

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



23 MAY 31 P5:43

SENATE

RECEIVED BY:

S. No. 2269

Introduced by **SENATOR CYNTHIA A. VILLAR**

AN ACT
PROVIDING GUIDELINES FOR THE ESTABLISHMENT AND OPERATION OF
LOCAL COLLEGES AND UNIVERSITIES, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Section 1, Article XIV of the Philippine Constitution provides for the right of all citizens to quality education at all levels and that appropriate steps should be taken by the government to make such education accessible to all.

In line with the said constitutional mandate of providing access to education, Republic Act No. 7160 or the Local Government Code has enabled municipalities, cities and provinces to establish and operate vocational and technical schools and similar post-secondary institutions.

Consequently, a number of our local government units have taken the initiative to make higher education accessible to their constituents by establishing, through ordinances of their respective *sanggunians*, local colleges and universities (LCUs) within their territorial jurisdiction under the Local Government Code of 1991. While the reasons behind the establishment of these LCUs on the part of the local government units are commendable, it has been observed that the absence of definite guidelines on the establishment of these LCUs (e.g. composition of the governing boards of these LCUs, the qualifications of the administering authority) has taken a toll on the delivery of quality education to the constituents it serve.

The establishment of local colleges and universities on the part of the LGUs is not an easy task. The LGUs must make sure that the higher educational institutions they have opened will be able to deliver quality education or offer courses according to the standards set by the Commission on Higher Education (CHED). In addition, The LGU must make sure that it has the available resources to fund the efficient operation of the school, which necessarily include, among others, the building and maintenance of the educational facilities, and the salaries of competent teaching personnel and administrative staff.

The attached bill recognizes the need to rationalize the creation of LCUs to bring about an upgrade in the delivery of quality and accessible higher education of these institutions of higher learning.

Hence, I recommend the approval of this bill.


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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 Colleges and
2 Universities Governance Act of 2023”.

3 Sec. 2. *Declaration of Policy.* – It is the policy of the State to protect and
4 promote the right of all citizens to quality education at all levels and to take
5 appropriate steps to make education accessible to all. In doing so, the State shall
6 establish, maintain and support a complete, adequate and integrated system of
7 education relevant to the needs of the people and society and that it shall take into
8 account regional and sectoral needs and conditions and shall encourage local
9 planning in the development of educational policies and programs.

10 Sec. 3. *Definition of Terms.* – As used in this Act, the terms enumerated
11 below shall have the following meaning:

12 a) “Local College or University” or “LCU” refers to a public higher
13 education institution established by a local government unit through an
14 enabling ordinance, and financially supported by the concerned local

1 government unit. In Filipino language, an LCU is referred to as
2 "*Dalubhasaan*" for college and "*Pamantasan*" for university.

3 b) "Ordinance" refers to the enabling act of the *Sangguniang Bayan*,
4 *Panlungsod* or *Panlalawigan* that creates a particular local college or
5 university and serves as the charter of the said local college or
6 university.

7 c) "Degree Program" refers to a collection of all courses in a discipline or
8 a field of study leading to an undergraduate or graduate degree, and
9 may also be referred to as academic program.

10 d) "Non-degree Program" refers to a post-secondary program below the
11 bachelor's degree.

12 e) "Local Government Unit" or "LGU" refers to municipalities, cities and
13 provinces that created or established the local college or university.

14 f) "College or *Dalubhasaan*" is an institution of higher learning offering
15 academic programs and usually pre-professional training leading to a
16 bachelor's degree.

17 g) "University or *Pamantasan*" is an institution made up of an
18 undergraduate division that offers bachelor's degree and a graduate
19 division that comprises a graduate school and professional schools,
20 each of which may confer master's degrees and doctorates. It is an
21 entire socio-physical infrastructure comprised of Schools, Colleges, and
22 Institutes offering degree programs in various disciplines and levels.

23 Sec. 4. *Coverage.* – The provisions of this Act shall apply to:

24 a) New higher education institutions to be established by local
25 government units by virtue of a local ordinance;

- 1 b) Higher education institutions established and operated by local
2 government units offering non-degree programs but would eventually
3 offer degree programs;
- 4 c) Local colleges proposing elevation to university status; and
- 5 d) Existing local colleges or universities which have not met the standards
6 prescribed in this Act.

7 *Sec. 5. Establishment of Higher Education Institutions by LGUs.* – All LCUs
8 shall be established and/or operated through an ordinance duly enacted for that
9 purpose by the *Sanggunian* concerned. *Provided,* that before the enactment of said
10 ordinance, the LGU establishing a higher education institution shall consult and
11 coordinate with the Commission on Higher Education (CHED) to ensure observance
12 of the necessary requirements for the establishment and subsequent effective
13 operation of a college.

14 *Sec. 6. Use of "College" or "University".* – A local higher education
15 institution established by a local government unit shall be known as a College. A
16 local college may subsequently apply for elevation to a university provided it has
17 complied with the standards and guidelines for the grant of university status
18 pursuant to the pertinent CHED rules and regulations and that it has followed the
19 appropriate process of accreditation conducted by a reliable accreditation body that
20 has found the college prepared to be elevated into a university.

21 Local educational institutions offering only non-degree programs shall not use
22 College or University in its name, unless they would eventually offer degree
23 programs and have complied with the requisites provided for the establishment of a
24 college or the grant of university status under the CHED rules and regulations.

25 *Sec. 7. Funding of LCUs.* – There shall be a provision for the regular annual
26 appropriation from the relevant local government units to support and sustain the
27 operation of the LCUs within their respective territorial jurisdictions.

1 *Sec. 8. Governing Board of a Local College or University.* – The governing
2 board of a college or *dalubhasaan* shall be its Board of Trustees (BOT) while the
3 governing board of a university or *pamantasan* shall be its Board of Regents. The
4 governing boards of a local college or university shall be composed of the following:

- 5 a) Local Chief Executive as Chairman;
- 6 b) President of the LCU as Vice-Chairman;
- 7 c) President of the duly recognized faculty association of the LCU as
8 member;
- 9 d) President of the duly recognized student council of the LCU as
10 member;
- 11 e) President of the alumni association as member;
- 12 f) Chairman of the Sangguniang Committee on education as member;
- 13 g) Regional Director of CHED as member;
- 14 h) Two (2) representatives from the private, each of them should have
15 distinguished him/herself in his/her profession or field of specialization,
16 as member.

17 The two (2) representatives from the private sector shall be appointed by the
18 Local Chief Executive and shall each serve for a term of two years from the date of
19 their respective appointments.

20 The terms of office of the President of the faculty association, the President of
21 the student council, and the President of the alumni association shall be coterminous
22 with their respective terms of office in their respective associations pursuant to the
23 provisions of their respective duly-approved constitutions and by-laws.

24 *Sec. 9. Powers of the Governing Board.* – The governing boards shall
25 promulgate policies in accordance with the declared state policies on higher

1 education, in line with the principle of local autonomy enshrined by Republic Act No.
2 7160 or the "Local Government Code of 1991."

3 The CHED, in the issuance of academic policies and standards affecting LCUs,
4 shall take into account the different characteristics and distinct features of the LCUs,
5 its organizational set-up, as well as the operations of the LCUs; Provided, that CHED
6 shall, at all times, devise ways and practices that will ensure that LCUs will remain
7 committed to the delivery of quality education to its students.

8 The governing board shall have the following specific powers and duties, in
9 addition to its general powers of administration and the exercise of all the powers
10 granted to the board of directors of a corporation under Section 36 of Batas
11 Pambansa Blg. 68, otherwise known as the Corporation Code of the Philippines:

- 12 a) To enact rules and regulations not contrary to law as may be necessary
13 to carry out the purposes and functions of the university or college;
- 14 b) To receive and appropriate all sums as may be provided for the support
15 of the university or college to carry out the purposes and functions of
16 the university or college;
- 17 c) To receive in trust legacies, gifts and donations of real and personal
18 properties of all kinds, to administer and dispose the same when
19 necessary for the benefit of the university or college, subject to
20 limitations, directions and instructions of the donors, if any. Such
21 donations shall be exempt from all taxes and shall be considered as
22 deductible items from the income tax of the donor;
- 23 d) To fix the tuition fees and other necessary school charges, such as but
24 not limited matriculation fees, tuition fees, graduation fees and
25 laboratory fees, as the board may deem proper to impose after due
26 consultations with the involved sectors; *Provided, that* these fees will
27 not be prohibitive or unreasonable as to deviate from the purpose for
28 which the LCUs are created.

1 Such fees and charges, including government subsidies and other income
2 generated by the university or college, shall constitute special trust funds and shall
3 be deposited in any authorized government depository bank, and all interests shall
4 accrue therefrom shall part of the same fund for the use of the university or college.

5 Any provision of existing laws, rules and regulations to the contrary
6 notwithstanding, any income generated by the university or college from tuition fees
7 and other charges, as well as from the operation of auxiliary services and land
8 grants, shall be retained by the university or college, and may be disbursed by the
9 Board of Regents/Trustees for instruction, research, extension, or other allied
10 programs/projects of the university or college: *Provided*, That all fiduciary fees shall
11 be disbursed for the specific purposes for which they are collected.

12 If, for reason of control, the university or college, shall not be able to pursue
13 any project for which funds have been appropriated and allocated under its
14 approved program of expenditures, the Board of Regents/Trustees may authorize
15 the use of said funds for any reasonable purpose which, in its discretion, may be
16 necessary and urgent for the attainment of the objectives and goals of the
17 universities or college;

18 e) To adopt and implement a socialized scheme of tuition and school fees
19 for greater access to poor but deserving students;

20 f) To authorize the construction or repair of its buildings, machineries,
21 equipment, and other facilities, as well as the purchase and acquisition
22 of real and personal properties, including necessary supplies, materials
23 and equipment. Purchases and other transactions entered into by the
24 university or college through the Board of Regents/Trustees shall be
25 exempt from all taxes and duties, subject to the applicable Bureau of
26 Internal Revenue (BIR) rules and regulations;

27 g) To appoint, upon the recommendation of the president of the
28 university or college, the vice presidents, deans, directors, heads of
29 departments, faculty members and other officials and employees;

- 1 h) To fix and adjust salaries of faculty members and administrative
2 officials and employees, subject to the provisions of the revised
3 compensation and classification system and other pertinent budget and
4 compensation laws governing hours of service, and such other duties
5 and conditions as it may deem proper; to grant them, at its discretion,
6 leaves of absence under such regulations as it may promulgate, any
7 provisions of existing law to the contrary notwithstanding; and to
8 remove them for cause in accordance with the requirements of due
9 process of law;
- 10 i) To approve the curricula, and institutional programs of the institution:
11 Provided, that it conforms with the CHED guidelines, rules and
12 regulations;
- 13 j) To approve rules of discipline for the administrative and academic staff
14 of the college or university to ensure orderly and effective governance
15 thereof;
- 16 k) To set polices on admission and graduation of students; *Provided*, that
17 these conforms with the applicable guidelines of the CHED;
- 18 l) To award honorary degrees upon persons in recognition of outstanding
19 contribution in the field of education, public service, arts, science and
20 technology or in any field of specialization within the academic
21 competence of the university or college and to authorize the award of
22 certificates of completion of non-degree and non-traditional courses;
23 *Provided*, that these conforms with the applicable guidelines of the
24 CHED;
- 25 m) To establish research and extension centers of the LCU where such will
26 promote the development of the latter;
- 27 n) To establish chairs in the university or college and to provide
28 fellowships for qualified faculty members and scholarships to deserving
29 students;

- 1 o) To delegate any of its powers and duties provided for hereinabove to
2 the president and/or other officials of the university or college as it may
3 deem appropriate so as to expedite the administration of the affairs of
4 the university or college;
- 5 p) To authorize an external management audit of the institution, to be
6 coordinated with CHED, and to institute reforms, including academic
7 and structural changes, on the basis of the audit results and
8 recommendations;
- 9 q) To enter into joint ventures with business and industry for the
10 profitable development and management of the economic assets of the
11 college or university, the proceeds of which will be used for the
12 development and strengthening of the college or university;
- 13 r) To develop consortia and other forms of linkages with local
14 government units, institutions and agencies, both public and private,
15 local and foreign, in furtherance of the purposes and objectives of the
16 institution;
- 17 s) to develop academic arrangements for institution capability building
18 with appropriate institutions and agencies, public or private, local or
19 foreign, and to appoint experts/specialists as consultants, or visiting or
20 exchange professors, scholars, researchers, as the case may be;
- 21 t) To set up the adoption of modern and innovative modes of transmitting
22 knowledge such as the use of information technology, the dual system,
23 open learning, community laboratory, etc., for the promotion of greater
24 access to higher education;
- 25 u) To establish policy guidelines and procedures for participative decision-
26 making and transparency within the institution;

1 v) To privatize, where most advantageous to the institution, management
2 and non-academic services such as health, food, building or grounds or
3 property maintenance and similar such other objectives; and

4 w) To extend the term of the president of the college or university beyond
5 the age of retirement but not later than the age of seventy (70), whose
6 performance has been unanimously rated as outstanding and upon
7 unanimous recommendation by the search committee for the president
8 of the institution concerned.

9 *Sec. 10. Administration of the LCU.* – The administration of the local college
10 or university shall be vested in the President, who shall render full-time service to
11 implement policies promulgated by the Governing Board. The LCU shall be appointed
12 by the Governing Board upon the recommendation of a search committee duly
13 constituted by the Board.

14 The President of the LCU shall have a term of four (4) years and shall be
15 eligible for reappointment for another term, unless otherwise provided for in the
16 ordinance creating the LCU.

17 The president shall hold an appropriately earned doctoral degree and should
18 have at least five (5) years of relevant administrative experience, without prejudice
19 to the provisions of additional qualifications to be set by the governing board of the
20 LCU.

21 In case of vacancy in the Office of the President by reason of death,
22 compulsory retirement, resignation, removal for cause or incapacity of the President
23 to perform the functions of his/her office, the Board shall have the authority to
24 designate an Officer-in-Charge of the College pending the appointment of a new
25 President.

26 The powers and duties of the President of a LCU, in addition to those
27 specifically provided in this Act, shall be those usually pertaining to the Office of the
28 President of other colleges, and those delegated by the Board.

1 The salary of the President of the LCU shall be set by the Board, taking into
2 consideration the applicable civil service rules and regulations and ensuring that the
3 same shall be comparable to that being received by the presidents of similar
4 educational institutions.

5 The vice-presidents, deans, directors, heads of departments, faculty, non-
6 teaching personnel and such other officials and employees for the effective
7 operation of the LCU shall be appointed by the Board, taking into consideration the
8 recommendation of the President. The appointments of these LCU officials and
9 employees shall be conformity to existing civil service laws, rules and regulations.

10 Sec. 11. *Search Committee for President of an LCU.* – Six (6) months before
11 the expiration of the term of office of the incumbent President, the Governing Board
12 shall appoint a Search Committee for President. The Search Committee for President
13 of the LCU shall have five (5) members to be appointed by the Governing Board.
14 The composition of the search committee should include a representative from the
15 local government unit concerned, the academe, the Association of Local Colleges
16 and Universities (ALCU), the faculty and the business sector. They shall elect a
17 Chairman and Vice-Chairman from among themselves.

18 Sec. 12. *Grant of University Status.* – The proposal for elevation to University
19 status shall be submitted to the Office of Programs and Standards, CHED Central
20 Office, through the CHED Regional Office for review. Only the Commission en banc
21 may grant the University status upon compliance with the requirements.

22 Sec. 13. *Implementing Rules and Regulations.* – The CHED, in coordination
23 with the Department of Interior Local Government (DILG) and the Association of
24 Local Colleges and Universities (ALCU), shall promulgate the implementing rules and
25 regulations as may be necessary to carry out the provisions of this Act.

26 Sec. 14. *Separability Clause.* – If any portion or provision of this Act is
27 declared unconstitutional or invalid, the remainder of this Act or any provisions
28 hereof not affected thereby shall continue to be in force and effect.

1 Sec. 15. *Repealing Clause.* – Any law, presidential decree or issuance,
2 executive order, letter of instruction, rule or regulation inconsistent or contrary to
3 the provisions of this Act is hereby repealed or modified accordingly.

4 Sec. 16. *Effectivity.* – This Act shall take effect after fifteen (15) days
5 following its complete publication in the Official Gazette or a newspaper of general
6 circulation.

Approved,