

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

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL No. 759



Introduced by Representative RUDY S. CAOAGDAN, DPA

EXPLANATORY NOTE

The Cotabato Foundation College of Science and Technology (CFCST), a state college in the Municipality of Arakan, Province of Cotabato, has long been providing quality education to the residents of the ethnolinguistically diverse province of Cotabato. It started out in 1967 as the Children's Educational Foundation Village (CEVF) by virtue of Republic Act No. 3801 entitled "An Act Creating the Children's Education Foundation Village". Its mandate then was to offer Elementary and Secondary Education and vocational education program focusing on custodial care, especially of underprivileged children affected by the adversities and conflicts in Mindanao.

However, on June 10, 1983, President Ferdinand Edralin Marcos amended the CEFV Charter and converted it into a full-fledge state college through Batas Pambansa Bilang 408. The amended Charter mandated the CFCST to initially offer degree programs such as the following: Bachelor of Science in Agriculture, Bachelor of Science in Home Economics, Bachelor of Science in Forestry, Bachelor of Science in Agribusiness, and other professional programs needed by the communities.

At present, the CFCST is offering even undergraduate and graduate degree programs in various fields like Agriculture, Home Economics, Forestry, Agribusiness, including the Doctor of Education major in Educational Management, Doctor of Philosophy in Rural Development, Master of Arts major in Educational Administration, and Master of Science major in Agronomy, among others. Now considered a Level III college based on the SUCs Leveling Results of the Commission on Higher Education, the CFCST is very much ripe for conversion into a state university. Likewise, the conversion of the CFCST into a state university to be known as the "Cotabato Foundation State University" will further guarantee that disadvantaged students, including those from the poorest of the poor and those living in remote communities with limited resources will have access to free higher education. This will also help build a generation of informed and well-educated Filipinos armed with a set of skills required for productive employment and economic development

Moreover, this bill is a refiled version of the 19th Congress bill approved on third reading by the House of Representatives, but which remained pending in the Senate due to time constraints.

Hence, approval of this bill is earnestly sought.

RUDY S. CAOAGDAN, DPA
Representative, 2nd District, Cotabato

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AN ACT
CONVERTING THE COTABATO FOUNDATION COLLEGE OF SCIENCE AND TECHNOLOGY IN THE MUNICIPALITY OF ARAKAN, PROVINCE OF COTABATO INTO A STATE UNIVERSITY AND APPROPRIATING FUNDS THEREFOR

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

SECTION 1. *Conversion.* – The Cotabato Foundation College of Science and Technology (CFCST) in the Municipality of Arakan, Province of Cotabato, including its satellite campuses, is converted into a state university to be known as the Cotabato Foundation State University (CFSU).

SEC. 2. *General Mandate.* – The CFSU shall primarily provide advanced instruction and professional training in education, agriculture and forestry, environment studies, engineering and technology, information and communications technology, pure and applied sciences, behavioral and social sciences, law, culture and arts, tourism and business-related programs, nautical and maritime programs, health-related programs, developmental management and leadership programs, health sciences, and other relevant fields of study. It shall promote advanced instruction, research, extension services, and production activities and shall provide progressive leadership in its areas of specialization.

SEC. 3. *Curricular Offerings.* – The CFSU shall offer short-term technical-vocational, undergraduate, and graduate courses in the fields of education, agriculture and forestry, environment studies, engineering and technology, information and communications technology, pure and applied sciences, behavioral and social sciences, law, culture and arts, tourism and business-related programs, nautical and maritime programs, health-related programs, developmental management and leadership programs, health sciences, and other degree courses, as the Board of Regents may deem necessary to carry out its objectives, and those which respond to the human resource development needs of the Province of Cotabato and Region XII.

The existing reasonably-sized laboratory elementary and senior high school shall continue to operate under the supervision of the College of Education of the CFSU to serve the in-campus requirements of its students.

SEC. 4. Administration. – The CFSU shall have the general powers of a corporation set forth in Republic Act (RA) No. 11232, otherwise known as the “Revised Corporation Code of the Philippines”. The administration of the CFSU and the exercise of its corporate powers shall be vested exclusively in the Board of Regents and the President of the CFSU.

SEC. 5. The Board of Regents. – The governing body of the CFSU shall be the Board of Regents, hereinafter referred to as the Board, which shall be chaired by the Chairperson of the Commission on Higher Education (CHED). The President of the CFSU shall be the vice-chairperson of the Board and with the following as members:

- a. Chairperson of the Committee on Higher, Technical and Vocational Education of the Senate;
- b. Chairperson of the Committee on Higher and Technical Education of the House of Representatives;
- c. Regional Director of the National Economic and Development Authority;
- d. Regional Director of the Department of Science and Technology;
- e. Regional Director of the Department of Agriculture;
- f. President of the federation of faculty associations of the CFSU;
- g. President of the federation of student councils of the CFSU;
- h. President of the federation of alumni associations of the CFSU;
- i. Representative of the nonteaching or personnel association of the CFSU; and
- j. Two (2) prominent citizens from the private sector who have distinguished themselves in their professions or fields of specialization.

The Board shall appoint two (2) prominent citizens who shall be selected from a list of at least five (5) qualified persons from the Province of Cotabato, as recommended by a Search Committee constituted by the President of the CFSU, in consultation with the Chairperson of the CHED and other members of the Board, based on the guidelines on qualification standards for the position set by the Board. They shall serve for a term of two (2) years from the date of appointment.

The terms of office of the Presidents of the federation of faculty associations, federation of student councils, federation of alumni associations, and the Representative of the nonteaching personnel shall be coterminous with their terms of office, as provided under their respective constitutions and bylaws.

SEC. 6. Powers and Duties of the Board. – The administration of the CFSU and the exercise of its corporate powers are vested in the Board, which shall have the following specific powers and duties in addition to its general powers of administration and the exercise of all the powers granted to the Board of Directors of a Corporation under Section 35 of RA 11232:

- a. Promulgate and implement policies in accordance with the declared State policies on education, other pertinent provisions of the Constitution on education, agriculture, science and technology, and the policies, standards and thrusts of the CHED under RA 7722, otherwise known as the "Higher Education Act of 1994";
- b. Approve the curricula, instructional programs, and rules on student discipline drawn by the Administrative and Academic Councils, as herein provided;

c. Appoint, upon the recommendation of the President of the CFSU, the vice presidents, chancellors, deans, directors, heads of the campuses, faculty members, and other officials and employees of the CFSU;

d. Fix and adjust the salaries of faculty members, 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; grant them, at its discretion, leaves of absence under such regulations as it may promulgate, any provision of existing law to the contrary notwithstanding; and remove them for cause in accordance with the requirements of the civil service rules and regulations and due process of law;

e. Fix the tuition fees and other necessary school charges, such as matriculation fees, graduation fees, and laboratory fees, as the Board may deem proper to impose, after due consultation with the concerned sectors. The fees and charges, including government subsidies and other income generated by the CFSU, shall constitute its special trust funds and shall be deposited in any authorized government depository bank. All interests that shall accrue therefrom shall form part of the same funds for the use of the CFSU;

Any provision of existing law, rule or regulation to the contrary notwithstanding, any income generated by the CFSU from tuition fees and other charges, as well as from the operation of auxiliary services and land grants, shall be retained by the CFSU and may be disbursed by the Board for instruction, research, extension services, and other programs or projects of the CFSU: *Provided*, That all fiduciary fees shall be disbursed for the specific purposes for which these are collected: *Provided however*, That if, for reasons beyond its control, the CFSU shall not be able to pursue any project for which the 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 CFSU;

f. Adopt and implement a socialized scheme of tuition and other school fees for greater access of poor but deserving students in accordance with RA 10931, otherwise known as the "Universal Access to Quality Tertiary Education Act";

g. Establish professorial chairs in the CFSU and provide fellowships for qualified faculty members, and scholarships to deserving students;

h. Receive and appropriate sums as may be provided for by law for the support of the CFSU, and all other sums in the manner it may, in its discretion, determine to carry out the purposes and functions of the CFSU;

i. Set the policies on admission and graduation of students;

j. Award honorary degrees upon persons in recognition of their outstanding contributions in the fields of education, public service, arts, science and technology, sports and human kinetics or any field of specialization within the academic competency of the CFSU, and authorize the awarding of certificates of completion of nondegree and nontraditional courses;

k. Develop academic arrangements for institutional capability building with appropriate institutions and agencies, whether public, private, local or foreign, and appoint experts or

- specialists as consultants, part-time, visiting or exchange professors, scholars or researchers, as the case may be;
- l. Adopt modern and innovative modes of transferring knowledge to allow greater access to education such as the use of information technology, online programs, the dual training system, open distance learning, and community laboratory;
 - m. Absorb non-chartered tertiary education institutions within the Province of Cotabato and Region XII as branches, extension campuses, and external centers, in coordination with the CHED and in consultation with the Department of Budget and Management (DBM), and offer therein programs or courses to carry out the constitutional mandate of providing equal access to educational opportunities;
 - n. Authorize an external management audit of the CFSU, to be financed by the CHED, subject to the rules and regulations of the Commission on Audit, and institute reforms, including academic and structural changes, on the basis of the audit results and recommendations;
 - o. Develop consortia and other economic forms of linkages with local government units, as well as public, private, local or foreign institutions and agencies for the furtherance of the purposes and objectives of the CFSU;
 - p. Import economic, technical, and cultural books and publications;
 - q. Enter into joint ventures with business industry for the profitable growth and management of economic assets, the proceeds of which shall be used for the development and strengthening of the CFSU;
 - r. Receive, in trust, all legacies, gifts, and donations of real and personal properties of all kinds and administer and dispose of the same, when necessary, for the benefit of the CFSU and subject to the limitations, directions, and instructions of the donor, if any;
 - s. Extend the term of the President of the CFSU beyond the age of retirement, but not beyond the age of seventy (70), based on the guidelines on qualification standards set by the Board: *Provided*, That the President's performance has been rated by the Board as outstanding and a unanimous recommendation for such extension has been decided upon by the Search Committee;
 - t. Delegate any of its powers and duties to the President and other officials of the CFSU, as it may deem appropriate, so as to expedite the administration of the affairs of the CFSU;
 - u. Establish policy guidelines and procedures for participative and transparent decision-making within the CFSU;
 - v. Where most advantageous to the CFSU, privatize the management of nonacademic services such as health, food, building or grounds or property maintenance, and such other similar activities;
 - w. Authorize the construction or repair of its buildings, machinery, equipment and other facilities, and the purchase and acquisition of real property, including the necessary supplies, materials, and equipment; and

x. Promulgate rules and regulations, as may be necessary, to carry out the purposes and functions of the CFSU.

SEC. 7. *Meetings of the Board.* – The Board shall regularly convene once every three (3) months. The Chairperson of the Board may, however, call a special meeting whenever necessary: *Provided*, That members are notified in writing at least three (3) days prior to the conduct of said meeting.

A quorum of the Board shall consist of a majority of all its members holding office at the time of the meeting: *Provided however*, That the Chairperson of the Board or the President of the CFSU is among those present in the meeting.

In case the Chairperson of the CHED cannot attend a meeting of the Board, a CHED Commissioner duly designated by Chairperson of the CHED as representative to the meeting, shall have all the rights and responsibilities of a regular member: *Provided*, That during the meeting, the President of the CFSU, as Vice Chairperson, shall be the presiding officer: *Provided further*, That this provision notwithstanding, the Chairperson of the CHED may designate a CHED Commissioner as the regular Chairperson of the Board, in which case, the said CHED Commissioner shall act as the presiding officer.

In case the Chairpersons of the Senate Committee on Higher, Technical and Vocational Education and the House Committee on Higher and Technical Education shall not be able to attend the Board meeting, they may designate their respective representatives who shall have the same rights and responsibilities as regular members of the Board.

The members of the Board shall serve without compensation other than reimbursements for actual and necessary expenses incurred, either for their attendance to the meetings of the Board or in connection with other official business authorized by resolutions of the Board, subject to existing laws and regulations.

SEC. 8. *The University President.* – The CFSU shall be headed by a President who shall be appointed by the Board, subject to its guidelines on qualification standards, and based on the recommendation of a Search Committee duly constituted for the purpose of selecting the President. The CFSU President shall render full-time service for a term of four (4) years, and may be reappointed to another term.

Within six (6) months before the expiration of the term of office of the incumbent President of the CFSU, the Board shall constitute the Search Committee for the Presidency.

The powers and duties of the President of the CFSU, in addition to those specifically provided in this Act, shall be those usually pertaining to the Office of the President of universities and those delegated by the Board.

The salary of the President of the CFSU shall be in accordance with RA 11466, otherwise known as the “Salary Standardization Law of 2019”, and such other laws amendatory thereto, which may hereinafter be enacted, and on the joint circular for state universities and colleges’ leveling instruments, and guidelines of the CHED and the DBM.

In case of vacancy in the Office of the President by reason of death, compulsory retirement, resignation, removal for cause, or incapacity of the President to perform the

functions of the office, the Board shall designate an Officer-in-Charge (OIC) of the CFSU, pending the appointment of a new President: *Provided*, That the OIC shall serve only during the unexpired portion of the term.

The President of the CFSU shall be assisted by the following officials: Vice President for Academic Affairs; Vice President for Administration, Planning, and Finance; and Vice President for Research, Development, and Extension. They shall all be appointed by the Board upon the recommendation of the President of the CFSU.

SEC. 9. *The Secretary of the CFSU.* – The Board shall appoint a Secretary who shall serve as such for both the Board and the CFSU and shall keep all records and proceedings of the Board in addition to other duties and responsibilities. The Secretary of the CFSU shall serve upon each member of the Board the appropriate notice of Board meetings.

SEC. 10. *The Treasurer of the CFSU.* – The Treasurer of the Philippines shall be the *ex officio* Treasurer of the CFSU.

SEC. 11. *The Administrative Council.* – There shall be an Administrative Council consisting of the President of the CFSU, as Chairperson, and the vice-president, deans, director, and other officials of equal rank, as members, whose duty is to review and recommend to the Board such policies governing the administration, management, and development planning of the CFSU.

SEC. 12. *The Academic Council.* – There shall be an Academic Council consisting of the President of the CFSU, as Chairperson, and all academic staff with the rank of at least an assistant professor, as members, which shall formulate academic policies.

The Academic Council shall review and recommend the curricular offerings and rules on student discipline, fix the requirements for the admission of students, as well as for their graduation and conferment of degrees, exercise disciplinary power over the students and formulate rules and regulations on student discipline, subject to the review and approval of the Board through the President of the CFSU.

It shall have disciplinary power over the students of the CFSU and shall formulate rules and regulations on student discipline, subject to the approval of the Board.

SEC. 13. *Academic Freedom and Institutional Autonomy.* – The CFSU shall enjoy academic freedom and institutional autonomy pursuant to Paragraph 2, Section 5 of Article XIV of the Constitution.

SEC. 14. *The Faculty.* – No political belief, gender preference, cultural or community affiliation, ethnic origin, nor religious opinion or affiliation shall be a matter of inquiry in the appointment of faculty members of the CFSU: *Provided*, That the appointment shall be subject to the guidelines on qualification standards set by the Board: *Provided further*, That a member of the faculty shall not criticize, vouch for, recruit members in behalf of, or preach about any particular church or religious sect.

SEC. 15. *Heads of Campuses.* – The Campus Directors shall serve as heads or administrators of their respective CFSU's campuses and render full-time service.

They shall be appointed or designated by the Board, upon recommendation of the Search Committee and the President, subject to the guidelines on qualification standards set by the Board: *Provided*, That upon the effectivity of this Act, the incumbent Campus Directors of the existing campuses of the CFCST shall continue to serve as such.

SEC. 16. *Scholarship Programs and Admission.* – The CFSU shall provide scholarship programs and other affirmative action programs to assist poor but deserving students who qualify for admission to the CFSU. No student shall be denied admission to the University by reason of sex, religion, political, cultural or community affiliation, and ethnic origin.

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

SEC. 18. *Authority to Loan or Transfer of Apparatus, Equipment or Supplies, and Detail of Personnel.* – The heads of the bureaus and offices of the national government are hereby authorized to loan or transfer, upon the request of the President of the CFSU, such apparatus, equipment or supplies as may be needed by the CFSU and to detail employees for duty therein when, in the judgement of the head of the bureau or office, the apparatus, equipment, supplies or services of such employees can be spared without serious detriment to public service. The employees so detailed shall perform such duties as required of them by the President of the CFSU and the time so employed shall be counted as part of their regular service.

SEC. 19. *Assets, Liabilities, and Personnel.* – All assets, both real and personal, personnel and records of the CFCST, as well as its liabilities or obligations, shall be transferred to the CFSU: *Provided*, That the positions, rights, and security of tenure of faculty members and personnel therein employed under existing laws prior to the conversion into a university shall be respected.

All parcels of land belonging to the government occupied by the CFCST are declared as property of the CFSU, and shall be titled under its name: *Provided*, That should the CFSU cease to exist or be abolished or should such aforementioned parcels of land be no longer needed by the CFSU, the same shall revert to the Municipality of Arakan or to the Republic of the Philippines, as the case may be.

SEC. 20. *Duty and Tax Exemptions.* - Subject to the provisions of the National Internal Revenue Code of 1997, as amended, and RA 10863, otherwise known as the “Customs Modernization and Tariff Act (CMTA)”, as the case maybe:

- a. All revenues and assets of the CFSU used for educational purposes, or in support thereof, shall be exempt from taxes and duties;
- b. All grants, bequests, endowments, donations, and contributions made to and used actually, directly, and exclusively for educational purposes by the CFSU, shall be exempt from donor’s tax and the same shall be considered as allowable deductions from gross

income for purposes of computing the taxable income of the donor in accordance with the provisions of the National Internal Revenue Code of 1997, as amended;

c. Importation by the CFSU of economic, technical-vocational, scientific, philosophical, historical, legal, and cultural books, supplies, and materials shall, upon certification by the Board and the CHED, including scientific and educational computer and software equipment, be exempt from customs duties in accordance with the provisions of RA 10863, otherwise known as the "CMTA";

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

e. All academic awards shall be exempt from taxes.

SEC. 21. Compliance with the CHED Requirements. – Notwithstanding the provisions of this Act, the conversion of the CFCST to a state university shall become effective only upon the determination and declaration by the CHED, based on the recommendation of a panel of experts constituted for the purpose, that the CFCST has complied with the requirements for a university status based on the CHED Memorandum Order No. 46, series of 2012 or the Policy Standard to Enhance Quality Assurance in Philippine Higher Education Through an Outcomes-Based and Typology-Based Quality Assurance: *Provided*, That the panel may issue such recommendation when the CFCST has substantially complied with the requirements for the grant of university status.

The following operational requirements for a university, as established by the CHED, shall be complied with:

a. Employment of full-time, permanent faculty members who possess relevant degrees in their areas of specialization, as required by the CHED, and shall have participated in research and development activities in their respective disciplines, as evidenced by refereed publications and other scholarly outputs;

b. Offering of a comprehensive range of degree programs in all levels, from basic post-secondary to doctoral programs;

c. Conduct of viable research programs in specific disciplinal and multidisciplinary areas of study that produce new knowledge, as evidenced by refereed publications, citations, inventions, and patents, among others;

d. Establishment of comprehensive learning resources and support structures, to include libraries, practicum laboratories, relevant educational resources, and linkages with relevant disciplinal and professional sectors, so as to allow students to explore basic, advance, and even cutting-edge knowledge in a wide range of disciplines or professions;

e. Maintenance of linkages and affiliation with other research institutions in various parts of the world to ensure that the research activities of the CFSU are functioning at current global standards; and

f. Conduct of outreach activities to allow the students, faculty, and research staff to apply the new knowledge they generate to address specific social development problems.

The CHED, through its regional office, shall regularly provide technical assistance to the CFSU and monitor its compliance with the requirements of the CHED.

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

SEC. 22. *Development Plan and Organizational Structure.* - Within one hundred twenty (120) days after the approval of this Act, the CFSU shall accomplish the following:

- a. Submit a five (5)-year development plan, including its corresponding program budget to the CHED and the DBM;
- b. Submit the revised Land Use Development and Infrastructure Plan in accordance with RA 11396, otherwise known as the “SUCs Land Use Development and Infrastructure Plan (LUDIP) Act”;
- c. Undergo a management audit in cooperation with the CHED; and
- d. Set up its organizational, administrative as well as academic structure, including the designation of the key officials and other administrative personnel of the CFSU.

SEC. 23. *Filing of Report.* – On or before the fifteenth (15th) day of the second (2nd) month after the opening of regular classes each year, the Board shall file a detailed report on its compliance with the requirements for a university status with the Office of the President of the Philippines and both Houses of Congress, through the Chairperson of the CHED.

SEC. 24. *Appropriations.* – The amount necessary to carry out the provisions of this Act shall be included in the annual General Appropriations Act (GAA).

The Municipality of Arakan shall provide the same assistance until such time that the amount necessary for the continued operation and maintenance of CFSU shall be included in the GAA.

SEC. 25. *Supplementary Application.* – The provisions of RA 8292, otherwise known as the “Higher Education Modernization Act of 1997”, shall form part of this Act.

SEC. 26. *Implementing Rules and Regulations.* – Within sixty (60) days from the approval of this Act, the Board shall, in consultation with the CHED, issue rules and regulations to implement its provisions.

SEC. 27. *Separability Clause.* – If, for any reason, any part or provision of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected are in full force and effect.

SEC. 28. *Repealing Clause.* - Batas Pambansa Blg. 408, entitled “An Act Converting the Children's Educational Foundation Village in Magpet, North Cotabato, Into a College to be Known as the Cotabato Foundation College of Science and Technology, and Authorizing the Appropriation of Funds Therefor”, is amended, and all other laws, presidential decrees, executive orders, and rules and regulations contrary to or inconsistent with the provisions of this Act are amended, repealed, or modified accordingly.

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

Approved,