

Republic of the Philippines
Province of Benguet

BUDGET MESSAGE

October 10, 2014

The Honorable Members of the Sangguniang Panlalawigan
La Trinidad, Benguet

Ladies and Gentlemen:

This is to submit the proposed Annual Budgets for Budget Year 2015 of the Benguet General Hospital Economic Enterprise (BeGHEE), Benguet Technical School (BTS) and Benguet Equipment Services Enterprise (BESE), all public enterprises of the Province of Benguet, pursuant to Section 318 of R.A. 7160.

The proposed appropriations of the Public Enterprises were prepared in accordance with the provisions of Republic Act 7160 and the guidelines set under the Budget Operations Manual CY 2008 Edition and Local Budget Memorandum No. 68 dated July 1, 2014.

I. Benguet General Hospital (BeGH):

The proposed budget of **P171,500,000.00** for Budget Year 2015 will be sourced from the estimated income to be derived from the operations of the hospital of P136,500,000.00 and subsidy from the General Fund of P35,000,000.00.

The estimated income of P171,500,000.00 for the budget year is summarized as follows:

REVENUE SOURCES	AMOUNT	PERCENTAGE (%)
Business and Service Income	P 134,450,000.00	78.40%
Subsidy from General Fund	35,000,000.00	20.41%
Other Income	2,050,000.00	1.19%
Total Income	P171,500,000.00	100.00%

The proposed expenditures by major expense class are illustrated below:

MAJOR EXPENSE CLASS	AMOUNT	PERCENTAGE (%)
Personal Services	P 109,043,062.00	63.58%
Maintenance and Other Operating Expenses	61,950,938.00	36.12%
Capital Outlay	506,000.00	.30%
Total Proposed Appropriation	P171,500,000.00	100.00%

The hospital, being a service oriented institution with limited resources, provided an increase of its total proposed budget by 3.5% from the current year's Annual Budget.

For the swift delivery of basic health services to our constituents, the hospital proposed an increase of health personnel thru the creation of 10 regular positions involving an amount of P3,037,277.00, as follows:

1. one (1) Medical Specialist III, G-24;
2. one (1) Respiratory Therapist, G-10;
3. five (5) Nurse, I, G-11;
4. one (1) Nursing Attendant, G-4;
5. one (1) Nutritionist-Dietitian I, G-11; and
6. one (1) Cook II, G-5.

The position of one (1) Nutritionist-Dietitian II, G-15 is proposed to be abolished.

Moreover, three new accounts under the Personal Services were included. The Step Increment due to Meritorious Performance of P216,384.00 was provided pursuant to DBM-CSC Joint Circular No. 1 dated September 3, 2012. This is in lieu of the Productivity Incentive Benefit (PIB). The salary increase of P25,401.00 equivalent to 1 salary grade higher provided for entitled health workers 3 months prior to compulsory retirement is in accordance with the provisions of Republic Act 7305 (Magna Carta of Health Workers). The Loyalty Incentive shall be in lieu of the loyalty award.

To augment the manpower of the hospital, an increase in the proposed amount for "Other Professional Services" intended for personnel to be hired under contract of services was provided.

The proposed Maintenance and Other Operating Expenses increased substantially due to increase in the proposed expenses for drugs and medicines, medical, dental and laboratory expenses, electricity expenses and security services.

II. BENGUET TECHNICAL SCHOOL (BTS):

The proposed Annual Budget of Benguet Technical School (BTS) amounts to **P5,113,000.00**. The estimated receipts will be sourced from the income from school operations and subsidy from the General Fund as shown below:

REVENUE SOURCES	AMOUNT	PERCENTAGE (%)
Business and Service Income	P 4,123,000.00	80.64%
Subsidy from General Fund	950,000.00	18.58%
Miscellaneous Income	40,000.00	.78%
Total Income	P5,113,000.00	100.00%

The summary of the proposed expenditures by major expense class are presented below, to wit:

MAJOR EXPENSE CLASS	AMOUNT	PERCENTAGE (%)
Personal Services	P 4,108,347.00	80.35%
Maintenance and Other Operating Expenses	783,153.00	15.32%
Capital Outlay	221,500.00	4.33%
Total Proposed Appropriations	P5,113,000.00	100.00%

To be on the trend, the technical school being an economic enterprise aims to prepare its stakeholders to be globally competitive thru the provision of quality technical education and skills according to prescribed training standards.

III. BENGUET EQUIPMENT SERVICES ENTERPRISE (BESE):

The proposed budget of **P3,380,000.000** for Benguet Equipment Services Enterprise (BESE) shall be funded from the estimated rent income of P1,880,000.00 and subsidy of P1,500,000.00 from the General Fund presented below:

REVENUE SOURCES	AMOUNT	PERCENTAGE (%)
Rent Income	P 1,880,000.00	55.62%
Subsidy from General Fund	1,500,000.00	44.38%
Total Income	P3,380,000.00	100.00%

The estimated resources are distributed per major expense class as follows:

MAJOR EXPENSE CLASS	AMOUNT	PERCENTAGE (%)
Maintenance and Other Operating Expenses	3,372,000.00	99.76%
Capital Outlay	8,000.00	.24%
Total Proposed Appropriations	P3,380,000.00	100.00%

No amount for Salaries and other benefits under the Personal Services were provided since all personnel shall be hired thru contract of services whose compensation shall be charged against the "Other Professional Services" account under the Maintenance and Other Operating Expenses.

The Maintenance and Other Operating Expenses getting the bulk of the total budget consist of expenses for the regular operation of the enterprise such as gasoline and oil expenses and repair and maintenance of various equipments.

As Chief Executive of this Province, we urge you, the Honorable Members of the Sangguniang Panlalawigan to sustain your support to our thrusts and priorities for a brighter future for our constituents and a more progressive province.

Very truly yours,

NESTOR B. FONGWAN
Governor