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PRE-PLenary CONFERENCES ON THE FY 2018 BUDGET

COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Appropriations	<p>Pre-plenary conferences on the proposed FY 2018 budget, and plans and programs of the following government agencies:</p> <ul style="list-style-type: none"> • Movie and Television Review and Classification Board (MTRCB) • Film Development Council of the Philippines (FDCP) • Housing and Urban Development Coordinating Council (HUDCC) and key shelter agencies (KSAs) 	<p>The Committee, chaired by Rep. Karlo Alexei Nograles (1st District, Davao City), held pre-plenary conferences with the Movie and Television Review and Classification Board (MTRCB), Film Development Council of the Philippines (FDCP), and Housing and Urban Development Coordinating Council (HUDCC) and key shelter agencies (KSAs) to thresh out issues and concerns raised by House Members relative to their proposed FY 2018 budget prior to the budget deliberations in the plenary.</p> <p>Committee Vice Chair Rep. Eric Olivarez (1st District, Parañaque City) presided over the pre-plenary conferences on the proposed budget of the MTRCB and FDCP.</p> <p>MTRCB Chairperson Maria Rachel Arenas said that the proposed FY 2018 budget proposal of the MTRCB amounts to P88.30 million, which is 4.08% lower than its current budget of P92.05 million.</p> <p>Arenas informed the Committee that the MTRCB is mandated, among others, to rate and classify films, TV programs, and publicity materials; promote conditions that lead to responsible self-regulation in the film and TV industries; promote and protect the Filipino family, youth, disabled and other vulnerable sectors of society in the context of media entertainment; and foster a value-based and globally competitive media and entertainment culture.</p> <p>Arenas also reported the major accomplishments and initiatives of the MTRCB in the past years.</p> <p>FDCP Chairperson Mary Liza Diño said that the 2018 proposed budget of the FDCP is P172.27 million which is 5% higher than its 2017 budget of P163.04 million.</p> <p>Recognizing the film industry's important role in the country's cultural and economic development, Diño said that the FDCP aims to acknowledge Filipino creativity in films, promote the Filipino talents internationally, secure the country's film cultural heritage, and inspire every Filipino through film development and education.</p> <p>Also during the meeting, Diño reported the FDCP's accomplishments in the following major programs: film heritage preservation, film industry promotions, and cinema evaluation.</p> <p>Committee Vice Chair Rep. Alfredo Vargas III (4th District, Quezon City) presided over the pre-plenary conference on the proposed budget of the HUDCC and KSAs.</p> <p>HUDCC Chair Eduardo del Rosario said that under the FY 2018 National Expenditure Program (NEP), the HUDCC and its key shelter agencies will get P4.7 billion, which is 69% lower than its current budget of P15.31 billion.</p>

<p>Continuation... Appropriations</p>		<p>The proposed 2018 budget of the government housing agencies are as follows:</p> <ul style="list-style-type: none"> • HUDCC – P148 million; • National Housing Authority (NHA) – P2.23 billion; • Social Housing Finance Corporation (SHFC) – P773 million; • Housing and Land Use Regulatory Board (HLURB) – P548 million; • National Home Mortgage Finance Corporation (NHMFC) – P500 million; and • Home Guaranty Corporation (HGC) – P500 million. <p>Del Rosario appealed to the Committee to increase the budget of the housing agencies to effectively serve the housing requirements of the people especially the marginalized sector. Several housing agencies such as the NHA, NHMFC, and HLURB suffered huge cuts in their budget.</p> <p>Rep. Luis Raymund “LRay” Villafuerte Jr. (2nd District, Camarines Sur) recommended that the calamity fund of the NHA be reinstated in its budget as a proactive measure in case calamities occur in the country next year.</p> <p>ACT TEACHERS Party-List Rep. Antonio Tinio asked whether there is fund allocated for the relocation of informal settler families (ISFs) which will be displaced by the nationwide projects of the Department of Transportation (DOTr). Acting NHA General Manager Marcelino Escalada Jr. replied that NHA will be meeting with the DOTr to discuss the matter and promised to submit to the Committee a report on the results of the meeting. However, Escalada said that there is a budget allotted for the resettlement of ISFs affected by the ongoing MRT 7 project of the DOTr.</p> <p>BAYAN MUNA Party-List Rep. Carlos Isagani Zarate inquired on the supposed zero budget of the SHFC in 2018. SFHC President Arnulfo Cabling explained that the Department of Budget and Management (DBM) actually approved a budget of P773 million for the SFHC in 2018. However, he said that the budget is specifically earmarked for the high density housing (HDH) program for ISFs being implemented by the Department of the Interior and Local Government (DILG). So, in effect, the SHFC has no budget support from the government for its other programs such as the Community Mortgage Program (CMP).</p> <p>DBM Director Lorenzo Drapete said that the SHFC, being a revenue earning KSA, can use funds from loan amortizations and collections from the CMP and its remaining subsidy for 2017 to continue its implementation of the CMP. He gave assurance that the DBM will allocate funds to the SHFC once the DILG project has been completed.</p> <p>The SHFC was requested to submit its recent financial statement to the Committee.</p> <p>Rep. Reynaldo Umali (2nd District, Oriental Mindoro) suggested that the Emergency Shelter Fund (ESF) of the Department of Social Welfare and Development (DSWD) and similar funds administered by other government agencies should be channeled to the HUDCC and the other KSAs for better implementation of the government’s housing program.</p>
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FY 2018 BUDGET BRIEFINGS/HEARINGS		
COMMITTEE	SUBJECT MATTER	DISCUSSIONS
Appropriations	Briefing on the proposed FY 2018 budget, plans and programs, and major accomplishments of the following government agencies:	The Committee, chaired by Rep. Karlo Alexei Nograles (1st District, Davao City), listened to the presentations on the proposed FY 2018 budget, plans and programs, and major accomplishments of the Office

<p>Continuation... Appropriations</p>	<ul style="list-style-type: none"> Department of Agriculture (DA) 	<p>purchase its own property to be used as its office in Metro Manila.</p> <p>Tugade said that the DOTr evaluated its office transfer as economical. To address the plight of the affected employees, he said, the DOTr will provide free shuttle services to transport employees to and from Clark and will allow a flexible time and a four-day work week. The employees also have the option to transfer to another DOTr attached agency, Tugade added.</p> <p>PBA Party-List Rep. Jericho Jonas Nograles noted the dismal performance and the irregular purchase and installation of purportedly fake train safety equipment by Busan Universal Rail Inc. (BURI), the MRT-3's maintenance provider.</p> <p>Rep. Nograles also opined that the P3.8 billion contract between BURI and DOTr, which was not signed by Tugade, is not valid and does not conform to RA 9184 or the Government Procurement Reform Act, which provides that all government projects of at least P500 million must be approved and signed only by the heads of the procuring agency.</p> <p>DOTr Undersecretary for Rails and Toll Roads Cesar Chavez said that he already submitted a position paper recommending the termination of BURI's contract with DOTr.</p> <p>Meanwhile, Catanduanes Rep. Cesar Sarmiento emphasized the urgency of protecting the mineral-rich Philippine Rise, formerly known as Benham Rise, against poachers.</p> <p>Commodore Joel Garcia, officer-in-charge of the Philippine Coast Guard (PCG), said that the agency is planning to put up a coast guard base at the former site of the Long Range Navigation (Loran) transmitting station in Bagamanoc, Catanduanes, which is only a few hours away from the Philippine Rise. He said that at present, Philippine ships would take a day to reach Philippine Rise from the seaboard off North Eastern Luzon.</p> <p>Land Transportation Office (LTO) Chief Edgar Galvante assured the Committee that by the end of August, LTO will start issuing driver's license cards with a five-year validity starting in Metro Manila.</p> <p>The DOTr was requested to submit to the Committee a copy of documents related to the DOTr's office lease contract with the Clark Development Corporation (CDC); a report on the result of consultations with stakeholders regarding the Public Utility Vehicle (PUV) Modernization Program; and a report on DOTr's physical and financial obligations for years 2016 and 2017.</p> <p>Committee Vice Chair Rep. Magnolia Antonino (4th District, Nueva Ecija) sat as the presiding officer during the budget briefing of the DA. Another Committee Vice Chair, Rep. Mark Aeron Sambar (Party-List, PBA), later took over because Rep. Antonino had to attend to an equally important commitment.</p> <p>Agriculture Secretary Emmanuel Piñol said that the DA is proposing an additional budget of P53.12 billion for FY 2018, increasing its budget under the 2018 National Expenditure Program (NEP) from P60.63 billion to P113.8 billion.</p> <p>Piñol explained that the bulk of the budget increase or P20.2 billion will be utilized for the construction of an aggregate of 13,000 kilometers of farm-to-market (FMR) roads in line with the commitment of President Rodrigo Duterte to complete the FMR network by the end of his term.</p> <p>The rest of the DA's proposed additional budget is distributed as follows:</p>
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<p>Continuation... Appropriations</p>	<ul style="list-style-type: none"> • Commission on Elections (COMELEC) 	<ul style="list-style-type: none"> - Agricultural Credit Program – P9.42 billion; - National Fisheries Program – P7.01 billion; - Small-scale irrigation projects for rice and corn – P4.76 billion; - National Livestock Program – P3.75 billion; - National High Value Crops Development Program – P2.09 billion; - Support to Agricultural Extension Workers (AEWs) – P1.61 billion; - Information and Communications Technology – P1.21 billion; - Dairy Industry Development – P1.02 billion; - Fiber Industry Development – P1 billion; - National Meat Inspection Service – P635 million; - National Organic Agriculture Program – P134.55 million; and - Other support activities – P279.82 million. <p>Rep. Nograles questioned the DA's absorptive capacity to use the funds allocated to it, saying that in 2015 and 2016, the DA reverted P9 billion and P7 billion unused funds to the National Treasury, respectively, and as of June 30, 2017, around P22 billion funds have not yet been obligated.</p> <p>Piñol admitted that the absorptive capacity of the DA in 2015 was very poor. However, he explained that the supposedly P7 billion unused funds in 2016 represent the allocations for the six-year (2013-2018) Philippine Rural Development Project (PRDP). The PRDP, with funding from the World Bank, supports the government's effort to increase rural income and enhance farm and fishery productivity in targeted areas, thereby reducing poverty in the rural communities.</p> <p>For 2017, Piñol said that the DA is on the right track with already a 59.18% fund utilization as of July. He added that the DA conducts a fund utilization review every semester with its regional directors to come up with at least a 90% utilization rate.</p> <p>Replying to the question raised by A TEACHER Party-List Rep. Julieta Cortuna, Department of Budget and Management (DBM) Director Mary Anne dela Vega explained that the Department of Public Works and Highways (DPWH) implements the FMR projects of the DA even if the budget for this purpose is lodged with the latter.</p> <p>Piñol commented that there should only be one agency that should implement the rural road network program of the government, adding that various government agencies have their own FMR projects.</p> <p>Asked by Deputy Speaker Raneo Abu (2nd District, Batangas) on how the DA implements the PRDP, Piñol said that it uses the value chain analysis (VCA) to guide local government units (LGUs) in identifying priority interventions that will enhance the competitiveness of selected commodities. The VCA also provides the basis for the formulation of the Provincial Commodity Investment Plan (PCIP), Piñol added.</p> <p>The Committee asked the DA to give a status report on the implementation of the PRDP.</p> <p>Committee Vice Chair Rep. Doy Leachon (1st District, Oriental Mindoro) sat as the presiding officer during the budget briefing of the COMELEC.</p> <p>COMELEC Acting Budget Officer Catherine Isip presented the Commission's 2018 budget of P16.15 billion. The largest portion or P12.46 billion of COMELEC's proposed budget goes to maintenance and other operating expenses (MOOE); the rest will go to personnel services (PS), P3.54 billion; and capital outlay (CO), P155.98 million.</p>
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Continuation... Appropriations		<p>Rep. Ariel "Ka Ayik" Casilao (Party-List, ANAKPAWIS) asked about the budget allocated to the COMELEC for the <i>Barangay and Sangguniang Kabataan</i> elections (BSKE) and its stand on the proposal not to use Smartmatic counting machines for the 2019 midterm election.</p> <p>COMELEC Chair Andres Bautista reported that the COMELEC allocated P7.6 billion for the BSKE, of which P198 million has already been spent for the registration and printing of ballots. He said that the Commission has no decision yet as to whether or not to use the Smartmatic counting machines for the 2019 elections.</p> <p>Baguio City Rep. Mark Go inquired on the readiness of the COMELEC if the BSKE pushes through this October 2017. Bautista replied that the poll body is ready but it has to act swiftly considering the short time left to prepare.</p> <p>Rep. Go asked COMELEC to identify the specific items that were slashed by DBM from the proposed 2018 budget of the Commission. Bautista promised to submit a detailed report on the matter.</p> <p>Rep. Joel Mayo Almario (2nd District, Davao Oriental) opined that COMELEC should go back to the manual casting and counting of votes saying that the use of electronic counting machines during previous elections gave rise to certain issues that put to doubt the credibility of the elections. However, he said, he favors the electronic transmission of the results of the voting.</p> <p>Bautista countered that the automated electoral process in 2016 proved to be the most honest, peaceful and orderly election in the history of Philippine elections. This is based on a survey conducted by Pulse Asia in July 2016 involving 1,200 respondents of which 90% agreed that the 2016 elections was more credible than the 2010 polls.</p>
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COMMITTEE MEETINGS				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Dangerous Drugs	HRs 1054 & 1057	Reps. Barbers and Gatchalian	Inquiry into the P6.4 billion worth of shabu seized by the Bureau of Customs (BOC)	<p>The Committee, chaired by Rep. Robert "Ace" Barbers (2nd District, Surigao del Norte), approved the Committee Report on HRs 1054 and 1057 subject to style and amendment.</p> <p>Discussed during the hearing were the Committee's findings and recommendations, which were based on the testimonies and documents gathered during the two previous marathon hearings it conducted pursuant to HRs 1054 and 1057.</p>
Higher and Technical Education	Substitute Bill to HB 5315	Rep. Deloso-Montalla	Renaming the Ramon Magsaysay Technological University (RMTU) as the President Ramon Magsaysay State University (PRMSU) and strengthening the university	<p>The Committee, chaired by Rep. Ann Hofer (2nd District, Zamboanga Sibugay), approved the Substitute Bill to HB 5315 and the corresponding draft Committee Report subject to style and amendment.</p> <p>The Commission on Higher Education (CHED) expressed support for the bill.</p>
	HB 5483	Rep. Herrera-Dy	Strengthening technical vocational education and training (TVET) in the Philippines by incorporating apprenticeship and dual training, and recognizing the importance of	<p>The Committee approved HB 5483 in consolidation with HB 6005.</p> <p>The consolidated bill will be forwarded to the Committees on Appropriations and Ways and</p>

<p>Continuation... Higher and Technical Education</p>			<p>continuous training of the unemployed and expanding the provision of enterprise-based education and training</p>	<p>Means for comments on its funding and tax provisions, respectively.</p> <p>BAGONG HENERASYON Party-List Rep. Bernadette Herrera-Dy, author of HB 5483, said that her bill seeks to further involve the private sector in the provision of TVET programs; establish a national enterprise-based training system that is competency-based; and broaden the opportunities and venues of education and training, among others.</p> <p>Earlier, Rep. Salvador Belaro Jr. (Party-List, 1-ANG EDUKASYON) manifested that his bill, HB 6005, be consolidated with HB 5483. He explained that his bill seeks to amend RA 7686 or the Dual Training Act of 1994 that is being implemented by the Technical Education and Skills Development Authority (TESDA).</p> <p>Under RA 7686, dual training system refers to “an instructional delivery system of technical and vocational education and training that combines in-plant training and in-school training based on a training plan collaboratively designed and implemented by an accredited dual system educational institution/training center and accredited dual system agricultural, industrial and business establishments with prior notice and advice to the local government unit concerned.”</p> <p>TESDA Partnership and Linkages Office Executive Director Luz Victoria Amponin expressed support for the passage of the bill.</p> <p>The resource persons were requested to submit their position paper on the two bills.</p>
	<p>HB 5306</p>	<p>Rep. Cortes</p>	<p>Converting the Consolacion Public College in the Municipality of Consolacion, Province of Cebu into a state college to be known as the Consolacion State College and appropriating funds therefor</p>	<p>The Committee will deliberate further on HB 5306 in another meeting.</p> <p>The Committee agreed to evaluate the bill in consultation with the CHED, and conduct a public hearing and an ocular inspection of the school.</p> <p>Rep. Jonas Cortes (6th District, Cebu), author of HB 5306, said that his bill seeks to ensure the fiscal autonomy of the Consolacion Public College, improve its academic standards, and provide accessible and affordable quality education to poor but deserving students.</p> <p>Mary Sylvette Gunigundo, chief education program specialist of CHED’s Quality Assurance Division, said that CHED’s official position paper on the proposed law will be submitted to the Committee as soon as possible.</p>
	<p>HB 181</p>	<p>Rep. Crisologo</p>	<p>Instituting free college education for indigent students</p>	<p>The Committee deferred consideration of the bill.</p> <p>Assistant Director Ernestina Sollosa of the Department of Social Welfare and Development’s (DSWD) <i>Pantawid Pamilyang Pilipino</i> Program expressed support for the bill. However, she recommended that the proposed law be reviewed to avoid duplication with the provisions of RA 10687 or the Unified Student Financial Assistance System for</p>

Continuation... Higher and Technical Education				Tertiary Education (UniFAST) Law. DSWD and CHED were requested to submit their respective position papers on the bill.
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TECHNICAL WORKING GROUP MEETING				
COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/ DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Natural Resources (Technical Working Group)	HB 2165	Rep. Amante	Providing for the mandatory domestic processing of all mineral ores, amending for the purpose RA 7942, otherwise known as the Philippine Mining Act of 1995	The technical working group (TWG), presided by Rep. Francisco Jose "Bingo" Matugas II (1 st District, Surigao del Norte) agreed to deliberate further on HBs 2165, 2915 and 3229 in its next meeting.
	HB 2915	Rep. Paduano	Promoting the development of mineral processing and in the process banning the export of iron, nickel, chromite, manganese, black sand, and other strategic metallic ores	Department of Trade and Industry (DTI) Undersecretary Ceferino Rodolfo conveyed the DTI's support for the bills. However, Rodolfo said the DTI opposes a complete ban on the export of unprocessed mineral ores as it runs counter to Article 11 (General Elimination of Quantitative Restrictions) of the General Agreement on Tariffs and Trade 1994 (GATT 1994).
	HB 3229	Rep. Matugas	Promoting the development of minerals processing and in the process banning the export of unprocessed mineral ores	<p>Chamber of Mines of the Philippines Vice President for Legal and Policy Ronald Recidoro emphasized the need to incentivize investors to enter into the business of processing mineral ores in the country to boost the growth of the downstream mining industry rather than imposing penalties against the export of mineral ores as espoused in the bills.</p> <p>Maya Quirino of the <i>Save Our Sovereignty - Yamang Mineral Resources Nagsisilbi sa Bayan Network</i> (SOS-Yamang Bayan Network) suggested that the DTI and the National Economic and Development Authority (NEDA) formulate a national industrialization plan specifically for the domestic processing of mineral ores.</p> <p>The TWG agreed to conduct an ocular inspection of Sumitomo Metal Mining Co.'s hydrometallurgical processing plant for low grade nickel ores in Surigao del Norte.</p> <p>Rep. Matugas requested the stakeholders to submit their position papers on the proposed law.</p>