

AMENDING PRESIDENTIAL DECREE NO. 1177, KNOWN AS THE BUDGET REFORM DECREE OF 1977

PRESIDENTIAL DECREE NO. 1421, June 09, 1978

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WHEREAS, the Budget Reform Decree of 1977 institutionalizes budgetary practice developed in the New Society under the provisions of the Constitution of 1973;

WHEREAS, the initial implementation of the Decree has resulted in the identification of need for further improvement in the budget process, including those necessary to take into account the specifics of Philippine Parliamentary practice;

NOW, THEREFORE, I, FERDINAND E. MARCOS, 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 are hereby amended to read as follows:

"d. 'Current operating expenditures' refer to appropriations for the purchase of goods and services for current consumption or whose benefits are expected to terminate within the fiscal year."

"g. 'Government-owned or controlled corporations' shall include all corporations and financial institutions owned or controlled by the National Government and performing governmental and/or proprietary functions."

SEC. 2. Section 27 of P.D. No. 1177 is hereby amended to read as follows:

"SEC. 27. Schedule of Budget Consideration. The Committee on Appropriations shall report the general appropriations bill to the National Assembly within seven consecutive session days after the bill has been referred to it.

"The National Assembly shall start the discussion of said bill on second reading likewise within seven consecutive session days from the day of submission of said report.

"Debate shall be terminated on or before the eighteenth consecutive session day from the beginning of the discussions. Final action thereon shall be taken within three consecutive session days after the submission of the printed bill incorporating approved amendments: Provided, That a printed statement of final amendments shall be sufficient basis for approval of the bill."

SEC. 3. Section 32 of P.D. No. 1177 is hereby amended to read as follows:

"SEC. 32. Supplemental Appropriations. After the President shall have submitted the general appropriations bill, supplemental appropriations measures shall be considered only if supported by actually available funds or by new revenue measures."

SEC. 4. The title of Section 35 is hereby amended to read "Reports on Guaranty Obligations."

SEC. 5. A second paragraph is hereby added to Section 45 of P.D. No. 1177, as follows:

"Except as otherwise provided by law, the maximum number of permanent positions in a bureau, office or agency shall not exceed the number of permanent positions included in the approved staffing pattern and in the

approved special budgets for the said bureau, office or agency: Provided, That savings from personal services may be used to create additional positions to implement the regionalization of agencies under the integrated reorganization plan or for expansion of essential services, subject to prior approval of the Commissioner of the Budget and to the provisions of Section 40 hereof."

SEC. 6. Section 55 of P.D. No. 1177 is hereby amended and augmented as follows:

"d. Payment of salaries or money value of vacation and sick leaves of employees who have been suspended or dismissed as a result of administrative or disciplinary action, or separated from the service through no fault of their own and who have been subsequently exonerated and/or reinstated by virtue of decisions of competent authority:"

"n. Payment of expenses incurred for confidential national security purposes which shall be accounted for solely on the certification of the President as Commander in Chief, or the officers in charge of national security missions as may be specifically designated by him;

"o. Obligations under perfected contracts approved by the President;

"p. Payment of outstanding obligations not exceeding P500.00 for each item of expenditure incurred in any previous year, upon recommendation of the head of agency concerned and approval of the Commissioner of the Budget, but without prejudice to the administrative liability of the official or employee responsible for the incurrence of obligations in the absence of fund availability."

SEC. 7. This Decree shall take effect immediately.

Done in the City of Manila, this 9th day of June in the year of Our Lord, nineteen hundred and seventy-eight.

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

By the President:

(Sgd.) JUAN C. TUVERA
Presidential Assistant

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