



HOUSE OF REPRESENTATIVES

H. No. 5707

BY REPRESENTATIVES NOGRALES (K.A.), NOGRALES (J.J.), VELASCO, ALMARIO, HERNANDEZ, ANTONIO, SY-ALVARADO, GATCHALLIAN, ABAD, LACSON, ALONTE, SAMBAR, ACOSTA, RAMOS, AMATONG, VARGAS-ALFONSO MELLANA, ARENAS, SALON, GONZALEZ, DE VENECIA, VILLAFUERTE, PANCHO, UNGAB, DIMAPORO (M.K.), SANDOVAL, SALO, VARGAS, MANGUDADATU (Z.), GO (M.), ZAMORA (M.C.), MARQUEZ, GARIN (R.), SACDALAN, JAVIER, FORTUN, CALIXTO-RUBIANO, NIETO, YAP (M.), CHAVEZ, CUARESMA, SILVERIO, CAGAS, VILLARAZA-SUAREZ, ONG (E.), ZUBIRI, LOBREGAT, SAGARBARRIA, DEL MAR, JALOSJOS, NAVA, BAGATSING, MENDOZA, SAVELLANO, TEJADA, LANETE, ABELLANOSA, CANAMA, UYBARRETA, SALCEDA, LEACHON, PRIMICIAS-AGABAS, ROMUALDO AND TAMBUNTING, PER COMMITTEE REPORT NO. 258

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
2 the National Government Act”.

3 SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of
4 the State to promote and maintain effectiveness, efficiency and economy in the
5 government and enhance institutional capacity to improve public service
6 delivery, and to ensure the attainment of the country’s societal and economic

1 development goals and objectives. Consistent with this, the government shall
2 focus its functions and resources on the essential role, scope, and level of
3 governance, and minimize, if not eliminate, redundancies, overlaps and
4 duplication in its operations and simplify its rules and regulations, systems
5 and processes.

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

11 The Legislature, the Judiciary, the Constitutional Commissions, and
12 the Office of the Ombudsman may, within their respective authorized
13 appropriations, likewise rightsize their respective offices, consistent with the
14 principles and guidelines contained in this Act.

15 Local government units (LGUs) may also rightsize their respective
16 offices, consistent with the governing principles and guidelines contained in
17 this Act and the provisions of Republic Act No. 7160 or the “Local
18 Government Code of 1991”, and subject to their financial capability.

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

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

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

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

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

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

10 (e) Government operations shall be simplified so that the
11 departments/agencies can focus on the performance of their core functions and
12 implementation of programs and projects that will lead to the attainment of the
13 desired sectoral and national goals and outcomes;

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

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

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

28 SEC. 5. *Authority of the President of the Philippines to Rightsize the*
29 *Operations of the Executive Branch.* – Pursuant to the governing rules,

1 policies, standards and guidelines stipulated in this Act, the President of the
2 Philippines is hereby granted the following authority in the rightsizing of the
3 operations of the different agencies of the Executive Branch:

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

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

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

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

14 (b) To undertake the following organizational actions:

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

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

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

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

24 (5) Abolish agencies: (i) which functions are already redundant or no
25 longer relevant or necessary, or better undertaken by another entity; (ii) which
26 are no longer achieving the objectives and purposes for which these were
27 originally created; (iii) which are not cost-effective since these do not generate
28 the desired levels of outputs and outcomes *vis-à-vis* the resource inputs; and/or

1 (iv) which have already become nonoperational, dormant and/or outlived
2 their purposes.

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

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

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

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

12 – A Committee on Rightsizing the Executive Branch is hereby created to
13 oversee the implementation of the Rightsizing Program, in accordance with
14 the provisions of this Act.

15 The Committee shall be composed of the Executive Secretary as
16 Chairperson, and the Secretary of the Department of Budget and Management
17 (DBM) as Cochairperson, with the Secretary of Socio-Economic Planning,
18 Chairperson of the Civil Service Commission (CSC), and the Head of the
19 Presidential Management Staff, as members.

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

22 The Committee shall also organize Subcommittees composed of
23 experts on government operations, organizational development,
24 and human resource management to assist in the performance
25 of its functions.

26 The DBM shall provide the necessary secretariat services to the
27 Committee and its Subcommittees.

28 In the spirit of transparency and participatory governance, the
29 Committee shall consult the departments/agencies concerned and accredited

1 public sector unions, and other stakeholders, relative to the implementation of
2 the Executive Branch Rightsizing Program.

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

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

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

12 (c) To develop and prepare the rightsized organizational structure of
13 departments/agencies concerned and the corresponding executive issuances for
14 approval by the President;

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

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

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

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

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

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

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

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

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

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

24 (2) Retirement benefit under Republic Act No. 660 (An Act to Amend
 25 Commonwealth Act Numbered One Hundred and Eighty-Six Entitled “An Act
 26 to Create and Establish a Government Service Insurance System, to Provide
 27 for its Administration, and to Appropriate the Necessary Funds Therefor,” and
 28 to Provide Retirement Insurance and for Other Purposes); or

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

6 The retirement gratuity benefit of affected personnel who are qualified
 7 and shall avail of Republic Act No. 1616 shall be paid by the Government
 8 Service Insurance System (GSIS). The GSIS shall no longer pay the refund of
 9 retirement premiums (both personnel and government shares) of the affected
 10 personnel who shall avail of Republic Act No. 1616 benefits.

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

14 (1) One half ($\frac{1}{2}$) of the actual monthly basic salary for every year of
 15 government service, for those who have rendered less than eleven (11) years
 16 of service;

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

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

23 (4) One and one fourth ($1\frac{1}{4}$) of the actual monthly basic salary for
 24 every year of government service, computed starting from the first (1st) year,
 25 for those who have rendered thirty-one (31) years of service and above.

26 The actual monthly basic salary shall refer to the salary of the affected
 27 personnel as of the date of approval of the agency’s detailed organizational
 28 structure and staffing by the DBM.

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

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

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

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

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

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

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

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

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

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

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

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

27 The oversight committee shall be composed of five (5) members each
 28 from the Senate and the House of Representatives which shall include
 29 members of the Senate Committee on Civil Service, Government

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

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

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

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

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

20 SEC. 19. *Provisions Applicable to Other Branches of Government,*
21 *Constitutional Commissions, Office of the Ombudsman, and the LGUs.* – The
22 governing principles, policies, standards, and guidelines, as well as the
23 conditions and limitations provided in this Act, shall be followed
24 in the implementation of the Rightsizing Program by other branches of
25 government, Constitutional Commissions, Office of the Ombudsman,
26 and the LGUs.

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

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

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

10 SEC. 21. *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 SEC. 22. *Repealing Clause.* – All laws, decrees, executive orders,
14 rules and regulations, and other issuances or parts thereof which are
15 inconsistent with this Act are hereby repealed, amended or modified
16 accordingly.

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

Approve

O