

Republic of the Philippines
COMMISSION ON HIGHER EDUCATION
Meralco Avenue, Pasig, Metro Manila

September 14, 1994

CHED Order No. 3, s. 1994

To: Heads of State Colleges and Universities
Heads of Private Schools, Colleges and
Universities

RULES AND REGULATIONS IMPLEMENTING RA 7722, AS AMENDED

1. Enclosed is a copy of the Rules and Regulations Implementing Republic Act No. 7722 entitled "An Act Creating the Commission on Higher Education, Appropriating Funds Therefor and for Other Purposes", for the information and guidance of all concerned.
2. The said Rules and Regulations were approved with amendments under Resolution No. 3, s. 1994 of the Commission adopted on September 13, 1994.
3. Strict compliance therewith is requested.

(SGD.) RICARDO T. GLORIA
Chairman

Republic of the Philippines
COMMISSION ON HIGHER EDUCATION
Manila

RULES AND REGULATIONS
IMPLEMENTING R.A. 7722 AS AMENDED

Pursuant to Article 14 (n) of the Rules and Regulations Implementing R. A. 7722 promulgated and approved by the Transitory Body of the Commission on Higher Education on August 18, 1994, the following amendments have to be made to the Rules and incorporated in the Rules as amended:

I. Policy and Application

Article 1. Title. - These Rules shall be known and cited as the Implementing Rules and Regulations of Republic Act No. 7722, known as the "Higher Education Act of 1994."

Article 2. Purpose. - These Rules are promulgated to prescribe the procedures and guidelines for the implementation of the "Higher Education Act of 1994" in order to facilitate compliance therewith and achieve the objectives thereof.

Article 3. Declaration of Policy. - The State shall protect, foster and promote the right of all citizens to affordable quality education at all levels and shall take appropriate steps to ensure that education shall be accessible to all. The State shall likewise ensure and protect academic freedom and shall promote its exercise and observance for the continuing intellectual growth, the advancement of learning and research, the development of responsible and effective leadership, the education of high-level and middle-level professionals, and the enrichment of our historical and cultural heritage.

State-supported institutions of higher learning shall gear their programs to national, regional or local development plans. Finally, all institutions of higher learning shall exemplify through their physical and natural surroundings the dignity and beauty of, as well as their pride in the intellectual and scholarly life.

Article 4. Location of the Commission. - The Commission on Higher Education, hereinafter known as the Commission, shall be independent and separate from the Department of Education, Culture and Sports or DECS, and attached to the Office of the President for administrative purposes only.

Article 5. Definition of Terms. - For purposes of these Rules, the following definitions will apply:

"Commission" refers to the Commission on Higher Education created under Republic Act No. 7722.

"Transitory Body" refers to the interim or transitory body authorized under Republic Act No. 7722 for the initial three months to organize the Commission on Higher Education.

"DECS" is the acronym which refers to the Department of Education, Culture, and Sports.

"Tertiary degree programs" refer to courses of study leading to an initial or higher bachelor's degree, as well as formal graduate studies leading to master's, doctor's or similar degrees. It also includes courses of study which by themselves may be only for one-, two-, or three-year courses of study leading to less than bachelor's program, but which can subsequently be credited in full for bachelor's degrees.

"Post-secondary programs" refer to courses of study which cannot be credited towards a bachelor's degree but which require the possession of a high school diploma for admission, which are terminal in nature, and which are general for obtaining technical and vocational skills.

"Chartered state colleges and universities", or SCUs, refer to those public education institutions offering tertiary degree programs, the creation of which was through special law and which possess a separate juridical personality.

The Chairman of the Commission shall serve as Chairman of the Governing Boards of SCUs until such time as their existing charters are revised.

"DECS supervised public schools" refer to public schools offering tertiary degree and/or post-secondary programs, and which have been under the supervision and control of DECS.

Article 6. Scope of Application - The coverage of the Commission shall be both public and private institutions of higher education as well as degree-granting programs in all post-secondary educational institutions, public and private.

These Rules shall apply to all public and private educational institutions offering tertiary degree programs.

The establishment, conversion, or elevation of degree-granting institutions shall be within the responsibility of the Commission.

Article 7. Jurisdiction. - Jurisdiction over institutions of higher learning primarily offering tertiary degree programs shall belong to the Commission.

II. Composition, Qualifications, Term of Office, Rank and Emoluments, Board of Advisers and Powers and Functions

Article 8. Composition - The Commission on Higher Education (hereinafter known as the Commission) shall be composed of five (5) full-time members consisting of a Chairman of the Commission and four (4) Commissioners. During the transition period which begins upon approval of this Act, the President may appoint the Secretary of Education, Culture and Sports as ex-officio Chairman of the Commission for a maximum period of one (1) year. In no case shall any and all of the Commissioners appoint representatives to act on their behalf.

The Commission shall act as a collegial body on all policy matters, for purposes of a quorum, there shall be a majority of all members of three commissioners present.

Article 9. Qualifications. - The Chairman of the Commission and four (4) Commissioners shall be holders of earned doctorates, who have been actively engaged in higher education for at least ten years, and must not have been candidates for elective positions in the elections immediately preceding their appointment. They shall be academicians known for their high degree of professionalism and integrity who have distinguished

themselves as authorities in their chosen fields of learning. The members of the Commission shall belong to different academic specializations.

Article 10. Term of Office - The President shall appoint the full-time Chairman and the Commissioners for a term of four (4) years, without prejudice to one reappointment. The terms of the initial appointees shall be on a staggered basis: the full-time Chairman shall hold office for a term of four (4) years, the next two (2) Commissioners for three (3) years and the last two (2) Commissioners for two (2) years. The Commissioners shall hold office until their successors shall have been appointed and qualified. Should a member of the Commission fail to complete his term, his successor shall be appointed by the President of the Philippines but only for the unexpired portion of the term.

Article 11. Rank and Emoluments. - The Chairman and the Commissioners shall have the rank of Department Secretary and Undersecretary, respectively. They shall receive the compensation and other emoluments corresponding to those of Department Secretary and Undersecretary, respectively, and shall be subject to the same disqualifications.

Article 12. Board of Advisers. - There shall be constituted a Board of Advisers which shall meet with the Commission at least once a year to assist it in aligning its policies and plans with the cultural, political, socio-economic development needs of the nation and with the demands of world-class scholarship. The Board of Advisers shall be composed of the following: (1) The Secretary of Education, Culture and Sports, as Chairman; (2) the Director-General of the National Economic and Development Authority, as co-chairman; (3) the Secretary of Science and Technology; (4) the Secretary of Trade and Industry; (5) the Secretary of Labor and Employment; (6) the President of the Federation of Accrediting Associations of the Philippines (FAAP); and (7) the President of the Fund for Assistance to Private Education (FAPE).

Two (2) additional members of the Board of Advisers may be appointed by the President upon recommendation of the Commission.

Except as may otherwise be agreed upon, the Board of Advisers shall be convened on the last Friday of April each year.

Article 13. Powers and Functions. - The Commission shall have the following powers and functions:

- (a) Formulate and recommend development plans, policies, priorities, and programs on higher education and research.
- (b) Formulate and recommend development plans, policies, priorities, and programs on research.
- (c) Recommend to the executive and legislative branches priorities and grants on higher education and research.
- (d) Set minimum standards for programs and institutions of higher learning recommended by panels of experts in the field and subject to public hearing, and enforce the same.

The technical panels are ad hoc recommendatory bodies to the Commission on the setting of minimum standards which shall include indicative costs especially for required equipment and other capital outlay.

- (e) Monitor and evaluate the performance of programs and institutions of higher learning for appropriate incentives as well as the imposition of sanctions such as, but not limited to, diminution or withdrawal of subsidy, and the downgrading or withdrawal of accreditation, program termination or school closure.

Appropriate incentives to institutions of higher learning will take into account both institutional and program performance as well as the number of qualifiers in the case of programs with board of licensure examinations.

Voluntary accreditation of programs and institutions shall be encouraged. Incentives shall likewise be granted to institutions

seeking accreditation which shall include those undertaking development programs for accreditation purposes.

- (f) Identify, support and develop potential centers of excellence in program areas needed for the development of world-class scholarship, nation building and national development;
- (g) Recommend to the Department of Budget and Management the budgets of public institutions of higher learning as well as general guidelines for the use of their income;
- (h) Rationalize programs and institutions of higher learning and set standards, policies and guidelines for the creation of new ones as well as the conversion or elevation of schools to institutions of higher learning, subject to budgetary limitations and the number of institutions of higher learning in the province or region where creation, conversion or elevation is sought to be made;
- (i) Develop criteria for allocating additional resources such as research and program development grants, scholarships, and other similar programs, provided, that these shall not detract from the fiscal autonomy already enjoyed by colleges and universities;
- (j) Direct or redirect purposive research by institutions of higher learning to meet the needs of agro-industrialization and development;
- (k) Devise and implement resource development schemes;
- (l) Administer the Higher Education Development Fund, as described below, to promote the purposes of higher education;
- (m) Review the charters of institutions of higher learning and state universities and colleges including the chairmanship and membership of their governing bodies and recommend appropriate measures as basis for necessary action;

- (n) Promulgate such rules and regulations and exercise such other powers and functions as may be necessary to carry out effectively the purpose and objectives of this Act; and
- (o) Perform such other functions as may be necessary for its effective operations and for the continued enhancement, growth or development of higher education.

Article 14. Authority of the Commission. - The Commission shall exercise such authority as may be deemed necessary within the premises or areas of operation to effectively carry out its powers and functions and to attain its objectives, provided, that the Commission may seek the assistance of other government agencies for the proper implementation of the law.

III. Secretariat and Administrative Units

Article 15. Secretariat. - The Commission shall organize a Secretariat which shall be headed by an executive officer (to be known as Commission Secretary).

The Secretariat shall serve as a staff arm of the Commission.

The Commission shall determine its staffing pattern for its administrative units and shall appoint qualified personnel thereto.

The Commission shall prepare and approve its own budget.

IV. The Higher Education Development Fund

Article 16. Establishment and Funding. - A Higher Education Development Fund shall be established exclusively for the strengthening of higher education in the entire country.

The Government's contribution to the Fund shall be the following: (1) the amount of five hundred million pesos (P500,000,000.00) as seed capital; (2) the amount of fifty million pesos (P50,000,000.00) for the initial operation of the Commission; (3) the equivalent of forty percent (40%) annual share on the total gross collections of the travel tax; (4) the equivalent of thirty percent (30%) share of the collections from the Professional Regulatory Commission; and (5) the equivalent of one percent (1%) of the gross sales of the lotto operation of the Philippine Charity Sweepstakes Office (PCSO).

Starting Fiscal Year 1995 and every year thereafter, government financing institutions identified and requested by the Commission may contribute to the Fund an amount equivalent to not less than three percent (3%) but not more than five percent (5%) of their unimpaired surplus realized during the immediately preceding year. The Fund shall have a private portion to be raised from donations, gifts, and other conveyances including materials, equipment, properties and services by gratuitous title.

Article 17. Management and Administration. - The Fund shall be administered by the Commission. For sound and judicious management of the Fund, the Commission shall appoint a reputable government financial institution as portfolio manager of the Fund, subject to the following conditions.

As administrator of the Fund, the Commission shall prepare the necessary guidelines for its use, subject to the following conditions:

- (a) No part of the seed capital of the Fund, including earnings thereof, shall be used to underwrite overhead expenses for administration;
- (b) Unless otherwise stipulated by the private donor, only earnings of private contributions shall be used for administrative purposes;
- (c) The Commission shall appoint and organize a separate staff, independent administratively and budgetarily separate from the Commission Secretariat; and

- (d) The Fund shall be utilized equitably according to regions and programs.

V. Technical Panels

Article 18. Technical Panels. The Commission shall reconstitute and/or organize technical panels for different disciplines/program areas in accordance with Act, CS (d).

VI. Academic Freedom

Article 19. Guarantee of Academic Freedom. - Nothing in this Act shall be construed as limiting the academic freedom of universities and colleges. In particular, no abridgment of curricular freedom of the individual educational institutions by the Commission shall be made except for: (a) minimum unit requirements for specific academic programs; (b) general education distribution requirements as may be determined by the Commission; and (c) specific professional subjects as may be stipulated by the various licensing entities. No academic or curricular restriction shall be made upon private educational institutions which are not required for chartered state colleges and universities.

VII. Accreditation

Article 20. Accreditation. The Commission shall provide incentives to institutions of higher learning, public and private, whose programs are accredited or whose needs are for accreditation purposes.

The Commission encourages voluntary accreditation for tertiary schools in order to insure that standards of quality are met.

VIII. Tax Exemptions

Article 21. Tax Exemptions. - Any donation, contribution, bequest, and grant which may be made to the Commission shall constitute an allowable deduction from the income of the donor for income tax purposes and shall be exempt from donor's tax, subject to such conditions as provided under the National Internal Revenue Code, as amended.

IX. Transitory Provisions

Article 22. Transitory Provisions. - Such personnel, properties, assets and liabilities, functions and responsibilities of the Bureau of Higher Education, including those for higher and tertiary education and degree-granting vocational and technical programs in the regional offices, under the Department of Education, Culture and Sports, and other government entities having functions similar to those of the Commission are hereby transferred to the Commission.

The Commission shall have the authority to appoint its own personnel.

All regular or permanent employees transferred to the Commission shall not suffer any loss of seniority or rank or decrease in emoluments. Personnel of the Bureau of Higher Education not otherwise transferred to the Commission shall be reassigned by the DECS in any of its offices and bureaus, provided, however, that any employee who cannot be accommodated shall be given all the benefits as may be provided under existing laws, rules and regulations.

All non-chartered public schools under DECS offering tertiary degree programs shall continue to conduct such programs and shall be under the supervision of the Commission.

All existing DECS authorizations on permits, recognitions, special orders, and clearances to register with the Securities and Exchange Commission shall

X. Effectivity

Article 23. Effectivity. - These Rules as amended shall take effect immediately, upon approval by the Commission on Higher Education.

Approved, this 13th day of September, Nineteen Hundred and Ninety Four.

(SGD.) RICARDO T. GLORIA
Commission Chairman