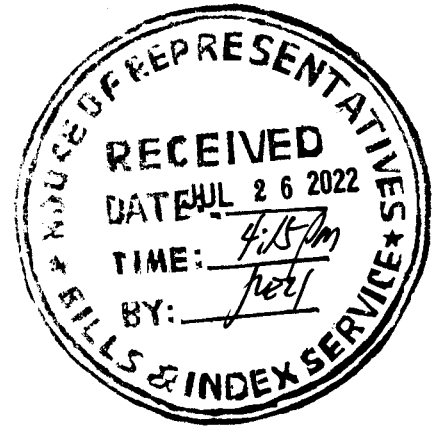




Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Nineteenth Congress
First Regular Session

HOUSE BILL NO. 2371



Introduced by Representative Rudy S. Caoagdan

EXPLANATORY NOTE

This bill seeks to convert the Cotabato Foundation College of Science and Technology (CFCST) in the Municipality of Arakan, Province of Cotabato, into a state university to be known as the Cotabato Foundation State University.

The CFCST, formerly the Children's Education Foundation Village, was established in June 1967 by virtue of Republic Act No. 3801, entitled "*An Act Creating the Children's Education Foundation Village.*" Its initial mission was to provide care and education for malnourished and impoverished children, particularly those from the minority tribes in Arakan Valley, Province of Cotabato. It then evolved into a junior college and offered vocational and technical training and two-year associate degree programs to serve the growing educational needs of its graduates. In 1983, under Batas Pambansa Bilang 408, the former Children's Education Foundation Village was eventually converted into a state college and was renamed as the Cotabato Foundation College of Science and Technology. The CFCST is presently a Level III state college where undergraduate, graduate, post-graduate, and other professional programs in various fields such as Agriculture, Home Economics, Forestry, Agribusiness, Education, Rural Development, and Agronomy are being offered. Aside from the degree programs, the CFCST still operates its original elementary and secondary education programs and the custodial care program orphanage center as part of its core mandate.

Pursuant to its fundamental purpose of producing quality and globally competitive graduates, the CFCST significantly contributes to the improvement of the socio-economic condition of its students by providing access to relevant

vocational, technological, and professional training and industrial apprenticeship following national and global educational standards. Its vision to become a “*Haven of Intellectuals in 2023*” remains in sight as it actively promotes research, advanced studies, and progressive leadership in each area of specialization. Since its establishment, the CFCST has been consistently providing high-level education and contributing to the socio-economic progress of Region XII.

The conversion of the CFCST into a state university will further guarantee that students from remote communities with limited resources and low-income families in the region may have access to free and high-quality education at all levels as guaranteed by the Constitution. This will also help build a generation of informed and educated Filipinos armed with a set of skills required for productive employment and economic development.

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
Quezon City, Metro Manila

Nineteenth Congress
First Regular Session

HOUSE BILL NO. **2371**

Introduced by Representative Rudy S. Caoagdan

AN ACT

**CONVERTING THE COTABATO FOUNDATION COLLEGE OF
SCIENCE AND TECHNOLOGY IN THE MUNICIPALITY OF
ARAKAN, PROVINCE OF COTABATO, INTO A STATE UNIVERSITY
TO BE KNOWN AS THE COTABATO FOUNDATION STATE
UNIVERSITY AND APPROPRIATING FUNDS THEREFOR**

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

SECTION 1. *Cotabato Foundation State University.* – The Cotabato
Foundation College of Science and Technology (CFCST) located in the
Municipality of Arakan, Province of Cotabato is hereby converted into a state
university, to be known as the Cotabato Foundation State University, hereinafter
referred to as the University.

The University may establish regular campuses, branches, and extension
sites and programs upon the effectivity of this Act.

1 SEC. 2. **General Mandate.** -- The University shall primarily provide
2 advance instruction and professional training in education, agriculture and
3 forestry, environment studies, engineering and technology, communication and
4 information technology, pure and applied sciences, behavioral and social
5 sciences, law, culture and arts, tourism and business-related programs, nautical
6 and maritime programs, health-related programs, developmental management
7 and leadership programs, health sciences, and other relevant fields of study. It
8 shall also promote and undertake research, extension services, and production
9 activities in support of the socio-economic development of the Province of
10 Cotabato and provide progressive leadership in its areas of specialization.

11 SEC. 3. **Curricular Offerings.**— The University shall offer elementary,
12 secondary, undergraduate, graduate and post-graduate programs, and short-term
13 courses in the fields of education, agriculture and forestry, environment studies,
14 engineering and technology, communication and information technology, pure
15 and applied sciences, behavioral and social sciences, law, culture and arts,
16 tourism and business-related programs, nautical and maritime programs, health-
17 related programs, developmental management and leadership programs, health
18 sciences, and other degree courses within its areas of specialization and
19 according to its capabilities, as the Board of Regents may deem necessary to
20 carry out its objectives, particularly in meeting the needs of the Province of
21 Cotabato and Region XII.

1 The University shall operate a reasonably-sized laboratory school and
2 training center for child welfare development studies under its College of
3 Education.

4 SEC. 4. **Administration.** – The University shall have the general powers
5 of a corporation set forth in Republic Act No. 11232, otherwise known as the
6 “*Revised Corporation Code of the Philippines*.” The administration of the
7 University and the exercise of its corporate powers shall be vested exclusively
8 in the Board of Regents and the president of the University.

9 SEC. 5. **Governing Board.** – The governing body of the University is the
10 Board of Regents, hereinafter referred to as the Board, which is composed of
11 the following:

12 (a) Chairperson of the Commission on Higher Education (CHED), as
13 chairperson;

14 (b) President of the University, as vice chairperson;

15 (c) Chairperson of the Committee on Education, Arts and Culture of the
16 Senate;

17 (d) Chairperson of the Committee on Higher and Technical Education of
18 the House of Representatives;

19 (e) Chairperson of the Committee on Basic, Higher and Technical
20 Education under the Bangsamoro Transition Authority Parliament or, thereafter,
21 a regular Member of Parliament of the Bangsamoro Autonomous Region in
22 Muslim Mindanao;

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

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

(h) Regional director of the Department of Agriculture;

(i) President of the federation of faculty associations of the University;

(j) President of the federation of student councils of the University;

(k) President of the federation of alumni associations of the University;

and

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

The Board shall appoint the two (2) prominent citizens from among a list of at least five (5) qualified persons in the Province of Cotabato, as recommended by the search committee constituted by the president of the University, in consultation with the chairperson of the CHED and the other members of the Board, based on the normal standards and qualifications for the position set by the Board.

The president of the federation of faculty associations, the president of the federation of student councils, and the president of the federation of alumni associations of the University shall serve in the Board only for the duration of their terms of office, as set forth in their respective constitutions and by-laws.

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

3 SEC. 6. ***Promulgation and Implementation of Policies.*** – The Board
4 shall promulgate and implement policies in accordance with the declared State
5 policies on education and other pertinent provisions of the Philippine
6 Constitution on education, agriculture, science and technology, as well as the
7 policies, standards and thrusts of the CHED under Republic Act No. 7722,
8 otherwise known as the “*Higher Education Act of 1994.*”

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

13 (a) Promulgate rules and regulations not contrary to law as may be
14 necessary to carry out the purposes and functions of the University;

15 (b) Receive and appropriate all sums as may be provided for the support
16 of the University in the manner it may determine, in its discretion, in order to
17 carry out the purposes and functions of the University;

18 (c) Import duty-free economic, technical, and cultural books and
19 publications, machineries and equipment, upon certification by the CHED that
20 such imported books or publications, machineries and equipment are for
21 economic, technical, vocational, scientific, philosophical, historical or cultural

1 purposes, in accordance with the provisions of Republic Act (RA) No. 10863,
2 otherwise known as the "*Customs Modernization and Tariff Act*";

3 (d) Receive in trust legacies, gifts, and donations of real and personal
4 properties of all kinds, and administer and dispose of the same when necessary
5 for the benefit of the University, and subject to the limitations, directions and
6 instructions of the donor, if any;

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

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

1 be disbursed by the Board for instruction, research, extension or other programs
2 or projects of the University: *Provided, finally*, That all fiduciary fees shall be
3 disbursed for the specific purposes for which these are collected.

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

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

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

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

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

1 deem proper; 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 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 council and academic council herein provided;

7 (k) Set 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
10 and technology, agriculture or in any field of specialization within the academic
11 competence of the University, and authorize the awarding of certificates of
12 completion of non-degree 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,
15 and in consultation with the Department of Budget and Management (DBM),
16 and offer therein programs or courses, and promote and carry out equal access
17 to educational opportunities as mandated by the Constitution;

18 (n) Establish regular campuses, branches, and research and extension
19 centers of the University where such will promote the development of the
20 University;

21 (o) Establish professorial chairs in the University and provide fellowships
22 for qualified faculty members and scholarships to deserving students;

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

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

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

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

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

20 (u) Develop academic arrangements for institutional capability building
21 with appropriate institutions and agencies, public and private, local and foreign,

and appoint experts or specialists as consultants, part-time or visiting or exchange professors, scholars or researchers, as the case may be;

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

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

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

(y) Extend the term of the president of the University, whose performance has been unanimously rated by the Board as outstanding beyond the age of retirement, but not beyond the age of seventy (70), and upon unanimous recommendation by the search committee.

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

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

1 In the absence of the chairperson of the CHED, a commissioner of the
2 CHED, duly-designated by the CHED chairperson, shall represent the latter in
3 the meeting, with all the rights and responsibilities of a regular member:

4 *Provided*, That during this meeting, the president of the University as vice
5 chairperson shall be the presiding officer: *Provided, further*, That this provision
6 notwithstanding, the chairperson of the CHED is hereby authorized to designate
7 a CHED commissioner as the regular chairperson of the Board, in which case
8 said CHED commissioner shall act as the presiding officer.

9 In case the chairpersons of the congressional committees on education
10 may not be able to attend the Board meeting, they may duly designate their
11 respective representatives to attend the meeting, who are entitled the same rights
12 and responsibilities as a regular member of the Board.

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

18 SEC. 9. ***University President.*** – The University shall be headed by a
19 president who shall render full-time service. The president shall be appointed by
20 the Board, subject to the guidelines, qualifications and standards set by the
21 Board, upon recommendation of a duly constituted search committee. The
22 president shall serve a term of four (4) years and shall be eligible for

1 reappointment for another term: *Provided*, That in order to effect a smooth
2 transition to a state university, the incumbent president of the CFCST shall
3 serve as the first president of the University: *Provided, further*, That for said
4 reason and pending the appointment of a new president, the chairperson of the
5 CHED shall appoint an officer-in-charge of the University.

6 Within six (6) months before the expiration of the term of office of the
7 incumbent president of the University, the Board shall constitute the search
8 committee for the presidency.

9 In case of vacancy in the office of the president by reason of death,
10 compulsory retirement, resignation, removal for cause, or incapacity of the
11 president to perform the functions of the office, the Board shall designate an
12 officer-in-charge of the University within six (6) months from the date of
13 vacancy, pending the appointment of a new president. The successor or the
14 officer-in-charge shall serve only the unexpired portion of the term.

15 The powers and duties of the president of the University, in addition to
16 those specifically provided in this Act, shall be those usually pertaining to the
17 office of the president of similar universities, and those delegated by the Board.

18 The salary of the president of the University shall be in accordance with
19 the Revised Compensation and Position Classification System and shall be
20 comparable to that being received by presidents of similar educational
21 institutions.

1 The president of the University shall be assisted by a vice president for
2 academic affairs and a vice president for administration, who shall be appointed
3 by the Board upon recommendation of the president.

4 SEC. 10. *Administrative Council.* – There shall be an administrative
5 council consisting of the president of the University as chairperson, and vice
6 presidents, deans, directors and other officials of equal rank as members, whose
7 duties are to review and recommend to the Board the policies governing the
8 administration, management, and development planning of the University.

9 SEC. 11. *Academic Council.* – There shall be an academic council to be
10 composed of the president of the University, who shall act as chairperson, and
11 all academic staff with the rank of at least assistant professor, as members.

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

20 SEC. 12. *University Secretary.* – The Board shall appoint a secretary,
21 who shall serve as such for both the Board and the University and shall keep all
22 records and proceedings of the Board. The secretary of the University shall

1 serve upon each member of the Board the appropriate notice of the Board
2 meetings.

3 SEC. 13. ***University Treasurer.*** – The Treasurer of the Philippines shall
4 be the *ex officio* treasurer of the University.

5 SEC. 14. ***Faculty.*** – No political belief, gender preference, cultural or
6 community affiliation or ethnic origin, and religious opinion or affiliation shall
7 be a matter of inquiry in the appointment of faculty members of the University:
8 *Provided*, That the appointment shall be subject to the guidelines, qualifications
9 and standards set by the Board: *Provided, further*, That no member of the
10 faculty shall teach for or against any particular church or religious sect.

11 SEC. 15. ***Scholarship Program and Admission.*** – The University shall
12 provide a scholarship program and other affirmative action programs to assist
13 poor but deserving students who qualify for admission to the University. No
14 student shall be denied admission to the University by reason of sex, religion,
15 cultural or community affiliation or ethnic origin.

16 SEC. 16. ***Custodial Care to Children of Adversity.*** – Pursuant to the
17 original mandate of CFCST, the University shall continue to provide custodial
18 care and vocational education to children of adversity aged seven (7) to fifteen
19 (15) years, such as orphans, homeless, neglected children, indigent children
20 from broken homes, and children from poverty-stricken families, in the
21 Municipality of Arakan, Province of Cotabato.

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

4 SEC. 18. *Authority to Loan or Transfer Apparatus, Equipment,*
5 *Supplies and Detail of Personnel.* – The heads of the bureaus and offices of the
6 national government are hereby authorized to loan or transfer, upon the request
7 of the president of the University, such apparatus, equipment or supplies as may
8 be needed by the University, and to detail employees for duty therein when, in
9 the judgment of the head of the bureau or office, such apparatus, equipment,
10 supplies or services of such employees may be spared without serious detriment
11 to public service. The employees detailed shall perform such duties as required
12 of them by the president of the University, and the time employed shall be
13 counted as part of their regular services.

14 SEC. 19. *Tax Exemptions.* – The University is entitled to the following
15 tax exemptions:

16 (a) All revenues and assets of the University used exclusively and
17 solely for educational purposes or in furtherance thereof shall be exempt from
18 all taxes and duties;

19 (b) All grants, bequest, endowments, donations and contributions
20 made to the University to be used actually, directly and exclusively by the
21 University shall be exempt from donor's tax and the same shall be allowed as
22 allowable deductions from the gross income of the donor for purposes of

1 computing the taxable income of the donor in accordance with the provisions
2 of the Tax Reform Act of 1997, as amended;

3 (c) Importation of economic, technical, and cultural books or
4 publications, which are for economic, technical, vocational, scientific,
5 philosophical, historical or cultural purposes made by the University upon
6 certification by the CHED shall be exempt from customs duties in accordance
7 with the provisions of RA 10863;

8 (d) The University shall be exempt from value-added tax as provided
9 for in Section 109 (1)(H) of the Tax reform Act of 1997, as amended; and

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

12 SEC. 20. *Assets, Liabilities and Personnel.* – All assets, real and
13 personal, personnel, and records of the CFCST, as well as liabilities or
14 obligations, are hereby transferred to the University.

15 The positions, rights, and security of tenure of faculty members and
16 personnel therein employed under existing laws prior to the conversion into a
17 University shall be respected.

18 All parcels of land belonging to the government occupied by the CFCST
19 are hereby declared to be property of the University and shall be titled under
20 that name: *Provided*, That should the University cease to exist or be abolished
21 or should such parcels of land aforementioned be no longer needed by the

University, the same shall revert to the local government units where the parcels of land are located.

SEC. 21. *Development Plan, Management Audit and Academic Structure.* – Within the period of one hundred twenty (120) days after the approval of this Act, the University shall accomplish the following:

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

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

(c) Set up its organizational, administrative as well as academic structure, including the appointment of the key officials of the University.

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

The CHED shall constitute a panel of experts who shall prepare a recommendation to the chairperson of the CHED, on whether the institution has complied with the requirements for the grant of university status. The following are the operational requirements for a state university:

(a) Faculty members who possess relevant degrees in their areas of specialization as required by the CHED, and who must have participated in research and development activities in their respective disciplines, as evidenced by refereed publications and other scholarly outputs;

(b) A comprehensive range of degree programs in all levels, from basic post-secondary to doctoral programs;

(c) Viable research programs in specific areas of study that produce new knowledge as evidenced by refereed publications, citations, inventions and patents, among others;

(d) Comprehensive learning resources and support structures including libraries, practicum laboratories, relevant educational resources and linkages with the relevant disciplinal and professional sectors, to allow students to explore basic, advance and even cutting-edge knowledge in a wide range of disciplines or professions;

(e) Active and ongoing linkage and affiliation with other research institutions in various parts of the world that ensure that the research activities of the university are functioning at current global standards; and

(f) Outreach activities that allow the students, faculty and research staff to apply the new knowledge they generate to address specific social development problems broadly defined.

The institution shall retain its status prior to the effectivity of this Act until it is able to comply with the requirements provided in this Act.

1 SEC. 23. ***Suppletory Application.*** – The provisions of Republic Act No.
2 8292, otherwise known as the “*Higher Education Modernization Act of 1997*,”
3 shall be an integral part of this Act and shall serve as part of the governing
4 charter of the University.

5 SEC. 24. ***Parity Clause.*** – All other powers, functions and privileges,
6 responsibilities and limitations to state universities and their officials under
7 existing laws shall be deemed granted to or imposed upon the University and its
8 officials, whenever appropriate.

9 SEC. 25. ***Appropriations.*** – The amount necessary to carry out the
10 provisions of this Act shall be charged against the current year's appropriations
11 of the CFCST. Thereafter, such sums as may be necessary for the continued
12 operation and maintenance of the University shall be included in the annual
13 General Appropriations Act.

14 SEC. 26. ***Implementing Rules and Regulations.*** – Within ninety (90)
15 days from the approval of this Act, the Board shall, in consultation with the
16 CHED, formulate the necessary rules and regulations for the effective
17 implementation of this Act.

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

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

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

6 Approved,