



Republic of the Philippines
Office of the City Mayor
 City of Naga, 4400



October 14, 2022

The Honorable Members
 Sangguniang Panlungsod
 Naga City

Thru : **Hon. CECILIA V. DE ASIS**
 City Vice Mayor and Presiding Officer

SP In	2022-1199
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SANGGUNIANG PANLUNGSOD - NAGA	
Date:	OCT 14 2022
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Ladies and Gentlemen:

I am submitting the Local Expenditure Program for 2023 in the amount of P1,500,176,500.00. Admittedly, it is lower by P145,213,773.64 compared to this year's budget of P1,645,390,273.64 or a decrease by 9%. This is an expected occurrence given the previously announced cutback by the Department of Budget and Management in the National Tax Allocation (NTA) for local governments and the fact that our own revenue collection is still recovering from the effects of the pandemic.

It may be said that the percentage reduction is only single digit and should be manageable. But it comes at a time when we need an increase in resources just to maintain our existing level of services. The recurring rise in the cost of electricity and fuel, both of which more than doubled since the start of the year, the adjustment in salaries and wages due to salary standardization and due to the recent minimum wage hike, and the general spike in prices of almost everything, require a very substantial increase in funding just to maintain our current level of service. But as things stand, our 2023 budget will dip instead of rise posing a daunting challenge to each and every department and office of the city government. Clearly, it won't be business as usual for all of us.

Indeed, 2023 will be unlike any other year financially: reduced resources in the face of heightened cost of operation amidst ever-expanding urban development requirements. Given this fiscal bind, each and every one of us must exert a very conscious effort to extract the most public benefit from each peso we spend.

With that as backdrop, let me proceed with the 2023 Local Expenditure Program, or Executive Budget for short.

INCOME

Our estimated income for 2023 is P1,500,176,500.00. Of this amount, the NTA remains the largest source at P875,490,040.00 accounting for more than half of the total. In comparison, the current year's NTA is P1,013,666,596.00, higher by P138,176,556.00 than the 2023 allocation. As we know, the NTA for 2023 is based on national tax collection of the third preceding year, that is, in 2020, the year Covid-