



HOUSE OF REPRESENTATIVES

H. No. 10694

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BY REPRESENTATIVES CALDERON, DEL MAR, ABELLANOSA, GULLAS, CAMINERO, GARCIA (P.J.), SALIMBANGON, FRASCO, OUANO-DIZON, RADAZA, LAGON, GO (M.), YAP (E.), SALCEDA, EBCAS, CO (A.N.), SUANSING (E.), SUANSING (H.), TEJADA, NOGRALES (J.J.), QUIMBO, RODRIGUEZ, CASTRO (F.L.), ACOSTA-ALBA, MENDOZA, VIOLAGO, DAGOOC, LACSON, TAMBUNTING, GARIN (S.), GAITE, YU, NIETO, AGABAS, FORTUN, PLAZA, PADIERNOS, CRISOLOGO AND ABU, PER COMMITTEE REPORT NO. 1424

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AN ACT  
CONVERTING THE CEBU TECHNOLOGICAL UNIVERSITY INTO A  
UNIVERSITY SYSTEM TO BE KNOWN AS THE "CEBU TECHNOLOGICAL  
UNIVERSITY SYSTEM", AND APPROPRIATING FUNDS THEREFOR

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

1           **SECTION 1. Declaration of Policy.** – It is the policy of the State to give  
2 priority to education, foster patriotism and nationalism, accelerate development of  
3 human capital, and protect the rights of its citizens to accessible quality education. To  
4 this end, the State shall strengthen higher educational institutions, especially the state  
5 colleges and universities in the countryside.

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7           **SEC. 2. Conversion.** – The Cebu Technological University (CTU) in Cebu City  
8 is converted into a university system to be known as the "Cebu Technological  
9 University (CTU) System", hereinafter referred to as the CTU System.

10  
11           **SEC. 3. University System.** – The CTU System is a university system and shall  
12 be composed of constituent units established solely by its Board of Regents upon the  
13 recommendation of the President of the CTU. The CTU System is composed of its  
14 existing constituent universities, as follows: Cebu Technological University-Metro  
15 Cebu; Cebu Technological University-North Cebu; and Cebu Technological University-  
16 South Cebu.

1           **SEC. 4. General Mandate.** – The CTU System shall primarily offer higher and  
2 advanced professional and technical instruction and training in technology, engineering,  
3 mathematics, education, industrial programs, agriculture, fisheries, forestry, veterinary  
4 medicine, medical and natural sciences, aeronautics and space programs, land-based  
5 programs, information technology, digital programs, arts, humanities, and sciences,  
6 public administration, business, management and allied fields, online courses,  
7 nontraditional courses, applied arts and sciences and other relevant fields of study. As a  
8 university system, it shall promote advanced instruction, research, extension,  
9 production, and resource generation in line with the latest science technology and  
10 industrial revolution and shall provide progressive leadership in its areas of  
11 specialization.

12  
13           **SEC. 5. The Board of Regents.** – The governing body of the CTU System, shall  
14 be the Board of Regents, hereinafter referred to as the Board, which shall be chaired and  
15 co-chaired by the Chairperson of the Commission on Higher Education (CHED) and the  
16 President of the CTU System, respectively, and with the following as members:

- 17  
18           a. Chairperson of the Committee on Higher, Technical and Vocational Education of  
19 the Senate;  
20           b. Chairperson of the Committee on Higher and Technical Education of the House of  
21 Representatives;  
22           c. Regional Director of the National Economic and Development Authority;  
23           d. Regional Director of the Department of Science and Technology;  
24           e. President of the federation of faculty associations of the CTU System;  
25           f. President of the federation of student councils of the CTU System;  
26           g. President of the federation of alumni associations of the CTU System,  
27           h. Representative of the nonteaching or personnel association of the CTU System; and  
28           i. Two (2) prominent citizens from the private sector who have distinguished  
29 themselves in their professions or fields of specialization.

30  
31           The Board shall appoint two (2) prominent citizens who shall be selected from a  
32 list of at least five (5) qualified persons from the Province of Cebu, as recommended by  
33 a search committee constituted by the President of the CTU System, in consultation with  
34 the Chairperson of the CHED and other members of the Board, based on the standards  
35 and qualifications for the position set by the Board. They shall serve for a term of two  
36 (2) years from the date of appointment.

37  
38           The membership of the President of the federation of faculty associations, the  
39 President of the federation of student councils, the President of the federation of alumni  
40 associations, and the Representative of the nonteaching personnel in the Board shall be  
41 coterminous with their terms of office, as provided under their respective constitutions  
42 and bylaws.

43  
44           In case of vacancy among appointive positions in the Board, the vacancy shall be  
45 filled by the Board following guidelines set by it and the appointee shall hold office only  
46 for the unexpired portion of the term.

47  
48           **SEC. 6. Powers and Duties of the Board.** – In addition to its general powers of  
49 administration and the powers granted to the board of directors of a corporation under  
50 existing laws, the Board shall have the following specific powers and duties:

1 a. Promulgate and implement policies in accordance with the declared State policies on  
2 education, other pertinent provisions of the Constitution on education, agriculture,  
3 science and technology, and the policies, standards and thrusts of the CHED under  
4 Republic Act No. 7722, otherwise known as the "Higher Education Act of 1994";  
5

6 b. Approve the curricula, instructional programs, and rules on student discipline drawn  
7 by the Administrative and Academic Councils as herein provided;  
8

9 c. Appoint, upon the recommendation of the President of the CTU System, the vice  
10 presidents, chancellors, deans, directors, heads of the campuses, faculty members, and  
11 other officials and employees of the CTU System;  
12

13 d. Fix and adjust the salaries of faculty members, administrative officials and  
14 employees, subject to the provisions of the Revised Compensation and Position  
15 Classification System and other pertinent budget and compensation laws governing  
16 hours of service, and such other duties and conditions as it may deem proper; grant  
17 them, at its discretion, leaves of absence under such regulations as it may promulgate,  
18 any provision of existing law to the contrary notwithstanding; and remove them for  
19 cause in accordance with the requirements of due process of law.  
20

21 e. Hear and decide administrative cases or matters brought before it on appeal from the  
22 Office of the President, involving CTU officials and employees, in accordance with the  
23 Civil Service Commission (CSC) Rules on Administrative Cases;  
24

25 f. Fix the tuition fees and other necessary school charges, such as matriculation fees,  
26 graduation fees and laboratory fees, as the Board may deem proper to impose, after due  
27 consultation with the concerned sectors. The fees and charges, including government  
28 subsidies and other income generated by the CTU System, shall constitute its special  
29 trust funds, and shall be deposited in any authorized government depository bank. All  
30 interests that shall accrue therefrom shall form part of the same funds for the use of the  
31 CTU System;  
32

33 Any provision of existing law, rule or regulation to the contrary  
34 notwithstanding, any income generated by the CTU System from tuition fees and other  
35 charges, as well as from the operation of auxiliary services and land grants, shall be  
36 retained by the CTU System and may be disbursed by the Board for instruction,  
37 research, extension services or other programs or projects of the CTU System: *Provided,*  
38 That all fiduciary fees shall be disbursed for the specific purposes for which these are  
39 collected: *Provided, however,* That if, for reasons beyond its control, the CTU System  
40 shall not be able to pursue any project for which the funds have been appropriated and  
41 allocated under its approved program of expenditures, the Board may authorize the use  
42 of said funds for any reasonable purpose which, in its discretion, may be necessary and  
43 urgent for the attainment of the objectives and goals of the CTU System;  
44

45 g. Adopt and implement a socialized scheme of tuition and other school fees for greater  
46 access of poor but deserving students in accordance with Republic Act No. 10931,  
47 otherwise known as the "Universal Access to Quality Tertiary Education Act";  
48

49 h. Establish professorial chairs in the CTU System and provide fellowships for qualified  
50 faculty members, and scholarships to deserving students;

- 1 i. Receive and appropriate sums as may be provided by law for the support of the CTU  
2 System, and all other sums in the manner it may, in its discretion, determine to carry  
3 out the purposes and functions of the CTU System;  
4
- 5 j. Set the policies on admission and graduation of students;  
6
- 7 k. Award honorary degrees upon persons in recognition of their outstanding  
8 contributions in the fields of education, public service, arts, science and technology,  
9 sports and human kinetics or any field of specialization within the academic competency  
10 of the CTU System, and authorize the awarding of certificates of completion of  
11 nondegree and nontraditional courses;  
12
- 13 l. Develop academic arrangements for institutional capability building with appropriate  
14 institutions and agencies, whether public, private, local or foreign, and appoint experts  
15 or specialists as consultants, part-time, visiting or exchange professors, scholars or  
16 researchers, as the case may be;  
17
- 18 m. Adopt modern and innovative modes of transmitting knowledge to allow greater  
19 access to education such as the use of information technology, online programs, dual  
20 training system, open distance learning, and community laboratory;  
21
- 22 n. Absorb non-chartered tertiary institutions within the province of Cebu and Region VII  
23 as branches, extension or external centers, in coordination with the CHED and in  
24 consultation with the Department of Budget and Management (DBM), and offer therein  
25 programs or courses to carry out the constitutional mandate of providing equal access to  
26 educational opportunities;  
27
- 28 o. Authorize an external management audit of the CTU System, to be financed by the  
29 CHED, subject to the rules and regulations of the Commission on Audit (COA), and  
30 institute reforms, including academic and structural changes, on the basis of the audit  
31 results and recommendations;  
32
- 33 p. Create, organize, reorganize, merge or abolish satellite and extension campuses,  
34 colleges, institutes, and other academic and administrative units of the CTU System;  
35
- 36 q. Develop consortia and other economic forms of linkages with local government units  
37 (LGUs), as well as public, private, local or foreign institutions and agencies for the  
38 furtherance of the purposes and objectives of the CTU System;  
39
- 40 r. Import economic, technical and cultural books and publications;  
41
- 42 s. Enter into joint ventures with business and industry for the profitable management of  
43 economic assets, the proceeds of which shall be used for the development and  
44 strengthening of the CTU System;  
45
- 46 t. Receive in trust, legacies, gifts and donations of real and personal properties of all  
47 kinds and administer and dispose of the same, when necessary, for the benefit of the  
48 CTU System and subject to the limitations, directions and instructions of the donor, if  
49 any;

1 u. Delegate any of its powers and duties to the President and other officials of the CTU  
2 System, as it may deem appropriate, so as to expedite the administration of the affairs of  
3 the CTU System;

4  
5 v. Establish policy guidelines and procedures for participative and transparent decision-  
6 making within the CTU System;

7  
8 w. Where most advantageous to the CTU System, privatize the management of  
9 nonacademic services such as health, food, building or grounds or property  
10 maintenance, and such other similar activities;

11  
12 x. Authorize the construction or repair of its buildings, machinery, equipment and other  
13 facilities, and the purchase and acquisition of real property, including the necessary  
14 supplies, materials, and equipment; and

15  
16 y. Promulgate rules and regulations, as may be necessary, to carry out the purposes and  
17 functions of the CTU System.

18  
19 **SEC. 7. *Quorum and Service of Processes.*** – A quorum of the Board shall  
20 consist of majority of all members. All processes against the Board shall be served on  
21 the president or secretary of the Board.

22  
23 **SEC. 8. *Meetings of the Board.*** – The Board shall regularly convene once  
24 every three (3) months. The Chairperson of the Board may, however, call a special  
25 meeting whenever necessary: *Provided*, That members are notified in writing at least  
26 three (3) days prior to the conduct of said meeting.

27  
28 A quorum of the Board shall consist of a majority of all its members holding  
29 office at the time of the meeting: *Provided, however*, That the Chairperson of the Board  
30 or the President of the CTU System is among those present in the meeting.

31  
32 In case the Chairperson of the CHED cannot attend a meeting of the Board, a  
33 CHED Commissioner duly designated by Chairperson of the CHED as representative to  
34 the meeting, shall have all the rights and responsibilities of a regular member: *Provided*,  
35 That during the meeting, the President of the CTU System, as Vice Chairperson, shall  
36 be the presiding officer: *Provided, further*, That this provision notwithstanding, the  
37 Chairperson of the CHED is hereby authorized to designate a CHED Commissioner as  
38 the regular Chairperson of the Board, in which case, the said CHED Commissioner shall  
39 act as the presiding officer.

40  
41 In case the Chairpersons of the Senate Committee on Higher, Technical and  
42 Vocational Education and the House Committee on Higher and Technical Education  
43 shall not be able to attend the Board meeting, they may designate their respective  
44 representatives who shall have the same rights and responsibilities as regular members  
45 of the Board.

46  
47 The members of the Board shall serve without compensation other than  
48 reimbursements for actual and necessary expenses incurred, either for their attendance to  
49 the meetings of the Board or in connection with other official business authorized by  
50 resolutions of the Board, subject to existing laws and regulations.

1           **SEC. 9. *The University Administration.*** – The administration of the CTU  
2 System shall be headed by a President who shall be appointed by the Board, subject to  
3 its guidelines on qualifications and standards, and based on the recommendation of a  
4 search committee duly constituted for the purpose of selecting the President. The CTU  
5 System President shall render full-time service, serve a term of four (4) years, and may  
6 be reappointed to another term: *Provided*, That this provision shall not adversely affect  
7 the term of the incumbent President.  
8

9           Within six (6) months before the expiration of the term of office of the  
10 incumbent President of the CTU System, the Board shall constitute the Search  
11 Committee for the Presidency.  
12

13           The salary of the President of the CTU System shall be in accordance with  
14 Republic Act No. 11466 or the “Salary Standardization Law of 2019”, and such other  
15 laws amendatory thereto, which may hereinafter be enacted, and on the joint circular for  
16 state universities and colleges leveling instruments and guidelines of the CHED and the  
17 DBM.  
18

19           In case of a vacancy in the Office of the President by reason of death,  
20 compulsory retirement, resignation, removal for cause, or incapacity of the President to  
21 perform the functions of the office, the Board shall designate an Officer-in-Charge of  
22 the CTU System, pending the appointment of a new President: *Provided*, That the  
23 Officer-in-Charge shall serve only during the unexpired portion of the term.  
24

25           The President of the CTU System shall be assisted by an Executive Vice  
26 President, Vice President for Academic Affairs; Administration, Planning and Finance;  
27 Research, Development, and Extension; Linkages, Production and Research Generation;  
28 and Quality Assurance, who shall all be appointed by the Board upon the  
29 recommendation of the President of the CTU System from a list submitted by the search  
30 committee. Realignment of vice-president functions and title may be allowed upon  
31 approval of the Board.  
32

33           **SEC. 10. *Powers and Duties of the President.*** – The President of the CTU System  
34 is the chief executive of the university, chief academic officer and head of the university  
35 faculty who shall exercise the following powers and functions:  
36

- 37       a. Provide progressive and dynamic, ethical, and intellectual and administrative  
38       leadership;
- 39
- 40       b. Exercise general supervision over all academic, administrative, business and  
41       financial operations;  
42
- 43       c. Determine and prepare the agenda of all meetings of the Board: *Provided, however*,  
44       That any member of the Board shall be entitled to have any matter included in the  
45       agenda;  
46
- 47       d. Recommend to the Board the creation of administrative offices, as well as changes  
48       in the organizational structure to enhance the operations and functions of the CTU  
49       System;

- 1 e. Enforce general policies affecting any unit of the CTU System and take such  
2 actions, which one's judgement are necessary for the protection of property and  
3 general interest of the CTU System, its student and personnel, and the operation of  
4 the CTU System as a whole, and to inform the Board on all matters relating to the  
5 operation and welfare of the CTU System;  
6
- 7 f. Make *ad-interim* appointments to fill in new positions and crucial vacancies,  
8 subject to the subsequent approval of the Board, and to make such arrangements to  
9 meet emergencies occurring between meetings of the Board so that the efficient  
10 operations of the CTU System may not suffer;  
11
- 12 g. Hear and decide administrative cases or matters instituted by or brought before it  
13 directly, involving CTU officials and employees, in accordance with the CSC Rules  
14 on Administrative Cases and subject to appeal to the Board;  
15
- 16 h. Grant or withhold permission to reveal confidential matters affecting the CTU  
17 System or any unit thereof, on any action taken by the Board;  
18
- 19 i. Grant permission for the use of the building and the premises of the CTU System  
20 for academic, professional and specific convention, student and other related  
21 activities;  
22
- 23 j. To represent CTU System in the execution of contracts, deeds and instruments for  
24 the proper conduct of the business of the CTU System;  
25
- 26 k. Prepare an annual report on the programs, projects, and accomplishments of the  
27 CTU System for the previous year, as well as the needs for the current year,  
28 including a budget covering the estimates of income and expenditures; and  
29
- 30 l. Exercise such other powers as elsewhere provided in this Act, or as authorized by  
31 the Board.  
32

33 **SEC. 11. CTU Officials.** – The CTU System President shall be assisted by the  
34 executive vice-president, vice-presidents, chancellors, the secretary of the CTU, and  
35 such other academic and administrative officials, whose position and functions are  
36 deemed necessary in the effective and efficient administration of the CTU System, as  
37 may be determined by the Board. The president, executive vice-president, vice-  
38 presidents, chancellors, campus directors, college deans and directors, shall be given  
39 appropriated representation and transportation allowance (RATA). Other CTU officials  
40 may also be provided with RATA upon proper justification and approval of the Board  
41 and compliance with the DBM guidelines and policies.  
42

43 **SEC. 12. Search Committee.** – Within six (6) months before the expiration of  
44 the term of office of the incumbent president, executive vice-president, and vice-  
45 presidents of the CTU System, the Board shall constitute a search committee, whose  
46 composition shall be determined by the Board, and taking into consideration  
47 representatives from the academic community, one (1) private sector representative who  
48 should not be in anyway connected to or associated with the CTU System, two (2)  
49 representatives from the Philippine Association of State University and Colleges  
50 (PASUC), and one (1) representative from the CHED.

1           **SEC. 13. *Minimum Qualifications for Presidency.*** – The applicant for the  
2 presidency of the CTU System must possess the qualifications and standards set by the  
3 Board and Republic Act No. 8292, otherwise known as the “Higher Education  
4 Modernization Act of 1997”.

5  
6           **SEC. 14. *Appointment Papers of the CTU President.*** – After the Board  
7 selected and appointed the new president, the appointment papers shall be signed by the  
8 Chairpersons of the CHED or the CHED Commissioner, who have been duly designated  
9 as regular chairperson of the Board.

10  
11           **SEC. 15. *Heads of the Constituent CTU.*** – Each Constituent CTU shall have a  
12 chancellor to be appointed by the Board, upon the recommendation of the President  
13 from a shortlist of candidates prepared by a Search Committee created for the purpose,  
14 subject to its guidelines on qualifications and standards set by the Board. The chancellor  
15 shall serve for a term of four (4) years, and shall stay on until a qualified successor shall  
16 have been appointed.

17  
18           **SEC. 16. *The Chancellor of a Constituent Campus.*** – The Chancellor shall be  
19 the Chief Executive Officer of the Constituent Campus and shall exercise general  
20 supervision over all business and financial operations of the constituent unit.

21  
22           **SEC. 17. *Heads of Campuses.*** – A campus shall be headed by a campus director  
23 who shall render full-time service. All campus directors shall be appointed by the Board,  
24 upon the recommendation of the CTU President, subject to the guidelines on  
25 qualifications and standards set by the Board. The Campus Directors shall serve a term  
26 of two (2) years, and shall stay on until a qualified successor shall have been appointed.

27  
28           **SEC. 18. *The CTU Council.*** – There shall be a CTU Council consisting of the  
29 CTU System President as its chairperson, the Executive Vice-President, all Vice  
30 Presidents, all Chancellors, all Campus Directors, Deans, and other officials of equal  
31 rank as members, whose duty is to review and recommend to the Board policies  
32 governing the administration, management, development, and planning of the CTU  
33 System.

34  
35           Each of the colleges of the CTU System shall be headed by a dean who shall be  
36 appointed by the Board upon the recommendation of the CTU System President from a  
37 shortlist of at least three (3) nominees submitted by the Chancellor, subject to the  
38 guidelines on qualifications and standards set by the Board. The College Dean shall  
39 serve a term of two (2) years, and shall stay on until a qualified successor shall have  
40 been appointed.

41  
42           In case of vacancy in the position of chancellors, campus directors and college  
43 deans, the President shall appoint or designate temporary appointments preferably from  
44 the incumbent heads of the campuses.

45  
46           If a dean fails to complete the term of office, the chancellor shall appoint an  
47 acting dean and commence the search and appointment process. In no case shall the  
48 search and appointment of the next dean be longer than sixty (60) calendar days from  
49 the date of vacancy.



1           **SEC. 19. *The Faculty.*** – The teaching personnel of each college shall constitute  
2 its faculty. The college faculty shall be headed by a dean.  
3

4           Each Constituent CTU unit must have the following minimum number of CTU  
5 professor positions: two (2) for CTU-Metro Cebu, one (1) for CTU-North Cebu, one (1)  
6 for CTU-South Cebu. Additional CTU professor positions may be created, subject to  
7 existing guidelines and qualifications. The president shall be given a CTU professor  
8 position without prejudice to the allocated number of professors per constituent unit:  
9 *Provided*, That the President is able to comply with the requirements as a CTU professor  
10 according to PASUC guidelines.  
11

12           **SEC. 20. *Academic Freedom and Institutional Autonomy, and Excellence.*** –  
13 The CTU System shall enjoy academic freedom and institutional autonomy pursuant to  
14 Paragraph 2, Section 5 of Article XIV of the Constitution, as well as the responsibility to  
15 maintain and enhance its high academic standards in the performance of its functions in  
16 instruction, research, extension, and community service.  
17

18           **SEC. 21. *Commitment to National Development and Sustainable Development***  
19 ***Goals.*** – The CTU System shall harness the expertise of the members of its community  
20 and other individuals to regularly study the state of the nation in relation to its quest for  
21 national development in the primary areas of research, innovation, sustainable  
22 education, and economics, among others; identify key concerns, formulate responsive  
23 policies regarding these concerns, and give advice and recommendations to Congress  
24 and the President of the Philippines. It shall also formulate policies that promote the  
25 sustainable development goals of the United Nations.  
26

27           **SEC. 22. *Social Responsibility.*** – The CTU System is committed to serve the  
28 Filipino nation and humanity. While it fulfills its obligation to pursue universal  
29 principles, it shall formulate its plans and activities towards the fulfillment of the  
30 aspirations of the Filipino people for progress and social transformation.  
31

32           **SEC. 23. *Internationalization.*** – The CTU System is a technological university  
33 with an international character. It shall adopt internationally-recognized curricula and  
34 collaborate with international universities to co-host courses or programs. In line with  
35 the direction of the CHED to attain the international recognition of Philippine higher  
36 education institutions, the CTU System shall exert best efforts to be recognized by  
37 prestigious world university ranking bodies, including the *Quacquarelli Symonds* and  
38 the Times Higher Education. It shall likewise subject its program offerings to  
39 prestigious international accreditation and certification bodies.  
40

41           **SEC. 24. *Research, Development and Extension (RDE) Centers.*** – Each  
42 campus must have at least one (1) RDE center with an annual appropriated budget of at  
43 least Five million pesos (PhP5,000,000.00). For the campus in Metro Cebu, each college  
44 shall have at least one (1) RDE center with an annual appropriated budget of at least  
45 Five million pesos (PhP5,000,000.00). Currently recognized RDE centers shall be  
46 carried over as established RDE centers. Thereafter, the establishment of new RDE  
47 centers must be approved at the level of the Board. The Office of the Vice-President for  
48 RDE shall, as endorsed by the President, recommend to the Board the creation of new  
49 RDE centers. Each of the RDE centers shall be headed by a director, who shall be  
50 appointed by the Board upon the recommendation of the CTU President and the Vice-  
51 President for RDE, and the respective Chancellors where the RDE center is hosted. The

1 RDE Directors shall have a term of two (2) years, subject to reappointment. The RDE  
2 Directors must have proper alignment to the field of the RDE center. The Office of the  
3 Vice-President for RDE shall monitor and evaluate the operations and performance of  
4 the RDE centers in cooperation with the respective chancellors. The respective RDE  
5 Directors shall prepare and manage the budget of the RDE centers based on the  
6 recommendation of their respective chancellors. The said budget shall be approved by  
7 the Office of the Vice-President for RDE and the CTU President.

8  
9 **SEC. 25. *Recognition and Financial Rewards.*** – The CTU System shall  
10 recognize and provide rewards to the outstanding achievements of the teaching and  
11 nonteaching personnel and students in instruction, research, extension, and  
12 administration. These include topping the licensure examinations, scientific publications  
13 in reputable peer-reviewed journals, patents, utility models and the like, and  
14 performance of highly outstanding employees. The mechanism and amount to be given  
15 shall be recommended by the appropriate CTU councils and subject to the approval of  
16 the Board.

17  
18 **SEC. 26. *Income Generating Projects and Viable Demonstration Projects.*** –  
19 The CTU System shall implement feasible income generating projects (IGPs) and viable  
20 demonstration projects. These projects serve as vital links to the functions of the CTU in  
21 instruction, research, production, extension services, and resource generation.

22  
23 Toward this end, an IGP manual of operations shall be formulated for the  
24 operation of the IGPs of the CTU System which shall provide for the share of the CTU  
25 System and the incentives of employees involved in the implementation of the projects  
26 based on existing circulars of the DBM, COA, CSC and other pertinent laws, rules, and  
27 regulations.

28  
29 **SEC. 27. *Non-teaching Personnel.*** – Regular employees not performing  
30 regular teaching functions shall compose the non-teaching personnel of the CTU  
31 System. The creation and opening of new non-teaching personnel plantilla positions  
32 shall be vested in the Board, subject to the CSC rules and regulations and the availability  
33 of funds.

34  
35 **SEC. 28. *Assets, Liabilities and Personnel.*** – All assets, both real and personal,  
36 personnel and records of the CTU, as well as its liabilities or obligations, shall be  
37 transferred to the CTU System: *Provided*, That the positions, rights, and security of  
38 tenure of faculty members and personnel therein employed under existing laws prior to  
39 the conversion into a CTU System shall be respected.

40  
41 All parcels of land belonging to the government occupied by the CTU and all its  
42 satellite campuses are hereby declared property of the CTU System, and shall be titled  
43 under its name: *Provided*, That should the CTU System cease to exist or be abolished or  
44 should such aforementioned parcels of land be no longer needed by the CTU System,  
45 the same shall revert to the concerned LGU or to the Republic of the Philippines, as the  
46 case may be.

47  
48 **SEC. 29. *Land Grants and Other Real properties.*** –

49  
50 a) The State shall support the CTU System in the form of lump sum amount, through  
51 the annual General Appropriations Act (GAA) and other financial benefits, and in

1 kind, through land grants and donations and use of other real properties. To carry out  
2 the intent of these grants, income derived from the development of all land grants  
3 and real properties shall be used to further the end of the CTU System, as may be  
4 decided by the Board;

- 5
- 6 b) Such parcels of land ceded by law, decree, or presidential issuance to the CTU  
7 System are reserved for the purposes intended. The absolute ownership of the CTU  
8 System over these landholdings, including those covered by original and transfer  
9 certificates of title in the name of the CTU System and their future derivatives, is  
10 hereby confirmed. Where the issuance of proper certificates of title for these  
11 landholdings is still pending, the appropriate government office shall expedite the  
12 issuance thereof within six (6) months from the date of effectivity of this Act:  
13 *Provided*, That all registration requirements necessary for the issuance of the said  
14 titles are submitted and complied with;
- 15
- 16 c) The Board may plan, design, approve and cause the implementation of land leases:  
17 *Provided*, That such mechanisms and arrangements shall sustain and protect the  
18 environment in accordance with law, and be exclusive of the academic core zone of  
19 the campuses of the CTU System: *Provided, further*, That such mechanisms and  
20 arrangements shall not conflict with the academic mission of the CTU System;
- 21
- 22 d) The Board may allow the use of the income coming from real properties of the CTU  
23 System as security for transactions to generate additional revenues when needed for  
24 educational purposes;
- 25
- 26 e) The Board may approve the implementation of joint ventures: *Provided*, That in the  
27 event real properties of the CTU System are involved, only the income derived from  
28 the use of the real properties shall be the subject of its participation or obligation in  
29 the joint ventures: *Provided, further*, That no joint venture shall result in the  
30 alienation of the real properties of the CTU; and
- 31
- 32 f) Any plan to generate revenues and other sources of income from land grants and  
33 other real properties entrusted to the CTU System shall be consistent with its  
34 academic mission and devoid of any undue influence and control from commercial  
35 interests. The programs, projects or mechanisms shall be approved by the Board  
36 subject to a transparent and democratic process of consultation with the constituents  
37 of the CTU System: *Provided*, That funds generated from such programs, projects or  
38 mechanisms shall not be meant to replace, in part or in whole, the annual  
39 appropriations it is receiving as provided by the national government.

40

41 **SEC. 30. Safeguards on Assets Disposition.** – The preservation of the value of the  
42 assets of the CTU System shall be of primordial consideration.

43

44 The sale of any existing real property of the CTU System shall be prohibited:  
45 *Provided*, That the Board may alienate real property donated after the effectivity of this Act  
46 if the terms of the donation specifically allow it.

47

48 Notwithstanding the provision of this Act or any other law to the contrary, the lease  
49 of more than five (5) years of the assets of the CTU System and any transaction referred to  
50 under this section shall be subject to the following conditions and procedures:

- 1) That 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;
- 2) That they shall be based on a multi-year comprehensive development plan, crafted, and developed by qualified urban planning professionals having at least five (5) years experience, with prior consultations with and concurrence of third-party experts and duly approved by a majority vote of all the members of the Board;
- 3) That they shall be subject to competitive and public bidding as provided for under Republic Act No. 9184, otherwise known as the "Government Procurement Reform Act"; and
- 4) That when such transactions involve an amount more than Fifty million pesos (PhP50,000,000.00), they shall be approved by at least three-fourths of all the members of the Board: *Provided*, That the splitting of contracts, such as by breaking up a contract into smaller quantities or amounts, or dividing contract implementation into artificial or arbitrary phases or subcontracts for the purpose of circumventing this provision, shall not be allowed.

**SEC. 31. Duty and Tax Exemptions.** – Subject to the provisions of the National Internal Revenue Code of 1997, as amended, and Republic Act No. 10863, otherwise known as the "Customs Modernization and Tariff Act (CMTA)", as the case maybe:

- a) All revenues and assets of the CTU System used for educational purposes, or in support thereof, shall be exempt from taxes and duties;
- b) All grants, bequests, endowments, donations, and contributions made to and used actually, directly and exclusively for educational purposes by the CTU System, shall be exempt from donor's tax and the same shall be considered as allowable deductions from gross income for purposes of computing the taxable income of the donor in accordance with the provisions of the National Internal Revenue Code of 1997, as amended;
- c) Importation by the CTU System of economic, technical, vocational, scientific, philosophical, historical, legal, and cultural books, supplies and materials shall, upon certification by the Board and the CHED, including scientific and educational computer and software equipment, be exempt from customs duties in accordance with the provisions of Republic Act No. 10863, otherwise known as the "CMTA"; and
- d) All academic awards shall be exempt from taxes.

**SEC. 32. Transitory Provision.** – for purposes of transition into the CTU System status, the incumbent President of the CTU shall serve a new first term as the first President of the CTU System. The President shall designate, preferably among the incumbent campus directors, an officer-in-charge for the position of chancellors of the constituent units until such time the appointed chancellors have assumed the position in accordance with Section 16 of this Act.

1           **SEC. 33. *Development Plan and Organizational Structure.*** – Within one hundred  
2 twenty (120) days after the approval of this Act, the CTU System shall accomplish the  
3 following:

- 4  
5           a) Submit a five (5)-year development plan, including its corresponding program  
6 budget to the CHED and the DBM;  
7  
8           b) Submit the revised Land Use Development and Infrastructure Plan (LUDIP) in  
9 accordance with Republic Act No. 11396, otherwise known as the “SUCs  
10 LUDIP Act”;  
11  
12           c) Undergo a management audit in cooperation with the CHED; and  
13  
14           d) Set up its organizational, administrative as well as academic structure, including  
15 the designation of the key officials and other administrative personnel of the  
16 CTU System.  
17

18           **SEC. 34. *Filing of Report.*** – On or before the fifteenth (15<sup>th</sup>) day of the second  
19 (2<sup>nd</sup>) month after the opening of regular classes each year, the Board shall file a detailed  
20 report on its compliance with the requirements for university system status with the Office  
21 of the President of the Philippines and both Houses of Congress, through the Chairperson  
22 of the CHED.  
23

24           The CHED shall regularly provide technical assistance to the CTU System and  
25 monitor compliance with all the requirements. They shall designate a panel of experts who  
26 shall prepare, provide, and define the specific indicators and levels of accomplishments  
27 based on the acceptable international practices to be used as benchmarks in declaring the  
28 CTU as a university system. These benchmarks prepared by the panel of experts shall be  
29 recommended to the CHED through a resolution of the Commission *en banc*.  
30

31           The CTU shall retain its status prior to the effectivity of this Act, until it complies  
32 with the requirements provided herein.  
33

34           **SEC. 35. *Rules of Construction.*** – Unless subsequent legislation expressly provided  
35 for the repeal, amendment or modification, no other issuances shall diminish the powers,  
36 rights, privileges, and benefits accorded to the CTU System under this Act or under the  
37 issuances not otherwise modified or repealed under this Act.  
38

39           **SEC. 36. *Appropriations.*** – The amount necessary to carry out the initial  
40 implementation of this Act shall be charged against the current year’s appropriation of the  
41 CTU. Thereafter, such sums as may be necessary for the continued implementation of this  
42 Act shall be included in the annual GAA.  
43

44           **SEC. 37. *Suppletory Application.*** – The provisions of Republic Act No. 8292,  
45 otherwise known as the “Higher Education Modernization Act of 1997”, shall form part of  
46 this Act.  
47

48           **SEC. 38. *Implementing Rules and Regulations.*** – Within sixty (60) days from the  
49 approval of this Act, the Board shall, in consultation with the CHED, issue the rules and  
50 regulations to fully implement the provisions of this Act.

1           **SEC. 39. *Separability Clause.*** – If, for any reason, any part or provision of this Act  
2 is declared invalid or unconstitutional, the remaining parts or provisions not affected are in  
3 full force and effect.

4  
5           **SEC. 40. *Repealing Clause.*** – Republic Act 9744, entitled “An Act Converting the  
6 Cebu State College of Science and Technology System in the City of Cebu and All of Its  
7 Satellite Campuses Located in the Province of Cebu into a State University to be Known as  
8 the CTU and Appropriating Funds Thereof”, is hereby amended, and all other laws,  
9 presidential decrees, executive orders, and rules and regulations contrary to or inconsistent  
10 with the provisions of this Act are amended, repealed or modified accordingly.

11  
12           **SEC. 41. *Effectivity.*** – This Act shall take effect fifteen (15) days after its  
13 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,