Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
EIGHTEENTH CONGRESS
First Regular Session

COMMITTEE REPORT NO. 349

Submitted by the Committee on Appropriations on JUN 02 2020

Re: House Bill No. 6656

Recommending its approval with amendments


Mr. Speaker,

The Committee on Appropriations to which was referred House Bill No. 6656, titled:


has considered the same and has the honor to recommend to the House that the same be approved with amendments as follows:

On Section 1, after the date "December 31, 2021.", insert a new paragraph to read as follows:

"TO SUPPORT THE ECONOMIC STIMULUS EFFORTS OF THE GOVERNMENT, INFRASTRUCTURE PROJECTS FUNDED UNDER THE FY 2020 GENERAL APPROPRIATIONS ACT THAT HAVE BEEN SUBJECTED TO THE PROCUREMENT PROCESS SHALL BE ISSUED THE CORRESPONDING SPECIAL ALLOTMENT RELEASE ORDERS (SAROS) BY THE DEPARTMENT OF BUDGET AND MANAGEMENT, SUBJECT TO BUDGETING, ACCOUNTING AND AUDITING LAWS, RULES AND REGULATIONS."
Amend the Title to read as follows:


and with Reps. Luis Raymund "LRay" F. Villafuerte, Jr. and Eric Go Yap, as authors thereof.

Respectfully submitted,

[Signature]
REP. ERIC GO YAP
Chairperson
Committee on Appropriations

THE HONORABLE SPEAKER
House of Representatives
Quezon City
Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Eighteenth Congress
Second Regular Session

House Bill No. 6656


AN ACT

EXPLANATORY NOTE

According to the National Economic Development Authority (NEDA), the Philippines entered 2020 with strong macroeconomic fundamentals. GDP growth averaged 6.6% from 2016 to 2019. Our fiscal position was particularly strong, as we recorded the highest revenue effort in recent history at 16.1% of GDP, as well as a falling debt-to-GDP ratio and high gross international reserves.

Unfortunately, the unprecedented COVID-19 pandemic hit and has overwhelmed the country’s health service, disaster management facilities and information communications and technology (ICT) infrastructure, among many others. The various community quarantines imposed by the national government to mitigate the transmission of the COVID-19, had also hindered any economic activity and delayed the implementation of various governmental programs, projects, activities and services.

Given the duration and the magnitude of the COVID-19 pandemic in the country, Congress passed into law Republic Act No. 11469 or the Bayanihan to Heal as One Act which authorized the President to exercise emergency measures to respond to the pandemic. In compliance with the provisions of R.A. No. 11469 and to ensure adequate and availability of funds to respond to this national health crisis, the Department of Budget and Management (DBM) issued National Budget Circular (NBC) No. 580 on 22 April 2020, which mandated all executive departments, agencies, GOCCs and SUCs to assess which projects could be deferred to preserve
COVID-19 funding. This budget circular also interrupted the execution and realization of government programs and services.

As we face the final quarter of 2020, there are appropriations that have not been released to and/or obligated by government agencies. If this is left unaddressed by year-end, the unexpended funds automatically revert back to the National Treasury. And in a time when every peso spent helps the country emerge faster from recession, the return of such funds to national coffers amounts to a lost opportunity.

In order to fully utilize the allotted funds of the country for this year, this bill seeks to extend the availability of the General Appropriations Act of 2020.

The approval of this bill is earnestly sought to deploy the remaining significant funding to government agencies and equip them in delivering the delayed services and boosting the economic activity leading to economic growth and recovery.

LORD ALLAN JAY Q. VELASCO

FERDINAND MARTIN G. ROMUALDEZ

MICHAEL L. ROMERO, Ph.D

ERIC G. YAP

JOSEPH STEPHEN "CARAPS" S. PADUANO
JOEL MAYO Z. ALMARIO

ALOY LIM

SHARON S. GARIN

WESLIE GATCHALIAN

WILTER “SHARKY” WEE PALMA II
AN ACT

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

SECTION 1. Section 60 of the 2020 General Appropriations Act or Republic Act No. 11465 is hereby amended to read as follows:

"SEC. 60. Cash Budgeting System. All appropriations authorized in this Act, including budgetary support to GOCCs, shall be available for release and disbursement for the purpose specified, and under the same general and special provisions applicable thereto, until December 31, [2020] 2021. While the amount appropriated herein as financial assistance to LGUs released during the fiscal year shall be available for disbursement for the purpose specified until December 31, 2021. On the other hand, appropriations for the statutory shares of LGUs shall be available for obligations and disbursement until fully expended.

After the end of validity period, all unreleased appropriations shall lapse, while unexpended or undisbursed funds shall revert to the unappropriated surplus of the General Fund in accordance with
Section 28, Chapter 4, Book VI of E.O. No. 292 and shall not thereafter be available for expenditure except by subsequent legislative enactment. Departments, bureaus, and offices of the National Government, including constitutional offices enjoying fiscal autonomy, SUCs and GOCCs, shall strictly observe the validity of appropriations and the reversion of funds.

For FY 2020, the appropriations for infrastructure capital outlays, including those subsidy releases to GOCCs for infrastructure projects, shall be valid for obligation until December 31, [2020] 2021, while the completion of construction, inspection, and payment shall be made not later than December 31, 2021. On the other hand, appropriations for MOOE and other capital outlays item shall likewise be valid for obligation until December 31, [2020] 2021, while the delivery, inspection and payment shall be made not later than [June 30] DECEMBER 31, 2021.

The DBM is authorized to issue the necessary guidelines for the effective implementation of the cash budgeting system.

A report on these releases, obligations and disbursements shall be submitted to the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document."

SEC. 2. Repealing Clause. – All laws, presidential decrees, executive orders, rules and regulations contrary to or inconsistent with provisions of this Act are hereby repealed or modified accordingly.

SEC. 3. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,
Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 6656

Introduced by Reps. LUIS RAYMUND “LRAY” F. VILLAFUERTE, JR. AND ERIC GO YAP

"AN ACT

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

Section 1. Section 60 of the 2020 General Appropriations Act or Republic Act No. 11465 is hereby amended to read as follows:

"Sec. 60. Availability of Appropriations. – All appropriations authorized in this Act shall be available for release and obligation for the purpose specified, and under the same special provisions applicable thereto, until December 31, 2021."
“TO SUPPORT THE ECONOMIC STIMULUS EFFORTS OF THE GOVERNMENT, INFRASTRUCTURE PROJECTS FUNDED UNDER THE FY 2020 GENERAL APPROPRIATIONS ACT THAT HAVE BEEN SUBJECT TO THE PROCUREMENT PROCESS SHALL BE ISSUED THE CORRESPONDING SPECIAL ALLOTMENT RELEASE ORDERS (SAROS) BY THE DEPARTMENT OF BUDGET AND MANAGEMENT, SUBJECT TO BUDGETING, ACCOUNTING AND AUDITING LAWS, RULES AND REGULATIONS.”

“A report on these releases and obligations shall be submitted to the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document.”

Sec. 2. Repealing Clause. – All laws, decrees, executive issuances, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

Sec. 3. Effectivity. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,
House of Representatives
Committee Affairs Department

COMMITTEE ON APPROPRIATIONS

FACT SHEET

House Bill No. 6656


SPONSORING COMMITTEE: Committee on Appropriations

AUTHORS: Representatives Luis Raymund "LRay" F. Villafuerte, Jr. and Eric Go Yap

OBJECTIVE

- To extend the validity of appropriations under Republic Act No. 11465, the FY 2020 General Appropriations Act to December 31, 2021

KEY PROVISIONS

1. Amends Section 60 of the General Provisions of the FY 2020 General Appropriations Act which provides for a one year validity of all appropriations, thereby extending the availability of appropriations until December 31, 2021.

2. Supports the economic stimulus efforts of the government by immediately issuing the corresponding Special Allotment Release Orders (SAROs) on all infrastructure projects funded under the FY 2020 General Appropriations Act that have been subjected to the procurement process.

RELATED LAW

R.A. No. 11465 – The FY 2020 General Appropriations Act