

**FISCAL YEAR 2019
PRESIDENT'S VETO MESSAGE**



MALACAÑAN PALACE
MANILA

APR 15 2019

**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. 11260, the General Appropriations Act (GAA) for Fiscal Year (FY) 2019, 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 NINETEEN AND FOR OTHER PURPOSES."

The FY 2019 GAA is the fruit of separate efforts built on a shared mission of the Executive and Legislative Departments to craft a National Budget for the Republic of the Philippines. The purpose of this crucial piece of legislation is to build upon the progress we have attained thus far in pursuing the Filipino people's dream of a strongly rooted, comfortable, and secure life. In recent years, this shared mission has propelled the country into one of the fastest growing economies in Asia.

Challenges still appear on the horizon, but rather than seeing them as obstacles on our journey forward, we choose to take them as opportunities to make our country and our people stronger.

With this approved National Budget of PhP3.662 Trillion for FY 2019, we will continue to strengthen the framework of our economy, ensure peace and security on our lands and seas, and provide efficient public services that every Filipino deserves.

Aligned with our blueprints for progress, we continue to fund programs, activities, or projects that give every Filipino the opportunity to pursue a secure, comfortable, and productive life. These ensure that our people continue to benefit from the country's robust economic growth, not just in one region or island but throughout the entire archipelago.

We are humbled with the help and support that the Filipino people continue to extend to our leadership. It is because of them that we have not wavered. In fact, they inspire us in our work and we pledge yet again our wholehearted commitment to serve them. Therefore, I urge the Congress to continue our partnership in our nation-building efforts as there is still much work to be done. With our perseverance and creativity, the Philippines will surely be a better place, and we Filipinos, a better people.

THE PRESIDENT OF THE PHILIPPINES

I. GENERAL COMMENTS

In our desire to ensure the timely enactment of the FY 2019 proposed Budget, we submitted it to Congress at the very first opportunity. The Constitution states that any proposed budget shall be submitted to Congress within thirty days from the opening of its regular session. As what we did in 2017, we submitted the proposed Budget for FY 2019 to the Congress on the day of the State of the Nation Address, or the very day Congress opened its regular session. To achieve this, a lot of hard work was required from our public servants. Allow me, therefore, to commend our valuable workforce for the dedication and discipline they have demonstrated throughout the budget process.

Admittedly, the passage of the FY 2019 Budget was not as smooth as we had hoped for. But we can look back at this experience positively if we choose to see certain delays as a manifestation of our legislators' commitment to the exercise of the power of the purse for the common good.

Thus, we remain steadfast and optimistic. With massive spending for economic and social services, our development pursuits will be sustained. We are ushering in the country's golden age of infrastructure as we aggressively build our infrastructure assets. We are also advancing our human capital, our biggest asset, in recognition of our people's valuable role in nation-building as efficient and productive members of our society. To sustain our growth targets, we remain prudent in our financing program.

Consistent with the foregoing aspirations and in the faithful exercise of my Office and due fidelity to my oath, I will not tolerate attempts to circumvent the Constitution or any other action that will prejudice the Filipino people whom I serve. Accordingly, I hereby exercise my constitutional duty and register the following actions in this year's GAA:

II. DIRECT VETO

Any provision introduced in this Budget which does not relate to a particular appropriation or those which seek to amend the Constitution and existing laws have no place in the GAA as these are considered 'rider' provisions, and therefore, must be subjected to direct veto. Likewise, items of appropriation that are not consistent with the programmed priorities are hereby vetoed.

A. GENERAL AND SPECIAL PROVISIONS

- (1) I veto the use of income under **Department of Labor and Employment (DOLE)-National Labor Relations Commission (NLRC), Special Provision No. 1, "Use of Income," Volume I-A, page 1045**, inasmuch as there is nothing in Republic Act (RA) No. 9347, the law governing the NLRC, which authorizes the use of its income. Further, the funding requirements for the regular operations of the NLRC are already fully provided under its budget.

Under existing budgeting laws, policies, and rules and regulations, all income of agencies shall accrue to the General Fund of the National Government, unless authorized by a substantive law. Consequently, all income shall constitute an integral part of the revenue and financing sources of the National Government. Hence, including a special provision which authorizes an agency to use its income will effectively reduce the financing sources of this year's GAA, and at the same time, unjustifiably increase the appropriations of said agency.

(2) Worth noting are provisos in the special provisions on the implementation of projects by the Department of Agriculture, Department of Public Works and Highways (DPWH), Department of Trade and Industry and other agencies concerned under **Item b (iii), Allocations to Local Government Units (ALGU)-Special Shares of LGU in the Proceeds of National Taxes, Special Provision No. 3, "Shares in Excise Taxes from Locally Manufactured Virginia-type Cigarettes," Volume I-B, page 888,** and **Item b (iii), ALGU-Special Shares of LGU in the Proceeds of National Taxes, Special Provision No. 4, "Shares in Excise Taxes from Burley and Native Tobacco Products," Volume I-B, page 888,** which I directly veto as these provisos contravene the express provisions of RA No. 7171 and RA No. 8240, as amended by RA No. 10351, which specifically mandate the local government units (LGUs), not national government agencies (NGAs), to implement the programs and projects under said laws.

(3) Inasmuch as the implementation of maternal and child health projects is the responsibility of the Department of Health (DOH) as provided under RA No. 11148, I am forced to directly veto **Item (ix), ALGU-Local Government Support Fund (LGSF), Special Provision No. 1, "Assistance to Municipalities," Volume I-B, page 891, ALGU-LGSF Special Provision No. 2, "Assistance to Cities," Volume I-B, page 891, and Item (f), ALGU-LGSF Special Provision No. 5, "Other Financial Assistance to Local Government Units," Volume I-B, page 892,** insofar as these provisions authorize the use of the LGSF for maternal and child health projects.

(4) I am obliged to veto **Section 96, General Provisions, "Cost of Devolved Health Services of Local Government Units (LGUs)," Volume I-B, page 946,** as this provision will effectively reduce the mandated allocation of internal revenue allotment (IRA) shares of LGUs, thereby impairing the Constitutional prescription on equitable IRA shares of LGUs in national taxes. Pursuant to Section 284 of RA No. 7160 (*Local Government Code of 1991*), it is only in the first year of the effectivity of such law that the IRA of LGUs shall include the cost of devolved functions for essential public services.

(5) I directly veto **Section 91, General Provisions, "Collection of Fees in Relation to the Retention or Reacquisition of Philippine Citizenship," Volume I-B, page 945,** which effectively removes the inherent authority of the agencies concerned to assess reasonable fees in the provision of services which is legally based on Section 54, Chapter 12, Book IV of Executive Order (EO) No. 292 (*Administrative Code of 1987*). To reiterate, the provisions which are intended to amend other laws are considered as inappropriate

provisions which have no place in an appropriations act, as they are more appropriately dealt with in separate enactments.

(6) I am vetoing **Department of Justice (DOJ)-Bureau of Immigration (BI), Special Provision No. 2, "Special Work Permit," Volume I-A, page 999**, in view of Section 42 (a) (33) of Commonwealth Act No. 613, as amended by Presidential Decree No. 524. The intricacies brought about by the influx of foreign workers and immigrants in the country require collaborative efforts of NGAs to regulate alien employment. Thus, it is but imperative that the regulation should be a shared responsibility of the BI and the DOLE.

(7) Pursuant to the provisions of RA No. 10121 or the *Philippine Disaster Risk Reduction and Management Act of 2010*, I cannot allow the use of the calamity fund for the relief, recovery, reconstruction, and other work or services in connection with natural or human induced calamities which occurred more than two (2) years from the budget year. Hence, I veto **National Disaster Risk Reduction and Management Fund, Special Provision No. 1, "National Disaster Risk Reduction and Management Program," Volume I-B, page 903**.

(8) Consistent with the recent veto of the enrolled Senate Bill No. 1976 / House Bill No. 8522 entitled, "*An Act to Further Strengthen the Philippine Coconut Authority (PCA), Amending Presidential Decree No. 1468, Otherwise Known as the 'Revised Coconut Industry Code,' as amended, and Appropriating Funds Therefor,*" I likewise veto **Unprogrammed Appropriations (UA), Special Provision No. 15, "Coconut Farmers And Industry Development Fund," Volume I-B, page 913**, for lack of legal basis.

(9) In view of the passage of RA No. 11239 entitled, "*An Act Abolishing the Road Board and Providing for the Disposition of the Motor Vehicle User's Charge Collections, Amending for the Purpose Republic Act No. 8764, Entitled 'An Act Imposing a Motor Vehicle User's Charge on Owners of all Types of Motor Vehicles and for Other Purposes,'*" I hereby veto **DPWH-Office of the Secretary (OSEC), Special Provision No. 1, "Special Road Support Fund," Volume I-B, page 41, DPWH-OSEC, Special Provision No. 2, "Special Road Safety Fund," Volume I-B, page 41, DPWH-OSEC, Special Provision No. 3, "Special Local Road Fund," Volume I-B, page 41, and Department of Transportation-OSEC, Special Provision No. 1, "Special Vehicle Pollution Control Fund," Volume I-B, page 436**, inasmuch as said provisions are no longer relevant.

(10) I am also constrained to directly veto those provisions which effectively hamper the performance of my official duties as the head of the Executive branch. Hence, the prohibition provided under **UA, Special Provision No. 17, "Prohibitions Against the Use of Unprogrammed Appropriations," Volume I-B, page 913**, is hereby vetoed as it limits the power of the President, as chief architect of foreign policy, to enter into loan agreements consistent with Section 20, Article VII of the Constitution.

(11) **Item (g), Section 52, General Provisions, "Authorized Deductions," Volume I-B, page 937**, which includes obligations to "financing companies and other similar entities that have authority to engage in lending and mutual benefits or mutual aid system as stated in their respective constitutions and by-laws approved by government regulating bodies" among authorized deductions, is hereby vetoed for lack of legal basis.

(12) **Section 66, General Provisions, "Impoundment of Appropriations," Volume I-B, page 940**, which provides that the inaction of Congress within thirty (30) session days from receipt of an impoundment proposal is considered as disapproval thereof is not acceptable, thus, hereby vetoed, as this is inconsistent with the authority granted to the President to suspend or stop further expenditure of funds, subject to Section 38, Chapter 5, Book VI of EO No. 292.

B. ITEMS OF APPROPRIATION

It bears emphasis that there are items of appropriation under the DPWH which are not within the programmed priorities. As such, they are hereby subjected to direct veto. Said vetoed items of appropriation listed in Annex A hereof, in the total amount of P95,374,241,000, are marked accordingly in the **Details of DPWH's Programs/Projects, Annex of the FY 2019 GAA**.

III. CONDITIONAL IMPLEMENTATION

In order to faithfully execute the provisions of this Act pursuant to my avowed Constitutional mandate, I subject the implementation of the following provisions to certain conditions specified herein to ensure conformity with existing laws, policies, and rules and regulations.

A. COMPLIANCE WITH THE REQUIREMENTS OF EXISTING LAWS, POLICIES, AND RULES AND REGULATIONS

(1) Allowance and Benefits of Teachers and Creation of Teaching Positions

I share the noble intention of the Congress to provide additional allowances and benefits to our public school teachers. It is understood, however, that the implementation of **Department of Education (DepEd)-OSEC, Special Provision No. 10, "Medical Examination for Public School Teachers," Volume I-A, page 193**, shall be subject to RA No. 11223 (*Universal Health Care Act*) and its implementing rules and regulations.

Likewise, **DepEd-OSEC, Special Provision No. 11, "Transportation and Teaching Aid Allowance for ALS Mobile Teachers, District ALS coordinators (DALSCS) and Literacy Volunteers," Volume I-A, page 193**, shall be implemented subject to the rules on the grant of special hardship allowance and cash allowance, and the proscription against double compensation.

Let me also recognize and appreciate the sacrifices of our teachers in their daily struggle to reach remote communities to provide education. This leads to a realization that teaching is not a mere profession or work, but is a commitment. Accordingly, the *Magna Carta for Public School Teachers* entitles teachers exposed to hardship to Special Hardship Allowances. In this regard, the implementation of **DepEd-OSEC, Special Provision No. 7, "Special Hardship Allowance," Volume I-A, page 193**, shall be subject to guidelines issued jointly by the Department of Budget and Management (DBM) and the DepEd.

On the other hand, the creation of teaching positions under **DepEd-OSEC, Special Provision No. 13, "Creation of Teaching Positions, Recruitment and Appointment of Teachers," Volume I-A, page 193**, shall be subject to the approval of the DBM consistent with its mandate to ensure organizational effectiveness and to administer the compensation and position classification system.

Moreover, the implementation of **Miscellaneous Personnel Benefits Fund, Special Provision No. 3 "Implementation of National Budget Circular (NBC) No. 461," Volume I-B, page 899**, shall be subject to the guidelines to be issued jointly by the DBM and the Commission on Higher Education (CHED).

(2) **Construction of Evacuation Centers**

The design and construction of government facilities in the implementation of **DPWH-OSEC, Special Provision No. 19, "Green Evacuation Centers," Volume I-B, page 43**, must conform to the standards and requirements under the National Building Code, as amended, the Philippine Green Building Code, the latest edition of the National Structural Code of the Philippines, and other applicable laws, policies, rules, and regulations.

The DPWH shall further take into consideration the Climate Risk Information and Green Building Standards in the design, construction, completion, and repair of government facilities, in order to improve building performance efficiency and resilience against man-made or natural calamities, while minimizing the negative impact of these activities on human health and the environment. Likewise, government structures must be sustainable, and should maximize the utilization of renewable natural resources, such as sunlight, rain water, and natural ventilation.

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

Considering that the UA is a standby authority to incur additional obligations for priority programs, activities or projects, the identification of the specific foreign-assisted projects (FAPs) which are still under negotiation in **UA, Special Provision No. 4, "Support to Foreign-Assisted Projects," Volume I-B, page 911**, shall not limit the President 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. 3 of the UA shall be subject to the submission of a Special Budget pursuant to Section 35, Book VI of EO No. 292, 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.

(4) **Revolving Fund**

I hereby place **DOJ-Bureau of Corrections (BuCor), Special Provision No. 1, "Revolving Fund for Agro-Industrial Products," Volume I-A, page 994**, under conditional implementation to ensure compliance with the requirements under the pertinent general provision on revolving fund. Only receipts of government agencies from business-type activities may be constituted into a revolving fund and shall be made available for specified purpose/s. Indubitably, the issuance of clearances and certifications by the BuCor is an integral part of its mandate, thus, it is not among the business-type activities contemplated to constitute a revolving fund.

(5) **Lump-sum Appropriations for Capital Outlays**

In the pursuit of the Golden Age of Infrastructure in the Philippines, this Administration has maintained the acceleration of the country's infrastructure spending. As I embark on the second half of my term, I remain true to the goal of vigorously pursuing the "*Build Build Build*" program, in accordance with existing laws, policies, rules and regulations. Hence, to cut red tape, and in accordance with the ease of doing business law which aims to simplify and expedite government transactions, all releases from lump-sum appropriations for capital outlays as provided under **Section 69, General Provisions, "Lump-sum Appropriations," Volume I-B, page 941**, shall instead be specifically governed by the applicable special provisions in this Act.

B. EFFICIENCY IN THE USE OF PUBLIC FUNDS

The succeeding provisions are placed under conditional implementation to optimize the use of public funds and avoid duplication of funding sources.

(1) **Financial Assistance to LGUs**

The financial assistance under **Items (d) and (e), ALGU-LGSF, Special Provision No. 5, "Other Financial Assistance to Local Government Units," Volume I-B, page 892**, shall be used only for priority development programs and projects of LGUs which comply with the requirements provided in the guidelines to be issued jointly by the DBM and the Department of the Interior and Local Government (DILG).

Moreover, the financial assistance for the repair, rehabilitation, and improvement of bridges under **ALGU-LGSF, Special Provision No. 3,**

“Conditional Matching Grant to Provinces for Road and Bridge Repair, Rehabilitation and Improvement,” Volume I-B, page 892, shall be limited to those that form part of the road network or within the station limits of the road project, consistent with the objective of upgrading provincial roads. Further, the programs and projects funded under these special provisions shall comply with related laws and DBM guidelines issued for the purpose.

(2) **Funding Requirements of the Philippine Foreign Service**

The government remains committed in protecting the interest of Filipinos abroad through our foreign service posts. In order to provide continuous delivery of services, foreign service posts are authorized to retain their foreign currency earnings as working fund under **Department of Foreign Affairs (DFA)-OSEC, Special Provision No. 1, “DFA Working Fund,” Volume I-A, page 854.** Said authority shall be subject to the appropriations authorized in this Act, consistent with Section 29 (1), Article VI of the Constitution which provides that no money shall be paid out of the Treasury except in pursuance of an appropriation made by law, as well as the cash disbursement ceiling imposed by the DBM, and other applicable guidelines.

Likewise, the DFA Secretary is authorized to use the proceeds of tax refunds due the foreign service posts to cover payment of their operating expenses under **DFA-OSEC, Special Provision No. 7, “Tax Refund(s) of Foreign Service Posts,” Volume I-A, page 855.** It is understood, however, that the use of said tax refund proceeds shall follow the rules on modification in the allotment or use of savings, as the case may be.

In like manner, the lease agreements under **DFA-OSEC, Special Provision No. 5, “Rentals of Philippine Chanceries, Consular Offices and Embassy or Official Residences,” Volume I-A, page 855,** shall comply with the rules on advance payment of rentals, as well as on the appropriate use of living quarters allowance.

(3) **Provision of Salaries under the Assistance to Indigent Patients**

As the State gives paramount importance to medical care, the funding requirements for personnel services for health and allied workers in the national government are already fully provided under the budget of the agencies concerned. Hence, the use of funds under the **DOH-OSEC, Special Provision No. 7, “Assistance to Indigent Patients,” Volume I-A, page 876,** for the salaries of personnel shall in no case contravene the proscription against double compensation and the grant of unauthorized allowances and benefits.

(4) **Double Programming of Funding Source**

Inasmuch as sufficient funds for the requirements of the Dangerous Drugs Board (DDB) are already provided under this Act, the implementation of **Other Executive Offices (OEOs)-DDB, Special Provision No. 1, “Collections for Drug Rehabilitation Activities,” Volume I-B, page 555,**

shall be conditioned upon the generation of collections in excess of those forming part of the revenue sources programmed for the FY 2019 GAA.

(5) **Allocation of Maintenance and Other Operating Expenses to Lower Courts**

To promote the financial independence of lower courts from local interference, I place **The Judiciary-Supreme Court of the Philippines and the Lower Courts, Special Provision No. 7, "Maintenance and Other Operating Expenses of Lower Courts," Volume I-B, page 739**, under conditional implementation, respectfully urging the Supreme Court to automatically and fully release the maintenance and other operating expenses to all lower courts.

(6) **Government Internship Program**

In order to properly implement the Government Internship Program, **DOLE-OSEC, Special Provision No. 3, "Government Internship Program," Volume I-A, page 1024**, shall be subject to the guidelines to be issued by the DOLE.

(7) **Tertiary Education Subsidy**

The passage of RA No. 10931 or the *Universal Access to Quality Tertiary Education Act* is indeed a laudable achievement under this Administration which completes the provision of free quality education for every Filipino up to the tertiary level. Consequently, the provision of a separate tertiary education subsidy under **OEOs-CHED, Special Provision No. 3, "Universal Access to Quality Tertiary Education," Volume I-B, page 545**, shall be subject to the guidelines to be issued jointly by the CHED and the DBM in order to promote the efficient utilization of all funds intended for the rational implementation of the scholarship program of the government.

C. PROTECTION TO GOVERNMENT EMPLOYEES

I note that all government agencies are authorized to collect reasonable fees for the services they render, and generally, all fees collected shall be deposited with the National Treasury as income of the General Fund, pursuant to Section 44, Chapter 5, Book VI of EO No. 292 and Section 65 of Presidential Decree No. 1445. By way of exception, **DOJ-BI, Special Provision No. 1, "Immigration Fees and Collections," Volume I-A, page 999**, provides that express lane fees and charges collected by the BI shall be deposited in a special trust fund account in a government bank. This is to recognize the efforts put forth by the BI in securing our national borders, and to motivate them to improve further. It is understood, however, that the implementation of this provision shall be subject to the provisions of Office of the President Memorandum Order No. 24, s. 2018 and subsequent issuances for the purpose. Further, the said special trust fund shall be deposited in a government bank for the account of the National Treasury.

In the same vein, the special duty allowance provided under **Office of the Vice President (OVP), Special Provision No. 1, "Special Duty Allowance for the Vice Presidential Security Detachment," Volume I-A, page 22**, is a recognition of the services rendered by the said detachment to the OVP and is intended to defray the expenses incurred in the delivery of said services. Nevertheless, the implementation of this provision shall be subject to the guidelines to be issued by the DBM on the criteria and other conditions for the grant of said allowance.

Further, I am placing under conditional implementation **Items (b) to (f), Section 52, General Provisions, "Authorized Deductions," Volume I-B, page 937**. While I recognize the advantage afforded to government employees in authorizing agencies to deduct the amount of their contributions and obligations to financing institutions, the government should not be reduced to a collecting agent of these institutions. As such, I hereby 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 promote the interests of all public servants.

D. SHARED FISCAL RESPONSIBILITY

I hereby urge the Congress to foster improved performance in the management and expenditure of the public funds allocated to it. As mandated, and based on sound and transparent fiscal management, these allocations shall be disbursed only for purposes authorized in this Act and within the validity period of the appropriations. In this regard, I am placing under conditional implementation **Congress of the Philippines, Special Provision No. 6, "Availability of Appropriations and Cash Allocations," Volume I-A, page 15**, to emphasize the applicability of the one-year validity of all the appropriations authorized in the FY 2019 GAA, as prescribed under Section 65, General Provisions of the same Act.

E. SUBMISSION OF QUARTERLY FINANCIAL AND PHYSICAL REPORTS

In relation to **Section 102, General Provisions, "Quarterly Financial and Physical Reports," Volume I-B, page 947**, it is emphasized that it is the responsibility of departments, bureaus, offices, and instrumentalities of the National Government to submit to Congress their reports on obligations and disbursements by program, activity, or project. On the other hand, the DBM shall prepare and submit reports on appropriations and releases. Accordingly, it is understood that the submission of consolidated reports by the DBM is limited to the information provided by the departments, bureaus, offices, and instrumentalities of the National Government.

IV. GENERAL OBSERVATION

With a national budget designed to help spur faster overall economic growth and lift more Filipinos out of poverty, I now express my perspective on how the directives in certain special provisions will be implemented.

A. MONITORING AND EVALUATION OF ASSISTANCE TO LGUs

The performance of the DILG in overseeing the implementation of projects and activities of LGUs deserves to be underscored. As such, the DILG-OSEC is allowed to use funds under **Item (b), DILG-OSEC, Special Provision No. 4, "Monitoring and Evaluation of Assistance to LGUs," Volume I-A, page 925**. However, it is understood that the conduct of the monitoring and evaluation of the projects by the DILG under the Conditional Matching Grant to Provinces for the Road Repair, Rehabilitation and Improvement shall be limited to provinces, as listed in the Annex of the FY 2019 GAA.

B. ORGANIZATIONAL STRUCTURE

As in previous years, I trust that the Congress shall implement **Congress of the Philippines, Special Provision No. 2, "Organizational Structure of the Senate, the House of Representatives, the Senate and House of Representatives Electoral Tribunals and the Commission on Appointments," Volume I-A, page 15**, in compliance with the salary standardization laws and other existing and relevant rules, including the rules on the creation of new positions and other modification or adjustments in the Personnel Services itemization, as well as observe the scrap and build policy for any modification in their Organizational and Staffing Structure, and to uphold the policy set forth under Section 8, Article IX-B of the Constitution, proscribing the payment of additional compensation.

V. CASH BUDGETING

I have noted that in past years from 2014 to 2016, there were significant gaps between the actual expenditure outturns and the annual appropriations. The dismal spending of agencies translated to billions of pesos of delayed and foregone public services which should have been delivered to the general public. This is unacceptable given my Administration's commitment to the Filipino people that they will reap, as soon as possible, the benefits of the taxes they have paid.

Concomitantly, let me emphasize that pursuant to the Administrative Code of 1987, I shall mandate the implementation of an operational cash budget for FY 2019 to ensure the availability of cash resources for priority development projects, and speed up the delivery of public services.

Nevertheless, in view of the delayed passage of the FY 2019 GAA and the election ban in connection with the conduct of the May 13, 2019 national and local

elections, we will allow the implementation of, and payment for infrastructure projects to extend until December 31, 2020, provided that the funds for the purpose are obligated not later than December 31, 2019 in accordance with Section 65, General Provisions of this Act. This rule shall likewise cover subsidies given to government-owned or -controlled corporations (GOCCs) for infrastructure projects.

VI. FUND RELEASES MADE PRIOR TO THE APPROVAL OF THIS ACT

Inasmuch as we have been operating under a re-enacted budget from January 1, 2019, particularly RA No. 10964, the FY 2018 GAA as re-enacted, pursuant to Section 25 (7), Article VI of the Constitution, fund releases to departments, bureaus, and offices of the NGAs, including Constitutional offices enjoying fiscal autonomy, State Universities and Colleges and GOCCs, shall be considered as advance releases to be offset against their corresponding appropriations under this Act.

VII. INCREASES OF APPROPRIATIONS AND NEW BUDGETARY ITEMS

I finally noticed that there are increases and new budgetary items introduced in this Act by Congress. Corollary thereto, said increases and new items have corresponding effects in the respective outputs and outcomes of the agencies concerned. Hence, the DBM shall inform the agencies of the changes in their respective appropriations and require the submission of their revised performance targets, among others.

Moreover, it must be stressed that these increases and new budgetary items shall be subject to the National Government's cash programming and prudent observance of responsible fiscal management, and to applicable rules and procedures during budget execution.

VIII. CLOSING STATEMENTS

Our story began with the people's clamor for real and lasting change. We heeded that call. We have introduced crucial reforms throughout the bureaucracy to ensure the efficient and effective delivery of programs, projects, and public services for the Filipino people. This is demonstrated by our move to further enhance our budgeting system to build greater transparency, accountability, and fiscal discipline.

Allow me to take this opportunity to emphasize that the hard-earned money of our people must be used to improve the condition of our country and their overall welfare. I have said this before and I will say it again – I will not tolerate corruption in my Administration. Our positions should never be used for personal gain; otherwise, we are not worthy of the offices we hold. As public officials, we must honor our offices and the Filipino people whom we serve.

As we are nearing the end of the first half of this Administration, I believe we have come a long way in instilling a culture of action within the government. This is crucial to rekindling the people's trust in the government. We have shown our people

that when action is paired with strong political will, we can truly deliver on our promises. Results may not always be immediate, but if our efforts are sustained, we will eventually reap the fruits of our hard work.

Our FY 2019 Budget is a reflection of our vision for the Philippines and for the Filipino people. Their dreams are mine – and yours as well. With this, I call on everyone to continue working together and make sure that every peso of this Budget is well spent.

Very truly yours,



Copy furnished:

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