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**A case initiated with respect to compliance of the increase in the amount of remuneration for work to health care workers in the state budget of 2020 with the *Satversme***

On 3 August 2020, the 4<sup>th</sup> Panel of the Constitutional Court initiated the case “On Compliance of the Programme and Sub-programme for Increasing the Remuneration for Work to Health Care Workers of the Law “On the State Budget for 2020”, insofar they do not Envisage an Increase of the State Financing for Increasing the Remuneration for Work to Health Care Workers Set in Para 11 of the Transitional Provisions of the Health Care Financing Law, with Article 1 and Article 66 of the *Satversme* of the Republic of Latvia”.

**The Contested Norms**

The contested programmes and sub-programmes of the law “On the State Budget for 2020” define, *inter alia*, the amount of state financing for the area of health care.

Para 11 of the Transitional Provisions of the Health Care Financing Law provides that the Cabinet, in preparing the draft state budget for 2019 and the draft law on the medium-term framework budget for 2019, 2020 and 2021, envisages an increase of the state financing for remuneration for work to health care workers by 20 per cent annually on average: in 2019 – 87 483 708 EUR, in 2020 – 191 227 820 EUR, and in 2021 – 314 599 953 EUR.

**The Norms of Higher Legal Force**

Article 1 of the *Satversme* of the Republic of Latvia (hereafter – the *Satversme*):  
“Latvia is an independent democratic republic.”

Article 66 of the *Satversme*: “Annually, before the commencement of each financial year, the *Saeima* shall determine the State Revenues and Expenditures Budget, the draft of which shall be submitted to the *Saeima* by the Cabinet. If the *Saeima* makes a decision that involves expenditures not included in the Budget, then this decision must also allocate funds to cover such expenditures. After the end of the budgetary year, the Cabinet shall submit an accounting of budgetary expenditures for the approval of the *Saeima*.”

## **The Facts**

The case was initiated on the basis of the Ombudsman’s application. The applicant points to Para 11 in the Transitional Provisions of the Health Care Financing Law, which defines the financing for increasing the remuneration for work to health care workers, which the Cabinet had to envisage, *inter alia*, in preparing the draft law for the medium-term framework budget for 2019, 2020 and 2021.

The applicant notes that, pursuant to the law “On the State Budget for 2020”, only a part – approximately a half – of the promised additional financing had been envisaged for the increase in the remuneration for work to health care workers. Therefore the contested programmes and sub-programmes of the law “On the State Budget for 2020”, which set the amount of the state financing in the area of health care, are said to be incompatible with the principle of the rule of law, which is derived from the basic norm of a democratic state governed by the rule of law and falls within the scope of Article 1 of the *Satversme*, and the principle of legal certainty. The applicant holds that the contested regulation causes significant threat to the interests of the State and society. It is maintained that this regulation is incompatible with the legislator’s obligation, derived from Article 66 of the *Satversme*, to ensure that a sustainable state budget is drafted and adopted, hence, also the principle is sustainable development is violated.

## **The Legal Proceedings**

The Constitutional Court has requested the *Saeima* to submit a written reply on the facts of the case and the legal reasoning by 5 October 2020.

**The term for preparing the case is 4 January 2021.** The Court will decide on the type of procedure and the date for hearing the case after it has been prepared.

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The press release was prepared with the aim to facilitate understanding of cases heard by the Constitutional Court. It shall not be regarded as part of the judgement and is not binding to the Constitutional Court. The judgements, decisions and other information regarding the Constitutional Court are available at the homepage of the Constitutional Court [www.satv.tiesa.gov.lv](http://www.satv.tiesa.gov.lv).

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