

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**SEVENTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 3913**



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Introduced by Representative **FERDINAND L. HERNANDEZ**  
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**EXPLANATORY NOTE**

This bill seeks to provide for the implementation of a Rightsizing Program in the National Government for purposes of, among others, enhancing the government's institutional capacity to improve public service delivery.

The proposed measure is in line with the directive made by the President during his inaugural address to all Department Secretaries/Agency Heads to streamline the operations of their respective Departments/Agencies. It provides the President the following authority in the rightsizing of the operations of the different departments/agencies of the National Government:

- a. To undertake 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.

The bill also provides for the creation of a Committee on Rightsizing the National Government that will oversee the implementation of the Program and organize a Technical Working Group to assist in the performance of its functions. Retirement benefits and separation incentives are provided for personnel who may be affected by the National Government's Rightsizing Program.

In view of the foregoing, the prompt consideration and approval of this measure is earnestly being sought.



**FERDINAND L. HERNANDEZ**

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

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

1       **SECTION 1. Short Title.** - This Act shall be known as the  
2       "Rightsizing the National Government Act of 2016".  
3

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

14      **SEC. 3. Coverage.** - This act shall cover all national government  
15      agencies, including departments, bureaus, offices, commissions, boards,  
16      councils, and all other entities attached to or under their administrative  
17      supervision.

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

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

11  
12 **SEC. 4. Principles and Guidelines.** - The National Government  
13 shall implement a Rightsizing Program in accordance with the following  
14 principles and guidelines:

- 15  
16 a) The role of government and the scope, level, and prioritization of  
17 government activities shall be determined in accordance with the  
18 Constitutional mandate, political and socio-economic objectives  
19 of the government, and available resources;  
20  
21 b) The delineation of responsibilities between the National  
22 Government and the LGUs in the provision, production, and  
23 delivery of goods and services shall be clearly defined;  
24  
25 c) Government operations shall be simplified so that the  
26 departments/agencies could focus on the performance of their  
27 core functions and implementation of programs and projects that  
28 will lead to the attainment of the desired sectoral and national  
29 goals and outcomes;  
30  
31 d) Government systems and processes shall be simplified to  
32 facilitate the delivery and upgrade the quality of frontline

1 services, as well as to improve policy formulation, planning and  
2 performance evaluation;

3  
4 e) Government rules shall be rationalized to reduce the regulatory  
5 burden on citizens, businesses and other stakeholders; and  
6

7 f) The organizational structure of agencies shall be rightsized and  
8 the appropriate staffing mix shall be determined based on the  
9 skills and competencies required to effectively and efficiently  
10 carry out the agency mandate and functions.  
11

12 **SEC. 5. Authority of the President of the Philippines to**  
13 **Rightsize the Operations of the National Government.** – Pursuant to  
14 the policies, principles and guidelines stipulated in this Act, the President  
15 is hereby granted the following authority in the rightsizing of the  
16 operations of the different departments/agencies of the National  
17 Government:  
18

19 a) To undertake the following organizational actions in order to  
20 eliminate functions, programs and projects which are already  
21 redundant, no longer necessary, or those duplicating or  
22 overlapping between and among the units within the department  
23 or with other departments/agencies of the National Government;  
24

25 a.1 Abolish, deactivate, group, integrate, merge, consolidate or  
26 split national government agencies, including departments,  
27 bureaus, offices, commissions, boards, councils, and all  
28 other entities attached to or under their administrative  
29 supervision;  
30

31 a.2 Create, establish or regularize offices; and  
32

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

5  
6           b) To formulate and provide safety nets, including their  
7           implementation strategies, for employees of  
8           departments/agencies who may be affected by the  
9           government's rightsizing efforts.

10  
11           **SEC. 6. Creation of a Committee on Rightsizing the National**  
12 **Government.** – A Committee on Rightsizing the National Government is  
13 hereby created to oversee the implementation of the National  
14 Government's Rightsizing Program, in accordance with the provisions of  
15 this Act.

16  
17           The Committee shall be composed of the Executive Secretary as  
18 Chairman, and the Secretary of Budget and Management as Co-  
19 Chairman, with the Director-General of the National Economic and  
20 Development Authority, Chairperson of the Civil Service Commission  
21 (CSC), and the Head of the Presidential Management Staff, as members.

22  
23           The Committee shall be organized within fifteen (15) days from the  
24 effectivity of this Act.

25  
26           The Committee shall also organize a Technical Working Group  
27 composed of experts on government operations, organizational  
28 development, and human resource management to assist in the  
29 performance of its functions.

30  
31           In the spirit of transparency and participatory governance, the  
32 Committee shall consult the departments/agencies concerned and

1 accredited public sector unions relative to the implementation of the  
2 National Government's Rightsizing Program.

3  
4 **SEC. 7. Powers and Functions of the Committee on**  
5 ***Rightsizing the National Government.*** – The Committee shall have  
6 the following powers and functions:

- 7
- 8 a) To develop the policies, framework, strategies and mechanisms  
9 to be adopted in the implementation of the National  
10 Government's Rightsizing Program;
- 11
- 12 b) To conduct studies on the functions, programs, projects,  
13 operations, structure and manpower complement of the different  
14 departments/agencies;
- 15
- 16 c) To develop and prepare the rightsized organizational structure of  
17 departments/agencies concerned and the corresponding  
18 executive issuances for approval by the President;
- 19
- 20 d) To monitor the implementation by the different  
21 departments/agencies of their respective approved Rightsizing  
22 Plans, and report to the President any issue that must be  
23 addressed;
- 24
- 25 e) To commission the conduct of an independent impact  
26 assessment on the National Government's Rightsizing Program  
27 after its completion, to determine the effects of, and gains from,  
28 the implementation of the Program, mitigate any adverse effects,  
29 and address areas which still require improvements; and
- 30
- 31 f) To formulate the implementing rules and regulations (IRR) of  
32 this Act.



1  
2       **SEC. 8. Submission of the Rightsized Organizational**  
3       **Structure and Proposed Executive Issuances to the President. –**

4       The Committee on Rightsizing the National Government shall submit to  
5       the President the rightsized organizational structure of  
6       departments/agencies concerned and the corresponding executive  
7       issuances within one (1) year from the effectivity of the IRR of this Act.  
8

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

16       **SEC. 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  
21       separation incentives.  
22

23       **10.1** The affected personnel shall be given the option to avail  
24       themselves of any of the following retirement benefits under  
25       existing laws, if qualified:  
26

- 27       a) Retirement gratuity provided under RA No. 1616 (An  
28       Act Further Amending Section Twelve of Commonwealth  
29       Act Numbered One Hundred Eighty-Six, as Amended, By  
30       Prescribing Two Other Modes of Retirement and for  
31       Other Purposes), as amended; or  
32



- 1           b) Retirement benefit under RA No. 660 (An Act to Amend  
2           Commonwealth Act Numbered One Hundred and Eighty-  
3           Six Entitled "An Act to Create and Establish a  
4           Government Service Insurance System, to Provide for  
5           its Administration, and to Appropriate the Necessary  
6           Funds Therefor," and to Provide Retirement Insurance  
7           and for Other Purposes); or  
8  
9           c) Retirement, separation or unemployment benefit  
10          provided under RA No. 8291 (An Act Amending  
11          Presidential Decree no. 1146, as Amended, Expanding  
12          and Increasing the Coverage and Benefits of the  
13          Government Service Insurance System, Instituting  
14          Reforms Therein and for Other Purposes).

15  
16          The retirement gratuity benefit of affected personnel who are  
17          qualified and have opted to avail themselves of RA no. 1616  
18          shall be paid by the Government Service Insurance System  
19          (GSIS). The GSIS shall no longer pay the refund of retirement  
20          premiums (both personnel and government shares) of the  
21          affected personnel who will opt to avail of RA No. 1616  
22          benefits.

23  
24          **10.2** In addition to said retirement benefits, the affected personnel  
25          who would opt to retire or be separated shall be entitled to  
26          the following applicable separation incentives:

- 27  
28          a) **½ of the actual monthly basic salary** for every year  
29          of government service, for those who have rendered  
30          less than 11 years of service;  
31

- 1           b)  **$\frac{3}{4}$  of the actual monthly basic salary** for every year  
2 of government service, computed starting from the 1<sup>st</sup>  
3 year, for those who have rendered 11 to less than 21  
4 years of service;
- 5  
6           c) **the actual monthly basic salary** for every year of  
7 government service, computed starting from the 1<sup>st</sup>  
8 year, for those who have rendered 21 to less than 31  
9 years of service; and
- 10  
11          d) **1  $\frac{1}{4}$  of the actual monthly basic salary** for every  
12 year of government service, computed starting from the  
13 1<sup>st</sup> year, for those who have rendered 31 years of  
14 service and above.

15  
16          The actual monthly basic salary shall refer to the salary of the  
17 affected personnel within the authorized period of  
18 implementation of the Program in their respective  
19 departments/agencies.

20  
21          A minimum of five (5) years of government service is required  
22 in order for an affected personnel to be entitled to avail of the  
23 Program's separation incentives under Section 10.2 of this  
24 Act.

25  
26          PROVIDED: That for the purpose of computing the total  
27 amount of separation incentives that an affected personnel  
28 would receive, only his/her government service up to age 59  
29 and a fraction thereof would be counted. Government service  
30 starting at the age 60 would no longer be subject to the  
31 separation incentives provided herein, without affecting the  
32 original incentive factor determined as applicable based on  
33 the actual years of service of the affected personnel.

1 PROVIDED FURTHER: That for the purpose of complying with  
2 the required number of years of service under RA No. 8291,  
3 the portability scheme under RA No. 7699 (An Act Instituting  
4 Limited Portability Scheme in the Social Security Insurance  
5 Systems by Totalizing the Workers' Creditable Services or  
6 Contributions in Each of the Systems) may be applied, subject  
7 to existing policies and guidelines.  
8

9 The affected personnel, if with permanent appointment  
10 attested by the CSC, who will not opt to retire from the service shall  
11 be placed in a manpower pool to be organized and administered by  
12 the CSC. The CSC shall retool the subject affected personnel and  
13 deploy them to agencies which require their qualifications, skills and  
14 competencies.  
15

16 The number of personnel who will avail of the separation  
17 incentives under Sections 10.2 of this Act shall in no case exceed  
18 the number of positions declared for abolition.  
19

20 The specific guidelines to carry out the provisions of this  
21 Sections shall be prescribe in the IRR of this Act.  
22

23 ***SEC. 11. Other Benefits of Retired/Separated Personnel. -***

24 The affected personnel who retired/separated shall, in addition to the  
25 applicable benefits above, be entitled to the following:  
26

- 27 a) Refund of Pag-IBIG Contributions – all affected personnel who  
28 are members of the Pag-IBIG shall be entitled to the refund of  
29 their contributions (both personal and government), pursuant  
30 to existing rules and regulations of the Hoe Development  
31 Mutual Fund; and  
32

1           b) Commutation of Unused Vacation and Sick Leave Credits – all  
2           affected personnel shall be entitled to the commutation of  
3           unused vacation and sick leave credits in accordance with  
4           existing rules and regulations.  
5

6           **SEC. 12. Period of Availability of the Retirement Benefits and**  
7 **Separation Incentives.** - The retirement benefits and separation  
8 incentives provided in this Act shall be available within sixty (60) days  
9 upon approval by the DBM of the detailed rightsized organizational  
10 structure and staffing of departments/agencies concerned.  
11

12           **SEC. 13. Prohibition on Rehiring of Personnel**  
13 **Retired/Separated from the Service.** - Affected personnel who  
14 retired/separated from the service as a result of the implementation of  
15 the National Government's Rightsizing Program shall not be appointed nor  
16 hired as casuals or contractual in any agency of the National Government,  
17 including in GOCCs for a period of five (5) years, except as teaching staff  
18 in a state university or college.  
19

20           The provision of consultancy services by government personnel who  
21 retired or were separated as a result of the rightsizing efforts shall be  
22 governed by Section 7 of RA No. 6713 (Code of Conduct and Ethical  
23 Standards for Public Officials and Employees).  
24

25           **SEC. 14. Report to Congress.** - The President shall submit a  
26 report to Congress on the results of the Program after the completion of  
27 its implementation.

28           **SEC. 15. Funding Requirements.** - The amount necessary for the  
29 initial implementation of this Act shall be sourced against any applicable  
30 appropriation items under the current General Appropriations Act.  
31 Subsequent amount needed to continue the implementation of the

1 National Government's Rightsizing Program in the National Government  
2 shall be included in the succeeding appropriations.

3  
4 **SEC. 16. Implementing Rules and Regulations.** – The  
5 Committee on Rightsizing the National Government shall formulate the  
6 necessary IRR within thirty (30) days from the organization of the  
7 Committee. Such rules and regulations shall take effect fifteen (15) days  
8 after its publication in a newspaper of general circulation.

9  
10 **SEC. 17. Separability Clause.** – If any provision of this Act is  
11 declared unconstitutional or invalid, the other provisions not otherwise  
12 affected shall remain in full force and effect.

13  
14 **SEC. 18. Repealing Clause.** – All laws, decrees, executive orders,  
15 rules and regulations, and other issuances or parts thereof which are  
16 inconsistent with this Act are hereby repealed, amended or modified  
17 accordingly.

18  
19 **SEC. 19. Effectivity.** – This Act shall take effect fifteen (15) days  
20 after its publication in at least two (2) newspapers of general circulation.

21  
22 *Approved,*