

Title: Commission on Human Rights Employees' Association (CHREA) vs. Commission on Human Rights (CHR)

Facts:

The case revolved around the validity of the upgrading and reclassification of personnel positions within the Commission on Human Rights (CHR) without the Department of Budget and Management's (DBM) approval. The CHREA opposed this, leading to a legal battle that reached the Supreme Court.

The dispute began when Congress passed the General Appropriations Act of 1998 (Republic Act No. 8522), which included special provisions for constitutional offices enjoying fiscal autonomy, including the CHR. Utilizing these provisions, the CHR, under its Chairperson and Commissioners, implemented a resolution to upgrade and reclassify certain positions within the commission and to create new ones, all purportedly within the bounds of their fiscal autonomy.

The CHR requested approval from the DBM for their staffing modification scheme. However, the DBM Secretary, citing limitations under existing laws and emphasizing the need for legal basis or presidential directive to effect changes in organizational structures or key positions, disapproved of the CHR's proposal. Despite this disapproval, the CHR proceeded with the changes.

The CHREA, representing the rank-and-file employees within the CHR, contested the scheme both within the CHR and before the Civil Service Commission (CSC), arguing that such modifications require DBM's approval. The CSC initially sided against CHR; however, upon reconsideration, CSC reversed its position, supporting CHR's actions. This led CHREA to take the matter to the Court of Appeals, which ruled in favor of the CHR, affirming its fiscal autonomy and authority to implement the upgrading and reclassification scheme. CHREA then elevated the case to the Supreme Court.

Issues:

1. Whether the CHR can lawfully implement the upgrading and reclassification of personnel positions without DBM's approval.
2. Whether the CHR enjoys fiscal autonomy to the extent of exercising financial matters concerning the upgrading, creation, and reclassification of positions within its organizational structure.

Court's Decision:

The Supreme Court granted the petition filed by CHREA, reversing the decisions of the Court of Appeals and the CSC. The Court held that the CHR cannot implement the upgrading and reclassification of its personnel positions without the approval of the DBM. It clarifies that despite the CHR being a constitutional body, it does not enjoy fiscal autonomy similar to the Constitutional Commissions explicitly granted such autonomy under the Philippine Constitution (Civil Service Commission, Commission on Elections, and Commission on Audit).

The Court emphasized the DBM's role in the unified compensation and position classification system established by Republic Act No. 6758, or the Salary Standardization Law. The Court highlighted that the authority to administer compensation and position reclassification across government agencies, including the CHR, resides with the DBM. Furthermore, the Court debunked the Commission's interpretation of its fiscal autonomy, clarifying the scope and limitations set forth by existing laws and jurisprudence.

Doctrine:

1. Fiscal autonomy is a grant of authority, not absolute in character, that allows government bodies flexibility in budget allocation and utilization. However, it must still operate within the parameters set by law, particularly under the unified compensation and position classification system mandated by the Salary Standardization Law.
2. The Department of Budget and Management (DBM) holds the regulatory power to approve or disapprove the upgrading, reclassification, and creation of positions within government agencies to ensure adherence to the Salary Standardization Law.

Class Notes:

- **Fiscal Autonomy**: Refers to the independence in the allocation and utilization of an agency's budget but remains subject to limitations provided by law.
- **Salary Standardization Law (RA No. 6758)**: Mandates a unified compensation and position classification system across all government agencies, which is administered by the DBM.
- **Role of DBM**: The DBM has the authority to establish, administer, and ensure compliance with the compensation and position classification system, including approving or disapproving changes in personnel positions within government agencies.
- **Legal Maxim**: Expressio unius est exclusio alterius - the inclusion of one is the

exclusion of others; and *expressum facit cessare tacitum* - what is expressed puts an end to what is implied.

- **Jurisprudence**: The Court's interpretation of laws and previous decisions are pivotal in understanding the application of fiscal autonomy and the DBM's role in personnel position modifications within government agencies.

Historical Background:

This case highlights the tension between an agency's claim to fiscal autonomy and the overarching regulatory framework established by laws governing public fiscal administration, particularly the Salary Standardization Law. It underscores the judiciary's role in interpreting the scope of fiscal autonomy relative to statutory constraints and ensuring that government actions remain within the legal framework established by legislation and constitutional provisions.