

Comments on Education Bills SBN 705 and SBN 819¹

It is indeed laudable that our policy makers should find ways to provide greater opportunities for the disadvantaged students to broaden access to higher education. However, this should always be done in due consideration to existing programs and sound public finance principles. It is better for the country to continue to rationalize student financial assistance programs (StuFAPs) from the current fragmented towards a more unified one. The rationalization should be based on public finance principles that clearly identify the rationale why government resources are proposed to be specially allocated given competing uses. Initiatives should be appreciated with these longer-term objectives in mind.

The recently passed UniFast Law (RA10687) unified StuFAPS into three modes, namely: (a) scholarships for the bright, (b) grants-in-aid for the poor but college ready, and (c) loans for those who are neither poor nor bright but currently financially constrained and college ready. The three modes of financing have clear rationale. Scholarships promotes efficiency by ensuring that the bright students, who are expected to contribute to overall productivity of the school systems and the economy after graduation, finish their education regardless of economic circumstance. Grants-in-aid promote greater equity. Finally, loans address students' temporary liquidity problems which are expected to be smoothed out in the long-run. StuFAPs should also be full financing covering tuition, living allowance and instructional materials. This is because less than full funding will discriminate against the poor. Finally, StuFAPs should be applicable in all educational institutions public or private. The only thing RA 10687 lacks is sufficient and assured financing.

It appears that the purpose of SBN 705 to provide financing for the poor but college ready students is already covered by the scholarship or the GIA components of RA 10687. Poor students who are bright can get scholarship while poor students who are college ready can get GIA. In addition, free tuition is not sufficient to ensure that the poor will be able to complete college education. The poor will be hard put at finding the money to finance the other costs of higher education. Mandating HEIs to finance a percentage of their students will only force them to generate the needed resources from some other revenue sources such as fees unless they can find grant funding to pay for these programs.

In the case of SB 819, the bill mentioned in the explanatory note the existing Department of Science and Technology Science Education Institute (DOST-SEI) program under RA 7687 which specifically caters to science and technology students. In addition, scholarships programs are also proposed to be consolidated into the UniFAST program for a more coherent scholarship program. If government wants to finance more science and technology students, the only thing that is needed is to allocate more resources to existing programs so more slots can be offered. But the decision on how many slots are allocated to science and technology students are best decided in relation to the allocation to all other fields. This highlights the importance of a unified program of granting scholarships such as

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those envisioned in RA 10687. There appears to be no compelling evidence that allocating scholarships to 5% of graduates of public science high school will produce a better crop of science and technology graduates than the existing nationally competitive science and technology scholarships program under DOST-SEI. There is also no compelling reason why the scholarship should be confined to students enrolled in SUCs when there are equally good science and technology programs in private HEIs.