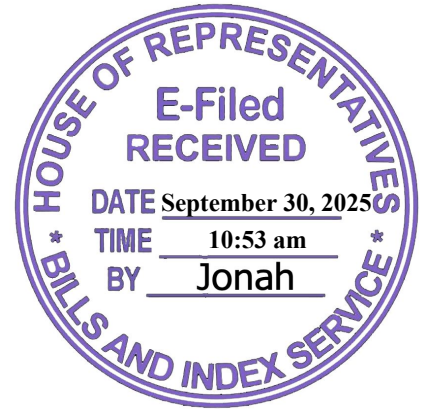


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

House Bill No. 4981



Introduced by Representative KAREN HOPE F. GARCIA

EXPLANATORY NOTE

Article II, Section 17 of the 1987 Constitution mandates that the "State shall give priority to education, science and technology, arts, culture, and sports to foster patriotism, and nationalism, accelerate social progress, and promote total human liberation and development. Moreover, Article XIV, Section 2, Paragraph 1 decrees the State to "[e]stablish, maintain, and support, a complete, adequate, and integrated system of education relevant to the needs of the people and society."

Cebu Technological University or CTU is one of the State Universities and Colleges (SUCs) in the country fulfilling these constitutional mandates. It is the third largest SUC according to student population. It is home to over around 46,000 students coming from Visayas and Mindanao as well as over 800 faculty members. CTU has a total of 30 campuses strategically located over the islands of Cebu and it offers 17 graduate degree programs and over 45 undergraduate degree programs.

As a testament to its excellence, CTU has been identified as one of the top five Philippine SUCs in the 2022 Quacquarelli Symonds Asia University Ranking.¹ It is also included in the 12 Philippine Higher Education Institutions (HEIs) in the 2022 World's Universities with Real Impact rankings, leading Philippine HEIs in Industrial Application after landing 35th in the list.² CTU is ranked among the world's best universities for delivering the United Nations Sustainable Development Goals by the Times Higher Education Ranking 2022.³

CTU remains to be the only technological university with CHED Level IV accreditation status and it has consistently been awarded as a top university for national accredited programs among state universities.* The university also takes internationalization to heart as it established linkages with higher education institutions in six continents.

¹ Nazario, Dhel. Manila Bulletin. "15 PH colleges included in 2022 QS Asia University Rankings; UP ranks 77th" <https://mb.com.ph/2021/11/03/15-ph-colleges-included-in-2022-qs-asia-university-rankings-up-ranks-77th/>

² Philippine News Agency. "PH HEIs notch up on 2022 WURI rankings" 15 June 2022 <https://www.pna.gov.ph/articles/1176788>

³ Expertist Network. "15 PH universities enter the Times Higher Education 2022 Ranking" 29 April 2022 <https://expertistnetwork.com/15-ph-universities-enter-the-times-higher-education-2022-ranking/>

Converting CTU into a university system will help the CTU further realize the vision of being a premier, multidisciplinary-technological university. It will enable the university to foster academic excellence, expand its capacity to provide quality tertiary education, and increase the resources available to ensure its operations.

This bill will also harness the power of the youth and promote inclusive growth and development.

This bill was passed on third reading by the House of Representatives during the 18th and 19th Congress.

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

A handwritten signature in black ink, appearing to read 'KHFG', positioned above the printed name of the representative.

Rep. KAREN HOPE F. GARCIA
3rd District, Cebu Province

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
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House Bill No. **4981**

Introduced by Representative KAREN HOPE F. GARCIA

AN ACT
CONVERTING THE CEBU TECHNOLOGICAL UNIVERSITY INTO A UNIVERSITY
SYSTEM TO BE KNOWN AS THE “CEBU TECHNOLOGICAL UNIVERSITY SYSTEM”
AND APPROPRIATING FUNDS THEREFOR

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

Section 1. *Declaration of Policy.* — It is the policy of the State to give priority to education, foster patriotism and nationalism, accelerate development of human capital, and protect the rights of its citizens to accessible quality education. To this end, the State shall strengthen higher educational institutions, especially the state colleges and universities in the countryside.

Section 2. *Conversion.* - The Cebu Technological University (CTU) in Cebu City is converted into a university system to be known as the "Cebu Technological University (CTU) System", hereinafter referred to as the CTU System.

Section 3. *University System.* - The CTU System is a university system and shall be composed of constituent units established solely by its Board of Regents upon the recommendation of the President of the CTU. The CTU System is composed of its existing constituent universities, as follows: Cebu Technological University-Metro Cebu; Cebu Technological University-North Cebu; and Cebu Technological University-South Cebu.

Section 4. *General Mandate.* - The CTU System shall primarily offer higher and advanced professional and technical instruction and training in technology, engineering, mathematics, education, industrial programs, agriculture, fisheries, forestry, veterinary medicine, medical and natural sciences, aeronautics and space programs, land-based programs, information technology, digital programs, arts, humanities, and sciences, public administration, business, management and allied fields, online courses, nontraditional courses, applied arts and sciences and other relevant fields of study. As a university system, it shall promote advanced instruction, research, extension, production, and resource generation in line with the latest science technology and industrial revolution and shall provide progressive leadership in its areas of specialization.

Section 5. *The Board of Regents.* - The governing body of the CTU System, shall be the Board of Regents, hereinafter referred to as the Board, which shall be chaired and co-chaired by the Chairperson of the Commission on Higher Education (CHED) and the President of the CTU System, respectively, 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. President of the federation of faculty associations of the CTU System;
- f. President of the federation of student councils of the CTU System;
- g. President of the federation of alumni associations of the CTU System;
- h. Representative of the nonteaching or personnel association of the CTU System; and
- i. 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 Cebu, as recommended by a search committee constituted by the President of the CTU System, in consultation with the Chairperson of the CHED and other members of the Board, based on the standards and qualifications for the position set by the Board. They shall serve for a term of two (2) years from the date of appointment.

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

In case of vacancy among appointive positions in the Board, the vacancy shall be filled by the Board following guidelines set by it and the appointee shall hold office only for the unexpired portion of the term.

Section 6. *Powers and Duties of the Board.* - In addition to its general powers of administration and the powers granted to the board of directors of a corporation under existing laws, the Board shall have the following specific powers and duties:

- 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 Republic Act No. 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 CTU System, the vice presidents, chancellors, deans, directors, heads of the campuses, faculty members, and other officials and employees of the CTU System;
- 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 due process of law.
- e. Hear and decide administrative cases or matters brought before it on appeal from the Office of the President, involving CTU officials and employees, in accordance with the Civil Service Commission (CSC) Rules on Administrative Cases;
- f. 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 CTU System, 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 CTU System;

Any provision of existing law, rule or regulation to the contrary notwithstanding, any income generated by the CTU System from tuition fees and other charges, as well as from the operation of auxiliary services and land grants, shall be retained by the CTU System and may be disbursed by the Board for instruction, research, extension services or other programs or projects of the CTU System: 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 CTU System 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 CTU System;

- g. Adopt and implement a socialized scheme of tuition and other school fees for greater access of poor but deserving students in accordance with Republic Act No. 10931, otherwise known as the "Universal Access to Quality Tertiary Education Act";
- h. Establish professorial chairs in the CTU System and provide fellowships for qualified faculty members, and scholarships to deserving students;
- i. Receive and appropriate sums as may be provided by law for the support of the CTU System, and all other sums in the manner it may, in its discretion, determine to carry out the purposes and functions of the CTU System;
- j. Set the policies on admission and graduation of students;

- k. 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 CTU System, and authorize the awarding of certificates of completion of nondegree and nontraditional courses;
- l. 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;
- m. Adopt modern and innovative modes of transmitting knowledge to allow greater access to education such as the use of information technology, online programs, dual training system, open distance learning, and community laboratory;
- n. Absorb non-chartered tertiary institutions within the province of Cebu and Region VII as branches, extension or external centers, in coordination with the CHED and in consultation mandate of providing equal access to educational opportunities;
- o. Authorize an external management audit of the CTU System, to be financed by the CHED, subject to the rules and regulations of the Commission on Audit (COA), and institute reforms, including academic and structural changes, on the basis of the audit results and recommendations;
- p. Create, organize, reorganize, merge or abolish satellite and extension campuses, colleges, institutes, and other academic and administrative units of the CTU System;
- q. Develop consortia and other economic forms of linkages with local government units (LGUs), as well as public, private, local or foreign institutions and agencies for the furtherance of the purposes and objectives of the CTU System;
- r. Import economic, technical and cultural books and publications;
- s. Enter into joint ventures with business and industry for the profitable management of economic assets, the proceeds of which shall be used for the development and strengthening of the CTU System;
- t. Receive in trust, 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 CTU System and subject to the limitations, directions and instructions of the donor, if any;
- u. Delegate any of its powers and duties to the President and other officials of the CTU System, as it may deem appropriate, so as to expedite the administration of the affairs of the CTU System;
- v. Establish policy guidelines and procedures for participative and transparent decision-making within the CTU System;

- w. Where most advantageous to the CTU System, privatize the management of nonacademic services such as health, food, building or grounds or property maintenance, and such other similar activities;
- x. 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
- y. Promulgate rules and regulations, as may be necessary, to carry out the purposes and functions of the CTU System.

Section. 7. Quorum and Service of Processes. - A quorum of the Board shall consist of majority of all members. All processes against the Board shall be served on the president or secretary of the Board.

Section 8. 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 CTU System 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 CTU System, as Vice Chairperson, shall be the presiding officer: Provided, further, That this provision notwithstanding, the Chairperson of the CHED is hereby authorized to 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.

Section 9. The University Administration. - The administration of the CTU System shall be headed by a President who shall be appointed by the Board, subject to its guidelines on qualifications and standards, and based on the recommendation of a search committee duly constituted for the purpose of selecting the President. The CTU System President shall render

full-time service, serve a term of four (4) years, and may be reappointed to another term: Provided, That this provision shall not adversely affect the term of the incumbent President.

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

The salary of the President of the CTU System shall be in accordance with Republic Act No. 11466 or 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 a 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 of the CTU System, pending the appointment of a new President: Provided, That the Officer-in-Charge shall serve only during the unexpired portion of the term.

The President of the CTU System shall be assisted by an Executive Vice President, Vice President for Academic Affairs; Administration, Planning and Finance; Research, Development, and Extension; Linkages, Production and Research Generation; and Quality Assurance, who shall all be appointed by the Board upon the recommendation of the President of the CTU System from a list submitted by the search committee. Realignment of vice-president functions and title may be allowed upon approval of the Board.

Section 10. Powers and Duties of the President. - The President of the CTU System is the chief executive of the university, chief academic officer and head of the university faculty who shall exercise the following powers and functions:

- a. Provide progressive and dynamic, ethical, and intellectual and administrative leadership;
- b. Exercise general supervision over all academic, administrative, business and financial operations;
- c. Determine and prepare the agenda of all meetings of the Board: Provided, however, That any member of the d. Board shall be entitled to have any matter included in the agenda;
- d. Recommend to the Board the creation of administrative offices, as well as changes in the organizational structure to enhance the operations and functions of the CTU System;
- e. Enforce general policies affecting any unit of the CTU System and take such actions, which one's judgement are necessary for the protection of property and general interest of the CTU System, its student and personnel, and the operation of the CTU System as a whole, and to inform the Board on all matters relating to the operation and welfare of the CTU System;

- f. Make ad-interim appointments to fill in new positions and crucial vacancies, subject to the subsequent approval of the Board, and to make such arrangements to meet emergencies occurring between meetings of the Board so that the efficient operations of the CTU System may not suffer;
- g. Hear and decide administrative cases or matters instituted by or brought before it directly, involving CTU officials and employees, in accordance with the CSC Rules on Administrative Cases and subject to appeal to the Board;
- h. Grant or withhold permission to reveal confidential matters affecting the CTU System or any unit thereof, on any action taken by the Board;
- i. Grant permission for the use of the building and the premises of the CTU System for academic, professional and specific convention, student and other related activities;
- j. To represent CTU System in the execution of contracts, deeds and instruments for the proper conduct of the business of the CT System;
- k. Prepare an annual report on the programs, projects, and accomplishments of the CTU System for the previous year, as well as the needs for the current year, including a budget covering the estimates of income and expenditures; and
- l. Exercise such other powers as elsewhere provided in this Act, or as authorized by the Board.

Section 11. CTU Officials. - The CTU System President shall be assisted by the executive vice-president, vice-presidents, chancellors, the secretary of the CTU, and such other academic and administrative officials, whose position and functions are deemed necessary in the effective and efficient administration of the CTU System, as may be determined by the Board. The president, executive vice-president, vice-presidents, chancellors, campus directors, college deans and directors, shall be given appropriated representation and transportation allowance (RATA). Other CTU officials may also be provided with RATA upon proper justification and approval of the Board and compliance with the DBM guidelines and policies.

Section 12. Search Committee. - Within six (6) months before the expiration of the term of office of the incumbent president, executive vice-president, and vice-presidents of the CTU System, the Board shall constitute a search committee, whose composition shall be determined by the Board, and taking into consideration representatives from the academic community, one 1) private sector representative who should not be in anyway connected to or associated with the CTU System, two (2) representatives from the Philippine Association of State University and Colleges (PASUC), and one (1) representative from the CHED.

Section 13. Minimum Qualifications for Presidency. - The applicant for the presidency of the CTU System must possess the qualifications and standards set by the Board and Republic Act No. 8292, otherwise known as the "Higher Education Modernization Act of 1997".

Section 14. *Appointment Papers of the CTU President.* - After the Board selected and appointed the new president, the appointment papers shall be signed by the Chairpersons of the CHED or the CHED Commissioner, who have been duly designated as regular chairperson of the Board.

Section 15. *Heads of the Constituent CTU.* - Each Constituent CTU shall have a chancellor to be appointed by the Board, upon the recommendation of the President from a shortlist of candidates prepared by a Search Committee created for the purpose, subject to its guidelines on qualifications and standards set by the Board. The chancellor shall serve for a term of four (4) years, and shall stay on until a qualified successor shall have been appointed.

Section 16. *The Chancellor of a Constituent Campus.* - The Chancellor shall be the Chief Executive Officer of the Constituent Campus and shall exercise general supervision over all business and financial operations of the constituent unit.

Section 17. *Heads of Campuses.* - A campus shall be headed by a campus director who shall render full-time service. All campus directors shall be appointed by the Board, upon the recommendation of the CTU President, subject to the guidelines on qualifications and standards set by the Board. The Campus Directors shall serve a term of two (2) years, and shall stay on until a qualified successor shall have been appointed.

Section 18. *The CTU Council.* - There shall be a CTU Council consisting of the CTU System President as its chairperson, the Executive Vice-President, all Vice Presidents, all Chancellors, all Campus Directors, Deans, and other officials of equal rank as members, whose duty is to review and recommend to the Board policies governing the administration, management, development, and planning of the CTU System.

Each of the colleges of the CTU System shall be headed by a dean who shall be appointed by the Board upon the recommendation of the CTU System President from a shortlist of at least three (3) nominees submitted by the Chancellor, subject to the guidelines on qualifications and standards set by the Board. The College Dean shall serve a term of two (2) years, and shall stay on until a qualified successor shall have been appointed.

In case of vacancy in the position of chancellors, campus directors and college deans, the President shall appoint or designate temporary appointments preferably from the incumbent heads of the campuses.

If a dean fails to complete the term of office, the chancellor shall appoint an acting dean and commence the search and appointment process. In no case shall the search and appointment of the next dean be longer than sixty (60) calendar days from the date of vacancy.

Section 19. *The Faculty.* - The teaching personnel of each college shall constitute its faculty. The college faculty shall be headed by a dean.

Each Constituent CTU unit must have the following minimum number of CTU professor positions: two (2) for CTU-Metro Cebu, one (1) for CTU-North Cebu, one (1) for CTU-South Cebu. Additional CTU professor positions may be created, subject to existing guidelines and qualifications. The president shall be given a CTU professor position without prejudice to the

allocated number of professors per constituent unit: Provided, That the President is able to comply with the requirements as a CTU professor according to PASUC guidelines.

Section 20. *Academic Freedom and Institutional Autonomy, and Excellence.* -

The CTU System shall enjoy academic freedom and institutional autonomy pursuant to Paragraph 2, Section 5 of Article XIV of the Constitution, as well as the responsibility to maintain and enhance its high academic standards in the performance of its functions in instruction, research, extension, and community service.

Section 21. *Commitment to National Development and Sustainable Development*

Goals. - The CTU System shall harness the expertise of the members of its community and other individuals to regularly study the state of the nation in relation to its quest for national development in the primary areas of research, innovation, sustainable education, and economics, among others; identify key concerns, formulate responsive policies regarding these concerns, and give advice and recommendations to Congress, and the President of the Philippines. It shall also formulate policies that promote the sustainable development goals of the United Nations.

Section 22. *Social Responsibility.* -

The CTU System is committed to serve the Filipino nation and humanity. While it fulfills its obligation to pursue universal principles, it shall formulate its plans and activities towards the fulfillment of the aspirations of the Filipino people for progress and social transformation.

Section 23. *Internationalization.* -

The CT System is a technological university with an international character. It shall adopt internationally-recognized curricula and collaborate with international universities to co-host courses or programs. In line with the direction of the CHED to attain the international recognition of Philippine higher education institutions, the CTU System shall exert best efforts to be recognized by prestigious world university ranking bodies, including the Quacquarelli Symonds and the Times Higher Education. It shall likewise subject its program offerings to prestigious international accreditation and certification bodies.

Section 24. *Research, Development and Extension (RDE) Centers.* -

Each campus must have at least one (1) RDE center with an annual appropriated budget of at least Five million pesos (Php5,000,000.00). For the campus in Metro Cebu, each college shall have at least one (1) RDE center with an annual appropriated budget of at least Five million pesos (Php5,000,000.00). Currently recognized RDE centers shall be carried over as established RDE centers. Thereafter, the establishment of new RDE centers must be approved at the level of the Board. The Office of the Vice-President for RDE shall, as endorsed by the President, recommend to the Board the creation of new RDE centers. Each of the RDE centers shall be headed by a director, who shall be appointed by the Board upon the recommendation of the CTU President and the Vice-President for RDE, and the respective Chancellors where the RDE center is hosted. The RDE Directors shall have a term of two (2) years, subject to reappointment. The RDE Directors must have proper alignment to the field of the RDE center. The Office of the Vice-President for RDE shall monitor and evaluate the operations and performance of the RDE centers in cooperation with the respective chancellors. The respective RDE Directors shall prepare and manage the budget of the RDE centers based on the recommendation of their respective chancellors. The said budget shall be approved by the Office of the Vice-President for RDE and the CTU President.

Section 25. Recognition and Financial Rewards. - The CTU System shall recognize and provide rewards to the outstanding achievements of the teaching and nonteaching personnel and students in instruction, research, extension, and administration. These include topping the licensure examinations, scientific publications in reputable peer-reviewed journals, patents, utility models and the like, and performance of highly outstanding employees. The mechanism and amount to be given shall be recommended by the appropriate CTU councils and subject to the approval of the Board.

Section 26. Income Generating Projects and Viable Demonstration Projects. - The CTU System shall implement feasible income generating projects (GPs) and viable demonstration projects. These projects serve as vital links to the functions of the CTU in instruction, research, production, extension services, and resource generation.

Toward this end, an IGP manual of operations shall be formulated for the operation of the IGPs of the CTU System which shall provide for the share of the CTU System and the incentives of employees involved in the implementation of the projects based on existing circulars of the DBM, COA, CSC and other pertinent laws, rules, and regulations.

Section 27. Non-teaching Personnel. - Regular employees not performing regular teaching functions shall compose the non-teaching personnel of the CTU System. The creation and opening of new non-teaching personnel plantilla positions shall be vested in the Board, subject to the CSC rules and regulations and the availability of funds.

Section 28. Assets, Liabilities and Personnel. - All assets, both real and personal, personnel and records of the CTU, as well as its liabilities or obligations, shall be transferred to the CTU System: 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 CTU System shall be respected.

All parcels of land belonging to the government occupied by the CTU and all its satellite campuses are hereby declared property of the CTU System, and shall be titled under its name: Provided, That should the CTU System cease to exist or be abolished or should such aforementioned parcels of land be no longer needed by the CTU System, the same shall revert to the concerned LGU or to the Republic of the Philippines, as the case may be.

Section 29. Land Grants and Other Real properties. –

- a. The State shall support the CTU System in the form of lump sum amount, through the annual General Appropriations Act (GAA) and other financial benefits, and in kind, through land grants and donations and use of other real properties. To carry out the intent of these grants, income derived from the development of all land grants and real properties shall be used to further the end of the CTU System, as may be decided by the Board;
- b. Such parcels of land ceded by law, decree, or presidential issuance to the CTU System are reserved for the purposes intended. The absolute ownership of the CTU System over these landholdings, including those covered by original and

transfer certificates of title in the name of the CTU System and their future derivatives, is hereby confirmed. Where the issuance of proper certificates of title for these landholdings is still pending, the appropriate government office shall expedite the issuance thereof within six (6) months from the date of effectivity of this Act: Provided, That all registration requirements necessary for the issuance of the said titles are submitted and complied with;

- c. The Board may plan, design, approve and cause the implementation of land leases: Provided, That such mechanisms and arrangements shall sustain and protect the environment in accordance with law, and be exclusive of the academic core zone of the campuses of the CTU System: Provided, further, That such mechanisms and arrangements shall not conflict with the academic mission of the CTU System;
- d. The Board may allow the use of the income coming from real properties of the CTU System as security for transactions to generate additional revenues when needed for educational purposes;
- e. The Board may approve the implementation of joint ventures: Provided, That in the event real properties of the CTU System are involved, only the income derived from the use of the real properties shall be the subject of its participation or obligation in the joint ventures: Provided, further, That no joint venture shall result in the alienation of the real properties of the CTU; and
- f. Any plan to generate revenues and other sources of income from land grants and other real properties entrusted to the CTU System shall be consistent with its academic mission and devoid of any undue influence and control from commercial interests. The programs, projects or mechanisms shall be approved by the Board subject to a transparent and democratic process of consultation with the constituents of the CTU System: Provided, That funds generated from such programs, projects or mechanisms shall not be meant to replace, in part or in whole, the annual appropriations it is receiving as provided by the national government.

Section 30. *Safeguards on Assets Disposition.* - The preservation of the value of the assets of the CTU System shall be of primordial consideration. The sale of any existing real property of the CTU System shall be prohibited:

Provided, That the Board may alienate real property donated after the effectivity of this Act if the terms of the donation specifically allow it.

Notwithstanding the provision of this Act or any other law to the contrary, the lease of more than five (5) years of the assets of the CTU System and any transaction referred to under this section shall be subject to the following conditions and procedures:

1. That the transactions shall be discussed with the members of the Board in any of its formally convened regular or special meeting at least one (1) month before a decision is made;

2. That they shall be based on a multi-year comprehensive development plan, crafted, and developed by qualified urban planning professionals having at least five (5) years experience, with prior consultations with and concurrence of third-party experts and duly approved by a majority vote of all the members of the Board;
3. That they shall be subject to competitive and public bidding as provided for under Republic Act No. 9184, otherwise known as the "Government Procurement Reform Act"; and
4. That when such transactions involve an amount more than Fifty million pesos (PhP50,000,000.00), they shall be approved by at least three-fourths of all the members of the Board: Provided, That the splitting of contracts, such as by breaking up a contract into smaller quantities or amounts, or dividing contract implementation into artificial or arbitrary phases or subcontracts for the purpose of circumventing this provision, shall not be allowed.

Section 31. *Duty and Tax Exemptions.* - Subject to the provisions of the National Internal Revenue Code of 1997, as amended, and Republic Act No. 10803, otherwise known as the "Customs Modernization and Tariff Act (CMTA), as the case maybe:

- a. All revenues and assets of the CTU System 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 CTU System, 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 CTU System 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 Republic Act No. 10863, otherwise known as the "CMTA"; and
- d. All academic awards shall be exempt from taxes.

Section 32. *Transitory Provision.* - for purposes of transition into the CTU System status, the incumbent President of the CTU shall serve a new first term as the first President of the CTU System. The President shall designate, preferably among the incumbent campus directors, an officer-in-charge for the position of chancellors of the constituent units until such time the appointed chancellors have assumed the position in accordance with Section 16 of this Act.

Section 33. *Development Plan and Organizational Structure.* - Within one hundred twenty (120) days after the approval of this Act, the CTU System 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 (LUDIP) in accordance with Republic Act No. 11396, otherwise known as the "SUCs 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 CTU System.

Section 34. *Filing of Report.* - On or before the fifteenth (15th) day of the second (2) month after the opening of regular classes each year, the Board shall file a detailed report on its compliance with the requirements for university system status with the Office of the President of the Philippines and both Houses of Congress, through the Chairperson of the CHED.

The CHED shall regularly provide technical assistance to the CTU System and monitor compliance with all the requirements. They shall designate a panel of experts who shall prepare, provide, and define the specific indicators and levels of accomplishments based on the acceptable international practices to be used as benchmarks in declaring the CTU as a university system. These benchmarks prepared by the panel of experts shall be recommended to the CHED through a resolution of the Commission en banc.

The CTU shall retain its status prior to the effectivity of this Act, until it complies with the requirements provided herein.

Section 35. *Rules of Construction.* - Unless subsequent legislation expressly provided for the repeal, amendment or modification, no other issuances shall diminish the powers, rights, privileges, and benefits accorded to the CTU System under this Act or under the issuances not otherwise modified or repealed under this Act.

Section 36. *Appropriations.* - The amount necessary to carry out the initial implementation of this Act shall be charged against the current year's appropriation of the CTU. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the annual GAA.

Section 37. *Supplementary Application.* - The provisions of Republic Act No.8292, otherwise known as the "Higher Education Modernization Act of 1997", shall form part of this Act.

Section 38. *Implementing Rules and Regulations.* -Within sixty (60) days from the approval of this Act, the Board shall, in consultation with the CHED, Issue the rules and regulations to fully implement the provisions of this Act.

Section 39. *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.

Section 40. *Repealing Clause.* - Republic Act 9744, entitled "An Act Converting the Cebu State College of Science and Technology System in the City of Cebu and All of Its Satellite Campuses Located in the Province of Cebu into a State University to be Known as the CTU and Appropriating Funds Thereof", is hereby 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.

Section 41. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation

Approved,