



HOUSE OF REPRESENTATIVES

H. No. 5008

BY REPRESENTATIVES ABAYON, VILLAR, ESCUDERO, ABLAN, ZUBIRI, ZIALCITA, VELOSO, TAÑADA, CHATTO, OCAMPO, VIRADOR, MARIANO, BELTRAN, PETILLA, SUSANO, GULLAS, MACARAMBON, MAGSAYSAY (E.), VILLANUEVA, TEVES, ANDAYA, BATERINA, DATUMANONG, LACSON, CUA (J.), SINGSON, TOMAWIS, CAYETANO, VICENCIO, LAPUS, CASTELO DAZA, JARAUOLA, ESPINO, ESPINOSA (E.T.), NICOLAS, ABAD, ABALOS, ABANTE, ABAYA, ABUBAKAR, ACOSTA, AGARAO, AGBAYANI, AGUJA ALFELOR, ALMARIO, ALVAREZ (A.), AMATONG, AMIN, ANGARA, ANTONINO-CUSTODIO, APOSTOL, AQUINO (A.), AQUINO (B.), AQUINO (R.), ARBISON, BACANI, BACULIO, BADELLES, BARINAGA, BERSAMIN, BIAZON, BIRON, BONDOC, BUESER, BULUT, CABILAO, CAGAS, CAJES, CARLOS, CARMONA, CELESTE, CERILLES, CHIONGBIAN, CHIPECO, CHUNGALAO, CRISOLOGO, CUA (G.), CUENCO, DADIVAS, DANGWA, DE GUZMAN, DE VENECIA, DEFENSOR (A.), DEL MAR, DIAZ, DILANGALEN, DIMAPORO, DOMINGUEZ, DOMOGAN, DY (F.), ERMITA-BUHAIN, ESPINA, ESTRELLA, FABIAN, FIGUEROA, FIRMALO, FLOIRENDO, FUA, GARCIA (A.), GARCIA (V.), GARIN, GIDAYA, GOLEZ, GONZALEZ, GOZOS, HATAMAN, HONTIVEROS-BARAQUEL, IPONG, JALA, JALOSIOS, JAWORSKI, JAVIER, JOAQUIN, JOSON, KINTANAR, LAGBAS, LAGMAN, LOCSIN, LOPEZ (J.), MAGSAYSAY (M.), MAGTUBO, MALANYAON, MALAPITAN, MANDANAS, MARAÑON, MARCOLETA, MIRANDA, MITRA, NANTES, NEPOMUCENO, NIEVA, NOEL, NOGRALES, OLAÑO, PANCHO, PARAS, PINGOY, PLAZA, PUENTEVELLA, RAMIRO, REAL, REMULLA (G.), REMULLA (J.C.), REYES (V.), RODRIGUEZ (I.), ANTONINO, ROMAN, ROSALES, SALAPUDDIN, SANDOVAL, SANTIAGO, SEÑERES, SILVERIO, SOLIS, SOON-RUIZ, SUAREZ, SUMULONG, SUPLICO, SY-ALVARADO, TALIÑO-SANTOS, TEODORO, UMALI (A.), UNICO, UY (E.), VALDEZ, VALENCIA, VELARDE, VILLAFUERTE, VILLAROSA, VIOLAGO, WACNANG, YAPHIA, ZAMORA (R.) AND ZIALCITA, PER COMMITTEE REPORT NO. 1301

AN ACT TO STRENGTHEN THE UNIVERSITY OF THE PHILIPPINES
AS THE PREMIER STATE UNIVERSITY

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

1 SECTION 1. *Title.* – This Act shall be known as “The University of the
2 Philippines Charter of 2005”.

3 SEC. 2. *Declaration of Policy.* – The State shall promote, foster,
4 nurture and protect the right of all citizens to accessible quality education.
5 Towards this end, it is the policy of the State to strengthen the University of
6 the Philippines as the Premier State University.

7 SEC. 3. *Purpose of the University.* – As the Premier State University, a
8 public and secular institution of higher learning and a community of scholars
9 dedicated to the search for truth, knowledge and training/development of
10 future leaders, the University of the Philippines shall perform its unique and
11 distinctive leadership in higher education and national education development.
12 The University shall:

13 (1) Lead in setting academic standards and initiating innovations in
14 teaching, research and faculty development in philosophy, the arts and
15 humanities, the social sciences, the professions and engineering, natural
16 sciences, mathematics, and technology; and maintain centers of excellence in
17 such disciplines and professions;

18 (2) Serve as a graduate university by providing advanced studies and
19 specialization for scholars, scientists, writers, artists and professionals.

1 especially those who serve on the faculties of State and private colleges and
2 universities;

3 (3) Serve as a research university in the various fields of its expertise
4 and specialization by conducting basic and applied research and development,
5 promoting research in the various colleges and universities, and contributing to
6 the dissemination and application of knowledge;

7 (4) Lead as a public service university by providing forms of
8 community, and public and volunteer service, and scholarly and technical
9 assistance to the government, the private sector and civil society while
10 maintaining its standards of excellence;

11 (5) Protect and promote the professional and economic rights and
12 welfare of its academic and nonacademic personnel;

13 (6) Provide opportunities for training and learning in progressive
14 leadership, responsible citizenship, and the development of democratic values,
15 institutions and practice, and the enhancement of nationalism and national
16 identity;

17 (7) Provide democratic governance in the university based on
18 collegiality, representation, accountability, transparency and active
19 participation of its constituents; and

1 (8) Serve as a regional and global university in cooperation with
2 international and scientific unions with networks of universities and scholarly
3 and professional associations in the Asia-Pacific region and around the world.

4 SEC. 4. *Definition of Terms.* – As used in this Act, the following terms
5 shall mean:

6 (1) “University” refers to the University of the Philippines.

7 (2) “University of the Philippines System (UPS)” refers to the
8 University of the Philippines as composed by its existing constituent
9 universities, as follows: University of the Philippines Diliman; University of
10 the Philippines Manila; University of the Philippines Los Baños; University of
11 the Philippines Visayas; University of the Philippines Mindanao; University of
12 the Philippines Baguio; University of the Philippines Open University; and
13 those that may be created in the future.

14 (3) “University of the Philippines System Assembly (UPSA)” refers to
15 an assembly of individuals representing the students, academic personnel
16 (faculty and research, extension and professional staff), administrative
17 personnel, and alumni of the seven constituent universities (UP Diliman, UP
18 Manila, UP Los Baños, UP Visayas, UP Mindanao, UP Baguio, UP Open
19 University) and other constituent universities that may be created in the future.
20 Members of the Assembly shall be elected pursuant to Section 17 hereof.

1 (4) "University Assembly (UA)" refers to an assembly of individuals
2 representing the students, academic personnel (faculty and research, extension
3 and professional staff), administrative personnel, and alumni elected by the
4 constituents of a particular constituent university of the University of the
5 Philippines.

6 (5) "Research, Extension and Professional Staff (REPS)" refers to
7 university personnel who perform academic nonteaching duties. These include
8 university researchers, extension personnel, law reform group, law education
9 group, science education, guidance service group, library service group,
10 development management group and museum research group.

11 (6) "Academic freedom" refers to the right of every constituent of the
12 University to express one's ideas, to write, research and publish and act in
13 accordance with one's viewpoint inside and outside the classroom in the
14 pursuit of academic ideals and in service to the Filipino people;

15 (7) "Professorial chair awards" refers to awards given to faculty
16 members for meritorious performance in teaching, research, creative writing;
17 one of the highest forms of recognition for achievement in the academe;
18 holders of these awards deliver a lecture or publish a paper in a scholarly
19 journal within the period of award and may be named after the donor or after a
20 person that the donor may wish to honor.

1 (8) “Established religious beliefs” refers to mandatory spiritual and
2 theological practices, convictions and faith of the University population to
3 make them God-fearing, productive, patriotic citizens conscious of their values
4 and cultural heritage.

5 SEC. 5. *The University System.* – The University of the Philippines is a
6 university system and shall be composed of constituent universities established
7 solely by its Board upon the recommendation of the president of the
8 University.

9 SEC. 6. *Academic Freedom.* – The University has the right and the
10 responsibility to exercise academic freedom.

11 SEC. 7. *Academic Excellence.* – The University has the responsibility
12 to maintain and enhance its high academic standards in the performance of the
13 functions of instruction, research and extension, and public service.

14 SEC. 8. *Social Responsibility.* – The University is committed to serve
15 the Filipino nation and humanity. While it carries out the obligation to pursue
16 universal principles, it must relate its activities to the needs of the Filipino
17 people and their aspirations for social progress and transformation. The
18 University may provide venues for student volunteerism.

19 SEC. 9. *Democratic Access.* – No student shall be denied admission to
20 the University by reason of age, gender, nationality, religious belief, ethnicity,
21 political opinion or political affiliation or for being differently-abled

1 physically. The University shall take affirmative steps to enhance the access
2 of disadvantaged students to its programs and services while maintaining its
3 standards of excellence.

4 *SEC. 10. The Board of Regents.* – The governance of the University is
5 vested in the Board of Regents, hereinafter referred to as the Board, of the
6 UPS which shall be composed of:

7 (1) The chairperson of the Commission on Higher Education as
8 chairperson;

9 (2) The president of the University as vice chairperson;

10 (3) The chairperson of the Senate Committee on Education, Arts and
11 Culture;

12 (4) The chairperson of the House Committee on Higher and Technical
13 Education;

14 (5) The president of the UP Alumni Association, to serve as alumni
15 regent during his/her incumbency in that position;

16 (6) One academic regent representing full-time permanent teaching
17 (faculty) and nonteaching REPS chosen in accordance with the rules and
18 qualifications set by the constituent university councils composed of full-time
19 tenured faculty members of the University and the REPS's duly recognized
20 organizations, to serve for a term of two years;

1 (7) One student regent to serve for a term of one year chosen in
2 accordance with the rules and qualifications set by the general assembly of
3 recognized university student councils;

4 (8) One staff regent representing full-time administrative personnel
5 chosen in accordance with the rules and qualifications set by their duly
6 recognized organizations, to serve for a term of two years; and

7 (9) Three other regents representing the private sector, at least one of
8 whom should be an alumnus of the University, who have distinguished
9 themselves in their professions or fields of specialization chosen from a list of
10 five persons for every vacancy as recommended by a search committee
11 constituted by the president of the University based on standards and
12 guidelines approved by the Board, and appointed by the Board and shall each
13 serve for a term of two years: *Provided*, That the regents holding office as
14 members of the Board at the time of the effectivity of this Act shall continue to
15 serve until the expiration of their appointments as provided for in Executive
16 Order No. 204-A issued by the President of the Philippines on July 15, 1987.

17 In case of vacancy in the representation of the private sector in the
18 Board, such vacancy shall be filled by appointment by the Board as provided
19 in the preceding paragraph, and such appointee shall hold office for the
20 unexpired term. In case of vacancy in the position of sectoral regents, the
21 successor, who shall serve for the unexpired term, shall be chosen in the same

1 manner as provided for the predecessor: *Provided*, That in the case of a
2 sectoral regent, membership in the Board ceases upon suspension, separation
3 or recall from the University.

4 Members of the Board shall serve without compensation other than
5 actual and necessary expenses incurred in attendance of meetings of the Board
6 or other official business authorized by the Board.

7 SEC. 11. *Powers of the Board of Regents.* – The administration of the
8 University and the exercise of its corporate powers are vested in the Board.

9 The Board shall exercise the following specific powers and duties:

10 (1) To define in general terms the thrusts of the University and adopt
11 broad policy guidelines to ensure their implementation;

12 (2) To preserve the integrity of the UPS;

13 (3) To approve the creation, institution, merger or abolition of
14 academic units and programs and adopt the necessary measures to enable
15 students to exercise their established religious beliefs consistent with the
16 accepted norms and morals of society. Students shall be given options to
17 fulfill their academic responsibilities such as, but not limited to, make-up
18 classes/examinations on missed school days/examinations which coincided
19 with the exercise of their established religious beliefs, all upon the
20 recommendation of the university council of the constituent university
21 concerned through the president of the University;

1 (4) To approve the graduation of students and grant of honors, as
2 recommended by their respective university councils through the president of
3 the University;

4 (5) To confer honorary degrees upon persons in recognition of
5 learning, statesmanship, or eminence in literature, science or art, upon
6 recommendation of a committee created by the president of the University.
7 *Provided*, That such degrees shall not be conferred in consideration of any
8 payment, gift or other valuable consideration;

9 (6) To approve the rules on student discipline recommended by the
10 university councils through the president of the University, with the Board
11 retaining the power to review and pass final judgment on student disciplinary
12 cases;

13 (7) To create, organize, reorganize, merge or abolish constituent
14 universities, colleges, institutes, and other academic and administrative units
15 of the University;

16 (8) To establish professorial chair awards in the colleges and to
17 provide for the maintenance or endowment of such chairs;

18 (9) To provide fellowships, scholarships and grants, and to award the
19 same to faculty, staff and students giving special evidence of merit;

20 (10) To elect the president of the University for a single term of six
21 years without re-election following a process of democratic consultation with

1 the University community based on the guidelines, qualifications and/or
2 standards set by the Board. In the event of a vacancy for whatever reason/s,
3 the Board shall elect a new president who shall serve the unexpired term of the
4 predecessor within six months from the occurrence of the vacancy;

5 (11) To appoint faculty members and other officials and employees, to
6 draw up a position classification and compensation plan for its faculty and
7 staff, and to fix and adjust salaries and benefits of the faculty members and
8 other employees *subject to the provisions of the Revised Compensation and*
9 *Position Classification System* and other pertinent budget and compensation
0 laws, to determine their hours of service, and such other terms and conditions
1 as it may deem proper; to grant to them, at its discretion, leave of absence,
2 under such regulations as it may promulgate, and other provisions of law to the
3 contrary notwithstanding; and to remove them for cause as provided by law
4 after due investigation and proper hearing;

5 (12) To extend, with their consent, the tenure of faculty members of
6 the University beyond the compulsory retirement age, any other provision of
7 law to the contrary notwithstanding, *on recommendation of the units upon*
8 *endorsement of the president of the University*, whenever their services are
9 specially needed: *Provided, however*, That no extension of tenure shall be
10 made beyond the age of seventy (70);

1 (13) To fix the tuition fees and other necessary school charges, after
2 due consultations and consent of the various student councils of constituent
3 universities as provided for in Section 22 of this Act. Such fees and charges,
4 including government support and other incomes generated by the University,
5 shall constitute special trust funds and shall be deposited in any authorized
6 government depository bank. Any and all interests that shall accrue therefrom
7 shall form part of the same funds for the use of the University.

8 Any provision of law to the contrary notwithstanding, all incomes
9 generated by the University or by its own subsidiaries may, at the discretion of
10 the Board, be disbursed for the professional growth and development, health,
11 welfare and other benefits of the faculty members and other personnel; for the
12 acquisition, construction, maintenance and repair of urgently needed
13 instructional and auxiliary facilities, equipment, buildings and other
14 infrastructure; and for expenses necessary for the attainment of its purposes
15 under this Act. If the University, for reasons beyond its control, shall not be
16 able to pursue any project for which funds have been appropriated and
17 allocated under its approved program of expenditures, the Board may
18 authorize the use of said funds for any reasonable purpose which it deems
19 necessary and urgent for the attainment of the objectives and goals of the
20 University: *Provided*, That funds collected from students for specific purpose,
21 shall not be reprogrammed to other expenditures;

1 (14) To receive and appropriate all sums as may be provided by law
2 for the support of the University to the ends specified by law, and other sums
3 in the manner it may, in its discretion, determine to carry out the purposes and
4 functions of the University;

5 (15) To authorize the construction or repair of its buildings, machinery,
6 equipment and other facilities, and the purchase and acquisition of real and
7 personal properties, including the necessary supplies, materials and
8 equipment;

9 (16) To receive in trust legacies, gifts and donations of real and
10 personal property of all kinds and to administer and dispose the same when
11 necessary for the benefit of the University and subject to the instructions of the
12 donor, if any;

13 (17) The provisions of law to the contrary notwithstanding, to
14 authorize its faculty and staff to travel abroad in order to study, deliver paper,
15 attend conferences and disseminate research: *Provided*, That the fellowship,
16 scholarship or grant is authorized by the Board;

17 (18) To exercise the general powers set out in the Corporation Code;

18 (19) To delegate any of its powers to the president of the University or
19 any other officials or officers as it may deem necessary;

20 (20) To prescribe the rules for its own governance and the discipline of
21 the faculty and other personnel and to enact for the governance of the

1 University such general policies, rules and regulations, not contrary to law, as
2 are consistent with the purposes of the University; and

3 (21) To exercise such other powers as may be necessary and proper to
4 carry out the objectives of this Act.

5 SEC. 12. *Quorum of the Board of Regents.* – A simple majority of the
6 actual members of the Board holding office at the time the meeting is called
7 shall constitute a quorum.

8 SEC. 13. *The University President.* – The University president is the
9 chief academic officer and head of the University faculty and the chief
10 executive officer of the University elected by the Board. Upon the election of
11 the president by the Board, he/she shall immediately be issued appointment
12 papers by the presiding chair of the Board which elected the president. The
13 president shall preside over the meetings of the constituent university councils,
14 if he/she is in attendance. The president shall exercise the powers specifically
15 provided for in this Act, those determined by the Board, those which usually
16 pertain to the office of the president of the University, and those which are
17 related or necessary to its functions. The compensation of the president shall
18 be determined by the Board.

19 SEC. 14. *The Secretary of the University and of the Board of Regents.* –
20 There shall be a secretary of the University appointed by the Board, who shall

1 also be the secretary of the Board, and who shall keep such records of the
2 University as may be designated by the Board,

3 SEC. 15. *The University Council.* – There shall be in each constituent
4 university a university council consisting of the chancellor as chairperson, and
5 all of the faculty members in the University holding the rank of assistant
6 professor and higher and a representative of nontenured teaching personnel.

7 SEC. 16. *Powers of the University Council.* – The university council
8 shall be the highest academic body of each constituent university and shall
9 exercise the following powers:

0 (1) Fix the requirement for admission to any college or unit or any
1 academic program or course offering and for graduation and conferment of a
2 degree, and the grant of honors subject to the minimum system-wide
3 requirements;

14 (2) Prescribe the academic programs including their institution,
15 revision, abolition and merger subject to the approval of the Board;

16 (3) Recommend to the Board the graduation of students and the grant
17 of honors;

18 (4) Exercise disciplinary power over the students, through the
19 chancellors or their appropriate committees, subject to review by the president
20 of the University according to the limits prescribed by system-wide rules on
21 student discipline;

1 (5) Undertake a periodic review of academic courses, programs,
2 standards, thrusts and policies;

3 (6) Adopt the necessary measures to enable students to exercise their
4 established religious beliefs consistent with the accepted norms and morals of
5 society. Students shall be given options to fulfill their academic
6 responsibilities such as, but not limited to, make-up classes/examinations on
7 missed school days/examinations, which coincided with the exercise of their
8 established religious beliefs; and

9 (7) Adopt internal rules or procedure consistent with the provisions of
10 this Act.

11 SEC. 17. *The University Consultative Assemblies.* – There shall be
12 established for the whole UPS, consultative assemblies as follows:

13 (1) There shall be a college assembly for every college, other degree-
14 granting institute composed of representatives coming from the students,
15 academic personnel (faculty and REPS) and administrative personnel. The
16 dean of the college/director of the institute shall be the presiding officer of the
17 college assembly.

18 (2) There shall be a university assembly in each constituent university
19 composed of elected members from college assemblies, representing the
20 students, academic personnel (faculty and REPS), and administrative
21 personnel. Vice chancellors, deans of colleges and directors of degree-

1 granting institutes who have not been elected as delegates by their respective
2 college assemblies shall be *ex officio* nonvoting members of the university
3 assembly. The recognized unions for academic, administrative personnel and
4 university student council shall have representation in the university assembly
5 and the chancellor of each constituent university would be the presiding
6 officer.

7 (3) There shall be a University of the Philippines System Assembly
8 (UPSA) for the whole UPS composed of at least twenty-eight (28) members to
9 be elected from the university assemblies of seven existing constituent
10 universities with each constituent university entitled to four members
11 representing the students, academic personnel (faculty and REPS),
12 *administrative personnel and alumni.*

13 The members of the UPSA shall elect from among themselves the
14 executive committee to be composed of a chairperson and a vice chairperson
15 and an executive board composed of a representative from each constituent
16 sector, the students, faculty and REPS, administrative personnel and alumni.

17 The term of office of all representatives in the consultative assemblies
18 shall be for one year without prejudice to their re-election.

19 SEC. 18. *The Role and Functions of the Consultative Assemblies.* –
20 The consultative assemblies as consultative, consensus-building, democratic
21 and collegial bodies shall have the following functions:

1 (1) To serve as the principal forum where faculty, students, REPS and
2 administrative personnel shall address nonacademic issues affecting the
3 University, its thrust and directions, and issues relating to long/medium term
4 development plans for the University;

5 (2) To promote direct interaction among the various unit constituencies
6 of the University (faculty, REPS, administrative personnel and students) in the
7 discussion of issues and grievances which heretofore have been mainly
8 sectoral;

9 (3) To serve as a multi-sectoral forum to recommend policies on
10 administrative and nonacademic matters in consultation with the chancellors
11 for approval by the Board; and

12 (4) To act as a consultative body in the search process for deans,
13 directors and equivalent positions in the units of the University, as may be
14 necessary.

15 SEC. 19. *The Chancellor of the Constituent University.* – The
16 administration of each constituent university is vested in the chancellor insofar
17 as authorized by the Board and the president of the University. The chancellor
18 of the constituent university shall be elected by the Board upon nomination of
19 the president of the University, following a process of democratic consultation
20 with constituents of the constituent university subject to the guidelines,
21 qualifications and/or standards set by the Board. The chancellor shall report

1 to the president of the University, and shall perform the duties and functions
2 elsewhere stated in this Act, and all the usual, necessary and related functions
3 of the office of the chancellor, subject to the policies and rules prescribed by
4 the Board. The Board shall determine the term and compensation of the
5 chancellor.

6 SEC. 20. *The Faculty.* – The teaching staff of each college shall
7 constitute its faculty, which shall be presided over by the dean, elected by the
8 Board on nomination by the university president and upon the
9 recommendation of the chancellor of the constituent university, following a
10 process of democratic consultation with the constituents of the college subject
11 to the guidelines, qualifications and/or standards set by the Board.

12 SEC. 21. *Appointment Requisites and Practice of Profession.* – Faculty
13 members, as well as, REPS of the University shall be exempt as such from any
14 civil service examination or regulation as a requisite to appointment. The
15 provisions of existing law to the contrary notwithstanding, licensing
16 requirements for professional regulatory boards shall not affect appointments
17 to faculty positions. In the appointment of faculty members, no religious test
18 shall be applied, nor shall religious or political opinions or affiliations of the
19 faculty members of the University be made a matter of examination or inquiry.

20 SEC. 22. *Student Affairs.* – (1) There shall be established in the
21 University the following student councils: for every college and degree-

1 granting institute, a college or institute student council; for every constituent
2 University, a university student council; and for the university system, a
3 general assembly of all student councils.

4 The student council shall be composed of elected students of a definite
5 academic unit of the University. Each member of the student council shall
6 serve a term of one year, without prejudice to re-election.

7 The student council shall serve as the primary student body that shall
8 advance the interest, welfare and aspirations of the students of the University.
9 It shall have the power to adopt internal rules of procedure consistent with the
10 provisions of this Act.

11 The manner of selecting the student regent shall be based on the rules
12 and qualifications set by the general assembly of the student councils of all
13 constituent universities.

14 (2) There shall be a student publication established in every constituent
15 unit and college. Freedom of expression and autonomy in all matters of
16 editorial and fiscal policy shall be guaranteed especially in the selection of
17 editors and staff.

18 *SEC. 23. Land Grants and other Real Properties of the University. ~*

19 (1) The State shall provide financial support to the UPS as the premier
20 State university through the General Appropriations Act and in kind, through
21 land grants and donations and use of other real properties. To carry out the

1 intent of these grants, income derived from the development of all land grants
2 and real properties shall be used to further the ends of the University, as may
3 be decided by the Board.

4 (2) Such parcels of land ceded by law, decree or presidential issuance
5 to the UPS, are hereby declared to be reserved for the purposes intended, as
6 confirmed by the Board. The absolute ownership of the University over these
7 landholdings including those covered by original and transfer certificates of
8 title in the name of the University of the Philippines and their future
9 derivatives is hereby affirmed. Where the issuance of proper certificates of
10 title is yet pending for these landholdings, the appropriate government office
11 shall expedite the issuance thereof within six months from the date of
12 effectivity of this Act: *Provided*, That all registration requirements necessary
13 for the issuance of the said titles have been submitted and complied with.

14 (3) The Board shall plan, design, approve and/or cause the
15 implementation of long-term leases to give the University the most
16 advantageous position in generating revenues and other resources from land
17 grants and other real property entrusted by the Filipino people to their Premier
18 State university: *Provided*, That such long-term leases shall be consistent with
19 the University's land use and infrastructure plan, as well as sustain and protect
20 the environment: *Provided, further*, That the long-term leases shall preserve
21 the academic core zone of each constituent campus which shall be delineated

1 in consultation with all sectors of the constituent university concerned:
2 *Provided, finally, That funds generated from the long-term leases shall not be*
3 *meant to replace, in part or in whole, the annual appropriation provided by the*
4 *national government to the University.*

5 SEC. 24. *Grant of Special Allowances.* – In order to continue to attract
6 and maintain competent and excellent teaching personnel, all faculty members
7 of the University may be granted special allowances upon approval of its
8 Board up to a maximum amount equivalent to one hundred percent (100%) of
9 the basic monthly salary specified for their respective salary grades under
10 Republic Act No. 6758, as amended, otherwise known as the Salary
11 Standardization Law.

12 The grant of special allowances may initially be implemented upon
13 approval of its Board uniformly in such sums or amounts equivalent to twenty-
14 five percent (25%) of the basic salary of the positions concerned. Subsequent
15 implementation shall be in such sums and amounts and up to the extent only
16 that can be supported by internally generated funds of the University.

17 SEC. 25. *Effects of Subsequent Salary Increases.* – Upon
18 implementation of any subsequent increase in the salary rates provided for the
19 positions concerned under Republic Act No. 6758, as amended, all special
20 allowances granted under this Act for the faculty members shall be considered
21 as an implementation of the said salary increases as may be provided by law.

1 The special allowances equivalent to the increase of the basic salary as
2 may be provided by law, shall be converted as part of basic salary: *Provided,*
3 That any excess in the amount of special allowance not converted as part of
4 the basic salary shall continue to be granted and paid as such.

5 SEC. 26. *Funding Source.* – The amount necessary to initially
6 implement the special allowances granted under this Act, shall be sourced
7 from, and charged against the internally generated income of the University of
8 the Philippines, and that subsequent implementation shall be at such
9 percentages, sums and amounts which can be supported by internally
10 generated funds of the UPS.

11 The annual funding requirements of the special allowances granted
12 under this Act shall continuously be charged exclusively against the internally
13 generated funds of the University and shall, in no case, be paid chargeable
14 against direct or realigned national government financial assistance or budget
15 subsidy.

16 SEC. 27. *Appropriations.* – The Board of the UPS shall immediately
17 include in its programs the implementation of this Act, the initial funding of
18 which shall be charged against the current fiscal year's appropriations and
19 other internally generated income of the University. Thereafter, such sum as
20 may be necessary as the national government assistance to the University shall
21 be included in the annual General Appropriations Act.

1 SEC. 28. *Tax Exemptions.* – The provision of any general or special
2 law to the contrary notwithstanding:

3 (1) All revenues and assets of the University of the Philippines used
4 actually, directly and exclusively for educational purposes shall be exempt
5 from all taxes and duties;

6 (2) Gifts and donations of real and personal properties of all kinds
7 shall be exempt from the donor's tax and the same shall be considered as
8 allowable deductions from the gross income of the donor, in accordance with
9 the provisions of the *National Internal Revenue Code*, as amended;

10 (3) Importation of economic, technical, vocational, scientific,
11 philosophical, historical and cultural books, supplies, equipment, machinery
12 and other materials, including scientific and educational computer and
13 software equipment, shall be exempt from customs duties;

14 (4) The University shall be exempt from the payment of value-added
15 tax on its transactions which are primarily and directly undertaken for
16 educational purposes; and

17 (5) All honoraria for professional chair awards shall be exempt from
18 taxes.

19 SEC. 29. *Auditing of Accounts.* – All accounts and expenses of the
20 University shall be audited by the Commission on Audit, and all

1 disbursements shall be made in accordance with the rules and regulations
2 prescribed by the latter.

3 SEC. 30. *Institutional Autonomy as the Premier State University.* – To
4 provide greater flexibility to the University, it shall be treated in a manner
5 consistent with its institutional requirements as the Premier State University by
6 the service-wide agencies in the exercise of their respective jurisdiction.

7 The University, taking into account national goals and priorities, shall
8 exclusively determine its teaching, research and extension thrusts, plans,
9 policies, programs and standards and, on the basis of such determination, the
10 University shall recommend its annual budget to the President and Congress.

11 SEC. 31. *Rules of Construction.* – No statutory or other issuance shall
12 diminish the powers, rights, privileges and benefits accorded to the University
13 under this Act or enjoyed at present by the University under other issuances
14 not otherwise modified or repealed under this Act, unless subsequent
15 legislation expressly provides for their repeal, amendment or modification.
16 Any case of doubt in the interpretation of any of the provisions of this Charter
17 shall be resolved in favor of the academic freedom and fiscal autonomy of the
18 University of the Philippines.

19 SEC. 32. *Implementing Rules and Regulations.* – The Board of the
20 UPS shall issue, within sixty (60) days after the effectivity of this Act, the
21 rules and regulations for the effective implementation of this Act.

1 SEC. 33. *Separability Clause.* – Should any provision herein be
2 declared unconstitutional, the same shall not affect the validity of the other
3 provisions of this Act.

4 SEC. 34. *Repealing Clause.* – Act No. 1870 is hereby repealed. All
5 laws, decrees, orders, rules and regulations or other issuances or parts thereof
6 inconsistent with the provisions of this Act are hereby repealed or modified
7 accordingly.

8 SEC. 35. *Effectivity.* – This Act shall take effect fifteen (15) days after
9 its publication in the *Official Gazette* or in any newspaper of general
10 circulation in the Philippines.

Approved,

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