

1 Republic of the Philippines
2 **HOUSE OF REPRESENTATIVES**
3 Quezon City
4 **EIGHTEENTH CONGRESS**
5 First Regular Session
6 2857
7 **House Bill No.** _____
8



9
10 Introduced by Representative **John Marvin "Yul Servo" C. Nieto**
11

12 **EXPLANATORY NOTE**
13
14

15 This bill aims to promote and maintain effectiveness, efficiency and economy
16 in the government and enhance institutional capacity to improve public
17 service delivery, and to ensure the attainment of the country's societal and
18 economic development goals and objectives.
19

20 The passage of this bill into law will mandate the state to focus its functions
21 and resources on the essential role, scope, and level of governance, and
22 minimize, if not eliminate, redundancies, overlaps and duplication in its
23 operations and simplify its rules and regulations, systems and processes.
24

25 This representation is a firm believer that the local governments and
26 agencies brings the government closer to the people, thereby promoting
27 accessibility, efficiency, and effectiveness of public service delivery. As such,
28 this proposed legislation is not only timely, but is also essential in the
29 attainment of our goal as a nation: to uplift the lives of every Filipino.
30

31 The same legislation has already been approved by the House of
32 Representatives and received by the Senate during the 17th congress. As a
33 manifestation of support to the ultimate goals of this measure, this
34 representation respectfully re-files this bill.
35

36 
37 **JOHN MARVIN "YUL SERVO" C. NIETO**

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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:

12 **SECTION 1. Short Title.** - This Act shall be known as "Rightsizing the
13 National Government Act."

14
15 **SEC. 2. Declaration of Policy.** - It is hereby declared the policy of the
16 State to promote and maintain effectiveness, efficiency and economy in the
17 government and enhance institutional capacity to improve public service
18 delivery, and to ensure the attainment of the country's societal and
19 economic development goals and objectives. Consistent with this, the
20 government shall focus its functions and resources on the essential role,
21 scope, and level of governance, and minimize, if not eliminate,
22 redundancies, overlaps and duplication in its operations and simplify its rules
23 and regulations, systems and processes.
24

25 **SEC. 3. Coverage.** - This Act shall cover all agencies of the executive
26 branch, including departments, bureaus, offices, commissions, boards,
27 councils, and all other entities attached to or under their administrative
28 supervision, government-owned or controlled corporations (GOCCs) not
29 covered by Republic Act No. 10149 or the GOCC Governance Act of 2011.

30 The Legislature, the Judiciary, the Constitutional Commissions, and the
31 Office of the Ombudsman may, within their respective authorized

1 appropriations, likewise rightsize their respective offices, consistent with the
2 principles and guidelines contained in this Act.

3 Local Government Units (LGUs) may also rightsize their respective offices,
4 consistent with the governing principles and guidelines contained in this Act
5 and the provisions of RA No. 7160 or the Local Government Code of 1991,
6 and subject to their financial capability.

7 The Governance Commission for GOCC (GCG) shall continue to exercise its
8 authority under RA No. 10149 to reorganize, merge, streamline, abolish, or
9 privatize any GOCC, in consultation with the department or agency to which
10 the GOCC is attached.

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

- 15 a) The role of government and the scope, level, and prioritization of
16 government activities shall be determined in accordance with the
17 Constitutional mandate, political and socio-economic objectives
18 of the government, and available resources;
- 19 b) The government shall establish a conducive policy environment
20 to encourage active private sector engagement in the production
21 and delivery of goods and services;
- 22 c) The delineation of responsibilities between the National
23 Government and the LGUs in the provision, production, and
24 delivery of goods and services shall be clearly defined;
- 25 d) A whole-of-government approach shall be adopted to ensure
26 seamless operations of agencies within and across sectors and to
27 be more responsive to public needs;
- 28 e) Government operations shall be simplified so that the
29 departments/agencies can focus on the performance of their
30 core functions and implementation of programs and projects that
31 will lead to the attainment of the desired sectoral and national
32 goals and outcomes;
- 33 f) Government systems and processes shall be simplified and
34 modernized to facilitate the delivery and upgrade the quality of
35 frontline services, as well as to improve policy formulation,

1 planning and performance evaluation, and raise overall
2 productivity of the public sector;

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

7 h) The organizational structure of an agency shall be designed to
8 facilitate the effective, efficient, and economical implementation
9 of programs and projects, and the attainment of organizational
10 outputs and outcomes; rightsized and the appropriate staffing
11 mix shall be determined based on the skills and competencies
12 required to effectively and efficiently carry out the agency
13 mandate and functions.
14

15 **SEC. 5. Authority of the President of the Philippines to Rightsize the**
16 **Operations of the Executive Branch.** - Pursuant to the governing rules,
17 policies, standards and guidelines stipulated in this Act, the President of the
18 Philippines is hereby granted the following authority in the rightsizing of the
19 operations of the different agencies of the Executive Branch:

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

21 1) strengthen functions of the agency which directly
22 contribute to the targeted ultimate societal outcomes of
23 the National Government and/or the targeted sector/sub-
24 sector outcomes of the agency;

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

30 3) transfer/integrate functions from one agency to another
31 which can better perform the same.

32 b) To undertake the following organizational actions:

33 1) regularize ad hoc offices whose functions are vital and
34 significant, thus must be continually undertaken by the
35 government;

- 1 2) merge or consolidate agencies whose functions are
- 2 necessarily overlapping or duplicating and can be
- 3 undertaken by a single entity; or clients are similar or
- 4 related to rationalize the use of government resources;
- 5 3) split agencies with multifarious functions which are
- 6 deemed distinct and equally serve important aspects of
- 7 governance;
- 8 b.4 transfer offices to other agencies wherein their functions
- 9 are more aligned; and
- 10 b.5 abolish agencies (i) which functions are already redundant
- 11 or no longer relevant or necessary, or better undertaken
- 12 by another entity; (ii) which are no longer achieving the
- 13 objectives and purposes for which they were originally
- 14 created; (iii) which are not cost-effective since they do not
- 15 generate the desired levels of outputs and outcomes vis-à-
- 16 vis the resource inputs; and/or (iv) which have already
- 17 become non-operational, dormant and/or outlived their
- 18 purposes.
- 19 c) To undertake other functional/organizational actions, as
- 20 necessary, consistent with the policies, principles, framework,
- 21 and standards of this Act;
- 22 d) To develop and provide safety nets, including their
- 23 implementation strategies, for employees of
- 24 departments/agencies who may be affected by the government's
- 25 rightsizing efforts; and
- 26 e) To formulate an organizational development program to
- 27 strengthen the institutional capacity of the agencies and improve
- 28 productivity of employees.

29

30 **SEC. 6. Creation of a Committee on Rightsizing the Executive**

31 **Branch.** - A Committee on Rightsizing the Executive Branch is hereby

32 created to oversee the implementation of the Rightsizing Program, in

33 accordance with the provisions of this Act.

34 The Committee shall be composed of the Executive Secretary as

35 Chairperson, and the Secretary of the Department of Budget and

36 Management (DBM) as Co-Chairperson, with the Secretary of Socio-

1 Economic Planning, Chairperson of the Civil Service Commission (CSC), and
2 the Head of the Presidential Management Staff, as members.

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

5 The Committee shall also organize Sub-Committees composed of
6 experts on government operations, organizational development, and human
7 resource management to assist in the performance of its functions.

8 The DBM shall provide the necessary secretariat services to the
9 Committee and its Sub-Committees.

10 In the spirit of transparency and participatory governance, the
11 Committee shall consult the departments/agencies concerned and accredited
12 public sector unions, and other stakeholders, relative to the implementation
13 of the Executive Branch Rightsizing Program.

14
15 **SEC. 7. Powers and Functions of the Committee on Rightsizing the**
16 **Executive Branch.** - The Committee shall have the following powers and
17 functions:

- 18 a) To develop the policies, framework, strategies, and mechanisms
19 to be adopted in the implementation of the Executive Branch
20 Rightsizing Program;
- 21 b) To conduct studies on the functions, programs, projects,
22 operations, structure, and manpower complement of the
23 different departments/agencies;
- 24 c) To develop and prepare the rightsized organizational structure of
25 departments/agencies concerned and the corresponding
26 executive issuances for approval by the President;
- 27 d) To develop and prepare the overall change management
28 program, including communication plans, to effectively manage
29 the transition and ensure the smooth implementation of the
30 Rightsizing Program;
- 31 e) To formulate the mechanisms to safeguard the welfare of
32 employees who may be affected by the rightsizing efforts, as
33 well as the appropriate organizational development program, for
34 approval of the President;

- 1 f) To monitor the implementation by the different agencies of their
2 respective approved Rightsizing Plans, and report to the
3 President any issue that must be addressed;
4 g) To engage the services of experts/consultants, through the DBM,
5 to assist the Committee and its Sub-Committees in the
6 performance of their functions; and
7 h) To formulate the implementing rules and regulations (IRR) of
8 this Act.
9

10 **SEC. 8. Submission of the Rightsized Organizational Structure and**
11 **Proposed Executive Issuances to the President.** - The Committee on
12 Rightsizing the Executive Branch shall submit to the President the rightsized
13 organizational structure of agencies concerned and the corresponding
14 executive issuances within two hundred fifty (250) days from the effectivity
15 of the implementing rules and regulations (IRR) of this Act.
16

17 **SEC. 9. Submission of the Detailed Organizational Structure and**
18 **Staffing to the DBM.** - The heads of agencies shall prepare and submit to
19 the DBM the detailed organizational structure and staffing of their respective
20 agencies within ninety (90) days after the approval of the proposed
21 executive issuances by the President: *Provided*, That assistance in the
22 preparation of organizational structure and staffing pattern has been
23 extended to the agency by the DBM and the CSC.
24

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

- 30 a) The affected personnel shall be given the option to avail
31 themselves of any of the following retirement benefits under
32 existing laws, if qualified:

- 33 1) Retirement gratuity provided under RA No. 1616 (An Act
34 Further Amending Section Twelve of Commonwealth Act
35 Numbered One Hundred Eighty-Six, as Amended, by

Prescribing Two Other Modes of Retirement and for Other Purposes), as amended; or

- 2) 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
- 3) Retirement, separation or unemployment benefit provided under Republic Act 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 shall avail 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 shall avail of RA No. 1616 benefits.

b) 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:

- 1) One half ($\frac{1}{2}$) of the actual monthly basic salary for every year of government service, for those who have rendered less than eleven (11) years of service;
- 2) Three fourth ($\frac{3}{4}$) of the actual monthly basic salary for every year of government service, computed starting from the first (1^{st}) year, for those who have rendered eleven (11) to less than twenty-one (21) years of service;
- 3) the actual monthly basic salary for every year of government service, computed starting from the first (1^{st}) year, for those who have rendered twenty-one (21) to less than thirty-one (31) years of service; and
- 4) One and one fourth ($1 \frac{1}{4}$) of the actual monthly basic salary for every year of government service, computed starting

1 from the first (1st) year, for those who have rendered thirty-
2 one (31) years of service and above.

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

6 A minimum of five (5) years of government service is required in
7 order for an affected personnel to be entitled to avail of the
8 Program's separation incentives under Section 10(b) of this Act:
9 *Provided*, That for the purpose of computing the total amount of
10 separation incentives that an affected personnel shall receive,
11 only the government service up to age fifty-nine (59) and a
12 fraction thereof shall be counted. Government service starting at
13 the age sixty (60) shall no longer be subject to the separation
14 incentives provided herein, without affecting the original
15 incentive factor determined as applicable based on the actual
16 years of service of the affected personnel: *Provided further*, That
17 for the purpose of complying with the required number of years
18 of service under Republic Act No. 8291, the portability scheme
19 under Republic Act No. 7699 (An Act Instituting Limited
20 Portability Scheme in the Social Security Insurance Systems by
21 Totalizing the Workers' Creditable Services or Contributions in
22 Each of the Systems) may be applied, subject to existing policies
23 and guidelines.

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

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

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

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

- 4 a) Refund of Pag-IBIG contributions, both personal and government
5 of all affected members, pursuant to existing rules and
6 regulations of the Home Development Mutual Fund; and
- 7 b) Commutation of unused vacation and sick leave credits of the
8 affected personnel in accordance with existing rules and
9 regulations.

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

16
17 **SEC. 13. Prohibition on Reemployment of Personnel**
18 **Retired/Separated from the Service.** - Personnel who retire or are
19 separated from the service as a result of the implementation of the
20 Rightsizing Program shall not be reemployed in any agency of the Executive
21 Branch, including in GOCCs, for a period of five (5) years, except as teaching
22 or medical staff in educational institutions and hospitals, respectively.

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

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

30
31 **SEC. 14. Joint Congressional Oversight Committee on the**
32 **Rightsizing Program.** - There is hereby created an oversight committee to
33 oversee, monitor and evaluate the implementation of this Act.

34
35 The oversight committee shall be composed of five (5) members each from
36 the Senate and the House of Representatives which shall include members of

1 the Senate Committee on Civil Service, Government Reorganization and
2 Professional Regulation, the Senate Committee on Finance, the House
3 Committee on Government Reorganization and House Committee on
4 Appropriations.

5
6 **SEC. 15. Conduct of an Impact Assessment.** – The DBM shall
7 commission the conduct of an independent impact assessment on the
8 Executive Branch Rightsizing Program three (3) years from its completion to,
9 among others, determine the effects of, and gains from, the implementation
10 of the program.

11
12 **SEC. 16. Report to Congress.** – The President shall submit a report to
13 Congress on the results of the Program after the completion of its
14 implementation.

15
16 **SEC. 17. Sunset Provision.** – The authority given to the President under
17 this Act, as well as the existence of the Committee on Rightsizing the
18 Executive Branch, shall end three (3) years after the effectivity of this Act.

19
20 **SEC. 18. Implementing Rules and Regulations.** – The Committee on
21 Rightsizing the Executive Branch shall formulate the necessary IRR within
22 thirty (30) days from the organization of the Committee. The IRR shall take
23 effect fifteen (15) days after its publication in a newspaper of general
24 circulation.

25
26 **SEC. 19. Provisions Applicable to other Branches of Government,**
27 **Constitutional Commissions, Office of the Ombudsman, and the**
28 **LGUs.** – The governing principles, policies, standards, and guideline, as well
29 as the conditions and limitations provided in this Act, shall be followed in the
30 implementation of the Rightsizing Program by other branches of
31 government, Constitutional Commissions, Office of the Ombudsman, and the
32 LGUs.

33
34 The heads of offices shall issue their respective IRR and furnish a copy
35 thereof to the Joint Congressional Oversight Committee on the Rightsizing
36 Program and the DBM.

1 **SEC. 20. Funding Requirements.** - The amount necessary for the initial
2 implementation of this Act shall be sourced against any applicable
3 appropriation items under the current General Appropriations Act.
4 Subsequent amount needed to continue the implementation of the Executive
5 Branch Rightsizing Program in the Executive Branch shall be included in the
6 succeeding appropriations.

7 In the event that the Legislature, Judiciary, Constitutional Commissions and
8 the Office of the Ombudsman implement the rightsizing under this Act, the
9 funding requirements shall be included in the succeeding appropriations.
10

11 **SEC. 21. Separability Clause.** - If any provision of this Act is declared
12 unconstitutional or invalid, the other provisions not otherwise affected shall
13 remain in full force and effect.
14

15 **SEC. 22. Repealing Clause.** - All laws, decrees, executive orders, rules and
16 regulations, and other issuances or parts thereof which are inconsistent with
17 this Act are hereby repealed, amended or modified accordingly.
18

19 **SEC. 23. Effectivity.** - This Act shall take effect take effect fifteen (15)
20 days after its publication in the Official Gazette or in any newspaper of
21 general circulation.
22

23 *Approved,*