

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

House Bill No. 294



Introduced by Rep. Eulogio "Amang" R. Magsaysay

EXPLANATORY NOTE

Section 1, Article XIV of the Philippine Constitution provides for the right of all citizens to quality education at all levels and that appropriate steps should be taken by the government to make such education accessible to all.

Giving due importance to the said constitutional mandate, a number of our local government units have taken the initiative to make higher education accessible to their constituents by establishing, through ordinances of their respective *sanggunians*, local colleges and universities (LCUs) within their territorial jurisdiction under the provisions of the Local Government Code of 1991 or Republic Act 7160.

While the reasons behind the establishment of these LCUs on the part of the local government units are commendable, it has been observed that the absence of definite guidelines on the establishment of these LCUs (e.g. composition of the governing boards of these LCUs, the qualifications of the administering authority) has taken a toll on the delivery of quality education to the constituents it serve.

This measure recognizes the need to rationalize the creation of LCUs to bring about an upgrade in the delivery of quality and accessible higher education of these institutions of higher learning. Acknowledging the urgency of its intent, this legislative proposal has already been deliberated in several meetings and hearings of the House Committee on Higher and Technical Education during the 15th Congress. The various suggestions and amendments taken during the discussions are now integrated in the attached bill.

It is therefore recommended that the foregoing bill be approved.

A handwritten signature in dark ink, appearing to be "Em" with a flourish, representing Eulogio "Amang" R. Magsaysay.

EULOGIO "AMANG" R. MAGSAYSAY

SIXTEENTH CONGRESS OF THE)
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AN ACT
PROVIDING GUIDELINES FOR THE ESTABLISHMENT AND OPERATION OF LOCAL COLLEGES AND UNIVERSITIES, AND FOR OTHER PURPOSES

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

SECTION 1. *Short Title.* This Act shall be known as the “Local Colleges and Universities Governance Act.”

SECTION 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 and to take appropriate steps to make education accessible to all. In doing so, the State shall establish, maintain and support a complete, adequate and integrated system of education relevant to the needs of the people and society and that it shall take into account regional and sectoral needs and conditions and shall encourage local planning in the development of educational policies and programs.

SECTION 3. *Definition of Terms.* As used in this Act, the terms enumerated herein shall have the following meaning:

- (a) *Local College or University or LCU* - refers to a public higher education institution (HEI) established a local government unit through an establishing ordinance, and financially supported by the concerned local government unit. In Filipino, an LCU is referred to as “Dalubhasaan” for college and “Pamantasan” for university.
- (b) *Ordinance* - refers to the enabling act of the *Sangguniang Bayan, Panglunsod or Panlalawigan* that creates a particular LCU and serves as the charter of said LCU.
- (c) *Degree Program* - refers to a collection of all courses in a field of study leading to an undergraduate or graduate degree, and may also be referred to as academic program.
- (d) *Non-Degree Program* - refers to a post-secondary program below the bachelor’s degree.
- (e) *Local Government Unit or LGU* - refers to municipalities, cities and provinces that created or established the LCU.
- (f) *College or Dalubhasaan* – refers to an HEI offering academic programs and usually pre-professional training leading to a bachelor’s degree.
- (g) *University or Pamantasan* – refers to an institution made up of an undergraduate division that offers bachelor’s degree and graduate division that comprises a graduate school and professional schools each of which may confer master’s and doctorate degrees. It is an entire socio-physical infrastructure comprised of schools, colleges and Institutes offering degree programs in various disciplines and levels.

SECTION 4. Coverage. The provisions of this Act shall apply to:

- (a) New HEIs to be established and operated by LGUs by virtue of local governance;
- (b) HEIs to be established and operated by LGUs offering non-degree programs but would eventually offer degree programs;
- (c) Local colleges proposing elevation to university status; and
- (d) Existing LCUs which have not met the standards of the Commission on Higher Education (CHED) prescribed in this Act.

SECTION 5. Establishment and Operation of local HEIs by LGUs. A local HEI, to be known as a local college or *dalubhasaan*, shall be established and operated by an LGU through an ordinance duly enacted for that purpose by the *Sanggunian* concerned: *Provided*, that before the enactment of the said ordinance, an LGU establishing a local college shall consult and coordinate with the Commission on Higher Education (CHED) to ensure observance of pertinent policies and standards promulgated by CHED and compliance with the necessary requirements for the establishment and subsequent effective operation of the local college.

No new local HEI shall be established immediately as a local university or *pamantasan*. A local HEI established by an LGU shall be known as a local college or *dalubhasaan*.

A local college may subsequently apply for elevation to a university: *Provided*, That it has complied with the standards and guidelines for the grant of university status pursuant to pertinent CHED rules and regulations and that it has followed the appropriate process of accreditation conducted by a reliable accreditation body which found the college prepared to be elevated into a university: *Provided further*, That a local college, upon conversion into a local university, shall continue to be operated by the concerned LGU in coordination with the CHED.

Local educational Institutions offering only non-degree programs shall not use "College" or "University" in its name unless they would eventually offer degree programs and have complied with the requisites provided for the establishment of a college or the grant of university status under the CHED rules and regulations: *Provided*, That educational institutions which have been using the name "college" or "university" prior to the passage of this Act shall be allowed to retain the name: *Provided further*, That said educational institutions shall be given a grace period by the CHED to comply with the requirements for the status of "college" or "university" to make them worthy of their name.

SECTION 6. Authority to Grant of "University" Status. The proposal for elevation to "University" status shall be submitted to the Office of Programs and Standards, CHED Central Office, through the CHED Regional Office, for review. Only the Commission *en banc* shall grant the "University" status upon compliance with the requirements.

SECTION 7. Governing Board of a Local College or University. The governing board of a college or Dalubhasaan shall be its Board of Trustees (BOT) while the governing board or Pamantasan shall be its Board of Regents. The governing board of an LCU, hereinafter referred to as the Board, shall be composed of the following:

- (a) Local Chief Executive as Chairperson;
- (b) CHED Chairperson as Co-Chairperson;
- (c) President of the LCU as Vice-Chairperson;
- (d) President of the duly recognized faculty association of the LCU as member;
- (e) President of the duly recognized student council of the LCU as member;
- (f) President of the alumni association as member;

- (g) Chairperson of the Sangguniang Committee on education as member;
- (h) CHED Regional Director as member;
- (i) District Superintendent of the Department of Education as member
- (j) Two (2) representatives from the private sector who have distinguished themselves in their profession or field of specialization and are bonafide residents of the community where the LCU is located, as members.

One of the two (2) representatives from the private sector shall come from the business or industry sector. They be appointed by the local chief executive and shall each serve for a term of two years from the date of their respective appointments.

The terms of office of the president of the faculty association, the president of student council, and the president of the alumni association shall be coterminous with the respective terms of office pursuant to their respective constitutions and by-laws.

SECTION 8. Powers of the Board. The Board shall promulgate policies on education, science and technology, arts, culture and sports, as well as policies, standards and thrusts in accordance with the declared state policies on higher education, such as Republic Act No. 7722 or the "Higher Education Act of 1994" and other pertinent laws, as well as the principle of local autonomy enshrined in Republic Act No. 7160 or the "Local Government Code of 1991."

The CHED, in the issuance of academic policies and standards affecting LCUs, shall take into account the different characteristics and the distinct features of the LCUs, their organizational set-up, and their operation: *Provided*, That the CHED shall, at all times, devise ways and practices that will ensure that LCUs will remain committed to the delivery of quality education to its students.

The Board shall have the following specific powers and duties, in addition to its general powers of administration and the exercise of all the powers granted to the board of directors of a corporation under Section 36 of Batas Pambansa Blg. 68, otherwise known as the Corporation Code of the Philippines:

- (a) To enact rules and regulations not contrary to law as may be necessary to carry out the purposes and functions of the LCU;
- (b) To receive and appropriate all sums, as may be provided, for the support of the university or college in the manner it may determine, and its discretion, to carry out the purposes and functions of the LCU;
- (c) To receive in kind and in trust legacies, gifts and donations of real and personal properties of all kinds, to administer and dispose the same when necessary for the benefit of university or college, subject to limitations, discretions and instructions of the donors, if any. Such donations shall be except from all taxes and shall be considered as deductible items from the income tax of the donor;
- (d) To fix the tuition fees and other school charges, such as but not limited matriculations fees, graduation fees and laboratory fees, as the board may deem proper to impose after due consultations with the involved sectors; *Provided*, that these fees will not be prohibitive or unreasonable as to deviate from the purpose for which the LCUs are created.

Such fees and charges, including government subsidies and other income generated by the LCU, shall constitute a special trust funds and shall be deposited in any authorized government depository bank, and all interests shall accrue therefrom shall form part of the same fund for the use of the LCU.

Any provision or existing laws, rules and regulations to the contrary notwithstanding, any income generated by the LCU from tuition fees and other charges, as well as from the operation of auxiliary services and land grants, shall be retained by the LCU, and may be disbursed by the Board for instruction, research, extension services, or other programs/projects of the LCU: *Provided*, that all fiduciary fees shall be disbursed for the specific purpose for which they are collected.

If, for reason of control, the university or college shall be able to pursue any project for which funds have been appropriated and allocated under its approved program of expenditures, the Board may authorize the use of said funds for any reasonable purpose which, in each discretion, may be necessary and urgent for the attainment of objectives and goals of the LCU;

- (e) To adapt and implement a socialized scheme of tuition and school fees for greater access to poor but deserving students;
- (f) To authorize the construction or repair of its building, machineries, equipment, and other facilities, as well as the purchase and acquisition of real personal properties, including necessary supplies, materials, and equipment. Purchase and other transactions entered into by the LCU through the Board shall be exempt from all taxes and duties, subject to applicable BIR (Bureau of Internal Revenue) rules and regulations;
- (g) To appoint, upon the recommendation of the president of the university or college, vice presidents, deans, directors, heads of departments, faculty members and other officials and employees;
- (h) To fix and adjust salaries of faculty members and administrative officials and employees, subject to the provisions of the revised compensation laws governing hours of service, and such other duties and conditions as it may deem proper; to grant them, at its discretion, leaves of absence under such regulations as it may promulgate, any provisions of existing law to the contrary notwithstanding; and to remove for cause in accordance with the requirements of due process of law;
- (i) To approve the curricula, and institutional programs of the institution: *Provided*, that it conforms to the CHED guidelines.
- (j) To approve rules of discipline for the administrative and academic staff of the college or university to ensure orderly and effective governance thereof;
- (k) To set policies on admission and graduation of students;
- (l) To award honorary degrees upon persons in recognition of outstanding contribution in the field of education, public service, arts, science and technology or any field of specialization within the academic competence of the university or college and to authorize the certificates of completion of non-degree and non-traditional courses; *Provided* that these conform with the applicable guidelines of the CHED;
- (m) To establish research and extension centers of the LCU where such will promote the development of the latter;
- (n) To establish chairs in the LCU and to provide fellowships for qualified faculty members and scholarships to deserving students;
- (o) To delegate any of its power and duties for the hereinabove to the president and/or the other officials of the university or college as it may deem appropriate so as to expedite the administration of the affairs of the university or college;

- (p) To authorize an external management audit of the institution, to be coordinated with CHED, and to institute reforms, including academic and structural changes, on the basis of the audit results and recommendations;
- (q) To enter into joint ventures with business and industry for the profitable development and management of the economic assets of the college or university, the proceeds from which to be used for the development and strengthening of the LCU;
- (r) To develop consortia and other forms of linkages with the local government units, institutions and agencies, both public and private, local and foreign, in furtherance of the purposes and objectives of the institutions;
- (s) To develop academic arrangements for institution capability building with appropriate institutions and agencies, public or private, local or foreign, and to appoint experts/specialists as consultants, or visiting or exchange professors, scholars, researchers, as the case may be;
- (t) To set up the adoption of modern and innovative modes of transmitting knowledge such as the use of information technology, the dual system, open learning, community laboratory, etc., for the promotion of greater access to education within the institution;
- (u) To establish policy guidelines and procedures for participative decision making and transparency within the institution;
- (v) To privatize, where most advantageous to the institution, management of non-academic services such as health, food, building or grounds or property maintenance and similar such other objectives; and
- (w) To extend the term of the president of the college or university beyond the age of retirement, but not later than the age of seventy (70), whose performance has been unanimously rated as outstanding and upon unanimous recommendation by the search committee for the president of the institution concerned.

SECTION 9. *Academic Freedom and Institutional Autonomy.* – The LCU shall enjoy academic freedom and institutional autonomy, pursuant to Paragraph 2, Section 5 of Article XIV of the 1987 Constitution of the Republic of the Philippines.

SECTION 10. *Administration of the LCU.* The administration of the LCU shall be vested in the President who shall render full-time service to implement policies promulgated by the Board. He/She shall be appointed by the Board upon the recommendation of a search committee duly constituted by the Board.

The President of the LCU shall have a term of five (5) years and shall be eligible for reappointment for another term, unless otherwise provided for in the ordinance creating the LCU.

The President shall hold an appropriate earned doctoral degree and should have at least five (5) years of relevant administrative experience, without prejudice to the provisions of additional qualifications to be set by the governing of the board of the LCU.

In case of vacancy in the Office of the President by reason of death, compulsory retirement, resignation, removal for cause or incapacity of the president to perform the functions of his/her office, the Board shall have the authority to designate an Officer- In-Charge of the LCU pending the appointment of a new President.

The powers and duties of the President of an LCU, in addition to those specially provided in this Act, shall be those usually pertaining to the Office of the President of other colleges, and those delegated by the Board. The salary of the President of the LCU shall be set by the Board, taking into consideration the applicable civil service rules and regulations and ensuring that the same be comparable to that being received by the presidents of similar educational institutions.

For the effective operation of the LCU, the vice-president, deans, directors, heads of departments, faculty, non-teaching personnel and such other officials and employees shall be appointed by the Board, taking into consideration the recommendation of the President. The appointments of these LCU officials and employees shall be in conformity to existing civil service laws, rules and regulations.

SECTION 11. *Search Committee for President of the LCU.* Six (6) months before the expiration of the term of office of the incumbent President, the Board shall appoint a Search Committee for President of the LCU. The Search Committee shall have five (5) members to be appointed by the Board. The composition of the Search Committee shall include a representative from the LGU concerned, the academe, the Association of Local Colleges and Universities (ALCU), the faculty, and the business sector. They shall elect a Chairperson and Vice-Chairperson from among themselves.

SECTION 12. *The Administrative Council.* – There may be an Administrative Council consisting of the President of the LCU as Chairperson, vice presidents, deans, directors and other officials of equal rank as members, whose duty is to review and recommend to the Board policies governing the administration, management and development planning of the LCU.

SECTION 13. *The Academic Council.* – There may be an Academic Council to be composed of the President of the LCU, who shall act as Chairperson, and all academic staff with the rank of at least an assistant professor, as members.

The Academic Council shall have the power to review and recommend the curricular offerings and rules of discipline of the LCU, subject to the approval of the Board. It shall fix the requirements for the admission of students, as well as for their graduation and conferment of degrees, subject to review and approval by the Board through the President of the LCU. It shall have the disciplinary power over students of the LCU and shall formulate academic policies and rules and regulations on discipline, subject to the approval of the Board.

SECTION 14. *Funding of LCUs.* There shall be a provision for the regular annual appropriation from the LGU to support and sustain the operation of the LCU.

SECTION 15. *Implementing Rules and Regulations.* The CHED, in coordination with the Department of the Interior Local Government (DILG) and the ALCU, shall promulgate the implementing rules and regulations as may be necessary to carry out the provisions of this Act within sixty (60) days from the effectivity of this Act.

SECTION 16. *Separability Clause.* If any provision of this Act is any provision of this Act shall be held unconstitutional or invalid, the remaining provisions which are not affected thereby shall continue to be full force and effect.

SECTION 17. *Repealing Clause.* All laws, executive orders, decrees, instructions, rules and regulations and other issuances, or parts thereof, contrary to or inconsistent with this Act are hereby modified, amended or repealed accordingly.

SECTION 18. *Effectivity Clause.* This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,