

1 **NITIJELA OF THE MARSHALL ISLANDS**

2
3 **24th CONSTITUTIONAL REGULAR SESSION, 2003**

BILL NO: 131ND1

4
5 P.L. 2003-105

6
7 **AN ACT**

8
9 To provide -

10 (a) in accordance with Article VIII of the Constitution, for the issue from the
11 Marshall Islands General Fund, including funds provided under the Compact of Free Association,
12 as Amended, grants and other funds, of a total sum of **US \$108,627,669** to meet the expenditures
13 of the Government for the Financial Year 2004, and to appropriate sums to program areas; and

14 (b) for a Contingencies Fund in accordance with Section 9 of Article VIII of the
15 Constitution; and

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

17 (d) for delegation of expenditure approval under Section 5 of Article VIII of the
18 Constitution; and

19 (e) for controls on reprogramming and transfer of funds within appropriation
20 areas; and

21 (f) for control on specific expenditures.

22 **BE IT ENACTED BY THE NITIJELA OF THE MARSHALL ISLANDS:**

23 **Section 1. Short Title.**

24 This Act may be cited as the Appropriations (Financial Year 2004) Act, 2003, and shall
25 be deemed to have come into effect on 1 October, 2003.

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

27 It is the intention of the Government of the Republic of the Marshall Islands to
28 hereby enact and implement a national budget for the whole of the Financial Year 2004.

29 **Section 3. Interpretation.**

P.L. 2003-105

In this Act -

(1) "program area" means program areas set out in Schedules 2, 3 and 4 as indicated by the headings in those schedules

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

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

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

Section 4. Appropriations from the Marshall Islands General Fund.

(1). General Fund Appropriation. The sum of \$30,795,861 is hereby appropriated, and may be withdrawn from the Marshall Islands General Fund and expended pursuant to Article VIII of the Constitution for program areas as set out in schedules 2, (attached herewith).

(2) Compact Funds; All Funds provided under the Compact of Free Association as Amended, in the amount of \$57,700,000 shall be credited to the General Fund and shall be appropriated in accordance with the relevant provisions and schedules of this Act.

(3) Restrictions on Reprogramming of Compact Funds. Funds received under the Compact of Free Association as Amended, shall not, during the Financial Year, be transferred to

P.L. 2003-105

1 any other activity, or reprogrammed or expended for any purpose other than the permissible uses
2 of those funds as provided for in the Compact of Free Association as Amended and its Subsidiary
3 Agreements.

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

8 (5) Notwithstanding the provisions of any other law or agreement, any entity or
9 organization receiving funds under the Compact of Free Association, or Compact of Free
10 Association as Amended, shall not receive such funding if the Auditor General or its contractors
11 have determined that the books, accounts and financial records of any such entity or organization
12 have not been auditable for the past three preceding fiscal years until such time as the Auditor
13 General or its contractors determine that such entity or organization has taken necessary
14 corrective action to render such books, accounts and financial records in an auditable condition to
15 permit a financial audit to proceed.

16 Section 5. **Appropriation of U.S. Federal Grants and Other Foreign Grants.**

17 (1) The sum of \$15,000,000 (being the total amount of special U.S. Federal
18 Grants and other foreign grants) is appropriated and may be withdrawn from the Marshall Islands
19 General Fund pursuant to Article VIII of the Constitution, for program areas in accordance with
20 Schedule 4, during the Financial Year.

P.L. 2003-105

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

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

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

The Secretary of Finance shall withhold and deposit in a special account in the Marshall Islands General Fund, one half of one percent (0.5%) of all amounts appropriated in Schedule 2 and the sum so withheld and deposited may be withdrawn and expended by the Auditor-General in accordance with the budget approved for his/her office by the Cabinet, for the operations and activities of his office.

Section 7. Contingencies Fund.

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

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

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

Section 8. Unanticipated income.

Where, during the Financial Year, an amount of unanticipated income is received by the Government for a specified program area, otherwise than as set out in Section 7(3), that amount is appropriated for the corresponding program area in Schedules as the case may be, and the amount of the appropriation for that program area is increased accordingly.

Section 9. Notification by Minister

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

Section 10. Lapsing of Certain Appropriations.

Any increase in the amount prescribed for the Contingencies Fund provided for by Section 7(3) ceases and any increase in the amount of an appropriation affected by Section 8 lapses -

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

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

Section 11. Delegation of Authority to Approve.

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

P.L. 2003-105

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

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

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

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

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

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

Section 13. General.

(1) In the event the actual receipts into the Marshall Islands General Fund fall short of the amounts anticipated in the schedules 6, 7, 8 and 9, the Cabinet may make the necessary adjustments to schedules 2, 3 and 4 to accommodate the shortfall.

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

P. L. 2003-105

(3). Gross Revenue Tax of 3% on all Government contracts will be with held by the Ministry of Finance at the time of payment, and credited against the contractors liability to pay gross reveue tax for the period of the payment. The contractor is still required to file a tax return for the period.

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

Section 14. **Special Revenue Funds.**

The sum of \$5,131,808 (total special revenue funds) is deemed appropriated and shall be disbursed in accordance with the provisions of the Acts establishing such special revenue funds. Any moneys in excess of an appropriation made in Schedule 3 (Special Revenue Funds) shall likewise, be expended during the Financial Year only in accordance with the provisions of the Act establishing such Special Revenue Fund.

Section 15. **Effective Date.**

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

CERTIFICATE

I hereby certify that;

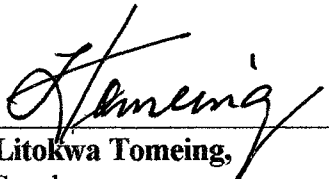
(a) Nitijela Bill No: 131 N.D.1 was passed by the Nitijela on the 30th day

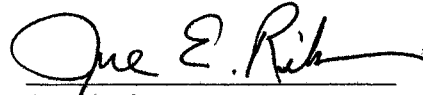
1
2 of September 2003;
3

4 (b) and I am satisfied that Nitijela Bill No. 131 ND was passed in accordance with the
5 relevant provisions of the Constitution of the Republic of the Marshall Islands and the Rules of
6 Procedures of the Nitijela .
7

8 I hereby place my signature before the Clerk of the Nitijela this 1st day of October, 2003.
9

10 Attest:

11
12 
13
14 Litokwa Tomeing,
15 Speaker,
16 Nitijela of the Marshall Islands
17


Joe E Riklon
Clerk
Nitijela of the Marshall Islands

SCHEDULES

REPUBLIC OF THE MARSHALL ISLANDS
FY 2004 Expenditure Budget
For the Twelve Month Period Ending September 30, 2004

SCHEDULE 2

RECURRENT GENERAL APPROPRIATIONS

10 - PRESIDENT & CABINET **1,649,092**

	President & Ministers	577,925
	Cabinet Operations	443,051
	Office of the President	249,116
	Customary Law Commissions	155,000
	RMI/USP Joint Secondary Education Project	224,000

11 - CHIEF SECRETARY **501,491**

	Administration	197,430
	EPPSO	154,063
	OEPPC	80,000
	Disaster Office	69,998

12 - SPECIAL APPROPRIATION **5,759,822**

	Government Electricity Bills - Majuro	244,620
	Government Electric Bills-Ebeye	40,000
	Kajur Subsidy-Ebeye	300,000
	Land Leases	900,000
	Lease Housing	75,202
	MWSCO Subsidy/Water Bills	100,000
	International Subscriptions/Membership Fees	350,000
	Disaster (Compact Matching)	200,000
	Prior Year Liabilities	450,000
	Public Works - Ebeye	350,000
	Copra Price Stabilization Subsidy (Tobolar)	900,000
	ADB Loan Repayment	500,000
	Infrastructure Maintenance (Compact Matching)	700,000
	Silver Anniversary Constitution Day	150,000
	Marshall Islands Visitors Authority	200,000
	Legal Services	100,000
	Rural Development Program (MIDB)	200,000

13 - COUNCIL OF IROIJ**404,801**

	Council of Iroij - Administration	105,368
	Council of Iroij Members	299,433

15 - AUDITOR GENERAL**41,000**

	Auditor General	41,000
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17 - PUBLIC SERVICE COMMISSION**469,137**

	Public Service Commission	92,862
	PSC Administration	376,275

18 - JUDICIARY**901,450**

	Judicial Service Commission	1,005
	General Courts	678,521
	Community Court	79,596
	Traditional Rights Court	142,328

19 - ATTORNEY GENERAL**818,003**

	Attorney General Office	742,674
	Immigration-Ebeye	19,371
	Immigration-Majuro	55,958

20 - HEALTH**2,325,480**

	Majuro Administration	578,895
	Health Planning & Statistics	145,549
	Majuro Hospital Operation	1,205,728
	Dental Services - Majuro	262,520
	Youth Adolescent Health	22,512
	Human Services	64,141
	Population Activities & Family Planning	46,135

ENVIRONMENTAL PROTECTION AUTHORITY**32,368**

	EPA	32,368
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21 - EDUCATION**2,748,141**

	Administration - Education	507,574
	Elementary School - Majuro	500,000
	Elementary School - Ebeye	500,000
	College of the Marshall Islands	659,126
	Aid to Private Schools	344,313
	Food Service	147,848
	Development Staff	38,894
	World Teach	20,000
	National Vocational Technology Institute	26,331
	Property Maintenance	4,055

22 - TRANSPORTATION & COMMUNICATION**2,527,141**

	Office of the Secretary	534,105
	Directorate of Civil Aviation	185,223
	All Ships' Operation	583,924
	Landing Crafts	112,315
	MV Boken Ieb	124,789
	MV Litakboki	195,287
	MV Landrik	194,491
	MV Ribuke Ae	186,586
	MV Jabake	153,261
	MV Jeljelat Ae	136,560
	MV Mercy K	120,600

23 - RESOURCES & DEVELOPMENT**633,178**

	MIDA Operation/Administration	86,082
	R & D Administration	307,874
	Agro - Forestry	153,066
	Energy Office	86,156

24 - INTERNAL AFFAIRS**2,598,608**

	Administration Office	343,849
	Community Development	94,040
	Youth Bureau	62,491
	Women in Development	67,380
	Sports & Recreation	126,985
	Administration (Electoral)	86,022
	National Elections	392,000
	V7AB Radio Station	257,100

	Local Government Affairs	141,166
	Grant in Aid	246,620
	Library/Historic Preservation	40,100
	Registrar's Office	45,880
	Language Commission	19,899
	ID Cards	36,721
	Volunteer Program	29,139
	Land & Surveys	95,882
	National Archives	24,717
	Historic Preservation Act	40,019
	Print Shop	51,978
	Local Government Fund	396,620

25 - JUSTICE

2,465,469

	Public Defender - Majuro	263,900
	Public Safety - Majuro	1,339,615
	Public Safety - Ebeye	423,045
	Sea Patrol	438,909

26 - FINANCE

1,626,621

	Banking Commissioner	109,855
	Secretary's Office	56,000
	Accounting & Administration	396,868
	Budget and Procurement	386,434
	Treasury, Custom, Revenue & Taxation	401,934
	Ebeye - Finance	245,530
	Postal Office	30,000

27 - FOREIGN AFFAIRS

2,479,852

	Honolulu Office	142,779
	Administration	528,843
	USAKA Lno	85,000
	Washington Office	411,235
	RMI UN Mission - New York	229,591
	Fiji Office	165,123
	Taipei Embassy	197,484
	Tokyo Embassy	237,160
	Korea	79,202
	Compact Negotiations	403,435

28 - PUBLIC WORKS**1,215,199**

	Outer Islands Projects	171,877
	Operation & Maintenance - Majuro	414,082
	CGMA	629,240

31 - NITIJELA**1,599,008**

	Nitijela Operation	299,828
	General Membership	943,451
	Speaker's Contingency	87,134
	Committee Expense	196,285
	Legislative Counselors	72,310

TOTAL GENERAL FUND RECURRENT EXPENDITURES**30,795,861****COMPACT DESIGNATED****15 - AUDITOR GENERAL****500,000**

	Single Audit	500,000
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20 - HEALTH**6,894,448**

	Majuro Hospital	2,427,085
	Ebeye Hospital	1,220,687
	Preventive Services - Majuro	86,662
	Preventive Services - Ebeye	54,093
	Public Health - Majuro	363,570
	Public Health - Ebeye	52,114
	Outer Islands Dispensary Services	822,085
	Kwajalein Dispensary	23,704
	Ebeye Special Needs (Health Administration)	38,443
	Ebeye Special Needs (Hospital)	579,780
	Ebeye Special Needs (Dental Services)	81,777
	Ebeye Special Needs (Preventive Services)	100,000

	Ebeye Special Needs (Public Health)	100,000
	Ebeye Special Needs (Kwajalein Dispensary)	100,000
	Lease Housing (Health)	468,000
	Government Electricity Bills	376,448

21 - EDUCATION

10,748,932

	College of Marshall Islands	1,100,000
	Secondary Education - MIHS	1,012,587
	Secondary Education - JHS	403,687
	Northern Island High School	220,971
	Laura High School	143,971
	Elementary Education - Majuro	667,150
	Elementary Education - Ebeye	1,000,000
	Elementary Education - Outer Islands	2,747,519
	Middle School	342,487
	Vocational Education	82,287
	Ebeye Special Needs (CMI Guegueue)	300,000
	Ebeye Special Needs (Elementary School)	500,000
	Ebeye Special Needs (Kindergarden)	200,000
	Ebeye Special Needs (Scholarship)	100,000
	Scholarship	700,000
	Curriculum	425,868
	National Training Council	186,000
	National Standards	103,401
	Sustitute Teachers	100,500
	Support Services	42,504
	Lease Housing (Education)	170,000
	Government Electricity Bills	200,000

ENVIRONMENTAL PROTECTION AUTHORITY

400,000

	EPA Operations	200,000
	MUORA Environmental Impact Assessment	200,000

23 - RESOURCES AND DEVELOPMENT

236,620

	Trade and Investment	136,620
	Tourism Promotion (MIVA)	100,000

25 - JUSTICE**120,000**

	Land Registration	120,000
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TOTAL COMPACT DESIGNATED	18,900,000
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OTHER COMPACT FUNDING**38,800,000**

	Compact Capital Funds (Base Grant)	13,000,000
	Compact Capital Funds (Ebeye Special Needs)	1,000,000
	Compact Capital Funds (Infrastructure Maintenance)	700,000
	Kwajalein Landowners	15,000,000
	Kwajalein Development Fund	1,900,000
	Trust Fund (Compact Contribution)	7,000,000
	Compact Disaster Assistance Matching	200,000

TOTAL COMPACT FUNDING	57,700,000
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SCHEDULE 3**SPECIAL REVENUE EXPENDITURE****5,131,808**

	Health Care	4,000,000
	EPA	67,600
	T & C	466,000
	Justice	228,800
	Education (National Training Council)	104,000
	Finance (Postal Service)	265,408

U.S. FEDERAL GRANTS**SCHEDULE 4****11 - CHIEF SECRETARY****358,868**

	Disaster Preparedness	50,000
	Outer Island Solar System	58,500
	Solid Waste Reduction	109,305
	Infrastructure Data Development	141,063

19 - ATTORNEY GENERAL**104,000**

	Immigration Management System	104,000
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20 - HEALTH**2,536,406**

	Mental Health Data Grant	50,000
	PHHS	100,000
	CMHS	69,000
	Ebeye PBIP (HSHC)	147,406
	Ebeye PBIP (MENTAL)/CHC	345,000
	RYAN White Grant	50,000
	Maternal & Child Health	63,000
	TB & Aids	78,000
	Immunization	121,000
	Sexually Transmitted Disease	134,000
	Family Planning	181,000
	SSDI	98,000
	Diabetes	80,000
	HIV Prevention	130,000
	Bioterrorism Grant	890,000

21 - EDUCATION**4,725,726**

	Special Education	1,770,000
	Workforce Improvement Act	645,000
	21st Century (C.A.R.E.)	897,253
	FASEGP	841,300
	CIMP IDEA B Supplement	80,000
	PVIEP	120,000
	Bilingual/Language Art	97,000
	Career Resources Network	67,000
	BYRD Scholarship	60,000
	Special Feeding Program	54,173
	School Health Program	94,000

23 - RESOURCES AND DEVELOPMENT**20,000**

	Small Business Center Network	20,000
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24 - INTERNAL AFFAIRS**302,000**

	IMLS/Alele	45,000
	Land & Survey	60,000
	HPF Grant	197,000

26 - FINANCE**874,000**

	FMIS Project	400,000
	FMIP Intern	60,000
	Fixed Asset	120,000
	Substance Abuse	294,000

27- FOREIGN AFFAIRS**79,000**

	MOFA Intern	55,000
	Washington Embassy Network Upgrade	24,000

TOTAL FEDERAL GRANTS**9,000,000****SCHEDULE 5****OTHER DONOR****6,000,000**

	Overseas Revenue (ROC)	6,000,000
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TOTAL ALL EXPENDITURES**108,627,669**

REVENUES**SCHEDULE 6****GENERAL FUND****30,795,861**

	Fees and Charges	1,245,425
	Other Grants	4,000,000
	Fishing Rights	2,701,125
	Fuel Tax	300,000
	Gross Revenue Tax	2,500,000
	Import Tax	6,363,050
	Income Tax	11,542,855
	Interest and Dividends	590,875
	Other Revenues	500,000
	Penalties and Interest Charges	52,531
	Ship Registry	1,000,000

SCHEDULE 7**SPECIAL REVENUE FUNDS****5,131,808**

	Health Care Fund	4,000,000
	EPA	67,600
	T & C	466,000
	Justice	228,800
	National Training Council	104,000
	Postal Service	265,408

SCHEDULE 8**U.S. COMPACT FUNDS****57,700,000**

	Compact Base Grant	16,100,000
	Compact Single Audit	500,000
	MUORA Environmental Impact Assessment	200,000
	Compact Capital Funds	13,000,000
	Infrastructure Maintenance Fund	700,000
	Kwajalein Landowners (MUORA)	15,000,000
	KADA Development Fund	1,900,000
	Trust Fund (Compact Contribution)	7,000,000
	Compact Disaster Assistance Matching	200,000
	Ebeye Special Needs	3,100,000

SCHEDULE 9**OTHER GRANTS****15,000,000**

	U.S. Grants	9,000,000
	Overseas Grants	6,000,000

TOTAL ALL REVENUES**108,627,669**