

Republic of the Philippines
Congress of the Philippines
Metro Manila
Fourteenth Congress
Second Regular Session

Began and held in Metro Manila, on Monday, the twenty-eighth day of July, two thousand eight.

[REPUBLIC ACT No 9519]

AN ACT CONVERTING THE MINDANAO POLYTECHNIC STATE COLLEGE IN CAGAYAN DE ORO CITY, PROVINCE OF MISAMIS ORIENTAL INTO A STATE UNIVERSITY TO BE KNOWN AS THE MINDANAO UNIVERSITY OF SCIENCE AND TECHNOLOGY (MUST) AND APPROPRIATING FUNDS THEREFOR

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

SECTION 1. *Conversion/Integration.* — The Mindanao Polytechnic State College in Cagayan de Oro City, Province of Misamis Oriental is hereby converted into a state university to be known as the Mindanao University of Science and Technology (MUST), hereinafter referred to as the University, integrating therewith the satellite campuses in Jasaan, Misamis Oriental; Alubijid, Misamis Oriental; Panaon, Misamis Occidental; and Oroquita City. The main campus of the University shall be in Cagayan de Oro City.

SEC. 2. General Mandate. – The University shall primarily provide advanced education, higher technological, professional instruction and advanced instruction in mathematics, science, technology, engineering, and advanced research and extension work in human resource development in critical skills and competencies required for global competitiveness.

SEC. 3. Curricular Offerings. – The University shall offer undergraduate and graduate courses in the fields of mathematics, science and technology, and engineering.

The existing high school shall be transferred to the jurisdiction and supervision of the Department of Education (DepEd); *Provided*, That the high school shall be allowed to remain and operate within the campus of the University until the students, who are currently enrolled, shall have completed their high school education.

SEC. 4. Administration. – The University shall have the general powers of a corporation set forth in Batas Pambansa Blg. 68, as amended, otherwise known as the "Corporation Code of the Philippines". The administration of the University and the exercise of its corporate powers shall be vested exclusively in the Board of Regents and the President of the University.

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

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

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

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

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

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

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

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

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

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

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

The Board shall appoint the two (2) prominent citizens from among a list of at least five (5) qualified persons in the Province of Misamis Oriental and the City of Cagayan de Oro, as recommended by the search committee constituted by the University President, in consultation with the Chairperson of the CHED and other members of the Board, based on the normal standards and qualifications for the position.

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

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

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

SEC. 7. *Powers and Duties of the Board of Regents.* – The Board shall have the following specific powers and duties, in

addition to its general powers of administration and the exercise of all the powers granted to the board of directors of a corporation under existing laws:

(a) To promulgate rules and regulations not contrary to law as may be necessary to carry out the purposes and functions of the University;

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

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

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

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

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

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

Any provision of existing laws, rules and regulations to the contrary notwithstanding, any income generated by the University from tuition fees and other charges, as well as from the operation of auxiliary services and land grants, shall be retained by the University, and may be disbursed by the Board for instruction, research, extension or other programs/projects of the University: *Provided*, That all fiduciary fees shall be disbursed for the specific purposes for which these are collected.

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

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

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

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

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

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

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

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

(m) To establish and absorb nonchartered tertiary institutions within the provinces of Misamis Oriental and Misamis Occidental as branches and centers in coordination with the CHED, and in consultation with the Department of Budget and Management (DBM), and to offer therein programs or courses, to promote and carry out equal access to educational opportunities as mandated by the Constitution;

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

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

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

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

(r) To collaborate with other governing boards of the state colleges and universities within the provinces of Misamis Oriental and Misamis Occidental or Region 10, under the supervision of the CHED and in consultation with the DBM, and work towards the restructuring of the University to become more efficient, relevant, productive and competitive;

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

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

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

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

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

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

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

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

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

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

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

SEC. 9. The University President. – The University shall be headed by a President, who shall render full-time service. He/She shall be appointed by the Board, subject to the guidelines, qualifications and/or standards set by the Board, upon recommendation of a duly constituted search committee. He/She shall have a term of four (4) years and shall be eligible for reappointment for another term: *Provided,* That in order to effect a smooth transition to a state university, the incumbent President of the Mindanao Polytechnic State College shall serve a new first term as the first President of the University.

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

In case of vacancy in the Office of the President by reason of death, compulsory retirement, resignation, removal for cause or incapacity of the President to perform the functions of his/her office, the Board shall designate an Officer-in-Charge of the University within six (6) months from the date of vacancy, pending the appointment of a new President.

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

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

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

The President of the University shall be assisted by Vice Presidents, who shall be appointed by the Board upon recommendation of the President.

SEC. 10. *Heads of University Campuses.* – Campus Directors shall head the University campuses and they shall render full-time service. They shall be appointed by the Board upon recommendation of the search committee and the University President, subject to the guidelines, qualifications and/or standards set by the Board.

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

SEC. 12. *The Academic Council.* – There shall be an Academic Council to be composed of the President of the University, who shall act as Chairperson, and all academic staff with the rank of at least an assistant professor, as members.

The Academic Council shall have the power to review and recommend the curricular offerings and rules of discipline of the University, subject to the approval of the Board. It shall fix the requirements for the admission of students, as well as for their

graduation and conferment of degrees, subject to review and/or approval by the Board through the President of the University. It shall have the disciplinary power over students of the University and shall formulate academic policies and rules and regulations on discipline, subject to the approval of the Board.

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

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

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

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

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

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

SEC. 18. *Authority to Loan or Transfer Apparatus/Equipment/Supplies and Detail of Personnel.* – The heads of the bureaus and offices of the national government are hereby authorized to loan or transfer, upon the request of the President of

the University, such apparatus, equipment or supplies as may be needed by the University, and to detail employees for duty therein when, in the judgment of the head of the bureau or office, such apparatus, equipment, supplies or services of such employees can be spared without serious detriment to the public service.

The employees so detailed shall perform such duties as required of them by the President of the University, and the time so employed shall be counted as part of their regular services.

SEC. 19. *Development and Promotion of Cultural Heritage.*

– To promote and preserve culture and the arts, especially local practices and rights and indigenous practices of Mindanao, and to develop the talents of students and University personnel alike, the existing University theater arts program shall be enhanced and strengthened.

SEC. 20. *Tax Exemptions.* – The provisions of any general or special law to the contrary notwithstanding:

(a) All revenues and assets of the Mindanao University of Science and Technology (MUST) used exclusively and solely for educational purposes or in furtherance thereof shall be exempt from all taxes and duties;

(b) Gifts and donations of real and personal properties of all kinds shall be exempt from donor's tax and the same shall be considered as allowable deductions from gross income of the donor, in accordance with the provisions of the National Internal Revenue Code of 1997, as amended: *Provided*, That the allowable deductions shall be equivalent to one hundred fifty percent (150%) of the value of such donation. Valuation of assistance other than money shall be based on the acquisition cost of the property. Such valuation shall take into consideration the depreciation value of the property in case said property has been used;

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

(d) The University shall only pay zero percent (0%) value-added tax for all transactions subject to this tax; and

(e) All educational monetary awards shall be exempt from taxes.

SEC. 21. *Assets, Liabilities and Personnel.* – All assets, real and personal, personnel and records of the Mindanao Polytechnic State College, as well as liabilities or obligations, are hereby transferred to the University. The positions, rights and security of tenure of faculty members and personnel therein employed under existing laws prior to the conversion into a University shall be respected.

All parcels of land belonging to the government occupied by the Mindanao Polytechnic State College are hereby declared to be property of the University, and shall be titled under that name: *Provided*, That should the University cease to exist or be abolished or should such parcels of land aforementioned be no longer needed by the University, the same shall revert to the State.

SEC. 22. *Appropriations.* – The amount necessary to carry out the provisions of this Act shall be charged against the current year's appropriations of the Mindanao Polytechnic State College, except the sums needed to continue the operations of the existing high school. Thereafter, such sums as may be necessary for the continued operation and maintenance of the Mindanao University of Science and Technology shall be included in the annual General Appropriations Act.

In addition to the regular appropriations and increases for the University under the annual General Appropriations Act (GAA), a University modernization program fund, hereinafter referred to as the Fund, shall be appropriated in the amount of Fifty million pesos (P50,000,000.00) per year for a period of five (5) years, to commence in the year after the approval of this Act, which shall likewise be included in the annual GAA. The Fund shall be used for the construction and improvement of University structures and facilities, including the University theater mentioned in Section 19 of this Act.

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

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

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

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

SEC. 24. *Filing of Report.* – On or before the fifteenth (15th) day of the second (2nd) month after the opening of the regular classes each year, the Board shall file with the Office of the President of the Philippines through the Chairperson of the CHED, and with both Houses of Congress, a detailed report on the progress, conditions and needs of the University.

SEC. 25. *Suppletory Application.* – The provisions of Republic Act No. 8292, otherwise known as the "Higher Education Modernization Act of 1997", shall be an integral part of this Act and shall serve as part of the Governing Charter of the University.

SEC. 26. *Implementing Rules and Regulations.* – The Board, in consultation with the CHED, shall formulate the guidelines to fully implement the provisions of this Act.

SEC. 27. *Separability Clause.* – If, for any reason, any part or provision of this Act is declared invalid or unconstitutional, the remaining parts or provisions not affected thereby shall remain in full force and effect.

SEC. 28. *Repealing Clause.* – All laws, presidential decrees, executive orders, rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 29. *Effectivity.* — This Act shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

Approved,



JUVENCIO ENRIQUE
President of the Senate



PROSPERO C. NOGRALES
*Speaker of the House
of Representatives*

This Act which originated in the House of Representatives was finally passed by the House of Representatives and the Senate on December 3, 2008 and November 10, 2008, respectively.




EMMA LINO-REYES
Secretary of the Senate



MARILYN B. BARUA-YAP
*Secretary General
House of Representatives*

Approved: JAN 07 2009



GLORIA MACAPAGAL-ARROYO
President of the Philippines

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