

ADMINISTRATIVE ORDER NO. 170

AUTHORIZING THE SUBSIDIZATION OF CERTAIN LOCAL GOVERNMENT UNITS FOR THE IMPLEMENTATION OF THE SALARY INCREASES OF DEVOLVED HEALTH WORKERS MANDATED UNDER REPUBLIC ACT NO. 6758 (THE SALARY STANDARDIZATION LAW) AS IMPLEMENTED BY EXECUTIVE ORDER NO. 164, AS AMENDED, AND UNDER REPUBLIC ACT NO. 7305 (THE MAGNA CARTA FOR PUBLIC HEALTH WORKERS)

WHEREAS, Republic Act No. 7305 otherwise known as the Magna Carta for Public Health Workers stipulates that the salary scales of public health workers whose salaries are appropriated by local government units shall not be less than those provided for public health workers of the National Government;

WHEREAS, the same Republic Act No. 7305 mandates that the amount necessary to pay the difference between the salary rates received by nationally-paid and locally-paid health workers of equivalent positions shall be subsidized by the National Government;

WHEREAS, the said Republic Act No. 7305 furthermore entrusts to the Secretary of Health the responsibility for estimating and programming the budgetary requirement for the implementation of said Act in consultation with the Secretary of Budget and Management and the Congressional Commission on Health;

WHEREAS, salary increases for public officials and employees have been authorized under the Revised Compensation and Position Classification System adopted by virtue of Joint Senate and House Resolution No. 1, series of 1994, and enforced through Executive Order No. 164, as amended;

WHEREAS, the amount appropriated under the 1994 General Appropriations Act for the implementation of the magna carta benefits for the devolved public health workers cannot cover the salary increases authorized under said Revised Compensation and Position Classification System;

WHEREAS, the efficient and effective discharge of the health functions and responsibilities devolved to local government units depends greatly on the morale and social and economic well-being of the locally-paid public health workers;

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the power vested in me by law, upon the recommendation of the Chairman of the Oversight Committee constituted under Section 533 of Republic Act No. 7160 otherwise known as the Local Government Code, do hereby order and direct:

Section 1. The sum of FIFTY MILLION PESOS (P50,000,000.00) shall be released to the Department of Health against whatever available funds under the 1994 General Appropriations Act which may be utilized as financial assistance to local government units for the partial implementation of the salary adjustments of the devolved public health workers authorized under Executive Order No. 164, as amended.

Section 2. The financial assistance shall be extended to such local government units as may be determined by the Oversight Committee constituted under the Local Government Code taking into consideration the relative financing burden of each local government unit attributable to the cost of devolved national functions vis-a-vis the increase in income of said local government unit resulting from the increase in internal revenue allotment mandated under the Local Government Code.

Section 3. Local government units which shall be extended financial assistance shall establish the trust fund account for the subsidy which shall be deemed automatically appropriated for the payment of the salary differentials of the devolved public health workers.

Section 4. The Secretary of Health and the recipient local government unit head shall execute a memorandum of agreement delineating their respective responsibilities and accountabilities in the subsidization of the salary differentials of the affected devolved health workers.

Section 5. The rules and regulations to be observed in the establishment, release, disbursement and accounting of the financial assistance to local government units herein authorized shall be issued by the Secretary of Budget and Management.

Section 6. The Secretary of Health shall give priority in the use of savings of the Department of Health for 1995 under the 1995 General Appropriations Act for the implementation of Section 19 of Republic Act No. 7305. Thereafter, he shall submit annually the necessary budget estimates to cover the magna carta benefits of the devolved public health workers to the Secretary of Budget and Management and in consultation with the Congressional Commission on Health.


Section 7. No further grant of new or increased benefits under Republic Act No. 7305 shall be authorize for national government health workers unless there is prior consultation with local government units as to their financial capability to extend the same benefits to the locally-paid health workers.

Section 8. This Order shall take effect immediately.

DONE, in the City of Manila, this 13th day of December, in the year of Our Lord Nineteen Hundred and Ninety-Four.



By the President:


TEOFISTO T. GUINGONA, JR.
Executive Secretary

