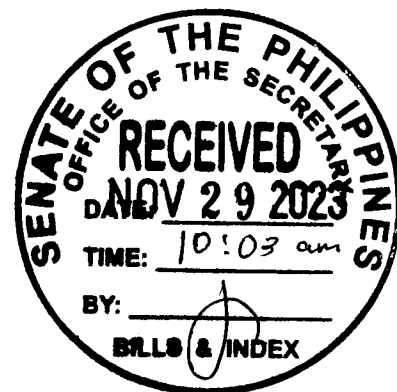


NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



SENATE

S.B. No. 2495

Introduced by Senator Joseph Victor G. Ejercito

AN ACT
AN ACT AMENDING PRESIDENTIAL DECREE NO. 1341, OTHERWISE KNOWN
AS THE CHARTER OF THE POLYTECHNIC UNIVERSITY OF THE PHILIPPINES

EXPLANATORY NOTE

Presently, PUP is the largest state university in the country with more than 20 campuses serving more than 80,000 students, and employs 2,000 faculty members and 1,000 non-teaching personnel. PUP offers 194 academic programs which include associate and diploma degrees, bachelor and graduate school courses as well as non-traditional programs.

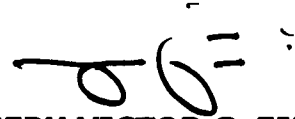
The PUP ranked 17th of 229 universities in the Philippines, 5,950th in the global 2023 ranking, and scored in 35 research topics.¹ Further, PUP has able to produce top-notchers from various fields including engineering, law, architecture, education, and many others. PUP has also been awarded quality assurance certifications and ratings by nationally and internationally recognized evaluation bodies.

To further execute their mandate, this bill seeks to strengthen and empower the Polytechnic University of the Philippines as the first National Polytechnic University of the country in order to continue their mission to be a partner in nation-building with quality, responsive, and relevant education as a tool with the end in view of developing

¹ PUP Rankings: <https://edurank.org/uni/polytechnic-university-of-the-philippines/rankings/>

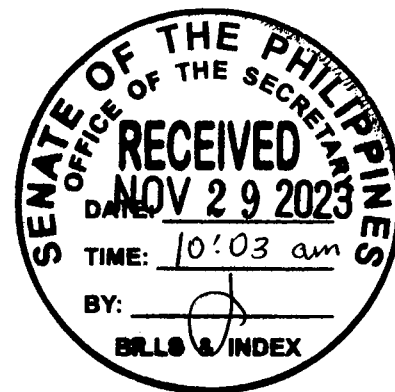
more quality leaders who will serve under the principles of excellence, patriotism, and love for knowledge and truth.

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

A handwritten signature in black ink, appearing to read 'J. Ejercito', with a stylized flourish at the end.

JOSEPH VICTOR G. EJERCITO

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

1 Section. 1. Section 1 of Presidential Decree No. 1341 is hereby amended to
2 read as follows:

3 "Section 1. *Declaration of Policy.* – The Polytechnic University of the
4 Philippines is hereby declared as the country's first *National Polytechnic*
5 *University*. Along with its elevated status, the University will guide and
6 support other polytechnic state universities and colleges in the
7 development and delivery of professional and technical programs.

8 The University shall enjoy institutional and fiscal autonomy. It shall be
9 treated in a manner consistent with its institutional requirements by the
10 service-wide agencies in the exercise of their respective jurisdiction.
11 Taking into account national goals and priorities, it shall exclusively
12 determine its teaching, research and extensions thrust, plans, policies,
13 programs and standards, consistent with the policies standards and
14 guidelines promulgated by the Commission on Higher Education (CHED).
15 On the basis of such determination, the National Polytechnic University

1 shall recommend its annual budget to the President of the Philippines
2 and Congress. Appropriations for the University shall not be reduced by
3 the legislature below the amount appropriated for the previous year and
4 after approval shall be automatically and regularly released.”

5 Sec. 2. Section 2 of PD 1341 is hereby amended to read as follows:

6 “Section. 2. *Primary Purpose.* – The University shall offer primarily higher
7 occupational, technical and professional instruction and training in the
8 fields of engineering and architecture, applied sciences, accountancy,
9 law, education, business and management, and shall be strengthened
10 as a National Polytechnic University. It shall also promote applied
11 research, advance studies, and progressive leadership in the stated
12 fields. As a National Polytechnic University, PUP is committed in
13 implementing programs designed to address the pressing social and
14 economic needs by rendering services to individuals and communities
15 and empowering citizenry for sustainable development.”

16 Sec. 3. Section 3 of PD 1341 is hereby amended to read as follows:

17 “Section 3. *Secondary Purpose.* – The University shall offer
18 undergraduate and graduate programs in the field of accountancy,
19 engineering and architecture, applied sciences, law, education, business
20 and management. In addition, the University shall offer other programs
21 in the polytechnic areas in light of its purpose as a national polytechnic
22 university.”

23 Sec. 4. Section 4 of PD 1341 hereby amended to read as follows:

24 “Section 4. *The University Administration.* – The Administration of the
25 University shall be vested in the President of the University who shall
26 render full-time service. He shall be appointed by the Board of Regents,
27 upon the recommendation of a duly constituted search committee. He
28 shall have a term of six (6) years without an eligibility for reappointment

1 for another term: *Provided*, That this provision shall not adversely affect
2 the terms of the incumbents, that the incumbent President shall become
3 the first president of the university upon effectivity of this act; *Provided*
4 *further*, That in case where no appointment was made thereafter, the
5 incumbent President shall continue to hold the office in a hold-over
6 capacity, such period shall in no case be more than 90 days.

7 The President shall be assisted by an Executive Vice President, Vice
8 Presidents for Academic Affairs, Administration, Research, Planning and
9 Development, Finance, Student Affairs, and External Affairs, who shall
10 be appointed by the Board upon the President's recommendation
11 without prejudice to the appointment of additional vice presidents when
12 so warranted. In case of vacancy in the office of the President as
13 mentioned in the immediately preceding paragraph, his successors shall
14 hold office for the unexpired term."

15 Sec. 5. Section 5 of PD 1341 is hereby amended to read as follows:

16 "Section 5. *Powers and Duties of the President*. – Specifically, the
17 President of the University shall have the following powers and duties in
18 addition to those normally appertaining to the Office of the President of
19 the University:

- 20 a. He shall be the Chief Executive Officer of the University as
21 such, progressive and dynamic, ethical, and intellectual
22 administrative leadership in the University is expected of him
23 and vested in him;
- 24 b. He shall be the head of the University Faculties and of any
25 branch thereof;
- 26 c. He shall have general supervision over all academic as well as
27 business and financial operations of the University;
- 28 d. He shall promulgate and enforce general policies affecting any
29 unit of the University and take such actions which in his

1 judgment are necessary for the protection of property and
2 general interest of the University, students and personnel, and
3 for the operation of the University as a whole, and shall inform
4 the Board on all matters relating to the operation and welfare
5 of the University;

6 e. He shall appoint qualified persons to fill all vacancies and new
7 positions subject to the approval of the Board and make such
8 other arrangements to meet emergencies occurring between
9 meetings of the Board so that the work of the University shall
10 not suffer;

11 f. He shall institute disciplinary action against any member of
12 the University personnel, faculty or non-faculty, as well as any
13 student of the University whose actions adversely affect the
14 general interest of the University;

15 g. He shall decide appeals in controversies between ranking
16 officials of the University, his decisions being final and
17 conclusive;

18 h. He shall grant or deny sabbatical leaves and leaves of absence
19 without pay and/or extension of such leaves as well as
20 extension of fellowship or any form of scholarship for a period
21 not exceeding one academic year if the budget permits and
22 for reasons he may deem satisfactory;

23 i. He shall make ad-interim appointments;

24 j. He shall grant or withhold permission to reveal confidential
25 matters affecting the University or any unit thereof, as well as
26 any action taken by the Board of Regents;

27 k. He shall grant permission for the use of buildings and
28 premises of the University for academic, professional and
29 scientific conventions, for students and related activities and
30 to fix the fee thereof;

- 1 i. He is authorized to join the execution of all contracts, deeds,
2 and instruments for the proper conduct of the business of the
3 University and to assign the same in behalf of the University;
4 m. He shall prepare an annual report on the work of the past year
5 and needs of the current year including a budget with
6 estimates of the income and expenditures; and
7 n. He shall have such other powers as may be specifically
8 authorized by the Board of Regents. He may delegate in
9 writing any of his specific functions to any office.”

10 Sec. 6. Section 6 of PD 1341 is hereby amended to read as follows:

11 “Section 6. *The Board of Regents.* – The governing body of the
12 University shall be the Board of Regents of the Polytechnic University of
13 the Philippines (Board).

14 1. Composition – The Board shall be composed of:

- 15 a. The Chairperson of the Commission of Higher Education
16 (CHED) as Chairperson;
17 b. The President of the University as Co-Chairperson;
18 c. The Chairperson of the Senate Committee on Higher,
19 Technical and Vocational Education;
20 d. The Chairperson of the House Committee on Higher and
21 Technical Education;
22 e. The Director-General of the National Economic Development
23 Authority (NEDA);
24 f. The Secretary of the Department of Science and Technology
25 (DOST);
26 g. The President of the Alumni Association who will serve for a
27 period of two (2) years;
28 h. One (1) faculty regent representing all teaching personnel,
29 elected by the said personnel in accordance with the rules and

1 qualifications set out by the same constituency who shall
2 serve for a period of two (2) years;

3 i. One (1) student regent representing all non-teaching
4 personnel, elected in accordance with the rules and
5 regulations set out by said constituency, who shall serve for a
6 period of two (2) years; and

7 j. Three (3) other regents who have distinguished themselves in
8 their professions or fields of specialization. All these regents
9 shall be appointed by the Board as recommended by the
10 search committee organized for the purpose and shall each
11 serve for a term of two (2) years.

12 The faculty and the student council shall be represented by their
13 respective federations. The private sector representatives shall be appointed
14 by the Board of Regents upon recommendation of a duly constituted search
15 committee.

16 2. Compensation: The members shall serve without compensation, but
17 they shall be reimbursed for necessary expense incurred in their
18 attendance of meetings of the Board or in connection with their
19 official business authorities by resolution of the Board.

20 3. Vacancy: In case of vacancy in the Board, except for the President
21 of the University, such vacancy shall be filled in the same manner as
22 provided for the predecessor and such appointee shall hold the office
23 only for the unexpired portion of the term. In case of Regents
24 representing a particular sector, their membership shall cease upon
25 suspension and served for more than three (3) years of unexpired
26 portion shall be eligible for appointment as president."

27 Sec. 7. Section 7 of PD 1341 is hereby amended to read as follows:

28 "Section 7. *Powers and Duties of the Governing Board.* – The governing
29 board shall have the following specific powers and duties in addition to

1 its general powers of administration and the exercise of all the powers
2 granted to the board of directors of a corporation under Section 35 of
3 Republic Act No 11232, otherwise known as the Revised Corporation
4 Code of the Philippines”:

- 5 a. To enact rules and regulations necessary to carry out the
6 purpose and functions of the university not contrary to law;
- 7 b. To determine, receive and appropriate the amount necessary
8 to support the university to carry out its purpose and
9 functions;
- 10 c. To receive in trust the legacies, gifts and donations of real
11 and personal property of all kinds, to administer and dispose
12 the same when necessary for the benefit of the university,
13 subject to limitations, discretions and instructions of the
14 donors, if any, such donations shall be exempt from all taxes
15 and shall be considered as deductible items from the income
16 tax of the donor;
- 17 d. To fix the tuition fees and other necessary school charges
18 such as but not limited to matriculation fees, graduation fees
19 and laboratory fees, as the board may deem proper to
20 impose after due consultations with the involved sectors.
21 Such fees and charges, including government subsidies and
22 other income generated by the university shall constitute
23 special trust funds and shall be deposited in any authorized
24 government depository bank and all interest that shall accrue
25 therefrom shall form part of the same fund for the use of the
26 university.

27 Any provision of existing laws, rules and regulations to the
28 contrary notwithstanding, any income generated by the
29 university from tuition fees and other charges, as well as
30 from the operation of auxiliary services and land grants, shall
31 be retained by the university and may be disbursed by the

1 Board of Regents for instruction, research, extension, or
2 other programs/projects of the university; *Provided*, That all
3 fiduciary fees shall be disbursed for the specific purposes for
4 which they are collected. If for reason of control, the
5 university shall not be able to pursue any project for which
6 funds have been appropriated and allocated under its
7 approved program of expenditures, the Board of Regents
8 may authorize the use of said funds for any reasonable
9 purpose, which in its discretion, may be necessary and
10 urgent for the attainment of the objectives and goals of the
11 university. *Provided further*, That a portion of any amount
12 of fees increased, however, shall inure to the benefit of the
13 College of Institute for the purpose of faculty, physical
14 facilities and equipment development;

- 15 e. To authorize the construction or repair of its buildings,
16 machineries, equipment and other facilities and the purchase
17 and acquisition of real and personal properties including
18 necessary supplies, materials and equipment. Purchases and
19 other transactions entered into by the university through the
20 Board of Regents shall be exempt from all taxes and duties;
- 21 f. To appoint upon the recommendation of the president, vice
22 president, deans, directors, heads of departments, faculty
23 members and other officials and employees of the University;
- 24 g. To fix and adjust salaries of faculty members and
25 administrative officials and employees subject to the
26 provisions of the revised compensation and classification
27 system and other pertinent budget and compensation laws
28 that governs hours of service and such other duties and
29 conditions as it may deem proper to grant them;

- 1 h. To approve the curricula, institutional programs, and rules of
2 discipline drawn by the administrative and academic councils
3 as herein provided;
- 4 i. To set policies on admission and graduation of students;
- 5 j. To award honorary degrees in recognition of outstanding
6 contribution in the field of education, public service, arts,
7 science and technology or in any field of specialization within
8 the academic competence of the university and to authorize
9 the award of certificates of completion of non-degree and
10 non-traditional courses;
- 11 k. To absorb non-chartered tertiary institutions within their
12 respective provinces in coordination with the CHED and in
13 consultation with the Department of Budget and
14 Management (DBM) and to offer therein needed programs or
15 courses to promote and carry out equal access to educational
16 opportunity mandated by the Constitution;
- 17 l. To establish research and extension centers of the SUC;
- 18 m. To establish professorial chairs in the university and to
19 provide fellowships to qualified faculty members and a
20 scholarship to deserving students;
- 21 n. To delegate any of its powers and duties provided for to the
22 president and/or other officials of the university as it may
23 deem appropriate so as to expedite the administration of the
24 affairs of the university;
- 25 o. To authorize an external management audit of the institution
26 and to institute reforms, including academic and structural
27 changes, on the basis of the audit results and
28 recommendations;
- 29 p. To collaborate with other governing boards of SUCs within
30 the province of the region, in coordination with the CHED and
31 the Department of Budget and Management (DBM), the

1 restructuring of said colleges and universities to become
2 more efficient, relevant, productive, and competitive.

3 q. To enter into joint ventures with business and industry for
4 the profitable development and management of the
5 economic assets of the college or institution, the proceeds
6 from which to be used for the development and
7 strengthening of the university;

8 r. To develop consortia and other forms of linkages with local
9 government units, institutions and agencies, both public and
10 private, local and foreign, in furtherance of the purposes and
11 objectives of the institution.

12 s. To develop academic arrangements for institution capability
13 building with appropriate institutions and agencies, public or
14 private, local or foreign, and to appoint experts/specialists as
15 consultants, or visiting or exchange professors, scholars,
16 researchers, as the case may be;

17 t. To set up the adoption of modern and innovative modes of
18 transmitting knowledge such as the use of information
19 technology, the dual system, open learning, community
20 laboratory, etc., for the promotion of greater access to higher
21 education;

22 u. To establish policy guidelines and procedures for participative
23 decisions- making and transparency within the institution;

24 v. To create, organize, reorganize, merge or abolish colleges,
25 institutes, and other academic and administrative units of the
26 University; and

27 w. To privatize, where most advantageous to the institution,
28 management of non-academic services such as health, food,
29 building or grounds or property maintenance and similar such
30 other objectives.

1 Sec. 8. Section 8 of PD 1341 is hereby amended to include a section title and
2 to read as follows:

3 "Sec. 8. *Quorum and Services of Processes.* – A quorum of the Board of
4 Regents shall consist of a majority of all members. All processes against
5 the Board of Regents shall be served on the President or Secretary
6 thereof."

7 Sec. 9. Section 9 of PD 1341 is hereby amended to include a section title, and
8 to read as follows:

9 "Sec. 9. *Meetings.* – Regular meetings of the Board of Regents shall be
10 held at least once every quarter. The Chairman of the Board of Regents
11 may call a special meeting whenever necessary. In both cases, notice of
12 such meetings shall be issued at least three (3) days prior to the
13 meeting."

14 Sec. 10. Section 10 of PD 1341 is hereby amended, and shall read as follows:

15 "Sec. 10. *University Officials.* – The administration of the university shall
16 be vested in the President. The President shall be assisted by the
17 Executive Vice President, the Vice-President for Administration, the Vice-
18 President for Academic Affairs, the Vice-President for Student Affairs,
19 the Vice-President for Research and Extension, the Vice-President for
20 Planning and Development, the Vice-President for Finance, the Vice-
21 President for External Affairs, the Secretary of the University and such
22 other academic and administrative officials, whose positions and
23 functions are deemed necessary to assist in the effective and efficient
24 administration of the University as may be determined by the Board of
25 Regents.

26 Sec. 11. A new Section 11 is hereby inserted and shall read as follows:

1 "Sec. 11. *The Faculty*. The teaching staff of each college shall constitute
2 its faculty. The College Faculty shall be presided over by a Dean. The
3 Dean shall be appointed by the Board of Regents, upon recommendation
4 of the President, selected from a shortlist of three (3) nominees
5 submitted by a special selection committee established for the purpose.
6 If a deal fails to complete his/her term, the President shall appoint an
7 Acting Dean while a search process is in progress. In no case shall be
8 search and election of the next Dean be longer than sixty (60) calendar
9 days from the date when the vacancy occurs. "

10 Sec. 12. A new Section 12-A is hereby inserted amending PD 1341 and shall
11 read as follows:

12 "Sec. 12-A. *Land Grants and Other Real Properties of the University*. –

13 a. The State shall support the Polytechnic University of the
14 Piiippines as the National Polytechnic University in the form
15 of lump sum amount, through general appropriations and
16 other financial benefits, and in kind, through land grants and
17 donations and use of other real properties. To carry out the
18 intent of these grants, income derived from the development
19 of all land grants and real properties shall be used to further
20 the ends of the national polytechnic university, as may be
21 decided by the Board;

22 b. Such parcels of land ceded by law, decree or presidential
23 issuance to the Polytechnic University of the Philippines are
24 hereby declared to be reserved for the purposes intended. The
25 absolute ownership of the National Polytechnic University over
26 these landholdings, including those covered by original and
27 transfer certificates of the title in the name of the Polytechnic
28 University of the Philippines and their future derivatives, is
29 hereby confirmed. Where the issuance of proper certificates
30 of title is yet pending for these landholdings, the appropriate

1 government office shall expedite the issuance thereof within
2 six (6) months from the date of effectivity of this Act:
3 *Provided, That* all registration requirements necessary for the
4 issuance of the said titles have been submitted and complied
5 with;

6 c. The Board may plan, design, approve and/or cause the
7 implementation of land leases. *Provided, That* such
8 mechanisms and arrangements shall sustain and protect the
9 environment in accordance with law, and be exclusive of the
10 academic core zone of the campuses of the Polytechnic
11 University of the Philippines. *Provided, further, That* such
12 mechanisms and arrangements shall not conflict with the
13 academic mission of the National Polytechnic University;

14 d. The Board may allow the use of the income coming from real
15 properties of the National Polytechnic University as security
16 for transactions to generate additional revenues when needed
17 for educational purposes;

18 e. The Board may approve the implementation of joint ventures;
19 *Provided, That* in the event real properties of the National
20 Polytechnic University are involved, only the income derived
21 by the University from the use of the real properties shall be
22 the subject of its participation or obligation in the joint
23 ventures; *Provided, further, That* no joint venture shall result
24 in the alienation of the real properties of the National
25 Polytechnic University; and

26 f. Any plan to generate revenues and other sources from land
27 grants and other real properties entrusted to the National
28 Polytechnic University shall be consistent with the academic
29 mission and orientation of the National Polytechnic University
30 as well as protect it from undue influence and control of
31 commercial interests; *Provided, That* such programs, projects
32 or mechanisms shall be approved by the Board subject to a

1 transparent and democratic process of consultation with the
2 constituents of the National Polytechnic University; *Provided,*
3 *further, That* funds generated from such programs, projects
4 or mechanisms shall not be meant to replace, in part or in
5 whole, the annual appropriations provided by the national
6 government to the National University.

7 Sec. 13. A new Section 12-B is hereby inserted pending PD 1341 and shall read
8 as follows:

9 "Sec. 12-B. *Safeguards on Assets Disposition.* – The preservation of the
10 value of the assets of the National Polytechnic University shall be of
11 primordial consideration, and the sale of any existing real property of
12 the National Polytechnic University shall be prohibited; *Provided, That*
13 the Board may alienate real property donated after the effectivity of this
14 Act, if the terms of the donation specifically allow it. Notwithstanding the
15 provision of this Act or any other law to the contrary, the lease of more
16 than five (5) years of the assets of the National Polytechnic University
17 and any transaction referred to in Section 22 shall be subject to the
18 following conditions and procedures:

- 19 a. The transactions shall be discussed with the members of the
20 Board in any of its formally convened regular or special
21 meeting, at least one (1) month before a decision is to be
22 made;
- 23 b. The transactions shall be based on a multi-year
24 comprehensive development plan, crafted and developed by
25 qualified urban planning professionals having at least five (5)
26 years' experience, with prior consultations with and
27 concurrence of third-party experts and duly approved by a
28 majority vote of all members of the Board;

- 1 c. The transactions shall be subject to competitive and public
2 bidding as provided under Republic Act No. 9184, otherwise
3 known as the "Government Procurement Act"; and
4 d. If the contract or transaction involves an amount more than
5 fifty million pesos (Php 50,000,000.00). It shall be approved
6 by three fourths (3/4) of all the members of the Board;
7 *Provided, That* the splitting of contracts, which is by breaking
8 up a contract into smaller quantities or amounts or dividing
9 contract implementation into artificial or arbitrary phases or
10 subcontracts for the purposes of circumventing this provision,
11 shall not be allowed.

12 Sec. 14. A new Section 12-C is hereby inserted amending PD 1341 and shall
13 read as follows:

14 "Sec. 12-C. *Tax Exemptions.* – The provisions of any general or special
15 law to the contrary notwithstanding:

- 16 a. All revenues and assets of the Polytechnic University of the
17 Philippines used for educational purposes or in support thereof
18 shall be exempt from all taxes and duties;
19 b. Gifts and donations of real and personal properties of all kinds
20 shall be exempt from the donor's tax and the same shall be
21 considered as allowable deductions from the gross income of
22 the donors in accordance with the provisions of the National
23 Internal Revenue Code of 1997, as amended; *Provided, That*
24 the allowable deductions shall be equivalent to one hundred
25 fifty percent (150%) of the value of such donation. Valuation
26 of assistance other than money shall be based on the
27 acquisition cost of the property, such valuation shall be taken
28 into consideration the depreciated value of property in case
29 said property has been used;

- 1 c. Importation of economic, technical, vocational ,scientific,
2 philosophical, historical, legal and cultural books, supplies and
3 materials duly certified by the Board, including specific and
4 educational computer and software equipment shall be
5 exempt from custom duties;
6 d. The University shall only pay zero percent (0%) value-added
7 tax for all transactions subject to this tax; and
8 e. All academic awards shall be exempt from taxes.

9 Sec. 15. Sections 11, 12, and 13 of PD 1341 are hereby repealed.

10 Sec. 16. Section 11 of PD 1341 is hereby amended to be read as:

11 "Sec. 14. *Appropriations.* – In addition to the amount already
12 appropriated for the Polytechnic University of the Philippines for the
13 current fiscal year, it is hereby appropriated an initial amount of Eight
14 Billion pesos (Php 8,000,000,000.00) from any amount available in the
15 Treasury of the Philippines for the purposes of carrying out the
16 implementation of this Act. An additional sum of One Hundred Million
17 pesos (Php 100,000,000.00) shall be appropriated separate and above
18 the said initial funding for each fiscal year for the first three (3) years of
19 the implementation of this Act.

20 Sec. 17. *Separability Clause.* – Should any provision herein be declared
21 unconstitutional the same shall not affect the validity of the other provisions of the
22 Act.

23 Sec. 18. *Repealing Clause.* – Republic Act No. 8192, as amended, and all laws,
24 decrees, orders, rules and regulations or other issuances or parts inconsistent with
25 the provision of this Act are hereby repealed or modified accordingly.

26 Sec. 19. *Suppletory Application of Republic Act No. 8292.* – The provision of
27 Republic Act No. 8292 otherwise known as the Higher Education Modernization Act of
28 1997, in so far as they are applicable shall be suppletory to this Act.

1 Sec. 20. *Effectivity.* - This Act shall take effect fifteen (15) days following its
2 complete publication in the Official Gazette or newspaper of general circulation.

Approved,