

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
1st Regular Session

HOUSE BILL NO. 1878



Introduced by: **HON. J. MAYO Z. ALMARIO**

EXPLANATORY NOTE

This bill seeks to rationalize the use of different government agencies' income generated beyond the targets set in the Budget of Expenditures and Sources of Financing, and providing for their investment.

While Congress is constitutionally mandated to enact a national budget annually, it has, time and again, been its problem on how to allocate the limited resources to meet the country's limitless needs.

Much to its desire to let both ends meet, Congress, through special provisions allow agencies to directly use their income; however, the same have always been the subject of the President's veto.

For the agencies to be authorized to make use of their income, the same must be embodied in a separate substantive law. In view thereof, this bill seeks to authorize the different government agencies to retain a percentage of the income they will be able to generate beyond the target set by the Budget of Expenditures and Sources of Financing and their proper disbursement as authorized by this Act. Furthermore, a percentage of their excess agency income will also be earmarked for the country's health and education program.

Said government agencies will be motivated by the scheme in maximizing their limited manpower and financial resources so they could reach their optimum level of efficiency knowing that a percentage of their excess income will redound to their benefit.

Hence, passage of this bill is earnestly sought.



J. MAYO Z. ALMARIO

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

THIRTEENTH CONGRESS
1st Regular Session

HOUSE BILL NO. 1878

Introduced by Rep. J. Mayo Z. Almario

AN ACT
AUTHORIZING GOVERNMENT AGENCIES TO RETAIN INCOME
GENERATED BEYOND THE SPECIFIED TARGETS REFLECTED IN THE
BUDGET OF EXPENDITURES AND SOURCES OF FINANCING, AND
ALLOWING ITS DISBURSEMENTS AS PROVIDED BY LAW

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled

SECTION 1. *Title.* - This Act shall be known as "The Government Agencies' Income Rationalization Act."

SECTION 2. *Declaration of Policy.* - Recognizing the importance of education in promoting the physical, moral, spiritual, intellectual, and social well-being of our youth and the duty to free the people from poverty, it is hereby declared the policy of the state to promote, support, strengthen, encourage, and provide our people access to education and also provide adequate social services. To this end, the State shall undertake to augment the yearly budget allotted to the Department of Education and the Department of Social Welfare and Development from agency income generated beyond the specified targets set in the Budget of Expenditures and Sources of Financing.

SECTION 3. *Objectives.* - This Act shall provide: (a) the authority for the different government agencies in the Philippines to retain a percentage of their agency income generated beyond the specified targets set in the Budget of Expenditures and Sources of Financing of the government; and (b) the scheme to allocate a percentage of their excess agency income to the country's health and education programs.

SECTION 4. *Conditions.* - The aggregate gross earnings derived by the different government agencies over and above the specified targets set in the Budget of Expenditures and Sources of Financing shall be immediately set aside and allocated as follows:

- (a) Twenty-five (25%) percent of the amount in excess of the target shall be placed in a development fund to be administered by the Department of Health, which in turn shall allocate the said fund to the different Provincial Hospitals nationwide;
- (b) Twenty-five (25%) percent of the amount in excess of the target shall be allocated to a nationwide scholarship program headed by the Commission of Higher Education and the Government Assistance to Students and Teachers in Private Education (GASTPE), Department of Education;
- (c) Ten (10%) of the amount in excess of the target shall be retained by the concerned government agency as its revolving fund over and above the appropriations authorized under the General Appropriations Act;
- (d) Forty (40%) of the amount shall go to the National Treasury for inclusion to the revenue and financing sources of the national government budget.

SECTION 5. *Audit of Income.* – The books of account of the different government agencies, as well as financial records and other support documents, shall be subject to audit by the Commission on Audit or its duly authorized representative.

SECTION 6. *Congressional Oversight Committee.* – A Congressional Oversight Committee, hereinafter referred to as the Committee, is hereby constituted, which shall be composed of the Chairman of the Committee on Ways and Means of the Senate and House of Representatives and four (4) additional members from each House, to be designated by the Speaker of the House of Representatives and the Senate President, respectively.

The Committee shall, among others, in aid of legislation:

- (1) Monitor and ensure the proper implementation of this Act;
- (2) Review the audited books of account of the different government agencies, as well as all financial records and other support documents, as certified to by the Commission on Audit;
- (3) Review the implementation of the programs of the Department of Health, Commission on Higher Education, and GASTPE.

In furtherance of the hereinabove cited objectives, the Committee is empowered to require the beneficiary government agencies to submit all pertinent information related to the disbursement of the additional funds allocated to them through the operation of this Act.

SECTION 7. *Applicability of Related Laws.* – The conditions of this law shall be subject at all times to the provisions of all existing laws.

SECTION 8. *Repealing Clause.* – All laws, decrees, executive orders, rules and regulations, or parts thereof inconsistent with or contrary to the provisions of this Act are hereby repealed or modified accordingly.

SECTION 9. *Separability Clause.* – If any part or provision of this Act is held unconstitutional or invalid, other parts or provisions thereof, which are not affected, shall continue to remain in full force and effect.

SECTION 10. *Effectivity.* – This Act shall take effect fifteen (15) days following completion of its publication in at least two (2) newspapers of general circulation.

Approved