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House Bill No. 2054



INTRODUCED BY : REP. MARIANO U. PIAMONTE, JR. and
REP. JULIETA R. CORTUNA

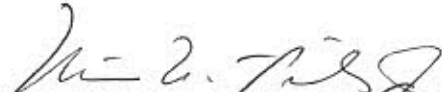
EXPLANATORY NOTE

The Local Government Code of the Philippines (Republic Act 7160) has made it possible for local government units (LGUs) to help make education accessible to poor students in their localities through the establishment and operation of local colleges and universities (LCUs).

While this is a commendable action on the part of LGUs, over time, it has created some problems concerning the quality of education taught in these LCUs because of the absence of definite guidelines on their establishment and operation. Hence, there is a need to rationalize the creation of LCUs to prevent the proliferation of substandard schools which fail to deliver quality higher education and are often dubbed as mere "diploma mills."

This proposed law mandates the LGU establishing a higher education institution through an enabling ordinance to consult and coordinate with the Commission on Higher Education (CHED) to ensure observance of the necessary requirements for the establishment and subsequent effective operation of the LCUs.

In view of the foregoing reasons, immediate approval of this measure is earnestly sought.


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Sixteenth Congress
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HOUSE BILL NO. 2054

Introduced by : REP. MARIANO U. PIAMONTE, JR. and
REP. JULIETA R. CORTUNA

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:*

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

3
4 **SEC. 2. Declaration of Policy.** It is the policy of the State to protect and
5 promote the right of all citizens to quality education at all levels and to take
6 appropriate steps to make education accessible to all. In doing so, the State shall
7 establish, maintain and support a complete, adequate and integrated system of
8 education relevant to the needs of the people and society and that it shall take into
9 account regional and sectoral needs and conditions and shall encourage local
10 planning in the development of educational policies and programs.

11
12 **SEC. 3. Definition of Terms.** As used in this Act, the terms enumerated
13 herein shall have the following meaning:

14
15 (a) *Local Higher Education Institution (HEI)/Local College or University (LCU)*
16 - refers to a public HEI established by a local government unit through an
17 establishing ordinance, and financially supported by the concerned local government
18 unit. In Filipino, an LCU is referred to as "Dalubhasaan" for college and
19 "Pamantasan" for university.

20
21 (b) *Ordinance* - refers to the enabling act of the *Sangguniang Bayan*,
22 *Panglunsod* or *Panlalawigan* that creates a particular LCU and serves as the charter
23 of said LCU.
24

1 (c) *Degree Program* - refers to a collection of all courses in a field of study
2 leading to an undergraduate or graduate degree, and may also be referred to as
3 academic program.

4
5 (d) *Non-Degree Program* - refers to a post-secondary academic and
6 vocational program below a bachelor's degree.

7
8 (e) *Local Government Unit or LGU* - refers to municipalities, cities and
9 provinces that created or established the LCU.

10
11 (f) *College or Dalubhasaan* – refers to an HEI offering academic programs
12 and usually pre-professional training leading to a bachelor's degree.

13
14 (g) *University or Pamantasan* – refers to an institution made up of an
15 undergraduate division that offers bachelor's degree and graduate division that
16 comprises a graduate school and professional schools each of which may confer
17 master's and doctorate degrees. It is an entire socio-physical infrastructure
18 comprised of schools, colleges and Institutes offering degree programs in various
19 disciplines and levels.

20
21 **SEC. 4. Coverage.** The provisions of this Act shall apply to:

22
23 (a) New HEIs to be established and operated by LGUs by virtue of local
24 governance;

25
26 (b) HEIs to be established and operated by LGUs offering non-degree
27 programs but would eventually offer degree programs;

28
29 (c) Local colleges proposing (elevation to university status) reclassification as
30 college, professional institutions or universities; and

31
32 (d) Existing LCUs which have not met the standards of the Commission on
33 Higher Education (CHED) prescribed in this Act.

34
35 **SEC. 5. Establishment and Operation of local HEIs by LGUs.** A local HEI,
36 to be known as a local college or *dalubhasaan*, shall be established and operated by
37 an LGU through an ordinance duly enacted for that purpose by the *Sanggunian*
38 concerned: *Provided*, that before the enactment of the said ordinance, an LGU
39 establishing a local college shall consult and coordinate with the CHED to ensure
40 observance of pertinent policies and standards promulgated by CHED and
41 compliance with the necessary requirements for the establishment and subsequent
42 effective operation of the local college.

43
44 The local HEI established by LGUs shall be given a period of four years to
45 comply with the applicable criteria established by the CHED for the grant of college
46 or university status. Should CHED determine that the local HEI has not complied

1 with the applicable criteria despite the four-year period provided herein, the status
2 granted under this Act shall be automatically revoked. The CHED, through its
3 regional office, shall actively monitor and provide technical assistance to the local
4 HEI in compliance with the requirements of the Commission.

5
6 No new local HEI shall be established immediately as a local university or
7 *pamantasan*, without first being established as a local college or *dalubhasaan*.

8
9 A local college may subsequently apply for elevation to a university: *Provided*,
10 That it has complied with the standards and guidelines for the grant of university
11 status pursuant to pertinent CHED rules and regulations and that it has followed the
12 appropriate process of accreditation conducted by a reliable accreditation body
13 which found the college prepared to be elevated into a university: *Provided further*,
14 That a local college, upon conversion into a local university, shall continue to be
15 operated by the concerned LGU in coordination with the CHED.

16
17 Local educational Institutions offering only non-degree programs shall not use
18 "College" or "University" in its name unless they would eventually offer degree
19 programs and have complied with the requisites provided for the establishment of a
20 college or the grant of university status under the CHED rules and regulations:
21 *Provided*, That educational institutions which have been using the name "college" or
22 "university" prior to the passage of this Act shall be allowed to retain the name:
23 *Provided further*, That said educational institutions shall be given a grace period by
24 the CHED to comply with the requirements for the status of "college" or "university"
25 to make them worthy of their name.

26
27 **SEC. 6. Authority to Grant "University" Status.** The proposal for elevation
28 to "University" status shall be submitted to the Office of Programs and Standards,
29 CHED Central Office, through the CHED Regional Office, for review. Only the
30 Commission *en banc* shall grant the "University" status upon compliance with the
31 requirements.

32
33 **SEC. 7. Governing Board of a Local College or University.** The governing
34 board of a college or *Dalubhasaan* shall be its Board of Trustees (BOT) while the
35 governing board or *Pamantasan* shall be its Board of Regents. The governing board
36 of an LCU, herein after referred to as the Board, shall be composed of the following:

37
38 (a) Local Chief Executive or his duly designated representative, as
39 chairperson;

40
41 (b) CHED Chairperson or his duly designated representative, as co-
42 chairperson;

43
44 (c) President of the LCU, as vice-chairperson;
45

1 (d) Chairperson of the House Committee on Higher and Technical Education,
2 as member;

3
4 (e) Chairperson of the Senate Committee on Education, Culture and the Arts,
5 as member;

6
7 (f) President of the duly recognized faculty association of the LCU, as
8 member;

9
10 (g) President of the duly recognized student council of the LCU, as member;

11
12 (h) President of the alumni association, as member;

13
14 (i) Chairperson of the Sangguniang Committee on Education, as member;

15
16 (j) CHED Regional Director, as member;

17
18 (k) Division Superintendent of the Department of Education (DepED), as
19 member ;

20
21 (l) Two (2) representatives from the private sector who have distinguished
22 themselves in their profession or field of specialization and are bonafide residents of
23 the community where the LCU is located, as members.

24
25 One of the two (2) representatives from the private sector shall come from the
26 business or industry sector. They shall be appointed by the local chief executive and
27 shall each serve for a term of two years from the date of their respective
28 appointments.

29
30 The terms of office of the president of the faculty association, the president of
31 student council, and the president of the alumni association shall be coterminous
32 with the respective terms of office pursuant to their respective constitutions and by-
33 laws.

34
35 **SEC. 8. Powers of the Board.** The Board shall promulgate policies on
36 education, science and technology, arts, culture and sports, as well as policies,
37 standards and thrusts in accordance with the declared state policies on higher
38 education, such as Republic Act No. 7722 or the "Higher Education Act of 1994" and
39 other pertinent laws, as well as the principle of local autonomy enshrined in Republic
40 Act No. 7160 or the "Local Government Code of 1991."

41
42 The CHED, in the issuance of academic policies and standards affecting
43 LCUs, shall take into account the different characteristics and the distinct features of
44 the LCUs, their organizational set-up, and their operation: *Provided*, That the CHED
45 shall, at all times, devise ways and practices that will ensure that LCUs will remain
46 committed to the delivery of quality education to its students.

1
2 The Board shall have the following specific powers and duties, in addition to
3 its general powers of administration and the exercise of all the powers granted to the
4 board of directors of a corporation under Section 36 of Batas Pambansa Blg. 68,
5 otherwise known as the Corporation Code of the Philippines:
6

7 (a) To enact rules and regulations not contrary to law as may be necessary to
8 carry out the purposes and functions of the LCU;
9

10 (b) To receive and appropriate all sums, as may be provided, for the support
11 of the university or college in the manner it may determine, and its discretion, to
12 carry out the purposes and functions of the LCU;
13

14 (c) To receive in kind and in trust legacies, gifts and donations of real and
15 personal properties of all kinds, to administer and dispose the same when necessary
16 for the benefit of university or college, subject to limitations, discretions and
17 instructions of the donors, if any. Such donations shall be exempt from all taxes and
18 shall be considered as deductible items from the income tax of the donor;
19

20 (d) To fix the tuition fees and other school charges, such as but not limited to
21 matriculation fees, graduation fees and laboratory fees, as the Board may deem
22 proper to impose after due consultations with the involved sectors; *Provided*, that
23 these fees will not be prohibitive or unreasonable as to deviate from the purpose for
24 which the LCUs are created.
25

26 Such fees and charges, including government subsidies and other income
27 generated by the LCU, shall constitute a special trust fund and shall be deposited in
28 any authorized government depository bank, and all interests that shall accrue
29 therefrom shall form part of the same fund for the use of the LCU.
30

31 Any provision or existing laws, rules and regulations to the contrary
32 notwithstanding, any income generated by the LCU from tuition fees and other
33 charges, as well as from the operation of auxiliary services and land grants, shall be
34 retained by the LCU, and may be disbursed by the Board for instruction, research,
35 extension services, or other programs/projects of the LCU: *Provided*, that all
36 fiduciary fees shall be disbursed for the specific purpose for which they are
37 collected.
38

39 If, for reason of control, the university or college shall be able to pursue any
40 project for which funds have been appropriated and allocated under its approved
41 program of expenditures, the Board may authorize the use of said funds for any
42 reasonable purpose which, in its discretion, may be necessary and urgent for the
43 attainment of objectives and goals of the LCU;
44

45 (e) To adopt and implement a socialized scheme of tuition and school fees for
46 greater access to poor but deserving students;

1
2 (f) To authorize the construction or repair of its building, machineries,
3 equipment, and other facilities, as well as the purchase and acquisition of real
4 personal properties, including necessary supplies, materials, and equipment.
5 Purchase and other transactions entered into by the LCU through the Board shall be
6 exempt from all taxes and duties, subject to applicable BIR (Bureau of Internal
7 Revenue) rules and regulations;
8

9 (g) To appoint, upon the recommendation of the (president of the university or
10 college) search committee created by the Board, vice presidents, deans, directors,
11 heads of departments, faculty members and other officials and employees;
12

13 (h) To fix and adjust salaries of faculty members and administrative officials
14 and employees, subject to the provisions of the revised compensation laws
15 governing hours of service, and such other duties and conditions as it may deem
16 proper; to grant them, at its discretion, leaves of absence under such regulations as
17 it may promulgate, any provisions of existing law to the contrary notwithstanding;
18 and to remove for cause in accordance with the requirements of due process of law;
19

20 (i) To approve the curricula, and institutional programs of the institution:
21 *Provided*, That it conforms to the CHED guidelines;
22

23 (j) To approve rules of discipline for the administrative and academic staff of
24 the college or university to ensure orderly and effective governance thereof;
25

26 (k) To set policies on admission and graduation of students: *Provided*, That it
27 conforms to the CHED guidelines;
28

29 (l) To award honorary degrees upon persons in recognition of outstanding
30 contribution in the field of education, public service, arts, science and technology or
31 any field of specialization within the academic competence of the university or
32 college and to authorize the certificates of completion of non-degree and non-
33 traditional courses; *Provided* that these conform with the applicable guidelines of the
34 CHED;
35

36 (m) To establish research and extension centers of the LCU where such will
37 promote the development of the latter;
38

39 (n) To establish chairs in the LCU and to provide fellowships for qualified
40 faculty members and scholarships to deserving students;
41

42 (o) To adopt a tuition scheme that shall prescribe a different rate of fees for
43 students who are residents of the area or LGU where the LCU is located and for
44 those who are non-residents;
45

1 (p) To delegate any of its power and duties for the hereinabove to the
2 president and/or the other officials of the LCU as it may deem appropriate so as to
3 expedite the administration of the affairs of the university or college;
4

5 (q) To authorize an external management audit of the institution, to be
6 coordinated with CHED, and to institute reforms, including academic and structural
7 changes, on the basis of the audit results and recommendations;
8

9 (r) To enter into joint ventures with business and industry for the profitable
10 development and management of the economic assets of the college or university,
11 the proceeds from which, shall be used for the development and strengthening of
12 the LCU;
13

14 (s) To develop consortia and other forms of linkages with the LGUs,
15 institutions and agencies, both public and private, local and foreign, in furtherance of
16 the purposes and objectives of the institutions;
17

18 (t) To develop academic arrangements for institution capability building with
19 appropriate institutions and agencies, public or private, local or foreign, and to
20 appoint experts/specialists as consultants, or visiting or exchange professors,
21 scholars, researchers, as the case may be;
22

23 (u) To set up the adoption of modern and innovative modes of transmitting
24 knowledge such as the use of information technology, the dual system, open
25 learning, community laboratory, etc., for the promotion of greater access to
26 education within the institution;
27

28 (v) To establish policy guidelines and procedures for participative decision
29 making and transparency within the institution;
30

31 (w) To privatize, where most advantageous to the institution, management of
32 non-academic services such as health, food, building or grounds or property
33 maintenance and similar such other objectives; and
34

35 (x) To extend the term of the president of the LCU beyond the age of
36 retirement, but not later than the age of seventy (70), whose performance has been
37 unanimously rated as outstanding, and upon unanimous recommendation by the
38 search committee for the president of the institution concerned.
39

40 **Sec. 9. Administration of the LCU.** The administration of the LCU shall be
41 vested in the President who shall render full-time service to implement policies
42 promulgated by the Board. He/She shall be appointed by the Board upon the
43 recommendation of a search committee duly constituted by the Board.
44

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

4
5 The President must have an appropriate earned (doctoral) Master's degree,
6 management expertise, and at least five (5) years of relevant administrative
7 experience, without prejudice to the provisions of additional qualifications to be set
8 by the governing board of the LCU.

9
10 In case of vacancy in the Office of the President by reason of death,
11 compulsory retirement, resignation, removal for cause or incapacity of the president
12 to perform the functions of his/her office, the Board shall have the authority to
13 designate an officer-in-charge of the LCU, within a period of six months to one year,
14 pending the appointment of a new President.

15
16 The powers and duties of the President of the LCU, in addition to those
17 specially provided in this Act, shall be those usually pertaining to the Office of the
18 President of other colleges, and those delegated by the Board. The salary of the
19 President of the LCU shall be set by the Board, taking into consideration the
20 applicable civil service rules and regulations and ensuring that the same be
21 comparable to that being received by the presidents of similar educational
22 institutions.

23
24 For the effective operation of the LCU, the vice-president, deans, directors,
25 heads of departments, faculty, non-teaching personnel and such other officials and
26 employees shall be appointed by the Board, taking into consideration the
27 recommendation of the President. The appointments of these LCU officials and
28 employees shall be in conformity to existing civil service laws, rules and regulations.

29
30 **SEC. 10. Search Committee for President of the LCU.** Six (6) months
31 before the expiration of the term of office of the incumbent President, the Board shall
32 appoint a Search Committee for President of the LCU. The Search Committee shall
33 conduct the search in accordance with the procedure and criteria established by the
34 CHED.

35
36 The Search Committee shall have five (5) members to be appointed by the
37 Board. The composition of the Search Committee shall include a representative from
38 the LGU concerned, the academe, the Association of Local Colleges and
39 Universities (ALCU), the faculty, and the business sector. They shall elect a
40 Chairperson and Vice-Chairperson from among themselves.

41
42 **Sec. 11. The Administrative Council.** An Administrative Council may be
43 created, which shall consist of the President of the LCU as Chairperson, vice
44 presidents, deans, directors and other officials of equal rank as members, whose
45 duty is to review and recommend to the Board policies governing the administration,
46 management and development planning of the LCU.

1
2 **Sec. 12. *The Academic Council.*** An Academic Council may be created,
3 which shall be composed of the President of the LCU, who shall act as Chairperson,
4 and all academic staff with the rank of at least an assistant professor, as members.

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

12
13 **SEC. 13. *Academic Freedom.*** Pursuant to paragraph 2, Section 5 of Article
14 XIV of the constitution of the Republic of the Philippines, all institutions of higher
15 learning, public or private, shall enjoy academic freedom and institutional autonomy.

16
17 **SEC. 14. *Use of DepED Facilities.*** For the first ten (10) years from the
18 establishment of a local college, DepED facilities such as elementary and high
19 school classrooms, shall be made available to LCUs for their use.

20
21 **SEC. 15. *Appropriation for LCUs.*** There shall be a provision for the regular
22 annual appropriation from the LGU to support and sustain the operation of the LCU.

23
24 **SEC. 16. *Implementing Rules and Regulations.*** The CHED, in coordination
25 with the Department of the Interior Local Government (DILG) and the ALCU, shall
26 promulgate the implementing rules and regulations as may be necessary to carry out
27 the provisions of this Act within sixty (60) days from the effectivity of this Act.

28
29 **SEC. 17. *Separability Clause.*** If any provision of this Act shall be held
30 unconstitutional or invalid, the remaining provisions which are not affected thereby
31 shall continue to be in full force and effect.

32
33 **SEC. 18. *Repealing Clause.*** All laws, executive orders, decrees, instructions,
34 rules and regulations and other issuances, or parts thereof, contrary to or
35 inconsistent with this Act are hereby modified, amended or repealed accordingly.

36
37 **SEC. 19. *Effectivity Clause.*** This Act shall take effect fifteen (15) days after
38 its publication in at least two (2) newspapers of general circulation.

39
40 *Approved,*