



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



Twentieth Congress
First Regular Session

HOUSE BILL NO. 4800

**Introduced by Representatives Jude A. Acidre and Andrew Julian K.
Romualdez**

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

EXPLANATORY NOTE

Local Universities and Colleges (LUCs), established by Local Government Units (LGUs), have become important in expanding access to higher education, particularly for students from underserved and geographically isolated communities. However, the absence of uniform standards has resulted in uneven quality and gaps in aligning academic programs with labor market demands.

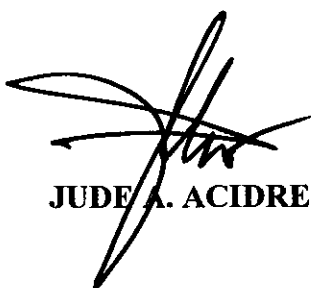
Article XIV, Sections 1 and 2 of the 1987 Philippine Constitution mandate the State to protect and promote the right of all citizens to quality education and to establish, maintain, and support a complete, adequate, and integrated system of education relevant to the needs of the people and society.

This bill seeks to prescribe mandatory guidelines for the establishment, operation, and upgrading of LUCs, as well as the conversion of local colleges into universities. It ensures that LUCs operate within a standard and integrated higher education system under the guidance of the Commission on Higher Education (CHED) and the Technical Education and Skills Development Authority (TESDA).

The measure recognizes the vital role of LUCs not only in delivering quality and relevant education but also in workforce development, lifelong learning, and community advancement. By shaping the programs to local economic needs, LUCs can improve the employability of graduates while contributing directly to local and national development.

To achieve these goals, the bill mandates close coordination among LUCs, CHED, TESDA, LGUs, Philippine Employment Service Offices (PESOs), and other relevant institutions to ensure that policies, programs, and priorities are responsive to both community needs and national objectives.

In view of the foregoing, approval of this bill is earnestly requested.



JUDE A. ACIDRE



ANDREW JULIAN K. ROMUALDEZ



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Twentieth Congress
First Regular Session

HOUSE BILL NO. 4800

**Introduced by Representatives Jude A. Acidre and Andrew Julian K.
Romualdez**

AN ACT
PRESCRIBING THE MANDATORY 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.”

SEC. 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.

The State likewise recognizes the vital role of LUCs in workforce development, particularly in addressing local labor market demands, advancing community development, and equipping learners with skills and competencies for gainful employment and lifelong learning. Accordingly, local workforce development shall form part of the core mandate of LUCs, alongside their mission to provide quality and relevant education.

The State will ensure that the academic programs and training offerings of the LUC are responsive to the needs of the local economy and supportive of National development objectives.

For this purpose, the State shall ensure close coordination between LUCs, CHED, TESDA, local government units (LGUs), Philippine Employment Service Offices (PESOs), as well as all other relevant government agencies, institutions, and organizations, to ensure that LUC programs, directions, and priorities, are responsive to the needs of the local workforce and community.

SEC. 3. *Definition of Terms.* – As used in this Act, the following shall be defined as follows:

(a) ***Applied Bachelor's Degree*** – Refers to a generally four-year degree program that combines academic learning with a substantial proportion of practical or on-the-job experience, targeted for specific career paths instead of academic or research-focused outcomes;

(b) ***Associate degree*** – refers to post-secondary qualifications attained after completion of the K to 12 basic education program, normally requiring a minimum of two years of study. It equips learners with specialized skills for gainful employment in related professions, while also providing the

academic preparation necessary for progression to baccalaureate programs;

(c) **Bachelor's Degree Program** – refers to an undergraduate university degree that requires the completion of a secondary-level education and generally involves 4 years of full-time study for most programs, consisting of general education courses and specialized subjects focused on a major degree;

(d) **Diploma Program** – refers to a credential awarded after completing a compressed and technically-focused program, specializing in a particular trade or vocational skill, and corresponds to a Level 5 qualification in the Philippine Qualification Framework;

(e) **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;

(f) **Doctoral Degree Program** – refers to the highest academic degree, earned by conducting significant research and producing original work, typically in a Doctor of Philosophy (PhD) or a practice-based professional doctorate;

(g) **Fees** – refer to any and/or all amounts collected by LUCs in connection with the delivery of academic, diploma, or technical-vocational programs, including, but not limited to tuition fees, training fees, and/or any other school charges as may be determined by the Commission on Higher Education (CHED) and the Technical Education and Skills Development Authority (TESDA);

(h) **Higher education institutions (HEIs)** – refer to institutions of higher learning which primarily offers degree-granting programs duly recognized by the CHED and leading to the conferment of a diploma;

- (i) **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;
- (j) **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;
- (k) **Local government unit (LGU)** – refers to municipalities, cities and provinces that created or established the local university or college;
- (l) **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;
- (m) **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;
- (n) **Local universities and colleges (LUCs)** – refer to CHED-recognized public HEIs established by LGUs through an enabling ordinance, financially supported by the LGU concerned, and compliant with the policies, standards and guidelines of the CHED and/or TESDA, in the case of LUCs offering TVET programs as well as ladderized programs;

(o) **Masteral Degree** – refers to a postgraduate academic program that provides advanced and specialized knowledge and skills beyond a bachelor's degree;

(p) **Non-degree program** – refers to a postsecondary short-term certificate course program that does not correspond to a specific PQF qualification grade, but may form parts thereof in the case of stackable credentials;

(q) **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

(r) **Philippine Qualifications Framework** – refers to the national policy that describes the levels of educational qualifications and sets standards for learning outcomes across all education and training sectors in the Philippines, namely basic education, technical vocational education and training (TVET), higher education, and post-graduate scale of completion.

(s) **Polytechnic Institute or Technological Institute** – refers to postsecondary education institutions that offer the following:

(i) Focused and technical industry-driven curricula;

(ii) At least three (3) or more technical-vocational programs that grant or award higher level qualifications/National Certifications (NCs) to qualified recipients with a corresponding diploma or similar credential;

(iii) Have programs with strong on-the-job training component.

(t) **Polytechnic College Or Technological College** – refers to a college that offers the following:

(i) At least three (3) or more programs that grant or award National Certifications (NCs) Levels 4-5 in TESDA's National Competency

Assessment Scale, that provide pathways towards Bachelor's Degree Programs offered by the same institution;

(ii) Three (3) or more ladderized programs/applied bachelors degree programs; and

(iii) with highly specialized or technical industry on-the-job training program for all of its offered programs.

(u) Polytechnic University or Technological University – refers to a university that offers the following:

(i) All of the cited qualifications for a polytechnic or technological college;

(ii) Three (3) or more masteral or doctoral programs in applied fields including but not limited to highly technical or technologically-focused professions such as engineering or other applied sciences; and

(iii) An expansive and direct linkage of its degree programs to practical engagements with applicable industries.

(v) Technical-vocational institutions (TVIs) – refer to postsecondary education institutions that offer short-term nondegree, diploma or certificate technical-vocational education and training programs or courses.

(w) Technical-Vocational Programs – refer to a competency-based training that imparts practical skills and knowledge for specific trades or occupations, aiming to equip secondary and post-secondary graduates for direct employment, entrepreneurship, or further education;

(x) Tertiary Education - refers to formal post-secondary programs offered by degree granting colleges, universities, and diplomas offered by

TVIs. It shall encompass both higher education and technical-vocational education and training (TVET).

SEC. 4. *Coverage.* – The provisions of this Act shall apply to the following:

- (a) Existing LUCs;
- (b) 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 intend to offer undergraduate and graduate degree programs;
- (d) Existing TVIs established and operated by an LGU offering non-degree programs, but which intend to offer bachelor's degrees; and
- (e) Existing LUCs that have not met the minimum standards set by the CHED, as prescribed in its applicable and most recent issuances on Policies, Standards, and Guidelines (PSGs) for HEIs.

SEC. 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 demonstrate compliance with the guidelines provided in this Act, its IRR, and any relevant CHED guidelines issued hereafter, 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.

LUCs offering associate degrees, diploma programs or non-degree programs regulated by TESDA shall likewise comply with TESDA's typology, training standards, and guidelines.

SEC. 6. *Mandatory Requirements for the Establishment of LUCs.* – CHED and/or TESDA shall require all LUCs to submit the following requirements for review and approval:

- (a) A feasibility study that shall include the following:
 - (i) The necessity for a local HEI or the need to offer technical vocational programs, associate degrees, diploma programs, bachelors degree programs, or non degree programs in existing or potential HEIs in the area;
 - (ii) Human resource requirements of the industry to determine the proposed program offerings;
 - (iii) Target program offerings;
 - (iv) Financial capacity of the LGU to establish and sustain the operation of the LUC; and
 - (v) Mechanisms for generating local labor market information and workforce development planning to ensure alignment of program offerings with community needs and employment opportunities, in consultation with the LGU, the PESO and other similar entities;
- (b) Certification of availability of funds by the Treasurer of the concerned LGU, as provided under the pertinent provisions of Republic Act No. 7160, or 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 CHED Memorandum Orders and TESDA's training standards and diploma program guidelines pertinent to the program offered; and

(d) A five-year institutional development plan duly approved by the sanggunian, which shall include the following:

- (i) annual budgetary allocation;
- (ii) organizational structure and composition of the Governing Board, hereinafter referred to as the Board; and
- (iii) 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 and/or TESDA prior to the offering of associate, bachelor's, masteral or doctoral degree programs. The application shall be supported with documents indicating compliance with the PSGs and/or TRs relative to such programs.

SEC. 7. *Benefits and Incentives.* – All LUCs established in accordance with the provisions of Sections 5 and 6 of this Act shall be eligible to avail of the benefits provided under R.A. No. 10931.

They shall likewise be eligible to apply for any grant or subsidy provided by law, subject to its existing requirements and guidelines. They shall also be eligible to avail of support provided by the CHED and TESDA for the development of their human resources through appropriate scholarships for post-

graduate studies and/or externships, continuing professional development programs, applied research with industry, development of new programs including enterprise-based education and training, as well as other capacity-building activities that ensure the delivery of relevant and quality education.

LUCs shall be listed in the registry of Philippine HEIs maintained by the CHED, and, in cases of diploma and technical-vocational programs, in the TVET institutions registry maintained by TESDA. Such registries will assist and facilitate the mobility of students and faculty to another country for purposes of study, research, teaching, or work.

SEC. 8. *Supervisory, Monitoring, and Visitorial Power of the CHED AND TESDA.* – All LUCs shall be subjected to the monitoring, inspection, and evaluation of the CHED and TESDA.

Pursuant to the provisions of R.A. No. 7722, otherwise known as the “Higher Education Act of 1994”, the CHED shall exercise supervisory power over LUCs offering degree 3 programs, including, but not limited to the following:

- (a) All bachelor’s degree programs, including applied bachelor’s degree programs offered by polytechnic or technical colleges, and
- (b) All bachelor’s, masteral and doctoral degree programs, including applied bachelor’s degree programs offered by polytechnic or technical universities

In the same manner, the TESDA, pursuant to Republic Act No. 7796 or the “TESDA Act of 1994,” shall exercise concurrent supervisory, monitoring, and quality assurance powers over diploma and technical-vocational programs offered by LUCs, consistent with its mandate. These include, but are not limited to, the following:

- (a) Associate degrees;
- (b) Diploma programs offered by polytechnic institutes, colleges, or universities;
- (c) Technical-vocational programs; and
- (d) Non-degree programs.

Through their respective regional and provincial offices, CHED and TESDA shall monitor, inspect, evaluate, and provide technical assistance to LUCs within their jurisdiction. In the interest of efficiency and coordination, CHED and TESDA shall formulate joint guidelines for the recognition of ladderized programs offered by LUCs, and shall to the extent possible, streamline requirements, policies and programs, as well as monitoring.

CHED and TESDA shall, in the issuance of 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 and TESDA 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.

SEC. 9. Creation of a Local Universities and Colleges Affairs Division. –

There is hereby created a Local Universities and Colleges Affairs Division (LUCD) under the Office of Institutional Quality Assurance and Governance (OIQAG), or its equivalent office in case of reorganization or rationalization, of the CHED and TESDA to act on all matters related to the establishment, operation, regulation, and development of LUCs, whether existing or yet to be established.

In the performance of its functions, the LUCD shall coordinate with the Association of Local Colleges and Universities (ALCU), CHED Regional Offices, the regional and provincial offices of TESDA, and other relevant offices, technical panels and committees of the CHED for the respective degree or diploma programs offered by the respective LUCs.

The functions currently being performed by other offices and divisions of the CHED in relation to LUCs are hereby transferred to the LUCD.

The LUCD shall have the following functions:

- (a) Formulate policies, standards, and guidelines governing the establishment, operation, and conversion of LUCs;
- (b) Recommend and implement strategies and mechanisms for the supervision, monitoring, evaluation, and development of LUCs;
- (c) Accept, evaluate, and process all applications for the establishment or conversion of LUCs, including their degree and non-degree program offerings;
- (d) Conduct regular performance reviews, compliance evaluations, and visitorial activities for purposes of determining adherence to Philippine laws, rules, policies, and CHED regulations; and
- (e) Perform such other duties as may be necessary to carry out the purposes of this Act.

SEC. 10. *Rationalization of LUCs and Program Offerings.* – CHED and TESDA shall evaluate and rationalize all existing programs and course offerings of LUCs, particularly LUCs that are beneficiaries of Republic Act No. 10931, otherwise known as the “Universal Access to Quality Tertiary Education Act.”

CHED and TESDA shall identify priority degree, diploma, and higher level TVET programs in coordination with the relevant national government

agencies, to ensure alignment with the LUC's core statutory mandate, and maintain supervisory and regulatory oversight over their respective programs.

Consistent with the intentions of Republic Act No. 10647 or the "Ladderized Education Act of 2014", and Republic Act No. 10968 or the "Philippine Qualifications Framework (PQF) Act", LUCs must prioritize the establishment of program offerings that allow stackability of credentials, both in TVET and higher education, whether within their institution, and/or in partnership with other technical vocational and higher education institutions. This shall ensure seamless pathways for learners to pursue higher levels of skilling, education, and training. To support this effort, CHED and TESDA shall jointly initiate institutional support systems to accelerate the development of such programs in identified priority areas. CHED and TESDA shall also ensure that the number of students admitted by the LUCs do not exceed the optimal number of students that can be enrolled in each program offered and the number of students that the existing resources and capacity of the LUCs can carry, based on predetermined parameters to be determined by the CHED and TESDA.

Applications for the opening of new programs shall be evaluated to determine whether they are within the core mandate of the LUC or fall under priority fields identified by the National Government.

SEC. 11. *Cap on Fees Charged by LUCs.* – No LUC, through its governing boards, shall impose fees and other charges in an amount greater than that necessary to maintain quality instruction and reasonable operation costs, as determined in accordance with guidelines to be issued by the CHED and TESDA.

In no case shall any increase exceed the cap prescribed in consultation with the LGU concerned and associations as may be applicable.

SEC. 12. *LGU Support.* – All LGUs establishing or operating a local university or college shall ensure the provision of quality tertiary education. To this end, it shall extend full cooperation and assistance to the CHED and TESDA, particularly through its regional offices, in the exercise of its supervisory, monitoring, and regulatory powers over LUCs.

Such assistance shall include, but may not be limited to, the provision of relevant data and documents, facilitation of CHED and TESDA inspections and evaluations, and implementation of corrective measures or recommendations issued by the CHED and TESDA to ensure compliance with the requirements and standards prescribed under this Act and other 2 applicable laws, rules, and regulations.

The LGU shall likewise allocate adequate resources to enable compliance by the LUC with CHED and TESDA-prescribed standards, policies, and guidelines, to ensure the LUC's institutional development, and provision of accessible and quality education.

SEC. 13. *Fiscal Autonomy of LUCs.* – Subject to the provisions of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, and Republic Act No. 7722, otherwise known as the Higher Education Act of 1994, LUCs shall enjoy fiscal autonomy in the administration of their approved budgets and income.

The final amount of the annual budget appropriated by the LGU for an LUC shall not be less than the amount approved for the immediately preceding fiscal year, and such appropriations shall be automatically and regularly released to the LUC on a quarterly basis without need for further request, in accordance with the budget approved by the LGU's *Sanggunian*.

LUCs shall likewise have the authority, through their Governing Boards, to allocate, disburse, and utilize funds for their operations, including but not limited to:

- a. Augmentation of items within their annual budget, consistent with their institutional development plan;
- b. Reallocation of funds from savings to other expenditure items as may be necessary to carry out their academic and administrative functions; and
- c. Generation, retention, and utilization of income from tuition fees, grants, donations, endowments, and other lawful sources, subject to existing laws and auditing rules.

All expenditures and revenues of the LUC shall remain subject to post-audit by the Commission on Audit (COA), pursuant to applicable laws, rules, and regulations.

Furthermore, to enable the LGUs to implement the provisions of this Act, the personal services limitations under Sections 325(a) and 331(b) of R.A. No. 7169 or the “Local Government Code of 1991” shall not be applicable to the expenses appropriated for the compensation of LUC personnel.

SEC. 14. *Development Support for LUCs.* – CHED and TESDA shall make available development funds and assistance to support improvements in quality and relevance for eligible LUCs. Such developmental support may include, but shall not be limited to:

- a. Grants for faculty development and extension programs;
- b. Financial assistance for upgrading facilities, training centers, and learning resources;
- c. Access to scholarship programs and externships for faculty and students;

- d. Incentives for collaboration and consortia with other HEIs, TVIs, LGUs, and industry partners;
- e. The establishment of ladderized programs, locally responsive upskilling or reskilling programs, as well as innovative models for student internships; and
- f. Mechanisms for deepening engagement with industries. CHED and TESDA, in coordination with the Department of Budget and Management (DBM), the DILG, and the concerned LGUs, shall issue the implementing guidelines for the availment of such developmental support, ensuring alignment with national priorities and local development needs.

SEC. 15. *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) The governing board of the LUC shall be composed of the following:
 - (i) Local chief executive, as chairperson;
 - (ii) President of the LUC, as vice-chairperson;
 - (iii) President of the duly recognized faculty association of the LUC, as member;
 - (iv) President of the duly recognized student council of the LUC, as member;
 - (v) President of the duly recognized alumni association, as member;
 - (vi) Chairperson of the Committee on Education of the Sangguniang Bayan, Panlungsod, or Panlalawigan, as member;

- (vii) Representative of TESDA, as member;
- (viii) Representative of CHED, as member;
- (ix) Two (2) representatives from the business sector, as members, who are of known probity and distinction in their respective professions or fields of expertise or specialization in the municipality, city, or province where the LUC is located.

The two (2) representatives shall be appointed by the local chief executive, and shall serve in coterminous with their term of office, unless earlier terminated.

(b) Term of Office

- (i) The President of an LUC shall serve a full term in such capacity;
 - (ii) 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) 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) 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) A majority of the members of the Board holding office at the time of its regular or special meeting shall constitute a quorum.

(f) 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.

SEC. 16. *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 tertiary education, as well as the policies, standards, and guidelines of CHED and TESDA under Republic Act Nos. 7722 and 7796 as well as 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 fees and other 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 TESDA 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 CHED and TESDA 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, and applicable training standards set by TESDA;
- (h) To promulgate policies on admission, retention, and graduation of students in conformity with the guidelines set by CHED and TESDA 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 the extent possible support applied research and extension programs and establish applied research and extension centers where such will promote the development of the LUCs, consistent with their typology based on guidelines of CHED and TESDA;

- (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 TESDA;
- (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 and TESDA 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.

SEC. 17. *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 at least have a Master's degree relevant to the directions of the LUC, experience in industry, as well as 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.

SEC. 18. *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.

SEC. 19. *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) TESDA;
- (c) the ALCU;
- (d) the concerned LGU; 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.

SEC. 20. *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.

SEC. 21. *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.

For polytechnic colleges applying to become polytechnic universities, joint guidelines shall be issued by TESDA and CHED to govern the requirements and process.

SEC. 22. *Existing LUCs.* – In the interest of efficient control and supervision by the CHED pursuant to R.A. No. 7722, 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 and the minimum standards, policies, and guidelines prescribed by the CHED. Such compliance shall be achieved within a non-extendible period of three (3) years. Failure to comply with the requirements of this Act shall result in the phaseout of the programs being offered by the concerned LUCs.

SEC. 23. *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 tertiary education system.

SEC 24. *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.

SEC. 25. *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.

SEC. 26. *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.

SEC. 27. *Separability Clause.* – Should any provision or part of this Act be declared invalid or unconstitutional, the remaining parts not affected shall remain in full force and effect.

SEC. 28. *Repealing Clause.* – All laws, executive orders, presidential decrees, administrative orders, rules and regulations, issuances, or parts thereof inconsistent with or contrary to the provisions of this Act are hereby repealed or amended accordingly.

SEC. 29. *Effectivity.* – Notwithstanding the non-issuance of the IRR, this Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,