



## HOUSE OF REPRESENTATIVES

H. No. 4414

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BY REPRESENTATIVES CHONG, VILLAR, LAGMAN, JAVIER, REMULLA,  
VILLANUEVA, ALVAREZ (A.), LAPUS AND GOLEZ, PER COMMITTEE  
REPORT NO. 752

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AN ACT CONVERTING THE NAVAL INSTITUTE OF TECHNOLOGY IN  
THE MUNICIPALITY OF NAVAL, PROVINCE OF BILIRAN INTO A  
STATE UNIVERSITY TO BE KNOWN AS THE NAVAL STATE  
UNIVERSITY, INTEGRATING THEREWITH THE BILIRAN  
NATIONAL AGRICULTURAL COLLEGE IN THE MUNICIPALITY  
OF BILIRAN AND APPROPRIATING FUNDS THEREFOR

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

1           SECTION 1. *Conversion/Integration.* -- The Naval Institute of  
2 Technology in the Municipality of Naval, Province of Biliran is hereby  
3 converted into a state university to be known as the Naval State University  
4 (NSU), hereinafter referred to as the University, integrating therewith the Biliran  
5 National Agricultural College in the Municipality of Biliran, both located in the  
6 Province of Biliran. The main campus of the University shall be in the  
7 Municipality of Naval, Province of Biliran.

1           SEC. 2. *General Mandate.* – The University shall primarily provide  
2 advanced education, higher technological, professional instruction and training  
3 in the fields of arts and sciences, education, agriculture, fishery, forestry,  
4 maritime education, information and communications technology, engineering,  
5 tourism and other related fields of study. It shall also undertake research and  
6 extension services, and provide progressive leadership in its areas of  
7 specialization.

8           SEC. 3. *Curricular Offerings.* – The University shall offer undergraduate  
9 and graduate courses in the fields of arts and sciences, education, agriculture,  
10 fishery, forestry, maritime education, information and communications  
11 technology, engineering, tourism and other related courses within its areas of  
12 specialization and according to its capabilities, as the Board of Regents may  
13 deem necessary to carry out its objectives, particularly to meet the needs of the  
14 Province of Biliran and Region VIII.

15           The existing high school shall be transferred to the jurisdiction and  
16 supervision of the Department of Education (*DepEd*): *Provided*, That the high  
17 school shall be allowed to remain and operate within the campus of the  
18 University until its students, who are currently enrolled, shall have completed  
19 their high school education: *Provided, further*, That the University may operate  
20 a reasonably-sized laboratory school, if it has a College of Education.

21           SEC. 4. *Administration.* – The University shall have the general powers  
22 of a corporation set forth in *Batas Pambansa Blg. 68*, as amended, otherwise  
23 known as the “*Corporation Code of the Philippines*”. The administration of the  
24 University and the exercise of its corporate powers shall be vested exclusively in  
25 the Board of Regents and the President of the University insofar as authorized by  
26 the Board.

1           SEC. 5. *The Governing Board.* – The governing board of the University  
2 shall be the Board of Regents, hereinafter referred to as the Board, which shall  
3 be composed of the following:

4           (a) The Chairperson of the Commission on Higher Education (CHED),  
5 Chairperson;

6           (b) The President of the University, Vice Chairperson;

7           (c) The Chairperson of the Committee on Education, Arts and Culture of  
8 the Senate, member;

9           (d) The Chairperson of the Committee on Higher and Technical  
10 Education of the House of Representatives, member;

11           (e) The Regional Director of the National Economic and Development  
12 Authority (NEDA), member;

13           (f) The Regional Director of the Department of Science and Technology  
14 (DOST), member;

15           (g) The President of the federation of faculty associations of the  
16 University, member;

17           (h) The President of the federation of student councils of the University,  
18 member;

19           (i) The President of the federation of alumni associations of the  
20 University, member; and

21           (j) Two (2) prominent citizens from the private sector who have  
22 distinguished themselves in their profession or fields of specialization, as  
23 members.

24           The Board shall appoint the two (2) prominent citizens from among a list  
25 of at least five (5) qualified persons in the Province of Biliran, whose  
26 nominations were submitted to the Board after publication for at least two (2)  
27 consecutive weeks, as recommended by the search committee constituted by the

1 University President, in consultation with the Chairperson of the CHED and the  
2 other members of the Board, based on the normal standards and qualifications  
3 for the position set by the Board: *Provided*, That no private sector representative  
4 shall be appointed to the Board if he/she is related by consanguinity or affinity  
5 up to the third civil degree to any incumbent local or national official.

6 The term of office of the President of the federation of faculty  
7 associations, the President of the federation of student councils and the President  
8 of the federation of alumni associations shall be coterminous with their  
9 respective terms of office, as set forth in their respective constitutions and  
10 bylaws.

11 The two (2) prominent citizens shall serve for a term of two (2) years  
12 from the date of appointment.

13 *SEC. 6. Promulgation and Implementation of Policies.* – The Board shall  
14 promulgate and implement policies in accordance with the declared State  
15 policies on education and other pertinent provisions of the Philippine  
16 Constitution on education, agriculture, science and technology, as well as the  
17 policies, standards and thrusts of the CHED under Republic Act No. 7722,  
18 otherwise known as the “Higher Education Act of 1994”.

19 *SEC. 7. Powers and Duties of the Board of Regents.* – The Board shall  
20 have the following specific powers and duties, in addition to its general powers  
21 of administration and the exercise of all the powers granted to the board of  
22 directors of a corporation under existing laws:

23 (a) To promulgate rules and regulations as may be necessary to carry  
24 out the purposes and functions of the University;

25 (b) To receive and appropriate all sums as may be provided for the  
26 support of the University in the manner it may determine in its discretion, in  
27 order to carry out the purposes and functions of the University;

1 (c) To import duty-free economic, technical and cultural books and/or  
2 publications, upon certification by the CHED that such imported books and/or  
3 publications are for economic, technical, vocational, scientific, philosophical,  
4 historical or cultural purposes, in accordance with the provisions of the Tariff  
5 and Customs Code of the Philippines, as amended;

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

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

15 (e) To fix the tuition fees and other necessary school charges, such as,  
16 but not limited to, matriculation fees, graduation fees and laboratory fees, as the  
17 Board may deem proper to impose, after due consultations with the involved  
18 sectors.

19 Such fees and charges, including government subsidies and other income  
20 generated by the University, shall constitute special trust funds and shall be  
21 deposited in any authorized government depository bank, and all interests that  
22 shall accrue therefrom shall form part of the same funds for the use of the  
23 University.

24 Any provision of existing laws, rules and regulations to the contrary  
25 notwithstanding, any income generated by the University from tuition fees and  
26 other charges, as well as from the operation of auxiliary services and land grants,  
27 shall be retained by the University, and may be disbursed by the Board for

1 instruction, research, extension or other programs/projects of the University:  
2 *Provided*, That all fiduciary fees shall be disbursed for the specific purposes for  
3 which these are collected.

4 If, for reasons beyond its control, the University shall not be able to  
5 pursue any project for which the funds have been appropriated and allocated  
6 under its approved program of expenditures, the Board may authorize the use of  
7 said funds for any reasonable purpose which, in its discretion, may be necessary  
8 *and urgent for the attainment of the objectives and goals of the University;*

9 (f) To adopt and implement a socialized scheme of tuition and school  
10 fees for greater access to poor but deserving students;

11 (g) To authorize the construction or repair of its buildings, machinery,  
12 equipment and other facilities, and the purchase and acquisition of real property,  
13 including necessary supplies, materials and equipment;

14 (h) To appoint upon recommendation of the President of the University,  
15 Vice Presidents, deans, directors and heads of campuses, faculty members and  
16 other officials and employees of the University;

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

25 (j) To approve the curricula, instructional programs and rules of  
26 discipline drawn by the Administrative and Academic Councils herein provided;

27 (k) To set policies on admission and graduation of students;

1           (l) To award honorary degrees upon persons in recognition of their  
2 outstanding contribution in the fields of education, public service, arts, science  
3 and technology, agriculture or in any field of specialization within the academic  
4 competence of the University; and to authorize the awarding of certificates of  
5 completion of nondegree and nontraditional courses;

6           (m) To establish and absorb nonchartered tertiary institutions within the  
7 Province of Biliran as branches and centers in coordination with the CHED, and  
8 in consultation with the Department of Budget and Management (DBM), and to  
9 offer therein programs or courses to promote and carry out equal access to  
10 educational opportunities as mandated by the Constitution;

11           (n) To establish research and extension centers of the University where  
12 such will promote the development of the latter;

13           (o) To establish chairs in the University and to provide fellowships for  
14 qualified faculty members and scholarships to deserving students;

15           (p) To delegate any of its powers and duties provided for hereinabove  
16 to the President and/or other officials of the University as it may deem  
17 appropriate, so as to expedite the administration of the affairs of the University;

18           (q) To authorize an external management audit of the University, to be  
19 financed by the CHED, subject to the rules and regulations of the Commission  
20 on Audit (COA); and to institute reforms, including academic and structural  
21 changes, on the basis of the audit results and recommendations;

22           (r) To collaborate with other governing boards of the state colleges and  
23 universities within the Province of Biliran or Region VIII, under the supervision  
24 of the CHED and in consultation with the DBM, and work towards the  
25 restructuring of the University to become more efficient, relevant, productive  
26 and competitive;

1           (s) To enter into joint ventures with business and industry for the  
2 profitable development and management of the economic assets of the  
3 University, the proceeds from which shall be used for the development and  
4 strengthening of the University;

5           (t) To develop consortia and other economic forms of linkages with  
6 local government units (LGUs), institutions and agencies, both public and  
7 private, local and foreign, in the furtherance of the purposes and objectives of  
8 the University;

9           (u) To develop academic arrangements for institutional capability  
10 building with appropriate institutions and agencies, public and private, local and  
11 foreign, and to appoint experts/specialists as consultants, part-time or visiting or  
12 exchange professors, scholars or researchers, as the case may be;

13           (v) To set up the adoption of modern and innovative modes of  
14 transmitting knowledge such as the use of information technology, the dual  
15 learning system, open or distance education and community laboratory for the  
16 promotion of greater access to education;

17           (w) To establish policy guidelines and procedures for participative  
18 decision-making and transparency within the University;

19           (x) To privatize, where most advantageous to the University,  
20 management of nonacademic services such as health, food, building or grounds  
21 or property maintenance and such other similar activities; and

22           (y) To extend the term of the President of the University beyond the  
23 age of retirement but not beyond the age of seventy (70), whose performance has  
24 been unanimously rated by the Board as outstanding based on the guidelines,  
25 qualifications and/or standards set by the Board, after unanimous  
26 recommendation by the search committee.



1           SEC. 8. *Meetings of the Board.* – The Board shall regularly convene at  
2     least once every quarter. However, the Chairperson of the Board may, upon  
3     three (3) days' prior written notice, call a maximum of two (2) special meetings  
4     whenever necessary.

5           A quorum of the Board shall consist of majority of all its members  
6     holding office at the time of the meeting: *Provided, however,* That the  
7     Chairperson of the Board or the President of the University is among those  
8     present in the meeting.

9           In the absence of the Chairperson of the CHED, a Commissioner of the  
10    CHED, duly designated by him/her, shall represent him/her in the meeting with  
11    all the rights and responsibilities of a regular member: *Provided, however,* That  
12    during this meeting, the President of the University as Vice Chairperson shall be  
13    the Presiding Officer: *Provided, further,* That this *proviso* notwithstanding, the  
14    Chairperson of the CHED is hereby authorized to designate a CHED  
15    Commissioner as the regular Chair of the Board, in which case said CHED  
16    Commissioner shall act as the Presiding Officer.

17          In case the Chairpersons of the Congressional Committees on Education  
18    shall not be able to attend the Board meeting, they may duly designate their  
19    respective representatives to attend the said meeting, who shall have the same  
20    rights and responsibilities as a regular member of the Board.

21          The members of the Board shall not receive any salary but shall be  
22    entitled to reimbursements for actual and necessary expenses incurred, either in  
23    their attendance to meetings of the Board or in connection with other official  
24    business authorized by resolution of the Board, subject to existing laws and  
25    regulations.

26          SEC. 9. *The University President.* – The University shall be headed by a  
27    President, who shall render full-time service. He/She shall be appointed by the

1 Board, subject to the guidelines, qualifications and/or standards set by the Board,  
2 upon recommendation of a duly constituted search committee: *Provided*, That in  
3 order to effect a smooth transition to a state university, the incumbent President  
4 of the Naval Institute of Technology shall serve as the first University President:  
5 *Provided, further*, That no person shall be appointed as University President if  
6 he/she is related by consanguinity or affinity up to the third civil degree to any  
7 incumbent local or national official.

8         Within six (6) months before the expiration of the term of office of the  
9 incumbent President of the University, the Board shall constitute the Search  
10 Committee for the Presidency (SCP).

11         In case of vacancy in the Office of the President by reason of death,  
12 compulsory retirement, resignation, removal for cause or incapacity of the  
13 President to perform the functions of his/her office, the Board shall have the  
14 authority to designate an Officer-in-Charge of the University pending the  
15 appointment of a new President.

16         In case of vacancy in the Office of the President as mentioned in the  
17 immediately preceding paragraph, his/her successor or the Officer-in-Charge  
18 shall serve only the unexpired portion of the term.

19         The powers and duties of the President of the University, in addition to  
20 those specifically provided in this Act, shall be those usually pertaining to the  
21 office of the president of similar universities, and those delegated by the Board.

22         The salary of the President of the University shall be in accordance with  
23 the Revised Compensation and Position Classification System and shall be  
24 comparable to that being received by the Presidents of similar educational  
25 institutions.

26         The President of the University shall be assisted by a Vice President for  
27 Academic Affairs, a Vice President for Administration and Development, and a

1 Vice President for Research, Extension, External Affairs and Production  
2 Services, who shall be appointed by the Board upon the recommendation of the  
3 President.

4 SEC. 10. *Heads of University Campuses.* – Campus Directors shall head  
5 the University campuses and they shall render full-time service. They shall be  
6 appointed by the Board upon recommendation of the search committee and the  
7 University President, subject to the guidelines, qualifications and/or standards  
8 set by the Board: *Provided*, That the incumbent college administrators of the  
9 extension campuses shall serve as Campus Directors of their respective  
10 campuses.

11 SEC. 11. *The Administrative Council.* – There shall be an Administrative  
12 Council consisting of the President of the University as Chairperson, Vice  
13 Presidents, deans, directors and other officials of equal rank as members, whose  
14 duty is to review and recommend to the Board the policies governing the  
15 administration, management and development planning of the University.

16 SEC. 12. *The Academic Council.* – There shall be an Academic Council  
17 to be composed of the President of the University, who shall act as Chairperson,  
18 and all academic staff with the rank of not lower than assistant professor, as  
19 members.

20 The Academic Council shall have the power to review and recommend  
21 the curricular offerings and rules of discipline of the University, subject to the  
22 approval of the Board. It shall fix the requirements for the admission of  
23 students, as well as for graduation and conferment of degrees, subject to review  
24 and/or approval by the Board through the President of the University. It shall  
25 have the disciplinary power over students of the University and shall formulate  
26 academic policies and rules and regulations on discipline, subject to the approval  
27 of the Board.

1           SEC. 13. *The Secretary of the University.* – The Board shall appoint a  
2 secretary, who shall serve as such for both the Board and the University and  
3 shall keep all records and proceedings of the Board. He/She shall serve upon  
4 each member of the Board the appropriate notice of the Board meetings.

5           SEC. 14. *The Treasurer of the University* – The Treasurer of the  
6 Philippines shall be the *ex officio* treasurer of the University.

7           SEC. 15. *The Faculty* – No political beliefs, gender preference, cultural  
8 or community affiliation or ethnic origin, religious opinion or affiliation shall be  
9 a matter of inquiry in the appointment of faculty members of the University:  
10 *Provided*, That said appointment shall be subject to the guidelines, qualifications  
11 and/or standards set by the Board: *Provided, further*, That no member of the  
12 faculty shall teach for or against any particular church or religious sect.

13           SEC. 16. *Scholarship Program/Admission.* – The University shall  
14 provide a scholarship program and other affirmative action programs to assist  
15 poor but deserving students who qualify for admission to the University.

16           No student shall be denied admission to the University by reason of sex,  
17 religion, cultural or community affiliation or ethnic origin.

18           SEC. 17. *Academic Freedom and Institutional Autonomy.* – The  
19 University shall enjoy academic freedom and institutional autonomy, pursuant to  
20 paragraph 2, Section 5 of Article XIV of the Constitution of the Republic of the  
21 Philippines.

22           SEC. 18. *Authority to Loan or Transfer Apparatus/Equipment/Supplies*  
23 *and Detail of Personnel.* – The heads of the bureaus and offices of the national  
24 government are hereby authorized to loan or transfer, upon the request of the  
25 President of the University, such apparatus, equipment or supplies as may be  
26 needed by the University, and to detail employees for duty therein when, in the  
27 judgment of the head of bureau or office, such apparatus, equipment, supplies or

1 services of such employees can be spared without serious detriment to the public  
2 service. The employees so detailed shall perform such duties as required of  
3 them by the President of the University, and the time so employed shall be  
4 counted as part of their regular services.

5 SEC. 19. *Assets, Liabilities and Personnel.* – All assets, real and  
6 personal, personnel and records of the Naval Institute of Technology and the  
7 Biliran National Agricultural College, as well as liabilities or obligations, are  
8 hereby transferred to the University. The positions, rights and security of tenure  
9 of the personnel therein employed under existing laws shall be respected.

10 All parcels of land belonging to the government and occupied by the  
11 Naval Institute of Technology and the Biliran National Agricultural College are  
12 hereby declared to be property of the University, and shall be titled under that  
13 name: *Provided*, That should the University cease to exist or be abolished or  
14 should such parcels of land aforementioned be no longer needed by the  
15 University, the same shall revert to the LGUs concerned.

16 SEC. 20. *Appropriations.* The amount necessary for the initial  
17 implementation of this Act shall be charged against the current year's  
18 appropriations of the Naval Institute of Technology and the Biliran National  
19 Agricultural College, except the sums needed to continue the operations of the  
20 existing high school/s. Thereafter, such sums as may be necessary for the  
21 continued operation and maintenance of the Naval State University shall be  
22 included in the annual General Appropriations Act.

23 SEC. 21. *Development Plan, Management Audit, Organizational/  
24 Administrative/Academic Structure.* – Within the period of one hundred twenty  
25 (120) days after the approval of this Act, the University shall accomplish the  
26 following:

1           (a) Submit a five (5)-year development plan, including its corresponding  
2 program budget to the CHED, for corresponding recommendation to the DBM;

3           (b) Undergo a management audit in cooperation with the CHED; and

4           (c) Accordingly set up its organizational, administrative as well as  
5 academic structure, including the appointment of the key officials of the  
6 University.

7           SEC. 22. *Filing of Report.* – On or before the fifteenth (15<sup>th</sup>) day of the  
8 second (2<sup>nd</sup>) month after the opening of the regular classes each year, the Board  
9 shall file with the Office of the President of the Philippines through the  
10 Chairperson of the CHED, and with both Houses of Congress a detailed report  
11 on the progress, conditions and needs of the University.

12           SEC. 23. *Suppletory Application.* – The provisions of Republic Act No.  
13 8292, otherwise known as the “Higher Education Modernization Act of 1997”,  
14 shall be an integral part of this Act and shall serve as part of the Governing  
15 Charter of the University.

16           SEC. 24. *Parity Clause.* – All other powers, functions and privileges,  
17 responsibilities and limitations to state universities and/or their officials under  
18 existing laws shall be deemed granted to or imposed upon the University and/or  
19 its officials whenever appropriate.

20           SEC. 25. *Implementing Rules and Regulations.* – The Board, in  
21 consultation with the CHED, shall formulate the guidelines to fully implement  
22 the provisions of this Act.

23           SEC. 26. *Separability Clause.* – If, for any reason, any part or provision  
24 of this Act is declared invalid or unconstitutional, the remaining parts or  
25 provisions not affected thereby shall remain in full force and effect.

1           SEC. 27. *Repealing Clause.* – All laws, presidential decrees, executive  
2 orders, rules and regulations contrary to or inconsistent with the provisions of  
3 this Act are hereby repealed or modified accordingly.

4           SEC. 28. *Effectivity.* – This Act shall take effect fifteen (15) days after its  
5 publication in two (2) newspapers of general circulation.

Approved,

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