

Republic of the Philippines
HOUSE OF REPRESENTATIVES
QUEZON CITY

19TH Congress
1ST Regular Session

HOUSE BILL NO. **2051**



Introduced by: **HON. LORNA C. SILVERIO**

EXPLANATORY NOTE

The 1987 Constitution provides in Article XIV, Section 1 that: The State shall protect and promote the right of all citizens to quality education at all levels and shall take appropriate steps to make such education accessible to all.

In pursuit of enhanced quality of schooling, improved efficiency, democratization and increased accountability, this bill otherwise known as the BULACAN STATE UNIVERSITY SYSTEM ACT of 2022 seeks to integrate the Bulacan State University main campus in Malolos City and its extension campuses in Bustos, San Jose del Monte, Bulakan, Hagonoy and San Rafael. The BSU, which started as a secondary school in 1904 ran by the Americans, has now progressed into one of the biggest educational institutions in Region III for its achievements. It has one of the largest enrolments currently at around 45,000 students (2021) among state colleges and universities outside of Metro Manila.

The university is mandated to provide higher professional, technical training and promote research, advanced studies, and progressive leadership. It has been identified by the Commission on Higher Education (CHED) as one of the Center for Excellence and Development institutions in the country and one of the Training Centers nationwide for teachers pursuing education in areas beyond their specialization.

This proposed measure shall empower these campuses to exercise education decentralization or campus autonomy by giving them budgets and the authority to make important educational and related financial decisions. Such move will further enhance the trust and confidence of its clientele as it continues its unwavering commitment to pursue excellence in providing quality university education to its students through this integration system.

It is for this reason that the immediate approval of this proposed measure is earnestly sought.

LORNA C. SILVERIO
Representative, 3rd District of Bulacan

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**AN ACT ESTABLISHING THE BULACAN STATE UNIVERSITY SYSTEM,
INTEGRATING ALL ITS CAMPUSES, AND APPROPRIATING FUNDS THEREFOR**

Section 1. Short Title – This act shall be known as “Bulacan State University System Act of 2022”.

Section 2. Declaration of Policy - The State shall likewise establish, maintain, and support a complete, adequate, and integrated system of education relevant to the needs of the people and society. As such, the State embraces the role of modernization programs, laboratory facilities, Faculty and Non-Academic Personnel, review centers, Graduate School and specialized diploma short course programs in law, and international programs in developing Bulacan State University System as a modern, responsive, efficient, and compact with the capability to engage in conventional and/or unconventional techniques, methodology and strategies in teaching, thereby producing high quality education. Towards this end, it is the policy of the State to establish the Bulacan State University System as the regional university in the Province of Bulacan and geographically adjacent regions.

Section 3. Purpose of the Bulacan State University System. The Bulacan State University System is intended to establish and integrate a system-wide function where all its campuses are represented. True to the University pioneering nature, together with the insatiable growing demand of the society, the University embraces the need for modernizing the system. As Bulacan State University continues to grow and climb its enrollment, the university system seeks to provide shared services, set a semi-decentralized system wide academic and administrative services, promote uniformity in the financial and strategic management of the clustering of campuses, services, programs, faculty, non-academic personnel, and promote a coordinated approach in the expansion of university campuses for the continued efficient and effective delivery of quality, relevant and accessible higher education.

To drive innovation and support quality education in the 21st century, the Bulacan State University system seeks to build a multi-clustered campus university system to advance strategic plans that will allow each of its campuses to fulfill their distinct university goals and serve the growing need of each municipality of the province of Bulacan while maintaining the Bulacan State University System brand in leading educational pathways anchored with career-focused programs, competence, and outcome-driven innovations to all its stakeholders.

Section. 4. The University System. There is hereby established a State university in the Province of Bulacan to be known as the Bulacan State University System, hereinafter referred to as the System, by integrating the Bulacan State University and all its campuses in Bustos, San Jose del Monte, Bulakan, Hagonoy, and San Rafael.

In pursuit of enhanced quality of schooling, improved efficiency, democratization, and increased accountability, these campuses shall exercise education decentralization or campus semi-autonomy by giving them budgets and the authority to make important educational and related financial decisions.

Section 5. Curricular Offerings. The University shall primarily provide graduate programs, higher professional, technical, and special instructions for special purposes and promote research and extension services, advanced studies and progressive leadership in environment and natural sciences, accountancy, business and public administration agriculture, commerce, education, fishery, forestry, engineering and technology, arts and sciences, law, medicine and allied medicine, architecture, archeology, hotel and tourism, aeronautics, artificial intelligence and robotics, public administration, technical and other fields as may be relevant, and as the Board of Regents may deem necessary to carry out its objectives. It shall also offer opportunity in short-term technical or vocational courses within its areas of specialization to meet the agro-industrial needs of the nation, in general and the Province of Bulacan in particular. The University may open new branches/annexes in consortium with other academic institutions, local or international, as may be deemed necessary, to promote innovations and progress in the field of academe and advancement of research subject to applicable memoranda with other institutions.

Section 6. Modernization Programs. – Bulacan State University System entails the development and employment of all available capabilities that can address its areas which were assessed of the needed modernization improvements: Provided, that the acquisition of equipment and material of such types and quantities shall be in accordance with the required development of capabilities of Bulacan State University System pursuant to its modernization objectives.

Section 7. Improvement of Laboratory Facilities – A well-equipped and modernized laboratory facilities shall be established at Bulacan State University System who can acquire and upgrade an appropriate technology and equipment for improved laboratory facilities with reference to the specific needs of each and every college of Bulacan State University System. Provided, that the acquisition of new equipment and materials for better laboratory facilities, shall be synchronized with the phase-out of uneconomical and obsolete equipment and materials systems on the basis of the inventory. Provided further, that the System shall keep a record of such improvement and submit to the Commission on Audit the report of such. In cases where improvement comes from the private fund, it shall be formally entered into the System's records.

Section 8. Administration. The University shall have the general powers of a corporation set forth in Republic Act No. 11232 otherwise known as "An Act Providing for the Revised Corporation Code of the Philippines". The administration of the University and the exercise of its corporate powers shall be vested exclusively in the Board of Regents and the President of the University who must render full-time service. The powers and duties of the President of the University, in addition to those specifically provided under this Act, shall be those usually pertaining to the Office of the President of similar universities and those delegated by the Board of Regents.

Section 9. Governing Board. The governing body of the University shall be the Board of Regents, hereinafter referred to as the Board, which shall be composed of the following:

- (a) The chairman of the Commission on Higher Education (CHED), chairman;
- (b) The president of the University, vice-chairman;
- (c) The chairman of the Committee on Higher and Technical of the Senate, or a member of said committee having the power to vote as his representative, member;
- (d) The regional director of the National Economic and Development Authority (NEDA), member;
- (e) The regional director of the Department of Science and Technology, member;
- (f) The president of the federation of faculty associations of the University, member;
- (g) The president of the federation of student councils or the student representative elected by the federation of student councils of the University, member;
- (h) The president of the federation of alumni associations of the University, member;
- (i) Two (2) prominent citizens who have distinguished themselves in their professions or in their specializations, members, and
- (j) Chairman of the House Committee of Higher and Technical Education, or any of his authorized representative, member

The two (2) prominent citizens shall be chosen from among a list of at least five (5) qualified persons in the Province of Bulacan, as recommended by a search committee constituted by the University president in consultation with the chairman of CHED based on the normal standards and qualifications for the position.

Section 10. Term of Office. The Chairman/President/ Head of faculty and alumni associations and the Student Regent shall serve in the Board only for the duration of their terms of office as set forth in their respective constitutions and by laws: Provided, That in the event that the student representative loses status, either by graduation from the University, dismissal, transfer to another school, or other causes, a student representative shall be thus elected through an election conducted for the purpose. Provided further, that in the event that the federation of faculty associations representative and the federation of alumni associations representative loses status, either by dismissal, resignation, incapacity, or other causes, a said representative shall be thus elected through an election conducted for the purpose. For the purpose of the provisions of this section, the associations of faculty, alumni and student councils in each branch of the University shall organize themselves to form their respective federations, which in turn shall elect their federation officials. The two (2) prominent citizens shall serve for a term of two (2) years.

Section 11. Powers of the Board. The Board shall promulgate and implement policies in accordance with the declared policies on education and other pertinent provisions of the Philippine Constitution on education, science and technology, arts, culture and sports as well as the policies, standards and thrusts of the CHED under Republic Act No. 7722.

The 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 existing laws:

- (a) To enact rules and regulations not contrary to law as may be necessary to carry out the purposes and functions of the University;

(b) Subject to existing laws, to fix the tuition fees and other necessary school charges such as, but not limited to, matriculation fees, graduation fees, and laboratory fees, as the Board may deem proper to impose after due consultations with the involved sectors. Such fees and charges, including government subsidies and other incomes generated by the University, shall 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 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 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 reasons beyond its 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 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 University.

(c) 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 shall be exempt from all taxes and duties;

(d) To confirm appointments of chancellors, vice-chancellors, vice-presidents, deans, directors, heads of departments, faculty members, and other officials and employees of the University made by the President of the University;

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

(f) To confer degrees upon successful candidates for graduation, 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, and to authorize the award of certificates for completion of non-degree and non-traditional courses;

(g) To fix and adjust the 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; 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 absorb non-chartered tertiary institutions within the Province of Bulacan 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;

(i) To establish chairs in the University and to provide fellowships for qualified faculty members and scholarships to deserving students.

(j) 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;

(k) To authorize an external management audit of the institution, to be financed by the CHED and to institute reforms, including academic and structural changes, on the basis of the audit results and recommendations;

(l) To develop consortia and other forms of linkages including but not limited to certification courses, short term courses and the like with local government units, institutions and agencies, both public and private, local and foreign, in furtherance of the purposes and objectives of the University;

(m) To develop academic arrangements for institution capability building with appropriate institutions and agencies, public and private, local and foreign, and to appoint experts/specialists as consultants, or visiting or exchange professors, scholars, researchers, as the case may be;

(n) 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;

(o) 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 activities, and

(p) To extend the term of the president of the University beyond the age of retirement but not later than the age of seventy (70), whose performance has been unanimously rated as outstanding and upon unanimous recommendation by the search committee.

(q) To delegate any of its powers and duties provided herein 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.

(r) To develop mechanisms for the efficient adoption of public-private partnerships (PPP) in the areas of research, instruction, extension and in the acquisition of facilities and structures of the University, such as:

(1) Joint curriculum ventures: sandwich programs for students in specialized science and technology courses, faculty development curriculum in collaboration with partner industries, staff development of the industries to be run by the University and other such similar projects; and

(2) Joint research ventures: outsourcing of the research components of the industries to the academe's graduate programs; product/service research and similar research endeavors;

(aa) To appoint experts/specialists as consultants, part-time or visiting or exchange professors, scholars or researchers, as the case may be, particularly focused in strengthening the general mandate of the University;

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

(cc) To privatize, where most advantageous to the University, the management of nonacademic services such as health, food, building or grounds or property maintenance, and such other similar activities.

(dd) To grant productivity bonus to non-regular employees with exemplary performance in the form of productivity incentives to be sourced for University income. This incentive shall be subject to the attainment by the department or unit, where the non-regular employee belongs, performance target subject to the existing guidelines and policy of the University.

(ee) To establish and implement economic programs in order to improve the quality of life and general welfare of its employees, regardless of status, resulting to additional source of income and supplementary benefits upon separation from service, including but not limited to, establishment of provident fund and the like.

(ff) To grant academic and research scholarship to deserving employees regardless of status of employment in the University to be sourced from University income subject to the existing rules and policies of the University.

(gg) To grant sabbatical leave, rest/wellness and recreation leave to deserving and qualified employees regardless of status of employment in the University for purposes of intensive study or research which has as its outcome increasing the quality and competency of the employee's future contribution to the University, subject to the existing rules and policies of the University.

(hh) To promote and implement advancement programs in terms of career, health, recreation and the like, funds of which will be sourced from University income.

Section 12. Duties of the Board.

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;

(a) To import duty-free essential materials and equipment for educational or technological programs for the exclusive use of the University as an exception to existing laws, provided such materials and equipment are not available locally;

(b) To receive in trust legacies, gifts and donations of real and personal properties of all kinds and to administer and dispose the same when necessary for the benefit of the University and subject to the limitations, directions and instructions of the donors, 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 of the donor, in accordance with the provisions of the National Internal Revenue Code, as amended;

(c) To adopt and implement a socialized scheme of tuition and school fees for greater access to qualified poor or underprivileged but deserving students who will pursue law, medicine, and other post graduate degrees;

(d) To establish branches to be part of the system within the Province of Bulacan, if and when it becomes essential and necessary where there is no existing school offering similar programs or courses to promote and carry out equal access to education opportunities as mandated by the Constitution;

(e) To establish research and extension centers where such will promote the development of the University; and

(f) To collaborate with other governing boards of State colleges and universities within the province or region, under the supervision of the CHED and in consultation with the Department of Budget and Management (DBM), the restructuring of the University to become more efficient, relevant, productive and competitive.

Section. 13. Selection and Appointment of the President of the University System. –

The succeeding President shall be selected and appointed by the Board, upon the recommendation of the search committee duly constituted by it, pursuant to Section 13 of this Act. That in order to effect a smooth transition to a System, the incumbent President of the Bulacan State University, upon effectivity of this Act, shall serve as the first President of the System.

Section. 14. The Search Committee for the Presidency. – Within six (6) months before the expiration of the term of office of the incumbent President of the University, the Board shall constitute a Search Committee for the Presidency (SCP). The composition of the SCP shall be determined by the Board, taking into consideration representatives from the academic community, a private sector representative not in any way connected or associated with the University, the Philippine Association of State Universities and Colleges (PASUC) representative, and a CHED representative.

Section. 15. Powers of the Search Committee for the Presidency (SCP). – The SCP so constituted shall recruit and screen applicants to the position of President and may devise its own procedures for the search. To this end, the SCP shall cause the publication of an open invitation to qualified persons in a newspaper of general circulation or other forms of communications. The SCP shall submit the names of all qualified nominees to the Board. The SCP shall furnish the Board of the procedure it established in conducting the search. The Board shall determine the minimum qualification standards of the applicant for Presidency.

Section. 16. Appointment Papers. – After the Board shall have selected and appointed the new President, the appointment papers shall be signed by the Chairperson in charge of the system.

Section. 17. Term of Office. – The President of the University System shall have an initial term of four (4) years, xxx. Provided, that in case of reappointment, the first serving President shall be eligible for such reappointment. Provided further, that upon reaching the mandatory age of retirement of seventy (70) years old, the re-appointed President shall relinquish the post for smooth transition of the next President.

Section. 18. Vacancy in the Office of the President. – In case of vacancy by reason of death, transfer, resignation, removal for cause or incapacity of the incumbent President to perform the functions of the office, the CHED Chairperson or the CHED Commissioner, as Chairperson of the Board, shall, within fifteen (15) days from the occurrence of such vacancy, designate an Officer-in-Charge (OIC) for the Office of the President (OP), subject to the majority decision of the Board.

Section. 19. Salary of the President. – The salary of the President of the University including allowances and benefits shall be determined by the Board and shall be comparable to that being received by the Presidents of similar educational institutions.

Section 20. Powers of the President. The powers and duties of the president of the 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 president of the University shall be in accordance with the Revised Compensation and Position Classification System and shall be comparable to that being received by similar educational institutions of like enrolment and standing.

The powers and responsibilities of the President as chief executive of the University are as follows:

(a) To provide leadership for the University, to preserve and protect its academic integrity and ensure the observance and implementation of the policies laid down by the Board of Regents;

(b) To exercise within the framework of university policies primary authority and responsibility over the following areas: development planning and resource allocations; grants; endowments and fund raising; external relations and public affairs; and university policies relating to regional developmental programs, curricula and matters affecting the rights, privileges, responsibilities and welfare of the university constituency;

(c) To formulate integrated and comprehensive plans for the university including academic, research, extension, physical development and fiscal plans;

(d) To coordinate the activities and programs of the University with the other component units and institutions, appraise their performance in relation to goals and recommend appropriate action to the Board of Regents;

(e) To appoint officers, faculty members and other employees in the University subject to Section 8 of this Act and to cause designation of qualified personnel as chancellors, vice-chancellors, deans, directors, heads of departments/offices, or officers-in-charge of the units therein in all existing campuses and future campuses;

(f) To appoint, transfer or promote personnel of the University as herein below provided; fix their work schedules; grant leaves of absence; approve their special detail, additional assignments, additional compensational resignation and retirement in accordance with the policies approved by the Board of Regents;

(g) To set up a machinery for the review of all disciplinary actions appealable to the office of the president and for the consideration of petitions for redress of grievances;

(h) To submit to the Board of Regents the courses of study and academic programs, rules of discipline and awards of degrees and diplomas as recommended by the university council;

(i) To award fellowships, assistance and scholarships to students, faculty members and other personnel in accordance with the policies prescribed by the Board of Regents;

(j) To plan, prepare and implement a university program for the training and education of adult citizens and out-of-school youths;

(k) To negotiate and obtain grants for specific projects, gifts and donations of real or personal property of all kinds subject to the confirmation of the Board of Regents, and to administer the same for the benefit of the University, its units, departments, or students in accordance with the directions and instructions of the donor, and in default thereof, in such manner as the board of regents may, in its discretion, determine;

(l) To maintain links with other academic and research institutions to ensure fruitful academic and technical interchange and maximize the use of human and physical resources;

(m) To prepare for approval of the Board of Regents the annual budget of the University;

(n) To submit to the Board of Regents annual reports on the operation of the University, and such other reports as the latter may require under this Act; and

(o) To exercise such other powers and discharge such other responsibilities as may be delegated to him by the Board of Regents: Provided, that he shall institute a system for the efficient discharge of his administrative responsibilities.

(p) To institute actions in order to protect the interest of the University.

(q) To identify, determine, designate and establish existing or future campus as flagship campus for specialized courses offered by the University.

(r) To formulate, plan, develop, and/or improve policies to promote and implement fairness to the use and conservation of the environment and its natural resources for the benefit of existing and future generation of the people of Bulacan to finally give life to widely accepted international principle of intergenerational equity upon prior confirmation of the Board of Regents.

Section 21. Manner of Conducting Official Meetings. The Board of Regents shall regularly convene at least once every quarter. The chairman of the Board of Regents may call a special meeting whenever necessary: Provided, that members are notified in writing at least three (3) days prior to said meeting. A majority of all members holding office shall consist a quorum for board meetings: Provided, that, the chairman of the Board, or the president of the University is among those present in the meeting. In the absence of the chairman of the CHED, a commissioner of the CHED, duly designated by him, shall represent him in the meeting: Provided, however, That during this meeting, the president of the University as vice-chairman shall be the presiding officer: Provided, further, That this proviso notwithstanding, the chairman of the CHED is hereby authorized to designate a CHED commissioner as the regular

chair of the Board of Trustees, in which case said CHED commissioner shall act as the presiding officer.

The members of the Board shall not receive compensation but shall be reimbursed for necessary expenses incurred in their attendance of meetings or in connection with their official business authorized by resolution of the Board, subject to pertinent existing laws and regulations.

Meeting of the Board may be conducted through remote communication or other alternative modes of communication, other than in person, through which, members may participate in and vote virtually. Participation in such a meeting constitutes presence in person and be sufficient to constitute a quorum.

Section 22. Faculty and Non-Academic Training, Development and Improved Benefits - The development of a self-reliant and credible strategic faculty and non-academic personnel along the concept of reconfiguration of the faculty and non-academic personnel benefit structure of Bulacan State University System shall be ensured through the undertaking of reforms in their recruitment, training, employment and management.

Section 23. Establishment of Review Centers – For courses offered which require a state board or bar examinations, Bulacan State University may establish a review center to bring the necessary board/bar examination preparations and marked with excellence and convenience.

Section 24. Establishment of Graduate School and Diploma Specialized Short-Course in Law – To cater the educational needs of lawyers who shall take further post-graduate studies in law such as Master in Law and Doctor of Civil Law, including students who shall pursue specialized short-course in law, Bulacan State University System, upon the prior approval of the Legal Education Board (LEB) may establish a Graduate School in Law and a diploma specialized short-course in law which shall be attached in its College of Law.

Section 25. Integration of Existing PPAs - The implementation of existing computerization and internet connectivity programs of the Free Wi-Fi Internet Access in Public Places project of the Department of Information and Communications Technology (DICT) and other relevant programs, projects, and activities (PPAs) shall be integrated in charged against the individual appropriations of the member agencies under the annual the Public School and SUC Modernization Plan.

Section 26. Administrative Council and its Powers. There shall be an administrative council consisting of the President of the University as chairman, chancellors, vice-chancellors, vice-president(s), deans, directors, and other officials of equal rank, whose duty is to implement the policies governing the administration, management, and development planning of the University as approved by the Board.

Section 27. Academic Council and its Powers. There shall be an academic council with the President of the University as chairman and all members of the instructional staff with the rank of not lower than assistant professor as members. The academic council shall have the power to prescribe curricular offerings subject to the approval of the Board. It shall fix the requirements for admission to the University as well as for graduation and the conferring of degrees' subject to review and/or approval by the Board through the President of the University. It shall also have disciplinary powers over the students through the President within the limits prescribed by the rules of discipline as approved by the Board.

Section 28. Executive Council and its Powers. There shall be an executive council with the President of the University as chairman and executive vice president, vice presidents, and chancellors as members. The academic council shall have the power to prescribe and/or recommends policy changes to the President. The Executive Council is responsible for the development and delivery of master plans and the strategic plan. The President shall be the convening officer for the Executive Council and the President (or designee) will preside over the Executive Council which shall meet not less than once a month.

Section 29. Board Secretary. There shall be a secretary of the University who shall be appointed by the Board upon recommendation of the President of the University. He shall also be the secretary of the Board and shall keep such records of the University as may be determined by the Board.

Section 30. The Treasurer of the Philippines shall be the ex officio treasurer of the University.

Section 31. Miscellaneous Provisions. No religious opinion or affiliation shall be a matter of inquiry in the appointment of faculty members of the University; provided, however, that no member of the faculty shall teach for or against any particular church or religious sect.

No student qualified to be admitted in the chosen course shall be denied admission to the University by reason of sex, ethnic consideration, nationality, religion, or political affiliation.

The University shall enjoy academic freedom.

All accounts and expenses of the University shall be audited by the Commission on Audit or its duly authorized representative.

The heads of bureaus and offices of the national government are hereby authorized to loan or transfer, upon request of the President of the University, such apparatus, equipment or supplies as may be needed by the University and to detail employees for duty therein when in the judgment of the head of the bureau or office, such apparatus, equipment, supplies, or services of such employees can be spared without serious detriment to the public service.

It shall be a continuing policy of the University to accept the affiliation and/or integration within its operation of any existing national schools whose program can contribute largely and effectively to the attainment of its objectives; provided, however, that, in case of integration, the Commission on Higher Education is hereby authorized to determine and approve the specific existing national schools that are to be integrated as part of the Bulacan State University System. In this particular case, it is understood that all funds, properties and other assets, as well as obligations of the integrated schools shall be transferred to the University.

Section 32. Tax Exemptions. The provisions of any general or special law to the contrary notwithstanding:

(a) All grants, bequests, endowments, donations and contributions made to the University to be used actually, directly and exclusively by the University shall be exempt from donor's tax and the same shall be allowed as allowable deduction from the gross income of the donor for purposes of computing the taxable income of the donor in accordance with the provisions of the

NIRC of 1997, as amended. Valuation of assistance other than money shall be based on the acquisition cost of the property. Such valuation shall take into consideration the depreciation value of the property in case the property has been used;

(b) 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 in accordance with the provisions of the Tariff and Customs Code of the Philippines, as amended;

(c) The educational services rendered by the University shall be exempt from value-added tax in accordance with the NIRC of 1997, as amended;

(d) All revenues and assets of the University used for educational purpose or in support thereof shall be exempt from all taxes and duties; and

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

Section 33. Assets and Liabilities. All the assets, fixed and movable, records and personnel of the Bulacan State University and its campuses in Bustos, San Jose del Monte, Bulakan, Hagonoy, and San Rafael, as well as liabilities or obligations, are hereby transferred to the University: provided, however, that the positions, rights, and security of tenure of personnel therein employed under existing laws prior to absorption by the University are not impaired: provided, further, that the incumbent of the positions shall remain in the same status until otherwise provided for by the Board. All parcels of land belonging to the government occupied by the Bulacan State University are hereby declared to be the property of the Bulacan State University System and shall be titled under that name: provided, finally, that should the University cease to exist or be abolished or should such parcels of land aforementioned be no longer needed by the University, the same shall revert to the Province of Bulacan.

Section 34. Appropriation. The amount necessary for the implementation of this Act shall be charged against the balance of the current year's appropriations of the Bulacan State University System after deducting the amount needed to continue the operations of the existing high school. Thereafter, such sums as may be necessary for its operation and maintenance shall be included in the annual General Appropriations Act.

Section 35. Annual Report. On or before the fifteenth (15th) day of the second (2nd) month after the opening of regular classes each year, the President of the University shall file with the Office of the President of the Philippines, through the Office of the CHED Chairperson or the CHED Commissioner serving as Chairperson of the Board, and with the Senate and House of Representatives of the Congress of the Philippines, through the Senate Committee on Education, Arts and Culture and the House Committee on Higher and Technical Education, a detailed report on the progress, condition and needs of the University.

Section 36. Separability Clause - If any provision of this Act is held invalid or unconstitutional, the same shall not affect the validity and effectivity of the other provisions hereof.

Section 37. Repealing Clause - All laws, decrees, executive orders and rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Section 38. Effectivity Clause - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,

Germe L. Alvarado