

I. PHILIPPINE NAVY (NAVAL FORCES)

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
New General Appropriations	16,273,018	20,992,347	21,208,554
General Fund	16,273,018	20,992,347	21,208,554
Automatic Appropriations	50,670	25,282	28,616
Customs Duties and Taxes, including Tax Expenditures	27,327		
Retirement and Life Insurance Premiums	23,343	25,282	28,616
Continuing Appropriations	1,243,235	971,324	
Unreleased Appropriation for Capital Outlays			
R.A. No. 10717		48,800	
Unobligated Releases for Capital Outlays			
R.A. No. 10651	556,828		
R.A. No. 10717		1,496	
Unobligated Releases for MDOE			
R.A. No. 10651	686,407		
R.A. No. 10717		921,028	
Budgetary Adjustment(s)	2,669,179		
Transfer(s) from:			
Contingent Fund	35,210		
Miscellaneous Personnel Benefits Fund	1,919,716		
Pension and Gratuity Fund	714,253		
Total Available Appropriations	20,236,102	21,988,953	21,237,170
Unused Appropriations	(1,315,332)	(971,324)	
Unreleased Appropriation	(87,163)	(48,800)	
Unobligated Allotment	(1,228,169)	(922,524)	
TOTAL OBLIGATIONS	18,920,770	21,017,629	21,237,170

EXPENDITURE PROGRAM
(in pesos)

<u>GA5 / STO / OPERATIONS / PROJECTS</u>	<u>2016 Actual</u>	<u>2017 Current</u>	<u>2018 Proposed</u>
General Administration and Support	4,587,055,000	3,799,720,000	3,833,878,000
Regular	4,587,055,000	3,799,720,000	3,833,878,000
PS	3,804,639,000	3,067,315,000	3,104,650,000
MDOE	782,416,000	711,593,000	729,228,000
CO		20,812,000	
Support to Operations	2,955,382,000	1,758,097,000	
Regular	2,955,382,000	1,758,097,000	
PS	2,229,764,000	695,063,000	
MDOE	655,702,000	627,384,000	
CO	69,916,000	435,650,000	

Operations	<u>11,355,122,000</u>	<u>15,459,812,000</u>	<u>17,403,292,000</u>
Regular	<u>11,355,122,000</u>	<u>15,459,812,000</u>	<u>17,403,292,000</u>
PS	6,594,238,000	8,667,346,000	10,255,249,000
MOOE	4,096,757,000	5,234,510,000	6,216,059,000
CO	664,127,000	1,557,956,000	931,984,000
Projects / Purpose	<u>23,211,000</u>		
CO	23,211,000		
TOTAL AGENCY BUDGET	<u>18,920,770,000</u>	<u>21,017,629,000</u>	<u>21,237,170,000</u>
Regular	<u>18,897,559,000</u>	<u>21,017,629,000</u>	<u>21,237,170,000</u>
PS	12,628,641,000	12,429,724,000	13,359,899,000
MOOE	5,534,875,000	6,573,487,000	6,945,287,000
CO	734,043,000	2,014,418,000	931,984,000
Projects / Purpose	<u>23,211,000</u>		
CO	23,211,000		

STAFFING SUMMARY

	<u>2016</u>	<u>2017</u>	<u>2018</u>
TOTAL STAFFING			
Civilian Personnel			
Total Number of Authorized Positions	1,419	1,419	1,419
Total Number of Filled Positions	957	1,025	1,025
Military			
Total Number of Authorized Positions	23,312	23,312	23,312
Total Number of Filled Positions	23,301	23,312	23,312

Proposed New Appropriations Language
 For general administration and support, and operations, as indicated hereunder.....P. 21,208,554,000
 =====

OPERATIONS BY PROGRAM	<u>PROPOSED 2018</u>			
	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
NAVAL FORCES DEFENSE PROGRAM	10,253,601,000	6,216,059,000	931,984,000	17,401,644,000

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

REGION	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
Regional Allocation	<u>13,331,283,000</u>	<u>6,945,287,000</u>	<u>931,984,000</u>	<u>21,208,554,000</u>
National Capital Region (NCR)	13,331,283,000	6,945,287,000	931,984,000	21,208,554,000
TOTAL AGENCY BUDGET	<u>13,331,283,000</u>	<u>6,945,287,000</u>	<u>931,984,000</u>	<u>21,208,554,000</u>
	=====	=====	=====	=====

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 avallment 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.

The Philippine Navy 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 Flag-Officer-In-Command of the Philippine Navy 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 Navy website.

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 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.
6. 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

		Current Operating Expenditures			
		Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
PROGRAMS					
1000000000000000	General Administration and Support	3,077,682,000	729,228,000		3,806,910,000
100000100001000	General management and supervision	2,777,267,000	729,228,000		3,506,495,000
100000100002000	Administration of Personnel Benefits	300,415,000			300,415,000
Sub-total, General Administration and Support		3,077,682,000	729,228,000		3,806,910,000

3000000000000000	Operations	<u>10,253,601,000</u>	<u>6,216,059,000</u>	<u>931,984,000</u>	<u>17,401,644,000</u>
3100000000000000	00 : Level of mission capability of navy units in naval operations attained	<u>10,253,601,000</u>	<u>6,216,059,000</u>	<u>931,984,000</u>	<u>17,401,644,000</u>
3101000000000000	NAVAL FORCE5 DEFENSE PROGRAM	<u>10,253,601,000</u>	<u>6,216,059,000</u>	<u>931,984,000</u>	<u>17,401,644,000</u>
310100100001000	Force-Level Support Services	697,997,000	644,177,000		1,342,174,000
310100100002000	Force Development	8,243,119,000	3,991,659,000	931,984,000	13,166,762,000
310100100003000	Force Sustainment	<u>1,312,485,000</u>	<u>1,580,223,000</u>		<u>2,892,708,000</u>
	Sub-total, Operations	<u>10,253,601,000</u>	<u>6,216,059,000</u>	<u>931,984,000</u>	<u>17,401,644,000</u>
TOTAL NEW APPROPRIATIONS		P 13,331,283,000 P	6,945,287,000 P	931,984,000 P	21,208,554,000
		=====	=====	=====	=====

Obligations, by Object of Expenditures

CYs 2016-2018
(In Thousand Pesos)

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	217,070	210,681	238,474
Total Permanent Positions	<u>217,070</u>	<u>210,681</u>	<u>238,474</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	25,721	22,488	24,600
Representation Allowance	180	180	240
Transportation Allowance	60	180	240
Clothing and Uniform Allowance	4,875	4,685	5,125
Mid-Year Bonus - Civilian	15,928	17,557	19,873
Year End Bonus	14,161	17,557	19,873
Cash Gift	1,814	4,685	5,125
Step Increment	20	1,908	596
Productivity Enhancement Incentive	4,595	4,685	5,125
Performance Based Bonus	7,078		
Total Other Compensation Common to All	<u>74,432</u>	<u>73,925</u>	<u>80,797</u>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	21,211	13,276	15,863
Longevity Pay	5,939	3,643	4,229
Other Personnel Benefits	1,442		
Anniversary Bonus - Civilian			3,075
Anniversary Bonus - Military/Uniformed Personnel			69,936
Total Other Compensation for Specific Groups	<u>28,592</u>	<u>16,919</u>	<u>93,103</u>
Other Benefits			
Retirement and Life Insurance Premiums	23,343	25,282	28,616
PAG-IBIG Contributions	1,163	1,125	1,230
PhilHealth Contributions	2,640	2,330	2,717
Employees Compensation Insurance Premiums	1,163	1,125	1,230
Retirement Gratuity	2,048		11,629
Loyalty Award - Civilian			460
Terminal Leave	8,235	5,478	4,039
Total Other Benefits	<u>38,592</u>	<u>35,340</u>	<u>49,921</u>

Military/Uniformed Personnel

Basic Pay			
Base Pay	5,262,051	5,462,214	5,550,140
Total Basic Pay	<u>5,262,051</u>	<u>5,462,214</u>	<u>5,550,140</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	524,195	546,504	559,488
Clothing/ Uniform Allowance	233,476	143,058	192,143
Subsistence Allowance	1,334,419	1,246,713	1,276,332
Laundry Allowance	8,148	9,253	9,472
Quarters Allowance	110,626	125,729	126,162
Longevity Pay	1,110,719	1,157,868	1,159,463
Mid-Year Bonus - Military/Uniformed Personnel	455,608	455,184	462,511
Officers' Allowance - Military/Uniformed Personnel	33,096	94,554	136,134
Provisional Allowance - Military/Uniformed Personnel	373,804	789,879	1,256,524
Year-end Bonus	423,645	455,184	462,511
Cash Gift	109,550	113,855	116,560
Productivity Enhancement Incentive	112,331	114,115	116,560
Performance Based Bonus	218,231		
Total Other Compensation Common to All	<u>5,047,848</u>	<u>5,251,896</u>	<u>5,873,860</u>
Other Compensation for Specific Groups			
Hazardous Duty Pay	233,848	155,355	155,355
Overseas Allowance	13,299	12,344	14,292
Hazard Duty Pay	102,949	147,556	193,023
Flying Pay	32,004	30,253	30,253
Sea Duty Pay	219,563	170,902	170,902
Reenlistment Pay		19,010	
Hardship Allowance	81,061	57,935	57,935
Combat Duty Pay	182,090	54,768	349,812
Instructor's Duty Pay	56,278	32,302	32,302
Reservist's Pay	11,725	39,677	39,677
Medal of Valor Award	3,455	2,100	6,300
Specialist's Pay	102	636	636
Parachutist Pay	14,439	15,885	15,885
Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP)		229,787	
Total Other Compensation for Specific Groups	<u>950,813</u>	<u>968,510</u>	<u>1,066,372</u>
Other Benefits			
Special Group Term Insurance	1,578	1,639	1,678
PAG-IBIG Contributions	24,769	27,325	27,975
PhilHealth Contributions	58,862	61,686	64,857
Employees Compensation Insurance Premiums	25,310	27,325	27,975
Retirement Gratuity		19,825	
Terminal Leave	898,724	272,439	284,747
Total Other Benefits	<u>1,009,243</u>	<u>410,239</u>	<u>407,232</u>
TOTAL PERSONNEL SERVICES	<u>12,628,641</u>	<u>12,429,724</u>	<u>13,359,899</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	84,593	99,224	93,239
Training and Scholarship Expenses	117,036	105,816	131,591
Supplies and Materials Expenses	3,114,134	3,470,623	3,068,862
Utility Expenses	386,845	387,018	433,473
Communication Expenses	65,124	101,107	101,024
Confidential, Intelligence and Extraordinary Expenses			
Intelligence Expenses	34,749	34,749	39,749
Professional Services	38,021	21,506	27,661
General Services	8,580	13,422	11,422
Repairs and Maintenance	1,303,473	1,949,601	2,347,481
Financial Assistance/Subsidy		177,614	181,748
Taxes, Insurance Premiums and Other Fees	70,598	42,330	44,388

Other Maintenance and Operating Expenses			
Advertising Expenses		146	
Printing and Publication Expenses	4,765	13,117	8,670
Representation Expenses	110,100	107,184	156,197
Transportation and Delivery Expenses	72,792	3,062	37,332
Rent/Lease Expenses	17,719	12,935	22,410
Subscription Expenses	3,356	18,293	14,668
Other Maintenance and Operating Expenses	102,990	15,740	225,372
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>5,534,875</u>	<u>6,573,487</u>	<u>6,945,287</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>18,163,516</u>	<u>19,003,211</u>	<u>20,305,186</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Land Improvements Outlay	1,250	1,250	
Infrastructure Outlay	37,718	271,435	85,692
Buildings and Other Structures	145,065	34,529	
Machinery and Equipment Outlay	348,134	741,642	23,971
Transportation Equipment Outlay	225,087	955,117	822,321
Other Property Plant and Equipment Outlay		2,125	
Intangible Assets Outlay		8,320	
TOTAL CAPITAL OUTLAYS	<u>757,254</u>	<u>2,014,418</u>	<u>931,984</u>
GRAND TOTAL	<u>18,920,770</u>	<u>21,017,629</u>	<u>21,237,170</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

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)	2016 Actual	2017 Targets
Level of mission capability of navy units in naval operations attained		
Percentage of Naval units provided to unified commands	100%	100%

MFO / Performance Indicators	2016 Targets	2016 Actual	2017 GAA Targets
MFO 1: TERRITORIAL DEFENSE, SECURITY AND STABILITY SERVICES			
Number of mission-ready fleet marine units	124	124	179
Percentage of readiness of fleet marine units	78.02%	75.39%	80.76%
Number of mission-ready support and sustainment units	59	59	34
Percentage of readiness of support and sustainment units	61.97%	57.89%	73.15%

540 EXPENDITURE PROGRAM FY 2018 VOLUME II

Average response time of fleet units that can be mobilized as instructed by higher authorities	24 hours	24 hours	24 hours
Average response time of marine units that can be mobilized as instructed by higher authorities	6 hours	6 hours	6 hours

ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)

Baseline

2018 Targets

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%
---	------	------

Output Indicators

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