



Senate

Office of the Secretary

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

23 MAY -3 A11 :37

SENATE

S. No. 2111

RECEIVED BY: _____

Introduced by Senator Christopher Lawrence "Bong" T. Go

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

EXPLANATORY NOTE

The Judicial Branch of the government performs several undertakings that are vital in guaranteeing that the rule of law is appropriately upheld and that justice is duly served in the legal system. In order for this branch of government to properly perform its duties, they must not be constrained by limited fiscal autonomy.

Fiscal autonomy refers to the ability of the Judicial Branch to manage its own finances independently of other branches of government. This allows the Judicial Branch to have greater control over its budget, which can help to ensure its independence and impartiality. However, the budget of the Philippine Judiciary is still subject to the regular budgeting process which goes through the Department of Budget and Management (DBM) for budget preparation and releasing.

This bill mandates that the budget proposal prepared by the Supreme Court shall be incorporated in the draft national budget without any revisions. The DBM, however, may propose revisions thereon but it shall consult in writing the Supreme Court or the Chief Justice concerning its suggested revisions. The DBM is also mandated to automatically release to the Supreme Court, without need for any request, the monthly cash requirements of the Judiciary.

It is important to note that the fiscal autonomy of the Judicial Branch is closely tied to its independence and ability to function effectively. As such, this bill is

an important measure in order to maximize the capacity of the Judicial Branch of the government.

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

A handwritten signature in black ink, appearing to be 'Bong T. Go', written over the printed name.

SENATOR CHRISTOPHER LAWRENCE "BONG" T. GO

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

1 **SECTION 1. Short Title.** – This Act shall be known as the "*The Fiscal*
2 *Autonomy Act of 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
5 co-equal branch of government. To this end, and with the goal of ensuring the
6 Judiciary's continuing independence, the Judiciary's fiscal autonomy mandated under
7 Section 3, Article VIII of the Constitution, shall be guaranteed, as such:

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

14 (b) As provided under Section 16, Article VIII of the Constitution, the
15 Supreme Court shall be required to submit its annual report to the
16 President and Congress within thirty days from the opening of each
17 regular section of Congress.

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

5 **SEC. 4. *Proposed Revisions of the DBM.*** - The budget proposal prepared by
6 the Supreme Court shall be incorporated in the draft national budget without any
7 revisions. The DBM, however, may propose revisions thereon as it may deem
8 appropriate; Provided, that it clearly indicates that the revisions are of its own and
9 not of the Court's; Provided, further, that the DBM shall consult in writing the
10 Supreme Court or the Chief Justice concerning its comments on, and suggested
11 revisions to, the proposed budget for the Judiciary.

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

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

19 (a) The Supreme Court or the Chief Justice shall have the power and authority
20 to realign the budget from one expense account to another, or from one
21 functional unit or category to another, without approval of the DBM. The
22 Supreme Court or the Chief Justice may also utilize any savings from the
23 budget for whatever expense, as the Court or Chief Justice may deem
24 necessary and reasonable for the fulfillment of the Judiciary's mandate.

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

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

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

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

10 (b) Increases in legal fees that are collected by the Judiciary pursuant to
11 Presidential Decree No. (PD) 1949; and

12 (c) All interest income and trust fund.

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

20 The Supreme Court shall determine the appropriate level of fees and charges
21 pursuant to Section 3 of Rule 141 of the Rules of Court, in accordance with the
22 following policy objectives:

23 (a) Access to justice specially the disadvantaged and poor sectors of society;

24 (b) Internal revenue generation for the judiciary, to support its operations;
25 and

26 (c) Charging the users of the judicial system in accord with their ability to
27 pay.

28 **SEC. 8. *Power to Create Offices and Reorganize the Administrative Structure.***

29 - The Supreme Court shall have the authority to create such offices and to
30 reorganize its administrative structure, both at the national and regional levels, for
31 purposes of oversight or operations, in order to carry out the purposes of this Act,

1 and to enable it to take on the additional functions and responsibilities stated in this
2 Act, within the limit of its available resources.

3 The Supreme Court shall likewise have the authority to create such positions
4 and allocate the necessary budgetary support for the smooth operations of such
5 offices. The creation of offices at the regional level shall be guided by the principle
6 of decentralization of administrative, financial, and personnel matters, and bringing
7 court management closer to the litigants, and other users of the judicial system.

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

14 The Supreme Court shall institute measures to provide sufficient, attractive,
15 and competitive compensation for judicial and non-judicial personnel that will ensure
16 continuity of service and sustainability, and in support of a career development
17 program. Such measures may include but not be limited to the broad banding of
18 salaries, and the provision of total cash compensation packages.

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

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

1 **SEC. 12. *Implementing Rules and Regulations.*** -- The Supreme Court, in
2 consultation with the DBM and the COA, shall promulgate the rules and regulations
3 necessary to carry out the intent of this Act, save for those provisions where
4 particular agencies of government are mandated to promulgate the implementing
5 rules. The necessary rules and regulations shall be promulgated within six (6)
6 months from the effectivity of this Act.

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

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

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

Approved,