

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

OFFICE OF THE CLERK

04 JUN 30 PM 1:10

RECEIVED BY: 

SENATE

S.B. NO. 1145

Introduced by Senator Aquilino Q. Pimentel, Jr.

EXPLANATORY NOTE

Our country's civil service, as mandated by the Constitution, must, at all times, be efficient, responsive, progressive, courteous, and of sound integrity and morality.

The present government structure however, is bloated and overstaffed, oftentimes with duplicating and overlapping functions between government agencies, thus resulting to non-performing and unproductive public workers.

This legislative measure proposes the re-engineering of government bureaucracy in order to promote a competent and responsible government service.

Under this bill, an independent Commission on Government Re-Engineering is proposed to be created. It is tasked to conduct studies, review policies and programs relevant to the re-engineering of the government bureaucracy. The Commission shall submit the re-engineering plans for specific agencies or sectors of the government to the President, who shall review, approve and implement the same.

Furthermore, retirement / separation benefits and additional incentives shall be given to government personnel who may be affected by the re-engineering program.

It is the aim of this bill to provide for a better government manpower resources and bureaucracy.

The urgent passage of this bill is therefore requested.


AQUILINO Q. PIMENTEL, JR.

DATE OF RECEIPT

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

04 JUN 30 PM 10

RECEIVED BY: 

SENATE

S.B. NO. 1145

Introduced by Senator Aquilino Q. Pimentel, Jr.

AN ACT
TO RE-ENGINEER THE GOVERNMENT BUREAUCRACY BY AUTHORIZING
THE PRESIDENT TO IMPLEMENT THE RE-ENGINEERING PLAN,
CREATING THE COMMISSION ON GOVERNMENT RE-ENGINEERING, AND
PROVIDING FUNDS THEREFOR

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

SECTION 1. Short Title. - This Act shall be known as "the Re-engineering Act of 2004."

Sec. 2. Declaration of Policy. - It is hereby declared the policy of the State to promote efficiency, effectiveness, and economy in government service in order to ensure social equity and transparency by focusing its functions and resources on the essential role, scope, and level of governance through a bureaucracy that has a well-defined structure and operating systems.

Sec. 3. Coverage. - This Act shall cover all entities of the Executive Branch, including all Departments and their attached agencies, commissions, boards, councils, authorities, offices, government-owned and -controlled corporations, state universities and colleges, and other instrumentalities of the Executive Branch; and all their appointive officials and employees who are on a permanent, temporary, casual, or contractual status, as attested to by the Civil Service Commission (CSC).

The Legislature, the Judiciary, Constitutional Offices, and Local Government Units (LGUS) may, within their respective authorized appropriations and in coordination with the Executive Branch, likewise re-engineer their respective offices.

Sec. 4. Reorganization Principles and Guidelines. - The reorganization shall be carried out in accordance with the following principles and guidelines:

- a) The role of government and the scope, level, and prioritization of government activities shall be determined in accordance with the Constitution, specifically, the principles of social justice, democracy, sustainability, transparency and accountability, the political and socio-economic objectives of the government, and the available resources;

- b.) The national government shall assist and monitor local government units (LGUs) in order to complement the greater autonomy granted to them. The delineation of responsibilities between the national government and LGUs in the provision, production, and delivery of goods and services shall be clearly defined and agreed upon.
- c.) A structural framework shall be adopted that will define the vertical and horizontal compartmentalization of the Executive Branch, including its basic structural and functional configuration;
- d.) A standard typology of government organizations and personnel ranks which will guide the determination of the organizational configuration and proper grouping of agencies shall also be adopted;
- e.) All government systems and procedures shall be rationalized, streamlined, and designed within the context of decentralized decision-making authority within the Executive Branch and its departments, agencies, bureaus, offices and other instrumentalities; and

Sec. 5. *Authority of the President to Implement Re-engineering Plans-* The President is hereby granted the authority to review, approve, and implement re-engineering plans for specific agencies or sectors submitted by the Commission on Government Re-engineering herein created and hereinafter referred to as the Commission.

The President may propose any modification on a re-engineering plan or parts thereof submitted by the Commission only once. Within a period not exceeding six (6) months from his receipt of the plan, the President shall forward the proposed modification to the Commission, which, in turn, shall submit its recommendation to the President within three (3) months from its receipt hereof. If the president fails to act on a re-engineering plan at the end of the same six-month period, the said plan shall be deemed approved and executory.

All decisions of the President in this act may be appealed to the court of appeals and finally to the supreme court only on errors or questions of law.

Sec. 6. *Creation of the Commission on Government Re-Engineering.* - An independent and autonomous Commission on Government Re-Engineering is hereby created.. The Commission shall be the primary agency of government that shall formulate the re-engineering plans for the Executive Branch.

The Commission shall be organized ninety (90) days from the effectivity of this Act.

Sec. 7. *Powers and Functions.* - The Commission shall have the following powers and functions:

- a.) To conduct studies and review policies, programs, and models relevant to the re-engineering of the government bureaucracy;
- b.) To determine the social relevance, economic contribution, and general significance of the activities, programs, functions, roles, units, departments, agencies and instrumentalities of government

and to classify them as either vital/essential or non-vital/non-essential;

- c.) To consult with experts, affected government employees, union or other labor groups, and constituencies of government instrumentalities regarding the functions, roles, and general contribution of these instrumentalities to public welfare and socio-economic development;
- d.) To develop a monitoring and evaluation mechanism that would enable comprehensive and participative determination of the effects of re-engineering programs implemented to see what the gains are from these programs, to immediately mitigate any adverse effects which it may have, and to address areas which still require improvements.
- e.) To formulate, within a period not exceeding three (3) years from the effectivity of this Act, re-engineering plans for the Executive Branch, its sectors, or its specific agencies. The plans may contain any or all of the following:
 - 1) Structural, sectional, and operating systems and frameworks which define the overall hierarchical and functional structures of the Executive Branch; national-local responsibilities; the mandates and functions of sectoral departments; and the strategy to streamline and upgrade the operating systems of government;
 - 2) Alternatives such as the creation, abolition, merger, integration, or restructuring of departments, bureaus, offices, agencies, government-owned and -controlled corporations, and state universities and colleges, that will eliminate overlapping, duplication, proliferation and diffusion of functions, programs, and activities; as well as the transfer of appropriations, equipment, properties, records, personnel, and transactions from one agency to another;
 - 3. A government staffing and compensation policy and a human resource development strategy that shall include: the creation, classification and abolition of positions, hiring of personnel, and upgrading of compensation structures, incentives, and rewards systems;
 - 4. Safety net mechanisms and their implementation strategies for employees who may be affected by the re-engineering; and
 - 5. Standards, parameters, guidelines, and corresponding budget that will be adopted in the implementation of the plan.
- f.) To submit, at any time within three (3) years from the effectivity of this Act, the re-engineering plans for the President's review, approval, and implementation.
- g.) To oversee the implementation of the re-engineering plans.

Sec. 8. *Composition.* - The Commission shall be composed of five (5) regular members of the Commission. as follows:

- a) an expert on government operations,
- b) an expert on organization and management,
- c) an expert on financial management,
- d) an expert on human resource management,
- e) the Chairperson of the Public Sector Labor Management Council (PSLMC); and
- f) the representative of the employees' union.

The experts on organization and management, financial management, and human resource management must also be knowledgeable in government operations. They may come from the public or private sector.

The experts shall serve the Commission on a full-time basis while the Chairperson of the PSLMC and the representative of the employees' union shall serve the Commission as ex-officio members.

The President shall appoint the full-time members of the Commission as well as its Chairperson who shall be chosen from among the full-time members.

Sec. 9. *Term of Office and Compensation of the Members of the Commission.* - The members of the Commission shall have a term of office of five (5) years, however, the President may extend their term of office for another year.

Should a full-time member of the Commission fail to complete his or her term, the President shall appoint a successor who is also an expert in the same field as that of the member to be succeeded. Should the Chairperson of the PSLMC fail to complete his or her term, the incoming Chairperson shall automatically become a member of the Commission.

All successors shall serve only the unexpired portion of the term of the members whom they succeeded.

The Chairman shall be entitled to the same compensation as that of a Department Secretary while a full-time member shall be entitled to the same compensation as that of an Undersecretary.

The ex-officio members of the commission shall be entitled to reimbursement of actual transportation, representation, and other expenses actually incurred the performance of their functions or to any other compensation as may be applicable under existing laws, rules, and regulations.

Sec. 10. *Removal from Office.* - The President may, in accordance with the due process of law, remove for cause any member of the Commission before the expiration of his or her term.

Sec. 11. *The Secretariat.* - The Commission shall organize a Secretariat that shall assist the Chairman in the performance of his functions and shall serve as the technical arm of the Commission. The Secretariat shall be headed by an Executive Director who shall be appointed by the President and who shall be

responsible for the efficient and effective day-to-day management of the operations of the Commission.

The CSC and the Department of Budget and Management (DBM) shall provide the necessary technical and clerical personnel, either on detail or secondment basis. As the need arises, technical personnel from other government agencies may be tapped to augment the Secretariat personnel. The Commission is also authorized to hire consultants who will provide additional technical support to the Commission.

The term of office of the secretariat shall be co-terminus with that of the commission.

Sec. 12. *Re-engineering Dis-Engagement Program* - A safety net program to be called the Re-engineering Dis-engagement Program and hereinafter referred to as the RDP, is hereby created and shall be offered only to government employees affected by the re-engineering.

Sec. 13. *Retirement/Separation Benefits for Personnel Who May be Affected by the Reengineering Program.* - Personnel who may be affected by the reengineering program shall be paid the following retirement or separation benefits, whichever is applicable:

- a) Appropriate unemployment benefits to Government Service Insurance System (GSIS) members subject to its existing rules and regulations, to be paid for by GSIS;
- b.) Refund of their Pag-ibig contributions (both personal and government plus interest), pursuant to existing rules and regulations of the Home Development Mutual Fund (HDMF);
- c.) Commutation of unused vacation and sick leaves, in accordance with existing rules and regulations;
- d.) For those qualified to retire, the option to avail of a lump sum and pension from any of the retirement laws administered by the GSIS;
- e.) For those not qualified to retire, separation from government service with the option to avail of separation gratuity provided either under RA No. 8291 (An Act Amending PD 1146, as Amended, Expanding and Increasing the Coverage and Benefits of the Government Service Insurance System, Instituting Reforms Therein and for Other Purposes) or RA No. 6656 (An Act to Protect the Security of Tenure of Civil Service Officers and Employees in the Implementation of Government Reorganization), as well as the return of their GSIS personnel contributions pertaining to retirement only and the corresponding share of the government with interest earned;

Sec. 14. *Additional Incentives for Affected Employees.* - In addition to the above-mentioned retirement and separation benefits, the National Government shall provide the following incentives:

- a) 1 $\frac{1}{4}$ months of the present basic salary for those who have rendered 10 years and below;

- b) 1 ½ months of the present basic salary for every year of service for those who have rendered 11 to 20 years;
- c) 1 ¾ months of the present basic salary for every year of service for those who have rendered 21 to 30 years; and
- d) 2 months of the present basic salary for every year of service for those who have rendered 31 years and above.

GSIS members who do not qualify for retirement by reason of non-fulfillment of the required period of government service may be able to qualify by making use of the period during which they have rendered services to a private employer and for which contributions were paid to the SSS, by summing up the worker's creditable services or contributions in each of the Systems. They shall, however, be entitled to the retirement benefits proportionate to their creditable service in government.

Sec. 15. *Period of Applicability and Effectivity of Retirement, Separation, and Incentive Benefits.* - The President shall commence to implement the provisions for retirement, separation, and incentive benefits of affected employees within one (1) year from his approval of re-engineering plans

Sec. 16. *Options for Retirees.* - To provide a sense of fulfillment and source of livelihood after their retirement from government service, the affected employees can avail of the following opportunities:

- a) Those with special skills may register with the Secretariat (to be formed in cooperation with Civil Service Commission) which shall handle the pool of specialists whose services as resource speakers, consultants, and the like the government and private sector may tap;
- b) They may join a cooperative whose membership and management shall be limited to retirees;
- c) They may file membership with SSS and avail of special benefits for retirees such as shorter loan maturation period; and

They may opt to pool their resources for business ventures through a special credit program to be provided by government financial institutions.

Sec. 17. *Restriction on the Employment and Replacement of Retired or Separated Personnel.* - Affected employees shall not be eligible for appointment to, or employment in any branch, division, instrumentality or agency of the government, including government-owned or controlled corporations, whether on a permanent, temporary, casual, contractual, or emergency status, within a period of five (5) years after separation, unless they refund the benefits they received. Those that will be re-employed in the government shall be treated as new entrants insofar as GSIS coverage is concerned.

Sec. 18. *Report to Congress.* - The President shall submit a written report to Congress within three (3) months after the completion of the implementation of the re-engineering plan for each department/agency

Sec. 19. *Formulation of implementing rules and regulation.* - Within one (1) month after the approval of this act, the President shall convene the

Oversight Committee as herein provided for. The said committee shall formulate and issue the appropriate rules and regulations necessary for the efficient and effective implementation of any and all provisions of this act.

- A.) the Committee shall be composed of the following:
 - (1) the Executive Secretary, who shall be the chairman;
 - (2) three (3) members of the Senate to be appointed by the President of the Senate, to include the Chairman of the Committee on Civil Service and Government Reorganization;
 - (3) three (3) members of the House of Representatives to be appointed by the Speaker, to include the Chairmen of the Committees on Government Reorganization, and Civil Service and Professional Regulation;
 - (4) the Cabinet represented by the following:
 - (a) Secretary of Budget and Management;
 - (b) Chairperson of Civil Service Commission; and
 - (c) Director-General of National Economic Development Authority.
- B.) The committee shall submit its report and recommendation to the president within two (2) months after its organization. If the President fails to act within thirty (30) days from receipt hereof, the recommendation of the oversight committee shall be deemed approved.
- C.) The services of a technical staff shall be enlisted from among qualified employees of congress and government offices.

Sec. 20. *Continuing "Scrap-And-Build" Policy of the Government.* – After the re-engineering of the Executive Branch is fully implemented, the national government shall adopt a continuing "scrap-and-build" policy, subject to review and approval by Congress, for organizational and staffing changes in accordance with the following principles and guidelines:

- a) The proper scope, level, and focus of government interventions, distribution of functions among levels of government, design of the administrative structure and level of manpower complement of the Executive Branch shall be established and fixed after the implementation of the re-engineering under this Act;
- b) An agency may be created provided an existing equivalent organizational unit is abolished; and
- c.) Increases in the personnel and staffing complement of any department of the Executive Branch shall be allowed only for population-sensitive positions, such as teaching and related teaching, uniformed, and medical and allied-medical positions.

For this purpose, the Commission shall provide the detailed guidelines on the continuing implementation of the "scrap-and-build" policy.

Sec. 21. *Funding Requirement.* – The amount necessary for the initial implementation of this Act shall be sourced from any available savings of the Executive Branch. Such sums necessary for the succeeding implementation of this Act shall be included in the annual General Appropriations Act (GAA).

The retirement and separation benefits herein granted shall be included in the Miscellaneous Personnel Benefits Fund as provided for under the General Appropriations Act.

Sec. 22. *Repealing Clause.* – All laws, decrees, orders, rules and regulations or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or amended accordingly

Sec.23. *Separability Clause.* – If for any reason any section or provision of this Act is declared unconstitutional or invalid, other sections or provisions hereof which are not affected thereby shall continue to be in full force and effect.

Sec. 24. *Effectivity.* - This Act shall take effect immediately upon its approval.

Approved,