

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Philippines

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 1510



INTRODUCED BY HON. MARCELINO "MARCY" R. TEODORO

EXPLANATORY NOTE

The Commission on Higher Education (CHED) is the governing body covering both public and private higher education institutions as well as degree-granting programs in all tertiary educational institutions in the Philippines.

CHED was established in May 18, 1994 through Republic Act No. 7722 or the Higher Education Act of 1994. Pursuant to the said law, the Commission is mandated to undertake steps to promote quality education, and ensure accessibility of education to all, as well as, protect academic freedom for intellectual growth and advancement of learning and research, among others.

Specifically and more importantly, the Commission is responsible for formulating and implementing policies, plans and programs for the development and efficient operation of the higher educational system in the country.

More than 15 years since its creation, several amendments to the CHED charter are now being proposed to address the limitations and challenges the Commission had to endure under its present charter that substantially affected its performance as a government entity tasked to ensure quality tertiary education. Apparently, no less than CHED admits to the insufficiency of the existing law under which the CHED derives its functions and powers.

This bill seeks to, among others, 1) Set the standards for and regulate review centers and similar entities; 2) Provide additional qualifications and duties for the Chairperson and Commissioners of CHED, and other requirements with respect to the composition of the Commission Proper; 3) Grant CHED the powers not merely to formulate and recommend development plans and policies on higher education and research but to implement such policies as well; 4) Allow CHED to recommend to Congress the creation, dissolution and merger of state and/or local colleges and other publicly-funded tertiary institutions; 5) Bestow CHED the authority to set minimum qualifications for faculty who can teach in HEIs, monitor and evaluate the performance of programs of HEIs both private and public including locally-funded colleges and universities, and approve the establishment of and changes in the institutional status of private universities and colleges; and 6) Confer CHED the authority to regulate increases in tuition and other fees, to conduct mediation, conciliation, exercise appellate jurisdiction between HEIs and students, teachers and staff involving academic issues, and to exercise quasi-judicial powers in the pursuit of the mandate of the Commission.

Hopefully, with the proposed changes under the measure, CHED can fulfill its mandate more effectively, especially so that there are already 2,060 higher education institutions in the Philippines today.

In light of the foregoing, approval of this bill is earnestly sought


MARCELINO "MARCY" R. TEODORO
Representative
1st District, City of Marikina

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AN ACT
AMENDING REPUBLIC ACT NO. 7722, OTHERWISE KNOWN AS THE "HIGHER
EDUCATION ACT OF 1994," STRENGTHENING THE COMMISSION ON HIGHER
EDUCATION (CHED), AND FOR OTHER PURPOSES

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

SECTION 1. A new section is hereby inserted as Section 3 of Republic Act No. 7722:

Sec. 3. DEFINITION OF TERMS. – UNLESS THE CONTEXT OTHERWISE
INDICATES, THE FOLLOWING TERMS SHALL MEAN:

A. HIGHER EDUCATION SUBSECTOR – SHALL REFER TO BOTH PUBLIC
AND PRIVATE INSTITUTIONS THAT OFFER TERTIARY EDUCATION
DEGREE PROGRAMS.

B. HIGHER EDUCATION INSTITUTIONS (HEIs) – REFER TO PUBLIC OR
PRIVATE INSTITUTIONS PRIMARILY OFFERING DEGREE-GRANTING
PROGRAMS, INCLUDING POST-SECONDARY DEGREE-GRANTING
VOCATIONAL AND TECHNICAL EDUCATIONAL INSTITUTIONS DULY
RECOGNIZED BY CHED.

C. LOCAL COLLEGES AND UNIVERSITIES (LCUs) – REFER TO PUBLIC
HEIs ESTABLISHED AND FINANCIALLY SUPPORTED BY THE LOCAL
GOVERNMENT THROUGH AN ENABLING ORDINANCE. LCUs MAY BE
REFERRED TO AS "DALUBHASAAN" FOR COLLEGE AND
"PAMANTASAN" FOR UNIVERSITY.

D. STATE UNIVERSITIES AND COLLEGES (SUCs) - REFER TO PUBLIC
HEIs WITH INDEPENDENT AND SEPARATE GOVERNING BOARDS
CREATED AND ESTABLISHED BY LAW.

E. GOVERNING BOARDS (GBs) – REFER TO THE HIGHEST POLICY-
MAKING BODY OF CHARTERED SUCs AS DEFINED IN R.A. 8292. FOR
CHARTERED STATE UNIVERSITIES, THEY ARE CALLED BOARD OF
REGENTS (BOR). FOR CHARTERED STATE COLLEGES THEY ARE
CALLED BOARD OF TRUSTEES (BOT).

SECTION 2. Section 3 of Republic Act No. 7722 is hereby amended to read as follows:

Section [3] 4. Creation of the Commission on Higher Education. - In pursuance of
the abovementioned policies, the Commission on Higher Education is hereby
created hereinafter referred to as the Commission.

The Commission shall be independent and separate from the Department of
Education[Culture and Sports (DECS)] (DEPED), and attached to the Office of
the President for administrative purposes only. Its coverage shall be both public
and private institutions of higher education [as well as degree-granting]

OFFERING DEGREE programs [in all post-secondary educational institutions, public and private]. IT SHALL ALSO SET THE STANDARDS FOR AND REGULATE REVIEW CENTERS AND SIMILAR ENTITIES.

SECTION 3. Section 4 of the same Act is hereby replaced with the following Section 5:

Sec. [4] 5. COMPOSITION OF THE COMMISSION PROPER. – THE COMMISSION PROPER SHALL BE COMPOSED OF A CHAIRPERSON AND FOUR (4) COMMISSIONERS WHO MUST HAVE DISTINGUISHED THEMSELVES IN THEIR CHOSEN CAREER OR PROFESSION, AND ARE KNOWN FOR THEIR HIGH DEGREE OF HONESTY, INTEGRITY AND PROFESSIONALISM.

AT LEAST THREE (3) OF THE MEMBERS OF THE COMMISSION, INCLUDING THE CHAIRPERSON, SHALL COME FROM THE ACADEME. THEY SHALL BE HOLDERS OF EARNED DOCTORAL DEGREES AND HAVE BEEN ACTIVELY ENGAGED IN HIGHER EDUCATION FOR AT LEAST TEN (10) YEARS. THE REST SHALL COME FROM BUSINESS, INDUSTRY, AND EXPERTS OR SPECIALISTS FROM OTHER AREAS OF DISCIPLINE WHO CAN CONTRIBUTE TO THE EFFICIENT AND EFFECTIVE GOVERNANCE OF HIGHER EDUCATION. NO PERSON SHALL BE APPOINTED AS CHAIRPERSON OR COMMISSIONER IF HE/SHE HAS BEEN A CANDIDATE FOR ELECTIVE POSITIONS IN THE ELECTIONS IMMEDIATELY PRECEDING THEIR APPOINTMENT.

THE COMMISSION SHALL REGULARLY MEET ONCE A MONTH, HOWEVER, THE MATTER OF IMPLEMENTATION AND EXECUTION SHALL BE AT THE JURISDICTION OF THE EXECUTIVE OFFICE OF THE COMMISSION.

SECTION 4. Section 5 of the same Act is hereby amended to read as Section 6:

Sec. [5] 6. Term of Office. – The President shall appoint the full-time [chairman] CHAIRPERSON and the commissioners for a term of four (4) years, without prejudice to one reappointment. The terms of the initial appointees shall be on a staggered basis: the full-time [chairman] CHAIRPERSON shall hold office for a term of four (4) years, the next two (2) commissioners for three (3) years, and the last two (2) commissioners for two (2) years.

The commissioners shall hold office until their successors shall have been appointed and qualified. Should a member of the Commission fail to complete his/HER term, his/HER successors shall be appointed by the President of the Philippines but only for the unexpired portion of the term.

SECTION 5. Section 6 of the same Act is hereby amended to read as Section 7:

Sec. [6] 7. Rank and Emoluments. – The [chairman] CHAIRPERSON and the commissioners shall have the rank of a Department Secretary and Undersecretary, respectively. They shall receive the compensation and other emoluments corresponding to those of a Department Secretary and Undersecretary, respectively, and shall be subject to the same disqualifications.

SECTION 6. A new Section is hereby inserted as Section 8

Sec. 8. DUTIES AND RESPONSIBILITIES OF THE CHAIRPERSON AND THE COMMISSIONERS. – SUBJECT TO PERTINENT LAWS, THE CHAIRPERSON SHALL ACT AS THE CHIEF EXECUTIVE OFFICER OF THE COMMISSION. THE CHAIRPERSON, ACTING TOGETHER WITH THE COMMISSIONERS AS A COLLEGIAL BODY, SHALL PERFORM THE POLICY-MAKING, RULE-MAKING, REGULATORY, QUASI-JUDICIAL AND OTHER FUNCTIONS MANDATED BY LAW TO THE COMMISSION. PROVIDED, HOWEVER, THAT IN NO CASE SHALL THE COMMISSIONERS PERFORM LINE OR EXECUTIVE FUNCTIONS. IN CASE OF THE ABSENCE OF THE CHAIRPERSON DUE TO

ILLNESS, INCAPACITY OR OTHER SERIOUS CAUSE, THE MOST SENIOR COMMISSIONER SHALL PERFORM THE FUNCTIONS OF THE CHAIRPERSON AS OFFICER-IN-CHARGE.

SECTION 7. Section 7 of the same Act is hereby amended to read as Section 9:

Sec. [7] 9. Board of Advisers. – There shall be constituted a Board of Advisers which shall meet with the Commission at least once a year to assist it in aligning its policies and plans with the cultural, political and socioeconomic development needs of the nation and with the demands of world-class scholarship.

The Board of Advisers shall be composed of the following:

- a) the Secretary of THE DEPARTMENT OF Education, [Culture and Sports,] as [chairman] CHAIRPERSON;
- b) the Director-General of the National Economic and Development Authority, as co-chairman;
- c) the Secretary of THE DEPARTMENT OF Science and Technology;
- d) the Secretary of THE DEPARTMENT OF Trade and Industry;
- e) the Secretary of THE DEPARTMENT OF Labor and Employment;
- f) THE DIRECTOR-GENERAL OF THE TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY
- g) the President of the Federation of Accrediting Associations of the Philippines (FAAP); [and]
- h) the President of the Fund for Assistance to Private Education (FAPE);
- i) THE PRESIDENT OF THE PHILIPPINE ASSOCIATION OF STATE UNIVERSITIES AND COLLEGES [PASUC];
- j) THE PRESIDENT OF THE PHILIPPINE ASSOCIATION OF LOCAL COLLEGES AND UNIVERSITIES (ALCU); AND
- k) THE PRESIDENT OF THE COORDINATING COUNCIL OF PRIVATE EDUCATIONAL ASSOCIATIONS OF THE PHILIPPINES (COCOPEA).

[Two (2) additional members of the Board of Advisers may be appointed by the President upon recommendation of the Commission.]

SECTION 8. Section 8 of the same Act is hereby amended to read as Section 10:

Sec. [8] 10. Powers and Functions of the Commission. – IN ACCORDANCE WITH THE CONSTITUTIONAL MANDATE ON EDUCATION, THE LETTER AND INTENT OF THIS ACT AND OTHER PERTINENT LAWS, The Commission shall PERFORM [have] the following powers and functions:

- (a) formulate and [recommend] IMPLEMENT development plans, policies, priorities, and programs on higher education and research;
- (b) formulate and [recommend] IMPLEMENT development plans, policies, priorities and programs on research;
- (c) recommend to [the executive and legislative branches,] CONGRESS priorities and grants on higher education and research AS WELL AS THE CREATION, DISSOLUTION AND MERGER OF STATE AND/OR LOCAL

COLLEGES AND OTHER PUBLICY-FUNDED TERTIARY INSTITUTIONS;

- (d) IT SHALL HAVE THE AUTHORITY TO set minimum standards for programs and institutions of higher learning AS WELL AS THE MINIMUM QUALIFICATIONS FOR FACULTY WHO TEACH IN HEIs, recommended by panels of experts in the field and subject to public hearing, and enforce the same;
- (e) monitor and evaluate the performance of programs and institutions of higher learning BOTH PRIVATE AND PUBLIC, INCLUDING LOCALLY-FUNDED COLLEGES AND UNIVERSITIES for appropriate incentives as well as the imposition of sanctions such as, but not limited to, diminution or withdrawal of subsidy, recommendation on the downgrading or withdrawal of accreditation, program termination or school closure: PROVIDED THAT THE COMMISSION SHALL HAVE THE EXCLUSIVE AUTHORITY TO CUNDUCT VISITATIONS FOR HEIs FOR THE ISSUANCE OF GOVERNMENT PERMIT/RECOGNITION TO OPERATE PROGRAMS, AS WELL AS FOR MONITORING AND EVALUATION PURPOSES;
- (f) APPROVE THE ESTABLISHMENT OF, AND CHANGES IN THE INSTITUTIONAL STATUS OF PRIVATE UNIVERSITIES AND COLLEGES;
- [(f)](g) EXCLUSIVE AUTHORITY TO SET CRITERIA IN THE IDENTIFICATION [identify], support and [develop] DEVELOPMENT OF potential centers of excellence in program areas needed for the development of world-class scholarship, nation building and national development IN HEIs;
- [(g)](h) recommend to the Department of Budget and Management the budgets of SUCs [public institutions of higher learning as well as] BASED ON A FUNDING FORMULA WHICH SHALL BE FORMULATED BY THE COMMISSION IN CONSULTATION WITH ITS BOARD OF ADVISERS, AND RECOMMEND general guidelines for the use of their income;
- [(h)](i) rationalize programs and institutions of higher learning and set standards, policies and guidelines for the creation of new ones as well as the conversion or elevation of schools to institutions of higher learning, subject to budgetary limitations and GEOGRAPHIC DISTRIBUTION OF HEIs IN the number of institutions of higher learning in the province or region where creation, conversion or elevation is sought to be made;
- [(i)](j) develop criteria for allocating additional resources such as research and program development grants, scholarships, and, other similar programs: Provided, That these shall not detract from the fiscal autonomy already enjoyed by colleges and universities;
- [(j)](k) direct or redirect purposive research by institutions of higher learning to meet the needs of agro-industrialization and development;
- [(k)](l) devise and implement resource development schemes;
- [(l)](m) administer the Higher Education Development Fund, as described in Section 10 hereunder, which will promote the purposes of higher education;
- [(m)](n) review the charters of institutions of higher learning and state universities and colleges including the chairmanship and membership

of their governing bodies and recommend appropriate measures as basis for necessary action;

- [(n)](o) REGULATE THE INCREASE IN TUITION AND OTHER FEES IN PUBLIC AND PRIVATE HIGHER EDUCATIONAL INSTITUTIONS AND PENALIZE VIOLATIONS;
- (p) CONDUCT MEDIATION, CONCILIATION, SETTLEMENT MEETING OR CONFERENCES, EXERCISE APPELATE JURISDICTION BETWEEN HIGHER EDUCATION INSTITUTIONS AND STUDENTS, TEACHERS AND STAFF INVOLVING ACADEMIC ISSUES ONLY;
- (q) EXERCISE QUASI-JUDICIAL POWERS IN THE PURSUIT OF THE MANDATE OF THE COMMISSION;
- (r) promulgate such rules and regulations and exercise such other powers and functions as may be necessary to carry out effectively the purpose and objectives of this Act; and
- (s) perform such other functions as may be necessary for its effective operations and for the continued enhancement, growth or development of higher education.

SECTION 9. QUASI-JUDICIAL POWERS OF THE COMMISSION. – THE COMMISSION SHALL EXERCISE EXCLUSIVE ORIGINAL JURISDICTION OVER THE FOLLOWING:

- A. CLOSING DOWN OF NON-PERFORMING PROGRAMS AND/OR INSTITUTIONS UNDER ITS JURISDICTION;
- B. CLOSING DOWN OF REVIEW CENTERS;
- C. COMPLAINTS AND CASES AGAINST CHED PERSONNEL RELATED TO THE PERFORMANCE AND DISCHARGE OF THEIR OFFICIAL DUTIES;
- D. COMPLAINTS AND CASES RELATED TO THE IMPLEMENTATION OF R.A. 8292 AND THE RESPECTIVE CHARTERS OF THE SUCs; AND
- E. OTHER CASES AND COMPLAINTS RELATED TO THE POWERS AND FUNCTIONS OF THE COMMISSION.

EXCEPT FOR SUBPARAGRAPH D., COMPLAINTS AND CASES SHALL FIRST BE FILED WITH THE REGIONAL OFFICE WHICH HAS JURISDICTION OVER THE AREA. THE REGIONAL DIRECTOR SHALL RESOLVE THE CASE WITHIN A REASONABLE PERIOD OF TIME FROM THE SUBMISSION OF THE CASE FOR RESOLUTION, BUT IN NO CASE SHALL THE ENTIRE RESOLUTION OF THE CASE EXCEED NINETY (90) DAYS FROM FILING.

APPEAL FROM THE DECISION OF THE REGIONAL DIRECTOR SHALL BE FILED WITH THE EXECUTIVE DIRECTOR OF THE COMMISSION WITHIN TEN (10) DAYS FROM THE RECEIPT OF THE DECISION. THE EXECUTIVE DIRECTOR SHALL RULE ON THE APPEAL WITHIN NINETY (90) DAYS FROM THE FILING OF THE APPEAL.

APPEAL FROM THE DECISION OF THE EXECUTIVE DIRECTOR SHALL BE FILED WITH THE COMMISSION EN BANC WITHIN TEN (10) DAYS FROM THE RECEIPT OF THE DECISION. THE COMMISSION EN BANC SHALL RESOLVE THE APPEAL WITHIN NINETY (90) DAYS FROM THE FILING OF THE APPEAL.

APPEAL FROM THE DECISION OF THE COMMISSION EN BANC SHALL BE TO THE COURT OF APPEALS, SUBJECT TO THE PERIOD ON APPEALS FROM ADMINISTRATIVE QUASI-JUDICIAL BODIES TO THE COURT OF APPEALS IN THE RULES OF COURT. THE COMMISSION SHALL ENJOY THE POWER TO COORDINATE WITH THE REGIONAL TRIAL COURT (RTC). THE RTC SHALL BE PROHIBITED FROM ISSUING INJUNCTION AGAINST DECISIONS OF THE COMMISSION IN THE EXERCISE OF ITS QUASI-JUDICIAL FUNCTIONS.

SECTION 10. Sec. 9 of the same Act is hereby amended to read as Section 11:

Sec. [9] 11. The Secretariat. – The Commission shall organize a secretariat which shall be headed by an executive officer, WITH THE TITLE OF EXECUTIVE DIRECTOR AND ASSISTED BY A DEPUTY EXECUTIVE DIRECTOR, subject to the national compensation and position classification plan. It shall fix the secretariat's staffing pattern, determine the duties, qualifications, responsibilities and functions, as well as the compensation scheme for the positions to be created upon the recommendation of the executive officer. It shall also prepare and approve its budget.

The Commission shall appoint the members of the staff upon the recommendation of the executive officer.

SECTION 11. A new Section is hereby inserted as Section 12:

Sec. [10] 12. QUALIFICATIONS AND FUNCTIONS OF THE EXECUTIVE DIRECTOR. – THE EXECUTIVE DIRECTOR SHALL BE A CAREER EXECUTIVE OFFICER WITH AT LEAST FIVE (5) YEARS ADMINISTRATIVE/TECHNICAL EXPERIENCE IN THE AREAS OF POLICIES AND STANDARDS DEVELOPMENT, MANAGEMENT, PUBLIC OR PRIVATE ADMINISTRATION AND POLICY AS WELL AS HUMAN RESOURCE DEVELOPMENT, AMONG OTHERS.

SECTION 12. A new Section is hereby inserted as Section 13:

Sec. 13. REGIONAL OPERATIONS. – THE COMMISSION SHALL ESTABLISH REGIONAL OFFICES IN ACCORDANCE WITH THE ADMINISTRATIVE CODE OF 1987 AND OTHER PERTINENT LAWS AND ISSUANCE RELATIVE TO THE ESTABLISHMENT AND OPERATION OF REGIONAL OFFICES. A QUALIFIED REGIONAL DIRECTOR AND AN ASSISTANT REGIONAL DIRECTOR SHALL HEAD THE REGIONAL OFFICE. THEY SHALL SUPERVISE THE PROGRAMS OF THE REGIONAL OFFICE OF THE COMMISSION AND RENDER PERIODIC REPORTS ON ITS OPERATIONS. IN CASES WHERE FIELD OFFICES OR SUB-REGIONAL OFFICES MAY BE NEEDED OR APPROPRIATE, THE COMMISSION MAY ESTABLISH SUCH OFFICES PURSUANT TO EXISTING GUIDELINES AND PRACTICE.

THE REGIONAL DIRECTOR MAY ALSO SIT AS A RESOURCE PERSON IN ALL BOARD MEETING OF THE SUCs IN THE REGION, TO KEEP HIM/HER ATTUNED AND UPDATED ON THE OFFICIALS ACTIVITIES AND NEEDS OF THE CONCERNED SUCs.

SECTION 13. A new Section is hereby inserted as Section 14:

Sec. 14. THE OFFICE OF LADDERIZED EDUCATION PROGRAM AND ALTERNATIVE LEARNING SYSTEM AND THE OFFICE FOR REVIEW CENTERS ARE HEREBY CREATED. THE COMMISSION SHALL ESTABLISH THE OFFICES OF THE LADDERIZED EDUCATION PROGRAM AND ALTERNATIVE LEARNING SYSTEM AND THE OFFICE FOR REVIEW CENTERS AND PROVIDE PLANTILLA POSITIONS.

(1) THE OFFICE OF THE LADDERIZED EDUCATION PROGRAM AND ALTERNATIVE LEARNING SYSTEM IN COORDINATION WITH THE CONCERNED SECTORS AND STAKEHOLDERS SHALL BE RESPONSIBLE FOR IMPLEMENTING A UNIFIED QUALIFICATIONS FRAMEWORK THAT ESTABLISHES EQUIVALENCY PATHWAYS AND ACCESS RAMPS FOR A LADDERIZED SYSTEM ALLOWING FOR EASIER TRANSITIONS AND PROGRESSIONS BETWEEN TECHNICAL-VOCATIONAL EDUCATION AND TRAINING (TVET) AND HIGHER EDUCATION (HE). THIS OFFICE SHALL BE THE COMMISSION'S ARM IN THE FORMULATION OF POLICIES AND ACCREDITATION OF ALTERNATIVE LEARNING PROGRAMS. TO ENSURE THAT ALTERNATIVE LEARNING PROGRAMS WITHIN THE HIGHER EDUCATION WILL BE COVERED, THREE (3) DIVISIONS WILL BE CREATED TO EXTEND THE NECESSARY SERVICES, ASSISTANCE AND TECHNICAL SUPPORT IN ATTAINING THE GOAL OF ALTERNATIVE LEARNING SCHEMES, TO WIT:

A) THE EXPANDED TERTIARY EDUCATION EQUIVALENCY AND ACCREDITATION PROGRAM (ETEEAP) DIVISION – THE OFFICE SHALL CONDUCT ASSESSMENT SCHEMES, WHICH RECOGNIZE KNOWLEDGE, SKILLS AND LEARNING OBTAINED BY INDIVIDUAL FOR NON-FORMAL AND INFORMAL EDUCATION EXPERIENCES.

B) THE LIFELONG LEARNING DIVISION – ENCOMPASSES ALL LEARNING ACTIVITIES UNDERTAKEN THROUGHOUT LIFE FOR THE DEVELOPMENT OF COMPETENCIES AND QUALIFICATIONS OF PEOPLE ACROSS THE ENTIRE LIFE SPAN; PROVIDE LEARNING AND TRAINING NEEDS FROM CAREER DEVELOPMENT TO MASTERY UNTIL BEYOND RETIREMENT; AND DEVELOP POLICIES, STANDARDS AND GUIDELINES FOR DEVELOPMENT TO AID CAPACITY-BUILDING PROGRAMS.

(2) OFFICE FOR REVIEW CENTERS - THE OFFICE FOR REVIEW CENTERS SHALL BE RESPONSIBLE FOR CREATING A FRAMEWORK FOR THE REGULATION OF REVIEW CENTERS AND SIMILAR ENTITIES FOR THE CONDUCT OF REVIEW CLASSES FOR PROGRAMS OR COURSES REQUIRING LOCAL LICENSURE EXAMINATIONS GIVEN BY THE PROFESSIONAL REGULATIONS COMMISSION, INCLUDING BUT NOT LIMITED TO THE DEVELOPMENT AND INSTITUTIONALIZATION OF POLICIES, STANDARDS AND GUIDELINES FOR THE ESTABLISHMENT, OPERATION AND ACCREDITATION OF REVIEW CENTERS AND SIMILAR ENTITIES; MAINTENANCE OF A MECHANISM TO MONITOR THE ADEQUACY, TRANSPARENCY AND PROPRIETY OF THEIR OPERATIONS AND REPORTING MECHANISM TO REVIEW PERFORMANCE AND ETHICAL PRACTICE TO ENSURE THE EFFECTIVE IMPLEMENTATION OF THIS PROVISION.

The newly-created offices shall be headed by a Director, subject to the National Compensation and position classification plan. Likewise, the corresponding staff complements shall be organized accordingly by the Commission.

SECTION 14. Section 12 of the Same Act is hereby amended to read as Section 15:

Sec. [12] 15. The Technical Panels. – The Commission shall reconstitute and/or organize technical panels for different disciplines/program areas. They shall assist the Commission in setting standards, POLICIES, GUIDELINES and in program and institution monitoring and evaluation. The technical panels shall be composed of senior specialists, PROFESSIONAL PRACTITIONERS or academicians to be appointed by the Commission. THEY SHALL BE DIRECTLY UNDER THE OFFICE OF THE CHAIRPERSON.

SECTION 15. Section 10 of the same Act is hereby amended to read as Section 16:

Sec. [10] 16. ESTABLISHMENT OF A TRUST FUND [The Higher Education Development Fund]. – A TRUST FUND REFERRED TO AS THE Higher Education Development Fund, hereinafter referred to as the Fund, is hereby established exclusively for the strengthening of higher education in the entire country UNDER THE EXCLUSIVE CONTROL AND MANAGEMENT OF THE COMMISSION.

FUND SOURCING AND UTILIZATION. —

(a) The Government's contribution to the Fund shall be the following:

- (1) the amount of five hundred million pesos (P500,000,000) as seed capital;
- (2) the amount of fifty million pesos (P50,000,000) for the initial operation of the Commission;
- (3) the equivalent of forty percent (40%) annual share on the total gross collections of the travel tax;
- (4) the equivalent of thirty percent (30%) share of the collections from the Professional Registration Fee; and
- (5) the equivalent of one percent (1%) of the gross sales of the lotto operation of the Philippine Charity Sweepstakes Office (PCSO).

(b) Every year hereafter, government financial institutions identified and requested by the Commission may contribute to the Fund an amount equivalent to not less than three percent (3%) but not more than five percent (5%) of their unimpaired surplus realized during the immediately preceding year.

(c) The Fund shall have a private portion to be raised from donations, gifts, and other conveyances including materials, equipment, properties and services by gratuitous title.

ALL CONTRIBUTIONS IDENTIFIED AS ACCURING TO THE FUND SHALL DIRECTLY AND AUTOMATICALLY BE REMITTED, AND SHALL THEREAFTER BE REGULARLY AND AUTOMATICALLY RELEASED QUARTERLY TO THE COMMISSION.

FURTHERMORE, THE FUND SHALL ALSO BE USED TO ASSIST INSTITUTIONS BOTH PUBLIC AND PRIVATE IN ACCORDANCE WITH ASSISTANCE SCHEMES AND/OR CRITERIA AS PRESCRIBED BY THE COMMISSION, TAKING INTO ACCOUNT URGENCY OF NEEDS AND EQUITY CONSIDERATIONS.

SECTION 16. Section 11 of the same Act is hereby amended to read as Section 14:

Sec. [11] 14. Management and Administration of the Higher Education Development Fund. – The Fund shall be administered by the Commission. For sound and judicious management of the Fund, the Commission shall appoint a reputable government financial institution as portfolio manager of the Fund, subject to the following conditions:

- (a) No part of the seed capital of the Fund, including earnings thereof, shall be used to underwrite overhead expenses for administration;
- (b) Unless otherwise stipulated by the private donor, only earnings of private contributions shall be used for administrative expenses;
- (c) The Commission shall appoint and organize a separate staff, independent administratively and budgetarily separate from the Commission Secretariat; and

(d) The Fund shall be utilized equitably according to regions, HEIs AND programs. WITH EIGHTY (80%) OF ITS FUNDING ASSISTANCE ALLOCATED TO SUCs AND OTHER PUBLICLY-FUNDED TERTIARY INSTITUTIONS, AND TWENTY PERCENT (20%) TO PRIVATE HEIs. IN NO CASE SHALL THE FUND BE UTILIZED FOR PURPOSES BENEFITING INDIVIDUALS OTHER THAN THOSE EARMARKED FOR DEVELOPMENTAL PURPOSES.

SECTION 17. Section 13 of the same Act is hereby amended to read as Section 16.

Sec. [13] 16. Guarantee of Academic Freedom. – Nothing in this Act shall be construed as limiting the academic freedom of universities and colleges. In particular, no abridgment of curricular freedom of the individual educational institutions by the Commission shall be made except for: (a) minimum unit requirements for specific academic programs; (b) general education distribution requirements as may be determined by the Commission; and (c) specific professional subjects as may be stipulated by the various licensing entities. No academic or curricular restriction shall be made upon private educational institutions which are not required for chartered state colleges and universities, PROVIDED, HOWEVER, THAT THE PROGRAM OFFERINGS OF SUCs SHALL FOLLOW AND BE APPROVED IN ACCORDANCE WITH THE MINIMUM STANDARDS AND REQUIREMENTS PRESCRIBED BY THE COMMISSION.

SECTION 18. Section 14 of the same Act is hereby amended to read as Section 17:

Sec. [14] 17. Accreditation. – The Commission shall provide incentives to institutions of higher learning, public and private, whose programs are accredited or whose needs are for accreditation purposes. THE COMMISSION SHALL LIKEWISE FORMULATE GUIDELINES FOR GRANTS FROM THE HIGHER EDUCATION DEVELOPMENT FUND AS INCENTIVES FOR ACCREDITATION.

SECTION 19. Section 15 is hereby renumbered as Section 18.

SECTION 20. Section 16 is hereby renumbered as Section 19.

SECTION 21. Section 17 of the same Act is hereby replaced by the following Section 20.

Sec. [17] 20. Appropriation. – THE AMOUNT NECESSARY FOR THE OPERATION OF THE COMMISSION SHALL BE PROVIDED FOR IN THE ANNUAL GENERAL APPROPRIATIONS ACT.

SECTION 22. A new section is hereby inserted as Section 21:

Sec. 21. IMPLEMENTATION. – THE CHAIRPERSON OF THE COMMISSION IS HEREBY DIRECTED TO TAKE SUCH STEPS AS NECESSARY FOR THE IMMEDIATE IMPLEMENTATION OF THIS ACT, IN CONSULTATION WITH THE MEMBERS OF THE BOARD OF ADVISERS, THE SENATE COMMITTEE ON EDUCATION, ARTS AND CULTURE AND THE HOUSE OF REPRESENTATIVES COMMITTEE ON HIGHER AND TECHNICAL EDUCATION.

SECTION 23. Section 18 of the same Act is hereby replaced with the following Section 22:

Sec. [18] 22. Transitory Provisions. – UPON EFFECTIVITY OF THIS ACT, SUCH PERSONNEL, PROPERTIES, ASSETS AND LIABILITIES, FUNCTIONS AND RESPONSIBILITIES OF THE PRESENT COMMISSION ON HIGHER EDUCATION ARE HEREBY TRANSFERRED TO THE REORGANIZED COMMISSION.

SECTION 24. A new section is hereby inserted as Section 23:

Sec. [19] 23. IMPLEMENTING RULES AND REGULATIONS (IRR). – THE COMMISSION SHALL ORGANIZE A COMMITTEE TO BE CHAIRED BY THE COMMISSION CHAIRPERSON AND COMPOSED OF THE FOLLOWING AGENCIES TO DRAFT THE IMPLEMENTING RULES AND REGULATIONS OF THIS ACT: NEDA, COCOPEA, PASUC, AND ALCU. THE SENATE COMMITTEE ON EDUCATION, ARTS AND CULTURE AND THE HOUSE COMMITTEE ON HIGHER TECHNICAL EDUCATION SHALL SIT AS OBSERVERS IN THE DRAFTING OF THE IRR.

THE CHED EXECUTIVE DIRECTOR AND DEPUTY EXECUTIVE DIRECTOR SHALL CO-CHAIR THE SUPPORT SECRETARIAT WHICH SHALL BE RENDERED BY THE VARIOUS OFFICES UNDER THE COMMISSION. THE SUPPORT SECRETARIAT SHALL PROVIDE THE NECESSARY TECHNICAL AND ADMINISTRATIVE SUPPORT TO THE COMMITTEE.

THE COMMITTEE SHALL FORMULATE THE RULES NOT LATER THAN THREE (3) MONTHS AFTER THE CREATION OF THE COMMITTEE.

SECTION. 25. Repealing Clause. – All laws INCLUDING R.A. 8981 OTHERWISE KNOWN AS THE PRC MODERNIZATION LAW, presidential decrees, executive orders, rules and regulations or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION. 26. Separability Clause. – If any part or provision of this Act shall be held unconstitutional or invalid, other provisions hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 27. Effectivity. — This Act shall take effect fifteen (15) days from publication in a newspaper of general circulation.

Approved,