

G. PHILIPPINE ARMY (LAND FORCES)

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>	
	2018	2019	2020	
New General Appropriations	<u>63,998,132</u>	<u>91,407,366</u>	<u>91,513,006</u>	
General Fund	63,998,132	91,407,366	91,513,006	
Automatic Appropriations	<u>578,370</u>	<u>37,187</u>	<u>37,874</u>	
Customs Duties and Taxes, including Tax Expenditures	543,082			
Retirement and Life Insurance Premiums	35,288	37,187	37,874	
Continuing Appropriations		<u>2,376,961</u>		
Unobligated Releases for Capital Outlays R.A. No. 10964		525,589		
Unobligated Releases for MOOE R.A. No. 10964		1,851,372		
Budgetary Adjustment(s)	<u>24,702,074</u>			
Transfer(s) from:				
National Disaster Risk Reduction and Management Fund (Calamity Fund)	51,375			
Contingent Fund	2,636,304			
Miscellaneous Personnel Benefits Fund	19,519,990			
Pension and Gratuity Fund	2,494,405			
Total Available Appropriations	89,278,576	93,821,514	91,550,880	
Unused Appropriations	(2,376,961)	(2,376,961)		
Unobligated Allotment	(2,376,961)	(2,376,961)		
TOTAL OBLIGATIONS	<u>86,901,615</u>	<u>91,444,553</u>	<u>91,550,880</u>	

EXPENDITURE PROGRAM
(in pesos)

GAS / STO / OPERATIONS / PROJECTS	<u>(Obligation-Based)</u>		<u>(Cash-Based)</u>	
	2018 Actual	2019 Current	2020 Proposed	
General Administration and Support	<u>31,797,839,000</u>	<u>7,067,516,000</u>	<u>6,955,649,000</u>	
Regular	<u>31,797,839,000</u>	<u>7,067,516,000</u>	<u>6,955,649,000</u>	
PS	30,373,235,000	5,944,099,000	5,851,958,000	
MOOE	1,424,604,000	1,123,417,000	1,103,691,000	

Operations	<u>55,103,776,000</u>	<u>84,377,037,000</u>	<u>84,595,231,000</u>
Regular	<u>55,103,776,000</u>	<u>84,375,237,000</u>	<u>84,595,231,000</u>
PS	43,801,685,000	68,582,044,000	70,447,240,000
MOOE	10,995,903,000	12,277,711,000	12,607,944,000
CO	306,188,000	3,515,482,000	1,540,047,000
Projects / Purpose		<u>1,800,000</u>	
MOOE		1,800,000	
TOTAL AGENCY BUDGET	<u>86,901,615,000</u>	<u>91,444,553,000</u>	<u>91,550,880,000</u>
Regular	<u>86,901,615,000</u>	<u>91,442,753,000</u>	<u>91,550,880,000</u>
PS	74,174,920,000	74,526,143,000	76,299,198,000
MOOE	12,420,507,000	13,401,128,000	13,711,635,000
CO	306,188,000	3,515,482,000	1,540,047,000
Projects / Purpose		<u>1,800,000</u>	
MOOE		1,800,000	

STAFFING SUMMARY

	<u>2018</u>	<u>2019</u>	<u>2020</u>
TOTAL STAFFING			
Civilian Personnel			
Total Number of Authorized Positions	1,678	1,678	1,678
Total Number of Filled Positions	1,297	1,316	1,316
Military			
Total Number of Authorized Positions	98,394	101,105	101,105
Total Number of Filled Positions	98,394	101,105	101,105

Proposed New Appropriations Language
 For general administration and support, and operations, as indicated hereunder.....P 91,513,006,000
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OPERATIONS BY PROGRAM	<u>PROPOSED 2020 (Cash-Based)</u>			
	<u>PS</u>	<u>MOOE</u>	<u>CO</u>	<u>TOTAL</u>
LAND FORCES DEFENSE PROGRAM	70,447,240,000	12,607,944,000	1,540,047,000	84,595,231,000

EXPENDITURE PROGRAM BY CENTRAL / REGIONAL ALLOCATION, 2020 (Cash-Based)
(in pesos)

REGION	PS	MOOE	CO	TOTAL
Regional Allocation	76,261,324,000	13,711,635,000	1,540,047,000	91,513,006,000
National Capital Region (NCR)	76,261,324,000	13,711,635,000	1,540,047,000	91,513,006,000
TOTAL AGENCY BUDGET	76,261,324,000	13,711,635,000	1,540,047,000	91,513,006,000

SPECIAL PROVISION(S)

1. 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.
3. Compensation and Separation Benefits of the Citizen Armed Forces Geographical Units. The amount of Three Billion Eight Hundred Twenty Nine Million One Hundred Six Thousand Pesos (P3,829,106,000) 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.
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 of Seven Hundred Ninety Eight Million Two Hundred Sixty Thousand Pesos (P798,260,000) 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 Army.
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	<u>5,814,084,000</u>	<u>1,103,691,000</u>		<u>6,917,775,000</u>
100000100001000	General management and supervision	4,694,232,000	1,103,691,000		5,797,923,000
100000100002000	Administration of Personnel Benefits	<u>1,119,852,000</u>			<u>1,119,852,000</u>
Sub-total, General Administration and Support		<u>5,814,084,000</u>	<u>1,103,691,000</u>		<u>6,917,775,000</u>
3000000000000000	Operations	<u>70,447,240,000</u>	<u>12,607,944,000</u>	<u>1,540,047,000</u>	<u>84,595,231,000</u>
3100000000000000	00 : Level of mission capability of army units in ground operations attained	<u>70,447,240,000</u>	<u>12,607,944,000</u>	<u>1,540,047,000</u>	<u>84,595,231,000</u>
3101000000000000	LAND FORCES DEFENSE PROGRAM	<u>70,447,240,000</u>	<u>12,607,944,000</u>	<u>1,540,047,000</u>	<u>84,595,231,000</u>
310100100001000	Force-Level Support Services	3,062,679,000	634,083,000	44,750,000	3,741,512,000
310100100002000	Force Development		1,147,492,000		1,147,492,000
310100100003000	Force Sustainment	<u>67,384,561,000</u>	<u>10,826,369,000</u>	<u>1,495,297,000</u>	<u>79,706,227,000</u>
Sub-total, Operations		<u>70,447,240,000</u>	<u>12,607,944,000</u>	<u>1,540,047,000</u>	<u>84,595,231,000</u>
TOTAL NEW APPROPRIATIONS		P 76,261,324,000	P 13,711,635,000	P 1,540,047,000	P 91,513,006,000
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Obligations, by Object of ExpendituresCYs 2018-2020
(In Thousand Pesos)

	(Obligation-Based)	(Cash-Based)	
	2018	2019	2020
Current Operating Expenditures			
Personnel Services			
Civilian Personnel			
Permanent Positions			
Basic Salary	294,798	309,892	315,616
Total Permanent Positions	<u>294,798</u>	<u>309,892</u>	<u>315,616</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	30,768	30,792	31,584
Representation Allowance	300	240	120
Transportation Allowance	300	240	120
Clothing and Uniform Allowance	6,410	7,698	7,896
Honoraria	106	106	106
Overtime Pay	1,048		
Mid-Year Bonus - Civilian	24,505	25,824	26,301
Year End Bonus	24,505	25,824	26,301
Cash Gift	6,410	6,415	6,580
Productivity Enhancement Incentive	6,410	6,415	6,580
Performance Based Bonus	12,331		
Step Increment		775	789
Total Other Compensation Common to All	<u>113,093</u>	<u>104,329</u>	<u>106,377</u>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	34,101	34,661	34,767
Longevity Pay	4,896	4,896	4,896
Lump-sum for filling of Positions - Civilian		5,221	
Other Personnel Benefits	218,470		
Total Other Compensation for Specific Groups	<u>257,467</u>	<u>44,778</u>	<u>39,663</u>
Other Benefits			
Retirement and Life Insurance Premiums	35,288	37,187	37,874
PAG-IBIG Contributions	1,538	1,540	1,579
PhilHealth Contributions	3,430	4,129	4,223
Employees Compensation Insurance Premiums	1,538	1,540	1,579
Retirement Gratuity	16,348	15,975	
Loyalty Award - Civilian	573		
Terminal Leave	21,221	7,366	8,228
Total Other Benefits	<u>79,936</u>	<u>67,737</u>	<u>53,483</u>
Military/Uniformed Personnel			
Basic Pay			
Base Pay	35,528,227	37,761,933	39,528,916
Total Basic Pay	<u>35,528,227</u>	<u>37,761,933</u>	<u>39,528,916</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	2,108,007	2,361,456	2,426,520
Clothing/ Uniform Allowance	2,525,744	932,312	999,443
Subsistence Allowance	8,571,054	9,216,178	9,364,604
Laundry Allowance	38,741	38,266	39,325
Quarters Allowance	448,008	476,224	515,448
Longevity Pay	7,327,657	8,340,059	8,453,772
Mid-Year Bonus - Military/Uniformed Personnel	2,934,947	3,146,828	3,294,077

Year-end Bonus	2,783,280	3,146,828	3,294,077
Cash Gift	436,098	491,970	505,525
Productivity Enhancement Incentive	467,655	491,970	505,525
Performance Based Bonus	821,549		
Total Other Compensation Common to All	<u>28,462,740</u>	<u>28,642,091</u>	<u>29,398,316</u>
Other Compensation for Specific Groups			
Hazardous Duty Pay	202,684	270,094	270,094
Flying Pay	24,438	30,038	30,038
Hazard Duty Pay	662,668	637,594	655,161
Hardship Allowance	1,210		
Combat Duty Pay	2,786,452	2,981,412	2,981,412
Instructor's Duty Pay	245,268	323,933	323,933
Reservist's Pay	253,306	382,241	382,241
Medal of Valor Award	19,800	20,700	20,700
Hospitalization Expenses	55,604		
Parachutist Pay	158,089	310,901	310,901
Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP)		699,972	
Total Other Compensation for Specific Groups	<u>4,409,519</u>	<u>5,656,885</u>	<u>4,974,480</u>
Other Benefits			
Special Group Term Insurance	6,320	7,859	7,280
PAG-IBIG Contributions	106,811	118,073	121,327
PhilHealth Contributions	380,308	497,104	520,789
Employees Compensation Insurance Premiums	105,380	118,073	121,327
Retirement Gratuity	1,193		
Terminal Leave	4,429,128	1,197,389	1,111,624
Total Other Benefits	<u>5,029,140</u>	<u>1,938,498</u>	<u>1,882,347</u>
TOTAL PERSONNEL SERVICES	<u>74,174,920</u>	<u>74,526,143</u>	<u>76,299,198</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	299,316	320,583	330,291
Training and Scholarship Expenses	345,135	363,863	365,838
Supplies and Materials Expenses	5,813,147	6,727,663	6,953,373
Utility Expenses	497,099	559,356	577,315
Communication Expenses	116,975	125,659	129,404
Awards/Rewards and Prizes	1,986	1,557	1,277
Survey, Research, Exploration and Development Expenses	54,741	5,233	5,233
Demolition/Relocation and Desilting/Dredging Expenses		1,053	1,053
Confidential, Intelligence and Extraordinary Expenses			
Intelligence Expenses	444,000	444,000	444,000
Professional Services	22,483	78,260	71,560
General Services	8,145	9,276	7,726
Repairs and Maintenance	2,133,755	2,391,275	2,464,042
Financial Assistance/Subsidy	1,666,218	1,640,631	1,627,076
Taxes, Insurance Premiums and Other Fees	585,596	59,198	57,099
Labor and Wages	63,271	63,271	63,271
Other Maintenance and Operating Expenses			
Advertising Expenses	648	1,550	1,595
Printing and Publication Expenses	13,662	17,876	17,419
Representation Expenses	304,113	457,601	447,513
Transportation and Delivery Expenses	16,879	80,348	76,503
Rent/Lease Expenses	17,344	25,285	22,959
Membership Dues and Contributions to Organizations	32	225	225
Subscription Expenses	942	2,554	17,572
Other Maintenance and Operating Expenses	15,020	26,611	29,291
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>12,420,507</u>	<u>13,402,928</u>	<u>13,711,635</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>86,595,427</u>	<u>87,929,071</u>	<u>90,010,833</u>

Capital Outlays

Property, Plant and Equipment Outlay			
Land Outlay	8,619		
Infrastructure Outlay		54,930	6,198
Buildings and Other Structures	6,017	534,526	358,717
Machinery and Equipment Outlay	236,768	2,178,576	506,032
Transportation Equipment Outlay	54,784	747,450	669,100
TOTAL CAPITAL OUTLAYS	<u>306,188</u>	<u>3,515,482</u>	<u>1,540,047</u>
GRAND TOTAL	<u>86,901,615</u>	<u>91,444,553</u>	<u>91,550,880</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>2018 GAA Targets</u>	<u>Actual</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%	94%
2. Percentage of Ready Reserve Units in prescribed readiness condition	40%	74%
Output Indicators		
1. Number of tactical and ready reserve units maintained		
a. Tactical Battalions	191	205
b. Ready Reserve Battalions	82	82
2. Percentage of operational readiness of tactical and ready reserve units		
a. Tactical Battalions	82%	82%
b. Ready Reserve Battalions	65%	63%
3. Average percentage of effective strength of tactical battalions that can be mobilized within 1 hour as dictated by higher authorities	90%	90%

PERFORMANCE INFORMATION

<u>ORGANIZATIONAL OUTCOMES (00s) / PERFORMANCE INDICATORS (PIs)</u>	<u>Baseline</u>	<u>2019 Targets</u>	<u>2020 NEP 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%	57%	57%

580 EXPENDITURE PROGRAM FY 2020 VOLUME II

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	210	219
b. Ready Reserve Battalions	82	83	84
2. Percentage of operational readiness of tactical and ready reserve units			
a. Tactical Battalions	82%	81%	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%