



Republic of the Philippines
COMMISSION ON HIGHER EDUCATION
DEPARTMENT OF BUDGET AND MANAGEMENT



Joint Memorandum Circular No. 2017-1
20 April 2017

TO : STATE UNIVERSITIES AND COLLEGES (SUCs)
COMMISSION ON HIGHER EDUCATION (CHED)
DEPARTMENT OF BUDGET AND MANAGEMENT (DBM)
ALL OTHERS CONCERNED

SUBJECT : GUIDELINES ON THE GRANT OF FREE TUITION IN STATE
UNIVERSITIES AND COLLEGES FOR FISCAL YEAR 2017

1.0 RATIONALE

The guidelines on the grant of Free Tuition 2017, jointly issued by the Commission on Higher Education (CHED) and the Department of Budget and Management (DBM), aim to ensure proper implementation of the special provisions in the 2017 General Appropriations Act (GAA) subject to the Conditional Implementation ordered by the President.

The specific statements in the 2017 GAA and the Conditional Implementation are as follows:

1.1 Special Provision No. 2 under Other Executive Offices (OEO)-CHED, Volume I-B, page 272

Higher Education Support Fund. The amount of Eight Billion Pesos (P8,000,000,000) appropriated herein under provision for Higher Education Support Program shall be allocated to State Universities and Colleges (SUCs) based on the estimated income from tuition fees of the respective SUCs as indicated in the statement of receipts and expenditures of SUCs in the 2017 Budget of Expenditures and Sources of Financing (BESF). The amount herein appropriated shall be used for the priority programs and projects of the SUCs.

Release of funds shall be subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292, S. 1987.

The specific guidelines and procedures for the use of this fund shall be issued by the CHED and the DBM in consultation with the SUCs.

1.2 Special Provision No. 1 under SUCs, Special Provision(s) Applicable to the SUCs, Volume I-A, page 963

Tuition Fees and School Charges. SUCs are authorized to collect tuition fees and other necessary school charges in accordance with R.A. No. 8292; provided that starting the first semester of SY 2017

– 2018, no tuition fee shall be collected from undergraduate students. The SUCs shall charge the Higher Education Support Fund in lieu of the income from tuition fees.

All income from tuition fees and other school charges shall be retained and deposited by SUCs in an authorized government depository bank. In case there are no government banks in the locality, such income may be deposited in non-government banks, subject to BSP Circular No. 110 dated June 14, 1996.

Said income, including the amounts appropriated herein, shall be used primarily for programs and projects that directly support the core mandate of SUCs and the creation of additional positions as well as payment of magna carta benefits of public health workers subject to guidelines issued by the DBM, in coordination with COA and CHED. In no case shall said income be used for the payment of allowances and other benefits not authorized by law.

Disbursements or expenditures by the SUCs in violation of the above requirements shall be void and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of E.O. No. 292, s. 1987, and to appropriate criminal action under existing penal laws.

The SUCs shall prepare and submit to the DBM not later than November 15 of the preceding year the annual operating budget for the current year covering said income, and the corresponding expenditures. Likewise, it shall submit to the DBM not later than March 1 of the current year its audited financial statement for the immediately preceding year. The presidents of SUCs and their web administrators or his/her equivalent shall be responsible for ensuring that the foregoing documents are likewise posted on the SUC websites.

1.3 Conditional Implementation ordered by the President

The President, prior to signing the 2017 GAA on 22nd of December 2016, placed the foregoing special provisions under **CONDITIONAL IMPLEMENTATION**. Specifically, the content of the President's message is as follows:

...Yet as with all new programs, there is a need to safeguard the proper implementation of the provision of free tuition fee. It is important to underscore that we must still give priority to financially disadvantaged but academically able students. We must also acknowledge that the Constitution likewise provides that the right to choose a profession or course of study is still subject to fair and equitable admission and academic requirements.

Accordingly, the CHED and the DBM shall issue the necessary guidelines which shall include, among others, the standards and procedure for entitlement and availment of free tuition by students of SUCs as well as proper mechanism for the SUCs to tap the Higher Education Support Fund.

2.0 PROGRAM TITLE

The grant shall be known as the 2017 Free Tuition Policy in SUCs; it shall henceforth be referred to as "Free Tuition 2017".

3.0 COVERAGE

The policy shall cover all Filipino students enrolling in undergraduate course programs in State Universities and Colleges (SUCs) for the Academic Year 2017-2018, subject to the prioritization directive of the President and the availability of funds in the Higher Education Support Fund (HESF).

4.0 DEFINITION OF TERMS

For a more thorough understanding of these guidelines, the following terms are defined:

- 4.1 **Academically-able** refers to enrolling students who pass the academic and retention standards of the SUCs;
- 4.2 **Billable Budget Ceiling** refers to the maximum amount an SUC can bill CHED per semester to pay for the tuition subsidies under Free Tuition 2017;
- 4.3 **Budget of Expenditures and Sources of Financing (BESF)** refers to a document which reflects the annual program of estimated expenditures of the National Government accompanied by an estimate of expected sources of financing, which is constitutionally mandated to be submitted by the executive branch to the legislature to support the National Budget proposal;
- 4.4 **Continuing students** refers to enrolling students in an SUC who were enrolled in the same SUC in the previous semester;
- 4.5 **Documentations for proof of income** refers to Income Tax Return (ITR), BIR Form 2316, BIR Certificate of Exemption from Filing of ITR, Barangay Certificate of Indigency, Certification from the DSWD, Overseas Filipino Worker (OFW) Certificate, Employment Contract for OFWs, and other government-issued documents that indicate the income earnings of member(s) of the household who would be responsible for the financing of the student's cost of education;
- 4.6 **National Household Targeting System for Poverty Reduction (NHTS-PR) or Listahanan 2.0** refers to the information management system of DSWD that identifies who and where the poor are in the country. The system makes available to national government agencies and other social protection stakeholders a database of poor families as reference in identifying potential beneficiaries of social protection programs;
- 4.7 **New Enrollees** refers to students enrolling in the SUC for the first time;
- 4.8 **Other Outstanding School Fees** refers to fees which cover other necessary costs supportive of instruction, including but not limited to medical and dental, athletic, library, laboratory, and miscellaneous fees;
- 4.9 **Pantawid Pamilyang Pilipino Program (4Ps) beneficiary** refers to households receiving assistance from the 4Ps, whether through the regular or modified versions

of the program. The 4Ps is a human development measure of the national government that provides conditional cash grants to the poorest of the poor, to improve the health, nutrition, and the education of children aged 0-18;

4.10 Returning students refers to enrolling students in an SUC who were not enrolled in the regular semester before the current one, but were enrolled in the same SUC at least once in previous semesters;

4.11 State Universities and Colleges (SUCs) refers to public Higher Education Institutions (HEIs) which are financed and maintained by the national government, and are governed by their respective independent boards of trustees or regents in accordance with the laws that created these;

4.12 Student Financial Assistance Program (StuFAP) refers to a system of scholarships, grants-in-aid, student loans, subsidies, and other incentives for eligible students;

4.13 Total Annual Benefit Amount refers to the total amount of benefits provided to each student by any government-funded StuFAP for a specific Academic Year;

4.14 Tuition refers to matriculation fees or school charges per unit or units of the subjects or courses enrolled in by a student as indicated in the prospectuses of the SUCs, which may either be on a term or yearly basis;

4.15 Tuition Subsidy refers to the amount of tuition fees not charged to students, in light of Free Tuition 2017, and charged instead to the HESF or the appropriate StuFAPs;

4.16 Unified Student Financial Assistance System for Tertiary Education (UniFAST) refers to the harmonized and state-run system of higher education and technical-vocational scholarships, grants-in-aid, student loans, and other modalities of StuFAP under the UniFAST Act (Republic Act No. 10687).

5.0 ENTITLEMENT TO AND AVAILMENT OF FREE TUITION 2017

5.1 Student Prioritization

The number of students who may avail of the tuition subsidy shall be determined by the estimated tuition income of the SUC stated in Table G of the 2017 BESF. Only academically-able students shall be considered for the Free Tuition 2017.

Students who are beneficiaries of nationally-funded StuFAPs shall be the first to be enrolled in the SUC, provided that the student meets the admission and retention policies of the institution. The tuition fees of these students shall be charged to the relevant allocation of the said StuFAPs, provided that the total annual benefit amount of these StuFAPs are more than Php15,000. The tuition fees of students receiving StuFAPs with total annual benefit amounts of equal to or lower than Php15,000 shall be charged to the Free Tuition 2017 allocation of the SUC and they shall continue to receive their regular StuFAP in addition to this tuition subsidy.

After all StuFAP beneficiaries have been enrolled, students shall be grouped into (1) continuing and (2) new enrollees and returning.

The priority are the continuing students and shall be given the Free Tuition slots in the following order, subject to the availability of the Free Tuition funds:

1. Graduating students with one semester remaining, regardless of household per capita income;
2. Graduating students with one academic year remaining, regardless of household per capita income;
3. Non-graduating students who belong to a household that is or was a beneficiary of 4Ps;
4. Non-graduating students who were never part of a household that is or was a beneficiary of 4Ps but still included in the Listahanan 2.0, ranked according to their estimated per capita household income; and
5. Non-graduating students ranked according to their per capita household income based on submitted documentation(s) for proof of income.

If there are remaining Free Tuition funds, new enrollees and returning students shall likewise be given the corresponding Free Tuition slots in the following order:

6. Graduating students with one semester remaining, regardless of household per capita income;
7. Graduating students with one academic year remaining, regardless of household per capita income;
8. Non-graduating students who belong to a household that is or was a beneficiary of 4Ps;
9. Non-graduating students who were never part of a household that is or was a beneficiary of 4Ps but still included in the Listahanan 2.0, ranked according to their estimated per capita household income; and
10. Non-graduating students ranked according to their per capita household income based on submitted documentation(s) for proof of income.

5.2 Assessment of Students for Eligibility for Free Tuition 2017

All SUCs shall assess students' eligibility to Free Tuition 2017 as early as four weeks prior to the usual enrollment period of the SUCs.

Prior to the assessment period:

1. The CHED shall orient all SUCs, students, and the public at large on Free Tuition 2017.
2. The CHED shall provide all SUCs the comprehensive official list of 4Ps beneficiaries, Listahanan 2.0, and list of beneficiaries of CHED StuFAPs.
3. The SUCs shall prepare all other necessary reference documents regarding the students' academic standing and socio-economic profile.
4. The SUCs shall acquire the list of beneficiaries of non-CHED StuFAPs from the different implementing agencies.
5. The SUCs shall include in their respective registration forms, if these are not already captured, information necessary for the assessment of the students, namely:
 - a. Student type (i.e., continuing, new enrollee, returning);
 - b. If the student is a new enrollee, information on when (term and academic year) he/she last enrolled and in which institution;
 - c. Whether or not the student is a StuFAP beneficiary, and the total annual benefit amount received by the student;
 - d. Whether or not the student belongs to a household that is or was a beneficiary of 4Ps; and
 - e. Documentation(s) for proof of income submitted.
6. The SUCs shall advertise widely the call for the submission of student requirements for assessment.

During the assessment period:

1. Students shall submit the required documents for the assessment, namely:
 - a. Forms of identification usually accepted by the SUC;
 - b. Completed registration forms;
 - c. 4Ps identification card of the household member grantee, if applicable; and
 - d. Documentation(s) for proof of income.
2. The SUCs shall validate whether or not students are beneficiaries of any StuFAP and indicate the total annual benefit amount received by the student.
3. Before the opening of the formal enrollment period, SUCs shall rank all assessed students according to the student prioritization procedure of Free Tuition 2017.

5.3 Enrollment of Students in SUCs

Existing enrollment procedures of SUCs shall largely be observed. However, the SUCs should inform the students at the earliest possible time whether they qualify for the tuition subsidy or not, and try to provide the best options for those who cannot be accommodated by any government financial assistance program.

The major change in the enrollment procedures shall be that tuition fees will not be collected from qualified students but charged to the HESF or to the StuFAP(s), if the student is a beneficiary of government StuFAPs with total annual benefit amount higher than P15,000.

Other outstanding fees due to the SUCs can be collected from the students, or to the corresponding StuFAP allocations, if the student is a StuFAP beneficiary.

6.0 FUND SOURCE, RELEASE, AND DISBURSEMENTS

- 6.1 The funding requirements for Free Tuition 2017 shall be sourced from the HESF, in the total amount of Eight Billion Pesos (P8,000,000,000.00), lodged under the CY 2017 Budget of CHED.

6.1.1 The budget allocation for each SUC (Annex 1) shall be based on the estimated tuition fee income that the SUC stated in Table G of the 2017 Budget of Expenditures and Sources of Financing (BESF).

6.1.2 It shall serve as the budget ceiling that each SUC can charge the CY 2017 HESF.

- 6.2 The release of Special Allotment Release Order (SARO) and Notice of Cash Allocation (NCA) to CHED shall be subject to the submission of a special budget request supported by the following:

- Physical Plan
- Financial Plan
- Monthly Disbursement Program

- 6.3 The SUCs shall bill the CHED for the total tuition subsidies awarded to students, subject to their budget ceiling per semester. The budget ceiling per semester shall not exceed 50% of the budget allocated to the SUC.

6.4 The billing statement should include or be accompanied by documents that contain the following information:

- Names and contact details of each student enrolled and benefitting from Free Tuition 2017
- Program / Course of study of each student, including specific subjects enrolled in and the corresponding number of units
- Certification from the registrar for official enrollment of the student

6.5 Utilization of the fund shall be subject to the usual budgeting, accounting, and auditing rules and regulations.

6.6 All unreleased appropriations and unobligated allotments in the implementation of this program shall be reverted to the General Fund at the end of the validity of appropriations and shall be available for expenditure only upon subsequent legislative enactment.

7.0 ADMINISTRATIVE SUPPORT

One-half of one percent (0.5%) of the HESF referred to in item 6.1 shall be provided to CHED to cover the conduct of supplemental activities that will help ensure the proper implementation of Free Tuition 2017, including but not limited to: advocacy and promotions, technical assistance, and monitoring and evaluation.

8.0 REPORTING REQUIREMENTS

All the reports required from SUCs, CHEDROs, and CHED in the Free Tuition 2017 Guidelines are summarized below:

Timeline	SUC	CHEDRO	CHED
Upon approval of the guidelines		Submit "Free Tuition 2017 Monitoring Work and Financial Plan" to CHED	Submit "Special Budget Request" with all attachments to DBM
Within one month after the end of 1 st semester enrollment period	SUCs to submit "Billing Statement" with all attachments to CHED before the 15 th of the month	Submit "Monitoring Accomplishment Report" to CHED	CHED offices and personnel tasked with monitoring Free Tuition 2017 to submit "Monitoring Accomplishment Report" to the Office of the Chairperson and to the CHED UniFAST Secretariat Post on the CHED website the amount of HESF funds disbursed to each SUC for the 1 st semester

Within one month after the end of 2 nd semester enrollment period	SUCs to submit "Billing Statement" with all attachments to CHED before the 15 th of the month	Submit "Monitoring Accomplishment Report" to CHED	CHED offices and personnel tasked with monitoring Free Tuition 2017 to submit "Monitoring Accomplishment Report" to the Office of the Chairperson and to the CHED UniFAST Secretariat Post on the CHED website the amount of HESF funds disbursed to each SUC for the 2 nd semester
March 2018	Submit "2017 Audited Financial Statements" to DBM Post on the SUC website the "2017 Audited Financial Statements"		CHED to submit "Free Tuition 2017 Accomplishment Report" to DBM CHED UniFAST Secretariat to submit "Free Tuition 2017 Evaluation Report" to the Office of the Chairperson

9.0 RESOLUTION OF ISSUES

Interpretation of the provisions in this Joint Circular, including cases not covered herein, shall be referred to the CHED Central Office for final resolution by the CHED, SUCs, and DBM.

10.0 TRANSPARENCY AND ACCOUNTABILITY

The DBM and CHED shall adopt a strict policy on transparency and accountability in the disbursement of the funds and shall be governed by the existing laws.

The SUCs shall submit to the CHED, DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations, and the Senate Committee on Finance, either in printed form or by way of electronic document, quarterly reports on the utilization of funds, including the lists of beneficiaries.

The President of the SUCs and their web administrators or their equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the SUCs website.

11.0 SEPARABILITY CLAUSE

If, for any reason, any part or provision of this joint circular is declared invalid or unconstitutional, any part or provision not affected thereby shall remain in full force and effect.

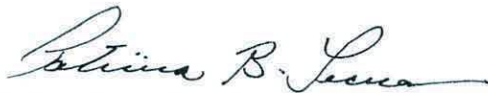
12.0 REPEALING CLAUSE

All or other issuances that are inconsistent with this joint circular are hereby repealed or amended accordingly.

13.0 EFFECTIVITY

This joint circular shall take effect immediately upon publication in the Official Gazette or in a newspaper with general circulation.

Signed this 20th of April 2017.



PATRICIA B. LICUANAN, Ph.D.

Chairperson

Commission on Higher Education



BENJAMIN E. DIOKNO, Ph.D.

Secretary

Department of Budget and Management

Annex 1. Budget Allocation of State Universities and Colleges in the Higher Education Support Fund
*Based on Estimated Tuition Income Stated by State Universities and Colleges in Table G of the
 2017 Budget of Expenditure and Sources of Financing*

Region	State University and College Name (SUC)	In Thousands (PhP)
Philippines (All SUCs)		7,789,987
National Capital Region (NCR)		
	Eulogio 'Amang' Rodriguez Institute of Science and Technology	99,317
	Marikina Polytechnic College	33,011
	Philippine Normal University	44,018
	Philippine State College of Aeronautics	113,839
	Polytechnic University of the Philippines	204,134
	Rizal Technological University	100,782
	Technological University of the Philippines	171,250
	University of the Philippines	367,872
Cordillera Administrative Region (CAR)		
	Abra State Institute of Science and Technology	11,200
	Apayao State College	10,267
	Benguet State University	99,634
	Ifugao State University	24,287
	Kalinga State University	29,200
	Mountain Province State University	16,431
Region I - Ilocos		
	Don Mariano Marcos Memorial State University	55,360
	Ilocos Sur Polytechnic State College	80,000
	Mariano Marcos State University	55,923
	North Luzon Philippine State College	8,415
	Pangasinan State University	152,772
	University of Northern Philippines	28,279
Region II - Cagayan Valley		
	Batanes State College	987
	Cagayan State University	41,343
	Isabela State University	70,187
	Nueva Vizcaya State University	35,430
	Quirino State University	13,894
Region III - Central Luzon		
	Aurora State College of Technology	9,854
	Bataan Peninsula State University	103,742
	Bulacan Agricultural State College	13,500
	Bulacan State University	178,804
	Central Luzon State University	85,500

Region	State University and College Name (SUC)	In Thousands (PhP)
	Don Honorio Ventura Technological State University	187,302
	Nueva Ecija University of Science and Technology	82,688
	Pampanga State Agricultural University	15,885
	Philippine Merchant Marine Academy	3,077
	Ramon Magsaysay Technological University	65,000
	Tarlac College of Agriculture	37,762
	Tarlac State University	80,413
Region IVA - CALABARZON		
	Batangas State University	236,744
	Cavite State University	238,148
	Laguna State Polytechnic University	74,000
	Southern Luzon State University	55,800
	University of Rizal System	122,137
Region IVB - MIMAROPA		
	Marinduque State College	24,163
	Mindoro State College of Agriculture and Technology	27,000
	Occidental Mindoro State College	45,801
	Palawan State University	74,742
	Romblon State University	24,768
	Western Philippines University	32,000
Region V - Bicol		
	Bicol State College of Applied Sciences and Technology	50,934
	Bicol University	128,184
	Camarines Norte State College	38,888
	Camarines Sur Polytechnic Colleges	33,601
	Catanduanes State University	20,000
	Central Bicol State University of Agriculture	66,354
	Dr. Emilio B. Espinosa Sr. Memorial State College of Agriculture and Technology	18,840
	Partido State University	48,916
	Sorsogon State College	53,969
Region VI - Western Visayas		
	Aklan State University	30,523
	Capiz State University	141,971
	Carlos C. Hilado Memorial State College	52,026
	Central Philippines State University	42,341
	Guimaras State College	10,996
	Iloilo Science and Technology University	65,500
	Iloilo State College of Fisheries	38,781
	Northern Iloilo Polytechnic State College	74,668
	Northern Negros State College of Science and Technology	61,309
	University of Antique	49,262
	West Visayas State University	79,796

Region	State University and College Name (SUC)	In Thousands (PhP)
Region VII - Central Visayas		
	Bohol Island State University	50,000
	Cebu Normal University	33,146
	Cebu Technological University	379,192
	Negros Oriental State University	130,702
	Siquijor State College	7,943
Region VIII - Eastern Visayas		
	Eastern Samar State University	73,778
	Eastern Visayas State University	93,800
	Leyte Normal University	43,706
	Naval State University	62,130
	Northwest Samar State University	23,600
	Palompon Polytechnic State University	30,000
	Samar State University	74,020
	Southern Leyte State University	30,717
	University of Eastern Philippines	116,814
	Visayas State University	51,474
Region IX - Zamboanga Peninsular		
	J.H. Cerilles State College	21,256
	Jose Rizal Memorial State University	96,050
	Western Mindanao State University	48,885
	Zamboanga City State Polytechnic College	19,178
	Zamboanga State College of Marine Sciences and Technology	11,027
Region X - Northern Mindanao		
	Bukidnon State University	285,260
	Camiguin Polytechnic State College	5,806
	Central Mindanao University	53,396
	Mindanao State University - Iligan Institute of Technology	85,201
	Mindanao University of Science and Technology	261,336
	Misamis Oriental State College of Agriculture and Technology	a/
	Northwestern Mindanao State College of Science and Technology	15,102
Region XI - Davao		
	Compostela Valley State College	17,200
	Davao del Norte State College	6,030
	Davao Oriental State College of Science and Technology	21,000
	Southern Philippines Agri-Business and Marine and Aquatic School of Technology	35,200
	University of Southeastern Philippines	125,383
Region XII - SOCKSARGEN		
	Cotabato Foundation College of Science and Technology	18,340
	Cotabato State University	68,364

Region	State University and College Name (SUC)	In Thousands (PhP)
	Sultan Kudarat State University	91,349
	University of Southern Mindanao	171,318
CARAGA		
	Agusan Del Sur State College of Agriculture and Technology	28,900
	Caraga State University	36,285
	Surigao Del Sur State University	70,600
	Surigao State College of Technology	63,129
Autonomous Region of Muslim Mindanao (ARMM)		
	Adiong Memorial Polytechnic State College	b/
	Basilan State College	14,500
	Mindanao State University	78,791
	Mindanao State University - Tawi-Tawi College of Technology and Oceanography	8,930
	Sulu State College	26,640
	Tawi-Tawi Regional Agricultural College	10,988

Source: Estimated Tuition Fee Income of SUCs in Table G in the 2017 Budget Expenditure and Sourcing of Financing
Notes:

a/ Merged with Mindanao University of Science and Technology as per 16th Congress House Bill No. 6144
into the University of Science and Technology of Southern Philippines (USTSP)

b/ Figures not specified in the 2017 BESF.