

CP - Senate
TCM - Education, Arts and Culture
Ways and Means and Finance
Date - Nov. 26, 2007

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COMMITTEE ON EDUCATION, ARTS AND CULTURE
joint with
COMMITTEES ON WAYS AND MEANS and
FINANCE

Date : Monday, November 26, 2007

Time : 1:30 p.m.

Venue : Senator G.T. Pecson Room
2nd Floor, Senate of the Philippines
Financial Center, Roxas Blvd.
Pasay City

Agenda : SBNs 132, 158, 792, 1236, 1540, 1700
and 1831 "AMENDMENTS TO THE UP
CHARTER"

ATTENDANCE

MEMBERS PRESENT:

HON. ALAN PETER "COMPAÑERO" S. CAYETANO - Chairman,
Committee on Education, Arts and Culture

HON. EDGARDO J. ANGARA - Member

HON. FRANCIS N. PANGILINAN - Ex-Officio Member

NOT TO BE TAKEN OUT OF THE
RECORDS AND ARCHIVES SERVICE

RESOURCE PERSONS:

Ms. Emerlinda R. Roman, President, University of the Philippines
Dr. Sergio S. Cao, Chancellor, UP Diliman
Dr. Zorayda Leopando, Vice Chancellor for Planning and Development, UP Diliman
Ms. Rita Laude, Vice Chancellor, UP Los Baños
Dr. Glenn Aguilar, Chacellor, UP Visayas
Ms. Ruby Esteban, Director, Department of Budget and Management (DBM)
Mr. James Mark Terry I. Ridon, Student Regent, UP
Mr. Clodualdo Cabrera, National President, All-UP Workers Union
Prof. Judy Taguiwalo, National President, All-UP Academic Employees Union
Mr. Albert Domingo, Chairperson, Medical Student Council
Mr. Bojit Herrera, USC Chairperson, UP Manila
Ms. Shahana E. Abdulwahid, USC Chairperson, UP Diliman
Mr. Jerrie Abella, Editor-in-Chief, Philippine Collegian, UP Diliman
Ms. Miriam Tasarra, Supervising Tax Specialist, DOF

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Ms. Kathleen Sonza	-	Office of Sen. Alan Cayetano
Mr. Omar V. Loma	-	Office of Sen. Alan Cayetano
Ms. Lizelle G. Moran	-	Office of Sen. Estrada
Ms. Lanie Ramos	-	Office of Sen. Trillanes
Ms. Cynthia Garcia	-	Office of Sen. Angara
Mr. Marco delos Reyes	-	Office of Sen. Madrigal
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Ms. Nova Navo	-	Office of Sen. Madrigal
Ms. Jeenice de Sagun	-	Office of Sen. Alan Cayetano
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SENATE SECRETARIAT:

Mr. Philip M. Lina	-	LegComSecretary
Eriberto M. Caña	-	LegComClerk
Mr. Julius R. Gonzales	-	LegComClerk
Mr. Rino C. Baltazar	-	LegComClerk

Ms. Araceli D. Masicap	-	Leg. Ctte. Stenographer
Ms. Lilia A. Sapida	-	- do -
Ms. Lolita P. Pamorca	-	- do -
Ms. Helen S. Gayapa	-	- do -
Ms. Jeanne M. Baisa	-	- do -
Ms. Anna Leah C. Catimbang	-	- do -
Ms. Gina Rowena Nortez	-	Legislative Page
Mr. Jesus Nuñez	-	- do -
Mr. David Angeles	-	Legislative Police
Mr. Hadji Calvin Lim	-	- do -
Mr. Arturo Mojica, Jr.	-	Director III, Ctte. "C"
Mr. Arsenio P. Buena, Jr.	-	Audio Technician
Ms. Vivian Cabiling	-	Director III, STSRO

(For complete list, please see attached attendance sheet)



Republic of the Philippines
CONGRESS OF THE PHILIPPINES
SENATE
Pasay City

COMMITTEE ON EDUCATION, ARTS AND CULTURE
joint with the
COMMITTEES ON WAYS AND MEANS AND ON FINANCE

Date : 26 November 2007
Time : Monday, 1:30 P.M.
Venue : Sen. G.T. Pecson Room.
Senate of the Philippines , Pasay City

AGENDA: SBNs 132, 158, 792, 1236, 1540, 1700 and 1831
"AMENDMENTS TO THE U.P. CHARTER"

ATTENDANCE

MEMBERS	REPRESENTED BY
1. SEN. ALAN PETER "COMPANERO" S. CAYETANO <i>Chairman, Ctte. On Education, Arts and Culture</i>	✓
2. SEN. JUAN PONCE ENRILE, <i>Chairman, Ctte. on Finance</i>	
3. SEN. FRANCIS G. ESCUDERO, <i>Ctte. On Ways and Means</i>	
4. SEN. EDGARDO J. ANGARA	✓
5. SEN. JOKER P. ARROYO	
6. SEN. MIRIAM DEFENSOR SANTIAGO	
7. SEN. COMPAÑERA PIA S. CAYETANO	
8. SEN. FRANCIS G. ESCUDERO	
9. SEN. RICHARD "Dick" J. GORDON	
10. SEN. GREGORIO B. HONASAN	
11. SEN. JUAN MIGUEL F. ZUBIRI	
12. SEN. MANUEL "Lito" M. LAPID	
13. SEN. ROMON "Bong" REVILLA, JR.	
14. SEN. RODOLFO G. BIAZON	
15. SEN. PANFILO M. LACSON	
16. SEN. LOREN B. LEGARDA	
17. SEN. M.A. MADRIGAL	
18. SEN. MAR ROXAS	
19. SEN. ANTONIO F. TRILLANES IV	
20. SEN. JINGGOY EJERCITO ESTRADA, <i>Ex-Officio Member</i>	
21. SEN. FRANCIS N. PANGILINAN, <i>Ex-Officio Member</i>	✓
22. SEN. AQUILINO Q. PIMENTEL, JR. <i>Ex-Officio Member</i>	
GUEST SENATORS	
23.	
24.	

SENATE SECRETARIAT

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AT 1:39 P.M, HON. ALAN PETER "COMPAÑERO" S. CAYETANO, CHAIRMAN OF THE COMMITTEE ON EDUCATION, ARTS AND CULTURE, CALLED THE HEARING TO ORDER.

THE CHAIRMAN. The joint Committee on Education, Arts and Culture is hereby called to order. Magandang hapon po. Let me start by just an opening remarks. There's a verse in the bible that says, "Unless the Lord builds the house, the builder builds in vain." And very important talaga sa buhay iyong foundation and I guess my sister and I, Senator Kiko, one of the—the main sponsor of these bills and—has owe some of that foundation to our alma mater, the University of the Philippines. And as we receive all the position papers, everyone has been working hard for this for years, decades and we long to see President Roman as the centennial president under a new Charter, no. But we also want to make sure that the same foundation, 'no, that was instilled in us we do when we are passing this bill. So we do recognize that this has been taken up in two Congresses, we do recognize that if not for a—how do I put it, a legislative glitch in the Lower House, this bill would already have been a law. Be that as it may, nothing happens because of accident; and as I stated in other hearings of the Committee on Education, the committee report, the previous report, the findings of the Committee, Technical Working Group, we acknowledge all of the work done, but if it is 99

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percent correct or 99.9 percent and there is this 1 percent that any of you – any of the— there are new authors also, for example, Senator Escudero filed his version here in the Senate. So, we owe it to them, to spend a little time in looking at their proposals. So I have an agreement with Senator Kiko, our Majority Leader, 'no, we will have this hearing and we will hear everyone who wants to speak today and then we will form a technical working group so that we can get all the inputs 'no. And then we will speed it up and bring it to the floor right away and then sort out the difference with the House version in the Bicameral Conference Committee, 'no.

So, I'd like to welcome— I've already acknowledged the Majority Leader, but let me we acknowledge our resource persons here today. Of course, Dr. Roman, our President of the university; Dr. Sergio, how do you pronounce—Cao? Cao, Chancellor of UP Diliman; Vice-Chancellor for Planning and Development, Dr. Leopando; Ms. Rita Laude, Vice-Chancellor for UPLB, I also went there, Ma'am for one sem, so... sa Gonzales Compound. Ano po ako, Agricultural Economics then I realized that mas magaling ako sa – that I was more cut out for social science than pure sciences.

MR. LEOPANDO. Welcome to UPLB. 

THE CHAIRMAN. Mr. James Mark Terry Ridon, Student Regent for UP, welcome. Mr. Cabrera, National President, All-UP Workers Union; Professor Judy Taguiwalo, All-UP Employees Union. I met her kanina. She gave us our – academic, sorry, All-UP Academic Employees Union; Mr. Domingo, Chairperson of the Medical Student Council; Mr. Bojit Herrera, USC Chairperson, UP Manila; Shahana Abdulwahid, USC Chairperson, UP Diliman; and Jerrie Abella, Editor-in-Chief, Philippine Collegian. Okay. Ah, of course, sorry, Atty. Leonen, our Vice-President for Legal Affairs, 'no.

So, everyone was provided naman a copy of the – sorry, Ms. Miriam Tassara, Supervising Tax Specialist of the Department of Finance is also here, Ms. Ruby Esteban, Director of DBM; Mr. Edgardo Macaranas, Assistant Director of DBM and Dr. Glenn Aguilar, Chancellor of UP Visayas. Thank you for making it today.

We will give everyone an opportunity for your comments, opening remarks or any suggestions that you would like the Committee to discuss.

Dr. Roman.

SEN. PANGILINAN. Mr. Chairman.

THE CHAIRMAN. Yes.

SEN. PANGILINAN. Before we ask our resource persons, may I have a few minutes just to...



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THE CHAIRMAN. Yes, as sponsor please take all the time.

SEN. PANGILINAN. Thank you. Thank you, Mr. Chairman and to our resource persons, good afternoon. As correctly pointed out by the Chairman, this is the nth time that we are tackling this measure. I was principal author and sponsor of the measure in the 12th Congress and then again in the 13th Congress. And we've had this measure pending before Congress for 15 years now. Having said that, however, I would like to place on record that we have no illusions as principal author, principal sponsor of this measure that passage or enactment of this measure will solve the problems of tertiary level education in general and the UP system in particular. I look at this particular measure as a step—one of many steps that we have to take to address reforms, far-reaching reforms in our educational system. No one is saying that when we pass the UP Charter bill, that quality, affordable excellent education will now be the reality and the troubles of the university will be a thing of the past.

Having been a student leader and an activist myself, I recognize that change is a process. It takes time; it will not happen with the enactment of this measure. No one is saying this is the cure-all, there are limitations to this measure. I will concede that there is no such thing as a perfect law. What we are trying to do here is to move things forward, one, two, three steps perhaps, but there are, admittedly, we

concede there are a hundred, a thousand more steps to go for us to be able to address and zero in as to the root causes of the problem of tertiary level education, the problem of quality education in this country.

Having said that, as has been the practice and for the record, the Senate in all Senators' Caucus agreed that those measures that were -- that already were embodied as committee reports in the 13th Congress, already being debated on the floor will be priority bills and in the last month and a half, we have passed, perhaps, four, maybe five, six or seven measures precisely falling under that category. The UP Charter measure falls under that category, the affordable medicines measure, the PERA measure, the human rights compensation measure, among others, all have been acted upon on either second or third reading by the 14th Congress precisely because of what we have agreed on in the All-Senators' Caucus and our desire precisely, to address priority measures by the Senate. And so I hope that we are able to reconcile many of the issues raised as regards the UP Charter measure, some, I'm certain will not be reconciled, we will just have to live with that. Sabi nga nila, "Ganoon ho talaga ang demokrasya, hindi talaga matutugunan lahat." If we try to please everyone, we will please no one and we will have nothing in terms of a measure that perhaps would, in a way, help move UP forward and tertiary level education forward.



And I would like to thank again the Chairman for this opportunity and the calling of this hearing.

Thank you, Mr. Chairman.

THE CHAIRMAN. Thank you, Senator Pangilinan.

Ma'am, you have the floor.

MS. ROMAN. Thank you, Your Honors. Good afternoon, Senator Cayetano and Senator Pangilinan and my colleagues and our friends. I'd like to start by expressing our thanks, not just once, not just twice but thrice. First, I'd like to thank the Committee for putting the issue of the UP Charter Amendment on the agenda of the committee meeting.

Second, I would like to say thank you officially and formally to the Senate for going so far as ratifying the Bicam version during the 13th Congress. Unfortunately, I think we all know that it was not ratified by the House of Representatives for lack of quorum, but I would like to acknowledge the fact that I remember very well, sometime in June, Senator—then Congressman Cayetano was there and he was waiting precisely for that quorum to happen and I remember, you came to me and said, "I will have to go," because you were going to take your oath as the new senator of the Republic. But I really appreciated the fact that you stayed and waited for the quorum that never happened anyway. *amen*

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Third, I would like to thank also the Senate because I
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MS. ROMAN. ... because I read in the *Philippine Star* last Saturday that the UP charter amendment is one of the priority bills of the Senate. And so we are looking forward to that day when it will finally pass, not just the Senate, but it will finally be passed into law.

Why revise the UP charter? The UP charter or Act No. 1870 was passed in 1908, and it has been amended several times but piecemeal. So many changes have since then transpired and some of the more glaring ones include the following: first, the 1908 charter places us under the U.S. Governor-General. Well, we all know that we are no longer under the United States Governor-General, but we're still operating under that charter; second, UP has expanded into several constituent universities. We now have new officials like the chancellors, we have more than one university council. So we would like to incorporate all the changes that have happened since then into this new charter to reflect the actual situation.

Now, second reason is, UP's mission has remained unchanged. It's still teaching, research, and public service. But there are new national imperatives and new expectations that require that UP should have more flexibility to deal with the pressures or the challenges that face us. Already, I can name four such challenges or pressures: one is

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the pressure to improve the quality of higher education; second is the pressure or challenge to focus on national needs; third is the pressure or the challenge to internationalize; and fourth is the pressure or the challenge to raise our own resources because of declining government support. We need the flexibility to be able to deal with these challenges if UP is to assert itself, not just nationally, but in the international academic community.

The UP charter amendment is 15 years in the making. It was started during the time of President Abueva, and this was followed through by President Emil Javier, and then President Nemenzo, and now we are still working on it. I was reminded by a friend that we started working on this 15 years ago, when she was just 45 years old. She is now 60 years old and we are still working on it. Next year we are celebrating our 100th year and it is our birthday wish that the charter will finally be approved that will really make our celebration a meaningful one.

What do we desire in the new charter of the university? First, we would like to be recognized as the national university. No, we are not going to be called the National University of the Philippines. We



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will still be the University of the Philippines, but we will be described as the National University of the Philippines.

What does a national university mean? We would like to be the national university in – there are four meanings: one is the scope and the range of the courses or degree programs that we offer is so wide and deep that we deserve to be called the National University of the Philippines; second, we are hands down, I believe, the leading university in the Philippines in the same way that Tokyo University is the national university of Japan, ChulaLongkorn University is the national university of Thailand, University of Malaysia, national university of Malaysia, and other universities; third, we are the national university in a geographic sense, we are literally all over the country. We have 12 campuses all the way from up north to down south in Davao; and fourth meaning of national university is everything we do in UP is in the service of the nation. Our orientation remains firmly nationalist.

So those are the four different meanings of a national university. So that's the first thing we desire in this amendment.

Second, of course, is our exemption from the law, Salary Standardization Law, that has pegged our salaries to only about a



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third of what our private counterparts are receiving. The highest paid faculty member in the University of the Philippines, somebody who probably has a PhD, and with a research track record, somebody who has worked for over 30 years in UP, receives a mere P31,000. Ateneo and La Salle pay over P100,000. And one would wonder why do they stay in UP? We believe that these people are not financially or materially-motivated. But there comes a point when they start thinking about looking for greener pastures. That is when they start having their families, when their children start going to school. That is when they realize that it is not enough to stay in UP. But we still have them, anyway, and we have even come to the conclusion that staying in UP is like doing missionary work. And so if you will count the missionaries in this country, about 3,600 to 4,000 of them are in UP happily doing their work.

Third, we want a system of governance that should be an optimum combination of a group to represent the interest of the academic community and other groups with the wisdom, the experience and the exposure to guide the university as it navigates its course beyond the academic community. We are not supposed to be too self-centered as though we can depend entirely on ourselves to



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decide on our own because we believe that there are others from outside the university from whom we can learn many other things.

We want a charter that reflects the true nature of a university. The university is an academic community engaged primarily in teaching, research, and public service. And central to the operations of the university is the faculty. And our main concerns are our students. We want a charter that recognizes the central role of the faculty; we want a charter that recognizes that there are certain academic prerogatives that are best left to the judgment of the academics such as in areas like curriculum, admission, hiring, tenure, etcetera; we want a charter that will give us the flexibility to deal with the challenges that face us as a university struggling very hard to make its name internationally.

I just came back from a conference in Thailand. It's an Asian University Conference where directors and presidents of universities in the Asian were represented. And I heard from the president of Vietnam National University, that by year 2020 they are going to produce 20,000 PhDs. By year 2020, which means they have started two years ago to send their faculty for PhD studies, 1,500 of them, every year until they reach 2020.

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I have read an article where the president of Indonesia said that they will pour in resources to higher education so as to have at least one university from Indonesia that will land in the top 50 of the best universities in the world. These pronouncements and these statements show us that these heads of state recognize the importance of higher education in the development of their countries. And so we are looking to our national leadership and our lawmakers for them to make the same pronouncement.

The University of the Philippines is a national resource. It is an institution that is not tainted by any scandal or controversy. Of course, we have hazing, we have frat rumbles, but I think overall ...
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MS. ROMAN. ...I think overall we are still doing very well. We're still the top university in the Philippines. But we still have to make it to the top 100 of the best universities in the world. We cannot do this on our own, we need the support of everyone. At this particular point in time, we need the help of Congress to make the amendment of the UP Charter a reality.

Our birthday, as I said, is fast approaching, and we hope you will give this to us on our birthday.

Thank you.

THE CHAIRMAN. Thank you, ma'am.

May I first acknowledge Senator Angara, former UP President.

Anyone else from the administration muna—from UP Administration. Any of our chancellors or—before we go to the other sectors

Kung wala, can I just start from the left, so we'll just go to the right.

From the Philippine Collegian.

MR. ABELLA. Good afternoon, Your Honors.

Basically, the Philippine Collegian, as the official student publication of the UP Diliman, aligns itself with the stand of the UP-

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Wide Democratization Movement. And basically we believed that at the crux of this debate is democratization, may it be in access, may it be in governance.

The charter that we need –I mean, we are one with President Roman in calling for a charter that will serve the needs of the university.

But basically, democratization, we want representation both of the students, the faculty, the research and extension, the REPS of the university in governance, the highest policy-making body of UP, which is the Board of Regents. And...

That's it, for now.

THE CHAIRMAN. We have copies of the position paper and specifically the provisions that are not looked upon favorably in SBNs 132,158, 1540 and 1700. On the hand, a list of provisions that you look favorably upon on SBN 1236 and 1871. So we'll take note of these in the discussions.

But if anyone would like to further propose anything or could show the Committee a model that they wish to copy –a similar model that they would like to put in the provision, we will accept that. You can submit position papers later on.

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So can I now recognize the USC Chairperson.

MS. ROMAN. Yeah, good afternoon, Your Honors and guests for this hearing.

The position of the USC actually, we've been consulting the students in the University of the Philippines in Diliman Campus and the USC has not come with a formal position. But actually, the students in Diliman, we also want for a more democratic access to education. And we also want to ensure that UP will cater to students not only of the higher class but also to those who really need a higher education in UP.

THE CHAIRMAN. So anyway, if we have time for additional consultation of the students 'no. And what would really help us is-- because I think all of us would agree with something like a more democratic set up. But at the same time, those who are presently members of the BOR cannot imagine, for example, a Senate type of set-up or House of Representatives' type of set up to govern UP.

So in lieu of the BOR, there are proposals—there are two proposals that I saw in the position paper.

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1) Making it more accountable. So if there are provisions that you are proposing to make it more accountable or checks and balances, then you can submit the proposals.

2) When you say more democratic, if there is a model again that you wish to—for us to look into, we'll be more than happy to look into it.

Can I skip muna iyong ibang members of the UP administration and move over to the national president of the All-UP Union, Mr. Cabrera.

MR. CABRERA. Magandang hapon po sa lahat, sa mga Senador natin.

Mula po sa All-UP Workers Union ay nakikiisa kami doon sa pagbabago ng charter ng UP na sa tingin namin napapanahon na ring baguhin ito. At nais namin ipahayag na kami ay kabilang at kaisa doon sa pinapahayag ng UP-Wide Dem, 'no. At gusto ko ring diinan na kailangan din natin makita na ang charter na ito ay maglilingkod sa ngayon at sa susunod na mga panahon. At natutuwa rin kami at kinilala ang partisipasyon ng Admin at Regent, subalit hindi ito nangangahulugan na dito na lamang ang partisipasyon. At mas nakikita rin namin ang pagkilala din na kung saan ay dapat naisama

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rin ang mga REPS at staff doon sa usapin ng benepisyo dahil makikita natin sa naka-proposed ay 200 % para doon sa mga allowances ng mga guro. Kailangan nating tingnan na hindi aandar ang UP kung hindi ito pagtutulungan ng lahat ng sector. At nakikita namin na kailangan mailagay mismo sa charter dahil kung hindi ilalagay sa charter mismo na kabilang ang mga staff 'no, bilang pagkilala sa kanilang role sa UP ay maraming taon na naman ang darating na hindi siya mabigyan ng malaking pagkakakilala lalo sa usapin ng mga benepisyo para sa mga kawani.

THE CHAIRMAN. We're using as a working draft-- Of course, we have a matrix of everyone na nag-file ng bill. But we are using as the working draft iyong napasa noong 13th Congress 'no. So if there are certain provisions that would—that you would like to propose or that you can draft, that precisely articulates iyong sinabi mo kanina or puts into a provision –you can submit it to the technical working group, tapos let's see kung wala siyang conflict sa ibang mga provisions.

Sige po.

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MR. CABRERA. At isa po pala, nais din naming imungkahi na sana ay makapagsagawa rin kayo ng isang hearing sa loob mismo ng UP.

THE CHAIRMAN. Yes.

MR. CABRERA. Nang sa ganoon ay masaksihan ng karamihang mga community.

THE CHAIRMAN. We will have a technical working group there. And in fact, before the Committee ends, I'd ask the administration naman to -I think before the hearing there we should show them a little bit of facts and figures about UP. And that's why I skipped over Ms. Tesara 'no, because we will go back to you for the tax implications. Because ang sinabi ni Ma'am Roman, "The missionaries, if they seek greener pastures, they move to La Salle, if they seek lower pastures, they move to Ateneo because of the salary standardization 'no. But once we grant that to UP, you can assume that the other 100 plus state universities will also be asking for that and it will be a logical step.

So, let us finish the UP community, then we will go back and talk about the tax consequences and our representatives from DBM about the part of the salary standardization.

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SEN. PANGILINAN. Just for the information of the Chairman, the Philippine National University, in fact, and it's charter is exempted from the Salary Standardization Law. So nauna pa nga ang PNU kaysa sa UP. This is in response to the point raised that the others will follow. In fact, we are -UP is just following PNU na nauna na iyong PNU dito sa usaping ito.

THE CHAIRMAN. Professor Taguiwalo.

MS. TAGUIWALO. Bisaya ako, so magpi-Pilipino ako. You have a copy of the English presentation.

So I think ang mahalaga nagpapasalamat kami at pinakikinggan 'nyo kami ulit. Katulad ng kay President Roman, ang UP-Wide Democratization Movement ay sumubaybay sa mahabang panahon para magkaroon talaga ng isang may katuturan na UP Charter.

In fact iyong ibang student regent namin staff na ngayon ng mga senador 'no. May nag-retire na rin na faculty sa amin. Pero consistent ito na ang aming adhika na ang bagong charter ng UP ay charter para sa dalampu't isang siglo. So in fact, sinabi ko rito ang advokasiya namin noong labingdalawang Kongreso, ay nagresulta sa marahas na dispersal ng mga estudyante at ng faculty leading to the

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arrest ng 10 students and three faculty members on September 9, 2003.

So malaki rin ang taya ng mga estudyante ng mga faculty, ng mga admisitrative staff, ng mga REPS. At ang taya na ito ay usapin ng direksiyon. Saan tayo patutungo? Pareho naman quality, tertiary education. Pero ang aming hinihingi ... /lpp

MS. TAGUIWALO. ...ang aming hinihingi dalawa, usapin ng democratic governance, usapin ng democratic access, usapin ng pag-maintain ng UP bilang isang state university. Meaning, like in Indonesia, 'no, the President of the Philippines should be allocating the highest possible budget to the university para maging-- mai-provide yung quality education. So, dinitail (detail) na namin ang mga usapin dito. Actually, we have moved back eh because in the Twelfth Congress, we tried to convince some of the senators to adopt our proposal of UP Charter which was a product of consultation among the UPWIDEM constituencies, walang taker. Sa Lower House, inadopt (adopt) ito ni Congressman Teddy Casiño but we have seen the difficulty of achieving a really genuinely democratic charter kaya nag-move on na rin kami in terms-- naka-register na yan. This is the ideal. But given the context ngayon ng Congress, ng Senate, ng ating political system, ito yung kakayanin and we were happy to note that unlike in the Twelfth and Thirteenth Congress where there was only basically one version of the UP Charter, we now have two basic versions. The new ones, I think the first one are the bills which refile the Senate version approved in the Thirteenth Congress. And now we have the Escudero bill and surprisingly, we are pleasantly surprised the bill of Senate President Villar which is actually the bill passed by the House of Representatives in its second reading last October 2007. We are happier with the provisions of these bills relative to the one

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passed by the bicameral conference last year and we hope we have the opportunity to explain this further pero I don't think kaya pa namin magpe-present ng model kasi pinresent (present) na namin hindi tanggap. Narito na siguro mapagnilay-nilayan, mapag-iisipan.

Second, in terms of the issue of salary increases for UP personnel like the UP Administration, we are happy for the recognition by all sponsors of the UP Charter bills of the inadequacy of the UP salaries at dalawa ang proposal to address this. Paglabas sa SSL o kaya pag-increase ng allowances by a maximum of 200 percent of the basic salaries of the faculty except yung sa Villar version at sa Escudero version at sa House of Representatives version, faculty lang ang ina-address while the other bills include administrative and REPS.

Ang pinoproblema lang namin talaga saan manggagaling ang pandagdag sa aming suweldo. Minention (mention) ni Senator Pangilinan ang sa PNU, we also have sister organizations in PNU. Hindi pa ho natataasan ang suweldo nila kahit na nasa charter na kasi saan nila kukunin. Tinaasan nila ang tuition ng PNU by 100 percent din, 300 percent actually. Pero hanggang ngayon hindi pa yan natatamasa because the basic question is saan ito manggagaling and we said kung exchange na naman yan ay unending tuition fee increases making UP education unreachable and the further acceleration of the commercialization of UP where everything has a price. Problematic sa

amin yan. UP as the national state university, we support the characterization of UP as the national state university contained in SBN 1871. We agree with President Roman that national university captures the national character of UP sa apat na points na ni-raise niya. But we want to retain state university, hindi lang national university but it has to be national state university to capture and emphasize UP's character as a state-funded tertiary institution. We are also happy with the fact that the Villar and Escudero bill-- the Villar bill recognizes the third sector in the university, the research and extension professional staff, by proposing a REPS reagent in the BOR composition. This was widely welcome by the reps of the university in our second academic personnel conference held two weeks ago.

I would like to end by quoting the last paragraph, "UPWIDEM III trusts in the good wisdom of our senators to listen to the wide and legitimate constituency that the alliance represents. Democracy in the university can only be attained if it is practiced in the course of drafting its new charter in the hallowed halls of Congress.

Maraming salamat po.

THE CHAIRMAN (SEN. CAYETANO, A). Thank you very much, ma'am.

Senator Pangilinan.

SEN. PANGILINAN. Yes, Mr. Chairman, just allow me to clarify the earlier point raised about the PNU. I agree that-- and the information likewise that we have received is that hindi nga ma-implement itong exemption from the Salary Standardization Law ng PNU precisely because of the need to raise the necessary revenue or augmentation of the budget. And I agree that it should not-- by and large, being a national university and as earlier mentioned by President of the University, in other countries talagang pinopondohan at binibigyan talaga ng prioridad. If you are to look at how much a nation in the region spends per student, 'no. Thailand, I think, is spending four or five-- almost four times as much as we are. Malaysia, I think, more than five times as much as we are in terms of tertiary level of public education. So, I agree with you there that we must look at in terms of raising revenue or providing the necessary budgetary allocation, titingnan natin ano ba ang ginagawa ng ibang bansa. Yan ang ating mga katunggali in terms of knowledge-based economy. So, we have to make sure that we are at par, if not-- kung hindi man tayo at par eh huwag naman masyadong nalalayo, 'no. But the point also is that sabi nga nila mas mabuti na ring naron na yon sa PNU dahil 'pag dumating ang panahon naman na may pondo na sila eh hindi naman nakalagay yung provision na yon, ang sasabihin nila eh wala tayong magagawa. Hindi natin mapopondo-- hindi natin puwedeng i-increase kasi saklaw kayo ng nasasabing batas.

So, again, I think it would be a step forward if we remove precisely the faculty-- the UP from the Salary Standardization Law but and I agree with you that the next question is, okay, now that they're out of it, how do we fund it. And I'd like to see in the long run that the state itself and then relative and, you know, to make a comparative analysis of how the rest of ASEAN and the rest of Asia spending per student in terms of our public tertiary educational system, dapat siguro yun ang ating tinatahak din as, you know, in the long run strategically.

THE CHAIRMAN (SEN. CAYETANO, A). We go now to the-- Mr. Domingo, Medical Student Council, UP Manila.

MR. DOMINGO. Thank you, Mr. Chairman, Your Honors, good afternoon.


We would also like to thank Senate and Congress of the Philippines for always continually hearing the position of the UP Medicine Student Council.

First, as a matter of formality, may I state for the record that I am not the chairperson of the Medicine Student Council but I am representing him properly. In giving our position on this matter, we have been here in this set of hearings ever since 2004. Back then I was also the representative. I was in my second year of medical school. Now, with God's grace, I will be graduating in six months. So, lahat po tayo tumatanda na. Konti na lang po magiging MD na rin po ako. Salamat po.

And as with President Roman, who wished for the university a birthday gift, I also personally would want a graduation gift because this has been a personal advocacy on my part. I have been in the Medicine Student Council. I was also the Chair of the University Student Council the year after and now I'm back to supposedly a private life but now I decided-- I just want to give a one last shot for this to be passed.

So, in giving our position, we'd like to consider the etymology of the word "university." It brings to mind the word "universe," and we believe that as students here in the forum of the Senate, we would like to represent as much as possible the largest portion of that universal students on campus, not only in Diliman, but also in the other campuses-- Manila, in the Visayas, in Mindanao, in Baguio. Because I, myself, am an alumnus of Diliman, but I also sympathized with people from Manila, for example, whenever before-- this is before, they would always ask for the position of students only from students who come from U.P. Diliman, which is very unfair to the other campuses, but I think that has been rectified since the previous hearings. And I bring that up because-- again, I would like to thank the Senate.../hsg

MR. DOMINGO. ... again, I would like to thank the Senate for considering medical students in particular.

So, I would like to justify why is the Medical Student Council here actively campaigning for a UP Charter for something that would help the University. There is a peculiarity among medical students. Being a medical student, we are actually thrown into the fray of the Philippine General Hospital. It is said in the Philippine General Hospital that for a charity patient to survive, there must be a *bantay*, so to speak, or watcher. A *bantay* of the patient would be very efficient to actually do the footwork. Laboratories are not sent by orderlies in the PGH, they are actually brought by the *bantays* themselves. They hold the blood, they hold everything: the specimens to be sent to the laboratory. And, in some cases, there are some units where there are no utility workers actually serving the unit. For example, in the Neonatal Intensive Care Unit, which I just rotated in last week, there is no utility worker or in local speak and shoptalk "*manong*." There is no *manong* in that unit. So, who serves to become the *manong*? You're looking at one of the former *manongs* last week. We actually go down and bring the incubators up and down. We have to pull out coins and knock on the elevator doors just for the elevator doors to open because not all of the six elevators are working. 

There are some professors of mine here who might be already angry at me for putting it into official record, but these are the realities that medical students actually see on the field. And this is what pushes us to campaign for a new UP Charter that would allow the University to even address these small issues.

There are also sometimes, if not all of the time, wherein the materials of patients are actually provided for by the medical students. In fact, my parents are very familiar with Bambang when I asked them to buy syringes, I.V. cannulas, and all of the other materials that the patients need, because they just can't buy and the hospital cannot provide.

In the OB Admitting Section, they no longer have gowns. In the Pay Section, they wear gowns for sterility. Downstairs in the Charity, they cannot wear gowns because the autoclaves are not working.

So those things, apart from this morning when I was on duty, there was a blackout, I said, I must go to that hearing and ask the Senators, "Please pass the UP Charter now, a Charter that would help the university fiscally and, next, most of all, facility-wise, more particularly."

And, finally, as part of the position of the Medical Student Council, we would like to forward a specific position paper later on.

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But as early as now, we want to be actively participating in matters concerning student affairs.

We thank the--it was mentioned earlier by my seatmate, Professor Taguiwalo, that, in fact, some of the student regents before are now employees or rather aides of senators. In fact, I would also add to that, the first student regent is actually seating across me and is now a senator himself. So, ganoon na po katagal talaga ang Student Regent sa University of the Philippines, and yet the Charter is still 100 years old. So, perhaps it's now high time, and we will actively participate in such issues, including student affairs, the selection of the student regent and finances.

Thank you very much.

THE CHAIRMAN (SEN. CAYETANO, A). Thank you.

We would have also invited UP Law Student Council, but since it's well represented in the Senate, the UP Law, and Atty. Leonen is here.

Mr. Herrera, the USC chairperson for UP Manila.

MR. HERRERA. Good afternoon. I would like once again to thank the Senate for allowing this hearing to come to pass.

Before we begin, UP Manila doesn't have a formal position, yet we have already begun preliminary consultations. However,



again, we haven't forwarded this formally to the students. So, more or less, this comes from our preliminary research.

Where is democracy? Because when we talk about democracy, we think that we should try to empower as much people as possible. However, the world doesn't work that way. When you talk about democratization, you are trying to empower the stakeholders in anything. So, therefore, we say that, for example, we are talking about UP, we cannot have full and absolute democratization because not everybody has the same stake. Remember, Mr. Chair, this is an educational institution. And we believe, Mr. Chair, that those with primary--with the greatest stake in education, namely, the academe, namely, the students, should be given the greatest weight in terms of the highest decision making body. And, therefore, since there are differential stakes of different bodies, any consultative body or any decision making body must give greatest recognition to those greatly affected and those with the greatest stake in the decisions made by this body.

Therefore, Mr. Chair, in our recognition of UP as primarily an educational institution, the highest decision making body was composed of primary stakeholders in education, and those educated in the academe, Mr. Chair, because we'd grown the analogy, because I'm also a medical student, that a hospital whose primary

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purpose is to give health, must be run by doctors. It is not run by people just randomly employed, but the critical decisions on how to give health, to what to allocate budget to, to what equipment to buy, to which wards to renovate, is decided by a committee of doctors, those with the primary interest and the primary education in the health profession. Because any institution with a specific and highly specialized interest must be driven and controlled by those people who are educated and well versed in this particular specific interest, Mr. Chair.

So, from UP Manila, without formally giving our position, I personally believe that we must recognize and maintain UP as primarily an educational institution recognizing the consultation from other bodies, but balancing it, limiting it, Mr. Chair. The solution then would be to recognize the system representatives but to keep the highest decision making body in the hands of primary stakeholders, namely, the academic institutions.

Thank you, Mr. Chair.

THE CHAIRMAN (SEN. CAYETANO, A). Thank you.

Let me just make one point. Precisely why we are opening up the hearing, and a while ago, there was mention by Professor Judy about the different provisions, actually, even in the Senate, even before we come to the bicam, we are not limited by these

provisions. Meaning, in consolidating all of these provisions and in having a working draft, we can submit to the floor some ideas that can come out from this discussion.

The hospital, the PGH ng India, 'di ba, only charges a dollar a day for confinement of iyong nationals nila, and this was featured in a lot of magazines internationally. Because they have so much medical tourism, nasa-subsidize iyong kanilang local patients and their doctors are paid much higher pa. Their doctors get a high stipend but not as much as the doctors outside, but they are given access to modern equipment and good training. So, when they get out of that hospital, pinag-aagawan na sila ng ibang private hospitals.

So, I think no one here, especially the authors, would like really to limit the development of UP just to the words of this Charter. We are really trying to craft it creatively that would allow-- but there's really a difference between the Charter itself and funding, as pointed out by Senator Kiko and by Professor Judy.

So, what we are trying to do here is create the incentives, opening up the provisions, etcetera, then separate--kung pwede, magkasama, kung hindi separately, deal with the creative ways of getting the funding inside. So, for example, before this hearing, I was telling President Roman, I was looking at iyong tax provisions,



and most of this gives tax exemption to UP itself. But kung mayroong papasok, let's say, may magtatayo ng dorm, does he get a tax exemption for some things, for local business tax, for VAT, etcetera, so that the students--kasi ipa-pass on ito sa students, eh, hindi ba? But, again, there will be an issue about commercialization, halimbawa, ng UP, etcetera. So, as you said, Mr. Herrera, ano, it's a balancing act. So, these are the things that we would like to fine-tune. Basically, I think 90-99 percent of what we want are in these bills or, kung hindi, what we want, what we agreed upon. But I'm sure there's a couple more ideas that we can put in. And you're most welcome to submit the position papers. We'll have two chances, sa Senate, sa floor, and then sa bicam. But the earlier, the better, because nga we have to get a consensus.

Senator Angara, first.

SEN. ANGARA. Hindi, sige, sila muna.

THE CHAIRMAN (SEN. CAYETANO, A). Mr. Ridon ng Student Regent.

MR. RIDON. Hindi lang po iyong Medicine Student Council iyong nandito dahil ako po ay estudyante ng College of Law. Nandito rin po kami para ipaalam sa mga senador na mga alumni



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ng College of Law na nakikiisa din po ang mga estudyante doon sa pagkakaroon ng bagong UP Charter.

Fatal po kasi as far as my office is concerned iyong mga nuances po ng wording sa mga bills po na ito. And to a certain extent, as far as those are concerned, my office and I think iyong National Alliance of Student Councils in the University of the Philippines are really keen on--at the very least, support the Villar and Escudero bills ... /jmb



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MR. RIDON. ... Villar and Escudero bills, particularly on the point on its safeguards on commercialization provisions for the University of the Philippines. Kasi po, in comparison to the Pangilinan bill po kasi, express 'yung power na grinant sa Board of Regents to really enter into joint ventures, enter into long-term leases, enter into outright sale of assets of the University of the Philippines. Whereas, in the Villar and Escudero bills, it is more really of an exception to the rule in which-- I think the Villar and Escudero bills really state that in the ultimate analysis, it is still the State's obligation to really fund the University of the Philippines, at 'yun po sa tingin ko 'yung isa sa mga pinakamahalaga pong batayan. At the end of the day naman po kasi, the Board is not precluded naman po from entering into those kinds of contracts or even to outright sales of land. Pero 'yung mahalaga po, the policy direction, not only of the University of the Philippines administration but also of the State itself, is to really comprehensively and fully fund the premier state university of the country.

Insofar as democratic access is concerned and in the context also of, 'yun nga po, 'yung pinag-uusapan na rin naman po natin na Salary Standardization Law, I think there is no debate today na dapat naman po talagang i-fully compensate the best and the brightest professionals and academics of the country. Now, however, kailangan

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po natin kasi talagang i-problematize nang mabuti kung saan naman po talaga kukunin ng UP 'yung ano-- in the context really of decreasing state subsidies to-- not only to UP, but to a lot of state educational institutions. I express this because nga po, I think UP is emerging from a very divisive tuition increase. And hindi po-- 'yung pagtingin po talaga ng mga estudyate, at natatakot po 'yung mga estudyate na if ever we do increase the salaries of the faculty, hindi kaya sa mga estudyante din naman pala kukunin or to-- 'yun na nga, to really further commercialize the assets of the University of the Philippines nang hindi na sumususog doon sa, 'yun na nga, 'yung academic coronation po ng Pamantasan. So 'yun po, at sa tingin ko malinaw na malinaw naman po na ipinapaabot ng mga student councils under the Kasama sa UP and under the Office of the Student Regent na panahon na po talaga na magkaroon ng bagong UP Charter. Bagong UP Charter pero hindi lang para magkaroon ng bago, para sentenaryo, kundi bago pero demokratiko, bago pero isang progresibong UP Charter, which is clearly in line towards the mission of the university itself to really serve the people and bring back to the Filipino taxpayers whatever academic resource which are generated in the University of the Philippines.

'Yun lang naman po at maraming salamat.

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THE CHAIRMAN. Senator Angara.

SEN. ANGARA. Thank you, Mr. Chairman.

I admire the representation of our colleague from the College of Law.

Are you third year, fourth year or freshman?

MR. RIDON. I'm second year, Your Honor.

SEN. ANGARA. Very good. I think the quality of law students have now dramatically increased.

Well, having been both at the receiving end and a providing end, because I have been a consumer of UP education as well as a provider of UP education services as president, I think I can tell you a thing or two about the UP.

First of all, historical. The UP was founded on the so-called State Grant System. State Grant, this is patterned after the state universities in America where they established state universities to be funded out of land grants: University of Michigan; University of-- all the great state universities in America are founded on the theory that, ultimately, while the State will initially provide them the seed capital, they must look after its own self na after a while, that's why they got huge tracks of-- vast tracks of land, vast areas. And the UP was endowed such, hindi ba? We're one of the biggest landowners in this

country. We have 24,000 hectares of land in this country. Some are prime urban areas and some are good agriculture and forest areas which are hardly tapped, and if you neglect them, like the arboretum in Diliman, you will see that soon it will disappear because settlers will come in and take over. So the future source of your sustenance would have been gone. So that is important to remember. And that's why when one talks about commercialization, one should not say that in a pejorative sense because really the UP must "commercialize" its land assets not, of course, education, like contracting out the College of Medicine, hindi ganoon. One of our best, hindi ba, including law. So ganoon. So that's one aspect to that.

Now, the UP is nothing if it's not free. And freedom connotes two senses: the institutional, the institutional autonomy of the university as an institution; and the academic freedom of its scholars, both teachers and students. Institutional autonomy is again meaningless if you don't have the wherewithal to sustain your autonomy. If you are dependent and hostage to government or to a few donors and grantors, then you are not really institutionally free. And that's why, again a bit of history, at the beginning, perhaps up to the outbreak of the war, the budget of the UP is given to the UP as a

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lump sum; lump sum hindi line, hindi line item, like P200 million for the College of Law; P300 million for Medicine. No.

Ilan ba ang budget n'yo ngayon?

MS. ROMAN. Four point five.

SEN. ANGARA. Four point five billion to the UP. And it is the Board of Regents who decide where it will be, how it will be allocated, how it will be spent. That is the true expression of institutional autonomy and also academic freedom because you decide your own fate. And that's why, I think, up to the 70th year of the UP, we have really exerted tremendous influence over the life of our country. We have influenced the arts, education, even the military because many of our ROTC graduates have headed the military, medicine and the health sciences, agriculture, etcetera. But later on, in the past three decades, one cannot say that UP is the dominant educational center. It's true, we have such a wide ranging, probably the most extensive reach of all universities. Tell me a discipline, and I'll tell you UP is offering it. No other university can match that reach. But that doesn't mean that we are good, we are the best. We have the best in some disciplines, like Medicine, the best ha, sometimes Law.

(Laughter)

MS. ROMAN. All the time.

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SEN. ANGARA. Aba... Ngayon-- So because nga competition has risen. You know, the Ateneo, the La Salle, the UST's of this country have learned how to build up their resources, how to tap their alumni, how to commercialize their assets in order to build up endowment as well as a perpetual source, almost, of financing their universities. Pero tayo naman, our source of funding is retreating and the fund is constricting because right-- when I was UP President, there were only 65 SUCs, so the division of the pie is-- now it's more that 112. Today I'm going to present the budget of the SUCs, and you will see that relatively it's the same pie as in 1981 when I was UP President. That's one generation ago. Just realize that. That's why-- well, I'm glad that there is consensus that we must update and modernize this Charter. /alicc

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SEN. ANGARA. ...modernize this Charter. Sure, a Charter need not be changed at all like the US Constitution. It has survived what, 300 years? But they have a very dynamic body that interprets almost any contingency and say that it's covered by the US Constitution. But the Charter, because it is a matter of—it is a piece of legislation, can also be overcome by other legislation, one good instance is the salary standardization, di ba? Before, we are not bound by any salary constraint, now we are because of the... And that's why we've got to change it. What is the bottom line? The bottom line is to give that Filipino who is able to get into UP the best education there is. Not just in terms of teachers, but also in terms of facilities. Dumaan ka sa Diliman o sa Los Baños, UP is slightly better kahit na ang mga helper doon ay mga pamilya. But in terms of physical look, look at our campuses, you would need P5 billion to facelift and upgrade all these physical plants. Where will you get the five billion? I don't think government will give you that five billion. Probably you will get half a billion, if you are lucky, in one year. That's why, you must learn how to look into employing your own ability, your own resources. In other universities, the brain power of the faculty are "commercialized." Their talent attract money and grants into the university. I'm sure they are succeeding in doing so but perhaps only to a limited extent. And that is why this modernization of the

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Charter coupled with dynamic leadership like President Roman is providing now and her group. Palakpakan naman kayo kay President Roman. It's the difference, it's the difference, we can write anything in this Charter, it will be meaningless unless there is dynamism in its interpretation and there is a supportive—those supportive faculty and staff behind the modernization of the university.

Otherwise, what number are we now in the *Times* supplement?

MS. ROMAN. I received the very sad news that we went down.

SEN. ANGARA. From?

MS. ROMAN. From 299 to 380.

SEN. ANGARA. Out of 500?

MS. ROMAN. Out of 500. I also understand that La Salle and UST are out of the top 500.

SEN. ANGARA. Tayo na lang ang naiwan?

MS. ROMAN. And Ateneo, but we are still ahead of Ateneo. But may I also take this opportunity to inform the group, Mr. Senator. We wrote to *Times* to tell them that we are not participating because they wanted us to do it by campus. In other words, UP Diliman, UP Manila...

SEN. ANGARA. Yeah.



MS. ROMAN. ...and we did not have the time, but they anyway included us without getting the information from us and so we are down but we are still number one in the Philippines.

SEN. ANGARA. Yeah, this is a survey of the best 500 universities of the world and well, we're Number 299.


MS. ROMAN. Ngayon 384.

SEN. ANGARA. Ngayon 384.

MS. ROMAN. But hindi kami nag-participate kasi nga I was asking them where they got the information. Apparently, they got it only from the website.

SEN. ANGARA. Yeah.

MS. ROMAN. And I wanted to confirm some of the data that they used.

SEN. ANGARA. Well, I think three decades ago, the UP ranks among the top 10, at least in Asia, di ba, among the national universities—National Seoul University, Tokyo University, Malaya, Indonesia. Nandoon tayo, we are competing with them head to head. Ngayon, some of them are ahead of us. So think about that, we are really losing what we all love and we say a national treasure unless we act on this. Sure, I think it is very important in this world to have transparency in decision-making and participation as far as possible. But 

one cannot run a town hall democratic type of governance because university perhaps is not similar to a town hall or a city as long as there are set democratic rules, rules of participation and one complies with that. Not through lip service, but actually, I think we would have served also the interest of truth and justice in our university. So, I think that is the whole point about this exercise.


You know, you are already graduating and this bill is still pending, ano. Well, kailan ba natin inumpisahan? Si Kiko ang nag-umpisa nito eh.

MS. ROMAN. I was telling them earlier, Mr. Senator, that I was reminded by a friend that she was just 45 years old when we started working on this, now she is 60. So, 15 years in the making.

SEN. ANGARA. Yeah. And in the last 15 years, so much has happened to the world, technology has made us all different and different jobs and different lifestyle, and different—even educational methods have developed. So, if we tarry some more, then this might well become the best relic for our centenary celebration.

Thank you.


THE CHAIRMAN. Professor Jude.

MS. TAGUIWALO. Thank you, Senator Angara for the historical overview. So, my area is women and history, the history part I shared with you. I would just like to clarify some points. I think the support 

that the UP-WIDEM gives to the efforts at democratization as contained in the Villar and Escudero bills, which put in place a consultative university assembly is not a barrio-type form of governance. I would like to site that universities with elective governing bodies already exist in Munich University in Germany, it's Versammlung. It's composed—it's university assembly is composed of democratically elected professors, 36 of them, 11 assistant professors, four students and two administrative personnel for a total of 53 members. In Cambridge University, England, the Regent House, the governing body of the university has over 3,000 members. This body elects the majority of the council or the executive body of Cambridge composed of 21 members. In Oxford University, England, the 26-member council is elected by the congregation, which has 3,200 members. In Sorborne University, the council is also composed of elected members from the faculty, research, worker-students and administrative and technical personnel. I think iyong frame na, the participation—the broadening of participation is outdated actually, it is exactly the opposite, 'no. A colonial elitist board of regents can now be replaced, should be replaced by a governing body which takes into account that we are now in modern times.

Second, I think the university, being beholden to government should not be a contradiction because in the first place, UP is a state *APM*

university. What's wrong with UP being beholden to the government, ano? Because the government, well, anyway, if it is legitimately elected by the people, you know, is supposed to support each state university. So, I don't have any problem with it. Our problem, I think is, if the university is beholden to private commercial interest where the research agenda, even the curriculum is determined by private businesses, then that's where commercialization comes in, 'no. So, you use the academic assets and brains of your personnel and sell it to the highest bidder. We say, the national agenda, the research agenda of the university should be dictated by the national agenda set by the people.

Third, we are talking of, you know, of the *Times* survey, I would like to look at the budgets of the different state universities. I've read, you know, Beijing University is fully supported by the government. So, you know, when you just focus on certain academic criteria without looking at the support provided by governments to these institutions, then it is a one-sided view.../admasicap 

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MS. TAGUIWALO. ... then it is a one-sided view, and that's why we don't believe in international surveys. For us, the bottom line is really how well does the university act its mandate of serving the Filipino nation.

Thank you.


THE CHAIRMAN. We just have two more resource persons -- groups that we have to hear -- the DBM and the DOF. Can I recognize Ms. Ruby Esteban, the director of DBM.

MS. ESTEBAN. Good afternoon, Your Honors. Thank you for the invitation.

We have yet to submit our formal position paper on the matter, but we will be submitting it soon.

THE CHAIRMAN. May I just ask that when you look at certain provisions that will also be applicable to others state U, you give us the position paper consistent 'no because we are not gonna say that puwede sa PNU, puwede sa UP, pero hindi puwede sa ibang lugar, sa ibang state U 'yong salary standardization, 'di ba? So as long as it is consistent. Kung ayaw n'yo, ayaw. Kung gusto, gusto. Or if it is not consistent, give us the reasons why 'no, so that we can consider your views.

MS. ESTEBAN. Yes, sir. We will do that.



THE CHAIRMAN. Thank you.

Ma'am, sa DOF? Will you give us some tax ... ?

Ms. Tasarra.

MS. TASARRA. Thank you, Mr. Chairman. Good afternoon,
Your Honors, and my co-resource persons.

The Department of Finance focuses its comments on the tax provisions of the bills. And the Department endorses the tax provisions that are consistent with the constitutional and the codal provisions. So the Department of Finance recommends that the tax provisions of these bills be aligned with its provisions – with the constitutional and the codal provisions.

Thank you.

THE CHAIRMAN. What about additional tax incentives?

MS. TASARRA. As long as it is consistent with the codal provisions ...

THE CHAIRMAN. You are talking about the constitutional exemptions 'no?

MS. TASARRA. Exemptions, yes.

THE CHAIRMAN. To be consistent with that.

MS. TASARRA. Yes, Your Honor.



THE CHAIRMAN. But when it comes to the codal, precisely, we think we're looking here at giving some incentives or exemptions as to certain parts 'di ba?

MS. TASARRA. But the existing tax provisions of the bills, the different bills, I think some of that are consistent with the existing provisions.

THE CHAIRMAN. Okay, can you give us, - yeah. Okay, let us put it this way. Whatever you find inconsistent, bigyan mo kami ng findings doon.

SEN. PANGILINAN. Mr. Chairman, just a brief background on the provisions on tax exemptions, incentives.

The experience of the university in previous years, precisely because it is not spelled out in the provisions of whether the charter or the amendments to the UP charter, the BIR, the collecting agency always resolves it in favor of tax liabilities. And the bureaucracy starts to work and therefore what happens is until such time that the UP is able to hurdle all these legal processes, the exemption is not allowed, the incentives are withheld, etcetera, etcetera. So what the administration, the UP leadership felt was necessary is to spell it out clearly and put it in writing so that henceforth, the law itself will be presented to the BIR so that they can no longer say, well, we will have



to review this, etcetera, etcetera. So that is basically why these have been identified and spelled out clearly.

SEN. ANGARA. Mr. Chairman.

THE CHAIRMAN. Senator Angara.

SEN. ANGARA. There are two ways of looking at tax exemptions as applied to UP. The general exemption granted, halimbawa, by the Constitution and the Tax Code in favor of educational institutions, UP must enjoy it. But over and above that, we should extend some special tax relief to the UP. For instance, importing, halimbawa, mahal na medical diagnostic equipment and laboratory equipment, etcetera, i-exempt siguro natin 'yan from Customs as well as E-Vat. Isa lang 'yan example.

Again, we should exempt donation to the UP, because nga kulang na nga ang state subsidy so we should welcome private donation from citizen. Now you look at it not as a tax loss. You just look at it as an additional subsidy to the UP since you cannot give it more cash then you are just providing it tax relief, 'di ba, in lieu of cash.

I know the attitude of DOF eh. Galit kayo sa mga tax exemption eh, 'di ba. Pero you've got to look at it on a broader perspective eh, 'di ba?



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SEN. PANGILINAN. Hindi na nga mapondohan eh, hindi pa nabibiyayaan.

MS. TASARRA. Thank you, Your Honor.

Actually, the Tax Code provides for the exemption on the donations, endowments ...

SEN. ANGARA. Ako ang nagsingit n'yan eh.

MS. TASARRA. ... and contributions which are actually or directly ...

SEN. ANGARA. For education.

MS. TASARRA. Yes, for educational purposes. And regarding the importations, the Tariff Code also provides for an exemption. Section 105 is a tariff ...

MS. ROMAN. We are not classified -- strictly speaking, we're not classified as an educational institution. We are a corporation and that is why we are taxed.

SEN. PANGILINAN. That's the BIR ruling, yes.

MS. ROMAN. That's the NIRC, the National Internal Revenue Code.

THE CHAIRMAN. Let us hear from Atty. Leonen.

MR. LEONEN. UP has gotten a tax exemption opinion in 1981 from Director Fonacier. Yet even the National Treasurer does not



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agree with the opinion of the Bureau of Internal Revenue in terms of the withholding final tax on UP's income. Also, local governments have started to assess properties of UP for real estate taxes. The city treasurer of Quezon City, in fact, has assessed even the low-cost housing of university professors in Diliman and has asked UP to pay for real estate taxes on the theory that it is not actually, directly and exclusively used for educational institutions. Faculty in UP are granted housing at very minimal fees. We pay for our housing, that's another deduction from our salary, and yet now, the city government of Quezon City is assessing us real property taxes. As a matter of fact, it has started foreclosure procedures on some of the assets of UP-Diliman, more particularly, because of this interpretation.


The purchase of books ...

SEN. PANGILINAN. Hindi yata kasi taga-UP si Sonny Belmonte. Hindi ba taga-UP 'yan?

MR. LEONEN. Not the mayor, the city treasurer of Quezon City.

VOICE. Hindi rin yata taga-UP 'yan.

MR. LEONEN. The other one would be the exemption from purchases of things like books, laboratory materials, we still pay VAT on a lot of those items. There are exemptions for donations given to UP but they are very limited.



The other thing that we would like to emphasize is, when we award academic distinctions to our faculty members, sometimes the BIR interprets that as income rather than an award. So again it would be better if the charter, as our president says, would be very clear about these provisions.

THE CHAIRMAN. Yeah. Taking off from what Senator Angara said, kanina we discussed the salary standardization, saan kukunin ang pera. But one way also is not -- while the increase of the pay of the faculty and staff is forthcoming, 'yong gastos bumaba. And the way na ayusin 'yong gastos is through these tax incentives 'no. So I'd really like to go through it and to refine to make sure that we covered all the bases.

For example nga dito, 'yong canteens operated and owned by the university. So what if you decide that you will not operate it 'no. So if may tax, ang estudyante rin naman ang magbabayad noon, hindi naman 'yong operator noong canteen. Sa operator ng canteen, it doesn't matter kung may tax o hindi 'no, that doesn't affect 'yong kanyang profit. So we'll be working together.

Tapos, I'll just like to say 'yong isang sinabi ni Board of Regent member Ridon 'no. As far as the language and as far as the terminology, we are willing to work on that with the technical working



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group, then I'll just go informal consultation with the senators 'no.

Kung may mga terms lang that we can fine-tune ... /las

A handwritten signature in black ink, appearing to be a stylized 'J' or 'L' followed by a flourish.

THE CHAIRMAN. ...Kung may mga terms lang that we can fine-tune but we all mean the same thing, let's go through that. But then iyong may conflict, then we'll find a way to discuss and resolve it.

There's one more resource person, yeah, representative of CHED, Atty. Carmelita Yadao Sison, Chief, Legal ng CHED.

You're now recognized, Ma'am.

MS. SISON. Thank you, Mr. Chair.

I'm here in representation of Chairman Romulo Neri who is abroad on official business.

The official position of CHED being the chairman of the Board of Regent is really that we must recognize the University as the National State University, therefore, objectives of all the bills are supported by the Commission on Higher Education.

And with respect to the Position Classification and Compensation System, the position of the University is that the University of the Philippines should be provided and given this authority as the national state university following what has already been mentioned by all the parties here.

And also that, with respect to exemption of faculty and REPS from the Civil Service Commission examinations, this is understandable because it follows from it being again the National State University and the standards that are being adhered to except, of course, for the PRC licensure examinations that have to be conducted by the Professional Regulation Commission.

And with respect to the number of composition in the board, I think there are various numbers here, but I think the Commission would support the number of 11 members of the Board of Regents.

So, we are also concerned, after having heard everything that has been mentioned here, that although the mandate of the Commission is development of programs and standards for all tertiary education institutions, that there must be due recognition given to the University of the Philippines to be the lead educational institution that would set the pace and tone for all other state colleges and universities; and provide directions to tertiary education regionally and internationally even as its mandate is being the most important human resource of the nation that strives to serve the nation-- in the service of the nation.

That is all, Your Honor.

THE CHAIRMAN. Thank you very much.

In the technical working group, I mean, we'll just have to update some of the data and again to go back to one of the statements of Regent Redon, when you were talking about limitations, for example commercialization. The good thing about this is that we have facts and figures that are available to us. Ibig sabihin, if we talk about the Philippines, and we talk about 20 years, 100 years, whatever 'no, it's hard to put limitations or to focus on specifics. But in this case, for example, the land area of UP, how many students do we project, et cetera, how many professors?

When we talk about tuition fee increase, when we talk about what the government gives you, a subsidy for 4.5 billion vis-a-vis, how many students do you have, et cetera, fixed lahat iyan eh. So for example, how many students you have in the lowest bracket of your socialized tuition versus ganyan, we can talk about that in the context of what we want to appear in the charter and what we will leave totally as a program for the University.

For example, there had been some proposals that sa nursing 'di ba pagka kinuha iyong estudyante from us, iyong nurse, kailangan magbigay iyong hospital doon ng grant. There have been some

proposals that doctors who get full scholarship should be like the PMAers that will have 4 years to serve our country 'no. But we have to say which programs we will put in the charter and which one we will just leave to the governing body, whether they are the regent or whatever they are. But as to limitations, for example, there's a consensus that you limit it to X percent of the land area, that can be discussed and then we will come up with a consensus whether it should be in the charter or in the form of a resolution from the Board of Regents. We don't want to tie the hands of the governing body. But on the other hand, I do agree, you didn't also give full powers especially when there are social objectives 'no to all of these.

Are there any other comments?

Yes, Ma'am Roman.

MS. ROMAN. Yeah, just some final points. I think we should make it—we should distinguish between commercializing education and commercializing our assets. I don't think UP is guilty of commercializing education.

Take for example, the College of Nursing. If we want to respond to market forces, we could have easily increased the number of quota for our nursing college. But we did not do that because we are more

interested in improving the quality of the nursing education and we're more interested in the development of Philippine nursing rather than to expanding enrollment. And that would be tantamount to commercializing education.

But we would like to put into productive use our idle assets. And I hope they do not look at putting into productive use our idle assets as commercializing education. We believe that UP should do what it does best. It should teach and do research. But we have no expertise to develop real estate property and so we should leave it to the experts who know better. So that's one point.

THE CHAIRMAN. Let me agree there, Ma'am, but the limitations is, for example, you say that the land is idle and we agree that it's now idle. But what if the land—part of the UP community wants to make it a school building, and then part wants to make it a real estate development. Then there's a ...

MS. ROMAN. We have that land use plan.

THE CHAIRMAN. Uh-huh.

MS. ROMAN. Certain portions of the University are for academic purposes, strictly speaking.

THE CHAIRMAN. But the contention of the people who gave the position paper is that—but the Board of Regent can always change that land use plan.

MS. ROMAN. Yeah.

THE CHAIRMAN. So I guess that's where the, you know, the discussion comes in.

SEN. PANGILINAN. Mr. Chairman, if I may be allowed, just very briefly.

If I recall, that was one of the major and contentious issues that were put forth and raised by some of our colleagues in the Senate as regards to power of the BOR, how they may exercise this, that if, you know, hypothetically you have an abusive president who decides to utilize the assets for—in other words, the UP was being compared to some of the, at that point, the GFIs, like GSIS or SSS wherein a president of this entity would use the office and abuses his posts and allow for such, how do you call it, nalulustay iyong assets noong kompanya ika nga, parang iyong National Power Corporation. And that's why there have been safeguards put in place.

However, precisely, as Senator Angara mentioned earlier, we will have to balance, strike-A, and walk a tightrope in terms of

providing safeguards but at the same time stifling and then preventing or defeating the autonomy of the university.

And in the end—and my response to some of the senators who raised the issue of how do you ensure that these assets are protected. There may be abuses. And I said, unlike a government financing institution, there are inherent checks inside the University of the Philippines. You do have representative of the students in the board. You don't have a representatives of the employees in the board, for example of, SSS or GSIS. You have a faculty representative in the board.

And, of course, apart from that is the dynamism of the University itself. Kaya nga hindi natuloy iyong isang -diyan din ako galing eh. Gumawa ka lang ng isang proposal na controversial eh bukas kamakalawa mayroon nang nagra-rally sa harap ng Quezon City Hall, nandudoon na lahat eh.

So there is an inherent check that is unique to the University. There is a UP community. There is a vibrant and dynamic.... And in fact, I throw it back, as mentioned earlier by Senator Angara. This is a document. Now, how we breathe life into the document is another thing altogether. It is not the end-all and be-all. This will not solve

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the problems of the University. In the long run it is the community
itself together with other stakeholders who will move the University
forward, who will through the efforts of Wide Dem, through the efforts
of the administration.... /lpp

ano talaga, the university policy or whatever should always be tied to the policy of the State insofar as higher education is concerned.

And, finally, po sa tingin ko naman po wala din naman pong magiging debate as far as the administration and the WIDEM and the students are concerned, insofar as asserting really that at the end of the day, while we may have whatever bill that may be passed in Congress today, at the end of the day it is still State subsidy which is clearly needed. And it is really an appeal, at the very best to the legislators in both Houses of Congress, na if we are really to internationalize, to really make the university the best in Asia, productive use of idle assets are never enough, and at the end of the day, it is still State subsidy clearly granted to the University of the Philippines which will really answer the needs of the university in the long term. 'Yun lang naman po.

THE CHAIRMAN (SEN. CAYETANO, A). Yeah. Thank you very much and that's a good note to end on, and the technical working group will be in touched 'no with the different sectors. And please feel free, as I said, to enhance the bill and to give us these suggestions and comments, and then we will try to meet before the break, but if not, right after and get this bill on the floor of the Senate.

Thank you very much and magandang hapon sa inyo. The committee hearing is suspended.

(THE HEARING WAS SUSPENDED AT 3:12 P.M.)... /hsg 

SEN. PANGILINAN. ...through the efforts of WIDEM, through the efforts of the administration-- on case-to-case basis. Doon natin matutugunan 'yung problema ng pamantasan, and therefore, this is really just a first step. Where we bring it after this is really up to the community. How we are able to really address access to quality education in the tertiary level-- hamon 'yan sa administration and, of course, the stakeholders themselves.

And, finally, tumutunog na po ang kampana, Mr. Chairman. Thank you.

THE CHAIRMAN (SEN. CAYETANO, A). Yes. Thank you very much. Say one last point for...

MR. KIDON. 'Yung sa-- on the point on 'yung commercializing education and productive use of idle assets, I think there's no debate on that. For example, if the University of the Philippines would want to really establish a research center or a center for the development of small and medium enterprises, there is no debate in that. They may do it as they wish. Kaya nga po mahalaga po talaga sa amin, for our part, 'yung wording po talaga nung batas ay, ano talaga, 'yung productive use of idle assets. Hindi naman-- it is not really to tie the hands of the university. There is still a grant of power. However, it should be tied only to the policy direction not only of the university, but of the State as well. Kasi hindi po talaga natin-- at any given time magiging malinaw talaga na,