



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

'17 FEB 20 P3:34

SENATE

RECEIVED BY: _____

S. B. No. 1337

Introduced by Senator JUAN MIGUEL F. ZUBIRI

AN ACT
RIGHTSIZING THE NATIONAL GOVERNMENT TO
IMPROVE PUBLIC SERVICE DELIVERY

EXPLANATORY NOTE

It is the policy of the State to promote simplicity, efficiency, effectiveness and economy in government operations to enable it to, among others, pursue its programs consistent with the national goal to improve public service delivery and enhance institutional capacity for accelerated social and economic development.

In line with this policy, past administrations had pursued various reorganization/ rationalization efforts, the latest of which was the Government Rationalization Program which was adopted in 2004.

Since it had been more than a decade ago since the Government Rationalization Program was initiated, and given the changes in the economic and socio-political environment in the country, it is high time to revisit and restudy the organization and operations of the different Departments/Agencies of the government to respond to the increasing public demand for faster and more effective and efficient delivery of services.

Hence, this Bill seeks to, among others, ensure that government operations, systems and processes are simplified and rationalized through the implementation of a National Government Rightsizing Program.

The pursuit of this reform initiative is in line with the directive made by the President during his inaugural address to all Department Secretaries/Agency Heads to streamline the operations of their respective Departments/Agencies.

Specifically, the National Government Rightsizing Program primarily aims to enhance the government's institutional capacity to improve public service delivery by undertaking organizational actions to eliminate functions,

programs and projects which are already redundant or no longer necessary, and those duplicating or overlapping between and among the units within the department or with other departments/agencies of the National Government.

This could be done through, among others, the abolition, deactivation, grouping, integration, merging, consolidation or splitting of departments, bureaus or offices, as well as creation/regularization of new offices, as necessary. Likewise, the transfer of offices, functions, programs and projects from one Department/Agency to another could be undertaken.

This reform initiative is vital in order for the different Departments/Agencies of the National Government to focus on the performance of their core functions and ensure the effective, efficient and economical implementation of their programs and projects that will lead to the attainment of the desired sectoral and national goals and outcomes, as well as facilitate the delivery and upgrade the quality of frontline services.

In light of the foregoing, the passage of the bill is most earnestly sought.




JUAN MIGUEL F. ZUBIRI



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

3
4 **Section 1. Short Title.** - This Act shall be known as "*Rightsizing the National*
5 *Government Act of 2017.*"

6
7 **Section 2. Declaration of Policy.** - It is hereby declared the policy of the State to
8 promote and maintain effectiveness, efficiency and economy in the government, and
9 enhance institutional capacity to improve public service delivery, and to ensure the
10 attainment of the country's societal and economic development goals and objectives.
11 Consistent with this, the government shall focus its functions and resources on the
12 essential role, scope, and level of governance, and minimize, if not eliminate,
13 redundancies, overlaps and duplications in its operations and simplify its systems and
14 processes.

15
16 **Section 3. Coverage.** - This Act shall cover all national government agencies, including
17 departments, bureaus, offices, commissions, boards, councils, and all other entities
18 attached to or under their administrative supervision.

19
20 The Legislature, the Judiciary, Constitutional Offices, State Universities and
21 Colleges, and Local Government Units (LGUs) may, within their respective authorized
22 appropriations, likewise rightsize their respective offices, consistent with the principles
23 and guidelines contained in this Act.

24
25 The Governance Commission for Government-Owned or -Controlled
26 Corporations shall continue to exercise its authority under Republic Act (RA) No. 10149
27 to reorganize, merge, streamline, abolish or privatize any government-owned or -
28 controlled corporation (GOCC), in consultation with the department or agency to which
29 the GOCC is attached.

30
31 **Section 4. Principles and Guidelines.** - The National Government shall implement a
32 Rightsizing Program in accordance with the following principles and guidelines:

- 33
34 a) The role of government and the scope, level, and prioritization of
35 government activities shall be determined in accordance with the
36 Constitutional mandate, political and socio-economic objectives of the
37 government, and available resources;

- 1
2 b) The delineation of responsibilities between the National Government and
3 the LGUs in the provision, production, and delivery of goods and services
4 shall be clearly defined;
5
6 c) Government operations shall be simplified so that the
7 departments/agencies could focus on the performance of their core
8 functions and implementation of programs and projects that will lead to the
9 attainment of the desired sectoral and national goals and outcomes;
10
11 d) Government systems and processes shall be simplified to facilitate the
12 delivery and upgrade the quality of frontline services, as well as to improve
13 policy formulation, planning and performance evaluation;
14
15 e) Government rules shall be rationalized to reduce the regulatory burden on
16 citizens, businesses and other stakeholders; and
17
18 f) The organizational structure of agencies shall be rightsized and the
19 appropriate staffing mix shall be determined based on the skills and
20 competencies required to effectively and efficiently carry out the agency
21 mandate and functions.
22

23 **Section 5. Authority of the President of the Philippines to Rightsize the**
24 **Operations of the National Government.** - Pursuant to the policies, principles and
25 guidelines stipulated in this Act, the President is hereby granted the following authority
26 in the rightsizing of the operations of the different departments/agencies of the National
27 Government:
28

- 29 a) To undertake the following organizational actions in order to eliminate
30 functions, programs and projects which are already redundant, no longer
31 necessary, or those duplicating or overlapping between and among the
32 units within the department or with other departments/agencies of the
33 National Government:
34
35 a.1 Abolish, deactivate, group, integrate, merge, consolidate or split
36 national government agencies, including departments, bureaus,
37 offices, commissions, boards, councils, and all other entities attached
38 to or under their administrative supervision;
39
40 a.2 Create, establish or regularize offices; and
41
42 a.3 Transfer offices, functions, programs and projects, and/or the
43 corresponding appropriations, equipment, properties, records,
44 personnel, and transactions, from one department/agency to
45 another.
46
47 b) To formulate and provide safety nets, including their implementation
48 strategies, for employees of departments/agencies who may be affected
49 by the government's rightsizing efforts.

41 **Section 6. Creation of a Committee on Rightsizing the National**
42 **Government.** - A Committee on Rightsizing the National Government is hereby created
43 to oversee the implementation of the National Government's Rightsizing Program, in
44 accordance with the provisions of this Act.
45

1 The Committee shall be composed of the Executive Secretary as Chairman, and
2 the Secretary of Budget and Management as Co-Chairman, with the Director-General of
3 the National Economic and Development Authority, Chairperson of the Civil Service
4 Commission (CSC), and the Head of the Presidential Management Staff, as members.

5
6 The Committee shall be organized within fifteen (15) days from the effectivity of
7 this Act.

8
9 The Committee shall also organize a Technical Working Group composed of
10 experts on government operations, organizational development, and human resource
11 management to assist in the performance of its functions.

12
13 In the spirit of transparency and participatory governance, the Committee shall
14 consult the departments/agencies concerned and accredited public sector unions
15 relative to the implementation of the National Government's Rightsizing Program.

16
17 **Section 7. Powers and Functions of the Committee on Rightsizing the National**
18 **Government.** - The Committee shall have the following powers and functions:

- 19
20 a) To develop the policies, framework, strategies and mechanisms to be
21 adopted in the implementation of the National Government's Rightsizing
22 Program;
- 23
24 b) To conduct studies on the functions, programs, projects, operations,
25 structure and manpower complement of the different
26 departments/agencies;
- 27
28 c) To develop and prepare the rightsized organizational structure of
29 departments/agencies concerned and the corresponding executive
30 issuances for approval by the President;
- 31
32 d) To monitor the implementation by the different departments/agencies of
33 their respective approved Rightsizing Plans, and report to the President
34 any issue that must be addressed;
- 35
36 e) To commission the conduct of an independent impact assessment on the
37 National Government's Rightsizing Program after its completion, to
38 determine the effects of, and gains from, the implementation of the
39 Program, mitigate any adverse effects, and address areas which still
40 require improvements; and
- 41
42 f) To formulate the implementing rules and regulations (IRR) of this Act.

43
44 **Section 8. Submission of the Rightsized Organizational Structure and Proposed**
45 **Executive Issuances to the President.** - The Committee on Rightsizing the National
46 Government shall submit to the President the rightsized organizational structure of
47 departments/agencies concerned and the corresponding executive issuances within
48 one (1) year from the effectivity of the IRR of this Act.

49
50 **Section 9. Submission of the Detailed Organizational Structure and Staffing to the**
51 **DBM.** - Department Secretaries/Agency Heads shall prepare and submit to the DBM
52 the detailed organizational structure and staffing of their respective
53 departments/agencies within ninety (90) days after the approval of the proposed
54 executive issuances by the President.

1 **Section 10. Retirement Benefits and Separation Incentives for Personnel Who**
2 **May be Affected by the National Government's Rightsizing Program.** - The affected
3 personnel, whether hired on a permanent, temporary, casual or contractual basis and
4 with appointments attested by the CSC, shall be entitled to retirement benefits and
5 separation incentives.
6

7 **10.1** The affected personnel shall be given the option to avail themselves of
8 any of the following retirement benefits under existing laws, if qualified:
9

- 10 a) Retirement gratuity provided under RA No. 1616 (An Act Further
11 Amending Section Twelve of Commonwealth Act Numbered One
12 Hundred Eighty-Six, as Amended, By Prescribing Two Other Modes
13 of Retirement and for Other Purposes), as amended; or
14
- 15 b) Retirement benefit under RA No. 660 (An Act to Amend
16 Commonwealth Act Numbered One Hundred and Eighty-Six Entitled
17 "An Act to Create and Establish a Government Service Insurance
18 System, to Provide for its Administration, and to appropriate the
19 Necessary Funds Therefor," and to Provide Retirement Insurance
20 and for Other Purposes); or
21
- 22 c) Retirement, separation or unemployment benefit provided under RA
23 No. 8291 (An Act Amending Presidential Decree No. 1146, as
24 Amended, Expanding and Increasing the Coverage and Benefits of
25 the Government Service Insurance System, Instituting Reforms
26 Therein and for Other Purposes).
27

28 The retirement gratuity benefit of affected personnel who are qualified and
29 have opted to avail themselves of RA No. 1616 shall be paid by the
30 Government Service Insurance System (GSIS). The GSIS shall no longer
31 pay the refund of retirement premiums (both personnel and government
32 shares) of the affected personnel who will opt to avail of RA No. 1616
33 benefits.
34

35 **10.2** In addition to said retirement benefits, the affected personnel who would
36 opt to retire or be separated shall be entitled to the following applicable
37 separation incentives:
38

- 39 a) **½ of the actual monthly basic salary** for every year of government
40 service, for those who have rendered less than 11 years of service;
41
- 42 b) **¾ of the actual monthly basic salary** for every year of government
43 service, computed starting from the 1st year, for those who have
44 rendered 11 to less than 21 years of service;
45
- 46 c) **the actual monthly basic salary** for every year of government
47 service, computed starting from the 1st year, for those who have
48 rendered 21 to less than 31 years of service; and
49
- 50 d) **1 ¼ of the actual monthly basic salary** for every year of
51 government service, computed starting from the 1st year, for those
52 who have rendered 31 years of service and above.

53 The actual monthly basic salary shall refer to the salary of the affected
54 personnel within the authorized period of implementation of the Program
55 in their respective departments/agencies.
56

1 A minimum of five (5) years of government service is required in order for
2 an affected personnel to be entitled to avail of the Program's separation
3 incentives under Section 10.2 of this Act.
4

5 *Provided:* That for the purpose of computing the total amount of
6 separation incentives that an affected personnel would receive, only
7 his/her government service up to age 59 and a fraction thereof would be
8 counted. Government service starting at the age 60 would no longer be
9 subject to the separation incentives provided herein, without affecting the
10 original incentive factor determined as applicable based on the actual
11 years of service of the affected personnel.
12

13 *Provided Further:* That for the purpose of complying with the required
14 number of years of service under RA No. 8291, the portability scheme
15 under RA No. 7699 (An Act Instituting Limited Portability Scheme in the
16 Social Security Insurance Systems by Totalizing the Workers' Creditable
17 Services or Contributions in Each of the Systems) may be applied, subject
18 to existing policies and guidelines.
19

20 The affected personnel, if with permanent appointment attested by the CSC, who
21 will not opt to retire from the service shall be placed in a manpower pool to be organized
22 and administered by the CSC. The CSC shall retool the subject affected personnel and
23 deploy them to agencies which require their qualifications, skills and competencies.
24

25 The number of personnel who will avail of the separation incentives under
26 Section 10.2 of this Act shall in no case exceed the number of positions declared for
27 abolition.
28

29 The specific guidelines to carry out the provisions of this Section shall be
30 prescribed in the IRR of this Act.
31

32 **Section 11. Other Benefits of Retired/Separated Personnel.** - The affected
33 personnel who retired/separated shall, in addition to the applicable benefits above, be
34 entitled to the following:
35

- 36 a) Refund of Pag-IBIG Contributions - all affected personnel who are
37 members of the Pag-IBIG shall be entitled to the refund of their
38 contributions (both personal and government), pursuant to existing rules
39 and regulations of the Home Development Mutual Fund; and
40
41 b) Commutation of Unused Vacation and Sick Leave Credits - all affected
42 personnel shall be entitled to the commutation of unused vacation and
43 sick leave credits in accordance with existing rules and regulations.
44

45 **Section 12. Period of Availability of the Retirement Benefits and Separation**
46 **Incentives.** - The retirement benefits and separation incentives provided in this Act
47 shall be available within sixty (60) days upon approval by the DBM of the detailed
48 rightsized organizational structure and staffing of departments/agencies concerned.
49

50 **Section 13. Prohibition on Rehiring of Personnel Retired/Separated from the**
51 **Service.** - Affected personnel who retired/separated from the service as a result of the
52 implementation of the National Government's Rightsizing Program shall not be
53 appointed nor hired as casuals or contractual in any agency of the National
54 Government, including in GOCCs, for a period of five (5) years, except as teaching staff
55 in a state university or college.
56

1 The provision of consultancy services by government personnel who retired or
2 were separated as a result of the rightsizing efforts shall be governed by Section 7 of
3 RA No. 6713 (Code of Conduct and Ethical Standards for Public Officials and
4 Employees).

5
6 **Section 14. Report to Congress.** - The President shall submit a report to Congress on
7 the results of the Program after the completion of its implementation.
8

9 **Section 15. Funding Requirements.** - The amount necessary for the initial
10 implementation of this Act shall be sourced against any applicable appropriation items
11 under the current General Appropriations Act. Subsequent amount needed to continue
12 the implementation of the National Government's Rightsizing Program in the National
13 Government shall be included in the succeeding appropriations.
14

15 **Section 16. Implementing Rules and Regulations.** - The Committee on Rightsizing
16 the National Government shall formulate the necessary IRR within thirty (30) days from
17 the organization of the Committee. Such rules and regulations shall take effect fifteen
18 (15) days after its publication in a newspaper of general circulation.
19

20 **Section 17. Separability Clause.** - If any provision of this Act is declared
21 unconstitutional or invalid, the other provisions not otherwise affected shall remain in full
22 force and effect.
23

24 **Section 18. Repealing Clause.** - All laws, decrees, executive orders, rules and
25 regulations, and other issuances or parts thereof which are inconsistent with this Act are
26 hereby repealed, amended or modified accordingly.
27

28 **Section 19. Effectivity.** - This Act shall take effect take effect fifteen (15) days after its
29 publication in at least two (2) newspapers of general circulation.
30

31 Approved.
32