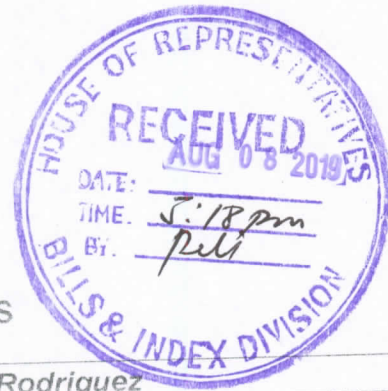


EIGHTEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

HOUSE OF REPRESENTATIVES



Introduced by Representative Rufus B. Rodriguez

House Bill No. **3739**

EXPLANATORY NOTE

Local Government Units are allowed by the law to establish local colleges and universities (LUCs). This is very beneficial to the students because education is now more accessible to them.

However, there are some instances where the quality of education and graduates that these LUCs produce has become questionable. This is because there are no definite guidelines when it comes to the establishment and operation of these LUCs.

There is therefore a need to rationalize the creation of LUCs to prevent the proliferation of substandard schools which fail to deliver quality higher education and are often dubbed as mere "diploma mills."

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


RUFUS B. RODRIGUEZ

HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

3739

House Bill No. _____

AN ACT

PROVIDING GUIDELINES ON THE ESTABLISHMENT AND OPERATION OF LOCAL
UNIVERSITIES AND COLLEGES

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress
assembled:*

SECTION 1. Short Title. This Act shall be known as "*Local Universities and Colleges
(LUCs) Governance Act.*"

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

SEC. 3. Academic Freedom. Pursuant to paragraph 2, Section 5 of Article XIV of the
Constitution of the Republic of the Philippines, all institutions of higher learning, public or
private, shall enjoy academic freedom and institutional autonomy.

SEC. 4. Definition of Terms. As used in this Act:

(a) *College or Dalubhasaan* – refers to a higher education institution (HEI) offering
academic programs, namely, non-baccalaureate, baccalaureate and graduate degrees
below Level II accreditation;

(b) *Degree Program* - refers to a collection of all courses in a field of study leading
to an undergraduate or graduate degree, and may also be referred to as academic program;

(c) *Level II Accreditation* - refers to a status granted to an educational program after
being granted the initial accreditation following a formal survey by the accrediting agency
and duly certified by the accreditation federation/network, effective for a period of three
years;

(d) *Local Government Unit or LGU* - refers to municipalities, cities and provinces
that created or established the LUC;

(e) *Local Higher Education Institution (HEI)/Local University or College (LUC)* - refers
to a public HEI established by a local government unit through an establishing ordinance,
and financially supported by the concerned local government unit. In Filipino, a LUC is
referred to as "Dalubhasaan" for college and "Pamantasan" for university;

(f) *Non-Degree Program* - refers to a post-secondary academic and vocational
program below the bachelor's degree;

(g) *Ordinance* - refers to the enabling act of the *Sangguniang Panglunsod, Bayan or
Panlalawigan* that creates a particular LUC and serves as the charter of said LUC;

(h) *Technical-Vocational Institutes* - refer to learning institutions offering technical-
vocational education and training; and

(i) *University or Pamantasan* – refers to an HEI offering academic programs, namely, non-baccalaureate, baccalaureate and graduate degrees above level II accreditation.

SEC. 5. Coverage. The provisions of this Act shall apply to:

- (a) New HEIs to be established and operated by LGUs by virtue of local ordinance;
- (b) HEIs to be established and operated by LGUs offering non-degree programs but would eventually offer degree and post-graduate degree programs;
- (c) Existing technical and vocational school operated by an LGU proposing reclassification as college, professional institutions or universities; and
- (d) Existing LUCs which have not met the minimum standards of the Commission on Higher Education (CHED) as prescribed in CHED Memorandum Order (CMO) No. 46, series of 2012, or the most recent CMOs or memoranda affecting policies and standards of the HEIs; and

SEC. 6. Establishment and Operation of Local HEIs by LGUs. A local HEI, to be known as a local college or *dalubhasaan*, or any typology assigned by the CHED in accordance with changes in the Philippine higher educational system shall be established and operated by an LGU through an ordinance duly enacted for that purpose by the *Sanggunian* concerned: *Provided*, That before the enactment of the said ordinance, an LGU establishing a local college shall consult with the CHED for compliance and deployment of resources, which shall include physical resources and finances, among others, to ensure compliance with the minimum pertinent policies and standards promulgated by CHED.

The local HEI established by LGUs shall be given a period of four years to comply with the applicable criteria established by the CHED for the grant of college or university status. Should CHED determine that the local HEI has not complied with the applicable criteria despite the four-year period provided herein, the status granted under this Act shall be automatically revoked. The CHED, through its regional office, shall actively monitor and provide technical assistance to the local HEI in compliance with the requirements of the Commission.

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

A local college may subsequently be classified as a university: *Provided*, That it has complied with the standards and guidelines for the grant of university status pursuant to pertinent CHED rules and regulations and that it has followed the appropriate process of accreditation conducted by a reliable accreditation body which found the college prepared to be elevated into a university: *Provided further*, That a local college, upon conversion into a local university, shall continue to be operated by the concerned LGU in coordination with the CHED.

Local educational Institutions offering only pre-professional training or non-baccalaureate programs shall not use "College" or "University" in its name unless they have complied with the requisites provided for the establishment of a college or the grant of university status under the CHED rules and regulations: *Provided*, That educational institutions which have been using the name "college" or "university" prior to the passage of this Act shall be allowed to retain the name: *Provided further*, That said educational institutions shall be given a grace period by the CHED to comply with the requirements for the status of "college" or "university" or any other typology assigned by the CHED in accordance with changes in the Philippine higher educational system.

SEC. 7. LUC as a Chartered Department of the LGU. The LUC created under its local charter shall be treated as an independent and institutional department of the LGU not with the same structure or governance as the other regular departments of the LGU. The management of fiscal resources shall be patterned after the Barangay-Type Fiscal System.

The LGU through the Board of Trustees/Regents shall develop policies on human resource for its LUC.

SEC 8. Authority to Grant "University" Status. A local college, upon the recommendation of its Board of Trustees to the *Sangguniang Bayan, Panlungsod or Panlalawigan* for approval, may subsequently be classified as a university or any other typology assigned by the CHED in accordance with changes in the Philippine Higher Educational System : *Provided*, that it has complied with the standards and guidelines for the grant of university status pursuant to pertinent minimum CHED rules and regulations and that it has followed the appropriate process of accreditation conducted by a reliable accreditation body which found the college prepared to be classified as a university: *Provided further*, That a local college, upon conversion into a local university, shall continue to be operated by the concerned LGU. The proposal for classification to "University" status shall be submitted to the CHED Central Office, through the CHED Regional Office, for review. Only the Commission *en banc* shall grant the "University" status upon compliance with the requirements.

SEC. 9. Monitoring and Visitorial Powers. Pursuant to the provisions of Republic Act 7722, the CHED shall exercise compliance and monitoring powers over LUCs.

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

SEC. 10. Compliance with CHED Requirements. In relation to Section 6, all LUCs must comply with the minimum requirements of the CHED within a reasonable period of time from the effectivity of this Act.

SEC. 11. Governing Board of a Local College or University. The governing board of a College or Dalubhasaan shall be its Board of Trustees while the governing board of a University or *Pamantasan* shall be its Board of Regents.

The regular and special meetings of the Board of Trustees/Regents of the LUCs, hereinafter referred to as the Board, shall be specified in the local charter and shall be composed of the following:

- a) Local Chief Executive or his duly designated representative, as chairperson;
- b) President of the LUC or his duly designated representative, as vice-chairperson;
- c) Chairperson of the Committee on Education of the *Sanggunian*, or his duly designated representative, as member;
- d) President of the Association of Local Colleges and Universities (ALCU) or his duly designated representative, as member;
- e) President of the duly recognized faculty association of the LUC, as member;
- f) President of the duly recognized student council of the LUC, as member;
- g) President of the duly recognized Alumni Association, as member;
- h) Two (2) private sector representatives who have distinguished themselves in their profession or field of expertise/specialization.

One of the two private sector representatives shall come from the business or industry sector. Both shall be appointed by the Board upon the recommendation of the Local Chief Executive and their terms of office shall be co-terminus with the term of the Local Chief Executive unless otherwise recommended to serve for another term.

The terms of office of the Presidents of ALCU, faculty association, student council, and alumni association shall be coterminous with the respective terms of office pursuant to their respective constitutions and by-laws. Such association shall conduct the election of its

officials shortly prior to the end of terms of the incumbents or within one month upon the expiration of their terms, otherwise their positions in the Board shall be deemed expired.

In case of vacancy in the Board by reason of resignation, death or other incapacity of one or more of its appointed members, such vacancy shall be filled by appointment by the Local Chief Executive and the appointee shall hold office for the unexpired portion of the term.

The members shall serve without compensation other than allowances for attendance at the meetings of the Board or on other official business authorized by resolution of the Board.

SEC. 12. *The Secretary of the Local University or College (LUC) and the Secretary of the Board.* There shall be a Secretary of the LUC, who shall serve as the Secretary of the Board, to be appointed by the Board upon recommendation of the University President. He shall be the custodian of all official records of the University.

SEC. 13. Powers of the Board. The Board shall be the highest policymaking body of the LUCs. In addition to its general powers of administration and the exercise of all the powers granted to the board of directors of a corporation under Section 36 of Batas Pambansa Blg. 68, otherwise known as the Corporation Code of the Philippines, and all other powers not against the law, public morals and public policy granted by the local ordinance creating the LUC, the Board shall have the following specific powers and duties,.

(a) To enact rules and regulations not contrary to law as may be necessary to carry out the purposes and functions of the LUC;

(b) To receive from the LGU assistance to augment the internal sources of funds, as may be provided, for the support of the university or college in the manner it may determine, and its discretion, to carry out the purposes and functions of the LUC;

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

(d) To fix the tuition fees and other school charges, such as but not limited to matriculation fees, graduation fees and laboratory fees, as the Board may deem proper to impose after due consultations with the involved sectors; *Provided*, that these fees will not be prohibitive or unreasonable as to deviate from the purpose for which the LUCs are created based on the guidelines of the CHED.

It may also adopt a socialized tuition scheme that shall prescribe a different rate of fees for students who are not residents of the area or LGU where the LUC is located.

Such fees and charges, including government subsidies and other income generated by the LUC, shall constitute a regular fund and shall be deposited in any authorized government depository bank, and all interests that shall accrue therefrom shall form part of the same fund for the use of the LUC.

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

(a) To supervise the construction or repair of its building, machineries, equipment, and other facilities, as well as the purchase and acquisition of real personal properties,

- including necessary supplies, materials, and equipment. Purchase and other transactions entered into by the LUC through the Board shall be exempt from all taxes and Customs duties, subject to applicable BIR (Bureau of Internal Revenue) rules and regulations;
- (b) To appoint, upon the recommendation of the President, vice presidents, deans, executive directors, heads of departments, faculty members and other officials and employees;
 - (c) To follow the salary standardization of the Department of Budget and Management for the salaries of faculty members and administrative officials and employees, subject to the provisions of the revised compensation laws governing hours of service and other conditions as it may deem proper and existing Civil Service laws.
 - (d) To approve the curricula, and institutional programs of the institution: *Provided*, That it complies with the minimum CHED requirements and guidelines;
 - (e) To approve rules of discipline for the administrative and academic staff and students of the college or university to ensure orderly and effective governance thereof;
 - (f) To set policies on admission and graduation of students: *Provided*, That it conforms to the CHED guidelines;
 - (g) To award honorary degrees upon persons in recognition of outstanding contribution in the field of education, public service, arts, science and technology or any field of specialization within the academic competence of the university or college and to authorize the issuance of certificates of completion of non-baccalaureate programs and non-traditional/innovative courses: *Provided* that these conform with the applicable guidelines of the CHED and TESDA;
 - (h) To establish research and extension centers of the LUC where such will promote the development of the latter;
 - (i) To establish chairs in the LUC and to provide fellowships for qualified faculty members and scholarships to deserving students;
 - (j) To enter into any agreements or joint ventures with business and industry for the profitable development and management of the economic and manpower assets of the college or university, the proceeds from which shall be used for the development and strengthening of the LUC;
 - (k) To develop consortia, academe-industry linkage and, other forms of networks with the LGUs, institutions and agencies, both public and private, local and foreign: *Provided*, That these comply with the applicable guidelines of the CHED in furtherance of the purposes and objectives of the institutions as well as develop academic arrangements for institution capacity and capability building with appropriate institutions and agencies, public and private;
 - (l) To appoint experts/specialists as consultants, or visiting or exchange professors, scholars, researchers, as the case may be: *Provided*, That it conforms to the CHED guidelines;
 - (m) To set up the adoption of modern and innovative modes of transmitting knowledge such as but not limited to the use of information technology, the dual system, open learning, community laboratory, etc., for the promotion of greater access to education;
 - (n) To outsource, where most advantageous to the institution, management of non-academic services such as health, food, building or grounds or property maintenance and similar such other objectives;
 - (o) To file with the Local Chief Executive or to the *Sangguniang Panlungsod, Bayan or Panlalawigan* an annual detailed report, setting forth the progress, condition, and needs of the College or University.
 - (p) To delegate any of its power and duties for the hereinabove to the president and/or the other officials of the LUC as it may deem appropriate so as to expedite the administration of the affairs of the university or college; and
 - (q) To extend the term of the president of the LUC beyond the age of retirement, but not later than the age of seventy (70), whose performance has been unanimously rated as

outstanding and upon consent and approval of the *Sangguniang Panlungsod, Bayan or Panlalawigan*.

SEC. 14. Quorum. A quorum of the Board shall consist of a majority of all the members holding office at the time the meeting of the Board is called. All processes against the Board of Regents shall be served on the president or the secretary thereof.

SEC. 15. The Executive Committee. The enabling ordinance may include a provision on the creation of an Executive Committee, as it may deem proper and necessary, for the purpose of carrying out and exercising the regular functions and powers of the Board and may be composed of the following:

- (a) President of the LUC as the Presiding Officer;
- (b) Chairperson of the Committee on Education of the *Sanggunian*, or duly designated representative, as member;
- (c) President of the duly recognized faculty association of the LUC, as member;
- (d) President of the duly recognized student council of the LUC, as member;
- (e) President of the duly recognized Alumni Association, as member;

All acts and resolutions approved by the Executive Committee shall be ratified by the Board. Important matters affecting the administrative and/or academic affairs of the LUC shall be reported to the Board through the Chairperson.

The regular and special meetings of the Executive Committee shall be specified in the local charter. The Executive Committee shall receive allowances as may be authorized by the Board.

SEC. 16. Administration of the LUC. The administration of the LUC shall be vested in the President who shall render full-time service to implement policies promulgated by the Board of Trustees/Regents.

He/She shall be appointed by the Chief Local Executive to be concurred and affirmed by the *Sangguniang Panlungsod, Bayan or Panlalawigan*.

The President of the LUC shall have a term of four (4) years, unless extended or re-appointed for another term or unless sooner revoked by the Local Chief Executive to be concurred and affirmed by the *Sanggunian* and transmitted to the Board of Trustees/Regents.

The President must preferably have at least a Doctorate Degree or a Master's degree with at least six (6) years of relevant administrative experience, without prejudice to the provisions of additional qualifications to be set by the governing board of the LUCs or the local charter.

In case of vacancy in the Office of the President by reason of death, compulsory retirement, resignation, removal for cause or incapacity of the president to perform the functions of the office, the Board, within a period of thirty (30) days, but not more than forty-five (45) days upon vacancy, shall have the authority to designate an officer-in-charge of the LUC, for a period of six months to one year, pending the appointment of a new President.

The powers and duties of the President of the LUC, in addition to those specially provided in this Act, shall be those usually pertaining to the Office of the President of other colleges and universities, and those delegated by the Board and defined in the charter or local ordinance creating the LUC.

For the effective operation of the LUC, the vice-president, deans, directors, heads of departments, faculty, non-teaching personnel and such other officials and employees shall be appointed or designated by the Board of Trustees/Regents, taking into consideration the recommendation of the President. The appointments or designations of these LUC officials and employees shall be in conformity with the existing civil service laws, rules and regulations. The administration of the LUC shall be vested in the President who shall render full-time service to implement policies promulgated by the Board. He/She shall be appointed

by the Board upon the recommendation of a search committee duly constituted by the Board.

SEC. 17. *The Administrative Council.* An Administrative Council shall be created, which shall consist of the President of the LUC as Chairperson, vice presidents, administrative heads or division heads, deans, executive directors or directors and other officials of equal rank as members, whose duty is to review and recommend to the Board policies governing the administration, management and development planning of the LUC.

SEC. 18. *The Academic Council.* An Academic Council shall be created, which shall be composed of the President of the LUC, who shall act as Chairperson, and all academic staff with the rank of at least an assistant professor, as members.

The Academic Council shall have the power to review and recommend the curricular offerings and rules of discipline of the LUC, subject to the approval of the Board. It shall fix the requirements for the admission of students, as well as for their graduation and conferment of degrees, subject to review and approval by the Board through the President of the LUC. It shall have the disciplinary power over students of the LUC and shall formulate academic policies and rules and regulations on discipline, subject to the approval of the Board.

SEC. 19. *Appropriations for LUCs.* There shall be included in the local Charter an annual appropriation to support and sustain the full operation and maintenance of the LUC.

The LGU shall authorize the Board to disburse the allotted amount in accordance with the line-item expenditure of the LUC, as determined by the Board, subject to limitations imposed by law: *Provided*; however, That any or all funds allotted and accruing to the LUC shall be put and kept under its name and account, and provided further, that any surplus for unappropriated amount at the end of each year shall remain with the coffers and be considered as savings of the LUC. There shall be a provision for the regular annual appropriation from the LGU to support and sustain the operation of the LUCs. Likewise, there shall be a budget allocation for the accreditation of programs to be provided by the LGU.

SEC. 20. *Implementing Rules and Regulations.* The CHED, in coordination with the Department of the Interior Local Government (DILG) and the ALCU, shall promulgate the implementing rules and regulations as may be necessary to carry out the provisions of this Act within sixty (60) days from the effectivity of this Act.

SEC. 21. *Exclusion Clause.* This Act shall apply to all LUCs duly created by their ordinances enacted for that purpose, except for the Pamantasan ng Lungsod ng Maynila (PLM), which was created by virtue of Republic Act No. 4196. However, in so far as faculty qualification, curriculum and instruction, and facilities are concerned, the PLM shall be governed by this Act.

SEC. 22. *Separability Clause.* If any provision of this Act shall be held unconstitutional or invalid, the remaining provisions which are not affected thereby shall continue to be full force and effect.

SEC. 23. *Repealing Clause.* All laws, executive orders, decrees, instructions, rules and regulations and other issuances, or parts thereof, contrary to or inconsistent with this Act are hereby modified, amended or repealed accordingly.

SEC. 24. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,