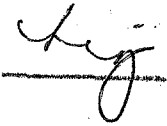


THIRTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )

'04 JUN 30 P10:24

SENATE

RECEIVED BY: 

S. No. 1106

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Introduced by Senator Franklin M. Drilon

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### EXPLANATORY NOTE

In 1908, the University of the Philippines was established under Act 1870 by the American colonial government to be at the apex of the Philippine education system under Act 1870.

In 1972, it was designated by the National Board of Education as the national university, thus recognizing its role as a standard setter in undergraduate and graduate education, research, and public service and its high status in national, regional and international circles.

In 1973, the University was reorganized into a university system which is now composed of five autonomous universities and one autonomous college (UP Mindanao).

Since 1908, UP has educated and trained many of our leaders in government, business, the professions, arts, and science and technology, and the social sciences. It has produced research and creative works that showcase the critical analysis, ingenuity and intellectual and artistic capability of our race. It has also established extension, outreach and voluntary service programs which has benefited the less privileged in the country.

Despite its many achievements, however, there have been many calls for the revision of its charter to erase the remaining vestiges of its colonial origins, to recognize the gains it has made in democratic participation over the years, and to underscore the principles which enable it to function effectively as the national university and as a university system. In matters in governance, there is also a need to strike a better balance between its dual role as a community of scholars able to govern themselves and a university supported by the Filipino people. It is also necessary to enhance its institutional autonomy so that it can continue to be a bastion of academic freedom and academic excellence.

Thus, this bill proposes a new charter for the university. This proposed revised charter is a product of a long process of consultation participated in by various sectors of the University – the faculty, students, professional and administrative staff, and alumni.

It emphasizes the value of academic freedom, academic excellence, social responsibility, democratic participation, democratic access, ethics, and autonomy as guiding principles in the life of the University of the Philippines.

This bill creates the System University Council to serve as the inter-university academic body to set systemwide academic rules and standards and to reconcile differences among the autonomous university councils. It distributes functions of university governance to the Board of Regents (BOR), the President and other administrators, and the University Councils, allows the faculty, students, alumni and non-teaching staff representation in the Board, and establishes the relationship between the University and other bodies of the State, including Congress, constitutional commissions and other government agencies.

This charter also gives the BOR the power to draw up a position classification and compensation plan and to fix and adjust salaries and benefits of the faculty members and other employees.

This measure is a significant step in the development of U.P., particularly in ensuring its institutional flexibility and fiscal autonomy.

It is in this view that the immediate enactment of this bill is earnestly recommended.




FRANKLIN M. DRILON

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**AN ACT TO ENHANCE THE ACADEMIC FREEDOM AND INSTITUTIONAL  
AUTONOMY OF THE UNIVERSITY OF THE PHILIPPINES**

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

SECTION 1. *Title.* – This Act shall be known as "The Revised University  
of the Philippines Charter."

SECTION 2. *Declaration of Policy.* – The State shall promote, foster,  
nurture and protect the right of all citizens to quality education. Toward this  
end, this Act seeks to strengthen the University of the Philippines System,  
referred to in this Act as the University of the Philippines, as a community of  
scholars dedicated to the search for truth and knowledge, and as the national  
university in recognition of its leadership in higher education in the country.

SECTION 3. *Purpose of the University.* – The University of the Philippines  
is a public and secular institution of higher learning established to provide  
advanced education in philosophy, humanities and the arts, the natural and  
social sciences, and engineering and technology, to give professional and  
technical training, encourage and undertake research, and contribute to the  
dissemination and application of knowledge.

SECTION 4. *Component Units.* – The University of the Philippines shall be  
composed of such autonomous universities and other units as may be  
established by the Board of Regents.

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

SECTION 6. *Academic Excellence.* – The University has the responsibility  
to strive for high academic standards in the performance of its functions of  
instruction, research and extension.

SECTION 7. *Social Responsibility.* – The University is committed to serve  
the Filipino people. While it carries out the obligation to pursue universal  
principles, it must relate its activities to the needs of the Filipino people and their  
aspirations for social progress and transformation.

SECTION 8. *Democratic Access.* – No student shall be denied admission to the University by reason of age, sex, nationality, religious belief, or political affiliation.

The University shall take affirmative steps to enhance the access of disadvantaged students to its programs and services.

SECTION 9. *The Board of Regents.* – The government of the University is vested in a Board of Regents, composed of:

- a) The Chairman of the Commission on Higher Education as Chairperson;
- b) The President of the University of the Philippines as Vice-Chairperson;
- c) The Chairperson of the Senate Committee on Education;
- d) The Chairperson of the House Committee on Education;
- e) The President of the U.P. Alumni Association, to serve during his or her tenure as President of the Alumni Association;
- f) One Faculty Regent chosen by the full-time University faculty members from their ranks, to serve for a term for two years;
- g) One Student Regent, to serve for a term of one year, chosen by the students from their ranks;
- h) One regent representing the full-time research, extension and administrative personnel and chosen by them from their ranks, to serve for a term of two years; and,
- i) Three other regents appointed by the President of the Philippines who shall serve a term of three years.

In case of vacancy in the Board of Regents of any appointive position, such vacancy shall be filled by appointment by the President of the Philippines, and such appointee shall hold office for the unexpired term. In case of vacancy in the position of sectoral Regents, the successor, who shall serve for the unexpired term, shall be chosen in the same manner as provided above for the predecessor; Provided, that membership in the Board, in the case of a sectoral Regent, ceases upon separation from the service of the University.

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

SECTION 10. *Powers.* – The administration of the University and the exercise of its powers are vested in the Board of Regents and the President of the University insofar as authorized by the Board, and in the University Councils to the extent specified in this Act. The administration of each Autonomous University is vested in the Chancellor insofar as authorized by the Board.

The Board shall, in addition, exercise all the powers granted to the Board of Directors of a private non-stock corporation under existing laws, as well as the following specific powers and duties:

- a) To adopt and define in general terms the thrusts of the University and broad policy guidelines to ensure their implementation;
- b) To preserve the integrity of the UP system;
- c) Upon recommendation of the System University Council, to approve the institution, merger or abolition of academic programs drawn up by the University Councils;
- d) Upon recommendation of the System University Council, to confer the usual honorary degrees upon persons in recognition of learning, statesmanship, or eminence in literature, science, or art: Provided, that such degrees shall not be conferred in consideration of the payment of money, the giving of gifts or other valuable consideration;
- e) To establish professorial chairs and to provide for the maintenance or endowment of such chairs, as well as to provide for such other professors and lecturers as the progress of instruction may make necessary, and to fix the compensation pertaining to such positions;
- f) To provide fellowships and scholarships and to award the same to students giving special evidence of merit;
- g) To elect the University President upon appropriate consultations with the various sectors of the University community;
- h) To appoint, upon recommendation of the President, all officials of the University except those whose appointments are vested by the Board in the President, the Chancellor, or in other appropriate officials of the University;
- i) To appoint faculty members and other officials and employees; any other provision of law to the contrary notwithstanding, to draw up and approve a position classification and compensation plan for its officials, faculty and other employees, fix and adjust their salaries and benefits; to fix their hours of service, and such other duties and conditions as it may deem proper; to grant to them in its discretion, leave of absence under such regulation as it may promulgate, any other provision of law to the contrary notwithstanding and to remove them for cause as provided by law after due investigation and proper hearing;
- j) To extend, with their consent, the tenure of faculty members of the University beyond the compulsory retirement age, any other provision of law to the contrary notwithstanding, on recommendation of the units upon endorsement of the President of the University, whenever in the latter's opinion their services

are specially needed: Provided, however, that no extension of service shall be made beyond the age of seventy: Provided further, that in cases of extension of tenure of the University President beyond the compulsory retirement age, such extension shall be subject to the approval of the President of the Philippines;

- k) Any law to the contrary notwithstanding, upon recommendation of the System University Council, to authorize the creation, organization, reorganization, or abolition of autonomous universities, colleges, institutes, and other units of the University;
- l) To fix the tuition fees and other necessary school charges, such as but not limited to matriculation fees, graduation fees, and laboratory fees, as the Board may deem proper to impose. Such fees and charges, including government subsidies and other income generated by the University constitute special trust funds and shall be deposited in any authorized government depository bank. Any and all interests that shall accrue therefrom shall form part of the same funds for the use of the University. Any provision of existing law to the contrary notwithstanding, income generated by the University may, at the discretion of the Board be disbursed for the professional growth and development, health, welfare, salary and other benefits of the faculty members and other personnel, for the acquisition, construction, maintenance and repair of urgently needed instructional and auxiliary facilities, equipment, buildings and other infrastructure and for expenses necessary for the attainment of its purposes under this Act. If for any reason, the University, for reasons beyond its control, shall not be able to pursue any project for which 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 University;
- m) To receive and appropriate all sums as may be provided for by law for the support of the University to the end specified by law, and all other sums in the manner it may, in its discretion, determine to carry out the purposes and functions of the University;
- n) To import articles or materials for educational use in accordance with Sec. 25 (4) of this Act;
- o) To receive in trust legacies, gifts and donation of real and personal property of all kinds and to administer and dispose of the same when necessary for the benefit of the University and subject to the limitations, directions and instructions of the donor, if any;
- p) To authorize the construction or repair of its buildings, machineries, equipment and other facilities, and the purchase

and acquisition of real and personal properties, including the necessary supplies, materials and equipment; Provided, that purchases and other transactions entered into by the University shall be exempt from taxes and duties;

- q) To organize and finance a corporation under the Corporation Code to assist the University in the discharge of its functions; and
- r) To prescribe rules for its own government, and to enact for the government of the University such general ordinances and regulations, not contrary to law, as are consistent with the purposes of the University.

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

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

- a) The University President as Chairperson;
- b) The Chancellors of the Autonomous University as members;
- c) The Vice President for Academic Affairs as member who shall also act as the Secretary of the Council;
- d) The Faculty Regent
- e) Three members from each Autonomous University Council, to serve for a term of two years, chosen as follows: 1) one elected from among and by the Assistant Professors; 2) one elected from among and by the Associate Professors; and 3) one elected from among and by the Professors and University Professors; and,
- f) Three members elected at-large from among and by the regular faculty members with the rank of Assistant Professor or higher, to serve a term of two years.

SECTION 13. *Powers.* – The System University Council shall:

- a) Prescribe the minimum system-wide requirements for admission to the University and for graduation and the receiving of a degree;
- b) Recommend for approval of the Board of Regents the institution, merger or abolition of academic programs endorsed to it by the University Councils ;
- c) Approve system-wide rules on student discipline ;
- d) Approve the graduation of students solely as recommended by the University Councils of the Autonomous Universities ;

- e) Decide with finality all cases on appeal involving the application of the rules of discipline, and the requirements for admission to the University and for graduation, and the conferment and withdrawal of degrees ;
- f) Recommend to the Board of Regents the conferment of honorary degrees ;
- g) Prescribe minimum standard of ethics and conduct for faculty ;
- h) Initiate the review of and recommend to the appropriate bodies changes in existing academic courses, programs, standards, thrusts and policies; and
- i) Adopt internal rules of procedure consistent with the provisions of this Act; and
- j) Perform other functions requiring system-wide coordination or on matters of system-wide concern as may be authorized in appropriate cases by the Board of Regents, the University Councils, or the President.

SECTION 14. *The University President.* – The University President is the head of the University Faculty and the Chief Executive Officer of the University. The President shall exercise the powers specifically provided for in this Act, those determined by the Board of Regents, and those which are usually pertaining to the office of the president of a university, or those which are related or necessary to its functions. The term and compensation of the President shall be determined by the Board of Regents.

SECTION 15. *The University Council.* – There shall be in each Autonomous University a University Council consisting of the Chancellor as Chairperson, and of all the faculty members in the University holding the rank of university professor, professor, associate professor or assistant professor.

SECTION 16. *Powers.* – The University Council alone shall :

- a) Prescribe the academic programs including their institution, abolition and merger, subject to the approval of the Board of Regents as recommended by the System University Council ;
- b) Set the rules of discipline, and exercise disciplinary power over the students, through its appropriate committees or the Chancellor, within the limits prescribed by the rules of discipline;
- c) Set the requirement for admission to any college of the University, subject to the minimum system-wide requirements;
- d) Set the requirement for graduation and the receiving of a degree, subject to the minimum system-wide requirements;
- e) Recommend to the System University Council students or others to be recipients of degrees;



- f) Set standards of ethics and conduct for faculty, taking into account the minimum prescribed by the System University Council; and
- g) Adopt internal rules of procedure consistent with the provisions of this Act.

SECTION 17. *The Chancellor of the Autonomous University.* – The Chancellor of the Autonomous University shall be appointed by the Board of Regents upon nomination of the University President, taking into account the views of the constituents of the Autonomous University. The Chancellor shall serve as the Chief Executive Officer of that Autonomous University. The Chancellor shall report to the President of the University, and shall perform the duties and functions elsewhere stated in this Act, and all the usual necessary and related functions of the Office of the Chancellor, subject to the policies and rules prescribed by the Board of Regents. The term and compensation of the Chancellor shall be determined by the Board of Regents.

SECTION 18. *The Secretary of the University and of the Board of Regents.* – There shall be a secretary of the University appointed by the Board of Regents, who shall also be the Secretary of the Board, and who shall keep such records of the University as may be designated by the Board.

SECTION 19. *The Treasurer of the University.* – The Treasurer of the Philippines shall be the ex officio treasurer of the University. All accounts and expenses therefore shall be audited by the Commission on Audit, and all disbursements shall be made in accordance with rules and regulations prescribed by the latter.

SECTION 20. *The Faculty.* – The teaching staff of each college shall constitute its faculty, which shall be presided over by a Dean appointed by the Board of Regents on nomination by the University President and upon the recommendation of the Chancellor of the Autonomous University taking into account the views of the constituents of the college. In the appointment of professors or other faculty members of the University, no religious test shall be applied, nor shall the religious or political opinions or affiliations of the faculty member of the University be made matter of examination or inquiry.

SECTION 21. *Appointment Requisites.* – Professors and other regular faculty members, and research, extension and professional personnel of the University are members of the closed career system of the Civil Service. As such, they shall be exempt from any Civil Service examination or regulation as a requisite to appointment.

SECTION 22. *Land Grants and Other Property of the University.* – The land grants and other real properties of the University of the Philippines ceded by law, decree, presidential issuance or by any other instrument of conveyance to the University of the Philippines, are hereby specifically declared to be reserved for the purposes intended as confirmed by the Board of Regents. The absolute ownership of the University over its landholdings is hereby affirmed and the proper certificates of ownership of the University not yet issued for these landholdings not otherwise reserved by law to the public domain, shall be expedited and released by the Land Registration Authority or by the proper office

of the Department of the Environment and Natural Resources within six (6) months from date of effectivity hereof.

SECTION 23. *Financial Assistance.* – In addition to the appropriations for the University in the General Appropriations Act, the amount of P 100 million is hereby automatically appropriated each fiscal year for five years beginning in 1999 which shall be allocated by the Board of Regents for the support of the University's needs such as research, distance education, extension, voluntary service, libraries and laboratories.

SECTION 24. *University Income and Receipts.*

(a) All income, receipts and fees accruing to or derived by the University shall, upon their collection, be automatically released to it. These shall include, among others:

- 1) Tuition, matriculation, and all other miscellaneous fees collected by the University;
- 2) Income from the land grants ceded to the University pursuant to Act No. 3608, as amended, and from other land grants that may have been or hereafter be ceded to it;
- 3) Income under R.A. No. 3870, as amended, and all other special laws;
- 4) Income from the operation of service facilities, such as cafeterias and human or animal hospitals;
- 5) Income from extension services, and similar fees;
- 6) Income from trusts, legacies, gifts and donations of real and personal property of all kinds;
- 7) All other income classified as special or fiduciary funds within the context of existing laws.

(b) All appropriations for government assistance to the University under the annual General Appropriations Act and any supplemental or deficiency appropriations measure shall be in lump-sum. The University may use unexpended balances of such appropriations for such purposes as the Board of Regents may determine.

(c) All income, receipts, and funds derived by or released to the University under paragraphs one and two of this Section shall upon their collection or release, be immediately deposited in a separate account or accounts in any authorized Government depository bank in the name of the Treasurer of the Philippines, as treasurer ex-officio of the University.

(d) All amounts deposited in the accounts authorized to be established and maintained under paragraph three above shall be disbursed under such terms and conditions as may be prescribed by the Board of Regents. For this purpose, all such disbursements shall be exempt from any requirement of special budgets.

SECTION 25. *Tax Exemptions.* – The provisions of any general or special law to the contrary notwithstanding:

- 1) All property, resources, receipts, expenditures, profits and income of the University used actually, directly and exclusively for

educational purposes shall be exempt from all national and local taxes, fees, charges and assessments now in force or hereafter established. The same exemption shall likewise apply to all contracts, deeds, documents and transactions related to the conduct of the business of the University; Provided, however, that said exemptions shall apply only to such taxes fees, charges and assessments for which the University itself would be otherwise liable, and shall not apply to those taxes, fees, charges, or assessments payable by persons or entities doing business with the University.

- 2) Revenues derived from the assets used in the operations of facilities, such as hospitals, food processing plants and other facilities owned and operated by the University, and which are indispensable to the operation and maintenance of its academic units or programs shall be exempt from taxation.
- 3) Revenues derived from the assets used in the operations of cafeterias, canteens, dormitories, bookstores and other facilities located within its premises and owned and operated by the University as ancillary activities, shall be exempt from taxation.
- 4) The University shall be extended duty and tax-free entry of all imported articles used actually and directly for educational purposes, subject to the rules and regulations promulgated by the Department of Finance; Provided that, articles entered tax and duty-free may not be sold, transferred or otherwise disposed of in any manner whatsoever to any person without the prior approval of the Department of Finance and the Commission on Audit. Any transferee of said article shall be deemed the importer thereof, and the same shall be assessed at its entered value without depreciation.
- 5) Donations to the University shall be exempt from all taxes and shall be considered deductible items from the income tax of the donor.

SECTION 26. *A Comparative Treatment.* – To provide the University greater flexibility, it shall be accorded differential treatment more consistent with its institutional requirements by the service-wide agencies, such as the Civil Service Commission and the Commission on Audit, in the exercise of their respective jurisdiction. The establishment of such treatment shall be guided by comparable and appropriate institutional practices and standards in private industry and comparable regional institutions.

Any law to the contrary notwithstanding, the University shall exclusively determine its teaching, research and extension thrusts, plans, policies, priorities, programs and standards and, on the basis of such determination, the University alone shall recommend to the Department of Budget and Management its annual budget.

SECTION 27. *Rule of Construction.* – No statutory or other issuances shall diminish the powers, rights, privileges, and benefits accorded to the University under this Act or presently enjoyed by the University under other issuances and not otherwise modified or repealed under this Act, unless

subsequent legislation expressly provide for their repeal, amendment or modification.

SECTION 28. *Separability Clause.* – Should any provision herein be declared unconstitutional, the same shall not affect the validity of the other provisions of this Act.

SECTION 29. *Repealing Clause.* – 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.

SECTION 30. *Effectivity.* – This Act shall take effect after fifteen (15) days following its publication in the Official Gazette or in any newspapers of general circulation in the Philippines.

Approved.