

G. PHILIPPINE ARMY (LAND FORCES)

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
New General Appropriations	<u>41,459,781</u>	<u>47,537,259</u>	<u>56,884,255</u>
General Fund	41,459,781	47,537,259	56,884,255
Automatic Appropriations	<u>106,631</u>	<u>25,803</u>	<u>30,927</u>
Customs Duties and Taxes, including Tax Expenditures	85,929		
Retirement and Life Insurance Premiums	20,702	25,803	30,927
Continuing Appropriations	<u>644,001</u>	<u>2,062,881</u>	
Unreleased Appropriation for Capital Outlays			
R.A. No. 10651		1	
Unobligated Releases for Capital Outlays			
R.A. No. 10633	57,915		
R.A. No. 10651		282,653	
Unobligated Releases for MOOE			
R.A. No. 10633	586,086		
R.A. No. 10651		1,780,227	
Budgetary Adjustment(s)	<u>8,693,902</u>		
Transfer(s) from:			
Contingent Fund	73,079		
Miscellaneous Personnel Benefits Fund	5,237,425		
Pension and Gratuity Fund	3,383,398		
Total Available Appropriations	50,904,315	49,625,943	56,915,182
Unused Appropriations	( <u>2,075,392</u> )	( <u>2,062,881</u> )	
Unreleased Appropriation	( 1 )	( 1 )	
Unobligated Allotment	( <u>2,075,391</u> )	( <u>2,062,880</u> )	
TOTAL OBLIGATIONS	<u>48,828,923</u>	<u>47,563,062</u>	<u>56,915,182</u>
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EXPENDITURE PROGRAM  
(in pesos)

No. / Code	GASS / STO / OPERATIONS / PROJECTS	2015 Actual	2016 Current	2017 Proposed
000001000000000	General Administration and Support	12,132,971,000	5,005,332,000	5,361,676,000
	PS	11,274,482,000	4,064,157,000	4,402,336,000
	MOOE	858,489,000	887,014,000	959,340,000
	CO		54,161,000	
000002000000000	Support to Operations	1,985,173,000	2,549,873,000	2,565,955,000
	PS	1,388,928,000	1,904,634,000	1,920,674,000
	MOOE	596,245,000	633,539,000	606,183,000
	CO		11,700,000	39,098,000
000003000000000	Operations	34,706,086,000	39,991,857,000	48,987,551,000
	PS	30,546,338,000	33,686,290,000	37,759,967,000
	MOOE	4,060,240,000	6,088,167,000	8,772,695,000
	CO	99,508,000	217,400,000	2,454,889,000
	Projects	4,693,000	16,000,000	
	MOOE		1,000,000	
	CO	4,693,000	15,000,000	
TOTAL AGENCY BUDGET		48,828,923,000	47,563,062,000	56,915,182,000
	PS	43,209,748,000	39,655,081,000	44,082,977,000
	MOOE	5,514,974,000	7,609,720,000	10,338,218,000
	CO	104,201,000	298,261,000	2,493,987,000

STAFFING SUMMARY

	2015	2016	2017
TOTAL STAFFING			
Civilian Personnel			
Total Number of Authorized Positions	1,670	1,670	1,670
Total Number of Filled Positions	1,069	1,174	1,174
Military			
Total Number of Authorized Positions	85,825	85,825	85,825
Total Number of Filled Positions	85,825	85,825	85,825

Proposed New Appropriations Language

For general administration and support, support to operations, and operations, as indicated hereunder.....P 56,884,255,000  
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OPERATIONS BY MFO	PROPOSED 2017			
	PS	MOOE	CO	TOTAL
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES	37,759,967,000	8,772,695,000	2,454,889,000	48,987,551,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2017  
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation (net of Central Office):	44,052,050,000	10,338,218,000	2,493,987,000	56,884,255,000
National Capital Region (NCR)	44,052,050,000	10,338,218,000	2,493,987,000	56,884,255,000
TOTAL AGENCY BUDGET	44,052,050,000	10,338,218,000	2,493,987,000	56,884,255,000

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: PROVIDED, That at least twenty five percent (25%) of the said income shall be utilized to purchase and upgrade hospital equipment used directly in the delivery of health services.

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, 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 fees and charges shall be deposited with the National Treasury and recorded as trust receipts in accordance with E.O. No. 338, s.1996.

The Philippine Army shall submit to the DBM, the Speaker of the House of Representatives and the President of the Senate of the Philippines, either in printed form or by way of electronic document, quarterly reports on the financial and physical accomplishments on the trust receipts transferred from authorized government depository bank to the National Treasury. The Commanding General of the Philippine Army and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the Philippine Army website.

- Compensation and Separation Benefits of the Citizen Armed Forces Geographical Units. The amount of Three Billion Four Hundred Thirteen Million Five Hundred Fifty Three Thousand Pesos (P3,413,553,000) 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.

The number of existing CAFGU members recruited for training and the corresponding costs attendant thereto shall not be increased and be gradually scaled down in anticipation of its planned demobilization in view of the implementation of the Revised AFP Modernization Program.

The Philippine Army shall submit to the DBM, the Speaker of the House of Representatives and the President of the Senate of the Philippines, either in printed form or by way of electronic document, an annual report indicating the number of existing CAFGU members and the year of their recruitment. The Commanding General of the Philippine Army and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that said report is likewise posted on the Philippine Army website.

- 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.
- Appropriations for Programs and Specific Activities. The amounts appropriated herein for the programs of the agency shall be used specifically for the following activities in the indicated amounts and conditions:

New Appropriations, by Programs/Activities/Projects

		<u>Current Operating Expenditures</u>			
		<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
PROGRAMS					
00000100000000	General Administration and Support	4,371,409,000	959,340,000		5,330,749,000
103001000100000	General management and supervision	P 3,245,949,000	P 959,340,000		P 4,205,289,000
103001000200000	Administration of Personnel Benefits	1,125,460,000			1,125,460,000
Sub-total, General Administration and Support		4,371,409,000	959,340,000		5,330,749,000
000002000000000	Support to Operations	1,920,674,000	606,183,000	39,098,000	2,565,955,000
121002000100000	Force-Level Support Services	1,920,674,000	606,183,000	39,098,000	2,565,955,000
Sub-total, Support to Operations		1,920,674,000	606,183,000	39,098,000	2,565,955,000
000003000000000	Operations	37,759,967,000	8,772,695,000	2,454,889,000	48,987,551,000
000003010000000	MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES	37,759,967,000	8,772,695,000	2,454,889,000	48,987,551,000
121003010100000	Force Development		792,275,000		792,275,000
121003010200000	Force Sustainment	37,759,967,000	7,980,420,000	2,454,889,000	48,195,276,000
Sub-total, Operations		37,759,967,000	8,772,695,000	2,454,889,000	48,987,551,000
TOTAL NEW APPROPRIATIONS		P 44,052,050,000	P 10,338,218,000	P 2,493,987,000	P 56,884,255,000

Obligations, by Object of Expenditures

CYs 2015-2017  
(In Thousand Pesos)

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	220,532	215,023	257,721
Total Permanent Positions	220,532	215,023	257,721
Other Compensation Common to All			
Personnel Economic Relief Allowance	21,576	25,632	28,176
Representation Allowance	227	240	180
Transportation Allowance	227	240	180
Clothing and Uniform Allowance	4,495	5,340	5,870
Productivity Incentive Allowance	1,608		
Honoraria	8	106	106
Overtime Pay	560		
Mid-Year Bonus - Civilian			21,477
Year End Bonus	18,094	17,919	21,477
Cash Gift	5,593	5,340	5,870

Step Increment	203	1,320	2,374
Productivity Enhancement Incentive		5,340	5,870
Total Other Compensation Common to All	<u>52,591</u>	<u>61,477</u>	<u>91,580</u>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	57,468	15,855	15,855
Longevity Pay		4,896	4,896
Other Personnel Benefits	483,440		
Total Other Compensation for Specific Groups	<u>540,908</u>	<u>20,751</u>	<u>20,751</u>
Other Benefits			
Retirement and Life Insurance Premiums	20,702	25,803	30,927
PAG-IBIG Contributions	1,282	1,282	1,409
PhilHealth Contributions	2,559	2,513	2,942
Employees Compensation Insurance Premiums	1,242	1,279	1,409
Retirement Gratuity	3,228	10,371	26,454
Terminal Leave	7,491	3,424	10,563
Total Other Benefits	<u>36,504</u>	<u>44,672</u>	<u>73,704</u>
Military/Uniformed Personnel			
Basic Pay			
Base Pay	18,340,272	18,747,122	18,755,239
Total Basic Pay	<u>18,340,272</u>	<u>18,747,122</u>	<u>18,755,239</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	2,059,705	2,059,800	2,059,800
Clothing/ Uniform Allowance	781,942	795,943	795,941
Subsistence Allowance	7,657,132	8,112,476	8,112,475
Laundry Allowance	41,826	33,268	33,285
Quarters Allowance	397,340	437,104	436,755
Productivity Incentive Allowance	171,650		
Longevity Pay	3,537,785	3,765,825	3,870,565
Mid-Year Bonus - Military/Uniformed Personnel			1,562,936
Officers' Allowance - Military/Uniformed Personnel			239,442
Provisional Allowance - Military/Uniformed Personnel			2,217,001
Year-end Bonus	1,489,408	1,562,261	1,562,936
Cash Gift	402,887	429,125	429,125
Productivity Enhancement Incentive	1,580,129	429,125	429,125
Performance Based Bonus	788,746		
Total Other Compensation Common to All	<u>18,908,550</u>	<u>17,624,927</u>	<u>21,749,386</u>
Other Compensation for Specific Groups			
Hazardous Duty Pay	118,650	133,179	133,179
Hazard Duty Pay	280,307	247,176	556,147
Flying Pay	14,087	10,410	10,410
Hardship Allowance	1,791		
Combat Duty Pay	421,337	345,486	345,486
Instructor's Duty Pay	152,305	145,268	145,268
Reservist's Pay	196,102	253,306	253,306
Medal of Valor Award	7,326	6,600	6,600
Hospitalization Expenses	60		
Specialist's Pay	310		
Parachutist Pay	115,782	170,475	170,475
Total Other Compensation for Specific Groups	<u>1,308,057</u>	<u>1,311,900</u>	<u>1,620,871</u>
Other Benefits			
Special Group Term Insurance	8,106	6,179	6,180
PAG-IBIG Contributions	95,411	102,990	102,989
PhilHealth Contributions	229,823	214,855	214,854
Employees Compensation Insurance Premiums	96,316	102,990	102,989
Terminal Leave	3,372,678	1,202,195	1,086,713
Total Other Benefits	<u>3,802,334</u>	<u>1,629,209</u>	<u>1,513,725</u>
TOTAL PERSONNEL SERVICES	<u>43,209,748</u>	<u>39,655,081</u>	<u>44,082,977</u>

Maintenance and Other Operating Expenses			
Travelling Expenses	257,358	280,579	291,971
Training and Scholarship Expenses	285,029	243,908	264,311
Supplies and Materials Expenses	2,629,111	3,735,262	5,315,907
Utility Expenses	428,128	478,530	503,696
Communication Expenses	103,574	137,875	151,758
Awards/Rewards and Prizes	8,281	1,450	1,450
Survey, Research, Exploration and Development Expenses	4,881	5,000	5,000
Demolition/Relocation and Desilting/Dredging Expenses	280		
Confidential, Intelligence and Extraordinary Expenses			
Intelligence Expenses	44,000	64,000	144,000
Professional Services	32,938	27,664	36,664
General Services	6,714	7,600	7,600
Repairs and Maintenance	1,141,958	1,883,621	2,283,802
Financial Assistance/Subsidy			669,436
Taxes, Insurance Premiums and Other Fees	162,299	96,107	96,906
Labor and Wages	33,433	15,533	15,533
Other Maintenance and Operating Expenses			
Advertising Expenses	4,044	5,664	5,834
Printing and Publication Expenses	10,886	16,645	17,357
Representation Expenses	328,805	485,617	447,942
Transportation and Delivery Expenses	14,142	58,673	60,649
Rent/Lease Expenses	10,725	24,373	12,475
Membership Dues and Contributions to Organizations	93	538	578
Subscription Expenses	2,543	5,081	5,096
Other Maintenance and Operating Expenses	5,752	36,000	253
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>5,514,974</u>	<u>7,609,720</u>	<u>10,338,218</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>48,724,722</u>	<u>47,264,801</u>	<u>54,421,195</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Infrastructure Outlay	693	5,910	119,379
Buildings and Other Structures	22,968	51,000	488,378
Machinery and Equipment Outlay	80,056	238,001	1,312,065
Transportation Equipment Outlay	70		574,165
Furniture, Fixtures and Books Outlay	414		
Intangible Assets Outlay		3,350	
TOTAL CAPITAL OUTLAYS	<u>104,201</u>	<u>298,261</u>	<u>2,493,987</u>
GRAND TOTAL	<u>48,828,923</u>	<u>47,563,062</u>	<u>56,915,182</u>

## STRATEGIC OBJECTIVES

SECTOR OUTCOME : Stable national security environment achieved

## ORGANIZATIONAL

OUTCOME : Level of mission capability of Army Units in Ground Operations attained

## PERFORMANCE INFORMATION

## KEY STRATEGIES :

Alignment with the Army Transformation Roadmap (ATR) and the Defense System of Management (DSOM) thru the PA Strategic Management System (SMS).

488 EXPENDITURE PROGRAM FY 2017 VOLUME II

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>Baseline</u>	<u>2017 Targets</u>
Level of mission capability of Army Units in Ground Operations attained		
Percentage of Ground Force Units Provided to Unified Commands		90%
<u>MFO / PIs</u>		<u>2017 Targets</u>
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES		
Number and Readiness level of tactical units		
Number of tactical battalions maintained		190
Percentage of operational readiness of tactical battalions		79%
Average percentage of effective strength of tactical battalions that can be mobilized within 1 hour as dictated by higher authorities		90%
Number and Readiness level of reserve units		
Number of ready reserve battalions maintained		82
Percentage of operational readiness of ready reserve battalions		60%