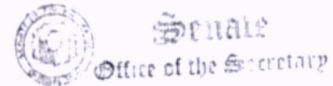


EIGHTEENTH CONGRESS }
REPUBLIC OF THE PHILIPPINES }
First Regular Session }



'19 JUL -8 P12:04

SENATE
SENATE BILL No. 244

RECEIVED BY

Introduced by SENATOR VICENTE C. SOTTO III

AN ACT
RIGHTSIZING THE NATIONAL GOVERNMENT TO IMPROVE PUBLIC
SERVICE DELIVERY

EXPLANATORY NOTE

The Philippine government bureaucracy comprising a total of 186 departments, agencies and other offices has already bloated to some 1.5 million workers at present. These figures have tremendously increased over the years without properly managing its proper size in the workforce that led to duplications in functions and redundancy in the position.

The intention of this bill to rationalize the operations of offices from and among various government offices having related functions, through streamlining of the positions in any government bureaucracy, will enable the present administration to promote efficiency and cost in the delivery of public service.

With the Personal Services eating almost 30% of the entire pie of the national budget, the concept of "Rightsizing" as coined in this measure, is in line with the battle cry of the Duterte administration to operate the national government with optimal cost and efficient human resources.

The primary purpose of this measure is to enhance the government's institutional capacity to improve public service delivery. This bill will affect particularly the national government agencies, including departments, bureaus, offices, commissions, boards, councils, and all other entities attached to or under their administrative supervision. In order to execute the aforementioned objective, this bill proposes to give the President the authority to abolish, create and transfer offices within the National Government, among others. To oversee the implementation of this measure, a Committee on Rightsizing the National Government shall be created, which will be chaired by the Executive Secretary with the Secretary of the DBM as co-chair, and the NEDA Director-General, Chairperson of the CSC and Head of the Presidential Management Staff as members.

While there might be eventual changes in the organizational structure and staffing in the affected offices, affected personnel, whether hired on a permanent, temporary, casual or contractual basis, shall be entitled to retirement benefits and separation incentives.

Considering that this bill is in line with the directive of the President, passage of the measure is earnestly requested.


VICENTE C. SOTTO III

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

1 SECTION 1. **Short Title.** – This Act shall be known as “Rightsizing the
2 National Government Act.”

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

11 SECTION 3. **Coverage.** – This Act shall cover all national government
12 agencies, including departments, bureaus, offices, commissions, boards,
13 councils, and all other entities attached to or under their administrative
14 supervision.

1 The Legislature, The Judiciary, Constitutional Offices, State Universities
2 and Colleges, and Local Government Units (LGUs) may, within their respective
3 authorized appropriations, likewise rightsize their respective offices,
4 consistent with the principles and guidelines contained in this Act.

5 The Governance Commission for Government-Owned or –Controlled
6 Corporations shall continue to exercise its authority under Republic Act (RA)
7 No. 10149 to recognize, merge, streamline, abolish or privatized any
8 government-owned or -controlled corporation (GOCC), in consultation with
9 the department or agency to which the GOCC is attached.

10 SECTION 4. **Principles and Guidelines.** – The National Government
11 shall implement a Rightsizing Program in accordance with the following
12 principles and guidelines:

- 13 a) The role of government and the scope, level and prioritization of
14 government activities shall be determined in accordance with the
15 Constitutional mandate, political and socio-economic objectives of
16 the government, and available resources;
- 17 b) The delineation of responsibilities between the National Government
18 and the LGUs in the provision, production and delivery of goods and
19 services shall be clearly defined;
- 20 c) Government operations shall be simplified so that the
21 departments/agencies could focus on the performance of their core
22 functions and implementation of programs and projects that will
23 lead to the attainment of the desired sectoral and national goals and
24 outcomes;
- 25 d) Government systems and processes shall be simplified to facilitate
26 the delivery and upgrade the quality of frontline services, as well as
27 to improve policy formulation, planning and performance
28 evaluation;
- 29 e) Government rules shall be rationalized to reduce the regulatory
30 burden on citizens, businesses and other stakeholders; and
- 31 f) The organizational structure of agencies shall be rightsized and the
32 appropriate staffing mix shall be determined based on the skills and

competencies required to effectively and efficiently carry out the agency mandate and functions.

SECTION 5. ***Authority of the President of the Philippines to Rightsized the Operations of the National Government.*** – Pursuant to the policies, principles and guidelines stipulated in this Act, the President is hereby granted the following authority in the rightsizing of the operations of the different departments/agencies of the national Government:

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

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

a.2 Create, establish or regularize offices; and

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

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

SECTION 6. ***Creation of a Committee on Rightsizing the National Government.*** – A Committee on Rightsizing the National Government is hereby created to oversee the implementation of the National Government's Rightsizing Program, in accordance with the provisions of this Act.

The Committee shall be composed of the Executive Secretary as Chairman, and the Secretary of Budget and Management as Co-Chairman, with the Director-General of the National Economic and Development

1 Authority, Chairperson of the Civil Service Commission (CSC), and the head
2 of the Presidential Management Staff, as members.

3 The Committee shall be organized within fifteen (15) days from the
4 effectivity of this Act.

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

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

13 **SECTION 7. Powers and Functions of the Committee on Rightsizing**
14 **the National Government.** – The Committee shall have the following powers
15 and functions:

- 16 a) To develop the policies, framework, strategies and mechanisms to
17 be adopted in the implementation of the National Government's
18 Rightsizing Program;
- 19 b) To conduct studies on the functions, programs, projects, operations,
20 structure and manpower complement of the different
21 departments/agencies;
- 22 c) To develop and prepare the rightsized organizational structure of
23 departments/agencies concerned and the corresponding executive
24 issuances for approval by the President;
- 25 d) To monitor the implementation by the different
26 departments/agencies of their respective approved Rightsizing
27 Plans, and report to the President any issue that must be addressed;
- 28 e) To commission the conduct of an independent impact assessment
29 on the National Government's Rightsizing Program after its
30 completion, to determine any effects of, and gains from, the

1 implementation of the Program, mitigate any adverse effects, and
2 address areas which still require improvements; and

- 3 f) To formulate the implementing rules and regulations (IRR) of this
4 Act.

5 SECTION 8. ***Submission of the Rightsized Organizational***
6 ***Structure ad Proposed Executive Issuances to the President.*** – The
7 Committee on Rightsizing the National Government shall submit to the
8 President the rightsized organizational structure of departments/agencies
9 concerned and the corresponding executive issuances within one (1) year from
10 the effectivity of the IRR of this Act.

11 SECTION 9. ***Submission of the Detailed Organizational Structure***
12 ***and Staffing to the DBM.*** – Department Secretaries/Agency Heads shall
13 prepare and submit to the DBM the detailed organizational structure and
14 staffing of their respective departments/agencies within ninety (90) days after
15 then approval of the proposed executive issuances by the President.

16 SECTION 10. ***Retirement Benefits and Separation Incentives for***
17 ***Personnel Who May be Affected by the National Government's***
18 ***Rightsizing Program.*** – The affected personnel, whether hired on a
19 permanent, temporary, casual or contractual basis and with appointments
20 attested by the CSC, shall be entitled to retirement benefits and separation
21 incentives.

22 10.1. The affected personnel shall be given the option to avail themselves
23 of any of the following retirement benefits under existing laws, if
24 qualified:

- 25 a) Retirement gratuity provided under RA No. 1616 (An Act
26 Further Amending Section Twelve of Commonwealth Act
27 Numbered One Hundred Eighty-Six, as Amended, By
28 Prescribing Two Other, Modes of Retirement and for Other
29 Purposes), as amended; or

- 30 b) Retirement benefit under RA No. 660 (An Act to Amend
31 Commonwealth Act Numbered One Hundred Eighty-Six

1 Entitled "An Act to Create and Establish a Government Service
2 Insurance System, to Provide for its Administration and to
3 Appropriate the Necessary Funds Therefore," and to Provide
4 Retirement Insurance and for Other Purposes); or

- 5 c) Retirement, separation or unemployment benefit provided
6 under RA No. 8291 (An Act Amending Presidential Decree No.
7 1146, as Amended, Expanding and Increasing the Coverage
8 and Benefits of the Government Service Insurance System,
9 Instituting Reforms Therein and for Other Purposes).

10 The retirement gratuity of affected personnel who are qualified and have
11 opted to avail themselves of RA No. 1616 shall be paid by the Government
12 Service Insurance System (GSIS). The GSIS shall no longer pay the refund of
13 retirement premiums (both personnel and government shares) of the affected
14 personnel who will opt to avail of RA No. 1616 benefits.

15 10.2. In addition to said retirement benefits, the affected personnel who
16 would opt to retire or be separated shall be entitled to the following
17 applicable separation incentives:

- 18 a) **the actual monthly basic salary** for every year of government
19 service, for those who have rendered less than 11 years of
20 service;
- 21 b) **1 ½ of actual monthly basic salary** for every year of
22 government service, computed starting from the 1st year, for
23 those who have rendered 11 to less than 21 years of service;
- 24 c) **2 of the actual monthly basic salary** for every year of
25 government service, computed starting from the 1st year, for
26 those who have rendered 21 to less than 31 years of service;
27 and
- 28 d) **2 ½ of the actual monthly basic salary** for every year of
29 government service, computed starting from the 1st year, for
30 those who have rendered 31 years of service and above.

1 The actual monthly basic salary shall refer to the salary of the
2 affected personnel within the authorized period of
3 implementation of the Program in their respective
4 departments/agencies.

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

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

16 PROVIDED FURTHER: That for the purpose of complying with
17 the required number of years of service under RA No. 8291, the
18 probability scheme under RA No. 7699 (An Act Instituting Limited
19 Portability Scheme in Social Security Insurance Systems by
20 Totalizing the Workers' Creditable Services or Contribution in
21 Each of the Systems) may be applied, subject to existing policies
22 and guidelines.

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

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

1 The specific guidelines to carry out the provisions of this Section shall
2 be prescribed in the IRR of this Act.

3 SECTION 11. ***Other Benefits of Retired/Separated Personnel.*** – The
4 affected personnel who retired/separated shall, in addition to applicable
5 benefits above, be entitled to the following:

6 a) Refund of Pag-IBIG Contributions – all affected personnel who are
7 members of the Pag-IBIG shall be entitled to the refund of their
8 contributions (both personal and government), pursuant to
9 existing rules and regulations of the Home Development Mutual
10 Fund; and

11 b) Commutation of Unused Vacation and Sick Leave Credits – all
12 affected personnel shall be entitled to the commutation of unused
13 vacation and sick leave credits in accordance with existing rules
14 and regulations.

15 SECTION 12. ***Period of Availability of the Retirement Benefits and***
16 ***Separation Incentives.*** – The retirement benefits and separation incentives
17 provided in this Act shall be available within sixty (60) days upon approval by
18 the DBM of the detailed rightsized organizational structure and staffing of
19 departments/agencies concerned.

20 SECTION 13. ***Prohibition on Rehiring of Personnel***
21 ***Retired/Separated from the Service.*** – Affected personnel who
22 retired/separated from the service as a result of the implementation of the
23 National Government's Rightsizing Program shall not be appointed nor hired
24 as casuals or contractual in any agency of the National Government, including
25 in GOCCs, for a period of five (5) years, except as teaching staff in a state
26 university or college.

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

1 SECTION 14. **Report to Congress.** – The President shall submit a
2 report to Congress on the results of the Program after the completion of its
3 implementation.

4 SECTION 15. **Funding Requirements.** – The amount necessary for the
5 implementation of this Act shall be sourced against any applicable
6 appropriation items under current General Appropriations Act. Subsequent
7 amount needed to continue the implementation of the National Government's
8 Rightsizing Program in the National Government shall be included in the
9 succeeding appropriations.

10 SECTION 16. **Implementing Rules and Regulations.** – The Committee
11 on the Rightsizing of the National Government shall formulate the necessary
12 IRR within thirty (30) days from the organization of the Committee. Such rules
13 and regulations shall take effect fifteen (15) days after its publication in a
14 newspaper of general circulation.

15 SECTION 17. **Separability Clause.**– If any of provision of this Act is
16 held invalid or unconstitutional, the same shall not affect the validity and
17 effectivity of the other provisions hereof.

18 SECTION 18. **Repealing Clause.** – All laws, decrees, orders, and
19 issuances, or portions thereof, which are inconsistent with the provisions of
20 this Act, are hereby repealed, amended or modified accordingly.

21 SECTION 19. **Effectivity Clause.** – This Act shall take effect fifteen (15)
22 days after its publication in the *Official Gazette* or in two (2) newspapers of
23 general circulation.

Approved,