

**Republic of the Philippines
OFFICE OF THE PRESIDENT
COMMISSION ON HIGHER EDUCATION**

May 16, 2005

REPRESENTATIVE CYNTHIA A. VILLAR

Chairperson, Committee on Higher and Technical Education
House of Representatives

Subject : **Revised Guidelines and Procedures to be observed by Higher Education Institutions (HEIs) intending to increase Tuition and Other School Fees and introduce New Fees**

Dear Congresswoman Villar:

Greetings from the Commission on Higher Education!

In response to the serious concerns of our countrymen regarding access to higher education, the Commission has approved the new guidelines to regulate tuition and other school fees during its 244th Commission En Banc meeting held on May 9, 2005.

Transmitted herewith is a copy of CHED Memorandum Order No. 14, Series of 2005, entitled "Guidelines and Procedures to be Observed by Higher Education Institutions (HEIs) Intending to Increase Tuition and Other School Fees and Introduce New Fees." Provided under the said CMO are the following salient features:

- 1.) it covers not only tuition but "other school fee" increases including "new fees"
- 2.) allowable increase in both tuition and other fees less than or equivalent to the prevailing year's inflation rates, shall not be subjected to consultations;
- 3.) increase of tuition and other fees over the prevailing year's average inflation rate shall require a constitutional process with the concerned sectoral representatives.
- 4.) New fees shall be for actual specific student services rendered as may be identified by the school authorities and certified by the recognized student council and faculty association;

- 5.) Submission of a Certificate of Agreement signed by the duly authorized representatives of the HEI's Administration, Student Councils/Governments, Faculty, Alumni and/or non-teaching permanent associations whenever applicable in cases that application of new fees are initiated and agreed upon by the students.
- 6.) The recognized student publication should be allowed to cover the consultation.
- 7.) The Higher Education Institutions shall submit all annual report on increases in other fees and as to how they were utilized.
- 8.) Organization of the Task Force on Tuition and Other School Fees at the Regional levels, in lieu of the Multi-Sectoral Committee on Tuition Fees.
- 9.) For applications referred by the CHED Regional Offices to the Regional Task Force on Tuition and Other School Fees, the CHEDROs shall enclose the application with its recommendation to the Executive Director within 30 days upon resolution by the Task Force but in no case later than April 15 of the year the intended increase shall be implemented.

May we seek your invaluable support for this measure undertaken by the Commission in order to alleviate the present conditions of our countrymen and increase their opportunities for access to quality education. Thank you and more power!

Respectfully yours,
(Sgd.)
DR. CARLITO S. PUNO
Acting Chairman

**Republic of the Philippines
OFFICE OF THE PRESIDENT
COMMISSION ON HIGHER EDUCATION**

CHED Memorandum Order

No. 14

Series of 2005

Subject: **GUIDELINES AND PROCEDURES TO BE OBSERVED BY HIGHER EDUCATION INSTITUTIONS (HEIS) INTENDING TO INCREASE TUITION AND OTHER SCHOOL FEES AND INTRODUCE NEW FEES**

In accordance with the pertinent provisions of Batas Pambansa Blg. 232, Republic Act (R.A.) 7722 otherwise known as Higher Education Act of 1994, Supreme Court decision in *Lina vs. Cariño* (G.R. No. 100127, April 23, 1993) which enforced and sustained the legal authority of the CHED (DECS in the said decision) to set maximum permissible rates or levels of tuition and other school fees, and to issue guidelines for the imposition and collection thereof; and pursuant to **Resolution No. 220-2005** of the 244th Commission en banc meeting, the guidelines and procedures to be observed by all Higher Education Institutions intending to increase their tuition and other school fees, and introduce new fees are hereby adopted;

**ARTICLE I
COVERAGE**

Section 1. These guidelines and procedures shall cover increase in tuition and other school fee charges, including new fee charges of Higher Education Institutions.

**ARTICLE II
DEFINITION OF TERMS**

Section 2. Consultation – a meeting to discuss or plan something in a free and candid atmosphere, with participants given the opportunity to air their sentiments and views on the issues at hand. It must be conducted with legitimate and authorized student councils/governments/organization, faculty, non-teaching personnel and/or alumni associations whenever applicable as certified by the HEI concerned.

Section 3. Financial Statements – Statement of Income and Expenses, Balance Sheet Statement, Cash Flow Statements.

Section 4. Incremental Proceeds – amount of increase in school income resulting from the increase in tuition and other fees.

Section 5. New Fees – proposed additional charges other than tuition and other existing school fees.

Section 6. Other School Fees – charges in addition to tuition that are collected for a specific purpose or service, as may be identified by the school authorities such as medical and dental, athletic, audio-visual, guidance, insurance, laboratory fee, laboratory deposit, library, student organization, internet, school publication, energy, developmental, related learning experience, study tours, miscellaneous, etc.

Section 7. Tuition – used to refer to the charges for instruction and general services of all students per unit of courses enrolled in.

ARTICLE III ALLOWABLE FEE INCREASE AND CONSULTATION REQUIREMENTS

Section 8. Tuition and Other Fees. The allowable increase in tuition and other fees should be not more than the prevailing national inflation rate.

Increases in tuition and other fees over and above the national inflation rate shall be subject to consultation with stockholders and approval of the Commission on Higher Education.

Section 9. Consultation for Private HEIs

Consultations shall be required for increase in existing tuition, **other school fees, and new fees.**

Section 10. Exemptions

Consultations shall not be required for the following:

- a. The rate of increases in tuition and other school fees is less than or equal to the rate of the prevailing year's national inflation rate as determined by the National Economic Development Program.
- b. Tuition for incoming freshmen. However, any increase shall be based on prevailing national inflation rate.

Section 11. Consultation Process

11.1 Consultation must be initiated by School Heads and be conducted not later than **February 28** prior to the Academic

Year (AY) the intended increase shall take effect. The consultation must be done within the concerned school premises.

- 11.2 Notices must be posted at conspicuous places within the school campus at least **thirty (30) days** before the actual consultation.
- 11.3 Higher Education Institutions intending to conduct consultation should inform the CHEDRO concerned **15 days** before the scheduled consultation.
- 11.4 Consultation should be done with legitimate and authorized representatives from the recognized:
 - a.) supreme student councils/governments;
 - b.) faculty unions;
 - c.) non-teaching personnel associations and/or
 - d.) alumni associations.

Each sector will be allowed at least **three representatives**. In the absence of a student council/government in an HEI, the student organizations and societies recognized by the HEI shall select not more than three representative who will participate in the consultation.

- 11.5 The HEI's latest audited financial statement and tuition utilization shall be made available to the authorized representatives of the aforementioned groups, upon request.
- 11.6 The recognized student publication shall be allowed to cover the consultation.

ARTICLE IV STATE UNIVERSITIES AND COLLEGES

Section 12. Consultation Process for State Universities and Colleges (SUCs)

As provided for in section 4(d) of RA 8292, the governing boards of SUCs shall have the power to fix tuition and other necessary school charges such as, but not limited to matriculation, graduation, and laboratory fees, as their respective boards may deem proper to impose after due consultations with the involved sectors subject to the provisions of these guidelines.

However SUCs are enjoined to undertake the same process of consultation as herein indicated.

ARTICLE V CERTIFICATION AND DOCUMENTARY REQUIREMENTS

Section 13. The following documents must be submitted to the CHED, through the Regional Offices concerned, not later than **April 1** of the preceding Academic Year (AY) the intended increase shall take effect:

- a.) **Letter of Advice (LOA)** signed by the President/School Head informing the concerned Agency of its intention to increase tuition and other school fees or introduce new fees;
- b.) **Certificate of Conduct Consultation (CCC)** duly notarized containing the following information:
 1. tuition utilization
 2. proposed increases in other fees and how the fees are to be used (Annex A).

The following will be attached: a) the minutes and b) attendance sheet signed by the concerned School Heads and the aforementioned authorized representatives to the consultation. If the authorized representatives refuse to sign, a notation shall be made in the said document which shall be submitted for notarization.

The CCC shall be signed by the School Head shall be countersigned by the President or in his absence, the Vice President of the student council/government to ensure that appropriate consultation/s, as herein provided for, has been conducted accordingly.

The certification shall include a list of officers of its student council/government duly signed by them and/or in their absence, the duly recognized student organizations/societies, with their corresponding officers.

- c.) **A Certificate of Compliance (COC)** signed by the School Head and duly notarized, stating that seventy percent (70%) of the previous year's incremental proceeds from tuition fee increase were used for the payment of increase in salaries, wages, allowances and other benefits of its teaching and non-teaching personnel and other staff, except principal stockholders of the HEI who are holding executive/managerial administrative positions; twenty percent (20%) of the same was expended for improvement or modernization of school buildings, equipment and other costs of operation during the previous AY from whence the application was applied from; and that the total other school and new fees were spent for the items specified in the approved application (Annex B).
- d.) The **Certificate of Intended Compliance (COIC)** shall be certified under oath by the school head, duly signed by the aforementioned authorized representatives and posted on the HEI's bulletin boards

and other conspicuous locations inside the campus. This should specify the purposes of the allocation of increase in tuition and incremental proceeds (Annex C).

- e.) A **Certificate of Agreement** signed by the duly authorized representatives of the HEI's administration, Student Councils/governments, Faculty, Alumni and/or non-teaching personnel associations whenever applicable in cases that application of new fees are initiated and agreed upon by the students (Annex D).
- f.) Annual report on the increases in other fees and the intended utilization (Annex F).

ARTICLE VI OBLIGATIONS OF CHED OFFICES

Section 14. Regional Offices of CHED (CHEDROs)

The Regional Offices shall:

- 14.1 Attend to the application of HEIs for Increases to Tuition and Other Fees subject to the conditions stipulated in this CMO. Should the CHEDRO fail to act within 30 days from the filing of application but in no case later than **April 15** of the year the intended increase shall be implemented then, this means that the CHEDRO has no objection to the said application.
- 14.2 Regularly monitor the implementation of tuition and other school fee increase and new fees in HEIs under their jurisdiction particularly the consultation process and allocation of incremental proceeds derived from fee increases;
- 14.3 Prepare a report on increases in tuition, other school fees, and new fees, and similar related developments thereto, for submission to CHED Office of the Executive Director on or before April 15 of every academic year.
- 14.4 In appropriate instances, elevate to the Regional Task Force on Tuition and Other School Fees the unresolved cases on tuition and other school fee increase, and new fee disputes.

For applications referred by the CHEDROs to the Regional Task Force on Tuition and Other Fees, the CHEDRO shall endorse the application with its recommendation to the Executive Director within

30 days upon resolution by the Task Force but in no case later than April 15 of the year the intended increase shall be implemented.

Act as chair and secretariat of the Regional Task Force on Tuition and Other School Fees.

Section 15. Executive Director's Office

- 15.1 The Executive Office shall maintain the consolidated report on increase in Tuition and Other Fees, and New Fees, and other related developments thereto including actions done by the CHEDROs,
- 15.2 The Executive Director shall handle disputes on applications for tuition and other fee increases including new fees not resolved by the Task Force on Tuition and Other Fees.
- 15.3 Inform CHEDROs on the actions taken to resolve complaints, disputes, and disagreements on the application for increase in tuition and other school fees and new fees.

ARTICLE VII REGIONAL TASK FORCE ON TUITION AND OTHER SCHOOL FEES

Section 16. Composition of the Regional Task Force on Tuition Fee and Other School Fees

A Regional Task Force on Tuition Fee and other School Fees shall be organized at the regional level composed of:

1. CHED Regional Director – Chairman
2. National Economic Development Authority – Vice Chairman
3. Philippine Association of State Universities and Colleges (PASUC) – member
4. Coordinating Council for Private Educational Associations (COCOPEA) – member
5. Association of Christian Schools, Colleges and Universities (ACSCU) – member
6. Catholic Educational Association of the Philippines (CEAP) – member
7. Regional Faculty Union Representative – member
8. Regional Student Representative to be designated by the National Youth Commission (NYC) – member
9. National Anti-Poverty Commission – member

Section 17. Functions of the Task Force

17.1 The task force shall serve as recommendatory body for all complaints, disputes and disagreements on applications for increases in tuition and other school fee and for new fees implemented in HEIs under the CHEDRO's jurisdiction.

17.2 Failure of the said Task Force to act within 30 days from receipt of the cases elevated to them shall result in the implementation of increase in tuition and other *school* fees as well as new fees.

Section 18. In cases where a Higher Education Institution increased tuition, and/or other fees or introduced new fees which are contested by students or other concerned parties, such increases shall be deposited in escrow until such time that the case is resolved and increments distributed accordingly or the amount of tuition and other fee increases as well as new fees are returned to the students.

ARTICLE IX REPEALING CLAUSE

Section 20. All previous issuances inconsistent with this guidelines are deemed repealed, revoked or rescinded accordingly.

ARTICLE X EFFECTIVITY

Section 21. These guidelines shall take effect 15 days after publication in a newspaper of general circulation and shall remain in force and effect until revoked or amended.

Issued this [16th] day of [May 2005] in Pasig City, Philippines.

For the Commission:

(Sgd.)
CARLITO S. PUNO
ACTING CHAIRMAN

Sample Certificate of Conduct of Consultation

This is to certify that appropriate consultation for the proposed increase in tuition and other school fees effective _____ of AY _____ was conducted at the _____(venue)_____ on _____(date) as reflected in the attached minutes of meeting. The following representatives were invited:

All those who attended were requested to sign the attendance sheet (see attached sheet).

This certifies further that the proposed tuition to be increased for the AY _____ will be distributed in the following manner:

1. 70% of the proposed increase will be given to the teaching and non-teaching personnel in the form of salaries and benefits;
2. 20% will be expended for the improvement of _____

Increases in Other school fees will be for:

Furthermore, this certifies that all appropriate regional wage orders will be implemented.

This is issued in compliance with CHED guidelines.

Issued this _____ day of ____ (month) _____, ____ (year) ____.

Certified Correct:

School Head

SUBSCRIBED AND SWORN to before me this _____ day of ____ (month) _____, ____ (year) __ , in the _____ Affiant exhibited to me this resident certificate no. _____ issued at _____ on ____ (date) _____.

(NOTARY PUBLIC)

Sample Certificate of Compliance

This is to certify that 70% of tuition increase of AY _____ was utilized/allocated for the salary increase of the teaching and non-teaching personnel as evident in the attached comparative salary and benefits scale.

We are submitting to your office explanations of the 20% tuition increase from our students as follows:

Increase in other school fees are as follows:

- 1.
- 2.
- 3.

They were utilized for the following:

- 1.
- 2.
- 3.

This certification is issued upon the request of the Commission on Higher Education for whatever legal intent it may serve.

Very truly yours,

School Head

Subscribed and sworn to before me this _____ day of _____, affiant exhibited to me his/her community tax Certificate No. _____ issued at _____ on _____.

NOTARY PUBLIC

Sample Certificate of Intended Compliance

This is to certify that the proposed tuition to be increased for AY _____ will be distributed in the following manner:

1. 70% tuition increase of AY _____ will be utilized/allocated for the salary increase of the teaching and non-teaching personnel as evident in the attached salary scale.
2. 20% tuition increase will be expended for _____.

This certifies further that the proposed increase in other fees shall be utilized as follows:

- 1.
- 2.
- 3.

This certification is issued upon the request of the Commission on Higher Education for whatever legal intent it may serve.

Certified by:

School Head

Subscribed and sworn to before me this ____ day of _____, affiant exhibited to me his/her Community Tax Certificate No. _____ issued at _____ on _____.

Notary Public

Sample Certificate of Agreement

This certifies that the news fee such as:

- 1. - (amounting to) P
- 2. - (amounting to) P

are initiated by the students.

This certificate is issued in compliance with CHED guidelines.

Issued this _____ day of _____ 2004.

Student Council President
Name and Signature

School Head
Name and Signature

Subscribed and sworn to before me this ____ day of _____;
affiants exhibited to me his/her Community Tax Certificate as follows:

School Head	Community Tax Certificate No. (place)	on	issued at (date)
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Student Council President	Community Tax Certificate No. (place)	on	issued at (date)
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Notary Public

Sample Report on the Utilization of Other Fees

Name of HEI

Region ____

Type of Fees	Amount Collected	Percentage increase (if applicable)	Used for
Medical/Dental			
Athletics			
Guidance and Counseling			
School Publication			
Student Organization			
Audio-Visual			
Library			
Laboratory			
Laboratory Deposit			
Insurance			
Graduation			
Miscellaneous			
New Fees			
Other Fees (pls. specify)			