

THIRTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

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S E N A T E

S. No. 387

Introduced by Senator S. R. Osmeña III

EXPLANATORY NOTE

A professional bureaucracy is indispensable to a country's development. It is crucial for a nation to attract investments, compete in the global economy and survive.

Contrary to its Asian neighbors who are known for their highly efficient and professional bureaucracies, the Philippines' bloated bureaucracy has been recognized as a serious problem. It has long been known for its ineptness and is widely-perceived as graft-ridden. Despite every administration's effort to cut red tape and reduce corruption, progress has been disappointing.

This bill attempts to remedy the problem through the re-institution of a system of attrition in government. Our experience with this system is quite notable. Reports from the Civil Service Commission revealed that while the previous Attrition Law (Republic Act 7430) was in force from 1992 to 1997, the government was able to save an estimated 6.4 billion pesos.

Considering that a major overhaul of our bureaucracy through its reorganization is far from taking place, this measure provides an alternative through the system of attrition.

Passage of this bill therefor is earnestly sought.

S. Osmeña III
SERGIO OSMEÑA III
Senator

THIRTEENTH CONGRESS OF THE REPUBLIC)
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SENATE

S. No. 387

Introduced by Senator S. R. Osmeña III

AN ACT
RE-IMPLEMENTING THE SYSTEM OF ATTRITION, PROVIDING FOR OPTIMUM
UTILIZATION OF PERSONNEL IN GOVERNMENT SERVICE, PROVIDING
PENALTIES THEREFOR AND FOR OTHER PURPOSES

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

1 SECTION 1. Declaration of Policy. – It is the policy of the State to give
2 highest priority to measures that will promote morale, efficiency, integrity,
3 responsiveness and progressiveness in the civil service. Towards this end,
4 optimum utilization of personnel shall be assured through the institution of a
5 system of attrition in government.

6 SEC. 2. System of Attrition. – “Attrition” is the reduction of personnel as
7 a result of resignation, retirement, dismissal in accordance with laws, death or
8 transfer to another office. Within five (5) years from the approval of this Act, no
9 appointment shall be made to fill vacated career positions in any government
10 office as a result of attrition.

11 SEC. 3. Scope of Coverage. – The system of attrition shall cover the
12 national government and all its instrumentalities or agencies including
13 government-owned and/or controlled corporations, and government financial
14 institutions receiving subsidies from the national government: *Provided, That*
15 the system of attrition shall not apply to the following:

1 (a) Where the position is head of a primary organic unit such as chief
2 of division;

3 (b) Where the position is the lone position in the organizational unit;

4 (c) Where the positions are basic positions for the initial operations of
5 a newly created or activated agency: *Provided, further,* That the organizational
6 structure and staffing pattern of the said office is duly approved by the
7 Department of Budget and Management (DBM);

8 (d) Where the positions are technical in nature, vital and necessary for
9 the continued and efficient operation of the agency as determined by the DBM
10 and the Civil Service Commission (CSC);

11 (e) Where the replacements come from existing employees of same
12 agency or any other agency;

13 (f) Positions of teaching personnel, health workers, social workers
14 and community development workers whenever applicable;

15 (g) Uniformed personnel of the Department of the Interior and Local
16 Government (DILG), Armed Forces of the Philippines (AFP) and prison guards
17 of the Bureau of Corrections;

18 (h) Appointments extended by the President;

19 (i) Position in local water districts;

20 (j) Positions in local government units; and

21 (k) Positions in Congress and in the judiciary.

22 *Provided further,* That exemptions from this prohibition shall require
23 authorization by the Civil Service Commission: *Provided, finally,* That no
24 appointment shall be issued by the appointing authority nor approved by the
25 Civil Service Commission without said authorization. Appointments made in
26 violation of this act shall be null and void.

27 SEC. 4. Penalty. – Any appointing authority who makes an appointment
28 in violation of this Act, shall upon conviction, be punished by imprisonment of
29 not less than three (3) months but not exceeding six (6) months or by a fine of

1 not less than Six Thousand pesos (P6,000.00) but not exceeding Ten Thousand
2 pesos (P10,000.00), or both such imprisonment and fine, at the discretion of the
3 court. In addition, the appointing official shall be personally liable for the salary
4 that would have accrued to the employee had the employment been lawful, and
5 the disbursing official shall make payment to the employee of such amount from
6 the salary of the appointing authority.

7 SEC. 5. Annual Report. – The CSC and the DBM shall jointly monitor
8 and render an annual report to the President and the Congress on the extent of
9 compliance of the law.

10 The report shall include, among others, the following:

- 11 (a) Total number of positions authorized in the agency's annual budget;
- 12 (b) Total number of officers and employees separated from the
13 service during the year categorized as follows:
 - 14 1) Those who resigned;
 - 15 2) Those who retired;
 - 16 3) Those who were dismissed from the service;
 - 17 4) Those who died; and
 - 18 5) Those who transferred to another government agency or
19 instrumentality.
 - 20 6) Total number of new personnel recruited during the year; and
 - 21 7) Total number of vacancies at the end of the year.

22 The DBM, in coordination of the CSC, shall conduct a personnel audit of
23 *all government agencies to determine optimum utilization of personnel.* The
24 audit report shall, among others include information on whether the agency is
25 over-staffed or under-staffed indicating therein its minimum and maximum
26 personnel requirements.

27 The DBM and CSC shall jointly conduct and prepare a work study which
28 shall contain among others: the evaluation and effectiveness of the program
29 during the five-year period of its enforcement and the feasibility of extending the

1 same to another period. They shall submit their audit report and work study
2 together with their recommendation to the President and the Congress of the
3 Philippines.

4 SEC. 6. Non-use of Savings Derived from Vacated and Unfilled
5 Positions. – Savings from appropriations for the positions vacated and which
6 remain unfilled under the provisions of this Act shall not be used for the
7 employment of casual or emergency employees and shall revert to the National
8 Treasury.

9 SEC. 7. Implementing Rules and Regulations. – Within ninety (90) days
10 from the effectivity of this Act, the CSC and the DBM shall issue the necessary
11 rules and regulations to implement the provisions of this Act.

12 SEC. 8. Repealing Clause. – All laws, presidential decrees, executive
13 orders, other executive issuances or parts thereof, which are inconsistent with
14 this Act are hereby repealed or modified accordingly.

15 SEC. 9. Effectivity Clause. - This Act shall take effect fifteen (15) days
16 after its publication in two (2) leading newspapers of national circulation.

Approved,