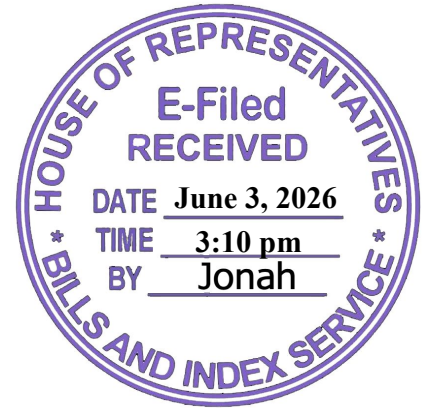


Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 9718



Introduced by Representative Kenneth T. Gatchalian

EXPLANATORY NOTE

Within the last few years, the demand for tertiary education in the country has steadily increased. From 26.63% in 2018, it has increased to 49.9% in 2024, reflecting a 23% percent increase in just six years. To respond to this growing demand, more local universities and colleges (LUCs) have been opened, increasing from 95 in 2011 to 174 in 2024.

The expansion of LUCs has enabled thousands of Filipino students to access higher education and complete their studies, particularly those from underserved communities. However, despite their critical role, LUCs remain structurally vulnerable due to their dependence on local government units. Their operations, funding, and policy direction are largely influenced by the priorities of local chief executives and the Sanggunian, making them highly susceptible to political transitions.

This dynamic undermines institutional stability. Funding allocations and scholarship programs are often subject to shifting political interests, resulting in inconsistent support for students and academic programs. The absence of long-term planning and institutional safeguards has contributed to persistent challenges, including limited research capacity, inadequate infrastructure, gaps in faculty development, and weak quality assurance and evaluation systems.

Local universities and colleges serve as vital instruments for democratizing access to higher education. They provide affordable and community-based learning opportunities, helping bridge educational disparities across regions. LUCs also contribute to local development by producing a skilled workforce attuned to the specific needs of their communities.

This measure seeks to strengthen the institutional capacity, governance, and sustainability of LUCs by establishing clear standards, ensuring stable and adequate funding mechanisms, and promoting merit-based and transparent systems for scholarships and administration. It aims to insulate LUCs from undue political interference, enhance quality assurance mechanisms, and support long-term development through faculty training, infrastructure investment, and research support.

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



KENNETH T. GATCHALIAN

Republic of the Philippines
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HOUSE BILL NO. 9718

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AN ACT
PRESCRIBING MANDATORY GUIDELINES ON 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:*

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

3 **SEC. 2.** – It is the policy of the State to protect and promote the right of
4 all citizens to quality education and to take appropriate steps to make education
5 accessible to all. It shall establish, maintain, and support a complete, adequate, and
6 integrated system of education relevant to the needs of the people and society.

7 Towards this end, the mandatory guidelines on the establishment and
8 operation of Local Universities and Colleges (LUCs) are prescribed to achieve a
9 standardized and integrated system of higher education, and provide a relevant
10 direction for their governance to ensure continuous enhancement of educational
11 standards in LUCs that are on par with both local and international practices.

12 **SEC. 3.** – As used in this Act:

- 1 a. *Institutional Recognition (IR)* refers to a process by which the
2 Commission on Higher Education (CHED) grants recognition to
3 an educational institution as a higher education institution (HEI)
4 that meets the minimum standards for quality education.
- 5 b. *Local Government Units (LGUs)* refer to the municipalities,
6 cities, or provinces that established the LUC.
- 7 c. *LUC* as defined in Republic Act (R.A.) No. 10931, otherwise
8 known as the “Universal Access to Quality Tertiary Education
9 Act”, refers to a CHED-accredited public HEI established by
10 LGUs through an enabling ordinance, financially supported by
11 the LGU concerned, and compliant with the policies, standards,
12 and guidelines of the CHED.
- 13 d. *Ordinance* refers to the enabling act of the Sangguniang Bayan,
14 Panlungsod, or Panlalawigan that established a particular LUC.
- 15 e. *Sanggunian* refers to the local legislative body which includes
16 Sangguniang Bayan for municipalities, Sangguniang Panlungsod
17 for cities, and Sangguniang Panlalawigan for provinces.

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

- 20 a. HEIs to be established and operated by LGUs for the purpose of
21 offering higher academic programs;
- 22 b. Educational institutions established and operated by LGUs
23 offering non-degree programs, but would later offer higher
24 academic programs; and
- 25 c. Existing LUCs.

26 **SEC. 5.** *Establishment of Local Universities and Colleges.* – All LUCs
27 covered under sub-paragraph (a) of Section 4 of this Act shall be established
28 through an ordinance duly enacted for that purpose by the *Sanggunian* concerned:

1 *Provided*, That prior to the enactment of the same, the LGU establishing an LUC
2 shall obtain the grant of IR as an HEI with the CHED, through the Regional Office
3 having jurisdiction of the place where the institution is intended to be established,
4 to ensure full compliance with the mandatory requirements under Section 6 of this
5 Act.

6 **SEC. 6.** *Mandatory Requirements for the Institutional Recognition of*
7 *Local Universities and Colleges.* – In order for LUCs to be institutionally
8 recognized as HEIs, the CHED shall strictly require all such LUCs to submit the
9 following requirements for review and approval:

- 10 a. A feasibility study that shall include but not limited to the
11 following discussions:
- 12 1. The necessity for a local HEI in the area;
 - 13 2. Human resource requirements of the industry to determine
14 proposed program offerings;
 - 15 3. Target program offerings; and
 - 16 4. Financial capacity of the LGU to establish and sustain the
17 operation of the LUC.
- 18 b. Certification of availability of funds by the treasurer of the LGU
19 concerned, as provided under the pertinent provisions of R.A. No.
20 7160, otherwise known as the “Local Government Code of
21 1991”.
- 22 c. A project development plan to show that the LGU has allocated a
23 school site with appropriate size and location pursuant to the
24 applicable provisions of Presidential Decree No. 1096, s. 1977,
25 otherwise known as the “National Building Code of the
26 Philippines”, blueprint of architectual design for its buildings and
27 other physical facilities, and provisions for acquisition of

1 instructional materials and equipment that comply with CHED
2 Memorandum Orders pertinent to the program offered.

- 3 d. A five-year institutional development plan duly approved by the
4 Sanggunian which shall include but not limited to the following:
5 (1) annual budgetary allocation; (2) organizational structure and
6 composition of the Board of Regents (Board); and (3) plantilla of
7 positions duly approved by the Civil Service Commission (CSC).

8 **SEC. 7.** Prior Approval of the Commission on Higher Education for the
9 Offering of Academic Programs. – A duly established HEI and other educational
10 institutions covered under Section 4 (b) of this Act shall secure approval from the
11 CHED prior to the offering of higher academic programs. The Chairperson of the
12 Board, or its President when so authorized by the Board, shall file with the CHED
13 an application to offer a higher academic program. The application shall be
14 supported with documents indicating compliance with the policies, standards, and
15 guidelines relative to such academic program.

16 **SEC. 8.** *Benefits and Incentives.* – All LUCs established in accordance
17 with the provisions of Sections 5 and 6 of this Act shall be eligible to avail of the
18 benefits provided under R.A. No. 10931.

19 They shall likewise be eligible to apply for any grant or subsidy provided
20 by the CHED, subject to its existing requirements and guidelines. They shall also
21 be eligible to avail of support provided by the CHED for the development of their
22 human resources through appropriate scholarships for post-graduate studies,
23 continuing professional development programs, and other capacity-building
24 activities that ensure the delivery of quality education.

25 LUCs shall be listed in the registry of Philippine HEIs, which will assist and
26 facilitate the mobility of students and faculty to another country for purposes of
27 study, research, teaching, or work.

1 **SEC. 9.** *Monitoring and Evaluation of Local Universities and Colleges by*
2 *the Commission on Higher Education; Technical Assistance; Feedback*
3 *Mechanism.* – Pursuant to the provisions of R.A. No. 7722, otherwise known as
4 the “Higher Education Act of 1994”, the CHED shall monitor and evaluate the
5 performance of LUCs and their academic programs, subject to the provisions of
6 R.A. No. 11713, otherwise known as the “Excellence in Teacher Education Act”.
7 It shall continue to provide technical assistance to and develop appropriate
8 feedback mechanisms for the LUCs through its regional offices for their
9 continuing growth and development.

10 The CHED shall, in the issuance of academic policies affecting LUCs,
11 ensure quality assurance while taking into account the different characteristics,
12 peculiar needs, distinct features, organizational set-up, and operations of LUCs,
13 among others.

14 **SEC. 10.** *The Board of Regents of Local Universities and Colleges; Terms*
15 *of Office.* – The Board of LUCs shall have the following composition:

- 16 a. Local Chief Executive, as Chairperson;
- 17 b. President of the LUC, as Vice-Chairperson;
- 18 c. President of the duly recognized faculty association of the LUC, as
19 member;
- 20 d. President of the duly recognized student council of the LUC, as
21 member;
- 22 e. Chairperson of the Committee on Education of the *Sangguniang Bayan,*
23 *Panlungsod, or Panlalawigan, as member;*
- 24 f. A representative from the CHED with a rank not lower than Director as
25 member; and
- 26 g. Three (3) representatives from the academe or the business sector as
27 members, who are of known probity and distinction in their respective
28 fields of expertise in the municipality, city, or province where the LUC

1 is located. The three (3) representatives from the academe or the
2 business sector shall be appointed by the Local Chief Executive, and
3 serve in coterminous with his or her term of office, unless earlier
4 terminated.

5 **SEC. 11. *Meetings; Quorum; Compensation.*** – The Board shall regularly
6 convene at least once a month. The Chairperson of the Board may call for a special
7 meeting whenever necessary: *Provided*, That members are notified in writing at
8 least three (3) days prior to the said special meeting.

9 A majority of all the members of the Board holding office at the time of its
10 regular or special meeting shall constitute a quorum: *Provided*, That the Local
11 Chief Executive who is the chairperson of the Board or the President who is the
12 vice-chairperson is among those present in the meeting.

13 The members shall serve without compensation, but they shall be
14 reimbursed for necessary expenses incurred in their attendance to meetings of the
15 Board or in connection with their official business, as may be authorized by
16 resolutions of the Board.

17 **SEC. 12. *Powers and Duties of the Board.*** – The Board is the highest
18 policy-making body of the LUC. As such, it shall have the following specific
19 powers and duties in addition to its general powers of administration and powers
20 granted to the board of directors of a corporation under R.A. No. 11232, otherwise
21 known as the “Revised Corporation Code of the Philippines”:

- 22 a. Promulgate policies in accordance with the declared state policies on
23 higher education as well as the policies, standards, and guidelines of the
24 CHED under R.A. No. 7722 and other pertinent laws;
- 25 b. Promulgate rules and regulations consistent with existing laws, rules,
26 and regulations as may be necessary to carry out the purposes and
27 functions of the LUC;

- c. 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. Fix the tuition fees and other necessary school charges, such as but not limited to matriculation fees, graduation fees, and laboratory fees, as their respective boards may deem proper to impose after due consultations with the involved sectors;
- e. Appoint the President upon the recommendation of the Search Committee based on the selection procedure as provided in Section 14 of this Act;
- f. Confirm the appointments of other school officials, teaching, and non-teaching personnel appointed by the President;
- g. Determine and approve curricular programs and program offerings in response to the needs and demands of the community provided that these should comply with the policies, standards, and guidelines set by the CHED;
- h. Promulgate policies on admission, retention, and graduation of students and to award degrees, titles, diplomas, and certificates;
- i. Award honorary degrees upon persons in recognition of outstanding contributions in the field of education, public service, arts, science, and technology or any field of specialization within the academic competence of the LUC, subject to the existing CHED guidelines, and authorize the award of certificates of completion of non-degree and nontraditional courses, subject to existing CHED policies and guidelines;
- j. Institutionalize and strengthen research and extension programs;
- k. Establish professorial chairs in the LUC and provide fellowships for qualified faculty and scholarships to deserving students;

1. Develop and approve consortia and other forms of linkages with LGUs, institutions and agencies, both public and private, local and foreign, in furtherance of the purposes and objectives of the LUC, including its internationalization initiatives;
- m. Develop and approve academic arrangements for the capacity building of the institution, with appropriate institutions and agencies, public or private, local or foreign, and appoint experts or specialists as consultants, visiting or exchange professors, scholars, and researchers, as the case may be, consistent with the provisions of R.A. No. 11448, otherwise known as the “Transnational Higher Education Act”, and other guidelines of the CHED relative to such academic arrangements;
- n. Set up the adoption of modern and innovative modes of transmitting knowledge through different teaching and learning modalities, subject to CHED requirements;
- o. Ensure the efficient management of non-academic services such as medical and dental, guidance and counseling, career and job placement, canteen, buildings, grounds and property maintenance, and similar services;
- p. Submit to the Local Chief Executive or to the *Sangguniang Bayan, Panlungsod, or Panlalawigan* an annual detailed report, setting forth the status, progress, needs, and goals of the LUC; and
- q. Delegate any of its powers and duties provided for herein to the President or other officials of the LUC as it may deem appropriate to expedite the administration of the affairs of the LUC.

SEC. 13. *The President as Administrator of the Local University or College; Other Officials and Employees.* – The administration of the LUC shall be vested in the President who shall render full-time service to implement the policies promulgated by the Board.

1 The President shall hold a doctoral degree in education, administration, or
2 other related fields, with at least three (3) years of relevant administrative
3 experience, without prejudice to the provision of additional qualifications to be set
4 by the Board.

5 The President shall serve a term of three (3) years, subject to reappointment
6 for not more than two (2) terms. In case of vacancy by reason of death,
7 compulsory retirement, resignation, removal for cause, or permanent incapacity of
8 the President to perform the functions of his or her office, the Board shall have the
9 authority to designate an Officer-in-Charge who shall serve no longer than the
10 unexpired term.

11 The powers and duties of the President, in addition to those specifically
12 provided in this Act, shall be those usually pertaining to the Office of the President
13 of other colleges and universities, and those delegated by the Board.

14 The salary of the President shall be set by the Board, taking into
15 consideration the applicable rules and regulations of the CSC and the Department
16 of Budget and Management and ensuring that the same shall be comparable to that
17 being received by the presidents of similar educational institutions.

18 The vice-presidents, deans, directors, heads of departments, faculty, non-
19 teaching personnel, and such other officials and employees of the LUC shall be
20 appointed by the President, subject to the confirmation of the Board. The
21 appointment, as well as removal for cause, of these LUC officials and employees
22 shall conform to existing civil service laws, rules, and regulations.

23 **SEC. 14. Search Committee.** – In case of vacancy in the Office of the
24 President brought about by any of the causes mentioned in the preceding section,
25 the Board shall organize and convene a Search Committee for the selection of a
26 new President.

27 The Search Committee shall have three (3) members to be appointed by the
28 Board and shall not come from the Board. It shall elect a Chairperson and ensure

1 that the new President is selected within three (3) months from the time the
2 position is vacated, or before the end of the unexpired term, whichever is earlier.

3 For a newly established LUC, the Local Chief Executive shall organize a
4 Search Committee, composed of three (3) members, upon whose recommendation
5 he shall appoint its first President.

6 **SEC. 15.** *The Secretary of the Local University or College.* – The Board
7 shall appoint a Secretary who shall serve as such for both the Board and the LUC
8 upon the recommendation of the President. The Secretary shall be the custodian of
9 all official records of the LUC and shall communicate the notices of meetings to
10 each member of the Board.

11 **SEC. 16.** *Transitory Provision.* – In the interest of efficient control and
12 regulation by the CHED, all LUCs which are already existing at the time of the
13 effectivity of this Act shall be allowed to continue their operations for a non-
14 extendible period of three (3) years to comply with the requirements set forth in
15 this Act. Non-compliance shall result in the phase-out of the programs being
16 offered by the concerned LUCs.

17 **SEC. 17.** *Penalties for Non-Compliance.* – A person who violates any
18 provision of this Act or the rules and regulations issued pursuant thereto shall be
19 subject to an administrative fine of up to One million pesos (Php 1,000,000),
20 depending on the severity of the violation, as may be determined in the
21 Implementing Rules and Regulations (IRR) of this Act.

22 **SEC. 18.** *Implementing Rules and Regulations.* – Within ninety (90) days
23 from the effectivity of this Act, the CHED, in coordination with the Department of
24 the Interior and Local Government, and other relevant agencies and sectors, shall
25 issue the rules and regulations implementing its provisions. The IRR issued
26 pursuant to this section shall take effect thirty (30) days after its publication in a
27 newspaper of general circulation.

1 **SEC. 19. *Separability Clause.*** – If any part or provision of this Act is
2 declared invalid or unconstitutional, the other provisions not otherwise affected
3 shall remain in force and effect.

4 **SEC. 20. *Repealing Clause.*** – All laws, executive orders, presidential
5 decrees, administrative orders, rules and regulations, issuances, or parts thereof
6 contrary to or inconsistent with the provisions of this Act are hereby repealed or
7 amended accordingly.

8 **SEC. 21. *Effectivity.*** – Notwithstanding the non-issuance of the IRR, this
9 Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or
10 in a newspaper of general circulation.

11
12 *Approved,*