

NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS

29TH CONSTITUTIONAL REGULAR SESSION, 2008

BILL NO: 12ND1

P.L. 2008-4

**A
BILL FOR AN
ACT**

To provide -

- (a) in accordance with Article VIII of the Constitution, for the issue from the Marshall Islands General Fund, including funds provided under the Compact of Free Association, as Amended and other funds, of a total sum of **\$124,505,579** to meet the expenditures of the Government for the Financial Year 2009, and to appropriate sums to program areas; and
- (b) for a Contingencies Fund in accordance with Section 9 of Article VIII of the Constitution; and
- (c) for contingent appropriation of amounts that may be received in the future; and
- (d) for delegation of expenditures approval under Section 5 of Article VIII of the Constitution; and
- (e) for controls on reprogramming and transfer of funds within appropriation areas; and
- (f) for control on specific expenditures.

BE IT ENACTED BY THE NITIJELA OF THE REPUBLIC OF THE MARSHALL ISLANDS:

Section 1. Short Title.

This Act may be cited as the Appropriations (Financial Year 2009) Act, 2008 and shall be deemed to have come into effect on 1 October, 2008.

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

2 It is the intention of the Government of the Republic of the Marshall Islands to enact and
3 implement a national budget for the whole of the Financial Year 2009 as provided in the FY
4 2009 Budget Statement attached as **Appendix A.**

5

6 Section 3. **Interpretation.**

7 In this Act:

8 (1) “program area” means program areas set out in Schedules 1 to Schedule 4 as indicated by
9 the headings in those schedules.

10 (2) “unanticipated income” means any money, not being loan money, that:

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

13 (b) has not been specifically included in the budget estimates for the Financial Year,
14 which the Cabinet is satisfied should, in the interests of the Republic of the
15 Marshall Islands, be expended, in whole or in part, before the expenditures could
16 reasonably be authorized by an Appropriation Act or a Supplementary
17 Appropriation Act.

18

19 Section 4. **Appropriations from the Marshall Islands General Fund**

20 (1) **Total Appropriation.**

1 The sum of **\$33,249,896** is hereby appropriated, and may be withdrawn from the
2 Marshall Islands General Fund and expended pursuant to Article VIII of the Constitution
3 for program areas as set out in Schedule 1.

4 (2) **Compact Funds.**

5 All Funds provided under the Compact of Free Association, as Amended, in the amount
6 **\$71,895,516** shall be credited to the General Fund and shall be appropriated in
7 accordance with the relevant provisions and Schedule 2 of this Act.

8 (3) **Restrictions on Reprogramming of Compact Funds.**

9 Fund received under the Compact of Free Association, as Amended shall not be
10 transferred to any other activity, or reprogrammed or expended for any purpose during
11 the Financial Year other than the permissible uses of those funds as provided for in the
12 Compact of Free Association as Amended and its Subsidiary Agreements.

13 (4) **Lapse of Compact Funds.**

14 All moneys received under the Compact of Free Association, as Amended and
15 appropriated herein shall not lapse at the end of the Financial Year, but shall continue
16 until either the purpose of the appropriation is completed or funds are expended,
17 whichever occurs first.

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

1 contractor determine that such entity or organization has taken necessary corrective
2 action to render such books, accounts and financial records in an auditable condition to
3 permit a financial audit to proceed.

4
5 **Section 5. Appropriation of U.S. Agency and other Foreign Grants.**

6 (1) The sum of **\$19,360,168** (being the total amount of special U.S. Federal Agency and
7 other Foreign Grants including capital grants from the Republic of China) is appropriated
8 and may be withdrawn from the Marshall Islands General Fund pursuant to Article VIII
9 of the Constitution, for program areas in accordance with Schedules 4 and 5, during the
10 Financial Year.

11 (2) The amounts set out in Schedules 4 and 5 are not available for expenditure as
12 reprogrammed expenditure under Article VIII Section 7 of the Constitution, except as
13 authorized by or under the agreements with the donor nation and/or institution.

14 (3) The appropriation made by Subsection (1) shall not lapse, except those made under the
15 capital grant allocations from the Republic of China, at the end of the Financial Year, but
16 shall continue until either the grant expires or the funds are expended, whichever occurs
17 first.

18
19 **Section 6. Funding of the Office of the Auditor General and the Office of the Project**
20 **Management Unit (PMU)**

21 (1) The Secretary of Finance shall withhold and deposit in the special account in the
22 Marshall Islands General Fund, 0.6 percent of all amounts appropriated in Schedules 1

1 and 5, and the sum so withheld and deposited may be withdrawn and expended by the
2 Auditor-General in accordance with the budget approved for his/her office by the
3 Cabinet, for the operations and activities of his/her office.

- 4 (2) The Secretary of Finance shall withhold and deposit in a special account that is part of the
5 Compact Capital Funds, 8.0 percent or \$400,000 (whichever amount is less) of any
6 amounts specified under the Compact Capital Funds appropriated in Schedule 2, and the
7 sum so withheld and deposited may be withdrawn and expended by the Project
8 Management Unit (Ministry of Public Works) in accordance with the budget approved by
9 the Cabinet, for the operations and activities of the Project Management Unit.

10
11 Section 7. Contingencies Fund.

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

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

19
20 Section 8. Unanticipated Income.

21 Where, during the Financial Year, an amount of unanticipated income is received by the
22 Government for a specified program area, otherwise than as set out in Section 7 (2), that amount

1 is appropriated for the corresponding program area in Schedules as the case may be, and the
2 amount of the appropriation for that program area is increased accordingly.

3

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

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

8

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

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

- 12 (a) on the effective date of the next Appropriation Act or Supplementary
13 Appropriation Act enacted after the date referred to in Subsection (1); or
14 (b) on the adoption of a Resolution to that effect by the Nitijela, whichever occurs
15 first.

16

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

18 (1) For the purposes of Article VIII, Section 5 (1) of the Constitution, the authority to
19 approve expenditure in a program area in accordance with Schedules 2-5 is hereby
20 delegated to:

- 21 (a) The member of the Cabinet primarily responsible for that program area and;
22 (b) If the responsible member of the Cabinet so directs by instrument in

1 writing, and subject to any limitations imposed by the instrument and to
2 general control by the member, an appropriate person, authority, or agency.

3 (2) The Chief Justice of the High Court is hereby vested with the authority to approve
4 expenditure of the Judiciary Fund in accordance with the provisions of 27 MIRC
5 Chapter 1.

6 (3) Any expenditure otherwise than in accordance with Schedule 1, 2, 3 , 4 and 5 shall
7 require the approval of the Cabinet in accordance with Article VIII, Section 5(1) of the
8 Constitution.

9
10 **Section 12. Reprogramming of Funds.**

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

13
14 **Section 13. General.**

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

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

21 (3) Gross Revenue Tax of 3% on all Government contracts will be withheld by the Ministry
22 of Finance at the time of payment, and credited against the contractor's liability to pay

1 gross revenue tax for the period of the payment. The contractor is still required to file a
2 tax for return for the period.

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

7 (5) No funds appropriated under this Act shall be released to any Local Government,
8 statutory corporation or agency whose financial records have not been auditable for the
9 past two preceding fiscal years, until such Local Government, statutory corporation or
10 agency has taken the necessary steps to render such records auditable, or provides a full
11 and complete report of its expenses to Cabinet.

12
13 **Section 14. Special Revenue Fund.**

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

17
18 **Section 15. Effective Date.**

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

CERTIFICATE

I hereby certify:

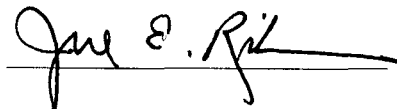
- (1) That Nitijela Bill No: 12^{N.D.1} was passed by the Nitijela of the Republic of the Marshall Islands on the 17th day of September, 2008; and
- (2) That I am satisfied that Nitijela Bill No.: 12^{N.D.4} was passed in accordance with the relevant provisions of the Constitution of the Republic of the Marshall Islands and the Rules of Procedures of the Nitijela.

I hereby place my signature before the Clerk this 29th day of September, 2008.

Attest:



Hon. Jurelang Zedkaia
Speaker
Nitijela of the Marshall Islands



Joe E. Riklon
Clerk
Nitijela of the Marshall Islands

APPROPRIATION BILL SCHEDULE	
REPUBLIC OF THE MARSHALL ISLANDS	
Financial Year 2009 Expenditure Budget	
For the Twelve Month Period Ending September 30, 2009	
	FY 2009
	SCHEDULE 1
RECURRENT GENERAL APPROPRIATIONS	
10 - PRESIDENT & CABINET	1,878,719
Office of the President	392,098
President & Ministers	589,985
Cabinet Operations	437,051
Customary Law Commission	175,399
RMI/USP Joint Secondary Education Project	224,000
National Training Council	60,186
11 - CHIEF SECRETARY	669,963
Administration	210,448
Deputy Chief Secretary-Ebeye	92,526
EPPSO	229,338
OEPPC	94,001
Disaster Office	43,650
12 - SPECIAL APPROPRIATION	6,147,614
Land Leases	578,000
Lease Housing	233,000
Marshall Islands Visitors Authority	150,000
Centralized Water Bills	100,000
International Subscriptions/Membership Fees	351,463
Copra Price Stabilization Subsidy (Tobolar)	500,000
ADB Loan Repayment	1,005,097
Constitution Day	50,000
Marshall Islands Shipping Corporation	1,000,000
Alele Corporation	64,817
Nuclear Claims Tribunal	100,000
Ebeye Public Works	250,000
Outer Island Development Projects	240,305
National Energy Support Account	1,524,932
13 - COUNCIL OF IROIJ	407,337
Council of Iroj - Administration	81,793
Council of Iroj Members	325,544
31 - NITIJELA	1,684,932
Nitijela Operation	549,394
General Membership	965,710

APPROPRIATION BILL SCHEDULE	
REPUBLIC OF THE MARSHALL ISLANDS	
Financial Year 2009 Expenditure Budget	
For the Twelve Month Period Ending September 30, 2009	
	FY 2009
Speaker's Contingency	54,400
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	2,572,184
Administration	631,219
Compact Office	382,954
Washington DC Embassy	367,041
USAKA LNO	85,384
Honolulu Office	142,531
RMI UN Mission - New York	205,594
Tokyo Embassy	280,274
Taipei Embassy	186,124
Fiji Office	137,913
Arkansas Consulate	153,150
17 - PUBLIC SERVICE COMMISSION	467,062
Public Service Commission	93,385
PSC Administration	373,677
18 - JUDICIARY	957,229
General Courts	690,975
Traditional Rights Court	135,293
Community Court	79,956
Judicial Service Commission	1,005
Judicial Fund	50,000
19 - ATTORNEY GENERAL	827,961
Attorney General Office	623,330
Immigration-Majuro	150,862
Immigration-Ebeye	53,769
20 - HEALTH	3,059,851
Majuro Administration	432,439
Health Planning & Statistics	145,549
Majuro Hospital Operation	1,109,834

APPROPRIATION BILL SCHEDULE	
REPUBLIC OF THE MARSHALL ISLANDS	
Financial Year 2009 Expenditure Budget	
For the Twelve Month Period Ending September 30, 2009	
	FY 2009
Primary Health Care Admin	121,281
Youth Adolescent Health	16,632
Population Activities & Family Planning	52,341
Human Services	9,547
Outer Island Dispensaries	371,068
Dental Services - Majuro	301,160
Ebeye Hospital Services	500,000
ENVIRONMENTAL PROTECTION AUTHORITY	202,480
EPA Administration	202,480
21 - EDUCATION	4,148,459
College of the Marshall Islands	2,000,000
Scholarship Board	173,223
MOE Administration	630,895
National Standards Office/Policy & Planning	238,492
Elementary Instructional & Support Services	109,373
Vocational Education	84,538
Property Maintenance	330,668
National Band	96,927
MOE Curriculum, Instructions, & Assessment	484,343
22 - TRANSPORTATION & COMMUNICATION	689,238
Office of the Secretary	310,081
Communication	152,837
Directorate of Civil Aviation	226,320
23 - RESOURCES & DEVELOPMENT	705,996
R & D Administration	181,618
Agro-Forestry	235,723
Trade & Investment	160,295
Renewable Energy Office	75,280
RMI Commercial Office (Hawaii)	53,080
24 - INTERNAL AFFAIRS	2,385,447
Administration Office	448,827
Historic Preservation Act	46,524
Land & Surveys	115,704
Local Government Affairs	139,171
Local Government Fund	396,620
Grant in Aid	242,000
Community Development	101,958

APPROPRIATION BILL SCHEDULE	
REPUBLIC OF THE MARSHALL ISLANDS	
Financial Year 2009 Expenditure Budget	
For the Twelve Month Period Ending September 30, 2009	
	FY 2009
Youth Bureau	77,190
Women in Development	75,356
Sports & Recreation	190,911
Volunteer Program	29,139
Electoral Administration	103,091
National Elections	33,846
V7AB Radio Station	207,306
Identification Division/ID Cards	41,243
Registrar's Office	46,285
Print Shop	37,352
Central Adoption Administration	52,924
25 - JUSTICE	2,899,954
Public Defender - Majuro	274,504
Public Safety - Majuro	1,566,497
Public Safety - Ebeye	468,791
Sea Patrol	505,513
Land Registration	84,649
26 - FINANCE	1,946,939
Secretary's Office	67,824
Accounting & Administration	321,819
EDP/Information Technology	114,015
Revenue Division Majuro	258,272
Custom Division	252,728
Treasury Division	117,042
Budget and Office of International Development and Assistance	230,783
Single State Agency	64,141
Procurement & Supply Division	196,676
Ebeye - Finance	108,276
Ebeye Revenue/Custom Office	90,138
Banking Commissioner	125,225
28 - PUBLIC WORKS	1,142,787
Operation & Maintenance - Majuro	383,077
CGMA	463,726
Outer Islands Projects	132,552
YFU 82	163,432
TOTAL GENERAL FUND RECURRENT EXPENDITURES	33,249,897
COMPACT SECTORAL GRANTS	SCHEDULE 2

APPROPRIATION BILL SCHEDULE	
REPUBLIC OF THE MARSHALL ISLANDS	
Financial Year 2009 Expenditure Budget	
For the Twelve Month Period Ending September 30, 2009	
	FY 2009
15 - AUDITOR GENERAL	500,000
Single Audit	500,000
20 - HEALTH	7,040,240
Majuro Atoll Waste Company	325,000
MOH Utility	982,891
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)	1,743,289
21 - EDUCATION	11,728,557
College of the Marshall Islands (Compact Designated)	1,125,000
MOE Lease Housing	300,000
MOE Administration	1,343,936
Scholarship Board	600,000
National Standard Office/Policy Planning	97,500
MOE Curriculum Instructions and Assessment	45,750
Elementary Support Services	20,000
Middle School	437,857
Elementary Education - Uliga Elementary School	262,354
Elementary Education - Rita	335,801
Elementary Education - Delap	305,855
Elementary Education - Ajeltake	126,898
Elementary Education - Woja	104,971
Elementary Education - Laura	178,430
Elementary Education - Rairok	260,972
Elementary Education - Ejit	29,842
Elementary Education - Ebeye	487,745
Elementary Education - Outer Islands	2,376,720
Vocational Education Secondary	13,600
Secondary Education - MIHS	1,048,740
Laura High School	268,467
Secondary Education - JHS	482,966

APPROPRIATION BILL SCHEDULE	
REPUBLIC OF THE MARSHALL ISLANDS	
Financial Year 2009 Expenditure Budget	
For the Twelve Month Period Ending September 30, 2009	
	FY 2009
Northern Island High School	414,232
Kwajalein Atoll High School	328,599
Aid to Private School	400,000
MOE Property & Maintenance	332,322
EBEYE SPECIAL NEEDS	1,792,845
Ebeye Special Needs (MOE)	1,692,845
Ebeye Special Needs (Scholarship)	100,000
SUPPLEMENTAL EDUCATION GRANT (SEG)	6,100,000
Elementary Text books	335,000
Elementary Supplies, Materials and Instructional Aids	56,831
Secondary textbooks	150,000
Secondary Supplies, Materials and Instructional Aids	121,084
Instructional Service Center	80,000
Early Childhood Education	1,784,375
Music and Art Program	40,000
Close-up program	40,000
School enrichment program	121,018
Food program	368,325
High School Practicum Program	30,000
National Training Program	476,004
National Vocational Technical Institute	423,651
Adult Education and Literacy (CMI)	100,000
National Scholarship Board	679,000
Substitute teachers	99,367
Contractual services for program development	60,000
World teach and Dartmouth	410,000
Professional Development	391,286
School accreditation	6,726
Transportation	184,607
ENVIRONMENTAL SECTOR	228,138
Kwajalein Environmental Impact Assessment	228,138
PUBLIC SECTOR CAPACITY BUILDING	425,000
Office of Compact Implementation	300,000
Ministry of Finance FMIS Upgrade	100,000
ECO Update/Stats	25,000
TOTAL COMPACT DESIGNATED	29,558,069

APPROPRIATION BILL SCHEDULE	
REPUBLIC OF THE MARSHALL ISLANDS	
Financial Year 2009 Expenditure Budget	
For the Twelve Month Period Ending September 30, 2009	
	FY 2009
COMPACT CAPITAL FUND	12,047,382
College of the Marshall Islands	5,000,000
Majuro Hospital	1,000,000
Elementary and High School Projects	4,325,013
Majuro Atoll Waste Company	120,000
National Energy Capital Projects	1,000,000
Infrastructure Maintenance Fund	602,369
OTHER COMPACT DESIGNATED	30,290,065
Kwajalein Landowners	17,110,328
Kwajalein Development Fund	1,817,308
Kwajalein Development Fund - KAJUR	350,000
Compact Disaster Grant	228,138
Compact Trust Fund	10,784,291
TOTAL COMPACT EXPENDITURE	71,895,516
	<u>SCHEDULE 3</u>
SPECIAL REVENUE EXPENDITURE	6,784,090
Health Care Fund	5,977,000
Ministry of Internal Affairs	40,432
Ministry of Justice	150,000
National Training Council	174,631
Marshall Islands Postal Service Authority	359,492
Sea Patrol	82,534
	<u>SCHEDULE 4</u>
U.S. FEDERAL GRANTS EXPENDITURE	7,326,078
MoH Federal and Other Grants	4,427,464
MoE Federal Grants	1,677,186
CMI Federal Grant	1,100,820
4-Atoll Feeding Program	54,173
MIA Federal Grants	66,435
	<u>SCHEDULE 5</u>
OTHER DONOR	
ROC PROJECTS EXPENDITURE	5,250,000
Disaster Matching	228,138
Outer-Island Runway Renovation	349,000
MIDB Rural Development Programs (MOU w/ MIDB)	250,000
Infrastructure Capital Maintenance Fund (Compact Matching)	602,369

APPROPRIATION BILL SCHEDULE	
REPUBLIC OF THE MARSHALL ISLANDS	
Financial Year 2009 Expenditure Budget	
For the Twelve Month Period Ending September 30, 2009	
	FY 2009
RMI -USP MoU	50,000
MIVA	100,000
Micronesia Legal Services	100,000
ADB Loan Repayment (capital projects)	1,279,153
Prior Year Liabilities	487,024
Nitijela Renovation Projects	50,000
Marshall Shipping Corporation Ship Repairs	75,000
Air Marshall Islands Subsidy	100,000
National Energy Support Account	1,399,316
Majuro Court House Renovation Projects	80,000
RMI Overseas Renovation Projects	100,000
TOTAL ALL EXPENDITURES	124,505,579
REVENUES	<u>SCHEDULE 6</u>
GENERAL FUND	33,249,896
Marshallese Income Tax	6,049,432
Expat Income Tax	4,505,974
Business Gross Revenue Tax	4,662,307
Non-resident Business Gross Income Tax	132,875
CMI Tax	1,340,455
Import Tax	6,639,954
Hotel & Resort Tax	56,832
Fuel Tax	483,898
Immovable Property Tax	484,095
Penalties and Interest Charges	137,701
Fishing Rights	2,000,000
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	6,784,089
Health Care Fund	5,977,000
Ministry of Internal Affairs	40,432
Ministry of Justice	150,000
National Training Council	174,631

APPROPRIATION BILL SCHEDULE	
REPUBLIC OF THE MARSHALL ISLANDS	
Financial Year 2009 Expenditure Budget	
For the Twelve Month Period Ending September 30, 2009	
	FY 2009
Marshall Islands Postal Service Authority	359,491
Sea Patrol	82,534
	<u>SCHEDULE 8</u>
U.S. COMPACT REVENUE	71,895,516
Compact Base Grants	19,193,797
Compact Base Grants - Ebeye Special Needs	3,536,134
Compact Special Education Grant (SEG)	6,100,000
Compact Disaster Assistance Matching	228,138
Compact Single Audit	500,000
Compact Capital Funds	11,445,013
Infrastructure Maintenance Fund (IMF)	602,369
Kwajalein Environmental Impact Assessment	228,138
Kwajalein Development Fund	2,167,308
Kwajalein Landowners	17,110,328
Trust Fund (Compact Contribution)	10,784,291
	<u>SCHEDULE 9</u>
OTHER REVENUE	12,576,078
U.S. Federal Grants	7,326,078
Overseas Grants	5,250,000
TOTAL ALL REVENUES	124,505,579