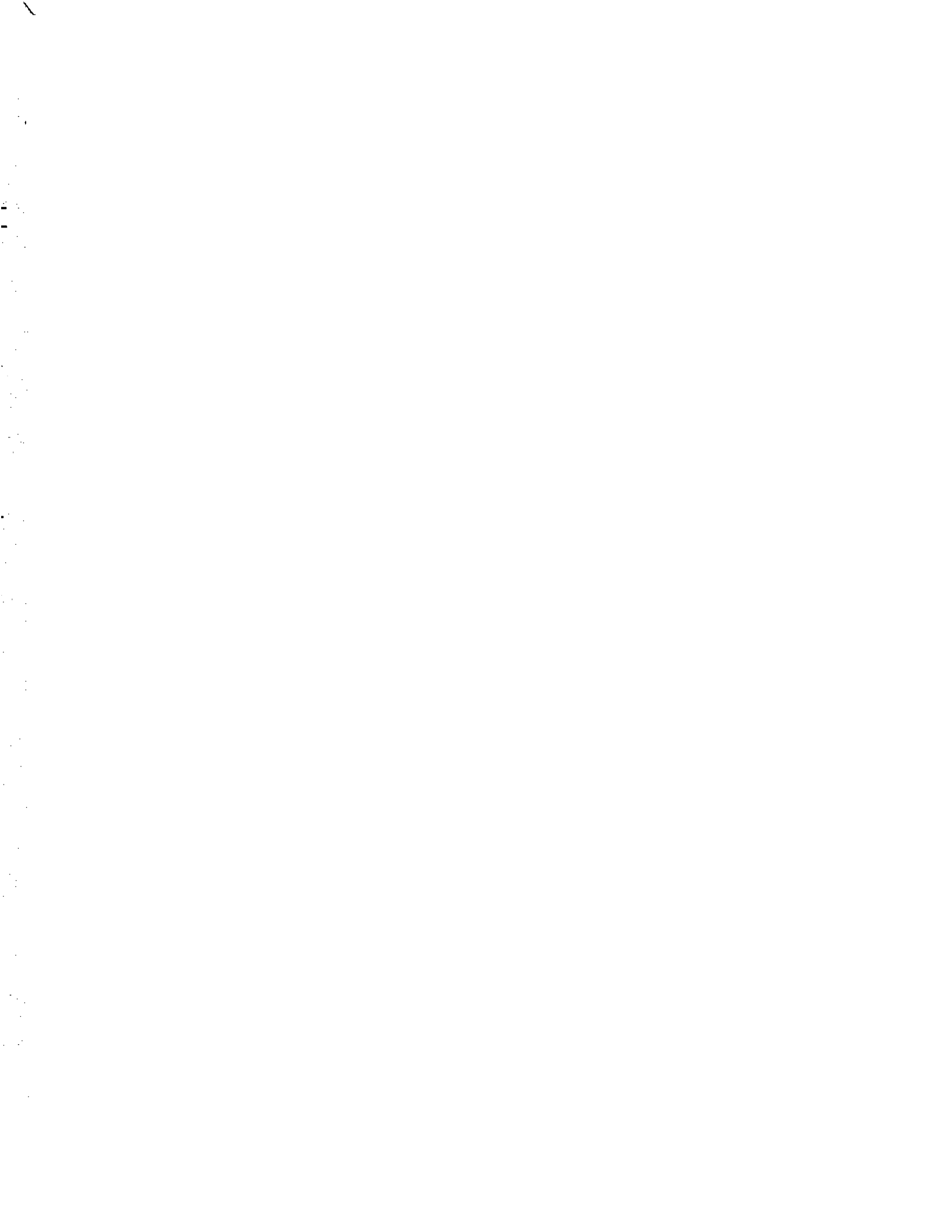
RULE V - CONSULTATIVE HEARING

Section 1. Protested Applications. - Protests or complaints of students and/or parents against applications for increase in tuition and/or other school fees as well as new fees or charges of existing schools, shall be filed with the Regional Office. A consultative hearing will be held on each case in accordance with the procedures set forth in these Rules. Action on the protested application shall be held in abeyance until the termination of the consultative hearing and the submission of reports thereon.

Section 2. Hearing Committee. - There shall be organized for each DEC Regional Office a joint DEC-NEDA Hearing Committee to conduct hearings and recommend such action as may be deemed necessary on each 1978-79 application for increase and/or new fees or charges in tuition and other fees of existing schools. The Committee shall be composed of (a) the DEC Regional Director or his duly authorized representative, as Chairman, (b) the NEDA Regional Director, or his duly authorized representative, as member, and (c) another DEC representative to be designated by the Secretary of Education and Culture from among the supervisory personnel of its Central or Regional Offices, as member.

Section 3. Supportive Staff. - A Technical and Secretarial Staff shall likewise be organized in each DEC Regional Office to support the Hearing Committee in the discharge of its functions as provided for in these Rules. The members of the Technical and Secretarial Staff shall be drawn in the meantime from among the personnel of the DEC and NEDA Regional Offices.

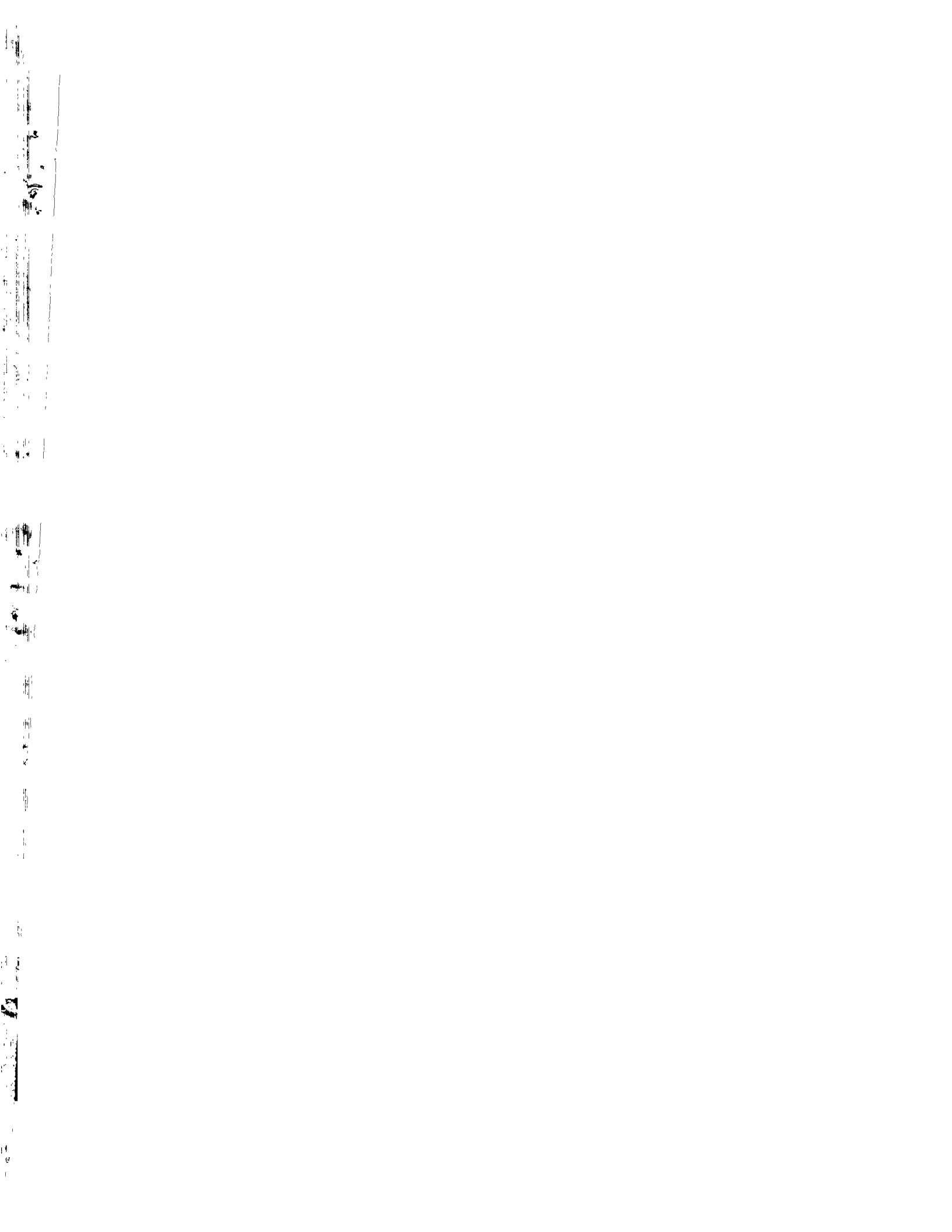
Section 4. Jurisdiction. - The joint DEC-NEDA Hearing Committee shall have jurisdiction to hear the formal protests or complaints of students and/or parents



which have been filed against a proposed increase in school fees, and/or new school fees of an existing private school for the school year 1978-79, and/or the disbursement of the incremental proceeds of its approved increase(s) for previous school year(s). Provided, however, that the holding of the hearing shall be without prejudice for a prior or simultaneous action to be taken on each case by personnel of the Commission on Audit whose assistance shall be availed of upon the request of the Secretary of Education and Culture, relative to the review of the financial statements of private schools in order to determine the viability of their operations and/or the validity of their disbursements of school fees.

Section 5. Procedure of Hearing. - Subject to such procedural arrangements as the joint DEC-NEDA Hearing Committee may decide to adopt based on the circumstances of each case, the following procedure may be observed during the hearing on each application with protest or complaint:

- a. The school head or his duly authorized representative shall first be heard, preferably in the presence of the student or parent representatives of the school concerned, and shall present or submit evidence in support of the proposed increase or change in school fees.
- b. The duly authorized student or parent representative(s) of the school concerned shall follow, after the side of the school administration shall have been terminated, to present or submit evidence in support of the protest or opposition relative to the proposed increase in school fees.
- c. The school head or his duly authorized representative may be allowed to present or submit rebuttal evidence, if any.
- d. The duly authorized student or parent representative(s) of the school concerned may be permitted to present or submit surrebuttal evidence, if any.
- e. At its discretion, the Hearing Committee, in aid of its task of fact-gathering, may allow a third-party interest, e.g. a member of the teaching or non-teaching staff of the school concerned, to speak for or against the proposed increase or change in school fees, if warranted by the circumstance.



Section 6. Notice of Hearing. - As a general rule, the Chairman of the Hearing Committee shall issue a written notice of hearing to the parties concerned: provided, however, that announcements through the news media may be considered sufficient for jurisdiction purposes in the event the party or parties concerned cannot be located or reached through the normal processes.

Section 7. Time for Hearing. - The hearing on each case shall normally be allotted a maximum of one-half day of four (4) hours; provided, however, that both parties shall each be afforded the opportunity to submit a memorandum with a reasonable period of time after the termination of the hearing on the case.

Section 8. Reports. - The report on each case, with appropriate recommendations, shall be submitted by the DEC Regional Director concerned, to the Secretary of Education and Culture within five (5) days after the termination of the hearing thereon. The report and its supporting documents, including the evidence submitted, if any, shall be submitted through the DEC Tuition Fee Unit c/o the Director of Higher Education, Manila.

Section 9. Publicity. - The results of the hearing or investigation shall not be disclosed to any person, except as provided by law and upon expressed authority of the Secretary of Education and Culture.

Section 10. Decision. - The decision on each protested application for increase or change in school fees shall be rendered by the Secretary of Education and Culture within ten (10) days after date of receipt of the records thereof.

RULE VI - MISCELLANEOUS

Section 1. Review of School Financial Statement. - The Secretary of Education and Culture, whenever he deems fit and necessary for verification purposes, may authorize or request the Commission on Audit, through its Commissioner to review the financial statement submitted by the private school concerned pursuant to Section 4 of Rule III hereof, and to examine the books and records relative thereto.

Section 2. Prohibition. - The administration of each private school is prohibited from sponsoring and/or holding any benefit shows, movies, concerts, dramatic presentations,

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games and/or performances of whatever kind or nature whether for charitable or other purposes.

Any violation of this provision shall be sufficient cause for the cancellation of the approval granted by the Secretary of Education and Culture on the latest increase in tuition and/or other school fees of the school concerned, or a valid ground for the disapproval of its application if one is pending consideration.

Section 3. School YCAP Fee. - A private school may be allowed to collect a reasonable amount as YCAP fee, provided that the school has its own on-going programs and substantial projects based on existing rules and requirements of the Department of Education and Culture.

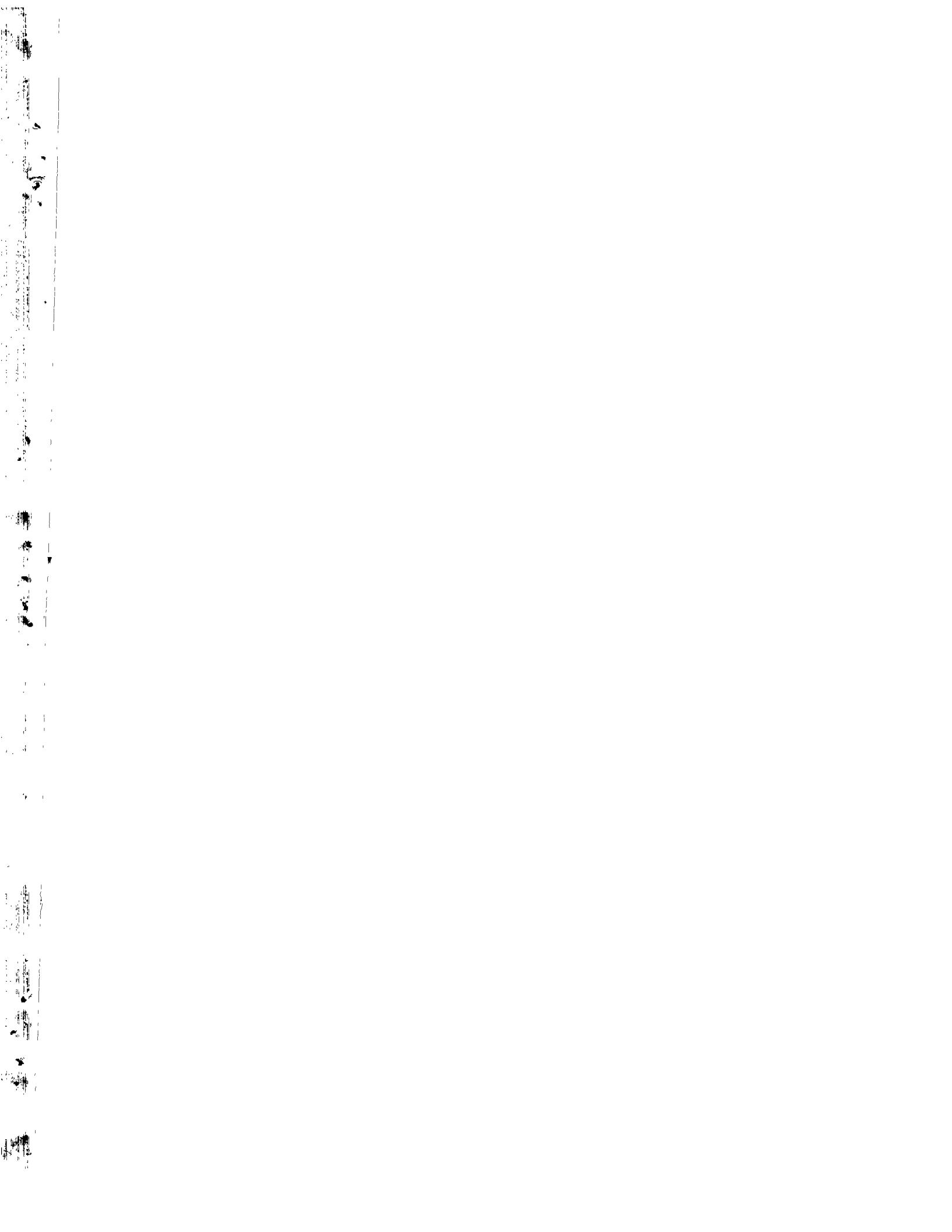
The approval on the YCAP fee of each school is valid only for one school year, until further advise.

Section 4. Classification of School Fees. - School fees to be charged students enrolled in any course are categorized into:

a. Basic and Essential Fees, which are directly supportive to the basic instructional standards and operation of the school. Payment of basic and essential school fees are deemed compulsory on the part of the students, provided that the service called for is effected and rendered by the school concerned.

Among the different items under this category are the following:

- (1) Tuition
- (2) Entrance Examination Fee for admission into professional courses
- (3) Medical-Dental including Physical Examination
- (4) Registration
- (5) Library
- (6) Laboratory which should be paid per laboratory subject, and shall be limited to such laboratory subjects as Chemistry, Zoology, Micro-biology, Anatomy and Physiology, Fundamentals of Nursing, Botany, Biology, General Science, Physics, Practical Arts, Vocational Arts, Nutrition, Engineering and Architecture



(7) Athletic

(8) Clinical Experience for Nursing and other Para-Medical courses

(9) Guidance and Counselling for schools/colleges with Guidance and Counselling center and program

(10) School Publication/Organ for Journalism and Mass Communication courses, and

(11) Others as may be approved by the Secretary of Education and Culture.

b. Non-essential or Auxiliary Fees, which are incidental or indirectly related to the accomplishment of the instructional program and operation of the school. Payment of such fees shall be deemed voluntary or optional on the part of the students or their parents: Provided, however, that if a student or parent exercises the option to avail of the non-essential or auxiliary service of the school, the corresponding fee therefor as approved by the Secretary of Education and Culture shall be paid accordingly.

Among the items under this category are the following:

(1) School Annual

(2) Graduation

(3) Audio-Visual

(4) Speech Clinic

(5) S.R.A.

(6) Book Rental

(7) Review Classes

(8) Board and Lodging

(9) Bus Service

(10) School Publication/Organ except for Journalism and Mass Communication courses



- (11) Diploma
- (12) Civic Contributions except as required under existing laws or policy of the Secretary of Education and Culture
- (13) Entrance Examination for admission into post-secondary courses other than professional courses
- (14) Laboratory Deposit, and
- (15) Others as may be approved by the Secretary of Education and Culture.

Section 5. Other School Fees or Charges. - Other than the school fees or charges indicated in Section 4 herein, no school shall be allowed to collect any kind of school fee or charges without the prior approval of the Secretary of Education and Culture.

Section 6. Posting of School Fees as Approved. - The school head shall cause the posting of the approved rates of tuition and other school fees in the offices of the bursar and the registrar and other conspicuous places inside the school premises. The school head, upon the request of a bona-fide student, parent, member of the faculty or other school personnel, shall make available for verification the approval and supporting documents on the increase during office hours.

Section 7. School Inspection. - All private schools, colleges and universities with approved application(s) for increase or change in school fees beginning the school year 1974-75 shall be given priority consideration for inspection by DEC Regional and/or School Division Supervisory personnel to verify as to the improvements achieved or effected by the schools concerned in terms of the -

(a) salary, retirement, allowances, and other fringe benefits, and development of their school personnel; and

(b) school facilities, including acquisition of facilities and other tools of instruction, student services, additional scholarships, and extension services -

in conformity with the allocations of 60% and 28% provided for in Section 3 of Presidential Decree No. 451 and its Implementing Rules.

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Section 8. Penal Provision. - Any violation of any provision of these Implementing Rules or any final decision made by the Secretary of Education and Culture, pursuant to Section 8 of Presidential Decree No. 451, shall be punishable by a fine of Five Thousand Pesos (P5,000.00) or imprisonment or both, at the discretion of the court, which penalty shall be imposed on the official or officials of the private school concerned, or any person acting for and in behalf of the school directly responsible for the violation. The same penalty shall be imposed if the violator is a public official, without prejudice to any administrative action that may be taken against him.

Section 9. Repealing Clause. - All existing rules inconsistent with the present Implementing Rules are deemed repealed, cancelled, revoked, or modified accordingly.

Section 10. Effectivity. - These Implementing Rules shall be effective immediately.

Manila, Philippines, January 17, 1978.


JUAN L. MANUEL
Secretary

