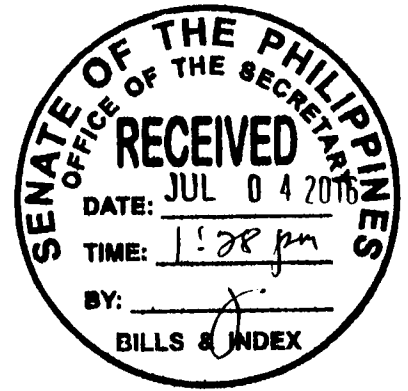


SEVENTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



SENATE
S. B. 325

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

Article XIV, Section 1 of the 1987 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.

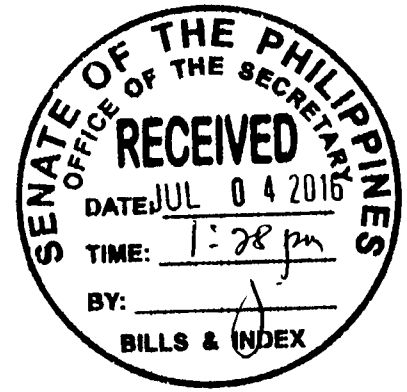
Giving due importance to this constitutional mandate, a number of our local government units have taken the initiative to make higher education accessible to their constituents by establishing, through ordinances of their respective *sanggunians*, local colleges and universities (LCUs) within their territorial 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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1 SECTION 1. *Short Title.* – This Act shall be known as “*The Local Colleges*
2 *and Universities Governance Act of 2016.*”

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 enabling
14 ordinance, and financially supported by the concerned local government unit. In
15 Filipino, an LCU is referred to as “Dalubhasaan” for college and “Pamantasan” for
16 university;

17 (b) “Ordinance” refers to the enabling act of the *Sangguniang Bayan*,
18 *Panglunsod* or *Panlalawigan* that creates a particular local college or university and
19 serves as the charter of the said local college or university;

20 (c) “Degree Program” refers to a collection of all courses in a discipline or
21 a field of study leading to an undergraduate or graduate degree, and may also be
22 referred to as academic program;

1 (d) "Non-degree Program" refers to a post-secondary program below the
2 bachelor degree;

3 (e) "Local Government Unit" or "LGU" refers to municipalities, cities and
4 provinces that created or established the local college or university;

5 (f) "College or Dalubhasaan" is an institution of higher learning offering
6 academic programs and usually pre-professional training leading to a bachelor's
7 degree;

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

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

15 (a) New higher education institutions to be established by local
16 government units by virtue of a local ordinance;

17 (b) Higher education institutions established and operated by local
18 government units offering non-degree programs but would eventually offer degree
19 programs;

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

21 (d) Existing local colleges or universities which have not met the standards
22 prescribed in this Act.

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

30 SEC. 6. *Use of "College" or "University".* – A local higher education institution
31 established by a local government unit shall be known as a College. A local college
32 may subsequently apply for elevation to a university provided it has complied with

1 the standards and guidelines for the grant of university status pursuant to the
2 pertinent CHED rules and regulations and that it has followed the appropriate
3 process of accreditation conducted by a reliable accreditation body which found the
4 college prepared to be elevated into a university.

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

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

12 SEC. 8. *Governing Board of a Local College or University.* – The governing
13 board of a college or *dalubhasaan* shall be its Board of Trustees (BOT) while the
14 governing board of a university or *pamantasan* shall be its Board of Regents. The
15 governing boards of a local college or university shall be composed of the following:

- 16 (a) Local Chief Executive as Chairman;
- 17 (b) President of the LCU as Vice-Chairman;
- 18 (c) President of the duly recognized faculty association of the LCU as
19 member;
- 20 (d) President of the duly recognized student council of the LCU as
21 member;
- 22 (e) President of the alumni association as member;
- 23 (f) Chairman of the Sangguniang Committee on education as member;
- 24 (g) Regional Director of CHED as member;
- 25 (h) Two (2) representatives from the private, each of them should have
26 distinguished him/herself in his/her profession or field of specialization,
27 as member.

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

31 The terms of office of the President of the faculty association, the President of
32 the student council, and the President of the alumni association shall be coterminous
33 with their respective terms of office in their respective associations pursuant to the
34 provisions of their respective duly-approved constitutions and by-laws.

1
2 SEC. 9. *Powers of the Governing Board.* – The governing boards shall
3 promulgate policies in accordance with the declared state policies on higher
4 education, in line with the principle of local autonomy enshrined by Republic Act No.
5 7160 or the “Local Government Code of 1991.”

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

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

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

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

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

27 (d) To fix the tuition fees and other necessary school charges, such as but
28 not limited matriculation fees, graduation fees and laboratory fees, as the
29 board may deem proper to impose after due consultations with the involved
30 sectors; *Provided, that* these fees will not be prohibitive ore unreasonable as
31 to deviate from the purpose for which the LCUs are created.

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

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

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

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

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

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

27 (h) To fix and adjust salaries of faculty members and administrative
28 officials and employees, subject to the provisions of the revised compensation
29 and classification system and other pertinent budget and compensation laws
30 governing hours of service, and such other duties and conditions as it may
31 deem proper; to grant them, at its discretion, leaves of absence under such
32 regulations as it may promulgate, any provisions of existing law to the
33 contrary not with standing; and to remove them for cause in accordance with
34 the requirements of due process of law;

35 (i) To approve the curricula, and institutional programs of the institution:
36 *Provided*, that it conforms with the CHED guidelines

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

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

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

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

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

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

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

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

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

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

34 (u) To set up the adoption of modern and innovative modes of transmitting
35 knowledge such as the use of information technology, the dual system, open

1 learning, community laboratory, etc., for the promotion of greater access to
2 higher education;

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

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

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

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

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

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

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

30 The powers and duties of the President of a LCU, in addition to those
31 specifically provided in this Act, shall be those usually pertaining to the Office of the
32 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 operation
7 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
11 before the expiration of the term of office of the incumbent President, the Governing
12 Board shall appoint a Search Committee for President. The Search Committee for
13 President of the LCU shall have five (5) members to be appointed by the Governing
14 Board. The composition of the search committee should include a representative
15 from the local government unit concerned, the academe, the Association of Local
16 Colleges and Universities (ALCU), the faculty and the business sector. They shall
17 elect a Chairman and Vice-Chairman from among themselves.

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

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

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

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

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

36 Approved,