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1 NITIJELA OF THE MARSHALL ISLANDS
2 28TH CONSTITUTIONAL REGULAR SESSION, 2007

BILL NO: 154 N.D.1

3
4 P.L. 2007-86
5
6

7 A
8 BILL FOR AN
9 ACT
10

11 To provide -

12 (a) in accordance with Article VIII of the Constitution, for the issue from the
13 Marshall Islands General Fund, including funds provided under the Compact of
14 Free Association, as Amended and other funds, of a total sum of \$123,332,933 to
15 meet the expenditures of the Government for the Financial Year 2008, and to
16 appropriate sums to program areas; and

17
18 (b) for a Contingencies Fund in accordance with Section 9 of Article VIII of
19 the Constitution; and

20
21 (c) for contingent appropriation of amounts that may be received in the
22 future; and

23
24 (d) for delegation of expenditures approval under Section 5 of Article VIII of
25 the Constitution; and

26
27 (e) for controls on reprogramming and transfer of funds within appropriation
28 areas; and

29
30 (f) for control on specific expenditures.

1
2 **BE IT ENACTED BY THE NITIJELA OF THE MARSHALL ISLANDS:**

3
4 **Section 1. Short Title.**

5 This Act may be cited as the Appropriations (Financial Year 2008) Act,
6 2007 and shall be deemed to have come into effect on 1, October, 2007.
7

8 **Section 2. Statement of National Objective.**

9 It is the intention of the Government of the Republic of the Marshall
10 Islands to enact and implement a national budget for the whole of the Financial
11 Year 2008 as provided in the FY 2008 Budget Statement (including Medium Term
12 Budget and Investment Framework), attached as **Appendix A**.
13

14 **Section 3. Interpretation.**

15 In this Act:

16 (1) "program area" means program areas set out in Schedules 1 to
17 Schedule 4 as indicated by the headings in those schedules.

18 (2) "unanticipated income" means any money, not being loan money, that:

19 (a) becomes available for expenditures from a source at a time when
20 the Nitijela is not meeting; and

21 (b) has not been specifically included in the budget estimates for the
22 Financial Year, which the Cabinet is satisfied should, in the interests of the
23 Republic of the Marshall Islands, be expended, in whole or in part, before
24 the expenditures could reasonably be authorized by an Appropriation Act or
25 a Supplementary Appropriation Act.
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Section 4. Appropriations from the Marshall Islands General Fund.

(1) **Total Appropriation.** The sum of \$34,999,891 is hereby appropriated, and may be withdrawn from the Marshall Islands General Fund and expended pursuant to Article VIII of the Constitution for program areas as set out in Schedule 1.

(2) **Compact Funds:** All Funds provided under the Compact of Free Association, as Amended, in the amount \$68,226,451 shall be credited to the General Fund and shall be appropriated in accordance with the relevant provisions and Schedule 2 of this Act.

(3) **Restrictions on Reprogramming of Compact Funds.** Funds Received under the Compact of Free Association, as Amended shall not be transferred to any other activity, or reprogrammed or expended for any purpose during the Financial Year other than the permissible uses of those funds as provided for in the Compact of Free Association as Amended and its Subsidiary Agreements.

(4) **Lapse of Compact Funds.** All moneys received under the Compact of Free Association, as Amended and appropriated herein shall not lapse at the end of the Financial Year, but shall continue until either the purpose of the appropriation is completed or funds are expended, whichever occurs first.

(5) Notwithstanding the provisions of any other law or agreement, any entity or organization receiving funds under the Compact of Free Association as Amended, shall not receive such funding if the Auditor General or its contractors have determined that the books, accounts and financial records of any such entity or organization have not been auditable for the past three preceding fiscal years until such time as the Auditor General or its contractor determine that such entity

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2 **Section 7. Contingencies Fund.**

3 (1) In accordance with Article VIII, Section 9(1) of the Constitution, up to
4 \$200,000 is authorized to be advanced against the General Fund for purposes of
5 the Contingencies Fund.

6 (2) Where, during the Financial Year, an amount of unanticipated income
7 is received by the Government for the purpose of an urgent and unforeseen need,
8 the amount prescribed in Subsection (1) for the Contingencies Fund is increased by
9 the amount of that unanticipated income, to meet such need.

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11 **Section 8. Unanticipated Income.**

12 Where, during the Financial Year, an amount of unanticipated income is
13 received by the Government for a specified program area, otherwise than as set out
14 in Section 7 (2), that amount is appropriated for the corresponding program area in
15 Schedules as the case may be, and the amount of the appropriation for that program
16 area is increased accordingly.

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18 **Section 9. Notification to the Cabinet by the Minister.**

19 When any money is received under Section 7 (2) or Section 8 herein above,
20 the Minister of Finance shall notify the Cabinet of the receipt of such money, and
21 such money shall not be expended without the approval of the Cabinet.

22

23 **Section 10. Lapsing of Certain Appropriations.**

24 Any increase in the amount prescribed for the Contingencies Fund provided
25 for by Section 7 (2) ceases and any increase in the amount of an appropriation
26 affected by Section 9 lapses:

- 1
- 2 (a) On the effective date of the next Appropriation Act or
- 3 Supplementary Appropriation Act enacted after the date referred to in
- 4 Subsection (1); or
- 5 (b) On the adoption of a Resolution to that effect by the Nitijela,
- 6 whichever occurs first.
- 7

8 **Section 11. Delegation of Authority to Approve.**

9 (1) For the purposes of Article VIII, Section 5 (1) of the Constitution, the

10 authority to approve expenditure in a program area in accordance with Schedules

11 2-5 is hereby delegated to:

12 (a) The member of the Cabinet primarily responsible for that program area;

13 and;

14 (b) If the responsible member of the Cabinet so directs by instrument in

15 writing, and subject to any limitations imposed by the instrument and to

16 general control by the member, an appropriate person, authority, or agency.

17 (2) The Chief Justice of the High Court is hereby vested with the authority to

18 approve expenditure of the Judiciary Fund in accordance with the provisions of 27

19 MIRC Chapter 1.

20 (3) Any expenditure otherwise than in accordance with Schedule 1, 2, 3, 4 and

21 5 shall require the approval of the Cabinet in accordance with Article VIII, Section

22 5(1) of the Constitution.

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2 **Section 12. Reprogramming and Transfers Between and Within Program**
3 **Areas.**

4 Before any reprogramming of expenditure between program areas is approved
5 under Article VIII, Section 7 (1) of the Constitution, the Cabinet shall approve
6 such reprogramming.

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8 **Section 13. General.**

9 (1) In the event the actual receipts into the Marshall Islands General Fund
10 fall short of the total amount appropriated in Schedules 6, 7, 8 and 9, the Cabinet
11 may make the necessary adjustments to Schedules 1, 2, 3 and 4 to accommodate
12 the shortfall.

13 (2) All contracts awarded by the Government and associated agencies must
14 comply with the provisions of the RMI Procurement Code. Funds will only be
15 released by the Ministry of Finance upon proof of compliance with the code.

16 (3) Gross Revenue Tax of 3% on all Government contracts will be withheld
17 by the Ministry of Finance at the time of payment, and credited against the
18 contractor's liability to pay gross revenue tax for the period of the payment. The
19 contractor is still required to file a tax for return for the period.

20 (4) All Government Ministries and associated agencies must have been
21 audited and have complied with all the audit recommendations prior to receiving
22 any quarterly allocation. Any Ministry or Department unable to comply with all the
23 audit requirements must provide an expense report before release of any funds.

24 (5) No funds appropriated under this Act shall be released to any Local
25 Government, statutory corporation or agency whose financial records have not
26 been auditable for the past two preceding fiscal years, until such Local

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2 Government, statutory corporation or agency has taken the necessary steps to
3 render such records auditable, or provides a full and complete report of its
4 expenses to Cabinet.

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6 **Section 14. Special Revenue Fund.**

7 Any moneys in excess of an appropriation made in Schedule 3 (Special
8 Revenue Funds) may be expended during the Financial Year only in accordance
9 with terms of the Act establishing such Special Revenue Fund.

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11 **Section 15. Effective Date.**

12 This act shall take effect on the date of certification in accordance with Article
13 IV, Section 21 of the Constitution.

14

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CERTIFICATE

17 **I hereby certify:**

18 (1). That Nitijela Bill No: 154 ^{N.D.1} was passed by the Nitijela of the
19 Republic of the Marshall Islands on the 21st day of September, 2007;

20 and

21 (2). That I am satisfied that Nitijela Bill No: 154 ^{N.D.1} was passed in
22 accordance with the relevant provisions of the Constitution of the Republic of the
23 Marshall Islands and the Rules of Procedures of the Nitijela.

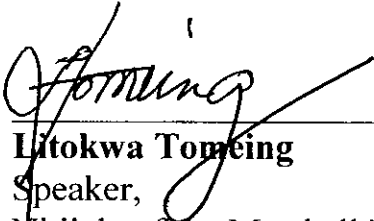
1 I hereby place my signature before the Clerk this 24th day of September 2007.

2

3

Attest:

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6 **Litokwa Tomcing**
7 Speaker,
8 Nitijela of the Marshall Islands

9



10 **Joe E. Riklon**
11 Clerk,
Nitijela of the Marshall Islands

APPROPRIATION BILL SCHEDULE	
REPUBLIC OF THE MARSHALL ISLANDS	
Financial Year 2008 Expenditure Budget	
For the Twelve Month Period Ending September 30, 2008	
	FY 2008
	N.D.1
	SCHEDULE 1
RECURRENT GENERAL APPROPRIATIONS	
10 - PRESIDENT & CABINET	1,878,719
Office of the President	249,116
President & Ministers	589,985
Cabinet Operations	437,051
Customary Law Commission	175,399
RMI/USP Joint Secondary Education Project	224,000
RMI National Band	142,982
National Training Council	60,186
11 - CHIEF SECRETARY	705,380
Administration	210,823
Deputy Chief Secretary-Ebeye	95,101
EPPSO	231,005
OEPPC	94,001
Disaster Office	44,000
Postal Office	30,450
12 - SPECIAL APPROPRIATION	5,459,014
Jaluit Power Plant	125,000
Land Leases	578,000
Majuro Landowners Electricity	730,000
Lease Housing	233,000
Marshall Islands Visitors Authority	150,000
MWSCO Water	100,000
International Subscriptions/Membership Fees	274,500
RMI-USP MoU	25,600
Copra Price Stabilization Subsidy (Tobolar)	1,092,185
ADB Loan Repayment	1,518,729
General Election	410,000
Presidential Summit	172,000
RMI Consulate (Honolulu) Office upgrade	50,000
13 - COUNCIL OF IROIJ	409,147
Council of Iroj - Administration	83,043
Council of Iroj Members	326,104

APPROPRIATION BILL SCHEDULE	
REPUBLIC OF THE MARSHALL ISLANDS	
Financial Year 2008 Expenditure Budget	
For the Twelve Month Period Ending September 30, 2008	
	FY 2008
	N.D.1
31 - NITIJELA	1,710,160
Nitijela Operation	565,144
General Membership	971,709
Speaker's Contingency	57,879
Committee Expense	56,275
Legislative Counselors	59,153
15 - AUDITOR GENERAL	455,744
Auditor General Administration (.06%)	0
Administration - CB	103,514
Auditor General Salary	42,230
Single Audit Match	310,000
27 - FOREIGN AFFAIRS	2,486,577
Administration	634,219
Compact Office	390,854
Washington DC Embassy	371,141
USAKA LNO	85,760
Honolulu Office	144,338
RMI UN Mission - New York	209,294
Tokyo Embassy	281,074
Taipei Embassy	191,484
Fiji Office	145,263
Korea Embassy	33,150
17 - PUBLIC SERVICE COMMISSION	468,520
Public Service Commission	93,813
PSC Administration	374,707
18 - JUDICIARY	914,479
General Courts	698,225
Traditional Rights Court	135,293
Community Court	79,956
Judicial Service Commission	1,005
19 - ATTORNEY GENERAL	840,024
Attorney General Office	630,943
Immigration-Majuro	151,212
Immigration-Ebeye	57,869

APPROPRIATION BILL SCHEDULE	
REPUBLIC OF THE MARSHALL ISLANDS	
Financial Year 2008 Expenditure Budget	
For the Twelve Month Period Ending September 30, 2008	
	FY 2008
	N.D.1
20 - HEALTH	3,130,042
Majuro Administration	502,630
Health Planning & Statistics	145,549
Majuro Hospital Operation	1,109,834
Primary Health Care Admin	119,231
Youth Adolescent Health	16,632
Population Activities & Family Planning	52,341
Human Services (SAPS Match)	9,547
Outer Island Dispensaries	373,118
Dental Services - Majuro	301,160
Ebeye Hospital Services	500,000
ENVIRONMENTAL PROTECTION AUTHORITY	202,480
EPA Administration	202,480
21 - EDUCATION	4,163,759
College of the Marshall Islands	2,000,000
Scholarship Board	173,223
MOE Administration	688,914
MOE Development Staff	114,130
National Standards Office	220,309
Elementary Instructional	532,262
Vocational Education	93,450
Property Maintenance	341,471
22 - TRANSPORTATION & COMMUNICATION	1,762,801
Office of the Secretary	334,831
Communication	161,417
Directorate of Civil Aviation	229,020
Marshall Islands Shipping Corporation	1,037,533
23 - RESOURCES & DEVELOPMENT	723,136
R & D Administration	175,982
Agro-Forestry	175,394
Trade & Investment	224,758
Renewable Energy Office	83,452
RMI Commercial Office (Hawaii)	63,550
24 - INTERNAL AFFAIRS	2,398,278
Administration Office	369,791

APPROPRIATION BILL SCHEDULE	
REPUBLIC OF THE MARSHALL ISLANDS	
Financial Year 2008 Expenditure Budget	
For the Twelve Month Period Ending September 30, 2008	
	FY 2008
	N.D.1
Library/Historic Preservation	40,100
National Archives	24,717
Historic Preservation Act	46,694
Land & Surveys	117,729
Local Government Affairs	139,171
Local Government Fund	396,620
Grant in Aid	242,000
Community Development	105,058
Youth Bureau	79,690
Women in Development	82,091
Sports & Recreation	192,863
Volunteer Program	29,139
Electoral Administration	106,491
National Elections	36,259
V7AB Radio Station	209,356
Identification Division/ID Cards	41,843
Registrar's Office	46,485
Print Shop	38,852
Central Adoption Administration	53,329
25 - JUSTICE	2,943,864
Public Defender - Majuro	281,650
Public Safety - Majuro	1,574,067
Public Safety - Ebeye	474,515
Sea Patrol	505,513
Land Registration	108,119
26 - FINANCE	2,919,750
Secretary's Office	68,379
Accounting & Administration	322,115
EDP/Information Technology	114,015
Revenue Division Majuro	260,188
Custom Division	253,228
Treasury Division	117,042
Budget & Inti Aid Division	231,638
Single State Agency	64,141
Procurement & Supply Division	196,676
Ebeye - Finance	108,301
Ebeye Revenue/Custom Office	90,138
Banking Commissioner	126,889

APPROPRIATION BILL SCHEDULE	
REPUBLIC OF THE MARSHALL ISLANDS	
Financial Year 2008 Expenditure Budget	
For the Twelve Month Period Ending September 30, 2008	
	FY 2008
	N.D.1
Centralized Electricity Bills - Majuro	900,000
Centralized Electricity Bills - Ebeye	67,000
28 - PUBLIC WORKS	1,428,017
Operation & Maintenance - Majuro	490,663
CGMA	572,610
Outer Islands Projects	164,744
YFU 82	200,000
TOTAL GENERAL FUND RECURRENT EXPENDITURES	34,999,891
COMPACT SECTORAL GRANTS	SCHEDULE 2
15 - AUDITOR GENERAL	500,000
Single Audit	500,000
20 - HEALTH	6,512,349
MOH Utility	780,000
Lease Housing	804,542
Majuro Hospital	3,014,918
OIHCS	777,455
Ebeye Health Administration	35,235
Ebeye Preventive Services	50,403
Ebeye Public Health	57,308
Ebeye Dental Services	130,244
Kwajalein Atoll Dispensaries	66,421
Ebeye Hospital Operations	795,823
EBEYE SPECIAL NEEDS	
Ebeye Special Needs (Ebeye Hospital)	1,570,406
21 - EDUCATION	11,336,978
College of the Marshall Islands (Compact Designated)	1,000,000
MOE Lease Housing	400,000
MOE Administration	963,333
Scholarship Board	716,428
National Standard Office/Policy Planning	106,036
Curriculum/Elementary Institutional	80,000
Middle School	389,826
Elementary Education - Uliga Elementary School	212,516
Elementary Education - Rita	314,039

APPROPRIATION BILL SCHEDULE	
REPUBLIC OF THE MARSHALL ISLANDS	
Financial Year 2008 Expenditure Budget	
For the Twelve Month Period Ending September 30, 2008	
	FY 2008
	N.D.i
Elementary Education - Delap	270,574
Elementary Education - Ajeltake	126,898
Elementary Education - Woja	102,773
Elementary Education - Laura	178,430
Elementary Education - Rairok	218,182
Elementary Education - Ejit	50,693
Elementary Education - Ebeye	821,136
Elementary Education - Outer Islands	2,363,881
Vocational Education	14,800
Secondary Education - MIHS	986,303
Laura High School	277,020
Secondary Education - JHS	432,633
Northern Island High School	375,893
Kwajalein Atoll High School	293,643
Aid to Private School	347,109
MOE Property & Maintenance	294,832
EBEYE SPECIAL NEEDS	1,775,424
Ebeye Special Needs (MOE)	1,675,424
Ebeye Special Needs (Scholarship)	100,000
SUPPLEMENTAL EDUCATION GRANT (SEG)	5,990,490
Elementary Text books	500,000
Elementary Supplies, Materials and Instructional Aids	108,485
Secondary textbooks	200,000
Secondary Supplies, Materials and Instructional Aids	164,253
Instructional Service Center	80,000
Early Childhood Education	1,559,375
Music and Art Program	30,000
Close-up program	36,000
School enrichment program	117,385
Food program	332,325
High School Practicum Program	30,000
National Training Program	486,004
National Vocational Technical Institute	423,651
Adult Education and Literacy (CMI)	100,000
National Scholarship Board	669,000
Substitute teachers	120,000
Contractual services for program development	140,000
World teach and Dartmouth	410,000

APPROPRIATION BILL SCHEDULE	
REPUBLIC OF THE MARSHALL ISLANDS	
Financial Year 2008 Expenditure Budget	
For the Twelve Month Period Ending September 30, 2008	
	FY 2008
	N.D.1
MoE Federal Grants	2,230,139
CMI Federal Grant	1,100,820
4-Atoll Feeding Program	54,173
MIA Fededal Grants	66,435
	<u>SCHEDULE 5</u>
OTHER DONOR	
ROC PROJECTS EXPENDITURE	5,500,000
Majuro Solid Waste Management	325,000
International Subscriptions & Fees	24,000
Disaster Matching	215,860
Tobolar Processing Plant	107,815
Outer-Island Runway Renovation	500,000
MIDB Rural Development Programs (MOU w/ MIDB)	250,000
Outer Island Solar Projects	1,000,000
Uliga Elementary School Land Reclamation (Phase 1)	350,000
Infrastructure Capital Maintenance Fund (Compact Matching)	592,761
Ship Repairs	200,000
Outer-Islands Development Fund	240,305
RMI -USP MoU	40,000
KAJUR	350,000
MIVA	100,749
Micronesia Legal Services	100,000
MEC Outer Islands Power Plant (Wotje)	195,000
MEC Outer Islands Power Plant (Jaluit)	100,000
Government/Lease Housing	100,000
ADB Loan Repayment (capital projects)	660,510
Women's Conference	30,000
Nitijela Vehicle	18,000
TOTAL ALL EXPENDITURES	123,332,933
REVENUES	<u>SCHEDULE 6</u>
GENERAL FUND	34,999,891
Marshallese Income Tax	7,099,427
Expat Income Tax	4,755,974
Business Gross Revenue Tax	4,737,307
Non-resident Business Gross Income Tax	132,875

APPROPRIATION BILL SCHEDULE	
REPUBLIC OF THE MARSHALL ISLANDS	
Financial Year 2008 Expenditure Budget	
For the Twelve Month Period Ending September 30, 2008	
	FY 2008
	N.D.1
CMI Tax	1,415,455
Import Tax	7,039,954
Hotel & Resort Tax	56,832
Fuel Tax	883,898
Immovable Property Tax	484,095
Penalties and Interest Charges	137,701
Fishing Rights	1,500,000
Fees and Charges	370,079
Other Sales, Charges and Service fees	107,088
Interest Income	28,302
Dividend Income	100,903
Ship Registry	2,000,000
Other Grants	4,000,000
Tax Audit Adjustments	150,000
	<u>SCHEDULE 7</u>
SPECIAL REVENUE FUNDS	7,296,462
Health Care Fund	6,596,110
Ministry of Internal Affairs	40,432
Ministry of Justice	150,000
National Training Council	174,631
Ministry of Finance (Postal Service)	252,754
Sea Patrol	82,534
	<u>SCHEDULE 8</u>
U.S. COMPACT REVENUE	68,226,451
Compact Base Grants	17,343,828
Compact Base Grants - Ebeye Special Needs	3,345,830
Compact Special Education Grant (SEG)	5,990,490
Compact Disaster Assistance Matching	215,860
Compact Single Audit	500,000
Compact Capital Funds	12,027,677
Infrastructure Maintenance Fund (IMF)	633,036
Kwajalein Environmental Impact Assessment	215,860
Kwajalein Development Fund	2,050,670
Kwajalein Landowners	16,189,500
Trust Fund (Compact Contribution)	9,713,700
	<u>SCHEDULE 9</u>
OTHER REVENUE	12,810,129

APPROPRIATION BILL SCHEDULE	
REPUBLIC OF THE MARSHALL ISLANDS	
Financial Year 2008 Expenditure Budget	
For the Twelve Month Period Ending September 30, 2008	
	FY 2008
	N.D.1
U.S. Federal Grants	7,310,129
Overseas Grants	5,500,000
TOTAL ALL REVENUES	123,332,933