

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Manila

Seventeenth Congress
First Regular Session



HOUSE BILL NO. **3838**

Introduced by Honorable Lord Allan Jay Q. Velasco


EXPLANATORY NOTE

In line with the directive made by President Rodrigo Roa Duterte during his inaugural address to all Department Secretaries and Agency Heads to streamline the operations of their respective departments/ agencies, the implementation of a rightsizing program to enhance the government's institutional capacity to improve public service delivery is started.

The President wants to abolish redundant or overlapping functions and to have more one-stop shops set up especially for frontline government services.

Such one-stop services are much appreciated by the public. Speedy processing of transactions with the government means cutting red tape and opportunities for collecting grease money.

In view of the foregoing, this bill seeks to provide a Rightsizing Program for the National Government to create a lean and effective bureaucracy.


HON. LORD ALLAN JAY Q. VELASCO

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

Section 1. Short Title. - This Act shall be known as “Rightsizing the National Government Act of 2016.”

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

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

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

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

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

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

- b) The delineation of responsibilities between the National Government and the LGUs in the provision, production, and delivery of goods and services shall be clearly defined;
- c) Government operations shall be simplified so that the departments/agencies could focus on the performance of their core functions and implementation of programs and projects that will lead to the attainment of the desired sectoral and national goals and outcomes;
- d) Government systems and processes shall be simplified to facilitate the delivery and upgrade the quality of frontline services, as well as to improve policy formulation, planning and performance evaluation;
- e) Government rules shall be rationalized to reduce the regulatory burden on citizens, businesses and other stakeholders; and
- f) The organizational structure of agencies shall be rightsized and the 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 Rightsize 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 Authority, Chairperson of the Civil Service Commission (CSC), and the Head of the Presidential Management Staff, as members.

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

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

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

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

- a) To develop the policies, framework, strategies and mechanisms to be adopted in the implementation of the National Government's Rightsizing Program;
- b) To conduct studies on the functions, programs, projects, operations, structure and manpower complement of the different departments/agencies;
- c) To develop and prepare the rightsized organizational structure of departments/agencies concerned and the corresponding executive issuances for approval by the President;
- d) To monitor the implementation by the different departments/agencies of their respective approved Rightsizing Plans, and report to the President any issue that must be addressed;
- e) To commission the conduct of an independent impact assessment on the National Government's Rightsizing Program after its completion, to determine the effects of, and gains from, the implementation of the Program, mitigate any adverse effects, and address areas which still require improvements; and
- f) To formulate the implementing rules and regulations (IRR) of this Act.

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

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

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

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

- a) Retirement gratuity provided under RA No. 1616 (An Act Further Amending Section Twelve of Commonwealth Act Numbered One Hundred Eighty-Six, as Amended, By Prescribing Two Other Modes of Retirement and for Other Purposes), as amended; or
- b) Retirement benefit under RA No. 660 (An Act to Amend Commonwealth Act Numbered One Hundred and Eighty-Six Entitled "An Act to Create and Establish a Government Service Insurance System, to Provide for its Administration, and to Appropriate the Necessary Funds Therefor," and to Provide Retirement Insurance and for Other Purposes); or
- c) Retirement, separation or unemployment benefit provided under RA No. 8291 (An Act Amending Presidential Decree No. 1146, as Amended, Expanding and Increasing the Coverage and Benefits of the Government Service Insurance System, Instituting Reforms Therein and for Other Purposes).

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

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

- a) **½ of the actual monthly basic salary** for every year of government service, for those who have rendered less than 11 years of service;
- b) **¾ of the actual monthly basic salary** for every year of government service, computed starting from the 1st year, for those who have rendered 11 to less than 21 years of service;
- c) **the actual monthly basic salary** for every year of government service, computed starting from the 1st year, for those who have rendered 21 to less than 31 years of service; and

- d) **1 ¼ of the actual monthly basic salary** for every year of government service, computed starting from the 1st year, for those who have rendered 31 years of service and above.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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