

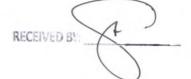
NINETEENTH CONGRESS OF THE	Ξ
REPUBLIC OF THE PHILIPPINES	
First Regular Session	

23 MAY -3 A11:37

SENATE

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S. No. 2111



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.

SENATOR CHRISTOPHER LAWRENCE "BONG" T. GO



NINETEENTH CONGRESS OF THE REPUBLIC OF THE PHILIPPINES First Regular Session

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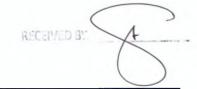
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Introduced by Senator Christopher Lawrence "Bong" T. Go

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

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

- SECTION 1. Short Title. This Act shall be known as the "The Fiscal Autonomy Act of Judicial Branch of Government."
- **SEC. 2.** *Declaration of Policy.* It is hereby declared the policy of the State to affirm and strengthen the constitutional mandate and powers of the Judiciary as a co-equal branch of government. To this end, and with the goal of ensuring the Judiciary's continuing independence, the Judiciary's fiscal autonomy mandated under Section 3, Article VIII of the Constitution, shall be guaranteed, as such:
 - (a) in accordance with Section 3, Article VIII of the Constitution, appropriations for the Judiciary may not be reduced below the amount appropriated for the previous year. After approval by Congress, the appropriations for the Judiciary shall be automatically and regularly released. The releases shall not be conditioned on the submission of any work and financial plans nor any financial report whatsoever.
 - (b) As provided under Section 16, Article VIII of the Constitution, the Supreme Court shall be required to submit its annual report to the President and Congress within thirty days from the opening of each regular section of Congress.

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

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SEC. 4. *Proposed Revisions of the DBM.* - 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 as it may deem appropriate; Provided, that it clearly indicates that the revisions are of its own and not of the Court's; Provided, further, that the DBM shall consult in writing the Supreme Court or the Chief Justice concerning its comments on, and suggested revisions to, the proposed budget for the Judiciary.

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

- **SEC. 5.** *Power to Realign the Budget Appropriated for the Judiciary.* Upon the approval of the total budget for the Judiciary:
 - (a) The Supreme Court or the Chief Justice shall have the power and authority to realign the budget from one expense account to another, or from one functional unit or category to another, without approval of the DBM. The Supreme Court or the Chief Justice may also utilize any savings from the budget for whatever expense, as the Court or Chief Justice may deem necessary and reasonable for the fulfillment of the Judiciary's mandate.
 - (b) The DBM shall automatically release to the Supreme Court, without need for any request, the monthly cash requirements of the Judiciary or one-twelfths (1/12) of the total National Government support. The releases shall not be conditioned on approved work and financial plans, nor any financial report whatsoever. The Supreme Court shall only submit accomplishment and financial reports, within thirty days from the opening 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.
- **SEC. 6.** *Judiciary Trust Fund.* There is hereby created a trust fund, to be known as the Judiciary Trust Fund, which shall be dedicated to the use of the judiciary. All the funds collected for, or accruing to the Judiciary may be deposited and kept in the said trust fund, and from which funds needed for its operation shall be drawn. The Judiciary Trust Fund shall include, but not be limited to the following:
 - (a) Such funds that may be appropriated by Congress for the Judiciary;
 - (b) Increases in legal fees that are collected by the Judiciary pursuant to Presidential Decree No. (PD) 1949; and
 - (c) All interest income and trust fund.

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

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

- (a) Access to justice specially the disadvantaged and poor sectors of society;
- (b) Internal revenue generation for the judiciary, to support its operations; and
- (c) Charging the users of the judicial system in accord with their ability to pay.
- SEC. 8. Power to Create Offices and Reorganize the Administrative Structure.

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

and to enable it to take on the additional functions and responsibilities stated in this

Act, within the limit of its available resources.

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

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

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

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

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

- SEC. 12. Implementing Rules and Regulations. -- The Supreme Court, in consultation with the DBM and the COA, shall promulgate the rules and regulations necessary to carry out the intent of this Act, save for those provisions where particular agencies of government are mandated to promulgate the implementing rules. The necessary rules and regulations shall be promulgated within six (6) months from the effectivity of this Act.
- SEC. 13. Separability Clause If any provision of this Act shall be held unconstitutional or invalid, the other provisions not otherwise affected shall remain in full force and effect.
- SEC. 14. Repealing Clause All laws, executive orders, rules, and regulations inconsistent with or contrary to this Act, are hereby deemed accordingly repealed or modified.
- SEC. 15. Effectivity Clause. This Act shall take effect after fifteen (15) days following its publication in the Official Gazette or in at least two (2) newspapers of national circulation.

Approved,

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