

**NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)**



23 MAR 14 A11:50

SENATE

Senate Bill No. 1996

Introduced by Senator Juan Miguel F. Zubiri

**AN ACT
DEFINING THE SCOPE AND EXTENT OF THE FISCAL AUTONOMY OF THE
JUDICIAL BRANCH OF GOVERNMENT AND FOR OTHER PURPOSES**

EXPLANATORY NOTE

Article 3, Section VIII of the 1987 Constitution, provides that, "The Judiciary shall enjoy fiscal autonomy. Appropriations for the Judiciary may not be reduced by the legislature below the amount appropriated for the previous year and, after approval, shall be automatically and regularly released." Despite this clear provision on fiscal autonomy, the Judiciary does not enjoy the full power of this constitutional provision, as they are restrained by the requirements and the current system employed by the Department of Budget and Management.

In order for the Judiciary to more effectively fulfill their constitutional mandate, this bill seeks to define the scope and extent of the fiscal autonomy of the judicial branch. Under this proposed measure the budget proposal made by the Judiciary shall be included in the National budget without revisions, without prejudice to the Department of Budget Management submitting their proposed revisions if it deems necessary. This proposed measure also gives the Supreme Court or the Chief Justice the power to realign their budget from one expense account to another. It also provides for the creation of a Judiciary Trust Fund, from which, funds necessary for the operation of the Judiciary can be drawn.

Allowing the Judiciary to fully enjoy the extent of fiscal autonomy granted by the Constitution can help pave the way for a more effective and swifter administration of justice in our country.

In view of the foregoing, the passage of this bill is earnestly sought.

JUAN MIGUEL F. ZUBIRI

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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 **SECTION 1. Short Title.** - This Act shall be known as the "*The Fiscal Autonomy*
2 *Act of the Judicial Branch of Government*".

3 **SEC. 2. Declaration of Policy.** - It is hereby declared the policy of the State to
4 affirm and strengthen the constitutional mandate and powers of the Judiciary as a co-
5 equal branch of government. To this end, and with the goal of ensuring the Judiciary's
6 continuing independence, the Judiciary's fiscal autonomy mandated under Sec. 3, Art. 8,
7 Constitution, shall be guaranteed, as such:

8 a) in accordance with Sec. 3, Art. 8, of the Constitution, appropriations for the
9 Judiciary may not be reduced below the amount appropriated for the previous year.
10 After approval by Congress, the appropriations for the Judiciary shall be
11 automatically and regularly released. The releases shall not be conditioned on the
12 submission of any work and financial plans nor any financial report whatsoever.

13 b) As provided under Sec. 16, Art. 8, of the Constitution, the Supreme Court shall
14 be required to submit its annual report to the President and Congress within thirty
15 days from the opening of each regular session of Congress.

16 **SEC. 3. Submission of Annual Budget Proposal.** -The Supreme Court shall
17 submit a budget of expenditures and sources of financing, reflecting total revenues and
18 expenditures for the budget year, to Congress for approval with copy furnished to the
19 Department of Budget and Management (DBM).

20 **SEC. 4. Proposed Revisions of the DBM.** - The budget proposal prepared by
21 the Supreme Court shall be incorporated in the draft national budget without any revisions.
22 The DBM, however, may propose revisions thereon as it may deem appropriate; *Provided,*
23 that it clearly indicates that the revisions are of its own and not of the Court's; *Provided,*
24 *further,* that the DBM shall consult in writing the Supreme Court or the Chief Justice

1 concerning its comments on, and suggested revisions to, the proposed budget for the
2 Judiciary.

3 Upon written request of the DBM, the Supreme Court or the Chief Justice may, in
4 their discretion, submit reports of operation and income, current personnel, work and
5 financial plans and similar reports to the DBM only for recording purposes. The submission
6 thereof concerning funds previously released shall not be a condition precedent for
7 subsequent fund releases.

8 **SEC. 5. Power to Realign the Budget Appropriated for the Judiciary.** Upon
9 the approval of the total budget for the Judiciary:

10 a) The Supreme Court or the Chief Justice shall have the power and authority to
11 realign the budget from one expense account to another, or from one functional
12 unit or category to another, without approval of the DBM. The Supreme Court or
13 the Chief Justice may also utilize any savings from the budget for whatever expense,
14 as the Court or Chief Justice may deem necessary and reasonable for the fulfillment
15 of the Judiciary's mandate.

16 b) The DBM shall automatically release to the Supreme Court, without need for any
17 request, the monthly cash requirements of the Judiciary or one-twelfths (1/12) of
18 the total National Government support. The releases shall not be conditioned on
19 approved work and financial plans, nor any financial report whatsoever. The
20 Supreme Court shall only submit accomplishment and financial reports, within
21 thirty days from the opening of each regular session of Congress, to the President
22 and to Congress.

23 c) All expenditures and revenues of the Judiciary shall be subject to post- audit by
24 the Commission on Audit, under pertinent laws, rules and regulations.

25 **SEC. 6. Judiciary Trust Fund.** - There is hereby created a trust fund, to be
26 known as the Judiciary Trust Fund, which shall be dedicated for the use of the judiciary.
27 All the funds collected for, or accruing to the Judiciary may be deposited and kept in the
28 said trust fund, and from which, funds needed for its operation shall be drawn. The
29 Judiciary Trust Fund shall include, but not be limited to the following:

30 (a) Such funds that may be appropriated by Congress for the Judiciary;

31 (b) Increases in legal fees that are collected by the Judiciary pursuant to PD 1949;

32 (c) Contributions of the local government units, under Sec. 3.c. of this Act: and

33 (d) All interest income and trust fund.

34 **SEC. 7. Power to Collect Fees and Raise Revenues** - The Judiciary shall
35 continue to enjoy its authority under PD 1949 to collect legal fees, pursuant to the
36 pertinent provisions of the Rules of Court. However, the fund utilization ratio of Eighty
37 Percent (80%) for cost of living allowances, and Twenty Percent (20%) for office
38 equipment and facilities shall no longer apply, considering that all legal fees prescribed in
39 Rule 141 of the Rules of Court, as amended, shall now constitute a part of the Judiciary
40 Trust Fund, pursuant to Sec. 6 of this Act.

41 (a) The Supreme Court shall determine the appropriate level of fees and charges
42 pursuant to Sec. 3 of Rule 141 of the Rules of Court, in accordance with the
43 following policy objectives:

- 1 (1) Access to justice specially the disadvantaged and poor sectors of society;
- 2 (2) Internal revenue generation for the judiciary, to support its operations;
- 3 and
- 4 (3) Charging the users of the judicial system in accordance with their ability
- 5 to pay.

6 (b) Local government units are strictly prohibited from providing allowances,
7 supplies, materials, vehicles and other resources for the use of judges within their
8 respective areas of jurisdiction, except for the use of the courtroom located within
9 the municipal or city hall, or other buildings or facilities owned or leased by the
10 local government unit, and the maintenance thereof.

11 **SEC. 8. Power to Create Offices and Reorganize the Administrative**
12 **Structure.** - The Supreme Court shall have the authority to create such offices and to
13 reorganize its administrative structure, both at the national and regional levels, for
14 purposes of oversight or operations, in order to carry out the purposes of this Act, and to
15 enable it to take on the additional functions and responsibilities stated in this Act, within
16 the limit of its available resources.

17 The Supreme Court shall likewise have the authority to create such positions, and allocate
18 the necessary budgetary support for the smooth operations of such offices. The creation
19 of offices at the regional level shall be guided by the principle of decentralization of
20 administrative, financial, and personnel matters, and to bring court management closer
21 to the litigants, and other users of the judicial system.

22 **SEC. 9. Salary and Personnel Administration.** - The Supreme Court shall have
23 the authority to determine the number and positions of court personnel necessary for the
24 smooth functioning of the judiciary, within the limits of the approved appropriation guided
25 by constitutional and legislative policies on hiring and compensation. A copy of the annual
26 approved staffing pattern of personnel shall be furnished the COA and the DBM.

27 The Supreme Court shall institute measures to provide sufficient, attractive and
28 competitive compensation for judicial and non-judicial personnel to ensure continuity and
29 sustainability of service, and support career development. Such measures may include
30 but not be limited to the broadbanding of salaries, and the provision of total cash
31 compensation packages.

32 **SEC. 10. Transfer of Physical Assets.** - All real and personal properties not
33 presently titled to the Supreme Court, which have been acquired for the Judiciary shall,
34 as far as practicable, be transferred to the Supreme Court, by other national or local
35 government units, or government owned or controlled corporations, through an
36 appropriate instrument, within six months from the effectivity of this Act. Thereafter, the
37 Supreme Court shall exercise the fiduciary ownership, management, control, as well as
38 the security, maintenance and disposition, of such properties.

39 **SEC. 11. Delegation of Authority.** - The Supreme Court en banc, through an
40 appropriate instrument may also delegate to the Chief Justice, the Court Administrator,
41 or other offices or heads of offices, which currently exist or may be created in the future,
42 any and all powers, functions and responsibilities which are granted under this Act, under
43 such conditions and under such periods as the Supreme Court en banc may allow.

44 **SEC. 12 Implementing Rules and Regulations.** -- The Supreme Court, in
45 consultation with the DBM and the COA, shall promulgate the rules and regulations

1 necessary to carry out the intent of this Act, save for those provisions where particular
2 agencies of government are mandated to promulgate the implementing rules. The
3 necessary rules and regulations shall be promulgated within six (6) months from the
4 effectivity of this Act.

5 **SEC. 13. *Separability Clause*** - If any provision of this Act shall be held
6 unconstitutional or invalid, the other provisions not otherwise affected shall remain in full
7 force and effect.

8 **SEC. 14. *Repealing Clause*** - All laws, executive orders, rules, and regulations
9 inconsistent with or contrary to this Act, are hereby deemed repealed or modified
10 accordingly.

11 **SEC. 15. *Effectivity Clause*** - This Act shall take effect after fifteen (15) days
12 following its publication in the Official Gazette or in at least two (2) newspapers of national
13 circulation.

Approved,