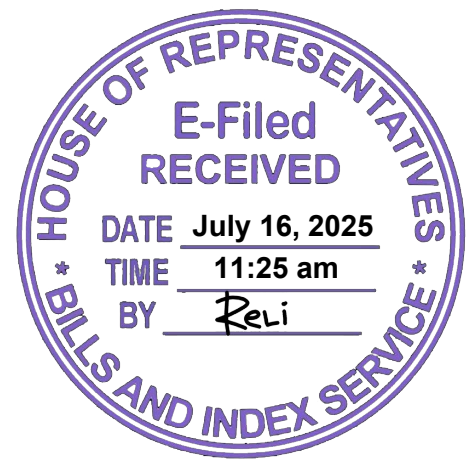


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 1990



Introduced by **HON. MIGUEL LUIS R. VILLAFUERTE, HON. VINCENZO RENATO LUIGI R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G. HORIBATA, AND HON. TERRY L. RIDON**

EXPLANATORY NOTE

The Local Government Code empowers Local Government Units (LGUs) to establish and operate educational institutions. Sections 447, 458, and 468 of Republic Act No. 7160 empower municipalities, cities, and provinces, respectively to –

“provide for the establishment and operation of vocational and technical schools and similar post-secondary institutions; and, with the approval of the Department of Education, Culture and Sports (DECS) and subject to existing laws on tuition fees, fix reasonable tuition fees and other school charges in educational institutions, subject to the availability of funds and to existing laws, rules and regulations.”

Pursuant to this mandate, colleges and universities fully run and subsidized by LGUs have proliferated across the country, offering both academic and non-academic programs. This has expanded access to affordable education to its citizens, including students residing outside Metro Manila.

While it is the paramount duty of the State to protect and promote the right of all citizens to quality education, it does not begin and end with the establishment of these educational institutions. The State must also ensure that these schools consistently meet two important criteria: (1) they have to provide quality education fully compliant with the standards of the Commission on Education (CHED), and (2) these schools must be administratively sound as they run primarily on government resources. This bill is hereby proposed to ensure that the aforementioned standards are satisfied.

Under the proposed bill, educational institutions, subject to the review, monitoring, and visitorial jurisdiction of CHED are identified and specified. It also explains the uniform process of establishing Local Universities/Colleges (LUCs). It sets clear distinctions between colleges and universities, specifies the requirements needed in order to transition from one to the other, and provides for the leadership structure of these LUCs, including the duties and powers of the Board.

One of the key policies of the Constitution is local autonomy or the decentralization of power to the LGUs, enabling them to deliver essential social services such as education to their constituents. Through this proposed bill, the LGUs will be empowered to design the curriculum of their LUCs based on the unique economic and social needs of their communities and the demands of their local industries. This will pave the way for employment opportunities that are tailored fit with their local development goals.

Furthermore, establishing LUCs will bring high-quality education closer to students in far-flung areas, reducing their travel time and costs such as transport and lodging expenses. These LUCs will also act as a center for recreation, research, and other services that may be beneficial to the locals.

This is a refiled bill from the 19th Congress, which was approved on third reading by the House of Representatives and transmitted to the Senate.

Thus, in light of the foregoing, the immediate passage of this bill is earnestly sought.



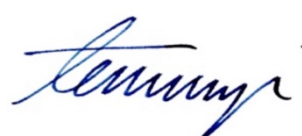
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**AN ACT PRESCRIBING THE GUIDELINES FOR THE ESTABLISHMENT AND
OPERATION OF LOCAL UNIVERSITIES AND COLLEGES**

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Short Title.* – This Act shall be known as the “Local Universities and Colleges (LUCs) Governance Act.”

SECTION 2. *Declaration of Policy.* – It is the policy of the State to establish, maintain, and support a complete, adequate, and integrated system of education relevant to the needs of the people and society. It is also the policy of the State to protect and promote the right of all citizens to quality education and to take appropriate steps to make education accessible to all.

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

SECTION 3. *Definition of Terms.* – As used in this Act:

- (a) ***Degree program*** refers to the set of academic programs and courses in a field of study leading to the conferment of an undergraduate or graduate degree;
- (b) ***Higher education institution*** refers to an institution of higher learning which primarily offers degree-granting programs duly recognized by the Commission on Higher Education (CHED) and leading to the conferment of a diploma;
- (c) ***Level II accreditation*** refers to a status granted to an educational program after being granted the initial accreditation following a formal survey by the accrediting agency and duly certified by the accreditation federation or network, effective for a period of three (3) years;
- (d) ***Local college or dalubhasaan*** refers to a public higher education institution with below Level II accreditation, financially supported, operated and maintained by the local government unit, and offers undergraduate or baccalaureate and graduate academic programs leading to the conferment of a degree;

- (e) **Local government unit (LGU)** refers to municipalities, cities and provinces that created or established the local university or college;
- (f) **Local higher education institution** refers to a public higher education institution financially supported by an LGU through an ordinance, which offers undergraduate or baccalaureate and graduate academic programs leading to the conferment of a degree;
- (g) **Local university or pamantasan** refers to a public higher education institution with above Level II accreditation that is financially supported, operated and maintained by an LGU and offers undergraduate or baccalaureate and graduate academic programs leading to the conferment of a degree;
- (h) **Non-degree program** refers to a postsecondary short-term certificate or diploma academic and technical-vocational programs below the baccalaureate or bachelor's degree;
- (i) **Ordinance** refers to the enabling act of a *Sangguniang Panglunsod, or Sangguniang Bayan, or Sangguniang Panlalawigan* creating a particular local university or college and which serves as their charters; and
- (j) **Technical-vocational institution** refers to a postsecondary education institution that offers short-term non-degree, diploma or certificate technical-vocational education and training programs or courses.

SECTION 4. Coverage. – The provisions of this Act shall apply to:

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

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

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

- (a) Feasibility study that shall include the following: 1) the necessity for a local HEI in the area; 2) human resource requirements of the industry to determine the 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 concerned LGU, as provided under the pertinent of Republic Act No. 7160, otherwise known as the “Local Government Code of 1991”;
- (c) A project development plan with a program of work showing that the LGU allocated a school site with appropriate size and location pursuant to the applicable provisions of Republic Act No. 6541, otherwise known as the “National Building Code of the Philippines”, a blueprint of the architectural design of its buildings and other physical facilities, and provisions for acquisition of instructional materials and equipment that comply with the CMOs pertinent to the program offered; and
- (d) A five-year institutional development plan duly approved by the *sanggunian*, which shall include the following: 1) annual budgetary allocation; 2) organizational structure and composition of the Governing Board, hereinafter referred to as the Board; and 3) 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 degree programs. It shall file with the CHED an application to offer a higher education degree program. The application shall be supported with documents indicating compliance with the policies, guidelines, and standards relative to such degree program.

SECTION 7. Supervisory, Monitoring, and Visitorial Power of the CHED. – All LUCs shall be subject to the monitoring, inspection, and evaluation of the CHED.

Pursuant to the provisions of Republic Act No. 7722, otherwise known as the “Higher Education Act of 1994”, the CHED shall exercise supervisory power over LUCs. Through its regional offices, the CHED shall continue to monitor, inspect, evaluate, and provide technical assistance to the LUCs.

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

SECTION 8. Governing Board of LUCs. – 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 (BOR).

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

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

(1) Local chief executive, as chairperson;

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

and the following as members:

(3) President of the duly recognized faculty association of the LUC;

(4) President of the duly recognized student council of the LUC;

(5) President of the duly recognized alumni association;

(6) Chairperson of the Committee on Education of the *Sanggunian*;

(7) Treasurer of the LGU establishing the LUC;

(8) Budget Officer of the LGU establishing the LUC; and

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

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

- (b) Term of Office – 1) The President of an LUC shall serve a full term in such capacity;
2) The presidents of the faculty association, student council, and the alumni association shall sit in the Board and shall serve their respective terms of office in the associations co-terminously, pursuant to their respective constitutions and by-laws. Such associations shall conduct the election of its officials shortly before the end of terms of the incumbents or within one (1) month prior to the expiration of their terms, otherwise their positions in the Board shall be deemed expired.
- (c) Vacancy - In case of a vacancy in the Board by reason of resignation, death, or the incapacity of one or more of its appointed members, such vacancy shall be filled by appointment by the local chief executive and the appointee shall hold office for the unexpired portion of the term.
- (d) Meetings – The Board shall regularly convene every month. The Chairperson of the Board may call a special meeting whenever necessary: *Provided*, That members are notified in writing at least three (3) calendar days prior to the said meeting.
- (e) Quorum – A majority of the members of the Board holding office at the time of its regular or special meeting shall constitute a quorum.
- (f) Compensation - The members shall serve without compensation other than reimbursement for necessary expenses incurred in their attendance to meetings of the Board or in connection with their official business, as may be authorized by resolutions of the Board.

SECTION 9. Powers of the Board. – The Board shall be the highest policymaking body of the LUCs and shall have the following powers and functions:

- (a) To promulgate policies in accordance with the declared policies on higher education, as well as the policies, standards, and guidelines 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 receive assistance from the LGU to augment the internal sources of funds, as may be provided, to carry out the purposes and functions of the LUC;
- (d) To fix the tuition fees and other school charges as the Board may deem proper to impose after due consultations with the relevant sectors: *Provided*, that these fees shall be based on the guidelines of the CHED and not prohibitive or unreasonable as to deviate from the purpose for which the LUCs are created;
- (e) To appoint, upon the recommendation of the President, vice presidents, deans, executive directors, heads of departments, faculty, and other officials and employees;
- (f) To develop consortia and other academic linkages and, other forms of networks with the LGUs, industries, institutions and agencies, both public and private, local and foreign: *Provided*, That these comply with the applicable guidelines of the CHED in furtherance of the purposes and objectives of the LUCs, as well as develop academic arrangements for institution capacity and capability building with appropriate institutions and agencies, public and private;
- (g) 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 comply with the minimum CHED requirements and its PSGs;
- (h) To promulgate policies on admission, retention, and graduation of students in conformity with the guidelines of the CHED, and to award degrees, titles, diplomas, and certificates;
- (i) To ensure the efficient management of nonacademic services, such as medical and dental, guidance counseling, property maintenance;
- (j) To institutionalize research and extension programs and establish research and extension centers where such will promote the development of the LUCs;
- (k) To appoint the President of the LUC upon the recommendation of the search committee;
- (l) To confirm the appointments of other school officials, teaching, and nonteaching personnel appointed by the President of the LUC;
- (m) To approve rules of discipline for the administrative and academic staff and students of the college or university to ensure orderly and effective governance thereof;
- (n) To award honorary degrees upon persons in recognition of outstanding contribution in the field of education, public service, arts, science and technology

or any field of specialization within the academic competence of the university or college and to authorize the issuance of certificates of completion of non-baccalaureate programs and nontraditional or innovative courses: *Provided*, That these conform to the applicable guidelines of the CHED and the Technical Education and Skills Development Authority;

- (o) To establish professorial chairs in the LUC and to provide fellowships for qualified faculty and scholarships to deserving students;
- (p) To appoint experts and specialists as consultants, or visiting or exchange professors, scholars, researchers, as the case may be: *Provided*, That such appointment conforms to the CHED guidelines;
- (q) To set up the adoption of modern and innovative modes of transmitting knowledge such as the use of information technology, the dual training system, and open distance learning, for the promotion of greater access to education;
- (r) To submit to the Local Chief Executive or to the *Sangguniang Panlungsod*, *Sangguniang Bayan* or *Sangguniang Panlalawigan* an annual detailed report, setting forth the status, progress, needs, goals of the LUC; and
- (s) To delegate any of its power and duties to the President or the other officials of the LUC as it may deem appropriate so as to expedite the administration of the affairs of the university or college.

SECTION 10. Administration of LUCs. – The administration of each LUC shall be vested in the President who shall render full-time service to implement policies promulgated by the Board.

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

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

SECTION 11. Vacancy in the Office of the President. – In case of a 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 the office, the Board shall, within a period of thirty (30) days, designate an officer-in-charge of the LUC pending the appointment of a new President.

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

SECTION 12. Search Committee. – In case of vacancy in the Office of the President brought about by any of the causes mentioned in the preceding Section, the Board shall organize and convene a Search Committee for the Presidency, which shall evaluate and present to the Board the qualifications of the candidates for President of the LUC.

The Search Committee for the Presidency shall have five (5) members to be appointed by the Board. The members shall each represent the following: a) CHED; b) the Association

of Local Colleges and Universities (ALCU); c) the concerned LGU, d) the academe; and e) the business or industry sector. It shall elect a Chairperson and Vice-Chairperson and shall ensure that the new LUC President is elected not later than three (3) months from the time that the position is vacant.

SECTION 13. *The Secretary of the LUC and the Secretary of the Board.* – There shall be a Secretary of the LUC who shall be appointed by the Board as Secretary of the Board upon recommendation of the University President. The Secretary of the Board shall be the custodian of all official records of the LUC.

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

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

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

SECTION 15. *Existing LUCs.* – In the interest of efficient control and supervision by the CHED, all LUCs existing at the time of the effectivity of this Act shall be allowed to continue their operation, subject to compliance with the requirements of this Act within a non-extendible period of three (3) years. Non-compliance with the requirements of this Act shall result in the phaseout of the programs being offered by the concerned LUCs.

SECTION 16. *Existing Local Postsecondary Educational Institutions.* – Local postsecondary educational institutions offering only pre-professional training or non-baccalaureate programs shall not use “College” or “University” in its name unless they have complied with the requisites provided for the establishment of a college or the grant of university status under the CHED rules and regulations: *Provided*, That existing local post-secondary educational institutions which have been using the name “college” or “university” prior to the passage of this Act shall be allowed to retain such name: *Provided further*, That said educational institutions shall be given a grace period by the CHED to comply with the requirements for the status of “college” or “university” or any other typology assigned by the CHED in accordance with developments in the Philippine higher educational system.

SECTION 17. *Penalties for Non-Compliance.* – Any person found violating any of the provisions of this Act shall be subject to an administrative fine of up to Five hundred thousand pesos (P500,000.00), depending on the severity of the violation, as may be determined in the Implementing Rules and Regulations of this Act.

SECTION 18. *Implementing Rules and Regulations.* – Within ninety (90) days from the effectivity of this Act, the CHED shall, in coordination with the Department of the Interior and Local Government, the ALCU, and other relevant stakeholders promulgate the rules and regulations to carry out the provisions of this Act.

SECTION 19. *Exclusion Clause.* – This Act shall apply to all LUCs duly created by their ordinances enacted for that purpose, except for the Pamantasan ng Lungsod ng Maynila (PLM), which was created by virtue of Republic Act No. 4, entitled “An Act Authorizing the City of Manila to Establish and Operate the University of the City of Manila and for Other Purposes”. However, in so far as faculty qualifications, curriculum and instruction, and facilities are concerned, the PLM shall be governed by this Act.

SECTION 20. *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 in full force and effect.

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

SECTION 22. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,