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SENATE
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Introduced by Senator MANUEL "LITO" M. LAPID

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

EXPLANATORY NOTE

The Local Government Code provided the Local Government Units (LGUs) the power to establish and operate vocational and technical schools and similar post-secondary institutions. Said provision has helped with the creation of Local Universities and Colleges (LUCs) all over the country that significantly helped the State to provide affordable and accessible education to Filipinos.

However, the mere creation of the same is not an end in itself. Rather, it is only a means to ensure a complete, adequate, and integrated system of education relevant to the needs of the people and society.

The diverse conditions in different LGUs, including economic, social, and political, and the varying capabilities of the local governments present unique challenges to LUCs across the board.

This measure is an attempt at making the LUC experience comparable across the country. This bill prescribes mandatory guidelines on the establishment of LUCs to create a standard and integrated system of higher education and provide appropriate

direction in their governance to meet the ever-changing challenges in higher education.

It is proposed that the LUCs shall be subject to the monitoring, inspection, and evaluation of the Commission on Education (CHED), and through the latter's regional offices, it shall continue to inspect and provide technical assistance to the LUCs.

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



MANUEL "LITO" M. LAPID
Senator

- 1 a. *Commission on Higher Education (CHED)* refers to the government agency
2 created by Republic Act No. 7722, otherwise known as the "Higher
3 Education Act of 1994 which has jurisdiction over all public and private
4 higher education (HEIs) in the Philippines;
- 5 b. *Degree program* refers to the set of academic programs and courses in a
6 field of study leading to the conferment of an undergraduate or graduate
7 degree;
- 8 c. *Governing Board* refers to the highest policy-making body of a local
9 university or college;
- 10 d. *Higher education institution* refers to an institution of higher learning which
11 primarily offers degree-granting programs duly recognized by the
12 Commission on Higher Education (CHED) and leading to the conferment of
13 a diploma;
- 14 e. *Level II accreditation* refers to a status granted to an educational program
15 after being granted the initial accreditation following a formal survey by the
16 accrediting agency and duly certified by the accreditation federation or
17 network, effective for a period of three (3) years;
- 18 f. *Local college or dalubhasaan* refers to a public higher education institution
19 with below Level II accreditation, financially supported, operated and
20 maintained by the local government unit, and offers undergraduate or
21 baccalaureate and graduate academic programs leading to the conferment
22 of a degree;
- 23 g. *Local government unit (LGU)* refers to municipalities, cities and provinces
24 that created or established the local university or college;
- 25 h. *Local higher education institution* refers to a public higher education
26 institution financially supported by an LGU through an ordinance, which
27 offers undergraduate or baccalaureate and graduate academic programs
28 leading to the conferment of a degree;

- 1 i. *Local university or pamantasan* refers to a public higher education institution
2 with above Level II accreditation that is financially supported, operated and
3 maintained by an LGU and offers undergraduate or baccalaureate and
4 graduate academic programs leading to the conferment of a degree;
- 5 j. *Non-degree program* refers to a postsecondary short-term certificate or
6 diploma academic and technical-vocational programs below the
7 baccalaureate or bachelor's degree;
- 8 k. *Technical-vocational institution* refers to a postsecondary education
9 institution that offers short-term nondegree, diploma or certificate technical-
10 vocational education and training programs or courses;

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

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

25 **SECTION 5. Establishment and Operation of Local HEIs by LGUs.** – A local
26 HEI, to be known as a local college or *dalubhasaan*, or any typology assigned by the
27 CHED in accordance with changes in the Philippine higher educational system, shall

1 be established and operated by an LGU through an ordinance duly enacted for that
2 purpose by the *sanggunian* concerned: *Provided*, That prior to the enactment of the
3 said ordinance, the LGU establishing a local college shall consult with the CHED,
4 through the regional office that has jurisdiction over the area where the institution is
5 intended to be established, to ensure full compliance with the mandatory requirements
6 set forth in this Act.

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

10 a. Feasibility study that shall include the following:

11 1) the necessity for a local HEI in the area;

12 2) human resource requirements of the industry to determine the
13 proposed program offerings;

14 3) target offerings;

15 4) financial capacity of the LGU to establish and sustain the operation of
16 the LUC;

17 b. Certification of availability of funds by the Treasurer of the concerned LGU,
18 as provided under the pertinent of Republic Act No. 7160, otherwise known as
19 the “Local Government Code of 1991”;

20 c. A project development plan with a program of work showing that the LGU
21 allocated a school site with appropriate size and location pursuant to the
22 applicable provisions of Republic Act No. 6541, otherwise known as the
23 “National Building Code of the Philippines”, a blueprint of the architectural
24 design of its buildings and other physical facilities, and provisions for acquisition
25 of instructional materials and equipment that comply with the CHED
26 Memorandum Orders pertinent to the program offered; and

1 d. A five-year institutional development plan duly approved by the *sanggunian*,
2 which shall include the following: 1) annual budgetary allocation; 2)
3 organizational structure and composition of the Governing Board, hereinafter
4 referred to as the Board; and 3) personnel complement indicating the *plantilla*
5 of positions to be hired on a merit system and the procedure for hiring non-
6 *plantilla* items duly approved by the Civil Service Commission.

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

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

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

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

24 **SEC. 8. Governing Board of LUCs.** – The governing board of a College,
25 *Pamantasan* or *Dalubhasaan* shall be its Board of Trustees (BOT), while the governing
26 Board of a University or *Pamantasan* shall be its Board of Regents (BOR).

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

1 a. Composition - The governing board of the LUC, shall be composed of the:

2 1) Local chief executive, as chairperson;

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

4 and the following as members:

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

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

7 5) President of the duly recognized alumni association;

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

9 7) A representative from CHED with a rank not lower than Director;

10 8) Treasurer of the LGU establishing the LUC;

11 9) Budget Officer of the LGU establishing the LUC; and

12 10). Two (2) representatives from the private sector who are of known
13 probity and have distinguished themselves in their respective professions
14 or fields of expertise or specialization in the municipality, city, or province
15 where the LUC is located. They shall be appointed by the local chief
16 executive and shall each serve for a term of two (2) ears from the date of
17 their respective appointments.

18 a) Term of Office – 1) The President of an LUC shall serve a full term in
19 such capacity; 2) The presidents of the faculty association, student
20 council, and the alumni association shall sit in the Board and shall serve
21 their respective terms of office in the associations co-terminously,
22 pursuant to their respective constitutions and by-laws. Such associations
23 shall conduct the election of its officials shortly before the end of terms
24 of the incumbents or within one (1) month prior to the expiration of their
25 terms, otherwise their positions in the Board shall be deemed expired

1 b) Vacancy - In case of a vacancy in the Board by reason of resignation,
2 death, or the incapacity of one or more of its appointed members, such
3 vacancy shall be filled by appointment by the local chief executive and
4 the appointee shall hold office for the unexpired portion of the term.

5 c) Meetings – The Board shall regularly convene every month. The
6 Chairperson of the Board may call a special meeting whenever
7 necessary: Provided, That members are notified in writing at least three
8 (3) calendar days prior to the said meeting.

9 d) Quorum – A majority of the members of the Board holding office at
10 the time of its regular or special meeting shall constitute a quorum.

11 e) Compensation - The members shall serve without compensation other
12 than reimbursement for necessary expenses incurred in their attendance
13 to meetings of the Board or in connection with their official business, as
14 may be authorized by resolutions of the Board.

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

17 a. To promulgate policies in accordance with the declared policies on higher
18 education, as well as the policies, standards, and guidelines of the CHED
19 under Republic Act No. 7722, otherwise known as the “Higher Education Act
20 of 1994” and other pertinent laws;

21 b. To promulgate rules and regulations consistent with existing laws, rules,
22 and regulations as may be necessary to carry out the purposes and
23 functions of the LUC;

24 c. To receive assistance from the LGU to augment the internal sources of
25 funds, as may be provided, to carry out the purposes and functions of the
26 LUC;

- 1 d. To fix the tuition fees and other school charges as the Board may deem
2 proper to impose after due consultations with the relevant sectors:
3 *Provided*, that these fees shall be based on the guidelines of the CHED and
4 not prohibitive or unreasonable as to deviate from the purpose for which
5 the LUCs are created;
- 6 e. To appoint, upon the recommendation of the President, vice presidents,
7 deans, executive directors, heads of departments, faculty, and other officials
8 and employees;
- 9 f. To develop consortia and other academic linkages and, other forms of
10 networks with the LGUs, industries, institutions and agencies, both public
11 and private, local and foreign: *Provided*, That these comply with the
12 applicable guidelines of the CHED in furtherance of the purposes and
13 objectives of the LUCs, as well as develop academic arrangements for
14 institution capacity and capability building with appropriate institutions and
15 agencies, public and private;
- 16 g. To determine and approve curricular programs and course offerings in
17 response to the needs and demands of the community and based on local
18 and regional development initiatives: *Provided*, That these comply with the
19 minimum CHED requirements and its PSGs;
- 20 h. To promulgate policies on admission, retention, and graduation of students
21 in conformity with the guidelines of the CHED, and to award degrees, titles,
22 diplomas, and certificates;
- 23 i. To ensure the efficient management of nonacademic services, such as
24 medical and dental, guidance counseling, property maintenance;
- 25 j. To institutionalize research and extension programs and establish research
26 and extension centers where such will promote the development of the
27 LUCs;

- 1 k. To appoint the President of the LUC upon the recommendation of the search
2 committee;
- 3 l. To confirm the appointments of other school officials, teaching, and
4 nonteaching personnel appointed by the President of the LUC;
- 5 m. To approve rules of discipline for the administrative and academic staff and
6 students of the college or university to ensure orderly and effective
7 governance thereof;
- 8 n. To determine the tuition fees, miscellaneous fees and other school charges
9 as the board may deem proper to impose after proper consultation with the
10 relevant stakeholders;
- 11 o. To award honorary degrees upon persons in recognition of outstanding
12 contribution in the field of education, public service, arts, science and
13 technology or any field of specialization within the academic competence of
14 the university or college and to authorize the issuance of certificates of
15 completion of non-baccalaureate programs and nontraditional or innovative
16 courses: *Provided*, That these conform to the applicable guidelines of the
17 CHED and the Technical Education and Skills Development Authority;
- 18 p. To establish professorial chairs in the LUC and to provide fellowships for
19 qualified;
- 20 q. To appoint experts and specialists as consultants, or visiting or exchange
21 professors, scholars, researchers, as the case may be: *Provided*, That such
22 appointment conforms to the CHED guidelines;
- 23 r. To set up the adoption of modern and innovative modes of transmitting
24 knowledge such as the use of information technology, the dual training
25 system, and open distance learning, for the promotion of greater access to
26 education;

1 s. To submit to the Local Chief Executive or to the *Sangguniang Panlungsod*,
2 *Sangguniang Bayan* or *Sangguniang Panlalawigan* an annual detailed report
3 setting forth the status, progress, needs, and goals of the LUC; and

4 t. To delegate any of its powers and duties provided for herein to the President
5 and/or other officials of the university or college as it may deem appropriate
6 to expedite the administration of the affairs of the LUC

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

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

13 The President of the LUC must preferably have a Doctorate Degree or a Master’s
14 degree in education, administration, or other related fields, with at least three (3)
15 years of relevant administrative experience, without prejudice to provision of
16 additional qualifications to be set by the Board of the LUC. The term of office of the
17 President shall be four (4) years, subject to reappointment for another term only.

18 **SEC. 11. Vacancy in the Office of the President.** - In case of vacancy in the
19 Office of the President by reason of death, compulsory retirement, expiration of term,
20 resignation, removal for cause or incapacity of the President to perform the functions
21 of his office, the Board shall have the authority to designate an Officer-in-Charge of
22 the LUC pending the appointment of a new president.

23 The powers and duties of the president of the LUC, in addition to those
24 specifically provided in this Act, shall be those usually pertaining to the Office of the
25 President of other colleges, and those delegated by the board.

26 **SEC. 12. Search Committee.** – In case of vacancy in the Office of the President
27 brought about by any of the causes mentioned in the preceding Section, the Board
28 shall organize and convene a Search Committee for the Presidency, which shall

1 evaluate and present to the Board the qualifications of the candidates for President of
2 the LUC.

3 The Search Committee for the Presidency shall have five (5) members to be
4 appointed by the Board. The members shall each represent the following: a) CHED;
5 b) the Association of Local Colleges and Universities (ALCU); c) the concerned LGU,
6 d) the academe; and e) the business or industry sector. It shall elect a Chairperson
7 and Vice-Chairperson and shall ensure that the new LUC President is elected not later
8 than three (3) months from the time that the position is vacant.

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

13 **SEC. 14.** *Elevation of a Local College to the Status of a University.* – A local
14 college, upon the recommendation of the Board to the *Sangguniang Bayan, or*
15 *Sangguniang Panlungsod, or Sangguniang Panlalawigan,* may subsequently apply with
16 the CHED for university status:

17 *Provided,* That it has complied with the requirements of the CHED and has
18 undergone the appropriate process of accreditation by a reliable accreditation body
19 that subsequently found the college to be prepared for reclassification as a university:

20 *Provided further,* That a local college, upon conversion into a local university,
21 shall continue to be operated by the concerned LGU in coordination with the CHED.

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

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

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

7 **SEC. 16. Existing Local Postsecondary Educational Institutions.** – Local post
8 secondary educational institutions offering only pre-professional training or non-
9 baccalaureate programs shall not use “College” or “University” in its name unless they
10 have complied with the requisites provided for the establishment of a college or the
11 grant of university status under the CHED rules and regulations:

12 *Provided,* That existing local post-secondary educational institutions which have
13 been using the name “college” or “university” prior to the passage of this Act shall be
14 allowed to retain such name:

15 *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 higher educational system.

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

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

27 **SEC. 19. Exclusion Clause.** – This Act shall apply to all LUCs duly created by
28 their ordinances enacted for that purpose, except for the Pamantasan ng Lungsod ng

1 Maynila (PLM), which was created by virtue of Republic Act No. 4, entitled "An Act
2 Authorizing the City of Manila to Establish and Operate the University of the City of
3 Manila and for Other Purposes".

4 However, in so far as faculty qualifications, curriculum and instruction, and
5 facilities are concerned, the PLM shall be governed by this Act.

6 **SEC. 20. *Separability Clause.*** – If any provision of this Act shall be held
7 unconstitutional or invalid, the remaining provisions which are not affected thereby
8 shall continue to be in full force and effect.

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

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

14 *Approved,*