

**PROPOSED BILL ON  
RIGHTSIZING  
THE NATIONAL  
GOVERNMENT  
TO IMPROVE  
PUBLIC SERVICE  
DELIVERY**



**Rightsizing the  
National  
Government  
Act of 2017**



Republic of the Philippines

DEPARTMENT OF BUDGET AND MANAGEMENT

# President's Statement on Rightsizing Government



**“Even so, we cannot deny that there is fat in government that we must trim. The government bureaucracy must be lean, clean, and nimble to address the people’s urgent needs.”**

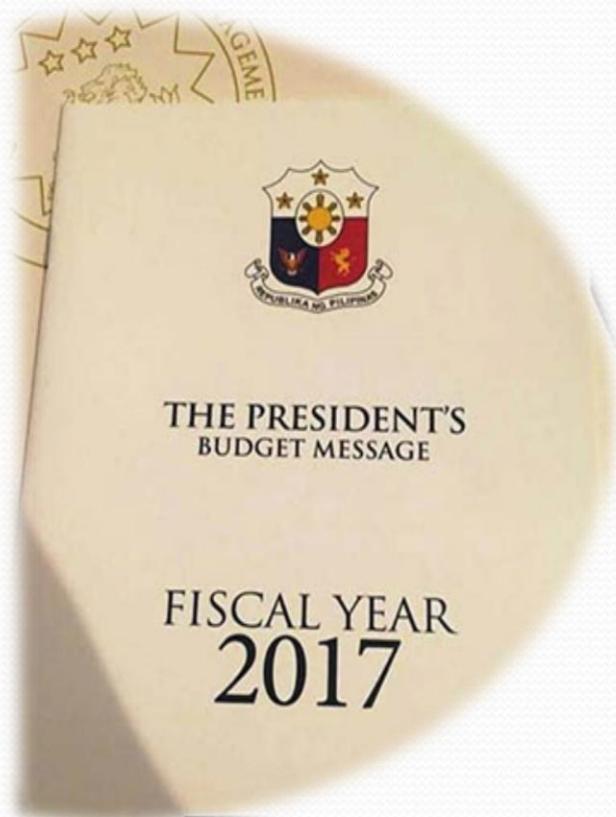
PHOTO BY Official Gazette of the Republic of the Philippines



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# President's Statement on Rightsizing Government

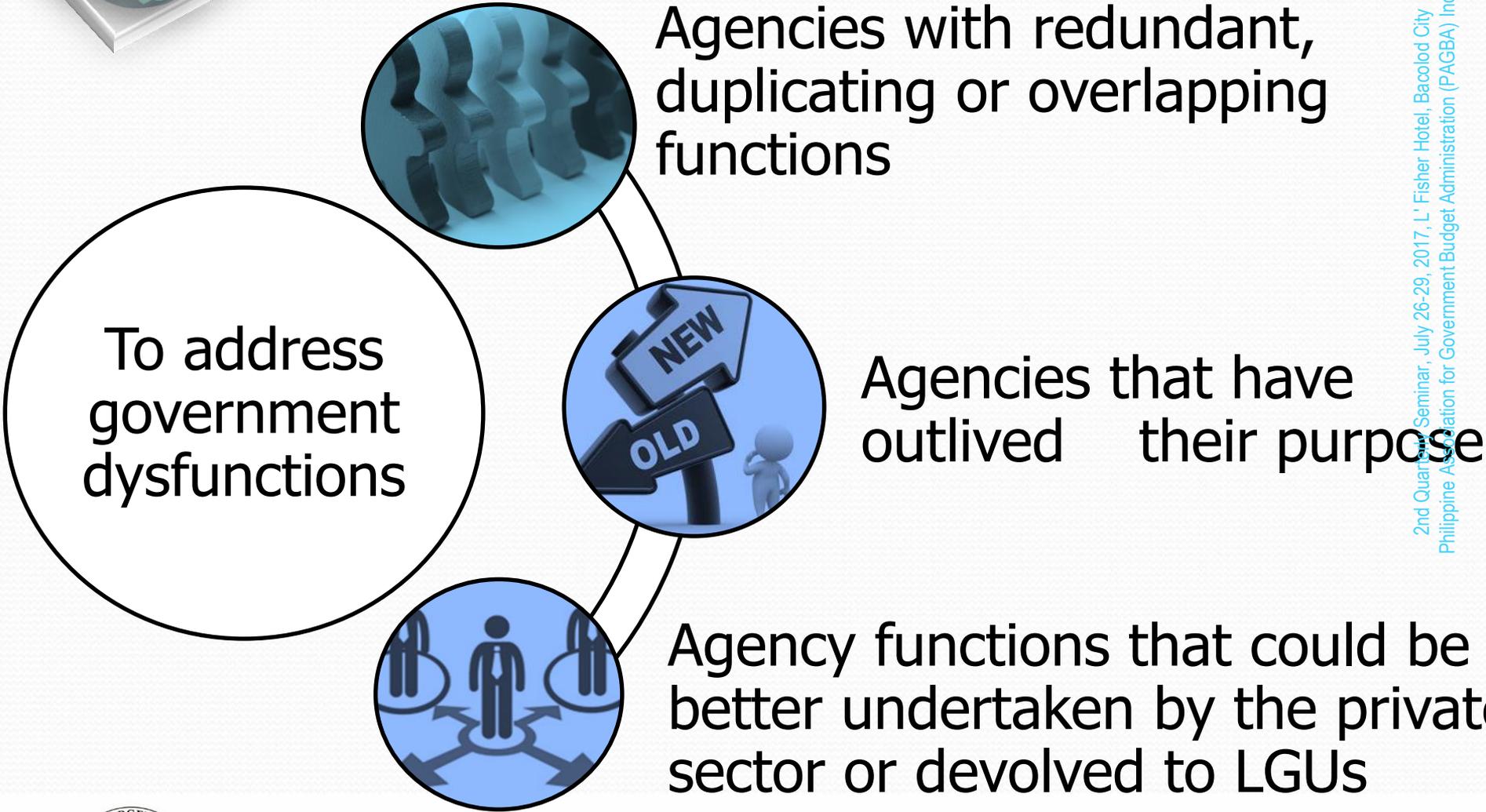
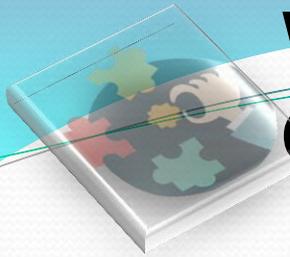


"I would ask authority from Congress to **eliminate redundant, duplicative and overlapping functions and organizations** in the Executive Branch... [the] proposed ***Streamlining the Government Act***... empowers the Executive to **conduct a comprehensive review** of the Executive's function and organizational structures, to **merge or abolish agencies**, and to **implement other measures to improve the efficiency of operations and enhance the delivery of services.**"

- **President Rodrigo R. Duterte**  
*(FY 2017 The President's Budget Message)*



# Why Rightsize the National Government?



2nd Quarterly Seminar, July 26-29, 2017, L' Fisher Hotel, Bacolod City  
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# Why Rightsize the National Government?

## **EFFECTIVENESS**

Strengthening core functions of government and refocusing resources to the President's 0+10 Point Socio-Economic Agenda

## **EFFICIENCY**

Giving more value to taxpayers' money

Rightsizing will ensure...

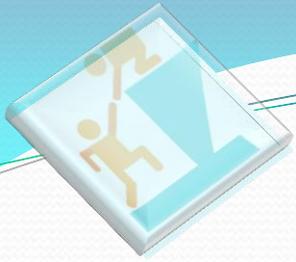
## **RESPONSIVENESS**

Keeping pace with changing public demands

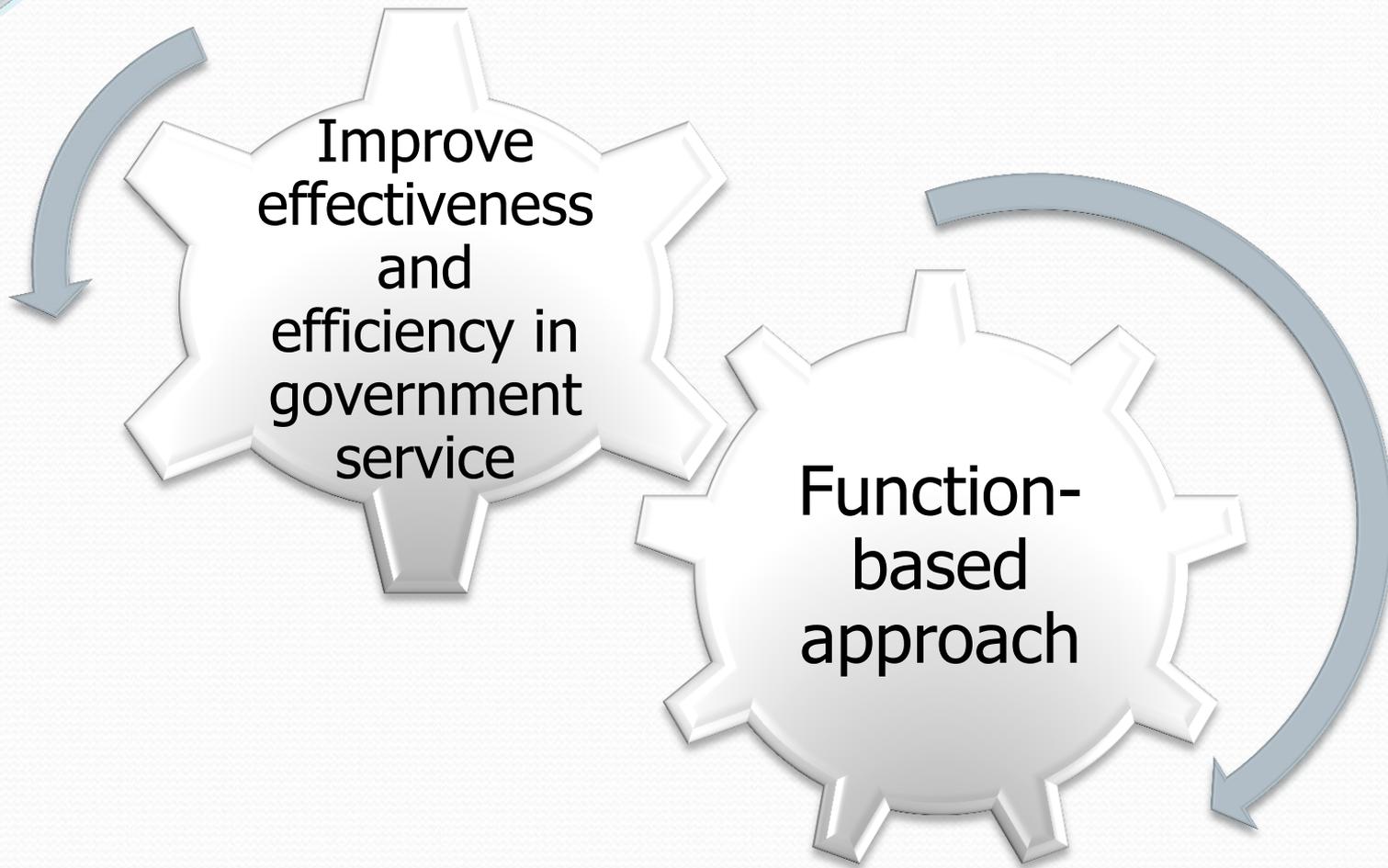
## **PROGRESSIVENESS**

Adopting technological advancements and developments





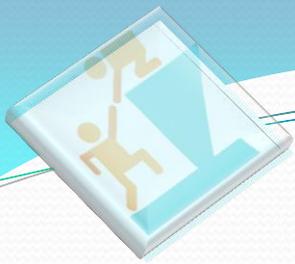
# What is the Program about?



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# What the Program is not about?

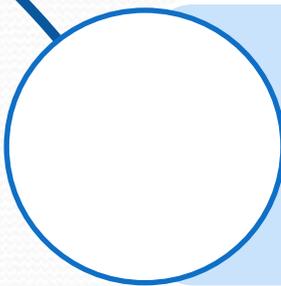


- ❌ **No forced retirement/ separation of personnel**
- ❌ **Not an Early Retirement Program**

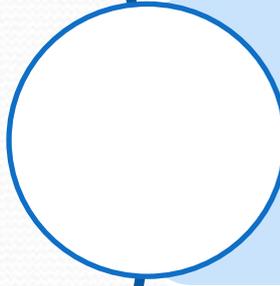




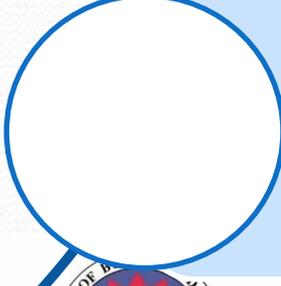
# Principles and Guidelines



Determine the role and activities of government in accordance with the Constitutional mandate, objectives of government and available resources



Establish a conducive policy environment to encourage active private sector engagement

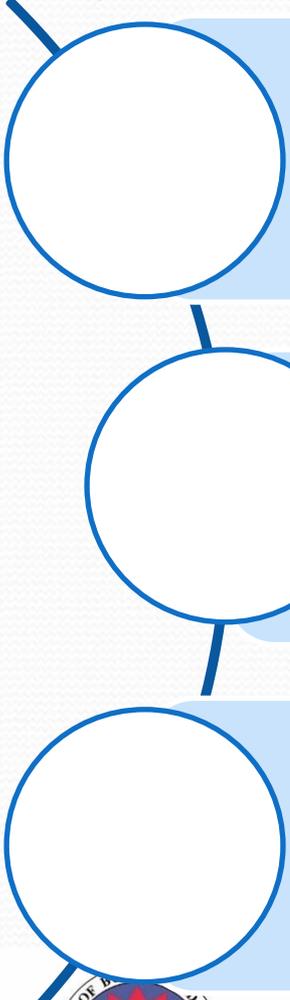


Delineate responsibilities between NG and LGUs in the production and delivery of goods and services





# Principles and Guidelines



Adopt a whole-of-government approach for seamless government operations

Simplify government operations, systems and processes to facilitate the delivery of quality services

Rationalize rules and operations to reduce regulatory burden on citizens, businesses and other stakeholders



## Mandatory Coverage of the Program

All departments/agencies of the ***Executive Branch***

## Excluded in the Rightsizing Program

Teaching and teaching-related positions in schools

Medical and allied-medical items in hospitals/medical facilities

Military and uniformed personnel

Positions in GOCCs/GFIs covered by GCG (*pursuant to RA 10149, s. 2010*)

## Optional Adoption of the Program

Legislature (Senate of the Philippines and House of Representatives)

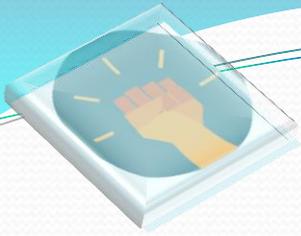
Judiciary

Constitutional Offices

Office of the Ombudsman

Local Government Units

# President's Authority to Rightsize the National Government



To undertake **organizational actions** (e.g., transfer, merger, consolidation, abolition)



To formulate and provide **safety nets**, including implementation strategies, for affected employees



To formulate an **Organizational Development Program**





# Committee on Rightsizing the National Government



**Executive Secretary -  
Chairman**



**DBM Secretary -  
Co-Chairman**



**Secretary of Socio-Economic Planning –  
Member**



**CSC Chairperson –  
Member**

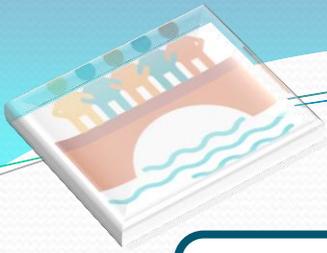


**PMS Head –  
Member**

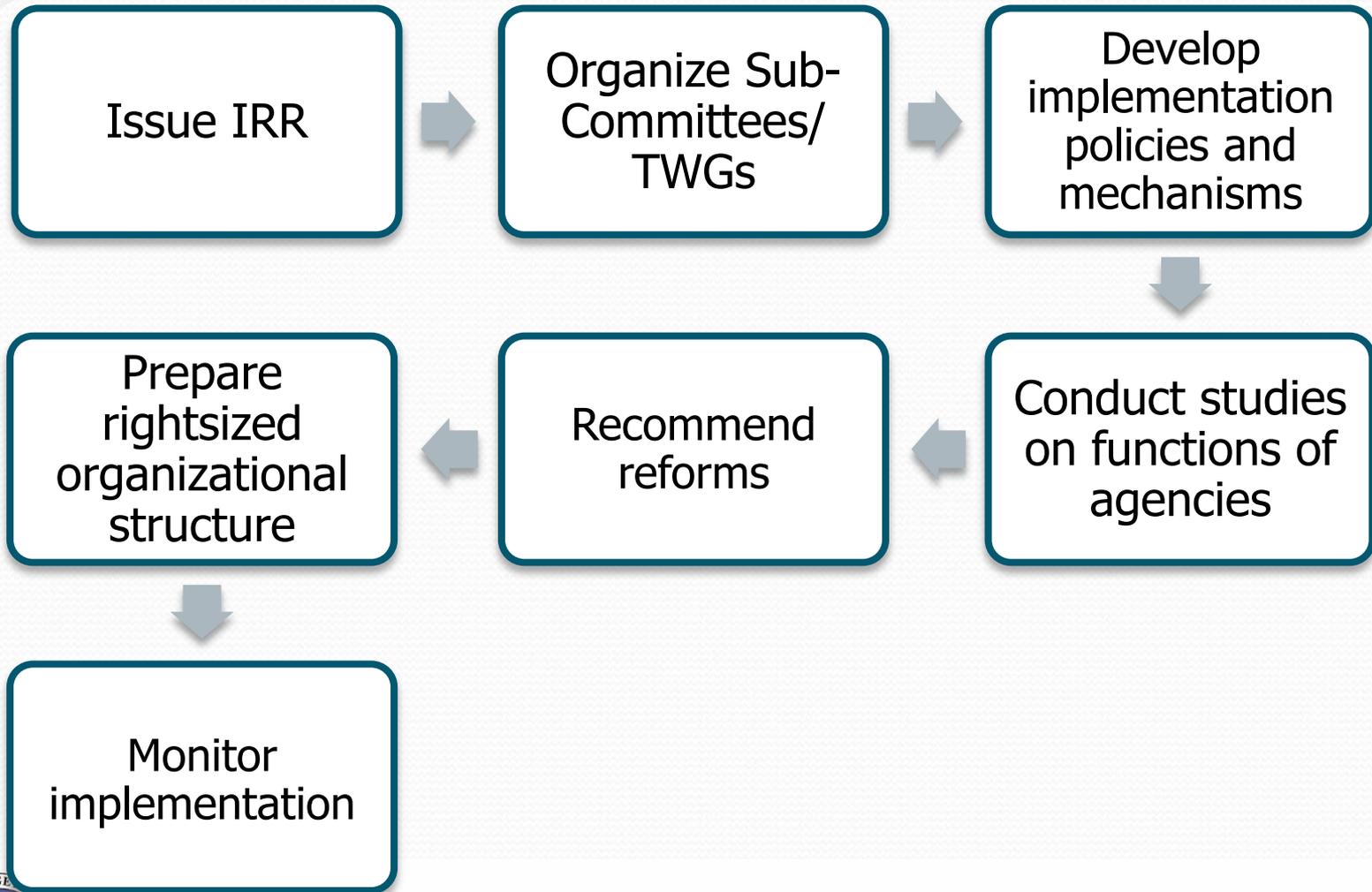


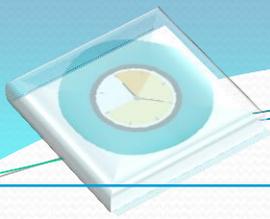
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# Functions of Rightsizing Committee





# Timeline for Program Implementation

Milestone	Period
<ul style="list-style-type: none"> <li>Effectivity of Act</li> </ul>	15 days from publication of Act
<ul style="list-style-type: none"> <li>Organization of Committee</li> </ul>	Within 15 days from effectivity of Act
<ul style="list-style-type: none"> <li>Issuance of IRR</li> </ul>	Within 30 days from organization of Committee
<ul style="list-style-type: none"> <li>Effectivity of IRR</li> </ul>	15 days from publication of IRR
<ul style="list-style-type: none"> <li>Submission by the Committee to the President of rightsized organizational structure and proposed executive issuances</li> </ul>	Within 250 days from effectivity of IRR
<ul style="list-style-type: none"> <li>Submission of detailed organizational structure and staffing by agencies to DBM</li> </ul>	Within 90 days from approval by President of proposed executive issuances
<ul style="list-style-type: none"> <li>Availability of retirement/separation benefits and incentives</li> </ul>	Within 60 days from approval by DBM of detailed rightsized organizational structure and staffing of agencies
<ul style="list-style-type: none"> <li>Report to Congress by the President</li> </ul>	After completion of Program implementation

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# Submission of Rightsizing EOs to OP and Detailed Organizational Structure/Staffing Pattern to DBM

## EO on Rightsized Organizational Structure of Agency

- Within 250 days from the effectivity of the IRR

## Detailed Organizational Structure and Staffing Pattern

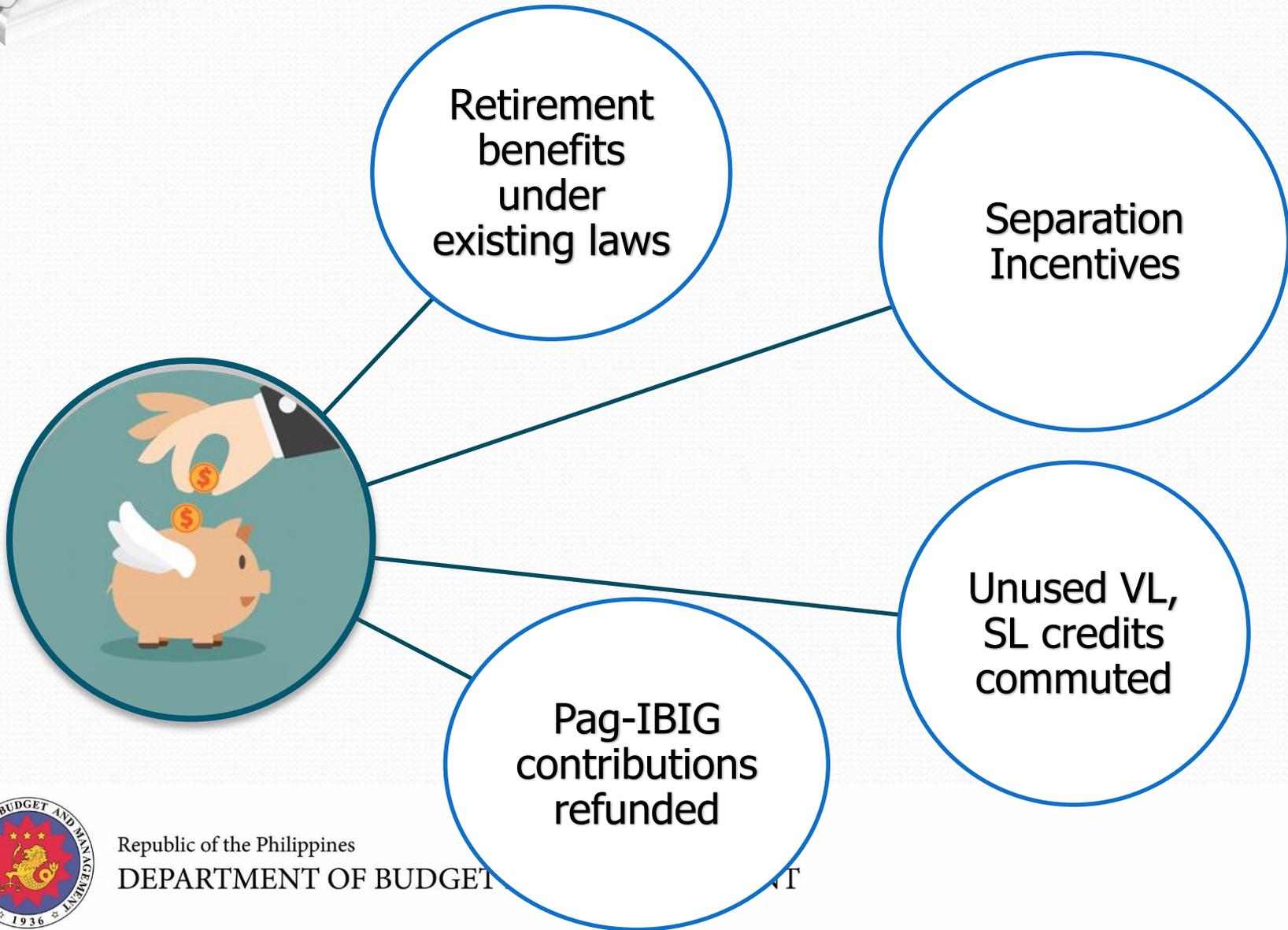
- Within 90 days after the approval of the EO

## Availability of the Benefits

- Within 60 days after DBM approval of the organizational and staffing pattern



# Benefits of Affected Personnel



# Separation Incentives of Affected Personnel

Years of Service in Government	Separation Incentives per year of service
5 to < 11 years	1/2 of actual monthly basic salary
11 to < 21 years	3/4 of actual monthly basic salary
21 to < 31 years	Actual monthly basic salary
31 years and above	1 1/4 of actual monthly basic salary



# Sample Computation of Separation Incentives



## ***Administrative Assistant III position/ SG-09***

- Monthly Salary – PhP 17,473  
(SSL 4, 3<sup>rd</sup> Tranche, 1<sup>st</sup> Step)

Monthly Basic Salary (MBS)	Years in Government Service (YGS)	Incentive Factor (MBS/YGS)	Amount of Incentive
(A)	(B)	(C)	A x B x C=(D)
<b>PhP 17,473</b>	10	1/2	Php 87,365
	15	3/4	196,571
	25	1	436,825
	31	1 1/4	677,079



# Sample Computation of Separation Incentives



## ***Administrative Officer IV position/ SG-15***

- Monthly Salary – PhP 29,101  
(SSL 4, 3<sup>rd</sup> Tranche, 1<sup>st</sup> Step)

Monthly Basic Salary (MBS)	Years in Government Service (YGS)	Incentive Factor (MBS/YGS)	Amount of Incentive
(A)	(B)	(C)	A x B x C=(D)
<b>PhP 29,101</b>	10	1/2	Php 145,505
	15	3/4	327,386
	25	1	727,525
	31	1 1/4	1,127,664



# Sample Computation of Separation Incentives



## ***Division Chief position/SG-24***

- Monthly Salary – PhP 73,299  
(SSL 4, 3<sup>rd</sup> Tranche, 1<sup>st</sup> Step)

Monthly Basic Salary (MBS)	Years in Government Service (YGS)	Incentive Factor (MBS/YGS)	Amount of Incentive
(A)	(B)	(C)	A x B x C=(D)
<b>PhP 73,299</b>	10	1/2	PhP 366,495
	15	3/4	824,614
	25	1	1,832,475
	31	1 1/4	2,840,336



# Prohibition on Rehiring of Retired/Separated Personnel

- ❖ Retirees are prohibited from being reemployed in any agency of National Gov't, including in GOCCs, for a period of **five (5) years**, except as teaching or medical staff in educational institutions and hospitals, respectively

## Other Provisions

- ❖ Number of agency personnel to avail of Program incentives **not to exceed** number of positions declared by agency for abolition
- ❖ Affected personnel, if with permanent appointment, who will **not opt** to retire will be placed in CSC manpower pool; CSC to retool them and deploy to agencies which need their qualifications, skills and competencies



# Funding Requirements

- ❖ Amount necessary for initial implementation to be sourced from the General Appropriations Act (GAA)
- ❖ Subsequent amount needed to be included in succeeding annual GAAs



# Comparison Between Rationalization Program and Rightsizing Program

Subject	Rationalization Program	Rightsizing Program
<b><i>Legal Basis</i></b>	❖ <b><i>EO No. 366, s. 2004</i></b>	❖ <b><i>Rightsizing Bill</i></b> under consideration of Congress
<b><i>Coverage of the Program</i></b>	❖ All Departments/Agencies of the Executive Branch, including GOCCs/GFIs	❖ All Departments/Agencies of the Executive Branch, including GOCCs/GFIs not covered by RA No. 10149 (GOCC Governance Act of 2011)

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# Comparison Between Rationalization Program and Rightsizing Program

Subject	Rationalization Program	Rightsizing Program
<b><i>Mechanics of the Program</i></b>	<ul style="list-style-type: none"> <li>❖ Strategic review of the operations and organization of the Department/Agency was limited to its internal structure, and <b><i>did not cut across other agencies</i></b></li> </ul>	<ul style="list-style-type: none"> <li>❖ Strategic review of functions, programs and projects of agencies to <b><i>cut across various agencies</i></b></li> <li>❖ Government will implement <b><i>transformational initiatives</i></b> in agencies concerned such as merger, consolidation, splitting, transfer and abolition of offices</li> </ul>
	<ul style="list-style-type: none"> <li>❖ Strategic review conducted by <b><i>Change Management Team</i></b> that was created in each agency</li> </ul>	<ul style="list-style-type: none"> <li>❖ Strategic review to be conducted by the <b><i>Committee on Rightsizing the Executive Branch</i></b></li> </ul>

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# Comparison Between Rationalization Program and Rightsizing Program

Subject	Rationalization Program	Rightsizing Program
<b><i>Sunset Provision</i></b>	-	Authority given to the President under the Rightsizing Bill, as well as the existence of the Committee on Rightsizing the Executive Branch, will end <b><i>three (3) years</i></b> after the effectivity of this proposed legislative measure



# • Rightsizing Bill Updates (as of 7/25/2017)

- ❖ Draft Rightsizing Bill presented to and approved by the **President** in August 2016
- ❖ Rightsizing Bill endorsed by DBM to **Senate President, House Speaker** and **20** legislators (**10 Senators** and **10 Representatives**) in September 2016 and requested them to sponsor the same
- ❖ Salient features of Bill presented to following:
  - Chairperson and members of **House Committee on Government Reorganization** in September 2016
  - **Rep. Lord Allan Jay Q. Velasco** of the Lone District of Marinduque in September 2016
  - **Sen. Loren Legarda**, Chairperson of the Senate Committee on Finance, in February 2017
  - Chairperson, Vice-Chairperson and members of the **House Committee on Appropriations**, and Vice Chairperson of the **House Committee on Government Reorganization** in March 2017
  - **Sen. Ralph Recto** in May 2017
  - **Rep. Karlo Alexie B. Nograles**, Chairperson of the House Committee on Appropriations in May 2017



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# Rightsizing Bill Updates (as of 7/25/2017)

- ❖ **Four (4)** Senate Bills and **four (4)** House Bills have been filed for the purpose, as follows:

Bill Number	Date Filled	Author/s	Remarks/Status
<b>SB No. 1162</b>	Sept. 19, 2016	Senator Loren Legarda	Consolidated into <b>SB No. 1395</b> which is the enhanced version of the Administration Bill
<b>SB No. 1167</b>	Sept. 21, 2016	Senator Vicente Sotto III	
<b>SB No. 1337</b>	Feb. 17, 2017	Senator Juan Miguel F. Zubiri	
<b>SB No. 1339</b>	Feb. 21, 2017	Senator Gregorio B. Honasan II	
<b>HB No. 3781</b>	Sept. 27, 2016	Representatives Karlo and Jericho Nograles	Consolidated into <b>HB No. 5707</b> which contained the amendments proposed by the various representatives and other stakeholders present during the public hearing
<b>HB No. 3838</b>	Sept. 29, 2016	Representative Lord Allan Jay Velasco	
<b>HB No. 3871</b>	Sept. 30, 2016	Representative Joel Mayo Almario	
<b>HB No. 3913</b>	Oct. 3, 2016	Representative Ferdinand Hernandez	



# Rightsizing Bill Updates (as of 7/25/2017)

## Senate Bills Updates:

- ❖ Sub-Committee on SBN 1162 and 1167 of the Senate Committee on Civil Service, Government Reorganization and Professional Regulation conducted a **public hearing on the proposed Rightsizing Bill** in February 2017
- ❖ **SB No. 1395**, which is authored by Senators Legarda, Sotto, Zubiri, Honasan and Antonio F. Trillanes IV, is currently under **second reading** in the Senate
- ❖ Senators Legarda and Sotto delivered their **sponsorship and co-sponsorship speeches**, respectively, on March 15, 2017
- ❖ **Plenary deliberation** of the Rightsizing Bill in the Senate was conducted on May 23, 2017 and will resume in August 2017
- ❖ The President **has certified the necessity of the immediate enactment of SB No. 1395** on June 1, 2017 to address the urgent need for reforms to enhance the institutional capacity of government to deliver public services



# Rightsizing Bill Updates (as of 7/25/2017)

## House Bills Updates:

- ❖ House Committees on Government Reorganization and Appropriations jointly conducted a **public hearing** of the four (4) House Bills on Rightsizing on March 14, 2017
- ❖ Rep. Virgilio S. Lacson delivered his **sponsorship speech** on March 30, 2017
- ❖ **Plenary deliberation** of the Rightsizing Bill in the HOR was conducted and HB No. 5707 **was approved on second reading** on May 30, 2017
- ❖ HB No. 5707 is now scheduled for **third reading**



# THANK YOU



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