



**NINETEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES**
First Regular Session

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22 NOV -8 A9 :29

RECEIVED BY:

SENATE

S. B. NO. 1474

Introduced by **SENATOR JOEL VILLANUEVA**

**AN ACT
RIGHTSIZING THE NATIONAL GOVERNMENT TO IMPROVE
PUBLIC SERVICE DELIVERY AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

The Philippine government is one of the biggest, if not the biggest, employers in the country. Based on the 2023 Department of Budget and Management (DBM) Staffing Summary, the total number of permanent positions for Fiscal Year (FY) 2023 is 1,943,316, of which 1,772,512 (91.2%) positions are filled and 170,804 (8.8%) are unfilled.¹

Despite having roughly 1 out of 10 authorized positions unfilled, data from the Civil Service Commission (CSC) shows that the government hired 642,077 non-permanent government workers under Job Order or Contract of Service status, as of June 30, 2022.² Out of this number, the Department of Public Workers and Highways employed 22,457 JO/COS workers; 12,465 was hired by the Department of Education; 8,188 was hired by the Department of Health, and 7,340 was hired by the Department of Social Welfare and Development.

In order to improve the efficiency of government operations and enhance the delivery of public services to our citizens, it is necessary to regularly review and evaluate the government's organizational structure, processes, and mandates, among others.

¹ Staffing Summary of the National Government – FYs 2021, 2022, and 2023, Department of Budget and Finance. Retrieved from <https://dbm.gov.ph/wp-content/uploads/Staffing/STAFFING2023/Table-I-Staffing-Summary.pdf> (date last accessed: November 6, 2022).

² Inventory of Government Human Resources, Job Order and Contract of Service Data as of June 30, 2022. Civil Service Commission. Retrieved from <https://www.csc.gov.ph/downloads/statistics-and-reports/category/313-2022> (date last accessed: November 6, 2022).

Thus, this measure aims to implement an organizational and systemic reform to ensure a more effective, efficient, responsive, and progressive Philippine Government. This bill seeks to implement a Rightsizing Program, taking into consideration, among others, the role of the government and the scope, level, and prioritization of programs, activities and projects in accordance with the 1987 Constitution, political and socio-economic contexts and objectives of the government, and fiscal resources.

This bill also seeks to pursue the strengthening of functions of agencies; scaling down or discontinuation of functions or programs that can be undertaken by the private sector or can be devolved to local government units; reviewing the staffing needs of the government to address the growing number of non-permanent government workers despite the existence of unfilled positions; and transferring or integrating functions from one agency to another which could better perform the same.

To emphasize, “rightsizing” is not the same as “downsizing.” Ultimately, the aim of the measure is to reach the optimum structure and size of government agencies that will ensure an efficient and effective delivery of services, and to ensure the attainment of the country’s societal and economic development goals and objectives.


Thus, the immediate passage of this bill is earnestly sought.


SENATOR JOEL VILLANUEVA 



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AN ACT
RIGHTSIZING THE NATIONAL GOVERNMENT TO IMPROVE PUBLIC
SERVICE DELIVERY AND FOR OTHER PURPOSES

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

1 **SECTION 1. Short Title.** – This Act shall be known as "*Rightsizing the National*
2 *Government Act of 2022.*"

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

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

18
19 The Legislature, the Judiciary, Constitutional Commissions, Commission on
20 Human Rights, and the Office of the Ombudsman may, within their respective
21 authorized appropriations, likewise rightsize their respective offices, consistent with
22 the principles and guidelines contained in this Act, within the parameters of the
23 "Compensation and Position Classification Act" established under Republic Act No.
24 6758, as amended, otherwise known as the "Compensation and Position Classification
25 Act of 1989," and in accordance with applicable laws, rules and regulations.

1
2 Local Government Units (LGUs) may also rightsize their respective offices,
3 consistent with the governing principles and guidelines contained in this Act and the
4 provisions of Republic Act No. 7160, otherwise known as the "Local Government Code
5 of 1991," as well as other applicable laws, rules and regulations, and subject to their
6 financial capability.
7

8 The Governance Commission for GOCCs shall continue to exercise its
9 authority, as provided under the GOCC Governance Act of 2011, to reorganize, merge,
10 streamline, abolish, or privatize any GOCC, in consultation with the agency to which
11 the GOCC is attached.
12

13 **SEC. 4. Governing Principles.** – The National Government shall implement a
14 Rightsizing Program in accordance with the following principles:
15

- 16 (a) The role of government and the scope, level, and prioritization of government
17 programs, activities and projects, as well as the appropriate manner by which
18 public goods and services are provided, shall be determined in accordance with
19 the Constitutional mandate, political and socio-economic contexts and objectives
20 of the government, and available resources;
21
- 22 (b) The government shall establish a conducive policy environment to encourage
23 active private sector engagement in the production and delivery of goods and
24 services;
25
- 26 (c) The delineation of functional assignments and responsibilities between the
27 National Government and the LGUs in the provision of public goods and services
28 shall be clearly defined, consistent with the provisions of the Local Government
29 Code of 1991, and other pertinent laws and issuances, for purposes of providing
30 a more seamless, accessible, and responsive government services to the
31 people;
32
- 33 (d) A whole-of-government approach shall be adopted to ensure seamless
34 operations of agencies within and across sectors and to be more responsive to
35 public needs;
36
- 37 (e) Government operations shall be simplified so that the agencies could focus on
38 the performance of their core functions and implementation of programs and
39 projects that will lead to the attainment of the desired sectoral and national goals
40 and outcomes;
41
- 42 (f) Government systems and processes shall be streamlined and digitalized to
43 improve government interoperability, ensure shared and secured access of
44 information in government, and enable remote government operations to provide
45 transparent, timely, convenient, undisrupted, and efficient delivery of public
46 goods and services to the Filipino people and raise the overall productivity of the
47 public sector;
48

- 1 (g) Government rules, procedures and requirements shall be rationalized to reduce
2 the regulatory burden on citizens, businesses and other stakeholders, as well as
3 reduce the administrative burden on the part of the government; and
4
- 5 (h) The organizational structure of agencies shall be designed so as to facilitate the
6 effective, efficient, and economical implementation of programs and projects,
7 and the attainment of organizational outputs and outcomes. The appropriate
8 staffing mix shall also be determined based on the skills and competencies
9 required.

10
11 **SEC. 5. Authority of the President of the Philippines to Rightsize the**
12 **Operations of the Executive Branch.** – Pursuant to the governing principles, policies,
13 standards, and guidelines stipulated in this Act, the President is hereby granted the
14 following authority in the rightsizing of the operations of the different agencies of the
15 Executive Branch:

- 16
17 (a) To pursue the following functional shifts/modifications:
18
- 19 (1) Strengthen functions of the agency which directly contribute to the targeted
20 ultimate societal outcomes of the National Government and/or the targeted
21 sector/sub-sector outcomes of the agency;
22
- 23 (2) Scale down, phase out, eliminate, or discontinue functions, programs,
24 projects or activities that could be better carried out or undertaken by the
25 private sector, or have already been devolved to LGUs consistent with the
26 governing principles provided in this Act, the Local Government Code of
27 1991, and other laws, executive orders, rules and regulations;
28
- 29 (3) Review the duties and responsibilities of personnel, including job order and
30 contract of service personnel, and adjust the required staffing of the agency
31 to eliminate duplication of functions or create positions that will enable the
32 agency to deliver on its mandate; and
33
- 34 (4) Transfer/integrate functions from one agency to another which could better
35 perform the same.
36
- 37 (b) To implement the following organizational actions, upon determination of the
38 Committee on Rightsizing created under this Act that it is to the best interest of
39 the State to reorganize, merge, streamline or abolish agencies and offices:
40
- 41 (1) Regularize *ad hoc* offices whose functions are vital and significant, and thus
42 must be continually undertaken by the government;
43
- 44 (2) Merge or consolidate agencies whose functions are unnecessarily
45 overlapping or duplicating and could be undertaken by a single entity, or
46 whose clients are similar or related, to rationalize the use of government
47 resources;
48

1 (3) Split agencies with multifarious functions which are deemed distinct but
2 equally important aspects of governance;

3
4 (4) Transfer offices to other agencies where their functions are more aligned;
5 and

6
7 (5) Subject to evaluation and favorable recommendation of the Committee on
8 Rightsizing, abolish agencies when any of the following standards are
9 present:

10
11 (i) The functions are already redundant or no longer relevant or necessary, or
12 could be better undertaken by another entity;

13
14 (ii) Agency is no longer achieving the objectives and purposes for which they
15 were originally created;

16
17 (iii) Continued operation is not cost-effective since they do not generate the
18 desired level of outputs and outcomes vis-a-vis the resource inputs; and/or

19
20 (iv) Agency has already become non-operational or dormant and/or outlived its
21 purpose.

22
23 (c) To undertake other functional/organizational actions, as necessary, consistent
24 with the policies, principles, framework and standards of this Act;

25
26 (d) To develop and provide safety nets, including their implementation strategies, for
27 employees of agencies who may be affected by the government's rightsizing
28 efforts, such as, but not limited to, transfer to agencies in need of additional
29 personnel, option to avail of skills training and reskilling, and efficient processing
30 of separation or retirement benefits.

31
32 (e) To formulate an Organizational Development Program to strengthen the
33 institutional capacity of the agencies and improve productivity of employees.

34
35 **SEC. 6. Creation of a Committee on Rightsizing the Executive Branch. –**
36 A Committee on Rightsizing the Executive Branch is hereby created to oversee the
37 implementation of the Rightsizing Program, in accordance with the provisions of this
38 Act.

39
40 The Committee shall be composed of the following officials or their duly
41 authorized representatives: The Executive Secretary as Chairperson, and the
42 Secretary of the Department of Budget and Management (DBM) as Co-Chairperson;
43 and the Secretary of the National Economic and Development Authority (NEDA),
44 Chairperson of the Civil Service Commission (CSC), and the Director-General of the
45 Anti-Red Tape Authority (ARTA), as members. The duly authorized representative
46 shall be at least a third (3rd) ranking official of the agency.

1 The Committee shall be organized within fifteen (15) days from the effectivity
2 of this Act.

3
4 The Committee shall also organize Sub-Committees composed of experts on
5 government operations, organizational development, and human resource
6 management to assist in the performance of its functions.

7
8 The DBM shall provide the necessary secretariat services to the Committee
9 and its Sub-Committees.

10
11 In the spirit of transparency and participatory governance, the Committee shall
12 consult the agencies concerned, accredited public sector unions and other
13 stakeholders relative to the implementation of the Rightsizing Program provided under
14 this Act.

15
16 **SEC. 7. Powers and Functions of the Committee on Rightsizing the**
17 **Executive Branch.** – The Committee shall have the following powers and functions:

- 18
19 (a) To formulate policies, framework, strategies and mechanisms to be adopted in
20 the implementation of the Rightsizing Program of the Executive Branch;
21
22 (b) To conduct studies on the functions, programs, projects, operations, structure
23 and manpower complement of the different agencies;
24
25 (c) To develop and prepare the rightsized organizational structure of agencies
26 concerned and the corresponding executive issuances for approval by the
27 President, in accordance with the provisions of Section 5 of this Act;
28
29 (d) To develop and prepare the overall Change Management Program, including a
30 Communication Plan, to effectively manage the transition and ensure the smooth
31 implementation of the Rightsizing Program;
32
33 (e) To formulate mechanisms to safeguard the welfare of employees who may be
34 affected by the rightsizing efforts, as well as the appropriate Organizational
35 Development Program, for approval of the President;
36
37 (f) To monitor the implementation by the different agencies of their respective
38 approved Rightsizing Plans, and report to the President any issue that must be
39 addressed;
40
41 (g) To engage the services of experts/consultants, through the DBM, to assist the
42 Committee and its Sub-Committees in the performance of their functions; and
43
44 (h) To formulate the implementing rules and regulations (IRR) of this Act.

45
46 **SEC. 8. Submission of the Rightsized Organizational Structure and Proposed**
47 **Executive Issuances to the President.** – The Committee on Rightsizing the
48 Executive Branch shall submit to the President the rightsized organizational structure

1 of agencies concerned and the corresponding executive issuances within two hundred
2 fifty (250) days from the effectivity of the IRR of this Act. The heads of departments or
3 agencies shall provide the necessary information and/or documentation to the
4 Committee, as well as technical assistance, to produce the requirements under this
5 Act.

6
7 **SEC. 9. Submission of the Detailed Organizational Structure and Staffing to the**
8 **DBM.** – The heads of departments or agencies shall prepare and submit to the DBM
9 the detailed organizational structure and staffing of their respective agencies, including
10 fund requirements for personnel, within ninety (90) days after the approval of the
11 proposed executive issuances by the President.

12
13 **SEC. 10. Retirement Benefits and Separation Incentives for Personnel Who May**
14 **be Affected by the Executive Branch's Rightsizing Program.** – The affected
15 personnel shall be entitled to retirement benefits and separation incentives.

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

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

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

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

36
37 The retirement gratuity benefit of affected personnel who are qualified and have
38 opted to avail themselves of the benefits under Republic Act No. 1616 shall be paid
39 by the Government Service Insurance System (GSIS). For the avoidance of doubt, the
40 GSIS shall no longer pay the refund of retirement premiums, including both personnel
41 and government shares, of the affected personnel who will opt to avail of the benefits
42 under Republic Act No. 1616.

43
44 (b) In addition to said retirement benefits, the affected personnel who would opt to
45 retire or be separated shall be entitled to the following applicable separation
46 incentives:

47
48 (1) ½ of the actual monthly basic salary for every year of government service,

1 for those who have rendered less than 11 years of service;

- 2
- 3 (2) $\frac{3}{4}$ of the actual monthly basic salary for every year of government service,
4 computed starting from the 1st year, for those who have rendered 11 to less
5 than 21 years of service;
- 6
- 7 (3) the actual monthly basic salary for every year of government service,
8 computed starting from the 1st year, for those who have rendered 21 to less
9 than 31 years of service; and
- 10
- 11 (4) $1\frac{1}{4}$ of the actual monthly basic salary for every year of government service,
12 computed starting from the 1st year, for those who have rendered 31 years
13 of service and above.
- 14

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

18

19 A minimum of five (5) years of government service is required in order for an
20 affected personnel to be entitled to avail of the Program's separation incentives
21 under Section 10(b) of this Act: *Provided*, That for the purpose of computing the
22 total amount of separation incentives that an affected personnel would receive,
23 only his/her government service up to age 59 and a fraction thereof would be
24 counted. Government service starting at the age 60 would no longer be subject
25 to the separation incentives provided herein, without affecting the original
26 incentive factor determined as applicable based on the actual years of service
27 of the affected personnel: *Provided, further*, That for the purpose of complying
28 with the required number of years of service under Republic Act No. 8291, the
29 portability scheme under Republic Act No. 7699, otherwise known as "An Act
30 Instituting Limited Portability Scheme in the Social Security Insurance Systems
31 by Totalizing the Workers' Creditable Services or Contributions in Each of the
32 Systems," may be applied, subject to existing policies and guidelines.

33

34 The affected personnel, if with permanent appointment attested by the CSC,
35 who will not opt to retire from the service shall be placed in a manpower pool to
36 be organized and administered by the CSC. The CSC, in coordination with
37 other government agencies and relevant private institutions, shall retool the
38 affected personnel and deploy them to agencies which require their
39 qualifications, skills and competencies.

40

41 The number of personnel who will avail of the separation incentives under
42 Section 10(b) of this Act shall in no case exceed the number of positions
43 declared for abolition.

44

45 The specific guidelines to carry out the provisions of this Section shall be
46 prescribed in the IRR of this Act.

47

- 48 (c) The DBM, in coordination with relevant government agencies, shall set aside a

1 lump-sum fund, which shall be used for purposes of providing separation
2 incentives for affected job order and contract of service personnel who have
3 rendered at least five (5) years of service.
4

5 **SEC. 11. Other Benefits of Retired/Separated Personnel.** – The affected
6 personnel who retired/separated shall, in addition to the applicable benefits above, be
7 entitled to the following:
8

- 9 (a) *Refund of Pag-IBIG Contributions.* All affected personnel who are members of
10 the Pag-IBIG shall be entitled to the refund of their contributions (both personal
11 and government), pursuant to existing rules and regulations of the Home
12 Development Mutual Fund; and
13
14 (b) *Commutation of Unused Vacation and Sick Leave Credits.* All affected personnel
15 shall be entitled to the commutation of unused vacation and sick leave credits in
16 accordance with existing rules and regulations.
17
18 (c) *Reskilling or upskilling programs.* All affected personnel may avail of reskilling
19 and upskilling programs, free of charge, from the Technical Education and Skills
20 Development Authority or other government agencies.
21

22 **SEC. 12. Period of Availability of the Retirement Benefits and Separation**
23 **Incentives.** – The retirement benefits and separation incentives provided in this Act
24 shall be available within sixty (60) days upon approval by the DBM of the detailed
25 rightsized organizational structure and staffing of agencies concerned.
26

27 **SEC. 13. Prohibition on Reemployment of Personnel Retired/Separated**
28 **from the Service.** – Affected personnel who retired/separated from the service as a
29 result of the implementation of the Rightsizing Program shall not be reemployed in any
30 agency of the National Government, including in GOCCs, for a period of five (5) years,
31 except as teaching or medical staff in educational institutions and hospitals,
32 respectively.
33

34 The reemployment of retired/separated personnel under the Program within the
35 prohibited period shall cause the refund of the separation incentives received by the
36 concerned personnel under Section 10(b) of this Act on a pro-rated basis.
37

38 **SEC. 14. Joint Congressional Oversight Committee on the Rightsizing**
39 **Program.** – There is hereby created an Oversight Committee to oversee, monitor and
40 evaluate the implementation of this Act.
41

42 The Oversight Committee shall be composed of five (5) members each from
43 the Senate and from the House of Representatives, which shall include
44 representatives of the Senate Committees on Civil Service, Government
45 Reorganization and Professional Regulation, and Finance, and the House
46 Committees on Government Reorganization and Appropriations.
47

48 **SEC. 15. Conduct of an Impact Assessment.** – The DBM shall commission

1 the conduct of an independent impact assessment on the Rightsizing Program three
2 (3) years from its completion to, among others, determine the effects of, and gains
3 from, the implementation of the Program.

4
5 **SEC. 16. Report to Congress.** – The President shall submit a report to
6 Congress on the results of the Program after the completion of its implementation.

7
8 **SEC. 17. Sunset Provision.** – The authority given to the President under this
9 Act, as well as the existence of the Committee on Rightsizing the Executive Branch,
10 shall end three (3) years after the effectivity of this Act.

11
12 **SEC. 18. Implementing Rules and Regulations.** – The Committee on
13 Rightsizing the Executive Branch shall formulate the necessary IRR within thirty (30)
14 days from the organization of the Committee. Such rules and regulations shall take
15 effect fifteen (15) days after its publication in a newspaper of general circulation.

16
17 **SEC. 19. Provisions Applicable to Other Branches of Government,**
18 **Constitutional Commissions, Commission on Human Rights, Office of the**
19 **Ombudsman, and the LGUs.** – The governing principles, policies, standards, and
20 guidelines, as well as the conditions and limitations provided in this Act, shall be
21 followed in the implementation of the Rightsizing Program by other branches of
22 government, Constitutional Commissions, Commission on Human Rights, Office of the
23 Ombudsman, and the LGUs.

24
25 The heads of said offices shall issue their respective IRR and furnish a copy
26 thereof to the Senate Committees on Civil Service, Government Reorganization and
27 Professional Regulation, and Finance, the House Committees on Government
28 Reorganization and Appropriations, and the DBM.

29
30 **SEC. 20. Funding Requirements.** – The amount necessary for the initial
31 implementation of this Act shall be sourced against any applicable appropriation items
32 under the current General Appropriations Act. Subsequent amount needed to continue
33 the implementation of the National Government's Rightsizing Program shall be
34 included in the succeeding appropriations.

35
36 In the event that the Legislature, the Judiciary, Constitutional Commissions,
37 Commission on Human Rights, and the Office of the Ombudsman rightsize their
38 respective offices in accordance with the provisions of this Act, funds necessary for
39 the purpose shall likewise be sourced from any applicable appropriations under the
40 GAA.

41
42 For GOCCs not covered by Republic Act No. 10149, the amount needed for the
43 implementation of their Rightsizing Program shall be outsourced from their respective
44 corporate funds. In case of funding deficiency, the National Government may provide
45 assistance in the payment of separation incentives of personnel who may be affected
46 by the rightsizing efforts of these GOCCs, provided that their salaries and other
47 compensation are covered by RA No. 6758 (Compensation and Position Classification
48 Act of 1989), as amended.

1
2 In case the LGUs pursue rightsizing efforts consistent with the provisions of this
3 Act and the Local Government Code of 1991, the amount needed for the purpose shall
4 be drawn from their respective local government funds.

5
6 **SEC. 21. Separability Clause.** – If any provision of this Act is declared
7 unconstitutional or invalid, the other provisions not otherwise affected shall remain in
8 full force and effect.

9
10 **SEC. 22. Repealing Clause.** – All laws, decrees, executive orders, rules and
11 regulations, and other issuances or parts thereof which are inconsistent with this Act
12 are hereby repealed, amended or modified accordingly.

13
14 **SEC. 23. Effectivity.** – This Act shall take effect fifteen (15) days after its
15 publication in the *Official Gazette* or in at least two (2) newspapers of general
16 circulation.

17
18 *Approved,*