

CONGRESS OF THE PHILIPPINES }  
First Regular Session }

SENATE

S. No. 542

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Introduced by the Committee on  
Finance per Committee Report No. 262

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AN ACT FURTHER AMENDING CERTAIN SECTIONS  
AND TERMS USED IN PRESIDENTIAL DE-  
CREE NO. 1177, AS AMENDED, IN ORDER TO  
INSTITUTE A MODIFIED PERFORMANCE BUD-  
GET SYSTEM

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

- 1 SECTION 1. Section 13 of the Presidential Decree No.
- 2 1177 is hereby amended to read as follows:
- 3 "SEC. 13. *Submission of the Budget.* — [The Presi-
- 4 dent shall, in accordance with Section Sixteen (1), Article
- 5 VIII of the Constitution, submit within thirty days from
- 6 the opening of each regular session of the National Assembly,

1 a national government budget of estimated receipts based  
2 on existing and proposed revenue measures, and of estimated  
3 expenditures. The budget estimates shall be used as a basis  
4 for the consideration of the General Appropriations Bill  
5 and of other appropriations measures whose revenue and  
6 expenditure estimates are incorporated therein.]

7 ["The President shall include in his budget submission  
8 the proposed expenditure level of the Legislative and Judicial  
9 Branches and of Constitutional bodies, which shall have  
10 undergone the same process of evaluation and which shall  
11 have been subject to the same budgetary policies and stan-  
12 dards applicable to agencies in the Executive Branch.]

13 ["The President shall submit the General Appropriations  
14 Bill with the budget as herein specified, embodying proposed  
15 appropriations for the current operations of the national  
16 government and for capital outlays.] THE PRESIDENT  
17 SHALL, IN ACCORDANCE WITH SECTION 22, ARTICLE  
18 VII OF THE CONSTITUTION, SUBMIT TO THE CON-  
19 GRESS WITHIN THIRTY (30) DAYS FROM THE OPEN-  
20 ING OF EVERY REGULAR SESSION, AS THE BASIS  
21 OF THE GENERAL APPROPRIATIONS BILL, A BUDGET  
22 OF EXPENDITURES AND SOURCES OF FINANCING,  
23 INCLUDING RECEIPTS FROM EXISTING AND PRO-

1 POSED REVENUE MEASURES. Additional appropriations  
2 proposals may be submitted which correspond to part of  
3 the expenditure estimates submitted as part of the budget  
4 proposal: *Provided*, That continuing appropriations may  
5 be enacted for public works, highways and other infra-  
6 structure projects which require more than one year for  
7 construction. In such cases, revenue estimates for the future  
8 years shall also be used in the evaluation of funding avail-  
9 ability.

10 "The President may transmit to the [National Assem-  
11 bly] CONGRESS, from time to time, such proposed supple-  
12 mental or deficiency appropriations as are, in his judgment,  
13 (a) necessary on account of laws enacted after the trans-  
14 mission of the Budget, or (b) otherwise needed in the public  
15 interest."

16 SEC. 2. Section 24 of the same decree is hereby amend-  
17 ed to read as follows:

18 "SEC. 24. *Appropriation for Personal Services.* — Appro-  
19 priations for personal services shall be considered as included  
20 in the amount specified for each budgetary program and  
21 project of each [ministry] DEPARTMENT, bureau, office  
22 or agency, and shall [not] be itemized. The itemization  
23 of personal services shall be prepared by the [Minister]

1 SECRETARY for consideration and approval of the Presi-  
2 dent as provided in Section 30 hereof: *Provided*, That the  
3 itemization of personal services shall be prepared for all agen-  
4 cies of the Legislative, Executive and Judicial Branches  
5 and the Constitutional bodies DOWN TO THE DIVISION  
6 CHIEF LEVEL AND IN THE CASE OF THE ARMED  
7 FORCES OF THE PHILIPPINES AND THE INTEGRATED  
8 NATIONAL POLICE DOWN TO THE RANK OF SECOND  
9 LIEUTENANT, except as may be otherwise approved by the  
10 President for positions concerned with national security  
11 matters: *PROVIDED, FURTHER, THAT APPROPRIA-*  
12 *TIONS FOR CASUAL AND/OR TEMPORARY EM-*  
13 *PLOYEES SHALL BE IN LUMP-SUM BASED ON THE*  
14 *NUMBER OF MAN-HOURS TO BE RENDERED."*

15 SEC. 3. Section 26 of the same decree is hereby re-  
16 pealed.

17 SEC. 4. Section 27 of the same decree is hereby amend-  
18 ed to read as follows:

19 "SEC. 27. [*Schedule of Budget Consideration*] *IN-*  
20 *FRASTRUCTURE AND OTHER BILLS.* — [a. General Ap-  
21 propriations Bill. — The Committee on Appropriations shall  
22 report the general appropriations bill to the National Assem-

1 bly within seven consecutive session days after the bill has  
2 been referred to it.]

3 ["The National Assembly shall start the discussion of  
4 said bill on second reading likewise within seven consecutive  
5 session days from the date of submission of said report.]

6 ["Debate shall be terminated on or before the eighteenth  
7 consecutive session day from the beginning of the discus-  
8 sions. Final action thereon shall be taken within three con-  
9 secutive session days after the submission of the printed  
10 bill incorporating approved amendments: *Provided*, That  
11 a printed statement of final amendments shall be sufficient  
12 basis for approval of the bill.]

13 ["b. Revenue Measures. — The Committee on Finance  
14 shall report to the Batasan revenue bills forming part of the  
15 budget estimates, within ten consecutive session days after  
16 they have been referred to it. The provisions of sub-section  
17 "a" above with respect to timetable of consideration shall  
18 apply, as much as practicable, to the schedule of discussion  
19 and final action on revenue bills.]

20 [c. Infrastructure and Other Bills. —] "The public  
21 works, highways and other bills requiring appropriations  
22 may be filed at any time during the sessions of the [National  
23 Assembly] CONGRESS and shall be considered by the [As-  
24 sembly] CONGRESS upon their being reported out by the  
25 corresponding Committees."

1           SEC. 5. Sections 28 and 29 of the same decree are  
2 hereby repealed.

3           SEC. 6. Section 30 of the same decree is hereby  
4 amended to read as follows:

5           “SEC. 30. *Content of the General Appropriations*  
6 *Act.* — The General Appropriations Act shall be presented  
7 in the form of budgetary programs and projects for each  
8 agency of the government, with the corresponding appro-  
9 priations for each program and project, including statutory  
10 provisions of specific agency or general applicability. The  
11 General Appropriations Act shall [not] contain [any]  
12 AN itemization of personal services which shall be prepared  
13 by the [Minister after] SECRETARY BEFORE enactment  
14 of the General Appropriations Act. [,for consideration  
15 and approval of the President.]”

16           SEC. 7. The following words, phrases or terms wherever  
17 they appear in Presidential Decree No. 1177, as amended,  
18 are hereby amended to read:

19           a) “Ministry of the Budget” shall read “Depart-  
20 ment of the Budget and Management”;

21           b) “Minister of Budget” shall read “Secretary of the  
22 Department of Budget and Management”;

23           c) “National Assembly” and “Batasan” shall read  
24 “Congress”;

1 d) "Ministry" and "Ministries" shall read "Depart-  
2 ment" and "Departments," respectively; and

3 e) "Minister" shall read "Secretary."

4 SEC. 8. All laws, decrees, executive orders, and letters  
5 of instruction inconsistent with the provisions of this Act  
6 and the Constitution are hereby repealed, superseded and/or  
7 modified.

8 SEC. 9. This Act shall take effect upon its approval.

Approved,

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