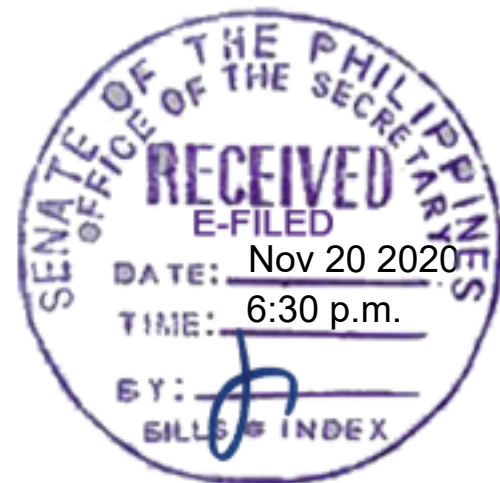


EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*Second Regular Session* )

**SENATE**

**S. No. 1925**



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Introduced by Senator Ralph G. Recto

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**AN ACT**  
**EXTENDING THE AVAILABILITY OF THE 2020 APPROPRIATIONS TO**  
**DECEMBER 31, 2021, AMENDING FOR THE PURPOSE SECTION 60 OF THE**  
**GENERAL PROVISIONS OF REPUBLIC ACT NO. 11465, THE GENERAL**  
**APPROPRIATIONS ACT OF FISCAL YEAR 2020**

EXPLANATORY NOTE

At this time of an economic downturn, where the private sector is struggling to contribute to growth and productivity, the government spending, to a large extent, becomes a driving force in stimulating the economy. In 2019, the government spending made up about 12 percent of the Gross Domestic Product (GDP), providing incomes which boost consumer spending that redound to tax revenues for the government.

Government expenditures allow the delivery of basic services such as health and education as well as support to economic activity and the maintenance of peace and security. Government also pays for welfare services and support investments in needed infrastructure facilities.

During this COVID-19 pandemic, the country is facing not only a health crisis but also has to deal with an economic recession that has resulted in business closure, travel restrictions and significant jobs lost. To make matters worse, the country was hit by three devastating typhoons in a span of just about two weeks. In this scenario, government is relied upon to provide the impetus for healing, recovery and rebuilding.

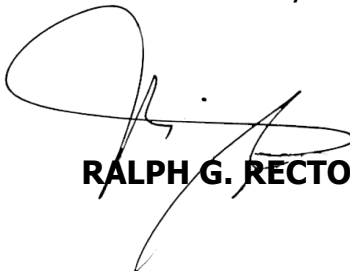
Unfortunately, the government agencies have been grappling with the problem of absorptive capacity, which has been aggravated by the COVID-19 lockdowns such that by all indication a significant portion of the Fiscal Year (FY) 2020 budget will not be obligated or disbursed before the expiration of the validity of appropriation in December 31, 2020.

This means that budgets including those under the Bayanihan II law will no longer be available for the government's effort to respond and intervene to the COVID-19 pandemic and to spur economic recovery.

Hence, this bill seeks to extend the availability of appropriations under the FY 2020 General Appropriations Act until December 31, 2021. The extension of spending authority is also necessary in the proposed extension of the Bayanihan II budgetary provisions as contained in the related Senate Bill No. 1909 authored by this representation, as the magnitude of the fund source therein comes from the realigned, reallocated and reprogrammed FY 2020 appropriations to programs and projects for COVID-19 mitigation.

The availability of the FY 2020 appropriations until the end of FY 2021 will provide the necessary appropriations cover for programs and projects urgently needed to win the battle against the COVID-19 and consequently restore the forward direction of the economy.

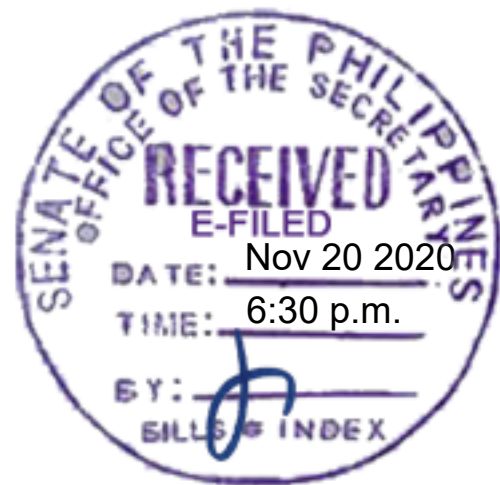
In view of the foregoing, the immediate approval of this bill is earnestly sought.



**RALPH G. RECTO**

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EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*Second Regular Session* )



**SENATE**

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**AN ACT**  
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**GENERAL PROVISIONS OF REPUBLIC ACT NO. 11465, THE GENERAL**  
**APPROPRIATIONS ACT OF FISCAL YEAR 2020**

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

1 Section 1. Section 60 of the 2020 General Appropriations Act or Republic Act  
2 No. 11465 is hereby amended to read as follows:

3 "Sec. 60. Cash Budgeting System. –All appropriations authorized in this  
4 Act, including budgetary support to GOCCs, shall be available for release and  
5 disbursement for the purpose specified, and under the same general and  
6 special provisions applicable thereto, until [December 31, 2020] **DECEMBER**  
7 **31, 2021**. On the other hand, appropriations for the statutory shares of LGUs  
8 shall be available for obligation and disbursement until fully expended.

9 "After the end of validity period, all unreleased appropriations shall  
10 lapse, while unexpended or undisbursed funds shall revert to the  
11 unappropriated surplus of the General Fund in accordance with Section 28,  
12 Chapter IV, Book VI of E.O. No. 292 and shall not thereafter be available for  
13 expenditure except by subsequent legislative enactment. Departments,  
14 bureaus and offices of the National Government, including constitutional offices  
15 enjoying fiscal autonomy, SUCs and GOCCs, shall strictly observe the [validy]  
16 **VALIDITY** of appropriations and the reversion of funds.

1           “For FY 2020, the appropriations for infrastructure capital outlay,  
2 including those subsidy releases to GOCCs for infrastructure projects, shall be  
3 valid for obligation until [December 31, 2020] **DECEMBER 31, 2021**, while  
4 the completion of construction, inspection, and payment, shall be made not  
5 later than [December 31, 2021] **DECEMBER 31, 2022**. On the other hand,  
6 appropriations for MOOE and capital outlays item shall likewise be valid for  
7 obligation until [December 31, 2020] **DECEMBER 31, 2021**, while the  
8 delivery, inspection and payment shall be made not later than [June 30, 2021]  
9 **JUNE 30, 2022**.

10           “The DBM is authorized to issue the necessary guidelines for the  
11 effective implementation of the cash budgeting system.

12           “A report on these releases, obligations and disbursements shall be  
13 submitted to the Speaker of the House of Representatives, the President of the  
14 Senate of the Philippines, the House Committee on Appropriations and the  
15 Senate Committee on Finance, either in printed form or by way of electronic  
16 document.”

17           *Sec. 2. Repealing Clause.* – All laws, decrees, executive issuances, rules and  
18 regulations inconsistent with this Act are hereby repealed or modified accordingly.

19           *Sec. 3. Effectivity.* – This Act shall take effect fifteen (15) days after its  
20 publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,