TENTH OLBIIIL ERA KELULAU

Tenth Regular Session, April 2019

AN ACT

To authorize and appropriate $5,054,112 in additional sums from the National Treasury for general operations and capital improvements of the Republic of Palau for the fiscal year ending September 30, 2019; to amend RPPL 10-29, the FY 2019 Unified Budget; to amend Title 40, Chapter 4 to clarify the distribution of the amounts authorized and appropriated for Southwest Islands Field Trips; and for related purposes.

THE PEOPLE OF PALAU REPRESENTED IN THE OLBIIIL ERA KELULAU DO ENACT AS FOLLOWS:

Section 1. Short Title. This Act may be cited as "The Fiscal Year 2019 Supplemental Budget Authorization and Appropriation Act".

Section 2. Amendment. Section 2 of RPPL No. 10-29, as amended, is hereby amended to read as follows:

"Section 2. Executive Branch Operations. The sum of $57,304,000 is authorized for appropriation and the sum of $48,635,000 is hereby appropriated for expenditure and obligation for Fiscal Year 2019 for the purpose of covering the operational and contingent expenses of the Executive Branch. The total amount authorized to be appropriated shall be made up of the following available revenues: The amount of $26,025,000 shall come from local revenues; the amount of $1,463,000 shall come from the Pristine Paradise Environmental Fee (PPEF) allocation for the Palau International Airport operations applied to subsection 7(e); the amount of $6,147,000 shall come from the allocation for direct economic assistance under the 2010 Compact Review Agreement; and the amount of $15,000,000 shall come from the Compact Section 211(f) Trust Fund Investment Account, provided that, if the 2010 Compact Review Agreement is not fully funded by September 30, 2018, up to $9,000,000 may come from the Compact Section 211(f) Trust Fund Investment Account. The total amount authorized for appropriation and that it is hereby appropriated in this section shall be allocated according to the following schedule, respectively:

(2) Office of the Vice President

... 

(b) National Emergency Management Office

$229,000

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(3) Ministry of Finance

(c) Bureau of National Treasury $933,000
(d) Bureau of Budget and Planning $641,000

(h) Bureau of Customs $1,105,000

Sub-Total $4,169,000

(4) Ministry of State

(h) United Nations Representation Office $439,000

(k) Bureau of Domestic Affairs $316,000
(l) Passport Office $237,000

Of the sum that is authorized to be appropriated and is hereby appropriated, $110,000 is earmarked to replenish the passport stock.

(m) International Organizations Obligations $345,000

Sub-Total $4,481,000

(6) Ministry of Education

(d) Bureau of School Administration $7,354,000

Sub-Total $9,066,000

(8) Ministry of Justice

(a) Office of the Attorney General $719,000
(b) Bureau of Immigration & Labor $1,108,000

Of this sum, an additional amount of $46,000, or so much thereof as may be necessary, is hereby earmarked toward the bureau's information
system program enhancements including expanded storage capacity and report writing capacity.

(c) Bureau of Public Safety $3,710,000

Of these funds, $89,000 shall be earmarked for the demolition and renovation of the existing BRT Building per RPPL 10-1 Section 288(c).

The entirety of these earmarked funds shall be non-lapsing.

(d) Bureau of Maritime Security & FWP $1,157,000

...  

(g) Juvenile Justice Program $25,000

Sub-Total $7,069,000

(9) Ministry of Health

...

(b) Bureau of Public Health $1,488,000

Of these funds, $57,000 shall be earmarked for the hiring of an orthopedist.

Of these funds, the sum of $65,000, or so much thereof as may be necessary, shall be earmarked for the Ministry of Health to contract one dentist under the Division of Oral Health and be disbursed in accordance with his or her contract.

...

(g) Bureau of Clinical Services $2,091,000

(h) Bureau of Nursing $2,500,000

Sub-Total $11,154,000

Section 2 Total $48,635,000

...”

Section 3. Amendment. Section 4 of RPPL No. 10-29 is hereby amended to read as follows:

"Section 4. The sum of $6,503,000 is hereby authorized to be appropriated and is hereby appropriated for expenditure or obligation for Fiscal Year 2019 for the
purpose of covering the operational and contingent expenses of the Legislative Branch. The entire amount of funds authorized and appropriated in this section shall come from local revenues. The total authorization and appropriation shall be allocated according to the following schedule:

(1) Senate $2,408,000

...

(4) House of Delegates $2,940,000

(5) Joint Staff $370,000

...

(10) OEK Koror Office Renovation and equipment. $250,000

The entirety of earmarked funds under this subsection shall be non-lapsing.

...

Section 4 Total $6,503,000”

Section 4. Amendment. Section 5 of RPPL No. 10-29 is hereby amended to read as follows:

“Section 5. Boards, Commissions, and Authorities. The sum of $1,382,000 is authorized for appropriation and the sum of $1,236,000 is hereby appropriated for expenditure and obligation for Fiscal Year 2019 for the purpose of funding the operational and contingent expenses of Boards, Commissions and Authorities. The entire amount of funds authorized and appropriated in this section shall come from local revenues. The total authorization and the total appropriation shall be allocated according to the following schedule, respectively:

...

(2) Palau Election Commission $318,000

Of the funds for the Palau Election Commission, the amount of $150,000 or so much thereof as may be necessary, shall be earmarked for the purchase of a new election ballot scanning system.

...

Section 5 Total $1,236,000”
Section 5. Amendment. Section 6 of RPPL No. 10-29 is hereby amended to read as follows:

"Section 6. State Block Grants. The sum of $8,056,000 is hereby authorized to be appropriated and is hereby appropriated for expenditure or obligation for Fiscal Year 2019 for the purpose of State Governments’ operational and capital improvement projects expenses. The entire amount of funds authorized and appropriated in this section shall come from local revenues. The amount authorized for appropriation shall be available for expenditure for operations and CIP projects in accordance with 40 PNC Chapter 22. The total authorization and total appropriation shall be allocated according to the following schedule, respectively:

..."

Section 6. Amendment. Section 7 of RPPL No. 10-29 is hereby amended to read as follows:

"Section 7. Independent Agencies. The sum of $3,887,000 is authorized for appropriation and the sum of $3,887,000 is hereby appropriated for expenditure or obligation for Fiscal Year 2019 as operating grants or subsidies for independent agencies of the National Government. The entire amount of the funds authorized and appropriated in this section shall come from local revenues. The total authorization and appropriation shall be allocated according to the following schedule, respectively:

...

(4) National Postal Service $475,000

Of the funds for the National Postal Service, the amount of $20,000 or so much thereof as may be necessary, shall be earmarked for the completion of the philatelic sales space improvement project including drainage and other rehabilitation works.

(5) Palau Visitors Authority $1,881,000

...

Section 7 Total $3,887,000"
Section 7. **Amendment.** Section 8 of RPPL No. 10-29 is hereby amended to read as follows:

“Section 8. **Other Agencies and Activities.** The sum of $1,891,000 is authorized for appropriation and is hereby appropriated for expenditure or obligation for Fiscal Year 2019 as grants or subsidies for recurring programs and activities. The entire amount of funds authorized and appropriated in this section shall come from local revenues. The total authorization and appropriation shall be allocated according to the following schedule, respectively:

...  
(5) Palau Red Cross $15,000  
...  
Section 8 Total $1,891,000”

Section 8. **Amendment.** Section 9 of RPPL No. 10-29 is hereby amended to read as follows:

“Section 9. **Education Assistance.** The sum of $5,511,000 is hereby authorized to be appropriated and is hereby appropriated for expenditure or obligation for Fiscal Year 2019 to subsidize the educational institutions and scholarship program set forth below. The total amount authorized to be appropriated and that is hereby appropriated in this section shall come from local revenue. The total authorization and appropriation shall be allocated according to the following schedule, respectively:

(1) Palau Community College $2,561,000  
...
(f) PCC Navigation Program Support $50,000  
...
Section 9 Total $5,511,000”

Section 9. **Amendment.** Section 12 of RPPL No. 10-29 is hereby amended to read as follows:

“Section 12. **Road Maintenance Fund.** The amount of $622,000 is hereby authorized to be appropriated and is hereby appropriated for Fiscal Year 2019 for
purposes of the Road Maintenance Fund to be used for the routine and periodic
maintenance of the Compact Road and other national road infrastructure network.
The amount authorized to be appropriated and that is hereby appropriated shall come
from the road use tax collections on all motor vehicles, so long as the actual
expenditures or obligations do not exceed actual revenue receipts during the fiscal year.
Any unexpended or unobligated balance of the appropriation of this section shall not
lapse at the end of the fiscal year.”

Section 10. **Amendment.** Section 15 of RPPL No. 10-29 is hereby amended to
read as follows:

“Section 15. **Oceans Conference 2020.** The amount of $100,000 is hereby
authorized to be appropriated and is hereby appropriated for Fiscal Year 2019 to
provide funding support of preparatory work toward the hosting of the Oceans
Conference in 2020. The entire amount authorized to be appropriated and
appropriated in this section shall come from local revenues. Any unexpended or
unobligated balance of the appropriation of this section shall not lapse at the end of the
fiscal year.”

Section 11. **Amendment.** Section 18 of RPPL No. 10-29 is hereby amended to
read as follows:

“Section 18. **Debt Service.** The sum of $3,812,112 is authorized for
appropriation and that is hereby appropriated for Fiscal Year 2019 for the purpose of
payment of periodic interest and principal payments pursuant to the promissory notes
under the International Commercial Bank of China (“ICBC”) (Taiwan) loan
agreement for the purpose of completion of Phase II of the national capitol construction
project in Melekeok State; Mega International loan agreement for the purpose of
undertaking various improvements to the Palau International Airport; and the Asian
Development Bank (“ADB”) Water Sector Improvement Program (“WSIP”) loan for
various infrastructure and institutional capacity improvement initiatives, and the ADB
Koror-Airai Sanitation Project (“KASP”) loan. The entire amount authorized to be
appropriated and that is hereby appropriated in this section shall come from local
revenues, provided that up to $1,989,112, as available, shall come from environmental
protection fee ("Green Fee") revenues pursuant to 24 PNC § 3413, as amended. Any
unexpended or unobligated balance of the appropriation of this section shall not lapse
at the end of the fiscal year. The total authorization and appropriation amount shall
be allocated to the following schedule:

(1) ICBC Capitol Relocation Project $1,237,000
(2) ICBC PIA Debt Service $561,000
(3) ADB Program Loan (WSIP) $1,317,000
...
(5) ADB Program Loan (KASP) $672,112

This appropriation for the KASP Loan is a one-time appropriation, only for
Fiscal Year 2019, due to the freezing of tariffs by the Olbiil Era Kelulau.
...
Section 18 Total $3,812,112”

Section 12. Amendment. Section 24 of RPPL No. 10-29 is hereby amended to
read as follows:

“Section 24. Pacific Games. The sum of $200,000 is hereby authorized to be
appropriated and is hereby appropriated for expenditure or obligation for Fiscal Year
2019 for the purpose of funding Palau’s participation in the 16th Pacific Games to be
held in Apia, Samoa in July 2019. The entire amount authorized to be appropriated
and appropriated in this section shall come from local revenues.”

Section 13. Palau 25th Independence Day. The sum of $175,000 is authorized
for appropriation and is hereby appropriated for expenditure or obligation for Fiscal
Year 2019 for the purpose of funding Palau’s 25th Independence Day activities and
programs. The entire amount authorized to be appropriated and appropriated in this
section shall come from local revenues and shall not lapse at fiscal year-end.

Section 14. Saipan-Belau Bai Project. The amount of $50,000 is authorized
for appropriation and is hereby appropriated for expenditure or obligation for Fiscal
Year 2019 for the purpose of a contribution toward the construction of the Saipan-
Belau Bai to help match funds raised by the Palauan Community in the CNMI. The entire amount authorized to be appropriated and appropriated in this section shall come from local revenues.

Section 15. *Guam Palauan Community Cultural Center.* The amount of $25,000 is authorized for appropriation and is hereby appropriated for expenditure or obligation for Fiscal Year 2019 for the purpose of a contribution toward Phase II of the construction of the Palauan Community Cultural Center to help match contributions and donations raised by the Palauan Community Association of Guam. The entire amount authorized to be appropriated and appropriated in this section shall come from local revenues.

Section 16. *PCS “Ocean Stewards” Initiative.* The sum of $15,000 is authorized for appropriation and is hereby appropriated for expenditure or obligation for Fiscal Year 2019 to provide funding support for the “Oceans Stewards” initiative to expand outreach to young people across Palau on biodiversity and stewardship. The entire amount authorized to be appropriated and appropriated in this section shall come from local revenues.

Section 17. *Maritime Boundary Task Force.* The sum of $50,000 is authorized for appropriation and is hereby appropriated for expenditure or obligation for Fiscal Year 2019 to provide funding support for the ongoing work and activities of the Maritime Boundary Task Force. The entire amount authorized to be appropriated and appropriated in this section shall come from local revenues and shall not lapse at fiscal year-end.

Section 18. *Ministry of Health Projects.* The sum of $267,000 is authorized for appropriation and is hereby appropriated for expenditure or obligation for Fiscal Year 2019 to fund various facilities improvements and initiatives for the Belau National Hospital and health dispensary. The entire amount authorized to be appropriated and appropriated in this section shall come from the NCD Fund and shall not lapse at fiscal year-end.

(a) BNH Oxygen Plant Improvement & Upgrades $182,000
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(b) SEQUAL Oxygen Concentrator Units $40,000
(c) Portable Dental Unit & Accessories $30,000
(d) Angaur Health Dispensary $15,000

Section 16 Total $267,000

Section 19. **Ministry of Education Projects.** The sum of $213,000 is authorized
for appropriation and is hereby appropriated for expenditure or obligation for Fiscal
Year 2019, contingent on the receipt of construction and other relevant specifications
by the Olbiil Era Kelulau from the Ministry of Education, to undertake roofing repair
and replacement works in various school facilities throughout the Republic. Prioritized
schools include: Aimeliik, Airai, George B. Harris, Koror, Melekeok, Ngaraard,
Ngarchelong, Ngeremlengui, Peleliu, and Palau High School. The entire amount
authorized to be appropriated and appropriated in this section shall come from local
revenues and shall not lapse at fiscal year-end.

Section 20. **Angaur State Boat Engines.** The sum of $60,000 is authorized for
appropriation and is hereby appropriated for expenditure or obligation for Fiscal Year
2019 toward the procurement and installation of twin outboard motors and accessories
for Angaur State. The entire amount authorized to be appropriated and appropriated
in this section shall come from local revenues and shall not lapse at fiscal year-end.

Section 21. **Ngechesar State Docks Improvement Projects.** The sum of $60,000 is
authorized for appropriation and is hereby appropriated for expenditure or obligation
for Fiscal Year 2019 for the purpose of undertaking improvement works including
rip-rap wall construction of the Ngechesar and Ngersuul dock areas. The funds
appropriated herein shall be divided equally between the two hamlets and projects
works shall be undertaken as community projects. The entire amount authorized to be
appropriated and appropriated in this section shall come from local revenues and shall
not lapse at fiscal year-end.

Section 22. **Airai-Aimeliik “Ngerderar Bridge” Waterline Connection.** The sum
of $250,000 is authorized for appropriation and is hereby appropriated for expenditure
or obligation for Fiscal Year 2019, contingent on the receipt, by the Olbiil Era Kelulau,
of all relevant specifications from the Ministry of Public Infrastructure, Industries, and Commerce and an accounting of prior appropriations provided for the “Ngerderar Bridge” Waterline Connection in RPPL 9-44, to provide additional funding to undertake the installation of a waterline from Airai Shell Gas Station to Ngerderar Bridge Area in Aimeliik pursuant to Section 2 §(7)(u) of RPPL 9-34, as amended by RPPL 9-44. The project shall be administered and implemented as a national project by the CIP Office of the Bureau of Public Works in the Ministry of Public Infrastructure, Industry, and Commerce with funding contributions from the states of Aimeliik and Airai. The entire amount authorized to be appropriated and appropriated in this section shall come from local revenues and shall not lapse at fiscal year-end.”

Section 23. Amendment. Section 23 of RPPL 10-29 is amended as follows:

“Section 23. PPUC AFPAC. The sum of $500,000 is hereby authorized to be appropriated and is hereby appropriated for expenditure or obligation for Fiscal Year 2019 for the purpose of covering the Automatic Fuel Price Adjustment Clause (AFPAC) of the Palau Public Utilities Corporation to help reduce the impact of rising fuel prices. The entire amount authorized to be appropriated in this section shall come from local revenues.”

Section 24. Appropriation for Mechesil Belau for Conference Purposes. The sum of $40,000 is authorized for appropriation and is hereby appropriated to Mechesil Belau, for the purpose of funding their expenses relating to attendance and other costs for the Australasian Conference. The entire amount of funds authorized and appropriated in this section shall come from local revenues and shall be non-lapsing.

Section 25. Amendment. Section 34 of RPPL 10-29 is amended as follows:

“Section 34. Aimeliik State Government. The sum of $75,000 is authorized for appropriation and is hereby appropriated for expenditure or obligation for Fiscal Year 2019 to the Aimeliik State Government for use to improve road conditions and in continued road maintenance. The entire amount to be appropriated and appropriated in this section shall come from the Road Maintenance Fund and shall be non-lapsing.”
Section 26. Ngarchelong State Government. The sum of $200,000 is authorized for appropriation and is hereby appropriated for expenditure or obligation for Fiscal Year 2019, contingent on the receipt, by the Olbiil Era Kelulau, of approved plans from the Ngarchelong State Government in compliance with CIP Requirements on capital improvement projects, to the Ngarchelong State Government for use on capital improvement projects approved by the Ngarchelong State Government. The entire amount authorized to be appropriated and appropriated in this section shall come from local revenues and shall be non-lapsing.

Section 27. Melekeok State Government. The sum of $200,000 is authorized for appropriation and is hereby appropriated for expenditure or obligation for Fiscal Year 2019 contingent on the receipt, by the Olbiil Era Kelulau, of approved plans from the Melekeok State Government in compliance with CIP Requirements on capital improvement projects, to the Melekeok State Government for use on capital improvement projects approved by the Melekeok State Government. The entire amount authorized to be appropriated and appropriated in this section shall come from local revenues and shall be non-lapsing.

Section 28. Amendment. Title 40, Chapter 4 of the Palau National Code is hereby amended to include a new section as follows:

“§414. Southwest Island Field Trips/Sonsorol & Hatohobei. The Ministry of State shall allocate any and all funds authorized and appropriated for the purpose of Southwest Island field trips to Snsorol state and Hatohobei state on a “pro rata” basis to cover the costs of at least four (4) joint field trips to Snsorol and Hatohobei states at a rate of one (1) field trip per quarter. The Ministry of State shall coordinate between all national departments and agencies and the Snsorol and Hatohobei State Governments to equitably share costs in a fair manner so that both Snsorol state and Hatohobei state receive four (4) joint trips.”

Section 29. Construction Project in Snsorol State.

The sum of $30,000 is authorized for appropriation and is hereby appropriated for expenditure or obligation for Fiscal Year 2019 to Snsorol State Government for
the construction and associated construction costs, including labor and transportation, of a multi-purpose center that shall be serviceable for various purposes, including but not limited to a typhoon shelter. The entire amount authorized to be appropriated and appropriated in this section shall come from local revenues and shall not lapse at fiscal year-end.

Section 30. Amendment. Section 2(7)(n) of RPPL 9-44 is hereby amended as follows:

"Section 2. Executive Branch Operations. ...

(1) Office of President ...

...

(7) Ministry of Public Infrastructure, Industries and Commerce

(a) ... ...

(n) Waterline between Airai and Aimeliik, administered by CIP $150,000 Funding shall be expended to undertake survey works and develop cost estimates and begin the implementation of the project for the installation of a waterline from Airai Shell Gas Station to Ngerderar Bridge Area in Aimeliik State. Such national appropriation of $150,000 requires a matching fund of $100,000 from Airai State and another $100,000 from Aimeliik State. Upon appropriation of each state’s funds, the Ministry of Public Infrastructure, Industries, and Commerce shall consult with the state leaders and establish a team to begin the project of laying water pipes. This establishes such work as a community and state project. The entire amount authorized to be appropriated and appropriated in this subsection shall come from local revenues. Funds for this appropriation not fully expended in Fiscal Year 2015 shall be non-lapsing."

Section 31. Effective Date. This Act shall take effect upon its approval by the President of the Republic of Palau or upon becoming law without such approval, except as otherwise provided by law.
Passed on: April 23, 2019

Approved this ______ day of ______, 2019.

[Tommy E. Remengesau, Jr.]
President, Republic of Palau