

[PRESIDENTIAL DECREE NO. 1136, May 05, 1977]

PROVIDING FOR THE IMPROVEMENT OF PERSONNEL ADMINISTRATION, POSITION CLASSIFICATION AND SALARY ADMINISTRATION IN LOCAL GOVERNMENTS AND FOR THE CREATION OF A JOINT COMMISSION ON LOCAL GOVERNMENT PERSONNEL ADMINISTRATION

WHEREAS, there is an imperative and urgent need to upgrade personnel administration in local governments to ensure their effectiveness for meaningful development and progress in nation building;

WHEREAS, position classification and salary administration has been long recognized and accepted as necessary managerial tools to promote work efficiency, to delineate duties and responsibilities, to preclude the proliferation of unnecessary positions, to prevent pay inequities, to facilitate the budgeting process and the preparation of more informative, realistic and meaningful personnel programs, and to enhance the development of a career-oriented, motivated, responsive and stable corps of employees in the local government service;

WHEREAS, the Constitution provides for the standardization of salaries of government officials and employees taking into account the nature of the responsibilities pertaining to, and the qualifications required for, the positions concerned;

WHEREAS, the salary rates of Provincial, City and Municipal officials fixed by law under Republic Act Numbers 4477, 6414 and/or other salary laws are already outmoded, are no longer adequate to cope with the rising cost of living, and have not kept up with rates in the national government and in the private sector;

WHEREAS, the basic concepts underlying position classification and salary standardization have not been carried to practical application in the local government service although the need therefor has long been acknowledged;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree and order:

SECTION 1. *Title of the Decree.* - This Decree shall be known as "The Local Government Personnel Administration and Compensation Plans Decree of 1977."

SEC. 2. *Declaration of Policy.* - It is hereby declared to be the policy of the State to promote the efficiency, effectiveness and integrity of the local government personnel service, by encouraging local governments to adopt rational personnel policy and position classification and compensation plans, based on the principle of equal pay for substantially equal work, and on the need to recognize differences in pay arising from substantive differences in duties, responsibilities and qualification requirements. In determining rates, of pay, due regard shall be given to the class and financial capability of the province, city or municipality and to prevailing rates for comparable work in private industry within the locality.

SEC. 3. *Creation of a Joint Commission.* - To formulate and coordinate policies on local government personnel policy and on position classification and salary plans and

to implement the provisions of this Decree, there is hereby created a Joint Commission on Local Government Personnel Administration, hereinafter referred to as the Joint Commission.

SEC. 4. *Composition and Functions of the Joint Commission.* - The Joint Commission shall be composed of the Secretary of Local Government and Community Development as Chairman and the Secretary of Finance, the Commissioner of the Budget and the Chairman of the Civil Service Commission as members. A fifth member shall be a provincial governor to present the viewpoint of local governments who shall be appointed by, and who shall serve at the pleasure of the President. The Joint Commission shall serve as the principal coordinating body for agencies with direct responsibilities for local government supervision, budgeting, personnel administration, position classification and salary administration, and shall be responsible for the formulation of policies affecting personnel administration, position classification and salary and compensation plans for local governments, the evaluation of petitions of local government units for approval of their respective position classification and compensation plans, final approval of local position classification and compensation plans, and general supervision of personnel administration in local governments. The Joint Commission may issue Circulars for the promulgation of rules, regulations, and guidelines to implement the provisions of this Decree. The Circulars shall be signed by the members thereof or their duly authorized representatives. The Joint Commission shall be assisted by such Technical Committees, as may be necessary. The composition and functions of these Technical Committees shall be determined by the Joint Commission.

SEC. 5. *Secretariat of the Joint Commission.* -The Department of Local Government and Community Development, through the Office of the Secretary, shall serve as Secretariat to the Joint Commission, shall handle its correspondence and shall prepare the agenda for its meetings. To carry out these responsibilities, an initial amount of five hundred thousand Pesos (P500,000.00) is hereby appropriated out of any funds in the National Treasury not otherwise appropriated. Thereafter, funds sufficient to fully carry out the objectives of the Joint Commission shall be appropriated every fiscal year in the General Appropriation Law.

SEC. 6. *Responsibilities of the National Agencies Represented on the Joint Commission.* -The agencies comprising the Joint Commission, shall have the following responsibilities:

1. Department of Local Government and Community Development. Prescribe model organization and staffing patterns for local government units, encourage the use of position classification and salary plans in local governments, initiate and/or conduct related training courses.
2. Department of Finance. Determine the fiscal capacity of the local governments to carry out the proposed compensation and salary plans and review local government budgets to ensure that the expenditures for personal services are in conformity with approved position classification and compensation plans.
3. Budget Commission. Through the Office of Compensation and Position Classification, furnish technical assistance to local governments in the development, implementation and administration of position classification and compensation and salary plans, and assist in the training of local government personnel to enable them to administer and maintain such plans.
4. Civil Service Commission. Responsible for matters dealing with certification of eligibility, examination, appointments, promotions, performance evaluation,