

**FISCAL YEAR 2020  
PRESIDENT'S AFFIRMATION MESSAGE**





MALACAÑAN PALACE  
MANILA

JAN 06 2020

**THE HONORABLE SPEAKER  
LADIES AND GENTLEMEN OF  
THE HOUSE OF REPRESENTATIVES**

By the power vested in me by the Constitution, I sign into law Republic Act (RA) No. 11465, the General Appropriations Act (GAA) for Fiscal Year (FY) 2020, entitled "AN ACT APPROPRIATING FUNDS FOR THE OPERATION OF THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES FROM JANUARY ONE TO DECEMBER THIRTY-ONE, TWO THOUSAND AND TWENTY, AND FOR OTHER PURPOSES".

The crafting of an annual budget to support the efficient operation and discharge of responsibilities of the national government is a process that requires a high level of professionalism and optimum cooperation and commitment between and among the many actors in and outside of the government.

Our civil servants, our civil society partners, and our people, all take part in this process. Therefore, it is to them that I extend my fullest appreciation for the time and efforts they put in, and for working hard and smart to ensure that our proposed National Budget is submitted, reviewed, and passed into law for implementation in FY 2020.

I am likewise grateful to the leaders and members of the 18<sup>th</sup> Congress, especially to the Chairpersons of the House Committee on Appropriations and the Senate Committee on Finance, for their diligent efforts in passing this Budget that will support the operations of the government and respond to the needs of our people.

Indeed, the process involved in the crafting, submission and review, and enactment of the National Budget is a journey of many participants, steering our people toward the attainment of a lifelong aspiration of "*matatag, maginhawa, at panatag na buhay.*"

While I am happy to say that the passage of the FY 2020 National Budget, equivalent to PhP4.1 trillion, continues the work we have started three and a half years ago – to enable the Filipino people to achieve their dream – it does not mark the end of a journey, but rather the start of a more challenging phase of our voyage for a more peaceful and progressive Philippines.

**I. GENERAL COMMENTS**

The year 2020 is a critical juncture for my Administration as this marks the second half of my term. We had embarked on a journey of "change" by instituting reforms to address long-standing problems in our government.

Moving forward requires change. We have to continue to improve as a nation and abandon habits and practices that hamper and continue to slow down our progress. With a credible and effective system now firmly set in place, we are confident that in the next three years, we will continue reaping the fruits of our labor.

THE PRESIDENT OF THE PHILIPPINES

Our budget theme for FY 2020 is “Continuing the Journey to a More Peaceful and Progressive Philippines.” We have come a long way in instituting reforms to achieve our socio-economic and development goals for our country. Guided by our principles of supporting growth targets, adherence to fiscal responsibility, effective allocation for infrastructure and social services, and continued adoption of the cash budgeting system, our journey continues. As I have always believed and expressed, the road to a bright future is a process, a long and challenging one. Hence, I enjoin each and every one to continue helping the government to build a better Philippines.

## II. **CONDITIONAL IMPLEMENTATION**

In truthful exercise of my Office in accordance with the mandate vested in me under the Constitution, I am duty bound to subject the following provisions to specific conditions prior to implementation, in order to faithfully comply with existing laws, policies, and rules and regulations, for the effective and efficient utilization of public funds.

### A. **ADHERENCE TO LAWS, RULES AND REGULATIONS**

#### (1) **Procurement laws, rules and regulations**

I admire the ingenuity and creativity of Filipinos in producing high quality products and services, thus, I encourage everyone to patronize and support local producers. I likewise reiterate that government procurement should provide preference to locally-produced materials and supplies. Patronizing our own products means creating jobs and keeping the local industry vibrant.

Nevertheless, the domestic preference referred to under **Section 18, General Provisions, “Strict Adherence to Procurement Laws, Rules and Regulations,” Volume I-B, page 588**, must be compliant with existing procurement laws and rules so as not to unduly limit competition.

#### (2) **Foreign Travels of Government Officials and Employees**

I can never overemphasize my abhorrence of corruption, and so I have to make sure that the use of any single peso in this Budget for personal gain will not be tolerated. Corollary, **Section 17, General Provisions, “Use of Government Funds,” Volume I-B, page 588**, regarding the utilization of government funds for foreign travels of officials and employees shall be in accordance with the provisions and compliance with Executive Order (EO) No. 77, s. 2019. This is to guarantee that the travel will be used only for the effective performance of an official or employee’s mandates or functions, and there is a substantial benefit to be derived by the State.

#### (3) **Implementation of the Last Mile Schools Program**

I strongly support the implementation of programs that sustain the substantial gains in access to education through the provision of adequate education facilities and learning resources, not just for our students, but also for our teaching and non-teaching personnel. It is understood, however, that the implementation of **Department of Education (DepEd)-Office of the Secretary (OSEC), Special Provision No. 23, “Last Mile Schools Program,” Volume I-A, page 195**, particularly in allowing the DepEd to enter into a Memorandum of Agreement with local government units (LGUs), must ensure compliance with Section 87, General Provision on Implementation of Nationally Funded Projects

and pertinent provisions of RA No. 9184 and its Implementing Rules and Regulations (IRR).

(4) **Resettlement of Families or Individuals Affected by Government Infrastructure Projects**

To ensure that this Administration is responsive to the needs of our affected Filipinos, I count on the assistance of the Home Development Mutual Fund (HDMF) in the housing resettlement necessitated by infrastructure projects of the Department of Public Works and Highways (DPWH) and the Department of Transportation (DOTr). In furtherance thereof, **DPWH-OSEC, Special Provision No. 12, "Resettlement of Project-Affected Persons (PAPs) who are Pag-Ibig Fund Members," Volume I-A, page 1191**, and **DOTr-OSEC, Special Provision No. 8, "Resettlement of Project-Affected Persons (PAPs) who are Pag-Ibig Fund Members," Volume I-B, page 193**, shall be implemented in accordance with RA No. 10752 and other pertinent laws, and relevant guidelines to be issued by the Department of Human Settlements and Urban Development, the HDMF, the DPWH, and the DOTr, in coordination with the Department of Budget and Management (DBM).

(5) **Government Assistance and Subsidies**

As we all emphasize the importance of education as the greatest equalizer of conditions of men, I fully support the Congress's intention of increasing the amount of assistance to students in junior and senior high school levels who intend to enroll in Private Higher Educational Institutions, State Universities and Colleges (SUCs), Local Universities and Colleges, and Technical Vocational Institutions. However, it is emphasized that the implementation of **DepEd-OSEC, Special Provision No. 20, "Government Assistance and Subsidies," Volume I-A, page 194**, shall be subject to the certification mechanism and the criteria set forth under RA No. 8545.

(6) **Supplementary Feeding Program**

I commend the Congress for passing during my Administration RA No. 11037, the law that institutionalized a national feeding program for undernourished children in public day care, kindergarten, and elementary schools to combat hunger and undernutrition among Filipino children. As part of the implementation of the said law, the Department of Social Welfare and Development (DSWD) is mandated to administer a supplementary feeding program for undernourished children in day care centers or in any other facility which can be used for such purpose.

In order to foster the integrity of the said program, I hereby subject **DSWD-OSEC, Special Provision No. 9, "Supplementary Feeding Program," Volume I-B, page 74**, to guidelines to be issued by the DSWD to ensure compliance with existing laws and rules, specifically on the target beneficiaries of the program.

(7) **Protective Services Program**

To respond to the needs of vulnerable individuals, families, and communities in crisis or difficult situations, such as those affected by disasters, the government is continuously exerting its utmost efforts to provide assistance through the implementation of programs such as those covered in **DSWD-OSEC, Special Provision No. 3, "Protective Services Program," Volume I-B**,

**page 73.** It is understood, however, that the delegation of the implementation of said program to civil society organizations, whether it be a non-governmental organization or people's organization, shall be in strict compliance with Section 65, General Provision on Fund Transfers to Civil Society Organizations.

(8) **Funding for Foreign-Assisted Projects**

I noted that Congress has once again identified specific foreign-assisted projects (FAPs) in **Unprogrammed Appropriations (UA), Special Provision No. 5, "Support to Foreign-Assisted Projects," Volume I-B, pages 568-569**, to be chargeable against Purpose No. 4 of the UA. Hence, I reiterate that considering that the UA is a standby authority to incur additional obligations for priority programs, activities or projects, the identification of the specific FAPs which are still under negotiation shall not limit my Office in negotiating other foreign loan agreements in consonance with Section 20, Article VII of the Constitution.

Accordingly, the release of funds chargeable against Purpose No. 4 of the UA shall be subject to the submission of a Special Budget pursuant to Section 35, Book VI of EO No. 292, s. 1987, and the approved loan agreement. Moreover, any changes in the project title, scope or amount of the FAPs shall further be subject to the appropriate approval in accordance with existing guidelines.

(9) **Quick Response Fund**

I hereby place **DepEd-OSEC, Special Provision No. 4, "Quick Response Fund," Volume I-A, page 192, and Department of Agriculture-OSEC Special Provision No. 6, "Quick Response Fund," Volume I-A, page 79**, under conditional implementation to emphasize that under Section 22 of RA No. 10121, the Quick Response Fund (QRF) is a stand-by fund for relief and recovery programs in order that the situation and living conditions of people in communities or areas stricken by disasters, calamities, epidemics, or complex emergencies, may be normalized as quickly as possible. Hence, the QRF may not be used for pre-disaster activities.

(10) **Special Funds**

Taxes are the lifeblood of the government to ensure the continued provision of necessary public services. Considering the challenge in optimizing the revenue-generation capability and collection of the Bureau of Customs (BOC), the said agency is encouraged, through the grant of rewards, to exceed its revenue targets consistent with that indicated in the FY 2019 Budget of Expenditures and Sources of Financing. In doing so, the revenue targets in **Department of Finance (DOF)-BOC, Special Provision No. 3, "Rewards and Incentives Fund," Volume I-A, page 883**, submitted by the DOF-BOC, shall be approved by the Development Budget Coordination Committee in accordance with RA No. 9335 and its IRR.

Likewise, tourism is an indispensable element of the national economy. Accordingly, the utilization of funds for tourism-related activities or projects, such as the Tourism Development Fund (TDF), should adhere to the provisions of the law creating such Fund. In this regard, the TDF under **Department of Tourism (DOT)-OSEC, Special Provision No. 1, "Tourism Development Fund," Volume I-B, page 123**, shall be used only for the development, promotion and

marketing of tourism and other projects of the DOT that will boost tourism in the country, pursuant to Section 16 of RA No. 9593.

Further, it is worthy to mention that the Securities and Exchange Commission (SEC) plays an important role in the 10-point socio-economic agenda of my Administration, particularly in increasing the country's competitiveness and improving the ease of doing business. On this note, I trust that the guidelines to be issued jointly by the SEC and the DBM shall ensure the prudent utilization of government funds authorized under **DOF-OSEC, Special Provision No. 2, "Fees and other Receipts of the Securities and Exchange Commission," Volume I-A, page 879**, and that the same shall only be used to cover necessary and authorized expenses under RA No. 8799 and RA No. 11232.

Enshrined in our Constitution is the promotion of the welfare of workers in our society. Hence, the implementation of **Department of Trade and Industry (DTI)-Technical Education and Skills Development Authority (TESDA), Special Provision No. 6, "Tulong Trabaho Fund," Volume I-B, page 181**, shall be subject to the observance of the objectives of RA No. 11230 and the guidelines to be issued by the TESDA, consistent with the said law.

Similarly, for the effective implementation of RA No. 11293, and to support entrepreneurs and enterprises in developing innovative solutions benefiting the poorest of the poor, I direct compliance with the guidelines to be issued by the National Economic and Development Authority (NEDA), in coordination with the Department of Science and Technology, the DTI, and the DBM, in the release and utilization of the Innovation Fund under **NEDA-Office of the Director General, Special Provision No. 3, "Appropriation for the Innovation Fund," Volume I-B, page 233**.

(11) **Release of Funds for Marawi and Earthquake Damaged Regions**

I place the **National Disaster Risk Reduction and Management Fund, Special Provision No. 3, "Marawi Recovery, Rehabilitation and Reconstruction Program," Volume I-B, page 560**, and **Special Provision No. 4, "Comprehensive Aid to Repair Earthquake Damage (CARED) for Region XI (Davao Region) and Region XII (SOCCSARGEN)," Volume I-B, pages 560-561**, under conditional implementation, to authorize the release of these funds upon my approval of the specific projects and appropriate implementing agencies or LGUs with the mandate and capability to implement the program or project concerned, including infrastructure projects.

**B. CASH BUDGETING SYSTEM**

True to my commitment to adopt the cash budgeting system beginning FY 2019 set forth under EO No. 91, s. 2019, all appropriations authorized in this Act, except statutory shares and financial subsidy to local government units, for specific programs and projects, shall be available for release and disbursement until the end of the fiscal year, subject to the General Provisions in this Act. This budget system is to be implemented without any setback to ensure timely and prompt delivery of services to the public in general.



Accordingly, the cash budgeting system shall be strictly observed in the implementation of **Other Executive Offices (OEOs)-Commission on Higher Education (CHED), Special Provision No. 3, "Universal Access to Quality Tertiary Education," Volume I-B, page 309.** This is to ensure the efficient utilization of all funds intended for the rational implementation of the free tuition subsidy program of the government.

In relation to the adoption of cash budgeting system, the authority of the National Housing Authority (NHA) to use subsidy released for programs and projects in prior years under **Budgetary Support to Government –Owned or –Controlled Corporations-NHA, Special Provision No. 3, "Prior Years' Subsidy Releases from the National Government," Volume I-B, page 488,** shall be subject to the condition that the NHA must first utilize the unobligated portion of the National Government subsidies in FY 2017 and earlier years, before using its FY 2018 subsidy.

### C. OPTIMIZATION OF PUBLIC FUNDS

#### (1) Financial Subsidy to LGUs

The implementation of **Allocation to Local Government Unit-Local Government Support Fund, Special Provision No. 5, "Other Financial Assistance to Local Government Units," Volume I-B, page 547,** is subject to the condition that the funds thereunder shall be used for priority development programs and projects of LGUs only when said programs and projects cannot be accommodated by any available LGU funds. Further, in the continued pursuit of the Golden Age of Infrastructure in the Philippines, priority shall be given to infrastructure projects that are aligned with the *Build, Build, Build* program of the government.

#### (2) Medical Assistance and Purchase of Drugs

I appreciate Congress's action of reviving the Botika ng Barangay program which puts a premium on the health and general welfare of the Filipino people, particularly aimed at promoting equity in health by ensuring the availability of affordable, safe, and effective quality prescription and non-prescription medicines to all, with priority to the marginalized, underserved, critical, and hard to reach areas. Nonetheless, I hereby place **Department of Health (DOH)-OSEC, Special Provision No. 13, "Botika ng Barangay Program," Volume I-A, page 945,** under conditional implementation, subject to the guidelines to be issued by the DOH.

While the DOH was granted the continuing authority to make advance payments for the procurement of drugs and vaccines not locally available or those that local suppliers cannot meet the quantity required by the DOH, in the implementation of **DOH-OSEC, Special Provision No. 12, "Advance Payment for Drugs and Vaccines Not Locally Available," Volume I-A, page 945,** the DOH shall prescribe guidelines which shall, among others, ensure the issuance of a certification that the local supplier cannot meet the required quantity.

I likewise take special note of the deplorable conditions of the inmates in the country's jail facilities. It is in this regard that I am placing **Department of the Interior and Local Government-Bureau of Jail Management and Penology, Special Provision No. 2, "Subsistence and Medical Allowance of Prisoners," Volume I-A, page 1015,** under conditional implementation in order to limit the



use of medicine allowance to the purchase of medicines, drugs, and medical supplies and materials. Priority in the use thereof shall be given to inmates with immediate medical needs. Other cases shall be referred to infirmaries, public hospitals, and other licensed medical institutions.

(3) **Funding Requirement of the Philippine Foreign Service**

Our foreign service posts (FSPs) have been dedicated in pursuing government endeavors geared toward protecting the interest of Filipinos abroad. In order to provide continued delivery of services to our overseas Filipinos, the FSPs have been given the authority, under Department of Foreign Affairs (DFA)-OSEC, **Special Provision No. 1, "DFA Working Fund," Volume I-A, page 922**, to maintain their own working fund from foreign currency earnings, subject to the authorized appropriations, and guidelines to be issued jointly by the DBM and the Bureau of the Treasury.

Further, the lease agreements to be executed pursuant to **DFA-OSEC, Special Provision No. 5, "Rentals of Philippine Chanceries, Consular Offices and Embassy or Official Residences," Volume I-A, page 923**, shall comply with the requirements on advance payment of rentals prescribed under RA No. 9184 and its IRR, and the rules on entitlement to living quarters allowance.

I likewise take note of the new provisions under **DFA-OSEC, Special Provision No. 6, "Quarters Privileges," Volume I-A, page 923**, which grants quarters privileges to the head of office and other personnel of the DFA Mindanao deployed from the home office, who are not domiciled within or in the immediate proximity of Davao City or do not own or enjoy free use of suitable living quarters therein. This shall be subject to the guidelines to be issued by the DBM in order to be in line with compensation and budgetary policies, rules, and regulations.

Another new special provision for our FSPs is the **DFA-OSEC, Special Provision No. 2, "Educational Allowances for Dependents of Officers and Employees in Foreign Service Posts," Volume I-A, page 922**, which provides for education allowance for the dependents of officers and employees in FSPs chargeable against the General Management and Supervision of the DFA. Consistent with RA No. 7151, the allowance shall be granted on reimbursement basis, subject to the guidelines to be issued by the DBM, and shall not be payable in respect to posts where free education is provided for.

Last, but not the least, I place under conditional implementation **DFA-OSEC, Special Provision No. 10, "Provision for Agency Attachés or Representatives and Cost Sharing Arrangement," Volume I-A, page 923**. The DFA is hereby reminded to deposit the cost sharing contributions by the agencies to the National Treasury as income of the General Fund pursuant to Section 44, Chapter 5, Book VI of EO No. 292.

(4) **Allocation of Maintenance and Other Operating Expenses**

The concept of financial independence of the Judiciary is best upheld with a decentralized system where the National Government is able to directly release funds to lower courts. This has been the evident thrust of the Special Provision under **Judiciary-Supreme Court of the Philippines and the Lower Courts (SCPLC), Special Provision No. 7, "Maintenance and Other Operating Expenses of Lower Courts," Volume I-B, page 388**. To promote

this noble principle, I urge the Supreme Court to ensure the immediate determination of the equitable allocation of funds and the prompt release thereof to the lower courts for the fair and efficient delivery of justice. It may be noted that the Maintenance and Other Operating Expenses (MOOE) allocations of lower courts reflected in the proposed budget which I submitted before Congress are as follows:

Regional Trial Court	P1,440,000
Metropolitan Trial Court	1,337,000
Municipal Trial Court in Cities	1,337,000
Municipal Trial Court	926,000
Municipal Circuit Trial Court	926,000
Shari'a District Court	926,000
Shari'a Circuit Court	926,000

On the other hand, the use of the MOOE appropriations under **DSWD-Inter-Country Adoption Board (ICAB), Special Provision No. 1, "Maintenance and Other Operating Expenses Requirements," Volume I-B, page 93**, shall be treated as advance release for the operating expenses of the ICAB consistent with the intent and purpose of RA No. 8043. Any excess balance of the fees, charges, and assessments collected by the said agency shall accrue to the General Fund.

(5) **Unprogrammed Appropriations**

Keeping in mind our scarce resources and to ensure the efficient utilization of programmed appropriations, I place **UA Special Provision No. 14, "Miscellaneous Personnel Benefits," Volume I-B, page 570; UA, Special Provision No. 15, "Pension and Gratuity," Volume I-B, page 570; UA, Special Provision No. 16, "PNP Capability Enhancement Program," Volume I-B, page 570; UA, Special Provision No. 17, "National Bureau of Investigation Modernization Program," Volume I-B, page 570; and UA, Special Provision No. 18, "Right-Of-Way Acquisition," Volume I-B, page 570**, under conditional implementation that the agencies concerned must first fully exhaust the funds appropriated under their corresponding budgets before they may be authorized to utilize the funds under the UA.

(6) **Entry Level Salary of Government Nurses**

I recognize the invaluable contribution of government nurses in providing primary health care. I, therefore, task the DBM to issue the necessary guidelines to implement the Supreme Court ruling in *Ang Nars Party-List, et al. vs. The Executive Secretary, et al.* (G.R. No. 215746 dated 08 October 2019) under **Miscellaneous and Personnel Benefits Fund, Special Provision No. 3, "Payment of Compensation Adjustment," Volume I-B, page 556**, subject to the finality of the said decision.

(7) **Cash Grants to Medical Students**

To ensure optimum utilization of funds with the aim of providing the highest degree of education, the grant of tuition fee subsidy to all students enrolled in SUCs offering Doctor of Medicine Program, under **OEO-CHED, Special Provision No. 7, "Cash Grants to Medical Students," Volume I-B, page 309**, shall be subject to the condition that there should be no double

entitlement to grants for student-grantees who are already recipients of medical scholarship from the DOH.

#### **D. PROTECTION TO GOVERNMENT EMPLOYEES**

As in previous years, it does not escape my attention that some government employees are entering into loan agreements with several financing institutions. While I recognize the advantage afforded to government employees in authorizing agencies to deduct the amount of their contributions and obligations to said financing institutions, the government should not be reduced to a mere collecting agent for these institutions. As such, I am placing under conditional implementation **Items (b) to (f), Section 47, General Provisions, "Authorized Deductions," Volume I-B, page 594**, to task all government agencies to leverage the accommodation given to these financing institutions in order to secure the most favorable terms possible to uphold the rights and protect the interests of all public servants.

#### **E. SHARED FISCAL RESPONSIBILITY**

In order to ensure the proper expenditure of public funds, **Congress of the Philippines, Special Provision No. 6, "Availability of Appropriations and Cash Allocations," Volume I-A, page 14**, is hereby placed under conditional implementation. Based on prudent fiscal management, allocations must only be disbursed for their authorized purposes, further limited by the one-year validity of appropriations pursuant to the General Provision on Cash Budgeting System in this Act, EO No. 292, and EO No. 91. Unexpended balances of appropriations are subject to reversion to the National Treasury in order that they may be authorized anew by a subsequent appropriations law, consistent with the basic fundamental constitutional precept that "no money shall be paid out of the Treasury except in pursuance of an appropriation made by law."

#### **F. SUBMISSION OF FINANCIAL AND PHYSICAL REPORTS**

It must be emphasized that it shall be the responsibility of the departments, bureaus, offices and instrumentalities of the National Government, and not just the DBM, to submit and prepare quarterly reports by program, activity, or project under **Section 91, General Provisions, "Financial and Physical Reports," Volume I-B, page 603**. The DBM shall prepare and submit consolidated quarterly reports on appropriations and releases based on the information provided by the departments, bureaus, offices and instrumentalities of the National Government.

### **III. GENERAL OBSERVATION**

Consistent with the provisions of existing laws, as well as policies designed to promote fiscal responsibility, and the efficient and effective utilization of government resources, I hereby state my standpoint on the implementation of the directives in certain Special Provisions, for the guidance of all concerned.

#### **A. SUBMISSION OF LIST AND PLAN OF BASIC EDUCATION FACILITIES**

The construction of new classrooms and school buildings takes into consideration various factors, such as latest actual enrollment data, soil condition, allocation based on actual need, or latest building designs compliant with the National Building Code. Thus, I clarify that the list and plan of Basic Education

Facilities for the construction of school buildings and education facilities in FYs 2020-2022 under **DepEd-OSEC, Special Provision No. 6, "Submission of the List and Plan of Basic Education Facilities," Volume I-A, page 193**, to be submitted by the DepEd is necessarily indicative, and the budget provisions for the said years shall be dependent on such identified factors as determined during the applicable budget preparation period.

#### **B. USE OF MOOE OF THE PUBLIC ATTORNEY'S OFFICE**

At the risk of being redundant, I expect that the funds allocated in this Act shall be efficiently utilized in the pursuit of agencies' mandates. In this regard, the limitation on the use of MOOE of the Public Attorney's Office (PAO) under **Department of Justice-Public Attorney's Office, Special Provision No. 1, "Limitations on the Use of MOOE," Volume I-A, page 1096**, is understood, as it is expressly provided therein, to pertain only to travel allowance, meetings, and other maintenance and operating expenses of the PAO Forensic Laboratory. Accordingly, it is inferred that the limitation does not, in any way, prohibit the PAO from performing its legitimate functions under existing laws.

#### **C. ORGANIZATIONAL STRUCTURE**

Consistent with the previous years, I affirm my faith and confidence in the implementation of **Congress of the Philippines, Special Provision No. 2, "Organizational Structure of the Senate, the House of Representatives, the Senate and the House of Representatives Electoral Tribunals and the Commission on Appointments," Volume I-A, page 14**. The Congress is urged to comply with not only the salary standardization and compensation laws and policy on the use of appropriations or available savings of Congress for expenses resulting from the creation of new positions, and grant of retirement benefits and separation pay, but also the scrap-and-build policy in the adjustment and modification of organizational structure, and other existing organization, staffing, compensation, and position classification standards of the DBM. I am further counting on the Congress to uphold the policy set forth under Section 8, Article IX-B of the Constitution, proscribing the payment of additional compensation.

In the same vein, I extend my utmost trust upon the Judiciary as regards the due implementation of **Judiciary-SCPLC, Special Provision No. 4, "Organizational Structure," Volume I-B, page 387; Office of the Ombudsman, Special Provision No. 1, "Organizational Structure," Volume I-B, page 445; and Commission on Elections, Special Provision No. 1, "Organizational Structure," Volume I-B, page 437**.

#### **IV. INCREASES OF APPROPRIATIONS AND NEW BUDGETARY ITEMS**

As a final note, let me emphasize that the increases and new budgetary items introduced in this Act by Congress shall be subject to the National Government's cash programming and prudent observance of responsible fiscal management, applicable rules and procedures during budget execution, and approval by the President based on the programmed priorities of the government.

Inasmuch as said increases and new items have corresponding effects in the respective outputs and outcomes of the agencies concerned, the DBM shall inform the agencies of the changes in their respective appropriations and require the submission of documents to ensure their implementation-readiness and alignment with the programmed priorities of the government.

**V. CLOSING STATEMENT**

The FY 2020 Budget is another opportunity for the Filipino people to come closer to our collective dream of a more peaceful and progressive Philippines.

We began with the FY 2017 Budget on a simple philosophy – A Budget for Real Change. We crafted our change agenda, and set out on a journey which we will continue through this FY 2020 Budget, underscoring the importance of peace and progress in the process. With this, I look forward to year 2020 with high hopes.

Always for the Filipino people.

Very truly yours,



Copy furnished:

**Sen. Vicente C. Sotto III**  
Senate President  
The Philippine Senate  
Pasay City

**Sec. Adelino B. Sitoy**  
Head  
Presidential Legislative Liaison Office  
2/F New Executive Bldg.  
Malacañang, Manila

