

XVII. DEPARTMENT OF NATIONAL DEFENSE

A. OFFICE OF THE SECRETARY - PROPER

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	2017	2018	2019
New General Appropriations	427,460	443,004	477,735
General Fund	427,460	443,004	477,735
Automatic Appropriations	12,810	13,589	15,486
Retirement and Life Insurance Premiums	12,810	13,589	15,486
Continuing Appropriations	266,675		
Unreleased Appropriation for Capital Outlays			
R.A. No. 10717	132,000		
Unreleased Appropriation for MOOE			
R.A. No. 10717	68,000		
Unobligated Releases for Capital Outlays			
R.A. No. 10717	12,588		
Unobligated Releases for MOOE			
R.A. No. 10717	54,087		
Budgetary Adjustment(s)	7,770		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	4,426		
Pension and Gratuity Fund	3,344		
Total Available Appropriations	714,715	456,593	493,221
Unused Appropriations	(232,684)		
Unreleased Appropriation	(200,566)		
Unobligated Allotment	(32,118)		
TOTAL OBLIGATIONS	482,031	456,593	493,221

EXPENDITURE PROGRAM
(in pesos)

GAS / STO / OPERATIONS / PROJECTS	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	2017 Actual	2018 Current	2019 Proposed
General Administration and Support	319,747,000	310,869,000	341,870,000
Regular	319,747,000	310,869,000	341,870,000
PS	163,246,000	169,749,000	187,955,000
MOOE	156,501,000	141,120,000	144,615,000
CO			9,300,000

Operations	<u>162,284,000</u>	<u>145,724,000</u>	<u>151,351,000</u>
Regular	<u>162,284,000</u>	<u>145,724,000</u>	<u>151,351,000</u>
MOOE	149,884,000	145,724,000	148,372,000
CO	12,400,000		2,979,000
TOTAL AGENCY BUDGET	<u>482,031,000</u>	<u>456,593,000</u>	<u>493,221,000</u>
Regular	<u>482,031,000</u>	<u>456,593,000</u>	<u>493,221,000</u>
PS	163,246,000	169,749,000	187,955,000
MOOE	306,385,000	286,844,000	292,987,000
CO	12,400,000		12,279,000

STAFFING SUMMARY

	<u>2017</u>	<u>2018</u>	<u>2019</u>
TOTAL STAFFING			
Total Number of Authorized Positions	323	323	323
Total Number of Filled Positions	245	241	241

Proposed New Appropriations Language
 For general administration and support, and operations, as indicated hereunder.....P 477,735,000
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OPERATIONS BY PROGRAM	<u>PROPOSED 2019 (Cash-Based)</u>			
	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
DEFENSE POLICY AND STRATEGY MANAGEMENT PROGRAM		148,372,000	2,979,000	151,351,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2019 (Cash-Based)
 (in pesos)

REGION	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
Regional Allocation	<u>172,469,000</u>	<u>292,987,000</u>	<u>12,279,000</u>	<u>477,735,000</u>
National Capital Region (NCR)	172,469,000	292,987,000	12,279,000	477,735,000
TOTAL AGENCY BUDGET	<u>172,469,000</u>	<u>292,987,000</u>	<u>12,279,000</u>	<u>477,735,000</u>
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SPECIAL PROVISION(S)

1. Reporting and Posting Requirements. The DND shall submit quarterly reports on its financial and physical accomplishments, within thirty (30) days after the end of every quarter, through the following:
 - (a) Unified Reporting System (URS) or other electronic means for reports not covered by the URS; and
 - (b) DND's website.

The DND shall send written notice when said reports have been submitted or posted on its website to the DBM, House of Representatives, Senate of the Philippines, House Committee on Appropriations, Senate Committee on Finance, and

other offices where the submission of reports is required under existing laws, rules and regulations. The date of notice to said agencies shall be considered the date of compliance with this requirement.

- Appropriations for Activities or Projects. The amounts appropriated herein shall be used specifically for the following activities or projects in the indicated amounts and conditions:

New Appropriations, by Programs/Activities/Projects (Cash-Based)

	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS				
10000000000000000000 General Administration and Support	172,469,000	144,615,000	9,300,000	326,384,000
100000100001000 General management and supervision	169,647,000	144,615,000	9,300,000	323,562,000
100000100002000 Administration of Personnel Benefits	2,822,000			2,822,000
Sub-total, General Administration and Support	172,469,000	144,615,000	9,300,000	326,384,000
30000000000000000000 Operations		148,372,000	2,979,000	151,351,000
31000000000000000000 00 : Defense and security policy and strategy direction provided		148,372,000	2,979,000	151,351,000
31010000000000000000 DEFENSE POLICY AND STRATEGY MANAGEMENT PROGRAM		148,372,000	2,979,000	151,351,000
310100100001000 Development, implementation and monitoring of the Defense System of Management (DSOM)		115,411,000	2,979,000	118,390,000
310100100002000 Development, implementation and monitoring of the International Defense Engagement (IDSE)		32,961,000		32,961,000
Sub-total, Operations		148,372,000	2,979,000	151,351,000
TOTAL NEW APPROPRIATIONS	P 172,469,000	P 292,987,000	P 12,279,000	P 477,735,000

Obligations, by Object of Expenditures

CYs 2017-2019
(In Thousand Pesos)

	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	<u>2017</u>	<u>2018</u>	<u>2019</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	104,281	113,243	129,050
Total Permanent Positions	104,281	113,243	129,050

Other Compensation Common to All			
Personnel Economic Relief Allowance	5,624	5,760	5,784
Representation Allowance	3,938	3,402	3,354
Transportation Allowance	1,130	3,402	3,354
Clothing and Uniform Allowance	1,195	1,200	1,446
Mid-Year Bonus - Civilian	8,475	9,437	10,754
Year End Bonus	8,475	9,437	10,754
Cash Gift	1,205	1,200	1,205
Productivity Enhancement Incentive	1,183	1,200	1,205
Performance Based Bonus	3,667		
Step Increment	38	283	323
Collective Negotiation Agreement	6,123		
Total Other Compensation Common to All	<u>41,053</u>	<u>35,321</u>	<u>38,179</u>
Other Compensation for Specific Groups			
Other Personnel Benefits	2,434		
Anniversary Bonus - Civilian			735
Total Other Compensation for Specific Groups	<u>2,434</u>		<u>735</u>
Other Benefits			
Retirement and Life Insurance Premiums	12,274	13,589	15,486
PAG-IBIG Contributions	288	288	289
PhilHealth Contributions	883	824	1,105
Employees Compensation Insurance Premiums	286	287	289
Retirement Gratuity	669	5,966	2,532
Terminal Leave	1,078	231	290
Total Other Benefits	<u>15,478</u>	<u>21,185</u>	<u>19,991</u>
TOTAL PERSONNEL SERVICES	<u>163,246</u>	<u>169,749</u>	<u>187,955</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	35,181	25,256	25,850
Training and Scholarship Expenses	14,301	16,761	16,500
Supplies and Materials Expenses	54,117	50,017	51,854
Utility Expenses	23,588	28,411	29,519
Communication Expenses	17,920	14,297	18,155
Confidential, Intelligence and Extraordinary Expenses			
Confidential Expenses	23,000	23,000	23,000
Extraordinary and Miscellaneous Expenses	3,048	3,072	3,204
Intelligence Expenses	10,000	10,000	10,000
Professional Services	18,152	14,922	18,094
General Services	12,278	11,945	13,867
Repairs and Maintenance	27,761	32,781	31,387
Taxes, Insurance Premiums and Other Fees	1,436	2,495	2,080
Other Maintenance and Operating Expenses			
Advertising Expenses	304	734	384
Printing and Publication Expenses	1,935	2,175	1,420
Representation Expenses	39,719	26,726	25,649
Rent/Lease Expenses	11,161	23,242	21,114
Subscription Expenses	814	759	760
Donations	69	251	150
Other Maintenance and Operating Expenses	11,601		
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>306,385</u>	<u>286,844</u>	<u>292,987</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>469,631</u>	<u>456,593</u>	<u>480,942</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Machinery and Equipment Outlay	12,400		2,979
Transportation Equipment Outlay			9,300
TOTAL CAPITAL OUTLAYS	<u>12,400</u>		<u>12,279</u>
GRAND TOTAL	<u>482,031</u>	<u>456,593</u>	<u>493,221</u>

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Security, public order, and safety ensured

ORGANIZATIONAL
OUTCOME : Defense and security policy and strategy direction provided

PERFORMANCE INFORMATION

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	2017 GAA Targets	2017 Actual
Defense and security policy and strategy direction provided		
Percentage of policies and strategies accepted by the Office of the President and the Cabinet	80% of policies and strategies accepted by the Office of the President and the Cabinet	100% of policies and strategies accepted by the Office of the President and the Cabinet

MFO / Performance Indicators	2017 GAA Targets	2017 Actual
MFO 1: DEFENSE POLICY SERVICES		
Number of defense policies developed and issued or reviewed, updated and disseminated	305	636
Percentage of defense policies reviewed and updated in the last three (3) years	100%	100%

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	2018 GAA Targets	Baseline	2019 Targets
Defense and security policy and strategy direction provided			
DEFENSE POLICY AND STRATEGY MANAGEMENT PROGRAM			
Outcome Indicators			
1. Percentage of targets accomplished based on DND-Proper policies as monitored in the DND-wide Program Performance and Budget Execution Review (PPBER) Report	100%	100%	100%
2. Percentage of policies and strategies accepted by the President and the Cabinet	80% of policies and strategies accepted by the President and the Cabinet	80% of policies and strategies accepted by the President and the Cabinet	80% of policies and strategies accepted by President and the Cabinet
Output Indicators			
1. Number of Defense System of Management (DSOM) Key Document Products developed	138	138	131
2. Number of International Defense and Security Engagements (IDSE) Key Document Products developed	233	233	13
3. One (1) DND-wide PPBER Report developed	1	1	1

B. GOVERNMENT ARSENAL

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	2017	2018	2019
New General Appropriations	1,219,362	1,216,188	1,258,628
General Fund	1,219,362	1,216,188	1,258,628
Automatic Appropriations	185,817	15,811	16,256
Customs Duties and Taxes, including Tax Expenditures	170,630		
Retirement and Life Insurance Premiums	15,187	15,811	16,256
Continuing Appropriations	75,918		
Unobligated Releases for Capital Outlays R.A. No. 10717	10,201		
Unobligated Releases for MOOE R.A. No. 10717	65,717		
Budgetary Adjustment(s)	13,051		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	9,711		
Pension and Gratuity Fund	3,340		
Total Available Appropriations	1,494,148	1,231,999	1,274,884
Unused Appropriations	(6,281)		
Unobligated Allotment	(6,281)		
TOTAL OBLIGATIONS	1,487,867	1,231,999	1,274,884

EXPENDITURE PROGRAM
(in pesos)

GAS / STO / OPERATIONS / PROJECTS	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	2017 Actual	2018 Current	2019 Proposed
General Administration and Support	122,051,000	119,048,000	117,219,000
Regular	122,051,000	119,048,000	117,219,000
PS	87,178,000	78,361,000	75,385,000
MOOE	34,873,000	40,687,000	41,834,000
Operations	1,365,816,000	1,112,951,000	1,157,665,000
Regular	1,365,816,000	1,112,951,000	1,157,665,000
PS	186,906,000	179,842,000	194,238,000
MOOE	1,115,772,000	933,109,000	945,427,000
CO	63,138,000		18,000,000

TOTAL AGENCY BUDGET	<u>1,487,867,000</u>	<u>1,231,999,000</u>	<u>1,274,884,000</u>
Regular	<u>1,487,867,000</u>	<u>1,231,999,000</u>	<u>1,274,884,000</u>
PS	274,084,000	258,203,000	269,623,000
MOOE	1,150,645,000	973,796,000	987,261,000
CO	63,138,000		18,000,000

STAFFING SUMMARY

	<u>2017</u>	<u>2018</u>	<u>2019</u>
TOTAL STAFFING			
Total Number of Authorized Positions	687	687	687
Total Number of Filled Positions	617	606	606

Proposed New Appropriations Language
 For general administration and support, and operations, as indicated hereunder.....P 1,258,628,000
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PROPOSED 2019 (Cash-Based)

OPERATIONS BY PROGRAM	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
SMALL ARMS AMMUNITION, WEAPONS, AND MUNITIONS PROGRAM	181,896,000	945,427,000	18,000,000	1,145,323,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2019 (Cash-Based)
 (in pesos)

REGION	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
Regional Allocation	<u>253,367,000</u>	<u>987,261,000</u>	<u>18,000,000</u>	<u>1,258,628,000</u>
Region III - Central Luzon	253,367,000	987,261,000	18,000,000	1,258,628,000
TOTAL AGENCY BUDGET	<u>253,367,000</u>	<u>987,261,000</u>	<u>18,000,000</u>	<u>1,258,628,000</u>
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SPECIAL PROVISION(S)

- Hospital Income. In addition to the amounts appropriated herein, all income generated from the operations of the Government Arsenal (GA) infirmary shall be deposited in an authorized government depository bank and used to augment the infirmary's MOOE and Capital Outlay requirements, subject to the following conditions: (i) at least twenty-five percent (25%) of said income shall be utilized to purchase and upgrade hospital equipment used directly in the delivery of health services; and (ii) income sourced from PhilHealth reimbursements from availment of medical services shall be used exclusively by said hospitals for the improvement of its facilities, and the replenishment of drugs, medicines and vaccines, including medical and dental supplies used in government health care facilities.

In no case shall said amount be used for the payment of salaries, allowances and other benefits.

Disbursements or expenditures by the hospital in violation of the above requirements shall be void and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5, and Section 80, Chapter 7, Book VI of E.O. No. 292, s. 1987, and to appropriate criminal action under existing penal laws.

The GA shall prepare and submit to the DBM not later than November 15 of the preceding year, the annual operating budget for the current year covering said income and the corresponding expenditures. Likewise, it shall submit to the DBM not later than March 1 of the current year its audited financial statement for the immediately preceding year. The Director of GA and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that the foregoing documents are likewise posted on the GA website.

2. Authority to Barter and Sell Scrap Items. The Director of GA, upon approval of the Secretary of National Defense, may barter or sell scrap items in accordance with E.O. No. 888, s. 1983, as amended. The barter and sale of scrap items shall be subject to the COA rules on the disposal of government properties and sale through public auction. The items acquired from barter shall be recorded or booked-up as government property while proceeds from the sale shall accrue to the Revised AFP Modernization Act Trust Fund pursuant to Section 6 of R.A. No. 10349.
3. Reporting and Posting Requirements. The GA shall submit quarterly reports on its financial and physical accomplishments, within thirty (30) days after the end of every quarter, through the following:
 - (a) Unified Reporting System (URS) or other electronic means for reports not covered by the URS; and
 - (b) GA's website.

The GA shall send written notice when said reports have been submitted or posted on its website to the DBM, House of Representatives, Senate of the Philippines, House Committee on Appropriations, Senate Committee on Finance, and other offices where the submission of reports is required under existing laws, rules and regulations. The date of notice to said agencies shall be considered the date of compliance with this requirement.
4. Appropriations for Activities or Projects. The amounts appropriated herein shall be used specifically for the following activities or projects in the indicated amounts and conditions:

New Appropriations, by Programs/Activities/Projects (Cash-Based)

	Current Operating Expenditures			
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
PROGRAMS				
10000000000000000000 General Administration and Support	71,471,000	41,834,000		113,305,000
100000100001000 General management and supervision	60,090,000	41,834,000		101,924,000
100000100002000 Administration of Personnel Benefits	11,381,000			11,381,000
Sub-total, General Administration and Support	71,471,000	41,834,000		113,305,000
30000000000000000000 Operations	181,896,000	945,427,000	18,000,000	1,145,323,000
31000000000000000000 00 : Supply of Small Arms, Ammunition, Weapons, and Munitions Increased to the Level of Demand	181,896,000	945,427,000	18,000,000	1,145,323,000
31010000000000000000 SMALL ARMS AMMUNITION, WEAPONS, AND MUNITIONS PROGRAM	181,896,000	945,427,000	18,000,000	1,145,323,000
310100100001000 Planning and development of arms manufacturing processes and procedures	11,748,000	7,160,000		18,908,000
310100100002000 Manufacture, storage and security of small arms ammunition	170,148,000	938,267,000	18,000,000	1,126,415,000
Sub-total, Operations	181,896,000	945,427,000	18,000,000	1,145,323,000
TOTAL NEW APPROPRIATIONS	P 253,367,000	P 987,261,000	P 18,000,000	P 1,258,628,000

Obligations, by Object of Expenditures

CYs 2017-2019
(In Thousand Pesos)

	(Obligation-Based)		(Cash-Based)
	2017	2018	2019
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	130,058	131,762	135,465
Total Permanent Positions	<u>130,058</u>	<u>131,762</u>	<u>135,465</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	14,673	14,616	14,544
Representation Allowance	390	510	330
Transportation Allowance	361	510	330
Clothing and Uniform Allowance	3,040	3,045	3,636
Mid-Year Bonus - Civilian	10,354	10,980	11,289
Year End Bonus	10,695	10,980	11,289
Cash Gift	3,086	3,045	3,030
Productivity Enhancement Incentive	3,049	3,045	3,030
Performance Based Bonus	5,444		
Step Increment		329	339
Collective Negotiation Agreement	15,305		
Total Other Compensation Common to All	<u>66,397</u>	<u>47,060</u>	<u>47,817</u>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	138	300	300
Magna Carta for Science & Technology Personnel	38,600	39,414	48,390
Quarters Allowance	1,013	1,347	1,347
Night Shift Differential Pay	4,204	4,173	4,804
Total Other Compensation for Specific Groups	<u>43,955</u>	<u>45,234</u>	<u>54,841</u>
Other Benefits			
Retirement and Life Insurance Premiums	15,186	15,811	16,256
PAG-IBIG Contributions	734	731	727
PhilHealth Contributions	1,408	1,483	1,764
Employees Compensation Insurance Premiums	735	731	727
Retirement Gratuity	937	1,820	
Loyalty Award - Civilian	175	675	645
Terminal Leave	14,499	12,896	11,381
Total Other Benefits	<u>33,674</u>	<u>34,147</u>	<u>31,500</u>
TOTAL PERSONNEL SERVICES	<u>274,084</u>	<u>258,203</u>	<u>269,623</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	6,946	6,790	6,993
Training and Scholarship Expenses	5,967	4,721	4,863
Supplies and Materials Expenses	774,506	854,847	880,492
Utility Expenses	23,177	38,192	39,338
Communication Expenses	2,865	1,788	1,842
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	130	130	130
Professional Services	6,087	4,205	4,752
General Services	73,067	27,762	12,497
Repairs and Maintenance	37,844	31,049	31,981
Taxes, Insurance Premiums and Other Fees	172,166	2,087	2,087

Other Maintenance and Operating Expenses			
Advertising Expenses	181	318	328
Printing and Publication Expenses	25	68	70
Representation Expenses	1,211	647	666
Transportation and Delivery Expenses	1	1,006	1,036
Subscription Expenses	142	186	186
Other Maintenance and Operating Expenses	46,330		
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>1,150,645</u>	<u>973,796</u>	<u>987,261</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>1,424,729</u>	<u>1,231,999</u>	<u>1,256,884</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Buildings and Other Structures			6,000
Machinery and Equipment Outlay	63,138		12,000
TOTAL CAPITAL OUTLAYS	<u>63,138</u>		<u>18,000</u>
GRAND TOTAL	<u>1,487,867</u>	<u>1,231,999</u>	<u>1,274,884</u>

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Security, public order, and safety ensured

ORGANIZATIONAL
OUTCOME : Supply of Small Arms, Ammunition, Weapons, and Munitions Increased to the Level of Demand

PERFORMANCE INFORMATION

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>2017 GAA Targets</u>	<u>2017 Actual</u>
Supply of Small Arms Ammunition Increased to the Level of Demand		
Percentage of Small Arms Ammunition requirement supplied (at 2 basic load)	116.25%	121.64%

<u>MFO / Performance Indicators</u>	<u>2017 GAA Targets</u>	<u>2017 Actual</u>
MFO 1: MANUFACTURE OF SMALL ARMS AMMUNITION		
Number of small arms ammunition (SAA) manufactured	40.000 Mrds	41.855 Mrds
Percent supportability to AFP SAA requirements (combat requirements)	116.25%	121.64%
Percentage acceptance based on standards	98.00%	98.00%

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>2018 GAA Targets</u>	<u>Baseline</u>	<u>2019 Targets</u>
Supply of Small Arms, Ammunition, Weapons, and Munitions Increased to the Level of Demand			
SMALL ARMS AMMUNITION, WEAPONS, AND MUNITIONS PROGRAM			
Outcome Indicator			
1. Percentage of supportability to AFP Small Arms Ammunition (SAA) requirements for two (2) basic loads (combat requirements)	116.25%	116.25%	116.25%

Output Indicators			
1. Number of small arms ammunitions (SAA) manufactured	40.0 MRds	40.0 MRds	40.0 Mrds
2. Percentage acceptance based on standards	98.00%	98.00%	98.00%

C. NATIONAL DEFENSE COLLEGE OF THE PHILIPPINES

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	2017	2018	2019
New General Appropriations	78,143	644,313	98,787
General Fund	78,143	644,313	98,787
Automatic Appropriations	2,569	2,771	3,087
Retirement and Life Insurance Premiums	2,569	2,771	3,087
Continuing Appropriations	1,507		
Unobligated Releases for MOOE R.A. No. 10717	1,507		
Budgetary Adjustment(s)	783		
Transfer(s) from: Miscellaneous Personnel Benefits Fund	783		
Total Available Appropriations	83,002	647,084	101,874
Unused Appropriations	(3,914)		
Unreleased Appropriation	(2,367)		
Unobligated Allotment	(1,547)		
TOTAL OBLIGATIONS	79,088	647,084	101,874
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EXPENDITURE PROGRAM
(in pesos)

GAS / STO / OPERATIONS / PROJECTS	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	2017 Actual	2018 Current	2019 Proposed
General Administration and Support	37,643,000	596,281,000	43,590,000
Regular	37,643,000	40,281,000	43,590,000
PS	19,052,000	22,231,000	22,619,000
MOOE	15,811,000	18,050,000	20,971,000
CO	2,780,000		

Projects / Purpose		556,000,000	
MOOE		14,000,000	
CO		542,000,000	
Operations	41,445,000	50,803,000	58,284,000
Regular	41,445,000	50,803,000	58,284,000
PS	17,047,000	20,970,000	22,791,000
MOOE	24,398,000	29,833,000	25,782,000
CO			9,711,000
TOTAL AGENCY BUDGET	79,088,000	647,084,000	101,874,000
Regular	79,088,000	91,084,000	101,874,000
PS	36,099,000	43,201,000	45,410,000
MOOE	40,209,000	47,883,000	46,753,000
CO	2,780,000		9,711,000
Projects / Purpose		556,000,000	
MOOE		14,000,000	
CO		542,000,000	

STAFFING SUMMARY

	2017	2018	2019
TOTAL STAFFING			
Total Number of Authorized Positions	66	66	66
Total Number of Filled Positions	58	58	58

Proposed New Appropriations Language
 For general administration and support, and operations, as indicated hereunder.....P 98,787,000
 =====

OPERATIONS BY PROGRAM	PROPOSED 2019 (Cash-Based)			
	PS	MOOE	CO	TOTAL
NATIONAL DEFENSE AND SECURITY POLICY STUDIES PROGRAM	10,509,000	10,933,000	9,711,000	31,153,000
NATIONAL DEFENSE AND SECURITY EDUCATION PROGRAM	10,801,000	14,849,000		25,650,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2019 (Cash-Based)
 (in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation	42,323,000	46,753,000	9,711,000	98,787,000
National Capital Region (NCR)	42,323,000	46,753,000	9,711,000	98,787,000
TOTAL AGENCY BUDGET	42,323,000	46,753,000	9,711,000	98,787,000
	=====	=====	=====	=====

SPECIAL PROVISION(S)

1. Reporting and Posting Requirements. The National Defense College of the Philippines (NDCP) shall submit quarterly reports on its financial and physical accomplishments, within thirty (30) days after the end of every quarter, through the following:

- (a) Unified Reporting System (URS) or other electronic means for reports not covered by the URS; and
- (b) NDCP's website.

The NDCP shall send written notice when said reports have been submitted or posted on its website to the DBM, House of Representatives, Senate of the Philippines, House Committee on Appropriations, Senate Committee on Finance, and other offices where the submission of reports is required under existing laws, rules and regulations. The date of notice to said agencies shall be considered the date of compliance with this requirement.

2. Appropriations for Activities or Projects. The amounts appropriated herein shall be used specifically for the following activities or projects in the indicated amounts and conditions:

New Appropriations, by Programs/Activities/Projects (Cash-Based)

		<u>Current Operating Expenditures</u>			
		<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS					
1000000000000000	General Administration and Support	21,013,000	20,971,000		41,984,000
100000100001000	General management and supervision	19,115,000	20,971,000		40,086,000
100000100002000	Administration of Personnel Benefits	1,898,000			1,898,000
Sub-total, General Administration and Support		<u>21,013,000</u>	<u>20,971,000</u>		<u>41,984,000</u>
3000000000000000	Operations	21,310,000	25,782,000	9,711,000	56,803,000
3100000000000000	00 : Defense and Security Leaders' Capacity Improved	21,310,000	25,782,000	9,711,000	56,803,000
3101000000000000	NATIONAL DEFENSE AND SECURITY POLICY STUDIES PROGRAM	10,509,000	10,933,000	9,711,000	31,153,000
310100100001000	Conduct of national defense and strategic international studies	10,509,000	10,933,000	9,711,000	31,153,000
3102000000000000	NATIONAL DEFENSE AND SECURITY EDUCATION PROGRAM	10,801,000	14,849,000		25,650,000
310200100001000	Conduct of graduate level and other courses of studies	10,801,000	14,849,000		25,650,000
Sub-total, Operations		<u>21,310,000</u>	<u>25,782,000</u>	<u>9,711,000</u>	<u>56,803,000</u>
TOTAL NEW APPROPRIATIONS		P 42,323,000 P	46,753,000 P	9,711,000 P	P 98,787,000
		=====	=====	=====	=====

Obligations, by Object of ExpendituresCYs 2017-2019
(In Thousand Pesos)

	(Obligation-Based)		(Cash-Based)
	2017	2018	2019
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	21,383	23,095	25,720
Total Permanent Positions	21,383	23,095	25,720
Other Compensation Common to All			
Personnel Economic Relief Allowance	1,408	1,416	1,392
Representation Allowance	443	450	450
Transportation Allowance	40	450	450
Clothing and Uniform Allowance	295	295	348
Honoraria	2,646	6,743	6,743
Mid-Year Bonus - Civilian	1,713	1,924	2,143
Year End Bonus	1,778	1,924	2,143
Cash Gift	292	295	290
Productivity Enhancement Incentive	295	295	290
Performance Based Bonus	783		
Step Increment		58	63
Collective Negotiation Agreement	1,475		
Total Other Compensation Common to All	11,168	13,850	14,312
Other Compensation for Specific Groups			
Lump-sum for filling of Positions - Civilian		2,941	1,833
Other Personnel Benefits	577		
Anniversary Bonus - Civilian		171	
Total Other Compensation for Specific Groups	577	3,112	1,833
Other Benefits			
Retirement and Life Insurance Premiums	2,570	2,771	3,087
PAG-IBIG Contributions	70	70	69
PhilHealth Contributions	203	199	255
Employees Compensation Insurance Premiums	70	70	69
Terminal Leave	58	34	65
Total Other Benefits	2,971	3,144	3,545
TOTAL PERSONNEL SERVICES	36,099	43,201	45,410
Maintenance and Other Operating Expenses			
Travelling Expenses	7,410	17,071	7,284
Training and Scholarship Expenses	3,405	4,932	1,475
Supplies and Materials Expenses	7,530	11,951	15,753
Utility Expenses	35	214	221
Communication Expenses	1,128	1,574	1,621
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	108	108	108
Professional Services	2,356	8,607	5,107
General Services	3,260	3,570	6,879
Repairs and Maintenance	6,019	2,500	1,802
Taxes, Insurance Premiums and Other Fees	444	440	440
Labor and Wages	17		
Other Maintenance and Operating Expenses			
Printing and Publication Expenses	279	6,938	451
Representation Expenses	2,204	1,743	1,795
Rent/Lease Expenses	1,997	1,900	1,150

Membership Dues and Contributions to Organizations		5	5
Subscription Expenses	547	330	2,662
Other Maintenance and Operating Expenses	3,470		
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>40,209</u>	<u>61,883</u>	<u>46,753</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>76,308</u>	<u>105,084</u>	<u>92,163</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Buildings and Other Structures		530,800	
Machinery and Equipment Outlay			9,711
Transportation Equipment Outlay	2,780	9,000	
Furniture, Fixtures and Books Outlay		2,200	
TOTAL CAPITAL OUTLAYS	<u>2,780</u>	<u>542,000</u>	<u>9,711</u>
GRAND TOTAL	<u>79,088</u>	<u>647,084</u>	<u>101,874</u>

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Security, public order, and safety ensured

ORGANIZATIONAL OUTCOME : Defense and Security Leaders' Capacity Improved

PERFORMANCE INFORMATION

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>2017 GAA Targets</u>	<u>2017 Actual</u>
Defense and Security Leaders' Capacity Improved		
Percentage of Senior Leaders provided with MNSA/SECNS program	86%	86%
<u>MFO / Performance Indicators</u>	<u>2017 GAA Targets</u>	<u>2017 Actual</u>
MFO 1: NATIONAL DEFENSE AND SECURITY EDUCATION SERVICES		
Conduct of graduate level and other courses of studies		
Number of scholars	65	65
Percentage of scholars who rate the program as good or better	92%	96%
Percentage of program which commenced within 1 day of schedule	100%	100%

<u>ORGANIZATIONAL OUTCOMES (00s) / PERFORMANCE INDICATORS (PIs)</u>	<u>2018 GAA Targets</u>	<u>Baseline</u>	<u>2019 Targets</u>
Defense and Security Leaders' Capacity Improved			
NATIONAL DEFENSE AND SECURITY POLICY STUDIES PROGRAM			
Outcome Indicator			
1. Percentage of research papers accepted by requesting agencies	100%	100%	100%
Output Indicators			
1. Number of research papers produced	20	20	22
2. Number of publications produced	10	10	11
NATIONAL DEFENSE AND SECURITY EDUCATION PROGRAM			
Outcome Indicators			
1. Percentage of Senior Leaders from DND and AFP who completed MNSA program	64%	64%	69%
2. Teacher to student ratio	1:10	1:10	1:8
Output Indicators			
1. Number of graduates	65	65	65
2. Number of enrollees	65	65	65

D. OFFICE OF CIVIL DEFENSE

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	<u>2017</u>	<u>2018</u>	<u>2019</u>
New General Appropriations	<u>481,156</u>	<u>1,067,198</u>	<u>1,374,775</u>
General Fund	481,156	1,067,198	1,374,775
Automatic Appropriations	<u>14,484</u>	<u>15,582</u>	<u>20,504</u>
Retirement and Life Insurance Premiums	14,484	15,582	20,504
Continuing Appropriations	<u>469,454</u>		
Unobligated Releases for MOOE R.A. No. 10717	469,454		
Budgetary Adjustment(s)	<u>566,980</u>		
Transfer(s) from:			
National Disaster Risk Reduction and Management Fund (Calamity Fund)	500,000		
Miscellaneous Personnel Benefits Fund	56,808		
Pension and Gratuity Fund	10,172		
Total Available Appropriations	<u>1,532,074</u>	<u>1,082,780</u>	<u>1,395,279</u>
Unused Appropriations	<u>(425,339)</u>		
Unobligated Allotment	<u>(425,339)</u>		
TOTAL OBLIGATIONS	<u>1,106,735</u>	<u>1,082,780</u>	<u>1,395,279</u>

EXPENDITURE PROGRAM
(in pesos)

GAS / STO / OPERATIONS / PROJECTS	(Obligation-Based)		(Cash-Based)
	2017 Actual	2018 Current	2019 Proposed
General Administration and Support	118,913,000	84,927,000	101,720,000
Regular	118,913,000	84,927,000	101,720,000
PS	60,919,000	35,904,000	51,288,000
MOOE	57,994,000	49,023,000	50,432,000
Operations	987,822,000	997,853,000	1,293,559,000
Regular	987,822,000	997,853,000	1,293,559,000
PS	148,013,000	155,470,000	199,044,000
MOOE	647,887,000	573,803,000	589,322,000
CO	191,922,000	268,580,000	505,193,000
TOTAL AGENCY BUDGET	1,106,735,000	1,082,780,000	1,395,279,000
Regular	1,106,735,000	1,082,780,000	1,395,279,000
PS	208,932,000	191,374,000	250,332,000
MOOE	705,881,000	622,826,000	639,754,000
CO	191,922,000	268,580,000	505,193,000

STAFFING SUMMARY

	2017	2018	2019
TOTAL STAFFING			
Total Number of Authorized Positions	644	644	644
Total Number of Filled Positions	408	432	432

Proposed New Appropriations Language
For general administration and support, and operations, as indicated hereunder.....P 1,374,775,000
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PROPOSED 2019 (Cash-Based)

OPERATIONS BY PROGRAM	PS	MOOE	CO	TOTAL
CIVIL PROTECTION PROGRAM	182,559,000	589,322,000	505,193,000	1,277,074,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2019 (Cash-Based)
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation	229,828,000	639,754,000	505,193,000	1,374,775,000
National Capital Region (NCR)	229,828,000	639,754,000	505,193,000	1,374,775,000
TOTAL AGENCY BUDGET	229,828,000	639,754,000	505,193,000	1,374,775,000

SPECIAL PROVISION(S)

1. Quick Response Fund. The amount of Five Hundred Million Pesos (P500,000,000) appropriated herein for the Quick Response Fund (QRF) shall serve as a stand-by fund to be used for the rehabilitation and relief programs and projects in order that the situation and living conditions of people in communities or areas affected by natural or human-induced calamities, epidemics, crises, and catastrophes, which occurred in the last quarter of the immediately preceding year and those occurring during the current year may be normalized as quickly as possible. In no case shall the QRF be used for pre-disaster activities, such as conduct of training, insurance of assets, and public information and information initiatives, or any other purpose not authorized in this Act.
2. Reporting and Posting Requirements. The Office of Civil Defense (OCD) shall submit quarterly reports on its financial and physical accomplishments, within thirty (30) days after the end of every quarter, through the following:
 - (a) Unified Reporting System (URS) or other electronic means for reports not covered by the URS; and
 - (b) OCD's website.

The OCD shall send written notice when said reports have been submitted or posted on its website to the DBM, House of Representatives, Senate of the Philippines, House Committee on Appropriations, Senate Committee on Finance, and other offices where the submission of reports is required under existing laws, rules and regulations. The date of notice to said agencies shall be considered the date of compliance with this requirement.
3. Appropriations for Activities or Projects. The amounts appropriated herein shall be used specifically for the following activities or projects in the indicated amounts and conditions:

New Appropriations, by Programs/Activities/Projects (Cash-Based)

		<u>Current Operating Expenditures</u>			
		<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS					
1000000000000000	General Administration and Support	47,269,000	50,432,000		97,701,000
100000100001000	General management and supervision	45,111,000	50,432,000		95,543,000
100000100002000	Administration of Personnel Benefits	2,158,000			2,158,000
Sub-total, General Administration and Support		47,269,000	50,432,000		97,701,000
3000000000000000	Operations	182,559,000	589,322,000	505,193,000	1,277,074,000
3100000000000000	00 : Resiliency of communities to disasters improved	182,559,000	589,322,000	505,193,000	1,277,074,000
3101000000000000	CIVIL PROTECTION PROGRAM	182,559,000	589,322,000	505,193,000	1,277,074,000
3101010000000000	CIVIL DEFENSE ENHANCEMENT SUB-PROGRAM	87,950,000	33,952,000	12,600,000	134,502,000
310101100001000	Enhancement, Capacity Development and Mobilization for Civil Defense	87,950,000	33,952,000	12,600,000	134,502,000

3101020000000000	DISASTER RISK REDUCTION AND MANAGEMENT SUB-PROGRAM	94,609,000	305,370,000	242,593,000	642,572,000
310102100001000	Empowering Sectors on DRRM for Resiliency	94,609,000	305,370,000	242,593,000	642,572,000
3101030000000000	DISASTER MANAGEMENT OPERATIONS		250,000,000	250,000,000	500,000,000
310103100001000	Disaster Response Operation		250,000,000	250,000,000	500,000,000
Sub-total, Operations		182,559,000	589,322,000	505,193,000	1,277,074,000
TOTAL NEW APPROPRIATIONS		P 229,828,000	P 639,754,000	P 505,193,000	P 1,374,775,000
		=====	=====	=====	=====

Obligations, by Object of Expenditures

CYs 2017-2019
(In Thousand Pesos)

	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	<u>2017</u>	<u>2018</u>	<u>2019</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	124,163	129,854	170,869
Total Permanent Positions	124,163	129,854	170,869
Other Compensation Common to All			
Personnel Economic Relief Allowance	9,173	8,976	10,368
Representation Allowance	3,404	2,790	3,144
Transportation Allowance	3,153	2,790	3,144
Clothing and Uniform Allowance	1,940	1,870	2,592
Mid-Year Bonus - Civilian	10,003	10,821	14,239
Year End Bonus	10,256	10,821	14,239
Cash Gift	1,924	1,870	2,160
Productivity Enhancement Incentive	1,896	1,870	2,160
Performance Based Bonus	3		
Step Increment		324	427
Collective Negotiation Agreement	8,993		
Total Other Compensation Common to All	50,745	42,132	52,473
Other Compensation for Specific Groups			
Anniversary Bonus - Civilian			1,224
Total Other Compensation for Specific Groups			1,224
Other Benefits			
Retirement and Life Insurance Premiums	14,483	15,582	20,504
PAG-IBIG Contributions	456	449	518
PhilHealth Contributions	1,211	1,238	1,873
Employees Compensation Insurance Premiums	452	449	518
Loyalty Award - Civilian			195
Terminal Leave	17,422	1,670	2,158
Total Other Benefits	34,024	19,388	25,766
TOTAL PERSONNEL SERVICES	208,932	191,374	250,332

Maintenance and Other Operating Expenses			
Travelling Expenses	50,352	42,655	43,871
Training and Scholarship Expenses	149,863	186,465	192,058
Supplies and Materials Expenses	240,436	27,462	28,547
Utility Expenses	7,517	6,289	6,478
Communication Expenses	15,193	22,161	29,069
Awards/Rewards and Prizes	23,301	8,316	8,316
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	2,299	2,609	2,609
Professional Services	7,558	2,640	2,640
General Services	24,257	5,718	5,811
Repairs and Maintenance	12,793	9,382	10,002
Financial Assistance/Subsidy	12,528	250,000	250,000
Taxes, Insurance Premiums and Other Fees	2,454	3,198	3,257
Other Maintenance and Operating Expenses			
Advertising Expenses	1,193	1,431	1,474
Printing and Publication Expenses	9,303	2,185	2,251
Representation Expenses	50,434	25,798	26,572
Transportation and Delivery Expenses	20,158	974	1,004
Rent/Lease Expenses	64,396	12,916	12,916
Subscription Expenses	562	946	946
Donations		75	75
Other Maintenance and Operating Expenses	11,284	11,606	11,858
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	705,881	622,826	639,754
TOTAL CURRENT OPERATING EXPENDITURES	914,813	814,200	890,086
Capital Outlays			
Property, Plant and Equipment Outlay			
Land Improvements Outlay		10,000	
Infrastructure Outlay		250,000	259,046
Machinery and Equipment Outlay	189,122		233,547
Transportation Equipment Outlay	2,800	8,580	12,600
TOTAL CAPITAL OUTLAYS	191,922	268,580	505,193
GRAND TOTAL	1,106,735	1,082,780	1,395,279

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Security, public order, and safety ensured

ORGANIZATIONAL
OUTCOME : Resiliency of communities to disasters improved

PERFORMANCE INFORMATION

ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)	2017 GAA Targets	2017 Actual
Province/City/Municipality (PCM) Disaster Risk Reduction and Management (DRRM) Councils Strengthened		
Percentage (1,715) including ARMM and NCR increase in the capability, preparedness and responsiveness of PCM to DRRM	80% of the total DRRM Councils of the 22 highly vulnerable provinces, 443 municipalities, 48 cities and 12,391 communities strategically located in the Major River Basins (MRBs)	98% of the total DRRM Councils of the 18 Provinces, 345 Municipalities and 39 Cities

MFO / Performance Indicators	2017 GAA Targets	2017 Actual
MFO 1: DISASTER RISK REDUCTION AND MANAGEMENT POLICY SERVICES		
Number of disaster risk management policies and plan developed and issued or reviewed, updated, and disseminated	29	29
Percentage of stakeholders who rate the policies and plans as satisfactory or better	70%	90%
Percentage of policies and plan developed and issued or reviewed, updated, and disseminated in the last 3 years	70%	90%
Number of persons provided with disaster risk-reduction management training	14,400	13,376
Percentage of trainees who rate the quality of training as good or better	70%	92%
Number of training days	1,181	1,109
Number of assignments for technical advisory assistance undertaken	1,296	1,441
Percentage of request for training or technical advice acted upon within 3 days	70%	95%

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	2018 GAA Targets	Baseline	2019 Targets
Resiliency of communities to disasters improved			
CIVIL PROTECTION PROGRAM			
CIVIL DEFENSE ENHANCEMENT SUB-PROGRAM			
Outcome Indicators			
1. Percentage increase of volunteers accredited, organized and capacitated	10%	inventory of volunteers year 2015 value 9,790	10%
2. Percentage decrease in fatality rate due to human-induced hazards	5%	fatality rate year 2016 value 346	5%
Output Indicators			
1. Number of volunteers capacitated	1,512		1,512
2. Number of emergency operations centers maintained	19		18
DISASTER RISK REDUCTION AND MANAGEMENT SUB-PROGRAM			
Outcome Indicators			
1. Percentage of sectors who rated the DRRM training and resource learning initiatives as satisfactory or better	70%	N/RDRRM Council members, LDRRMOs and stakeholders year 2015 value 70%	70%
2. Percentage increase of sectors assessed and improved	10%	Gawad Kalasag national and regional entries year 2015-2017 value 45%	10%
Output Indicators			
1. Number of sectors provided with DRRM training and learning initiatives	266	N/RDRRM Council members LDRRMOs and stakeholders	266
2. Percentage of sectors assessed on disaster readiness and resiliency	10%	Gawad Kalasag national and regional entries	10%
3. Percentage of sectors provided with information, education and communication campaigns (IECs)	10%	14 Basic Sectors and their attached organizations at the national and regional level	10%

E. PHILIPPINE VETERANS AFFAIRS OFFICE (PROPER)

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	2017	2018	2019
New General Appropriations	899,305	738,614	553,308
General Fund	899,305	738,614	553,308
Automatic Appropriations	11,191	11,325	12,080
Retirement and Life Insurance Premiums	11,191	11,325	12,080
Continuing Appropriations	20,888		
Unobligated Releases for Capital Outlays			
R.A. No. 10717	3,514		
Unobligated Releases for MOOE			
R.A. No. 10717	17,374		
Budgetary Adjustment(s)	10,094,240		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	4,058		
Pension and Gratuity Fund	10,090,182		
Total Available Appropriations	11,025,624	749,939	565,388
Unused Appropriations	(5,027)		
Unreleased Appropriation	(16)		
Unobligated Allotment	(5,011)		
TOTAL OBLIGATIONS	11,020,597	749,939	565,388
	=====	=====	=====

EXPENDITURE PROGRAM
(in pesos)

GAS / STO / OPERATIONS / PROJECTS	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	2017 Actual	2018 Current	2019 Proposed
General Administration and Support	101,579,000	92,785,000	89,340,000
Regular	101,579,000	92,785,000	89,340,000
PS	46,712,000	37,896,000	44,408,000
MOOE	54,867,000	48,189,000	44,932,000
CO		6,700,000	
Operations	10,536,414,000	657,154,000	476,048,000
Regular	10,536,414,000	473,012,000	468,506,000
PS	10,196,633,000	103,501,000	106,297,000
MOOE	330,895,000	369,011,000	361,309,000
CO	8,886,000	500,000	900,000

SPECIAL PROVISION(S)

1. Revolving Fund for Military Shrine Installation and Facilities. The revolving fund constituted from the entrance fees and rentals from military shrine installation and facilities, and board and lodging shall be used to cover the MOOE and Capital Outlay requirements of said facilities. Disbursements shall be made in accordance with guidelines issued by DND and budgeting, accounting and auditing rules and regulations.

Disbursements or expenditures by the Philippine Veterans Affairs Office (PVAO) in violation of the above requirements shall be void and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of E.O. No. 292, s. 1987 and to appropriate criminal action under existing penal laws.

2. Reporting and Posting Requirements. The PVAO shall submit quarterly reports on its financial and physical accomplishments, within thirty (30) days after the end of every quarter, through the following:

(a) Unified Reporting System (URS) or other electronic means for reports not covered by the URS; and

(b) PVAO's website.

The PVAO shall send written notice when said reports have been submitted or posted on its website to the DBM, House of Representatives, Senate of the Philippines, House Committee on Appropriations, Senate Committee on Finance, and other offices where the submission of reports is required under existing laws, rules and regulations. The date of notice to said agencies shall be considered the date of compliance with this requirement.

3. Appropriations for Activities or Projects. The amounts appropriated herein shall be used specifically for the following activities or projects in the indicated amounts and conditions:

New Appropriations, by Programs/Activities/Projects (Cash-Based)

	Current Operating Expenditures			Total	
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays		
PROGRAMS					
10000000000000000000	General Administration and Support	41,042,000	44,932,000	85,974,000	
100000100001000	General management and supervision	39,061,000	44,932,000	83,993,000	
100000100002000	Administration of Personnel Benefits	1,981,000		1,981,000	
Sub-total, General Administration and Support		41,042,000	44,932,000	85,974,000	
30000000000000000000	Operations	97,583,000	368,851,000	900,000	467,334,000
31000000000000000000	00 : Filipino veterans empowered	85,463,000	334,144,000	900,000	420,507,000
31010000000000000000	VETERANS' WELFARE AND BENEFITS ADMINISTRATION OF PROGRAM	81,415,000	322,396,000	900,000	404,711,000
310100100001000	Processing of veterans' claims	66,020,000	30,254,000		96,274,000
310100100002000	Payment of veterans' benefits		266,598,000		266,598,000
310100100003000	Investigation, verification of records, strengthening of internal control system and conduct of management and system audit	15,395,000	18,002,000	900,000	34,297,000

Project(s)				
	Locally-Funded Project(s)		<u>7,542,000</u>	<u>7,542,000</u>
310100200002000	Upgrading to a Fiber Optic Local Area Network		1,334,000	1,334,000
310100200003000	Procurement of ICT Equipment for Office Productivity		1,290,000	1,290,000
310100200004000	Migration to Government Shared Services		4,755,000	4,755,000
310100200005000	Implementation of ISSP		163,000	163,000
310200000000000	VETERANS AFFAIRS MANAGEMENT PROGRAM	<u>4,048,000</u>	<u>11,748,000</u>	<u>15,796,000</u>
310200100001000	Provide assistance in empowering of veterans organizations	4,048,000	11,748,000	15,796,000
320000000000000	OO : Filipinos' appreciation and gratitude for veterans' service demonstrated	<u>12,120,000</u>	<u>34,707,000</u>	<u>46,827,000</u>
320100000000000	VETERANS MEMORIAL AND HISTORICAL PRESERVATION PROGRAM	<u>12,120,000</u>	<u>34,707,000</u>	<u>46,827,000</u>
320100100001000	Administration and management of national military shrines	11,042,000	27,716,000	38,758,000
320100100002000	Historical research and preservation	1,078,000	1,327,000	2,405,000
320100100003000	Celebration of veteran-related events		<u>5,664,000</u>	<u>5,664,000</u>
Sub-total, Operations		<u>97,583,000</u>	<u>368,851,000</u>	<u>900,000</u> <u>467,334,000</u>
TOTAL NEW APPROPRIATIONS		P 138,625,000	P 413,783,000	P 900,000 P 553,308,000

Obligations, by Object of Expenditures

CYs 2017-2019
(In Thousand Pesos)

	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	<u>2017</u>	<u>2018</u>	<u>2019</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	87,894	94,377	100,661
Total Permanent Positions	<u>87,894</u>	<u>94,377</u>	<u>100,661</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	8,132	8,232	8,136
Representation Allowance	807	648	708
Transportation Allowance	516	648	708
Clothing and Uniform Allowance	1,700	1,715	2,034
Honoraria	179	1,800	1,800
Mid-Year Bonus - Civilian	7,319	7,865	8,388
Year End Bonus	7,224	7,865	8,388
Cash Gift	1,689	1,715	1,695

Productivity Enhancement Incentive	1,670	1,715	1,695
Performance Based Bonus	4,058		
Step Increment		236	252
Collective Negotiation Agreement	8,500		
Total Other Compensation Common to All	<u>41,794</u>	<u>32,439</u>	<u>33,804</u>
Other Compensation for Specific Groups			
Quarters Allowance	612		
Overseas Allowance	895		
Other Personnel Benefits	8,182		
Total Other Compensation for Specific Groups	<u>9,689</u>		
Other Benefits			
Retirement and Life Insurance Premiums	10,551	11,325	12,080
PAG-IBIG Contributions	406	412	407
PhilHealth Contributions	930	987	1,215
Employees Compensation Insurance Premiums	406	412	407
Loyalty Award - Civilian		150	150
Terminal Leave	4,710	1,295	1,981
Total Other Benefits	<u>17,003</u>	<u>14,581</u>	<u>16,240</u>
Military/Uniformed Personnel			
Other Personnel Benefits			
Pension, Veterans	10,086,965		
Total Other Personnel Benefits	<u>10,086,965</u>		
TOTAL PERSONNEL SERVICES	<u>10,243,345</u>	<u>141,397</u>	<u>150,705</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	4,059	4,355	3,932
Training and Scholarship Expenses	3,271	3,062	3,142
Supplies and Materials Expenses	30,034	31,602	32,346
Utility Expenses	11,584	18,613	18,614
Communication Expenses	12,040	22,699	23,017
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	270	380	380
Professional Services	29,943	16,495	4,842
General Services	19,854	23,651	23,651
Repairs and Maintenance	23,197	15,365	15,891
Taxes, Insurance Premiums and Other Fees	393	508	500
Other Maintenance and Operating Expenses			
Advertising Expenses	491	696	408
Printing and Publication Expenses	3,213	4,122	4,246
Representation Expenses	9,186	9,150	9,146
Transportation and Delivery Expenses	15	72	72
Rent/Lease Expenses	7,021	6,387	6,011
Subscription Expenses	749	982	982
Donations	236,570	266,598	266,598
Other Maintenance and Operating Expenses	500	5	5
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>392,390</u>	<u>424,742</u>	<u>413,783</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>10,635,735</u>	<u>566,139</u>	<u>564,488</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Land Improvements Outlay		30,000	
Buildings and Other Structures	12,643	25,000	
Machinery and Equipment Outlay	11,526	28,450	900
Furniture, Fixtures and Books Outlay	150	150	

Heritage Assets	360,543	100,000	
Other Property Plant and Equipment Outlay		200	
TOTAL CAPITAL OUTLAYS	<u>384,862</u>	<u>183,800</u>	<u>900</u>
GRAND TOTAL	<u>11,020,597</u>	<u>749,939</u>	<u>565,388</u>

STRATEGIC OBJECTIVES

SECTOR OUTCOME : People-centered, innovative, clean, efficient, effective, and inclusive delivery of public goods and services

ORGANIZATIONAL
 OUTCOME : Filipino veterans empowered
 Filipinos' appreciation and gratitude for veterans' service demonstrated

PERFORMANCE INFORMATION

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>2017 GAA Targets</u>	<u>2017 Actual</u>
Filipinos' appreciation and gratitude for veterans' service demonstrated		
Timely payment of regular pension and benefits	100% of regular pension paid on or before the end of the corresponding pension month	100%

<u>MFO / Performance Indicators</u>	<u>2017 GAA Targets</u>	<u>2017 Actual</u>
MFO 1: ADMINISTRATION OF VETERANS' PENSION AND BENEFITS PROGRAM		
Number of pension and other benefit payments made	212,618	220,741
Number of pensioners and beneficiaries	185,506	187,745
Percentage of payments made over the last three (3) years that are found to be invalid	0.50%	0.11%
Percentage of valid benefit claims made within ten (10) working days of receipt of completed documents	90%	91%
Percentage of regular pension payments made into beneficiaries accounts on due date	100%	100%
MFO 2: PRESERVATION AND DEVELOPMENT SERVICES FOR MILITARY SHRINES		
Number of shrines maintained	7	8
Number of veteran commemorative events managed	13	18
Percentage of stakeholders who rated the commemorative events as good or better	90%	100%
Percentage of shrine visitors who rated the facility maintenance and customer services as good or better	90%	99%
Percentage of commemorative events that are completed within program schedule	100%	100%
Percentage of shrines that are maintained on a daily basis	100%	100%

<u>ORGANIZATIONAL OUTCOMES (00s) / PERFORMANCE INDICATORS (PIs)</u>	<u>2018 GAA Targets</u>	<u>Baseline</u>	<u>2019 Targets</u>
Filipino veterans empowered			
VETERANS' WELFARE AND BENEFITS ADMINISTRATION OF PROGRAM			
Outcome Indicator			
1. Percentage of regular pensions paid on or before due date	100%	100%	100%
Output Indicators			
1. Percentage of benefit claims processed within ten (10) working days upon receipt of completed documents	92%	92%	92%
2. Number of recipients of non-pension benefits	9,650	9,910	9,998
VETERANS AFFAIRS MANAGEMENT PROGRAM			
Outcome Indicator			
1. Percentage of veterans who are member of veterans organizations	25%	22.60%	30%
Output Indicators			
1. Number of veteran-related engagements	42	42	42
2. Number of veterans organizations assisted	42	40	42
Filipinos' appreciation and gratitude for veterans' service demonstrated			
VETERANS MEMORIAL AND HISTORICAL PRESERVATION PROGRAM			
Outcome Indicator			
1. Number of shrine visitors and attendees to commemorative events	500,000	480,623	500,000
Output Indicators			
1. Number of shrines maintained	8	8	8
2. Number of veterans' celebratory events managed	13	14	13
3. Number of books, journals and other materials published	4	4	4

F. VETERANS MEMORIAL MEDICAL CENTER

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	<u>2017</u>	<u>2018</u>	<u>2019</u>
New General Appropriations	<u>1,189,765</u>	<u>1,625,669</u>	<u>1,711,380</u>
General Fund	1,189,765	1,625,669	1,711,380
Automatic Appropriations	<u>47,814</u>	<u>51,125</u>	<u>54,472</u>
Retirement and Life Insurance Premiums	47,814	51,125	54,472

Continuing Appropriations	<u>57,064</u>		
Unobligated Releases for Capital Outlays R.A. No. 10717	54,225		
Unobligated Releases for MOOE R.A. No. 10717	2,839		
Budgetary Adjustment(s)	<u>33,257</u>		
Transfer(s) from:			
Miscellaneous Personnel Benefits Fund	18,381		
Pension and Gratuity Fund	<u>14,876</u>		
Total Available Appropriations	1,327,900	1,676,794	1,765,852
Unused Appropriations	(34,988)		
Unreleased Appropriation	(25,523)		
Unobligated Allotment	(9,465)		
TOTAL OBLIGATIONS	<u>1,292,912</u>	<u>1,676,794</u>	<u>1,765,852</u>
	=====	=====	=====

**EXPENDITURE PROGRAM
(in pesos)**

GAS / STO / OPERATIONS / PROJECTS	(Obligation-Based)		(Cash-Based)
	2017 Actual	2018 Current	2019 Proposed
General Administration and Support	<u>283,988,000</u>	<u>356,140,000</u>	<u>448,516,000</u>
Regular	<u>283,988,000</u>	<u>356,140,000</u>	<u>448,516,000</u>
PS	118,254,000	128,516,000	116,360,000
MOOE	135,932,000	189,214,000	193,227,000
CO	29,802,000	38,410,000	138,929,000
Operations	<u>1,008,924,000</u>	<u>1,320,654,000</u>	<u>1,317,336,000</u>
Regular	<u>1,008,924,000</u>	<u>1,320,654,000</u>	<u>1,317,336,000</u>
PS	607,272,000	623,621,000	663,929,000
MOOE	327,400,000	614,533,000	638,407,000
CO	74,252,000	82,500,000	15,000,000
TOTAL AGENCY BUDGET	<u>1,292,912,000</u>	<u>1,676,794,000</u>	<u>1,765,852,000</u>
Regular	<u>1,292,912,000</u>	<u>1,676,794,000</u>	<u>1,765,852,000</u>
PS	725,526,000	752,137,000	780,289,000
MOOE	463,332,000	803,747,000	831,634,000
CO	104,054,000	120,910,000	153,929,000

STAFFING SUMMARY

	<u>2017</u>	<u>2018</u>	<u>2019</u>
TOTAL STAFFING			
Total Number of Authorized Positions	1,405	1,405	1,405
Total Number of Filled Positions	1,280	1,266	1,266

Proposed New Appropriations Language

For general administration and support, and operations, as indicated hereunder.....P 1,711,380,000
 =====

OPERATIONS BY PROGRAM	PROPOSED 2019 (Cash-Based)			
	PS	MOOE	CO	TOTAL
VETERAN HEALTH CARE PROGRAM	615,453,000	638,407,000	15,000,000	1,268,860,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2019 (Cash-Based)
 (in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation	725,817,000	831,634,000	153,929,000	1,711,380,000
National Capital Region (NCR)	725,817,000	831,634,000	153,929,000	1,711,380,000
TOTAL AGENCY BUDGET	725,817,000	831,634,000	153,929,000	1,711,380,000

SPECIAL PROVISION(S)

- Hospital Income and Other Revenues from Golf Course Operations. In addition to the amounts appropriated herein, all income generated from the operations of the Veterans Memorial Medical Center (VMMC) shall be deposited in an authorized government depository bank and used to augment the hospital's MOOE and Capital Outlay requirements, subject to the following conditions: (i) at least twenty-five percent (25%) of said income shall be utilized to purchase and upgrade hospital equipment used directly in the delivery of health services; and (ii) income sourced from PhilHealth reimbursements from availment of medical services shall be used exclusively by said hospitals for the improvement of its facilities, and the replenishment of drugs, medicines and vaccines, including medical and dental supplies used in government health care facilities.

Likewise, all revenues derived from the VMMC golf club membership dues, green fees, concession fees, and such other income from business-related operations of the golf course shall be deposited in an authorized government depository bank and used to cover the expenses incurred in its operations. Any excess income from the operations of the golf course may be used to augment the hospital's MOOE and Capital Outlay requirements.

In no case shall income from hospital and golf course operations be used for the payment of salaries and allowances of the hospital's permanent and regular employees.

Disbursements or expenditures by the VMMC in violation of the above requirements shall be void and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of E.O. No. 292, s. 1987, and to appropriate criminal action under existing penal laws.

The VMMC shall prepare and submit to the DBM not later than November 15 of the preceding year, the annual operating budget for the current year covering said income and the corresponding expenditures. Likewise, it shall submit to the DBM not later than March 1 of the current year its audited financial statement for the immediately preceding year. The Director of VMMC and the hospital's web administrator or his/her equivalent shall be responsible for ensuring that the foregoing documents are likewise posted on the VMMC website.

- Reporting and Posting Requirements. The VMMC shall submit quarterly reports on its financial and physical accomplishments, within thirty (30) days after the end of every quarter, through the following:
 - Unified Reporting System (URS) or other electronic means for reports not covered by the URS; and
 - VMMC's website.

The VMMC shall send written notice when said reports have been submitted or posted on its website to the DBM, House of Representatives, Senate of the Philippines, House Committee on Appropriations, Senate Committee on Finance, and other offices where the submission of reports is required under existing laws, rules and regulations. The date of notice to said agencies shall be considered the date of compliance with this requirement.

3. Appropriations for Activities or Projects. The amounts appropriated herein shall be used specifically for the following activities or projects in the indicated amounts and conditions:

New Appropriations, by Programs/Activities/Projects (Cash-Based)

		<u>Current Operating Expenditures</u>			
		<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS					
1000000000000000	General Administration and Support	110,364,000	193,227,000	138,929,000	442,520,000
100000100001000	General management and supervision	84,566,000	193,227,000	138,929,000	416,722,000
100000100002000	Administration of Personnel Benefits	25,798,000			25,798,000
Sub-total, General Administration and Support		110,364,000	193,227,000	138,929,000	442,520,000
3000000000000000	Operations	615,453,000	638,407,000	15,000,000	1,268,860,000
3100000000000000	00 : Quality Health Care Services Provided to Veterans and their Dependents	615,453,000	638,407,000	15,000,000	1,268,860,000
3101000000000000	VETERAN HEALTH CARE PROGRAM	615,453,000	638,407,000	15,000,000	1,268,860,000
310100100001000	In-Patient care	579,491,000	551,185,000	15,000,000	1,145,676,000
310100100002000	Out-Patient care	35,962,000	87,222,000		123,184,000
Sub-total, Operations		615,453,000	638,407,000	15,000,000	1,268,860,000
TOTAL NEW APPROPRIATIONS		P 725,817,000	P 831,634,000	P 153,929,000	P 1,711,380,000

Obligations, by Object of Expenditures

CYs 2017-2019
(In Thousand Pesos)

	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	<u>2017</u>	<u>2018</u>	<u>2019</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	389,737	426,040	453,933
Total Permanent Positions	389,737	426,040	453,933
Other Compensation Common to All			
Personnel Economic Relief Allowance	30,452	30,792	30,360
Representation Allowance	425	432	432

Transportation Allowance	424	432	432
Clothing and Uniform Allowance	6,482	6,420	7,596
Mid-Year Bonus - Civilian	30,843	35,504	37,827
Year End Bonus	31,829	35,504	37,827
Cash Gift	6,271	6,420	6,330
Productivity Enhancement Incentive	6,185	6,420	6,330
Performance Based Bonus	18,381		
Step Increment		1,065	1,135
Collective Negotiation Agreement	28,574		
Total Other Compensation Common to All	<u>159,866</u>	<u>122,989</u>	<u>128,269</u>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	100,850	101,383	106,178
Night Shift Differential Pay	1,353	2,532	2,532
Lump-sum for filling of Positions - Civilian		28,141	22,001
Total Other Compensation for Specific Groups	<u>102,203</u>	<u>132,056</u>	<u>130,711</u>
Other Benefits			
Retirement and Life Insurance Premiums	46,396	51,125	54,472
PAG-IBIG Contributions	1,558	1,541	1,519
PhilHealth Contributions	4,144	4,004	5,061
Employees Compensation Insurance Premiums	1,542	1,541	1,519
Loyalty Award - Civilian		1,008	1,008
Terminal Leave	20,080	11,833	3,797
Total Other Benefits	<u>73,720</u>	<u>71,052</u>	<u>67,376</u>
TOTAL PERSONNEL SERVICES	<u>725,526</u>	<u>752,137</u>	<u>780,289</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	40	155	160
Training and Scholarship Expenses	1,845	1,854	1,910
Supplies and Materials Expenses	304,861	638,160	662,895
Utility Expenses	77,035	96,864	99,770
Communication Expenses	941	1,571	1,138
Awards/Rewards and Prizes	491	300	300
Confidential, Intelligence and Extraordinary Expenses			
Extraordinary and Miscellaneous Expenses	100	110	110
Professional Services	32,980	5,560	5,560
General Services	26,429	46,011	46,011
Repairs and Maintenance	5,929	3,869	3,985
Taxes, Insurance Premiums and Other Fees	2,082	732	732
Other Maintenance and Operating Expenses			
Advertising Expenses	77	113	116
Representation Expenses	1,177	635	654
Rent/Lease Expenses	7,232	7,250	7,730
Membership Dues and Contributions to Organizations	22	30	30
Subscription Expenses	26	533	533
Other Maintenance and Operating Expenses	2,065		
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>463,332</u>	<u>803,747</u>	<u>831,634</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>1,188,858</u>	<u>1,555,884</u>	<u>1,611,923</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Infrastructure Outlay	29,802	20,000	130,000
Buildings and Other Structures	48,161		
Machinery and Equipment Outlay	25,616	88,800	23,929
Furniture, Fixtures and Books Outlay	475		
Intangible Assets Outlay		12,110	
TOTAL CAPITAL OUTLAYS	<u>104,054</u>	<u>120,910</u>	<u>153,929</u>
GRAND TOTAL	<u>1,292,912</u>	<u>1,676,794</u>	<u>1,765,852</u>

STRATEGIC OBJECTIVES

SECTOR OUTCOME : People-centered, innovative, clean, efficient, effective, and inclusive delivery of public goods and services

ORGANIZATIONAL OUTCOME : Quality Health Care Services Provided to Veterans and their Dependents

PERFORMANCE INFORMATION

ORGANIZATIONAL OUTCOMES (00s) / PERFORMANCE INDICATORS (PIs)	2017 GAA Targets	2017 Actual
Quality Health Care Services to the Veterans and their Dependents		
Adherence to DOH quality control standards of hospital operations	85% of the admitted patient recovered/improved	86%

MFO / Performance Indicators	2017 GAA Targets	2017 Actual
MFO 1: HEALTH CARE SERVICES FOR VETERANS AND THEIR DEPENDENTS		
In-Patient Care		
Number of In-Patients treated	7,500	10,410
Percentage of hospital separations that are due to discharge	85%	86%
Percentage of discharged patients who returned unscheduled within 3 months with the same condition	15%	1.88%
Out-Patient Care		
Number of out-patients treated	146,000	191,196
Number of emergency department treatments	15,000	21,226
Percentage of patients attended to within 30 minutes upon arrival	80%	100%
Percentage of triage 3 or less urgent emergency department patients who are attended to within 30 minutes	100%	100%

ORGANIZATIONAL OUTCOMES (00s) / PERFORMANCE INDICATORS (PIs)	2018 GAA Targets	Baseline	2019 Targets
Quality Health Care Services Provided to Veterans and their Dependents			
VETERAN HEALTH CARE PROGRAM			
Outcome Indicator			
1. Percentage of hospital discharges successfully treated	85%	85%	85%
Output Indicators			
In-Patient Care			
1. Number of In-patients treated	7,500	7,500	8,500
Out-Patient Care			
1. Number of Out-patients treated	147,000	146,000	170,000

2. Percentage of patients attended to upon arrival in the emergency ward:			
Category 1 - Immediate simultaneous assessment and treatment	100%	100%	100%
Category 2 - Assessment and treatment within 10 minutes (often simultaneously)	90%	90%	90%
Category 3 - Assessment and treatment start within 30 minutes	90%	90%	90%
Category 4 - Assessment and treatment start within 60 minutes	100%	100%	100%
Category 5 - Assessment and treatment start within 120 minutes	100%	100%	100%

G. PHILIPPINE ARMY (LAND FORCES)

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	2017	2018	2019
New General Appropriations	57,434,255	63,998,132	89,004,828
General Fund	57,434,255	63,998,132	89,004,828
Automatic Appropriations	287,825	35,288	37,187
Customs Duties and Taxes, including Tax Expenditures	255,267		
Retirement and Life Insurance Premiums	32,558	35,288	37,187
Continuing Appropriations	1,660,659		
Unreleased Appropriation for Capital Outlays			
R.A. No. 10717	54,000		
Unobligated Releases for Capital Outlays			
R.A. No. 10717	259,303		
Unobligated Releases for MOOE			
R.A. No. 10717	1,347,356		
Budgetary Adjustment(s)	6,201,877		
Transfer(s) from:			
Contingent Fund	688,585		
Miscellaneous Personnel Benefits Fund	3,763,847		
Pension and Gratuity Fund	1,749,445		
Total Available Appropriations	65,584,616	64,033,420	89,042,015
Unused Appropriations	(123,082)		
Unreleased Appropriation	(55,120)		
Unobligated Allotment	(67,962)		
TOTAL OBLIGATIONS	65,461,534	64,033,420	89,042,015
	=====	=====	=====

EXPENDITURE PROGRAM
(in pesos)

GAS / STO / OPERATIONS / PROJECTS	(Obligation-Based)		(Cash-Based)
	2017 Actual	2018 Current	2019 Proposed
General Administration and Support	11,078,874,000	9,453,729,000	7,067,516,000
Regular	11,078,874,000	9,453,729,000	7,067,516,000
PS	9,856,446,000	8,358,840,000	5,944,099,000
MOOE	1,215,952,000	1,094,889,000	1,123,417,000
CO	6,476,000		
Support to Operations	2,598,666,000		
Regular	2,598,666,000		
PS	1,920,674,000		
MOOE	638,894,000		
CO	39,098,000		
Operations	51,616,946,000	54,579,691,000	81,974,499,000
Regular	51,616,946,000	54,559,691,000	81,974,499,000
PS	37,759,967,000	43,801,685,000	67,796,789,000
MOOE	11,053,187,000	9,997,604,000	11,317,413,000
CO	2,803,792,000	760,402,000	2,860,297,000
Projects / Purpose		20,000,000	
CO		20,000,000	
Projects / Purpose	167,048,000		
CO	167,048,000		
TOTAL AGENCY BUDGET	65,461,534,000	64,033,420,000	89,042,015,000
Regular	65,294,486,000	64,013,420,000	89,042,015,000
PS	49,537,087,000	52,160,525,000	73,740,888,000
MOOE	12,908,033,000	11,092,493,000	12,440,830,000
CO	2,849,366,000	760,402,000	2,860,297,000
Projects / Purpose	167,048,000	20,000,000	
CO	167,048,000	20,000,000	

STAFFING SUMMARY

	2017	2018	2019
TOTAL STAFFING			
Civilian Personnel			
Total Number of Authorized Positions	1,670	1,670	1,670
Total Number of Filled Positions	1,300	1,283	1,283
Military			
Total Number of Authorized Positions	95,894	98,394	98,394
Total Number of Filled Positions	87,002	98,394	98,394

Proposed New Appropriations Language
 For general administration and support, and operations, as indicated hereunder.....P 89,004,828,000
 =====

OPERATIONS BY PROGRAM	PROPOSED 2019 (Cash-Based)			
	PS	MOOE	CO	TOTAL
LAND FORCES DEFENSE PROGRAM	67,796,789,000	11,317,413,000	2,860,297,000	81,974,499,000

REGION	EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2019 (Cash-Based) (in pesos)			
	PS	MOOE	CO	TOTAL
Regional Allocation	73,703,701,000	12,440,830,000	2,860,297,000	89,004,828,000
National Capital Region (NCR)	73,703,701,000	12,440,830,000	2,860,297,000	89,004,828,000
TOTAL AGENCY BUDGET	73,703,701,000	12,440,830,000	2,860,297,000	89,004,828,000

SPECIAL PROVISION(S)

- Hospital Income. In addition to the amounts appropriated herein, all income generated from the operations of the Fort Bonifacio General Hospital shall be deposited in an authorized government depository bank and used to augment the hospital's MOOE and Capital Outlay requirements, subject to the following conditions: (i) at least twenty-five percent (25%) of said income shall be utilized to purchase and upgrade hospital equipment used directly in the delivery of health services; and (ii) income sourced from PhilHealth reimbursements from availment of medical services shall be used exclusively by said hospitals for the improvement of its facilities, and the replenishment of drugs, medicines and vaccines, including medical and dental supplies used in government health care facilities.

In no case shall said amount be used for the payment of salaries, allowances and other benefits.

Disbursements or expenditures by the hospital in violation of the above requirements shall be void and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of E.O. No. 292, s. 1987, and to appropriate criminal action under existing penal laws.

The Philippine Army shall prepare and submit to the DBM not later than November 15 of the preceding year, the annual operating budget for the current year covering said income and the corresponding expenditures. Likewise, it shall submit to the DBM not later than March 1 of the current year its audited financial statement for the immediately preceding year. The Commanding General of the Philippine Army and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that the foregoing documents are likewise posted on the Philippine Army website.

- Trust Receipts from the Use of Equipment and Facilities. Fees and charges from the use of equipment and facilities collected by the Philippine Army shall be used to augment its operating requirements in accordance with Section 1 of E.O. No. 1002, s. 1985. Said amount shall be deposited with the National Treasury and recorded as trust receipts in accordance with E.O. No. 338, s. 1996.
- Compensation and Separation Benefits of the Citizen Armed Forces Geographical Units. The amount of Three Billion Seven Hundred Eighty One Million Four Hundred Seventy Two Thousand Pesos (P3,781,472,000) shall be used for the payment of compensation of Citizen Armed Forces Geographical Unit (CAFGU) members and separation benefits, not exceeding one (1) year subsistence allowance in accordance with the IRR of E.O. No. 264, s. 1987 and DND Circular No. 4 dated October 27, 2005.
- Combat Expenses. An amount not exceeding One Hundred Thousand Pesos (P100,000) per quarter for each company of the Philippine Army may be utilized by its tactical units for incidental and necessary expenses during operational exigencies. Such amount, chargeable against MOOE for combat expenses, shall be treated as cash advance subject to disbursement and liquidation in accordance with COA Circular Nos. 97-002 and 2004-006 dated February 10, 1997 and September 9, 2004, respectively.
- Restriction on Armed Forces of the Philippines Expenditures. No amount appropriated herein shall be used to fund expenditures of military personnel in excess of those authorized and required based on the actual troop strength of the Philippine Army.

6. Rice Subsidy. The amount of Seven Hundred Eighty Million Eight Hundred Twenty One Thousand Pesos (P780,821,000) appropriated herein shall be used for the provision of rice subsidy, equivalent to twenty (20) kilos of rice a month in the form of financial assistance to the military personnel of the AFP.
7. Restriction on Use of Funds Allotted for Petroleum, Oil and Lubricants. The amounts appropriated herein for the purchase or acquisition of petroleum, oil and lubricants for the Philippine Army shall be used exclusively for said purposes.
8. Reimbursement of Expenses Incurred in Anti-Smuggling and Economic Subversion Operations. Expenses incurred by the Philippine Army in anti-smuggling, economic subversion or similar operations may be reimbursed out of the proceeds from the sale of items seized or confiscated by the Philippine Army upon recommendation of the Secretary of National Defense and approval by the President of the Philippines, subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292 and budgeting, accounting and auditing rules and regulations.
9. Reporting and Posting Requirements. The Philippine Army shall submit quarterly reports on its financial and physical accomplishments, within thirty (30) days after the end of every quarter, through the following:
 - (a) Unified Reporting System (URS) or other electronic means for reports not covered by the URS; and
 - (b) Philippine Army's website.

The Philippine Army shall send written notice when said reports have been submitted or posted on its website to the DBM, House of Representatives, Senate of the Philippines, House Committee on Appropriations, Senate Committee on Finance, and other offices where the submission of reports is required under existing laws, rules and regulations. The date of notice to said agencies shall be considered the date of compliance with this requirement.

10. Appropriations for Activities or Projects. The amounts appropriated herein shall be used specifically for the following activities or projects in the indicated amounts and conditions:

New Appropriations, by Programs/Activities/Projects (Cash-Based)

		<u>Current Operating Expenditures</u>			
		<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS					
1000000000000000	General Administration and Support	5,906,912,000	1,123,417,000		7,030,329,000
100000100001000	General management and supervision	4,686,182,000	1,123,417,000		5,809,599,000
100000100002000	Administration of Personnel Benefits	1,220,730,000			1,220,730,000
Sub-total, General Administration and Support		<u>5,906,912,000</u>	<u>1,123,417,000</u>		<u>7,030,329,000</u>
3000000000000000	Operations	67,796,789,000	11,317,413,000	2,860,297,000	81,974,499,000
3100000000000000	00 : Level of mission capability of army units in ground operations attained	67,796,789,000	11,317,413,000	2,860,297,000	81,974,499,000
3101000000000000	LAND FORCES - DEFENSE PROGRAM	67,796,789,000	11,317,413,000	2,860,297,000	81,974,499,000
310100100001000	Force-Level Support Services	3,062,679,000	620,091,000	24,375,000	3,707,145,000
310100100002000	Force Development		1,127,342,000		1,127,342,000
310100100003000	Force Sustainment	64,734,110,000	9,569,980,000	2,835,922,000	77,140,012,000
Sub-total, Operations		<u>67,796,789,000</u>	<u>11,317,413,000</u>	<u>2,860,297,000</u>	<u>81,974,499,000</u>
TOTAL NEW APPROPRIATIONS		P 73,703,701,000	P 12,440,830,000	P 2,860,297,000	P 89,004,828,000
		=====	=====	=====	=====

Obligations, by Object of Expenditures

CYs 2017-2019
(In Thousand Pesos)

	(Obligation-Based)		(Cash-Based)
	2017	2018	2019
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	271,957	294,063	309,892
Total Permanent Positions	<u>271,957</u>	<u>294,063</u>	<u>309,892</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	29,456	30,768	30,792
Representation Allowance	237	300	240
Transportation Allowance	237	300	240
Clothing and Uniform Allowance	6,235	6,410	7,698
Honoraria	106	106	106
Mid-Year Bonus - Civilian	21,905	24,505	25,824
Year End Bonus	22,240	24,505	25,824
Cash Gift	6,214	6,410	6,415
Productivity Enhancement Incentive	6,235	6,410	6,415
Performance Based Bonus	11,227		
Step Increment		735	775
Total Other Compensation Common to All	<u>104,092</u>	<u>100,449</u>	<u>104,329</u>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	15,855	34,101	34,661
Longevity Pay	4,896	4,896	4,896
Total Other Compensation for Specific Groups	<u>20,751</u>	<u>38,997</u>	<u>39,557</u>
Other Benefits			
Retirement and Life Insurance Premiums	32,558	35,288	37,187
PAG-IBIG Contributions	1,473	1,538	1,540
PhilHealth Contributions	3,093	3,430	4,129
Employees Compensation Insurance Premiums	1,473	1,538	1,540
Retirement Gratuity	6,820	16,348	15,975
Terminal Leave	6,137	5,975	7,366
Total Other Benefits	<u>51,554</u>	<u>64,117</u>	<u>67,737</u>
Military/Uniformed Personnel			
Basic Pay			
Base Pay	17,260,442	19,027,377	37,761,933
Total Basic Pay	<u>17,260,442</u>	<u>19,027,377</u>	<u>37,761,933</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	2,120,138	2,088,048	2,361,456
Clothing/ Uniform Allowance	3,158,811	798,768	900,657
Subsistence Allowance	8,250,254	8,176,914	9,168,545
Laundry Allowance	34,210	33,749	38,266
Quarters Allowance	436,891	443,220	476,224
Longevity Pay	3,870,565	4,443,844	8,340,059
Mid-Year Bonus - Military/Uniformed Personnel	1,562,936	1,585,616	3,146,828
Officers' Allowance - Military/Uniformed Personnel	239,442	348,960	
Provisional Allowance - Military/Uniformed Personnel	2,240,454	3,529,487	
Year-end Bonus	1,614,123	1,585,616	3,146,828
Cash Gift	447,572	435,010	491,970

Productivity Enhancement Incentive	450,139	435,010	491,970
Performance Based Bonus	795,141		
Total Other Compensation Common to All	<u>25,220,676</u>	<u>23,904,242</u>	<u>28,562,803</u>
Other Compensation for Specific Groups			
Hazardous Duty Pay	133,179	133,179	270,094
Flying Pay	10,410	10,410	30,038
Hazard Duty Pay	572,438	720,378	637,594
Combat Duty Pay	2,073,939	2,115,288	2,981,412
Instructor's Duty Pay	145,268	145,268	323,933
Reservist's Pay	253,306	253,306	382,241
Medal of Valor Award	19,800	19,800	20,700
Parachutist Pay	170,475	170,475	310,901
Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP)		3,644,995	
Total Other Compensation for Specific Groups	<u>3,378,815</u>	<u>7,213,099</u>	<u>4,956,913</u>
Other Benefits			
Special Group Term Insurance	6,361	6,262	7,085
PAG-IBIG Contributions	106,006	104,403	118,073
PhilHealth Contributions	219,492	222,753	497,104
Employees Compensation Insurance Premiums	106,006	104,403	118,073
Terminal Leave	2,790,935	1,080,360	1,197,389
Total Other Benefits	<u>3,228,800</u>	<u>1,518,181</u>	<u>1,937,724</u>
TOTAL PERSONNEL SERVICES	<u>49,537,087</u>	<u>52,160,525</u>	<u>73,740,888</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	319,435	303,965	316,057
Training and Scholarship Expenses	471,564	345,881	341,777
Supplies and Materials Expenses	7,757,560	5,570,321	6,662,630
Utility Expenses	471,143	526,646	559,328
Communication Expenses	150,426	119,048	123,853
Awards/Rewards and Prizes	3,011	1,557	1,557
Survey, Research, Exploration and Development Expenses	1,706	5,233	5,233
Demolition/Relocation and Desilting/Dredging Expenses	500	1,053	1,053
Confidential, Intelligence and Extraordinary Expenses			
Intelligence Expenses	444,000	444,000	444,000
Professional Services	28,912	49,095	78,260
General Services	3,110	9,276	9,276
Repairs and Maintenance	1,543,981	2,279,831	2,382,466
Financial Assistance/Subsidy	669,436	732,264	780,821
Taxes, Insurance Premiums and Other Fees	323,174	57,185	59,198
Labor and Wages	59,601	63,271	63,271
Other Maintenance and Operating Expenses			
Advertising Expenses	5,349	1,504	1,550
Printing and Publication Expenses	15,876	17,148	17,876
Representation Expenses	425,903	444,273	457,601
Transportation and Delivery Expenses	186,482	77,797	80,348
Rent/Lease Expenses	12,650	25,285	25,285
Membership Dues and Contributions to Organizations	183	185	225
Subscription Expenses	2,107	2,539	2,554
Litigation/Acquired Assets Expenses	206		
Other Maintenance and Operating Expenses	11,718	15,136	26,611
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>12,908,033</u>	<u>11,092,493</u>	<u>12,440,830</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>62,445,120</u>	<u>63,253,018</u>	<u>86,181,718</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Infrastructure Outlay	160,379		49,000
Buildings and Other Structures	637,039	32,275	445,365

Machinery and Equipment Outlay	1,638,063	397,059	1,777,282
Transportation Equipment Outlay	580,933	351,068	588,650
TOTAL CAPITAL OUTLAYS	<u>3,016,414</u>	<u>780,402</u>	<u>2,860,297</u>
GRAND TOTAL	<u>65,461,534</u>	<u>64,033,420</u>	<u>89,042,015</u>

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Security, public order, and safety ensured

ORGANIZATIONAL
OUTCOME : Level of mission capability of army units in ground operations attained

PERFORMANCE INFORMATION

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>2017 GAA Targets</u>	<u>2017 Actual</u>
Level of mission capability of army units in ground operations attained		
Percentage of Ground Force Units Provided to Unified Commands	80%	96%

<u>MFO / Performance Indicators</u>	<u>2017 GAA Targets</u>	<u>2017 Actual</u>
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES		
Number and Readiness level of tactical units		
Number of tactical battalions maintained	190	198
Percentage of operational readiness of tactical battalions	79%	76%
Average percentage of effective strength of tactical battalions that can be mobilized within 1 hour as dictated by higher authorities	90%	94%
Number and Readiness level of reserve units		
Number of ready reserve battalions maintained	82	82
Percentage of operational readiness of ready reserve battalions	60%	60%

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>2018 GAA Targets</u>	<u>Baseline</u>	<u>2019 Targets</u>
Level of mission capability of army units in ground operations attained			
LAND FORCES DEFENSE PROGRAM			
Outcome Indicators			
1. Percentage of Tactical Units provided to force employers that are in prescribed readiness condition	40%	40%	57%

2. Percentage of Ready Reserve Units in prescribed readiness condition	40%	40%	40%
Output Indicators			
1. Number of tactical and ready reserve units maintained			
a. Tactical Battalions	191	191	204
b. Ready Reserve Battalions	82	82	83
2. Percentage of operational readiness of tactical and ready reserve units			
a. Tactical Battalions	82%	82%	81%
b. Ready Reserve Battalions	65%	65%	65%
3. Average percentage of effective strength of tactical battalions that can be mobilized within 1 hour as dictated by higher authorities	90%	90%	90%

H. PHILIPPINE AIR FORCE (AIR FORCES)

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	2017	2018	2019
New General Appropriations	<u>18,962,952</u>	<u>19,720,330</u>	<u>24,584,360</u>
General Fund	18,962,952	19,720,330	24,584,360
Automatic Appropriations	<u>44,672</u>	<u>32,786</u>	<u>35,082</u>
Customs Duties and Taxes, including Tax Expenditures	13,790		
Retirement and Life Insurance Premiums	30,882	32,786	35,082
Continuing Appropriations	<u>1,479,154</u>		
Unobligated Releases for Capital Outlays R.A. No. 10717	999,131		
Unobligated Releases for MOOE R.A. No. 10717	480,023		
Budgetary Adjustment(s)	<u>1,980,521</u>		
Transfer(s) from:			
Contingent Fund	1,272,407		
Miscellaneous Personnel Benefits Fund	213,834		
Pension and Gratuity Fund	494,280		
Total Available Appropriations	<u>22,467,299</u>	<u>19,753,116</u>	<u>24,619,442</u>
Unused Appropriations	<u>(24,973)</u>		
Unreleased Appropriation	(16,526)		
Unobligated Allotment	<u>(8,447)</u>		
TOTAL OBLIGATIONS	<u>22,442,326</u>	<u>19,753,116</u>	<u>24,619,442</u>

GAS / STO / OPERATIONS / PROJECTS	EXPENDITURE PROGRAM (in pesos)		
	(Obligation-Based)		(Cash-Based)
	2017 Actual	2018 Current	2019 Proposed
General Administration and Support	2,950,529,000	1,671,614,000	2,092,864,000
Regular	2,950,529,000	1,671,614,000	2,092,864,000
PS	1,479,990,000	1,197,085,000	1,566,405,000
MOOE	1,470,539,000	473,539,000	526,459,000
CO		990,000	
Support to Operations	2,749,571,000		
Regular	2,749,571,000		
PS	2,429,560,000		
MOOE	320,011,000		
Operations	16,678,338,000	18,081,502,000	22,526,578,000
Regular	16,678,338,000	18,069,502,000	22,526,578,000
PS	6,434,960,000	9,322,230,000	13,212,613,000
MOOE	8,682,520,000	8,427,912,000	8,961,669,000
CO	1,560,858,000	319,360,000	352,296,000
Projects / Purpose		12,000,000	
MOOE		640,000	
CO		11,360,000	
Projects / Purpose	63,888,000		
MOOE	2,463,000		
CO	61,425,000		
TOTAL AGENCY BUDGET	22,442,326,000	19,753,116,000	24,619,442,000
Regular	22,378,438,000	19,741,116,000	24,619,442,000
PS	10,344,510,000	10,519,315,000	14,779,018,000
MOOE	10,473,070,000	8,901,451,000	9,488,128,000
CO	1,560,858,000	320,350,000	352,296,000
Projects / Purpose	63,888,000	12,000,000	
MOOE	2,463,000	640,000	
CO	61,425,000	11,360,000	

STAFFING SUMMARY

	2017	2018	2019
TOTAL STAFFING			
Civilian Personnel			
Total Number of Authorized Positions	1,827	1,827	1,827
Total Number of Filled Positions	1,233	1,252	1,252

Military			
Total Number of Authorized Positions	17,612	19,072	19,072
Total Number of Filled Positions	16,857	17,612	17,612

Proposed New Appropriations Language
 For general administration and support, and operations, as indicated hereunder.....P 24,584,360,000
 =====

OPERATIONS BY PROGRAM	PROPOSED 2019 (Cash-Based)			
	PS	MOOE	CO	TOTAL
AIR FORCES DEFENSE PROGRAM	13,183,695,000	8,961,669,000	352,296,000	22,497,660,000

REGION	EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2019 (Cash-Based) (in pesos)			
	PS	MOOE	CO	TOTAL
Regional Allocation	14,743,936,000	9,488,128,000	352,296,000	24,584,360,000
National Capital Region (NCR)	14,743,936,000	9,488,128,000	352,296,000	24,584,360,000
TOTAL AGENCY BUDGET	14,743,936,000	9,488,128,000	352,296,000	24,584,360,000

SPECIAL PROVISION(S)

1. Hospital Income. In addition to the amounts appropriated herein, all income generated from the operations of Philippine Air Force General Hospital shall be deposited in an authorized government depository bank and used to augment the hospital's MOOE and Capital Outlay requirements, subject to the following conditions: (i) at least twenty-five percent (25%) of said income shall be utilized to purchase and upgrade hospital equipment used directly in the delivery of health services; and (ii) income sourced from PhilHealth reimbursements from availment of medical services shall be used exclusively by said hospitals for the improvement of its facilities, and the replenishment of drugs, medicines and vaccines, including medical and dental supplies used in government health care facilities.

In no case shall said amount be used for the payment of salaries, allowances and other benefits.

Disbursements or expenditures by the hospital in violation of the above requirements shall be void and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of E.O. No. 292, s. 1987, and to appropriate criminal action under existing penal laws.

The Philippine Air Force shall prepare and submit to the DBM not later than November 15 of the preceding year, the annual operating budget for the current year covering said income and the corresponding expenditures. Likewise, it shall submit to the DBM not later than March 1 of the current year its audited financial statement for the immediately preceding year. The Commanding General of the Philippine Air Force and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that the foregoing documents are likewise posted on the Philippine Air Force website.

2. Trust Receipts from the Use of Equipment and Facilities. Fees and charges from the use of equipment and facilities collected by the Philippine Air Force shall be used to augment its operating requirements in accordance with Section 1 of E.O. No. 1002, s. 1985. Said amount shall be deposited with the National Treasury and recorded as trust receipts in accordance with E.O. No. 338, s. 1996.
3. Combat Expenses. An amount not exceeding One Hundred Thousand Pesos (P100,000) per quarter for each Philippine Air Force squadron may be utilized by its tactical units for incidental and necessary expenses during operational exigencies. Such amount, chargeable against MOOE for combat expenses, shall be treated as cash advance subject to disbursement and liquidation in accordance with COA Circular Nos. 97-002 and 2004-006 dated February 10, 1997 and September 9, 2004, respectively.

4. Restriction on Armed Forces of the Philippines Expenditures. No amount appropriated herein shall be used to fund expenditures of military personnel in excess of those authorized and required based on the actual troop strength of the Philippine Air Force.
5. Rice Subsidy. The amount of One Hundred Forty Eight Million Seven Hundred Sixty Two Thousand Pesos (P148,762,000) appropriated herein shall be used for the provision of rice subsidy, equivalent to twenty (20) kilos of rice a month, in the form of financial assistance to the military personnel of the Philippine Air Force.
6. Restriction on Use of Funds Allotted for Petroleum, Oil and Lubricants. The amounts appropriated herein for the purchase or acquisition of petroleum, oil and lubricants for the Philippine Air Force shall be used exclusively for said purposes.
7. Reimbursement of Expenses Incurred in Anti-Smuggling and Economic Subversion Operations. Expenses incurred by the Philippine Air Force in anti-smuggling, economic subversion or similar operations may be reimbursed out of the proceeds from the sale of items seized or confiscated by the Philippine Air Force upon recommendation of the Secretary of National Defense and approval by the President of the Philippines, subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292 and budgeting, accounting and auditing rules and regulations.
8. Reporting and Posting Requirements. The Philippine Air Force shall submit quarterly reports on its financial and physical accomplishments, within thirty (30) days after the end of every quarter, through the following:
 - (a) Unified Reporting System (URS) or other electronic means for reports not covered by the URS; and
 - (b) Philippine Air Force's website.

The Philippine Air Force shall send written notice when said reports have been submitted or posted on its website to the DBM, House of Representatives, Senate of the Philippines, House Committee on Appropriations, Senate Committee on Finance, and other offices where the submission of reports is required under existing laws, rules and regulations. The date of notice to said agencies shall be considered the date of compliance with this requirement.
9. Appropriations for Activities or Projects. The amounts appropriated herein shall be used specifically for the following activities or projects in the indicated amounts and conditions:

New Appropriations, by Programs/Activities/Projects (Cash-Based)

	Current Operating Expenditures			
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
PROGRAMS				
1000000000000000	General Administration and Support	1,560,241,000	526,459,000	2,086,700,000
100000100001000	General management and supervision	628,040,000	526,459,000	1,154,499,000
100000100002000	Administration of Personnel Benefits	932,201,000		932,201,000
Sub-total, General Administration and Support		1,560,241,000	526,459,000	2,086,700,000
3000000000000000	Operations	13,183,695,000	8,961,669,000	22,497,660,000
3100000000000000	00 : Level of mission capability of Air Force Units in air operations attained	13,183,695,000	8,961,669,000	22,497,660,000
3101000000000000	AIR FORCES DEFENSE PROGRAM	13,183,695,000	8,961,669,000	22,497,660,000
310100100001000	Force-Level Support Services	2,731,885,000	307,240,000	3,057,625,000
310100100002000	Force Development	5,552,798,000	4,046,406,000	9,779,217,000

310100100003000 Force Sustainment	4,899,012,000	4,608,023,000	153,783,000	9,660,818,000
Sub-total, Operations	13,183,695,000	8,961,669,000	352,296,000	22,497,660,000
TOTAL NEW APPROPRIATIONS	P 14,743,936,000	P 9,488,128,000	P 352,296,000	P 24,584,360,000
	=====	=====	=====	=====

Obligations, by Object of Expenditures

CYs 2017-2019
(In Thousand Pesos)

	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	<u>2017</u>	<u>2018</u>	<u>2019</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	252,859	273,213	292,354
Total Permanent Positions	<u>252,859</u>	<u>273,213</u>	<u>292,354</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	29,520	29,880	30,048
Representation Allowance	165	180	180
Transportation Allowance	165	180	180
Clothing and Uniform Allowance	7,155	6,225	7,512
Mid-Year Bonus - Civilian	20,971	22,768	24,363
Year End Bonus	21,965	22,768	24,363
Cash Gift	6,448	6,225	6,260
Productivity Enhancement Incentive	5,959	6,225	6,260
Performance Based Bonus	10,192		
Step Increment	1,566	683	731
Total Other Compensation Common to All	<u>104,106</u>	<u>95,134</u>	<u>99,897</u>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	27,948	27,896	30,066
Radiation Hazard Pay		5,239	
Longevity Pay	3,563	3,598	3,908
Other Personnel Benefits	2,778		
Anniversary Bonus - Civilian	3,189		
Total Other Compensation for Specific Groups	<u>37,478</u>	<u>36,733</u>	<u>33,974</u>
Other Benefits			
Retirement and Life Insurance Premiums	30,882	32,786	35,082
PAG-IBIG Contributions	1,455	1,494	1,503
PhilHealth Contributions	2,940	3,123	3,853
Employees Compensation Insurance Premiums	1,424	1,494	1,503
Retirement Gratuity	10,074	25,174	25,176
Loyalty Award - Civilian		1,130	1,065
Terminal Leave	5,389	11,582	10,079
Total Other Benefits	<u>52,164</u>	<u>76,783</u>	<u>78,261</u>
Military/Uniformed Personnel			
Basic Pay			
Base Pay	4,049,367	4,031,550	7,211,484
Total Basic Pay	<u>4,049,367</u>	<u>4,031,550</u>	<u>7,211,484</u>

Other Compensation Common to All			
Personnel Economic Relief Allowance	406,996	404,568	422,688
Clothing/ Uniform Allowance	224,418	214,207	236,610
Subsistence Allowance	942,324	922,922	964,258
Laundry Allowance	6,824	6,887	7,155
Quarters Allowance	93,067	93,523	94,445
Longevity Pay	846,126	809,228	1,469,365
Mid-Year Bonus - Military/Uniformed Personnel	334,015	335,963	600,957
Officers' Allowance - Military/Uniformed Personnel	73,890	106,560	
Provisional Allowance - Military/Uniformed Personnel	588,690	914,244	
Year-end Bonus	334,934	335,963	600,957
Cash Gift	84,471	84,285	88,060
Productivity Enhancement Incentive	84,778	84,285	88,060
Performance Based Bonus	161,261		
Total Other Compensation Common to All	<u>4,181,794</u>	<u>4,312,635</u>	<u>4,572,555</u>
Other Compensation for Specific Groups			
Hazardous Duty Pay	110,464	100,879	210,925
Flying Pay	405,664	413,398	695,789
Hazard Duty Pay	109,712	139,578	114,124
Hardship Allowance	9,300	9,868	17,332
Combat Duty Pay	185,718	212,472	287,820
Instructor's Duty Pay	31,461	33,675	60,259
Reservist's Pay	28,584	55,231	60,163
Medal of Valor Award	1,800	1,800	1,800
Hospitalization Expenses	10,014		
Specialist's Pay	2,630	2,603	2,603
Parachutist Pay	2,726	3,726	6,329
Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP)		502,130	591,577
Anniversary Bonus - Military/Uniformed Personnel	47,412		
Total Other Compensation for Specific Groups	<u>945,485</u>	<u>1,475,360</u>	<u>2,048,721</u>
Other Benefits			
Special Group Term Insurance	1,511	1,214	1,268
PAG-IBIG Contributions	19,996	20,229	21,134
PhilHealth Contributions	44,932	46,949	92,867
Employees Compensation Insurance Premiums	19,996	20,229	21,134
Terminal Leave	634,822	129,286	305,369
Total Other Benefits	<u>721,257</u>	<u>217,907</u>	<u>441,772</u>
TOTAL PERSONNEL SERVICES	<u>10,344,510</u>	<u>10,519,315</u>	<u>14,779,018</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	257,765	264,713	275,497
Training and Scholarship Expenses	85,859	88,435	87,591
Supplies and Materials Expenses	3,701,926	2,908,558	3,118,222
Utility Expenses	354,042	368,323	379,573
Communication Expenses	41,413	42,654	50,803
Awards/Rewards and Prizes	1,550	1,550	1,550
Confidential, Intelligence and Extraordinary Expenses			
Intelligence Expenses	17,000	32,000	17,000
Professional Services	5,672	7,832	11,157
General Services	12,467	13,741	4,785
Repairs and Maintenance	5,608,582	4,809,235	4,977,276
Financial Assistance/Subsidy	125,880	131,859	148,762
Taxes, Insurance Premiums and Other Fees	32,956	19,166	22,382
Other Maintenance and Operating Expenses			
Advertising Expenses	1,645	1,694	2,140
Printing and Publication Expenses	5,899	6,076	2,823
Representation Expenses	183,197	188,612	290,179
Transportation and Delivery Expenses	23,040	10,154	9,221
Rent/Lease Expenses	11,638	2,171	4,231
Membership Dues and Contributions to Organizations	79	45	87
Subscription Expenses	3,420	3,770	83,249

Donations	1,500	1,500	1,600
Other Maintenance and Operating Expenses	3	3	
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>10,475,533</u>	<u>8,902,091</u>	<u>9,488,128</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>20,820,043</u>	<u>19,421,406</u>	<u>24,267,146</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Land Outlay	80,100		
Infrastructure Outlay	373,694		
Buildings and Other Structures	401,754	46,000	
Machinery and Equipment Outlay	31,354	89,334	143,907
Transportation Equipment Outlay	734,590	196,376	208,389
Other Property Plant and Equipment Outlay	791		
TOTAL CAPITAL OUTLAYS	<u>1,622,283</u>	<u>331,710</u>	<u>352,296</u>
GRAND TOTAL	<u>22,442,326</u>	<u>19,753,116</u>	<u>24,619,442</u>

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Security, public order, and safety ensured

ORGANIZATIONAL

OUTCOME : Level of mission capability of Air Force Units in air operations attained

PERFORMANCE INFORMATION

<u>ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)</u>	<u>2017 GAA Targets</u>	<u>2017 Actual</u>
Level of mission capability of Air Force Units in air operations attained		
Percentage of Air Force Units Provided to Unified Commands	85%	90.63%

<u>MFO / Performance Indicators</u>	<u>2017 GAA Targets</u>	<u>2017 Actual</u>
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES		
Number of Supportable Aircraft Maintained	154	153
Aircraft Maintenance Readiness Rate	70%	72%
% Accomplishment of 1-hour Response to Flight-directed Mission	90%	98%

<u>ORGANIZATIONAL OUTCOMES (Oos) / PERFORMANCE INDICATORS (PIs)</u>	<u>2018 GAA Targets</u>	<u>Baseline</u>	<u>2019 Targets</u>
Level of mission capability of Air Force Units in air operations attained			
AIR FORCES DEFENSE PROGRAM			
Outcome Indicator			
1. Percentage of Tactical Air Operations Group that supported the Unified Commands	100%	100%	100%

Output Indicators			
1. Number of supportable aircraft maintained	154	154	154
2. Percentage of accomplishment of one-hour response to flight-directed mission	90%	90%	90%
3. Percentage of flying hours flown	100%	100%	100%

I. PHILIPPINE NAVY (NAVAL FORCES)

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	2017	2018	2019
New General Appropriations	20,992,347	21,299,554	27,787,155
General Fund	20,992,347	21,299,554	27,787,155
Automatic Appropriations	153,766	28,616	29,240
Customs Duties and Taxes, including Tax Expenditures	127,103		
Retirement and Life Insurance Premiums	26,663	28,616	29,240
Continuing Appropriations	971,324		
Unreleased Appropriation for Capital Outlays			
R.A. No. 10717	48,800		
Unobligated Releases for Capital Outlays			
R.A. No. 10717	1,496		
Unobligated Releases for MOOE			
R.A. No. 10717	921,028		
Budgetary Adjustment(s)	1,772,678		
Transfer(s) from:			
Contingent Fund	703,967		
Miscellaneous Personnel Benefits Fund	598,577		
Pension and Gratuity Fund	470,134		
Total Available Appropriations	23,890,115	21,328,170	27,816,395
Unused Appropriations	(303,726)		
Unreleased Appropriation	(23,048)		
Unobligated Allotment	(280,678)		
TOTAL OBLIGATIONS	23,586,389	21,328,170	27,816,395
	=====	=====	=====

EXPENDITURE PROGRAM
(in pesos)

GAS / STO / OPERATIONS / PROJECTS	(Obligation-Based)		(Cash-Based)
	2017 Actual	2018 Current	2019 Proposed
General Administration and Support	4,976,198,000	3,833,878,000	2,709,326,000
Regular	4,976,198,000	3,833,878,000	2,709,326,000
PS	3,972,152,000	3,104,650,000	2,526,139,000
MOOE	984,620,000	729,228,000	175,889,000
CO	19,426,000		7,298,000
Support to Operations	2,189,110,000		
Regular	2,189,110,000		
PS	894,914,000		
MOOE	771,748,000		
CO	522,448,000		
Operations	16,377,781,000	17,494,292,000	25,107,069,000
Regular	16,377,781,000	17,418,292,000	25,107,069,000
PS	8,593,275,000	10,255,249,000	16,837,870,000
MOOE	5,774,914,000	6,231,059,000	7,077,494,000
CO	2,009,592,000	931,984,000	1,191,705,000
Projects / Purpose		76,000,000	
MOOE		5,000,000	
CO		71,000,000	
Projects / Purpose	43,300,000		
CO	43,300,000		
TOTAL AGENCY BUDGET	23,586,389,000	21,328,170,000	27,816,395,000
Regular	23,543,089,000	21,252,170,000	27,816,395,000
PS	13,460,341,000	13,359,899,000	19,364,009,000
MOOE	7,531,282,000	6,960,287,000	7,253,383,000
CO	2,551,466,000	931,984,000	1,199,003,000
Projects / Purpose	43,300,000	76,000,000	
MOOE		5,000,000	
CO	43,300,000	71,000,000	

STAFFING SUMMARY

	2017	2018	2019
TOTAL STAFFING			
Civilian Personnel			
Total Number of Authorized Positions	1,419	1,419	1,419
Total Number of Filled Positions	1,011	1,010	1,010

Military			
Total Number of Authorized Positions	23,312	25,260	25,260
Total Number of Filled Positions	23,312	23,760	23,760

Proposed New Appropriations Language
 For general administration and support, and operations, as indicated hereunder.....P 27,787,155,000
 =====

OPERATIONS BY PROGRAM	PROPOSED 2019 (Cash-Based)			
	PS	MOOE	CO	TOTAL
NAVAL FORCES DEFENSE PROGRAM	16,836,110,000	7,077,494,000	1,191,705,000	25,105,309,000

REGION	EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2019 (Cash-Based) (in pesos)			
	PS	MOOE	CO	TOTAL
Regional Allocation	19,334,769,000	7,253,383,000	1,199,003,000	27,787,155,000
National Capital Region (NCR)	19,334,769,000	7,253,383,000	1,199,003,000	27,787,155,000
TOTAL AGENCY BUDGET	19,334,769,000	7,253,383,000	1,199,003,000	27,787,155,000

SPECIAL PROVISION(S)

1. Hospital Income. In addition to the amounts appropriated herein, all income generated from the operations of the Philippine Navy General Hospital shall be deposited in an authorized government depository bank and used to augment the hospital's MOOE and Capital Outlay requirements, subject to the following conditions: (i) at least twenty-five percent (25%) of said income shall be utilized to purchase and upgrade hospital equipment used directly in the delivery of health services; and (ii) income sourced from PhilHealth reimbursements from availment of medical services shall be used exclusively by said hospitals for the improvement of its facilities, and the replenishment of drugs, medicines and vaccines, including medical and dental supplies used in government health care facilities.

In no case shall said amount be used for the payment of salaries, allowances and other benefits.

Disbursements or expenditures by the hospital in violation of the above requirements shall be void and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of E.O. No. 292, s. 1987, and to appropriate criminal action under existing penal laws.

The Philippine Navy shall prepare and submit to the DBM not later than November 15 of the preceding year, the annual operating budget for the current year covering said income and the corresponding expenditures. Likewise, it shall submit to the DBM not later than March 1 of the current year its audited financial statement for the immediately preceding year. The Flag-Officer-In-Command of the Philippine Navy and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that the foregoing documents are likewise posted on the Philippine Navy website.

2. Trust Receipts from the Use of Equipment and Facilities. Fees and charges from the use of equipment and facilities collected by the Philippine Navy shall be used to augment its operating requirements in accordance with Section 1 of E.O. No. 1002, s. 1985. Said amount shall be deposited with the National Treasury and recorded as trust receipts in accordance with E.O. No. 338, s. 1996.

3. Combat Expenses. An amount not exceeding One Hundred Thousand Pesos (P100,000) per quarter for each company or its equivalent in the Philippine Navy may be utilized by its tactical units for incidental and necessary expenses during operational exigencies. Such amount, chargeable against MOOE for combat expenses, shall be treated as cash advance subject to disbursement and liquidation in accordance with COA Circular Nos. 97-002 and 2004-006 dated February 10, 1997 and September 9, 2004, respectively.

4. Restriction on Armed Forces of the Philippines Expenditures. No amount appropriated herein shall be used to fund expenditures of military personnel in excess of those authorized and required based on the actual troop strength of the Philippine Navy.

5. Rice Subsidy. The amount of One Hundred Eighty Five Million Three Hundred Twenty Eight Thousand Pesos (P185,328,000) appropriated herein shall be used for the provision of rice subsidy, equivalent to twenty (20) kilos of rice a month, in the form of financial assistance to the military personnel of the Philippine Navy.
6. Restriction on Use of Funds Allotted for Petroleum, Oil and Lubricants. The amounts appropriated herein for the purchase or acquisition of petroleum, oil and lubricants for the Philippine Navy shall be used exclusively for said purposes.
7. Reimbursement of Expenses Incurred in Anti-Smuggling and Economic Subversion Operations. Expenses incurred by the Philippine Navy in anti-smuggling, economic subversion or similar operations may be reimbursed out of the proceeds from the sale of items seized or confiscated by the Philippine Navy upon recommendation of the Secretary of National Defense and approval by the President of the Philippines, subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292 and budgeting, accounting and auditing rules and regulations.
8. Reporting and Posting Requirements. The Philippine Navy shall submit quarterly reports on its financial and physical accomplishments, within thirty (30) days after the end of every quarter, through the following:
 - (a) Unified Reporting System (URS) or other electronic means for reports not covered by the URS; and
 - (b) Philippine Navy's website.

The Philippine Navy shall send written notice when said reports have been submitted or posted on its website to the DBM, House of Representatives, Senate of the Philippines, House Committee on Appropriations, Senate Committee on Finance, and other offices where the submission of reports is required under existing laws, rules and regulations. The date of notice to said agencies shall be considered the date of compliance with this requirement.

9. Appropriations for Activities or Projects. The amounts appropriated herein shall be used specifically for the following activities or projects in the indicated amounts and conditions:

New Appropriations, by Programs/Activities/Projects (Cash-Based)

		<u>Current Operating Expenditures</u>			
		<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS					
1000000000000000	General Administration and Support	2,498,659,000	175,889,000	7,298,000	2,681,846,000
100000100001000	General management and supervision	1,873,332,000	175,889,000	7,298,000	2,056,519,000
100000100002000	Administration of Personnel Benefits	625,327,000			625,327,000
Sub-total, General Administration and Support		<u>2,498,659,000</u>	<u>175,889,000</u>	<u>7,298,000</u>	<u>2,681,846,000</u>
3000000000000000	Operations	16,836,110,000	7,077,494,000	1,191,705,000	25,105,309,000
3100000000000000	00 : Level of mission capability of navy units in naval operations attained	16,836,110,000	7,077,494,000	1,191,705,000	25,105,309,000
3101000000000000	NAVAL FORCES DEFENSE PROGRAM	16,836,110,000	7,077,494,000	1,191,705,000	25,105,309,000
310100100001000	Force-Level Support Services	4,768,804,000	3,230,412,000	285,293,000	8,284,509,000
310100100002000	Force Development	11,035,635,000	3,190,741,000	889,017,000	15,115,393,000
310100100003000	Force Sustainment	1,031,671,000	656,341,000	17,395,000	1,705,407,000
Sub-total, Operations		<u>16,836,110,000</u>	<u>7,077,494,000</u>	<u>1,191,705,000</u>	<u>25,105,309,000</u>
TOTAL NEW APPROPRIATIONS		<u>P 19,334,769,000</u>	<u>P 7,253,383,000</u>	<u>P 1,199,003,000</u>	<u>P 27,787,155,000</u>

Obligations, by Object of Expenditures

CYs 2017-2019
(In Thousand Pesos)

	(Obligation-Based)		(Cash-Based)
	2017	2018	2019
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	238,480	238,474	243,661
Total Permanent Positions	238,480	238,474	243,661
Other Compensation Common to All			
Personnel Economic Relief Allowance	24,217	24,600	24,240
Representation Allowance	185	240	180
Transportation Allowance	185	240	180
Clothing and Uniform Allowance	5,115	5,125	6,060
Mid-Year Bonus - Civilian	17,890	19,873	20,305
Year End Bonus	18,465	19,873	20,305
Cash Gift	5,015	5,125	5,050
Productivity Enhancement Incentive	4,985	5,125	5,050
Performance Based Bonus	8,648		
Step Increment		596	610
Total Other Compensation Common to All	84,705	80,797	81,980
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	14,496	15,863	16,225
Longevity Pay	4,641	4,229	4,229
Other Personnel Benefits	7,347		
Anniversary Bonus - Civilian		3,075	
Total Other Compensation for Specific Groups	26,484	23,167	20,454
Other Benefits			
Retirement and Life Insurance Premiums	26,572	28,616	29,240
PAG-IBIG Contributions	1,199	1,230	1,212
PhilHealth Contributions	2,570	2,717	3,204
Employees Compensation Insurance Premiums	1,199	1,230	1,212
Retirement Gratuity	4,538	11,629	10,683
Loyalty Award - Civilian		460	255
Terminal Leave	3,168	4,039	4,044
Total Other Benefits	39,246	49,921	49,850
Military/Uniformed Personnel			
Basic Pay			
Base Pay	5,596,920	5,550,140	9,760,327
Total Basic Pay	5,596,920	5,550,140	9,760,327
Other Compensation Common to All			
Personnel Economic Relief Allowance	567,253	559,488	570,240
Clothing/ Uniform Allowance	158,184	192,143	172,848
Subsistence Allowance	1,300,730	1,276,332	1,300,861
Laundry Allowance	9,386	9,472	9,637
Quarters Allowance	127,356	126,162	127,758
Longevity Pay	1,161,658	1,159,463	2,632,629
Mid-Year Bonus - Military/Uniformed Personnel	452,436	462,511	813,360
Officers' Allowance - Military/Uniformed Personnel	102,800	136,134	
Provisional Allowance - Military/Uniformed Personnel	767,362	1,256,524	
Year-end Bonus	460,496	462,511	813,360

Cash Gift	117,792	116,560	118,800
Productivity Enhancement Incentive	116,615	116,560	118,800
Performance Based Bonus	241,719		
Total Other Compensation Common to All	<u>5,583,787</u>	<u>5,873,860</u>	<u>6,678,293</u>
Other Compensation for Specific Groups			
Hazardous Duty Pay	181,773	155,355	305,172
Flying Pay	32,978	30,253	71,419
Overseas Allowance	14,793	14,292	14,632
Sea Duty Pay	216,391	170,902	493,445
Hazard Duty Pay	144,110	193,023	153,965
Hardship Allowance	22,416	57,935	285,824
Combat Duty Pay	359,168	349,812	310,248
Instructor's Duty Pay	40,751	32,302	32,302
Reservist's Pay	25,624	39,677	39,677
Medal of Valor Award	6,300	6,300	6,300
Specialist's Pay	86	636	305
Parachutist Pay	10,729	15,885	21,354
Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP)			497,096
Anniversary Bonus - Military/Uniformed Personnel		69,936	
Total Other Compensation for Specific Groups	<u>1,055,119</u>	<u>1,136,308</u>	<u>2,231,739</u>
Other Benefits			
Special Group Term Insurance	1,685	1,678	1,712
PAG-IBIG Contributions	27,159	27,975	28,513
PhilHealth Contributions	64,530	64,857	125,463
Employees Compensation Insurance Premiums	28,043	27,975	28,513
Terminal Leave	714,183	284,747	113,504
Total Other Benefits	<u>835,600</u>	<u>407,232</u>	<u>297,705</u>
TOTAL PERSONNEL SERVICES	<u>13,460,341</u>	<u>13,359,899</u>	<u>19,364,009</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	117,383	93,239	197,515
Training and Scholarship Expenses	165,174	131,591	162,612
Supplies and Materials Expenses	3,045,736	3,068,862	2,990,546
Utility Expenses	404,579	433,473	489,016
Communication Expenses	99,456	101,024	149,417
Awards/Rewards and Prizes	141		
Confidential, Intelligence and Extraordinary Expenses			
Intelligence Expenses	39,749	54,749	39,749
Professional Services	23,852	27,661	31,566
General Services	22,950	11,422	19,097
Repairs and Maintenance	2,999,326	2,352,481	2,429,150
Financial Assistance/Subsidy	175,299	181,748	185,328
Taxes, Insurance Premiums and Other Fees	152,439	44,388	54,386
Other Maintenance and Operating Expenses			
Printing and Publication Expenses	7,454	8,670	16,591
Representation Expenses	187,444	156,197	231,301
Transportation and Delivery Expenses	2,234	37,332	5,296
Rent/Lease Expenses	21,950	22,410	20,180
Subscription Expenses	3,563	14,668	6,258
Donations	50		
Other Maintenance and Operating Expenses	62,503	225,372	225,375
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>7,531,282</u>	<u>6,965,287</u>	<u>7,253,383</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>20,991,623</u>	<u>20,325,186</u>	<u>26,617,392</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Land Improvements Outlay	7,800		
Infrastructure Outlay	596,295	85,692	
Buildings and Other Structures	96,584	71,000	54,704
Machinery and Equipment Outlay	598,870	23,971	236,085

Transportation Equipment Outlay	1,286,897	822,321	907,921
Other Property Plant and Equipment Outlay			293
Intangible Assets Outlay	8,320		
TOTAL CAPITAL OUTLAYS	<u>2,594,766</u>	<u>1,002,984</u>	<u>1,199,003</u>
GRAND TOTAL	<u>23,586,389</u>	<u>21,328,170</u>	<u>27,816,395</u>

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Security, public order, and safety ensured

ORGANIZATIONAL
OUTCOME : Level of mission capability of navy units in naval operations attained

PERFORMANCE INFORMATION

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>2017 GAA Targets</u>	<u>2017 Actual</u>
Level of mission capability of navy units in naval operations attained		
Percentage of Naval units provided to unified commands	100%	100%

<u>MFO / Performance Indicators</u>	<u>2017 GAA Targets</u>	<u>2017 Actual</u>
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES		
Number of mission-ready fleet marine units	179	179
Percentage of readiness of fleet marine units	80.76%	78.40%
Number of mission-ready support and sustainment units	34	34
Percentage of readiness of support and sustainment units	73.15%	69.71%
Average response time of fleet units that can be mobilized as instructed by higher authorities	24 hours	24 hours
Average response time of marine units that can be mobilized as instructed by higher authorities	6 hours	6 hours

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>2018 GAA Targets</u>	<u>Baseline</u>	<u>2019 Targets</u>
Level of mission capability of navy units in naval operations attained			
NAVAL FORCES DEFENSE PROGRAM			
Outcome Indicator			
1. Percentage of Naval units provided to unified commands	100%	100%	100%

Output Indicators		
1. Number of Philippine Navy (PN) units deployed and sustained for utilization/employment	184	117
2. Number of PN units prepared for deployment	38	40
3. Number of Force-Level Support Services Units sustained	55	134

J. GENERAL HEADQUARTERS, AFP AND AFP WIDE SERVICE SUPPORT UNITS (AFPWSSUS)

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	2017	2018	2019
New General Appropriations	<u>35,498,078</u>	<u>38,945,730</u>	<u>36,268,002</u>
General Fund	35,498,078	38,945,730	36,268,002
Automatic Appropriations	<u>4,204,566</u>	<u>77,532</u>	<u>82,926</u>
Customs Duties and Taxes, including Tax Expenditures	488,244		
Military Camps Sales Proceeds Fund	696,258		
Retirement and Life Insurance Premiums	77,751	77,532	82,926
Special Account	2,942,313		
Continuing Appropriations	<u>16,225,033</u>	<u>6,838,448</u>	
Unreleased Appropriation for Capital Outlays			
R.A. No. 10717	13,098,838		
R.A. No. 10924		4,834,884	
Unobligated Releases for Capital Outlays			
R.A. No. 10717	2,541,084		
R.A. No. 10924		2,003,564	
Unobligated Releases for MOOE			
R.A. No. 10717	585,092		
Unobligated Releases for FinEx			
R.A. No. 10717	19		
Budgetary Adjustment(s)	<u>39,868,957</u>		
Transfer(s) from:			
National Disaster Risk Reduction and Management Fund (Calamity Fund)	750,000		
Contingent Fund	1,270,648		
Miscellaneous Personnel Benefits Fund	160,433		
Pension and Gratuity Fund	37,687,876		
Total Available Appropriations	<u>95,796,634</u>	<u>45,861,710</u>	<u>36,350,928</u>
Unused Appropriations	<u>(10,121,999)</u>	<u>(6,838,448)</u>	
Unreleased Appropriation	(5,198,842)	(4,834,884)	
Unobligated Allotment	(4,923,157)	(2,003,564)	
TOTAL OBLIGATIONS	<u>85,674,635</u>	<u>39,023,262</u>	<u>36,350,928</u>

EXPENDITURE PROGRAM (in pesos)			
(Obligation-Based) (Cash-Based)			
GAS / STO / OPERATIONS / PROJECTS	2017 Actual	2018 Current	2019 Proposed
General Administration and Support	41,152,767,000	3,033,822,000	3,732,864,000
Regular	41,152,767,000	3,033,822,000	3,732,864,000
PS	40,128,651,000	2,640,430,000	3,327,947,000
MOOE	989,808,000	393,392,000	404,917,000
CO	34,308,000		
Operations	9,151,569,000	35,989,440,000	32,618,064,000
Regular	9,151,569,000	10,137,580,000	7,618,064,000
PS	2,229,809,000	3,415,319,000	2,495,003,000
MOOE	6,031,096,000	6,571,690,000	5,081,852,000
FinEx		19,000	19,000
CO	890,664,000	150,552,000	41,190,000
Projects / Purpose		25,851,860,000	25,000,000,000
MOOE		37,500,000	
CO		25,814,360,000	25,000,000,000
Projects / Purpose	35,370,299,000		
MOOE	28,904,000		
CO	35,341,395,000		
TOTAL AGENCY BUDGET	85,674,635,000	39,023,262,000	36,350,928,000
Regular	50,304,336,000	13,171,402,000	11,350,928,000
PS	42,358,460,000	6,055,749,000	5,822,950,000
MOOE	7,020,904,000	6,965,082,000	5,486,769,000
FinEx		19,000	19,000
CO	924,972,000	150,552,000	41,190,000
Projects / Purpose	35,370,299,000	25,851,860,000	25,000,000,000
MOOE	28,904,000	37,500,000	
CO	35,341,395,000	25,814,360,000	25,000,000,000

STAFFING SUMMARY

	2017	2018	2019
TOTAL STAFFING			
Civilian Personnel			
Total Number of Authorized Positions	3,945	3,945	3,945
Total Number of Filled Positions	2,751	2,811	2,811
Military			
Total Number of Authorized Positions	3,031	3,231	3,231
Total Number of Filled Positions	2,899	2,635	2,635

Proposed New Appropriations Language

For general administration and support, and operations, including locally-funded project, as indicated hereunder.....

P 36,268,002,000
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OPERATIONS BY PROGRAM	PROPOSED 2019 (Cash-Based)				
	PS	MOOE	FinEx	CO	TOTAL
JOINT FORCE PLANNING PROGRAM	378,973,000	469,550,000	19,000		848,542,000
JOINT FORCE OPERATIONS PROGRAM	660,416,000	3,047,957,000		41,190,000	3,749,563,000
JOINT FORCE CAPABILITY PROGRAM	1,424,887,000	1,564,345,000		25,000,000,000	27,989,232,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2019 (Cash-Based)
(in pesos)

REGION	PS	MOOE	FinEx	CO	TOTAL
Regional Allocation	5,740,024,000	5,486,769,000	19,000	25,041,190,000	36,268,002,000
National Capital Region (NCR)	4,697,405,000	5,300,716,000	19,000	25,041,190,000	35,039,330,000
Cordillera Administrative Region (CAR)	1,042,619,000	186,053,000			1,228,672,000
TOTAL AGENCY BUDGET	5,740,024,000	5,486,769,000	19,000	25,041,190,000	36,268,002,000

SPECIAL PROVISION(S)

- Hospital Income. In addition to the amounts appropriated herein, all income generated from the operations of the AFP Medical Center shall be deposited in an authorized government depository bank and used to augment the hospital's MOOE and Capital Outlay requirements, subject to the following conditions: (i) at least twenty-five percent (25%) of said income shall be utilized to purchase and upgrade hospital equipment used directly in the delivery of health services; and (ii) income sourced from PhilHealth reimbursements from availment of medical services shall be used exclusively by said hospitals for the improvement of its facilities, and the replenishment of drugs, medicines and vaccines, including medical and dental supplies used in government health care facilities.

In no case shall said income be used for the payment of salaries, allowances and other benefits.

Disbursements or expenditures by the hospital in violation of the above requirements shall be void and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of E.O. No. 292, s.1987, and to appropriate criminal action under existing penal laws.

The General Headquarters of the AFP shall prepare and submit to the DBM not later than November 15 of the preceding year, the annual operating budget for the current year covering said income and the corresponding expenditures. Likewise, it shall submit to the DBM not later than March 1 of the current year its audited financial statement for the immediately preceding year. The AFP Chief of Staff and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that the foregoing documents are likewise posted on the AFP website.

- Trust Receipts from the Use of Equipment and Facilities. Fees and charges from the use of equipment and facilities collected by the AFP shall be used to augment its operating requirements in accordance with Section 1 of E.O. No. 1002, s. 1985. Said fees and charges shall be deposited with the National Treasury and recorded as trust receipts in accordance with E.O. No. 338, s.1996.
- Trust Receipts from Firearms License Fees. Thirty percent (30%) net proceeds of the firearms license fees collected by the PNP shall be used for the scholarship privileges to surviving children of deceased or permanently incapacitated military personnel in accordance with R.A. No. 6963. Said fees shall be deposited with the National Treasury and recorded as trust receipts in accordance with E.O. No. 338.

4. Trust Receipts for the United Nations Peacekeeping Operations. The funds provided by the United Nations for the peacekeeping operations shall be used to cover the allowance, uniform, gear and equipment, weaponry and training ammunition, pre-deployment expenses, and maintenance of the Peacekeeping Training Center subject to the condition that said funds shall first be used to reimburse any advances made by the National Government to fund the foregoing requirements. Said funds shall be deposited with the National Treasury and recorded as trust receipts in accordance with E.O. No. 338.

5. Armed Forces of the Philippines Modernization Program. The amount of Twenty Five Billion Pesos (P25,000,000,000) appropriated herein for the Revised AFP Modernization Program shall be used exclusively to support the funding requirements for the modernization projects in accordance with R.A. No. 10349.

The allotment for the purpose shall be issued only upon submission by the DND of the recommendation by the appropriate bids and awards committee for the award of contracts for the modernization projects.

6. Intelligence and Confidential Funds. No appropriations authorized under the AFP as intelligence fund shall be released or disbursed for intelligence activities, including amounts sourced from savings, unless approved by the President of the Philippines.

The use of savings to augment intelligence funds is subject to prior approval of the President of the Philippines, upon joint recommendation by the Secretary of National Defense and the Secretary of Budget and Management.

Confidential funds authorized under the AFP shall be released or disbursed only upon approval of the Secretary of National Defense.

Implementation of this provision shall be subject to COA-DBM-DILG-GCG-DND J.C. No. 2015-01 dated January 8, 2015 and such other guidelines issued by agencies concerned.

7. Bilateral Engagements. The amounts appropriated for bilateral engagements shall be administered by the General Headquarters of the AFP. Any materiel, supplies, equipment, facilities and other property received by the General Headquarters in connection with the activities undertaken pursuant to said bilateral engagements shall be booked-up as government property.

8. Combat Expenses. An amount not exceeding One Hundred Thousand Pesos (P100,000) per quarter for each company or its equivalent in the General Headquarters of the AFP may be utilized by its tactical units for incidental and necessary expenses during operational exigencies. Such amount, chargeable against MOOE for combat expenses, shall be treated as cash advance subject to disbursement and liquidation in accordance with COA Circular Nos. 97-002 and 2004-006 dated February 10, 1997 and September 9, 2004, respectively.

9. Restriction on Use of Funds Allotted for Petroleum, Oil and Lubricants. The amounts appropriated herein for the purchase or acquisition of petroleum, oil and lubricants for the General Headquarters of the AFP shall be used exclusively for said purposes.

10. Restriction on Armed Forces of the Philippines Expenditures. No amount appropriated herein shall be used to fund expenditures of military personnel in excess of those authorized and required based on the actual troop strength of the General Headquarters of the AFP.

11. Reimbursement of Expenses Incurred in Anti-Smuggling and Economic Subversion Operations. Expenses incurred by the General Headquarters of the AFP in anti-smuggling, economic subversion or similar operations may be reimbursed out of the proceeds from the sale of items seized or confiscated by the AFP upon recommendation of the Secretary of National Defense and approval by the President of the Philippines, subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292 and budgeting, accounting and auditing rules and regulations.

12. Rice Subsidy. The amount of Fourteen Million Sixty Two Thousand Pesos (P14,062,000) appropriated herein shall be used for the provision of rice subsidy, equivalent to twenty (20) kilos of rice a month, in the form of financial assistance to the military personnel of the General Headquarters of the AFP.

13. Reporting and Posting Requirements. The AFP shall submit quarterly reports on its financial and physical accomplishments, within thirty (30) days after the end of every quarter, through the following:

(a) Unified Reporting System (URS) or other electronic means for reports not covered by the URS; and

(b) AFP's website.

The AFP shall send written notice when said reports have been submitted or posted on its website to the DBM, House of Representatives, Senate of the Philippines, House Committee on Appropriations, Senate Committee on Finance, and other offices where the submission of reports is required under existing laws, rules and regulations. The date of notice to said agencies shall be considered the date of compliance with this requirement.

14. Appropriations for Activities or Projects. The amounts appropriated herein shall be used specifically for the following activities or projects in the indicated amounts and conditions:

New Appropriations, by Programs/Activities/Projects (Cash-Based), by Operating Units

		Current Operating Expenditures				
		Personnel Services	Maintenance and Other Operating Expenses	Financial Expenses	Capital Outlays	Total
PROGRAMS						
1000000000000000	General Administration and Support	3,275,748,000	404,917,000			3,680,665,000
100000100001000	General management and supervision	1,543,659,000	404,917,000			1,948,576,000
	National Capital Region (NCR)	1,543,659,000	404,917,000			1,948,576,000
	General Headquarters - Proper	1,543,659,000	404,917,000			1,948,576,000
100000100002000	Administration of Personnel Benefits	1,732,089,000				1,732,089,000
	National Capital Region (NCR)	1,616,341,000				1,616,341,000
	Armed Forces of the Philippines Medical Center	106,840,000				106,840,000
	General Headquarters - Proper	1,502,025,000				1,502,025,000
	Presidential Security Group	7,476,000				7,476,000
	Cordillera Administrative Region (CAR)	115,748,000				115,748,000
	Philippine Military Academy	115,748,000				115,748,000
Sub-total, General Administration and Support		3,275,748,000	404,917,000			3,680,665,000
3000000000000000	Operations	2,464,276,000	5,081,852,000	19,000	25,041,190,000	32,587,337,000
3100000000000000	00 : Sovereignty of the State and the Filipino people protected	2,464,276,000	5,081,852,000	19,000	25,041,190,000	32,587,337,000
3101000000000000	JOINT FORCE PLANNING PROGRAM	378,973,000	469,550,000	19,000		848,542,000
310100100001000	Military policy and strategic formulation	378,973,000	469,550,000	19,000		848,542,000
	National Capital Region (NCR)	378,973,000	469,550,000	19,000		848,542,000
	General Headquarters - Proper	378,973,000	469,550,000	19,000		848,542,000
3102000000000000	JOINT FORCE OPERATIONS PROGRAM	660,416,000	3,047,957,000		41,190,000	3,749,563,000
3102010000000000	JOINT FORCE OPERATIONS SUB-PROGRAM		637,522,000			637,522,000
310201100001000	Joint force combatant command		459,697,000			459,697,000
	National Capital Region (NCR)		459,697,000			459,697,000
	General Headquarters - Proper		459,697,000			459,697,000
310201100002000	Multinational/Foreign Engagements and Peace Support Operations		177,825,000			177,825,000
	National Capital Region (NCR)		177,825,000			177,825,000
	General Headquarters - Proper		177,825,000			177,825,000

31020200000000	JOINT FORCE SUPPORT OPERATIONS SUB-PROGRAM	<u>660,416,000</u>	<u>2,410,435,000</u>	<u>41,190,000</u>	<u>3,112,041,000</u>
310202100001000	Presidential Security and Protection (Presidential Security Group)	<u>184,161,000</u>	<u>298,042,000</u>	<u>4,000,000</u>	<u>486,203,000</u>
	National Capital Region (NCR)	<u>184,161,000</u>	<u>298,042,000</u>	<u>4,000,000</u>	<u>486,203,000</u>
	Presidential Security Group	<u>184,161,000</u>	<u>298,042,000</u>	<u>4,000,000</u>	<u>486,203,000</u>
310202100002000	Joint force support command	<u>476,255,000</u>	<u>2,112,393,000</u>	<u>37,190,000</u>	<u>2,625,838,000</u>
	National Capital Region (NCR)	<u>476,255,000</u>	<u>2,112,393,000</u>	<u>37,190,000</u>	<u>2,625,838,000</u>
	General Headquarters - Proper	<u>476,255,000</u>	<u>2,112,393,000</u>	<u>37,190,000</u>	<u>2,625,838,000</u>
310300000000000	JOINT FORCE CAPABILITY PROGRAM	<u>1,424,887,000</u>	<u>1,564,345,000</u>	<u>25,000,000,000</u>	<u>27,989,232,000</u>
310301000000000	JOINT FORCE SERVICE SUPPORT OPERATIONS SUB-PROGRAM	<u>3,025,000</u>	<u>215,724,000</u>		<u>218,749,000</u>
310301100001000	Joint Force Support Units	<u>977,000</u>	<u>87,749,000</u>		<u>88,726,000</u>
	National Capital Region (NCR)	<u>977,000</u>	<u>87,749,000</u>		<u>88,726,000</u>
	General Headquarters - Proper	<u>977,000</u>	<u>87,749,000</u>		<u>88,726,000</u>
310301100002000	Reserve Force Development	<u>2,048,000</u>	<u>10,518,000</u>		<u>12,566,000</u>
	National Capital Region (NCR)	<u>2,048,000</u>	<u>10,518,000</u>		<u>12,566,000</u>
	General Headquarters - Proper	<u>2,048,000</u>	<u>10,518,000</u>		<u>12,566,000</u>
310301100003000	Ordnance Build-up/Strategic lift and mobility		<u>117,457,000</u>		<u>117,457,000</u>
	National Capital Region (NCR)		<u>117,457,000</u>		<u>117,457,000</u>
	General Headquarters - Proper		<u>117,457,000</u>		<u>117,457,000</u>
310302000000000	MILITARY MEDICAL AND TRAINING SUPPORT SUB-PROGRAM	<u>1,421,862,000</u>	<u>1,348,621,000</u>		<u>2,770,483,000</u>
310302100001000	Tertiary Health Care (AFP Medical Center)	<u>491,292,000</u>	<u>1,131,294,000</u>		<u>1,622,586,000</u>
	National Capital Region (NCR)	<u>491,292,000</u>	<u>1,131,294,000</u>		<u>1,622,586,000</u>
	Armed Forces of the Philippines Medical Center	<u>491,292,000</u>	<u>1,131,294,000</u>		<u>1,622,586,000</u>
310302100002000	Post-commission training program	<u>3,699,000</u>	<u>31,274,000</u>		<u>34,973,000</u>
	National Capital Region (NCR)	<u>3,699,000</u>	<u>31,274,000</u>		<u>34,973,000</u>
	General Headquarters - Proper	<u>3,699,000</u>	<u>31,274,000</u>		<u>34,973,000</u>
310302100003000	Pre-Commission Officer Training (Philippine Military Academy)	<u>926,871,000</u>	<u>186,053,000</u>		<u>1,112,924,000</u>
	Cordillera Administrative Region (CAR)	<u>926,871,000</u>	<u>186,053,000</u>		<u>1,112,924,000</u>
	Philippine Military Academy	<u>926,871,000</u>	<u>186,053,000</u>		<u>1,112,924,000</u>

310303000000000	AFP MODERNIZATION SUB-PROGRAM				<u>25,000,000,000</u>	<u>25,000,000,000</u>
	Project(s)					
	Locally-Funded Project(s)				<u>25,000,000,000</u>	<u>25,000,000,000</u>
310303200001000	Revised AFP Modernization Program				<u>25,000,000,000</u>	<u>25,000,000,000</u>
	National Capital Region (NCR)				<u>25,000,000,000</u>	<u>25,000,000,000</u>
	General Headquarters - Proper				<u>25,000,000,000</u>	<u>25,000,000,000</u>
Sub-total, Operations		<u>2,464,276,000</u>	<u>5,081,852,000</u>	<u>19,000</u>	<u>25,041,190,000</u>	<u>32,587,337,000</u>
TOTAL NEW APPROPRIATIONS		P 5,740,024,000	P 5,486,769,000	P 19,000	P 25,041,190,000	P 36,268,002,000

Obligations, by Object of Expenditures

CYs 2017-2019
(In Thousand Pesos)

	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>
	<u>2017</u>	<u>2018</u>	<u>2019</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	618,168	646,103	691,046
Total Permanent Positions	<u>618,168</u>	<u>646,103</u>	<u>691,046</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	65,919	66,768	67,464
Representation Allowance	420	420	420
Transportation Allowance	420	420	420
Clothing and Uniform Allowance	15,256	13,910	16,866
Mid-Year Bonus - Civilian	48,972	53,842	57,587
Year End Bonus	51,721	53,842	57,587
Cash Gift	13,737	13,910	14,055
Productivity Enhancement Incentive	13,723	13,910	14,055
Performance Based Bonus	155,426		
Step Increment		1,616	1,728
Total Other Compensation Common to All	<u>365,594</u>	<u>218,638</u>	<u>230,182</u>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	67,286	74,393	75,837
Longevity Pay	9,142	9,142	9,142
Lump-sum for filling of Positions - Civilian		75,382	59,962
Other Personnel Benefits	6,163		
Anniversary Bonus - Civilian	774		
Total Other Compensation for Specific Groups	<u>83,365</u>	<u>158,917</u>	<u>144,941</u>
Other Benefits			
Retirement and Life Insurance Premiums	77,595	77,532	82,926
PAG-IBIG Contributions	3,396	3,340	3,373
PhilHealth Contributions	7,006	7,470	9,083
Employees Compensation Insurance Premiums	3,291	3,340	3,373
Retirement Gratuity	37,238	39,033	43,161

Loyalty Award - Civilian	325		
Terminal Leave	26,725	11,211	22,978
Total Other Benefits	<u>155,576</u>	<u>141,926</u>	<u>164,894</u>
Military/Uniformed Personnel			
Basic Pay			
Base Pay	1,127,844	1,118,171	1,559,820
Total Basic Pay	<u>1,127,844</u>	<u>1,118,171</u>	<u>1,559,820</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	42,075	69,576	63,239
Clothing/ Uniform Allowance	30,407	8,647	38,258
Subsistence Allowance	215,537	1,211,285	196,831
Laundry Allowance	1,231	1,692	1,900
Quarters Allowance	12,105	12,626	18,184
Longevity Pay	142,625	211,863	358,658
Mid-Year Bonus - Military/Uniformed Personnel	86,055	93,180	129,987
Officers' Allowance - Military/Uniformed Personnel	63,791	93,852	
Provisional Allowance - Military/Uniformed Personnel	307,045	492,368	
Year-end Bonus	94,411	93,180	129,987
Cash Gift	14,520	14,495	13,174
Productivity Enhancement Incentive	14,433	14,495	13,174
Total Other Compensation Common to All	<u>1,024,235</u>	<u>2,317,259</u>	<u>963,392</u>
Other Compensation for Specific Groups			
Hazardous Duty Pay	13,896	13,490	14,577
Special Duty Allowance	78,610	78,612	78,612
Overseas Allowance	202,055	202,055	202,055
Combat Incentive Pay			10,000
Hazard Duty Pay	18,896	24,878	17,077
Combat Duty Pay	22,136	9,324	9,324
Incentive Pay	84,602	89,029	89,029
Instructor's Duty Pay	15,910	18,444	18,444
Hospitalization Expenses	683		
Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP)		51,938	226,762
Total Other Compensation for Specific Groups	<u>436,788</u>	<u>497,770</u>	<u>665,880</u>
Other Benefits			
Special Group Term Insurance	208	209	192
PAG-IBIG Contributions	2,067	3,478	3,164
PhilHealth Contributions	11,665	12,403	17,049
Employees Compensation Insurance Premiums	3,254	3,478	3,164
Retirement Gratuity	2,992,716	937,397	1,379,226
Terminal Leave	78,757		
Total Other Benefits	<u>3,088,667</u>	<u>956,965</u>	<u>1,402,795</u>
Other Personnel Benefits			
Pension, Military/Uniformed Personnel	35,458,223		
Total Other Personnel Benefits	<u>35,458,223</u>		
TOTAL PERSONNEL SERVICES	<u>42,358,460</u>	<u>6,055,749</u>	<u>5,822,950</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	262,087	247,402	267,553
Training and Scholarship Expenses	138,676	136,645	146,433
Supplies and Materials Expenses	2,241,840	1,879,162	1,950,432
Utility Expenses	566,298	582,706	601,216
Communication Expenses	113,168	116,003	121,077
Confidential, Intelligence and Extraordinary Expenses			
Intelligence Expenses	1,853,185	2,861,261	1,238,699
Professional Services	81,465	43,410	45,960
General Services	102,150	74,948	75,097

Repairs and Maintenance	514,002	402,307	404,341
Financial Assistance/Subsidy	93,799	13,754	14,062
Taxes, Insurance Premiums and Other Fees	515,442	30,849	30,799
Labor and Wages	15,187	14,600	14,600
Other Maintenance and Operating Expenses			
Advertising Expenses	2,194	2,107	2,163
Printing and Publication Expenses	11,000	10,970	11,228
Representation Expenses	436,410	418,161	432,249
Transportation and Delivery Expenses	9,020	9,109	9,382
Rent/Lease Expenses	59,352	57,440	56,732
Membership Dues and Contributions to Organizations	714	981	981
Subscription Expenses	11,042	11,355	11,412
Other Maintenance and Operating Expenses	22,777	89,412	52,353
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>7,049,808</u>	<u>7,002,582</u>	<u>5,486,769</u>
Financial Expenses			
Bank Charges		19	19
TOTAL FINANCIAL EXPENSES		<u>19</u>	<u>19</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>49,408,268</u>	<u>13,058,350</u>	<u>11,309,738</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Infrastructure Outlay		755,000	
Buildings and Other Structures	586,527	49,000	
Machinery and Equipment Outlay	35,584,799	25,137,835	25,037,190
Transportation Equipment Outlay	92,339	14,868	
Furniture, Fixtures and Books Outlay	2,702	4,709	
Other Property Plant and Equipment Outlay		3,500	4,000
TOTAL CAPITAL OUTLAYS	<u>36,266,367</u>	<u>25,964,912</u>	<u>25,041,190</u>
GRAND TOTAL	<u>85,674,635</u>	<u>39,023,262</u>	<u>36,350,928</u>

STRATEGIC OBJECTIVES

SECTOR OUTCOME : Security, public order, and safety ensured

ORGANIZATIONAL OUTCOME : Sovereignty of the State and the Filipino people protected

PERFORMANCE INFORMATION

ORGANIZATIONAL OUTCOMES (00s) / PERFORMANCE INDICATORS (PIs)	2017 GAA Targets	2017 Actual
Sovereignty of the State and the Filipino people protected		
Sovereign area covered for detection and identification of intrusions in the West Philippine Sea (WPS)	33% Air Domain in WPS 40% Maritime Domain	27% Air Domain in WPS 18% Maritime Domain
Number of Provinces normalized where the LGU can be primarily responsible for law and order	17	8
Operational readiness of AFP Units for Humanitarian Assistance and Disaster Response (Training and MEE)	80%	75%

MFO / Performance Indicators	2017 GAA Targets	2017 Actual
MFO 1: MILITARY POLICY ADVISORY SERVICES		
Number of military plans and policies formulated and adopted/issued	43	234
Percentage of adopted/issued military plans and policies rated satisfactory or better by both external and internal clients	90%	90%
Percentage of adopted/issued military plans and policies implemented within fifteen (15) days after official issuance thereof	90%	90%
MFO 2: JOINT FORCE STRATEGIC PLANNING, LOGISTICS AND RESOURCE MANAGEMENT SERVICES		
COMMAND AND CONTROL (C2) ACTIVITIES		
Number of command and control activities undertaken	82,573	109,395
Percentage of C2 activities successfully undertaken	90%	100%
Average number of hours spent in a day to fully implement a single C2 activity	24 hours	24 hours
MFO 3: TERTIARY HEALTH CARE SERVICES		
TREATMENT PROCEDURES		
Number of patients that received treatment	10,852	10,990
Percentage of patients treated and return to duty	90%	100%
Percentage of patients treated within the accepted Length of Stay (LOS) per case	90%	100%
HEALTH SERVICE EDUCATION & TRAINING		
Number of trainings conducted	211	179
Percentage of trainings conducted that contribute to training readiness	90%	86%
Percentage of trainings conducted within the prescribed training procedures	100%	100%
JOINT MEDICAL SERVICE SUPPORT OPERATIONS		
Number of Medical and Surgical Team Dispatch	50	63
Percentage of readiness of team dispatched	90%	100%
Percentage of team dispatched within 24 hours upon notice	80%	100%
MFO 4: MILITARY EDUCATION SERVICES		
PRE-COMMISSION TRAINING AND EDUCATION		
Number of cadets/students trained	1,100	1,172
Percentage of cadets who rated the course satisfactory or better	95%	96%
POST-COMMISSION TRAINING		
Number of personnel trained	150	198
Number of reservist trainings to be conducted	60	60

MFO 5: PRESIDENTIAL SECURITY AND PROTECTION SERVICES

SECURITY OPERATIONS DURING PRESIDENTIAL ENGAGEMENTS		
Number of security operations for presidential engagement	432	473
Percentage of successful security operations for presidential engagement	100%	100%
Percentage of presidential engagement wherein security have been deployed on the required period in accordance with the Command's SOP	100%	100%
SECURITY OPERATIONS DURING FIRST FAMILY ENGAGEMENTS		
Number of security operations for first family engagement	5,500	11,797
Percentage of successful security operations for first family engagements	100%	100%
SECURITY OPERATIONS FOR FOREIGN VISITING HEADS OF STATE/GOVERNMENT		
Number of security operations during head of state/government visit	12	7
Percentage of successful security operations during head of state/government visit	100%	100%

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>2018 GAA Targets</u>	<u>Baseline</u>	<u>2019 Targets</u>
Sovereignty of the State and the Filipino people protected			
JOINT FORCE PLANNING PROGRAM			
Outcome Indicator			
1. Percentage of military plans and policies approved and implemented	90%	90%	90%
Output Indicator			
1. Number of military plans and policies formulated and adopted/issued	138	138	138
JOINT FORCE OPERATIONS PROGRAM			
JOINT FORCE OPERATIONS SUB-PROGRAM			
Outcome Indicator			
1. Percentage compliance with strategic initiatives, memorandum of agreement/understanding and other treaties pertaining to Bilateral and Multilateral engagements	100%	100%	100%
Output Indicator			
1. Number of Bilateral and Multilateral engagements	140	140	140
JOINT FORCE SUPPORT OPERATIONS SUB-PROGRAM			
Outcome Indicator			
1. Percentage of successful security operations for president, first family, visiting heads of state/government and other VVIPs	100%	100%	100%
Output Indicators			
1. Number of joint operations conducted	193,226	192,726	193,226
2. Number of security operations for the president, first family, visiting heads of state/government and other VVIPs conducted	5,944	5,944	5,944

JOINT FORCE CAPABILITY PROGRAM

Outcome Indicators

1. Percentage of patients treated returning to duty (AFPMC)	90%	90%	90%
2. Percentage of commanders who rated the new graduates satisfactory or better	90%	90%	90%

Output Indicators

1. Number of patients that received treatment	10,852	10,852	10,852
2. Percentage of patients treated within the accepted Length of Stay (LOS) per case	90%	90%	90%
3. Number of students trained			
a) Cadets (PMA)	1,100	1,300	1,300
b) Personnel (Post-Commission)	146	146	146

AFP MODERNIZATION SUB-PROGRAM

Outcome Indicator

1. Percentage of signed AFP Modernization project completed and delivered	100%	100%	100%
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Output Indicator

1. Number of AFP Modernization contracts signed	10	10	10
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GENERAL SUMMARY (Cash-Based)
DEPARTMENT OF NATIONAL DEFENSE

		<u>Current Operating Expenditures</u>				
		<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Financial Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
A.	OFFICE OF THE SECRETARY - PROPER	P 172,469,000	P 292,987,000		P 12,279,000	P 477,735,000
B.	GOVERNMENT ARSENAL	253,367,000	987,261,000		18,000,000	1,258,628,000
C.	NATIONAL DEFENSE COLLEGE OF THE PHILIPPINES	42,323,000	46,753,000		9,711,000	98,787,000
D.	OFFICE OF CIVIL DEFENSE	229,828,000	639,754,000		505,193,000	1,374,775,000
E.	PHILIPPINE VETERANS AFFAIRS OFFICE (PVAO) - PROPER	138,625,000	413,783,000		900,000	553,308,000
F.	VETERANS MEMORIAL MEDICAL CENTER	725,817,000	831,634,000		153,929,000	1,711,380,000
G.	PHILIPPINE ARMY (LAND FORCES)	73,703,701,000	12,440,830,000		2,860,297,000	89,004,828,000
H.	PHILIPPINE AIR FORCE (AIR FORCES)	14,743,936,000	9,488,128,000		352,296,000	24,584,360,000
I.	PHILIPPINE NAVY (NAVAL FORCES)	19,334,769,000	7,253,383,000		1,199,003,000	27,787,155,000
J.	GENERAL HEADQUARTERS, AFP AND AFP-WIDE SERVICE SUPPORT UNITS (AFPWSSUS)	<u>5,740,024,000</u>	<u>5,486,769,000</u>	<u>19,000</u>	<u>25,041,190,000</u>	<u>36,268,002,000</u>
TOTAL NEW APPROPRIATIONS, DEPARTMENT OF NATIONAL DEFENSE		<u>P115,084,859,000</u>	<u>P 37,881,282,000</u>	<u>19,000</u>	<u>P 30,152,798,000</u>	<u>P183,118,958,000</u>
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