

APRIL-JUNE  
2021



# The DBM Bulletin

The Official Newsletter of the Department of Budget and Management



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A Milestone Anniversary Like No Other:

# CELEBRATING HISTORIC VIRTUAL ANNIVERSARY OF THE DBM

By: Emil John T. Manguerra

Celebrating an anniversary, whether personal or institutional, in the time of a raging pandemic is almost unimaginable, especially when mass gatherings are restricted and people are confined to their homes. But the Department of Budget and Management (DBM) has proven that despite the odds and obstacles there are some novel ways of successfully celebrating a milestone together yet apart.



## On Digital Mode of Celebration

The 85th anniversary of the DBM will go down in history as the first time all the anniversary activities were held online. The foundation celebration ran for more than a week, starting off with unifying DBM employees across all regions by encouraging them to display their Facebook (FB) Profile pictures with the official DBM 85th anniversary frame and hashtags #DBMSoaringAt85 #DBMOchentaYCinco.

## Virtual Fun and Games

The festivities would not have been complete without fun and games – and there were quite enough of these in

good measure. Through the Administrative Service (AS), games such as “Jeopardy” and “Pictionary” were conducted virtually and actively participated in by employees, including Directors from different DBM offices.

AS-Human Resource Development Division Chief Lolita Matias shared an insight on the importance of pushing through with an online celebration despite the trials and difficulties of being in the midst of a national health crisis.

“Celebrating this milestone was an opportune moment to rekindle and highlight how the DBM has continued

to surpass the challenges in the past, and grown more resilient and ever steadfast, boldly facing the odds of the future,” said Ms. Matias. “It was also a time to reminisce about moments we shared with our DBM family, be they joyful over triumphs and accomplishments, sadness over the separation or loss of a dear colleague, fear and anxiety over an unpredictable future, and even bewildering situations such as those caused by misinformation from outside DBM.”

Several offices from the DBM Central and Regional Offices also actively competed in the DBM Singing Contest. Three contestants sent pre-recorded videos featuring their chosen songs, which were uploaded in the DBM Community FB Page.

## A Healthy Way of Celebrating

Since the safety and health of the DBM employees are always of paramount importance in these trying times, the DBM held raffle draws with unique yet practical and health-promoting prizes. More than 700 employees from the DBM Central and Regional Offices received health kits which consisted of medicines, vitamins, alcohol, face shields, and a variety of dietary products. Aside from these, the DBM also gave out cash prizes during the culmination activity of the anniversary.

## DBM Stories

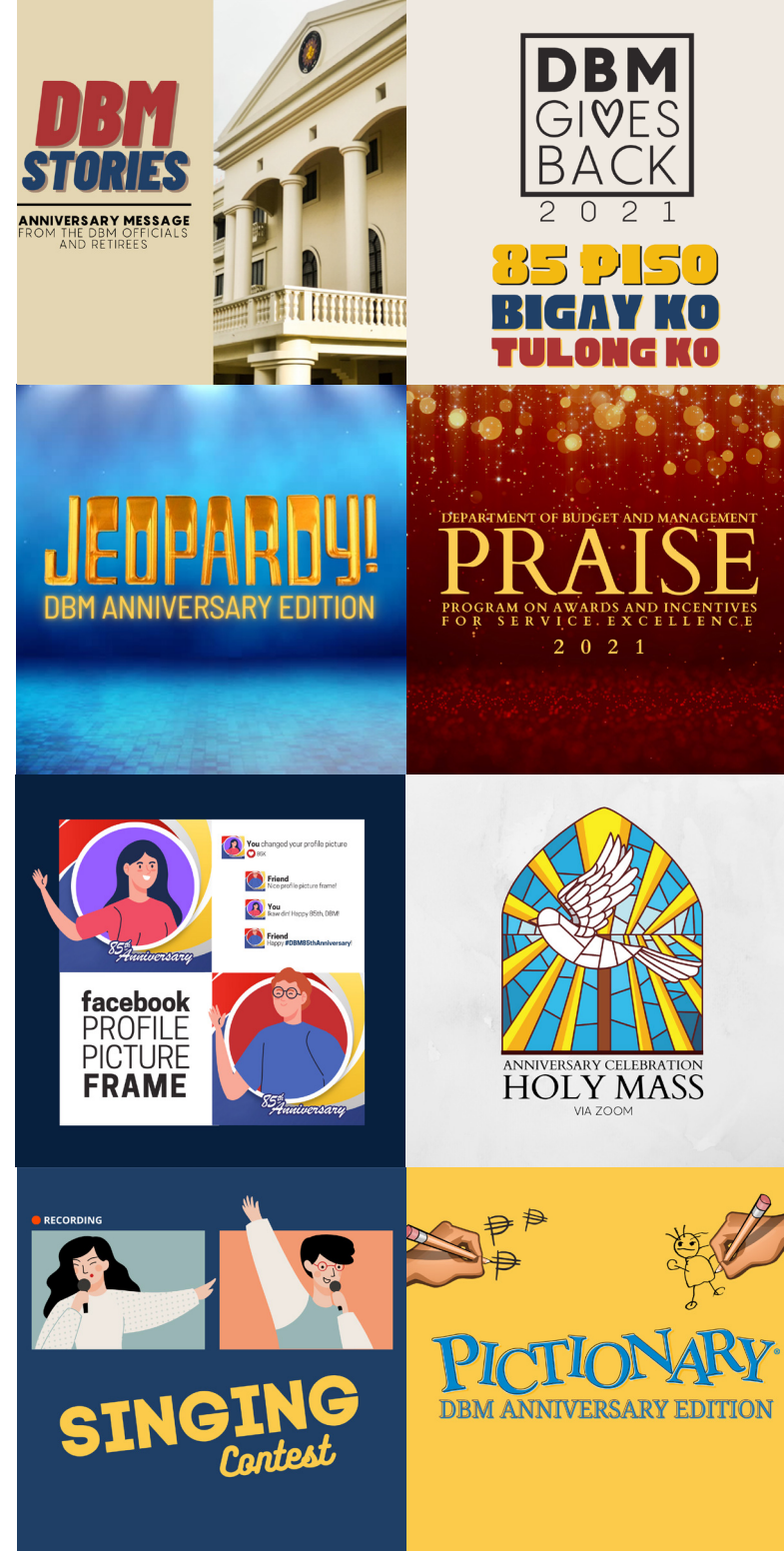
Marking 85 years of existence of the DBM was also a chance to reflect on and pay tribute to the genuine service and dedication of the men and women who belong to the DBM family. On this milestone, the Budget Information and Training Service (BITS) reached out to a number of present and former officials and employees of the Department to share their stories of success and struggles, what made or makes them proud to be part of the DBM Family, as well as their messages for the milestone anniversary. These messages were collected to inspire and motivate employees, especially when work tends to be more challenging in the time of pandemic.

“These messages inspire us all – from the past and present officials and employees, from different B/S/O/s and attached agencies of the DBM. Every message becomes a source of strength and courage, of hope and gratitude. We are truly blessed,” said BITS OIC-Director Vivien V. Labastilla.

## Milestone Anniversary as a Blessing

While the pandemic has constrained many of our “normal” activities, it will not – and perhaps never ever will – stop the DBM from celebrating an important event in its history. As DBM Secretary Wendel E. Avisado has stressed in his anniversary speech, “these times call for a more positive outlook in dealing with realities.”

And truly, he adds that “this celebration is our reflection of our well-being, to make us capable of effecting better changes and influences to others, as one with a peaceful heart is a blessing to others.”



I would not be able to stay in the DBM for more than 40 years if I was not happy in, and proud of, this organization. I found my work challenging and fulfilling at the same time.  
-AMELITA D. CASTILLO, former Assistant Secretary

DBM has always been accorded high regard and respect by other agencies and that made me proud. The reasons can be attributed to the kind of men and women it has – hardworking, driven, professional, passionate, and principled.  
-RUBY R. ESTEBAN, former Director

I served the DBM for more than 40 years before I retired in 2018. It was my second home which had given me more than what I asked for in terms of 3Cs: Challenges, which allowed me to always strive to do better than yesterday; Chances, which opened up countless opportunities to hone my skills to serve my country in my own special way; and Choices, which paved the way for enlightenment of the person that I am today.  
-LUZ CANTOR, former Undersecretary



# The Mandanas-Garcia SC Ruling: IN PURSUIT OF GENUINE LOCAL AUTONOMY

By: Crispin Mahrion B. Abacan

The landmark decision of the Supreme Court (SC) of the Philippines on the Mandanas-Garcia Cases will give local government units (LGUs) a bigger share in the national taxes beginning fiscal year (FY) 2022. This begs the question: What would this mean for the national government, the LGUs, and the general public?

## Understanding the Mandanas-Garcia Cases

A brief background on the said cases, which were elevated to and decided with finality by the SC, will highlight the impact and implications of the ruling.

Under the 1987 Philippine Constitution, LGUs in the Philippines are guaranteed local autonomy and a just share, as determined by law, in the national taxes.

This “just share” was defined by Republic Act (RA) No. 7160 or the Local Government Code (LGC) of 1991, enacted four years after as a constitutional mandate, as 40 percent of the national internal revenue taxes (NIRT).

The NIRT, as provided in Section 284 of the LGC, shall be based on the collection of the third fiscal year preceding the current fiscal year. Guided by this, the LGUs since then had been receiving their tax shares in the form of Internal Revenue Allotment (IRA) from the national government.

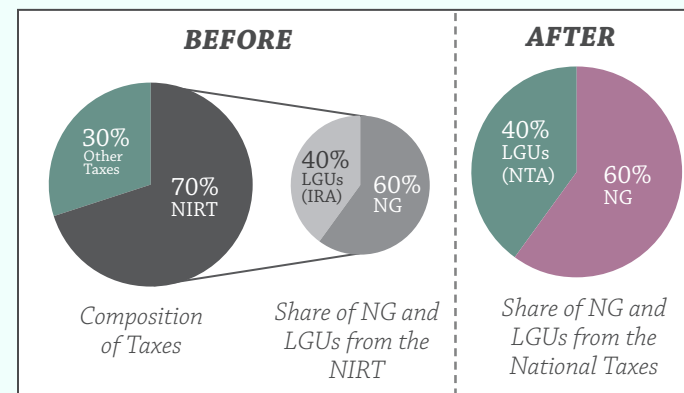
However, Congressman Hermilando I. Mandanas and other local officials in January 2012, and Congressman Enrique T. Garcia, Jr. in August 2013, filed separate but later consolidated petitions to the SC challenging the manner in which the just share was being computed.

The Mandanas petition (G.R. No. 199802) contended that the base amount for computing the IRA should also include collections of the Bureau of Customs specifically the excise, value-added, and documentary stamp taxes, as these are part of the NIRT. Meanwhile, the Garcia case (G.R. No. 208488) argued that the computation of the just share should include all national taxes and that the insertion of “internal revenue” in the phrase “national taxes” in the LGC reduced the base for determining the just share per the Constitution and so should be declared unconstitutional.

Acting on the consolidated cases, the SC ruled that the Mandanas-Garcia petitions are “partially meritorious.”

In its July 3, 2018 decision, the SC declared unconstitutional the phrase “internal revenue” and ordered its deletion from Section 284, and other pertinent provisions of the LGC. The SC then ruled that the determination of the just share of the LGUs should not be based on NIRT, but on all national taxes, significantly increasing the tax base on which the IRA, now referred to as National Tax Allotment (NTA), is computed.

On June 10, 2019, the SC ruling became final and executory following the denial by the SC, through its Resolution promulgated on April 10, 2019, of the Office of the Solicitor General’s Motion for Reconsideration dated August 10, 2018.



## Measuring the Fiscal Impact of the Ruling

With the expected implementation of the ruling in 2022, the Department of Finance (DOF) estimates an increase of PhP185.17 billion or 23.93% in the NTA of LGUs for FY 2022 - from PhP773.87 billion original estimate to PhP959.04 billion - based on the 2019 national tax collections.

Year-on-year, the NTA is projected to grow by 37.9% in 2022 from PhP695.49 billion IRA shares this 2021, empowering local governments to contribute more to the country’s overall economic growth, job creation, and promotion of their constituencies’ welfare and development, among other things.

### INDICATIVE NTA OF LGUs (FY 2022)

	Projected Amount in 2022
Before SC Decision	PhP773.87 Billion
After SC Decision	PhP959.04 Billion

Source: LBM No. 82 s. 2021

## Revisiting the LGC’s Devolved Functions and Services

With more fiscal resources, LGUs are now better positioned to assume the functions originally devolved under Section 17 of the LGC, which are but not limited to: 1) agricultural extension; 2) environmental management; 3) primary health services; 4) local public works; and 5) social welfare.

However, looking at the same pie of national taxes, as LGU shares rise, the fiscal resources of the national government dwindles, thus affecting its capacity to sustain key government programs and projects.

To ensure fiscal sustainability, the Inter-Agency Technical Working Group (IATWG) on Devolution has opted to gradually discontinue financing programs, activities, and projects (PAPs) that fall within the purview of the expenditure assignments of the LGUs under the LGC and other pertinent laws, but which are still lodged under different NGA budgets.

“The government resorted to discontinue PAPs to sustain a manageable public sector deficit, increase the fiscal space left to the NG for major national programs and projects, and to empower and provide flexibility to the LGUs in the phasing and implementation of their priority programs and projects in 2022 onwards,” said Assistant Secretary Rolando U. Toledo, the DBM Spokesperson.

The government, however, clarified that there will be no new functions added to the set of functions being devolved in 2022 aside from those already stated under the LGC, its Implementing Rules and Regulations, and other pertinent laws. More importantly, the assumption of the PAPs to be discontinued are not mandatory, but the national government strongly urges the LGUs to do so given the socioeconomic impact of these programs.

“In view of the administrative autonomy afforded to the LGUs under the LGC, we cannot directly impose on the local governments which specific programs and services to fund. What we can do instead is to encourage them to assume these PAPs as they see fit with their priorities, needs, and capacity,” explained Asec. Toledo.

## Issuance of an Executive Order on the Full Devolution

To help agencies in the smooth transition of the devolution of functions, Executive Order (EO) No. 138, s. 2021 was signed by President Rodrigo Duterte last June 1, 2021, directing the devolution of certain functions of the Executive Branch to the LGUs.

While the LGC allows the national government to continue implementing devolved functions under Section 17(f), most of these services are still being performed by the NGAs to date owing to the LGUs’ fiscal and technical limitations, among other things. As such, the EO included interventions for these two persisting concerns.

Section 8 of the EO provides for establishment of a Growth Equity Fund (GEF) by the national government to address marginalization, unequal development, and high poverty incidence across different LGUs. The financial assistance, which is equitable, time-bound, and performance-based, will cover the funding requirements for the basic infrastructure gaps of poor, disadvantaged, and lagging LGUs that are financially incapable of allocating funds to implement the devolved services. To prepare the LGUs in the long run, they will also be capacitated on revenue generation and fiscal management to strengthen their ability to fund these programs on their own in the future.

The DILG-Local Government Academy (LGA), in coordination with concerned NGAs and oversight agencies, shall implement an integrated capacity development program and technical

assistance for the LGUs, including local chief executives. These shall take the form of lectures, trainings, and exchange of knowledge to units/groups of LGU personnel or consultancy type arrangements. Currently, the DILG-LGA is doing LGU capacity assessment based on their performance to determine the type of capacity development needed by and appropriate for different LGUs.

To support this, the Department of Budget and Management (DBM), in its National Budget Memorandum (NBM) No. 138 or the National Budget Call for FY 2022, allowed the inclusion of funding requirements for capacity building of LGUs in their respective agency budget proposals.

Meanwhile, also under NBM No. 138, the DBM provided guidelines on how to prepare agency budget proposals with regard to the PAPs being discontinued. Specifically, NGAs were ordered to refrain from including in their budget proposals funding for devolved local projects belonging to the richest and most capable LGUs, and limit subsidies for local projects to the poorest and least capable LGUs, especially those with the highest poverty incidences and barangays identified as the geographically isolated and depressed areas (GIDAs).

### INITIALLY IDENTIFIED PAPs FOR DISCONTINUANCE\*

Agency	PAP
DA-OSEC	Farm-to-Market Road Sub-program
DA-OSEC	Irrigation Network Services
DA-OSEC	Production Support Services
DepEd-OSEC	Basic Education Facilities
DENR-EMB	Implementation of Clean Water Regulation
DOH-OSEC	Health Facilities Enhancement Program
DSWD-OSEC	Supplementary Feeding Program
DTI-OSEC	Establishment of Negosyo Centers
DOLE-OSEC	DOLE Integrated Livelihood Program
GOCC-NIA	Communal Irrigation System Sub-program

\*Final list of PAPs to be devolved/discontinued gradually will be based on the Devolution Transition Plans to be submitted by the NGAs concerned

## Gearing for the FY 2022 Implementation

Three decades since the enactment of the LGC, the pursuit of genuine local autonomy and empowerment is still a continuing journey. Yet, the national government remains fully committed to the policy of decentralization aimed at developing capabilities of local governments to deliver basic social services and critical facilities to its constituents, increase productivity and employment, and promote local economic growth.

The Mandanas-Garcia SC ruling massively shakes the financial and administrative ties between the national and local governments. LGUs are now expected to gradually scale up their services while NGAs shift focus from direct service delivery to setting delivery standards, capacitating, and monitoring LGU performance. Hopefully, given the lessons learned from the LGC’s implementation, this ruling will be the key to the realization of genuine autonomy for the LGUs.



Behind every successful executive is an exceptional assistant manning the front desk and directing work flow behind the scenes.

Executive Assistants fulfill a unique and important role, valuable to the executive and ultimately to the organization to which they both belong. They are the “gatekeepers” of the executive’s office and its operations – competent, responsible, and savvy in handling this proximity to power. Overseeing the day-to-day activities and concerns of an executive or manager, assistants are often viewed as their representatives, while facilitating their principal’s ability to effectively lead the organization or at least do their job well. As such, they are expected to be privy to important knowledge, significant information, and powerful insights.

On a daily basis, executive assistants may perform routine clerical, administrative, and technical functions. But on top of these, they are also required to be forthcoming and to have a “voice,” confident enough to execute decisions on their executive’s behalf.



**ROBIN JUSTINE  
U. CUNANAN**

**Office of the Undersecretary  
for Local Government and  
Regional Operations Group**

Before Robin Justine U. Cunanan joined the government, he was a college instructor, teaching courses in his subject area and performing other related functions at the university.

“Now it has changed dramatically,” says Cunanan, now an Executive Assistant (EA) III at the DBM.

Besides serving as the “alter ego” of his principal, Cunanan describes his work as the “typical and ministerial duties of an EA.” His work day includes attending executive meetings, managing information, preparing communication materials, handling classified information, dealing with both internal and external stakeholders, maintaining good relationships with other bureaus, and organizing administrative concerns. For him, this is the “ostinato” of his everyday grind.

Asked about his goals at work, Cunanan emphasizes prompt accomplishment of his tasks. “Given the nature of my work, my ironclad rule is to do my tasks expeditiously and to always be willing to undertake new responsibilities. The eagerness to go beyond my comfort zone has been my longstanding belief in whatever I do,” he explains.

## Tales from the Front Desk:

# A DAY IN THE LIFE OF EXECUTIVE ASSISTANTS

By: Rey Angelo Jose M. Gonzaga

**Part 1**

They understand their executive’s duties and goals, and they perform a myriad of tasks every day – some small and some gargantuan – to ensure that everything that happens is on track with these obligations. The result is a work environment that may appear seamless from the outside, but could not possibly exist without the many hours of hard work that executive assistants put in.

Now, let’s take a closer look at what an average work day is like for our executive assistants in the Department.

While the EA role does have its advantages, the nature of the job is not without challenges. “Mistakes can be inevitable, especially in dealing with unexpected issues,” Cunanan admits. “But perhaps, prudence and the ability to establish a good rapport with other stakeholders can help diminish such chances.”

In these ways, Cunanan assumes an important role and place in his office. His role has extended into trust, which – as they say – is everything for an executive assistant. “Earning the trust and confidence of the Undersecretary – that is something I hold sacred,” he shares.

For Cunanan, interacting with competent, dedicated, and hardworking individuals motivates and excites him to accomplish the tasks he has to attend to every day. This, along with being in an institution where opportunities for learning and development are all-encompassing, gives that sense of fulfillment to his being.



**ANGELICA BEATRICE  
SM. NATIVIDAD**

**Office of the Assistant  
Secretary for Budget Policy  
and Strategy Group**

“Carrying out the responsibilities of an executive assistant allows me to flourish as a person and a public servant,” says Angelica Beatrice SM. Natividad, EA III of the Office of the Assistant Secretary for the Budget Policy and Strategy Group.

Nearly two years since her transfer from the Department of Finance to the DBM, Natividad feels privileged and grateful for being in a position that is related to her areas of interest.

“Since college, my areas of interest have included Economics, Development Studies, Public Policy, Global Politics, and Disaster and Climate Risk Management. Fortunately, my daily tasks today enable me to gain new learnings in these fields,” she adds.

As an EA, Natividad’s main role at work is to serve as an extension of her executive. More specifically, she provides technical support to the Assistant Secretary for the roles, tasks, and functions assigned to him. “In a nutshell, I provide technical support for the Assistant Secretary’s participation in various committees and working groups, including the Development Budget Coordination Committee, Cabinet Assistance System, NEDA – Infrastructure Committee, NEDA – Social Development Committee, Economic Development Cluster, Climate Change Adaptation and Mitigation, and Disaster Risk Reduction and Management Cabinet Cluster,



**RENISSA ADRIANE  
DIZON**

**Office of the Assistant  
Secretary for Internal  
Management Group**

As an EA at the DBM for nearly three years, Renissa Adriane Dizon fully understands her purpose at work. “It has always been ‘purpose’ that keeps me motivated and driven,” Dizon says. With commitment and willpower as her core values, she always sees to it that she understands her role and responsibilities.

“I am the kind of person who always sees that I am part of something bigger than myself,” Dizon shares. For her, every task, however big or small, makes an impact and contributes to the fulfillment of the Department’s mandate.

Hence, Dizon carries out every task with the same zeal and determination. These tasks usually include preparing

Human Development and Poverty Reduction Cluster, and such other special assignments,” she explains.

Since June 2020, Natividad has been physically reporting to the office as part of the skeletal workforce. Her working day usually starts at 6:30 a.m., a few hours before all her officemates arrive.

“Coming to work early gives me a bit of time to work in solitude, which I quite enjoy,” she admits. “On busy days, my day at work ends at around 7:00 p.m., and the same schedule repeats the next day.”

For Natividad, the day-to-day activities are varied, depending on the specific deliverable and/or work assignment assigned to her. But most of the time, she prepares briefers, talking points, and presentations that will be used by the Assistant Secretary in his engagements. “On other days, I participate in meetings and discussions to provide additional technical support for my principal. I also provide support to the Assistant Secretary in his role as the DBM’s Official Spokesperson and in his supervision of the newly-established Strategic Communications and Media Relations Division under the Budget Information and Training Service,” she adds.

Like many in the DBM, Natividad finds joy in working with her fellow civil servants, including those from other government agencies. “Through my tasks, I am able to discuss various issues concerning the development and growth of the country with fellow public servants, and also learn new insights and knowledge from senior officials I get to work with,” she explains. This serves as her motivation to continue doing her work as an EA, grateful for the opportunity to be part of an organization that helps bring positive change to the country.

memoranda and reports, and managing emails, messages, and calendars. “Aside from these, majority of my time is devoted to reviewing documents and providing inputs, as may be required, before endorsing them to the Assistant Secretary,” she adds.

Dizon knows continued learning is at the center of her work, and she enjoys working even more because of it. “To keep learning has always been one of my main goals in life and at work, because it enables me to be aware of my weaknesses and areas for improvement,” she says.

Determined to gain more knowledge and continually improve herself, Dizon allows herself to remain adaptable, open, and resilient to change. “As I gain more knowledge and develop myself, I know I will be of better service not only to my superior, but to our institution,” she shares.

Bearing these values, Dizon is aware of her own capabilities and strengths. With full understanding of her ‘purpose,’ she is prepared to take on whatever task that comes her way.



# WHAT'S IN STORE FOR 2021

(Second of Two Parts)  
Based on the submissions of various BSOs

<b><i>Publication of the Technical Notes on the 2022 Proposed National Budget</i></b>
October 15, 2021
The publication provides a technical and comprehensive narrative of the proposed National Budget. It discusses the policies and reforms, fiscal program and macroeconomic assumptions, and the government's priority programs and projects for the specific budget year.
<b><i>Kukabildo Series: Usapang BEDs for FY 2022</i></b>
October 2021
A modified capacity building activity tagged as Kukabildo, where DBM XIII and representatives from the Operating Units casually converse and exchange ideas and information through video conferences that will facilitate the timely, accurate and reliable preparation and submission of their respective Budget Execution Documents (BEDs).
<b><i>Conduct of Regional Convention for Local Budget Officers (DBM RO II)</i></b>
November 2021
The Convention provides updates on the latest DBM issuances affecting LGUs, as well as discuss relevant issues and concerns.
<b><i>Conduct of the 8th Government Quality Management Committee (GQMC) Recognition Ceremony<sup>1</sup></i></b>
4th Quarter, 2021
The conduct of the annual GQMC Recognition Ceremony is consistent with the mandated function of the GQMC, pursuant to EO No. 605, in recognizing citizen-driven government organizations that have attained ISO 9001 QMS certifications as part of the implementation of the GQMP.
<b><i>Conduct of the DBM Accountants' Coordination Meeting</i></b>
4th Quarter, 2021
Facilitates interaction among the accountants of the DBM Central Office and Regional Offices

<sup>1/</sup> Conduct of said activity is subject to the results of the assessment of the GQMP

<b><i>Upgrading of the eBudget System for local government units (LGUs) - Conduct capacity building activities</i></b>
4th Quarter, 2021
Provides a new eBudget system to LGUs, which shall synchronize with the Local Government Integrated Financial Tools (LIFT) of the Department of Finance-Bureau of Local Government Finance. It covers all facets of budgeting, from budget preparation to budget accountability, to ensure the prudent use of local funds, and for the LGUs' utilization of funds for the implementation of programs and projects to be responsive to the needs of constituencies and aligned to National Government priorities.
<b><i>Enhancing the Competency of the Local Budget Officers (LBOs) - Crafting of capacity development modules for LBOs - Conduct capacity building activities for the DBM RO technical personnel and LBOs</i></b>
4th Quarter, 2021
Aims to strengthen the capacity and professionalize the LBOs through: (i) launching of a competency measurement and assessment system for LBO; and (ii) roll-out of an e-learning capacity platform to develop the core skills of budget officers.
<b><i>Conduct of validation of LGU PFM tracking tables</i></b>
4th Quarter, 2021
Tracks the status of implementation of the Public Financial Improvement Plan (PFMIP) of LGUs
<b><i>Enhancement of the electronic Public Financial Management Assessment Tool (PFMAT) for LGUs - Conduct capacity building activities</i></b>
4th Quarter, 2021
Provides an updated PFMAT to LGUs to better gauge the PFM systems of the same and incorporate the enhanced Public Expenditure and Financial Accountability Framework, after which the existing PFMAT has been patterned; and enhance the electronic version to provide facility for the automatic generation of consolidated results at the Regional and National Level.

<b><i>DBM-Region Eight Association of Local Budget Officers (REALBO, Inc.) Year-end Conference (DBM RO VIII)</i></b>
1st week of December
Discuss the DBM's latest issuances
<b><i>Year-end Conference with SUCs Budget and Finance Officers (DBM RO VIII)</i></b>
1st week of December
Discuss the DBM's latest issuances
<b><i>Reorientation on Public Financial Management Assessment Tool (PFMAT) (DBM RO II)</i></b>
December 2021
Reorient PFM-LGU Committees on the use of the PFMAT
<b><i>ALBO VI Reg'l Year-End Conference</i></b>
2nd week of December, 2021
Conduct of year-end conference with all local budget officers in Region VI for local budgeting updates.
<b><i>Publish the 2020 People's Implemented Budget</i></b>
December 29, 2021
A citizen's version of the annual budget during the budget execution stage. It aims to inform the public on how the government implemented the GAA for a particular fiscal year.
<b><i>Publish the 2022 Philippine Government Directory of Agencies and Officials</i></b>
December 29, 2021
The Directory contains the contact details (e.g., names, addresses, phone numbers) of key officials of various national government agencies, constitutional commissions, offices under the legislative and judicial branches of government, state universities and colleges, local government units, diplomatic and consular offices, UN agencies, and other international organizations.

# GAD CORNER

## GEDSI at Work

By: Joy S. Almazan

Three employees of the Department of Budget and Management (DBM) are attending the Gender, Equity, Disability and Social Inclusion (GEDSI) Mainstreaming Short Course, offered by the University of Queensland (UQ) in partnership with Australia Awards and Alumni Engagement Program-Philippines (AAAEP-P). The three are OIC-Director Vivien Labastilla of the Budget Information and Training Service, Rowena Marte of the Local Government and Regional Coordination Bureau, and Joven Purganan of the Internal Audit Service.

The course, which runs from 1 May to 31 August 2021, aims to enhance the participants' ability to tackle the various needs of people, particularly those with disability and who are socially excluded in program design, implementation and evaluation, as well as in policy assessment.

Halfway through the course, Marte shares how she has been enriched by the experience. "The short course on GEDSI enhanced not only my awareness of Gender and Development (GAD) but more importantly, made me realize the greater issues on disability and social inclusion. Mainstreaming Disability and Social Inclusion are as equally important as Gender Equity, as they are both social issues that should be addressed in order to achieve inclusive social development," Marte says.

Meanwhile, OIC-Director Labastilla is hopeful that the mainstreaming of GEDSI will help achieve genuine inclusive development. "The GEDSI Mainstreaming Short Course offers us valuable insights that aside from gender and development, we also have to look deeper into gender equity, disability and social inclusion. It gives us opportunities to fully understand, and thus find ways and solutions to address the barriers that affect these social conditions especially in Philippine context. With the expertise and assistance of the UQ and AAAEP-P, as well as collaboration with participants from different government agencies, we look forward to bringing positive change in our workplaces and communities."

Purganan, for his part, believes that "incorporating GEDSI concerns in management, groups, activities and in organizations provides a foundation for inclusive practices."

"It sets the tone for how an organization provides access to a broad range of skills, expertise, knowledge and ideas. From hiring someone or looking for partners in different engagements, we need to be conscious about and avoid leaving out individuals who also have something to add. On a broader perspective, I believe it sets out the values underlying the creation of products and services that could greatly address the needs of the most marginalized," Purganan adds.



# COMPENSATION COMPENDIUM

## FACTS:

- Mr. A's last day of service in a local government unit (LGU) was on May 1, 2021
- Subject LGU already granted the Mid-Year Bonus (MYB) to qualified personnel pursuant to Budget Circular (BC) No. 2017-2<sup>1</sup>

<sup>1/</sup> Rules and Regulations on the Grant of the Mid-Year Bonus for FY 2017 and Years Thereafter dated May 8, 2017

## ISSUE:

- Whether or not Mr. A is entitled to the FY 2021 MYB

## DBM RESPONSE:

• Section 8 of Republic Act (RA) No. 11466<sup>2</sup> dated January 8, 2020 provides that the MYB, which is equivalent to one (1) month basic salary as of May 15 of a given year, shall be granted to those who have rendered at least four (4) months of satisfactory service and are still in the service as of the same date, to be given not earlier than May 15 of every year.

• Relatedly, BC No. 2017-2 provides the rules and regulations on the grant of the MYB for FY 2017 and years thereafter. Specifically, Item 5.1 of DBM BC No. 2017-2 stipulates that the grant of the MYB shall be subject to the following conditions:

- o Personnel has rendered at least a total or an aggregate of four (4) months of service from July 1 of the immediately preceding year to May 15 of the current year (Item 5.1.1);
- o Personnel remains to be in the government service as of May 15 of the current year (Item 5.1.2); and
- o Personnel has obtained at least a satisfactory performance rating in the immediately preceding rating period, or the applicable performance appraisal period (Item 5.1.3).

Item 5.2 of the same BC also states that a person who has rendered less than four (4) months of service from July 1 of the preceding year to May 15 of the current year, or who is no longer in the service as of May 15, shall not be entitled to the MYB.

• May we highlight that the MYB is part of the incentives being granted to government employees in recognition of their commitment to public service. Hence, the aforesaid conditions on the grant of the MYB that are stipulated under RA No. 11466 and DBM BC No. 2017-2 should be strictly complied with to ensure that the rationale for the grant of the same will not be obliterated.

It also bears to stress that the condition that the employee shall be in the government service as of May 15 of the year of the grant of the MYB is a requirement provided by law. Thus, any exemption therefrom would require the amendment of the pertinent provisions of RA No. 11466.

• In view of the foregoing and inasmuch as the subject LGU employee is no longer in government service as of May 15, 2021, he is not entitled to the FY 2021 MYB.

<sup>2/</sup> An Act Modifying the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of Additional Benefits, and for other Purposes



# LS NOOK

By the: Legal Service

RECKONING DATE FOR THE INTEGRATION OF THE COST OF LIVING ALLOWANCE IN THE BASIC SALARY OF GOVERNMENT-OWNED OR -CONTROLLED CORPORATION AND LOCAL WATER DISTRICT EMPLOYEES

## ISSUE:

Whether the reckoning date for the integration of Cost of Living Allowance (COLA) in the basic salary of employees of Government-Owned or -Controlled Corporations (GOCCs) and Local Water Districts (LWDs) should be: (i) March 16, 1999, the effectivity date of DBM Corporate Compensation Circular (CCC) No. 10;<sup>1</sup> or (ii) July 1, 1989, the effectivity date of Republic Act (RA) No. 6758.<sup>2</sup>

## OPINION:

It may be recalled that prior to the enactment of RA No. 6758, employees of GOCCs and LWDs used to receive the COLA and other benefits separately. However, pursuant to RA No. 6758, particularly Section 12<sup>3</sup> thereof, and DBM CCC No. 10,<sup>4</sup> the COLA, which was formerly granted to employees of GOCCs and LWDs, was already deemed integrated in the basic salary effective July 1, 1989, the effectivity date of RA No. 6758.

In the case of De Jesus vs. Commission on Audit (COA),<sup>5</sup> the Supreme Court (SC), however, nullified DBM-CCC No. 10 as the same was not published in the Official Gazette or in a newspaper of general circulation, as required by law. This Circular was re-issued and finally took effect on March 16, 1999.<sup>6</sup>

Subsequently, the SC en banc,<sup>7</sup> in a line of cases<sup>8</sup> after the De Jesus Case, ruled that Section 12 of RA No. 6758 is self-executory. Hence, despite the absence of the necessary publication of DBM-CCC No. 10, all allowances and fringe benefits, including COLA, of government officers and employees, which are over and above their basic salaries, are deemed included in the basic salary starting July 1, 1989, pursuant to the said law.

It is also important to note that as to the applicability of RA No. 6758 to LWDs, the SC, in the case of Metropolitan Naga Water District vs. COA,<sup>9</sup> ruled that LWDs should be considered as GOCCs from their creation and are, therefore, covered by RA No. 6758 when it became effective on July 1, 1989.

Finally, in the most recent case of Torcuator vs. COA,<sup>10</sup> the SC held that the DBM is constrained to abide by the explicit provision of RA No. 6758.

In view of the foregoing laws, guidelines, and Supreme Court Decisions, it is well-settled that the reckoning date when the COLA is deemed integrated in the basic salary of GOCC and LWD employees is **July 1, 1989**.

<sup>1/</sup> Rules and Regulations for the Implementation of the Revised Compensation and Position Classification System Prescribed under R.A. No. 6758 for Government-Owned and/or Controlled Corporations and Financial Institutions

<sup>2/</sup> Compensation and Position Classification Act of 1989

<sup>3/</sup> **Section 12. Consolidation of Allowances and Compensation.** – All allowances, except for representation and transportation allowances; clothing and laundry allowances; subsistence allowance of marine officers and crew on board government vessels and hospital personnel; hazard pay; allowances of foreign service personnel stationed abroad; and such other additional compensation not otherwise specified herein as may be determined by the DBM, shall be deemed included in the standardized salary rates herein prescribed. Such other additional compensation, whether in cash or in kind, being received by incumbents only as of July 1, 1989 not integrated into the standardized salary rates shall continue to be authorized.

<sup>4/</sup> **4.2 Allowances enumerated above are deemed integrated into the basic salary for the position effective July 1, 1989. (emphasis supplied)**

<sup>5/</sup> G.R. No. 109023, August 12, 1998

<sup>6/</sup> PPA Employees Hired After July 1, 1989 vs. COA, G.R. No. 160396, dated September 6, 2005

<sup>7/</sup> No doctrine or principle of law laid down by the court in a decision rendered en banc or in division may be modified or reversed except by the court sitting en banc

<sup>8/</sup> Philippine International Trading Corporation vs. Commission on Audit, G.R. No. 132593, dated June 25, 1999; NAPOCOR Employees Consolidated Union, et al. vs. National Power Corporation, et al., G.R. No. 157492, dated March 10, 2006; Gutierrez, et al. vs. DBM, et al., G.R. No. 153266, dated March 18, 2010; Maritime Industry Authority vs. Commission on Audit, G.R. No. 185812, dated January 13, 2015; Zamboanga City Water District, et al. vs. Commission on Audit, G.R. No. 213472, dated January 26, 2016; and Ninia P. Lumauan vs. COA, G.R. No. 218304, December 9, 2020

<sup>9/</sup> G.R. No. 218072, March 08, 2016

<sup>10/</sup> G.R. No. 210631, March 12, 2019



# MO Virtual Grand Reunion: A STORY OF AN ALL-TIME FRIENDSHIP

By: Ms. Cressida Mendoza Alday, an MO Alumna

The global pandemic may have put on hold planned reunions around the world, but the alumni of what was formerly the Management Office (MO) of the DBM found a way to successfully hold its long-due get-together. And it was heartwarming to see that over 50 ex-MO officers and staff across four time zones eagerly participated in the milestone event.

Dubbed “Virtual Grand Reunion of All-Time MO Friends,” the online reunion last 17 April 2021 was enthusiastically arranged by MO Planners, whose strategic, creative and organizational skills came through quite naturally. The requisite technical support was provided by Ms. Sheryll Grace Aromin of the Information and Communications Technology Systems Service (ICTSS).

Notwithstanding the wide time frame that spans the shared history, and which the reunion attendees were part of at varied stages, there were tons of talk to go around, with fond recollections and funny stories that they regaled each other with.

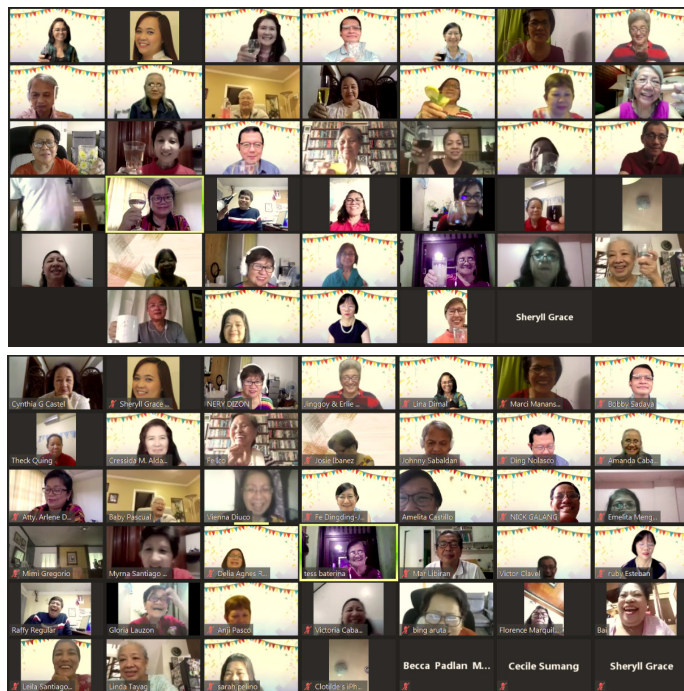
Former Undersecretary Cynthia Castel began the celebration by recalling how the young MO technical staff had always upheld the highest standards, pursued higher studies, and worked hard to excel in their assigned tasks that made the MO a highly regarded office.

“The bond amongst us coming from MS, MO, and down the line has proved to be what is binding us together, and that is love and friendship. Being taken in by the MS was a milestone in my career. I guess having been part of it, I will always be proud of and remember, and I know you would too,” Usec. Castel added.

In her Inspirational Message, former Director Bella Dominguez summarized how through the years, MO staff had built up trust in each other and nurtured a learning environment that allowed them to explore the workplace, discover new opportunities, and hold responsible positions either in the DBM, in other government agencies or in the private sector.

The five-hour program included plenary and break-out chat room sessions, during which the officemates-turned-friends had opportunities to recount moments in their life back in the day. Video and photo slide presentations enhanced their cherished recollections of “the good old days.”

To keep the bond of friendship and shared experience alive, the virtual reunion was capped by a ceremonial toast led by former DBM Assistant Secretary Myrna Chua.



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