

I. PHILIPPINE NAVY (NAVAL FORCES)

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>20,992,347</u>	<u>21,299,554</u>	<u>27,787,155</u>
General Fund	20,992,347	21,299,554	27,787,155
Automatic Appropriations	<u>153,766</u>	<u>28,616</u>	<u>29,240</u>
Customs Duties and Taxes, including Tax Expenditures	127,103		
Retirement and Life Insurance Premiums	26,663	28,616	29,240
Continuing Appropriations	<u>971,324</u>		
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)	<u>1,772,678</u>		
Transfer(s) from:			
Contingent Fund	703,967		
Miscellaneous Personnel Benefits Fund	598,577		
Pension and Gratuity Fund	470,134		
Total Available Appropriations	<u>23,890,115</u>	<u>21,328,170</u>	<u>27,816,395</u>
Unused Appropriations	<u>(303,726)</u>		
Unreleased Appropriation	(23,048)		
Unobligated Allotment	<u>(280,678)</u>		
TOTAL OBLIGATIONS	<u>23,586,389</u>	<u>21,328,170</u>	<u>27,816,395</u>

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
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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)

- 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.

- 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.
- 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.
- 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	<u>238,480</u>	<u>238,474</u>	<u>243,661</u>
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	<u>84,705</u>	<u>80,797</u>	<u>81,980</u>
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	<u>26,484</u>	<u>23,167</u>	<u>20,454</u>
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	<u>39,246</u>	<u>49,921</u>	<u>49,850</u>
Military/Uniformed Personnel			
Basic Pay			
Base Pay	5,596,920	5,550,140	9,760,327
Total Basic Pay	<u>5,596,920</u>	<u>5,550,140</u>	<u>9,760,327</u>
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%

554 EXPENDITURE PROGRAM FY 2019 VOLUME II

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