



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3354

Introduced by **REPRESENTATIVE JOEL MAYO Z. ALMARIO**

EXPLANATORY NOTE

The State is mandated by the Philippine Constitution to empower its institutions to promote and maintain an effective and efficient system to deliver basic services. However, for the past decades, the government bureaucracy has been facing the problem of an excessive yet inefficient manpower. There is a need to remove the excess fat in the government bureaucracy and streamline its operations. This bill seeks to address this issue by rightsizing the National Government in order to improve public service delivery.

This bill will abolish, deactivate, regroup, merge, consolidate and/or split various departments and agencies. It will also establish or regulate offices and transfer functions and projects. Likewise, the measure will create a Committee on Rightsizing the National Government to oversee the implementation of the proposed act, as well as provide safety nets in the transition and reorganization. A technical working group composed of experts on government operations, organization and development, and human resource management will also be created.

Personnel who may be affected by the measure whether hired on a permanent, temporary, casual or contractual basis will be given the option to avail themselves of the benefits the under existing laws.

The undersigned representation filed a similar bill during the 17th Congress. This bill is being refiled in response to President Rodrigo Roa-Duterte's call during the State of the Nation Address urging Congress to "review and pass the Government Rightsizing Bill to reconfigure the existing Metro Manila- centric bureaucracy; streamline government systems in order to deliver services without delay, and within a short timeline."

Support for this bill is earnestly sought.


JOEL MAYO Z. ALMARIO

Representative

2nd District, Davao Oriental



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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 “Rightsizing the National
2 Government Act of 2019.”

3

4 **SECTION 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 the governance, and minimize, if not eliminate,
10 redundancies, overlaps and duplications in its operations and simplify its systems and
11 processes.

12

13 **SECTION 3. COVERAGE** – This Act shall cover all national government agencies, including
14 departments, bureaus, offices, commissions, boards, council, and all other entities
15 attached to or under their administrative supervision.

16

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

5

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

10

11 **SECTION 4. PRINCIPLES AND GUIDELINES** – The National Government shall implement
12 a Rightsizing Program in accordance with the following principles and guidelines:

13

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

18

19 b) The delineation of responsibilities between the National Government and the
20 LGUs in the provision, production, delivery of goods and services shall be clearly
21 defined;

22

23 c) Government operations shall be simplified so that the departments/agencies
24 could focus on the performance of their core functions and implementation of
25 programs and projects that will lead to attainment of the desired sectoral and
26 national goals and outcomes;

27

28 d) Government systems and processes shall be simplified to facilitate the delivery
29 and upgrade the quality of frontline services, as well as to improve policy
30 formulation, planning and performance evaluation;

31

32 e) Government rules shall be rationalized to reduce the regulatory burden on
33 citizens, businesses and other stakeholders; and

1 f) The organizational structure of agencies shall be right sized and the appropriate
2 staffing mix shall be determined based on the skills and competencies required to
3 effectively and efficiently carry out the agency mandate and functions.

4

5 **SECTION 5. AUTHORITY OF THE PRESIDENT OF THE PHILIPPINES TO RIGHTSIZE**
6 **THE OPERATION OF THE NATIONAL GOVERNMENT** – Pursuant to the policies,
7 principles and guidelines stipulated in this Act, the President is hereby granted the
8 following authority in the rightsizing of the operations of the different
9 departments/agencies of the National Government:

10

11 a) To undertake the following organizational actions in order to eliminate
12 functions, programs and projects which are already redundant, no
13 longer necessary, or those duplicating or overlapping between and
14 among the units within the department or with other
15 departments/agencies of the National Government:

16

17 a.1 Abolish, deactivate, group, integrate, merge, consolidate or
18 split national government agencies, including departments,
19 bureaus, offices, commissions, boards, councils, and all other
20 entities attached to or under their administrative
21 supervision;

22

23 a.2 Create, establish or regularize offices; and

24

25 a.3 Transfer offices, functions, programs and projects, and/or
26 the corresponding appropriations, equipment, properties,
27 records, personnel, and transactions, from one
28 department/agency to another.

29

30 b) To formulate and provide safety nets, including their implementation
31 strategies, for employees of the departments/agencies who may be
32 affected by the government's rightsizing efforts.

33

1 **SECTION 6. CREATION OF A COMMITTEE OF RIGHTSIZING THE NATIONAL**
2 **GOVERNMENT** - A Committee on Rightsizing the National Government is hereby created
3 to oversee the implementation of the National Government's Rightsizing Program, in
4 accordance with the provisions of this Act.

5

6 The Committee shall be composed of the Executives Secretary as Chairman, and
7 the Secretary of Budget and Management as Co-Chairman, with the Director-General of
8 the National Economic and Development Authority, Chairperson of the Civil Service
9 Commission (CSC), and the Head of the Presidential Management Staff, as members.

10

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

13

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

17

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

21

22 **SECTION 7. POWERS AND FUNCTIONS OF THE COMMITTEE ON RIGHTSIZING THE**
23 **NATIONAL GOVERNMENT** – The Committee shall have the following powers and
24 functions:

25

26 a) To develop the policies, framework, strategies and mechanisms to be
27 adopted in the implementation of the National Government's
28 Rightsizing Program;

29

30 b) To conduct studies on the functions, programs, projects, operations,
31 structure and manpower complement of the different
32 departments/agencies;

- 1 c) To develop and prepare the rightsized organizational structure of
2 departments/agencies concerned and the corresponding executive
3 issuances for approval by the President;
- 4
- 5 d) To monitor the implementation by the different departments/agencies
6 of their respective approved Rightsizing Plans, and report to the
7 President any issue that must be addressed;
- 8
- 9
- 10 e) To commission the conduct of an independent impact assessment on
11 the National Government's Rightsizing Program after its completion, to
12 determine the effects of, and gains from, the implementation of the
13 program, mitigate any adverse effects, and address areas which still
14 require improvements; and
- 15
- 16 f) To formulate the implementing rules and regulations (IRR) of this Act.
- 17

18 **SECTION 8. SUBMISSION OF THE RIGHTSIZED ORGANIZATIONAL STRUCTURE AND**
19 **PROPOSED EXECUTIVE ISSUANCES TO THE PRESIDENT** – The Committee on
20 Rightsizing the National Government shall submit to the President the rightsized
21 organizational structure of department/agencies concerned and the corresponding
22 executive issuances within one (1) year from the effectivity of the IRR of this Act.

23

24 **SECTION 9. SUBMISSION OF THE DETAILED ORGANIZATIONAL STRUCTURE AND**
25 **STAFFING TO THE DBM** – Department Secretaries/Agency Heads shall prepare and
26 submit to the DBM the detailed organizational structure and staffing of their respective
27 department/agencies within ninety (90) days after the approval of the proposed
28 executive issuances by the President.

29

30 **SECTION 10. RETIREMENT BENEFITS AND SEPARATION INCENTIVES FOR**
31 **PERSONNEL WHO MAY BE AFFECTED BY THE NATIONAL GOVERNMENT'S**
32 **RIGHTSIZING PROGRAM** – The affected personnel, whether hired on a permanent,

1 temporary, casual or contractual basis and with appointments attested by the CSC, shall
2 be entitled to retirement benefits and separation incentives.

3

4 10.1 The affected personnel shall be given the option to avail themselves of any of
5 the following retirement benefits under existing laws, if qualified:

6

7 a) Retirement gratuity provided under R.A. No. 1616 (An Act Further
8 Amending Section Twelve of Commonwealth Act Numbered One
9 Hundred Eighty-Six, as Amended, By Prescribing Two Other Modes of
10 Retirement and for Other Purposes), as amended; or

11

12 b) Retirement benefit under R.A. No. 660 (An Act to Amend Commonwealth
13 Act Numbered One Hundred and Eighty-Six Entitled "An Act to Create and
14 Establish a Government Service Insurance System, to Provide for its
15 Administration, and to Appropriate the Necessary Funds Therefor," and
16 to Provide Retirement Insurance and for Other Purposes); or

17

18 c) Retirement, separation or unemployment benefit provided under R.A.
19 No.8291 (An Act Amending Presidential Decree No. 1146, as Amended,
20 Expanding and Increasing the Coverage and Benefits of the Government
21 Service Insurance System, Instituting Reforms Therein and for Other
22 Purposes).

23

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

29

30 10.2 In addition to said retirement benefits, the affected personnel who would opt
31 to retire or be separated shall be entitled to the following applicable separation
32 incentives:

33

- 1 a) **$\frac{1}{2}$ of the actual monthly basic salary** for every year of government
2 service, for those who have rendered less than 11 years of service;

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

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

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

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

32 *Provided further*, That for the purpose of complying with the required
33 number of years of service under RA No. 8291, the portability scheme under

1 RA No. 7699 (An Act Instituting Limited Portability Scheme in the Social
2 Security Insurance Systems by Totalizing the Worker's Creditable Services or
3 Contributions in Each of the Systems) may be applied, subject to existing
4 policies and guidelines.

5

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

10

11 The number of personnel who will avail of the separation incentives under Section
12 10.2 of this Act shall in no case exceed the number of positions declared for abolition.

13

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

16

17 **SECTION 11. OTHER BENEFITS OF RETIRED/SEPARATED PERSONNEL** – The affected
18 personnel who retired/separated shall, in addition to the applicable benefits above, be
19 entitled to the following:

20

21 a) Refund of PAG-IBIG Contributions – all affected personnel who are members
22 of the PAG-IBIG shall be entitled to the refund of their contributions (both
23 personal and government), pursuant to existing rules and regulations of the
24 Home Development Mutual Fund; and

25

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

29

30 **SECTION 12. PERIOD OF AVAILABILITY OF THE RETIREMENT BENEFITS AND**
31 **SEPARATION INCENTIVES** – The retirement benefits and separation incentives
32 provided in this Act shall be available within sixty (60) days upon approval by the DBM

1 of the detailed rightsized organizational structure and staffing of departments/ agencies
2 concerned.

3

4 **SECTION 13. PROHIBITION ON REHIRING OF PERSONNEL RETIRED/ SEPARATED**
5 **FROM THE SERVICE** – Affected personnel who retired/ separated from the service as a
6 result of the implementation of the National Government’s Rightsizing Program shall not
7 be appointed nor hired as casuals or contractual in any agency of the National
8 Government, including in GOCCs, for a period of five (5) years, except as teaching staff in
9 a state university or college.

10

11 The provision of consultancy services by government personnel who retired or
12 were separated as a result of the rightsizing efforts shall be governed by Section 7 of R.A.
13 No. 6713 otherwise known as the Code of Conduct and Ethical Standards for Public
14 Officials and Employees.

15

16 **SECTION 14. REPORT TO CONGRESS** – The President shall submit a report to Congress
17 on the results of the Program after the completion of its implementation.

18

19 **SECTION 15. FUNDING REQUIREMENTS** – The amount necessary for the initial
20 implementation of this Act shall be sourced against any applicable appropriation items
21 under the current General Appropriations Act. Subsequent amounts needed to continue
22 the implementation of the National Government’s Rightsizing Program in the National
23 Government shall be included in the succeeding appropriations.

24

25 **SECTION 16. IMPLEMENTING RULES AND REGULATIONS** – The Committee on
26 Rightsizing the National Government shall formulate the necessary Implementing Rules
27 and Regulations within thirty (30) days from the organization of the Committee.

28

29 **SECTION 17. SEPARABILITY CLAUSE** – If any provision of this Act is declared
30 unconstitutional or invalid, the other provisions not otherwise affected shall remain in
31 full force and effect.

32

1 **SECTION 18. REPEALING CLAUSE** – All laws, decrees, executive orders, rules and
2 regulations, and other issuances or parts thereof which are inconsistent with this Act are
3 hereby repealed, amended or modified accordingly.

4

5 **SECTION 19. EFFECTIVITY** – This Act shall take effect fifteen (15) days after its
6 publication in the Official Gazette or a newspaper of general circulation, whichever comes
7 first.

8

9 *Approved.*