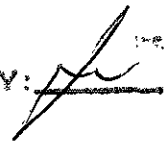


FIFTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

SENATE
OFFICE OF THE SECRETARY

10 JUL 28 1956

SENATE
S. B. No. 2182

RECEIVED BY: 

Introduced by Senator TEOFISTO "TG" GUINGONA III

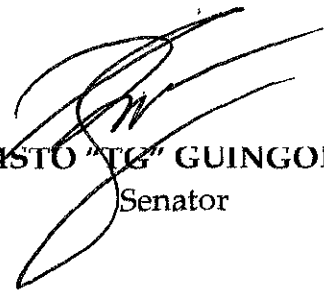
EXPLANATORY NOTE

The power of the purse is vested in the Legislative Branch of the Government. It remains to be one of the most important prerogatives of Congress.

The 1987 Philippine Constitution provides for the automatic re-appropriation of the National Budget when Congress fails to pass the General Appropriations Bill for the coming fiscal year. This means that the General Appropriations Act for the preceding fiscal year shall be re-enacted until the General Appropriations Bill is passed by the Congress.

As the Constitution does not provide the items to be excluded in re-enacted budget, everything is deemed included. The National Budget from the preceding year, which was meant to be consumed within one fiscal year becomes readily available for consumption during the relatively short period prior to the passage of the new General Appropriations Bill. Presently, there are no safeguards to ensure against this grave disproportion. This transitional period between the end of the fiscal year for which the General Appropriations Act is originally intended, and the time the new bill is passed allows for the exercise of unnecessary discretion, as well as the abuse and misuse of the country's resources.

In view of the foregoing, the immediate enactment of this measure is earnestly sought.


TEOFISTO "TG" GUINGONA III
Senator

FIFTEENTH CONGRESS OF THE)
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AN ACT
PROVIDING FOR SPECIFIC BUDGETING GUIDELINES IN CASES OF RE-ENACTED NATIONAL BUDGET, AND FOR OTHER PURPOSES.

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 the "Specific Budgeting
2 Guidelines for Reenacted Budget Act of 2010."

3 **SEC. 2. Declaration of Policy.** – It is hereby declared the policy of the State to
4 formulate and implement a National Budget that is an instrument of national
5 development, reflective of national objectives, strategies and plans. The State shall be
6 oriented towards the achievement of explicit objectives and expected results, to ensure
7 that funds are utilized and operations are conducted effectively, economically and
8 efficiently. The formulation of the National Budget shall be done expeditiously in order
9 to ensure its timeliness and responsiveness to the prevailing needs of the Filipino
10 people. A re-enacted National Budget shall not be favored, and the delayed passage of
11 the General Appropriations Bill shall be avoided as much as possible. The National
12 Budget shall be formulated within the context of a regionalized government structure
13 and managed borrowings at all levels of government and of government owned or
14 controlled corporations. The Budget shall likewise be prepared within the context of the
15 national long-term plan and of a long term budget program.

1 **SEC. 3. *Items included in cases of re-enacted National Budgets.*** – In the event that
2 Congress fails to pass the General Appropriations Bill for the ensuing fiscal year, the re-
3 enacted National Budget shall only include the annual appropriations for salaries and
4 wages of existing positions, statutory and contractual obligations, and essential
5 operating expenses authorized in the annual and supplemental budgets for
6 Departments/Agencies of the preceding year.

7 **SEC. 4. *Pro-Rated Amount and Monthly Limits to Obligate and Release.*** – To
8 ensure that the entire National Budget from the previous year is not expended
9 disproportionately, only 1/12 of the Re-enacted National Budget, at the maximum, shall
10 be obligated and disbursed per month. Together with the National Expenditure
11 Program for the ensuing year, the Department of Budget and Management shall submit
12 to the Committee on Finance of the Senate and Committee on Appropriations of the
13 House of Representatives the amount of budget that will be made available for
14 obligation and disbursement at the beginning of each month, until such time that the
15 General Appropriations Bill for the ensuing year has been finally passed.

16 **SEC. 5. *Off-setting of Released Funds.*** – The amount released as specified in
17 Section 4, including all other funds under its management, pertaining to the period
18 where the national budget is re-enacted, shall be deducted from the total amount
19 appropriated per agency in the General Appropriations Bill once it is finally passed.

20 **SEC. 6. *Separability.*** – If, for any reason, any section or provision of this Act is
21 held unconstitutional or invalid, no other section or provision shall be affected.

22 **SEC. 7. *Repealing Clause.*** – All laws, decrees, executive orders, rules and
23 regulations, issuances or any part thereof inconsistent with the provisions of this Act
24 are hereby repealed or amended accordingly.

1 **SEC. 8. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
2 publication in at least two (2) national newspapers of general circulation.

Approved,