

G. PHILIPPINE ARMY (LAND FORCES)

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
New General Appropriations	<u>47,537,259</u>	<u>57,434,255</u>	<u>63,778,132</u>
General Fund	47,537,259	57,434,255	63,778,132
Automatic Appropriations	<u>151,735</u>	<u>30,927</u>	<u>35,288</u>
Customs Duties and Taxes, including Tax Expenditures	123,737		
Retirement and Life Insurance Premiums	27,998	30,927	35,288
Continuing Appropriations	<u>2,062,881</u>	<u>1,660,659</u>	
Unreleased Appropriation for Capital Outlays			
R.A. No. 10651	1		
R.A. No. 10717		54,000	

Unobligated Releases for Capital Outlays			
R.A. No. 10651	282,653		
R.A. No. 10717		259,303	
Unobligated Releases for MOOE			
R.A. No. 10651	1,780,227		
R.A. No. 10717		1,347,356	
Budgetary Adjustment(s)	<u>5,689,870</u>		
Transfer(s) from:			
Contingent Fund	97,500		
Miscellaneous Personnel Benefits Fund	4,307,746		
Pension and Gratuity Fund	<u>1,284,624</u>		
Total Available Appropriations	55,441,745	59,125,841	63,813,420
Unused Appropriations	(2,185,179)	(1,660,659)	
Unreleased Appropriation	(569,809)	(54,000)	
Unobligated Allotment	(1,615,370)	(1,606,659)	
TOTAL OBLIGATIONS	<u>53,256,566</u>	<u>57,465,182</u>	<u>63,813,420</u>

EXPENDITURE PROGRAM
(in pesos)

GAS / STO / OPERATIONS / PROJECTS	2016 Actual	2017 Current	2018 Proposed
General Administration and Support	<u>10,216,410,000</u>	<u>5,361,676,000</u>	<u>9,453,729,000</u>
Regular	<u>10,216,410,000</u>	<u>5,361,676,000</u>	<u>9,453,729,000</u>
PS	9,141,868,000	4,402,336,000	8,358,840,000
MOOE	1,026,857,000	959,340,000	1,094,889,000
CO	47,685,000		
Support to Operations	<u>2,528,982,000</u>	<u>2,565,955,000</u>	
Regular	<u>2,528,982,000</u>	<u>2,565,955,000</u>	
PS	1,904,634,000	1,920,674,000	
MOOE	610,702,000	606,183,000	
CO	13,646,000	39,098,000	
Operations	<u>40,488,511,000</u>	<u>49,374,551,000</u>	<u>54,359,691,000</u>
Regular	<u>40,488,511,000</u>	<u>49,374,551,000</u>	<u>54,359,691,000</u>
PS	33,686,290,000	37,759,967,000	43,801,685,000
MOOE	6,525,533,000	9,072,695,000	9,997,604,000
CO	276,688,000	2,541,889,000	560,402,000
Projects / Purpose	<u>22,663,000</u>	<u>163,000,000</u>	
CO	22,663,000	163,000,000	
TOTAL AGENCY BUDGET	<u>53,256,566,000</u>	<u>57,465,182,000</u>	<u>63,813,420,000</u>
Regular	<u>53,233,903,000</u>	<u>57,302,182,000</u>	<u>63,813,420,000</u>
PS	44,732,792,000	44,082,977,000	52,160,525,000
MOOE	8,163,092,000	10,638,218,000	11,092,493,000
CO	338,019,000	2,580,987,000	560,402,000

Projects / Purpose	22,663,000	163,000,000
CO	22,663,000	163,000,000

STAFFING SUMMARY

	2016	2017	2018
TOTAL STAFFING			
Civilian Personnel			
Total Number of Authorized Positions	1,670	1,670	1,670
Total Number of Filled Positions	1,223	1,282	1,282
Military			
Total Number of Authorized Positions	85,825	95,894	95,894
Total Number of Filled Positions	85,825	87,002	87,002

Proposed New Appropriations Language
 For general administration and support, and operations, as indicated hereunder.....P 63,778,132,000
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PROPOSED 2018

OPERATIONS BY PROGRAM	PROPOSED 2018			
	PS	MOOE	CO	TOTAL
LAND FORCES DEFENSE PROGRAM	43,801,685,000	9,997,604,000	560,402,000	54,359,691,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2018
 (in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation	52,125,237,000	11,092,493,000	560,402,000	63,778,132,000
National Capital Region (NCR)	52,125,237,000	11,092,493,000	560,402,000	63,778,132,000
TOTAL AGENCY BUDGET	52,125,237,000	11,092,493,000	560,402,000	63,778,132,000

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.

2. 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.

The Philippine Army shall submit to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, 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.

3. 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 Philippine Army shall submit to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, 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.

4. 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.
5. 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 appropriated herein for rice subsidy shall be given in the form of financial assistance, equivalent to twenty (20) kilos of rice per month, and charged against its MOOE.
7. 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					
1000000000000000	General Administration and Support	8,323,552,000	1,094,889,000		9,418,441,000
100000100001000	General management and supervision	3,575,874,000	1,094,889,000		4,670,763,000
100000100002000	Administration of Personnel Benefits	4,747,678,000			4,747,678,000
Sub-total, General Administration and Support		<u>8,323,552,000</u>	<u>1,094,889,000</u>		<u>9,418,441,000</u>

3000000000000000	Operations	43,801,685,000	9,997,604,000	560,402,000	54,359,691,000
3100000000000000	00 : Level of mission capability of army units in ground operations attained	43,801,685,000	9,997,604,000	560,402,000	54,359,691,000
3101000000000000	LAND FORCES DEFENSE PROGRAM	43,801,685,000	9,997,604,000	560,402,000	54,359,691,000
310100100001000	Force-Level Support Services	2,399,832,000	610,149,000	68,979,000	3,078,960,000
310100100002000	Force Development		1,107,779,000		1,107,779,000
310100100003000	Force Sustainment	41,401,853,000	8,279,676,000	491,423,000	50,172,952,000
Sub-total, Operations		43,801,685,000	9,997,604,000	560,402,000	54,359,691,000

TOTAL NEW APPROPRIATIONS P 52,125,237,000 P 11,092,493,000 P 560,402,000 P 63,778,132,000
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Obligations, by Object of Expenditures

CYs 2016-2018
(In Thousand Pesos)

	2016	2017	2018
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	239,994	257,721	294,063
Total Permanent Positions	239,994	257,721	294,063
Other Compensation Common to All			
Personnel Economic Relief Allowance	26,875	28,176	30,768
Representation Allowance	240	180	300
Transportation Allowance	240	180	300
Clothing and Uniform Allowance	5,555	5,870	6,410
Honoraria	106	106	106
Overtime Pay	929		
Mid-Year Bonus - Civilian	20,646	21,477	24,505
Year End Bonus	19,302	21,477	24,505
Cash Gift	6,137	5,870	6,410
Step Increment	782	2,374	735
Productivity Enhancement Incentive	5,943	5,870	6,410
Total Other Compensation Common to All	86,755	91,580	100,449
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	34,765	15,855	34,101
Longevity Pay	3,230	4,896	4,896
Other Personnel Benefits	19,686		
Total Other Compensation for Specific Groups	57,681	20,751	38,997
Other Benefits			
Retirement and Life Insurance Premiums	27,998	30,927	35,288
PAG-IBIG Contributions	1,716	1,409	1,538
PhilHealth Contributions	3,089	2,942	3,430
Employees Compensation Insurance Premiums	1,343	1,409	1,538
Retirement Gratuity	4,338	26,454	16,348
Terminal Leave	5,523	10,563	5,975
Total Other Benefits	44,007	73,704	64,117

Military/Uniformed Personnel

Basic Pay			
Base Pay	19,000,268	18,755,239	19,027,377
Total Basic Pay	<u>19,000,268</u>	<u>18,755,239</u>	<u>19,027,377</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	2,059,800	2,059,800	2,088,048
Clothing/ Uniform Allowance	795,943	795,941	798,768
Subsistence Allowance	7,921,472	8,112,475	8,176,914
Laundry Allowance	38,439	33,285	33,749
Quarters Allowance	420,920	436,755	443,220
Longevity Pay	3,775,409	3,870,565	4,443,844
Mid-Year Bonus - Military/Uniformed Personnel	1,562,823	1,562,936	1,585,616
Officers' Allowance - Military/Uniformed Personnel	81,378	239,442	348,960
Provisional Allowance - Military/Uniformed Personnel	1,059,285	2,217,001	3,529,487
Year-end Bonus	1,575,111	1,562,936	1,585,616
Cash Gift	404,453	429,125	435,010
Productivity Enhancement Incentive	401,976	429,125	435,010
Performance Based Bonus	831,223		
Total Other Compensation Common to All	<u>20,928,232</u>	<u>21,749,386</u>	<u>23,904,242</u>
Other Compensation for Specific Groups			
Hazardous Duty Pay	149,579	133,179	133,179
Honoraria	690		
Hazard Duty Pay	441,480	556,147	720,378
Flying Pay	11,248	10,410	10,410
Hardship Allowance	16,561		
Combat Duty Pay	938,978	345,486	2,115,288
Instructor's Duty Pay	175,797	145,268	145,268
Reservist's Pay	128,180	253,306	253,306
Medal of Valor Award	8,350	6,600	19,800
Hospitalization Expenses	16,537		
Specialist's Pay	4,520		
Parachutist Pay	111,378	170,475	170,475
Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP)			3,644,995
Total Other Compensation for Specific Groups	<u>2,003,298</u>	<u>1,620,871</u>	<u>7,213,099</u>
Other Benefits			
Special Group Term Insurance	7,628	6,180	6,262
PAG-IBIG Contributions	102,990	102,989	104,403
PhilHealth Contributions	199,591	214,854	222,753
Employees Compensation Insurance Premiums	88,450	102,989	104,403
Retirement Gratuity	4,268		
Terminal Leave	1,969,630	1,086,713	1,080,360
Total Other Benefits	<u>2,372,557</u>	<u>1,513,725</u>	<u>1,518,181</u>
TOTAL PERSONNEL SERVICES	<u>44,732,792</u>	<u>44,082,977</u>	<u>52,160,525</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	305,409	291,971	303,965
Training and Scholarship Expenses	319,766	264,311	345,881
Supplies and Materials Expenses	4,440,120	5,315,907	5,570,321
Utility Expenses	410,039	503,696	526,646
Communication Expenses	135,072	151,758	119,048
Awards/Rewards and Prizes	4,339	1,450	1,557
Survey, Research, Exploration and Development Expenses	1,965	5,000	5,233
Demolition/Relocation and Desilting/Dredging Expenses	490		1,053
Confidential, Intelligence and Extraordinary Expenses			
Intelligence Expenses	64,000	444,000	444,000
Professional Services	9,060	36,664	49,095
General Services	6,905	7,600	9,276

Repairs and Maintenance	1,635,423	2,283,802	2,279,831
Financial Assistance/Subsidy		669,436	732,264
Taxes, Insurance Premiums and Other Fees	206,895	96,906	57,185
Labor and Wages	43,451	15,533	63,271
Other Maintenance and Operating Expenses			
Advertising Expenses	757	5,834	1,504
Printing and Publication Expenses	10,516	17,357	17,148
Representation Expenses	426,162	447,942	444,273
Transportation and Delivery Expenses	23,638	60,649	77,797
Rent/Lease Expenses	39,407	12,475	25,285
Membership Dues and Contributions to Organizations	58	578	185
Subscription Expenses	55,701	5,096	2,539
Litigation/Acquired Assets Expenses	1,100		
Other Maintenance and Operating Expenses	22,819	253	15,136
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>8,163,092</u>	<u>10,638,218</u>	<u>11,092,493</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>52,895,884</u>	<u>54,721,195</u>	<u>63,253,018</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Infrastructure Outlay	910	155,379	
Buildings and Other Structures	22,663	615,378	12,275
Machinery and Equipment Outlay	333,746	1,392,065	197,059
Transportation Equipment Outlay		581,165	351,068
Furniture, Fixtures and Books Outlay	13		
Intangible Assets	3,350		
TOTAL CAPITAL OUTLAYS	<u>360,682</u>	<u>2,743,987</u>	<u>560,402</u>
GRAND TOTAL	<u>53,256,566</u>	<u>57,465,182</u>	<u>63,813,420</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 (00s) / PERFORMANCE INDICATORS (PIs)</u>	<u>2016 Actual</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	99%	80%	
<u>MFO / Performance Indicators</u>	<u>2016 Targets</u>	<u>2016 Actual</u>	<u>2017 GAA Targets</u>
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES			
Number and Readiness level of tactical units			
Number of tactical battalions maintained	189	188	190
Percentage of operational readiness of tactical battalions	72%	72%	79%

Average percentage of effective strength of tactical battalions that can be mobilized within 1 hour as dictated by higher authorities	90%	87%	90%
Number and Readiness level of reserve units			
Number of ready reserve battalions maintained	81	81	82
Percentage of operational readiness of ready reserve battalions	72%	65%	60%

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)Baseline2018 Targets

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% |
| 2. Percentage of Ready Reserve Units in prescribed readiness condition | | 40% |

Output Indicators

- | | | |
|--|-----|-----|
| 1. Number of tactical and ready reserve units maintained | | |
| a. Tactical Battalions | 190 | 191 |
| b. Ready Reserve Battalions | 82 | 82 |
| 2. Percentage of operational readiness of tactical and ready reserve units | | |
| a. Tactical Battalions | 79% | 82% |
| b. Ready Reserve Battalions | 60% | 65% |
| 3. Average percentage of effective strength of tactical battalions that can be mobilized within 1 hour as dictated by higher authorities | 90% | 90% |