

AN ACT FURTHER AMENDING CERTAIN SECTIONS OF P.D. NO. 1177, AS AMENDED, ENTITLED REVISING THE BUDGET PROCESS IN ORDER TO INSTITUTIONALIZE THE BUDGETARY INNOVATIONS OF THE NEW SOC...

PRESIDENTIAL DECREE NO. 1777, January 14, 1981

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WHEREAS, the Presidential Decree No. 1177, as amended was promulgated; to improve national budget policy and practice, to institutionalize budgetary reforms and innovations realize during the New Society and to put into effect the chants in budget principles embodied, in the Constitution of 1973;

WHEREAS, there is need to further clarify certain provisions of the decree in order to further improve the budget process and. procedures in the light of experience in the application of P.D. No. 1177.

NOW, THEREFORE, I, FERDINAND E. MAROCS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby Order and Decree:

SECTION 1. Parts of Section 2 of P.D. No. 1177, as amended by Section 1 of P.D. No. 1421, are hereby further amended to read as follows:

- a) "Budget" refers to the budget required to be prepared pursuant to Section Sixteen (1), article VIII of the Constitution, which contains the financial program of the National Government for a designated calendar year, consisting of statements of estimated, receipts from revenues and expenditures for the calendar year for which it is intended to be effective.
- b) "Government" means the National Government, including the Executive, the Legislative and the Judicial Branches, the Constitutional Commissions, regional commissions, and state universities and colleges. It includes among its instrumentalities, local government units and government-owned or controlled corporations.
- c) "Government-owned or controlled corporations" are corporations created by law as agencies of the state for narrow and limited purposes, either owned wholly by the state or wherein the Government is a majority stockholder, in cases of stock corporations, or otherwise, agencies so created where no stocks are issued but whose affairs are conducted by a duly constituted board and which perform proprietary functions. This term shall include all corporations, including financial institutions, owned or controlled by the National Government performing government and/or proprietary functions, but excluding state university and colleges.
- h) "Local Government Units" refer to the political subdivisions mentioned or authorized to be created under Article XI of the Constitution.
- j) "Appropriation" is an authorization under Acts of Congress, Presidential Decrees, or other legislatives enactment, allowing obligations to be incurred and payments to be made with funds of the government under specified conditions and/or for specified purposes.

SEC. 2. Section 5 of P.D. No. 1177 is hereby amended by adding new paragraph to read as follows:

“The budget calendar, format and procedure for the preparation and approval of the operating budgets of local government units and government-owned or controlled corporations shall be governed by such rules and regulations as may be issued by the President in order to implement the declared policy on national resource budget enunciated in this section.”

SEC. 3. The first paragraph of Section 13 of P.D. No. 1177 is hereby amended to read as follows:

“Section 13. Submissions of the Budget. The President shall, in accordance with section sixteen (1) Article VIII of the Constitution, submit within thirty days from the opening of each regular session of the National Assembly, a national government budget of estimated receipts based on existing and proposed revenue measures, and of estimated expenditures. The budget estimates shall be used as a basis for the consideration of the General Appropriations Bill and of other appropriations measures whose revenue and expenditures estimates are incorporated therein.

SEC. 4. A new paragraph shall be inserted between the second and third paragraphs of Sec. 13 as follows:

“The President shall submit the General Appropriations Bill with the budget as herein specified, embodying proposed appropriations for the current operations of the national government and for capital outlays. Additional appropriations proposals may be submitted which correspond to part of the expenditure estimates submitted as part of the budget proposal: Provided, That continuing appropriations may be enacted for public works, highways and other infrastructure projects which require more than one year for construction. In such cases revenue estimated for the future years shall also be used in the evaluation of funding availability.”

SEC. 5. The existing paragraph in Sec. 27 shall be placed under a sub-heading “a. General Appropriations Bill.” The following sub-sections shall be added:

"b. Revenue Measures.

"The Committee on Finance shall report to the Batasan revenue bills forming part of the budget estimates, within ten consecutive session days after they have been referred to it. The provisions of sub-section "a" above with respect to timetable of consideration shall apply, as much as practicable, to the schedule of discussion and final action on revenue bills.

"c. Infrastructure and Other Bills.

"The public works, highways and other bills requiring appropriations may be filed at any time during the sessions of the National Assembly and shall be considered by the Assembly upon their being reported out by the corresponding Committees."

SEC. 6. Section 32 shall read as follows:

"Sec. 32. Supplemental Appropriations. After the President shall have submitted and the Assembly acted upon the General Appropriations Bill, supplemental appropriations measures shall be considered only if supported by actually available funds as certified to by the National Treasurer or by new revenue measures. The budget and the General Appropriations Act may provide lumps sums in order to support bills for later action by the assembly: Provided: That the Treasury Certification requirement shall be deemed complied with in that case of bills which are funded from lump sums in the General Appropriations Act approved by the Assembly for purposes of supporting programs, projects or activities which require specific legislative authorization and in the case of bills whose expenditure estimates are included in the budget submission of the President pursuant to Sec. 13 hereof.

SEC. 7. Change in Nomenclature. All references in P.D. No. 1177, as amended to the terms “Commissioner of the Budget,” “Budget Commission,” “Secretary” and “Department” shall be changed to “Minister of the Budget,” “Ministry of the Budget,” “Minister”, and “Ministry”, respectively.

SEC. 8. Effectivity. â”€ This Decree shall take effect immediately.

Done in the City of Manila, this 14th day of January, in the year of Our Lord, nineteen hundred and eighty-one.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) JOAQUIN T. VENUS, JR.
Deputy Presidential Executive Assistant

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