

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

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Office of the Secretary

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**SENATE**

S. No. 370

RECEIVED 

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Introduced by SENATOR SHERWIN T. GATCHALIAN

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

EXPLANATORY NOTE

Section 1, Article XIV of the 1987 Philippine Constitution mandates that the State shall protect and promote the right of all citizens to quality education at all levels and shall take appropriate steps to make education accessible to all. Further, Section 2, Article XIV of the aforesaid provides that 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 the State shall encourage self-learning, independent and out-of-school study programs particularly those that respond to community needs.

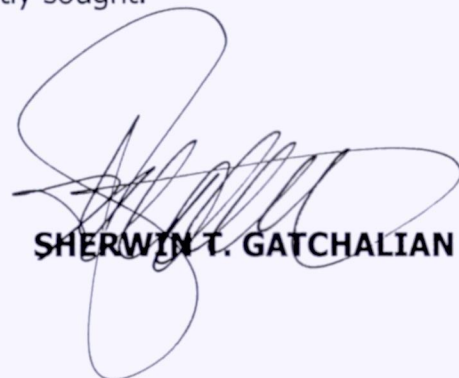
Pursuant to this constitutional mandate, a number of local government units have taken the initiative to make higher education accessible to their constituents by establishing Local Universities and Colleges (LUCs) created through ordinances of their respective *Sanggunians* as set forth under Republic Act No. 7160 or the *Local Government Code of 1991*.

With the passage of R.A. 10931, or the *Universal Access to Quality Tertiary Education Act*, students enrolled in CHED-accredited LUCs are now exempt from paying tuition and other school fees. However, only 78 out of 107 LUCs were included in the list of eligible institutions for free higher education in 2018. For Academic Year 2019-2020, the CHED has approved the inclusion of additional 27 higher educational institutions in the list of accredited LUCs.

The creation of LUC within a particular local government unit is a commendable effort to provide greater access and equitable distribution of opportunities for Filipinos to acquire higher education. However, in order that optimum standard is achieved in the formulation and implementation of policies on higher education, there is a need to prescribe and institutionalize the guidelines on the establishment and operation of these LUCs.

This measure seeks to prescribe the mandatory standards for the establishment and operation of LUCs to ensure that quality education is given paramount consideration by LGUs when creating a higher education institution. This bill recognizes the need to enforce the supervisory and regulatory powers of CHED to make certain that LUCs have the capacity to operate as a higher education institution and offer degree programs that will shape the future of their students. Furthermore, this bill likewise institutes the parameters to shield its operation and administration from undue influence of partisan politics.

Thus, the passage of this bill is earnestly sought.



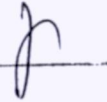
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**PRESCRIBING THE MANDATORY GUIDELINES ON THE ESTABLISHMENT**  
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**OTHER PURPOSES**

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

1           SEC. 1. **Short Title.** – This Act shall be known as the “*Local Universities and*  
2 *Colleges Governance Act.*”

3           SEC. 2. **Declaration of Policy.** – It is the policy of the State to establish,  
4 maintain and support a complete, adequate and integrated system of education  
5 relevant to the needs of the people and society. Towards this end, the mandatory  
6 guidelines on the establishment of Local Universities and Colleges (LUCs) is  
7 prescribed to achieve a standard and integrated system of higher education and  
8 provide a relevant direction in their governance.

9           SEC. 3. **Definition of Terms.** – As used in this Act, these terms shall mean:

- 10          a. **Commission on Higher Education (CHED)** – The government agency  
11 created by Republic Act No. 7722, otherwise known as the “Higher  
12 Education Act of 1994”, which has jurisdiction over all public and private  
13 higher education institutions (HEIs) in the Philippines.



1 b. **Civil Service Commission (CSC)** -The Constitutional Commission of  
2 the Philippines with responsibility over the civil service. It is tasked with  
3 overseeing the integrity of government actions and processes involving  
4 human resource actions.

5 c. **Governing Board** – The highest policy-making body of a local university  
6 or college.

7 d. **Local University or College (LUC)** – The public higher education  
8 institution established by a local government unit through an enabling  
9 ordinance.

10 e. **Local Government Unit (LGU)** – Any municipality, city or provincial  
11 government that created or established the LUC.

12 f. **Ordinance** – The enabling act of the Sangguniang Bayan, Panglunsod or  
13 Panlalawigan that creates a particular LUC.

14 g. **Sanggunian** – The local legislative body which includes Sangguniang  
15 Bayan for Municipality, and Sangguniang Panlalawigan for Province.

16 SEC. 4. **Coverage** – This Act shall apply to the following:

17 a) Educational institutions to be established and operated by LGUs for the  
18 purpose of offering higher degree programs.

19 b) Educational institutions established and operated by LGUs offering non-  
20 degree programs.

21 c) Existing Local Universities and Colleges.

22 SEC. 5. **Establishment of LUCs** – All LUCs shall be established through an  
23 ordinance duly enacted for that purpose by the Sanggunian concerned provided that  
24 prior to the enactment of the same, the LGU establishing a higher education  
25 institution shall consult and coordinate with CHED, through the Regional office  
26 having jurisdiction of the place where the institution is intended to be established to  
27 ensure full compliance with the mandatory requirements as set forth in this Act.

1           SEC. 6. **Mandatory Requirements for the Establishment of LUC.**- The  
2 CHED shall strictly require all LUCs to submit the following requirements for review  
3 and approval:

4           a) Feasibility study that shall include but shall not be limited to the following  
5           discussions: 1) the necessity for a local higher education institution in the  
6           area; 2) human resource requirements of the industry to determine  
7           proposed program offerings; 3) target offerings; 4) financial capacity of  
8           the LGU to establish and sustain the operation of the LUC.

9           b) Certification of availability of funds by the treasurer of the LGU concerned,  
10           as provided under the pertinent provisions of the Local Government Code  
11           of 1991.

12           c) A project development plan to show that the LGU allocated a school site  
13           with appropriate size and location pursuant to the applicable provisions of  
14           the Building Code of the Philippines, blueprint of architectural design for its  
15           buildings and other physical facilities and provisions for acquisition of  
16           instructional materials and equipment that comply with CHED  
17           Memorandum Orders (CMOS) pertinent to the program offered.

18           d) A five-year institutional development plan duly approved by the  
19           Sanggunian which shall include but shall not be limited to the following:  
20           a) annual budgetary allocation; b) organizational structure and  
21           composition of the governing board; and c) plantilla of positions duly  
22           approved by the Civil Service Commission.

23           e) A duly established Educational Institution by the LGU shall require the  
24           imprimatur of the CHED prior to the offering of higher education  
25           programs. The Chairman of the governing board, or its President when  
26           so authorized by the governing board, shall file with CHED an application  
27           to offer a higher education program. The application shall be supported  
28           with documents indicating compliance with the policies and standards  
29           relative to such degree program.



1           SEC. 7. **Supervisory and Visitorial Powers of CHED**- All LUCs are subject  
2 to inspection and evaluation of CHED.

3           SEC. 8. **The Governing Board of LUCs -a) Composition**- The governing  
4 body of local universities and colleges shall be composed of the following:

- 5           1. Local Chief Executive as Chairperson;
- 6           2. President of the LUC as Vice-Chairperson;
- 7           3. President of the duly recognized faculty association of the LUC as member;
- 8           4. President of the duly recognized student council of the LUC as member;
- 9           5. President of the alumni association as member;
- 10          6. Chairman of the Sangguniang Committee on Education as member;
- 11          7. A representative from CHED with rank not lower than Director as member;
- 12          8. Treasurer of the LGU establishing the LUC;

13          9. Budget Officer of the LGU establishing the LUC; and

14          10. Two (2) representatives from the private sector, who are of known  
15 probity and should have distinguished themselves in their respective professions or  
16 fields of specialization in the municipality, city, or province where the local university  
17 or college is located. They shall be appointed by the Local Chief Executive and shall  
18 each serve for a term of two (2) years from the date of their respective  
19 appointments.

20           **b) Term of Office** – i) The LUC President and the presidents of the faculty  
21 association, the student council, and the alumni association shall sit in the Board  
22 until the expiration of their term of office in such capacities; ii) The two (2)  
23 representatives from the private sector shall serve for a term of two (2) years.

24           **c) Meetings** - The Governing Board shall regularly convene every month.  
25 The Chairman of the Board may call for a special meeting whenever necessary,  
26 provided that members are notified in writing at least three (3) days prior to the  
27 said meeting.

28           **d) Quorum** – A majority of all the members of the governing board holding

1 office at the time of its regular or special meeting shall constitute a quorum.

2           SEC. 9. ***Powers of the Governing Board.*** - The governing board of the  
3 LUCs shall have the following powers and duties:

- 4           a) To promulgate policies in accordance with the declared state policies on  
5 higher education as well as the policies, standards and thrusts of the  
6 CHED under R.A No. 7722 and other pertinent laws;
- 7           b) To promulgate rules and regulations consistent with existing laws, rules  
8 and regulations as may be necessary to carry out the purposes and  
9 functions of the LUC;
- 10          c) To develop academic arrangements and linkages for institutional capability  
11 building with appropriate institutions and agencies, both public and  
12 private, local and foreign;
- 13          d) To determine and approve curricular programs and course offerings in  
14 response to the needs and demands of the community provided that  
15 these should comply with policies and guidelines set by CHED;
- 16          e) To promulgate policies on admission, retention and graduation of students  
17 and to award degrees, titles, diplomas and certificates;
- 18          f) To ensure the efficient management of non-academic services such as  
19 medical and dental, guidance and counseling, property maintenance and  
20 similar services;
- 21          g) To institutionalize research and extension programs;
- 22          h) To appoint the President of the local university or college upon the  
23 recommendation of the search committee;
- 24          i) To confirm appointments of other school officials, teaching and non-  
25 teaching personnel appointed by the President;
- 26          j) To delegate any of its powers and duties provided for herein to the



1 President and/or other officials of the university or college as it may deem  
2 appropriate in order to expedite the administration of the affairs of the  
3 LUC;

4 k) To fix the tuition fees, miscellaneous fees and other school charges as the  
5 board may deem proper to impose after due consultations with the  
6 involved sectors.

7 SEC. 10. **Administration of the LUC** - The administration of the local  
8 university or college shall be vested in the President who shall render full-time  
9 service. The governing board upon the recommendation of a duly constituted search  
10 committee shall appoint him.

11 The President of the local college or local university shall respectively hold an  
12 earned masteral or doctoral degree in education, administration or other related  
13 fields, and should have at least three (3) years of relevant administrative  
14 experience, without prejudice to the provision of additional qualifications to be set  
15 by the governing board of the LUC. The term of office of the President shall be three  
16 (3) years and may be re-appointed by the Board until the mandatory age of  
17 retirement.

18 In case of vacancy in the Office of the President by reason of death,  
19 compulsory retirement, expiration of term, resignation, removal for cause or  
20 incapacity of the President to perform the functions of his office, the Board shall  
21 have the authority to designate an Officer-in-Charge of the LUC pending the  
22 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 The salary of the President of the LUC shall be set by the Board, taking into  
27 consideration the applicable rules and regulations of the Civil Service Commission  
28 (CSC) and the Department of Budget and Management (DBM) and ensuring that the  
29 same shall be comparable to that being received by the presidents of similar



1 educational institutions.

2 The vice-presidents, deans, directors, heads of departments, faculty, non-  
3 teaching personnel and such other officials and employees of the LUC shall be  
4 appointed by the president, subject to confirmation of the Board. The appointments  
5 of these LUC officials and employees shall conform to existing civil service laws,  
6 rules and regulations.

7 The aforementioned officers and employees may be removed from office for  
8 causes established under the rules of the CSC.

9 SEC. 11. **Search Committee.** - In case of vacancy in the Office of the  
10 President brought about by any of the causes mentioned in the preceding section,  
11 the governing board shall organize and convene a Search Committee for the  
12 selection of a president.

13 The Search Committee shall have three (3) members to be appointed by the  
14 governing board shall not come from the Governing Board. It shall elect a  
15 Chairperson and shall ensure that the new LUC president is selected within three (3)  
16 months from the time the position is vacated.

17 Sec. 12. **Elevation to University Status.** - A new local higher education  
18 institution shall start as a local college and the grant of a university status is  
19 contingent upon the satisfaction of all requirements embodied under the rules and  
20 regulations of CHED.

21 SEC. 13. **Penalties for Non-Compliance.** - LUCs are mandated to comply  
22 with the requirements set forth under this Act. Any person who acts in violation of  
23 this section shall incur administrative liabilities as may be determined in the  
24 implementing rules and regulations.

25 SEC. 14. **Existing LUCs.** - In the interest of efficient control and regulations  
26 by CHED, LUCs which are already existing at the time of the effectivity of this Act  
27 shall be allowed to continue its operation for a non-extendible period of three (3)  
28 years to comply with the requirements set forth herein and its IRR. Non-compliance

1 of the LUC within the specified period shall be ground for phase-out or closure of  
2 the program.

3 SEC. 15. **Implementing Rules and Regulations.** - The Commission on  
4 Higher Education, in coordination with relevant agencies and sectors, shall  
5 promulgate the implementing rules and regulations as may be necessary to carry  
6 out the provisions of this Act.

7 SEC. 16. **Separability Clause.** - Should any part of this Act be declared  
8 unconstitutional, the rest of the provisions of this Act shall continue to be in effect  
9 and subsisting.

10 SEC. 17. **Repealing Clause.** - The provisions of other laws, decrees,  
11 executive orders, rules and regulations inconsistent with this Act are hereby  
12 repealed, amended, or modified accordingly.

13 SEC. 18. **Effectivity.** - This Act shall take effect fifteen (15) days after its  
14 publication in the *Official Gazette* and/or in at least two (2) national newspapers in  
15 general circulation.

Approved,