

SIXTEENTH CONGRESS OF THE)
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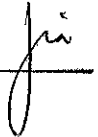


Senate
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SENATE

S. B. 509

RECEIVED BY: 

Introduced by SENATOR CYNTHIA VILLAR

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.

Giving due importance to this constitutional mandate, 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 provisions of the Local Government Code of 1991 or Republic Act No. 7160. 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 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.

It is therefore recommended that the foregoing bill be approved.


CYNTHIA A. VILLAR



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S. B. 509

Introduced by SENATOR CYNTHIA VILLAR

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

1 SECTION 1. *Short Title.* – This Act shall be known as “*The Local Colleges and*
2 *Universities Governance Act of 2013.*”

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

11
12
13 SEC. 3. *Definition of Terms.* – As used in this Act, the terms enumerated
14 below shall have the following meaning:

15
16 (a) “Local College or University” or “LCU” refers to a public higher education
17 institution established by a local government unit through an enabling ordinance, and
18 financially supported by the concerned local government unit. In Filipino, an LCU is
19 referred to as “Dalubhasaan” for college and “Pamantasan” for university.

20
21 (b) “Ordinance” refers to the enabling act of the *Sangguniang Bayan,*
22 *Panglunsod* or *Panlalawigan* that creates a particular local college or university and
23 serves as the charter of the said local college or university.
24

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

4
5 (d) "Non-degree Program" refers to a post-secondary program below the
6 bachelor degree.

7
8 (e) "Local Government Unit" or "LGU" refers to municipalities, cities and
9 provinces that created or established the local college or university.

10
11 (f) "College or Dalubhasaan" is an institution of higher learning offering
12 academic programs and usually pre-professional training leading to a bachelor's
13 degree.

14
15 (g) "University or Pamantasan" is an institution made up of an undergraduate
16 division that offers bachelor's degree and a graduate division that comprises a graduate
17 school and professional schools, each of which may confer Master's degrees and
18 doctorates. It is an entire socio-physical infrastructure comprised of Schools, Colleges,
19 and Institutes offering degree programs in various disciplines and levels.

20
21 SEC. 4. *Coverage.* – The provisions of this Act shall apply to:

22
23 (a) New higher education institutions to be established by local government
24 units by virtue of a local ordinance;

25
26 (b) Higher education institutions established and operated by local
27 government units offering non-degree programs but would eventually offer degree
28 programs;

29
30 (c) Local colleges proposing elevation to university status; and

31
32 (d) Existing local colleges or universities which have not met the standards
33 prescribed in this Act.

34
35
36 SEC. 5. *Establishment of Higher Education Institutions by LGUs.* – All LCUs shall
37 be established and/or operated through an Ordinance duly enacted for that purpose by
38 the *Sanggunian* concerned. *Provided*, that before the enactment of said Ordinance, an
39 LGU establishing a higher education institution shall consult and coordinate with the
40 Commission on Higher Education (CHED) to ensure observance of the necessary
41 requirements for the establishment and subsequent effective operation of a college.

1
2
3 SEC. 6. *Use of "College" or "University".* – A local higher education institution
4 established by a local government unit shall be known as a College. A local college
5 may subsequently apply for elevation to a university provided it has complied with the
6 standards and guidelines for the grant of university status pursuant to the pertinent
7 CHED rules and regulations and that it has followed the appropriate process of
8 accreditation conducted by a reliable accreditation body which found the college
9 prepared to be elevated into a university.

10
11 Local educational institutions offering only non-degree programs shall not use
12 College or University in its name unless they would eventually offer degree programs
13 and have complied with the requisites provided for the establishment of a College or the
14 grant of university status under the CHED rules and regulations.

15
16 SEC. 7. *Funding of LCUs.* – There shall be a provision for the regular annual
17 appropriation from the local government unit to support and sustain the operation of the
18 LCU.

19
20
21 SEC. 8. *Governing Board of a Local College or University.* – The governing
22 board of a college or *dalubhasaan* shall be its Board of Trustees (BOT) while the
23 governing board of a university or *pamantasan* shall be its Board of Regents. The
24 governing boards of a local college or university shall be composed of the following:

- 25
26 (a) Local Chief Executive as Chairman;
27 (b) President of the LCU as Vice-Chairman;
28 (c) President of the duly recognized faculty association of the LCU as
29 member;
30 (d) President of the duly recognized student council of the LCU as member;
31 (e) President of the alumni association as member;
32 (f) Chairman of the Sangguniang Committee on education as member;
33 (g) Regional Director of CHED as member;
34 (h) Two (2) representatives from the private, each of them should have
35 distinguished him/herself in his/her profession or field of specialization, as
36 member.

37
38 The two (2) representatives from the private sector shall be appointed by the
39 Local Chief Executive and shall each serve for a term of two years from the date of their
40 respective appointments.

1 The terms of office of the President of the faculty association, the President of
2 the student council, and the President of the alumni association shall be coterminous
3 with their respective terms of office in their respective associations pursuant to the
4 provisions of their respective duly-approved constitutions and by-laws.

5
6 **SEC. 9. Powers of the Governing Board.** – The governing boards shall
7 promulgate policies in accordance with the declared state policies on higher education,
8 in line with the principle of local autonomy enshrined by Republic Act No. 7160 or the
9 “Local Government Code of 1991. ”

10
11 The CHED, in the issuance of academic policies and standards affecting LCUs,
12 shall take into account the different characteristics and distinct features of the LCUs, its
13 organizational set-up, as well as the operations of the LCUs; Provided, that CHED shall,
14 at all times, devise ways and practices that will ensure that LCUs will remain committed
15 to the delivery of quality education to its students.

16
17
18 The governing board shall have the following specific powers and duties, in
19 addition to its general powers of administration and the exercise of all the powers
20 granted to the board of directors of a corporation under Section 36 of Batas Pambansa
21 Blg. 68, otherwise known as the Corporaitn Code of the Philippines:

22
23 (a) To enact rules and regulations not contrary to law as may be necessary to
24 carry to carry out the purposes and functions of the university or college;

25 (b) To receive and appropriate all sums as may be provided, for the support
26 of the university or college in the manner it may determine, in its discretion, to
27 carry out the purposes and functions of the university or college;

28 (c) To receive in trust legacies, gifts and donations of real and personal
29 properties of all kinds, to administer and dispose the same when necessary for
30 the benefit of the university or college, subject to limitations, directions and
31 instructions of the donors, if any. Such donations shall be exempt from all taxes
32 and shall be considered as deductible items from the income tax of the donor;

33 (d) To fix the tuition fees and other necessary school charges, such as but not
34 limited matriculation fees, graduation fees and laboratory fees, as the board may
35 deem proper to impose after due consultations with the involved sectors;

1 *Provided, that* these fees will not be prohibitive ore unreasonable as to deviate
2 from the purpose for which the LCUs are created.

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

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

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

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

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

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

32 (h) To fix and adjust salaries of faculty members and administrative officials
33 and employees, subject to the provisions of the revised compensation and

1 classification system and other pertinent budget and compensation laws
2 governing hours of service, and such other duties and conditions as it may deem
3 proper; to grant them, at its discretion, leaves of absence under such regulations
4 as it may promulgate, any provisions of existing law to the contrary not with
5 standing; and to remove them for cause in accordance with the requirements of
6 due process of law;

7 (i) To approve the curricula, and institutional programs of the institution:
8 Provided, that it conforms with the CHEd guidelines

9 (j) To approve rules of discipline for the administrative and academic staff of
10 the college or university to ensure orderly and effective governance thereof;

11 (k) To set polices on admission and graduation of students;

12 (m) To award honorary degrees upon persons in recognition of outstanding
13 contribution in the field of education, public service, arts, science and technology
14 or in any field of specialization within the academic competence of the university
15 or college and to authorize the award of certificates of completion of non-degree
16 and non-traditional courses; *Provided*, that these conforms with the applicable
17 guidelines of the CHED;

18 (n) To establish research and extension centers of the LCU where such will
19 promote the development of the latter;

20 (o) To establish chairs in the university or college and to provide fellowships
21 for qualified faculty members and scholarships to deserving students;

22 (p) To delegate any of its powers and duties provided for hereinabove to the
23 president and/or other officials of the university or college as it may deem
24 appropriate so as to expedite the administration of the affairs of the university or
25 college;

26 (q) To authorize an external management audit of the institution, to be
27 coordinated with CHED and to institute reforms, including academic and
28 structural changes, on the basis of the audit results and recommendations;

29 (r) To enter into joint ventures with business and industry for the profitable
30 development and management of the economic assets of the college or
31 university, the proceeds from which to be used for the development and
32 strengthening of the college or university;

1 (s) To develop consortia and other forms of linkages with local government
2 units, institutions and agencies, both public and private, local and foreign, in
3 furtherance of the purposes and objectives of the institution;

4 (t) to develop academic arrangements for institution capability building with
5 appropriate institutions and agencies, public or private, local or foreign, and to
6 appoint experts/specialists as consultants, or visiting or exchange professors,
7 scholars, researchers, as the case may be;

8 (u) To set up the adoption of modern and innovative modes of transmitting
9 knowledge such as the use of information technology, the dual system, open
10 learning, community laboratory, etc., for the promotion of greater access to
11 higher education;

12 (v) To establish policy guidelines and procedures for participative decision-
13 making and transparency within the institution;

14 (w) To privatize, where most advantageous to the institution, management
15 and non-academic services such as health, food, building or grounds or property
16 maintenance and similar such other objectives; and

17 (x) To extend the term of the president of the college or university beyond the
18 age of retirement but not later than the age of seventy (70), whose performance
19 has been unanimously rated as outstanding and upon unanimous
20 recommendation by the search committee for the president of the institution
21 concerned.

22
23 SEC. 10. *Administration of the LCU.* – The administration of the local college or
24 university shall be vested in the President who shall render full-time service to
25 implement policies promulgated by the Governing Board. He/She shall be appointed by
26 the Governing Board upon the recommendation of a search committee duly constituted
27 by the Board.

28
29 The President of the LCU shall have a term of four (4) years and shall be eligible
30 for reappointment for another term, unless otherwise provided for in the ordinance
31 creating the LCU.

32
33 The president shall hold an appropriate earned doctoral degree and should have
34 at least five (5) years of relevant administrative experience, without prejudice to the
35 provisions of additional qualifications to be set by the governing board of the LCU.

1
2 In case of vacancy in the Office of the President by reason of death, compulsory
3 retirement, resignation, removal for cause or incapacity of the President to perform the
4 functions of his/her office, the Board shall have the authority to designate an Officer-in-
5 Charge of the College pending the appointment of a new President.

6
7 The powers and duties of the President of a LCU, in addition to those specifically
8 provided in this Act, shall be those usually pertaining to the Office of the President of
9 other colleges, and those delegated by the Board.

10
11 The salary of the President of the LCU shall be set by the Board, taking into
12 consideration the applicable civil service rules and regulations and ensuring that the
13 same shall be comparable to that being received by the presidents of similar
14 educational institutions.

15
16 The vice-presidents, deans, directors, heads of departments, faculty, non-teaching
17 personnel and such other officials and employees for the effective operation of the LCU
18 shall be appointed by the Board, taking into consideration the recommendation of the
19 President. The appointments of these LCU officials and employees shall be conformity
20 to existing civil service laws, rules and regulations.

21
22 **SEC. 11. Search Committee for President of an LCU.** – Six (6) months before
23 the expiration of the term of office of the incumbent President, the Governing Board
24 shall appoint a Search Committee for President. The Search Committee for President of
25 the LCU shall have five (5) members to be appointed by the Governing Board. The
26 composition of the search committee should include a representative from the local
27 government unit concerned, the academe, the Association of Local Colleges and
28 Universities (ALCU), the faculty and the business sector. They shall elect a Chairman
29 and Vice-Chairman from among themselves.

30
31 **SEC. 12. Grant of University Status.** – The proposal for elevation to University
32 status shall be submitted to the Office of Programs and Standards, CHED Central
33 Office, through the CHED Regional Office for review. Only the Commission en banc
34 may grant the University status upon compliance with the requirements.

35
36 **SEC. 13. Implementing Rules and Regulations.** – The Commission on Higher
37 Education (CHED), in coordination with the Department of Interior Local Government
38 (DILG) and the Association of Local Colleges and Universities (ALCU), shall promulgate

1 the implementing rules and regulations as may be necessary to carry out the provisions
2 of this Act.

3

4 SEC. 14. *Separability Clause.* – If any provision of this Act shall be held
5 unconstitutional or invalid, the remaining provisions which are not affected thereby shall
6 continue to be full force and effect.

7

8 SEC. 15. *Repealing Clause.* – All laws, decrees, executive orders, rules and
9 regulations, and other issuances, or parts thereof, contrary to or inconsistent with this
10 Act are hereby modified, amended or repealed accordingly.

11

12 SEC. 16. *Effectivity.* –This Act shall take effect fifteen (15) days after its
13 publication in the Official Gazette or in at least two (2) newspapers of general
14 circulation.

15

16 Approved,