

EIGHTEENTH CONGRESS)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

Introduced by Representative Rufus B. Rodriguez

House Bill No. 2737

EXPLANATORY NOTE

In order to transform the Mindanao State University into a world-class university, it is necessary to amend their charter and introduce improvements to the same.

The existing charter of the MSU is currently 6 decades old and is already obsolete, unresponsive and weak in relation to the University's urgent needs and requirements in view of the prevailing domestic and global challenges it faces.

This bill seeks to address the weaknesses of the charter of the MSU and proposes amendments that would strengthen the University and make it adaptable to today's highly globalized world.

In view of the foregoing consideration, immediate approval of this bill is highly recommended.


RUFUS B. RODRIGUEZ

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AN ACT
STRENGTHENING THE MINDANAO STATE UNIVERSITY SYSTEM AND
APPROPRIATING FUNDS THEREFOR

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

SECTION 1. Short Title. This Act shall be known as the "*Revised Mindanao State University System Charter*".

SEC. 2. Declaration of Policy. The State shall promote, foster, nurture and protect the right of all citizens to quality education. Toward this end, the State shall continually strengthen and improve the Mindanao State University (MSU) as a system.

The MSU was established as a potent instrument to implement more effectively the policy of the government in the education and integration and development of the Filipino youth, including Muslims and other non-Muslim Indigenous Peoples (IPs), into the national body politic towards achieving peace, development and national unity.

SEC. 3. Objectives of the University. As a public and secular comprehensive university system, and a community of scholars dedicated to the search for truth, knowledge and peace, the University shall perform its unique and distinctive leadership in higher education and national education development and shall continue affirmative actions for the benefit of IPs through the following strategic activities:

a. lead in setting standards and initiate innovations in teaching, research and extension, as well as in establishing and maintaining centers of excellence in peace studies, engineering, pure and applied sciences, social sciences and philosophy, arts and humanities, education, business, information and industrial technology, law, medical and allied sciences, and in other disciplines;

b. serve as a graduate university providing advanced studies and specialization for scholars, scientists, writers, artists and professionals, especially those who serve on the faculties of state and private colleges and universities;

c. serve as a research university in the various fields of its expertise and specialization by conducting basic and applied research and development, promoting research in the various colleges and universities;

d. lead as a public service university by providing various forms of community, public and volunteer services, and scholarly and technical assistance to the government, the private sector and civil society while maintaining its standards of excellence;

f. provide opportunities for training and learning in progressive leadership, responsible citizenship, and the development of democratic values, institutions and practices;

g. serve as a regional and global university in cooperation with international and scientific unions, networks of universities and scholarly and professional associations in the Asia-Pacific region and around the world;

h) provide democratic governance in the University based on collegiality, representation, accountability, transparency, gender mainstreaming and active participation of its constituents, and promote the holding of fora for students, faculty, research, extension and professional staff and alumni to discuss non-academic issues affecting the University; and

i) advance the professional and economic rights and welfare of its academic and non-academic personnel.

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SEC. 4. The Mindanao State University System. As a system, the University shall be composed of the following constituent campuses: 1) MSU-Marawi; 2) MSU- Iligan Institute of Technology in Iligan City; 3) MSU-General Santos City; 4) MSU –Tawi-Tawi; 5) MSU-Sulu; 6) MSU-Maguindanao; 7) MSU-Misamis Oriental; 8) MSU-Zamboanga Sibugay; 9) MSU-Lanao National College of Arts and Trades (MSU-LNCAT) in Marawi City; 10) MSU-Sultan Naga Dimaporo; and 11) MSU-Maigo School of Arts and Trades (MSU-MSAT) and those that may be recognized and established by the Board of Regents upon the recommendation of the University President.

The constituent campuses shall have substantial autonomy in the management of their affairs as may be determined by the Board of Regents. However, constituent campuses having their own Charters and consequently enjoying fiscal autonomy, shall retain their rights and privileges as provided therein.

SEC. 5. Seat of Administration and Seal of the University. The seat of administration of the University shall be in Marawi City. There shall be one common seal of the University, which shall be the figure of a Meranao *awang* (boat) in full sail as the head of the seal, and a Maguindanao lamp with three rays emanating from its flame resting atop the Meranao *awang* (boat) with the number "1961" written on it. The University colors shall be "sotra" or magenta and gold. In addition, all existing logos and seals of the different campuses and colleges shall be retained and placed side by side with the common seal of the University: *Provided, That*, the Board of Regents may, in the future, revise and adopt a new common seal after consulting all campuses.

SEC. 6. Academic Freedom. The University has the right and responsibility to exercise academic freedom.

SEC. 7. Academic Excellence. The University shall maintain and enhance its high academic standards in the performance of its functions of instruction, research and extension service.

SEC. 8. Social Responsibility. The University is committed to serve the Filipino nation and humanity. While it fulfills its obligation to pursue universal principles and to serve as a leading institution in achieving peace in the country, it shall relate its activities to the needs of the Filipino people in general, the IPs and disadvantaged and marginalized people, in particular, and their aspirations for social progress and transformation, peace and national unity.

SEC. 9. Democratic Access. No student shall be denied admission to the University by reason of age, gender, ethnicity, nationality, religious belief, political opinion or physical disability. The University shall take affirmative steps to enhance the access of disadvantaged students to its programs and services.

The University recognizes the separation of Church and State. It shall guarantee religious freedom and shall not discriminate on the basis of religion.

SEC. 10. Institutional Autonomy. To provide greater flexibility, the University shall be treated in the manner consistent with its institutional requirements as the national peace university by service-wide agencies in the exercise of their respective jurisdictions. Taking into account national goals and priorities, the University shall exclusively determine its teaching, research and extension thrusts, plans, policies, programs and standards and on the basis of such determination, the University shall recommend its annual budget to the President of the Republic of the Philippines and Congress.

SEC.11. The Board of Regents. The University shall have the general powers of a corporation set forth in Batas Pambansa Blg. 68, as amended, otherwise known as "The Corporation Code of the Philippines". The administration of the University and the exercise of its corporate powers shall be vested exclusively in the Board of Regents, hereinafter referred to as the Board, which shall be composed of the following:

- a. the Chairperson, Commission on Higher Education, as Chairperson;
- b. the President, Mindanao State University, as Vice Chairperson;
- c. the Chairperson, Senate Committee on Education, Arts and Culture, as member;
- d. the Chairperson, House Committee on Higher and Technical Education, as member;
- e. the Secretary, Department of Budget and Management, as member;
- f. the Director-General, National Economic and Development Authority, as member;
- g. the Secretary, Department of Science and Technology, as member;
- h. the Chairperson, Education, Culture and Sports Committee of the Autonomous Region in Muslim Mindanao (ARMM) Legislative Assembly or the legislative body that shall replace the ARMM, as member;
- i. the National President, University Alumni Association, as member;
- j. the President, University Faculty Federation, as member;
- k. the President, Federation of Supreme Student Councils of the University, as member;
- l. one (1) Regent from the rank and file represented by the duly elected president of system-wide non-academic personnel federation duly accredited by the Civil Service Commission, as member;
- m. one (1) Regent representing the IPs of Mindanao, as member;
- n. one (1) Chancellor Regent representing all chancellors of the University; and
- o. one (1) Regent who is a prominent national educator and who is not presently employed in any of the University's campuses, as member.

The Regent representing the IPs shall be chosen from a list of at least three (3) nominees by a Board-designated search committee and elected by the Board for a term of two (2) years: *Provided*, That the Regents holding office as members of the Board at the time of the effectivity of this Act shall continue to serve until the expiration of their appointment.

The Regent representing the chancellors shall be elected by all chancellors among themselves and shall have a term of two (2) years.

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.

The Chairperson, Vice-Chairperson, and the members of the Board shall not receive any regular compensation as such but they shall be entitled to actual allowances allowed by

law, and reimbursement of necessary expenses incurred during or in conjunction with their attendance in the regular meetings or special sessions of the Board or in connection with their performance of official business duly authorized by the Board through a resolution.

SEC. 12. Powers of the Board. The administration of the University and the exercise of its corporate powers are vested upon the Board, which shall exercise the following specific powers and duties:

- a. exercise the general powers set out in the Corporation Code;
- b. define the thrusts of the University and adopt broad policy guidelines to ensure their implementation;
- c. preserve the integrity of the University;
- d. approve the creation, merger or abolition of academic programs upon the recommendation of the University Council through the President of the University;
- e. approve the graduation of students and grant of honors, as recommended by the respective Constituent Campus Councils to the University Council of the system, through the President of the University;
- d. confer honorary degrees upon persons in recognition of learning, statesmanship or eminence in literature, science, or art upon recommendation of a committee created by the President of the University;
- e. approve rules on student discipline upon recommendation of the University Council through the President of the University;
- f. create, organize, reorganize, merge or abolish constituent campuses, colleges, institutes and other academic and administrative units of the University upon recommendation of the President of the University;
- g. establish professorial chairs and award the same to appropriate recipients upon recommendation of the President of the University;
- h. provide fellowships, scholarships and grants and to award the same to faculty, staff and students giving evidence of merit;
- i. elect the University President for a term of four (4) years, without prejudice to reappointment for one (1) final term, from a list of at least three (3) nominees by a search committee appointed by the Board. In the event of a vacancy, the Board shall, within six (6) months, elect a president;
- j. appoint faculty members, officials and employees, fix and adjust salaries and benefits of all employees subject to the provisions of the Revised Compensation and Position Classification System and other pertinent budget and compensation laws; to determine their hours of service and minimum academic load, and such other terms and conditions as it may deem proper; grant leaves of absence, at its discretion, under such regulations as it may promulgate, and remove any faculty member, official or employee for cause, as provided by law after due investigation and proper hearing;
- k. extend the term of the President of the University beyond the age of retirement, but not beyond the age of seventy (70), whose performance has been unanimously rated by the Board as "Outstanding" based on its guidelines, qualifications and standards, after unanimous recommendation by the search committee;
- l. extend, with their consent, the tenure of faculty members beyond the compulsory retirement age, on recommendation of the concerned units and the endorsement of the President of the University, whenever their services are needed: *Provided*, however, that no extension of tenure shall be made for a faculty member beyond the age of seventy (70);
- m. fix tuition and other school fees and charges, which along with government subsidies and other incomes generated by the University, shall constitute special trust funds, which shall be deposited in an authorized government depository bank. These funds and all interests accruing therefrom shall be retained for the use of the University.

- n. receive and appropriate all sums as may be provided by law to support the University in its objectives, as specified by law, and all other sum in the manner it may determine, at its discretion, to carry out the purposes and functions of the University;
- o. authorize the construction or repair of the University's buildings, machinery, equipment and other facilities, and the purchase and acquisition of real and personal properties, including necessary supplies, materials and equipment for the University;
- p. if the University, for reasons beyond its control, is not able to pursue any project or program for which funds have been appropriated or allocated, the same funds may be used by the University, subject to the approval of the Board for any reasonable purpose for which it deems necessary and urgent for the attainment of the objectives of the University: *Provided*, That funds collected from students for a specific purpose shall not be used for other expenditures;
- q. receive, in trust, legacies, gifts, and donations of real and personal properties of all kinds and to administer and dispose of the same for the benefit of the University, subject to the instructions, if any, of the donors;
- r. enter into transactions for the profitable development and management of the economic assets of the University, the proceeds from which shall be used to develop and strengthen the University;
- s. authorize its faculty and staff, through the chancellors, to travel abroad in order to study, read papers, attend conferences and disseminate research, all provisions of law to the contrary notwithstanding;
- t. delegate an of its powers to the President of the University or any other official, as it may deem necessary;
- u. prescribe rules and regulations for the governance of the University;
- v. recommend the creation of additional plantilla items to the DBM in line with the functions of the University and in consultation with the Civil Service Commission, and consistent with the scientific career system; and
- w. exercise such other powers, not contrary to law, as may be proper and necessary to carry out the objectives of this Act.

SEC. 13. Meetings and Quorum. The Board shall meet regularly once every quarter. The University President, as Vice Chairperson, in consultation with the Chairperson, shall schedule meetings of the Board. The Chairperson may call a special meeting whenever necessary: *Provided*, That members are notified in writing at least ten (10) working days prior to the meeting: *Provided, further*, That the notice shall contain a brief description of the agenda items to be discussed. A simple majority of all members of the Board holding office at the time the meeting is called shall constitute a quorum. In accordance with existing laws and jurisprudence, no designated proxy by a Board member may be allowed to participate or cast a vote in the deliberations of the Board.

SEC. 14. The University President. The University President shall be elected by the Board from a list of at least three nominees by a Board-constituted Search Committee and shall serve for a term of four (4) years without prejudice to one reappointment for one (1) final term. The University President shall be the Chief Executive Officer, the Chief Academic Officer, and the head of the University Faculty. The University President shall exercise the powers specifically provided for in this Act, those determined by the Board, those which usually pertain to the office of the president of a university, and those which are related to its functions.

SEC. 15. Powers and Duties of the President. The administration of the University shall be vested in the President of the University, who shall exercise the following powers and functions:

- a. carry out the general policies laid down by the Board, and shall have the power to act within the lines of general policies;

- b. exercise general supervision over the University, including businesses and financial operations, all officers, members of the teaching staff, and employees of the University System;
- c. exercise general supervision over extra-curricular activities of students and authority to issue adequate rules for the organization and operation of student organizations;
- d. authorize the transfer of faculty and employees from one department, unit of the University to another with the written consent of the faculty member or employee concerned: *Provided, That:* 1) there is no demotion in rank and salary; 2) it is with the consent of the head of the unit; and 3) it is in the interest of the service;
- e. serve as the official center of communication among the faculty, employees and students of the University, on the one hand, and the Board, on the other hand;
- f. prepare an annual report to the Board on the work and accomplishments of the previous year and the needs for the current year;
- g. present to the Board the annual budget of the University, with the estimates of incomes and expenditures;
- h. execute and sign, on behalf of the University, all contracts, deeds and other instruments necessary for the proper conduct of the business of the University, unless otherwise therein provided;
- i. have general responsibility over the enforcement of discipline and for the maintenance of satisfactory academic standards in all its units;
- j. modify or disapprove any action or resolution of any college, faculty or administrative body, if in his judgment the larger interest of the University so requires. Should the President exercise such power, the decision shall be communicated in writing to the body immediately affected, stating the reasons for the action, and thereafter shall accordingly inform the Board, which may take any action it may deem appropriate in connection therewith; and
- k. exercise such other powers as elsewhere provided in this Act, or as authorized by the Board: *Provided, That* the President may delegate in writing any of the abovestated functions to the chancellors, campus directors or to any officer in the University.

SEC. 16. *The Secretary of the University and of the Board.* There shall be a Secretary of the University, who shall also serve as the Secretary of the Board, to be appointed by the Board upon the recommendation of the University President. The Secretary shall be the custodian of all official records of the University.

SEC. 17. *The University Council and Constituent Campus Councils.* There shall be a University Council of the University consisting of the University President as its Chairperson, the Chancellors, and representatives of the various Constituent Campus Councils.

The Constituent Campus Council, composed of the Chancellor as Chairperson, the Vice-Chancellors, Deans, and all faculty members with the academic rank of assistant professor or higher, shall meet, evaluate and recommend the campus agenda to the University Council.

SEC. 18. *The University Council.* The University Council shall be the highest academic body of the University and shall exercise the following powers:

- a. prescribe the academic programs, including their institution, revision, abolition or merger, subject to the approval of the Board on recommendation by the University President;
- b. recommend to the Board, through the University President, the graduation of students and grant of honors;

- c. determine the requirements for admission to any college or unit, graduation, and the grant of honors subject to the minimum system-wide requirements;
- d. undertake a periodic review of academic courses, programs, standards, thrusts and policies; and
- e. adopt internal rules of procedure consistent with the provisions of this Act.

SEC. 19. *The Chancellor of a Constituent Campus.* The administration of each Constituent Campus is vested in the Chancellor, insofar as authorized by the Board and the University President. The Chancellor shall be elected by the Board, upon nomination of the University President, from a list of at least three (3) nominees by a search committee appointed by the University President in accordance with guidelines as may be determined by the Board. The Chancellor shall perform duties and functions mandated by this Act, under the supervision of the University President. The Chancellor shall serve for a term of four (4) years and may be reappointed to one (1) final term.

SEC. 20. *The Faculty.* The teaching staff of each college shall constitute its faculty who shall be appointed by the University President, on nomination by the Chancellor, and subject to the confirmation of the Board.

If a Dean fails to complete the term, the Chancellor shall appoint an acting Dean while a search process is in progress. In no case shall the search and election of the next Dean be longer than ninety (90) calendar days from the date when the vacancy occurs.

SEC. 21. *Requisites of Appointment of Faculty and Staff.* No religious or political opinion and affiliation shall be made a matter of inquiry in the appointment of faculty and staff.

SEC. 22. *Student Councils.* There shall be established a College Student Council in every college or degree-granting unit; a University Student Council for every constituent campus; and a Federation of University Student Councils for the University.

The student councils shall serve as the primary student bodies that shall advance the interests, welfare, and aspirations of the students. It shall have the power to adopt internal rules of procedure consistent with the provisions of this Act.

Student publications are encouraged in every college, unit, or constituent campus to be funded from student fees, subject to supervision by designated faculty advisers. Freedom of expression and autonomy in all matters of editorial and fiscal policy shall be guaranteed, especially in the selection of editors and staff, provided that there shall be strict adherence to the canons of responsible journalism.

SEC. 23. *Tax Exemptions.* a. All grants, bequests, endowments, donations and contributions made to the University to be used actually, directly and exclusively by the University shall be exempt from donor's tax and the same shall be considered as allowable deduction from the gross income of the donor 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; and

b. The importation of economic, technical, vocational, scientific, philosophical, historical and cultural books, and/or publications shall be exempt from customs duties in accordance with the provisions of the Tariff and Customs Code of the Philippines, as amended.

SEC. 24. *Land Grants and Other Real Properties of the University.* The State shall provide subsidy for the University in the form of a lump sum amount, through general appropriations and other financial benefits, and in kind, through land grants, donations and

use of other real properties. All incomes derived from the land grants and other real properties shall be used by the University, as may be decided by the Board.

Such parcels of land ceded by law, decrees or presidential issuances to the University, are hereby declared reserved for the purposes intended. The absolute ownership of the University System over these landholdings, including those covered by original and transfer certificates of title in the name of the University, is hereby confirmed.

The Board may confirm contracts, mechanisms, and financial instruments, such as joint ventures, long-term leases, securitization and the like, entered into by the University President: *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 University;

The Board may allow the use of the income derived from real properties of the University as security for financial transactions to generate additional revenues when needed for education purposes.

The Board may approve the implementation of joint venture agreements: *Provided*, That in the event that real properties of the University are involved, only incomes from the use of the real properties shall be pledged in the joint ventures: *Provided, further*, That no joint venture shall result in the alienation of the real properties of the University.

Any plan to generate revenues and other sources from land grants and other real properties entrusted to the University shall be consistent with the academic mission and orientation of the University: *Provided*, That such programs, projects or mechanisms shall be approved by the Board: *Provided, further*, that funds generated from such programs, projects or mechanisms shall not be construed to replace, in part or in whole, the annual government appropriations to the University.

SEC. 25. Auditing of Accounts. The Commission on Audit shall audit all accounts and disbursements of the University.

SEC. 26. Fiscal Autonomy of the Constituent Campuses. No portion of the funds appropriated or allocated for a constituent campus shall be disbursed by the administration of the University System and all other incomes and earnings of the constituent campuses shall remain with the concerned constituent campuses.

SEC. 27. Rules of Construction. No statutory or other issuances shall diminish the powers, rights, privileges, and benefits accorded to the University under this Act or enjoyed at present by the University under other issuances not otherwise modified or repealed by this Act, unless subsequent legislation expressly provides for their repeal, amendment or modification. In case of doubt in the interpretation of any of the provisions of this Charter, the same shall be resolved in favor of the academic freedom and fiscal autonomy of the University.

SEC. 28. Appropriations. The amount needed to carry out the implementation of this Act shall be charged against the current fiscal year's lump sum appropriations and other internal funds of the University. Thereafter, such lump sum representing the national government's assistance for the continued implementation of this Act shall be included in the annual General Appropriations Act.

The University may use the unexpended balances in any appropriation for purposes that the Board shall determine.

SEC. 29. Transitory Provision. The University shall, in addition to its laboratory high schools, continue to operate its feeder community high schools located in conflict-affected areas pursuant to its original mandate.

SEC. 30. *Implementing Rules and Regulations.* Within sixty (60) days after the effectivity of this Act, the Board, in consultation with the CHED, shall formulate the rules and regulations to fully implement the provisions of this Act.

SEC. 31. *Repealing Clause.* Republic Act No. 1387 (MSU Charter), as amended by RA No. 1893 and RA No. 3868, RA No. 1567 (Lanao National College of Arts and Trades), RA No. 4279 (Maigo School of Arts and Trades), RA No. 5507 (Lanao Norte Agricultural College), RA No. 6060 (An Act to Establish the Sulu College of Technology and Oceanography as Unit of the MSU) and all laws, decrees, orders, rules, and regulations or other issuances or parts thereof inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 32. *Separability Clause.* Should any provision herein be declared unconstitutional, the same shall not affect the validity of the other provisions of this Act.

SEC. 34. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,

