

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

EIGHTEENTH CONGRESS  
First Regular Session

House Bill No. 2398



Introduced by Rep. LAWRENCE LEMUEL H. FORTUN

**EXPLANATORY NOTE**

This bill seeks the implementation of a right-sizing program in the Philippine Government to promote effectiveness, efficiency, and economy in the Philippine bureaucracy, enhance institutional capacity to improve the delivery of services to the Filipino people, and ensure the attainment of the country's development goals and objectives. This is in line with the Philippine Development Plan 2017-2022, which envisions a people-centered, clean, efficient, and effective delivery of public goods and services.

Under the proposed measure, the President is granted authority to implement the Rightsizing Program for the Executive Branch with the goal of eliminating redundant, duplicating, or overlapping functions and simplifying its rules and regulations, systems, and processes. It also provides for the creation of the Committee on Rightsizing the Executive Branch mandated to develop policies and strategies and monitor the implementation of the rightsizing program; as well as prepare the rightsized organizational structure of the departments and agencies for approval by the President. Furthermore, this measure provides for the optional adoption by the Legislature, Judiciary, Constitutional Commissions, Office of the Ombudsman, and local government units of the rightsizing program. In all instances, the bill ensures that mechanisms are in place to safeguard the welfare of the affected personnel in this endeavor.

Essentially, the bill seeks to streamline the whole bureaucracy and ensure more focused roles, functions, and programs, that will ultimately result in the efficient mobilization of the government's valuable resource and efficient delivery of services to its constituencies.

The 17th Congress of the House of Representatives approved this bill on Third and Final Reading. It is hoped that finally, in the 18th Congress, this bill will become a law.

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

LAWRENCE LEMUEL H. FORTUN  
1st District of Agusan del Norte

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AN ACT  
RIGHTSIZING THE NATIONAL GOVERNMENT TO IMPROVE PUBLIC  
SERVICE DELIVERY

*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 “Rightsizing the  
2       National Government Act”.

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

12      **SEC.3. Coverage.** – This Act shall cover all agencies of the executive branch,  
13      including departments, bureaus, offices, commissions, boards, councils, and all other  
14      entities attached to or under their administrative supervision, government-owned or -  
15      controlled corporations (GOCCs) not covered by Republic Act No. 10149 or the “GOCC  
16      Governance Act of 2011”.

17      The Legislature, the Judiciary, the Constitutional Commissions, and the Office of  
18      the Ombudsman may, within their respective authorized appropriations, likewise  
19      rightsizing their respective offices, consistent with the principles and guidelines contained  
20      in this Act.

21      Local government units (LGUs) may also rightsizing their respective offices,  
22      consistent with the governing principles and guidelines contained in this Act and the  
23      provisions of Republic Act No. 7160 or the “Local Government Code of 1991”, and  
24      subject to their financial capability.

25      The Governance Commission for GOCCs (GCG) shall continue to exercise its  
26      authority under Republic Act No. 10149 to reorganize, merge, streamline, abolish, or  
27      privatize any GOCC, in consultation with the department or agency to which the GOCC  
28      is attached.

29      **SEC. 4. Principles and Guidelines.** – The National Government shall implement  
30      a Rightsizing Program in accordance with the following principles and guidelines:

31           (a) The role of government and the scope, level, and prioritization of government  
32      activities shall be determined in accordance with the constitutional mandate, political and  
33      socioeconomic objectives of the government, and available resources;

34           (b) The government shall establish a conducive policy environment to encourage  
35      active private sector engagement in the production and delivery of goods and services;

36           (c) The delineation of responsibilities between the National Government and the  
37      LGUs in the provision, production, and delivery of goods and services shall be clearly  
38      defined;

(d) A whole-of-government approach shall be adopted to ensure seamless operations of agencies within and across sectors and to be more responsive to public needs;

(e) Government operations shall be simplified so that the departments/agencies can 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;

(f) Government systems and processes shall be simplified and modernized to facilitate the delivery and upgrade the quality of frontline services, as well as to improve policy formulation, planning and performance evaluation, and raise overall productivity of the public sector;

(g) Government rules, procedures, and requirements shall be rationalized to reduce the regulatory burden on citizens, businesses, and other stakeholders, as well as reduce the administrative burden on the part of the government; and

(h) The organizational structure of an agency shall be designed to facilitate the effective, efficient, and economical implementation of programs and projects, and the attainment of organizational outputs and outcomes; rightsized and the appropriate staffing mix shall be determined based on the skills and competencies required to efficiently and efficiently carry out the agency's mandate and functions.

**SEC. 5. Authority of the President of the Philippines to Rightsize the Operations of the Executive Branch.** – Pursuant to governing rules, policies, standards and guidelines stipulated in this Act, the President of the Philippines is hereby granted the following authority in the rightizing of the operations of the different agencies of the Executive Branch:

(a) To pursue the following functional shifts/modifications:

(1) Strengthen functions of the agency which directly contribute to the targeted ultimate societal outcomes of the National Government and/or the targeted sector/subsector outcomes of the agency;

(2) Scale down, phase out, eliminate or discontinue functions, programs, and projects that can better be carried out or undertaken by the private sector, or have already been devolved to LGUs consistent with the governing principles provided in this Act; and

(3) Transfer/integrate functions from one agency to another which can better perform the same.

(b) To undertake the following organizational actions:

(1) Regularize *ad hoc* offices whose functions are vital and significant, thus must be continually undertaken by the government;

(2) Merge or consolidate agencies whose functions are necessarily overlapping or duplicating and can be undertaken by a single entity; or clients are similar or related to rationalize the use of government resources;

(3) Split agencies with multifarious functions which are deemed distinct and equally serve important aspects of governance;

and  
(4) Transfer offices to other agencies wherein their functions are more aligned;

(5) Abolish agencies (i) which functions are already redundant or no longer relevant or necessary, or better undertaken by another entity; (ii) which are no longer achieving the objectives and purposes for which these were originally created; (iii) which are not cost-effective since these do not generate the desired levels of outputs and outcomes *vis-à-vis* the resource inputs; and/or (iv) which have already become nonoperational, dormant and/or outlived their purposes.

(c) To undertake other functional/organizational actions, as necessary, consistent with the policies, principles, framework, and standards of this Act;

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

(e) To formulate an organizational development program to strengthen the institutional capacity of the agencies and improve the productivity of employees.

99           **SEC. 6. Creation of a Committee on Rightsizing the Executive Branch.** – A  
100 Committee on Rightsizing the Executive Branch is hereby created to oversee the  
101 implementation of the Rightsizing Program, accordance with the provisions of this Act.

102           The Committee shall be composed of the Executive Secretary as Chairperson, and  
103 the Secretary of the Department of Budget and Management (DBM) as Cochairperson,  
104 with the Secretary of Socio-economic Planning, Chairperson of the Civil Service  
105 Commission (CSC), and the Head of the Presidential Management Staff, as members.

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

108           The Committee shall also organize Subcommittees composed of experts on  
109 government operations, organizational development, and human resource management to  
110 assist in the performance of its functions.

111           The DBM shall provide the necessary secretariat services to the Committee and  
112 Subcommittees.

113           In the spirit of transparency and participatory governance, the Committee shall  
114 consult the departments/agencies concerned and accredited public sector unions, and  
115 other stakeholders, relative to the implementation of the Executive Branch Rightsizing  
116 Program.

117           **SEC. 7. Powers and Functions of the Committee on Rightsizing the Executive  
Branch.** – The Committee shall have the following powers and functions:

120           (a) To develop the policies, framework, strategies, and mechanisms to be adopted  
121 in the implementation of the Executive Branch Rightsizing Program;

122           (b) To conduct studies on the functions, programs, projects, operations, structure,  
123 and manpower complement of the different departments/agencies;

124           (c) To develop and prepare the rightsized organizational structure of  
125 department/agencies concerned and the corresponding executive issuances for approval  
126 by the President;

127           (d) To develop and prepare the overall change management program, including  
128 communication plans, to effectively manage the transition and ensure the smooth  
129 implementation of the Rightsizing Program;

130           (e) To formulate the mechanisms to safeguard the welfare of employees who may  
131 be affected by the rightsizing efforts, as well as the appropriate organizational  
132 development program, for approval of the President;

133           (f) To monitor the implementation by the different agencies of their respective  
134 approved Rightsizing Plans, and report to the President any issue that must be addressed;

135           (g) To engage the services of experts/consultants, through the DBM, to assist the  
136 Committee and Subcommittees in the performance of their functions; and

137           (h) To formulate the implementing rules and regulations (IRR) of this Act.

139           **SEC. 8. Submission of the Rightsized Organizational Structure and Proposed  
Executive Issuances to the President.** – The Committee on Rightsizing the Executive  
140 Branch shall submit to the President the rightsized organizational structure of agencies  
141 concerned and the corresponding executive issuances within two hundred fifty (250) days  
142 from the effectivity of the implementing rules and regulations (IRR) of this Act.

145           **SEC. 9. Submission of the Detailed Organizational Structure and Staffing to  
the DBM.** – The heads of agencies shall prepare and submit to the DBM the detailed  
146 organizational structure and staffing of their respective agencies within ninety (90) days  
147 after the approval of the proposed executive issuances by the President: *Provided*, That  
148 assistance in the preparation of organizational structure and staffing pattern has been  
149 extended to the agency by the DBM and the CSC.

152           **SEC. 10. Retirement Benefits and Separation Incentives for Personnel Who  
May be Affected by the Executive Branch Rightsizing Program.** – The affected  
153 personnel hired on a permanent basis and with appointments attested by the CSC, shall be  
154 entitled to retirement benefits and separation incentives.

156           (a) The affected personnel shall be given the option to avail themselves of any of  
157 the following retirement benefits under existing laws, if qualified:

158 (1) Retirement gratuity provided under Republic Act No. 1616 (An Act Further  
159 Amending Section Twelve of Commonwealth Act Numbered One Hundred Eighty-Six,  
160 as Amended by Prescribing Two Other Modes of Retirement and for Other Purposes), as  
161 amended; or

162 (2) Retirement benefit under Republic Act No. 660 (An Act to Amend  
163 Commonwealth Act Numbered One Hundred and Eighty-Six Entitled "An Act to Create  
164 and Establish a Government Service Insurance System, to Provide for its Administration  
165 and to Appropriation the Necessary Funds Therefor," and to Provide Retirement Insurance  
166 and for Other Purposes); or

167 (3) Retirement, separation or unemployment benefit provided under Republic Act  
168 No. 8291 (An Act Amending Presidential Decree No. 1146, as Amended, Expanding and  
169 Increasing the Coverage and Benefits of the Government Service Insurance System,  
170 Instituting Reforms Therein and for Other Purposes).

171 The retirement gratuity benefit of affected personnel who are qualified and shall  
172 avail of Republic Act No. 1616 shall be paid by the Government Service Insurance  
173 System (GSIS). The GSIS shall no longer pay the refund of retirement premiums (both  
174 personnel and government shares) of the affected personnel who shall avail of Republic  
175 Act No. 1616 benefits.

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

178 (1) One half (1/2) of the actual monthly basic salary for every year of government  
179 service, for those who have rendered less than eleven (11) years of service;

180 (2) Three fourth (3/4) of the actual monthly basic salary for every year of government  
181 service, computed starting from the first (1<sup>st</sup>) year, for those who have  
182 rendered eleven (11) to less than twenty-one (21) years of service;

183 (3) The actual monthly basic salary for every year of government service,  
184 computed starting from the first (1<sup>st</sup>) year, for those who have rendered twenty-one (21)  
185 to less than thirty-one (31) years of service; and

186 (4) One and one fourth (1¼) of the actual monthly basic salary for every year of  
187 government service, computed starting from the first (1<sup>st</sup>) year, for those who have  
188 rendered thirty-one (31) years of service and above.

189 The actual monthly basic salary shall refer to the salary of the affected personnel  
190 as of the date of approval of the agency's detailed organizational structure and staffing by  
191 the DBM.

192 A minimum of five (5) years of government service is required in order for an  
193 affected personnel to be entitled to avail of the Program's separation incentives under  
194 Section 10(b) of this Act: *Provided*, That for the purpose of computing the total amount  
195 of separation incentives that an affected personnel shall receive, only the government  
196 service up to age fifty-nine (59) and a fraction thereof shall be counted. Government  
197 service starting at the age of sixty (60) shall no longer be subject to the separation  
198 incentives provided herein, without affecting the original incentive factor determined as  
199 applicable based on the actual years of service of the affected personnel: *Provided*,  
200 *further*, That for the purpose of complying with the required number of years of service  
201 under Republic Act No. 8291, the portability scheme under Republic Act No. 7699 (An  
202 Act Instituting Limited Portability Scheme in the Social Security Insurance Systems by  
203 Totalizing the Workers' Creditable Services or Contributions in Each of the Systems)  
204 may be applied, subject to existing policies and guidelines.

205 The affected personnel, if with permanent appointment attested by the CSC, who  
206 will not opt to retire from the service shall be placed in a manpower pool to be organized  
207 and administered by the CSC. The CSC, in coordination with other government agencies  
208 and relevant private institutions, shall retool the subject personnel and deploy them to  
209 agencies which require their qualifications, skills, and competencies.

210 The number of personnel who will avail of the separation incentives under  
211 Section 10 of this Act shall in no case exceed the number of positions declared for  
212 abolition.

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

216       **SEC. 11. Other Benefits of Retired/Separated Personnel.** – The affected  
217 personnel who retire or are separated shall, in addition to the applicable benefits above,  
218 be entitled to the following:

219              (a) Refund of Pag-IBIG contributions, both personal and government of all  
220 affected members, pursuant to existing rules and regulations of the Home Development  
221 Mutual Fund; and

222              (b) Commutation of unused vacation and sick leave credits of the affected  
223 personnel in accordance with existing rules and regulations.

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

227       **SEC. 13. Prohibition on Reemployment of Personnel Retired/Separated from  
the Service.** – Personnel who retire or are separated from the service as a result of the  
228 implementation of the Rightsizing Program shall not be reemployed in any agency of the  
229 Executive Branch, including in GOCCs, for a period of five (5) years, except as teaching  
230 or medical staff in educational institutions and hospitals, respectively.

231              The retired/separated personnel under the program, who are reemployed within  
232 the prohibited period shall refund the separation incentives received under Section 10(b)  
233 of this Act on a prorated basis.

234              The retired/separated personnel under the program who undertake in consultancy  
235 services for the government shall be governed by Section 7 of Republic Act No. 6713  
236 (Code of Conduct and Ethical Standards for Public Officials and Employees).

237       **SEC. 14. Joint Congressional Oversight Committee on the Rightsizing  
Program.** – There is hereby created an oversight committee to oversee, monitor and  
238 evaluate the implementation of this Act.

239              The oversight committee shall be composed of five (5) members each from the  
240 Senate and the House of Representatives which shall include members of the Senate  
241 Committee on Civil Service, Government Reorganization and Professional Regulation,  
242 the Senate Committee on Finance, the House Committee on Government Reorganization  
243 and the House Committee on Appropriations.

244       **SEC. 15. Conduct of an Impact Assessment.** – The DBM shall commission the  
245 conduct of an independent impact assessment on the Executive Branch Rightsizing  
246 Program three (3) years from its completion to, among others, determine the effects of,  
247 and gains from, the implementation of the Program.

248       **SEC. 16. Report to Congress.** – The President shall submit a report to Congress  
249 on the results of the Program after the completion of its implementation.

250       **SEC. 17. Sunset Provision.** – The authority given to the President under this Act,  
251 as well as the existence of the Committee on Rightsizing the Executive Branch, shall end  
252 three (3) years after the effectivity of this Act.

253       **SEC. 18. Implementing Rules and Regulations.** – The Committee on Rightsizing  
254 the Executive Branch shall formulate the necessary IRR within thirty (30) days from the  
255 organization of the Committee. The IRR shall take effect fifteen (15) days after its  
256 publication in a newspaper of general circulation.

257       **SEC. 19. Provisions Applicable to Other Branches of Government,  
Constitutional Commissions, Office of the Ombudsman, and the LGUs.** – The  
258 governing principles, policies, standards, and guidelines, as well as the conditions and  
259 limitations provided in this Act, shall be followed in the implementation of the  
260 Rightsizing Program by other branches of government, Constitutional Commissions,  
261 Office of the Ombudsman, and the LGUs.

275       The heads of offices shall issue their respective IRR and furnish a copy thereof to  
276       the Joint Congressional Oversight Committee on the Rightsizing Program of the DBM.  
277

278       **SEC. 20. *Funding Requirements.*** – The amount necessary for the initial  
279       implementation of this Act shall be sourced against any applicable appropriation items  
280       under the current General Appropriations Act. Subsequent amount needed to continue the  
281       implementation of the Executive Branch Rightsizing Program in the Executive Branch  
282       shall be included in the succeeding appropriations.

283       In the event that the Legislature, Judiciary, Constitutional Commissions and the  
284       Office of the Ombudsman implement the rightsizing under this Act, the funding  
285       requirements shall be included in the succeeding appropriations.

286       **SEC. 21. *Separability Clause.*** – If any provision of this Act is declared  
287       unconstitutional or invalid, the other provisions not otherwise affected shall remain in full  
288       force and effect.

289       **SEC. 22. *Repealing Clause.*** – All laws, decrees, executive orders, rules and  
290       regulations, and other issuances or parts thereof which are inconsistent with this Act are  
291       hereby repealed, amended or modified accordingly.

292       **SEC. 23. *Effectivity.*** – This Act shall take effect fifteen (15) days after its  
293       publication in the *Official Gazette* or in any newspaper of general circulation.

294                      Approved,