Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Eighteenth Congress
First Regular Session

HOUSE BILL NO. 6434

Introduced by Representatives Peter John D. Calderon, Raul del Mar,
Rodrigo A. Abellanosa, Eduardo R. Gullas, Wilfredo S. Caminero, Pablo
John Garcia, Janice Z. Salimbangon, Vincent Franco D. Frasco, Emmarie
M. Ouano-Dizon, Paz C. Radaza and Sonny L. Lagon

EXPLANATORY NOTE

This bill seeks to create the Cebu Technological University System.

Cebu Technological University is the largest technological university in
the country with a population of approximately 45,000 students, majority of
whom are from the Visayas and Mindanao.

It is the only technological university in the country with a CHED Level IV
accreditation and has consistently topped the accreditation of the Accrediting
Agency of Chartered Colleges and Universities in the Philippines for four con-
secutive years from 2015 to 2018 and presently an official candidate for the QS
(Quacquarelli Symonds) Global Ranking of Universities. It is strategically lo-
cated in the middle of the country with 26 campuses all over the island of Cebu.

Strengthening the Cebu Technological University as university system is in
line with our state policy to give priority to education to foster patriotism, accel-
erate social progress, and promote human development.

The Philippine Development Plan (PDP) for 2017-2022 mandates the develop-
ment of the country’s human capital. The PDP envisions the Philippines ac-
celerated economic development through the advancement of the skills and
competencies of Filipinos.
The PDP, likewise calls on the institutions of higher learning to adapt to the positive technological changes to ensure academic development and improvement of their instructions and the academe to be at par with the global standards.

Thus, fortifying Cebu Technological University into a university system will enable the University to renew its functions and responsibilities as a center for technological and academic excellence and retain its status as the major source not only of citizens with great minds, talent and skills but also of people with dedication and heart for service.

In view of the foregoing, the approval of this bill is highly and earnestly recommended.

REP. PETER JOHN D. CALDERON
7th District of Cebu

REP. RODRIGO A. ABELLANOSA
2nd District, Cebu City

REP. WILFREDO S. CAMINERO
2nd District of Cebu

REP. JANICE Z. SALIMBANGON
4th District of Cebu

REP. EMMARIE M. OUANO-DIZON
6th District of Cebu

REP. SONNY L. LAGON
Party List - Ako Bisaya

REP. RAUL V. DEL MAR
1st District, Cebu City

REP. EDUARDO R. GULLAS
1st District of Cebu

REP. PABLO JOHN F. GARCIA
3rd District of Cebu

REP. VINCENT FRANCO D. FRASCO
5th District of Cebu

REP. F. C. RADAZA
Lapu District of Lapu-Lapu City
Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
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AN ACT CONVERTING THE CEBU TECHNOLOGICAL UNIVERSITY  
INTO A SYSTEM AND APPROPRIATING FUNDS THEREFOR

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

SECTION 1. *Short Title.* – This Act shall be known as the "Cebu Techno-  
logical University (CTU) System Charter."

SEC. 2. *Declaration of Policy.* – It is the policy of the State to give priority  
to education, foster patriotism and nationalism, accelerate development of human  
capital and protect the rights of its citizens to accessible quality education. Tow-  
ards this end, the State shall strengthen higher educational institutions, espe-  
cially the state colleges and universities not only in the National Capital Region  
but also in the countryside.

SEC. 3. *University System.* – The Cebu Technological University (CTU)  
System is hereby established composed of three (3) existing constituent univer-  
sity units, namely: Cebu Technological University-Metro Cebu, Cebu Techno-  
logical University- North Cebu, and Cebu Technological University- South Cebu.
SEC 4. **Institutional Autonomy.** – As a university system, CTU shall enjoy institutional autonomy. It shall be treated in a manner consistent with its institutional requirements. It shall exclusively determine its instructions, research and extension thrusts, plans, policies, programs and standards, and resource generation, in accordance with the national goals and priorities. On the basis of such determination, the CTU System shall recommend its annual budget to the President of the Republic of the Philippines and to the Congress.

SEC 5. **General Mandate.** – The CTU System shall primarily offer higher and advanced professional and technical instruction and training in technology, engineering, mathematics, education, industrial programs, agriculture, fisheries, forestry, veterinary medicine, medical and natural sciences, aeronautics and space programs, land-based programs, information technology, digital programs, arts, humanities, and sciences, public administration, business, management and allied fields, education, online programs, non-traditional courses, applied arts and sciences and other relevant fields of study. As a university system, it shall promote advanced instruction, research, extension, production and resource generation in line with the latest science, technology and industrial revolution, and shall provide progressive leadership in its areas of specialization.

SEC. 6. **Board of Regents.** – The governing body of the CTU System shall be the Board of Regents, hereinafter referred to as the “Board,” composed of the following:

a) Chairperson of the Commission on Higher Education, as chairperson;

b) President of the Cebu Technological University System, as vice-chairperson;

c) Chairperson of the Senate Committee on Education, Arts, and Culture;
d) Chairperson of the House Committee on Higher and Technical Education;

e) Regional Director of the National Economic and Development Authority for Central Visayas Region;

f) Regional Director of the Department of Science and Technology of the Central Visayas Region;

g) President of the Federated Alumni Association, to serve as alumni regent, elected in accordance with the rules and qualifications set by the said constituency, who shall serve for a period of two (2) years;

h) President of the Federated Faculty Association, representing all teaching personnel, elected in accordance with the rules and qualifications set by the said constituency, who shall serve for a period of two (2) years;

i) President of the Federated Non-Teaching Personnel Association, representing all non-teaching personnel, elected in accordance with the rules and regulations set out by the said constituency, who shall serve for a period of two (2) years;

j) President of the Federated Student Government, representing all students, elected by the students in accordance with the rules and qualifications set out by the said constituency, who shall serve for a period of one (1) year; and;

k) Two (2) private regents, who have distinguished themselves in their professions or fields of specialization in the private sector, who shall serve for a period of two (2) years and who shall be appointed by the Board, as recommended by the search committee organized for the purpose;

Board members appointed under paragraphs (g), (h), (i), (j) and (k) of this section shall only be eligible for one re-appointment, subject to the majority vote
of the Board members present. During such voting, the concerned regents representing their respective constituency shall inhibit themselves in the discussion and shall not participate therein.

In case of vacancy in the Board, except for the president of the university, such vacancy shall be filled in the same manner as provided for the predecessor, and such appointee shall hold office only for the unexpired portion of the term. In the case of regents representing a particular sector, their membership shall cease upon suspension, separation, or recall from said sector. No person who has succeeded and continuously served for more than three (3) years, inclusive of the unexpired portion of the term, shall be eligible for appointment as regent.

SEC. 7. **Power and Duties of the Board of Regents.** In addition to its general powers of administration and the exercise of all the powers granted to the Board by existing laws, the Board shall have the following specific powers and duties:

a) Define in general terms the thrust of the university system and promulgate and implement the policies, standards and thrusts of the Commission on Higher Education to ensure the promotion, development and preservation of the quality, excellence and integrity of the CTU System;

b) Approve the curricula, institutional programs and rules of discipline drawn by the university council;

c) Appoint, upon the recommendation of the president of the CTU System, the vice presidents, chancellors, campus directors, college deans, heads of departments, faculty members and other officials and employees of the CTU System.

d) Fix and adjust salaries of faculty members and administrative officials and employees subject to the provisions of the revised compensation and
classification system and other pertinent budget and compensation laws govern-
ing hours of service, and such other duties and conditions as it may deem proper;
e) Hear and decide administrative cases or matters brought before it on
appeal from the Office of the President, involving University officials and em-
ployees, in accordance with the Civil Service Commission Rules on Administra-
tive Cases;
f) Fix the tuition fees and other necessary school charges, such as ma-
triculation fees, graduation fees and laboratory fees, as their respective boards
may deem proper to impose after due consultations with the involved sectors,
notwithstanding any provision of the law to the contrary, retain any income gen-
erated by the CTU System from tuition fees and other charges, as well as from
the operation of auxiliary services and land grants, and disburse for instructions,
research, extension program, professional growth and development, health, wel-
fare, and other benefits of the students, faculty, officials and other personnel, or
for acquisition, construction, maintenance and repair of urgently needed instruc-
tional and auxiliary facilities, equipment, buildings and others infrastructure, or
for expenses or any other programs and projects for the attainment of the pur-
pose under its approved program of expenditures;

If the CTU System, for reasons beyond its control, is not able to implement
any project for which funds have been appropriated and allocated under its ap-
proved program of expenditures, the Board may authorize the use of said funds
for any reasonable purpose necessary and urgent for the attainment of the objec-
tives of the University: Provided, however, that funds collected from students for
a specific purpose are not reprogrammed to other expenditures;
g) Adopt and implement a scheme of tuition and other school fees in
accordance with Republic Act No. 10931, or the “Universal Access to Quality
Tertiary Education Act;”
h) Receive and appropriate all sums as may be provided by law for the support of the university in the manner it may determine, in its discretion, in order to effectively carry out the purposes and functions of the university;

i) Establish professorial chair awards and provide fellowships for qualified faculty members and scholarships for deserving faculty and students;

j) Set up policies on admission, grant of honors and approve the graduation of students as recommended by the president of the university.

k) Confer honorary degrees upon persons in recognition of outstanding contribution in the field of education, public service, arts, science and technology, innovation or in any field of specialization within the academic competence of the university, and authorize the award of certificates of completion of non-degree and non-traditional courses: Provided, That such degree shall not be conferred in consideration of any payment, gift or other valuable consideration;

l) Develop academic arrangements for institutional capability building with other institutions and agencies, public or private, local or foreign, appoint experts or specialists as consultants, visiting or exchange professors, scholars, or researchers;

m) Set up the adoption of modern and innovative modes of transmitting knowledge such as the use of information technology, online programs, open learning, the dual system, and community laboratory, for the promotion of greater access to higher education with internationally recognized curricula;

n) Absorb non-chartered tertiary institutions or local colleges within the Cebu province in coordination with the Commission on Higher Education and in consultation with the Department Budget and Management, and offer herein needed programs or courses to promote and carry out equal access to educational opportunities as mandated by the Constitution;
o) Create, organize, reorganize, merge or abolish satellite and extension campuses, colleges, institutes, and other academic and administrative units of the university;
p) Authorize an external management audit of the university and institute reforms, including academic and structural changes, on the basis of the audit results and recommendations;
q) Develop consortia and other forms of linkages with local, national government, private and international institutions and agencies, in furtherance of the purposes and objectives of the institution;
r) Enter into joint ventures with business and industry for the profitable development and management of the economic assets of the university, the proceeds from which shall be used for the development and strengthening of the university;
s) Import economic, technical and cultural books and publications;
t) Receive in trust legacies, gifts and donations of real and personal properties of all kinds, to administer and dispose of the same when necessary for the benefit of the university, subject to limitations, directions and instructions of the donors, if any;
u) Delegate any of its powers and duties to the president and other officials of the University as it may deem appropriate so as to expedite the administration of the affairs of the CTU System;
v) Establish policies on demonstration and income-generating projects to ensure appropriate sharing of the proceeds, incentives, income, awards and recognitions to the officials managing the projects;
w) Authorize the construction or repair of its buildings, machinery, equipment and other facilities and the purchase and acquisition of real and personal properties including necessary supplies, materials and equipment;
x) Privatize, where most advantageous to the institution, the management of non-academic services such as health, food, building or grounds, or property maintenance and other similar services; and

y) Prescribe rules and regulations not contrary to law as may be necessary to carry out the purposes and functions of the CTU System and exercise such powers as may be proper and necessary to carry out the objectives of this Act.

SEC. 8. **Quorum and Service of Processes.** – A quorum of the Board consists of a majority of all members. All processes against the Board shall be served on the president or secretary of the Board.

SEC. 9. **Meetings.** – Regular meetings of the Board shall be held once every quarter. Special meetings of the Board may be called by the chairperson or upon the request by at least four members of the Board. In both cases, all notices of such meetings shall be issued one week prior to the meeting.

A majority of all members holding office shall constitute a quorum for board meetings: *Provided*, that the chairperson of CHED who is the chairperson of the Board or the president of the CTU System is among those present in the meeting. In the absence of the chairperson of the CHED, a duly designated commissioner of CHED shall represent the chairperson in the meeting with all the rights and responsibilities of a regular member: *Provided, however*, that in the said meeting, the president of the CTU System as vice chairperson shall be the presiding officer: *Provided, further*, that this provision notwithstanding, the chairperson of the CHED is hereby authorized to designate a CHED commissioner as the regular chair to the Board of the CTU System, in which case the said CHED commissioner shall act as the presiding officer.

The chairpersons of the Senate Committee on Education, Arts and Culture and the House Committee on Higher and Technical Education, in case of their absence or inability to attend the board meeting, may designate their respective
representatives to attend the meeting. These duly authorized representatives shall have the same rights and responsibilities as the regular members of the Board.

The members of the Board shall serve without compensation, but may reimburse any actual and necessary expense incurred in relation to their attendance in Board meetings or any official business authorized by a resolution of the Board.

SEC. 10. University Administration. – The administration of the CTU System shall be vested in the president of the university, who shall render full-time service. The president shall be appointed by the Board, upon the recommendation of a duly constituted search committee. The president shall serve for a term of four (4) years with possible reappointment: Provided, that in case where no appointment has been made, the incumbent President shall serve in a hold-over capacity, for a period of not more than ninety (90) days.

The president shall be assisted by an Executive Vice-President, Vice-Presidents for Academic Affairs; Administration, Planning and Finance; Research, Development and Extension; Linkages, Production and Resource Generation; and Quality Assurance, who shall be appointed by the Board upon recommendation by the president from the list submitted by the search committee. Realignment of vice-president functions and title may be allowed upon approval of the Board.

In case of a vacancy by reason of death, resignation, removal for cause or incapacity of the president to perform the functions of the office, the Board shall designate an officer-in-charge pending the appointment of a new president. The successor thereto shall serve the unexpired portion of the term of the predecessor. The unexpired term served by the successor is not considered as the first term of the successor and is therefore qualified to apply for a fresh first term of presidency.
SEC. 11. *Powers and Duties of the President.* – The president of the CTU System is the chief executive of the university, chief academic officer and head of the university faculty. The president shall exercise the powers specifically provided for in this Act, those granted by the Board, those which pertain to the office of the president of a university, and those which are related or necessary to its functions.

a) As the chief executive officer of the CTU System, to provide progressive and dynamic, ethical, and intellectual and administrative leadership in the university;

b) To have general supervision over all academic, administrative, business and financial operations of the university;

c) The power to determine and prepare the agenda of all meetings of the Board of Regents, provided, however, that any member of the Board shall be entitled to have any matter included in the agenda.

d) To recommend to the Board the creation of administrative offices that enhance the operations of the university;

e) To recommend to the Board changes in the organizational structure that enhance the functions of the university;

f) To enforce general policies affecting any unit of the university and take such actions, which in one’s judgment are necessary for the protection of property and general interest of the university, its students and personnel, and the operation of the university as a whole, and to inform the Board on all matters relating to the operation and welfare of the university;

g) To make *ad-interim* appointments, to fill in new positions and crucial vacancies subject to the subsequent approval of the Board and to make such arrangements to meet emergencies occurring between meetings of the Board so that the efficient operations of the university may not suffer;
h) Hear and decide administrative cases or matters instituted by or brought before it directly, involving University officials and employees, in accordance with the Civil Service Commission Rules on Administrative Cases and subject to appeal to the Board;

i) To grant or withhold permission to reveal confidential matters affecting the university or any unit thereof, on any action taken by the Board;

j) To grant permission for the use of the building and the premises of the university for academic, professional and scientific convention, student and other related activities;

k) To represent the university in the execution of contracts, deeds and instruments for the proper conduct of the business of the university;

l) To prepare an annual report on the programs, projects, and accomplishments of the CTU System for the previous year as well as the needs for the current year, including a budget covering the estimates of income and expenditures; and

m) To exercise such other powers as may be specifically authorized by the Board.

SEC. 12. University Officials. – The university president shall be assisted by the executive vice-president, vice-presidents, chancellors, the secretary of the university, and such other academic and administrative officials, whose position and functions are deemed necessary to assist in the effective and efficient administration of the university, as may be determined by the Board. The president, executive vice-president, vice-presidents, chancellors, campus directors, college deans and university directors, shall be given appropriate representation and transportation allowances (RATA). Other university officials may also be provided with RATA upon proper justification and approval of the Board and consistent with DBM Guidelines and policies.
SEC. 13. **Search Committee.** – Within six (6) months before the expiration of the term of office of the incumbent president of the CTU System, executive vice-president, and vice-presidents, the Board shall constitute a search committee. The composition of which shall be determined by the Board, taking into consideration representatives from the academic community, a (1) private sector representative, who should not be in any way connected to or associated with the CTU System, (2) a representative from the Philippine Association of State University and Colleges (PASUC), and (1) a representative from the Commission on Higher Education (CHED).

SEC. 14. **Minimum Qualifications for Presidency.** – The applicant for the presidency of the CTU System must possess the qualifications and standards set by the Board and Republic Act No. 8292, otherwise known as the "**Higher Education Modernization Act of 1997**."

SEC. 15. **Appointment Papers of the University President.** – After the Board shall have selected and appointed the new president, the appointment papers shall be signed by the CHED chairperson or the CHED commissioner, who had been duly designated as regular chairperson of the Board.

SEC. 16. Heads of the Constituent University. – Each Constituent University shall have a chancellor to be appointed by the Board of Regents, upon recommendation of the President from a shortlist of candidates prepared by a Search Committee created for such purpose, subject to the guidelines, qualifications and standards set by the Board. The chancellor shall serve for a term of four (4) years until a successor shall have been appointed and qualified.

SEC. 17. The Chancellor shall be the Chief Executive Officer of the Constituent University and shall exercise general supervisor over all business and financial operations of the constituent units.
SEC. 18. Heads of Campuses. Campus Directors shall head the satellite campuses and they shall render full-time service. They shall be appointed by the Board upon recommendation of the University President, subject to the guidelines, qualifications and standards set by the Board. The Campus Directors shall serve for a term of two (2) years and until a successor shall have been appointed and qualified.

SEC. 19. The University Council. – There shall be a University Council consisting of the President of the University as Chairperson, the Executive Vice President, all Vice Presidents, all Chancellors, all Campus Directors, Deans, and other officials of equal rank as members, whose duty is to review and recommend to the Board policies governing the administration, management, development and planning of the University.

Programs of the different colleges shall be headed by a dean who shall be appointed by the Board upon the recommendation by the president, subject to the guidelines, qualifications and standards set by the Board. The College Deans shall serve for a term of two (2) years and until a successor shall have been appointed and qualified.

In case of vacancy on the position of chancellors, campus directors and college deans, the president shall appoint or designate temporary appointments preferably from the incumbent heads of the campuses. The said chancellors, campus directors and deans shall be granted appropriate representation and transportation allowance subject to existing laws and regulations.

SEC. 20. Faculty. – The teaching personnel of each college constitute its faculty. The college faculty is headed by a dean who is appointed by the Board upon the recommendation of the president from a shortlist of at least three (3) nominees submitted by the Chancellor. If a dean fails to complete the term of office, the chancellor shall appoint an acting dean and commence the search and
appointment process. In no case shall the search and appointment of the next
dean be longer than sixty (60) calendar days from the date of vacancy.

Each constituent university unit must have the following minimum number
of university professor positions: two (2) for CTU-Metro Cebu, one (1) for CTU-
North Cebu, one (1) for CTU-South Cebu. Additional university professor posi-
tions may be created subject to existing guidelines. The president shall be given
a university professor position without prejudice on the allocated number of uni-
versity professors per constituent university unit: Provided, That the president is
able to comply with the requirements as a university professor according to Phil-
ippine Association of State Universities and Colleges guidelines.

SEC. 21. Academic Freedom and Excellence. – The CTU System has the
right and responsibility to exercise academic freedom. It has the responsibility to
maintain and enhance its high academic standards in the performance of its func-
tions in instructions, research, extension and community service.

SEC. 22. Commitment to National Development and Sustainable Devel-
opment Goals. – The CTU System shall harness the expertise of the members of
its community and other individuals to regularly study the state of the nation in
relation to its quest for national development in the primary areas of research,
innovation, sustainable education and economics, among others; identify key
concerns, formulate responsive policies regarding these concerns, and give advice
and recommendations to Congress and the President of the Philippines. It shall
also formulate policies that promote the sustainable development goals of the
United Nations.

SEC. 23. Social Responsibility. – The CTU System is committed to serve
the Filipino nation and humanity. While it carries out the obligation to pursue
universal principles, it must relate its activities to the needs of the Filipino people
for technological advancement and their aspirations for social progress and trans-
formation.

SEC. 24. *Internationalization.* – The CTU System is a technological uni-
versity with an international character. It adopts internationally recognized cur-
ricula and collaborates with international universities to co-host courses or pro-
grams. In line with the direction of Commission on Higher Education (CHED) to have the country’s higher education institutions (HEIs) to be recognized glob-
ally, the CTU System shall exert best efforts to be recognized by known world university ranking bodies, including the Quacquarelli Symonds (QS) and Times Higher Education (THE). It shall likewise subject its offered programs to known international accrediting and certifying bodies.

SECTION 25. *Research, Development and Extension (RDE) Centers.* – Each campus must have at least one RDE center with an annual appropriated budget of at least Five million pesos (P5,000,000.00). For the campus in Metro Cebu, each college shall have at least one (1) RDE center with an annual appro-
priated budget of at least Five million pesos (P5,000,000.00). Currently recog-
nized RDE centers are carried over as established RDE centers. Establishment of new RDE center thereafter must be at the level of the Board. The office of the vice-president for research, development and extension shall, as endorsed by the president, recommend to the Board for the creation of new RDE center. RDE centers is headed by a director, who shall be appointed by the Board and recom-
mended by the president of the university and the vice-president for research, development and extension, and the respective chancellor where the RDE center is hosted. The term of the RDE directors is two (2) years subject to re-appoint-
ment. RDE directors must have proper alignment to the field of the RDE center. The office of the vice-president for research, development and extension shall
monitor and evaluate the operations and performance of the RDE centers in co-
operation with the respective chancellors. Budget management of the RDE cen-
ters is prepared by the respective RDE directors, recommended by the respective
chancellors and approved by the office of the vice-president for research, devel-
opment and extension, and the university president.

SEC. 26. Recognition and Financial Rewards to Achievements in Instruc-
tions, Research and Extension. – The CTU System shall recognize outstanding
achievements of the teaching and non-teaching personnel and students in instruc-
tions, research, extension, and administration, and shall provide financial re-
wards. These include topping licensure board examinations, scientific publica-
tions in reputable peer-reviewed journals, and patents, utility models and the like,
and performance of highly outstanding employee. The mechanics and amount to
be given shall be recommended by the appropriate university councils and ap-
proved by the Board.

SEC. 27. Income Generating Projects and Viable Demonstration Projects.
– The CTU System shall implement feasible income generating projects (IGPs)
and viable demonstration projects (VDPs). These projects serve as vital links to
the functions of the university in instruction, research, production, extension and
resource generation. Towards this end, an IGP manual of operation is formulated
for the operation of the CTU System’s IGP providing therefore the share of the
university and the incentives of employees involved in the implementation of the
projects based on existing circulars of the Department of Budget and Manage-
ment, Commission on Audit, Civil Service Commission and other pertinent laws,
rules and regulations.

SEC. 28. Non-teaching Personnel. – Regular employees not performing
regular teaching functions compose the non-teaching personnel. Creation and
opening of new non-teaching personnel plantilla positions is vested on the Board, subject to civil service rules and regulations and budget availability.

SEC. 29. Assets, Liabilities and Personnel. — All assets, real and personal, records, and personnel of the Cebu Technology University as well as liabilities and obligations, are hereby transferred to the Cebu Technological University System. The positions, rights and security of tenure of faculty members and personnel therein employed under existing laws prior to the conversion into a University System shall be respected.

All parcels of land belonging to the government occupied by the Cebu Technological University and its satellite campuses are hereby declared to be property of the Cebu Technological University System, and shall be titled under that name: Provided, That should the Cebu Technological System cease to exist or be abolished or should such parcels of land aforementioned be no longer needed by the CTU System, the same shall revert to the LGUs concerned.

SEC. 30. Land Grants and Other Real Properties. — a) The State supports the CTU System in the form of lump-sum amount, through the annual General Appropriations Act (GAA) and other financial benefits, and in kind, through land grants and donations and use of other real properties. To carry out the intent of these grants, income derived from the development of all land grants and real properties shall be used to further the end of the national technological university, as may be decided by the Board.

b) Such parcels of land ceded by law, decree or presidential issuance to the Cebu Technological University System are reserved for the purposes intended. The absolute ownership of the national technological university over these landholdings, including those covered by original and transfer certificates of title in the name of Cebu Technological University System and their future derivatives, is hereby confirmed. Where the issuance of proper certificates of
title is yet pending for these landholdings, the appropriate government office shall expeditethe issuance thereof within six (6) months from the date of effectivity of this Act: Provided, that all registration requirements necessary for the issuance of the these titles are submitted and complied with.

c) The Board may plan, design, approve and cause the implementation of land leases: Provided, That such mechanisms and arrangements must sustain and protect the environment in accordance with law, and must be exclusive of the academic core zone of the campuses of the university: Provided, further, That such mechanisms and arrangements are not in conflict with the academic mission of the CTU System;

d) The Board may allow the use of the income coming from real properties of the CTU System as security for transactions to generate additional revenues when needed for educational purposes;

e) The Board may approve the implementation of joint ventures: Provided, That in the event real properties of the university are involved, only its income derived from the use of the real properties are the subject of its participation or obligation in the joint ventures: Provided, further, that no joint venture must result in the alienation of the real properties of the CTUS; and

f) Any plan to generate revenues and other sources from land grants and other real properties entrusted to the CTU System must be consistent with its academic mission and devoid of any undue influence and control from commercial interests. The programs, projects or mechanisms shall be approved by the Board subject to a transparent and democratic process of consultation with the constituents of the CTU System: Provided, That funds generated from such programs, projects or mechanisms are not meant to replace, in part or in whole, the annual appropriations it is receiving as provided by the national government.
SEC. 31. Safeguards on Assets Disposition. – The preservation of the value
of the assets of the CTU System must be of primordial consideration.
The sale of any existing real property of the CTU System is prohibited: Pro-
vided, That the Board may alienate real property donated after the effectivity of
this Act if the terms of the donations specifically allow it.

Notwithstanding the provision of this Act or any other law to the contrary,
the lease of more than five (5) years of the assets of the university and any trans-
action referred to under this Act are subject to the following conditions and pro-
cedures:

a) The transactions shall be discussed with the members of the Board
in any of its formally convened regular or special meeting at least one (1) month
before a decision is made;

b) The transactions are based on a multi-year comprehensive develop-
ment plan, crafted and developed by qualified urban planning professionals hav-
ing at least five (5) years experience, with prior consultation with and concurrence
of third-party experts and duly approved by a majority vote of all the members of
the Board;

c) The transactions are subject to competitive and public bidding, as
provided under RA 9184, otherwise known as the “Government Procurement Re-
form Act,” and

d) If the contract or transaction involves an amount more than Fifty
million pesos (P50,000,000.00), it is approved by three-fourths of all the mem-
ers of the Board. The splitting of contracts or breaking up of a contract into
smaller quantities or amounts or dividing contract implementation into artificial
or arbitrary phases or subcontracts for the purpose of circumventing this provi-
sion, shall not be allowed.
SEC. 32. **Tax Exemptions.** – The provisions of any general or special law to the contrary notwithstanding:

a) All revenues and assets of the CTU System used for educational purposes, or in support thereof, are exempt from all taxes and duties;

b) Gifts and donations of real and personal properties of all kinds are exempt from the donor's tax and these are considered as allowable deductions from the gross income of the donor, in accordance with the provisions of the National Internal Revenue Code of 1997, as amended;

c) Importation of economic, technical, vocational, scientific, philosophical, historical, legal and cultural books, supplies and materials duly certified by the Board, including scientific and educational computer and software equipment, are exempt from customs duties; and

d) All academic awards are exempt from income taxes.

SEC. 33. **Transitory Provision.** – For purposes of transition into its university system status, the incumbent president shall serve a new first term as the president of the CTU System. The president shall designate, preferably among the incumbent campus directors, as officers-in-charge for the positions of chancellors of the constituent units until such time the appointed chancellors have assumed the position in accordance with Section 16 of this Act.

SEC. 34. **Development Plan and Organizational Structure.** – Within a period of one hundred twenty (120) days after the approval of this Act, the CTUS must accomplish the following:

a) Submit a five-year development plan, including its corresponding program budget to the CHED, for corresponding recommendation to the DBM;

b) Submit the revised Land Use Development and Infrastructure Plan (LUDIP) based on Republic Act No. 11396, otherwise known as the “**SUCs Land Use Development and Infrastructure Plan (LUDIP) Act**,”
c) Undergo a management audit in cooperation with the CHED; and

d) Set up its new organizational, administrative as well as academic structure, including the appointment of the new key officials of the university.

SEC. 35. **Filing of Report Period.** – On or before the fifteenth day of the second month after the opening of the regular classes each year, the Board shall file with the Office of the President of the Philippines, through the chairperson of the CHED and based upon the recommendation of a panel of experts, a report that the institution has complied with the requirements for university system status. The CHED shall regularly provide technical assistance to the institution and monitor compliance with all the requirements.

The CHED shall designate a panel of experts who shall prepare, provide, and define the specific indicators and levels of accomplishments based on the acceptable international practices to be used as benchmarks in declaring the CTU as a university system. These benchmarks prepared by the panel of experts shall be recommended to the CHED *en Banc*.

The institution retains its status prior to the effectiveness of this Act, unless it complies with the requirements provided herein.

SEC. 36. **Rules of Construction.** – Unless subsequent legislation expressly provides for their repeal, amendment or modification, no other issuances shall diminish the powers, rights, privileges and benefits accorded to the CTU System under this Act or under the issuances not otherwise modified or repealed by this Act.

SEC. 37. **Appropriations.** – The amount necessary to carry out the initial implementation of this Act shall be charged against the current year’s appropriations of the university. Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.
SEC. 38. *Suppletory Application.* – For purposes of this Act, RA 8292, otherwise known as the “*Higher Education Modernization Act of 1997,*” and other applicable laws, shall have suppletory application.

SEC. 39. *Implementing Rules and Regulations.* – Within sixty (60) days from the effectivity of this Act, the Board shall, in consultation with the Commission on Higher Education, formulate the rules and regulations to fully implement the provisions of this Act.

SEC. 40. *Separability Clause.* – Should any provision herein be declared unconstitutional, the same shall not affect the validity of the other provisions of this Act.

SEC. 41. *Repealing Clause.* – Republic Act No. 9744, entitled “*An Act Converting the Cebu State College of Science and Technology System in the City of Cebu and All of Its Satellite Campuses Located in the Province of Cebu into a State University to be known as the Cebu Technological University (CTU) and Appropriation thereof,*” is hereby amended. All other laws, decrees, orders, rules, and regulations, and other issuances or parts thereof that are inconsistent with the provisions of this Act are hereby modified accordingly.

SEC. 42. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,