

P. L. 2000-16

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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 and other funds, of a total sum of \$98,258,712 to meet the expenditures of the Government for the Financial Year 2001, 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 expenditure 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 MARSHALL ISLANDS:

Section 1. Short Title.

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1 This Act may be cited as the Appropriations
2 (Financial Year 2000) Act, 2001, and shall be deemed to
3 have come into effect on 1 October, 2000.

4 Section 2. Statement of National Objective.

5 It is the intention of the Government of the
6 Republic of the Marshall Islands to hereby enact and
7 implement a national budget for the whole of the
8 Financial Year 2001.

9 Section 3. Interpretation.

10 In this Act -

11 (1) "program area" means program areas set out
12 in Schedules 1-9 as indicated by the headings in those
13 schedules

14 (2) "unanticipated income" means any money, not
15 being loan money, that -

16 (a) becomes available for expenditure from
17 a source at a time when the Nitijela is not meeting;
18 and

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1 (b) has not been specifically included in
2 the budget estimates for the Financial Year, which the
3 Cabinet is satisfied should, in the interests of the
4 Republic of the Marshall Islands, be expended, in whole
5 or in part, before the expenditure could reasonably be
6 authorized by an Appropriation Act or a Supplementary
7 Appropriation Act.

8 Section 4. Appropriations from the Marshall
9 Islands General Fund.

10 (1) **Total Appropriation.** The sum of
11 \$61,156,647 is hereby appropriated, and may be
12 withdrawn from the Marshall Islands General Fund and
13 expended pursuant to Article VIII of the Constitution
14 for program areas in accordance with Schedule 1,
15 Recurrent Cost, during the Financial Year as provided
16 for in this Section.

17 (2) **Nonrecurrent/Development.** All Capital
18 Account Funds provided under the Compact of Free
19 Association shall be credited to the General Fund.
20 Where the use of such Capital Account Funds represents

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1 a direct charge on the General Fund such funds shall be
2 deemed to be appropriated to the Ministry of Finance or
3 to Debt Service Fund, as appropriate.

4 **(3) Restrictions on Reprogramming of Compact**
5 **Funds.** Funds received and appropriated pursuant to
6 Sections 111, 177, 211, 213, 214, 215, 216, 217, and
7 221 of the Compact of Free Association shall not,
8 during the Financial Year, be transferred to any other
9 activity, or reprogrammed or expended for any purpose
10 other than the permissible uses of those funds as
11 provided for in the Compact of Free Association and its
12 Subsidiary Agreements.

13 **(4) Compact Communications Operation.** All
14 moneys received under Section 215(a)(1) of the Compact
15 of Free Association and appropriated shall not lapse at
16 the end of the Financial Year, but shall continue until
17 either the purpose of the appropriation is completed or
18 funds are expended, whichever occurs first.

19 **(5) Section 216 Compact Funds.**

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1 (a) The appropriation of \$797,400 referred to
2 in Schedule 1 shall be credited to the Scholarship Fund
3 established by the Scholarship Board. The Fund shall
4 be utilized for post secondary programs as authorized
5 by the Cabinet.

6 (b) All monies received under paragraphs
7 216(a)(1), (2), and (3) of the Compact and appropriated
8 shall not lapse at the end of the Financial Year, but
9 shall continue until either the purpose of the
10 appropriation is completed or funds are expended,
11 whichever occurs first.

12 Section 5. Appropriation of U.S. Agency and
13 Other Foreign Grants.

14 (1) Subject to Sections (4) and (6), the sum of
15 \$10,661,881 (being the total amount of special U.S.
16 Agency and other foreign grants) is appropriated and
17 may be withdrawn from the Marshall Islands General Fund
18 pursuant to Article VIII of the Constitution, for
19 program areas in accordance with Schedule 4, during the
20 Financial Year.

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1 (2) The amounts set out in Schedule 4 are not
2 available for expenditure as reprogrammed expenditure
3 under Article VIII Section 7 of the Constitution,
4 except as authorized by or under the agreements with
5 the grantor nation.

6 (3) The appropriation made by Subsection (1)
7 shall not lapse at the end of the Financial Year, but
8 shall continue until either the grant expires or the
9 funds are expended, whichever occurs first.

10 Section 6. Funding of the Office of the
11 Auditor-General.

12 The Secretary of Finance shall withhold and
13 deposit in a special account in the Marshall Islands
14 General Fund, one half of one percent (0.5%) of all
15 amounts appropriated in Schedule 1 and the sum so
16 withheld and deposited may be withdrawn and expended by
17 the Auditor-General in accordance with the budget
18 approved for his/her office by the Cabinet, for the
19 operations and activities of his office.

20 Section 7. Contingencies Fund.

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1 (1) In accordance with Article VIII, Section 9
2 of the Constitution, there is hereby established a
3 Contingencies Fund.

4 (2) The amount of the Contingencies Fund
5 prescribed, for the duration of the Financial Year, for
6 the purposes of Article VIII, Section 9(1) of the
7 Constitution is \$200,000.

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

14 Section 8. Unanticipated income.

15 Where, during the Financial Year, an amount of
16 unanticipated income is received by the Government for
17 a specified program area, otherwise than as set out in
18 Section 7(3), that amount is appropriated for the
19 corresponding program area in Schedules 4, 5 or 6, as

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1 the case may be, and the amount of the appropriation
2 for that program area is increased accordingly.

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

5 When any money to which Section 7(3) or Section
6 9 applies is received, the Minister of Finance shall
7 notify the Cabinet of the receipt of such money, and
8 such money shall not be expended without the approval
9 of the Cabinet.

10 Section 10. Lapsing of Certain Appropriations.

11 Any increase in the amount prescribed for the
12 Contingencies Fund provided for by Section 7(3) ceases
13 and any increase in the amount of an appropriation
14 affected by Section 9 lapses -

15 (a) on the effective date of the next
16 Appropriation Act or Supplementary Appropriation Act
17 enacted after the date referred to in Subsection (1);
18 or

19 (b) on the adoption of a Resolution to that
20 effect by the Nitijela, whichever occurs first.

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1 Section 11. Delegation of Authority to Approve.

2 (1) For the purposes of Article VIII, Section
3 5(1) of the Constitution, the authority to approve
4 expenditure in a program area in accordance with
5 Schedules 1-6 is hereby delegated to -

6 (a) the member of the Cabinet primarily
7 responsible for that program area; and

8 (b) if the responsible member of the
9 Cabinet so directs by instrument in writing, and
10 subject to any limitations imposed by the instrument
11 and to general control by the member, an appropriate
12 person, authority, or agency.

13 (2) Any expenditure otherwise than in
14 accordance with Schedules 1-6 shall require the approval
15 of the Cabinet in accordance with Article VIII, Section
16 5(1) of the Constitution.

17 Section 12. Reprogramming and Transfers Between
18 and Within Program Areas.

19 Before any reprogramming of expenditure between
20 program areas is approved under Article VIII, Section

1 7(1)(b) of the Constitution, the Cabinet shall approve
2 such reprogramming.

3 Section 13. General.

4 (1) In the event the actual receipts into the
5 Marshall Islands General Fund fall short of the total
6 amount appropriated in Schedule 7, 8, 10 and 11, the
7 Cabinet may reduce the amounts appropriated in Schedule
8 1, 4, 5 and 6.

9 (2) All contracts awarded by the Government or
10 associated agencies must comply with the procedures set
11 out in the RMI Procurement Code. Funds will only be
12 released by the Ministry of Finance upon proof of
13 compliance with the code.

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

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

7 Section 14. Special Revenue Fund.

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

12 Section 15. Effective Date.

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

16 CERTIFICATE

17 I hereby certify:

18 (1) that the Nitijela Bill NO. 38 N.D.1 has
 19 been passed by the Nitijela of the Marshall Islands on
 20 the 4th of October, 2000; and

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1 (2)that I am satisfied that Nitijela Bill No.
2 38N.D.1 has been passed in accordance with the
3 Constitution of the Marshall Islands and the Rules of
4 the Nitijela .

5 I hereby place my signature before the Clerk of the
6 Nitijela this 5th day of October , 2000.

7 *A. Tomeing*
8
9 Litokwa Tomeing, Speaker
10 Nitijela of the Marshall Islands

11
12 Attest
13 *Joe E. Riklon*
14
15 Joe E. Riklon
16 Clerk
17 Nitijela of the Marshall Islands
18

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SCHEDULES

REPUBLIC OF THE MARSHALL ISLANDS
FY 2001 Expenditure Budget -
For the twelve month period ending 30 September, 2001

<u>RECURRENT GENERAL APPROPRIATIONS</u>	<u>SCHEDULE 1</u>
PRESIDENT & CABINET	
President & Ministers	577,021.00
Cabinet Operations	317,785.00
Office of the President	87,938.00
Total PRESIDENT & CABINET	982,744.00
CHIEF SECRETARY	
Administration	151,278.00
Planning & Statistics	157,253.00
Disaster Office	28,184.00
Total CHIEF SECRETARY	336,715.00
SPECIAL APPROPRIATION	
Government Electricity Bills	1,206,000.00
Kajur Subsidy-Ebeye	502,500.00
Marshall Islands Visitors Authority	301,500.00
NES	300,000.00
ADB Counterpart Funding	623,100.00
Marshall Islands Resort Inc.	186,911.00
Land Leases	1,106,500.00
MWSCO Subsidy/Water Bills	99,998.00
Range System Engineering	100,500.00
USDA (Farmer's Home) Subsidy	49,999.00
Constitution Day Donation	00.0
R & D Capitol Building Repairs	00.0
Library Subsidy Alele	00.0
Contingencies Fund	201,000.00
Trust Fund/Sinking Fund	100,500.00
International Subscriptions/Membership Fees	351,750.00
FEMA/Disaster Matching	201,000.00
Prior Year Liabilities	00.0
KALGOV Grant	301,500.00
Copra Price Stabilization Subsidy	150,750.00
Government Electric Bills-Ebeye	150,000.00
NTC	90,000.00
MLSC	30,000.00
Total SPECIAL APPROPRIATION	6,666,993.00
COUNCIL OF IROIJ	
Council of Iroij – Administration	54,352.00
Council of Iroij Members	304,022.00
Total COUNCIL OF IROIJ	358,374.00

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AUDITOR GENERAL	
Auditor General	0.00
Total AUDITOR GENERAL	<u>00.0</u>
PUBLIC SERVICE COMMISSION	
Public Service Commission	86,144.00
PSC Administration	736,992.00
Total PUBLIC SERVICE COMMISSION	<u>823,135.00</u>
JUDICIARY	
Judicial Service Commission	\$704.00
General Courts	472,869.00
Community Court	6,543.00
Traditional Rights Court	138,831.00
Legal Aid Fund	50,000.00
Total JUDICIARY	<u>\$668,947.00</u>
ATTORNEY GENERAL	
Attorney General Office	397,924.00
Total ATTORNEY GENERAL	<u>397,924.00</u>
HEALTH & ENVIRONMENT	
Health & Environment Administration	677,680.00
Health Planning & Statistics	16,030.00
Majuro Hospital Operation	2,520,224.00
Ebeye Hospital Operations	316,674.00
Ebeye Health Administration	34,007.00
ADB Counter Fund	0.00
Dental Services – Majuro	134,811.00
Dental Services – Ebeye	79,835.00
Human Services	49,423.00
Human Development & Training	0.00
Youth Adolescent Health	14,176.00
Preventive Services - Administration	40,062.00
Population Activities & Family Planning	36,726.00
Vocational Rehabilitation	0.00
Preventive Services – Ebeye	49,133.00
EPA	192,532.00
Total HEALTH & ENVIRONMENT	<u>4,161,311.00</u>
EDUCATION	
College of the Marshall Islands	463,205.00
Administration – Education	564,369.00
MOE Closeup Foundation	50,250.00
ADB Counter Fund	371,656.00
Elementary Education – Majuro	960,473.00
Elementary Education – Ebeye General Fund	449,989.00
School Improvements/Non-CBGS	1,851,912.00
Vocational Education	89,965.00
Northern Islands High School	84,863.00

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National Standards	48,465.00
Support Services	35,733.00
USP/Secondary Education	199,995.00
Aid to Private Schools	351,750.00
Scholarship Third Country	100,500.00
Personnel	200,000.00
Total EDUCATION	5,623,125.00
TRANSPORTATION & COMMUNICATION	
Office of the Secretary Transportation & Communication	462,021.00
Total TRANSPORTATION & COMMUNICATION	462,021.00
RESOURCES & DEVELOPMENT	
R & D Administration	105,497.00
Agro – Forestry	100,217.00
Energy Office	24,236.00
MIDA	80,075.00
Trade and Investment	100,420.00
Jeljelatai Ship	142,470.00
Total RESOURCES & DEVELOPMENT	552,915.00
INTERNAL AFFAIRS	
Administration (1A)	386,020.00
Social Welfare	0.00
Community Development	53,528.00
Youth Bureau	20,408.00
Women in Development	44,042.00
Sports & Recreation	143,261.00
Administration (Electoral)	65,761.00
Elections (Electoral)	60,413.00
Local Government Affairs	172,259.00
Grant in Aid	340,695.00
Lib/Historic Preservation	40,100.00
Registrar Office	22,147.00
Language Commission	19,742.00
ID Cards	13,114.00
Peace Corps (Japan)	4,422.00
National Archives	24,718.00
Historic Preservation Act	37,178.00
Historic	0.00
Total INTERNAL AFFAIRS	1,447,808.00
JUSTICE	
Public Defender – Majuro	178,868.00
Public Safety – Majuro	988,393.00
Public Safety - Ebeye	225,898.00
Sea Patrol	39,214.00
Total JUSTICE	1,432,373.00
FINANCE	
Banking Commissioner	30,664.00
Finance Office – Majuro	459,099.00
Finance Office - Ebeye	57,907.00

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Total Grants

10,661,881.00

Total All Revenue

98,258,712.00

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P.L. 2000-16**REVENUES****SCHEDULE 6****GENERAL FUND**

Compact Funding – Section 211	1,144,100.00
Anticipated Overseas Support	5,000,000.00
Fees and Charges	330,000.00
Fishing Rights	4,350,000.00
Fuel Tax	253,500.00
Gross Revenue Tax	3,249,700.00
Import Tax	4,072,114.00
Income Tax	8,536,610.00
Interest and Dividends	280,000.00
Interest Income - MIMRA	0.00
T & C - Receivable	0.00
MIDB - Receivable	0.00
Other Revenue	750,397.00
Penalties and interest Charges	50,000.00
Sale of Assets	0.00
Ship Registry	1,250,000.00
Total Fund 100	29,266,421.00

SPECIAL REVENUE FUNDS**SCHEDULE 7**

Local Government Trust Fund	339,000.00
Justice	75,000.00
National Training Council	100,000.00
Postal Service	260,000.00
Total Special Revenue	774,000.00

U.S. COMPACT FUNDS**SCHEDULE 8**

Section 211-Current	1,144,100.00
Section 211-Capital	10,855,910.00
Section 213	1,900,000.00
Section 214(a)	2,000,000.00
Section 215	300,000.00
Section 216	1,700,400.00
Section 217	11,556,000.00
Section 221(b) Block grant	3,000,000.00
Section 211 KADA & Kwajalein	7,100,000.00
Trust/Tribunal & Health Fund	18,000,000.00
Compact Funds	57,556,410.00

OTHER GRANTS**SCHEDULE 9**

U.S. Grants	6,661,881.00
ADB Loan	4,000,000.00

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EDP Division	46,056.00
Revenue Office – Majuro	235,081.00
Revenue Office – Ebeye	56,160.00
Drug Enforcement Office	0.00
Procurement & Supply	108,547.00
Aid Monitoring/Development Unit	147,255.00
Total FINANCE	1,140,769.00

FOREIGN AFFAIRS

Foreign Affairs	406,382.00
Immigration – Ebeye	25,356.00
Usaka Lno	92,450.00
Majuro Immigration	68,410.00
Washington Office	318,809.00
RMI UN Office – New York	176,780.00
Fiji Office	130,911.00
Tokyo Embassy	181,935.00
Taipei Embassy	168,247.00
Honolulu Office	108,535.00
Compact Review	191,955.00
Total FOREIGN AFFAIRS	1,869,770.00

PUBLIC WORKS

OMIP Matching Fund	00.0
Outer Islands Projects – LCU	244,488.00
Operation & Maintenance – Majuro	468,166.00
CGMA	370,769.00
Total PUBLIC WORKS	1,083,423.00

NITIJELA

Nitijela Operation	217,643.00
General Membership – Nitijela	844,879.00
Speaker's Contingency	55,476.00
Committee Expense only – Nitijela	110,075.00
Legislative Counselor's	0.00
Total NITIJELA	1,228,073.00

Total General Fund Recurrent Cost**29,266,421.00****COMPACT DESIGNATED**

EDUCATION	\$1,797,000.00
HEALTH & ENVIRONMENT	1,734,600.00
SEA PATROL – 216A1	371,400.00
SECTION 216 – EDUCATION SCHOLARSHIP FUND	797,400.00
TRANSFER IN SEC 211 CURRENT	1,144,100.00
TRANSPORTATION & COMMUNICATION and V7AB	
Office of the Sec T & C	150,000.00
V7AB	150,000.00
Total TRANSPORTATION & COMMUNICATION and V7AB	\$300,000.00

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TRUST/TRIBUNAL & HEALTH FUND	18,000,000.00
Total COMPACT DESIGNATED RECURRENT	\$24,144,500.00
¹ KWAJALEIN LAND OWNER TRUST FUND	
Current – Section 211	\$4,260,000.00
Current – Section 211	1,900,000.00
Inflation Impact – Section 217	2,300,400.00
Total KWAJALEIN TRUST FUND	8,460,400.00
Total RECURRENT COSTS	\$61,871,321.00
<u>NON-RECURRENT DEVELOPMENT</u>	<u>SCHEDULE 2</u>
KADA	
Capital-KADA – Section 211	\$2,840,000.00
Inflation-KADA Section 217	1,533,600.00
Total KADA	\$4,373,600.00
<u>PRIOR YEAR APPROPRIATIONS</u>	<u>SCHEDULE 3</u>
DEBIT SERVICE	
Energy – Section 214	\$2,000,000.00
Capital – Section 211	10,855,910.00
Inflation – Section 217	7,722,000.00
Total DEBT SERVICE	\$20,577,910.00
<u>GRANTS</u>	<u>SCHEDULE 4</u>
AUDITOR GENERAL	600,000.00
CHIEF SECRETARY O. Is Water Catchment	632,081.00
EDUCATION	3,305,000.00
FINANCE – Y2K GRANT	0.00
HEALTH AND ENVIRONMENT	6,034,800.00
INTERNAL AFFAIRS	60,000.00
JUSTICE	30,000.00
PUBLIC WORKS	0.00
RESOURCES & DEVELOPMENT	0.00
Total GRANTS	10,661,881.00
<u>SPECIAL REVENUE</u>	<u>SCHEDULE 5</u>
LOCAL GOVERNMENT TRUST FUND	\$339,000.00
JUSTICE	75,000.00
NATIONAL TRAINING COUNCIL	75,000.00
POSTAL SERVICE	260,000.00
Total SPECIAL REVENUE	\$774,000.00
Total All Expenditure	98,258,712.00