

I. PHILIPPINE NAVY (NAVAL FORCES)

Appropriations/Obligations

(In Thousand Pesos)

<u>Description</u>	(Obligation-Based)	(Cash-Based)	
	2018	2019	2020
New General Appropriations	<u>21,299,554</u>	<u>27,842,155</u>	<u>29,026,458</u>
General Fund	21,299,554	27,842,155	29,026,458
Automatic Appropriations	<u>79,844</u>	<u>29,240</u>	<u>29,010</u>
Customs Duties and Taxes, including Tax Expenditures	51,228		
Retirement and Life Insurance Premiums	28,616	29,240	29,010
Continuing Appropriations		<u>67,073</u>	
Unobligated Releases for Capital Outlays R.A. No. 10964		12,126	
Unobligated Releases for MOOE R.A. No. 10964		54,947	
Budgetary Adjustment(s)	<u>5,809,047</u>		
Transfer(s) from:			
Contingent Fund	112,020		
Miscellaneous Personnel Benefits Fund	4,828,464		
Pension and Gratuity Fund	868,563		
Total Available Appropriations	<u>27,188,445</u>	<u>27,938,468</u>	<u>29,055,468</u>
Unused Appropriations	(<u>95,653</u>)	(<u>67,073</u>)	
Unreleased Appropriation	(10,542)		
Unobligated Allotment	(<u>85,111</u>)	(<u>67,073</u>)	
TOTAL OBLIGATIONS	<u>27,092,792</u>	<u>27,871,395</u>	<u>29,055,468</u>

EXPENDITURE PROGRAM
(in pesos)

GAS / STO / OPERATIONS / PROJECTS	(Obligation-Based)	(Cash-Based)	
	2018 Actual	2019 Current	2020 Proposed
General Administration and Support	<u>6,063,248,000</u>	<u>2,709,326,000</u>	<u>3,706,337,000</u>
Regular	<u>6,063,248,000</u>	<u>2,709,326,000</u>	<u>3,706,337,000</u>
PS	5,278,212,000	2,526,139,000	2,836,179,000
MOOE	785,036,000	175,889,000	760,158,000
CO		7,298,000	110,000,000

Operations	<u>21,029,544,000</u>	<u>25,162,069,000</u>	<u>25,349,131,000</u>
Regular	<u>20,965,575,000</u>	<u>25,107,069,000</u>	<u>25,349,131,000</u>
PS	13,750,135,000	16,837,870,000	17,136,997,000
MOOE	6,263,606,000	7,077,494,000	6,997,557,000
CO	951,834,000	1,191,705,000	1,214,577,000
Projects / Purpose	<u>63,969,000</u>	<u>55,000,000</u>	
MOOE	4,945,000	1,200,000	
CO	59,024,000	53,800,000	
TOTAL AGENCY BUDGET	<u>27,092,792,000</u>	<u>27,871,395,000</u>	<u>29,055,468,000</u>
Regular	<u>27,028,823,000</u>	<u>27,816,395,000</u>	<u>29,055,468,000</u>
PS	19,028,347,000	19,364,009,000	19,973,176,000
MOOE	7,048,642,000	7,253,383,000	7,757,715,000
CO	951,834,000	1,199,003,000	1,324,577,000
Projects / Purpose	<u>63,969,000</u>	<u>55,000,000</u>	
MOOE	4,945,000	1,200,000	
CO	59,024,000	53,800,000	

STAFFING SUMMARY

	<u>2018</u>	<u>2019</u>	<u>2020</u>
TOTAL STAFFING			
Civilian Personnel			
Total Number of Authorized Positions	1,419	1,419	1,419
Total Number of Filled Positions	992	993	993
Military			
Total Number of Authorized Positions	25,260	25,260	25,260
Total Number of Filled Positions	23,760	24,499	24,499

Proposed New Appropriations Language
 For general administration and support, and operations, as indicated hereunder.....P 29,026,458,000
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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>
NAVAL FORCES DEFENSE PROGRAM	17,135,286,000	6,997,557,000	1,214,577,000	25,347,420,000

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

REGION	PS	MOOE	CO	TOTAL
Regional Allocation	19,944,166,000	7,757,715,000	1,324,577,000	29,026,458,000
National Capital Region (NCR)	19,944,166,000	7,757,715,000	1,324,577,000	29,026,458,000
TOTAL AGENCY BUDGET	19,944,166,000	7,757,715,000	1,324,577,000	29,026,458,000
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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 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.

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.
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 of One Hundred Ninety One Million Ninety Two Thousand Pesos (P191,092,000) 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	2,808,880,000	760,158,000	110,000,000	3,679,038,000
100000100001000	General management and supervision	1,774,383,000	760,158,000	110,000,000	2,644,541,000
100000100002000	Administration of Personnel Benefits	1,034,497,000			1,034,497,000
Sub-total, General Administration and Support		2,808,880,000	760,158,000	110,000,000	3,679,038,000
3000000000000000	Operations	17,135,286,000	6,997,557,000	1,214,577,000	25,347,420,000
3100000000000000	00 : Level of mission capability of navy units in naval operations attained	17,135,286,000	6,997,557,000	1,214,577,000	25,347,420,000
3101000000000000	NAVAL FORCES DEFENSE PROGRAM	17,135,286,000	6,997,557,000	1,214,577,000	25,347,420,000
310100100001000	Force-Level Support Services	5,555,421,000	1,700,423,000	181,501,000	7,437,345,000
310100100002000	Force Development	10,846,480,000	4,642,572,000	1,033,076,000	16,522,128,000
310100100003000	Force Sustainment	733,385,000	654,562,000		1,387,947,000
Sub-total, Operations		17,135,286,000	6,997,557,000	1,214,577,000	25,347,420,000
TOTAL NEW APPROPRIATIONS		P 19,944,166,000	P 7,757,715,000	P 1,324,577,000	P 29,026,458,000

Obligations, by Object of Expenditures

CYs 2018-2020
(In Thousand Pesos)

	<u>(Obligation-Based)</u>			<u>(Cash-Based)</u>		
	<u>2018</u>	<u>2019</u>	<u>2020</u>			
Current Operating Expenditures						
Personnel Services						
Civilian Personnel						
Permanent Positions Basic Salary	230,241	243,661	241,752			
Total Permanent Positions	230,241	243,661	241,752			

Other Compensation Common to All			
Personnel Economic Relief Allowance	23,288	24,240	23,832
Representation Allowance	245	180	180
Transportation Allowance	115	180	180
Clothing and Uniform Allowance	5,832	6,060	5,958
Mid-Year Bonus - Civilian	18,805	20,305	20,146
Year End Bonus	25,213	20,305	20,146
Cash Gift	4,815	5,050	4,965
Productivity Enhancement Incentive	4,765	5,050	4,965
Performance Based Bonus	10,276		
Step Increment		610	605
Total Other Compensation Common to All	<u>93,354</u>	<u>81,980</u>	<u>80,977</u>
Other Compensation for Specific Groups			
Magna Carta for Public Health Workers	14,565	16,225	16,225
Longevity Pay	4,616	4,229	4,229
Other Personnel Benefits	2,239		
Anniversary Bonus - Civilian	2,925		
Total Other Compensation for Specific Groups	<u>24,345</u>	<u>20,454</u>	<u>20,454</u>
Other Benefits			
Retirement and Life Insurance Premiums	26,911	29,240	29,010
PAG-IBIG Contributions	1,162	1,212	1,191
PhilHealth Contributions	2,986	3,204	3,177
Employees Compensation Insurance Premiums	1,187	1,212	1,191
Retirement Gratuity		10,683	
Loyalty Award - Civilian		255	255
Terminal Leave	10,859	4,044	4,922
Total Other Benefits	<u>43,105</u>	<u>49,850</u>	<u>39,746</u>
Military/Uniformed Personnel			
Basic Pay			
Base Pay	9,556,322	9,760,327	9,863,693
Total Basic Pay	<u>9,556,322</u>	<u>9,760,327</u>	<u>9,863,693</u>
Other Compensation Common to All			
Personnel Economic Relief Allowance	571,923	570,240	587,976
Clothing/ Uniform Allowance	220,695	172,848	194,453
Subsistence Allowance	1,308,607	1,300,861	1,341,320
Laundry Allowance	9,429	9,637	9,887
Quarters Allowance	128,210	127,758	127,758
Longevity Pay	1,962,822	2,632,629	2,360,664
Mid-Year Bonus - Military/Uniformed Personnel	789,402	813,360	821,974
Officers' Allowance - Military/Uniformed Personnel	9		
Provisional Allowance - Military/Uniformed Personnel	417		
Year-end Bonus	789,403	813,360	821,974
Cash Gift	107,104	118,800	122,495
Productivity Enhancement Incentive	117,275	118,800	122,495
Performance Based Bonus	253,280		
Total Other Compensation Common to All	<u>6,258,576</u>	<u>6,678,293</u>	<u>6,510,996</u>
Other Compensation for Specific Groups			
Hazardous Duty Pay	323,686	305,172	305,172
Flying Pay	52,130	71,419	147,144
Overseas Allowance	14,708	14,632	15,964
Sea Duty Pay	362,491	493,445	537,793
Hazard Duty Pay	154,368	153,965	158,754
Hardship Allowance	18,686	285,824	294,101
Combat Duty Pay	388,567	310,248	346,680
Instructor's Duty Pay	72,900	32,302	101,511
Reservist's Pay	28,032	39,677	39,677
Medal of Valor Award	6,300	6,300	6,300
Specialist's Pay		305	305
Parachutist Pay	23,959	21,354	36,391

Lump-sum for Filling of Positions - Military/Uniformed Personnel (MUP) Anniversary Bonus - Military/Uniformed Personnel			568,193
	70,074	497,096	
Total Other Compensation for Specific Groups	<u>1,515,901</u>	<u>2,231,739</u>	<u>2,557,985</u>
Other Benefits			
Special Group Term Insurance	1,691	1,712	1,764
PAG-IBIG Contributions	27,569	28,513	29,399
PhilHealth Contributions	113,420	125,463	135,629
Employees Compensation Insurance Premiums	26,354	28,513	29,399
Terminal Leave	1,137,469	113,504	461,382
Total Other Benefits	<u>1,306,503</u>	<u>297,705</u>	<u>657,573</u>
TOTAL PERSONNEL SERVICES	<u>19,028,347</u>	<u>19,364,009</u>	<u>19,973,176</u>
Maintenance and Other Operating Expenses			
Travelling Expenses	163,714	197,515	203,087
Training and Scholarship Expenses	211,796	162,612	167,428
Supplies and Materials Expenses	3,251,463	2,990,546	3,353,365
Utility Expenses	457,248	489,016	503,037
Communication Expenses	124,746	149,417	153,636
Confidential, Intelligence and Extraordinary Expenses			
Intelligence Expenses	54,749	39,749	39,749
Professional Services	25,540	31,566	29,591
General Services	30,461	19,097	19,097
Repairs and Maintenance	2,067,491	2,429,150	2,508,585
Financial Assistance/Subsidy	178,552	185,328	191,092
Taxes, Insurance Premiums and Other Fees	98,511	54,386	55,745
Other Maintenance and Operating Expenses			
Advertising Expenses	50		
Printing and Publication Expenses	12,718	16,591	17,089
Representation Expenses	244,559	231,301	238,240
Transportation and Delivery Expenses	29,003	5,296	5,455
Rent/Lease Expenses	10,022	20,180	20,141
Subscription Expenses	783	6,258	5,708
Donations	50		
Other Maintenance and Operating Expenses	92,131	226,575	246,670
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	<u>7,053,587</u>	<u>7,254,583</u>	<u>7,757,715</u>
TOTAL CURRENT OPERATING EXPENDITURES	<u>26,081,934</u>	<u>26,618,592</u>	<u>27,730,891</u>
Capital Outlays			
Property, Plant and Equipment Outlay			
Infrastructure Outlay	19,950		
Buildings and Other Structures	129,396	96,904	131,950
Machinery and Equipment Outlay	120,872	247,685	260,306
Transportation Equipment Outlay	740,640	907,921	932,321
Other Property Plant and Equipment Outlay		293	
TOTAL CAPITAL OUTLAYS	<u>1,010,858</u>	<u>1,252,803</u>	<u>1,324,577</u>
GRAND TOTAL	<u>27,092,792</u>	<u>27,871,395</u>	<u>29,055,468</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>2018 GAA Targets</u>	<u>Actual</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%	110%
Output Indicators		
1. Number of Philippine Navy (PN) units deployed and sustained for utilization/employment	184	203
2. Number of PN units prepared for deployment	38	25
3. Number of Force-Level Support Services Units sustained	55	55

PERFORMANCE INFORMATION

<u>ORGANIZATIONAL OUTCOMES (OOs) / PERFORMANCE INDICATORS (PIs)</u>	<u>Baseline</u>	<u>2019 Targets</u>	<u>2020 NEP 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%
Output Indicators			
1. Number of Philippine Navy (PN) units deployed and sustained for utilization/employment	134	117	134
2. Number of PN units prepared for deployment	38	40	51
3. Number of Force-Level Support Services Units sustained	134	134	137