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REPUBLIC OF THE PHILIPPINES
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
First Regular Session

HOUSE BILL No. 614



Introduced by REP. FRANCIS G. ESCUDERO

EXPLANATORY NOTE

This Bill seeks to institute Line Item Budgeting with respect to the appropriation for personal services, which account for the bulk of government expenditures. In particular, it proposes to itemize each agency's expenditures for personal services, according to its existing position titles, the number of employees for each title, and the required basic salary for the year.

The Line Item approach was adopted in the Philippines with the enactment of Commonwealth Act No. 246, or the Budget Act of 1937, until the introduction of Performance Budgeting in 1956. It gives emphasis on listing of objects for itemized expenditures on supplies, personnel, and equipment.

Line Item Budgeting is especially useful for control purposes inasmuch as each item or cost may be subjected to congressional scrutiny. This control oriented budgeting system is considered to be especially effective for salaries and purchases, and under conditions of limited resources. It also provides transparency with respect to the use of public funds.

In these times of gnawing budget deficits and very scarce resources, a CONTROL-ORIENTED BUDGET for personal services, which constitute the bulk of government spending, is earnestly sought.

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AN ACT
FURTHER AMENDING CERTAIN SECTIONS OF PRESIDENTIAL DECREE NO. 1177, AS AMENDED, IN ORDER TO INSTITUTE LINE-ITEM BUDGETING WITH RESPECT TO THE APPROPRIATION FOR PERSONAL SERVICES

Be it enacted by SENATE and HOUSE OF REPRESENTATIVES of the Philippines in Congress assembled:

SECTION 1. Section 24 of Presidential Decree 1177 is hereby amended to read as follows:

"Section 24. Appropriations for Personal Services - Appropriations for personal services considered as included in the amount specified for each budgetary program and project of each department, bureau, office or agency, and shall be itemized. The itemization of personal services shall be prepared by the Secretary for consideration and approval of the President as provided in Section 30 hereof: Provided, that the itemization of personal services shall be prepared for (all agencies) EVERY AGENCY of the Legislative Executive and Judicial Branches and the

Constitutional bodies ACCORDING TO EVERY POSITION TITLE WITH ITS CORRESPONDING NUMBER OF EMPLOYEES AND THE REQUIRED BASIC SALARY FOR THE FISCAL YEAR (down to the division chief level and in the case of the Armed Forces of the Philippines and the Integrated National Police down to the rank of second lieutenant, except as may be otherwise approved by the President for positions concerned with national security matters:) Provided, further, That appropriations for casual and/or temporary employees shall be in lump sum based on the number of man-hours to be rendered.

SECTION 2. Section 30 of the same act is hereby amended to read as follows:

> "Section 30. Content of General Appropriations Act - The General Appropriations Act shall be presented in the form of budgetary programs and projects for each agency of the government, with the corresponding appropriations for each program and project, including statutory provisions of specific agency or general applicability. The General Appropriations Act shall contain an itemization of personal services ACCORDING TO EVERY POSITION TITLE EXISTING IN THE AGENCY which shall be prepared by the Secretary before the enactment of the General Appropriations Act."

SECTION 3. All laws, decrees, executive orders, and letters of instruction inconsistent with the provisions of this Act and the Constitution are hereby repealed, superseded and/or modified.

SECTION 4. This Act shall take effect upon its approval.

Approved,