

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3490



INTRODUCED BY HONORABLE CHERYL P. DELOSO-MONTALLA

EXPLANATORY NOTE

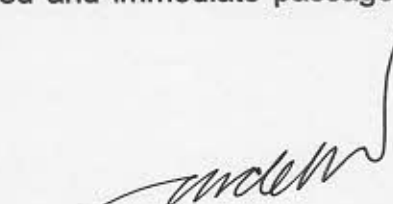
This bill seeks to rename the Ramon Magsaysay Technological University (RMTU) into the President Ramon Magsaysay State University (PRMSU) and broaden and strengthen it as a premier institution of higher learning in the Province of Zambales and the entire Region III, amending for the purpose Republic Act No. 8498, otherwise known as "AN ACT ESTABLISHING THE RAMON MAGSAYSAY TECHNOLOGICAL UNIVERSITY OUT OF THE INTEGRATION OF THE RAMON MAGSAYSAY POLYTECHNIC COLLEGE IN THE MUNICIPALITY OF IBA, THE WESTERN LUZON AGRICULTURAL COLLEGE IN THE MUNICIPALITY OF SAN MARCELINO AND THE CANDELARIA SCHOOL OF FISHERIES IN THE MUNICIPALITY OF CANDELARIA, ALL IN THE PROVINCE OF ZAMBALES, AND APPROPRIATING FUNDS THEREFOR."

Under RA 8498, RMTU was established as a state university in order to "primarily provide instructions, undertake research and extension, and provide advanced studies and progressive leadership in agriculture, forestry, engineering, education, arts, sciences, humanities, and other fields as may be relevant to the development of the province" of Zambales. Being such, it is mandated by law to perform all kinds of educational activities within the commerce of man. However, the enabling law for the creation and operation of RMTU does not provide the necessary latitude for the state university to become abreast with other institutions of higher learning.

With the rapid technological and scientific advancements nowadays, new ideas come to fore by the minute. Access to this information is beyond the current financial and technological capacity and capability of RMTU. It is only with a redesigned and redefined charter that RMTU can become at par with other public and private tertiary education institutions in the region and the country.

The proposed charter will provide RMTU with the necessary elbow room to reformulate its academic offerings and instructions. Infusion of yearly allocation for the conduct of democratic and secular academic and vocational instructions is another feature of the bill that will hopefully allow RMTU to reach new and greater heights.

It is in this light that this bill is being filed and immediate passage of this bill is earnestly sought.


CHERYL DELOSO MONTALLA
Representative
2nd District, Zambales

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AN ACT

RENAMING THE RAMON MAGSAYSAY TECHNOLOGICAL UNIVERSITY (RMTU) INTO THE PRESIDENT RAMON MAGSAYSAY STATE UNIVERSITY (PRMSU), BROADENING AND STRENGTHENING ITS SCOPE AND FUNCTION AS A STATE UNIVERSITY, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

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

SECTION 1. Short Title. - This Act shall be known as the "***President Ramon Magsaysay State University Charter of 2013.***"

SEC. 2. Declaration of Policy. - The State shall promote, foster, nurture and protect the right of all citizens to accessible quality education. Toward this end, it is the policy of the State to broaden and strengthen the Ramon Magsaysay Technological University (RMTU) and its derivative, the President Ramon Magsaysay State University (PRMSU) and recognize it as a comprehensive state university.

SEC. 3. RMTU Renamed. - The Ramon Magsaysay Technological University is hereby renamed into the President Ramon Magsaysay State University (PRMSU) and shall be hereinafter referred to in this Act as the State University.

SEC. 4. Purpose of the State University. - As a State University, a public, non-sectarian institution of higher learning that is dedicated to the search for truth and knowledge, the President Ramon Magsaysay State University shall perform its unique and distinctive leadership in higher education and development in Region III. The State University shall:

- (a) Lead in setting academic standards and initiating innovations in teaching, research and faculty development in philosophy and law, the arts and humanities, the social sciences, professions and engineering, applied, natural and pure sciences, mathematics, and technology;
- (b) Maintain regional centers of excellence in such undergraduate and graduate academic disciplines and professions;
- (c) Conduct and promote basic and applied research, development and extension activities in various fields of expertise and specialization and contribute to the dissemination and application of knowledge;
- (d) Provide various forms of community, public, and volunteer service, as well as scholarly and technical assistance to the region while maintaining its standards of excellence;

(e) Protect and promote the professional and economic rights and welfare of its academic and non-academic personnel;

(f) Provide opportunities for training and learning in leadership, responsible citizenship, and the development of democratic values, institutions and practice through academic and non-academic programs, including sports and the enhancement of nationalism and national identity;

(g) Serve as a regional and global university in cooperation with other local, national, international and scientific unions, networks of universities, scholarly and professional associations in the Asia-Pacific region and around the world; and

(h) Provide democratic governance in the University based on collegiality, representation, accountability, transparency and active participation of its constituents, and promote the holding of fora for students, faculty, research, extension and professional staff (REPS), staff, and alumni to discuss non-academic issues affecting the University.

SEC. 5. *The University System.* - The President Ramon Magsaysay State University is a university system and shall be composed of constituent universities established solely by its Board of Regents upon the recommendation of the President of the University. The President Ramon Magsaysay State University System is composed of its existing constituent universities, as follows: PRMSU Iba; PRMSU Masinloc; PRMSU Candelaria, PRMSU Sta. Cruz, PRMSU San Marcelino, PRMSU Castillejos, PRMSU Botolan and their satellite campuses and those that may be created in the future.

SEC. 6. *Academic Freedom and Academic Excellence.* - The State University has the right and responsibility to exercise academic freedom. In the exercise of its academic freedom, the State University shall maintain and enhance its high academic standards in the performance of its functions of instruction, research and extension, and public service.

SEC. 7. *Commitment to Regional and National Development.* - The State University shall harness the expertise of the members of its community and other individuals to regularly study the state of the region and the nation in relation to its quest for regional and national development in the primary areas of science, technology, agriculture, politics and economics, among others, identify key concerns, formulate responsive policies regarding these concerns, and give advice and recommendations to the regional development council.

Regional branches of government agencies and instrumentalities as well as any constitutional body may request the State University to conduct research or provide advice on any matter involving public policy affecting the region. The budget for such research or request for advice shall come from the appropriation of these public agencies.

SEC. 8. *Social Responsibility.* - The State University is committed to serve the region, nation and humanity. While it carries out the obligation to pursue universal principles, it must relate its activities to the needs of the people of Zambales and their aspirations for social progress and transformation. The State University may provide venues for student volunteerism.

SEC. 9. *Democratic Access.* - The State University shall take affirmative steps which may take the form of an alternative and equitable admissions process to enhance the access of disadvantaged students, such as the indigenous peoples, poor and

deserving students, including but not limited to valedictorians and salutatorians of public and private high schools, and students from depressed areas, to its programs and services.

No student shall be denied admission to the State University by reason solely of age, gender, nationality, religious belief, economic status, ethnicity, physical disability, or political opinion or affiliation.

The State University recognizes the separation of Church and State. It shall guarantee religious freedom and shall not discriminate on the basis of religion.

SEC. 10. Sports. - The State University shall undertake and support comprehensive sports programs that promote physical education, uphold excellence and encourage competitive participation in sports activities, instill school identity and solidarity, cultivate pride, self-discipline and teamwork which serve as a foundation for fostering active participation in the State University, as well as in nation building.

SEC. 11. Institutional Autonomy as the State University. - To provide greater flexibility, it shall be treated in a manner consistent with its institutional requirements as a State University by the service-wide agencies in the exercise of their respective jurisdiction. Taking into account regional and national goals and priorities, it shall exclusively determine its teaching research and extension thrusts, plans, policies, programs and standard, and on the basis of such determination, the State University shall recommend its annual budget to the President of the Republic of the Philippines and Congress.

SEC. 12. The Board of Regents. -

(1) Composition - The Governance of the State University is vested in a board of regents known as the "Board of Regents of the President Ramon Magsaysay State University System," hereinafter referred to as the "Board," composed of:

- (a) The Chairperson of the Commission on Higher Education as Chairperson;
- (b) The President of the President Ramon Magsaysay State University System as Co-Chairperson;
- (c) The Chairperson of the Senate Committee on Education, Arts and Culture or his duly authorized representative;
- (d) The Chairperson of the House Committee on Higher and Technical Education or his duly authorized representative;
- (e) The Regional Director of the National Economic Development Authority (NEDA);
- (f) The Regional Director of the Department of Science and Technology (DOST)
- (g) The Regional Director of the Department of Agriculture (DA);
- (h) The President of the Alumni Association, to serve as Alumni Regent during his or her incumbency in that position;

(i) One Student Regent, to serve for a term of one (1) year, chosen by the students from their ranks in accordance with rules and qualifications approved in a referendum by the students;

(j) One Staff Regent representing the full-time permanent research, extension, and professional staff (REPS) and administrative personnel, and chosen by them from their ranks in accordance with the rules and qualifications set by their duly recognized organizations, to serve for a term of two (2) years; and

(k) Three (3) other Regents who have distinguished themselves in their professions or fields of specialization and have resided in the Province of Zambales for at least five (5) years prior to their appointments, to be appointed by the President of the Philippines, considering the recommendation of the Board. At least two (2) of these Regents should be alumni. All these Regents shall each serve for a term of two (2) years: *Provided*, That the Regents holding office as members of the Board at the time of the effectivity of this Act shall continue to serve until the expiration of their appointments.

(2) Vacancy - In case of vacancy in the Board, except for the President of the University, such vacancy shall be filled in the same manner as provided for the predecessor, and such appointee shall hold office for the unexpired portion of the term. In case of a sectoral Regent, membership in the Board ceases upon suspension, separation, or recall.

(3) Compensation - Members of the Board shall serve without compensation other than reimbursement for actual and necessary expenses incurred in attendance to meetings of the Board or other official business authorized by the Board.

(4) Meetings;-Quorum - The Board shall convene regularly. The Chairpersons of the Board may call a special meeting whenever necessary: *Provided*, That members are notified in writing at least three (3) working days prior to the meeting: *Provided, further*, That the notice shall contain a brief description of the agenda items to be discussed.

A majority of all members of the Board holding office at the time the meeting is called shall constitute a quorum for Board meetings.

In no case shall any and all members of the Board appoint representatives to act on their behalf: *Provided*, That the *ex-officio* members of the Board coming from Congress may participate and vote through their representatives.

SEC. 13. Powers and Duties of the Board of Regents. - The administration of the State University and the exercise of its corporate powers are vested in the Board of Regents.

The Board shall exercise the following specific powers and duties:

(a) To define in general terms the thrusts of the state university and adopt broad policy guidelines to ensure their implementation;

(b) To preserve the integrity of the State University;

(c) To approve the institution, merger or abolition of academic programs, upon recommendation of the University Academic Council of the constituent university concerned, through the President of the University;

(d) To approve the graduation of students and grant of honors, as recommended by their respective University Academic Councils through the President of the University;

(e) To confer honorary degrees upon persons in recognition of learning, statesmanship, or eminence in literature, science, or art, upon recommendation of a committee created by the President of the University: *Provided*, That such degrees shall not be conferred in consideration of any payment, gift or other valuable consideration;

(f) To approve the rules on student discipline recommended by the University Academic Councils through the President of the University, with the Board retaining the power to review and pass final judgment on student disciplinary cases;

(g) To create, organize, reorganize, merge or abolish constituent universities, colleges, institutes, and other academic and administrative units of the State University;

(h) To establish professorial chair awards;

(i) To provide fellowships, scholarships and grants, including athletic grants and to award the same to faculty, staff and students having special evidence of merit, especially those who are poor and deserving individuals;

(j) To elect the President of the University for a term of four (4) years following a process of democratic consultation with the university community based on standards and guidelines set by the Board. In the event of a vacancy, the Board shall elect a president who shall serve a full term. A Chancellor chosen by the Board may act as Officer-in-Charge of the State University when the search process is in progress. In no case shall the search and election of the next President be longer than ninety (90) calendar days from the date when the vacancy occurs;

(k) To appoint faculty members and other officials and employees, to draw up a position classification and compensation plan for its faculty and staff, and, any law to the contrary notwithstanding, to fix and adjust salaries and benefits of the faculty members and other employees: *Provided*, That salaries and other benefits of the faculty shall be equivalent to those being received by their counterparts in the private sector; to determine the hours of service of faculty and staff, and such other terms and conditions of employment as it may deem proper; to grant leave of absence under such regulations as it may promulgate, any other provisions of law to the contrary notwithstanding; and to remove them for cause as provided by law after due investigation and proper hearing;

(l) To extend, with their consent, the tenure of faculty members of the state university beyond the compulsory retirement age, any other provision of law to the contrary notwithstanding, on recommendation of the units upon endorsement of the President of the state university, whenever their services are especially needed: *Provided, however*, That no extension of tenure shall be made beyond the age of seventy (70);

(m) To fix the tuition fees and other necessary school charges, as the Board may deem proper to impose, after due and comprehensive consultation with the students concerned. Such fees and charges, including government support and other income generated by the state university, shall constitute special trust funds and shall be deposited in an authorized government depository bank. Any and all interest that shall accrue therefrom shall form part of the same funds for the use of the state university.

Notwithstanding any provision of law to the contrary, all incomes generated by the state university or by its subsidiaries shall, upon their collection, be retained by the state university and disbursed at the discretion of the Board for the professional growth and development, health, welfare, and other benefits of the students, faculty members and other personnel; for the acquisition, construction, maintenance and repair of urgently needed instructional and auxiliary facilities, equipment, buildings and other infrastructure; and for expenses necessary for the attainment of its purposes under its approved program of expenditures.

If the state university, for reasons beyond its control, shall not be able to pursue any project for which funds have been appropriated and allocated under its approved program of expenditures, the Board may authorize the use of said fund for any reasonable purpose for which it deems necessary and urgent for the attainment of the objectives of the state university: *Provided*, That funds collected from students for a specific purpose shall not be reprogrammed to other expenditures;

(n) To receive and appropriate all sums as may be provided by law for the support of the state university to the ends specified by law, and all other sums in the manner it may, in its discretion, determine to carry out the purposes and functions of the State University;

(o) To authorize the construction, maintenance or repair of its buildings, machinery, equipment and other facilities, and the purchase and acquisition of real and personal properties, including necessary supplies, materials and equipment;

(p) To receive in trust legacies, gifts and donations of real and personal property of all kinds and to administer and dispose the same when necessary for the benefit of the state university and subject to the instructions of the donor, if any;

(q) Notwithstanding any provision of law to the contrary, to authorize its faculty and staff to travel abroad to study, deliver papers, attend conferences and disseminate research: *Provided*, That the fellowship, scholarship or grant is authorized by the Board: *Provided, finally*, That research and other activities funded by the state university shall likewise undertake research in fields or topics that have promising commercial applications, and that the faculty and staff involved in said research be allowed to participate in its financial or economic benefits;

(r) To exercise the general powers set out in the Corporation Code;

(s) To delegate any of its powers to the President of the University or other officials or officers as it may deem necessary;

(t) To prescribe rules for its own government and the discipline of the faculty and other personnel and to enact for the government of the state university such general policies, rules and regulations, not contrary to law, as are consistent with its purposes; and

(u) To exercise such powers as may be proper and necessary to carry out the objectives of this Act.

SEC. 14. *The President of the University.* - The President of the University is the chief academic officer, head of the university faculty and the chief executive officer of the University. The President of the University shall exercise the powers specifically provided for in this Act, those determined by the Board, those which pertain to the office of the president of a university, and those which are related or necessary to its functions. The Board shall determine the compensation of the President of the University and shall be exempted from the provisions of the Salary Standardization Law.

The President of the University shall be appointed by the Board and shall serve for a term of four (4) years and may be reappointed only for another term, unless he/she reaches the age of compulsory retirement or earlier removed for cause or becomes incapacitated to discharge the duties and functions of his office.

SEC. 15. *The Secretary of the University and of the Board of Regents.* - There shall be a Secretary of the University appointed by the Board, who shall also be the Secretary of the Board, and who shall keep such records, of the University as may be designated by the Board.

SEC. 16. *The University Academic Council.* - There shall be in each constituent university a University Council consisting of the Chancellor as Chairperson, and all faculty members in the constituent university holding the rank of assistant professor and higher as members.

SEC. 17. *Powers of the University Academic Council.* - The University Council shall be the highest academic body of each constituent university and shall exercise the following powers:

(a) Fix the requirements for admission to any college or unit, graduation, and the grant of honors subject to the minimum system-wide requirements;

(b) Prescribe the academic programs including their institution, revision, abolition and merger, subject to the approval of the Board;

(c) Recommend to the Board the graduation of students and the grant of honors;

(d) Exercise disciplinary power over the students, through the Chancellor or their appropriate committees, subject to review by the President of the University according to the limits prescribed by system-wide rules on student discipline;

(e) Undertake the periodic review of academic courses, programs, standards, thrusts and policies; and

(f) Adopt internal rules of procedure consistent with the provisions of this Act.

SEC. 18. *The Chancellor of the Constituent University.* - The Administration of each constituent university is vested in the Chancellor insofar as authorized by the Board and the President of the University. The Chancellor of the constituent university shall be elected by the Board upon nomination of the President of the University, following a process of consultation with the constituents of the constituent university based on standards and guidelines set by the Board. The Chancellor shall report to the President of the University, and shall perform the duties and functions elsewhere stated in this Act, and all the usual, necessary and related functions of the Office of the Chancellor, subject to the policies and rules prescribed by the Board. The Board shall determine the term and compensation of the Chancellor. If a Chancellor fails to complete his/her term, the President shall appoint an acting Chancellor while a search process is in progress. In no case shall the search and election of the next Chancellor be longer than sixty (60) calendar days from the date when the vacancy occurs.

SEC. 19. *The Faculty.* - The teaching staff of each college shall constitute its faculty. The College Faculty shall be presided over by a Dean. The Dean shall be elected by the Board upon nomination of the President of the University and recommendation of the Chancellor of the constituent university, following a process of consultation with the constituents of the college based on standards and guidelines set by the Board.

If a Dean fails to complete his/her term, the Chancellor shall appoint an acting Dean while a search process is in progress. In no case shall the search and election of the next Dean be longer than sixty (60) calendar days from the date when the vacancy occurs.

SEC. 20. *Appointment Requisites and Practice of Profession.* - Faculty members, as well as research, extension and professional staff (REPS) of the State University, shall be exempt as such from any civil service examination or regulation as a requisite to appointment. The provisions of existing law to the contrary notwithstanding, licensing requirements for professional regulatory boards shall not affect appointments to faculty positions. In the appointment of faculty members, no religious test shall be applied, nor shall the religious or political opinions or affiliations of the faculty members of the State University be made subject of examination or inquiry.

SEC. 21. *Student Affairs.* - (a) There shall be established in the State University the following student councils: for every college and degree-granting institute, a college or institute student council; and for every constituent university, a university student council; and for the University System, a general assembly of all student councils.

The student council shall be composed of elected students of a definite academic unit of the State University. Each member of the student council shall serve for a term of one (1) year, without prejudice to reelection.

The student council shall serve as the primary student body that shall advance the interests, welfare, and aspirations of the students of the State University. It shall have the power to adopt internal rules of procedure consistent with the provisions of this Act.

(b) Subject to due and comprehensive consultation with the students, there shall be a student publication established in every constituent unit and college to be funded by student fees. Freedom of expression and autonomy in all matters of editorial and fiscal policy shall be guaranteed especially in the selection of its editors and staff.

SEC. 22. Land Grants and Other Real Properties of the University. -

(a) The State shall support the President Ramon Magsaysay State University System 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 shall be used to further the end of the State University, as may be decided by the board;

(b) Such parcels of land ceded by law, decree or presidential issuance to the President Ramon Magsaysay State University are hereby declared to be reserved for the purposes intended. The absolute ownership of the State University over these landholdings, including those covered by original and transfer certificates of title in the name of the President Ramon Magsaysay State University and its future derivatives, is hereby confirmed. Where the issuance of proper certificates of title is yet pending for these landholdings, the appropriate government office shall expedite the issuance thereof within six months from the date of effectivity of this Act: *Provided*, That all registration requirements necessary for the issuance of the said titles have been submitted and complied with;

(c) The Board may plan, design, approve and/or cause the implementation of land leases: *Provided*, That such mechanisms and arrangements shall sustain and protect the environment in accordance with law, and be exclusive of the academic core zone of the campuses of the President Ramon Magsaysay State University: *Provided, further*, That such mechanisms and arrangements shall not conflict with the academic mission of the State University;

(d) The Board may allow the use of the income coming from real properties of the State University as security for transactions to generate additional revenues when needed for educational purposes;

(e) The Board may approve the implementation of joint ventures: *Provided*, That in the event real properties of the State University are involved, only the income derived by the University from the use of the real properties shall be the subject of its participation or obligation in the joint ventures: *Provided, further*, That no joint venture shall result in the alienation of the real properties of the State University; and

(f) Any plan to generate revenues and other sources from land grants and other real properties entrusted to the State University shall be consistent with the academic mission and orientation of the State University as well as protect it from undue influence and control of commercial interests: *Provided*, That such programs, projects or mechanisms shall be approved by the Board subject to a transparent and democratic process of consultation with the constituents of the State University: *Provided, further*, That funds generated from such programs, projects or mechanisms shall not be meant to replace, in part or in whole, the annual appropriations provided by the national government to the State University.

SEC. 23. Safeguards on Assets Disposition. - The preservation of the value of the assets of the State University shall be of primordial consideration.

The sale of any existing real property of the State University shall be prohibited: *Provided*, That the Board may alienate real property donated after the effectivity of this Act if the terms of the donation specifically allow it.

Notwithstanding the provision of this Act or any other law to the contrary, the lease of more than five (5) years of the assets of the State University and any

transaction referred to in Section 22 shall be subject to the following conditions and procedures:

(a) The transactions shall be discussed with the members of the Board, in any of its formally convened regular or special meeting, at least one (1) month before a decision is to be made;

(b) The transactions shall be based on a multi-year comprehensive development plan, crafted and developed by qualified planning professionals having at least five (5) years of experience, with prior consultations with and concurrence of third-party experts and duly approved by a majority vote of all the members of the Board;

(c) The transactions shall be subject to competitive and public bidding as provided under Republic Act No. 9184, otherwise known as the "Government Procurement Reform Act" and its Implementing Rules and Regulations;

(d) In the case of two (2) failed biddings and negotiated transactions, if undertaken, the Board, when considering the approval of any such transaction, shall secure a fairness opinion report from an independent third-party body. This body shall have five (5) members, three (3) of which shall be nominated by the Bankers Association of the Philippines (BAP) and the Business Club of Zambales. The members shall be entitled to a reasonable per diem as the Board may specify.

The fairness opinion report shall contain a statement expressing the opinion of the body as to the fairness to the State University of the terms of the proposed transaction, particularly its financial terms. The report shall include, but not limited to, a review and analysis of the proposed transaction, financial statements, industry information, economic conditions assumptions using management projections and the assumptions used therein and a comparison of similar transactions: *Provided*, That if the Board differs with the fairness opinion report they shall justify their decision in writing and make this available to the community of the State University.

This provision shall not apply to leases granted to faculty and staff as part of their benefit and those for academic purposes; and

(e) If the contract or transaction involves an amount more than Twenty Million Pesos (P20,000,000.00), it shall be approved by three-fourths (3/4) of all the members of the Board: *Provided*, That the splitting of contracts, which is by breaking up a contract into smaller quantities or amounts or dividing contract implementation into artificial or arbitrary phases or subcontracts for the purpose of circumventing this provision, shall not be allowed.

SEC. 24. Management of Funds. - (a) There shall be an independent trust committee to be composed of the President of the University, as Chairperson, one (1) representative each nominated by the Bankers Association of the Philippines (BAP) and the Business Club of Zambales. The members shall be entitled to a reasonable per diem as the Board may specify. (b) The independent trust committee shall recommend to the Board three (3) universal banks selected on a prudent basis which trust departments shall manage the corporate and other funds through trust agreements of the State University on a non-directed basis: *Provided*, That any such agreement shall be for a period of not more than two (2) years. (c) The independent trust committee

shall provide the Board with direction on appropriate investment objectives and permissible investments with the view to preserving the value of the funds while allowing the University to earn a reasonable return thereon.

SEC. 25. Tax Exemptions. - The provisions of any general or special law to the contrary notwithstanding:

(a) All revenues and assets of the President Ramon Magsaysay State University used for educational purposes or in support thereof 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 donor's 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 of 1997, as amended: *Provided*, That the allowable deductions shall be equivalent to 150 percent of the value of such donation. Valuation of assistance other than money shall be based on the acquisition cost of the property. Such valuation shall take into consideration the depreciated value of property in case said property has been used;

(c) Importation of economic, technical, vocational, scientific, philosophical, historical and cultural books, supplies and materials duly certified by the Board, including scientific and educational computer and software equipment, shall be exempt from customs duties;

(d) The State University shall only pay 0% value-added tax for all transactions subject to this tax; and

(e) All academic awards shall be exempt from taxes.

SEC. 26. Reportorial Requirements and Auditing of Accounts. - The State University shall submit an annual report to Congress containing the financial statements, statement of assets and liabilities, actual projected income from tuition fees and other revenue sources, contracts and investment entered into pursuant to Section 22 (c) hereof and programs of expenditure. All accounts and disbursements of the State University shall be audited by the Commission on Audit.

SEC. 27. Rules of Construction. - No statutory or other issuances shall diminish the powers, rights, privileges and benefits accorded to the State University under this Act or enjoyed at present, by it under other issuances not otherwise modified or repealed under this Act, unless subsequent legislation expressly provides for their repeal, amendment or modification. Any case of doubt in the interpretation of any of the provisions of this Charter shall be resolved in favor of the academic freedom and fiscal autonomy of the University of the Philippines.

SEC. 28. Appropriations. - The amount needed to carry out the implementation of this Act shall be charged against the lump sum appropriation of the current fiscal year and other internal funds of the State University. Thereafter, such lump sum representing the responsibility of the national government for the continued growth, operation and maintenance of the State University shall be included in the annual General Appropriations Act (GAA).

The State University may use unexpended balances in any appropriation for purposes that the Board determines.

In addition to the regular appropriations and increases for the State University under the annual GAA, a fund shall be appropriated in the amount of Thirty Million Pesos (P30,000,000.00) per year for a period of three (3) years, which shall be taken from the financial benefit of the Province of Zambales from energy-generating facilities within its territorial jurisdiction as provided for under Section 5 (i) of Republic Act No. 7638 or the Department of Energy Act of 1992 for the purchase of school sites, construction of buildings and procurement of facilities and equipment of the State University.

Moreover, 20% of the annual financial benefit of the Province of Zambales from energy-generating facilities within its territorial jurisdiction is hereby allocated for scholarship grants of the State University: *Provided*, That such scholarship grant shall be made available exclusively to the residents of Zambales. The Department of Energy shall remit the said amount to the PRMSU Treasury thirty (30) days prior to the start of every school year.

SEC. 29. Separability Clause. - Should any provision herein be declared unconstitutional, the same shall not affect the validity of the other provisions of this Act.

SEC. 30. Repealing Clause. - Republic Act No. 8498, Republic Act 7638, as amended, and all other laws, decrees, orders, rules, and regulations or other issuances or parts inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

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