



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

SIXTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. **4962**



Introduced by Honorable MARK A. VILLAR

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

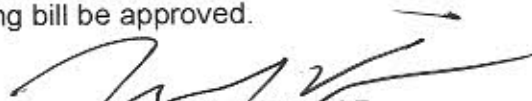
EXPLANATORY NOTE

The 1987 Constitution states that *"The State shall protect and promote the right of all citizens to quality education at all levels and shall take appropriate steps to make such education accessible to all."* (Section 1, Article XIV)

Giving due importance to this 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, local colleges and universities (LCUs) within their territorial jurisdiction under the provisions of the Local Government Code of 1991 or Republic Act No. 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 constituent it serve.

The attached bill 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.

It is therefore recommended that the foregoing bill be approved.


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SECTION 1. Short Title. – This Act shall be known as "*The Local Colleges and Universities Governance Act of 2014.*"

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 below shall have the following meaning:

(a) "Local College or University" or "LCU" refers to a public higher education institution established by a Local Government Unit through an enabling ordinance, and financially supported by the concerned local government unit. In Filipino, a 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 local college or university and serves as the charter of the said local college or university.

(c) "Degree Program" refers to a collection of all courses in a discipline or a field of study leading to an undergraduate degree, and may also be referred to as academic program.

(d) "Non-degree Program" refers to a post-secondary program below the bachelor degree.

(e) "Local Government Unit" or "LGU" refers to municipalities, cities and provinces that created or established the local college or university.

(f) "College or Dalubhasaan" is an institution of higher learning offering academic programs and usually pre-professional training leading to a bachelor's degree.

(g) "University or Pamantasan" is an institution made up of an undergraduate that offers bachelor's degree and a graduate division that comprises a graduate school and professional schools, each of which may confer Master's Degrees and Doctorates. 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 higher education institutions to be established by local government units by virtue of a local ordinance;

(b) Higher education institutions established and operated by local government units offering non-degree programs but would eventually offer degree programs;

(c) Local colleges proposing elevation to university status; and

(d) Existing local colleges or universities which have not met the standards prescribed in this Act.

SECTION 5. *Establishment of Higher Education Institutions by LGUs.*
– All LCU shall be established and/or operated through an Ordinance duly enacted for that purpose by the Sanggunian concerned. Provided, that before the enactment of said Ordinance, an LGU establishing a higher education institution shall 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 a college.

SECTION 6. *Use of "College" or "University."* – A local higher education institution established by a local government unit shall be known as a

College. A local college may subsequently apply for elevation to a university provided it has complied with the standards and guidelines for the grant of university status pursuant to the 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.

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.

SECTION 7. *Funding of LCUs.* – There shall be a provision for the regular annual appropriation from the local government unit to support and sustain the operation of the LCU.

SECTION 8. *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 of a university or *Pamantasan* shall be its Board of Regents. The governing boards of a local college or university shall be composed of the following:

- (a) Local Chief Executive as Chairman;
- (b) President of the LCU as Vice-Chairman;
- (c) President of the duly recognized faculty association of the LCU as member;
- (d) President of the duly recognized student council of the LCU as member;
- (e) President of the alumni association as member;
- (f) Chairman of the Sangguniang Committee on education as member;
- (g) Regional Director of CHED as member;
- (h) Two representatives from the private, each of them should have distinguished him/herself in his/her profession or field of specialization, as member.

The two (2) representatives from the private sector shall 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 the office of the President of the faculty association, the President of the student council, and the President of the alumni association shall be coterminous with their respective terms of office in their respective associations pursuant to the provisions of their respective duly-approved constitutions and by-laws.

SECTION 9. *Powers of the Governing Board.* – The governing boards shall promulgate policies in accordance with the declared state policies on higher education, in line with the principle of local autonomy enshrined by 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 distinct features of the LCUs, its organizational set-up, as well as the operations of the LCUs; Provided, that 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 governing 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 university or college;
- (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, in its discretion, to carry out the purposes and functions of the university or college;
- (c) To receive 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 the university or college, subject to limitations, directions and instructions of the donors, if any. Such donations shall be exempt from all taxes and shall be considered as deductible items from the income tax of the donor, if any. Such donations shall be exempt 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 necessary school charges, such as but not limited matriculation 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 are 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 university or college, shall constitute 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 university or college.

Any provision of existing laws, rules and regulations to the contrary notwithstanding, any income generated by the university or college from tuition fees and other charges, as well as from the operation of auxiliary services and land grants, shall be retained by the university or college: *Provided*, That all fiduciary fees shall be disbursed for the specific purposes for which they are allocated.

If, for reason beyond its control, the university or college, shall not be able to pursue any project for which funds have been appropriated and, allocated under its approved program of expenditures, the Board of Regents/Trustees may authorize the use of said funds for any reasonable purpose which, in its discretion, may be necessary and urgent for the attainment of the objectives and goals of the universities or college;

- (e) To adopt 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 buildings, machineries, equipment, and other facilities, as well as the purchase and acquisition of real and personal properties, including necessary supplies, materials and equipment. Purchases and other transactions entered into by the university or college through the Board of Regents/Trustees 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 and classification system and other pertinent budget and compensation laws governing hours of service, and such other duties and conditions as it may deem proper; to grant them, at its discretion, leave of absence under such regulations as it may promulgate, any provisions of existing law to the contrary notwithstanding; and to remove them for cause in accordance with the requirements of due process of law;
- (i) To improve the curricula, and institutional programs of the institution: *Provided*, that it conforms with 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 in any field of specialization within the academic competence of the university or college and to authorize the award of certificates of completion of non-degree and non-traditional courses; *Provided*, that these conforms with the applicable guidelines of the CHED;
- (m) To establish research and extension centers for the LCUs where such will promote the development of the latter;

- (n) To establish chairs in the university or college and to provide fellowships for qualified faculty members and scholarships to deserving students;
- (o) To delegate any of its powers and duties provided for herein above to the president and/or 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 college or university;
- (r) To develop consortia and other forms of linkages with Local Government Units, institutions and agencies, both public and private, local and foreign, in furtherance of the purposes and objectives of the institution;
- (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 higher education;
- (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 and non-academic services such as health, food, building or grounds or properly 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 10. *Administration of the LCU.* – The administration of the local college or university shall be vested in the President who shall render full-time service to implement policies promulgated by the Governing Board. He/She shall be appointed by the Governing Board upon the recommendation of the Search Committee duly constituted by the Board.

The President of the LCU shall have a term of four (4) 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 relevant administrative experience, without prejudice to the provisions of additional qualifications to be set by the Governing 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 College pending the appointment of a new President.

The powers and duties of the President of an LCU, in addition to those specifically 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 shall be comparable to that being received by the Presidents of similar educational institutions.

The Vice-Presidents, Deans, Directors, Heads of Departments, Faculty, Non-Teaching Personnel, and such other Officials and Employees for the effective operation of the LCU 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 the existing Civil Service Laws, Rules and Regulations.

SECTION 11. *Search Committee for President of an LCU.* – Six (6) months before the expiration of the term of Office of the incumbent President, the Governing Board shall appoint a Search Committee for President. The Search Committee for President of the LCU shall have five (5) members to be appointed by the Governing Board. The composition of the Search Committee should include a representative from the Local Government Unit concerned, the Academe, the Association of Local Colleges and Universities (ALCU), the faculty and the Business Sector. They shall elect a Chairman and Vice-Chairman from among themselves.

SECTION 12. *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 may grant the University status upon compliance with the requirements.

SECTION 13. *Implementing Rules and Regulations.* – The Commission on Higher Education (CHED), in coordination with the Department of Interior and Local Government (DILG) and the Association of Local Colleges and Universities

(ALCU), shall promulgate the Implementing Rules and Regulations as may be necessary to carry out the Provisions of this Act.

SECTION 14. *Separability Clause.* – If 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 15. *Repealing Clause.* – All Laws, Decrees, Executive Orders, Rules and Regulations, and other Issuances, or parts thereof, contrary to or inconsistent with this Act are hereby modified, amended or repealed accordingly.

SECTION 16. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,