

Republic of the Philippine
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

House Bill No. 2783



INTRODUCED BY REP. ROMAN T. ROMULO

EXPLANATORY NOTE

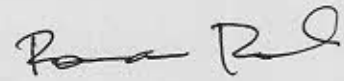
The Local Government Code of the Philippines (Republic Act 7160) has made it possible for local government units (LGUs) to help make education accessible to poor students in their localities through the establishment and operation of local colleges and universities (LUCs).

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 LUCs because of the absence of definite guidelines on their establishment and operation. Hence, there is a need to rationalize the creation of LUCs 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 provides the minimum standards and guidelines for compliance by LGUs proposing to establish and/or operate local HEIs. It mandates the LGU establishing a local college 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 LUCs.

Compliance with these guidelines will definitely promote quality and excellence, relevance and responsiveness, efficiency and effectiveness, and access and equity in LUCs with due recognition of their unique institutional identities. Moreover, it outlines the benefits of compliance with CHED requirements, such as the grant of special order to graduate from CHED, thereby enabling graduates of LUCs to take the licensure examinations given by the professional Regulation Commission, as well as the civil service exams given by the Civil Service Commission; inclusion in the directory of CHED-recognized Philippine universities and colleges; quality assurance support from CHED, if qualified, pursuant to CHED rules; and acceptance of foreign students, subject to compliance with the requirements of competent regulatory agencies.

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

A handwritten signature in black ink, appearing to read "Roman T. Romulo", with a stylized flourish at the end.

ROMAN T. ROMULO
Representative
Lone District, Pasig City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Sixteenth Congress
First Regular Session

HOUSE BILL NO. 2783

Introduced by REPRESENTATIVE ROMAN T. ROMULO

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 (LUC)*
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, a LUC is referred to as "Dalubhasaan" for college and "Pamantasan"
19 for university.

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

23
24 (c) *Degree Program* - refers to a collection of all courses in a field of study
25 leading to an undergraduate or graduate degree, and may also be referred to as
26 academic program.

1
2 (d) *Non-Degree Program* - refers to a post-secondary academic and
3 vocational program below the bachelor's degree.

4
5 (e) *Local Government Unit or LGU* - refers to municipalities, cities and
6 provinces that created or established the LUC.

7
8 (f) *College or Dalubhasaan* – refers to an HEI offering academic programs
9 and usually pre-professional training leading to a bachelor's degree.

10
11 (g) *University or Pamantasan* – refers to an institution made up of an
12 undergraduate division that offers bachelor's degree and graduate division that
13 comprises a graduate school and professional schools each of which may confer
14 master's and doctorate degrees. It is an entire socio-physical infrastructure
15 comprised of schools, colleges and Institutes offering degree programs in various
16 disciplines and levels.

17
18 **SEC. 4. Coverage.** The provisions of this Act shall apply to:

19
20 (a) New HEIs to be established and operated by LGUs by virtue of local
21 governance;

22
23 (b) HEIs to be established and operated by LGUs offering non-degree
24 programs but would eventually offer degree programs;

25
26 (c) Local colleges proposing reclassification as college, professional
27 institutions or universities; and

28
29 (d) Existing LUCs which have not met the standards of the Commission on
30 Higher Education (CHED) prescribed in this Act.

31
32 **SEC. 5. Establishment and Operation of local HEIs by LGUs.** A local HEI,
33 to be known as a local college or *dalubhasaan*, shall be established and operated by
34 an LGU through an ordinance duly enacted for that purpose by the *Sanggunian*
35 concerned: *Provided*, that before the enactment of the said ordinance, an LGU
36 establishing a local college shall consult and coordinate with the CHED to ensure
37 observance of pertinent policies and standards promulgated by CHED and
38 compliance with the necessary requirements for the establishment and subsequent
39 effective operation of the local college.

40
41 The local HEI established by LGUs shall be given a period of four years to
42 comply with the applicable criteria established by the CHED for the grant of college
43 or university status. Should CHED determine that the local HEI has not complied
44 with the applicable criteria despite the four-year period provided herein, the status
45 granted under this Act shall be automatically revoked. The CHED, through its

1 regional office, shall actively monitor and provide technical assistance to the local
2 HEI in compliance with the requirements of the Commission.

3
4 No new local HEI shall be established immediately as a local university or
5 *pamantasan*. A local HEI established by an LGU shall be known as a local college or
6 *dalubhasaan*.

7
8 A local college may subsequently apply for elevation to a university: *Provided*,
9 That it has complied with the standards and guidelines for the grant of university
10 status pursuant to pertinent CHED rules and regulations and that it has followed the
11 appropriate process of accreditation conducted by a reliable accreditation body
12 which found the college prepared to be elevated into a university: *Provided further*,
13 That a local college, upon conversion into a local university, shall continue to be
14 operated by the concerned LGU in coordination with the CHED.

15
16 Local educational Institutions offering only non-degree programs shall not use
17 "College" or "University" in its name unless they would eventually offer degree
18 programs and have complied with the requisites provided for the establishment of a
19 college or the grant of university status under the CHED rules and regulations:
20 *Provided*, That educational institutions which have been using the name "college" or
21 "university" prior to the passage of this Act shall be allowed to retain the name:
22 *Provided further*, That said educational institutions shall be given a grace period by
23 the CHED to comply with the requirements for the status of "college" or "university"
24 to make them worthy of their name.

25
26 **SEC. 6. Authority to Grant "University" Status.** The proposal for elevation
27 to "University" status shall be submitted to the Office of Programs and Standards,
28 CHED Central Office, through the CHED Regional Office, for review. Only the
29 Commission *en banc* shall grant the "University" status upon compliance with the
30 requirements.

31
32 **SEC. 7. Monitoring and Visitorial Powers.** Pursuant to the provisions of
33 Republic Act 7722, all LUCs are subject to the inspection and evaluation of the
34 CHED.

35
36 **SEC. 8. Compliance with CHED Requirements.** All existing LUCs must
37 comply with the requirements of the CHED within eight (8) years from the effectivity
38 of this Act. The CHED shall grant full university status upon application of the local
39 college and only upon full compliance with the requirements.

40
41 **SEC. 9. Benefits of Compliance.** All LUCS which shall comply with CHED
42 requirements shall enjoy the following benefits:

- 43
44 a) Special order to graduate from CHED, thereby enabling the graduates of
45 LUCs to take licensure examinations given by the Professional Regulation

- 1 Commission, and civil service examinations given by the Civil Service
- 2 Commission;
- 3 b) Inclusion in the Directory of CHED-recognized Philippine Universities and
- 4 Colleges;
- 5 c) Quality assurance support from CHED, if qualified, pursuant to the CHED
- 6 rules; and
- 7 d) Acceptance of foreign students subject to compliance with the
- 8 requirements of competent regulatory agencies.
- 9

10 **SEC. 10. Governing Board of a Local College or University.** The

11 governing board of a college or *Dalubhasaan* shall be its Board of Trustees (BOT)

12 while the governing board or *Pamantasan* shall be its Board of Regents (BOR). The

13 governing board of a LUC, hereinafter referred to as the Board, shall be composed

14 of the following:

15

16 (a) Local Chief Executive or his duly designated representative, as

17 chairperson;

18

19 (b) CHED Chairperson or his duly designated representative, as co-

20 chairperson;

21

22 (c) President of the LUC, as vice-chairperson;

23

24 (d) Chairperson of the House Committee on Higher and Technical Education,

25 as member;

26

27 (e) Chairperson of the Senate Committee on Education, Culture and the Arts,

28 as member;

29

30 (f) President of the duly recognized faculty association of the LUC, as

31 member;

32

33 (g) President of the duly recognized student council of the LUC, as member;

34

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

36

37 (i) Division Superintendent of the Department of Education (DepED), as

38 member;

39

40 (j) Two (2) representatives from the private sector who have distinguished

41 themselves in their profession or field of specialization and are bonafide residents of

42 the community where the LUC is located, as members.

43

44 One of the two (2) representatives from the private sector shall come from the

45 business or industry sector. They shall be appointed by the local chief executive and

1 shall each serve for a term of two years from the date of their respective
2 appointments.

3
4 The terms of office of the president of the faculty association, the president of
5 student council, and the president of the alumni association shall be coterminous
6 with the respective terms of office pursuant to their respective constitutions and by-
7 laws.

8
9 **SEC. 11. Powers of the Board.** The Board shall promulgate policies on
10 education, science and technology, arts, culture and sports, as well as policies,
11 standards and thrusts in accordance with the declared state policies on higher
12 education, such as Republic Act No. 7722 or the "Higher Education Act of 1994" and
13 other pertinent laws, as well as the principle of local autonomy enshrined in Republic
14 Act No. 7160 or the "Local Government Code of 1991."

15
16 The CHED, in the issuance of academic policies and standards affecting
17 LUCs, shall take into account the different characteristics and the distinct features of
18 the LUCs, their organizational set-up, and their operation: *Provided*, That the CHED
19 shall, at all times, devise ways and practices that will ensure that LUCs will remain
20 committed to the delivery of quality education to its students.

21
22 The Board shall have the following specific powers and duties, in addition to
23 its general powers of administration and the exercise of all the powers granted to the
24 board of directors of a corporation under Section 36 of Batas Pambansa Blg. 68,
25 otherwise known as the Corporation Code of the Philippines:

26
27 (a) To enact rules and regulations not contrary to law as may be necessary to
28 carry out the purposes and functions of the LUC;

29
30 (b) To receive and appropriate all sums, as may be provided, for the support
31 of the university or college in the manner it may determine, and its discretion, to
32 carry out the purposes and functions of the LUC;

33
34 (c) To receive in kind and in trust legacies, gifts and donations of real and
35 personal properties of all kinds, to administer and dispose the same when necessary
36 for the benefit of university or college, subject to limitations, discretions and
37 instructions of the donors, if any. Such donations shall be exempt from all taxes and
38 shall be considered as deductible items from the income tax of the donor;

39
40 (d) To fix the tuition fees and other school charges, such as but not limited to
41 matriculations fees, graduation fees and laboratory fees, as the Board may deem
42 proper to impose after due consultations with the involved sectors; *Provided*, that
43 these fees will not be prohibitive or unreasonable as to deviate from the purpose for
44 which the LUCs are created.

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

5
6 Any provision or existing laws, rules and regulations to the contrary
7 notwithstanding, any income generated by the LUC from tuition fees and other
8 charges, as well as from the operation of auxiliary services and land grants, shall be
9 retained by the LUC, and may be disbursed by the Board for instruction, research,
10 extension services, or other programs/projects of the LUC: *Provided*, that all
11 fiduciary fees shall be disbursed for the specific purpose for which they are
12 collected.

13
14 If, for reason of control, the university or college shall be able to pursue any
15 project for which funds have been appropriated and allocated under its approved
16 program of expenditures, the Board may authorize the use of said funds for any
17 reasonable purpose which, in its discretion, may be necessary and urgent for the
18 attainment of objectives and goals of the LUC;

19
20 (e) To adapt and implement a socialized scheme of tuition and school fees for
21 greater access to poor but deserving students;

22
23 (f) To authorize the construction or repair of its building, machineries,
24 equipment, and other facilities, as well as the purchase and acquisition of real
25 personal properties, including necessary supplies, materials, and equipment.
26 Purchase and other transactions entered into by the LUC through the Board shall be
27 exempt from all taxes and duties, subject to applicable BIR (Bureau of Internal
28 Revenue) rules and regulations;

29
30 (g) To appoint, upon the recommendation of the search committee created
31 by the Board, vice presidents, deans, directors, heads of departments, faculty
32 members and other officials and employees;

33
34 (h) To fix and adjust salaries of faculty members and administrative officials
35 and employees, subject to the provisions of the revised compensation laws
36 governing hours of service, and such other duties and conditions as it may deem
37 proper; to grant them, at its discretion, leaves of absence under such regulations as
38 it may promulgate, any provisions of existing law to the contrary notwithstanding;
39 and to remove for cause in accordance with the requirements of due process of law;

40
41 (i) To approve the curricula, and institutional programs of the institution:
42 *Provided*, That it conforms to the CHED guidelines;

43
44 (j) To approve rules of discipline for the administrative and academic staff of
45 the college or university to ensure orderly and effective governance thereof;

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

3
4 (l) To award honorary degrees upon persons in recognition of outstanding
5 contribution in the field of education, public service, arts, science and technology or
6 any field of specialization within the academic competence of the university or
7 college and to authorize the certificates of completion of non-degree and non-
8 traditional courses; *Provided* that these conform with the applicable guidelines of the
9 CHED;

10
11 (m) To establish research and extension centers of the LUC where such will
12 promote the development of the latter;

13
14 (n) To establish chairs in the LUC and to provide fellowships for qualified
15 faculty members and scholarships to deserving students;

16
17 (o) To adopt a tuition scheme that shall prescribe a different rate of fees for
18 students who are residents of the area or LGU where the LUC is located and for
19 those who are non-residents;

20
21 (p) To delegate any of its power and duties for the hereinabove to the
22 president and/or the other officials of the LUC as it may deem appropriate so as to
23 expedite the administration of the affairs of the university or college;

24
25 (q) To authorize an external management audit of the institution, to be
26 coordinated with CHED, and to institute reforms, including academic and structural
27 changes, on the basis of the audit results and recommendations;

28
29 (r) To enter into joint ventures with business and industry for the profitable
30 development and management of the economic assets of the college or university,
31 the proceeds from which, shall be used for the development and strengthening of
32 the LUC;

33
34 (s) To develop consortia and other forms of linkages with the LGUs,
35 institutions and agencies, both public and private, local and foreign, in furtherance of
36 the purposes and objectives of the institutions;

37
38 (t) To develop academic arrangements for institution capability building with
39 appropriate institutions and agencies, public or private, local or foreign, and to
40 appoint experts/specialists as consultants, or visiting or exchange professors,
41 scholars, researchers, as the case may be;

42
43 (u) To set up the adoption of modern and innovative modes of transmitting
44 knowledge such as the use of information technology, the dual system, open
45 learning, community laboratory, etc., for the promotion of greater access to
46 education within the institution;

1
2 (v) To establish policy guidelines and procedures for participative decision
3 making and transparency within the institution;
4

5 (w) To privatize, where most advantageous to the institution, management of
6 non-academic services such as health, food, building or grounds or property
7 maintenance and similar such other objectives; and
8

9 (x) To extend the term of the president of the LUC beyond the age of
10 retirement, but not later than the age of seventy (70), whose performance has been
11 unanimously rated as outstanding, and upon unanimous recommendation by the
12 search committee for the president of the institution concerned.
13

14 **Sec. 12. Administration of the LCU.** The administration of the LCU shall be
15 vested in the President who shall render full-time service to implement policies
16 promulgated by the Board. He/She shall be appointed by the Board upon the
17 recommendation of a search committee duly constituted by the Board.
18

19 The President of the LUC shall have a term of five (5) years and shall be
20 eligible for reappointment for another term, unless otherwise provided for in the
21 ordinance creating the LUC.
22

23 The President must have an appropriate earned Master's degree,
24 management expertise, and at least five (5) years of relevant administrative
25 experience, without prejudice to the provisions of additional qualifications to be set
26 by the governing of the board of the LUC.
27

28 In case of vacancy in the Office of the President by reason of death,
29 compulsory retirement, resignation, removal for cause or incapacity of the president
30 to perform the functions of his/her office, the Board shall have the authority to
31 designate an officer-in-charge of the LUC, within a period of six months to one year,
32 pending the appointment of a new President.
33

34 The powers and duties of the President of the LUC, in addition to those
35 specially provided in this Act, shall be those usually pertaining to the Office of the
36 President of other colleges, and those delegated by the Board. The salary of the
37 President of the LUC shall be set by the Board, taking into consideration the
38 applicable civil service rules and regulations and ensuring that the same be
39 comparable to that being received by the presidents of similar educational
40 institutions.
41

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

1
2 **SEC. 13. Search Committee for President of the LUC.** Six (6) months
3 before the expiration of the term of office of the incumbent President, the Board shall
4 appoint a Search Committee for President of the LUC. The Search Committee shall
5 conduct the search in accordance with the procedure and criteria established by the
6 CHED.

7
8 The Search Committee shall have five (5) members to be appointed by the
9 Board. The composition of the Search Committee shall include a representative from
10 the LGU concerned, the academe, the Association of Local Colleges and
11 Universities (ALCU), the faculty, and the business sector. They shall elect a
12 Chairperson and Vice-Chairperson from among themselves.

13
14 **Sec. 14. The Administrative Council.** An Administrative Council may be
15 created, which shall consist of the President of the LUC as Chairperson, vice
16 presidents, deans, directors and other officials of equal rank as members, whose
17 duty is to review and recommend to the Board policies governing the administration,
18 management and development planning of the LUC.

19
20 **Sec. 15. The Academic Council.** An Academic Council may be created,
21 which shall be composed of the President of the LUC, who shall act as Chairperson,
22 and all academic staff with the rank of at least an assistant professor, as members.

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

30
31 **SEC. 16. Academic Freedom.** Pursuant to paragraph 2, Section 5 of Article
32 XIV of the Constitution of the Republic of the Philippines, all institutions of higher
33 learning, public or private, shall enjoy academic freedom and institutional autonomy.

34
35 **SEC. 17. Appropriation for LUCs.** There shall be a provision for the regular
36 annual appropriation from the LGU to support and sustain the operation of the LUC.

37
38 **SEC. 18. Implementing Rules and Regulations.** The CHED, in coordination
39 with the Department of the Interior Local Government (DILG) and the ALCU, shall
40 promulgate the implementing rules and regulations as may be necessary to carry out
41 the provisions of this Act within sixty (60) days from the effectivity of this Act.

42
43 **SEC. 19. Exclusion Clause.** This Act shall apply to all LUCs duly created by
44 their ordinances enacted for that purpose, except for the Pamantasan ng Lungsod
45 ng Maynila (PLM), which was created by virtue of Republic Act 4196. However, in so

1 far as faculty qualification, curriculum and instruction, and facilities are concerned,
2 the PLM shall be governed by this Act.

3
4 **SEC. 20. Separability Clause.** If any provision of this Act shall be held
5 unconstitutional or invalid, the remaining provisions which are not affected thereby
6 shall continue to be full force and effect.

7
8 **SEC. 21. Repealing Clause.** All laws, executive orders, decrees, instructions,
9 rules and regulations and other issuances, or parts thereof, contrary to or
10 inconsistent with this Act are hereby modified, amended or repealed accordingly.

11
12 **SEC. 22. Effectivity Clause.** This Act shall take effect fifteen (15) days after
13 its publication in at least two (2) newspapers of general circulation.

14
15 *Approved,*