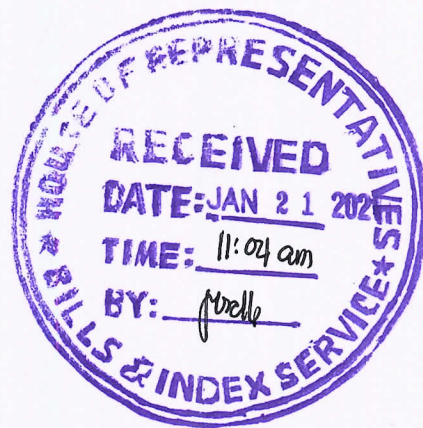




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



EIGHTEENTH CONGRESS
Second Regular Session

HOUSE BILL NO. 8439

Introduced by CIBAC Party-List Representatives
EDUARDO “BRO. EDDIE” C. VILLANUEVA and DOMINGO C. RIVERA

**AN ACT PRESCRIBING THE MANDATORY GUIDELINES ON THE
ESTABLISHMENT AND OPERATION OF LOCAL UNIVERSITIES AND
COLLEGES AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Through the Local Government Code, specifically Sections 447, 458, and 468, the local government units (LGUs) have been empowered to establish and operate specific educational institutions. According to these sections of the Local Government Code, municipalities, cities, and provinces, respectively, can “establish and provide for the operation of vocational and technical schools and similar post-secondary institutions.”

Under these provisions, various LGUs have established local universities and colleges (LUCs) within their respective territorial jurisdictions to provide greater access to education to their constituents. Currently, there are 121 LUCs¹ nationwide that caters to more than 200,000 higher education students.

While this initiative of LGUs is laudable, the lack of institutionalized guidelines on establishing these LUCs has taken a toll on the delivery of quality education. As of 2017, only 18 out of 107 (or 16.8%) LUCs are recognized by the Commission on

¹ <https://ched.gov.ph/wp-content/uploads/A1.1-Distribution-of-Higher-Education-Institutions-by-Institution-Type-AY-2019-2020.pdf>

Higher Education (CHED). With the passage of Republic Act No. 10931 or the Universal Access to Quality Tertiary Education Act (UAQTEA), only students in CHED-accredited LUCs are exempt from paying tuition and other school fees. As of October 2020, the number of CHED-recognized LUCs increased from 18 (out of 107) in 2017 to 101 (out of 121) (or 83.5%).

This bill seeks to provide a uniform guideline on the creation of LUCs. It also clarifies that LUCs are subject to the supervision and inspection of CHED. It also includes the composition of the governing Board of LUCs, the local chief executive as chairman of the Board, and a representative from the CHED, among others, to ensure that appropriate CHED policies are communicated and properly represented to the Board.

In sum, this measure seeks to rationalize the establishment and operation of LUCs to address quality and excellence in the areas of school administration, facilities, and research and community service, among others.

Given the foregoing, the passage of this bill is earnestly sought.


HON. EDUARDO "BRO. EDDIE" C. VILLANUEVA


HON. DOMINGO S. RIVERA



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*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 Universities and*
2 *Colleges (LUCs) Governance Act.*"

3
4 **SEC. 2. Declaration of Policy.** – It is the policy of the State to establish, maintain and
5 support a complete, adequate and integrated system of education relevant to the
6 needs of the people and society. Towards this end, a mandatory guideline on the
7 establishment of Local Universities and Colleges (LUCs) shall be prescribed to
8 achieve a standard and integrated system of higher education and provide a relevant
9 direction in their governance.

10
11 **SEC. 3. Definition of Terms.** – As used in this Act, these terms shall mean:

- 1 a) "*Commission on Higher Education (CHED)*" refers to the government agency
2 created by Republic Act No. 7722, otherwise known as the "Higher Education
3 Act of 1994", which has jurisdiction over all public and private higher education
4 institutions (HEIs) in the Philippines;
- 5 b) "*Civil Service Commission (CSC)*" refers to the Constitutional Commission of
6 the Philippines with responsibility over the civil service. It is tasked with
7 overseeing the integrity of government actions and processes involving human
8 resource actions;
- 9 c) "*Governing Board*" refers to the highest policy-making body of a local university
10 or college;
- 11 d) "*Local University or College (LUC)*" refers to the public higher education
12 institution established by a local government unit through an enabling
13 ordinance;
- 14 e) "*Local Government Unit (LGU)*" refers to any municipality, city or provincial
15 government that created or established the LUC;
- 16 f) "*Ordinance*" refers to the enabling act of the Sangguniang Bayan, Panglunsod
17 or Panlalawigan that creates a particular LUC; and
- 18 g) "*Sanggunian*" refers to the local legislative body which includes Sangguniang
19 Bayan for Municipality, and Sangguniang Panlalawigan for Province.

20
21 **SEC. 4. Coverage.** – This Act shall apply to the following:

- 22 a) Educational institutions to be established and operated by LGUs for the
23 purpose of offering higher degree programs;
- 24 b) Educational institutions established and operated by LGUs offering non- degree
25 programs; and
- 26 c) Existing Local Universities and Colleges.

27
28 **SEC. 5. Establishment of LUCs.** – All LUCs shall be established through an
29 ordinance duly enacted for that purpose by the *Sanggunian* concerned: *Provided, That*
30 prior to the enactment of the same, the LGU establishing a higher education institution
31 shall consult and coordinate with CHED, through the Regional Office having
32 jurisdiction of the place where the institution is intended to be established, to ensure
33 full compliance with the mandatory requirements as set forth in this Act.

SEC. 6. Mandatory Requirements for the Establishment of LUC. – The CHED shall require all LUCs to submit the following requirements for review and approval:

- a) Feasibility study that shall include, but not be limited to, the following discussions: 1) the necessity for a local higher education institution in the area; 2) human resource requirements of the industry to determine proposed program offerings; 3) target offerings; 4) financial capacity of the LGU to establish and sustain the operation of the LUC;
- b) Certification of availability of funds by the treasurer of the LGU concerned, as provided under the pertinent provisions of the Local Government Code of 1991;
- c) A Project Development Plan with program of work, showing that the LGU allocated a school site with appropriate size and location pursuant to the applicable provisions of the Building Code of the Philippines, blueprint of architectural design for its buildings and other physical facilities and provisions for acquisition of instructional materials and equipment that comply with CHED Memorandum Orders (CMOs) pertinent to the program offered;
- d) A five-year institutional development plan duly approved by the *Sanggunian* which shall include, but not be limited to, the following: a) annual budgetary allocation; b) organizational structure and composition of the Governing Board; and c) personnel complement indicating the plantilla of positions to be hired on a merit system and the procedure for hiring non-plantilla items duly approved by the Civil Service Commission;

In all cases, a duly established educational institution by the LGU shall require the imprimatur of the CHED prior to the offering of higher education programs. The Chairman of the Governing Board, or its President when so authorized by the Governing Board, shall file with the CHED an application to offer a higher education program. The application shall be supported with documents indicating compliance with the policies and standards relative to such degree program.

SEC. 7. Supervisory and Visitorial Powers of CHED. – All LUCs shall be subject to the inspection and evaluation of CHED.

SEC. 8. The Governing Board of LUCs. –

a) Composition – The governing body of local universities and colleges shall be composed of the following:

1. Local Chief Executive as Chairperson;
2. President of the LUC as Vice-Chairperson;
3. President of the duly recognized faculty association of the LUC as member;
4. President of the duly recognized student council of the LUC as member;
5. President of the alumni association as member;
6. Chairman of the Sangguniang Committee on Education as member;
7. A representative from CHED with rank not lower than Director as member;
8. Treasurer of the LGU establishing the LUC;
9. Budget Officer of the LGU establishing the LUC; and
10. Two (2) representatives from the private sector, who are of known probity and should have distinguished themselves in their respective professions or fields of specialization in the municipality, city, or province where the local university or college is located. They shall be appointed by the Local Chief Executive and shall each serve for a term of two (2) years from the date of their respective appointments.

b) Term of Office – i) The LUC President and the presidents of the faculty association, the student council, and the alumni association shall sit in the Board until the expiration of their term of office in such capacities; ii) the two (2) representatives from the private sector shall serve for a term of two (2) years.

c) Meetings – The Governing Board shall regularly convene every month. The Chairman of the Board may call for a special meeting whenever necessary, provided that members are notified in writing at least three (3) days prior to the said meeting.

d) Quorum – A majority of all the members of the Governing Board holding office at the time of its regular or special meeting shall constitute a quorum.

SEC. 9. Powers of the Governing Board. – The Governing Board of the LUCs shall have the following powers and duties:

- a) To promulgate policies in accordance with the declared state policies on higher education as well as the policies, standards and thrusts of the CHED under Republic Act No. 7722, otherwise known as the "Higher Education Act of 1994" and other pertinent laws;
- b) To promulgate rules and regulations consistent with existing laws, rules and regulations as may be necessary to carry out the purposes and functions of the LUC;
- c) To develop academic arrangements and linkages for institutional capability building with appropriate institutions and agencies, both public and private, local and foreign;
- d) To determine and approve curricular programs and course offerings in response to the needs and demands of the community and based on local and regional development initiatives: *Provided*, That these should comply with policies and guidelines set by CHED;
- e) To promulgate policies on admission, retention and graduation of students and to award degrees, titles, diplomas and certificates;
- f) To ensure the efficient management of non-academic services such as medical and dental, guidance and counseling, property maintenance and similar services;
- g) To institutionalize research and extension programs;
- h) To appoint the President of the local university or college upon the recommendation of the search committee;
- i) To confirm appointments of other school officials, teaching and non-teaching personnel appointed by the President;
- j) To delegate any of its powers and duties provided for herein to the President and/or other officials of the university or college as it may deem appropriate in order to expedite the administration of the affairs of the LUC; and
- k) To fix the tuition fees, miscellaneous fees and other school charges as the Board may deem proper to impose after proper consultation with the relevant stakeholders.

SEC. 10. Administration of the LUC. – The administration of the local university or college shall be vested in the President who shall render full-time service. The

1 Governing Board upon the recommendation of a duly constituted search committee
2 shall appoint him.

3
4 The President of the local college or local university shall hold a masters or
5 doctoral degree in education, administration or other related fields, and should have
6 at least three (3) years of relevant administrative experience, without prejudice to the
7 provision of additional qualifications to be set by the Governing Board of the LUC. The
8 term of office of the President shall be four (4) years, subject to reappointment for
9 another term only.

10
11 In case of vacancy in the Office of the President by reason of death, compulsory
12 retirement, expiration of term, resignation, removal for cause or incapacity of the
13 President to perform the functions of his office, the Board shall have the authority to
14 designate an Officer-in-Charge of the LUC pending the appointment of a new
15 president.

16
17 The powers and duties of the President of the LUC, in addition to those
18 specifically provided in this Act, shall be those usually pertaining to the Office of the
19 President of other colleges, and those delegated by the Board.

20
21 The salary of the President of the LUC shall be set by the Board, taking into
22 consideration the applicable rules and regulations of the Civil Service Commission
23 (CSC) and the Department of Budget and Management (DBM) and ensuring that the
24 same shall be comparable to that being received by the presidents of similar
25 educational institutions.

26
27 The vice-presidents, deans, directors, heads of departments, faculty, non-
28 teaching personnel and such other officials and employees of the LUC shall be
29 appointed by the president, subject to confirmation of the Board. The appointments of
30 these LUC officials and employees shall conform to existing civil service laws, rules
31 and regulations.

32
33 The aforementioned officers and employees may be removed from office for
34 causes established under the rules of the CSC.

1
2 **SEC. 11. Search Committee.** – In case of vacancy in the Office of the President
3 brought about by any of the causes mentioned in the preceding section, the Governing
4 Board shall organize and convene a Search Committee for the selection of a
5 President.

6
7 The Search Committee shall have five (5) members to be appointed by the
8 Governing Board with a member each representing the CHED, the LGU concerned,
9 the academe, the business or industry sector, and the Association of Local Colleges
10 and Universities (ALCU). It shall elect a Chairperson and Vice-Chairperson and shall
11 ensure that the new LUC President is selected not later than three (3) months from
12 the time the position is vacated.

13
14 **SEC. 12. Elevation to University Status.** – A new local higher education institution
15 shall start as a local college. In all cases, the grant of a university status shall be
16 contingent upon the satisfaction of all requirements under applicable rules and
17 regulations of the CHED.

18
19 **SEC. 13. Licensure, Civil Service Examination, and Other Benefits of**
20 **Compliance.** – LUCs that have complied with the requirements set forth under this
21 Act shall be accorded the following benefits:

- 22 1. Issuance of a Special Order for Graduation from CHED to enable its graduates
23 to take licensure examinations administered by the Professional Regulation
24 Commission;
25 2. Inclusion in the Directory of CHED-recognized Philippine Universities and
26 Colleges;
27 3. Quality assurance support from CHED; and
28 4. Acceptance of foreign students, subject to compliance with the requirements of
29 appropriate regulatory agencies.

30
31 **SEC. 14. Penalties for Non-Compliance.** – Any person who acts in violation of any
32 provision of this Act shall be subject to an administrative fine of up to Five Hundred
33 Thousand Pesos (P500,000.00) depending on the severity of the violation, as may be
34 determined in the implementing rules and regulations of this Act.

1
2 **SEC. 15. Existing LUCs.** – In the interest of efficient control and regulations by the
3 CHED, LUCs which are already existing at the time of the effectivity of this Act shall
4 be allowed to continue their operation, subject to compliance with the requirements
5 under this Act within a non-extendible period of three (3) years. Non-compliance with
6 the requirements under this Act within this period shall result in the phase-out or
7 closure of the programs being offered by the LUC concerned.

8
9 **SEC. 16. Implementing Rules and Regulations.** – Within ninety (90) days from the
10 effectivity of this Act, the CHED, in coordination with relevant agencies, the
11 Association of Local Colleges and Universities (ALCU), and other stakeholders, shall
12 promulgate the implementing rules and regulations necessary to carry out the
13 provisions of this Act.

14
15 **SEC. 17. Separability Clause.** – If any portion or provision of this Act is subsequently
16 declared invalid or unconstitutional, other provisions hereof which are not affected
17 thereby shall remain in full force and effect.

18
19 **SEC. 18. Repealing Clause.** – All other laws, acts, presidential decrees, executive
20 orders, presidential proclamations, issuances, rules and regulations, or parts thereof
21 which are contrary to or inconsistent with any of the provisions of this Act are hereby
22 repealed, amended, or modified accordingly.

23
24 **SEC. 19. Effectivity.** – This Act shall take effect fifteen (15) days after its publication
25 in the Official Gazette or in a newspaper of general circulation.

26
27
28 Approved,