


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

'17 FEB 21 A11 :00

SENATE

RECEIVED BY: 

S. No. 1339

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Introduced by **Senator GREGORIO B. HONASAN II**

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**AN ACT RIGHTSIZING THE NATIONAL GOVERNMENT TO IMPROVE  
PUBLIC SERVICE DELIVERY**

**EXPLANATORY NOTE**

It is the policy of the State to promote and maintain effectiveness, efficiency and economy in the government, enhance institutional capacity to improve public service delivery, and to ensure the attainment of the country's societal and economic development goals and objectives.

In order to achieve this avowed policy, this bill primarily seeks to streamline the organizational structures of the government, covering all national government agencies, including departments, bureaus, offices, commissions, boards, councils and all other entities attached to or under their administrative supervision. This bill also proposes to give the President the authority to undertake measures in order to eliminate duplicating functions which are redundant. Also, personnel who may be affected by the national government's rightsizing program, hired on a permanent, temporary, casual or contractual basis shall be entitled to retirement and separation benefits.

In light of the foregoing and consistent with the objective of the President to institutionalize a government bureaucracy that is lean and mean, immediate passage of this measure is earnestly requested.

  
**GREGORIO B. HONASAN II**  
Senator

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1 AN ACT  
2 RIGHTSIZING THE NATIONAL GOVERNMENT TO IMPROVE PUBLIC  
3 SERVICE DELIVERY  
4

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

7 **Section 1. Short Title.** - This Act shall be known as "Rightsizing the National  
8 Government Act of 2016."  
9

10 **Section 2. Declaration of Policy.** - It is hereby declared the policy of the State  
11 to promote and maintain effectiveness, efficiency and economy in the  
12 government, and enhance institutional capacity to improve public service  
13 delivery, and to ensure the attainment of the country's societal and economic  
14 development goals and objectives. Consistent with this, the government shall  
15 focus its functions and resources on the essential role, scope, and level of  
16 governance, and minimize, if not eliminate, redundancies, overlaps and  
17 duplications in its operations and simplify its systems and processes.  
18

19 **Section 3. Coverage.** - This Act shall cover all national government agencies,  
20 including departments, bureaus, offices, commissions, boards, councils, and  
21 all other entities attached to or under their administrative supervision.  
22

23 The Legislature, the Judiciary, Constitutional Offices, State Universities and  
24 Colleges, and Local Government Units (LGUs) may, within their respective  
25 authorized appropriations, likewise rightsize their respective offices, consistent  
26 with the principles and guidelines contained in this Act.  
27

28 The Governance Commission for Government-Owned or -Controlled  
29 Corporations shall continue to exercise its authority under Republic Act (RA)  
30 No. 10149 to reorganize, merge, streamline, abolish or privatize any  
31 government-owned or -controlled corporation (GOCC), in consultation with the  
32 department or agency to which the GOCC is attached.  
33

34 **Section 4. Principles and Guidelines.** - The National Government shall  
35 implement a Rightsizing Program in accordance with the following principles  
36 and guidelines:  
37

- 38 a) The role of government and the scope, level, and prioritization of  
39 government activities shall be determined in accordance with the  
40 Constitutional mandate, political and socio-economic objectives of the  
41 government, and available resources;

1 b) The delineation of responsibilities between the National Government  
2 and the LGUs in the provision, production, and delivery of goods and  
3 services shall be clearly defined;

4  
5 c) Government operations shall be simplified so that the  
6 departments/agencies could focus on the performance of their core  
7 functions and implementation of programs and projects that will lead to  
8 the attainment of the desired sectoral and national goals and outcomes;

9  
10 d) Government systems and processes shall be simplified to facilitate  
11 the delivery and upgrade the quality of frontline services, as well as to  
12 improve policy formulation, planning and performance evaluation;

13  
14 e) Government rules shall be rationalized to reduce the regulatory  
15 burden on citizens, businesses and other stakeholders; and

16  
17 f) The organizational structure of agencies shall be rightsized and the  
18 appropriate staffing mix shall be determined based on the skills and  
19 competencies required to effectively and efficiently carry out the agency  
20 mandate and functions.

21  
22 **Section 5. Authority of the President of the Philippines to Rightsize the**  
23 **Operations of the National Government.** - Pursuant to the policies,  
24 principles and guidelines stipulated in this Act, the President is hereby granted  
25 the following authority in the rightsizing of the operations of the different  
26 departments/agencies of the National Government:

27  
28 a) To undertake the following organizational actions in order to  
29 eliminate functions, programs and projects which are already redundant,  
30 no longer necessary, or those duplicating or overlapping between and  
31 among the units within the department or with other  
32 departments/agencies of the National Government:

33  
34 a.1 Abolish, deactivate, group, integrate, merge, consolidate or split  
35 national government agencies, including departments, bureaus,  
36 offices, commissions, boards, councils, and all other entities  
37 attached to or under their administrative supervision;

38  
39 a. 2 Create, establish or regularize offices; and

40  
41 a. 3 Transfer offices, functions, programs and projects, and/or the  
42 corresponding appropriations, equipment, properties, records,  
43 personnel, and transactions, from one department/agency to  
44 another.

45  
46 b) To formulate and provide safety nets, including their implementation  
47 strategies, for employees of departments/agencies who may be affected  
48 by the government's rightsizing efforts.

49  
50 **Section 6. Creation of a Committee on Rightsizing the National**  
51 **Government.** - A Committee on Rightsizing the National Government is hereby

1 created to oversee the implementation of the National Government's Rightsizing  
2 Program, in accordance with the provisions of this Act.

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

9  
10 The Committee shall be organized within fifteen (15) days from the effectivity of  
11 this Act.

12  
13 The Committee shall also organize a Technical Working Group composed of  
14 experts on government operations, organizational development, and human  
15 resource management to assist in the performance of its functions.

16  
17 In the spirit of transparency and participatory governance, the Committee shall  
18 consult the departments/agencies concerned and accredited public sector  
19 unions relative to the implementation of the National Government's Rightsizing  
20 Program.

21  
22 **Section 7. Powers and Functions of the Committee on Rightsizing the**  
23 **National Government.** - The Committee shall have the following powers and  
24 functions:

25  
26 a) To develop policies, framework, strategies and mechanisms to be  
27 adopted in the implementation of the National Government's Rightsizing  
28 Program;

29  
30 b) To conduct studies on the functions, programs, projects,  
31 operations, structure and manpower complement of the different  
32 departments/agencies;

33  
34 c) To develop and prepare the rightsized organizational structure of  
35 departments/agencies concerned and the corresponding executive  
36 issuances for approval by the President;

37  
38 d) To monitor the implementation by the different  
39 departments/agencies of their respective approved Rightsizing Plans, and  
40 report to the President any issue that must be addressed;

41  
42 e) To commission the conduct of an independent impact assessment  
43 on the National Government's Rightsizing Program after its completion,  
44 to determine the effects of, and gains from, the implementation of the  
45 Program, mitigate any adverse effects, and address areas which still  
46 require improvements; and

47  
48 f) To formulate the implementing rules and regulations (IRR) of this Act.

49  
50 **Section 8. Submission of the Rightsized Organizational Structure and**  
51 **Proposed Executive Issuances to the President.** - The Committee on  
52 Rightsizing the National Government shall submit to the President the  
53 rightsized organizational structure of departments/agencies concerned and the

1 corresponding executive issuances within one (1) year from the effectivity of the  
2 IRR of this Act.

3  
4 **Section 9. Submission of the Detailed Organizational Structure and**  
5 **Staffing to the DBM.** - Department Secretaries/Agency Heads shall prepare  
6 and submit to the DBM the detailed organizational structure and staffing of  
7 their respective departments/agencies within ninety (90) days after the  
8 approval of the proposed executive issuances by the President.

9  
10 **Section 10. Retirement Benefits and Separation Incentives for Personnel**  
11 **Who May be Affected by the National Government's Rightsizing Program.** -  
12 The affected personnel, whether hired on a permanent, temporary, casual or  
13 contractual basis and with appointments attested by the CSC, shall be entitled  
14 to retirement benefits and separation incentives.

15  
16 **10.1** The affected personnel shall be given the option to avail themselves of  
17 any of the following retirement benefits under existing laws, if qualified:

18  
19 a) Retirement gratuity provided under RA No. 1616 (An Act Further  
20 Amending Section Twelve of Commonwealth Act Numbered One Hundred  
21 Eighty-Six, as Amended, By Prescribing Two Other Modes of Retirement  
22 and for Other Purposes), as amended; or

23  
24 b) Retirement benefit under RA No. 660 (An Act to Amend  
25 Commonwealth Act Numbered One Hundred and Eighty-Six Entitled "An  
26 Act to Create and Establish a Government Service Insurance System, to  
27 Provide for its Administration, and to Appropriate the Necessary Funds  
28 Therefor," and to Provide Retirement Insurance and for Other Purposes);  
29 or

30  
31 c) Retirement, separation or unemployment benefit provided under  
32 RA No. 8291 (An Act Amending Presidential Decree No. 1146, as Amended,  
33 Expanding and Increasing the Coverage and Benefits of the Government  
34 Service Insurance System, Instituting Reforms Therein and for Other  
35 Purposes).

36  
37 The retirement gratuity benefit of affected personnel who are qualified and  
38 have opted to avail themselves of RA No. 1616 shall be paid by the  
39 Government Service Insurance System (GSIS). The GSIS shall no longer  
40 pay the refund of retirement premiums (both personnel and government  
41 shares) of the affected personnel who will opt to avail of RA No. 1616  
42 benefits.

43  
44 **10.2** In addition to said retirement benefits, the affected personnel who  
45 would opt to retire or be separated shall be entitled to the following  
46 applicable separation incentives:

47  
48 a) **½ of the actual monthly basic salary** for every year of government  
49 service, for those who have rendered less than 11 years of service;

50  
51 b) **¾ of the actual monthly basic salary** for every year of government  
52 service, computed starting from the 1st year, for those who have rendered  
53 11 to less than 21 years of service;

1 c) **The actual monthly basic salary** for every year of government service,  
2 computed starting from the 1<sup>st</sup> year, for those who have rendered 21 to  
3 less than 31 years of service; and

4  
5 d) **1 ¼ of the actual monthly basic salary** for every year of government  
6 service, computed starting from the 1<sup>st</sup> year, for those who have rendered  
7 31 years of service and above.

8  
9 The actual monthly basic salary shall refer to the salary of the affected  
10 personnel within the authorized period of implementation of the Program  
11 in their respective departments/agencies.

12  
13 A minimum of five (5) years of government service is required in order for  
14 an affected personnel to be entitled to avail of the Program's separation  
15 incentives under Section 10.2 of this Act. Provided, That for the purpose  
16 of computing the total amount of separation incentives that an affected  
17 personnel would receive, only his/her government service up to age 59 and  
18 a fraction thereof would be counted. Government service starting at the  
19 age 60 would no longer be subject to the separation incentives provided  
20 herein, without affecting the original incentive factor determined as  
21 applicable based on the actual years of service of the affected personnel.  
22 Provided, further, That for the purpose of complying with the required  
23 number of years of service under RA No. 8291, the portability scheme  
24 under RA No. 7699 (An Act Instituting Limited Portability Scheme in the  
25 Social Security Insurance Systems by Totalizing the Workers' Creditable  
26 Services or Contributions in Each of the Systems) may be applied, subject  
27 to existing policies and guidelines.

28  
29 The affected personnel, if with permanent appointment attested by the CSC,  
30 who will not opt to retire from the service shall be placed in a manpower pool to  
31 be organized and administered by the CSC. The CSC shall retool the subject  
32 affected personnel and deploy them to agencies which require their  
33 qualifications, skills and competencies.

34  
35 The number of personnel who will avail of the separation incentives under  
36 Section 10.2 of this Act shall in no case exceed the number of positions  
37 declared for abolition.

38  
39 The specific guidelines to carry out the provisions of this Section shall be  
40 prescribed in the IRR of this Act.

41  
42 **Section 11. Other Benefits of Retired/Separated Personnel.** - The affected  
43 personnel who retired/separated shall, in addition to the applicable benefits  
44 above, be entitled to the following:

45  
46 a) Refund of Pag-IBIG Contributions - all affected personnel who are  
47 members of the Pag-IBIG shall be entitled to the refund of their  
48 contributions (both personal and government), pursuant to existing rules  
49 and regulations of the Home Development Mutual Fund; and

50  
51 b) Commutation of Unused Vacation and Sick Leave Credits - all affected  
52 personnel shall be entitled to the commutation of unused vacation and  
53 sick leave credits in accordance with existing rules and regulations.

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

6  
7 **Section 13. Prohibition on Rehiring of Personnel Retired/Separated from**  
8 **the Service.** - Affected personnel who retired/separated from the service as a  
9 result of the implementation of the National Government's Rightsizing Program  
10 shall not be appointed nor hired as casuals or contractual in any agency of the  
11 National Government, including in GOCCs, for a period of five (5) years, except  
12 as teaching staff in a state university or college.

13  
14 The provision of consultancy services by government personnel who retired or  
15 were separated as a result of the rightsizing efforts shall be governed by Section  
16 7 of RA No. 6713 (Code of Conduct and Ethical Standards for Public Officials  
17 and Employees).

18  
19 **Section 14. Report to Congress.** - The President shall submit a report to  
20 Congress on the results of the Program after the completion of its  
21 implementation.

22  
23 **Section 15. Funding Requirements.** - The amount necessary for the initial  
24 implementation of this Act shall be sourced against any applicable  
25 appropriation items under the current General Appropriations Act. Subsequent  
26 amount needed to continue the implementation of the National Government's  
27 Rightsizing Program in the National Government shall be included in the  
28 succeeding appropriations.

29  
30 **Section 16. Implementing Rules and Regulations.** - The Committee on  
31 Rightsizing the National Government shall formulate the necessary IRR within  
32 thirty (30) days from the organization of the Committee. Such rules and  
33 regulations shall take effect fifteen (15) days after its publication in a  
34 newspaper of general circulation.

35  
36 **Section 17. Separability Clause.** - If any provision of this Act is declared  
37 unconstitutional or invalid, the other provisions not otherwise affected shall  
38 remain in full force and effect.

39  
40 **Section 18. Repealing Clause.** - All laws, decrees, executive orders, rules and  
41 regulations, and other issuances or parts thereof which are inconsistent with  
42 this Act are hereby repealed, amended or modified accordingly.

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

45  
46 Approved,