

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Sixteenth Congress
First Regular Session

HOUSE BILL NO. **3464**



Introduced by Representative Alfredo D. Vargas III

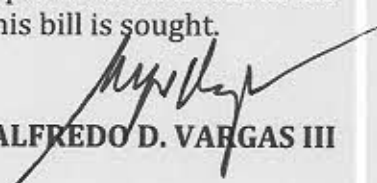
EXPLANATORY NOTE

It is the policy of the State to promote, and protect the right to accessible, equitable and quality education¹. Further, it is a commitment of the State to "establish, maintain, and support a complete adequate, and integrated system of education relevant to the needs of the people and society²."

Quezon City is the most populated city in the country with a population of 2,761,720³. Of this figure, eighteen percent (18%)⁴ of the city's population is based in the Novaliches District.

In the year 1998, the United Nations Educational, Scientific and Cultural Organization stressed the "unprecedented demand for and a great diversification in higher education, as well as an increased awareness of its vital importance for sociocultural and economic development⁵." As the population continues to grow, a greater demand for accessible basic and tertiary education is being confronted by the government. To address this, more schools and higher education institutions should be established.

This bill seeks to create the Novaliches State University, a state university that will cater to the educational needs of the people from Novaliches and its neighboring communities. As commerce, trade, and other industries continue to grow in the District, an able and competent labor and work force should also be a priority of the government. This can be attained through public investment in the higher education sector. Hence, the speedy approval of this bill is sought.


ALFREDO D. VARGAS III

¹ Section 1, Article XIV of the 1987 Philippine Constitution

² Item 2, Section 2, Article XIV of the 1987 Philippine Constitution

³ 2010 Census of the National Statistics Office

⁴ Ibid.

⁵ (____). 09 October 1998. *UNESCO's World Declaration on Higher Education for the Twenty-First Century*. [Online]. UNESCO. Available:

http://www.unesco.org/education/educprog/wche/declaration_eng.htm. [Accessed: 27 November 2013].

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AN ACT
CREATING A STATE UNIVERSITY IN THE FIFTH LEGISLATIVE DISTRICT OF
QUEZON CITY TO BE KNOWN AS THE NOVALICHES STATE UNIVERSITY AND
APPROPRIATING FUNDS THEREFOR

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

Section 1. **Short Title.** - This Act shall be known as the "Novaliches State University Charter."

Section 2. **Declaration of Policy.** - The State shall promote, foster, nurture and protect the right to accessible, equitable and quality education. Through a refocused institutional culture and improved governance, the Novaliches State University shall aim to become one of the State's main higher education provider in the region.

Section 3. **Creation of the Novaliches State University.** - There is hereby created a Novaliches State University hereinafter referred to as the State University.

Section 4. **General Mandate.** - The State University shall provide a unified corporate structure to guarantee common academic standards and institutional identity. It shall foster complete unity and deep collaboration among its constituency towards the following strategic goals:

- a. To uphold absolute academic freedom;
- b. To create greater critical mass and economies of scale that will enable the State University to achieve greater efficiency and effectiveness;
- c. To build greater synergy among the constituency to establish and improve the State University academic portfolio, boost academic performance to higher levels and enhance teaching quality in more diverse academic disciplines; and

- d. To utilize governance structures more effectively by having a single governing board that can better focus on responding to development needs and combining disconnected academic and non-academic functions that can create additional capacity for other appropriate pursuits.

Section 5. **Administration.** – The State University shall have the general powers of a corporation set forth in Batas Pambansa Blg. 68, as amended, otherwise known as "*The Corporation Code of the Philippines.*" The administration of the State University and the exercise of its corporate powers shall be vested exclusively in the Board of Regents.

Section 6. **Governing Board.** – The Governing Board of State University shall be the Board of the Regents, hereinafter referred to as the Board, which shall be composed of the following:

- a. The Chairperson of the Commission on Higher Education (CHED) or his/her representative, as Chairperson;
- b. The President of the State University, as vice Chairperson;
- c. The Chairperson of the Committee on Education, Arts and Culture of the Senate;
- d. The Chairperson of the Committee on Higher and Technical Education of the House of Representatives;
- e. The Regional Director of the National Economic and Development Authority (NEDA);
- f. The Regional Director of the Department of Science and Technology (DOST);
- g. The President of the faculty union/association;
- h. The President of the university student council;
- i. The President of the alumni association; and
- j. Two (2) prominent alumni from the private sector who have distinguished themselves in their profession or fields of specialization and are active in dominant industries in the region that are directly relevant to the university's need and external affairs, as members.

The Board of Regents shall appoint the two (2) prominent alumni from a list of at least five (5) qualified persons who are residents of Quezon City, as recommended by the search committee constituted by the State University President, in consultation with the other members of the Board, based on the normal standards and qualifications for the position.

The term of office of the president of the federation of alumni associations shall be co-terminus with their respective terms of office, as set forth in their respective constitutions and by-laws.

The two (2) prominent citizens shall serve for a term of two (2) years from the date of their appointment.

Section 7. *Promulgation and Implementation of Policies.*- The Board shall promulgate and implement policies in accordance with the declared State policies on education, including those stated in Section 2 hereof, and other pertinent provisions of the Philippine Constitution on education, science and technology, and other fields deemed important for economic growth in the City.

Section 8. *Powers and Duties of the Board of Regents.* - The Board shall have the following specific powers and duties, in addition to its general powers granted to the board of directors of a corporation under existing laws:

- a) Promulgate rules and regulations not contrary to law as may be necessary to carry out the purposes and functions of the Regional University System;
- b) Receive and appropriate all sums as may be provided for the support of the Regional University System in the manner it may determine in its discretion, in order to carry out the purposes and functions of the Regional University System;
- c) Import duty-free economic, technical and cultural books or publications, upon certification by the CHED that such books are for economic, technical, vocational, scientific, philosophical, historical or cultural purposes, in accordance with the provisions of the Tariff and Customs Code, as amended;
- d) Receive in trust legacies, gifts and donations of real and personal properties of all kinds and to administer and dispose of the same when necessary for the benefit of the Regional University System, and subject to the limitations, directions and instructions of the donor, if any.

Such donations shall be exempt from the donor's tax and the same shall be considered as allowable deductions from the gross income in the computation of the income tax of the donor, in accordance with the provisions of the National Internal Revenue Code (NIRC), as amended:

Provided, That such donations shall not be disposed of, transferred or sold;

e) Fix the tuition fees and other necessary school charges, such as but not limited to, matriculation fees, graduation fees and charges shall, including government and subsidies and other income generated by the State University, constitute special trust funds and shall be deposited in any authorized government depository bank, and all interests that shall accrue therefrom shall form part of the same funds for the use of the State University. In cases where

tuition and other fees adjustment shall be implemented, a documented consultation compendium on the proposed increase should be submitted to the Board in order to support the Board's action.

Any provision of existing laws, rules and regulations to the contrary notwithstanding, all income generated by the State University from tuition fees and other charges, as well as from the operation of auxiliary services and land grants, shall be retained by the constituent units of the Regional University System, and may be disbursed by the Board for instruction, research, extension or other programs or projects of the university: *Provided*, That all fiduciary fees shall be disbursed for the specific purposes for which these are collected.

If, for reasons beyond its control, the State University shall not be able to pursue any project for which the funds have been appropriated and allocated under its approved program of expenditures, the Board may authorize the use of said funds for any reasonable purpose which, in its discretion, may be necessary and urgent for the attainment of the objectives and goals of the State University:

f) Adopt and implement a socialized scheme of tuition and other school fees for greater access to poor but deserving students;

g) Authorize the construction or repair of its buildings, machinery, equipment and other facilities, and the purchase and acquisition of real property, including necessary supplies, materials and equipment;

h) Designate, upon recommendation of the President of the State University, the vice presidents, deans, directors, heads of departments, head of campus, faculty members, and other officials and employees of the university;

i) Fix and adjust salaries of faculty members and administrative officials and employees, subject to the provisions of the Revised Compensation and Position Classification System and other pertinent budget and compensation laws governing hours of service, and such other duties and conditions as it may deem proper; grant them, as its discretion, leaves of absence under such regulations as it may promulgate, any provision of existing law to the contrary notwithstanding; and remove them for cause in accordance with the requirements of due process of law;

j) Approve curricula, instructional programs and rules of discipline drawn by the Administrative and the Academic Councils herein provided;

k) Set policies on the minimum system-wide requirements for admission, graduation of students and grant of honors;

l) Award honorary degrees upon persons in recognition of their outstanding contribution in the fields of education, public service, arts, science

and technology, agriculture or in any field of specialization within the academic competence of the State University: *Provided*, That such degrees shall not be conferred in consideration of any payment, gift or other valuable consideration;

m) Establish research and extension centers of the State University where such will promote the development of the latter;

n) Establish professorial chairs in the State University and provide fellowships for the qualified faculty members and scholarships to deserving students;

o) Delegate any of its powers and duties to the president or other officials of the State University, as it may deem appropriate, so as to expedite the administration of the affairs of the State University;

p) Authorize an external management audit of the State University, subject to the rules and regulation of the Commission on Audit (COA) and institute reforms, including academic and structural changes, on the basis of the audit results and recommendations;

q) Collaborative with other governing boards of the State Colleges and universities as well as private colleges and universities in working towards the development of the State University to become more efficient, relevant, productive and competitive;

r) Enter into joint ventures, which may be initiated by the constituency, with business and industry for the profitable development and management of the economic assets of the State University; *Provided*, these ventures shall not affect the academic character of the State University;

s) Develop consortia and other economic forms of linkages with the local government unit (LGU), as well as public or private institutions and agencies, local and foreign, in the furtherance of the purposes and objectives of the State University;

t) Develop academic arrangements for institution-capability building with appropriate institutions and agencies, public and private, local and foreign, and appoint experts or specialists as consultants, part-time or visiting or exchange professors, scholars or researches, as the case may be;

u) Set up the adoption of modern and innovative models of transmitting knowledge such as the use of information technology, the dual system, open learning or distance education and community laboratory for the promotion of greater access to education;

v) Establish policy guidelines and procedures for participative decision-making and transparency within the State University;

w) Privatize, where the most advantageous to the State University, the management of non-academic services such as health, food, building or grounds or property maintenance and such other similar activities;

x) Extend the term beyond the age of retirement but not beyond the age of seventy (70) of the State University President whose performance has been unanimously rated by the Board as outstanding, after unanimous recommendation by the Performance Evaluation Committee (PEC); and

Section 9. ***Meetings of the Board.*** – The Board of the Regents of the State University shall regularly convene at least once every quarter. However, the Chairperson of the Board may, upon three (3) days prior written notice, call a maximum of four (4) special meetings within a year, whenever necessary.

All regular meetings of the Board shall be held in either the main campus or in any of the constituent units as may be determined by the Regional University System President in consultation with the chancellor, except for the certain meritorious and expedient reasons where special meetings may be held in venues outside the Region.

A quorum of the Board of Regents shall consist of a majority of all its members holding office at the time of the meeting: *Provided*, That the Chairperson of the Board or the State University President is among those present in the meeting.

In the absence of the Chairperson of the CHED, a duly designated Commissioner of the CHED shall represent the Chairperson in the meeting however, that during this meeting, the State University President as Vice-Chairperson shall be the presiding officer: *Provided, further*, That this proviso notwithstanding, the Chairperson of the CHED is hereby authorized to designate a CHED Commissioner as the regular Chair of the Board, in which case said CHED Commissioner shall act as the presiding officer.

In case the Chairpersons of the Congressional Committees on Education shall not be able to attend the said meeting, their respective representatives shall have the same rights and responsibilities as a regular member of the Board, except in cases of the appointment of the State University officials, including the State university President, wherein the Chairpersons shall send an official communication to the Board transmitting their approval of the appointment/designation.

The members of the Board shall not receive any salary or honoraria but shall be entitled to reimbursements for actual and necessary expenses incurred, either in their attendance to meetings of the Board or in connection with other

official business authorized by resolution of the Board, subject to existing laws and regulations.

Section 10. ***State University President.*** – The State University shall be headed by the full-time president who shall be appointed by the Board subject to the guidelines, qualifications and standards set by the Board and upon recommendation of a duly constituted search committee; *Provided*, the candidate shall be a doctorate degree holder. The State University President shall have a term of four (4) years and shall be eligible for reappointment for another term.

In case of vacancy in the office of the State University President by reason of death, compulsory retirement, resignation, removal for cause or incapacity to perform the functions of the office, the Board shall have the authority to designate an officer-in-charge of the State University within six (6) months from the date of vacancy, pending the appointment of new State University President; *Provided*, the officer-in-charge shall only serve a period of not more than one (1) year. The State University President appointed by the Board after the occurrence of any aforementioned events shall serve the unexpired portion of the term, subject to re-appointment for another term if warranted.

The powers and duties of the President of the State University, in addition to those specifically provided in this Act, shall be those usually pertaining to the Office of the President of similar universities.

The salary of the State University President shall be in accordance with the Revised Compensation and Position Classification System and shall be comparable to that being received by the Presidents of similar educational institutions.

Section 11. ***Vice-President.*** – The State University President shall be assisted by a vice president for academic affairs, a vice president for administration and finance and a vice president for research and extension and development, and such other vice presidents as may be determined by the Board, but not exceeding five (5) vice presidents serving at a time. They shall be designated by the Board, upon the recommendation of the State University President. They shall serve as staff and may assume line functions upon the direction of the State University.

Section 12. ***Secretary of the University of the Board.*** – There shall be a Secretary of the University and of the Board of Regents to be appointed by the Board, who shall keep such records of the University and the Board, as may be designated by the Board.

Section 13. ***Executive Administrative Council.*** – There shall be a university-wide administrative council headed by the State University President,

with membership consisting of the vice-president for administration and finance, deans and other officials as may be deemed necessary by the Board. The Executive Administrative Council shall set the direction and administrative policies on a university-wide basis and shall perform oversight functions on administrative matters.

Section 14. **Administrative Council.** – There shall be an administrative council in the State University with the President as Chairman, the deans and directors of equal rank within the university as members. The Administrative Council shall formulate and recommend plans, programs and policies for administration, finance and production for approval of the Board.

The President of the student council of the University may be allowed to attend the meetings of the Administrative Council as an observer.

Section 15. **Academic Council.**– There shall be an Academic Council with the State University President as chairperson, the vice-presidents, chancellors, deans and all faculty members with an academic rank of at least Assistant Professor as members.

Section 16. **Powers of the Academic Council.**– The Academic Council is the supreme academic advisory body in the State University and shall be responsible for the following functions:

- a. Set academic policies and minimum academic standards;
- b. Perform oversight functions on all academic matters pertaining to the State University and its programming;
- c. Formulate, evaluate, and recommend to the State University President policies and procedures which pertain to the development, maintenance, and improvement of the State University program in academic matters;
- d. Fix the requirement for admission to any college or unit or any academic program or course offering and for graduation and conferment of a degree, and the grant of honors subject to the minimum system-wide requirements;
- e. Prescribe the academic programs including their institutions, revision, abolition, and merger, subject to the approval of the Board;
- f. Recommend to the Board the graduation of students and the grant of honors ;
- g. Undertake a periodic review of academic courses, programs standards, thrust and policies;
- h. Adopt the necessary measures to enable students to exercise their established religious beliefs consistent with the accepted norms and morals of society. Students shall be given options to fulfill their academic responsibilities, such as, but not limited to, make-up classes

- or examinations on missed school days or examinations which coincided with the exercise of their established religious beliefs;
- i. Adopt internal rule or procedures consistent with the provisions of this Act; and
 - j. Perform other corollary functions consistent to the goals and objectives of the State University.

Section 17. *Research, Extension and Enterprise Development (REED) State University Council.* - There shall be a REED State University Council which shall perform oversight functions and provide direction on REED matters in the university. The REED State University Council shall be headed by the Vice president for Research Extension and Development, with the Chairpersons of each academic department as members.

Section 18. *Faculty.* - No political beliefs, gender preference, physical disability, cultural or community affiliation or ethnic origin, and religious opinion or affiliation shall be a matter of inquiry in the appointment of the faculty members of the State University: *Provided*, That the appointment shall be subject to the guidelines, qualifications and standards set by the Board consistent with existing policies and laws: *Provided, further*, That no member of the faculty shall teach for or against any particular church or religious sect.

Section 19. *Scholarship Program or Admission.* - The State University shall provide a scholarship program and other affirmative action programs to assist poor but deserving students who qualify for admission to the State University.

No student shall be denied admission to the State University by reason of age, gender, religion, political beliefs, cultural or community affiliation or ethnic origin.

Section 20. *Academic Freedom and Institutional Autonomy.* - The State University shall enjoy academic freedom and institutional autonomy, pursuant to paragraph 2, Section 5 of Article XIV of the 1987 Constitution.

Section 21. *Assets, Liabilities and Personnel.* - All assets, real and personal, personnel and records of the State University, as well as liabilities or obligations, are hereby transferred to the State University. The positions, rights and security of tenure of the faculty members and personnel employed in the university under existing laws prior to this Act shall be respected.

All assets donated to the State University under its former juridical personality shall be deemed donated to and hence a property of the new State University as a duly constituted body or judicial entity.

Section 22. ***Appropriations.*** – The amount necessary to carry out the initial implementation of this Act shall be included in the annual General Appropriations Act following its approval.

In addition, the amount of One Hundred Million Pesos (P100, 000,000.00) is hereby appropriated in addition to the proposed appropriations for the establishment of the State University.

Section. 23. ***Land Grants and Other Real Properties of the State University.*** – The State shall provide support to the State University in the form of lump sum amount, through general appropriations and other financial benefits, and in kind, through land grants and donations and use of other real properties. To carry out the intent of these grants, income derived from the development of all land grants and real properties acquired by the State University shall be used to further the ends of the State University, as may be decided by the Board.

The Board shall plan, design, approve or cause the implementation of financial mechanisms, such as joint ventures and long-term leases, to give the Regional University System the most advantageous position in generating revenues and other resources from the land grants and other real property entrusted by the Filipino people: *Provided*, That such long-term leases shall not conflict with the State University's academic mission, as well as, sustain and protect the environment: *Provided, further*, That the plans shall preserve the academic core zone of the university: *Provided, finally*, That funds from the long-term leases shall not be meant to replace, in whole or in part, the annual appropriation provided by the national government to the State University.

Section 24. ***Tax Exemptions.*** – The provision of any general or special law to the contrary notwithstanding:

- a. All revenues and assets of the State University used actually, directly and exclusively for educational purposes shall be exempt from all taxes and duties;
- b. Gifts and donations of real and personal properties of all kinds shall be exempt from the donors' tax and the same shall be considered as allowable deductions from the gross income of the donor, in accordance with the provisions of the National Internal Revenue Code, as amended;
- c. Importation of economic, technical, vocational, scientific, philosophical, historical and cultural books, supplies, equipment, machinery and other materials, including scientific and educational

computer and software equipment, shall be exempt from customs duties; and

- d. The State University shall be exempt from payment of value-added tax on its transactions which are primarily and directly undertaken for educational purposes.

Section 25. ***Development Plan and Institutionalization.*** - Within one hundred twenty (120) days after the approval of this Act, the Commission on Higher Education shall accomplish the following:

- a) Submit a medium term development plan, including its corresponding recommendation to the Department of Budget and Management;
- b) Accordingly set up its organizational, administrative, as well as, academic structure, including the appointment of the State University key officials; and
- c) Determine the courses and programs to be offered in the State University.

Section 26. ***Supplementary Application.*** - The provisions of the Republic Act. 8292, otherwise known as the "*Higher Education Modernization Act of 1997*," shall be an integral part of this Act and shall serve as part of the governing charter of the State University.

Section 27. ***Parity Clause.*** - All other powers, functions and privileges, responsibilities and limitations granted to, or imposed upon state university and their officials under existing laws shall be deemed granted to or imposed upon the State University and its officials whenever appropriate.

Section 28. ***Implementing Rules and Regulations.*** - Within a period of ninety (90) days from the effectivity of this Act, the Commission on Higher Education shall promulgate rules and regulations as may be necessary for the effective implementation of this Act.

Section 29. ***Separability Clause.*** - If, for any reason, any part or provision of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected thereby shall remain in full force and effect.

Section 30. ***Repealing Clause.*** - All laws, Decrees, orders, rules and regulation inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 31. ***Effectivity.*** - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved,