

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

'04 JUN 30 P2:51

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S E N A T E

S. No. 221

Introduced by Senator Osmeña III


EXPLANATORY NOTE

The University of the Philippines was established in 1908 by an act of the First Philippine Legislature. Act No. 1870, otherwise known as the University Charter, specified the function of the University which is to provide advanced instruction in literature, philosophy, the sciences, and arts and to give professional and technical training.

In 1973, the University was reorganized into a university system which is now composed of six constituent universities and one autonomous college, to wit UP Diliman, UP Los Baños, UP Manila, UP Visayas, UP Mindanao, UP Open University and UP Baguio. The reorganization of the UP into a system allowed itself to be true to its principles of democratization and equity while upholding and continuing its tradition of quality and excellence in all fields of academic endeavor. Over several decades the University of the Philippines has indeed become a bastion of academic freedom and academic excellence.

To further the gains it has made in democratic participation and to underscore the principles which enable it to function effectively as the national university, this bill aims to strengthen the role of an institutionally autonomous University of the Philippines in providing distinctive leadership in higher education and national educational development. It seeks to do so by: 1) creating a University System Council to serve as the inter-university academic body to set system-wide academic rules and standards and to reconcile differences among the autonomous university councils; 2) distributing functions of university governance to the Board of Regents, the University Presidents and other administrators, and the University Councils, 3) allowing the faculty, students, alumni and non-teaching representation in the board; and 4) establishing the relationship between the University and other bodies of the State, including Congress, constitutional commissions and other government agencies.

Pursuant therefore to the Constitutional mandate for the State to constantly improve the standards of higher education in the Philippines, the passage of this bill is earnestly sought.


SERGIO OSMEÑA III
Senator

THIRTEENTH CONGRESS OF THE REPUBLIC)
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SENATE

S. No. 221

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AN ACT
TO ENHANCE THE ACADEMIC FREEDOM AND INSTITUTIONAL
AUTONOMY OF THE UNIVERSITY OF THE PHILIPPINES, AND FOR OTHER
PURPOSES

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

1 Section 1. **Title.** – This Act shall be known as the “**University of the**
2 **Philippines Charter of 2004.**”

3 Section 2. **Declaration of Policy.** – The State shall promote, foster,
4 nurture and protect the right of all citizens to quality education. Toward this end,
5 it is the policy of the State to strengthen the University of the Philippines which is
6 its national university.

7 Section 3. **Purpose of the University.** – The University of the Philippines
8 is a public and secular institution of higher learning established to provide
9 advanced education in philosophy, humanities and the arts, management, the
10 natural and social sciences, and engineering and technology, to give professional
11 and technical training, encourage and undertake research and contribute to the
12 dissemination and application of knowledge. As a community of scholars
13 dedicated for the search for truth and knowledge and as the national university of
14 the Philippines, the University is at the head of the system of higher education in
15 the country and is expected to set the standard for undergraduate and graduate
16 education, research and extension and public service of all colleges and

1 universities in the Philippines. As such, it has the obligation to encourage and
2 support all other educational institutions of the country.

3 Section 4. **The University System.** – The University of the Philippines is
4 a university system and shall be composed of UP Diliman, UP Los Baños, UP
5 Manila, UP Visayas, UP Mindanao, UP Open University, and such other
6 autonomous universities and other units as may be established by law or by
7 resolution of the Board of Regents.

8 Section 5. **Academic Freedom.** – The University has the right and the
9 responsibility to exercise academic freedom.

10 Section 6. **Academic Excellence.** – The University has the responsibility
11 to maintain and enhance its high academic standards in the performance of the
12 functions of instruction, research, and extension and public service.

13 Section 7. **Social Responsibility.** – The University is committed to serve
14 the Filipino nation and humanity. While it carries out the obligation to pursue
15 universal principles, it shall relate its activities to the needs of the Filipino people
16 and their aspirations for social progress and transformation.

17 Section 8. **Democratic Access.** – No student shall be denied admission
18 to the University by reason of age, gender, nationality, religious belief, or political
19 affiliation. The University shall take affirmative steps to enhance the access of
20 the disadvantaged to its programs and services.

21 Section 9. **The Board of Regents.** – The government of the University
22 shall be vested in the Board of Regents of the University of the Philippines, which
23 shall be composed of the following:

- 24 a. The Chair of the Commission on Higher Education as Chairperson;
- 25 b. The President of the University of the Philippines as Vice-Chairperson;
- 26 c. The Chair of the Senate Committee on Education
- 27 d. The Chair of the House Committee on Higher Education;
- 28 e. The President of the U.P. Alumni Association, to serve as Alumni Regent
29 during his or her incumbency in that position;

- 1 f. One Faculty Regent chosen by the full-time faculty members of the
2 University from their ranks, to serve for a term of two (2) years;
- 3 g. One Student Regent chosen by the students from their ranks, to serve for
4 a term of one (1) year;
- 5 h. One Staff Regent representing the full-time research, extension and
6 professional staff and administrative personnel and chosen by them from
7 their ranks, to serve for a term of two (2) years; and
- 8 i. Five other Regents appointed by the President of the Philippines who shall
9 each serve for a term of three (3) years: Provided, that Regents holding
10 office as members of the Board of Regents at the time of promulgation of
11 this Act shall continue to serve until the expiration of their appointments as
12 provided for in the Executive Order No. 204-A, series of 1987.

13 In case of vacancy in the Board of Regents of any appointed position,
14 such position shall be filled by appointment by the President of the Philippines,
15 and such appointee shall hold office for the unexpired term. In case of vacancy
16 in the position of sectoral regents, the successor, who shall serve for the
17 unexpired term, shall be chosen in the same manner as provided above for the
18 predecessor: Provided, that in the case of the sectoral Regent, membership in
19 the Board ceases upon separation from the service of the University.

20 Members of the Board shall serve without compensation other than actual
21 and necessary expenses incurred in attendance of meetings of the Board or
22 other official business authorized by the Board.

23 Section 10. **Powers of the Board of Regents.** – The administration of
24 the University and the exercise of its corporate powers shall be vested in the
25 Board of Regents and the President of the University insofar as authorized by the
26 Board, and in the University Councils to the extent specified in this Act. The
27 administration of each Autonomous University is vested in the Chancellor insofar
28 as authorized by the Board and the University President.

29 The Board shall exercise the following specific powers and duties:

- 1 a. To adopt and define in general terms the thrusts of the University and
2 broad policy guidelines to ensure their implementation;
- 3 b. To preserve the integrity of the University of the Philippines system;
- 4 c. To approve the institution, merger or abolition of academic programs upon
5 the recommendation of the University Council of the autonomous
6 university concerned or upon the recommendation of the System
7 University council in case of programs offered by two or more autonomous
8 universities;
- 9 d. To approve the graduation of students, as recommended by their
10 respective University Councils;
- 11 e. To confer honorary degrees upon persons in recognition of learning,
12 statesmanship, or eminence in literature, science, or arts, upon
13 recommendation of a committee of the System University Council, or a
14 committee of a Board of Regents: Provided, that such degrees shall not
15 be conferred in consideration of any payment, gifts or other valuable
16 consideration;
- 17 f. To approve the rules on student discipline recommended by the University
18 Councils;
- 19 g. To create, organize, reorganize, merge or abolish autonomous
20 universities, colleges, institutes, and other academic and administrative
21 units of the University;
- 22 h. To establish chairs in the colleges and to provide for the maintenance or
23 endowment of such chairs;
- 24 i. To provide fellowships and scholarships and to award the same to faculty,
25 staff and students giving special evidence of merit;
- 26 j. To elect the University President following a process of democratic
27 consultation with the University community;
- 28 k. To appoint faculty members and other officials and employees, to draw up
29 a position classification and compensation plan for its faculty and staff,

1 and to fix and adjust salaries and benefits of the faculty members and
2 other employees; to determine their hours of service, and such other
3 terms and conditions as it may deem proper; grant to them, in its
4 discretion, leave of absence under such regulations as it may promulgate,
5 any other provisions of law to the contrary notwithstanding; and to remove
6 them for cause as provided by law after due investigation and proper
7 hearing;

8 l. To extend, with their consent, the tenure of faculty members of the
9 University beyond the compulsory retirement age, any other provision of
10 law to the contrary notwithstanding, on recommendation of the units upon
11 endorsement of the President of the University, whenever their services
12 are specially needed: *Provided, further,* that in case of extension of tenure
13 of the University President beyond the compulsory retirement age, such
14 extension shall be subject to the approval of the President of the
15 Philippines;

16 m. To fix the tuition fees and other necessary school charges, as the Board
17 may deem proper to impose. Such fees and charges, including
18 government subsidies and other income generated by the University,
19 constitute special trust funds and shall be deposited in any authorized
20 government depository bank. Any and all interests that shall accrue
21 therefrom shall form part of the same funds for the use of the University.
22 Any provision of existing law to the contrary notwithstanding, all incomes
23 generated by the University may, at the discretion of the Board, be
24 disbursed for the professional growth and development, health, welfare,
25 and other benefits of the faculty members and other personnel; for the
26 acquisition, construction, maintenance, and repair or urgently needed
27 instructional and auxiliary facilities, equipment, buildings and other
28 infrastructure; and for expenses necessary for the attainment of its
29 purposes under this Act. If the University, for reasons beyond its control,

1 shall not be able to pursue any project for which funds have been
2 appropriated and allocated under its approved program of expenditures,
3 the Board may authorize the use of said funds for any reasonable purpose
4 which it deems necessary and urgent for the attainment of the objectives
5 and goals of the University.

6 n. To receive and appropriate all sums as may be provided by law for the
7 support of the University to the ends specified by law, and all other sums
8 in the manner it may, in its discretion, determine to carry out the purposes
9 and functions of the University;

10 o. To authorize the construction or repair of its buildings, machinery,
11 equipment and other facilities, and the purchase and acquisition of real
12 and personal properties, including the necessary supplies, materials and
13 equipment: *Provided*, that purchases and other transaction entered into by
14 the University shall be exempt from taxes and duties;

15 p. To receive in trust legacies, gifts and donations of real and personal
16 property of all kinds and to administer and dispose the same when
17 necessary for the benefit of the University and subject to the limitations,
18 discretion and instructions of the donor, if any;

19 q. To exercise the general powers set out in the Corporation Code;

20 r. To delegate any of its powers to the President or any other officials or
21 officers as it may deem necessary; and

22 s. To prescribe rules for its own government and the discipline of the faculty
23 and other personnel, and to enact for the government of the University
24 such general ordinances and regulations, not contrary to law, as are
25 consistent with the purposes of the University.

26 Section 11. **Quorum of the Board of Regents.** – A simple majority of all
27 members of the Board of Regents holding office at the time the meeting is called
28 shall constitute a quorum.

1 Section 12. ***The System University Council.*** – There shall be a System
2 University Council composed of the following:

- 3 a. The University President as Chairperson;
- 4 b. The Chancellors of the Autonomous Universities and the Faculty Regent
5 as members;
- 6 c. The Vice-President for Academic Affairs as Member-Secretary;
- 7 d. Three (3) members from each Autonomous University Council, each to
8 serve for a term of two (2) years, chosen as follows:
 - 9 1) one elected from among the Assistant Professors;
 - 10 2) one elected from among and by the Associate Professors; and
 - 11 3) one elected from among and by the Professors and University
12 Professors:

13 *Provided, that autonomous universities or their equivalents with less than*
14 *three hundred (300) faculty members with the rank of Assistant Professor*
15 *or higher shall be represented by only one (1) faculty member; and*

- 16 e. Three (3) members elected at large from among and by the regular faculty
17 members with the rank of Assistant Professor or higher, to serve for a
18 term of two (2) years.

19 Section 13. ***Powers of the System University Council.*** – The System
20 University Council shall be the system-wide academic body of the University and
21 shall exercise the following powers:

- 22 a. Prescribe the minimum system-wide requirements for admission to, and
23 graduation and receiving a degree from, the University;
- 24 b. Recommend to the Board of Regents system-wide rules on student
25 discipline;
- 26 c. Recommend for approval of the Board of Regents the institution, merger
27 or abolition of academic programs offered in more than one Autonomous
28 University and endorsed to it by the University Councils concerned;

- 1 d. When necessary, undertake the review of academic courses, programs,
- 2 standards, thrusts and policies, in consultation with the respective
- 3 autonomous University Councils;
- 4 e. Through a committee it has created for that purpose, recommend to the
- 5 Board the conferment of honorary degrees;
- 6 f. Prescribe minimum standards of ethics and conduct for faculty members;
- 7 g. Adopt internal rules of procedure consistent with the provisions of this Act;
- 8 and
- 9 h. Perform other academic functions requiring system-wide coordination.

10 Section 14. ***The University President.*** – The University President shall,
11 be the head of the University Faculty and the Chief Executive Officer of the
12 University. The President shall preside over the meetings of the System
13 University Council and the autonomous University Council, if he or she is in
14 attendance. The President shall exercise the powers specifically provided for in
15 this Act, those determined by the Board of Regents, those which are usually
16 pertaining to the office of the president of a university, and those which are
17 related or necessary to its functions. The term and compensation of the
18 President shall be determined by the Board of Regents.

19 Section 15. ***The Secretary of the University and of the Board of***
20 ***Regents.*** – There shall be a Secretary of the University appointed by the Board
21 of Regents, who shall also be the Secretary of the Board, who shall keep such
22 records of the University as may be designated by the Board.

23 Section 16. ***The University Council.*** – There shall be in each
24 Autonomous University a University Council consisting of the Chancellor as
25 Chairperson, and of all the faculty members in the University holding the rank of
26 Assistant Professor or higher.

27 Section 17. ***Powers of the University Council.*** – The University Council
28 shall be the highest academic body of each Autonomous University and shall
29 exercise the following powers:

- 1 a. Fix the requirements for admission to any college or unit and for
2 graduation and receiving a degree, subject to the minimum system-wide
3 requirements;
- 4 b. Prescribe the academic programs including their institution, abolition and
5 merger, subject to the approval of the Board;
- 6 c. Recommend to the Board the graduation of students;
- 7 d. Exercise disciplinary power over students, through the Chancellors or their
8 appropriate committees, subject to review by the President according to
9 the limits prescribed by the system-wide rules on student discipline.
- 10 e. Undertake the periodic review of academic courses, programs, standards,
11 thrusts and policies; and
- 12 f. Adopt internal rules of procedure consistent with the provisions of this Act.

13 Section 18. ***The Chancellor of the Autonomous University.*** – The
14 Chancellor of the Autonomous University shall be appointed by the Board of
15 Regents upon nomination of the University President, following a process of
16 democratic consultation with the constituents of the that Autonomous University.
17 The Chancellor shall report to the President of the University, and shall perform
18 the duties and functions elsewhere stated in this Act, and all the usual, necessary
19 and related functions of the office of the chancellor, subject to the policies and
20 rules prescribed by the Board of Regents. The term and compensation of the
21 Chancellor shall be determined by the Board of Regents.

22 Section 19. ***The Faculty.*** – The teaching staff of each college shall
23 constitute its faculty, which shall be presided over by a dean appointed by the
24 Board of Regents on nomination by the Autonomous University and upon the
25 recommendation of the Chancellor of the Autonomous University, following a
26 process of democratic consultation with the constituents of the college. In the
27 appointment of faculty members, no religious test shall be applied, nor shall the
28 religious or political opinions or affiliations of the faculty members of the
29 University be made a matter of examination or inquiry.

1 Section 20. **Appointment Requisites.** – Faculty members, and research
2 and extension and professional staff of the University shall be exempt from any
3 civil examination or regulation as a requisite appointment.

4 Section 21. **Land Grants and Other Real Properties of the University.**

5 – The State shall provide subsidy, in the form of cash, through general
6 appropriations and other financial benefits, and in kind, through land grants and
7 donations and use of other real properties, to the University of the Philippines
8 System as the national university. Income derived from the development of all
9 land grants and real properties shall be used to further the ends of the University,
10 as may be decided upon by the Board of Regents. Such income shall be exempt
11 from taxation.

12 Such parcels of land ceded by law, decree or presidential issuance to the
13 University of the Philippines are hereby declared to be reserved for the purposes
14 intended, as confirmed by the Board of Regents. The absolute ownership by the
15 University over these land holdings are hereby affirmed. Where issuances of
16 proper certificates of title are yet pending for these land holdings, the appropriate
17 government office shall expedite the issuance thereof within six (6) months from
18 the date of the effectivity of this Act.

19 The Board of Regents shall plan, design, approve and/or cause the
20 implementation of financial mechanisms, such as joint ventures, long-term leases
21 and outright sale, to give the University the most advantageous position in
22 generating revenues and other resources from the land grants and other real
23 property entrusted by the Filipino people to their national university: *Provided,*
24 that such mechanisms and arrangements shall sustain and protect the
25 environment, be exclusive of the academic core zone of the University's
26 campuses, and be for such periods of time as may be determined in accordance
27 with law.

28 Section 22. **Appropriations.** – The amount needed to carry out the
29 implementation of this Act shall be charged against the current year's

1 appropriation and other internal funds of the University. Thereafter, such amount
2 representing the national government's assistance for the continued
3 implementation of this Act shall be included in the Annual General Appropriations
4 Act.

5 Section 23. **Tax Exemptions.** – The provisions of any general or special
6 law to the contrary notwithstanding:

- 7 a. All property, resources, receipts, expenditures, profits and income of the
8 University used actually, directly and exclusively for educational purposes
9 shall be exempt from all national and local taxes, fees, charges and
10 assessments nor in force or hereinafter established. The same exemption
11 shall likewise apply to all contracts, deeds, documents and transactions
12 related to the conduct of the business of the University: *Provided,*
13 *however,* that said exemptions shall apply only to such taxes, fees,
14 charges and assessments for which the University itself would be
15 otherwise liable, and shall not apply to those taxes, fees, charges or
16 assessments payable by persons or entities doing business with the
17 University.
- 18 b. Revenues derived from intellectual property, research, teaching and
19 extension facilities, and ancillary academic activities shall be exempt from
20 taxation.
- 21 c. The University shall be extended duty and tax free entry of all imported
22 articles used actually and directly for educational purposes, subject to the
23 rules and regulations promulgated by the Department of Finance:
24 *Provided,* that articles entered tax and duty free may not be sold,
25 transferred or otherwise disposed of in any manner whatsoever to any
26 person without the prior approval of the Department of Finance and
27 Commission on Audit. Any transferee of said article shall be deemed the
28 importer thereof, and the same shall be assessed at its entered value
29 without depreciation.

1 d. Donation to the University shall be exempt from all taxes and shall be
2 considered deductible items from the income tax of the donor.

3 Section 24. **Auditing of Accounts.** – All accounts and expenses of the
4 University shall be audited by the Commission on Audit, and all disbursements
5 shall be made in accordance with rules and regulations prescribed by the latter.

6 Section 25. **Institutional Autonomy as the National University.** – To
7 provide greater flexibility to the University, it shall be treated in a manner
8 consistent with its institutional requirements as the national university by the
9 service-wide agencies in exercise of their respective jurisdiction.

10 The University, taking into account national goals and priorities, shall
11 exclusively determine its teaching, research and extension thrusts, plans,
12 policies, priorities, programs and standards and, on the basis of such
13 determination, the University shall recommend its annual budget to the President
14 and Congress.

15 Section 26. **Rule of Construction.** – No statutory or other issuances
16 shall diminish the powers, rights, privileges, and benefits accorded to the
17 University under this Act or enjoyed at present by the University under other
18 issuances not otherwise modified or repealed under this Act, unless subsequent
19 legislation expressly provides for their repeal, amendment, or modification. Any
20 case of doubt in the interpretation of any of the provisions of this Charter shall be
21 resolved in favor of the fiscal autonomy and academic freedom of the University
22 of the Philippines.

23 Section 27. **Separability Clause.** – If any of the provisions of this Act is
24 declared unconstitutional, the rest of the provisions not affected thereby shall
25 remain in full force and effect.

26 Section 28. **Repealing Clause.** – All laws, decrees, orders, rules and
27 regulations or other issuances or parts thereof inconsistent with the provisions of
28 this Act are hereby repealed or modified accordingly.

1 Section 29. **Effectivity.** – This Act shall take effect fifteen (15) days after
2 its publication in at least two (2) newspapers of general circulation.

3 Approved.

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