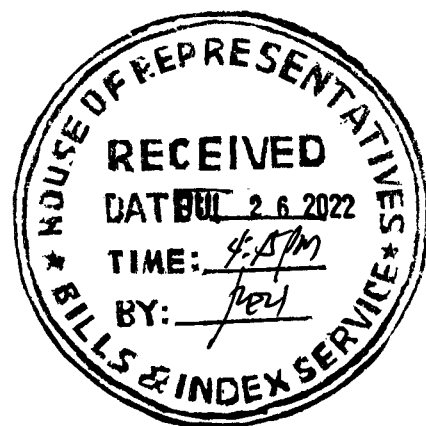




Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Nineteenth Congress
First Regular Session

HOUSE BILL NO. 2370



Introduced by Representative Rudy S. Caoagdan

EXPLANATORY NOTE

This bill seeks to separate the University of Southern Mindanao-Kidapawan City Campus (USM-KCC) from the University of Southern Mindanao-Main Campus (USM-Main Campus) located in the Municipality of Kabacan, Province of Cotabato, and convert it into state college to be known as the South Central Mindanao State College.

The existing USM-KCC is part of the USM-Main Campus. But while USM-KCC is located in the City of Kidapawan, Province of Cotabato which is within the Second Legislative District of North Cotabato, the USM-Main Campus is located in the Municipality of Kabacan under the Third Legislative District of North Cotabato.

In order to equitably allocate funds for the improvement of the public educational institutions within the Second Legislative District of North Cotabato, and to give USM-KCC more flexibility in terms of decision-making and expansion of academic standards, as well as fiscal autonomy, it is necessary to separate USM-KCC which is within the Second Legislative District of North Cotabato from the USM-Main Campus which is in another legislative district, and convert it to a state college.

Additionally, the 2020 Cities and Municipalities Competitive Index (CMCI) annually released by the National Competitiveness Council statistically shows that Kidapawan City makes up for 13.8 per cent of the population and revenues of the province of Cotabato, much more than that of the Municipality

of Kabacan which accounts for 6.0 per cent of the province's population and revenues.

The CMCI's ranking of Kidapawan City as one of the most competitive component cities in Mindanao reflects the city's economic strength and dynamism, government efficiency, infrastructure development and resiliency. All these, in addition to the comparatively bigger population, revenues, and internal revenue allotment of this component city, provide more credence for Kidapawan City to be home to a new and independent state college.

Thus, in furtherance of the State's mandate to establish, maintain, and support a complete, adequate, and integrated system of education, it is timely and beneficial for the students of the University of Southern Mindanao to separate its Kidapawan City campus from the main campus in the Municipality of Kabacan, and convert it into state college to be known as the Kidapawan City State College.

In view of the foregoing, approval of this bill is earnestly sought.



RUDY S. CAOAGDAN
Representative
2nd District, North Cotabato



Republic of the Philippines
House of Representatives
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Nineteenth Congress
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HOUSE BILL NO. 2370

Introduced by Representative Rudy S. Caoagdan

AN ACT

SEPARATING THE UNIVERSITY OF SOUTHERN MINDANAO-KIDAPAWAN CITY CAMPUS (USM-KCC) LOCATED IN THE CITY OF KIDAPAWAN, PROVINCE OF COTABATO FROM THE UNIVERSITY OF SOUTHERN MINDANAO-MAIN CAMPUS LOCATED IN THE MUNICIPALITY OF KABACAN, PROVINCE OF COTABATO, AND CONVERTING IT INTO A STATE COLLEGE TO BE KNOWN AS THE SOUTH CENTRAL MINDANAO STATE COLLEGE, AND APPROPRIATING FUNDS THEREFOR

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

SECTION 1. *Separation and Conversion.* – The existing University of Southern Mindanao-Kidapawan City Campus (USM-KCC) located in Kidapawan City, Province of Cotabato is separated from the University of Southern Mindanao-Main Campus (USM-Main Campus) located in the Municipality of Kabacan,

1 Province of Cotabato, and converted into a state college to be known as the
2 Kidapawan City State College.

3 After the effectivity of this Act, the Kidapawan City State College,
4 hereinafter referred to as the College, shall exist independently, separate and
5 distinct from USM-Main Campus, to be governed by their respective charters.

6 SEC. 2. **General Mandate.** – The College shall primarily provide advance
7 instruction and professional training in education, agriculture, engineering and
8 technology, agribusiness, information technology and other related fields of study.
9 It shall also undertake research, extension services, and production activities in
10 support of the socio-economic development of the Province of Cotabato and
11 provide progressive leadership in its areas of specialization.

12 SEC. 3. **Curricular Offerings.** – The College shall offer undergraduate and
13 graduate courses in the fields of education, agriculture, engineering and
14 technology, agribusiness, information technology and other degree courses within
15 its areas of specialization and according to its capabilities, as the Board of Trustees
16 may deem necessary to carry out its objectives, and in order to meet the needs of
17 the Province of Cotabato.

18 SEC. 4. **Administration.** – The College shall have the general powers of a
19 corporation set forth in Republic Act No. 11232, otherwise known as the “*Revised*
20 *Corporation Code of the Philippines.*” The administration of the College and the

1 exercise of its corporate powers shall be vested exclusively in the Board of
2 Trustees and the president of the College.

3 SEC. 5. **Governing Board.** – The governing board of the College is the
4 Board of Trustees, hereinafter referred to as the Board, which is composed of the
5 following:

6 (a) Chairperson of the Commission on Higher Education (CHED), as
7 chairperson;

8 (b) President of the College, as vice chairperson;

9 (c) Chairperson of the Committee on Education, Arts and Culture of the
10 Senate;

11 (d) Chairperson of the Committee on Higher and Technical Education of
12 the House of Representatives;

13 (e) Chairperson of the Committee on Basic, Higher and Technical
14 Education under the Bangsamoro Transition Authority Parliament, or thereafter, a
15 regular Member of Parliament of the Bangsamoro Autonomous Region in Muslim
16 Mindanao;

17 (f) Regional director of the National Economic and Development
18 Authority;

19 (g) Regional director of the Department of Science and Technology;

20 (h) Regional director of the Department of Agriculture;

1 (i) President of the federation of faculty associations of the College;

2 (j) President of the federation of student councils of the College;

3 (k) President of the federation of alumni associations of the College; and

4 (l) Two (2) prominent citizens from the private sector who have
5 distinguished themselves in their profession or fields of specialization; as
6 members.

7 The Board shall appoint the prominent citizens from among a list of at least
8 five (5) qualified persons in the Province of Cotabato, as recommended by a
9 search committee constituted by the College president, in consultation with the
10 chairperson of the CHED and the other members of the Board, based on the
11 normal standards and qualifications for the position set by the Board.

12 The president of the faculty association, the president of the student council
13 and the president of the alumni association of the College shall serve in the Board
14 only for the duration of their terms of office, as set forth in their respective
15 constitutions and by-laws.

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

18 SEC. 6. ***Promulgation and Implementation of Policies.*** – The Board shall
19 promulgate and implement policies in accordance with the declared State policies
20 on education and other pertinent provisions of the Philippine Constitution on

1 education, agriculture, science and technology, as well as the policies, standards
2 and thrusts of the CHED under Republic Act No. 7722, otherwise known as the
3 “*Higher Education Act of 1994*.”

4 SEC. 7. ***Powers and Duties.*** – In addition to its general powers of
5 administration and the exercise of all the powers granted to the board of directors
6 of a corporation under existing laws, the Board shall have the following specific
7 powers and duties:

8 (a) Promulgate rules and regulations not contrary to law as may be
9 necessary to carry out the purposes and functions of the College;

10 (b) Receive and appropriate all sums as may be provided for the support
11 of the College in the manner it may determine in its discretion, in order to carry out
12 the purpose and functions of the College;

13 (c) Import duty-free economic, technical and cultural books or
14 publications, machineries and equipment, upon certification by the CHED that
15 such imported books or publications, machineries and equipment are for economic,
16 technical, vocational, scientific, philosophical, historical or cultural purposes, in
17 accordance with the provisions of the Tariff and Customs Code of the Philippines,
18 as amended;

19 (d) Receive in trust legacies, gifts and donations of real and personal
20 properties of all kinds, and administer and dispose of the same when necessary for

1 the benefit of the College, subject to the limitations, directions and instructions of
2 the donor, if any.

3 Such donations shall be exempt from the donor's tax and the same shall be
4 considered as allowable deductions from the gross income in the computation of
5 the income tax of the donor, in accordance with the provisions of the Tax Reform
6 Act of 1997, as amended: *Provided*, That such donations shall not be disposed of,
7 transferred or sold;

8 (e) Fix the tuition fees and other necessary school charges such as
9 matriculation fees, graduation fees and laboratory fees, as the Board may deem
10 proper to impose, after due consultations with the involved sectors: *Provided*, That
11 such fees and charges, including government subsidies and other income generated
12 by the College, shall be considered as special trust funds and shall be deposited in
13 any authorized government depository bank, and all interest income that shall
14 accrue therefrom shall form part of the same funds for the use of the College:
15 *Provided, further*, That any provision of existing laws, rules and regulations to the
16 contrary notwithstanding, any income generated by the College from tuition fees,
17 and other charges, as well as from the operation of auxiliary services and land
18 grants, shall be retained by the College and may be disbursed by the Board for
19 instruction, research, extension or other programs or projects of the College:
20 *Provided, finally*, That all fiduciary fees shall be disbursed for the specific

1 purposes for which these are collected. If, for reasons beyond its control, the
2 College shall not be able to pursue any project for which the funds have been
3 appropriated and allocated under its approved program of expenditures, the Board
4 may authorize the use of said funds for any reasonable purpose which, in its
5 discretion, may be necessary and urgent for the attainment of the objectives and
6 goals of the College;

7 (f) Adopt and implement a socialized scheme of tuition and other school
8 fees for greater access to education of poor but deserving students in accordance
9 with the provisions of Republic Act No. 10931, or the “*Universal Access to*
10 *Quality Tertiary Education Act*”;

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

14 (h) Appoint, upon the recommendation of the president of the College,
15 the vice presidents, deans, directors, heads of campuses, faculty members, and
16 other officials and employees of the College;

17 (i) Fix and adjust the salaries of faculty members and administrative
18 officials and employees, subject to the provisions of the Revised Compensation
19 and Position Classification System and other pertinent budget and compensation
20 laws governing hours of service and such other duties and conditions as it may

1 deem proper; to grant them, at its discretion, leaves of absence under such
2 regulations as it may promulgate, any provision of existing law to the contrary
3 notwithstanding; and to remove them for cause in accordance with the
4 requirements of due process of law;

5 (j) Approve the curricula, instructional programs and rules of discipline
6 drawn by the administrative and academic councils herein provided;

7 (k) Set the policies on admission and graduation of students;

8 (l) Award honorary degrees upon persons in recognition of their
9 outstanding contribution in the fields of education, public service, arts, science and
10 technology, or in any field of specialization within the academic competence of the
11 College; and authorize the awarding of certificates of completion of non-degree
12 and non-traditional courses;

13 (m) Establish and absorb non-chartered tertiary institutions within the
14 Province of Cotabato as branches and centers, in coordination with the CHED, and
15 in consultation with the Department of Budget and Management (DBM), and offer
16 programs or courses to promote and carry out equal access to educational
17 opportunities, as mandated by the Constitution;

18 (n) Establish research and extension centers of the College where such
19 will promote the development of the latter;

1 (o) Establish professorial chairs in the College and provide fellowships
2 for qualified faculty members and scholarships to deserving students;

3 (p) Delegate any of its powers and duties provided herein to the president
4 or other officials of the College, as it may deem appropriate, so as to expedite the
5 administration of the affairs of the College;

6 (q) Authorize an external management audit of the College, subject to the
7 rules and regulations of the Commission on Audit (COA), and institute reforms,
8 including academic and structural changes, on the basis of the audit results and
9 recommendations;

10 (r) Collaborate with the governing boards of other state universities and
11 colleges (SUCs) within the Province of Cotabato and Region XII, under the
12 supervision of the CHED, and in consultation with the DBM, and work towards
13 the restructuring of the College to become more efficient, relevant, productive and
14 competitive;

15 (s) Enter into joint ventures with business and industry for the profitable
16 development and management of the economic assets of the College, the proceeds
17 from which shall be used for the development and strengthening of the College;

18 (t) Develop consortia and other economic forms of linkages with local
19 government units, institutions and agencies, both public and private, local and
20 foreign, in the furtherance of the purposes and objectives of the College;

1 (u) Develop academic arrangements for institutional capability building
2 with appropriate institutions and agencies, public and private, local and foreign,
3 and appoint experts or specialists as consultants, part-time or visiting or exchange
4 professors, scholars or researchers, as the case may be;

5 (v) Set up the adoption of modern and innovative modes of transmitting
6 knowledge such as the use of information technology, the dual training system,
7 open distance learning, and community laboratory for the promotion of greater
8 access to education;

9 (w) Establish policy guidelines and procedures for participative decision-
10 making and transparency within the College;

11 (x) Privatize, where most advantageous to the College, management of
12 non-academic services such as health, food, building or grounds or property
13 maintenance and such other similar activities; and

14 (y) Extend the term of the president of the College whose performance
15 has been unanimously rated by the Board as outstanding beyond the age of
16 retirement, but not beyond the age of seventy (70), based on the guidelines,
17 qualifications and standards set by the Board after unanimous recommendation by
18 the search committee.

1 SEC. 8. ***Meetings of the Board.*** - The Board shall regularly convene at least
2 once every quarter. The chairperson of the Board may, upon three (3) days prior
3 written notice, call a maximum of two (2) special meetings whenever necessary.

4 A quorum of the Board shall consist of majority of all its members holding
5 office at the time of the meeting: *Provided*, That the chairperson of the Board or
6 the president of the College is among those present in the meeting.

7 In the absence of the chairperson of the CHED, a commissioner of the
8 CHED, duly designated by the CHED chairperson, shall represent the latter in the
9 meeting. The designated CHED commissioner shall have all the rights and
10 responsibilities of a regular member: *Provided*, That during this meeting, the
11 president of the College as vice chairperson shall be the presiding officer:
12 *Provided, further*, That this provision notwithstanding, the chairperson of the
13 CHED is hereby authorized to designate a CHED commissioner as the regular
14 chairperson of the Board, in which case the said CHED commissioner shall act as
15 the presiding officer.

16 In case the chairpersons of the congressional committees on education may
17 not be able to attend the Board meeting, they may duly designate their respective
18 representatives to attend the said meeting, who are entitled the same rights and
19 responsibilities as the regular members of the Board.

1 The members of the Board shall not receive any salary, but are entitled to
2 reimbursements for actual and necessary expenses incurred, either in their
3 attendance to meetings of the Board or in connection with other official business
4 authorized by resolution of the Board, subject to existing laws and regulations.

5 **SEC. 9. *College President.*** – The College shall be headed by a president
6 who shall render full-time service. The president shall be appointed by the Board,
7 subject to the guidelines, qualifications and standards set by the Board, upon
8 recommendation of a duly constituted search committee. The president shall serve
9 for a term of four (4) years and shall be eligible for reappointment for another
10 term: *Provided*, That in order to effect a smooth transition to a state college, the
11 incumbent president of the USM-KCC, if qualified, shall serve as the first
12 President of the College: *Provided, further*, That for said reason and pending the
13 appointment of a new president, the chairperson of the CHED shall appoint an
14 officer-in-charge of the College. Within six (6) months before the expiration of the
15 term of office of the incumbent president of the College, the Board shall constitute
16 the search committee for the presidency.

17 In case of vacancy in the office of the president, by reason of death,
18 compulsory retirement, resignation, removal for cause or incapacity of the
19 president to perform the functions of the office, the Board shall designate an

1 officer in charge of the College within six (6) months from the date of vacancy,
2 pending the appointment of a new president.

3 In case of vacancy in the office of the president, as mentioned in the
4 immediately preceding paragraph, the successor or the officer in charge shall
5 serve only for the unexpired portion of the term.

6 The powers and duties of the president of the College, in addition to those
7 specifically provided in this Act, shall be those usually pertaining to the office of
8 the president of similar state colleges and those delegated by the Board.

9 The salary of the president of the College shall be in accordance with the
10 Revised Compensation and Position Classification System and shall be
11 comparable to that being received by the presidents of similar educational
12 institutions.

13 The president of the College shall be assisted by a vice president for
14 academic affairs and a vice president for administration, who shall be appointed
15 by the Board upon recommendation of the president.

16 SEC. 10. ***Campus Director.*** – A campus director shall head the College
17 campus and render full-time service. The campus director shall be appointed by
18 the Board, upon the recommendation of the search committee and the president of
19 the College, subject to the guidelines, qualifications and standards set by the
20 Board.

1 SEC. 11. *Administrative Council*. – There shall be an administrative
2 council consisting of the president of the College, as chairperson, and the vice
3 presidents, deans, directors and other officials of equal rank, as members, whose
4 duties are to review and recommend to the Board the policies governing the
5 administration, management and development planning of the College.

6 SEC. 12. *Academic Council*. – There shall be an academic council to be
7 composed of the president of the College, who shall act as chairperson, and all the
8 academic staff with the rank of at least an assistant professor, as members.

9 The academic council shall have the power to review and recommend the
10 curricular offerings and rules of discipline of the College, subject to the approval
11 of the Board. It shall fix the requirements for the admission of students, as well as
12 for their graduation and the conferment of degrees, subject to the review and
13 approval of the Board through the president of the College. It shall have
14 disciplinary power over students of the College and shall formulate academic
15 policies and rules and regulations on discipline, subject to the approval of the
16 Board.

17 SEC. 13. *College Secretary*. – The Board shall appoint a secretary, who
18 shall serve as such for both the Board and the College and shall keep all records
19 and proceedings of the Board. The secretary shall serve upon each member of the
20 Board the appropriate notice of the Board meetings.

1 SEC. 14. ***College Treasurer.*** – The Treasurer of the Philippines shall be the
2 *ex officio* treasurer of the College.

3 SEC. 15. ***Faculty.*** – No political belief, gender preference, cultural or
4 community affiliation or ethnic origin, and religious opinion or affiliation shall be
5 a matter of inquiry in the appointment of faculty members of the College:
6 *Provided*, That said appointment shall be subject to the guidelines, qualifications
7 and standards set by the Board: *Provided, further*, That no member of the faculty
8 shall teach for or against any particular church or religious sect.

9 SEC. 16. ***Scholarship Program and Admission.*** – The College shall
10 provide a scholarship program and other affirmative action programs to assist
11 poor but deserving students who qualify for admission to the College. No student
12 shall be denied admission to the College by reason of sex, religion, cultural or
13 community affiliation or ethnic origin.

14 SEC. 17. ***Academic Freedom and Institutional Autonomy.*** – The College
15 shall enjoy academic freedom and institutional autonomy, pursuant to –Section 5
16 (2), Article XIV of the Constitution of the Republic of the Philippines.

17 SEC. 18. ***Authority to Loan or Transfer Apparatus, Equipment, Supplies***
18 ***and Detail of Personnel.*** – The heads of the bureaus and offices of the national
19 government are hereby authorized to loan or transfer, upon the request of the
20 president of the College, such apparatus, equipment or supplies as may be needed

1 by the College, and to detail employees for duty therein when, in the judgment of
2 the head of bureau or office, such apparatus, equipment, supplies or services of
3 such employees can be spared without serious detriment to public service. The
4 employees so detailed shall perform such duties as required of them by the
5 president of the College, and the time so employed shall be counted as part of
6 their regular services.

7 SEC. 19. *Tax Exemptions*. – The College shall be entitled to the following
8 tax exemptions:

9 (a) All revenues and assets of the College used exclusively and solely for
10 educational purposes or in furtherance thereof shall be exempt from all taxes and
11 duties;

12 (b) All grants, bequest, endowments, donations and contributions made
13 to the College to be used actually, directly and exclusively by the College shall be
14 exempt from donor's tax and the same shall be allowed as allowable deductions
15 from the gross income of the donor for purposes of computing the taxable income
16 of the donor in accordance with the provisions of the Tax Reform Act of 1997, as
17 amended;

18 (c) Importation of economic, technical, and cultural books or
19 publications, which are for economic, technical, vocational, scientific,
20 philosophical, historical or cultural purposes made by the College upon

1 certification by the CHED shall be exempt from customs duties in accordance
2 with the provisions of Republic Act No. 10863, otherwise known as the “*Customs*
3 *Modernization and Tariff Act*”;

4 (d) The College shall be exempt from value-added tax as provided for in
5 Section 109 (1)(H) of the Tax Reform Act of 1997, as amended; and

6 (e) All educational monetary awards shall be exempt from income tax as
7 prescribed in the Tax Reform Act of 1997, as amended.

8 SEC. 20. ***Assets, Liabilities and Personnel.*** – All assets, real and personal,
9 personnel and records of the USM-KCC, as well as the liabilities or obligations,
10 are hereby transferred to the College.

11 The positions, rights and security of tenure of faculty members and
12 personnel therein employed under existing laws prior to the conversion into a
13 College shall not be impaired: *Provided*, That all plantilla positions created for the
14 USM-Main Campus in the Municipality of Kabacan shall be retained in the USM-
15 Main Campus and those created for the USM-KCC shall be transferred to the
16 College. All parcels of land belonging to the government occupied by the USM-
17 KCC are hereby declared to be property of the College and shall be titled under
18 that name: *Provided*, That should the College cease to exist or be abolished or
19 should such parcels of land be no longer needed by the College, the same shall
20 revert to the local government.

1 SEC. 21. ***Development Plan, Management Audit, and Organizational***
2 ***Structure.*** – Within one hundred twenty (120) days after the approval of this Act,
3 the College shall accomplish the following:

4 (a) Submit a five (5)-year development plan, including its corresponding
5 program budget to the CHED, for corresponding recommendation to the DBM;

6 (b) Undergo a management audit in cooperation with the CHED; and

7 (c) Accordingly set up its organizational, administrative and academic
8 structure, including the appointment of the key officials of the College.

9 SEC. 22. ***Compliance with CHED Requirements.*** – The provisions of this
10 Act notwithstanding, the establishment or conversion of the institution into a state
11 college shall become effective only upon the determination and declaration by the
12 CHED, based on the recommendation of a panel of experts, that the institution has
13 complied with the requirements for a college status. The CHED, through its
14 regional office, shall regularly provide technical assistance to the institution and
15 monitor compliance with the requirements of the Commission.

16 The CHED shall designate a panel of experts who shall prepare a
17 recommendation to the chairperson of the CHED, on whether the institution has
18 complied with the requirements for the grant of college status. The following are
19 the operational requirements for a state college:

1 (a) Equivalent or appropriate accreditation under CHED policies and
2 guidelines for colleges;

3 (b) Ratio of qualified full-time faculty with requisite degree to number of
4 students;

5 (c) Adequate library and laboratories;

6 (d) Research and development output of practical and commercial
7 application to the community;

8 (e) Relevant linkages and outreach programs that are of service to the
9 community; and

10 (f) Relevant academic policies, systems and processes.

11 The institution shall retain its status prior to the effectivity of this Act, unless in the
12 meantime it is able to comply with the requirements provided therein.

13 SEC. 23. ***Suppletory Application.*** – The provisions of Republic Act No.
14 8292, otherwise known as the “*Higher Education Modernization Act of 1997*,”
15 shall be an integral part of this Act and shall serve as part of the governing charter
16 of the College.

17 SEC. 24. ***Parity Clause.*** – All other powers, functions and privileges,
18 responsibilities and limitations to SUCs and their officials under existing laws shall
19 be deemed granted to or imposed upon the College and its officials, whenever
20 appropriate.

1 SEC. 25. ***Appropriations.*** – The amount necessary to carry out the
2 provisions of this Act shall be charged against the current year's appropriations of
3 the USM-Main Campus in the Municipality of Kabacan. Thereafter, such sums as
4 may be necessary for the continued operation and maintenance of the College shall
5 be included in the annual General Appropriations Act.

6 SEC. 26. ***Implementing Rules and Regulations.*** – Within ninety (90) days
7 from the approval of this Act, the Board shall, in consultation with the CHED
8 promulgate the necessary rules and regulations for the effective implementation of
9 this Act.

10 SEC. 27. ***Separability Clause.*** – If any part or provision of this Act is
11 declared invalid or unconstitutional, the remaining parts or provisions not affected
12 shall remain in full force and effect.

13 SEC. 28. ***Repealing Clause.*** – All laws, presidential decrees, executive
14 orders, rules and regulations contrary to or inconsistent with the provisions of this
15 Act are hereby repealed or modified accordingly.

16 SEC. 29. ***Effectivity.*** – This Act shall take effect fifteen (15) days after its
17 publication in the *Official Gazette* or in a newspaper of general circulation.

18 Approved,