

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

**SEVENTEENTH CONGRESS**  
Third Regular Session

**HOUSE BILL NO. 8246**



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**Introduced by Rep. Winston "Winnie" Castelo**

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#### **EXPLANATORY NOTE**

No less than the Constitution guarantees the right of every citizen an access to quality education at all levels. Towards this end, the State shall promote and develop its educational institutions by providing sufficient governmental support. The Polytechnic University of the Philippines (PUP) serves as one of the country's premier state universities by providing every citizen an affordable yet quality higher education.

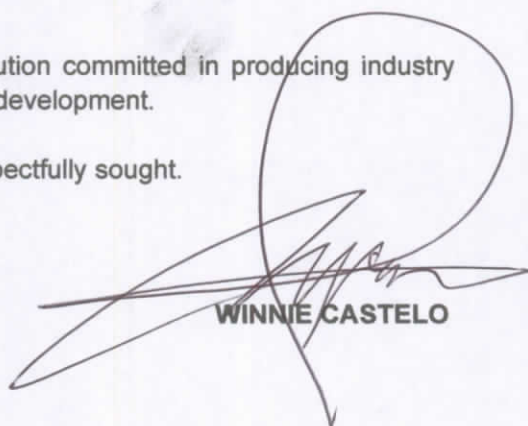
Through the years, the University had produced competent and fully-equipped graduates who now serve as the country's industry leaders especially in the field of science and technology, engineering and architecture, education, information technology, law, business, public administration, and social sciences. Results of surveys conducted by Jobstreet.com show that employers in the Philippines consider graduates of PUP as their top choice for employment.

The country, with its thrust towards an unparalleled development in the new century, needs more quality industry leaders who will serve under the principle of excellence, patriotism, and love for knowledge and truth. In order to contribute more to this thrust, and for nation building and national development, it is now high time to strengthen the Polytechnic University of the Philippines and elevate this into a National Polytechnic University which will cater into educating and developing the country's future industry leaders.

In so doing, PUP shall maintain and propagate the ideals for which its core values are based—social justice, peace, freedom, academic excellence, ethical and moral standards, cultural identity and respect for diversity, civil society engagement, and passion for learning. Furthermore it shall live up to its mandate of providing technical and professional instruction and training applied arts and sciences, and to take steps to enrich the academic freedom in other fields of study and offer other courses that are essential to produce individuals with highly technological and specialized skills. It is likewise bound to promote applied research, advance studies, and progressive leadership in the aforementioned fields.

To this end, the State will empower PUP as an institution committed in producing industry leaders and professionals towards nation-building and national development.

For these reasons, the passage of this bill is most respectfully sought.

  
**WINNIE CASTELO**

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**"AN ACT AMENDING PRESIDENTIAL DECREE NUMBER 1341, OTHERWISE KNOWN AS THE  
CHARTER OF THE POLYTECHNIC UNIVERSITY OF THE PHILIPPINES"**

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

**Section 1.** Section 1 of PD 1341 is hereby amended to read as follows:

**"Section 1. Declaration of Policy.** --- The Polytechnic University of the Philippines is hereby strengthened into the Country's National Polytechnic University. In order to execute its mandate, it is hereby declared that as the country's first national polytechnic university. Along with its elevated status as the country's first national polytechnic university, the University will aid and support other polytechnic state universities and colleges raise the bar by having the former serve as the latter's guide in developing professional and technical programs.

"The University shall enjoy institutional autonomy and fiscal autonomy. It shall be treated in a manner consistent with its institutional requirements by the service-wide agencies in the exercise of their respective jurisdiction. Taking into account national goals and priorities, it shall exclusively determine its teaching research and extension thrusts, plans, policies, programs and standards. On the basis of such determination, the national polytechnic university shall recommend its annual budget to the President of the Republic of the Philippines and Congress."

**Section 2.** Section 2 of PD 1341 is hereby amended to read as follows:

**"Section 2. Primary Purpose.** --- The University shall primarily provide higher occupational, technical and professional instruction and training in the fields of engineering and architecture, applied sciences, accountancy, law, education, business and management, and shall be strengthened as the country's National Polytechnic University. It shall also promote applied research, advance studies, and progressive leadership in the stated fields. As a national polytechnic university, PUP is committed in implementing programs designed to ameliorate the pressing social need by rendering services to individuals and communities and empowering citizenry for sustainable development."

**Section 3.** Section 3 of PD 1341 is hereby amended to read as follows:

**"Section 3. Secondary Purpose.** The University shall offer undergraduate and graduate programs in the field of accountancy, engineering and architecture, applied sciences, law, education, business and management. In addition, the University shall offer other programs in the polytechnic areas in light of its purpose as a national polytechnic university."

**Section 4.** Section 4 of PD 1341 is hereby amended to read as follows:

**"Section 4. The University Administration.** — The administration of the university shall be vested in the President of the university who shall render full-time service. He shall be appointed by the Board of Regents, upon the recommendation of a duly constituted search committee. He shall have a term of six (6) years without an eligibility for reappointment for another term: *Provided*, That this provision shall not adversely affect the terms of the incumbents; *Provided* further that in cases no appointment was made, the incumbent President shall continue to hold the office in a hold-over capacity, such period shall in no case be more than 90 days.

"The president shall be assisted by a vice president for academic affairs who shall be appointed by the Board upon the former's recommendation without prejudice to the appointment of more than one vice president when so warranted.

"In case of vacancy by reason of death, resignation, removal for cause or incapacity of the president to perform the functions of his office, the Board of Regent shall have the authority to designate an officer-in-charge pending the appointment of a new president.

"In case of vacancy in the office of the president as mentioned in the immediately preceding paragraph, his successors shall hold office for the unexpired term."

**Section 5.** Section 5 of PD 1341 is hereby amended to read as follows:

**"Section 5. Powers and Duties of the President.** — Specifically, the President of the University shall have the following powers and duties in addition to those normally appertaining to the Office of the President of the University:

"(a) He shall be the Chief Executive Officer of the University. As such, progressive and dynamic, ethical, and intellectual and administrative leadership in the University is expected of him and vested in him;

"(b) He shall be the head of the University Faculties and of any branch thereof;

"(c) He shall have general supervision over all academic as well as business and financial operations of the University;

"(d) He shall promulgate and enforce general policies affecting any unit of the University and take such actions which in his judgment are necessary for the protection of property and general interest of the University, students and personnel and for the operation of the University as a whole and shall inform the Board on all matters relating to the operation and welfare of the University;

"(e) He shall appoint qualified persons to fill all vacancies and new positions subject to the approval of the Board and make such other arrangements to meet emergencies occurring between meetings of the Board so that the work of the University shall not suffer.

"(f) He shall institute disciplinary action against any member of the University personnel, faculty or non-faculty as well as any student of the University whose actions adversely affect the general interest of the University;

- "(g) He shall decide appeals in controversies between ranking officials of the University, his decisions being final and conclusive;
- "(h) He shall grant or deny sabbatical leaves and leaves of absence without pay and/or extension of such leaves as well as extension of fellowships or any form of scholarship for a period not exceeding one academic year if the budget permits and for reasons he may deem satisfactory;
- "(i) He shall make ad-interim appointments;
- "(j) He shall grant or withhold permission to reveal confidential matters affecting the University or any unit thereof, as well as any action taken by the Board of Regents;
- "(k) He shall grant permission for the use of buildings and premises of the University for academic, professional and scientific conventions, for student and related activities and to fix the fee thereof;
- "(l) He is authorized to join the execution of all contracts, deeds, and instruments for the proper conduct of the business of the University and to assign the same in behalf of the University;
- "(m) He shall prepare an annual report on the work of the past year and needs of the current year including a budget with estimates of income and expenditures; and
- "(n) He shall have such other powers as may be specifically authorized by the Board of Regents. He may delegate in writing any of his specific functions to any office."

**Section 6.** Section 6 of PD 1341 is hereby amended to read as follows:

**"Section 6. The Board of Regents.** — The governing body of the University shall be the Board of Regents of the Polytechnic University of the Philippines (hereinafter referred to as the "Board").

- (1) The Board shall be composed of :
  - (a) The Chairperson of the Commission on Higher Education as Chairperson;
  - (b) The President of the University as Co-Chairperson;
  - (c) The Chairperson of the Senate Committee on Education, Arts, and Culture;
  - (d) The Chairperson of the House Committee on Higher and Technical Education;
  - (e) The Director-General of the National Economic Development Authority;
  - (f) The President of the Alumni Association who will serve for a period of two (2) years, provided that he is not in the employ of the University in any capacity whatsoever;
  - (g) One Faculty Regent representing all teaching personnel, elected by the said personnel in accordance with the rules and qualifications set out by the same constituency, who shall serve for a period of two (2) years;
  - (h) One Student Regent, elected by the students in accordance with the rules and qualifications set out by said constituency, who shall serve for a period of one (1) year;
  - (i) One Staff Regent representing all non-teaching personnel, elected in accordance with the rules and regulations set out by said constituency, who shall serve for a period of two (2) years; and
  - (j) Two other Regents who are prominent citizens representing the private sector who shall serve for a period of two (2) year and who shall be appointed by the Board as recommended by the search committee organized for the purpose.
- (2) Compensation. — The members shall serve without compensation, but they shall be reimbursed for necessary expense incurred in their attendance of meetings of

the Board or in connection with their official business authorities by resolution of the Board.

- (3) 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 the office only for the unexpired portion of the term. In case of Regents representing a particular sector, their membership shall cease upon suspension, separation, or recall. No person, however, who has succeeded and served for more than 3 years of the unexpired portion shall be eligible for appointment as president.

**Section 7.** Section 7 of PD 1341 is hereby amended to read as follows:

**"Section 7. Powers and Duties of the Governing Board.** – The governing board shall have the following specific powers and duties in addition to its general powers of administration and the exercise of all the powers granted to the board of directors of a corporation under Section 36 of Batas Pambansa Blg. 68 otherwise known as the Corporation Code of the Philippines;

- (a) to enact rules and regulations not contrary to law as may be necessary to carry to carry out the purposes and functions of the university;
- (b) to receive and appropriate all sums as may be provided, for the support of the university in the manner it may determine, in its discretion, to carry out the purposes and functions of the university;
- (c) to receive in trust legacies, gifts and donations of real and personal properties of all kinds, to administer and dispose the same when necessary for the benefit of the university, subject to limitations, directions and instructions of the donors, if any. Such donations shall be exempt from all taxes and shall be considered as deductible items from the income tax of the donor;
- (d) to fix the tuition fees and other necessary school charges, such as but not limited matriculation fees, graduation fees and laboratory fees, as their respective boards may deem proper to impose after due consultations with the involved sectors.

Such fees and charges, including government subsidies and other income generated by the university, shall constitute special trust funds and shall be deposited in any authorized government depository bank, and all interests shall accrue therefrom shall part of the same fund for the use of the university.

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

If, for reason of control, the university, shall not be able to pursue any project for which funds have been appropriated and, allocated under its approved program of expenditures, the Board of Regents 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 universities, *Provided further*, That a portion of any amount of fees increased,

however, shall inure to the benefit of the College or Institute for the purpose of faculty, physical facilities and equipment development;

(e) to authorize the construction or repair of its buildings, machineries, equipment and other facilities and the purchase and acquisition of real and personal properties including necessary supplies, materials and equipment. Purchases and other transactions entered into by the university through the Board of Regents shall be exempt from all taxes and duties;

(f) to appoint, upon the recommendation of the president and vice presidents of the University;

(g) to fix and adjust salaries of faculty members and administrative officials and employees subject to the provisions of the revised compensation and classification system and other pertinent budget and compensation laws governing hours of service, and such other duties and conditions as it may deem proper; to grant them, at its discretion, leaves of absence under such regulations as it may promulgate, any provisions of existing law to the contrary notwithstanding; and to remove them for cause in accordance with the requirements of due process of law;

(h) to approve the curricula, institutional programs and rules of discipline drawn by the administrative and academic councils as herein provided;

(i) to set policies on admission and graduation of students;

(j) to award honorary degrees upon persons in recognition of outstanding contribution in the field of education, public service, arts, science and technology or in any field of specialization within the academic competence of the university and to authorize the award of certificates of completion of non-degree and non-traditional courses;

(k) to absorb non-chartered tertiary institutions within their respective provinces in coordination with the CHED and in consultation with the Department of Budget and Management, and to offer therein needed programs or courses, to promote and carry out equal access to educational opportunities mandated by the Constitution ;

(l) to establish research and extension centers of the SUC where such will promote the development of the latter;

(m) to establish chairs in the university and to provide fellowships for qualified faculty members and scholarships to deserving students;

(n) to delegate any of its powers and duties provided for hereinabove to the president and/or other officials of the university as it may deem appropriate so as to expedite the administration of the affairs of the university;

(o) to authorize an external management audit of the institution and to institute reforms, including academic and structural changes, on the basis of the audit results and recommendations;

(p) to collaborate with other governing boards of SUCs within the province or the region, in coordination with the CHED and the Department of Budget and Management, the restructuring of said colleges and universities to become more efficient, relevant, productive, and competitive;

(q) to enter into joint ventures with business and industry for the profitable development and management of the economic assets of the college or institution, the proceeds from which to be used for the development and strengthening of the university;

(r) to develop consortia and other forms of linkages with local government units, institutions and agencies, both public and private, local and foreign, in furtherance of the purposes and objectives of the institution;

(s) to develop academic arrangements for institution capability building with appropriate institutions and agencies, public or private, local or foreign, and

to appoint experts/specialists as consultants, or visiting or exchange professors, scholars, researchers, as the case may be;

(t) to set up the adoption of modern and innovative modes of transmitting knowledge such as the use of information technology, the dual system, open learning, community laboratory, etc., for the promotion of greater access to higher education;

(u) to establish policy guidelines and procedures for participative decision-making and transparency within the institution;

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

(w) to privatize, where most advantageous to the institution, management and non-academic services such as health, food, building or grounds or property maintenance and similar such other objectives.

**Section 8.** Section 8 of PD 1341 is hereby amended insofar as a section title was inserted, and to read as follows:

**"Section 8. Quorum and service of processes.** --- A quorum of the Board of Regents shall consist of a majority of all members. All processes against the Board of Regents shall be served on the President or Secretary thereof."

**Section 9.** Section 9 of PD 1341 is hereby amended insofar as a section title was inserted, and to read as follows:

**"Section 9. Meetings.** --- Regular meetings of the Board of Regents shall be held every third Tuesday of the month. Special meetings of the Board may be called upon by the Chairman or on request of the four (4) members of the Board. In both cases, notice of such meetings shall be issued at least three (3) days prior to the meeting."

**Section 10.** Section 10 of PD 1341 is hereby amended and to read as follows:

**"Section 10. University Officials.** --- The officers of the administration of the University shall be University President, the Executive Vice-President, the Vice-President for Administration, the Vice-President for Academic Affairs, the Vice-President for Student Affairs, the Vice-President for Research and Extension, the Vice-President for Finance, the Vice-President for Branches and Campuses, the Vice-President for Legal Affairs, the Secretary of the University and such other academic and administrative officials whose positions and functions are deemed necessary to assist in the effective and efficient administration of the University as may be determined by the Board of Regents."

**Section 11.** A new Section 11 is hereby inserted and to read as follows:

**"Section 11. 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 chosen by the President selected from a shortlist of three nominees submitted by a special selection committee established for the purpose. If a Dean fails to complete his/her term, the President 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."

**Section 12.** A new Section 12-A is hereby inserted, amending PD 1341 to read as follows:

**"Section 12-A. Land Grants and Other Real Properties of the University. -**

(a) The State shall support the Polytechnic University of the Philippines as the national polytechnic 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 shall be used to further the end of the national polytechnic university, as may be decided by the board;

(b) Such parcels of land ceded by law, decree or presidential issuance to the Polytechnic University of the Philippines are hereby declared to be reserved for the purposes intended. The absolute ownership of the national polytechnic university over these landholdings, including those covered by original and transfer certificates of title in the name of the Polytechnic University of the Philippines and their 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 Polytechnic University of the Philippines: Provided, further, that such mechanisms and arrangements shall not conflict with the academic mission of the national polytechnic university;

(d) The Board may allow the use of the income coming from real properties of the national polytechnic 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 national polytechnic 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 national polytechnic university; and

(f) Any plan to generate revenues and other sources from land grants and other real properties entrusted to the national polytechnic university shall be consistent with the academic mission and orientation of the national polytechnic 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 national polytechnic 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 national polytechnic university."

**Section 13.** A new Section 12-B is hereby inserted, amending PD 1341 to read as follows:

**"Section 12-B. Safeguards on Assets Disposition.** - The preservation of the value of the assets of the national polytechnic university shall be of primordial consideration.

The sale of any existing real property of the national polytechnic 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 national

polytechnic 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 urban planning professionals having at least five (5) years 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

(d) If the contract or transaction involves an amount more than Fifty Million Pesos (P50,000,000.00), 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."

**Section 14.** A new Section 12-D is hereby inserted amending PD 1341 to read as follows:

**"Section 12-C. Tax Exemptions.** - The provisions of any general or special law to the contrary notwithstanding:

(a) All revenues and assets of the Polytechnic University of the Philippines 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, legal 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 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."

**Section 15.** Sections 11, 12 and 13 of PD 1341 are hereby repealed.

**Section 16.** A new Section 13 is hereby inserted amending PD 1341 to read as follows:

**"Section 13. Rules of Construction.** - No statutory or other issuances shall diminish the powers, rights, privileges and benefits accorded to the national polytechnic 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 Polytechnic University of the Philippines.”

**Section 17.** Section 14 of PD 1341 is hereby amended to read as follows:

**“Section 14. Appropriations.** - In addition to the amount already appropriated for the Polytechnic University of the Philippines for the current fiscal year, there is hereby appropriated an initial sum of THREE BILLION pesos (P3,000,000,000.00) from any amount available in the Treasury of the Philippines for the purpose of carrying out the implementation of this Act. Further, an additional sum of FIFTY MILLION pesos (P50,000,000.00) shall be appropriated separate and above the said initial funding for each fiscal year for the first three years of the implementation of this Act.”

**Section 18. Separability Clause.** - Should any provision herein be declared unconstitutional, the same shall not affect the validity of the other provisions of this Act.

**Section 19. Amendatory and Repealing Clause.** – Republic Act No. 8292, as amended, and all laws, decrees, orders, rules, and regulations or other issuances or parts inconsistent with the provisions of this Act are hereby amended and repealed or modified accordingly.

**Section 20. 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.

Approved.