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'DOH budget request needs no Congress OK'

THERE is no need for the Department of Health's (DOH) request for authorization from Congress to allow it to use a continuing appropriations setup and exempt priority projects from implementation of the annual cash-based budgeting system, according to the Department of Budget and Management (DBM).

While the DOH is "always welcome" to consult the budget department on the validity of its appropriations and the implementation of its annual cash-based budgeting, DBM Officer in Charge Janet B. Abuel told the BusinessMirror that the President's veto message for the 2019 budget had already stipulated the extension of the period of implementation and payment for infrastructure projects until December 31, 2020. This extension was allowed given the delayed passage of the 2019 budget and the election ban.

"As of now, a request for the exemption of infrastructure projects from the implementation of annual cash budgeting may not be necessary," Abuel said.

"As we have previously relayed, this was addressed in the veto message of the President covering the FY 2019 GAA where the President pronounced, among others, that '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,'" she added.

Moreover, Abuel said the determination of extending the validity of 2019 appropriations should be dictated by the circumstances that will prevail toward the ends the year, noting that all appropriations programmed in the 2019 budget were already considered implementation-ready.

"The general assumption is that appropriations programmed for FY 2019 are those needed and implementable, thus, can be readily obligated by the agencies within the year," the DBM official said.

At the last oversight meeting of the House Committee on Health on April 29, Health Secretary Francisco T. Duque III said the agency had asked Congress to pass the resolution so the department can finish the construction of government hospitals and other health-infrastructure projects. The DOH also sought exemption from the implementation of the cash-based budgeting system.

Duque said they want to finish their priority projects, including the Health Facilities Enhancement Program (HFEP).

The government has allotted P15 billion for HFEP in the 2019 national budget.

However, Duque said the construction of hospitals cannot be done in just one year, citing the case of the Dr. Fabella Maternity Hospital in Manila, where the DOH began an upgrade and expansion in 2014, but where more or less 7 percent of the project is left and they cannot pay for it under a Commission on Audit rule.

From the traditional multiyear obligation-based budgeting system, the government decided to undergo a “landmark shift” to cash-based budgeting system for the 2019 national budget.

The budget department has since said the new system is a more efficient budgeting method, as it is expected to speed up the government’s budget utilization and promote disciplined management of the budget, as well as hasten implementation of infrastructure projects.

The strict annual cash-based budgeting system “limits incurring obligations and disbursing payments for goods delivered and services rendered, inspected and accepted within the fiscal year” meaning, the extent of budget implementation is just one year and the Extended Payment Period of three months after the fiscal year.

However, the four-month delay in the passage of the 2019 budget prompted President Duterte to extend the period of implementation and payment for infrastructure projects under the 2019 budget until end-2020.