

**BUDGET MESSAGE OF THE HONORABLE JOSE MA R. ZUBIRI, JR.  
DELIVERED ON NOVEMBER 25, 2009, AT THE SESSION HALL OF  
THE SANGGUNIANG PANLALAWIGAN**

**GREETINGS**

Hon. Alex P. Calingasan, Provincial Vice Governor,  
Hon. Members of the Sangguniang Panlalawigan,  
Ladies and Gentlemen,

May I submit the proposed Annual Budget for FY 2010 of the Provincial Government for both the General Fund and the Operation of our Economic Enterprise pursuant to Section 318 of RA 7160.

**INTRODUCTION**

It is important to stress at this point that the preparation of this Budget was open to the public through private sector representation to make decisions more participative and democratic. This is also in keeping with the government's thrust for transparency and accountability in the budget-making processes. We take full cognizance of the significant role demonstrated by non-government organizations, other private sector associations, and the general public in the planning and pre-budget preparation stage by way of their membership in the Local Development Council Executive Committee.

In particular, they took active part in the review of the visions and goals in the Provincial Development Plan and the prioritized projects in the medium-term Provincial/Development Investment to address current needs and provide inputs to the formulation of the Annual Investment Program.

## PROVINCIAL DEVELOPMENT DIRECTIONS

The Province of Bukidnon for the next six (6) years will pursue development efforts that support the national and regional thrusts on poverty alleviation, food sufficiency, balanced ecology and growth with social equity. Hopefully, this will lead us to the realization of its desire to become one of the premier provinces in the entire country in terms of sustainable development. This would be pursued through integrated area development approach using the congressional district delineation.

Considering that the province is predominantly dependent on agriculture, we will pursue the development of its agri-based economy. Bukidnon, being endowed with vast natural resources and viable agricultural products, is considered as the food basket of Region X and a major exporter of agricultural products to other regions in Mindanao, the Visayas and even that of other countries. This will give Bukidnon the role of a major producer of agricultural products for export to other regions of the country and abroad.

The province's agricultural development will adhere to the use of sustainable approaches, acceptable and effective modern technologies to improve its agricultural productivity; thus paving the way for the province to be a major producer of processed and semi-processed agricultural products.

This province will also encourage the establishment of environment-friendly manufacturing and agri-based industries that will ensure small-time farmers a market of their produce and an opportunity not only for employment, but also as an agricultural entrepreneur. This will be operationalized with the establishment of the economic zones in the province.

On infrastructure development, the rehabilitation and improvement of the major highways in Bukidnon is one of the major concerns of the provincial leadership. It is a fact that the province is considered as the trans-shipment route of goods and services between the major cities in Mindanao particularly Davao, Cotabato, General Santos and Cagayan de Oro.

Bukidnon, considered as the watershed of Mindanao, will continue to conserve and develop its natural resources to ensure sustainability of its agricultural economy, which is very dependent on water resources. This will also pave the way to opportunities in developing eco-tourism development and ventures in Bukidnon to flourish.

The province will focus its development process on people-centered development where people shall be the focal point for equitable distribution of gains and benefits from its growth. This calls for total participation and firm commitment on all development processes that the province will undertake.

Lastly, development shall be pursued through the integrated area approach by clustering the municipalities using the congressional delineation. This will ensure an orderly, balanced and coordinated development of geographic areas and reducing disparities among these LGUs since a group of municipalities has a higher viability than a single municipality.

## **PILLARS OF GOVERNANCE**

To ensure the realization of the province's aspirations, the administration of the current leadership will give priority consideration to the seven major action points which has served as the pillars of provincial governance. These include the following: 1) Health and Social Services; 2) Education Development; 3) Economic Services; 4) Infrastructure Support; 5) Environment and Natural Resource Management; 6) General Administration; and 7) Peace and Order.

## **FISCAL POLICIES**

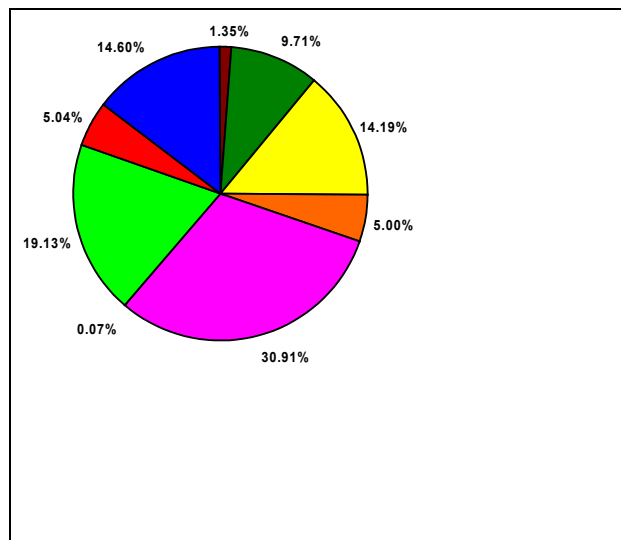
Revenue-generating measures include enhanced tax collection via a vigorous tax information campaign and intensified tax collection effort. Tax amnesty would be resorted to with the approval of this August Body in order to boost tax collection efficiency. This is intended to bolster the Internal Revenue Allotment (IRA) which has been the traditional source of our budget.

## DISTRIBUTION BY FUNCTIONAL ACTIVITY

It has long been recognized that in order for a local government unit to achieve efficient and effective operation, it has to aim for the improvement of the ratio of its overhead costs to the cost of production and service delivery. Thus, it is important to present in this Message, through the chart below, the direct cost of public goods and services produced and delivered vis-a-vis its associated cost. This presentation slices the budget pie on the basis of functional activities

### EXHIBIT 1 EXPENDITURE PROGRAM - General Fund (Distribution by Sector)

	Amount (in Millions)	Ratio
Health, Nutrition, Population	18.313	1.35%
Soc. Sec. and Welfare	131.983	9.71%
Economic Services	192.845	14.19%
Budgetary Reserve	67.941	5.00%
Gen. Public Services	420.012	30.91%
Aid to Barangays	0.928	0.07%
20% Development Fund	260.000	19.13%
Debt Servicing	68.439	5.04%
Subsidy to EE	198.359	14.60%
<b>Total</b>	<b>1,358.820</b>	<b>100.00%</b>



**EXHIBIT 2**  
**DISTRIBUTION by TYPE OF REVENUE**  
 Budget Year 2010

**A. Local Sources (In Millions)**

1. Tax Revenue

1.1 Real Property Tax	<b>p30.700</b>	2.26%
1.2 Other Local Taxes	<b>5.075</b>	0.37%

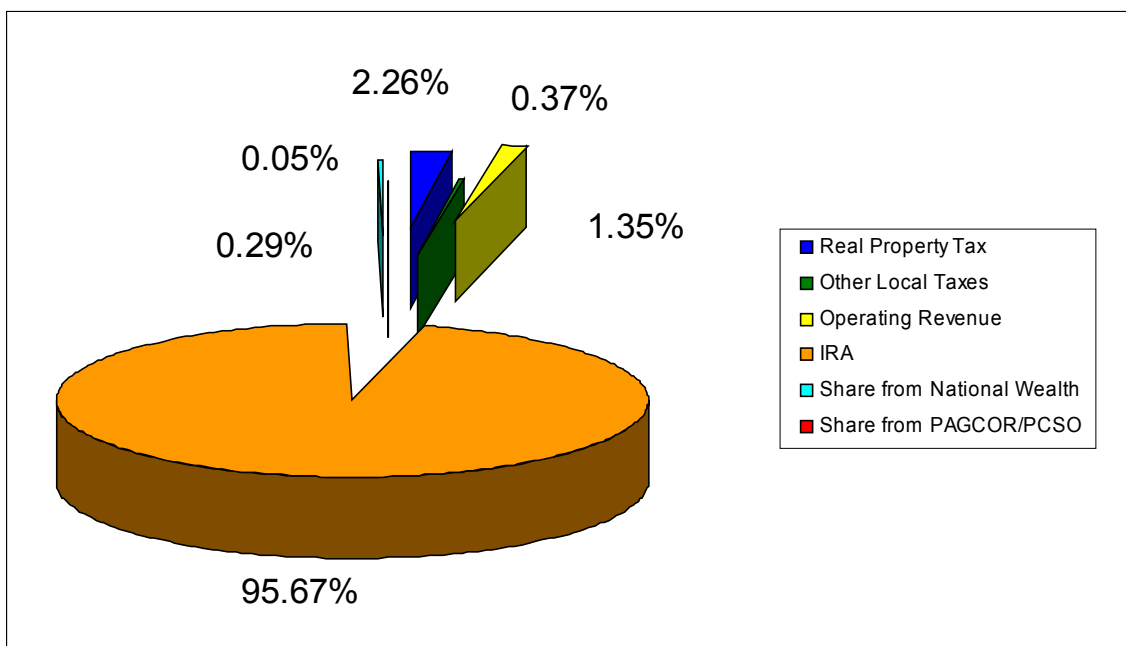
**B. Non Tax Revenue**

1. Operating and Miscellaneous Revenue	<b>18.345</b>	1.35%
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**C. External Revenue**

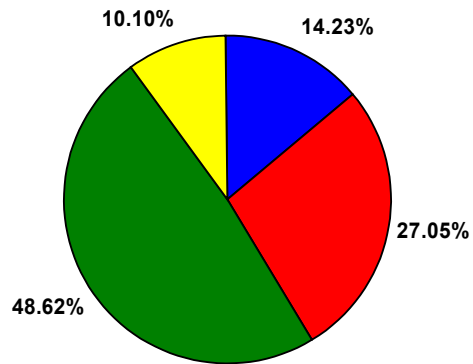
1. IRA	<b>1,300.00</b>	95.67%
2. Other Shares from National Tax Collection		
2.1 Share from National Tax Collection	<b>4.000</b>	0.30%
2.2 Share from PAGCOR/PCSO	<b>0.700</b>	0.05%

<b>TOTAL</b>	<b>p1,358.82</b>	100.00%
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**EXHIBIT 3**  
**DISTRIBUTION OF LGU BUDGET by**  
**FUNCTIONAL ACTIVITY**  
**General Fund**  
**Budget Year 2010**

	<b>Amount (in Millions)</b>	<b>Ratio</b>
Frontline Services	P 193.333	14.23%
Development Projects	367.5	27.05%
Gen.Policy, Admi/Fin	660.679	48.62%
Other Purposes (Brgy Development fund, Budgetary Reserve and Debt Service)	137.308	10.10%
<b>TOTAL</b>	<b>P 1,358.820</b>	<b>100.00%</b>



**DISTRIBUTION BY MAJOR EXPENSE CLASSES**

## **(GENERAL FUND)**

### **Personal Services**

The total expenditure for Personal Services for the budget year is inclusive of the provision for Salary Standardization Law - 1st tranche of P333.936M. Total Personal Services accounts for 24.58% of the total LGU budget.

### **Maintenance and Other Operating Expenses**

The amount of P76.787 M has been set aside for MOOE, representing 5.65 % of the budget.

### **Non-Office Projects**

Expenditures for Non-Office Allocation will amount to P 352.430 M of the total expenditures. It includes provisions for other development projects. The province allocated the mandatory provision for Development Projects in the amount of P 260.000M.

### **Other Purposes**

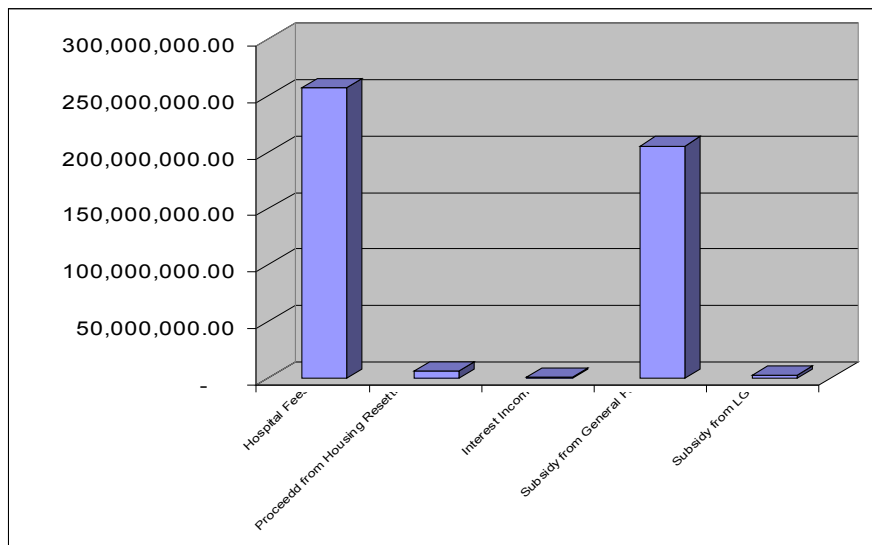
The amounts of P 67.941 M, P 0.928 M and P 68.439 M are set aside as Budgetary Reserve Barangay Dev't Fund, and Debt servicing, and subsidy to Economic Enterprise of P 198.359 M, respectively.

## **OPERATION OF ECONOMIC ENTERPRISE**

Let me therefore propose realistic revenue goals for the economic enterprise operation:

**EXHIBIT 4  
ECONOMIC ENTERPRISE  
Estimated Revenue  
Budget Year 2010**

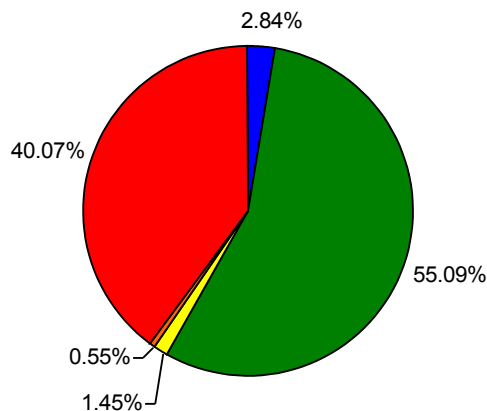
REVENUE SOURCES	AMOUNT (in Millions)	RATIO
Hospital Fees	P 256.841	55.32%
Proceed from Housing Resettlement	6.000	1.29%
Interest Income	0.600	0.13%
Subsidy from General Fund	198.359	42.72%
Subsidy from LGU	2.500	0.54%
<b>TOTAL</b>	<b>P 464.300</b>	<b>100.00%</b>



As projected, our hospital revenue will be in the long-term and will be adequate for sustainable operation.

**EXHIBIT 5  
ECONOMIC ENTERPRISE  
Estimated Expenditure**

	<b>AMOUNT (in Millions)</b>	<b>Ratio</b>
Mandatory	13.172	2.84%
Health Service	255.790	55.09%
PEEDMO	6.726	1.45%
Provincial Housing & Resettlement	2.579	.55%
Non-Office	186.033	40.07%
<b>TOTAL</b>	<b>464.300</b>	<b>100.00%</b>



**CONCLUSION**

Submitted together with this Message are the Local Revenue and Expenditure Programs and the Budget of Expenditures.

Gentlemen and Lady of the Sanggunian, this budget proposal manifests our determination to lay a strong foundation for a greater and progressive Province. Let us join hands as we go about our mission of providing a brighter future for our constituents. This is our legacy to the Province and our contribution to Bukidnon.

**JOSE MA. R. ZUBIRI, JR.**  
Provincial Governor