

Republic of the Philippines  
Congress of the Philippines  
Metro Manila

Thirteenth Congress

Third Regular Session



Begun and held in Metro Manila, on Monday, the twenty-fourth day of July, two thousand six.

[ REPUBLIC ACT NO. **9358** ]

AN ACT APPROPRIATING THE SUM OF FORTY-SIX BILLION FOUR HUNDRED TWENTY-SIX MILLION FIVE HUNDRED TWENTY-FOUR THOUSAND PESOS (P46,426,524,000.00) AS SUPPLEMENTAL APPROPRIATION FOR FY 2006 AND FOR OTHER PURPOSES

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

SECTION 1. *Appropriations.* — The sum of Forty-six billion four hundred twenty-six million five hundred twenty-four thousand pesos (P46,426,524,000.00) is hereby appropriated to supplement the FY 2006 Budget for the following purposes:

A. Department of Agrarian Reform (DAR)	<u>P4,593,000,000.00</u>
A.1 Office of the Secretary	
A.1. a. Implementation of the Comprehensive Agrarian Reform Program pursuant to Republic Act No. 6657, as amended by Republic Act No. 8532, including P364,599,000.00 for livelihood and other support services for CARP beneficiaries in the provinces of Guimaras, Iloilo and Negros Occidental which have been affected by the Guimaras oil spill	4,593,000,000.00
B. Department of Education (DepEd)	<u>P9,581,506,000.00</u>
B.1 Office of the Secretary	
B.1. a. To fund the deficiency in the requirements of positions created in 2005	651,506,000.00
B.1. b. For the creation of new teaching and non-teaching positions in 2006	637,015,000.00
B.1. c. For the creation of non-teaching items for new/interim schools division offices including maintenance and other operating expenses (MOOE)	31,957,000.00
B.1. d. For the purchase of textbook and instructional materials	1,000,000,000.00
B.1. e. Meal, including milk feeding programs for pupils in elementary education.	2,665,000,000.00
B.1. f. Additional MOOE for schools	500,000,000.00
B.1. g. MOOE requirements of the National Educators Academy of the Philippines	2,600,000.00
B.1. h. Additional MOOE & capital outlays (CO) requirements of regional offices proper	40,000,000.00

B.1. i. Government Assistance to Students & Teachers in Private Education (GASTPE)	627,000,000.00
B.1. j. DepEd Computerization Program	150,000,000.00
B.1. k. Human Resources Training and Development	497,300,000.00
B.1. l. Pre-School Education Program	250,000,000.00
B.1. m. Repair and maintenance of school buildings	373,000,000.00
B.1. n. Basic Education Madrasah Program	150,000,000.00
B.1. o. Schools First Initiative	250,000,000.00
B.1. p. Construction/repair and/or renovation of buildings for the library hub program and regional education learning centers	120,000,000.00
B.1. q. Construction/repair and rehabilitation of central, regional and division offices	98,574,000.00
B.1. r. Peso counterpart for foreign assisted projects (GRANTS)	<u>11,138,000.00</u>
1. Project "Support to the Department of Education for an Improved Quality Education Through Training Programs and Provision/Rehabilitation of Classrooms in the Areas of Aurora, Quezon, Iloilo City, Zamboanga City, Lanao del Norte, Lanao del Sur and North Cotabato"; and	8,135,000.00
2. Strengthening implementation of basic education in selected provinces in Visayas (STRIVE)	3,003,000.00
B.1. s. Peso counterpart for the United Nations Educational Scientific and Cultural Organization (UNESCO) for capability building in	

educational planning and budgeting project	32,065,000.00
B.1.t. Repair & rehabilitation of dormitories & cottages of Baguio Teachers Camp	50,000,000.00
B.1.u. Payment of arrears on the government contribution to the Southeast Asian Ministers of Education Organization (SEAMEO)	44,351,000.00
B.1.v. Payment of unpaid prior years' step increment and other benefits of teaching and non-teaching personnel	400,000,000.00
B.1.w. Construction/repair/rehabilitation/completion of school buildings	1,000,000,000.00
C. State Universities and Colleges	
C.1. University of the Philippines System For infrastructure development of the Diliman Science Complex and Technology Incubation Park	P500,000,000.00
D. Department of the Interior and Local Government (DILG)	<u>P1,375,089,000.00</u>
D.1 Bureau of Jail Management and Penology (BJMP)	<u>195,500,000.00</u>
D.1.a. Creation of 500 jailguard positions effective October 2006	25,500,000.00
D.1.b. Salary adjustment pursuant to Republic Act No. 9263	170,000,000.00
D.2. Bureau of Fire Protection (BFP)	<u>419,589,000.00</u>
D.2.a. Creation of 200 firemen positions effective October 2006	10,209,000.00
D.2.b. Salary adjustment pursuant to Republic Act No. 9263	409,380,000.00
D.3. Philippine Public Safety College (PPSC)	<u>12,000,000.00</u>

D.3. a. First tranche base-pay adjustment of the Philippine Public Safety College cadets	12,000,000.00
D.4. National Police Commission (NAPOLCOM)	<u>748,000,000.00</u>
D.4. a. Payment of back-earned pension of injured/disabled policemen	748,000,000.00
E. Department of Science and Technology (DOST)	<u>200,000,000.00</u>
E.1. Office of the Secretary	
E.1. a. For Small Enterprises Technology Upgrading Program (SET-UP)	100,000,000.00
E.1. b. For Techno Gabay Program	100,000,000.00
F. Department of Social Welfare and Development (DSWD)	<u>P269,500,000.00</u>
F.1. Office of the Secretary	
F.1. a. Milk and breakfast feeding programs for pre-schoolers	269,500,000.00
G. Department of Transportation and Communications (DOTC)	<u>P1,608,000,000.00</u>
G.1. Office of the Secretary	
G.1.a. To provide for the national government subsidy to MRT Line III:	
Maintenance fees	1,490,000,000.00
MRT insurance	1,215,000,000.00
	275,000,000.00
G.1.b. For the Philippine Coast Guard Clean up operation of the areas affected by the Guimaras oil spill	118,000,000.00
H. Constitutional Offices	
H.1. Commission on Elections	<u>P730,236,000.00</u>
H.1.a. To fund preparatory activities for the 2007 national and local elections	730,236,000.00

I. Miscellaneous Personnel Benefits Fund (MPBF)	<u>P4,922,791,000.00</u>
I.1. Philippine Health Insurance Corporation (PHIC)	
I.1.a. To provide for the increase in the national government share in premium contributions of government employees	388,000,000.00
I.2. Government Service Insurance System (GSIS)	
I.2.a. To provide for the deficiency of the national government share in premium contributions	3,299,791,000.00
I.3. Employees Compensation Commission (ECC)	
I.3.a. To provide for the increase of the national government share in premium rate	862,000,000.00
I.4. Home Development Mutual Fund (HDMF)	
I.4.a. To provide for arrears of the national government share in premium contributions	373,000,000.00
J. Allocation to local government units (ALGUs)	<u>P1,820,000,000.00</u>
J.1. Special shares of local government units (LGUs) in the proceeds of national taxes	
J.1. a. To provide for unremitted special share of LGUs in national wealth	670,000,000.00
J.2. Philippine Health Insurance Corporation (PHIC)	
J.2.a. Subsidy to LGUs for health insurance premium of indigents	1,150,000,000.00

<b>K. Pension and Gratuity Fund</b>	<b><u>P4,865,001,000.00</u></b>
- To provide for deficiency in pension of AFP retirees, war/military veterans of the Department of National Defense (DND) and uniformed personnel of the Department of the Interior and Local Government (DILG)	
<b>K.1. Department of National Defense (DND)</b>	<b><u>2,249,000,000.00</u></b>
K.1.a. General Headquarters	1,047,000,000.00
K.1.b. Philippine Veterans Affairs Office (PVAO)	1,202,000,000.00
<b>K.2. Department of the Interior and Local Government (DILG)</b>	<b><u>P2,616,001,000.00</u></b>
K.2.a. Philippine National Police (PNP)	2,496,001,000.00
K.2.b. Bureau of Fire Protection (BFP)	98,000,000.00
K.2.c. Bureau of Jail Management and Penology (BJMP)	22,000,000.00
<b>L. Allocation to local government units (ALGUs)</b>	<b><u>P14,844,000,000.00</u></b>
L.1. Internal Revenue Allotment (IRA)	14,844,000,000.00
<b>M. Calamity Fund</b>	<b><u>P1,117,401,000.00</u></b>
1. For the Guimaras oil spill	<b><u>P867,401,000.00</u></b>
<b>M.1. Department of Agriculture</b>	
M.1.a. Livelihood Projects	100,000,000.00
<b>M.2. Department of Environment and Natural Resources</b>	
M.2.a. Waste Disposal Management	30,000,000.00
M.2.b. Rehabilitation/restoration of coastal natural resources	100,000,000.00
<b>M.3. Department of Health</b>	

M.3.a. Disease surveillance	22,000,000.00
M.4. Department of Social Welfare and Development	
M.4.a. Cash for work livelihood	250,000,000.00
M.5. Local government units	
M.5.a. Rehabilitation plan	250,000,000.00
M.6. State Universities and Colleges	
M.6.a. University of the Philippines System For repair and rehabilitation of the UP Visayas Taklong Marine Station	50,000,000.00
M.7. Other agencies	65,401,000.00
2. Mayon volcano eruption For the relief operation and rehabilitation of areas affected by the Mayon volcano eruption	<u>P250,000,000.00</u>  250,000,000.00
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Total	P46,426,524,000.00

SEC. 2. *Use of Funds.* – The amount herein appropriated shall be used for the purposes indicated and subject to the applicable Special Provisions under Republic Act No. 9336, the FY 2005 General Appropriations Act, as reenacted: *Provided*, That the following conditions shall be applicable:

A. The amount of One billion pesos (P1,000,000,000.00) appropriated for school building under B.1.w shall be apportioned as follows: (i) Five hundred million pesos (P500,000,000.00) for the construction and completion of school buildings, and (ii) Five hundred million pesos (P500,000,000.00) shall be for the rehabilitation, repair and retrofitting of school buildings: *Provided*, That the funds shall be directly released to and administered by the Department of Public Works and Highways (DPWH): *Provided, further*, That to encourage the participation of nongovernment organizations (NGOs) in the construction of school buildings, the amount of at least Two hundred fifty million pesos (P250,000,000.00), of the Five hundred million pesos (P500,000,000.00) for the construction and completion of school



buildings shall be made available to NGOs, including the Federation of Filipino-Chinese Chambers of Commerce and Industry, Inc. (FFCCCII) for its "Operation Barrio School" program, with capability and proven track record in the construction of public school buildings: *Provided, furthermore,* That the size of the classroom to be constructed by the FFCCCII and other NGOs shall be forty-nine (49) square meters and the cost of such classroom shall not exceed Two hundred twenty-five thousand pesos (P225,000.00) inclusive of all administrative charges to be imposed by the DPWH which shall not exceed three-fourths of one (1) percent (0.75%) of the cost per classroom: *Provided, finally,* That the One billion pesos (P1,000,000,000.00) for school building shall be used for areas experiencing acute classroom shortage. "areas experiencing acute classroom shortage" shall refer to areas (1) where the number of students divided by the existing number of classrooms shall result in a student-classroom ratio of 60:1 or worse, (2) those where classrooms are temporary in nature or are makeshift structures, or (3) those without any classrooms at all.

B. Upgrading of salaries of uniformed personnel of the BFP and BJMP and the increase in basic pay of PPSC cadets shall be effective July 1, 2006;

C. Miscellaneous Personnel Benefits Fund:

1. Release of the increase in government counterpart contribution due ECC starting 2006 shall be subject to ECC Board approval of a rationalized benefit scheme: *Provided,* That any new increase in government counterpart contributions may only be made after consultation with the Department of Budget and Management (DBM); and

2. Release of deficiencies in government counterpart contributions due: (i) HD MF, from July 1997 and prior years shall be subject to reconciliation of accounts between DBM and HD MF; and (ii) GSIS, representing deficiency from July 1997 to December 1998 shall, notwithstanding any provision of law to the contrary, be considered as payment on the principal and not on any interest due thereon: *Provided,* That GSIS undertakes to readjust the benefits of all retirees whose retirement and other benefits were reduced by reason of such deficiency in employer's counterpart contributions.

D. The amounts appropriated under Philippine Veterans Affairs Office, Pension and Gratuity Fund, shall be used to pay the validated arrearages in old age pension due to World War II Veterans.

E. The amount appropriated under H.1.a. for the Commission on Elections of Seven hundred thirty million two hundred thirty-six thousand pesos (P730,236,000.00) shall be used solely for the preparatory activities for the national and local elections, as provided under Republic Act No. 7166.

SEC. 3. *Reimbursement of Expenses.* – The Department of Budget and Management, the Department of Finance, and the National Disaster Coordinating Council (NDCC) shall seek reimbursement from the International Oil Pollution Compensation Fund 1992 and other appropriate sources for all expenses incurred by the national government in connection with the clean up operation and other related activities including assistance to victims of the affected areas in the Guimaras oil spill.

SEC. 4. *Automatic Appropriations.* – The amount stated under Section L.1. (ALGU-IRA) is considered automatically appropriated. Future local government share in the national internal revenue taxes or IRA shall henceforth be automatically appropriated.

SEC. 5. *Release of Funds.* – The amounts appropriated herein shall be released to the departments, bureaus, offices, agencies and LGUs by the DBM in accordance with budgeting laws, rules and regulations.

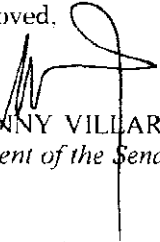
SEC. 6. *Oversight Committee.* – There is hereby created a Joint Congressional Oversight Committee to oversee the utilization of at least Two billion pesos (P2,000,000,000.00) appropriated from all sources for the Guimaras oil spill. The Committee shall be composed of six members with the chairpersons of the Senate Committee on Finance and the House Committee on Appropriations as co-chairpersons, and the chairpersons of the Senate Committee on Environment and Natural Resources and the House Committee on Ecology, and one member each from the Senate and the House of Representatives, to be designated by the Senate President and the Speaker of the House of Representatives, upon nomination

of the respective minority leaders as members: *Provided, finally,* That the NDCC shall submit to the Congressional Oversight Committee a bi-monthly report on the utilization of funds for the Guimaras oil spill.

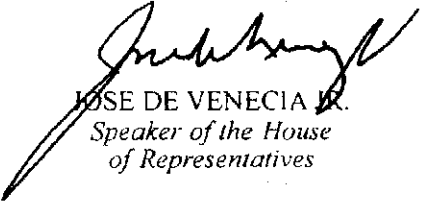
**SEC. 7. Implementing Rules and Regulations.** - The DBM shall issue the necessary rules and regulations to implement the provisions of this Act including, but not limited to, the upgrading of salaries of uniformed personnel of the BFP and BJMP and the increase in basic pay of PPSC cadets.

**SEC. 8. Effectivity.** - This Act shall take effect upon its enactment into law.

Approved,



MANNY VILLAR  
*President of the Senate*

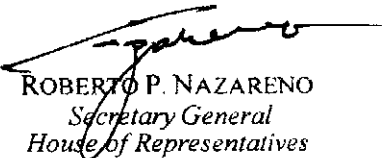


JOSE DE VENECIA JR.  
*Speaker of the House of Representatives*

This Act which originated in the House of Representatives was finally passed by the House of Representatives and the Senate on September 19, 2006 and September 13, 2006, respectively.

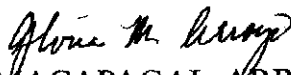


OSCAR G. YABES  
*Secretary of the Senate*



ROBERTO P. NAZARENO  
*Secretary General House of Representatives*

Approved: SEP 17 2006



GLORIA MACAPAGAL-ARROYO  
*President of the Philippines*



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