



HOUSE OF REPRESENTATIVES

H. No. 9812

BY REPRESENTATIVES ACIDRE, ORETA, RODRIGUEZ (R.), RODRIGUEZ (M.), TEODORO, VILLAFUERTE (M.L.), VILLAFUERTE (V.R.L.), HORIBATA, RIDON, ADIONG, PRIMICIAS-AGABAS, SINGSON-MEEHAN, ROMUALDEZ (F.M.), ROMUALDEZ (Y.M.), ROMUALDEZ (A.J.), FRESNEDI, DY (F.), MARCOS, ROMULO, TINIO, SAN FERNANDO, CALDERON, SALI, UY (D.C.), BAUTISTA (J.M.), SALVADOR, DIMAGUILA, GATCHALIAN, LAGBAS, KHO (W.), LOPEZ, YAP (C.), BONDOC, ESPARES, YATCO, COLLANTES, LARA, CHUA-TAI, CARI, YNARES, GALEOS, CRUZADO, RIVERA, PUNO, MASTURA, HERNANDEZ (C.A.), CAGAS AND BAÑAS-NOGRALES

AN ACT
PRESCRIBING THE MANDATORY GUIDELINES FOR THE ESTABLISHMENT,
OPERATION, AND GOVERNANCE 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 “Local Universities and
2 Colleges (LUCs) Governance Act.”
3

4 **SEC. 2. Declaration of Policy.** – It is the policy of the State to establish,
5 maintain, and support a complete, adequate, and integrated system of education
6 relevant to the needs of the people and society. The State shall likewise protect and
7 promote the right of all citizens to quality education and to take appropriate steps to
8 make education accessible to all. Furthermore, the State recognizes that academic
9 freedom shall be enjoyed in all institutions of higher learning.
10

11 The State likewise recognizes the vital role of the LUCs in workforce
12 development, particularly in addressing local labor market demands, advancing
13 community development, and equipping learners with the skills and competencies
14 required for gainful employment and lifelong learning. Accordingly, local workforce
15 development shall form part of the core mandate of the LUCs, alongside their mission
16 to provide quality and relevant education that would respond to the needs of the local
17 economy and support national development.

1 To this end, mandatory guidelines on the establishment of local colleges and
2 the conversion of local colleges into universities must be prescribed to achieve a
3 standard, rationalized, and integrated system of higher education, provide the
4 appropriate direction in their governance, and ensure the delivery of quality and
5 relevant education.

6
7 **SEC. 3. Definition of Terms.** – As used in this Act:

- 8 (a) *Applied bachelor's degree* refers to a generally four-year degree
9 program that combines academic learning with a substantial proportion
10 of practical or on-the-job experience, targeted for specific career paths
11 instead of academic or research-focused outcomes;
- 12 (b) *Associate degree* refers to post-secondary qualifications attained after
13 completion of the K to 12 basic education program, normally requiring a
14 minimum of two years of study. It equips learners with specialized skills
15 for gainful employment in related professions, while also providing the
16 academic preparation necessary for progression to baccalaureate
17 programs;
- 18 (c) *Bachelor's degree program* refers to an undergraduate university degree
19 that requires the completion of a secondary-level education and
20 generally involves 4 years of full-time study for most programs,
21 consisting of general education courses and specialized subjects
22 focused on a major degree;
- 23 (d) *Degree program* refers to the set of academic programs and courses in
24 a field of study leading to the conferment of an undergraduate or
25 graduate degree;
- 26 (e) *Diploma program* refers to a credential awarded after completing a
27 compressed and technically-focused program, specializing in a
28 particular trade or vocational skill, and corresponds to a Level 5
29 qualification of the Philippine Qualifications Framework (PQF) in
30 accordance with Republic Act No. 10968, otherwise known as the
31 "PQF Act";
- 32 (f) *Doctorate degree program* refers to the highest academic degree,
33 earned by conducting significant research and producing original work,
34 typically in a Doctor of Philosophy or a practice-based professional
35 doctorate;
- 36 (g) *Higher education institutions (HEIs)* refer to institutions of higher
37 learning which primarily offers degree-granting programs duly
38 recognized by the Commission on Higher Education (CHED) and
39 leading to the conferment of a diploma;
- 40 (h) *Level II accreditation* refers to a status granted to an educational
41 program after being granted the initial accreditation following a formal
42 survey by the accrediting agency and duly certified by the accreditation
43 federation or network, effective for a period of three (3) years;

- (i) *Local college or dalubhasaan* refers to a public HEI with below Level II accreditation, financially supported, operated and maintained by the local government unit (LGU), and offers undergraduate or baccalaureate and graduate academic programs leading to the conferment of a degree;
- (j) *Local government unit* refers to municipalities, cities and provinces that created or established the local university or college;
- (k) *Local higher education institution* refers to a public HEI financially supported by an LGU through an ordinance, which offers undergraduate or baccalaureate and graduate academic programs leading to the conferment of a degree;
- (l) *Local university or pamantasan* refers to a public HEI 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;
- (m) *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 Technical Education and Skills Development Authority (TESDA), in the case of LUCs offering Technical-Vocational Education and Training (TVET) programs as well as ladderized programs;
- (n) *Master's degree* refers to a postgraduate academic program that provides advanced and specialized knowledge and skills beyond a bachelor's degree;
- (o) *Nondegree program* refers to a postsecondary short-term certificate course program that does not correspond to a specific PQF qualification grade, but may constitute part thereof in the case of stackable credentials;
- (p) *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;
- (q) *Philippine Qualifications Framework* – Pursuant to Section 4 of Republic Act No. 10968, PQF 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, TVET, higher education, and post-graduate scale of completion;
- (r) *Polytechnic College or Technological College* refers to a HEI that offers the following:
 - (1) 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;

- 1 (2) Three (3) or more ladderized programs/applied bachelor's degree
2 programs; and
- 3 (3) With highly specialized or technical industry on-the-job training
4 program for all of its offered programs.
- 5 (s) *Polytechnic Institute or Technological Institute* refers to postsecondary
6 education institutions that offer the following:
- 7 (1) Focused and technical industry-driven curricula;
- 8 (2) At least three (3) or more technical-vocational programs that grant or
9 award higher level qualifications/National Certifications (NCs) to
10 qualified recipients with a corresponding diploma or similar
11 credential; and
- 12 (3) Have programs with strong on-the-job training component.
- 13 (t) *Polytechnic University or Technological University* refers to a HEI that
14 offers the following:
- 15 (1) All of the cited qualifications for a polytechnic or technological
16 college;
- 17 (2) Three (3) or more masteral or doctoral programs in applied fields
18 including but not limited to highly technical or technologically-
19 focused professions such as engineering or other applied sciences;
20 and
- 21 (3) An expansive and direct linkage of its degree programs to practical
22 engagements with applicable industries.
- 23 (u) *Technical-vocational institutions (TVIs)* refer to postsecondary
24 education institutions that offer short-term nondegree, diploma or
25 certificate TVET programs or courses;
- 26 (v) *Technical-vocational programs* refer to a competency-based training
27 that imparts practical skills and knowledge for specific trades or
28 occupations, aiming to equip secondary and post-secondary graduates
29 for direct employment, entrepreneurship, or further education;
- 30 (w) *Tertiary education* refers to formal post-secondary programs offered by
31 degree granting colleges, universities, and diploma programs offered by
32 TVIs. It shall encompass both higher education and TVET; and
- 33 (x) *Tuition fees* refer to fees or school charges for the subjects or course
34 enrolled in by a tertiary education student.

35
36 **SEC. 4. Coverage.** – The provisions of this Act shall apply to the following:

- 37 (a) Existing LUCs;
- 38
39 (b) HEIs to be established and operated by LGUs through a local ordinance;
- 40

1 (c) HEIs to be established and operated by LGUs that will offer nondegree
2 programs, but which intends to offer undergraduate and graduate degree programs;
3

4 (d) Existing TVIs established and operated by an LGU offering nondegree
5 programs, but which intend to offer bachelor's degrees; and
6

7 (e) Existing LUCs which have not met the minimum standards of the CHED, as
8 prescribed in its applicable and most recent issuances on Policies, Standards, and
9 Guidelines (PSGs) for HEIs.
10

11 **SEC. 5. Establishment and Operation of LUCs.** – A local HEI, to be known as a
12 local college, or *dalubhasaan*, or any typology assigned by the CHED in accordance
13 with changes in the Philippine higher educational system, shall be established and
14 operated by an LGU through an ordinance duly enacted for that purpose by the
15 *sanggunian* concerned: *Provided*, That prior to the enactment of the said ordinance,
16 the LGU establishing a local college shall demonstrate compliance with the guidelines
17 provided in this Act, its implementing rules and regulation and relevant CHED
18 guidelines issued hereafter, through the regional office that has jurisdiction over the
19 area where the institution is intended to be established, to ensure full compliance with
20 the mandatory requirements set forth in this Act.
21

22 LUCs offering associate degrees, diploma programs or nondegree programs
23 regulated by TESDA shall likewise comply with TESDA's typology, training standards,
24 and guidelines.
25

26 **SEC. 6. Mandatory Requirements for the Offering of LUCs' Programs.** – The
27 CHED or the TESDA shall require all LUCs to submit the following requirements for
28 review and approval:
29

30 (a) A feasibility study that shall include the following:

- 31 (1) The necessity for a local HEI or the need to offer technical-vocational
32 programs, associate degrees, diploma programs, bachelor's degree
33 programs, or nondegree programs in existing or potential HEIs in the
34 area;
- 35 (2) Human resource requirements of the industry to determine the
36 proposed program offerings;
- 37 (3) Target program offerings;
- 38 (4) Financial capacity of the LGU to establish and sustain the operation of
39 the LUC; and
- 40 (5) Mechanisms for generating local labor market information and
41 workforce development planning to ensure alignment of program
42 offerings with community needs and employment opportunities, in
consultation with the LGU, the PESO and other similar entities;

- 1 (b) Certification of availability of funds by the Treasurer of the concerned LGU,
2 as provided under the pertinent provisions of Republic Act No. 7160, or
3 the Local Government Code of 1991;
- 4 (c) A project development plan with a program of work showing that the LGU
5 allocated a school site with appropriate size and location pursuant to the
6 applicable provisions of Republic Act No. 6541, otherwise known as the
7 National Building Code of the Philippines, a blueprint of the architectural
8 design of its buildings and other physical facilities, and provisions for
9 acquisition of instructional materials and equipment that comply with the
10 CHED Memorandum Orders and TESDA's training standards and diploma
11 program guidelines pertinent to the program offered; and
- 12 (d) A five-year institutional development plan duly approved by the
13 *sanggunian*, which shall include the following:
- 14 (1) Annual budgetary allocation;
- 15 (2) Organizational structure and composition of the Governing Board,
16 hereinafter referred to as the Board; and
- 17 (3) Personnel complement indicating the plantilla of positions to be hired
18 on a merit system and the procedure for hiring non-plantilla items duly
19 approved by the Civil Service Commission.

20 In all cases, a duly established educational institution by the LGU shall require
21 the imprimatur of the CHED or TESDA prior to the offering of associate, bachelor's,
22 master's or doctorate degree programs. The application shall be supported with
23 documents indicating compliance with the PSGs and Terms of Reference relative to
24 such programs.

25
26 **SEC. 7. Benefits and Incentives.** – All LUCs established in accordance with the
27 provisions of Sections 5 and 6 of this Act shall be eligible to avail themselves of the
28 benefits provided under Republic Act No. 10931, otherwise known as the "Universal
29 Access to Quality Tertiary Education Act."

30 They shall likewise be eligible to apply for any grant or subsidy provided by law,
31 subject to its existing requirements and guidelines. They shall also be eligible to avail
32 themselves of support provided by the CHED and TESDA for the development of their
33 human resources through appropriate scholarships for post-graduate studies and
34 externships, continuing professional development programs, applied research with
35 industry, development of new programs including enterprise-based education and
36 training, as well as other capacity-building activities that ensure the delivery of relevant
37 and quality education.

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

1 **SEC. 8. Supervisory, Monitoring, and Visitorial Power of the CHED and**
2 **TESDA.** – All LUCs shall be subject to the monitoring, inspection, and evaluation of
3 the CHED and TESDA.

4 Pursuant to the provisions of Republic Act No. 7722, otherwise known as the
5 “Higher Education Act of 1994,” the CHED shall exercise supervisory power over
6 LUCs offering degree programs such as the following:

7 (a) All bachelor’s degree programs, including applied bachelor’s degree programs
8 offered by polytechnic or technical colleges; and

9 (b) All bachelor’s, master’s and doctorate degree programs, including applied
10 bachelor’s degree programs offered by polytechnic or technical universities.

11 In the same manner, the TESDA, pursuant to Republic Act No. 7796, otherwise
12 known as the “TESDA Act of 1994,” shall exercise concurrent supervisory, monitoring,
13 and quality assurance powers over diploma and technical-vocational programs
14 offered by the LUCs, consistent with its mandate. These include the following:

15 (a) Associate degrees;

16 (b) Diploma programs offered by polytechnic institutes, colleges, or
17 universities;

18 (c) Technical-vocational programs; and

19 (d) Nondegree programs.

20 The CHED and TESDA shall monitor, inspect, evaluate, and provide technical
21 assistance to the LUCs within their jurisdiction. In the interest of efficiency and
22 coordination, the CHED and TESDA shall formulate joint guidelines for the recognition
23 of ladderized programs offered by the LUCs.

24 In issuing policies and standards affecting LUCs, the CHED and TESDA shall
25 ensure quality assurance by taking into account the different characteristics, peculiar
26 needs, distinct features, organizational set-up, and operation of the LUCs, among
27 other considerations: *Provided*, That the CHED and TESDA shall, at all times, devise
28 ways and practices that will ensure that the LUCs will remain committed to the delivery
29 of quality education to its students.

30 **SEC. 9. Rationalization of the LUCs and their Program Offerings.** – The
31 CHED and TESDA shall evaluate and rationalize all existing programs and course
32 offerings of the LUCs, particularly those that are beneficiaries of Republic Act
33 No. 10931.

34 The CHED and TESDA shall identify priority degree, diploma, and higher level
35 TVET programs in coordination with the relevant national government agencies, to
36 ensure alignment with the LUC’s core statutory mandate, and maintain supervisory
37 and regulatory oversight over their respective programs.

38 Consistent with the intentions of Republic Act No. 10647 or the “Ladderized
39 Education Act of 2014,” and Republic Act No. 10968, LUCs must prioritize the
40 establishment of program offerings that allow stackability of credentials, both in TVET
41 and higher education, whether within their institution, and/or in partnership with other
42 technical vocational and higher education institutions. This shall ensure seamless

1 pathways for learners to pursue higher levels of skilling, education, and training. To
2 support this effort, CHED and TESDA shall jointly initiate institutional support systems
3 to accelerate the development of such programs in identified priority areas. CHED and
4 TESDA shall also ensure that the number of students admitted by the LUCs do not
5 exceed the optimal number of students that can be enrolled in each program
6 offered and the number of students that the existing resources and capacity of the
7 LUCs can carry, based on predetermined parameters to be determined by the CHED
8 and TESDA.

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

12
13 **SEC. 10. Creation of the Local Universities and Colleges Affairs Division. –**

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

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

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

27 The LUCD shall have the following functions:

- 28 (a) Formulate policies, standards, and guidelines governing the
29 establishment, operation, and conversion of LUCs;
30
- 31 (b) Recommend and implement strategies and mechanisms for the
32 supervision, monitoring, evaluation, and development of LUCs;
33
- 34 (c) Accept, evaluate, and process all applications for the establishment or
35 conversion of LUCs, including their degree and non-degree program
36 offerings;
37
- 38 (d) Conduct regular performance reviews, compliance evaluations, and
39 visitorial activities for purposes of determining adherence to Philippine
40 laws, rules, policies, and CHED regulations; and
41
- 42 (e) Perform such other duties as may be necessary to carry out the
43 purposes of this Act.

1 **SEC. 11. Governing Board of LUCs.** – The governing board of a college or
2 *dalubhasaan* shall be its Board of Trustees (BOT), while the governing board of a
3 university or *pamantasan* shall be its Board of Regents (BOR).

4 (a) Composition

5 The governing board of the LUC, hereinafter referred to as the Board, shall be
6 composed of the local chief executive, as chairperson, the President of the
7 LUC, as vice chairperson, and with following, as members:

- 8 (1) President of the duly recognized faculty association of the LUC;
- 9 (2) President of the duly recognized student council of the LUC;
- 10 (3) President of the duly recognized alumni association of the LUC;
- 11 (4) Chairperson of the Committee on Education of the *Sangguniang Bayan*,
12 *Panlungsod*, or *Panlalawigan*;
- 13 (5) Representative of the TESDA;
- 14 (6) Representative of the CHED;
- 15 (7) One (1) representative of the nonteaching staff or personnel
16 association of LUCs; and
- 17 (8) Two (2) representatives from the private sector, as members, who are
18 of known probity and distinction in their respective professions or fields
19 of expertise or specialization in the municipality, city, or province where
20 the LUC is located.

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

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

26 (b) Term of Office

- 27 (1) The President of an LUC shall serve a full term in such capacity;
- 28 (2) The presidents of the faculty association, student council, and the
29 alumni association shall sit in the Board and shall serve their respective
30 terms of office in the associations co-terminously, pursuant to their
31 respective constitutions and by-laws. Such associations shall conduct
32 the election of its officials shortly before the end of terms of the
33 incumbents or within one (1) month prior to the expiration of their terms,
34 otherwise their positions in the Board shall be deemed expired;
- 35 (c) In case of a vacancy in the Board by reason of resignation, death, or the
36 incapacity of one or more of its appointed members, such vacancy shall be
37 filled by appointment by the local chief executive and the appointee shall
38 hold office for the unexpired portion of the term;
- 39 (d) The Board shall regularly convene every month. The Chairperson of the
40 Board may call a special meeting whenever necessary: *Provided, That*

1 members are notified in writing at least three (3) calendar days prior to the
2 said meeting;

3 (e) A majority of the members of the Board holding office at the time of its
4 regular or special meeting shall constitute a quorum; and

5 (f) The members shall serve without compensation other than reimbursement
6 for necessary expenses incurred in their attendance to meetings of the
7 Board or in connection with their official business, as may be authorized by
8 resolutions of the Board.
9

10 **SEC. 12. Powers of the Board.** – The Board shall be the highest policymaking
11 body of the LUCs and shall have the following powers and functions:

12 (a) To promulgate policies in accordance with the declared policies on tertiary
13 education, as well as the policies, standards, and guidelines of CHED and
14 TESDA under Republic Act No. 7722 and Republic Act No. 7796 as well as
15 other pertinent laws;

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

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

22 (d) To fix the fees and other charges as the Board may deem proper to impose
23 after due consultations with the relevant sectors: *Provided*, That these fees
24 shall be based on the guidelines of the CHED and TESDA and not
25 prohibitive or unreasonable as to deviate from the purpose for which the
26 LUCs are created;

27 (e) To appoint, upon the recommendation of the President, vice presidents,
28 deans, executive directors, heads of departments, faculty, and other
29 officials and employees;

30 (f) To develop consortia and other academic linkages and, other forms of
31 networks with the LGUs, industries, institutions and agencies, both public
32 and private, local and foreign: *Provided*, That these comply with the
33 applicable guidelines of CHED and TESDA in furtherance of the purposes
34 and objectives of the LUCs, as well as develop academic arrangements for
35 institution capacity and capability building with appropriate institutions and
36 agencies, public and private;

37 (g) To determine and approve curricular programs and course offerings in
38 response to the needs and demands of the community and based on local
39 and regional development initiatives: *Provided*, That these comply with the
40 minimum CHED requirements and its PSGs, and applicable training
41 standards set by TESDA;

- 1 (h) To promulgate policies on admission, retention, and graduation of students
2 in conformity with the guidelines set by CHED and TESDA and to award
3 degrees, titles, diplomas, and certificates;
- 4 (i) To ensure the efficient management of nonacademic services, such as
5 medical and dental, guidance counseling, property maintenance;
- 6 (j) To the extent possible support applied research and extension programs
7 and establish applied research and extension centers where such will
8 promote the development of the LUCs, consistent with their typology based
9 on guidelines of CHED and TESDA;
- 10 (k) To appoint the President of the LUC upon the recommendation of the
11 search committee;
- 12 (l) To confirm the appointments of other school officials, teaching, and
13 nonteaching personnel appointed by the President of the LUC;
- 14 (m) To approve rules of discipline for the administrative and academic staff and
15 students of the college or university to ensure orderly and effective
16 governance thereof;
- 17 (n) To award honorary degrees upon persons in recognition of outstanding
18 contribution in the field of education, public service, arts, science and
19 technology or any field of specialization within the academic competence of
20 the university or college and to authorize the issuance of certificates of
21 completion of non-baccalaureate programs and nontraditional or innovative
22 courses: *Provided*, That these conform to the applicable guidelines of the
23 CHED and TESDA;
- 24 (o) To establish professorial chairs in the LUC and to provide fellowships for
25 qualified faculty and scholarships to deserving students;
- 26 (p) To appoint experts and specialists as consultants, or visiting or exchange
27 professors, scholars, researchers, as the case may be: *Provided*, That such
28 appointment conforms to the CHED and TESDA guidelines;
- 29 (q) To set up the adoption of modern and innovative modes of transmitting
30 knowledge such as the use of information technology, the dual training
31 system, and open distance learning, for the promotion of greater access to
32 education;
- 33 (r) To submit to the local chief executive or to the *Sangguniang Panlungsod*,
34 *Sangguniang Bayan* or *Sangguniang Panlalawigan* an annual detailed
35 report, setting forth the status, progress, needs, goals of the LUC; and
- 36 (s) To delegate any of its power and duties to the President or the other officials
37 of the LUC as it may deem appropriate so as to expedite the administration
38 of the affairs of the university or college.
39

40 **SEC. 13. Administration of the LUCs.** – The administration of each LUC shall
41 be vested in the President who shall render full-time service to implement policies
42 promulgated by the Board.

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

4 The President of the LUC must preferably at least have a Master's degree
5 relevant to the directions of the LUC, experience in industry, and at least three (3)
6 years of relevant administrative experience, without prejudice to provision of additional
7 qualifications to be set by the Board of the LUC.
8

9 **SEC. 14. Vacancy in the Office of the President.** – In case of a vacancy in the
10 Office of the President by reason of death, compulsory retirement, resignation,
11 removal for cause or incapacity of the president to perform the functions of the office,
12 the Board shall, within a period of thirty (30) days, designate an officer-in-charge of
13 the LUC pending the appointment of a new President.

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

18 **SEC. 15. Search Committee.** – In case of vacancy in the Office of the President
19 brought about by any of the causes mentioned in the preceding Section, the Board
20 shall organize and convene a Search Committee for the Presidency, which shall
21 evaluate and present to the Board the qualifications of the candidates for President of
22 the LUC.

23 The Search Committee for the Presidency shall have five (5) members to be
24 appointed by the Board from the following: CHED; TESDA; ALCU; concerned LGU;
25 and the business or industry sector.

26 It shall elect a Chairperson and Vice-Chairperson and shall ensure that the new
27 LUC President is elected not later than three (3) months from the time that the position
28 is vacant.
29

30 **SEC. 16. The Secretary of the LUC and the Secretary of the Board.** – There
31 shall be a Secretary of the LUC who shall be appointed by the Board as Secretary of
32 the Board upon recommendation of the University President. The Secretary of the
33 Board shall be the custodian of all official records of the LUC.

34 **SEC. 17. Fiscal Autonomy of LUCs.** – Subject to the provisions of Republic Act
35 No. 7160 and Republic Act No. 7722, the LUCs shall enjoy fiscal autonomy in the
36 administration of their approved budgets and income.

37 The LGU, depending on its current fiscal space, shall likewise enjoy autonomy
38 in determining or adjusting the salaries, emoluments, and other forms of benefit or
39 compensation for the faculty of the LUCs.

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

1 The LUCs shall have the authority, through their Governing Boards, to allocate,
2 disburse, and utilize funds for their operations such as the following:

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

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

12 To enable the LGUs to implement the provisions of this Act, the personal
13 services limitations under Sections 325(a) and 331(b) of Republic Act No. 7160
14 shall not be applicable to the expenses appropriated for the compensation of
15 LUCs personnel.

16 The LGU, depending on its current fiscal space, shall likewise enjoy autonomy in
17 determining or adjusting the salaries, emoluments, and other forms of benefit or
18 compensation for the faculty of the LUCs: *Provided*, That in no case shall the basic
19 salary of any faculty member be less than the corresponding salary grade provided in
20 the Salary Standardization Law.

21
22 **SEC. 18. Cap on Fees Charged by the LUCs.** – No LUC, through its governing
23 board, shall impose fees and other charges in an amount greater than that necessary
24 to maintain quality instruction and reasonable operation costs, as determined in
25 accordance with guidelines to be issued by the CHED and TESDA.

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

28
29 **SEC. 19. LGU Support.** – All LGUs establishing or operating an LUC shall
30 ensure the provision of quality tertiary education. To this end, it shall extend full
31 cooperation and assistance to the CHED and TESDA, particularly through its
32 regional offices, in the exercise of its supervisory, monitoring, and regulatory powers
33 over LUCs.

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

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

1 **SEC. 20. Development Support for the LUCs.** – The CHED and TESDA shall
2 make available development funds and assistance to support improvements in quality
3 and relevance for eligible LUCs. Such developmental support may include the
4 following:

- 5 (a) Grants for faculty development and extension programs;
- 6 (b) Financial assistance for upgrading facilities, training centers, and learning
7 resources;
- 8 (c) Access to financial assistance programs, such as scholarships or loans, and
9 internships or externships for faculty and students;
- 10 (d) Incentives for collaboration and consortia with other HEIs, TVIs, LGUs, and
11 industry partners;
- 12 (e) Implementation of ladderized education programs, locally responsive
13 upskilling or reskilling programs, and innovative models for student
14 internships; and
- 15 (f) Mechanisms for deepening engagement with the industries, the CHED and
16 TESDA, in coordination with the Department of Budget and Management,
17 the Department of the Interior and Local Government (DILG), and the
18 concerned LGUs, for the issuance of the implementing guidelines for the
19 availment of such developmental support, and in ensuring alignment with
20 national priorities and local development needs.

21
22 **SEC. 21. Elevation of a Local College to the Status of a University.** – A local
23 college, upon the recommendation of the Board to the *Sangguniang Bayan*, or
24 *Sangguniang Panlungsod*, or *Sangguniang Panlalawigan*, may subsequently apply
25 with the CHED for university status: *Provided*, That it has complied with the
26 requirements of the CHED and has undergone the appropriate process of
27 accreditation by a reliable accreditation body that subsequently found the college to
28 be prepared for reclassification as a university: *Provided, further*, That a local college,
29 upon conversion into a local university, shall continue to be operated by the concerned
30 LGU in coordination with the CHED.

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

35 No new local HEI shall be established immediately as a local university or
36 *pamantasan*. A local HEI established by an LGU shall be known as a local college,
37 *dalubhasaan*, or any other typology assigned by the CHED in accordance with
38 developments in the Philippine higher educational system.

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

1 **SEC. 22. Existing LUCs.** – In the interest of efficient control and supervision by
2 the CHED pursuant to Republic Act No. 7722, all LUCs existing at the time of the
3 effectivity of this Act shall be allowed to continue their operation, subject to compliance
4 with the requirements of this Act and the minimum standards, policies, and guidelines
5 prescribed by the CHED. Such compliance shall be achieved within a non-extendible
6 period of three (3) years. Failure to comply with the requirements of this Act shall result
7 in the phaseout of the programs being offered by the concerned LUCs.

8 **SEC. 23. Existing Local Postsecondary Educational Institutions.** – Local
9 postsecondary educational institutions offering only pre-professional training or non-
10 baccalaureate programs shall not use “college” or “university” in its name unless they
11 have complied with the requisites provided for the establishment of a college or the
12 grant of university status under the CHED rules and regulations: *Provided, That*
13 existing local post-secondary educational institutions which have been using the name
14 “college” or “university” prior to the passage of this Act shall be allowed to retain such
15 name: *Provided, further, That* said educational institutions shall be given a grace
16 period by the CHED to comply with the requirements for the status of “college” or
17 “university” or any other typology assigned by the CHED in accordance with
18 developments in the Philippine tertiary education system.

19
20 **SEC. 24. Penalties for Non-Compliance.** – Any person found violating any of
21 the provisions of this Act shall be subject to an administrative fine of up to Five hundred
22 thousand pesos (P500,000.00), depending on the severity of the violation, as may be
23 determined in the Implementing Rules and Regulations of this Act.

24
25 **SEC. 25. Implementing Rules and Regulations.** – Within ninety (90) days from
26 the effectivity of this Act, the CHED shall, in coordination with the DILG, the ALCU,
27 and other relevant stakeholders promulgate the rules and regulations to carry out the
28 provisions of this Act.

29
30 **SEC. 26. Exclusion Clause.** – This Act shall apply to all LUCs duly created by
31 their ordinances enacted for that purpose, except for the *Pamantasan ng Lungsod ng*
32 *Maynila* (PLM), which was created by virtue of Republic Act No. 4196, entitled “An Act
33 Authorizing the City of Manila to Establish and Operate the University of the City of
34 Manila and for Other Purposes.” However, in so far as faculty qualifications, curriculum
35 and instruction, and facilities are concerned, the PLM shall be governed by this Act.

36
37 **SEC. 27. Separability Clause.** – Should any provision or part of this Act be
38 declared invalid or unconstitutional, the remaining parts not affected shall remain in
39 full force and effect.

40
41 **SEC. 28. Repealing Clause.** – All laws, executive orders, presidential decrees,
42 administrative orders, rules and regulations, issuances, or parts thereof inconsistent
43 with or contrary to the provisions of this Act are hereby repealed or amended
44 accordingly.

1 **SEC. 29. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
2 complete publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,