

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

House Bill No. **4120**



Introduced by **HONORABLE STELLA LUZ A. QUIMBO**

**AN ACT RIGHTSIZING THE NATIONAL GOVERNMENT TO IMPROVE PUBLIC
SERVICE DELIVERY**

EXPLANATORY NOTE

Last July 2022, the DBM supported the current administration's proposal to rightsize the bureaucracy. The proposal, which shall determine which among the 187 government agencies and GOCCs, aims to create a lean, efficient and government workforce by streamlining government roles and functions. This allows the national government to more effectively utilize resources towards its priority programs and policies. The DBM also stated that the rightsizing program may lead to the upsizing of key sectors such as education and healthcare, which shall open new opportunities for workers. The rightsizing program is also in line with the principle of devolution, and shall generate new jobs and opportunities in LGUs.

The DBM Staffing Summary shows a significant increase in the total number of government personnel, from 1,108,856 in 2005, to 1,899,747 in 2022. Likewise, expenditure on personnel services (PS) in the budget has drastically increased, from P295.18 billion in 2005 to P1.4 trillion in 2022. Various studies have shown that the existing government structure is bloated and overstaffed, with redundant offices and overlapping, fragmented, or ambiguous functions. There is an evident need to reorganize government to ensure the efficient and effective delivery of public services.

The proposed bill authorizes the President to rightsize the Executive branch. It lays out the scope and principles of the Government Rightsizing Program, with emphasis on the need for government to utilize digital platforms to efficiently optimize government roles and provide effective basic services for Filipinos. The bill also tasks the CSC to conduct a baseline job audit so that there is a data-based approach to reorganizing the government. It further establishes a Rightsizing Committee consisting of the Executive Secretary, the Secretary of Department of Budget and Management, the Secretary of Socio-Economic Planning, the Secretary of Information and Communication Technology, the Chairperson of the Civil Service Commission (CSC), and the Head of the Presidential Management Staff. The bill also ensures that affected government workers that will retire shall receive appropriate retirement packages, and, as practicable, affected workers who still wish to serve shall be retooled and assigned

to agencies that would need more human resources after the rightsizing. Finally, the bill calls for an independent impact assessment to analyze the effects of the rightsizing program three years after its implementation.

In view of the foregoing, the passage of this bill is earnestly sought.



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*Be it enacted by the Senate and House of Representative of the Philippines in Congress
assembled:*

1 **Section 1. Short Title.** – This Act shall be known as “as "Rightsizing the National
2 Government Act."

3 **SEC. 2. Declaration of Policy.** - It is hereby declared the policy of the State to
4 promote and maintain effectiveness, efficiency and economy in the government and
5 enhance institutional capacity to improve public service delivery, and to ensure the
6 attainment of the country's societal and economic development goals and objectives.
7 Consistent with this, the government shall focus its functions and resources on the
8 essential role, scope, and level of governance, and minimize, if not eliminate,
9 redundancies, overlaps and duplication in its operations and simplify its rules and
10 regulations, systems and processes.

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

16 The Legislature, the Judiciary, the Constitutional Commissions, and the Office of
17 the Ombudsman may, within their respective authorized appropriations, likewise
18 rightsizing their respective offices, consistent with the principles and guidelines contained
19 in this Act.

20 Local government units (LGUs) may also rightsizing their respective offices,
21 consistent with the governing principles and guidelines contained in this Act and the
22 provisions of Republic Act No. 7160 or the "Local Government Code of 1991", and
23 subject to their financial capability.

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

1 **SEC. 4. Principles and Guidelines.** The National Government shall implement a
2 Rightsizing Program in accordance with the following principles and guidelines:

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

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

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

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

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

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

22 (g) The utilization of digitalization and E-governance as a means to efficiently
23 optimize government roles and provide prompt and effective basic services to the
24 Filipino people;

25 (h) Government rules, procedures, and requirements shall be rationalized to
26 reduce the regulatory burden on citizens, businesses, and other stakeholders, as well
27 as reduce the administrative burden on the part of the government; and

28 (i) The organizational structure of an agency shall be designed to facilitate the
29 effective, efficient, and economical implementation of programs and projects, and the
30 attainment of organizational outputs and outcomes; rightsized and the appropriate
31 staffing mix shall be determined based on the skills and competencies required to
32 effectively and efficiently carry out the agency's mandate and functions.

33 **SEC. 5. Authority of the President of the Philippines to Rightsize the Operations**
34 *of the Executive Branch.* - Pursuant to the governing rules, policies, standards and
35 guidelines stipulated in this Act, the President of the Philippines is hereby granted the
36 following authority in the rightsizing of the operations of the different agencies of the
37 Executive Branch:

38 (a) To pursue the following functional shifts/modifications;

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

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

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

(b) To undertake the following organizational actions:

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

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

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

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

(5) Abolish agencies: (i) which functions are already redundant or no longer relevant or necessary, or better undertaken by another entity; (ii) which are no longer achieving the objectives and purposes for which these were originally created; (iii) which are not cost-effective since these do not generate the desired levels of outputs and outcomes vis-à-vis the resource inputs; and/or (iv) which have already become non-operational, dormant and/or outlived their purposes

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

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

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

SEC. 6. Conduct of Baseline Job Audit for Government Rightsizing. – The Civil Service Commission, in consultation with concerned departments/agencies, accredited public sector unions, and other relevant stakeholders, shall conduct a baseline study that shall determine the optimal government organizational structure, based on the principles stated in Section 4 of this law. The aforementioned survey shall be conducted within one (1) year from the effectivity of this Act. Copies of the study shall be furnished to the Office of the President, the Congress and the Committee on Rightsizing the Executive Branch.

1 **SEC. 7. *Creation of a Committee on Rightsizing the Executive Branch*** – A
2 Committee on Rightsizing the Executive Branch is hereby created to oversee the
3 implementation of the Rightsizing Program, in accordance with the provisions of this Act.

4 The Committee shall be composed of the Executive Secretary as Chairperson,
5 the Secretary of Department of Budget and Management as Co-Chairperson, with the
6 Secretary of Socio-Economic Planning, Secretary of Information and Communication
7 Technology, Chairperson of the Civil Service Commission (CSC), and the Head of the
8 Presidential Management Staff, as members.

9 The Committee shall organize Subcommittees composed of experts on
10 government operations, organizational development, and human resource management
11 to assist in the performance of its functions.

12 The DBM shall provide the necessary secretariat services to the Committees and
13 its subcommittees.

14 In the spirit of transparency and participatory governance, the Committee shall
15 consult the departments/agencies concerned and accredited public sector unions, and
16 other stakeholders, relative to the implementation of the Executive Branch Rightsizing
17 Program.

18 **SEC. 8. *Powers and Functions of the Committee on Rightsizing the Executive***
19 *Branch* – The Committee shall have the following powers and functions:

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

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

24 (c) To develop and prepare the rightsized organizational structure of
25 department/agencies concerned and the corresponding executive issuance for approval
26 by the President;

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

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

33 (f) To monitor the implementation by the different agencies of their respective
34 approved Rightsizing Plans, and report to the President any issue that must be
35 addressed.

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

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

1 **SEC. 9. *Submission of the Rightsized Organization Structure and Proposed***
2 *Executive Issuances to the President.* – The Committee on Rightsizing the Executive
3 Branch shall submit to the President the rightsized organizational structure of agencies
4 concerned and the corresponding executive issuances within two hundred fifty (250)
5 days from the effectivity of the implementing rules and regulations (IRR) of this Act.

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

12 **SEC. 11. *Retirement Benefits and Separation Incentives for Personnel Who May***
13 *be Affected by the Executive Branch Rightsizing Program.* – The affected personnel
14 hired on a permanent basis with appointment attested by the CSC, shall be entitled to
15 retirement benefits and separation incentives.

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

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

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

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

31 The retirement gratuity benefit of affected personnel who are qualified and shall
32 avail of Republic Act No. 1616 shall be paid by the Government Service Insurance
33 System (GSIS). The GSIS shall no longer pay the refund of retirement premiums (both
34 personnel and government shares) of the affected personnel who shall avail of Republic
35 Act No. 1616 benefits.

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

39 (1) One half (1/2) of the actual monthly basic salary for every year of government
40 service, for those who have rendered less than eleven (11) years of service;

(2) Three fourth (3/4) of the actual monthly basic salary for every year of government service, computed starting from the first (1st) 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 (1st) 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 ¼) of the actual monthly basic salary for every year of government service, computed starting from the first (1st) year, for those who have rendered thirty-one (31) years of service and above.

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

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

The affected personnel, if with permanent appointment attested by the CSC, who will opt not to retire from the service shall be placed in a manpower pool to be organized and administered by the CSC. The CSC, in coordination with other government agencies and relevant private institutions shall retool the subject personnel and deploy them to agencies which require their qualifications, skills, and competencies. The number of personnel who will avail of the separation incentives under Section 10 shall in no case exceed the number of positions declared for abolition.

The specific guideline to carry out the provisions shall be prescribed in the IRR of this Act.

SEC. 12. Other Benefits of Retired/Separated Personnel. – The affected personnel who retire or are separated shall in addition to the applicable benefits above, be entitled to the following:

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

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

1 **SEC. 13. *Period of Availability of the Retirement Benefits and Separation***
2 *Incentives.* – The retirement benefits and separation incentives provided in this Act shall
3 be available within sixty (60) days upon approval by the DBM of the detailed rightsized
4 organization structure and staffing of departments/agencies concerned.

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

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

13 **SEC. 15. *Joint Congressional Oversight Committee in Rightsizing Program.*** –
14 There is hereby created an oversight committee to oversee, monitor and evaluate the
15 implementation of this Act.

16 The oversight committee shall be composed of five (5) members each from the
17 Senate and House of Representatives which shall include members of the Senate
18 Committee on Civil Service, Government Reorganization and Professional Regulation,
19 the Senate Committee on Finance, the House Committee on Government
20 Reorganization and the House Committee on Appropriations.

21 **SEC. 16. *Conduct of an Impact Assessment.*** – The DBM shall commission the
22 conduct of an independent impact assessment on the Executive Branch Rightsizing
23 Program three (3) years from its completion to, among others, determine the effects of,
24 and gains from, the implementation of the Program.

25 **SEC. 17. *Report to Congress.*** – The President shall submit a report to Congress
26 on the results of the Program after the completion of its implementation.

27 **SEC. 18. *Sunset Provision.*** – The authority given to the President under this Act,
28 as well as the existence of the Committee on Rightsizing the Executive Branch, shall
29 end four (4) years after the effectivity of this Act.

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

34 **SEC. 20. *Provisions Applicable to Other Branches of Government, Constitutional***
35 *Commissions, Office of the Ombudsman and the LGUs.* – The governing principles,
36 policies, standards, and guidelines, as well as the conditions and limitations provided in
37 this Act shall be followed in the implementation of the Rightsizing Program by other
38 branches of government, Constitutional Commissions, Office of the Ombudsman, and
39 the LGUs.

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

1 **SEC. 21. *Funding Requirements.*** – The amount necessary for the initial
2 implementation of this Act shall be sourced against any applicable appropriation items
3 under the current General Appropriations Act. Subsequent amount needed to continue
4 the implementation of the Executive Branch Rightsizing Program in the Executive
5 Branch shall be included in the succeeding appropriations.

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

9 **SEC. 22. *Separability Clause.*** – If any provision of this Act is declared
10 unconstitutional or invalid, the other provisions not otherwise affected shall remain in full
11 force and effect.

12 **SEC. 23. *Repealing Clause.*** – If any provision of this Act is declared
13 unconstitutional or invalid, the other provisions not otherwise not affected shall remain
14 in full force and effect.

15 **SEC. 24. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
16 publication in the Official Gazette or in any newspaper of general circulation.

Approved,