



JAN 27 2006

DepED O R D E R
No. **5** s. 2006

MORATORIUM ON THE FILLING OF REGULAR POSITIONS AND AUTHORIZING
DEPARTMENT/AGENCY HEADS TO RENEW APPOINTMENTS/CONTRACTS


To: Undersecretaries
Assistant Secretaries
Bureau Directors
Directors of Services/Centers and Heads of Units
Regional Directors
Schools Division/City Superintendents

1. Enclosed is DBM Circular Letter No. 2006-2 dated January 5, 2006 of the Department of Budget and Management, entitled, ***"Moratorium on the Filling of Regular Positions and Authorizing Department/Agency Heads to Renew Appointments/ Contracts"***.

2. In this connection, Department Heads are authorized to renew the appointments of personnel on casual/temporary status and the contracts of personnel under contractual/consultancy/emergency/job orders basis, subject to pertinent budgetary accounting and auditing rules and regulations and the following conditions:

- a. Renewal of appointments/contracts shall be for the period that the Department/Agency is undergoing rationalization activities up to the time that its Rationalization Plan, is approved by the Department of Budget or until June 30, 2006, whichever comes earlier;
- b. The maximum number of personnel whose contracts/appointments would be renewed/rehired shall not exceed the actual employees at the start of the Department/Agency's rationalization efforts; and
- c. There shall be no new hiring and/or replacement of resigned/retired/separated/terminated/regularized staff.

3. Wide dissemination of this Order is desired.


FE A. HIDALGO
Undersecretary
Officer-in-Charge

Encl.: As stated
Reference: None
Allotment: 1—(D.O. 50-97)
To be indicated in the Perpetual Index
under the following subjects:

APPOINTMENT, EMPLOYMENT, REAPPOINTMENT
EMPLOYEES
LEGISLATIONS

OFFICIALS
POLICY



REPUBLIC OF THE PHILIPPINES

Department of Budget and Management

Building I, General Solano Street, San Miguel, Manila

CIRCULAR LETTER

No. 2006-2
January 5, 2006

TO : HEADS OF DEPARTMENTS AND AGENCIES OF THE EXECUTIVE BRANCH, INCLUDING GOVERNMENT-OWNED AND/OR -CONTROLLED CORPORATIONS (GOCCs), AND GOVERNMENT FINANCIAL INSTITUTIONS (GFIs), AND ALL OTHERS CONCERNED

SUBJECT : MORATORIUM ON THE FILLING OF REGULAR POSITIONS AND AUTHORIZING DEPARTMENT/AGENCY HEADS TO RENEW APPOINTMENTS/CONTRACTS

1.0 Purpose

This Circular Letter is being issued to:

- 1.1 Reiterate the temporary suspension in all Departments/Agencies of the filling of vacant regular/permanent/itemized positions while in the process of preparing their respective Rationalization Plan as provided for in Department of Budget and Management (DBM) Circular Letter 2005-08 dated 03 June 2005; and
- 1.2 Provide Department Secretaries/Agency Heads the authority to renew the appointments of personnel on casual/temporary status and the contracts of personnel under contractual/consultancy/emergency/job order basis; Provided, that the duration of the renewed appointment or contract shall only be until the Rationalization Plan is approved or up to 30 June 2006, whichever comes earlier, as an exemption from Section 2.2.a.2 of the above Circular Letter.

2.0 Policy Guidelines

- 2.1 To provide Department/Agency Heads greater flexibility in finalizing their respective Rationalization Plan pursuant to Executive Order No. 366 (*Directing a Strategic Review of the Operations and Organizations of the Executive Branch and Providing Options and Incentives for Government Employees Who May be Affected by the Rationalization of the Functions and Agencies of the Executive Branch*) dated 04 October 2004, a moratorium on the filling of regular/permanent/itemized positions, either through original appointment, promotion, transfer or reemployment, shall be implemented until their respective Plan is approved for implementation. Not covered by this are teaching, medical and allied medical items providing health services to the general public but not to the personnel of the agency, as well as uniformed positions in the Departments of the Interior and Local Government, National Defense, and Transportation and Communications.

appointments of personnel on casual/temporary status and the contracts of personnel under contractual/consultancy/emergency/job order basis, subject to pertinent budgetary, accounting and auditing rules and regulations and the following conditions:

a.1 Renewal of appointments/contracts shall be for the period that the Department/Agency is undergoing rationalization activities up to the time that its Rationalization Plan is approved by this Department or until 30 June 2006, whichever comes earlier;

a.2 For National Government Agencies, the funds appropriated for the purpose are sufficient and the action will not entail additional budgetary release or the realignment of non-Personal Services funds in case of any adjustment in salary/allowance;

In the case of GOCCs, funds for the purpose shall be charged against the internally-generated funds/project funds included in the Board-approved CY 2006 Corporate Operating Budget for submission to the DBM for approval;

a.3 The maximum number of personnel whose contracts/appointments would be renewed/rehired shall not exceed the actual employees at the start of the Department/Agency's rationalization efforts; and

a.4 There shall be no new hiring and/or replacement of resigned/retired/separated/terminated/regularized staff.

2.3 For project personnel with DBM-approved staffing pattern, the renewal/rehiring shall only be limited to the existing number of authorized positions.

2.4 The Department/Agency Heads are directed to submit to the DBM, thru the Budget and Management Bureaus concerned, a certified report on the number, position title and deployment of personnel whose appointments/contracts were renewed.

3.0 Responsibility Clause

It shall be the responsibility of the Department Secretaries and equivalent Agency Heads to strictly implement the provisions of this Circular Letter.

4.0 Applicability Clause

The provisions of this Circular Letter shall be applicable until revoked.

5.0 Effectivity

This Circular Letter shall take effect upon its publication in a newspaper of general circulation.

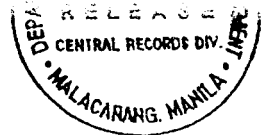

ROMULO L. NERI
Secretary



REPUBLIC OF THE PHILIPPINES

Department of Budget and Management

Building I, General Solano Street, San Miguel, Manila



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