

BRAGANZA, Remus P.

Re: Request for Approval of Resolution
No. 4, s. 2001 Passed by Members of
Water District General Managers

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RESOLUTION NO. 030228

Remus P. Braganza, President, General Managers Association of Panay, issued Resolution No. 4, series of 2001, requesting the exemption of the General Managers of Local Water Districts from the coverage of Joint Civil Service Commission-Department of Budget and Management (CSC-DBM) Circular No. 1, s. 1990.

The pertinent portions of said Resolution are, as follows:

"WHEREAS, Joint CSC-DBM Circular No. 1, s. 1990 provides that only permanent employees of the government are entitled to step increments;

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"WHEREAS, the General Managers are supervising the employees of local water districts who are permanently employed and whose salaries, because of their step increments, are equal or almost the same of the General Managers;

"WHEREAS, when the subject Joint Circular was promulgated in 1990, local water districts were still private, hence were not included in the coverage of said Circular, but when the Supreme Court decided in the case of Davao City Water District, et. al. vs. CSC that local water districts are government-owned and controlled corporations, General Managers of water districts are excluded from the benefits of step increments;

"WHEREAS, if the present situation is not remedied, it will create an injustice to the general managers of local water districts;

"NOW THEREFORE, on motion of GM Bibanco of Jordan Water district duly seconded by GM Adeo Luntao of Dingle-Pototan Water District, the Association resolves as it is hereby resolved to request the Civil Service Commission and the Department of Budget and Management to exempt the General Managers of local water districts from the coverage of CSC-DBM Joint Circular No. 1, series of 1990."

When requested to comment, DBM Undersecretary Cynthia G. Castel avers, as follows:

"Under Joint CSC-DBM Circular No. 1, series of 1990, as amended by Joint CSC-DBM Circular No. 2, series of 1991, all employees of government, appointed on permanent status in both career and non-career service, are entitled to one salary step increment for every three (3) years of satisfactory service in a particular position."

"Strictly adhering to the provisions of the Joint Circular, GMs of LWDs would not be entitled to step increment as their appointments are on a temporary status."

"Under Presidential Decree 198, as amended by PD 768, the GM of LWDs shall be appointed by a majority vote of the Board of Directors, and shall serve at the pleasure of the board. It is the indeterminate tenure that is the prime reason for the provisional appointments of GMs. The GMs are however occupying permanent items in the approved staffing for LWDS."

"It is thus our position that the GMs of LWDs are entitled to salary step increments due to length of service reckoning from the date they were appointed as such by the Board of Directors of the LWD concerned."

Section 1 of the Joint CSC-DBM Circular No. 2, s. 1991 dated July 5, 1991, which amended Section 1, Rule I of the Joint CSC-DBM Circular No. 1, s. 1990 reads, as follows:

"Section 1. These rules and regulations shall apply to all officials and employees in the national and local governments, including those in government-owned and controlled corporations with original charters, state universities and colleges, judiciary and legislature, who are appointed on a permanent status in the career and non-career service."

Interpreting the above-quoted provision, the Commission in **CSC Resolution No. 00-2837 dated December 22, 2000 re: TADIAR, Alfredo F.** held, as follows:

"A reading of the aforementioned provision reveals that the grant of step increment is no longer exclusively enjoyed by those government officials and employees who are appointed under permanent status in the career service. The said privilege has been extended to those appointed in the non-career service under the said amendatory circular."

Also, **Section (b) Rule II and Section 2, Rule III of Joint CSC-DBM Circular No. 1, s. 1990** provide, as follows:

"Rule II. Section II. Selection Criteria

'Section 1. Step Increments shall be granted to all deserving officials and employees x x x

'(b) Length of Service - For those who have rendered continuous satisfactory service in a particular position for at least three (3) years.

"Rule III. Step Increments

X X X

'Section 2. Length of Service. A one (1) step increment shall be granted officials and employees for every three (3) years of continuous satisfactory service in the position. Years of service in the position shall include the following:

'(a) Those rendered before the position was reclassified to a position title with a lower or the same salary grade allocation; and

'(b) Those rendered before the incumbent was transferred to another position within the same agency or to another agency without a change in position title and salary grade allocation."

Based on the aforementioned provisions, the requirements for the grant of step-increment on the basis of length of service is that an employee must have rendered at least three (3) years of continuous and satisfactory service in the position to which he/she is an incumbent. Since said privilege is extended to those in the non-career service and DBM believes that General Managers of Local Water Districts who are considered non-career officials are entitled to the grant of step increment, provided they must have rendered three (3) years of continuous satisfactory service in a given position occupied as of the effectivity date of the Joint CSC-DBM Circular No. 2, s. 1991, i.e. July 5, 1991, this Commission will not interpose any objection to the instant request.

WHEREFORE, the request of Remus P. Braganza is hereby **GRANTED**. Accordingly, General Managers of Local

Water Districts are entitled to step increment based on length of service and are declared within the coverage of CSC-DBM Joint Circular No. 1, series of 1990.

Quezon City, FEB 20 2003

(Original Signed)
JOSE F. ERESTAIN, JR.
Commissioner

(Original Signed)
KARINA CONSTANTINO-DAVID
Chairman

(Original Signed)
J. WALDEMAR V. VALMORES
Commissioner

Attested by:

(Original Signed)
ARIEL G. RONQUILLO
Director III

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BRAGANZA
NDC-01-046*