

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



Senate  
Office of the Secretary

'14 JUN 26 P5 51

SENATE

S. No. **2292**

RECEIVED BY: 

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Introduced by Senator Ralph G. Recto

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**AN ACT**  
**CREATING A REGIONAL STATE UNIVERSITY SYSTEM IN DAVAO REGION TO**  
**BE KNOWN AS THE DAVAO REGIONAL STATE UNIVERSITY SYSTEM BY**  
**INTEGRATING THE UNIVERSITY OF SOUTHEASTERN PHILIPPINES, THE**  
**DAVAO DEL NORTE STATE COLLEGE, THE DAVAO ORIENTAL STATE**  
**COLLEGE OF SCIENCE AND TECHNOLOGY, THE SOUTHERN PHILIPPINES**  
**AGRIBUSINESS AND MARINE AND AQUATIC SCHOOL OF TECHNOLOGY, AND**  
**THE COMPOSTELA VALLEY STATE COLLEGE AND APPROPRIATING FUNDS**  
**THEREFOR**

**Explanatory Note**

This bill seeks to restructure Davao Region's higher education system by integrating some of its state universities and colleges (SUCs) into a single regional state university system to minimize duplication in the delivery of programs, and improve the quality and efficiency of the academic and administrative capacities of its public Higher Education Institutions (HEIs).

A study using data from 1995-2010 reveals that, on the average, only 14% of total National Government (NG) education spending is allocated to higher education as a result of priority funding for basic education. Moreover, NG spending on SUCs declined from 0.5% of GDP in 1998 to an average of 0.3% in 2005-2010. This reduced allocation results to a decreasing total SUC spending per student.<sup>1</sup> Merging a number of HEIs into a Regional University System will help address their financial woes and will allow them to maximize the country's resources to deliver a more focused and targeted approach to higher learning.

The Davao Region has been chosen by the Commission on Higher Education as pilot region for a Regional State University System because of its favorable conditions and advantages. The creation of the Davao Region State University System (DRSUS) is part of the Commission's long-term higher education plan strategy of rationalizing higher education by reducing the number of SUCs in the country by at least 10 percent.

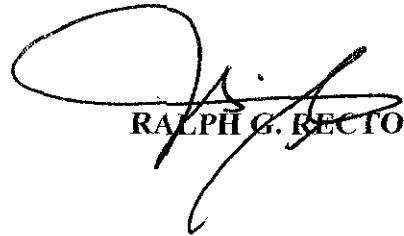
The DRSUS integrates the University of Southeastern Philippines, the Davao del Norte State College, the Davao Oriental State College of Science and Technology, the Southern Philippines Agribusiness and Marine and Aquatic School of Technology, and the Compostela Valley State College. Davao Region's four local colleges: the Kapalong College of Agriculture, Sciences and Technology, the Governor Generoso College of Arts, Sciences and Technology, the Monkayo College of Arts, Sciences and Technology, and the Kolehiyo ng Pantukan shall also be integrated in the system through the respective state colleges operating in their respective provinces.

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<sup>1</sup> Manasan, Rosario G. 2012. PIDS Development Research News Vol. XXX No.2, *Rationalizing the Public Higher Education Service*. [online] <http://dirp3.pids.gov.ph/ris/drn/pidsdrn12-2.pdf> . Accessed on June 25, 2014

It is hoped that the integration of these Davao SUCs and LUCs would provide a unified corporate structure that guarantees harmonized and common academic standards, and promote synergy among the system as it allows more developed units to assist the developing ones through inter-institutional collaboration in research and extension, faculty and staff training, as well as, resource and facilities sharing.

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



RALPH G. RECTO

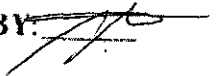
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'14 JUN 26 P5:51

SENATE

S. No. 2292

RECEIVED BY: 

Introduced by Senator Ralph G. Recto

AN ACT

**CREATING A REGIONAL STATE UNIVERSITY SYSTEM IN DAVAO REGION TO BE KNOWN AS THE DAVAO REGIONAL STATE UNIVERSITY SYSTEM BY INTEGRATING THE UNIVERSITY OF SOUTHEASTERN PHILIPPINES, THE DAVAO DEL NORTE STATE COLLEGE, THE DAVAO ORIENTAL STATE COLLEGE OF SCIENCE AND TECHNOLOGY, THE SOUTHERN PHILIPPINES AGRIBUSINESS AND MARINE AND AQUATIC SCHOOL OF TECHNOLOGY, AND THE COMPOSTELA VALLEY STATE COLLEGE AND APPROPRIATING FUNDS THEREFOR**

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

1           **SECTION 1. Short Title.** - This Act shall be known as the "*Davao Regional State*  
2 *University System Charter*".

3           **SEC. 2. Declaration of Policy.** - The State shall promote, foster, nurture and protect the  
4 right to accessible, equitable and quality education. Toward this end, the State shall integrate  
5 higher educational institutions to build greater synergy among them, to enhance their academic  
6 performance and mission, to democratize access to affordable quality education, and to create a  
7 greater critical mass for stronger efficiency and effectiveness in operations. Integration shall  
8 promote fiscal efficiency and a broad spectrum of academic, research, extension, and production  
9 services that are harmonized and complementary, responsive to the development needs of the  
10 region and the nation. Through a refocused institutional culture and improved governance, the  
11 integrated Davao Regional State University System shall aim to become the State's main higher  
12 education provider in the region.

13           **SEC. 3. Creation of the Davao Regional State University System.** There is hereby created  
14 a Regional State University System in Davao Region to be known as the Davao Regional State  
15 University System hereinafter referred to as Regional University System by integrating the  
16 University of Southeastern Philippines established pursuant to Batas Pambansa Blg. 12, the  
17 Davao del Norte State College created pursuant to Republic Act No. 7879, the Davao Oriental  
18 State College of Science and Technology established pursuant to Republic Act No. 6807, the  
19 Southern Philippines Agribusiness and Marine and Aquatic School of Technology established  
20 pursuant to Batas Pambansa Blg. 148, and the Compostela Valley State College established  
21 pursuant to Republic Act No. 10598, herein referred to as the Autonomous Campuses (ACs).

1 Every Autonomous Campus of the Regional University System shall be autonomous in fiscal  
2 management, program formulation and implementation.

3 On account of its extensive geographical coverage and strategic role in the establishment  
4 of the Regional University System, the University of Southeastern Philippines shall serve as the  
5 seat of administration of the Regional University System. It shall be composed of two  
6 autonomous campuses, namely: (1) the Obrero-Mintal Campus and (2) the Tagum-Mabini  
7 Campus. The Bislig Campus located in the Caraga Region shall, at the expressed option of the  
8 constituencies of the academic unit, either be incorporated into a future amalgamated university  
9 system in Caraga Region that may be created or be annexed as an external campus of the most  
10 contiguous State college or university in that region.

11 In furtherance of their contribution to educational excellence in public higher education,  
12 Davao Region's four local colleges, namely: the Kapalong College of Agriculture, Sciences and  
13 Technology, the Governor Generoso College of Arts, Sciences and Technology, the Monkayo  
14 College of Arts, Sciences and Technology, and the Kolehiyo ng Pantukan, shall be integrated  
15 into the Regional University System as autonomous campuses of the respective state colleges  
16 operating in their respective provinces. Being products of local legislation, they shall continue to  
17 be supported by the respective local government units that created them while participating in the  
18 system-wide processes of the Regional University System.

19 The respective state and local colleges and state university may retain their original  
20 names for historical reasons and for purposes of keeping their present identities under the  
21 umbrella of the Davao Regional State University System.

22 **SEC. 4. General Mandate.** - The Regional University System shall provide a unified  
23 corporate structure to guarantee common academic standards and institutional identity. It shall  
24 foster complete unity and deep collaboration among autonomous campuses towards the  
25 following strategic goals:

- 26 a) To create greater critical mass and economies of scale that will enable the  
27 University System to achieve greater efficiency and effectiveness;
- 28 b) To build greater synergy among the ACs to improve the Regional University  
29 System's academic portfolio, boost academic performance to higher levels, and  
30 enhance teaching quality in more diverse academic disciplines;
- 31 c) To utilize governance structures more effectively by having a single governing  
32 board that can better focus on responding to development needs and combining  
33 disconnected academic and non-academic functions that can create additional  
34 capacity for other appropriate pursuits; and
- 35 d) To ensure equitable allocation of all financial, human, logistical resources among  
36 ACs and programs.

37 **SEC. 5. Administration.** - The Regional University System shall have the general powers  
38 of a corporation set forth in Batas Pambansa Blg. 68, as amended, otherwise known as "The

1 *Corporation Code of the Philippines.*” The administration of the University System and the  
2 exercise of its corporate powers shall be vested exclusively in the Board of Regents.

3 **SEC. 6. *Governing Board.*** - The Governing Board of the Regional University System  
4 shall be the Board of Regents, hereinafter referred to as the Board, which shall be composed of  
5 the following:

- 6 a) The Chairperson of the Commission on Higher Education (CHED) or  
7 representative, as Chairperson;
- 8 b) The President of the Regional University System, as Vice-Chairperson;
- 9 c) The Chairperson of the Committee on Education, Arts and Culture of the Senate;
- 10 d) The Chairperson of the Committee on Higher and Technical Education of the  
11 House of Representatives;
- 12 e) The Chairperson of the Regional Development Council (RDC) XI;
- 13 f) The Regional Director of the National Economic and Development Authority  
14 (NEDA);
- 15 g) The Regional Director of the Department of Science and Technology (DOST);
- 16 h) The Regional Director of the Department of Agriculture (DA);
- 17 i) The Chancellors of the Autonomous Campuses;
- 18 j) The President of the Federation of faculty associations of the Regional University  
19 System;
- 20 k) The President of the Federation of student governments of the Regional University  
21 System;
- 22 l) The President of the Federation of alumni associations of the Regional University  
23 System; and
- 24 m) Two (2) prominent citizens from the private sector who have distinguished  
25 themselves in their profession or fields of specialization and are active in the  
26 dominant industries in the Region that are directly relevant to the University's need  
27 and external affairs, as member.

28 The Board of Regents shall appoint the two (2) prominent citizens from  
29 among the list of at least five (5) qualified persons who are residents of the Davao  
30 Region, as recommended by a search committee constituted by the Regional  
31 University System President, in consultation with the other members of the Board,  
32 based on the normal standards and qualifications for the position.

33 The term of office of the president of the federation of faculty associations, the president  
34 of the federation of student councils, and the president of the federation of alumni associations  
35 shall be co-terminus with their respective terms of office, as set forth in their respective  
36 constitutions and by-laws. The two (2) prominent citizens shall serve for a term of two (2) years  
37 from the date of their appointment.

38 **SEC. 7. *Promulgation and Implementation of Policies.*** - The Board shall promulgate and  
39 implement policies in accordance with the declared State policies on education, including those

1 stated in Section 2 hereof, and other pertinent provisions of the Philippine Constitution on  
2 education, agriculture, science and technology.

3 **SEC. 8. Powers and Duties of the Board of Regents.** - The Board shall have the following  
4 specific powers and duties, in addition to its general powers of administration and the exercise of  
5 all the powers granted to the board of directors of a corporation under existing laws:

- 6 a) Promulgate rules and regulations not contrary to law as may be necessary to carry  
7 out the purposes and functions of the Regional University System;
- 8 b) Receive and appropriate all sums as may be provided for the support of the  
9 Regional University System in the manner it may determine in its discretion, in  
10 order to carry out the purposes and functions of the Regional University System;
- 11 c) Import duty-free economic, technical and cultural books or publications, upon  
12 certification by the CHED that such books are for economic, technical, vocational,  
13 scientific, philosophical, historical or cultural purposes, in accordance with the  
14 provisions of the Tariff and Customs Code, as amended;
- 15 d) Receive in trust legacies, gifts and donations of real and personal properties of all  
16 kinds and to administer and dispose of the same when necessary for the benefit of  
17 the Regional University System, and subject to the limitations, directions, and  
18 instructions of the donor, if any.

19 Such donations shall be exempt from the donor's tax and the same shall be  
20 considered as allowable deductions from the gross income in the computation of the  
21 income tax of the donor, in accordance with the provisions of the National Internal  
22 Revenue Code (NIRC), as amended:

23 *Provided*, That such donations shall not be disposed of, transferred, or sold;

- 24 e) Fix the tuition fees and other necessary school charges, such as, but not limited to,  
25 matriculation fees, graduation fees and laboratory fees, as the Board may deem  
26 proper to impose, after due consultations with the involved sectors. Such fees and  
27 charges shall, including government subsidies and other income generated by the  
28 Regional University System, constitute special trust funds and shall be deposited in  
29 any authorized government depository bank, and all interests that shall accrue  
30 therefrom shall form part of the same funds for the use of the Regional University  
31 System.

32 Any provision of existing laws, rules and regulations to the contrary  
33 notwithstanding, all income generated by the Regional University System from  
34 tuition fees and other charges, as well as from the operation of auxiliary services  
35 and land grants, shall be retained by the autonomous campuses of the Regional  
36 University System and may be disbursed by the Board for instruction, research,  
37 extension or other programs or projects of the university: *Provided*, That all  
38 fiduciary fees shall be disbursed for the specific purposes for which these are  
39 collected.

1                   If, for reasons beyond its control, the Regional University System shall not  
2 be able to pursue any project for which the funds have been appropriated and  
3 allocated under its approved program of expenditures, the Board may authorize the  
4 use of said funds for any reasonable purpose which, in its discretion, may be  
5 necessary and urgent for the attainment of the objectives and goals of the Regional  
6 University System;

- 7 f) Adopt and implement a socialized scheme of tuition and other school fees for  
8 greater access to poor but deserving students;
- 9 g) Authorize the construction or repair of its buildings, machinery, equipment and  
10 other facilities, and the purchase and acquisition of real property, including  
11 necessary supplies, materials and equipment;
- 12 h) Designate, upon recommendation of the President of the Regional University  
13 System, the vice presidents, chancellors, deans, directors, heads of departments,  
14 faculty members, and other officials and employees of the university;
- 15 i) Fix and adjust salaries of faculty members and administrative officials and  
16 employees, subject to the provisions of the Revised Compensation and Position  
17 Classification System and other pertinent budget and compensation laws governing  
18 hours of service and such other duties and conditions as it may deem proper; grant  
19 them, at its discretion, leaves of absence under such regulations as it may  
20 promulgate, any provision of existing law to the contrary notwithstanding; and  
21 remove them for cause in accordance with the requirements of due process of law;
- 22 j) Approve the curricula, instructional programs and rules of discipline drawn by the  
23 Administrative and the Academic Councils herein provided;
- 24 k) Set policies on the minimum system-wide requirements for admission, graduation  
25 of students, and grant of honors;
- 26 l) Award honorary degrees upon persons in recognition of their outstanding  
27 contribution in the fields of education, public service, arts, science and technology,  
28 agriculture or in any field of specialization within the academic competence of the  
29 Regional University System: *Provided*, That such degrees shall not be conferred in  
30 consideration of any payment, gift, or other valuable consideration;
- 31 m) Establish and absorb non-chartered tertiary institutions and establish campuses,  
32 branches, centers, and LUCs within the Davao Region in coordination with the  
33 CHED and in consultation with the Department of Budget and Management (DBM)  
34 and offer therein programs or courses to promote and carry out equal access to  
35 educational opportunities as mandated by the Constitution: *Provided*, That any  
36 future public higher education institution that shall be established within the Region  
37 may be integrated as a component unit of the Davao Regional State University  
38 System, as may be determined by the Board;

- 1 n) Establish research and extension centers of the Regional University System where  
2 such shall promote the development of the latter;
- 3 o) Establish professorial chairs in the Regional University System and provide  
4 fellowships for qualified faculty members and scholarships to deserving students;
- 5 p) Delegate any of its powers and duties to the president or other officials of the  
6 Regional University System, as it may deem appropriate, so as to expedite the  
7 administration of the affairs of the Regional University System;
- 8 q) Authorize an external management audit of the Regional University System, subject  
9 to the rules and regulation of the Commission on Audit (COA) and institute  
10 reforms, including academic and structural changes, on the basis of the audit results  
11 and recommendations;
- 12 r) Collaborate with other governing boards of State colleges and universities as well  
13 as with private colleges and universities in working towards the development of the  
14 Regional University System to become more efficient, relevant, productive and  
15 competitive;
- 16 s) Enter into joint ventures, which may be initiated by the ACs, with business and  
17 industry for the profitable development and management of the economic assets of  
18 the Regional University System, including land grants, the proceeds of which shall  
19 be used for the development and strengthening of the Regional University System;
- 20 t) Develop consortia and other economic forms of linkages with local government  
21 units (LGUs), as well as public and private institutions and agencies, local and  
22 foreign, in the furtherance of the purposes and objectives of the Regional University  
23 System;
- 24 u) Develop academic arrangements for institution-capability building with appropriate  
25 institutions and agencies, public and private, local and foreign, and appoint experts  
26 or specialists as consultants, part-time or visiting or exchange professors, scholars  
27 or researchers, as the case may be;
- 28 v) Set up the adoption of modern and innovative modes of transmitting knowledge  
29 such as the use of information technology, the dual system, open learning or  
30 distance education, and community laboratory for the promotion of greater access  
31 to education;
- 32 w) Establish policy guidelines and procedures for participative decision-making and  
33 transparency within the Regional University System;
- 34 x) Privatize, where most advantageous to the Regional University System, the  
35 management of non-academic services such as health, food, building or grounds or  
36 property maintenance and such other similar activities;
- 37 y) Extend the term beyond the age of retirement but not beyond the age of seventy  
38 (70) of the Regional University System President whose performance has been  
39 unanimously rated by the Board as outstanding, based on the guidelines,



1 qualifications, and standards set by the Board, after unanimous recommendation by  
2 the Performance Evaluation Committee (PEC); and

- 3 z) Reconstitute or create additional autonomous campuses of the Regional University  
4 System as may be relevant at a future time.

5 **SEC. 9. Meetings of the Board.** - The Board of Regents of the Regional University  
6 System shall regularly convene at least once every quarter. However, the Chairperson of the  
7 Board may, upon three (3) days prior written notice, call a maximum of four (4) special meetings  
8 within a year, whenever necessary.

9 All regular meetings of the Board shall be held in either the main campus or in any of the  
10 autonomous campuses as may be recommended by the Regional University System President in  
11 consultation with the chancellor, except for certain meritorious and expedient reasons where  
12 special meetings may be held in venues outside the Region.

13 A quorum of the Board of Regents shall consist of a majority of all its members holding  
14 office at the time of the meeting: *Provided*, That the Chairperson of the Board or the Regional  
15 University System President is among those present in the meeting.

16 In the absence of the Chairperson of the CHED, a duly designated Commissioner of the  
17 CHED shall represent the Chairperson in the meeting with all the rights and responsibilities of a  
18 regular member: *Provided, however*, That during this meeting, the Regional University System  
19 President as Vice-Chairperson shall be the presiding officer: *Provided, further*, That this proviso  
20 notwithstanding, the Chairperson of the CHED is hereby authorized to designate a CHED  
21 Commissioner as the regular Chair of the Board, in which case said CHED Commissioner shall  
22 act as the presiding officer.

23 In case the Chairpersons of the Congressional Committees on Education shall not be able  
24 to attend the Board meeting, they may duly designate to attend the said meeting their respective  
25 representatives who shall have the same rights and responsibilities as a regular member of the  
26 Board.

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

31 **SEC. 10. Regional University System President.** - The Regional University System shall  
32 be headed by a full-time president who shall be appointed by the Board subject to the guidelines,  
33 qualifications and standards set by the Board and upon recommendation of a duly constituted  
34 search committee. The Regional University System President shall have a term of four (4) years  
35 and shall be eligible for reappointment for another term.

36 In case of vacancy in the office of the Regional University System President by reason of  
37 death, compulsory retirement, resignation, removal for cause, or incapacity to perform the  
38 functions of the office, the Board shall have the authority to designate an officer-in-charge of the  
39 Regional University System within six (6) months from date of vacancy, pending the

1 appointment of a new Regional University System President. The Regional University System  
2 President appointed by the Board after the occurrence of any of the aforementioned events shall  
3 serve the unexpired portion of the term, subject to re-appointment for another term if warranted.

4 The powers and duties of the President of the Regional University System, in addition to  
5 those specifically provided in this Act, shall be those usually pertaining to the office of the  
6 President of similar universities.

7 The salary of the Regional University System President shall be in accordance with the  
8 Revised Compensation and Position Classification System and shall be comparable to that being  
9 received by the Presidents of similar educational institutions.

10 **SEC. 11. Vice-President.** – The Regional University System President shall be assisted by  
11 a vice president for academic affairs, a vice president for administration and finance, and a vice  
12 president for research and extension and development, and such other vice presidents as may be  
13 determined by the Board. They shall be designated by the Board, upon the recommendation of  
14 the Regional University System President. They shall serve as staff and may assume line  
15 functions upon the direction of the University System President.

16 **SEC. 12. Chancellor of the Autonomous Campuses.** - The administration of each  
17 Autonomous Campus (AC) is vested in the Chancellor, subject to the limitations as may be  
18 imposed by the Board. The Chancellors shall be designated by the Board, upon the  
19 recommendation of the duly constituted search committee, subject to the guidelines,  
20 qualifications, or standards set by the Board.

21 The Chancellors shall report to the Regional University System President and shall  
22 perform the duties and functions that are essential or necessary for the proper and convenient  
23 administration and transaction of the business and affairs of their respective ACs, subject to the  
24 policies and rules prescribed by the Board. The Board shall determine the term and  
25 compensation of the Chancellor.

26 **SEC. 13. Secretary of the University and of the Board.** - There shall be a Secretary of the  
27 Regional University System appointed by the Board, who shall also be the Secretary of the  
28 Board in all its meetings, and who shall keep such records of the University as may be  
29 designated by the Board.

30 **SEC. 14. Executive Administrative Council.** - There shall be a system-wide administrative  
31 council headed by the Regional University System President, with membership consisting of the  
32 vice-president for administration and finance, chancellors, and heads of the council of deans and  
33 other officials as may be deemed necessary by the Board. The Executive Administrative Council  
34 shall set the direction and administrative policies on a system-wide basis and shall perform  
35 oversight functions on administrative matters.

36 **SEC. 15. Administrative Council.** - There shall be an administrative council in each AC in  
37 the Regional University System with a chancellor as Chairperson, the deans and directors of  
38 equal rank within the AC as members. The Administrative Council shall formulate and

1 recommend plans, programs, and policies for administration, finance, and production for  
2 approval by the Board.

3 The president of the pertinent student association of each AC may be allowed to attend  
4 the meetings of the Administrative Council as an observer.

5 **SEC. 16. *Academic Senate.*** - There shall be a system-wide Academic Senate with the  
6 Regional University System President as chairperson, the vice-presidents, chancellors, deans,  
7 and all faculty members with an academic rank of full Professors as members: *Provided*, That  
8 when a certain AC is not duly and amply represented, the Academic Council of said AC shall  
9 elect their representatives, the number of which shall not be more than ten percent (10%) of its  
10 faculty strength: *Provided, further*, That the said AC's representatives shall be members of the  
11 Academic Council.

12 **SEC. 17. *Powers of the Academic Senate.*** - The Academic Senate is the supreme  
13 academic advisory body in the Regional University System and shall be responsible for the  
14 following functions:

- 15 a) Set a system-wide academic policies and minimum academic standards;
- 16 b) Perform oversight functions on all academic matters pertaining to the Regional  
17 University System and its programming;
- 18 c) Formulate, evaluate, and recommend to the Regional University System President  
19 policies and procedures which pertain to the development, maintenance, and  
20 improvement of the Regional University System program in academic matters;
- 21 d) Adopt internal rules or procedures consistent with the provisions of this Act; and
- 22 e) Perform other corollary functions inherent to its functions.

23 **SEC. 18. *Academic Council.*** - There shall be an Academic Council in each AC consisting  
24 of the AC chancellor as chairperson and of all the faculty members in the AC holding the rank of  
25 assistant professor and higher as members.

26 **SEC. 19. *Powers of the Academic Council.*** - The Academic Council shall be the highest  
27 academic body of each AC and shall exercise the following powers within the jurisdictional  
28 confines of such AC:

- 29 a) Fix the requirement for admission to any college or unit or any academic program  
30 or course offering and for graduation and conferment of a degree, and the grant of  
31 honors subject to the minimum system-wide requirements;
- 32 b) Prescribe the academic programs including their institution, revision, abolition, and  
33 merger, subject to the approval of the Board;
- 34 c) Recommend to the Board the graduation of students and the grant of honors;
- 35 d) Undertake a periodic review of academic courses, programs, standards, thrusts and  
36 policies;
- 37 e) Adopt the necessary measures to enable students to exercise their established  
38 religious beliefs consistent with the accepted norms and morals of society. Students  
39 shall be given options to fulfill their academic responsibilities, such as, but not

1 limited to, make-up classes or examinations on missed school days or examinations  
2 which coincided with the exercise of their established religious beliefs;

3 f) Adopt internal rules or procedures consistent with the provisions of this Act; and

4 g) Perform other corollary functions inherent to its functions.

5 **SEC. 20. *Research, Extension and Enterprise Development (REED) Regional University***  
6 ***System Council.*** - There shall be a REED Regional University System Council which shall  
7 perform oversight functions and provide direction on REED matters system wide. The REED  
8 Regional University System Council shall be headed by the Regional University System  
9 President, with the Chairpersons of the AC REED Councils as members.

10 **SEC. 21. *Research, Extension and Enterprise Development Council (REED Council) in***  
11 ***ACs.*** - There shall be in each AC a REED Council which shall formulate and craft research,  
12 extension, and enterprise development policies, programs, and plans for AC-based  
13 implementation upon approval by the Board. The REED Council shall be chaired by the AC's  
14 Chancellor, the deans and the directors, and the AC's active researchers and extension personnel  
15 with the academic rank of associate professor or higher as its members.

16 **SEC. 22. *Faculty.*** - No political beliefs, gender preference, physical disability, cultural or  
17 community affiliation or ethnic origin, and religious opinion or affiliation shall be a matter of  
18 inquiry in the appointment of faculty members of the Regional University System: *Provided,*  
19 That the appointment shall be subject to the guidelines, qualifications, and standards set by the  
20 Board: *Provided, further,* That no member of the faculty shall teach for or against any particular  
21 church or religious sect.

22 **SEC. 23. *Scholarship Program or Admission.*** - The Regional University System shall  
23 provide a scholarship program and other affirmative action programs to assist poor but deserving  
24 students who qualify for admission to the Regional University System.

25 No student shall be denied admission to the Regional University System by reason of  
26 age, gender, physical condition, religion, political beliefs, cultural or community affiliation or  
27 ethnic origin.

28 **SEC. 24. *Academic Freedom and Institutional Autonomy.*** - The Regional University  
29 System shall enjoy academic freedom and institutional autonomy, pursuant to paragraph 2,  
30 Section 5 of Article XIV of the 1987 Constitution.

31 **SEC. 25. *Assets, Liabilities and Personnel.*** - All assets, real and personal, personnel and  
32 records of all the ACs, as well as liabilities or obligations, are hereby transferred to the Regional  
33 University System: *Provided,* That the utilization of the assets shall be retained by the respective  
34 ACs. The positions, rights and security of tenure of the faculty members and personnel employed  
35 in each of the ACs under existing laws prior to this Act shall be respected.

36 All assets donated to the respective ACs under its former juridical personality shall be  
37 deemed donated to and hence a property of the new Regional University System as a duly  
38 constituted body or juridical entity.

1           **SEC. 26. Appropriations.** - The amount necessary to carry out the initial implementation  
2 of this Act shall be charged against the current year's appropriations of the University of  
3 Southeastern Philippines, the Davao del Norte State College, the Davao Oriental State College of  
4 Science and Technology, the Southern Philippines Agribusiness and Marine and Aquatic School  
5 of Technology, and the Compostela Valley State College and the funding provided by the local  
6 government units where these State university and colleges are located.

7           In addition, the amount of One Hundred Million Pesos (P 100,000,000.00) is hereby  
8 appropriated for the establishment of the Davao Regional State University System. Thereafter,  
9 such sums as may be necessary for the continued operation and maintenance of the Regional  
10 University System shall be included in the annual General Appropriations Act.

11           **SEC. 27. Land Grants and Other Real Properties of the Regional University System.** -The  
12 State shall provide support to the Regional University System in the form of lump sum amount,  
13 through general appropriations and other financial benefits, and in kind, through land grants and  
14 donations and use of other real properties. To carry out the intent of these grants, income derived  
15 from the development of all land grants and real properties acquired by the Regional University  
16 System shall be used to further the ends of the Regional University System, as may be decided  
17 by the Board.

18           The Board shall plan, design, approve, or cause the implementation of financial  
19 mechanisms, such as joint ventures and long-term leases, to give the Regional University System  
20 the most advantageous position in generating revenues and other resources from the land grants  
21 or other real property entrusted by the Filipino people: *Provided*, That such long-term leases  
22 shall not conflict with the Regional University System's academic mission, as well as, sustain  
23 and protect the environment: *Provided, further*, That the plans shall preserve the academic core  
24 zone of each autonomous campus concerned: *Provided, finally*, That funds generated from the  
25 long term leases shall not be meant to replace, in whole or in part, the annual appropriation  
26 provided by the national government to the Regional University System.

27           **SEC. 28. Tax Exemptions.** - The provision of any general or special law to the contrary  
28 notwithstanding:

- 29           a) All revenues and assets of the Regional University System used actually, directly,  
30           and exclusively for educational purposes shall be exempt from all taxes and duties;
- 31           b) Gifts and donations of real and personal properties of all kinds shall be exempt from  
32           the donors' tax and the same shall be considered as allowable deductions from the  
33           gross income of the donor, in accordance with the provisions of the National  
34           Internal Revenue Code, as amended;
- 35           c) Importation of economic, technical, vocational, scientific, philosophical, historical  
36           and cultural books, supplies, equipment, machinery and other materials, including  
37           scientific and educational computer and software equipment, shall be exempt from  
38           customs duties; and

- 1           d) The Regional University System shall be exempt from payment of value-added tax  
2           on its transactions which are primarily and directly undertaken for educational  
3           purposes.

4           **SEC. 29. *Development Plan, Management Audit.*** - Within one hundred twenty (120) days  
5 after the approval of this Act, the Regional University System shall accomplish the following:

- 6           a) Submit a medium term institutional development plan for the RUS, including its  
7           corresponding program budget to CHED, for corresponding recommendation to the  
8           Department of Budget and Management;  
9           b) Undergo a management audit in cooperation with CHED; and  
10          c) Accordingly set up its organizational, administrative, as well as, academic structure,  
11          including the appointment of the Regional University System key officials.

12          **SEC. 30. *Transitory Provisions.*** -

- 13          a) *Budget* - Each AC shall retain its budget from the national government through the  
14          General Appropriations Act. The internally-generated income of each AC shall also  
15          be used by the AC itself. Each AC shall constitute and formulate its own resource  
16          generation mechanism and the operational policies and implementation scheme  
17          shall be approved by the respective AC's Administrative Council.  
18          b) *Transitory President* - In order to effect a smooth transition to a Regional  
19          University System, the Governing Board may appoint a qualified transitory  
20          President who shall serve as the first President of the Regional University System  
21          for two (2) years from the effectivity of this Act, the selection process for whom,  
22          shall be determined by the Governing Board.  
23          c) *Transitory Chancellors* - The incumbent Presidents of the State university and  
24          colleges being integrated shall serve as transitory chancellors of the respective ACs  
25          for two (2) years from the effectivity of this Act or until the expiration of the  
26          current term of office of the incumbent, whichever is longer.  
27          d) *Transitory Faculty Regent* - The incumbent faculty trustees or regents, as the case  
28          may be, shall choose from among themselves who shall be the transitory Faculty  
29          Regent for the Regional University System. The term of the transitory Faculty  
30          Regent shall be until such time that a Faculty Regent shall have been duly elected  
31          by the new faculty federation of the Regional University System.  
32          e) *Transitory Student Regent* - The incumbent student trustees or regents, as the case  
33          may be, of the integrated state university and colleges shall choose from among  
34          themselves who shall be the Transitory Student Regent for the Regional University  
35          System. The term of the transitory Student Regent shall be until such time that a  
36          Student Regent shall have been duly elected by the new student federation of the  
37          Regional University System.  
38          f) *Transitory Alumni Regent* - The incumbent alumni trustees or regents, as the case  
39          may be, of the integrated state university and colleges shall choose from among

1 themselves who shall be the transitory Alumni Regent for the Regional University  
2 System. The term of the transitory Alumni Regent shall be until such time that an  
3 Alumni Regent shall have been duly elected by the new alumni federation of the  
4 Regional University System.

5 g) *Budget for the transitory system-wide administration* - The first year of  
6 implementation of the system-wide administration of the Regional University  
7 System shall be provided for by the CHED, specifically on complementation and  
8 consortium activities or programs, until the budgetary requirement shall have been  
9 incorporated into the general budget of the Regional University System.

10 h) *Rationalization of the system-wide administration* - After the management audit  
11 and to effect the appropriate administrative structure for operational efficiency, the  
12 Davao Regional State University System shall gradually rationalize redundant  
13 administrative offices, subject to civil service rules and appropriate incentive  
14 packages.

15 **SEC. 31. *Suppletory Application.*** - The provisions of Republic Act No. 8292, otherwise  
16 known as the "*Higher Education Modernization Act of 1997,*" shall be an integral part of this Act  
17 and shall serve as part of the governing charter of the Regional University System.

18 **SEC. 32. *Parity Clause-*** All other powers, functions and privileges, responsibilities and  
19 limitations granted to, or imposed upon state universities and their officials under existing laws  
20 shall be deemed granted to or imposed upon the Regional University System and its officials  
21 whenever appropriate.

22 **SEC. 33. *Implementing Rules and Regulations.*** - Within a period of ninety (90) days from  
23 the effectivity of this Act, the Board of the Regional University System shall, in collaboration  
24 with the Commission on Higher Education, promulgate rules and regulations as may be  
25 necessary for the effective implementation of this Act.

26 **SEC. 34. *Separability Clause.*** - If, for any reason, any part or provision of this Act is  
27 declared invalid or unconstitutional, the remaining parts or provisions not affected thereby shall  
28 remain in full force and effect.

29 **SEC. 35. *Repealing Clause.*** - All laws, decrees, orders, rules and regulation inconsistent  
30 with the provisions of this Act are hereby repealed or modified accordingly.

31 **SEC. 36. *Effectivity.*** - This Act shall take effect fifteen (15) days after its publication in  
32 the Official Gazette or in any newspaper of general circulation.

Approved,