

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**TWENTIETH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 727**



---

**Introduced by Representative Antolin A. Oreta III**

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**AN ACT**  
**PRESCRIBING THE GUIDELINES FOR THE ESTABLISHMENT AND**  
**OPERATION OF LOCAL UNIVERSITIES AND COLLEGES**

**EXPLANATORY NOTE**

Section 2, Article XIV of the 1987 Constitution mandates the State to establish, maintain, and support a complete, adequate, and integrated system of education relevant to the needs of the people and society. Pursuant to this mandate, the Local Government Units (LGUs) have taken an active role in promoting access to higher education through the establishment of Local Universities and Colleges (LUCs). However, despite the increasing number of LUCs nationwide, no unified legal framework governs their creation, operation, and conversion into university status. This has led to varying standards in quality, governance, and program offerings among LUCs.

This bill seeks to institutionalize mandatory guidelines for the creation and operation of LUCs to ensure that they provide accessible, quality, and relevant education. It also aims to strengthen the supervisory and regulatory role of the Commission on Higher Education (CHED), while recognizing the continuing responsibility of LGUs to support and sustain higher education at the local level.

This bill was approved by the House of Representatives in the 19<sup>th</sup> Congress and was duly transmitted to the Senate. This is refiled in the 20<sup>th</sup> Congress under the same considerations for which it was previously approved.

In view of the foregoing, the passage of this bill is earnestly sought.

A handwritten signature in black ink, appearing to read "Antolin A. Oreta III".

**REP. ANTOLIN A. ORETA III**  
*Lone District of Malabon City*

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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 “*Local Universities and Colleges*  
2 (*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 needs of the  
6 people and society. It is also the policy of the State to protect and promote the right of all  
7 citizens to quality education and to take appropriate steps to make education accessible to all.  
8

9           To this end, mandatory guidelines on the establishment of local colleges and the  
10 conversion of local colleges into universities must be prescribed to achieve a standard and  
11 integrated system of higher education, provide the appropriate direction in their governance,  
12 and ensure that they will deliver quality and relevant education to students.  
13

14           **SEC. 3. Definition of Terms.** As used in this Act:

15  
16 (a) **Degree program** refers to the set of academic programs and courses in a field of study  
17 leading to the conferment of an undergraduate or graduate degree;  
18

19 (b) **Higher education institution** refers to an institution of higher learning which primarily  
20 offers degree-granting programs duly recognized by the Commission on Higher Education  
21 (CHED) and leading to the conferment of a diploma;  
22

23 (c) **Level II accreditation** refers to a status granted to an educational program after being  
24 granted the initial accreditation following a formal survey by the accrediting agency and duly  
25 certified by the accreditation federation or network, effective for a period of three (3) years;  
26

- 1 (d) **Local college or dalubhasaan** refers to a public higher education institution with below  
2 Level II accreditation, financially supported, operated and maintained by the local  
3 government unit, and offers undergraduate or baccalaureate and graduate academic programs  
4 leading to the conferment of a degree;  
5
- 6 (e) **Local government unit (LGU)** refers to municipalities, cities and provinces that created  
7 or established the local university or college;  
8
- 9 (f) **Local higher education institution** refers to a public higher education institution  
10 financially supported by an LGU through an ordinance, which offers undergraduate or  
11 baccalaureate and graduate academic programs leading to the conferment of a degree;  
12
- 13 (g) **Local university or pamantasan** refers to a public higher education institution with above  
14 Level II accreditation that is financially supported, operated and maintained by an LGU  
15 and offers undergraduate or baccalaureate and graduate academic programs leading to the  
16 conferment of a degree;  
17
- 18 (h) **Non-degree program** refers to a postsecondary short-term certificate or diploma academic  
19 and technical-vocational programs below the baccalaureate or bachelor's degree;  
20
- 21 (i) **Ordinance** refers to the enabling act of a *Sangguniang Panglunsod, or Sangguniang*  
22 *Bayan, or Sangguniang Panlalawigan* creating a particular local university or college and  
23 which serves as their charters; and  
24
- 25 (j) **Technical-vocational institution** refers to a postsecondary education institution that offers  
26 short-term nondegree, diploma or certificate technical-vocational education and training  
27 programs or courses.  
28

29 **SEC. 5. Coverage.** The provisions of this Act shall apply to:

- 30
- 31 (a) Existing local universities and colleges (LUCs);  
32
- 33 (b) Higher education institutions (HEIs) to be established and operated by LGUs  
34 through a local ordinance;  
35
- 36 (c) HEIs to be established and operated by LGUs that will offer non-degree programs,  
37 but which intends to offer undergraduate and graduate degree programs;  
38
- 39 (d) Existing technical-vocational institutions established and operated by an LGU  
40 offering non-degree programs, but which intend to propose a reclassification as a college,  
41 professional institution or university; and  
42
- 43 (e) Existing LUCs which have not met the minimum standards of the Commission on  
44 Higher Education (CHED), as prescribed in CHED Memorandum Order (CMO) No. 46, series  
45 of 2012, or the most recent CMOs on Policies, Standards, and Guidelines (PSGs) for HEIs.  
46

1           **SEC. 6. Establishment and Operation of Local HEIs by LGUs.** A local HEI, to be  
2 known as a local college or *dalubhasaan*, or any typology assigned by the CHED in accordance  
3 with changes in the Philippine higher educational system, shall be established and operated by  
4 an LGU through an ordinance duly enacted for that purpose by the *sanggunian* concerned:  
5 *Provided*, That prior to the enactment of the said ordinance, the LGU establishing a local  
6 college shall consult with the CHED, through the regional office that has jurisdiction over the  
7 area where the institution is intended to be established, to ensure full compliance with the  
8 mandatory requirements set forth in this Act.

9  
10           **SEC. 7. Mandatory Requirements for the Establishment of the LUC.** The CHED shall  
11 require all LUCs to submit the following requirements for review and approval:

- 12
- 13       (a) Feasibility study that shall include the following: 1) the necessity for a local HEI in the  
14           area; 2) human resource requirements of the industry to determine the proposed program  
15           offerings; 3) target offerings; 4) financial capacity of the LGU to establish and sustain the  
16           operation of the LUC;
  - 17
  - 18       (b) Certification of availability of funds by the Treasurer of the concerned LGU, as provided  
19           under the pertinent of Republic Act No. 7160, otherwise known as the “Local  
20           Government Code of 1991”;
  - 21
  - 22       (c) A project development plan with a program of work showing that the LGU allocated a  
23           school site with appropriate size and location pursuant to the applicable provisions of  
24           Republic Act No. 6541, otherwise known as the “National Building Code of the  
25           Philippines”, a blueprint of the architectural design of its buildings and other physical  
26           facilities, and provisions for acquisition of instructional materials and equipment that  
27           comply with the CMOs pertinent to the program offered; and
  - 28
  - 29       (d) A five-year institutional development plan duly approved by the *sanggunian*, which shall  
30           include the following: 1) annual budgetary allocation; 2) organizational structure and  
31           composition of the Governing Board, hereinafter referred to as the Board; and 3)  
32           personnel complement indicating the *plantilla* of positions to be hired on a merit system  
33           and the procedure for hiring non-*plantilla* items duly approved by the Civil Service  
34           Commission.

35  
36           In all cases, a duly established educational institution by the LGU shall require the  
37 imprimatur of the CHED prior to the offering of higher education degree programs. It shall file  
38 with the CHED an application to offer a higher education degree program. The application  
39 shall be supported with documents indicating compliance with the policies, guidelines, and  
40 standards relative to such degree program.

41  
42           **SEC. 8. Supervisory, Monitoring, and Visitorial Power of the CHED.** All LUCs shall  
43 be subject to the monitoring, inspection, and evaluation of the CHED.

44  
45           Pursuant to the provisions of Republic Act No. 7722, otherwise known as the “Higher  
46 Education Act of 1994”, the CHED shall exercise supervisory power over LUCs. Through its

1 regional offices, the CHED shall continue to monitor, inspect, evaluate, and provide technical  
2 assistance to the LUCs.

3  
4 The CHED shall, in the issuance of academic policies and standards affecting LUCs,  
5 ensure quality assurance by taking into account the different characteristics, peculiar needs,  
6 the distinct features of the LUCs, their organizational set-up, and their operation, among other  
7 considerations: *Provided*, That the CHED shall, at all times, devise ways and practices that  
8 will ensure that the LUCs will remain committed to the delivery of quality education to its  
9 students.

10  
11 **SEC. 9. Governing Board of LUCs.** The governing board of a College or *Dalubhasaan*  
12 shall be its Board of Trustees (BOT), while the governing Board of a University or *Pamantasan*  
13 shall be its Board of Regents (BOR).

14  
15 The regular and special meetings of the BOT or BOR of the LUCs shall be specified in  
16 the ordinance creating the LUC.

17  
18 (a) Composition - The governing board of the LUC, shall be composed of the:

19  
20 1) Local chief executive, as chairperson;

21  
22 2) President of the LUC, as vice-chairperson;

23  
24 and the following as members:

25  
26 3) President of the duly recognized faculty association of the LUC;

27  
28 4) President of the duly recognized student council of the LUC;

29  
30 5) President of the duly recognized alumni association;

31  
32 6) Chairperson of the Committee on Education of the *Sanggunian*;

33  
34 7) Treasurer of the LGU establishing the LUC;

35  
36 8) Budget Officer of the LGU establishing the LUC; and

37  
38 9) Two (2) representatives from the private sector who are of known probity and have  
39 distinguished themselves in their respective professions or fields of expertise or  
40 specialization in the municipality, city, or province where the LUC is located.

41  
42 The two (2) private sector representatives shall be appointed by the local chief executive  
43 and shall each serve a term of two (2) years from the date of their respective appointments.

44  
45 (b) Term of Office – 1) The President of an LUC shall serve a full term in such capacity;

46 2) The presidents of the faculty association, student council, and the alumni association

1 shall sit in the Board and shall serve their respective terms of office in the associations  
2 co-terminously, pursuant to their respective constitutions and by-laws. Such  
3 associations shall conduct the election of its officials shortly before the end of terms of  
4 the incumbents or within one (1) month prior to the expiration of their terms, otherwise  
5 their positions in the Board shall be deemed expired.  
6

7 (c) Vacancy - In case of a vacancy in the Board by reason of resignation, death, or the  
8 incapacity of one or more of its appointed members, such vacancy shall be filled by  
9 appointment by the local chief executive and the appointee shall hold office for the  
10 unexpired portion of the term.  
11

12 (d) Meetings – The Board shall regularly convene every month. The Chairperson of the  
13 Board may call a special meeting whenever necessary: *Provided*, That members are  
14 notified in writing at least three (3) calendar days prior to the said meeting.  
15

16 (e) Quorum – A majority of the members of the Board holding office at the time of its  
17 regular or special meeting shall constitute a quorum.  
18

19 (f) Compensation - The members shall serve without compensation other than  
20 reimbursement for necessary expenses incurred in their attendance to meetings of the  
21 Board or in connection with their official business, as may be authorized by resolutions  
22 of the Board.  
23

24 **SEC. 10. Powers of the Board.** The Board shall be the highest policymaking body of  
25 the LUCs and shall have the following powers and functions:  
26

27 (a) To promulgate policies in accordance with the declared policies on higher  
28 education, as well as the policies, standards, and guidelines of the CHED under  
29 Republic Act No. 7722, otherwise known as the “Higher Education Act of 1994”  
30 and other pertinent laws;  
31

32 (b) To promulgate rules and regulations consistent with existing laws, rules, and  
33 regulations as may be necessary to carry out the purposes and functions of the LUC;  
34

35 (c) To receive assistance from the LGU to augment the internal sources of funds, as  
36 may be provided, to carry out the purposes and functions of the LUC;  
37

38 (d) To fix the tuition fees and other school charges as the Board may deem proper to  
39 impose after due consultations with the relevant sectors: *Provided*, that these fees  
40 shall be based on the guidelines of the CHED and not prohibitive or unreasonable  
41 as to deviate from the purpose for which the LUCs are created;  
42

43 (e) To appoint, upon the recommendation of the President, vice presidents, deans,  
44 executive directors, heads of departments, faculty, and other officials and  
45 employees;  
46

- 1 (f) To develop consortia and other academic linkages and, other forms of networks  
2 with the LGUs, industries, institutions and agencies, both public and private, local  
3 and foreign: *Provided*, That these comply with the applicable guidelines of the  
4 CHED in furtherance of the purposes and objectives of the LUCs, as well as  
5 develop academic arrangements for institution capacity and capability building  
6 with appropriate institutions and agencies, public and private;  
7
- 8 (g) To determine and approve curricular programs and course offerings in response to  
9 the needs and demands of the community and based on local and regional  
10 development initiatives: *Provided*, That these comply with the minimum CHED  
11 requirements and its PSGs;  
12
- 13 (h) To promulgate policies on admission, retention, and graduation of students in  
14 conformity with the guidelines of the CHED, and to award degrees, titles, diplomas,  
15 and certificates;  
16
- 17 (i) To ensure the efficient management of nonacademic services, such as medical and  
18 dental, guidance counseling, property maintenance;  
19
- 20 (j) To institutionalize research and extension programs and establish research and  
21 extension centers where such will promote the development of the LUCs;  
22
- 23 (k) To appoint the President of the LUC upon the recommendation of the search  
24 committee;  
25
- 26 (l) To confirm the appointments of other school officials, teaching, and nonteaching  
27 personnel appointed by the President of the LUC;  
28
- 29 (m) To approve rules of discipline for the administrative and academic staff and  
30 students of the college or university to ensure orderly and effective governance  
31 thereof;  
32
- 33 (n) To award honorary degrees upon persons in recognition of outstanding contribution  
34 in the field of education, public service, arts, science and technology or any field of  
35 specialization within the academic competence of the university or college and to  
36 authorize the issuance of certificates of completion of non-baccalaureate programs  
37 and nontraditional or innovative courses: *Provided*, That these conform to the  
38 applicable guidelines of the CHED and the Technical Education and Skills  
39 Development Authority;  
40
- 41 (o) To establish professorial chairs in the LUC and to provide fellowships for qualified  
42 faculty and scholarships to deserving students;  
43
- 44 (p) To appoint experts and specialists as consultants, or visiting or exchange professors,  
45 scholars, researchers, as the case may be: *Provided*, That such appointment  
46 conforms to the CHED guidelines;

- 1  
2 (q) To set up the adoption of modern and innovative modes of transmitting knowledge  
3 such as the use of information technology, the dual training system, and open  
4 distance learning, for the promotion of greater access to education;  
5  
6 (r) To submit to the Local Chief Executive or to the *Sangguniang Panlungsod*,  
7 *Sangguniang Bayan* or *Sangguniang Panlalawigan* an annual detailed report,  
8 setting forth the status, progress, needs, goals of the LUC; and  
9  
10 (s) To delegate any of its power and duties to the President or the other officials of the  
11 LUC as it may deem appropriate so as to expedite the administration of the affairs  
12 of the university or college.  
13

14 **SEC. 11. *Administration of LUCs.*** The administration of each LUC shall be vested in  
15 the President who shall render full-time service to implement policies promulgated by the  
16 Board.  
17

18 The Board shall, upon the recommendation of a duly constituted search committee,  
19 appoint the President for a term of four (4) years, subject to reappointment for another term  
20 only.  
21

22 The President of the LUC must preferably have a Doctorate Degree or a Master's degree  
23 in education, administration, or other related fields, with at least three (3) years of relevant  
24 administrative experience, without prejudice to provision of additional qualifications to be set  
25 by the Board of the LUC.  
26

27 **Sec. 12. *Vacancy in the Office of the President.*** In case of a vacancy in the Office of  
28 the President by reason of death, compulsory retirement, resignation, removal for cause or  
29 incapacity of the president to perform the functions of the office, the Board shall, within a  
30 period of thirty (30) days, designate an officer-in-charge of the LUC pending the appointment  
31 of a new President.  
32

33 The powers and duties of the President of the LUC, in addition to those specifically  
34 provided in this Act, shall be similar to those usually pertaining to the Office of the President  
35 of other LUCs, and those delegated by the Board.  
36

37 **Sec. 13. *Search Committee.*** In case of vacancy in the Office of the President brought  
38 about by any of the causes mentioned in the preceding Section, the Board shall organize and  
39 convene a Search Committee for the Presidency, which shall evaluate and present to the Board  
40 the qualifications of the candidates for President of the LUC.  
41

42 The Search Committee for the Presidency shall have five (5) members to be appointed  
43 by the Board. The members shall each represent the following: a) CHED; b) the Association  
44 of Local Colleges and Universities (ALCU); c) the concerned LGU, d) the academe; and e) the  
45 business or industry sector. It shall elect a Chairperson and Vice-Chairperson and shall ensure

1 that the new LUC President is elected not later than three (3) months from the time that the  
2 position is vacant.

3  
4 **Sec. 14. *The Secretary of the LUC and the Secretary of the Board.*** There shall be a  
5 Secretary of the LUC who shall be appointed by the Board as Secretary of the Board upon  
6 recommendation of the University President. The Secretary of the Board shall be the custodian  
7 of all official records of the LUC.

8  
9 **SEC. 15. *Elevation of a Local College to the Status of a University.*** A local college,  
10 upon the recommendation of the Board to the *Sangguniang Bayan, or Sangguniang*  
11 *Panlungsod, or Sangguniang Panlalawigan,* may subsequently apply with the CHED for  
12 university status: *Provided,* That it has complied with the requirements of the CHED and has  
13 undergone the appropriate process of accreditation by a reliable accreditation body that  
14 subsequently found the college to be prepared for reclassification as a university: *Provided*  
15 *further,* That a local college, upon conversion into a local university, shall continue to be  
16 operated by the concerned LGU in coordination with the CHED.

17  
18 The proposal for classification to a university status shall be submitted to the CHED  
19 Central Office, through the CHED Regional Office, for review. Only the CHED *en banc* shall  
20 grant the “University” status upon compliance with the requirements.

21  
22 No new local HEI shall be established immediately as a local university or  
23 *pamantasan.* A local HEI established by an LGU shall be known as a local college or  
24 *dalubhasaan* or any other typology assigned by the CHED in accordance with developments.  
25 in the Philippine Higher Educational System.

26  
27 **SEC. 16. *Existing LUCs.*** In the interest of efficient control and supervision by the  
28 CHED, all LUCs existing at the time of the effectivity of this Act shall be allowed to continue  
29 their operation, subject to compliance with the requirements of this Act within a non-  
30 extendible period of three (3) years. Non-compliance with the requirements of this Act shall  
31 result in the phaseout of the programs being offered by the concerned LUCs.

32  
33 **SEC. 17. *Existing Local Postsecondary Educational Institutions.*** Local  
34 postsecondary educational institutions offering only pre-professional training or non-  
35 baccalaureate programs shall not use “College” or “University” in its name unless they have  
36 complied with the requisites provided for the establishment of a college or the grant of  
37 university status under the CHED rules and regulations: *Provided,* That existing local post-  
38 secondary educational institutions which have been using the name “college” or “university”  
39 prior to the passage of this Act shall be allowed to retain such name: *Provided further,* That  
40 said educational institutions shall be given a grace period by the CHED to comply with the  
41 requirements for the status of “college” or “university” or any other typology assigned by the  
42 CHED in accordance with developments in the Philippine higher educational system.

43  
44 **SEC. 18. *Penalties for Non-Compliance.*** Any person found violating any of the  
45 provisions of this Act shall be subject to an administrative fine of up to Five hundred thousand

1 pesos (P500,000.00), depending on the severity of the violation, as may be determined in the  
2 Implementing Rules and Regulations of this Act.

3  
4 **SEC. 19. *Implementing Rules and Regulations.*** Within ninety (90) days from the  
5 effectivity of this Act, the CHED shall, in coordination with the Department of the Interior and  
6 Local Government, the ALCU, and other relevant stakeholders promulgate the rules and  
7 regulations to carry out the provisions of this Act.

8  
9 **SEC. 20. *Exclusion Clause.*** This Act shall apply to all LUCs duly created by their  
10 ordinances enacted for that purpose, except for the Pamantasan ng Lungsod ng Maynila (PLM),  
11 which was created by virtue of Republic Act No. 4, entitled “An Act Authorizing the City of  
12 Manila to Establish and Operate the University of the City of Manila and for Other Purposes”.  
13 However, in so far as faculty qualifications, curriculum and instruction, and facilities are  
14 concerned, the PLM shall be governed by this Act.

15  
16 **SEC. 21. *Separability Clause.*** If any provision of this Act shall be held  
17 unconstitutional or invalid, the remaining provisions which are not affected thereby shall  
18 continue to be in full force and effect.

19  
20 **SEC. 22. *Repealing Clause.*** All laws, executive orders, decrees, instructions, rules and  
21 regulations and other issuances, or parts thereof, contrary to or inconsistent with this Act are  
22 modified, amended or repealed accordingly.

23  
24 **SEC. 23. *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 *Approved,*