

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

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25 JUL 15 P1:37

SENATE

S.B. No. 623

RECEIVED BY



Introduced by SENATOR WIN GATCHALIAN

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

EXPLANATORY NOTE

Within the span of seven years, there has been a growing demand for higher education in the country. This can be seen in the consistent increase in national higher education participation rates¹ from 28.63% in 2018 to 49.9% in 2024. The surge in the national rate of higher education participation has led to a substantial rise in the number of local universities and colleges (LUCs) across the country. In 2025, there were only 95 LUCs in the country. By 2024, this number has increased to 174, marking an almost 83% growth rate in a span of 13 years.²

The increase in the number of LUCs has addressed the growing demand for college education by establishing more local institutions of higher learning. However, concerns have been raised regarding governance, sustainability, and

¹ Defined by the CHED as the ratio or percentage of college-age population (15 to 24) enrolled in baccalaureate programs in a given year.

² CHED data (2025).

quality standards in these institutions. The Philippine Institute for Development Studies (PIDS) has found that the leadership in LUCs is weakened by the three-year election cycle, leading to policy discontinuity, insufficient resource management, and ineffective investment strategies.³ This observation aligns with a previous study by the De La Salle University which identifies raising research capability, increasing faculty capacity, providing adequate infrastructure, and implementing proper evaluation mechanisms as key challenges to improving the quality of education offered by LUCs.⁴

Recent data⁵ from the Commission on Higher Education (CHED) shows that nearly 2 in every 10 LUCs operate without institutional recognition. This corresponds to 41 out of the 174 LUCs that are not officially recognized by the State.⁶ Another concerning statistic reveals that out of the 102 LUCs with institutional recognition, 35 institutions still lack 100% program compliance. Program compliance entails that the undergraduate or graduate programs offered by an LUC fully adhere to CHED policies, standards and guidelines.⁷

LUCs serve as social institutions that align individuals with society's goals, including ideas, values, behavior patterns, attitudes, and skills. They are also regarded as “principal instruments for rural reconstruction”, akin to community colleges. They function as catalysts for change, shaping the labor force's

³ Bayudan-Dacuycuy, C.G., et al., (2023). PIDS: The quest for quality and equity in the Philippine higher education: Where to from here?

See: <https://pidswebs.pids.gov.ph/CDN/document/pidspn2312.pdf>

⁴ Montemar, L., et al., (2014). DLSU-Jesse Robredo Institute of Governance: Access, Quality and Governance in Higher Education, Local Colleges and Universities in the Philippines. See: https://www.researchgate.net/profile/Redento-Recio/publication/320685174_Access_quality_and_governance_in_higher_education_Local_colleges_and_universities_LUCs_in_the_Philippines/links/63d9c3f462d2a24f92e2a23c/Access-quality-and-governance-in-higher-education-Local-colleges-and-universities-LUCs-in-the-Philippines.pdf

⁵ CHED data (2025).

⁶ Under CHED Memorandum No. 18, series of 2022, institutional recognition is the process through which newly established or existing LUCs are granted recognition by the CHED after fulfilling their requirements.

See: <https://ched.gov.ph/wp-content/uploads/CMO-No.-18-S.-2022.pdf>.

⁷ *Id.*

development by enhancing skills and their distribution in the community.⁸ Consequently, ensuring access to LUCs, prioritizing their governance, and maintaining high-quality education programs should be of utmost importance.

This proposed measure prescribes mandatory guidelines on the establishment of LUCs and requires a local government unit (LGU) to obtain institutional recognition from the CHED as a higher education institution prior to the enactment of an ordinance creating the same. Compliance with this requirement ensures that the LUC meets the minimum standards for quality education.

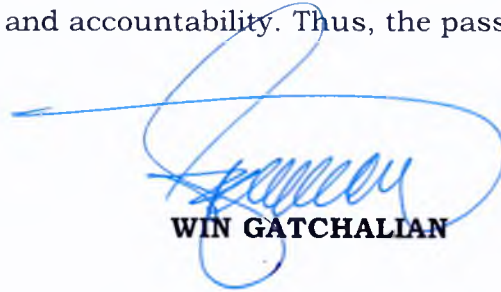
The measure likewise aims to enhance the capacity and quality standards of LUCs through these other key provisions:

- a. establishment requirements for LUCs, such as a feasibility study covering the need for a local higher education institution, industry requirements, proposed programs, and the LGU's financial capacity. CHED approval is also required prior to offering higher academic programs;
- b. CHED's authority to conduct monitoring and evaluation of LUCs and issue academic policies that take into consideration the peculiar needs and distinct features of LUCs, among others;
- c. clear delineation of the powers and duties of the Board of Regents, including policy formulation, academic development, and responsive curriculum design; and

⁸ Dayrit, N. (2005). The Local Government Units' Venture into the Philippine Educational System: The Establishment of Local Colleges and Universities." Paper presented during the Network of Asia-Pacific Schools and Institutes of Public Administration and Governance (NAPSIPAG) Annual Conference 2005. See: <https://www.napsipag.org/pdf/Dayrit.pdf>

- d. appointment of a qualified and experienced LUC President who will be responsible for its overall administration on a full-time basis.

This proposed measure is a vital step in ensuring that LUCs provide quality education and contribute to the development of their communities while upholding the standards of governance and accountability. Thus, the passage of this bill is earnestly sought.



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**AN ACT
PRESCRIBING MANDATORY 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:*

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

3
4 Sec. 2. *Declaration of Policy and Objectives.* – It is the policy of the State
5 to protect and promote the right of all citizens to quality education and to
6 take appropriate steps to make education accessible to all. It shall establish,
7 maintain, and support a complete, adequate, and integrated system of
8 education relevant to the needs of the people and society.

9 Towards this end, the mandatory guidelines on the establishment and
10 operation of Local Universities and Colleges (LUCs) are prescribed to achieve
11 a standardized and integrated system of higher education, and provide a
12 relevant direction for their governance to ensure continuous enhancement of
13 educational standards in LUCs that are on par with both local and

1 international practices.

2
3 Sec. 3. *Definition of Terms.* – As used in this Act:

- 4 a. *Institutional Recognition (IR)* refers to a process by which the
5 Commission on Higher Education (CHED) grants recognition to an
6 educational institution as a higher education institution (HEI) that
7 meets the minimum standards for quality education.
- 8 b. *Local Government Units (LGUs)* refer to the municipalities, cities, or
9 provinces that established the LUC.
- 10 c. *LUC* as defined in Republic Act (R.A.) No. 10931, otherwise known
11 as the “Universal Access to Quality Tertiary Education Act”, refers to
12 a CHED-accredited public HEI established by LGUs through an
13 enabling ordinance, financially supported by the LGU concerned,
14 and compliant with the policies, standards, and guidelines of the
15 CHED.
- 16 d. *Ordinance* refers to the enabling act of the *Sangguniang Bayan*,
17 *Panlungsod*, or *Panlalawigan* that established a particular LUC.
- 18 e. *Sanggunian* refers to the local legislative body which includes
19 *Sangguniang Bayan* for municipalities, *Sangguniang Panlungsod* for
20 cities, and *Sangguniang Panlalawigan* for provinces.

21
22 Sec. 4. *Coverage.* – The provisions of this Act shall apply to the following:

- 23 a. HEIs to be established and operated by LGUs for the purpose of
24 offering higher academic programs;
- 25 b. Educational institutions established and operated by LGUs offering
26 non-degree programs, but would later offer higher academic
27 programs; and
- 28 c. Existing LUCs.

29
30 Sec. 5. *Establishment of Local Universities and Colleges.* – All LUCs
31 covered under sub-paragraph (a) of Section 4 of this Act shall be established

1 through an ordinance duly enacted for that purpose by the *Sanggunian*
2 concerned: *Provided*, That prior to the enactment of the same, the LGU
3 establishing an LUC shall obtain the grant of IR as an HEI with the CHED,
4 through the Regional Office having jurisdiction of the place where the
5 institution is intended to be established, to ensure full compliance with the
6 mandatory requirements under Section 6 of this Act.

7
8 Sec. 6. *Mandatory Requirements for the Institutional Recognition of Local*
9 *Universities and Colleges.* – In order for LUCs to be institutionally recognized
10 as HEIs, the CHED shall strictly require all such LUCs to submit the
11 following requirements for review and approval:

12 a. A feasibility study that shall include but not limited to the following
13 discussions:

- 14 1. The necessity for a local HEI in the area;
- 15 2. Human resource requirements of the industry to
16 determine proposed program offerings;
- 17 3. Target program offerings; and
- 18 4. Financial capacity of the LGU to establish and sustain the
19 operation of the LUC.

20 b. Certification of availability of funds by the treasurer of the LGU
21 concerned, as provided under the pertinent provisions of R.A. No.
22 7160, otherwise known as the “Local Government Code of 1991”.

23 c. A project development plan to show that the LGU has allocated a
24 school site with appropriate size and location pursuant to the
25 applicable provisions of Presidential Decree No. 1096, s. 1977,
26 otherwise known as the “National Building Code of the Philippines”,
27 blueprint of architectural design for its buildings and other physical
28 facilities, and provisions for acquisition of instructional materials
29 and equipment that comply with CHED Memorandum Orders
30 pertinent to the program offered.

31 d. A five-year institutional development plan duly approved by the

1 *Sanggunian* which shall include but not limited to the following: (1)
2 annual budgetary allocation; (2) organizational structure and
3 composition of the Board of Regents (Board); and (3) plantilla of
4 positions duly approved by the Civil Service Commission (CSC).

5
6 *Sec. 7. Prior Approval of the Commission on Higher Education for the*
7 *Offering of Academic Programs.* – A duly established HEI and other
8 educational institutions covered under Section 4 (b) of this Act shall secure
9 approval from the CHED prior to the offering of higher academic programs.
10 The Chairperson of the Board, or its President when so authorized by the
11 Board, shall file with the CHED an application to offer a higher academic
12 program. The application shall be supported with documents indicating
13 compliance with the policies, standards, and guidelines relative to such
14 academic program.

15
16 *Sec. 8. Benefits and Incentives.* – All LUCs established in accordance
17 with the provisions of Sections 5 and 6 of this Act shall be eligible to avail of
18 the benefits provided under R.A. No. 10931.

19 They shall likewise be eligible to apply for any grant or subsidy provided
20 by the CHED, subject to its existing requirements and guidelines. They shall
21 also be eligible to avail of support provided by the CHED for the development
22 of their human resources through appropriate scholarships for post-graduate
23 studies, continuing professional development programs, and other capacity-
24 building activities that ensure the delivery of quality education.

25 LUCs shall be listed in the registry of Philippine HEIs, which will assist
26 and facilitate the mobility of students and faculty to another country for
27 purposes of study, research, teaching, or work.

28
29 *Sec. 9. Monitoring and Evaluation of Local Universities and Colleges by*
30 *the Commission on Higher Education; Technical Assistance; Feedback*
31 *Mechanism.* – Pursuant to the provisions of R.A. No. 7722, otherwise known

1 as the "Higher Education Act of 1994", the CHED shall monitor and evaluate
2 the performance of LUCs and their academic programs, subject to the
3 provisions of R.A. No. 11713, otherwise known as the "Excellence in Teacher
4 Education Act". It shall continue to provide technical assistance to and
5 develop appropriate feedback mechanisms for the LUCs through its regional
6 offices for their continuing growth and development.

7 The CHED shall, in the issuance of academic policies affecting LUCs,
8 ensure quality assurance while taking into account the different
9 characteristics, peculiar needs, distinct features, organizational set-up, and
10 operations of LUCs, among others.

11
12 Sec. 10. *The Board of Regents of Local Universities and Colleges; Terms*
13 *of Office.* – The Board of LUCs shall have the following composition:

- 14 a. Local Chief Executive, as Chairperson;
- 15 b. President of the LUC, as Vice-Chairperson;
- 16 c. President of the duly recognized faculty association of the LUC, as
17 member;
- 18 d. President of the duly recognized student council of the LUC, as
19 member;
- 20 e. Chairperson of the Committee on Education of the *Sangguniang*
21 *Bayan, Panlungsod, or Panlalawigan*, as member;
- 22 f. A representative from the CHED with a rank not lower than Director
23 as member; and
- 24 g. Three (3) representatives from the academe or the business sector
25 as members, who are of known probity and distinction in their
26 respective fields of expertise in the municipality, city, or province
27 where the LUC is located. The three (3) representatives from the
28 academe or the business sector shall be appointed by the Local Chief
29 Executive, and serve in coterminous with his or her term of office,
30 unless earlier terminated.

1 Sec. 11. *Meetings; Quorum; Compensation.* – The Board shall regularly
2 convene at least once a month. The Chairperson of the Board may call for a
3 special meeting whenever necessary: *Provided*, That members are notified in
4 writing at least three (3) days prior to the said special meeting.

5 A majority of all the members of the Board holding office at the time of
6 its regular or special meeting shall constitute a quorum: *Provided*, That the
7 Local Chief Executive who is the chairperson of the Board or the President
8 who is the vice-chairperson is among those present in the meeting.

9 The members shall serve without compensation, but they shall be
10 reimbursed for necessary expenses incurred in their attendance to meetings
11 of the Board or in connection with their official business, as may be authorized
12 by resolutions of the Board.

13
14 Sec. 12. *Powers and Duties of the Board.* – The Board is the highest
15 policy-making body of the LUC. As such, it shall have the following specific
16 powers and duties in addition to its general powers of administration and
17 powers granted to the board of directors of a corporation under R.A. No.
18 11232, otherwise known as the “Revised Corporation Code of the Philippines”:

- 19 a. Promulgate policies in accordance with the declared state policies on
20 higher education as well as the policies, standards, and guidelines
21 of the CHED under R.A. No. 7722 and other pertinent laws;
- 22 b. Promulgate rules and regulations consistent with existing laws,
23 rules, and regulations as may be necessary to carry out the purposes
24 and functions of the LUC;
- 25 c. Receive assistance from the LGU to augment the internal sources of
26 funds, as may be provided, to carry out the purposes and functions
27 of the LUC;
- 28 d. Fix the tuition fees and other necessary school charges, such as but
29 not limited to matriculation fees, graduation fees, and laboratory
30 fees, as their respective boards may deem proper to impose after due
31 consultations with the involved sectors;

- e. Appoint the President upon the recommendation of the Search Committee based on the selection procedure as provided in Section 14 of this Act;
- f. Confirm the appointments of other school officials, teaching, and non-teaching personnel appointed by the President;
- g. Determine and approve curricular programs and program offerings in response to the needs and demands of the community provided that these should comply with the policies, standards, and guidelines set by the CHED;
- h. Promulgate policies on admission, retention, and graduation of students and to award degrees, titles, diplomas, and certificates;
- i. Award honorary degrees upon persons in recognition of outstanding contributions in the field of education, public service, arts, science, and technology or any field of specialization within the academic competence of the LUC, subject to the existing CHED guidelines, and authorize the award of certificates of completion of non-degree and nontraditional courses, subject to existing CHED policies and guidelines;
- j. Institutionalize and strengthen research and extension programs;
- k. Establish professorial chairs in the LUC and provide fellowships for qualified faculty and scholarships to deserving students;
- l. Develop and approve consortia and other forms of linkages with LGUs, institutions and agencies, both public and private, local and foreign, in furtherance of the purposes and objectives of the LUC, including its internationalization initiatives;
- m. Develop and approve academic arrangements for the capacity building of the institution, with appropriate institutions and agencies, public or private, local or foreign, and appoint experts or specialists as consultants, visiting or exchange professors, scholars, and researchers, as the case may be, consistent with the provisions of R.A. No. 11448, otherwise known as the "Transnational Higher

Education Act”, and other guidelines of the CHED relative to such academic arrangements;

- n. Set up the adoption of modern and innovative modes of transmitting knowledge through different teaching and learning modalities, subject to CHED requirements;
- o. Ensure the efficient management of non-academic services such as medical and dental, guidance and counseling, career and job placement, canteen, buildings, grounds and property maintenance, and similar services;
- p. Submit to the Local Chief Executive or to the *Sangguniang Bayan, Panlungsod, or Panlalawigan* an annual detailed report, setting forth the status, progress, needs, and goals of the LUC; and
- q. Delegate any of its powers and duties provided for herein to the President or other officials of the LUC as it may deem appropriate to expedite the administration of the affairs of the LUC.

Sec. 13. *The President as Administrator of the Local University or College; Other Officials and Employees.* – The administration of the LUC shall be vested in the President who shall render full-time service to implement the policies promulgated by the Board.

The President shall hold a doctoral degree in education, administration, or other related fields, with at least three (3) years of relevant administrative experience, without prejudice to the provision of additional qualifications to be set by the Board.

The President shall serve a term of three (3) years, subject to reappointment for not more than two (2) terms. In case of vacancy by reason of death, compulsory retirement, resignation, removal for cause, or permanent incapacity of the President to perform the functions of his or her office, the Board shall have the authority to designate an Officer-in-Charge who shall serve no longer than the unexpired term.

1 The powers and duties of the President, in addition to those specifically
2 provided in this Act, shall be those usually pertaining to the Office of the
3 President of other colleges and universities, and those delegated by the Board.

4 The salary of the President shall be set by the Board, taking into
5 consideration the applicable rules and regulations of the CSC and the
6 Department of Budget and Management and ensuring that the same shall be
7 comparable to that being received by the presidents of similar educational
8 institutions.

9 The vice-presidents, deans, directors, heads of departments, faculty,
10 non-teaching personnel, and such other officials and employees of the LUC
11 shall be appointed by the President, subject to the confirmation of the Board.
12 The appointment, as well as removal for cause, of these LUC officials and
13 employees shall conform to existing civil service laws, rules, and regulations.

14
15 Sec. 14. *Search Committee.* – In case of vacancy in the Office of the
16 President brought about by any of the causes mentioned in the preceding
17 section, the Board shall organize and convene a Search Committee for the
18 selection of a new President.

19 The Search Committee shall have three (3) members to be appointed by
20 the Board and shall not come from the Board. It shall elect a Chairperson and
21 ensure that the new President is selected within three (3) months from the
22 time the position is vacated, or before the end of the unexpired term,
23 whichever is earlier.

24 For a newly established LUC, the Local Chief Executive shall organize a
25 Search Committee, composed of three (3) members, upon whose
26 recommendation he shall appoint its first President.

27
28 Sec. 15. *The Secretary of the Local University or College.* – The Board
29 shall appoint a Secretary who shall serve as such for both the Board and the
30 LUC upon the recommendation of the President. The Secretary shall be the

1 custodian of all official records of the LUC and shall communicate the notices
2 of meetings to each member of the Board.

3
4 Sec. 16. *Transitory Provision.* – In the interest of efficient control and
5 regulation by the CHED, all LUCs which are already existing at the time of
6 the effectivity of this Act shall be allowed to continue their operations for a
7 non-extendible period of three (3) years to comply with the requirements set
8 forth in this Act. Non-compliance shall result in the phase-out of the
9 programs being offered by the concerned LUCs.

10
11 Sec. 17. *Penalties for Non-Compliance.* – A person who violates any
12 provision of this Act or the rules and regulations issued pursuant thereto shall
13 be subject to an administrative fine of up to One million pesos (Php
14 1,000,000), depending on the severity of the violation, as may be determined
15 in the Implementing Rules and Regulations (IRR) of this Act.

16
17 Sec. 18. *Implementing Rules and Regulations.* – Within ninety (90) days
18 from the effectivity of this Act, the CHED, in coordination with the Department
19 of the Interior and Local Government, and other relevant agencies and sectors,
20 shall issue the rules and regulations implementing its provisions. The IRR
21 issued pursuant to this section shall take effect thirty (30) days after its
22 publication in a newspaper of general circulation.

23
24 Sec. 19. *Separability Clause.* – If any part or provision of this Act is
25 declared invalid or unconstitutional, the other provisions not otherwise
26 affected shall remain in force and effect.

27
28 Sec. 20. *Repealing Clause.* – All laws, executive orders, presidential
29 decrees, administrative orders, rules and regulations, issuances, or parts
30 thereof contrary to or inconsistent with the provisions of this Act are hereby
31 repealed or amended accordingly.

1 Sec. 21. *Effectivity.* – Notwithstanding the non-issuance of the IRR, this
2 Act shall take effect fifteen (15) days after its publication in the *Official Gazette*
3 or in a newspaper of general circulation.

Approved,