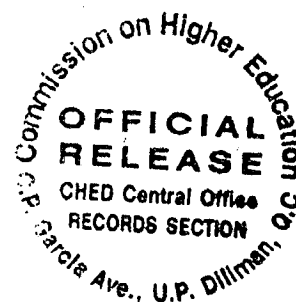


Republic of the Philippines
OFFICE OF THE PRESIDENT
COMMISSION ON HIGHER EDUCATION



CHED MEMORANDUM ORDER

No. 03

Series of 2012

Subject: ENHANCED POLICIES, GUIDELINES AND PROCEDURES GOVERNING INCREASES IN TUITION AND OTHER SCHOOL FEES, INTRODUCTION OF NEW FEES, AND FOR OTHER PURPOSES

In accordance with the pertinent provisions of Batas Pambansa Blg. 232, Republic Act (R.A.) 7722 otherwise known as the Higher Education Act of 1994, Supreme Court decision in Lina vs. Carino (G.R. No. 100127, April 23, 1993) which reinforced and sustained the legal authority of the CHED to regulate tuition, and further provided in the Constitution which states that "The State shall exercise reasonable supervision over all higher education institutions, Supreme Court decision in St. Joseph College vs. St. Joseph College Workers Association (SAMAHAN) (G.R. No. 155609 dated January 17, 2005) and pursuant to CEB Resolution No. 322-2011 dated 16 December 2011 of the 384th regular Commission en Banc, these policies, guidelines and procedures are hereby adopted as follows:

**ARTICLE I
STATEMENT OF POLICIES**

Section 1. Pursuant to the declared policy of the state that the national government shall contribute to the financial support of educational programs pursuant to goals of education as declared in the Constitution the Commission shall:

- 1.1 Adopt measures to broaden access to education by ensuring the reasonableness and propriety of tuition and other school fee charges;
- 1.2 Encourage and stimulate private support to education through, inter alia, fiscal and other assistance measures for the sustainability and viability of school operations in consideration of the prevailing regional inflation rate;

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- 1.3 To give meaning to this policy, the Commission shall ensure that the imposition, collection, and increase in tuition, other school fees, and the introduction of new school fees shall be allowed provided they are transparent and compliant with the requirements set forth by law and this regulation; and
- 1.4 In the presumption of reasonableness all charges, increases, and impositions, on tuition and other school fees of HEIs that have passed through the consultation and other requirements herein provided, shall be deemed reasonable and therefore collectible. Such other factors may be considered, to wit:
 - 1.4.1 Regional Inflation Rate (RIR) as may be determined by NEDA (Prevailing economic conditions as shown by various economic indicators such as the consumer price index, incidence of poverty);
 - 1.4.2 Financial standing of the HEI;
 - 1.4.3 Financial capacity of the general studentry;
 - 1.4.4 Impact of force majeure or calamities;
 - 1.4.5 Quality track record of the school; and
 - 1.4.6 Mission and vision of the school.

ARTICLE II COVERAGE

Section 2. These policies, guidelines and procedures shall cover the increase in tuition and other school fees including the introduction of new fees, in both public and private HEIs.

Section 3. Incoming Freshmen - Tuition and Other School Fees which may be charged by HEIs to incoming freshmen are not covered by these guidelines. HEIs, however, must post in conspicuous places in their premises the schedule of tuition fees for incoming freshmen on or before February 28 of the academic year preceding the Academic Year (AY) that the rates are to take effect. HEIs shall also inform the concerned CHED Regional Offices (CHEDRO) of the same in writing on or before April 1.

Section 4. Fees for Educational Visits and Field Trips - Shall not be covered by this CMO since they are already included in the Guidelines and Procedures for Educational Tours and Field Trips of college and graduate students that would be promulgated by the Commission upon compliance with the requirements of public consultation.



ARTICLE III CONSULTATION PROCESS AND REQUIREMENTS

For the purpose of these guidelines, consultation shall mean actual meetings and/or discussions on the advantages and disadvantages of the proposed increase in tuition and other school fees wherein the participants will have an opportunity to air their objections, sentiments and the like, without fear, and under a free and candid atmosphere.

Section 5. The Consultation Process - All HEIs, public or private, intending to increase their tuition and other school fees for the ensuing Academic Year (AY) shall conduct consultations, as hereinafter defined and provided, with their student councils/governments, and their faculty, alumni and/or non-teaching personnel associations.

- 5.1 In the absence of a student council/government in an HEI, representatives not more than ten (10) shall be selected by the HEI from the recognized student organizations and societies to participate in the consultation.
- 5.2 The consultation must be initiated by the Presidents / Heads of the HEIs or their representatives. They shall inform the concerned CHEDROs to hold consultations fifteen (15) days before the actual dates of consultations. During the consultation, the presence of a CHEDRO representative may be requested.
- 5.3 The schools are called upon to include the information on the collection, duration and justification on the charging of other school fees and other requirements in the consultation.

Section 6. Requirements

- 6.1 **Notice** - Notices must be sent to all parties involved and conspicuously posted on the HEI's bulletin boards at least fifteen (15) days before the dates of consultations. Various stakeholders may conduct consultation/s with their respective constituents.

The HEIs' latest audited financial statements shall be made available to authorized parties upon request.

- 6.2 **Consultation Period** - The consultation period must be completed not later than 28 February of the academic year preceding the AY that the intended increases shall take effect.



Section 7. Procedures

7.1 For Public HEIs

As provided in R.A. 8292, the governing board of SUCs shall have the power to fix the tuition fees and other necessary school charge such as, but not limited to, matriculation fees, graduation fees and laboratory fees, as their respective board may deem proper to impose after due consultations with the involved sectors.

The Presidents/Heads of public HEIs shall certify that the required consultation has been conducted, certification of which shall be submitted to the Commission, through its concerned CHEDROs, within fifteen (15) days from the date of the termination of the proceedings relative thereto.

As per R.A. No. 8292, every state university and college shall adopt and implement a socialized tuition fee scheme approved by its Board of Trustees/Regents.

Such scheme aimed at democratizing access to higher education shall be based on the student's family income/financial capacity, and the school's course offerings harmonized with national development concerns.

7.2 For Private HEIs

7.2.1 The following documents duly notarized must be submitted to the Commission, through the CHEDROs concerned, on or before 01 April of the year of the HEI's approved planned tuition and/or other school fees increase that shall take effect.

- .1 A Letter of Advice (LOA) signed by the President/Head of the HEI informing the Commission of its intention to increase tuition and/or other school fees;
- .2 An Certificate of Intended Compliance (COIC);
- .3 A Certificate of Compliance (COC);
- .4 A comparative schedule of tuition and other school fees for the current Academic Year (AY) and the proposed increases for the ensuing AY with the difference(s) expressed in both peso and percentage terms;



- .5 A certification that shall include all information on the conduct and results of such consultation, including objections raised by the student government/council, the faculty association, and/or other parties to the consultation. Such formal objections if presented, including counter proposals where made, should form part of the information required in the certification; and
- .6 A list of officers of the student council/government and/or in their absence, the duly recognized student organization/societies with their corresponding officers.

7.2.2 The Certificate of Intended Compliance (COIC) shall state that:

FOR INTENDED INCREASE IN TUITION, seventy percent (70%) of the proceeds to be derived from the tuition fee increase shall be used for the payment of increase in salaries, wages, allowances and other benefits of its teaching and non-teaching personnel and other staff, except administrators who are principal stockholders of the HEI, and may be used to cover increases as provided for in the Collective Bargaining Agreement (CBA), if any, existing or in force at the time when Republic Act (RA) 6728 was approved and made effective. At least twenty percent (20%) shall go to the improvement or modernization of buildings, equipment, libraries, laboratories, gymnasias and similar facilities and to the payment of other costs of operation pursuant to R.A. 6728. The COIC shall be certified under oath by the school head.

7.2.3 The Certificate of Compliance (COC) shall state that:

FOR INCREASE IN TUITION, seventy percent (70%) of the proceeds derived from the tuition fee increase for the current school year are being used for the payment of increase in salaries, wages, allowances and other benefits of its teaching and non-teaching personnel and other staff, except administrators who are principal stockholders of the HEI, and may be used to cover increases as provided for in the Collective Bargaining Agreement (CBA), if any, existing or in force at the time when Republic Act (R.A.) 6728 was approved and made effective. At least twenty percent (20%) shall go to the improvement or modernization of buildings, equipment, libraries, laboratories, gymnasias and similar facilities and to the payment of other costs of operation pursuant to R.A. 6728. The COC shall be certified under oath by the school head.

- 7.2.4 To ensure transparency and to facilitate adequate deliberations of issues and concerns, all the foregoing certificates shall be posted on the HEI's bulletin boards and/or displayed at appropriate locations in the campus.



**ARTICLE IV
OBLIGATIONS OF CHED OFFICES**

Section 8. Office of the Executive Director. The Office shall Cause the provision of systematic and regular technical assistance to all Regional Offices towards capability-building in resolving issues arising from the application of the policies, guidelines and procedures of this Order as well as the sustained monitoring of strict compliance to any agreements reached by the stakeholders.

The Office of the Executive Director shall:

- 8.1** Maintain the consolidated report on increase of tuition and other school fees, and new fees and other related developments thereto including actions done by the CHEDROs.
- 8.2** Handle disputes on applications for tuition and other school fee increases including new fees not resolved by the Regional Multi-Sectoral Committee on Tuition and Other School Fees.
- 8.3** Inform CHEDROs on the action taken to resolve complaints, disputes, and disagreements on the applications for increase in tuition, other school fees and new fees.

Section 9. CHED Regional Offices (CHEDROs). The functions and responsibilities of the CHEDROs are the following:

- 9.1** Attend to the applications of HEIs for increases in tuition and other school 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 same calendar year the intended increase shall be implemented, would mean that the CHEDRO has no objection to the said application. Further, if the CHEDRO acted on the said application and referred it back to the concerned HEI to comply with the noted deficiencies, the same shall be given another 15 days to re submit the same to CHEDRO.
- 9.2** Regularly monitor the implementation of HEIs of these guidelines and furnish the Commission, through its Executive Director, a formatted report on the increases in tuition, other school fees, and new fees in HEIs under their jurisdiction particularly the consultation process and allocation of incremental proceeds derived from fee increases and related developments on or before 31 May of every calendar year;
- 9.3** Prepare a report on increases in tuition, other school fees, and new fees, utilization of the same and similar related developments thereto,



to be submitted to CHED through the Office of the Executive Director on or before April 15 of every Academic Year;

- 9.4 When requested by any of the stakeholders, assist the Regional Multi-Sectoral Committee on Tuition and Other School Fees (RMCTOSF) in monitoring the compliance of HEIs particularly with the provisions on consultation and allocation of incremental proceeds derived from fee increases;
- 9.5 Intervene in case of disputes and/or complaints regarding tuition fee and other school fee increases, including introduction of new fees;
- 9.6 In appropriate instances, elevate to the Regional Multi-Sectoral Committee 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 Multi-Sectoral Committee on Tuition and Other School Fees, the CHEDROs shall endorse the application with its recommendation to the Executive Director within 30 days upon resolution by the Committee but in no case later than April 15 of the year the intended increase shall be implemented.

- 9.7 Act as Chair and Secretariat of the Regional Multi-Sectoral Committee on Tuition and Other School Fees.
- 9.8 An Adhoc committee composed of staff from the Executive Office, Office of Student Services, Administrative and Finance Services and Regional Office shall be established which shall not be more than seven including members and resource persons to prepare the evaluation instrument that will be utilized by the CHEDROs in monitoring compliance of higher education institutions to these guidelines.

ARTICLE V NATIONAL AND REGIONAL MULTI –SECTORAL COMMITTEE ON TUITION AND OTHER SCHOOL FEES

Section 10. National Multi-Sectoral Committee on Tuition Fee and Other School Fees (NMSCTOSF) - The National Multi-Sectoral Committee on Tuition and Other School Fees is hereby organized in compliance with the directive of His Excellency, the President of the Philippines.

- 10.1 The Committee shall be composed of the Commission on Higher Education as the lead agency and the following as members:
 - (1) Department of Social Welfare and Development (DSWD),



(2) Department of Education (DepEd), (3) National Youth Commission (NYC), (4) Coordinating Council of Private Educational Association (COCOPEA), (5) Philippine Association of State Universities and Colleges (PASUC), (6) National Faculty Association (Public & Private), (7) Local Universities and Colleges (LUCs) Association and (8) National Student Organizations.

10.2 The NMSCTOSF shall exercise oversight responsibility over the Regional Multi - Sectoral Committee on Tuition and Other School Fees and shall have the following functions:

10.2.1 Review, recommend and evaluate the policies and guidelines on school fee adjustments.

10.2.2 Conduct meetings whenever necessary with different stakeholders in education.

The Office of Student Services - CHED shall act as the Secretariat of the National Multi - Sectoral Committee on Tuition Fee and Other School Fees and shall be tasked with among others the consolidation and preparation of reports from the CHEDROs for submission to the Office of the President through the Office of the Executive Secretary.

Section 11. Regional Multi-Sectoral Committee on Tuition and Other School Fees (RMSCTOSF) - A Regional Multi-Sectoral Committee on Tuition and Other School Fees shall be established in every region to ensure that monitoring of compliance of schools, colleges and universities is conducted.

11.1 This Committee shall be led by the CHED Regional Office with the following as members: (1) DSWD, (2) DepEd-RO, (3) NEDA-RO, (4) NYC, (5) Regional COCOPEA Representative, (6) PASUC Representative, (7) Faculty Representative (public & private), (8) Local Universities and Colleges (LUCs) Association and (9) Regional Student Organizations.

11.2 The RMSCTOSF shall have the following duties and functions:

11.2.1 Ensure that the CHEDROs monitor the implementation of school fee guidelines and policies by their respective HEIs.

11.2.2 Conduct meetings and dialogues as deemed necessary with different stakeholders in higher education.

11.2.3 Whenever requested by any of the stakeholders, act as a team to monitor compliance of schools, colleges and universities on school fees particularly the provisions on



consultation, allocation of incremental proceeds derived from tuition fee increases and utilization of other school fees.

11.2.4 Perform other functions relative to school fees which may be assigned by the National Ad-Hoc Multi-Sectoral Committee on Tuition and Other School Fees.

ARTICLE VI COMPLAINTS AND GRIEVANCES

Section 12. All complaints and grievances regarding increases in tuition, other school fees and new fees without the benefit of consultation shall be endorsed by the recognized and legitimate student council to the CHEDRO concerned within 30 days after consultation period.

Section 13. Charges and impositions on miscellaneous and other school fees collected found to be without the benefit of consultation or in violation of the provisions of this regulation, shall be disallowed, and/or ordered to return the already collected fees to the students.

Section 14. In case of any violation of the provisions of these guidelines, the concerned CHED Regional Office, after complying with the foregoing procedures, and upon recommendation of the Regional Multi-Sectoral Committee on Tuition and Other School Fees, may bar the HEI or cancel its application for fees increase and introduction of new fees of HEI from effecting other school fee increases and new fees, without prejudice to the filing of administrative and criminal charges against it and/or its responsible officers acting knowingly under existing laws. The imposition of penalties such as revocation of permits, downgrading of status, phase-out and such other penalties may likewise be validly imposed by the Commission to the concerned HEIs after due process.

Section 15. Any HEI that shall refuse to furnish copies of its latest audited financial statements as requested by authorized parties in the process of consultation shall forfeit its right to increase its other school fees and introduce new fees, in addition to other penalties or sanctions as may be imposed by the CHED Regional Office upon recommendation of the Regional Multi-Sectoral Committee on Tuition and Other School Fees.

ARTICLE VII REPEALING CLAUSE

Section 16. All previous issuances inconsistent with these policies and guidelines including CMO No. 13, s. 1998 – Guidelines on the Procedure to be followed by Higher Education Institutions (HEIs) intending to Increase their



Tuition Fees, Effective Beginning School Year 1998-1999, are deemed repealed, revoked or rescinded accordingly.

**ARTICLE VIII
TRANSITORY PROVISIONS**

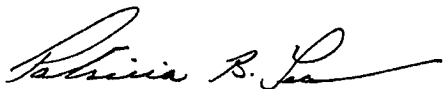
Section 17. All Higher Education Institutions shall submit a schedule of tuition and other school fees duly noted by CHEDRO for AY 2012 –2013 on or before June 30, 2012.

**ARTICLE IX
EFFECTIVITY**

Section 18. These guidelines shall take effect starting 15 days after publication in newspaper of general circulation and shall be enforced starting AY 2013- 2014 until otherwise revoked or amended.

Issued this 31st day of January 2012, Quezon City, Philippines.

For the Commission:



PATRICIA B. LICUANAN, Ph. D.
Chairperson

