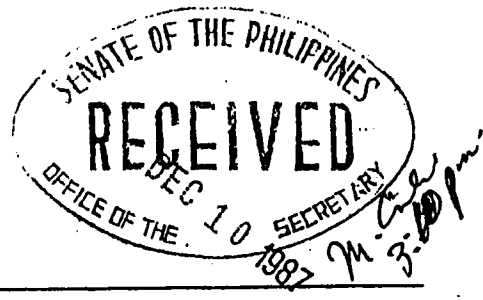


4



S E N A T E

Committee Report No. 90

Submitted by the Committee on Finance on December 9, 1987

RE: House Bill 2602

Recommending its approval with amendments

Mr. President:

The Committee on Finance to which was referred House Bill 2602 entitled, "General Appropriations Bill, 1988" has considered the same and has the honor to report it back to the Senate with the recommendation that the Bill be approved with amendments hereto attached.

Respectfully submitted:

NEPTALI A. GONZALES  
Chairman  
Committee on Finance

ERNESTO MAGEDA  
Vice-Chairman

ALBERTO ROMULO  
Vice-Chairman

MEMBERS:

LETICIA R. SHAHANI

TEFISTO T. GUINGOMA, JR.

EDGARDO J. ANGARA

SOTERO H. LAUREL

JOHN OSMEÑA

MAMINTAL ABDUL J. TAMANO

HENSON ALVAREZ

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RENE A.V. SAGUISAG

ERNESTO HERRERA

JOSE D. LINA, JR.

VICENTE PATERNO

AGAPITO A. AQUINO

JOSEPH ESTRADA

EX-OFFICIO MEMBERS:

JUAN PONCE ENRILE  
Minority Floor Leader

ORLANDO MERCADO  
Majority Floor Leader

JOVITO SALONGA  
Senate President

CONGRESS OF THE PHILIPPINES  
SENATE

December 3, 1987

REPORT to Senate Finance Committee  
Submitted by the Finance Sub-Committee I

R E : House Bill No. 2602

Recommending approval with amendments

Sponsor : Hon. Neptali A. Gonzales

Mr. Chairman:

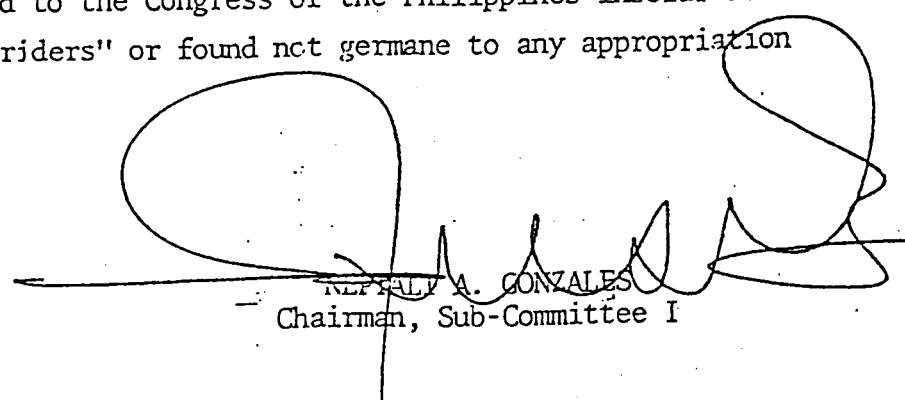
The Senate Finance Sub-Committee I to which was referred for hearing and review, portions of House Bill No. 2602, entitled:

"AN ACT  
APPROPRIATING FUNDS FOR THE OPERATION OF THE  
GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES  
FROM JANUARY ONE TO DECEMBER THIRTY-ONE,  
NINETEEN HUNDRED AND EIGHTY-EIGHT, AND FOR  
OTHER PURPOSES"

has considered the same and has the honor to report it back to the full Committee, with the recommendation that the budgetary requirements of the Departments/Offices involved be approved en toto, with amendments on the budget program of the Office of the Ombudsman by reducing the proposed appropriation from ₱17,000,000 million to ₱2,000,000 only because the office has not yet been constituted and the reflection of the budget of the Career Executive Service Board under the Chapter on the Civil Service Commission in consonance with Section 2(1) Article IX-B of the Constitution that the Civil Service embraces all branches, subdivisions, instrumentalities, and agencies of the government, including government-owned or controlled corporations with original charters. And Section 3 of the same Article that the commission will establish a career service.

The Sub-committee also respectfully recommends the restoration of the original texts of several special and general provisions as contained in the President's Budget submitted to the Congress of the Philippines insofar as they partake of budgetary "riders" or found not germane to any appropriation item in the proposed bill.

For consideration.

  
NEPTALI A. GONZALES  
Chairman, Sub-Committee I

Line No.

1 - 59 XXVII. OFFICE OF THE OMBUDSMAN

For general administration and investigation of complaints/cases in accordance with the function s indicated hereunder ₱17,027,000  
2,000,000

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	
A. Function <u>s</u>				
1. General Administration and Support Services	<u>₱ 7,381,000</u>	<u>₱1,699,000</u> <u>2,000,000</u>	<u>₱ 950,000</u>	<u>₱10,030,000</u> <u>2,000,000</u>
<u>2</u> . Investigation of Complaints/Cases	<u>₱4,921,000</u>	<u>₱2,076,000</u>		<u>₱6,997,000</u>
Total, Function <u>s</u>	<u>₱12,302,000</u>	<u>₱3,775,000</u>	<u>₱950,000</u>	<u>₱17,027,000</u>
Total New Appropriations, Office of the Ombudsman	<u>₱12,302,000</u>	<u>₱3,775,000</u> <u>₱2,000,000</u>	<u>₱950,000</u>	<u>₱17,027,000</u> <u>₱ 2,000,000</u>

Special Provision

1. Appropriations for Specific Activities and Purposes. The amounts herein appropriated for the function s of the agency shall be used specifically for the following activities and purposes in the indicated amounts and conditions:

Activities and Purposes	Amounts
1. General Administration and Support Services	
a. General administrative services .....	<u>₱5,079,000</u> <u>2,000,000</u>
<u>b</u> . Financial and management activities including budgeting and accounting .....	4,001,000
c. Acquisition of equipment .....	950,000
Total, Function 1 .....	<u>₱10,030,000</u> <u>2,000,000</u>

2.	Investigation of complaints/cases .....	
a.	Investigation of complaints/cases .....	6,997,000
	Total, Function 2 .....	6,997,000
	Total Function 2 .....	₱17,027,000
		<u>2,000,000</u>

Page 470 (House Bill No. 2602)

Line No.

1 - 18 GENERAL SUMMARY  
OFFICE OF THE OMBUDSMAN

	<u>Current Operating Expenditures</u>			<u>Total</u>
	<u>Personal Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlay</u>	
A. Office of the Ombudsman	₱12,302,000	₱3,775,000	₱950,000	₱17,027,000
		<u>2,000,000</u>		<u>2,000,000</u>
Total New Appropriations, Office of the Ombudsman	₱12,302,000	₱3,775,000	₱950,000	₱17,027,000
		<u>2,000,000</u>		<u>2,000,000</u>



CIVIL SERVICE COMMISSION

Page 450

Lines 10

and 11 "and program evaluation services; [and] regional

operation; AND OPERATION OF THE CAREER EXECUTIVE

SERVICE BOARD in accordance with the functions

86,406,000

indicated hereunder -----

~~[79,917,000]~~

Lines 41

Insert

and 42

"10. MANAGEMENT OF THE CAREER EXECUTIVE

SERVICE BOARD	<u>2,639,000</u>	<u>3,695,000</u>	<u>155,000</u>	<u>6,489,000</u>
---------------	------------------	------------------	----------------	------------------

Line 58

<u>57,118,000</u>	<u>27,430,000</u>	<u>1,858,000</u>	<u>86,406,000</u>
<del>[54,479,000]</del>	<del>[23,735,000]</del>	<del>[1,703,000]</del>	<del>[79,917,000]</del>

Page 457

Insert

Lines 16 -

18

"10. OPERATION OF THE CAREER EXECUTIVE SERVICE BOARD

a. GENERAL ADMINISTRATIVE SERVICES	<u>1,842,000</u>
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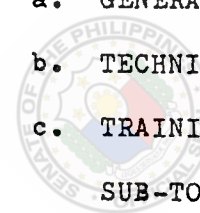
b. TECHNICAL SERVICES	<u>2,041,000</u>
-----------------------	------------------

c. TRAINING AND CONSULTANCY SERVICES	<u>2,606,000</u>
--------------------------------------	------------------

SUB-TOTAL, FUNCTION 10	<u>6,489,000</u>
------------------------	------------------

Line 19

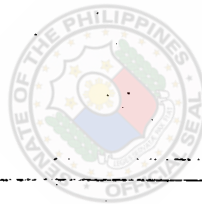
<u>86,406,000</u>
<del>[79,917,000]</del>



Lines 25 - 60 Delete entirely

Page 458

Lines 1 - 47 Delete entirely



Senate Archives (LRAS)

PRESIDENTIAL COMMISSION ON GOOD GOVERNMENT

Page 15

Lines 14 - 20 - delete Special Provision entirely

Renumber "2" to "1" in line 21

DEPARTMENT OF FOREIGN AFFAIRS - OFFICE OF THE SECRETARY

Page 213

Lines 1 - 6 - delete Special Provision entirely

Renumber "5" to "4" in line 7

DEPARTMENT OF JUSTICE - NBI

Page 242

Lines 58 - 60 - delete Special Provision entirely

and

Page 243

Lines 1 - 5

Renumber "4" to "3" in line 6

DEPARTMENT OF JUSTICE - OFFICE OF THE SOLICITOR GENERAL

Page 249

Page 250

Lines 49 - 60

Lines 1 - 2

1.  Use of Income and  Financial Assistance from Other Agencies. The Office of the Solicitor General is authorized IN THE PERFORMANCE OF ITS FUNCTIONS  to use all income, derived from filing fees, certification fees and sale of notarial and legal forms  to seek and receive financial assistance IN THE FORM OF  to cover  legitimate and reasonable expenses incurred in rendering services to any GOVERNMENT department, bureau, office, agency of government-owned and/or controlled corporation pursuant to E.O. No. 341 DATED OCTOBER 4, 1971, LOI No. 3 DATED OCTOBER 11, 1972 and P.D. No. 478, as amended; to charge and receive  as its share twenty percent (20%)  TEN PERCENT (10%) of all SUCH collection,  awards  and/or settlements effected whether made in or out of compromised IN ANY GIVEN CASE: Provided, That such income,  financial assistance and share of collections, awards, and/or settlements  shall be deposited with the National Treasury and SHALL ACCRUE TO THE GENERAL FUND PURSUANT TO SECTION 50 OF P.D. 1177.  and considered automatically appropriated and made available for maintenance and other operating expenses, and additional extraordinary expenses of not more than ₱100,000 for the Office of the Solicitor General.

DEPARTMENT OF JUSTICE - OFFICE OF THE SOLICITOR GENERAL

Page 249

Line

49 1. [Use of Income and]  
50 IN THE PERFORMANCE OF ITS FUNCTIONS [to use all income derived from filing  
fees, certification fees and sale of notarial and legal forms]  
52 IN THE FORM OF [to cover]  
53 GOVERNMENT  
54 DATED OCTOBER 4, 1971 , LOImp No. 3 DATED OCTOBER 11, 1972  
55 [as its share twenty percent (20%)] TEN PERCENT (10%)  
56 [awards]  
58 IN ANY GIVEN CASE: Provided, That such income, [financial assistance and  
share of collection, awards, and/or settlements]  
60 SHALL ACCRUE TO THE GENERAL FUND PURSUANT TO SECTION 50 OF P.D. 1177. [and  
considered automatically appropriated and made available for  
and

Page 250

Line

1 - 2 maintenance and other operating expenses, and additional extraordinary ex-  
penses of not more than ₱100,000 for the office of the Solicitor General.]





SUB-COMMITTEE REPORT

Submitted by the Senate Finance Sub-Committee III

Re: House Bill No. 2602

Recommending its approval with amendments

Sponsor: Hon. Senator Alberto Romulo

MR. CHAIRMAN:

The Senate Finance Sub-Committee III to which was referred portion of House Bill No. 2602, introduced by the members of the Committee on Appropriations of the House of Representatives, entitled:

"AN ACT

APPROPRIATING FUNDS FOR THE OPERATION  
OF THE GOVERNMENT OF THE REPUBLIC OF  
THE PHILIPPINES FROM JANUARY ONE TO  
DECEMBER THIRTY-ONE, NINETEEN HUNDRED  
AND EIGHTY-EIGHT, AND FOR OTHER PURPOSES."

has considered the same and has the honor to report it back to the Senate Finance Committee with the recommendation that the budgetary requirement of the following Departments/Bureau under the proposed House Bill No. 2602 be approved with amendment on the Special Provisions under the Department of Health and Philippine Overseas Employment Administration under the Department of Labor and Employment (copy attached):

Department of Agrarian Reform

A. Office of the Secretary P 370,269,000

Department of Health

5,044,403,000

A. Office of the Secretary 4,994,154,000

B. Dangerous Drugs Board 21,949,000

C. Philippine Medical Care Commission 28,300,000

<u>Department of Labor and Employment</u>	<u>P392,003,000</u>
A. Office of the Secretary	186,281,000
B. National Labor Relations Commission	44,692,000
C. National Manpower and Youth Council	88,428,000
D. National Maritime Polytechnic	11,715,000
E. National Productivity Commission	4,109,000
F. National Wages Council	9,022,000
G. Philippine Overseas Employment Administration	47,756,000

<u>Department of Social Welfare and Development</u>	<u>496,630,000</u>
A. Office of the Secretary	430,033,000
B. Commission on Population	40,964,000
C. Council for the Welfare of Children and Youth	2,443,000
D. National Council for the Welfare of Disabled Persons	4,531,000
E. National Nutrition Council	18,659,000

This Sub-Committee is also recommending the approval of the Infrastructure Program for CY 1988, the appropriations of which have been authorized under Executive Order No. 182, broken down by category as follows (in thousand Pesos)

<u>Agency/Category</u>	<u>Locally Funded</u>	<u>Foreign-Assited</u>	<u>Total</u>
<u>DPWH</u>			
1. Highways	1,408,599	2,931,984	4,340,583
2. Portworks	260,091	153,739	413,830
3. Flood Control/Seawall	667,873	237,690	905,563
4. Water Supply	-	440,533	440,533

5. National Building	16,000	-	16,000
6. Metro Manila Infra- structure, Utilities & Engineering (MMINUTE)	-	6,000	6,000
7. Regional Cities Develop- ment Project (RCDP)	-	159,652	159,652
8. Program for Essential Muni- cipal Infrastructure, Utilities, Maintenance & Engineering Development (PREMIUMED)	-	67,000	67,000
Total DPWH	<u>2,352,563</u>	<u>3,996,598</u>	<u>6,349,161</u>
<u>DOTC</u>			
1. Airports	129,750	180,000	309,750
2. Telecommunication	47,921	4,000	51,921
3. Postal Communication	96,250	-	96,250
4. Building (LTC)	<u>23,500</u>	<u>-</u>	<u>23,500</u>
Total, DOTC	<u>297,421</u>	<u>184,000</u>	<u>481,421</u>
TOTAL	<u>2,649,984</u>	<u>4,180,598</u>	<u>6,830,582</u>
	=====	=====	=====

In addition to the above infrastructure projects, enumerated below are other categories, the appropriations of which are included in the proposed House Bill 2602, all locally funded projects (in thousand pesos):

1. School Building (DECS)	P 916,000
2. Communal Irrigation (NIA Subsidy)	420,000
3. Barangay Roads (Local Construction)	1,000,000
4. Water Supply (DPWH)	65,983
TOTAL	<u>P2,401,983</u>
	=====



The total Infrastructure Program, therefore, for CY 1988 amounts to P9,232,565,000. The program has been formulated to support the development thrusts of the government in its mission of economic recovery in the shortrun and sustainable growth and equity in the long term. It also seeks to build and improve the essential transport, communications, water resources, and social overhead facilities that will directly increase production especially in the rural areas, alleviate poverty, create employment, raise productivity, enhance living standards, and reduce disparities in socio-economic conditions among regions and among social groups.

Likewise, an amount of P6,528,000,000 programmed for the Comprehensive Agrarian Reform Program Fund for CY 1988 out of the P50 billion Special Fund deemed automatically appropriated from 1987-1992 mainly from receipts of the sale of the assets of the Assets Privatization Trust (APT) and receipt of sale of ill-gotten wealth received by the Presidential Commission on Good Government (PCCG) is also being recommended for approval as part of the over-all expenditures program of the national government.

The Sub-Committee, however, proposes a reduction in the debt service payments of the national government, including advances in behalf of government-owned and controlled corporations, to foreign creditors, covering both interest and principal, in the amount of P15.0 billion. The objectives of this reduction are as follows:

- a. To reduce the deficit from  
P23.0 billion to P20.0 billion - P3.0 billion
- b. To reduce the tax on fuel and  
fuel products and to eliminate  
Gross Receipts Tax - 5.0 billion

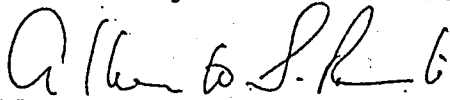
c. To retire high-cost domestic debt and provide additional funds for front-line services, such as rural water supply, roads and bridges, drugs and medicines, schoolbuildings and other social welfare services	- 7.0 billion
	-----
Total	P15.0 billion
	=====

The reduction from the debt service will be used to sustain our economic growth by increasing domestic production and consumption, and setting up our basic infrastructure; and to promote social justice and equity by improving social services.

The reduction of the budget deficit from P23.0 billion to P20.0 billion is to conform more closely to the target of a less than 1% deficit - to - GNP ratio by 1992. An estimated amount of P5.0 billion will also be charged to the Debt Service to reduce taxes on petroleum products and eliminate the gross receipts tax to enhance the climate for private sector initiative.

The additional amount is being proposed to augment the funding for Infrastructure projects which form the foundation for economic growth and to provide health and employment facilities/services, which, together with other social services, help promote equity and social justice. The additional funding will specifically support the following:

- a. Improvement of highways, rural water supply and school building facilities;
- b. Better health services through Rural Health Units and Public Hospitals;
- c. Increase support for food distribution program;
- d. Better employment opportunities and enhancement of manpower and youth training; and
- e. Provision of more and better housing for the homeless.

  
SEN. ALBERTO G. ROMULO  
Chairman, Sub-Committee III  
Senate Finance Committee

Congress of the Philippines  
S E N A T E  
Manila

Certification No. 1987-034

December 17, 1987

To : Bills & Index Division  
From : Journal Division

The following amendments to House Bill No. 2602 (Committee Report No. 90) were approved during the session of Wednesday, December 16, 1987:

1. On page 2, after line 44, insert the following:

2. ANY PROVISION OF LAW TO THE CONTRARY NOTWITHSTANDING AND WITHIN THE LIMITS OF THE APPROPRIATION AUTHORIZED IN THIS ACT FOR THE CONGRESS, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES ARE AUTHORIZED WITHIN THE LIMITS OF THE APPROPRIATIONS AUTHORIZED IN THIS ACT FOR THE CONGRESS, TO FORMULATE AND IMPLEMENT THE ORGANIZATIONAL STRUCTURE OF THE SENATE OR HOUSE OF REPRESENTATIVES, RESPECTIVELY, AND WHENEVER PUBLIC INTEREST SO REQUIRES, MAKE ADJUSTMENTS AND REORGANIZATION OF POSITIONS IN THE REGULAR PERSONNEL, AS WELL AS TRANSFER ITEMS OF APPROPRIATIONS OR CREATE NEW ONES IN THE SENATE OR HOUSE OF REPRESENTATIVES, AS THE CASE MAY BE; PROVIDED, THAT OFFICERS AND EMPLOYEES WHOSE POSITIONS ARE AFFECTED BY SUCH ADJUSTMENTS OR REORGANIZATION SHALL BE GRANTED RETIREMENT GRATUITIES UNDER EXISTING LAWS IF THEY ARE ELIGIBLE FOR RETIREMENT THEREUNDER, OTHERWISE THEY SHALL BE ENTITLED TO RETIREMENT GRATUITIES EQUIVALENT TO ONE MONTH SALARY FOR EVERY YEAR OF SERVICE IN THE GOVERNMENT, WHICH GRATUITY SHALL BE PAYABLE FROM ANY UNEXPENDED BALANCE OF, OR SAVINGS IN THE APPROPRIATIONS OF THE RESPECTIVE HOUSE OF CONGRESS.

3. APPROPRIATIONS AUTHORIZED FOR THE CONGRESS SHALL BE AUTOMATICALLY AND REGULARLY RELEASED IN ACCORDANCE WITH THE PROGRAM OF THE SENATE OR HOUSE OF REPRESENTATIVES, AS THE CASE MAY BE.

2. On page 4, delete the entire line 55 on the Anti-Gambling Project with the corresponding amount of ₱3,064,000.00.

3. On page 7, line 59, amend the amount of appropriations contained therein to ₱18,387,000.00.

4. On the budget for the Department of Trade and Industry, restore the amount of ₱20,000,000.00 to be apportioned for: ₱10,000,000.00 for the Foreign Trade Corps, and ₱10,000,000.00 for the promotion of domestic trade.

5. Reduce by ₱200,000,000.00 the items presented by the Finance Subcommittee II, giving it the discretion to select the items affected thereby.

(cont'd.)



*12/18*

6. On page 268, after line 60, add another item under paragraph (B) for the purpose of training personnel of the RDCs with the amount of ₱7,036,000.00 to be realigned from appropriations for the regional offices.
7. On page 59, after line 36, insert the item TRAINING EXPENSES FOR REGIONAL DEVELOPMENT COUNCIL with the corresponding amount of ₱2,500,000.00.
8. On page 72, delete the proviso starting with the words "AND PROVIDED, FINALLY," on line 2 up to the end of the sentence on line 6.
9. On page 223, delete the proviso starting with the words "AND PROVIDED, FINALLY," on line 19 up to the end of the sentence on line 22.
10. On page 301, delete the proviso starting with the words "AND PROVIDED, FINALLY," on line 23 up to the end of the sentence on line 27.
11. On page 216, line 38, add the phrase INCLUDING THE OPERATION AND MAINTENANCE OF THE CENTER FOR DIPLOMATIC POLICY STUDIES after the word "Studies".
12. On page 217, line 17, add the phrase INCLUDING THE OPERATION AND MAINTENANCE OF THE CENTER FOR DIPLOMATIC POLICY STUDIES after the word "development".
13. On page 220, line 20, add the phrase INCLUDING THE OPERATION AND MAINTENANCE OF THE CENTER FOR DIPLOMATIC POLICY STUDIES after the word "Institute".
14. On page 551, line 60, delete the words "Department, bureaus, offices and" and in lieu thereof, substitute the words THE PRESIDENT, UPON THE RECOMMENDATION OF THE APPROPRIATE AGENCIES
15. On page 552, line 1, delete the words "agencies are" and substitute the same with the word IS
16. On the same page, line 2, insert the phrase WITHIN THE EXECUTIVE BRANCH OF THE GOVERNMENT between the words "saving" and "realized"; and on line 4, insert the phrase WITHIN THE EXECUTIVE BRANCH OF THE GOVERNMENT between the words "incurred" and "during".
17. On page 72, line 28, insert a new paragraph 12 to read:

MAINTENANCE OF LIBRARIES CREATED BY LAW. ALL PUBLIC LIBRARIES CREATED BY LAW SHALL CONTINUE TO OPERATE UNDER THIS APPROPRIATIONS ACT AND FUNDED UNDER THE BUDGET OF THE DEPARTMENT OF EDUCATION, CULTURE AND SPORTS, ALL LAWS TO THE CONTRARY NOTWITHSTANDING.
18. On page 505, line 38, insert the phrase WITHOUT PREJUDICE TO THE IMPLEMENTATION OF REPUBLIC ACT NO. 6640 between the word "Constitution" and the semicolon (;).

19. On page 505, after line 47, insert a third paragraph to read as follows:

SUCH AMOUNTS AS MAY BE NECESSARY TO COVER SALARY OR ALLOWANCES FOR BARANGAY OFFICIALS AS MAY BE AUTHORIZED BY LAW SHALL LIKEWISE BE CHARGED AGAINST THIS FUND.

---

I hereby certify to the correctness of the foregoing.

  
FULGENCIO M. DEL CASTILLO, JR.  
C h i e f

FMC/jer

