

Office of the Secretary

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

14 NOV 25 P5 56

SENATE

S. B. No. **2468**

*[Handwritten signature]*

Introduced by SENATOR SONNY ANGARA

AN ACT

ESTABLISHING THE UNIVERSITY OF SCIENCE AND TECHNOLOGY OF THE PHILIPPINES (USTP), ENHANCING THE COMPOSITION OF ITS GOVERNING BOARD, AND EXPANDING INDUSTRY PARTICIPATION IN THE UNIVERSITY THROUGH THE AMALGAMATION OF THE MINDANAO UNIVERSITY OF SCIENCE AND TECHNOLOGY (MUST) AND THE MISAMIS ORIENTAL STATE COLLEGE OF AGRICULTURE AND TECHNOLOGY (MOSCAT), AND APPROPRIATING FUNDS THEREFOR

EXPLANATORY NOTE

Science and technology (S&T) are key drivers to development. Over the years, they have significantly altered the way people live, playing vital roles in the growth and development of communities worldwide.

In view of its immense contribution, it is imperative that developing countries such as the Philippines promote advancement in S&T, particularly in research and development (R&D). A good start would be for the government to invest in good S&T education for our youth and encourage them to take up engineering, science and technology courses, by establishing an educational institution that is truly competent and well-equipped to provide world-class S&T education. Unlike other Asian countries such as Malaysia, Thailand, Taiwan and Singapore, the Philippines has yet to establish a national university that is solely focused on S&T.

This bill thus seeks to establish the University of Science and Technology of the Philippines (USTP) that will cater to the many graduates of science high schools nationwide, as well as other science-inclined students, for them to continue higher studies in S&T. It is envisioned to provide opportunities for equitable access to quality S&T education and develop local talents to become world-class scientists and engineers who will not only help local industries become globally competitive, but also increase the country's capacity for innovation. The USTP shall be established through an amalgamation strategy that combines the strengths of leading state universities and colleges in Mindanao.

The bill likewise proposes to provide incentives to industries willing to locate in the University S&T park, as well as to those industries conducting joint research projects with the University, thus encouraging private sector investment and participation in R&D activities. It must be noted that in other progressive countries, the bulk of R&D investment comes from the private sector.

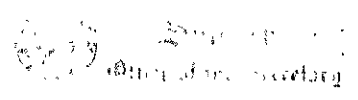
The lack of research facilities in the regions outside the National Capital Region has prevented many outstanding scientists and researchers to conduct research at a higher level. While a well-balanced S&T development through R&D should be done on a national scope, the location of the USTP is critical. To date, at least 90% of government funds are concentrated in SUCs located in Metro Manila; the rest is shared by Visayas and Mindanao. Developing the research facilities in Mindanao will broaden access and promote regional R&D activities. With almost 300 hectares of land, the Mindanao University of Sciences and Technology (MUST) in Alubijid, Misamis Oriental is a strategic location for USTP to provide R&D facilities, accommodation and other amenities for scientists here and abroad. Moreover, it is near the

Laguindingan International Airport, making it accessible from all parts of the country and the world.

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



**SENATOR SONNY ANGARA**



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SENATE

Senate Bill No. 2468

RECEIVED BY *Jr*

Introduced by SENATOR SONNY ANGARA

AN ACT

ESTABLISHING THE UNIVERSITY OF SCIENCE AND TECHNOLOGY OF THE PHILIPPINES (USTP), ENHANCING THE COMPOSITION OF ITS GOVERNING BOARD, AND EXPANDING INDUSTRY PARTICIPATION IN THE UNIVERSITY THROUGH THE AMALGAMATION OF THE MINDANAO UNIVERSITY OF SCIENCE AND TECHNOLOGY (MUST) AND THE MISAMIS ORIENTAL STATE COLLEGE OF AGRICULTURE AND TECHNOLOGY (MOSCAT), AND APPROPRIATING FUNDS THEREFOR

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

ARTICLE I  
TITLE AND POLICIES

**Section 1. Title.** This Act shall be known as the "University of Science and Technology of the Philippines Act".

**Sec. 2 Policies.** It is the declared policy of the State to establish, maintain, and support a complete, adequate and integrated system of higher education relevant to the needs of the people and society, with primary focus on research and development for Science and Technology.

ARTICLE II  
DEFINITION OF TERMS

**Sec. 3. Definition of Terms.** The following terms, as used in this Act, shall be defined as follows:

- a) **Auxiliary services** - all kinds of services done or rendered by USTP other than academic, such as hospital, dental clinic, cafeteria, janitorial, printing press, bookstore, and the like;
- b) **Board of Regents** - refers to the highest policy-making body of the University of Science and Technology of the Philippines;
- c) **Community laboratory** - is a community adopted by a chartered state university or college (SUC) as part its extension program, where research and civic services are conducted by its students and/or faculty;
- d) **Duly recognized faculty association** - is the association of the faculty members or the instructional staff of the USTP or the federation of faculty associations of the Mindanao University of Science and Technology (MUST) and Misamis Oriental State College of Agriculture and Technology (MOSCAT) and other state universities and colleges (SUCs) who may later opt to amalgamate with USTP, which has been extended due recognition by its

1 Governing Board (GB) to be its legitimate and lawful faculty association, as  
2 manifested by its constitution being ratified by 2/3 of its members;  
3

- 4 e) **Duly recognized alumni association** - is the association of the alumni of the  
5 MUST and the MOSCAT and other SUCs who may later opt to amalgamate  
6 with USTP, preferably from their tertiary level programs, which has been  
7 extended due recognition by its GB to be the legitimate and lawful  
8 organization of its alumni;  
9
- 10 f) **Extension campus** - is the campus that responds to special needs or  
11 demands (i.e. instruction, research or extension) with no administrative  
12 structure;  
13
- 14 g) **Instruction** – shall refer to a set of activities or practices, which include, but  
15 not limited to, the following: classroom teaching and learning, supervision and  
16 assessment of classroom teaching and learning, curriculum development,  
17 staff professional development such as attendance to conferences, seminars,  
18 workshops, educational trips, and other related activities that enhance the  
19 instructional function of the USTP;  
20
- 21 h) **Main campus** - is the campus where the administrative services of the USTP  
22 is located and/or where its President holds office permanently;  
23
- 24 i) **Non-chartered tertiary institutions** - refers to all public institutions of higher  
25 learning in the Philippines primarily offering degree programs, including post-  
26 secondary degree vocational and technical educational institutions duly  
27 recognized by CHED not covered by enabling laws;  
28
- 29 j) **Socialized scheme of tuition and other instructional fees** - refers to a  
30 scheme or pattern where the rate of tuition and instructional fees are collected  
31 on the basis of family income and/or socio-economic status of the student,  
32 such that the less-economically privileged students shall pay lesser fees than  
33 students coming from more economically advantaged families; and  
34
- 35 k) **Special trust fund** - refers to the total amount collected by the university,  
36 which may refer to either collection of fees and other charges from students,  
37 or collection from income generating activities of the university.  
38

### 39 ARTICLE III 40 COVERAGE 41

42 **Sec. 4. Coverage.** This Act shall apply to and cover all colleges and units, academic or  
43 non-academic, of MUST and MOSCAT now collectively known as USTP, including the  
44 campuses in Cagayan de Oro, Jasaan, Misamis Oriental, Alubijid Misamis Oriental,  
45 Panaon, Misamis Occidental and Oroquieta City, Misamis Occidental of MUST and  
46 MOSCAT campus in Claveria, Misamis Oriental. The main campus of the University  
47 shall be established in Alubijid, Misamis Oriental.  
48

49 **Sec. 5. General Mandate.** The University shall provide advanced education, higher  
50 technological, professional and advanced instruction in mathematics, science,  
51 technology, engineering, agriculture, and advanced research and extension work in  
52 human resource development in critical S&T skills and competencies required for global  
53 competitiveness.  
54

55 **Sec. 6. Curricular Offerings.** The University shall offer undergraduate, graduate and  
56 post-graduate courses in the fields of mathematics, science and technology,  
57 engineering, and agriculture.

1  
2 The University, however, shall be allowed to maintain and operate high school  
3 education with concentration in science and technology that will serve as feeders to  
4 science and technology courses of the university; *Provided*, that the total number of  
5 high school students in a given year shall not exceed 500.

6  
7 **Sec. 7. Administration.** The University shall have the general powers of a corporation set  
8 forth in Batas Pambansa Blg. 68, as amended, otherwise known as "The Corporation Code of  
9 the Philippines". The administration of the University and the exercise of its corporate powers  
10 shall be vested exclusively in the Board of Regents and/or the President of the University.  
11 The powers of the President shall be those that pertain to the executive powers of a chief  
12 executive of similar organizations insofar as the implementation of the policies set forth by  
13 the Governing Board of Regents is concerned.

14  
15 **ARTICLE IV**  
16 **GOVERNING BOARD OF THE UNIVERSITY OF SCIENCE AND TECHNOLOGY OF THE**  
17 **PHILIPPINES; COMPOSITION; MANNER OF APPOINTMENT; TERM OF OFFICE;**  
18 **MEETINGS AND QUORUM; COMPENSATION; AND OTHER RELATED MATTERS**  
19

20 **Sec. 8. Governing Board.** The governing board of the University shall be the Board of Regents,  
21 hereinafter referred to as the Board, which shall be composed of the following:

- 22  
23 a) The Chairperson of the Commission on Higher Education (CHED), chairperson;  
24 b) The President of the University, vice chairperson;  
25 c) The Chancellors of Cagayan de Oro and Claveria Campuses, member;  
26 d) The Chairperson of the Committee on Education, Arts and Culture of the Senate,  
27 member;  
28 e) The Chairperson of the Committee on Higher and Technical Education of the House  
29 of Representatives, member;  
30 f) The Director-General of the National Economic and Development Authority  
31 (NEDA), member;  
32 g) The Secretary of the Department of Science and Technology (DOST), member,  
33 h) The President of the federation of faculty associations of the University,  
34 member;  
35 i) The President of the federation of student councils of the University, member;  
36 j) The president of the federation of the alumni associations of the University,  
37 member; and  
38 k) Four prominent Chief Executive Officers of duly recognized national or  
39 multinational corporations who have distinguished themselves in the fields of  
40 specialization of the University or who have entered partnerships with the  
41 University through public-private partnership, members.  
42 l) Two prominent academicians in the Philippines who have distinguished  
43 themselves in the fields of specialization of the University through their  
44 publications and track record in research.

45  
46 The President of the Philippines shall appoint the four (4) Chief  
47 Executive Officers and two (2) academicians from among a list prepared by the  
48 University President, in consultation with the Chairperson and members of the  
49 Board, based on normal standards and qualifications for the position.

50  
51 The terms of office of the President of the federation of faculty associations, the  
52 President of the federation of student councils, and the President of the federations of  
53 alumni associations, shall be co-terminous with their respective terms of office, as set  
54 forth in their respective constitutions and by laws.

55  
56 The four (4) prominent Chief Executive Officers shall serve for a term of four (4)  
57 years from the date of appointment while the prominent academicians shall serve for a  
58 term of two (2) years, with possible future re-appointments.

59  
60 **Sec. 9. Rights and Responsibilities of Board members.** The Board members shall have all  
61 the normal rights and responsibilities of a regular member of the Board of Directors/Board of  
62 Trustees set forth in Batas Pambansa Blg. 68, as amended, otherwise known as "The  
63 Corporation Code of the Philippines".

1  
2 The right of the SSC/SG, Faculty, and Alumni President or Head, and of the Student  
3 Council President or Representative, to become members of the Board shall automatically rise  
4 from their election and qualification into their respective offices.

5  
6 The private sector representatives must take their oaths of office, as herein provided,  
7 before they could assume as Board members.

8  
9 **Sec. 10. Representatives of Board Members Coming From the Government.** If the  
10 Chairpersons of the Committee on Education, Arts and Culture of the Senate and the  
11 Committee on Higher and Technical Education of the House of Representatives, as well as the  
12 Secretaries of NEDA and DOST, could not personally attend a regular meeting or special  
13 session of the GB, they may designate in writing their representatives to the meeting or special  
14 session. Provided, that the representatives of NEDA and DOST must be the respective  
15 Regional Directors of the agencies. All representatives shall be entitled to vote.

16  
17 The other Board members coming from the government shall personally attend the  
18 Board meetings/sessions.

19  
20 **Sec. 11. Selection, Appointment and Qualifications of the Board Members from the**  
21 **Private Sector and the Academe.**

22  
23 11.1 Search Committee – A search committee (SC) shall be formed and constituted by  
24 the President of USTP, in consultation with the Chairman of the Governing Board. The  
25 search committee shall take charge of recruiting, consulting with the potential  
26 candidates, and recommending to the President of the University and the Chairperson of  
27 the Board at least six (6) prominent Chief Executive Officers of Corporations and four (4)  
28 prominent academicians, for possible appointment by the President of the Philippines.  
29 The search committee may conduct a thorough background check of the candidates.

30  
31 11.2 Composition of SC - The SC to be formed and constituted by the President of  
32 USTP, and to be approved by the Board chairman, shall have five (5) members who  
33 shall elect from among themselves a Chair.

34  
35 The private sector representatives shall come from the Philippines. Provided, that  
36 should the Chief Executive Officer be of foreign nationality, he shall be represented by a  
37 Filipino member of the Corporation.

38  
39 11.3 Assumption. - The duly appointed private sector representatives shall assume  
40 office after taking their oaths before the Chair of the BOR or before the latter's duly  
41 designated representative.

42  
43 **Sec. 12. Terms of Office.** The terms of office of the President or Head of faculty and alumni  
44 associations and the Student Regent in the Board of USTP shall be contemporaneous with their  
45 terms of office in such capacities, in accordance with their respective Constitution and by-laws:  
46 Provided, that in the event that the student loses his status as a student by way of graduation  
47 from the university, dismissal, transfer or other such causes, then a duly elected student  
48 representative shall sit as regular member of the Board.

49  
50 **Sec. 13. Meetings/Sessions.** The Board of USTP may hold either regular meetings or special  
51 sessions.

52  
53 13.1 Regular Meetings. - The Board must convene once every quarter which shall be  
54 held every first week of every quarter.

55  
56 13.2 Frequency, Date and Venue of Regular Meetings. - The frequency over and above  
57 the minimum stated in Sec. 13.1 hereof and the date and venue of regular meetings  
58 of the Board shall be determined by the GB, provided that only four (4) regular  
59 meetings and two (2) special meetings shall be granted the authorized allowance.

60  
61 13.3 Responsibility of the President. - The President of USTP shall be responsible for  
62 making the necessary preparations to ensure the smooth holding of its Board's  
63 regular meetings or special sessions.

1  
2 13.4 Special Sessions. - Special sessions of the Board may be held only upon the call of  
3 its Chair or Vice-Chair provided that the members of the Board have been duly  
4 notified in writing of the said special session three (3) days before its holding.

5  
6 Board members who believe that a special session should be conducted may  
7 petition in writing to the Chair or Vice-Chair accordingly.

8  
9 **Sec. 14. Quorum.** A majority of all the members of the Board holding office at the time of its  
10 regular meeting or special session shall constitute a quorum for the said regular meeting or  
11 special session.

12  
13 No regular meetings or special sessions of the Board, however, shall be validly held or  
14 could legally occur without the presence of either the Chairman of the Board or the President of  
15 USTP who is the Vice-Chairman thereof.

16  
17 **Sec. 15. Presiding Officer.** The CHED Chairman or the CHED Commissioner as duly  
18 designated Chair in his capacity as Chairman of the Board of USTP shall preside over the  
19 regular meetings or special sessions thereof, except as hereinafter provided for.

20  
21 In the absence of the CHED Chairman or the CHED Commissioner as Regular Chair of  
22 the Board, the President of USTP, who is the Vice-Chairman of its Board, shall preside.

23  
24 **Sec. 16. Representative of CHED Chairman.** In case the CHED Chairman is unable to attend  
25 any regular meeting or special session of the Board of USTP, he may designate in writing one  
26 of the CHED Commissioners to represent him in the said regular meeting or special session.

27  
28 The CHED Commissioner so designated shall not preside over the regular meeting or  
29 special session of the GB but shall have all the rights and responsibilities of a member thereof.

30  
31 **Sec. 17. Designation of Chair by CHED Chairman.** The CHED Chairman who is the  
32 Chairman of the Board of all chartered SUCs may designate in writing a CHED Commissioner  
33 to act as the regular Chair of the Board of USTP and/or in any of its regular meetings or special  
34 sessions in which case the CHED Commissioner so designated shall act as the presiding  
35 officer.

36  
37 **Sec. 18. No Regular Salary for the Chairman, Vice-Chairman and Members of Board.** The  
38 Chairman, Vice-Chairman and Members of the Board of the USTP shall not receive any regular  
39 salary. However, they shall receive entitlements to actual allowances allowed by law, and  
40 reimbursement of necessary expenses incurred during or in conjunction with their attendance in  
41 the regular meetings or special sessions of the Board or in connection with their performance of  
42 official business as members, duly authorized by the Board through a Resolution.

43  
44 **ARTICLE V**  
45 **POWERS AND DUTIES OF THE BOARD**

46  
47 **Section 19. Powers and Duties of the Board.** The Board of USTP shall have the following  
48 powers and duties, in addition to its general powers of administration and the exercise of all the  
49 powers granted to Board of Directors of a corporation under Section 36 of Batas Pambansa Blg.  
50 68, otherwise known as the "Corporation Code of the Philippines," thus:

- 51  
52 (a) To promulgate rules and regulations not contrary to laws, as may be necessary to  
53 carry out the purposes and functions of the University;  
54  
55 (b) To receive and appropriate all sums, as may be provided, to carry out the purposes  
56 and functions of the University;  
57  
58 (c) To import duty-free economic, technical and cultural books and/or publications, upon  
59 certification by the CHED that such imported books and/or publications are for  
60 economic, technical, vocational, scientific, philosophical, historical or cultural  
61 purposes, in accordance with the provisions of the Tariff and Customs Code of the  
62 Philippines, as amended;  
63

- 1 (d) To receive in trust legacies, gifts and donations of real and personal properties of all  
2 kinds and to administer and dispose of the same when necessary for the benefit of  
3 the University and subject to the limitations, directions and instructions of the donor,  
4 if any.

5  
6 Such donations shall be exempt from the donor's tax and the same shall be  
7 considered as allowable deductions from the gross income in the computation of the  
8 income tax of the donor, in accordance with the provisions of the National Internal  
9 Revenue Code (NIRC) of 1997, as amended: *Provided*, that such donations shall not  
10 be disposed of, transferred or sold;

- 11  
12 (e) To fix the tuition fees and other necessary school charges such as, but not limited to,  
13 matriculation fees, graduations fees and laboratory fees, as the Board may deem  
14 proper to impose, after due consultations with the involved sectors.

15  
16 Such fees and charges, including government subsidies and other income  
17 generated by the University, shall constitute a special trust fund and shall be  
18 deposited in any authorized government depository bank, and all interests that shall  
19 accrue therefrom shall form part of the same funds for the use of the University.

20  
21 Income generated by the University from tuition fees and other charges, as  
22 well as from the operations of auxiliary services, land grants and other income  
23 generating activities, shall be retained by the University. The disbursement of such  
24 income shall be decided solely by the Governing Board for the attainment of the  
25 goals and objectives of the University. *Provided*, that all fiduciary fees shall be  
26 disbursed for the specific purposes for which these are collected.

27  
28 If, for reasons beyond its control, the University shall not be able to pursue  
29 any project for which the funds have been appropriated and allocated under its  
30 approved program of expenditures, the Board may authorize the use of said funds  
31 for any reasonable purpose which it may deem necessary for the attainment of the  
32 objectives and goals of the University;

- 33  
34 (f) To adopt and implement a socialized scheme of tuition and other school fees for  
35 greater access to poor but deserving students;

- 36  
37 (g) To authorize the construction or repair of its buildings, machinery, equipment and  
38 other facilities, and the purchase and acquisition of real property, including  
39 necessary supplies, materials and equipment;

- 40  
41 (h) To appoint upon recommendation of the President of the University, Chancellors,  
42 Vice-Chancellors, Vice Presidents, deans, directors, heads of campuses, faculty  
43 members, and other officials and employees of the University;

- 44  
45 (i) To fix and adjust salaries of faculty members and administrative officials and  
46 employees, guided by the provisions of the revised compensation and position  
47 classification system; to remove them for cause in accordance with the requirements  
48 of due process of law; to determine and approve the staffing standard of the  
49 university and allowances of faculty with emphasis on developing a career path for  
50 scientists;

- 51  
52 (j) To approve the curricula, instructional programs and rules of discipline drawn by the  
53 Administrative and Academic Councils as herein provided, and to determine the  
54 curricular offerings of the university based on the needs for globalization and  
55 internationalization. The policies and standards established by the commission on  
56 higher education may be used as guides and bases for curriculum designs, provided,  
57 however, that such policies and standards shall not be a limiting factor in the design  
58 of the academic programs of the University;

- 59  
60 (k) To set policies on admission and graduation of students;

- 61  
62 (l) To award honorary degrees upon persons in recognition of their outstanding  
63 contribution in the fields of education, public service, arts, science, and technology or



1 in any field of specialization within the academic competence of the University; and  
2 to authorize the awarding of certificates of completion of non-degree and  
3 nontraditional courses;  
4

- 5 (m) To establish and absorb non-chartered tertiary institutions within the Philippines as  
6 branches and centers in coordination with the CHED, and in consultations with the  
7 Department of Budget and management (DBM), and to offer therein programs or  
8 courses, to promote and carry out equal access to educational opportunities as  
9 mandated by the Constitution;  
10
- 11 (n) To establish Research and Extension Centers of the University where such will  
12 promote the development of the latter;  
13
- 14 (o) To establish professorial chairs in the University and to provide fellowships for  
15 qualified faculty members and scholarships to deserving students;  
16
- 17 (p) To delegate any of its powers and duties provided herein to the President and/or  
18 other officials of the University as it may deem appropriate, so as to expedite the  
19 administration of the affairs of the University;  
20
- 21 (q) To authorize an external management audit of the University, to be financed by the  
22 CHED, subject to the rules and regulations of the Commission on Audit; and to  
23 institute reforms, including academic and structural changes, on the basis of the  
24 audit results and recommendations;  
25
- 26 (r) To collaborate with the governing boards of other SUCs in the country, in  
27 consultation with the DBM, and work towards restructuring including, but not limited  
28 to, the amalgamation of such SUCs to USTP to become more efficient, relevant,  
29 productive and competitive;  
30
- 31 (s) To enter into joint ventures with private entities for the profitable development and  
32 management of the economic assets of the University, the proceeds of which shall  
33 be used for the development and strengthening of the University;  
34
- 35 (t) To develop a mechanism for the efficient adoption of public-private-partnership  
36 (PPP) in the areas of research, instruction, extension and in the acquisition of  
37 facilities and structures of the University:  
38
- 39 • Joint Curriculum Ventures: sandwich programs for students in specialized  
40 S&T, faculty development curriculum with the industries, staff development of  
41 the industries run by the University, and other such similar proposals;  
42
  - 43 • Joint Research Ventures: outsourcing of the research components of the  
44 industries to the academe's graduate programs; product/service research and  
45 similar research endeavors;  
46
  - 47 • Economic Enterprise Ventures: proposals for utilizing the economic assets of  
48 the university for optimal returns to the University;  
49
- 50 (u) To develop consortia and other economic forms of linkages with local government  
51 units, institutions and agencies, both public and private, local and foreign, in the  
52 furtherance of the purpose and objectives of the University;  
53
- 54 (v) To develop academic arrangements for institutional capability building with  
55 appropriate institutions and agencies, public and private, local and foreign;  
56
- 57 (w) To appoint experts/specialists as consultants, part-time or exchange professors,  
58 scholars or researchers, as the case maybe, particularly those focused in  
59 strengthening the general mandate of the University;  
60
- 61 (x) To set up the adoption of modern and innovative modes of transmitting knowledge  
62 such as the use of information technology, the dual learning system, open learning or

1 distance education and community laboratory for the promotion of greater access to  
2 education;

3  
4 (y) To establish policy guidelines and procedures for participative decision-making and  
5 transparency within the University;

6  
7 (z) To privatize, where most advantageous to the University, the management of  
8 nonacademic services such as health, food, building or grounds or property  
9 maintenance and such other similar activities; and

10  
11 (aa) To extend the term of the President of the University beyond the age of  
12 retirement but not beyond the age of seventy (70), whose performance has been  
13 unanimously rated by the Board as outstanding based on the guidelines,  
14 qualifications and standards set by the Board, after unanimous recommendations by  
15 the search committee.

16  
17 **ARTICLE VI**  
18 **PROMULGATION AND IMPLEMENTATION OF POLICIES BY**  
19 **THE BOARD**  
20

21 **Sec. 20. *Promulgation and Implementation of Policies by the Board.*** The Board of USTP  
22 may promulgate and implement policies within USTP, provided these are consistent with the  
23 declared state policies on education and other pertinent provisions of the Philippine Constitution  
24 on education, science and technology, arts, culture and sports.

25  
26 **ARTICLE VII**  
27 **ADMINISTRATION; SELECTION AND APPOINTMENT OF THE PRESIDENT; MINIMUM**  
28 **QUALIFICATIONS; TERM OF OFFICE; RE-APPOINTMENT; TENURE OF INCUMBENT;**  
29 **VACANCY IN THE OFFICE OF THE PRESIDENT; OTHER OFFICERS**  
30

31 **Sec. 21. *Administration of USTP.*** The administration of USTP is vested on its President who  
32 must render full-time service. The powers and duties of the President of the University, in  
33 addition to those specifically provided under this law, shall be those usually pertaining to the  
34 Office of the President of similar universities and those delegated by the Board.

35  
36 The Administration of the USTP Claveria campus and the USTP Cagayan de Oro campus is  
37 vested in the Chancellor of the campus, insofar as authorized by the Board of the University.

38  
39 **Sec. 22. *Selection and Appointment of the President.*** The President of USTP shall be  
40 selected and appointed by its Board upon the recommendation of a duly constituted Search  
41 Committee for the Presidency (SCP).

42  
43 **Sec. 23. *SCP.*** Within six (6) months before the expiration of the term of office of the incumbent  
44 President of USTP, the Board of USTP must constitute an SCP. The composition of the SCP  
45 shall be determined by the Board, taking into consideration representatives from the academe,  
46 the private sector who are not in any way connected or associated with the university, PASUC  
47 representative, and a CHED representative.

48  
49 **Sec. 24. *Powers of the SCP.*** The SCP so constituted shall recruit and screen applicants for the  
50 President and may devise its own procedures for the search. To this end, the SCP shall cause  
51 the publication of an open invitation for the presidency in a paper of national circulation.

52  
53 **Sec. 25. *Nominees.*** The SCP shall submit the names of at least 3 nominees to the GB citing  
54 therein the strengths and weaknesses of the nominees for guidance and information of the  
55 Board as well as the enumeration and description of the criteria and procedures employed in  
56 their search.

57  
58 **Sec. 26. *Appointment Papers.*** After the Board shall have selected and appointed the new  
59 President, his appointment papers shall be signed by the CHED Chairman or the CHED  
60 Commissioner duly designated as Regular Chair of the Board.

61  
62 **Sec. 27. *Minimum Qualifications.*** The applicant for the Presidency of USTP must possess the  
63 qualifications and/or standards set by its Board.

1  
2 **Sec. 28. Term of Office.** The President of USTP appointed by its Board shall have a term of  
3 four (4) years, the beginning and end of which must be clearly specified in the appointment  
4 made by the Board.  
5

6 **Sec. 29. Re-appointment.** The President of USTP appointed under this Act shall be eligible for  
7 re-appointment for another term only.  
8

9 **Sec. 30. Vacancy in the Office of the President.** In case of vacancy by reason of death,  
10 transfer, resignation, removal for cause or incapacity of the incumbent President to perform the  
11 functions of his office, the CHED Chairman or the CHED Commissioner as Chair of the Board,  
12 shall within fifteen (15) days from the occurrence of such vacancy, designate an Officer-in-  
13 charge (OIC) in the Office of the President (OP), subject to confirmation by the Board.  
14

15 **Sec. 31. Salary of the President.** The salary of the President of the University shall be  
16 determined by the Board and shall be comparable to that being received by the Presidents of  
17 similar educational institutions.  
18

19 **Sec. 32. Other Officers.** The President recommends the appointment of Vice-Presidents to the  
20 Board. The Vice-Presidents shall assist the President in the administration of the University.  
21 Other officers of the University shall likewise be recommended by the President to the Board for  
22 appointment.  
23

24 **ARTICLE VIII**  
25 **ESTABLISHMENT OF SCIENCE AND TECHNOLOGY PARK AT THE UNIVERSITY**  
26 **PREMISES**  
27

28 **Sec. 33. Science and Technology Park.** To strengthen the industry linkages with the  
29 academe, the Alubijid and Claveria campuses shall be designated as S&T Parks to provide  
30 locations for the long term development of the academic and research facilities of the University  
31 in strong partnership with the industries.  
32

33 **Sec. 34. Industry Incentives.** A private entity willing to locate in the University S&T park and to  
34 participate in the academic and research activities of the University may import duty-free items  
35 in connection with the joint academic and research activities, as certified by the University's  
36 Governing Board. Provided, that expenditures incurred by the private entity, in connection with  
37 such collaborative projects, shall be considered as allowable deductions from gross income in  
38 the computation of its income tax, in accordance with the provisions of the National Internal  
39 Revenue Code (NIRC) of 1997, as amended. Provided further, that funds allocated by the  
40 private entity for the joint academic and research activities with the University shall be at least  
41 5% of their net income in the preceding year.  
42

43 **Sec. 35. Long Term Lease Agreement.** The participating Industries shall enter into a Long-  
44 Term Lease Agreement with the University's Governing Board in connection with their use of  
45 the University's land and property through mutually agreed lease rates.  
46

47 **Sec. 36. Research and Development Collaboration.** The University shall be engaged as a  
48 research partner of the industries from project conceptualization, conduct and technology  
49 prototyping. The University shall receive royalty from the industries in the event that the  
50 technology is commercialized in accordance with the Intellectual Property Rights (IPR)  
51 provisions. The University may allocate funds to support joint collaborative research with the  
52 industries as well as to support basic academic research.  
53

54 **Sec. 37. Academic Development Collaboration.** The industries shall participate in the  
55 formulation of the University curricular programs as experts and practitioners in keeping with the  
56 DACUM (Developing A Curriculum) process for competency-based curriculum. Whenever  
57 applicable, the University shall institutionalize the dual training program in curricular offerings  
58 where students are expected to undergo a minimum of one (1) year industry training as part of  
59 requirement for graduation. In addition, the University may send faculty to the industries as part  
60 of its annual immersion program. Services of faculty members sent to industries for academic  
61 and research purposes shall be considered as part of government service notwithstanding  
62 existing Civil Service Laws on Detail and Secondment.  
63

1 **ARTICLE IX**  
2 **UNIVERSITY CAMPUSES, APPOINTMENT OF HEADS, AND TENURE**

3  
4 **Sec. 38. The University Campuses.** The seat of administration of the University shall be  
5 established at Alubijid, Misamis Oriental. The Major Campuses of the University shall be located  
6 in Cagayan de Oro City and Claveria, Misamis Oriental notwithstanding the addition of other  
7 major campuses in the event that other state colleges and universities will be amalgamated to  
8 USTP. The existing campuses of MUST in Jasaan, Misamis Oriental, Panaon and Oroquieta in  
9 Misamis Occidental shall be designated as satellite campuses of the University.

10  
11 **Sec. 39. Heads of University Campuses.** The Major University campuses in Cagayan de Oro  
12 and Claveria shall be headed by Chancellors while the Satellite Campuses in Jasaan, Misamis  
13 Oriental, Panaon and Oroquieta in Misamis Occidental shall be headed by Campus Directors  
14 who shall be appointed by the GB after recommendation by the President and a Search  
15 Committee established for this purpose.

16  
17 **Sec. 40. Tenure and Terms of Office.** The appointed Chancellors of the Major Campuses of  
18 the University shall serve for a period of four (4) years with the possibility of re-appointment. The  
19 appointed Campus Directors shall serve for a period of two (2) years with possible future re-  
20 appointments to be recommended by the University President.

21  
22 **ARTICLE X**  
23 **SECRETARY AND EX-OFFICIO TREASURER OF USTP;**  
24 **AUDIT**

25  
26 **Sec. 41. Secretary.** The Board of USTP shall appoint a Board Secretary who shall likewise act  
27 as the University Secretary.

28  
29 The Board Secretary so appointed shall, among others, keep all the records and the  
30 minutes of the proceedings of the Board and shall communicate to the Chairman, Vice-  
31 Chairman and members of the Board notice of all regular meetings, special sessions and other  
32 undertakings of the Board.

33  
34 **Sec. 42. Ex-Officio Treasurer.** The Treasurer of the Philippines shall be the ex-officio  
35 treasurer of USTP.

36  
37 **Sec. 43. Audit.** All accounts and expenses of USTP shall be audited by the Commission on  
38 Audit (COA) or its duly authorized representative.

39  
40 **ARTICLE XI**  
41 **ADMINISTRATIVE COUNCIL (ADCO) AND ACADEMIC COUNCIL (AC)**

42  
43 **Sec. 44. Administrative Council (ADCO).** There shall be created in USTP an Administrative  
44 Council (ADCO) which shall be composed of its President as Chairman and with its  
45 Chancellors, Vice-President(s), Deans, Directors, and other officials of equal rank as Members.

46  
47 The President of USTP as Chairman thereof shall constitute the ADCO.

48  
49 **Sec. 45. Duty of ADCO.** The ADCO of USTP so formed and constituted shall review and  
50 recommend, in accordance with its GB, appropriate policies governing the administration,  
51 management and development planning of USTP for the latter's action as it may deem fit.

52  
53 **Sec. 46. Academic Council (AC).** There shall be established and constituted in USTP an  
54 Academic Council (AC) with its President as Chairman and all faculty members with a rank of  
55 not lower than Assistant Professor as members.

56  
57 **Sec. 47. Powers of the AC.** The AC so formed and constituted in USTP shall have the  
58 following powers, in accordance with Sec. 4, Par. (o) & (v) of R.A. 8292 to wit:

- 59  
60 a) Determine, review and recommend for the approval of its GB the course offerings of  
61 USTP;  
62  
63 b) Devise/draft, review and recommend for the approval of its GB the rules of discipline of

1 and for the USTP; and

- 2  
3 c) Fix the requirements for the admission of students in the USTP as well as for their  
4 graduation and the conferment of degrees and submit the same to its GB for review  
5 and/or approval in accordance with Sec. 4, Par. (I) of R.A. 8292.  
6

7 **Sec. 48. Industry-Academe Council (IAC)** – There shall be established an advisory council  
8 constituted as the Industry-Academe Council composed of the members of the instructional  
9 staff with rank not lower than Professor and two (2) representatives from each of the  
10 industries represented in the S&T Park to be chaired by the President of the University. The  
11 IAC shall have the following powers:

- 12  
13 a) Review curricular offerings of the University and recommend enhancement thereof to  
14 the Academic Council (AC);  
15 b) Determine and monitor research projects jointly undertaken by the University and the  
16 Industry for Board information and action;  
17 c) Serve as a clearing house for project proposals involving the academe and the  
18 industries and recommend appropriate action to the Governing Board.  
19  
20

21 **ARTICLE XII**  
22 **ACADEMIC FREEDOM AND INSTITUTIONAL AUTONOMY OF USTP**  
23

24 **Sec. 49. Academic Freedom and Institutional Autonomy.** USTP shall enjoy academic  
25 freedom and institutional autonomy as provided for in B.P. 232, R.A. 8292 and Par. 2 Sec. 5 of  
26 Art. XIV of the 1987 Constitution.  
27

28 **ARTICLE XIII**  
29 **APPOINTMENT OF FACULTY**  
30

31 **Sec. 50. The Faculty.** No political beliefs, gender preference, cultural or community affiliation or  
32 ethnic origin and religious opinion or affiliation shall be a matter of inquiry in the appointment of  
33 faculty members in the University.  
34

35 **Sec. 51. Appointments.** Appointments of faculty shall be subject to the guidelines and  
36 qualifications and/or standards set by the Board. The faculty of the university shall be recruited  
37 from among the most qualified scientists, engineers and technologists domestically and  
38 internationally. The University shall be guided by the provisions of the salary standardization law  
39 and the scientific career system and shall continue to receive subsidy from the national  
40 government, including salary increases given to government employees in order to ensure the  
41 recruitment of the best minds in science and technology all over the world, to deliver the  
42 mandated functions of the University.  
43

44 **Sec. 52. Prohibition.** No member of the faculty shall teach for or against any particular church  
45 or religious sect.  
46

47 **ARTICLE XIV**  
48 **NO DISCRIMINATION IN ADMISSION OF STUDENTS**  
49 **IN USTP; SCHOLARSHIP PROGRAMS**  
50

51 **Sec. 53. No Discrimination in Admission of Students in USTP.** No student shall be  
52 discriminated against and denied admission in USTP by reason of sex, nationality, religion,  
53 political affiliation, or physical disability.  
54

55 **Sec. 54. Scholarship Program.** The University shall provide a scholarship program and other  
56 affirmative action programs to assist poor but deserving students who qualify for admission to  
57 the University or its extension campuses.  
58

59 **ARTICLE XV**  
60 **DEVELOPMENT AND PROMOTION OF CULTURAL HERITAGE**  
61

62 **Sec. 55. Enhancement of Theater Arts Program.** To promote and preserve culture and arts,  
63 especially local practices and rites and indigenous practices of Mindanao, and to develop

1 talents of students and University personnel alike, the existing University theater arts program  
2 shall be enhanced and strengthened.

3  
4 **ARTICLE XVI**  
5 **TAX EXEMPTIONS**

6  
7 **Sec. 56. Tax Exemptions.** The provisions of any general or special law to the contrary  
8 notwithstanding.

9  
10 (a) All revenues and assets of the University of Science and Technology of the  
11 Philippines (USTP) used exclusively and solely for educational purposes or furtherance thereof  
12 shall be exempt from all taxes and duties;

13  
14 (b) Gifts and donations of real and personal properties of all kinds shall be exempt from  
15 donor's tax and the same shall be considered as allowable deductions from gross income of the  
16 donor, in accordance with the provisions of the National Internal Revenue Code of 1997, as  
17 amended: *Provided*, that the allowable deductions shall be equivalent to one hundred fifty  
18 percent (150%) of the value of such donation. Valuation of non-monetary assistance shall be  
19 based on the acquisition cost of the property. Such valuation shall take into consideration the  
20 depreciation value of the property in case said property has been used;

21  
22 (c) Importation of economic, technical, vocational, scientific, philosophical, historical and  
23 cultural books, supplies and materials duly certified by the Board, including scientific and  
24 educational computer and software equipment, shall be exempt from customs duties;

25  
26 (d) The University shall only pay zero percent (0%) value-added tax for all transactions  
27 subject to this tax; and

28  
29 (e) All educational monetary awards shall be exempt from taxes.  
30

31  
32 **ARTICLE XVII**  
33 **APPROPRIATIONS**

34  
35 **Sec. 57. Annual Appropriations.** The amount necessary to carry out the provisions of this Act  
36 shall be charged against the current year's appropriations of the Mindanao University of Science  
37 and Technology and the Misamis Oriental State College of Agriculture and Technology, except  
38 the sums needed to continue the operations of the existing high school. Thereafter, such sums  
39 as may be necessary for the continued operation and maintenance of USTP shall be included in  
40 the annual General appropriations Act (GAA).  
41

42 **Sec. 58. University Modernization Fund.** In Addition to the regular appropriations and  
43 increase for the University under the GAA, a University modernization program fund, hereinafter  
44 referred to as the fund, shall be appropriated in the initial amount of Two (2) Billion Pesos  
45 (PhP2,000,000,000.00) and Three (3) Hundred Million Pesos (PhP300,000,000.00) per year for  
46 a period of five (5) years thereafter, to commence in the year after the approval of this Act,  
47 which shall be taken from the HEDF of the CHED and funding from DOST, respectively. The  
48 fund shall be used for the construction of University Science and Technology Parks and other  
49 structures and facilities, as well as other organizational needs in the 300 has. Alubijid Campus  
50 and the S&T Park located in Claveria Campus.  
51

52 **ARTICLE XVIII**  
53 **TRANSITORY PROVISIONS**

54  
55 **Sec. 59. Assets and Liabilities.** All assets and liabilities of MUST and MOSCAT shall be  
56 transferred to USTP.  
57

58 **Sec. 60. Transitory Provision.** For purposes of smooth transition, the incumbent President of  
59 MUST shall serve a new first term as the President USTP and concurrent chancellor of the  
60 USTP Cagayan de Oro campus while the incumbent President of the MOSCAT shall serve a  
61 new first term as the first chancellor of the USTP Claveria campus.  
62

63 **Sec. 61. Academic Programs.** All non-S&T academic programs shall be gradually phased out

1 for a period of four (4) years to be replaced by S&T programs, as approved by the Board of  
2 Regents of USTP.

3  
4 **ARTICLE XIX**  
5 **FILING OF REPORT BY THE PRESIDENT OF USTP AND THE PREPARATION OF**  
6 **THE DEVELOPMENT PLAN OF THE UNIVERSITY**  
7

8 **Sec. 62. *Filing of Report by the President of USTP.*** On or before the fifteenth (15th) day of  
9 the second month after the opening of regular classes each year, the President of USTP  
10 through the Office of the CHED Chairman or the CHED Commissioner serving as Chair of the  
11 BOR, shall file with the Office of the President of the Philippines and with the Senate and House  
12 of Representatives, through their respective heads, a detailed report on the progress, conditions  
13 and needs of USTP.  
14

15 **Sec. 63. *Development Plan Management Audit, Organizational/ Administrative/Academic***  
16 ***Structure.*** Within the period of one hundred twenty (120) days after the approval of this Act,  
17 the University shall accomplish the following:

- 18 a. Submit a five (5) - year development plan, including its corresponding program  
19 budget to the CHED for corresponding recommendation to the DBM;  
20 b. Undergo a management audit in cooperation with the CHED; and  
21 c. Accordingly set up its organizational, administrative, as well as academic structure,  
22 including the appointment of the key officials of the University.  
23

24 **ARTICLE XX**  
25 **SUPPLETORY PROVISION**  
26

27 **Sec. 64. *Suppletory Parity Clause.*** – For purposes of this Act, other applicable laws shall  
28 have suppletory application.  
29

30 **ARTICLE XXI**  
31 **SEPARABILITY CLAUSE**  
32

33 **Sec. 65. *Separability Clause.*** - If for any reason, any part or provision of this law is declared  
34 invalid or unconstitutional, the remaining parts or provisions not affected thereby shall remain in  
35 full force and effect.  
36

37 **ARTICLE XXII**  
38 **REPEALING CLAUSE**  
39

40 **Sec. 66. *Repealing Clause.***- All laws, presidential decrees, executive orders, rules  
41 and regulations contrary to or inconsistent with the provisions of this Act are hereby  
42 repealed or modified accordingly  
43

44 **ARTICLE XXIII**  
45 **EFFECTIVITY CLAUSE**  
46

47 **Sec. 67. *Effectivity Clause.*** - This act shall take effect fifteen (15) days after its publication in  
48 two (2) newspapers of general circulation in the Philippines.  
49

50 Approved.  
51  
52