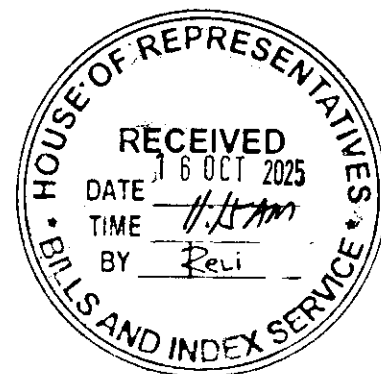




Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **5594**



Introduced by Representative Rudy S. Caoagdan

EXPLANATORY NOTE

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

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

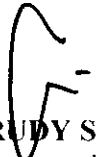
In order to equitably allocate funds for the improvement of the public educational institutions within the Second Legislative District of North Cotabato, and to give USM-KCC more flexibility in terms of decision-making and expansion of academic standards, as well as fiscal autonomy, it is necessary to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

Additionally, the 2020 Cities and Municipalities Competitive ~~Index~~ (CMCI) annually released by the National Competitiveness Council statistically shows that Kidapawan City makes up for 13.8 per cent of the population and revenues of the province of Cotabato, much more than that of the Municipality of Kabacan which accounts for 6.0 per cent of the province's population and revenues.

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

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

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



HON. RUDY S. CAOAGDAN
Representative
2nd District, North Cotabato

1 SEC. 4. **Administration.** – The College shall have the general powers of a corporation
2 set forth in Republic Act No. 11232, otherwise known as the “*Revised Corporation Code of*
3 *the Philippines*.” The administration of the College and the exercise of its corporate powers
4 shall be vested exclusively in the Board of Trustees and the president of the College.

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

- 7 (a) Chairperson of the Commission on Higher Education (CHED), as chairperson;
- 8 (b) President of the College, as vice chairperson;
- 9 (c) Chairperson of the Committee on Education, Arts and Culture of the Senate;
- 10 (d) Chairperson of the Committee on Higher and Technical Education of the
11 House of Representatives;
- 12 (e) Chairperson of the Committee on Basic, Higher and Technical Education
13 under the Bangsamoro Transition Authority Parliament, or thereafter, a regular Member of
14 Parliament of the Bangsamoro Autonomous Region in Muslim Mindanao;
- 15 (f) Regional director of the National Economic and Development Authority;
- 16 (g) Regional director of the Department of Science and Technology;
- 17 (h) Regional director of the Department of Agriculture;
- 18 (i) President of the federation of faculty associations of the College;
- 19 (j) President of the federation of student councils of the College;
- 20 (k) President of the federation of alumni associations of the College; and
- 21 (l) Two (2) prominent citizens from the private sector who have distinguished
22 themselves in their profession or fields of specialization; as members.

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

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

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

33 SEC. 6. **Promulgation and Implementation of Policies.** – The Board shall
34 promulgate and implement policies in accordance with the declared State policies on
35 education and other pertinent provisions of the Philippine Constitution on education,
36 agriculture, science and technology, as well as the policies, standards and thrusts of the
37 CHED under Republic Act No. 7722, otherwise known as the “*Higher Education Act of*
38 *1994*.”

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

- 1 (a) Promulgate rules and regulations not contrary to law as may be necessary to
2 carry out the purposes and functions of the College;
- 3 (b) Receive and appropriate all sums as may be provided for the support of the
4 College in the manner it may determine in its discretion, in order to carry out the purpose and
5 functions of the College;
- 6 (c) Import duty-free economic, technical and cultural books or publications,
7 machineries and equipment, upon certification by the CHED that such imported books or
8 publications, machineries and equipment are for economic, technical, vocational, scientific,
9 philosophical, historical or cultural purposes, in accordance with the provisions of the Tariff
10 and Customs Code of the Philippines, as amended;
- 11 (d) Receive in trust legacies, gifts and donations of real and personal properties of
12 all kinds, and administer and dispose of the same when necessary for the benefit of the
13 College, subject to the limitations, directions and instructions of the donor, if any.
- 14 Such donations shall be exempt from the donor's tax and the same shall be considered
15 as allowable deductions from the gross income in the computation of the income tax of the
16 donor, in accordance with the provisions of the Tax Reform Act of 1997, as amended:
17 *Provided*, That such donations shall not be disposed of, transferred or sold;
- 18 (e) Fix the tuition fees and other necessary school charges such as matriculation
19 fees, graduation fees and laboratory fees, as the Board may deem proper to impose, after due
20 consultations with the involved sectors: *Provided*, That such fees and charges, including
21 government subsidies and other income generated by the College, shall be considered as
22 special trust funds and shall be deposited in any authorized government depository bank, and
23 all interest income that shall accrue therefrom shall form part of the same funds for the use of
24 the College: *Provided, further*, That any provision of existing laws, rules and regulations to
25 the contrary notwithstanding, any income generated by the College from tuition fees, and
26 other charges, as well as from the operation of auxiliary services and land grants, shall be
27 retained by the College and may be disbursed by the Board for instruction, research,
28 extension or other programs or projects of the College: *Provided, finally*, That all fiduciary
29 fees shall be disbursed for the specific purposes for which these are collected. If, for reasons
30 beyond its control, the College shall not be able to pursue any project for which the funds
31 have been appropriated and allocated under its approved program of expenditures, the Board
32 may authorize the use of said funds for any reasonable purpose which, in its discretion, may
33 be necessary and urgent for the attainment of the objectives and goals of the College;
- 34 (f) Adopt and implement a socialized scheme of tuition and other school fees for
35 greater access to education of poor but deserving students in accordance with the provisions
36 of Republic Act No. 10931, or the "*Universal Access to Quality Tertiary Education Act*";
- 37 (g) Authorize the construction or repair of its buildings, machinery, equipment
38 and other facilities, and the purchase and acquisition of real property, including necessary
39 supplies, materials and equipment;
- 40 (h) Appoint, upon the recommendation of the president of the College, the vice
41 presidents, deans, directors, heads of campuses, faculty members, and other officials and
42 employees of the College;

- 1 (i) Fix and adjust the salaries of faculty members and administrative officials and
2 employees, subject to the provisions of the Revised Compensation and Position
3 Classification System and other pertinent budget and compensation laws governing hours of
4 service and such other duties and conditions as it may deem proper; to grant them, at its
5 discretion, leaves of absence under such regulations as it may promulgate, any provision of
6 existing law to the contrary notwithstanding; and to remove them for cause in accordance
7 with the requirements of due process of law;
- 8 (j) Approve the curricula, instructional programs and rules of discipline drawn by
9 the administrative and academic councils herein provided;
- 10 (k) Set the policies on admission and graduation of students;
- 11 (l) Award honorary degrees upon persons in recognition of their outstanding
12 contribution in the fields of education, public service, arts, science and technology, or in any
13 field of specialization within the academic competence of the College; and authorize the
14 awarding of certificates of completion of non-degree and non-traditional courses;
- 15 (m) Establish and absorb non-chartered tertiary institutions within the Province of
16 Cotabato as branches and centers, in coordination with the CHED, and in consultation with
17 the Department of Budget and Management (DBM), and offer programs or courses to
18 promote and carry out equal access to educational opportunities, as mandated by the
19 Constitution;
- 20 (n) Establish research and extension centers of the College where such will
21 promote the development of the latter;
- 22 (o) Establish professorial chairs in the College and provide fellowships for
23 qualified faculty members and scholarships to deserving students;
- 24 (p) Delegate any of its powers and duties provided herein to the president or other
25 officials of the College, as it may deem appropriate, so as to expedite the administration of
26 the affairs of the College;
- 27 (q) Authorize an external management audit of the College, subject to the rules
28 and regulations of the Commission on Audit (COA), and institute reforms, including
29 academic and structural changes, on the basis of the audit results and recommendations;
- 30 (r) Collaborate with the governing boards of other state universities and colleges
31 (SUCs) within the Province of Cotabato and Region XII, under the supervision of the CHED,
32 and in consultation with the DBM, and work towards the restructuring of the College to
33 become more efficient, relevant, productive and competitive;
- 34 (s) Enter into joint ventures with business and industry for the profitable
35 development and management of the economic assets of the College, the proceeds from
36 which shall be used for the development and strengthening of the College;
- 37 (t) Develop consortia and other economic forms of linkages with local
38 government units, institutions and agencies, both public and private, local and foreign, in the
39 furtherance of the purposes and objectives of the College;
- 40 (u) Develop academic arrangements for institutional capability building with
41 appropriate institutions and agencies, public and private, local and foreign, and appoint

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

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

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

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

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

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

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

21 In the absence of the chairperson of the CHED, a commissioner of the CHED, duly
22 designated by the CHED chairperson, shall represent the latter in the meeting. The
23 designated CHED commissioner shall have all the rights and responsibilities of a regular
24 member: *Provided*, That during this meeting, the president of the College as vice
25 chairperson shall be the presiding officer: *Provided, further*, That this provision
26 notwithstanding, the chairperson of the CHED is hereby authorized to designate a CHED
27 commissioner as the regular chairperson of the Board, in which case the said CHED
28 commissioner shall act as the presiding officer.

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

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

37 **SEC. 9. College President.** - The College shall be headed by a president who shall
38 render full-time service. The president shall be appointed by the Board, subject to the
39 guidelines, qualifications and standards set by the Board, upon recommendation of a duly
40 constituted search committee. The president shall serve for a term of four (4) years and shall
41 be eligible for reappointment for another term: *Provided*, That in order to effect a smooth
42 transition to a state college, the incumbent president of the USM-KCC, if qualified, shall
43 serve as the first President of the College: *Provided, further*, That for said reason and

1 pending the appointment of a new president, the chairperson of the CHED shall appoint an
2 officer-in-charge of the College. Within six (6) months before the expiration of the term of
3 office of the incumbent president of the College, the Board shall constitute the search
4 committee for the presidency.

5 In case of vacancy in the office of the president, by reason of death, compulsory
6 retirement, resignation, removal for cause or incapacity of the president to perform the
7 functions of the office, the Board shall designate an officer in charge of the College within
8 six (6) months from the date of vacancy, pending the appointment of a new president.

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

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

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

18 The president of the College shall be assisted by a vice president for academic affairs
19 and a vice president for administration, who shall be appointed by the Board upon
20 recommendation of the president.

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

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

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

33 The academic council shall have the power to review and recommend the curricular
34 offerings and rules of discipline of the College, subject to the approval of the Board. It shall
35 fix the requirements for the admission of students, as well as for their graduation and the
36 conferment of degrees, subject to the review and approval of the Board through the president
37 of the College. It shall have disciplinary power over students of the College and shall
38 formulate academic policies and rules and regulations on discipline, subject to the approval
39 of the Board.

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

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

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

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

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

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

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

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

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

34 (c) Importation of economic, technical, and cultural books or publications, which
35 are for economic, technical, vocational, scientific, philosophical, historical or cultural
36 purposes made by the College upon certification by the CHED shall be exempt from
37 customs duties in accordance with the provisions of Republic Act No. 10863, otherwise
38 known as the “*Customs Modernization and Tariff Act*”;

39 (d) The College shall be exempt from value-added tax as provided for in Section
40 109 (1)(H) of the Tax Reform Act of 1997, as amended; and

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

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

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

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

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

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

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

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

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

32 (a) Equivalent or appropriate accreditation under CHED policies and guidelines
33 for colleges;

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

36 (c) Adequate library and laboratories;

37 (d) Research and development output of practical and commercial application to
38 the community;

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

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

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

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

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

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

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

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

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

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

23 Approved,