Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

HOUSE RESOLUTION No. 1641

Introduced by
BAYAN MUNA Representatives FERDINAND R. GAITÉ,
CARLOS ISAGANI T. ZARATE and EUFEMIA C. CULLAMAT,
ACT TEACHERS Party-List Representative FRANCÉ L. CASTRO,
GABRIELA Women’s Party Representative ARLENE D. BROSA,
and KABATAAN Party-List Representative SARAH JANE I. ELAGO

A RESOLUTION DIRECTING THE COMMITTEE ON CIVIL SERVICE AND
PROFESSIONAL REGULATIONS AND THE COMMITTEE ON LOCAL
GOVERNMENT TO CONDUCT AN INVESTIGATION, IN AID OF
LEGISLATION, ON THE IMMINENT MASS LAY-OFF OF GOVERNMENT
EMPLOYEES DUE TO THE PROPOSED FULL DEVOLUTION OF FUNCTIONS
OF THE EXECUTIVE BRANCH TO THE LOCAL GOVERNMENT, AND TO
RECOMMEND A COMPREHENSIVE STUDY ON THE POSSIBLE IMPACTS OF
FULL DEVOLUTION ON THE GOVERNMENT SERVICES AND PROGRAMS,
AND TO DRAFT POSSIBLE MEASURES THERETO

WHEREAS, Article II Section 18 of the Constitution provides that the State affirms labor as a
primary social economic force. It shall protect the rights of workers and promote their welfare;

WHEREAS, Article XIII Section 3 of the Constitution provides that "the State shall afford full
protection to labor, local and overseas, organized and unorganized, and promote full employment and
equality of employment opportunities for all.

It shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful
consorted activities, including the right to strike in accordance with law. They shall be entitled to security of
tenure, humane conditions of work, and a living wage. They shall also participate in policy
and decision-making processes affecting their rights and benefits as may be provided by law;

WHEREAS, on April 10, 2019, the Supreme Court issued a resolution re-affirming its July 3,
2018 decision that the Internal Revenue Allotment (IRA) given to Local Government Units
(LGU) must be sourced from all national taxes and not only from national internal revenue taxes
collected by the Bureau of Internal Revenue (BIR) as defined in the 1987 Constitution;

WHEREAS, after the Supreme Court Ruling on Mandanas-Garcia case, the Internal Revenue
Allotment (IRA) of LGUs is expected to increase by 27.61% on year 2022;

WHEREAS, by year 2022, the National Government (NG) intends to implement full
devolution of different national agencies’ services. According to the Department of Budget
Management (DBM), full devolution will mitigate the fiscal impact of the implementation of the
Mandanas Ruling of the Supreme Court without much data-based or fact-based explanation of
how it came to said conclusion;

WHEREAS, according to National Budget Memorandum No. 138 dated January 6, 2021, some of the functions of the Executive Branch that will be fully devolved to local governments include: agriculture; local infrastructure services such as school buildings and other facilities; environmental services such as forestry, pollution control, and the implementation of small-scale mining laws; modernization of tax collection services; health services like hospitals; inter-municipal telecommunications services; buildings, parks, sports facilities and jails; roads, bridges and drainage systems and industry research and tourism development. Other projects that could be transferred to the LGUs are low-cost housing projects, irrigation systems, social protection programs and other livelihood programs;

WHEREAS, the planned full devolution is viewed as a corrective measure borne by the decrease of share of the national government from the national tax collections but will otherwise cause more problem than it intends to solve because the full devolution will result to thousands of government employees from the affected national government agencies being laid-off and deprived of fruitful means of livelihood in times of economic slowdown caused by the Covid-19 pandemic;

WHEREAS, on July 1, 2020 the Department of Budget and Management (DBM), Department of Finance (DOF), National Economic and Development Authority (NEDA), and Department of the Interior and Local Government (DILG) drafted an Executive Order (EO) Directing the Full Devolution of Certain Functions of the Executive Branch to the Local Government;

WHEREAS, different national government agencies are using the draft EO for their guidelines for the implementation of full devolution in their respective departments;

WHEREAS, Section 8 of the said draft EO provides that personnel hired on a permanent basis and with appointments attested by the Civil Service Commission (CSC) who may be affected by the devolution of the functions of the Executive Branch shall have the options to: a) Transfer to other units within the agency; b) Transfer to other agencies within the Executive branch; and c) Retire or be separated from the service, and be given preference to vacant positions in LGUs.

WHEREAS, government employees that will avail Section 8 (c) of the draft EO provides that their reemployment shall be considered as new entry to the civil service and will have a salary according to Salary Standardization Law (SSL 5) which implies a diminution in rank and salary due to the provisions of the said Law where salaries are lower for lower income class LGUs and subject to certain budget restrictions due to the “personnel services limitation” contained in the Local Government Code of 1991;

WHEREAS, under Section 9 and Section 10 of the draft EO, the positions of the transferred government workers within the departments/agencies and to other departments/agencies will be coterminous with the incumbent, to be abolished once vacated;

WHEREAS, affected government employees that will retire/separated from the service will be prohibited from reemployment in any Executive Branch for a period of five (5) years, except as teaching and medical staff in educational institutions and hospitals, respectively;
WHEREAS, there is no provision under the draft EO for affected casual, contractual
government employees as well as job order and contract of service personnel to transfer to other
offices/units within the departments/agencies and/or to other departments/agencies. Affected
personnel can only apply for vacant positions in the LGU after the permanent employees;

WHEREAS, National Government Agencies (NGA) have no comprehensive study on the
impacts of devolution in the government services and programs, especially after the passage of
the Local Government Code of 1991 (LGC) according to DBM Director John Aries Macasac
during February 22, 2021 House Committee on Visayas Development Meeting;

WHEREAS, while the LGUs must admittedly have the appropriately legal share from the
collections of national taxes that will be used for the services and programs for the benefit of the
people, this must not necessarily cause massive economic displacement of thousands of public
servants who deliver these services and programs;

WHEREAS, the executive branch must find a solution that does not create more problems in
re-allocating the necessary funds to the local government units like reviewing, with the purpose
of prudent fiscal management, the budget for the National Task Force to End Local
Communists Armed Conflict (NTF-ELCAC), Intelligence and Confidential Funds, Enhanced
Comprehensive Local Integration Program (E-CLIP), PAyapa at MAsaganang PamayaNAn
(PAMANA), and other similar politico-military government programs that does not directly lead
to preventing economic displacement, nor does it directly and actively contribute to promoting
economic progress and delivery of needed basic public services;

WHEREAS, the chain of national calamitous events like the COVID-19 pandemic and other
natural disasters highlighted the need for national government action and assistance to help the
various LGUs to respond and cope with these crises not only in terms of funding resources but
most importantly of technical and manpower complementation and augmentation;

WHEREAS, in the midst of economic slowdown marked by increased inflation, bankruptcy of
many micro, small and medium enterprises (MSMEs), high unemployment incidents, diminishing
purchasing power of consumers, causing mass lay-off of government employees will only cause
negative impact not only on the delivery of basic services and programs for the people, especially
those who are in the far-flung areas, but aggravate the already faltering national economy and
worsen the poverty situation in the country even further;

WHEREAS, government employees led by Confederation for Unity, Recognition and
Advancement of Government Employees (COURAGE) is calling for the suspension of planned
implementation of full devolution of functions of the Executive Branch to the local government
units;

NOW THEREFORE BE IT RESOLVED, that the Committee on Civil Service and
Professional Regulations and the Committee on Local Government conduct an investigation, in
aid of legislation, on the imminent mass lay-off of government employees due to the full
devolution of functions of the Executive Branch to the Local Government, and to recommend a
comprehensive study on the possible impacts of full devolution on the government services and
programs, and to draft possible measures thereto.
Adopted,

REP. FERDINAND R. GAITE  
Bayan Muna Partylist

REP. CARLOS ISAGANI T. ZARATE  
Bayan Muna Partylist

REP. EUFEMIA C. CULLAMAT  
Bayan Muna Partylist

REP. FRANCIS T. CASTRO  
ACT Teachers Partylist

REP. ARLENE D. BROSAS  
Gabriela Women’s Party

REP. SARAH JANE I. ELAGO  
Kalataan Partylist