



LEGISLATIVE RESEARCH SERVICE

QUICK NOTES

Second Regular Session, 19th Congress

Public Hearing of the Committee on Justice and Human Rights Joint with the Committee on Finance

Chairperson: Sen. Francis N. Tolentino

7 May 2024, Tuesday, 10:00 AM, Sen. C.M. Recto Room, Senate

Re: The Fiscal Autonomy Act of the Judicial Branch of Government

- **S. No. 1996—Sen. Juan Miguel “Migz” F. Zubiri**
- **S. No. 2111—Sen. Christopher Lawrence T. Go**

Background

- The 1987 Constitution provides that the Judiciary shall enjoy fiscal autonomy. The legislature may not reduce the appropriations for the Judiciary below the amount appropriated for the previous year and shall be automatically and regularly released after approval.
- Fiscal autonomy refers to the ability of the Judicial branch to manage its finances independently of other branches of government. The budgetary independence granted to the Judiciary allows greater control over its budget, which can help ensure its independence and impartiality.
- However, the Judiciary does not currently enjoy the full power granted by the Constitution, considering that the budget of the Judiciary is still subject to the requirements and the current system employed by the Department of Budget and Management (DBM).

Highlights of the bills

- The bills seek to define the scope and extent of the fiscal autonomy of the judicial branch. As provided, the budget proposal made by the Judiciary shall be included in the national budget without revisions. This is without prejudice to the DBM submitting its proposed revisions if it deems necessary. It shall, however, consult with the Supreme Court (SC) or the Chief Justice regarding its suggested revisions to the proposed budget.

- The proposed measures also give the SC or the Chief Justice the power to realign their budget from one expense account to another without the approval of the DBM. In addition, the SC may utilize any savings from the budget as the Court may deem reasonable for the fulfillment of its mandate.
- The SC 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.
- Additionally, the establishment of a Judiciary Trust Fund is proposed under the bills, which can be utilized for the operation of the Judiciary. The said Fund shall include the following: those that may be appropriated by Congress for the Judiciary; increases in legal fees collected by the Judiciary pursuant to PD 1949; contributions of the local government units; and all interest income and trust fund.

Possible Points for Discussion

1. How does the current system employed by the DBM affect the fiscal management of the Judiciary?
2. What would be the extent of the fiscal autonomy of the judicial branch? How do the proposed bills empower the SC or the Chief Justice in terms of budget realignment and utilization of savings?
3. How will the proposed measures impact the overall functioning and independence of the Judiciary in the context of fiscal management?
4. What other offices does the SC need, and what plans does it have in terms of reorganizing its administrative structure, both at the national and regional levels, for purposes of oversight or operations?
5. What safeguards and procedural mechanisms are established to prevent fiscal abuses within the Judiciary, particularly in light of its fiscal autonomy? How does the proposed legislation address potential vulnerabilities and ensure transparency, accountability, and responsible financial management within the judicial branch?