

AN ACT

To enact a budget law for Fiscal Year 2016 through the authorization of the sum of \$84,909,200 and appropriation of the sum of \$84,459,200 from the National Treasury for the annual general operations, special revenue, and debt service budget of the Republic of Palau for the fiscal year ending September 30, 2016, and for related purposes.

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

1 Section 1. Short Title.

2 This Act shall be known and may be cited as “The Fiscal Year 2016 Budget
3 Act.”

4 Section 2. Executive Branch Operations. The sum of \$40,574,200 is
5 authorized for appropriation and is hereby appropriated for expenditure and
6 obligation for Fiscal Year 2016 for the purpose of covering the operational and
7 contingent expenses of the Executive Branch. The total amount authorized to be
8 appropriated shall be made up of the following available revenues: The amount of
9 \$22,427,200 shall come from local revenues; the amount of \$13,147,000 shall come
10 from anticipated USDOJ-OIA fiscal year 2016 grant assistance provided to Palau; and
11 the amount of \$5,000,000 shall come from the Compact Section 211(f) Trust Fund
12 Investment Account. The total amount authorized for appropriation and that is hereby
13 appropriated in this section shall be allocated according to the following schedule,
14 respectively:

15	(1) Office of the President	
16	(a) President’s Office	\$813,000
17	(b) Official Expenses	30,000
18	(c) Grants Coordinator	76,000
19	(d) Council of Chiefs	150,000
20	(e) Presidential Stipend	45,000
21		Sub-Total \$1,114,000
22	(2) Office of the Vice President	
23	(a) Vice President’s Office	\$304,000

1	(b)	National Emergency Management Office	174,000
2			Sub-Total \$478,000
3	(3)	Ministry of Finance	
4	(a)	Office of the Minister	\$58,000
5	(b)	Information Systems Support Services	239,000
6	(c)	Bureau of National Treasury	817,000
7	(d)	Bureau of Budget and Planning	575,000
8		Of the funds for the Bureau of Budget and Planning, the amount of	
9		\$75,000 shall be earmarked for the operations of the Office of Climate	
10		Change, the amount of \$208,000 shall be earmarked for the operations of	
11		the Office of PALARIS, and the amount of \$50,000 shall be earmarked	
12		for the operations of the Office of Project Management.	
13	(e)	Bureau of Public Service System	177,500
14	(f)	Workmen's Compensation	37,000
15	(g)	Bureau of Revenue, Customs & Taxation	\$1,555,000
16			Sub-Total \$3,458,500
17	(4)	Ministry of State	
18	(a)	Office of the Minister	\$58,000
19	(b)	ROP Consulate Office in Guam	107,000
20	(c)	ROP Consulate Office in Saipan	50,000
21	(d)	ROP Embassy in Washington, D.C.	270,000
22	(e)	ROP Embassy in Tokyo, Japan	350,000
23	(f)	ROP Embassy in Taipei, Taiwan	148,000
24	(g)	ROP Embassy in Manila, Philippines	150,000
25	(h)	United Nations Representation Office	305,000
26	(i)	Office of the Public Defender	360,000
27	(j)	Bureau of Trade & Foreign Affairs	442,000
28	(k)	Bureau of Domestic Affairs	277,000
29	(l)	Passport Office	62,000
30	(m)	International Organizations Obligations	250,000
31	(n)	Southwest Island Field Trips/ Sonsorol & Hatohebei	96,000

1		(o) ROP Embassy for European Union/Climate Change	185,000
2		Sub-Total	\$3,110,000
3	(5)	Ministry of Community & Cultural Affairs	
4		(a) Office of the Minister	\$58,000
5		(b) Bureau of National Archives	136,000
6		(c) Bureau of Youth, Sports & Recreation	269,000
7		(d) Bureau of Aging & Gender	290,000
8		Of these funds, the sum of \$20,000 is earmarked for the purpose of	
9		implementing the Family Protection Act; and the sum of \$30,000 is	
10		earmarked for the purpose of homecare for the elderly with no income.	
11		(e) Sports Facilities Maintenance & Utilities	90,000
12		(f) Bureau of Arts & Culture	194,000
13		Of these funds, the sum of \$30,000 is earmarked for the Society of Historians.	
14		(g) Olchotel Belau Fair	20,000
15		(h) Palau Severely Disabled Assistance Fund	225,000
16		Sub-Total	1,282,000
17	(6)	Ministry of Education	
18		(a) Office of the Minister	\$58,000
19		(b) School Books, Supplies & Inst. Equip.	300,000
20		An additional amount of \$100,000 is authorized, but not appropriated,	
21		and earmarked for non-public schools for the purposes of purchasing	
22		books.	
23		(c) Bureau of Curriculum & Instruction	495,000
24		Of these funds, 100,000 is earmarked for SAT 10 test to be administered	
25		by Palau Community College.	
26		(d) Bureau of School Administration	6,758,200
27		(e) Food Service Program	821,000
28		Sub-Total	\$8,432,200
29	(7)	Ministry of Public Infrastructure, Industries and Commerce	
30		(a) Office of the Minister	\$58,000
31		(b) FAA, UNDP & Other Match	515,000

1	(c)	Bureau of Commercial Development	320,000
2	(d)	Palau Small Business Development (UOG)	45,000
3	(e)	Bureau of Aviation	1,810,000
4	(f)	Bureau of Lands and Survey	855,000
5		Of these funds, the sum of \$8,000 is earmarked for the purpose of	
6		financing the per diem allotment for the land registration officers and	
7		crew during the land monumentation and surveying for the Melieli and	
8		Fanna islands of Sonsorol State, and \$8,000 is earmarked for the	
9		purchase of a land transportation vehicle for use in the official duties of	
10		the Land Registration Officers Section.	
11	(g)	Bureau of Public Works	1,319,000
12		Of these funds, the sum of \$50,000 is earmarked for the operations of the	
13		Palau Energy Office.	
14	(h)	National Capitol Electricity/Maintenance	1,447,000
15	(i)	CIP Office Operations	150,000
16		Sub-Total	\$6,519,000
17	(8)	Ministry of Justice	
18	(a)	Office of the Attorney General	630,000
19	(b)	Bureau of Immigration	426,000
20	(c)	Bureau of Public Safety	2,853,000
21	(d)	Bureau of Labor & Human Resources	301,000
22	(e)	Bureau of Marine Law Enforcement	862,000
23		Of these funds, the sum of \$200,000 is earmarked for the Biennial	
24		'slipping' Refit of Patrol Boat.	
25		Sub-Total	\$5,072,000
26	(9)	Ministry of Health	
27	(a)	Office of the Minister	\$58,000
28	(b)	Bureau of Public Health	1,222,000
29		Of these funds, the sum of \$100,000 is earmarked for the Division of Oral	
30		Health for the hiring of new dentists and dental assistants and for salary	

1	increases for dentists currently employed by the Ministry of Health.	
2	(c) Health Admin & Support Service	3,058,500
3	Health Administration	(2,698,500)
4	Manila Medical Referral	(110,000)
5	Hawaii Medical Referral	(125,000)
6	Taipei Medical Referral	(125,000)
7	(d) Medical Supplies & Drugs	300,000
8	(e) Hemodialysis	515,000
9	(f) Hyperbaric Chamber	36,000
10	(g) Bureau of Clinical Services	1,975,000
11	(h) Bureau of Nursing	2,350,000
12	(i) Medical Referrals for Uninsured	200,000
13	Sub-Total	\$9,714,500
14	(10) Ministry of Natural Resources, Environment & Tourism	
15	(a) Office of the Minister	\$58,000
16	(b) Bureau of Marine Resources	550,000
17	(c) Bureau of Agriculture	581,000
18	(d) Bureau of Tourism	205,000
19	Sub-Total	\$1,394,000
20	Section 2 Total	\$40,574,200

21 **Section 3. Judicial Branch. The sum of \$2,796,000 is hereby authorized to**
 22 **be appropriated and is hereby appropriated for expenditure or obligation for Fiscal**
 23 **Year 2016 for the purpose of covering the operational and contingent expenses of the**
 24 **Judicial Branch. The entire amount of the funds authorized and appropriated in this**
 25 **section shall come from local revenues.**

26 **Section 4. Legislative Branch. The sum of \$5,221,500 is hereby authorized**
 27 **to be appropriated and is hereby appropriated for expenditure or obligation for Fiscal**
 28 **Year 2016 for the purpose of covering the operational and contingent expenses of the**
 29 **Legislative Branch. The entire amount of funds authorized and appropriated in this**
 30 **section shall come from local revenues. The total authorization and appropriation**
 31 **shall be allocated according to the following schedule:**

1	(1) Senate		\$1,958,000
2	(2) Senate Legal Counsel Office		209,500
3	(3) House of Delegates		2,474,500
4	(4) House Legal Counsel Office		209,500
5	(5) Joint Staff		275,000
6	(6) Association of Pacific Island Legislatures		15,000
7	(7) Inter-Parliamentary Union		15,000
8	(8) Palau-Japan Parliamentary Friendship		35,000
9	(9) Electricity for Koror OEK building		30,000
10		Section 4 Total	\$5,221,500
11	Section 5. <u>Boards, Commissions, and Authorities.</u> The sum of \$1,054,000 is		
12	authorized for appropriation and is hereby appropriated for expenditure and		
13	obligation for Fiscal Year 2016 for the purpose of funding the operational and		
14	contingent expenses of Boards, Commissions and Authorities. The entire amount of		
15	funds authorized and appropriated in this section shall come from local revenues.		
16	The total authorization and the total appropriation shall be allocated according to the		
17	following schedule, respectively:		
18	(1) Foreign Investment Board		\$115,000
19	(2) Palau Election Commission		353,000
20	(3) COFA Board of Trustees		25,000
21	(4) Palau Code Commission		64,000
22	(5) Palau Public Lands Authority		100,000
23	(6) Parole Board		30,000
24	(7) Palau Housing Authority		70,000
25	(8) Ethics Commission		50,000
26	(9) Financial Institutions Commission		35,000
27	(10) Financial Investigations Unit		100,000
28	(11) Language Commission		57,000
29	(12) Ngardmau Free-Trade Zone Authority		25,000
30	(13) Mechesil Belau		30,000
31		Section 5 Total	\$1,054,000

1	(1)	Office of the Public Auditor	\$532,000
2	(2)	Office of the Special Prosecutor	301,000
3	(3)	Palau Environmental Quality Protection Board	400,000
4	(4)	National Postal Service	389,000
5	(5)	Palau Visitors Authority	840,000
6	(6)	National Aviation Administration	160,000
7		Section 7 Total	\$2,622,000

8 **Section 8. Other Agencies and Activities.** The sum of \$1,808,000 is
9 authorized for appropriation and is hereby appropriated for expenditure or obligation
10 for Fiscal Year 2016 as grants or subsidies for recurring programs and activities except
11 as provided by law. The entire amount of funds authorized and appropriated in this
12 section shall come from local revenues. The total authorization and appropriation shall
13 be allocated according to the following schedule, respectively:

14	(1)	Palau National Museum	\$260,000
15	(2)	Micronesian Legal Services	125,000
16	(3)	Palau Community Action Agency	275,000
17	(4)	Head Start Program	113,000
18	(5)	Palau Red Cross	10,000
19	(6)	WIA Grant Contribution	108,000
20		Of these funds, the sum of \$15,000 is earmarked for the apprentice program for	
21		the Civic Action Team.	
22	(7)	Civic Action Team Share	250,000
23	(8)	PNOC & Sports Organizations	177,000
24	(9)	Palau Int'l Coral Reef Center	400,000
25	(10)	Youth Congress	5,000
26	(11)	Palau Little League/T-Ball	5,000
27	(12)	Junior Statesmen of America	10,000
28	(13)	Peace Corps Contribution	70,000
29		Section 8 Total	\$1,808,000

30 **Section 9. Education Assistance.** The sum of \$5,372,515 is hereby
31 authorized to be appropriated and is hereby appropriated for expenditure or

1 obligation for Fiscal Year 2016 to subsidize the educational institutions and scholarship
2 program set forth below. The total amount authorized to be appropriated and that is
3 hereby appropriated in this section shall come from local revenue. The total
4 authorization and appropriation shall be allocated according to the following schedule,
5 respectively:

6	(1) Palau Community College	\$2,523,515
7	(a) PCC Operations (prov, FY04)	(2,338,000)
8	(b) PCC Board of Trustees	(38,000)
9	(c) PCC CRE	(35,000)
10	(d) COM Board of Regents	(25,000)
11	(e) Work Incentive Program	(87,515)
12	(2) Aid to Non-Public Schools	\$857,000
13	(a) Emmaus High School	(75,000)
14	(b) Bethania High School	(90,000)
15	(c) Palau Mission Academy	(111,000)
16	(d) Mindszenty High School	(190,000)
17	(e) Ibobang High School	(111,000)
18	(f) Maris Stella School	(110,000)
19	(g) Koror SDA Elementary School	(105,000)
20	(h) Emmaus Kindergarten	(31,000)
21	(i) SDA Kindergarten	(17,000)
22	(j) Catholic Kindergarten	(17,000)
23	(3) National Scholarship Fund	\$1,992,000
24	(a) Spring Semester scholarships & grants	(946,000)
25	(b) Fall Semester scholarships & grants	(946,000)
26	(c) Administrative Expenses	(100,000)
27		Section 9 Total \$5,372,515

28 Section 10. Hospital Trust Fund. The amount of \$3,296,000, or the actual
29 amount collected, is hereby authorized to be appropriated and is hereby appropriated
30 for Fiscal Year 2016 for purposes of the Hospital Trust Fund. The amount authorized
31 to be appropriated and that is hereby appropriated shall come from the revenues

1 derived from clinical and public health medical and dental services fees and charges
2 during the fiscal year, so long as the actual expenditures or obligations does not exceed
3 actual revenue receipts. Any unexpended or unobligated balance of the appropriation
4 of this section shall not lapse at the end of the fiscal year.

5 Section 11. PAN Fund. The sum of \$2,000,000, or fifty percent (50%) of the
6 actual amount collected from the environmental protection fee (“Green Fee”)
7 established pursuant to 24 PNC § 3413, whichever is less, is hereby authorized to be
8 appropriated and is hereby appropriated for Fiscal Year 2016 for the purposes of the
9 Protected Areas Network Fund. \$385,500 or the actual amount of Green Fee revenue
10 allocated under 24 PNC § 3413(b)(1) in excess of \$2,000,000 is hereby authorized and
11 appropriated to be transferred in equal shares to all states with established PAN sites.
12 The states may use these funds to meet the minimum wage requirement under 13 PNC
13 § 1025 to the extent consistent with 24 PNC § 3413. The amount authorized to be
14 appropriated in this section shall come from local revenues derived from the collection
15 of the Green Fee during the fiscal year. Any unexpended or unobligated balance of the
16 appropriation of this section shall not lapse at the end of the fiscal year.

17 Section 12. Road Maintenance Fund. The amount of \$751,000 is hereby
18 authorized to be appropriated and is hereby appropriated for Fiscal Year 2016 for
19 purposes of the Road Maintenance Fund to be used for the routine and periodic
20 maintenance of the Compact Road and other national road infrastructure network.
21 The entire amount of the funds authorized and appropriated in this section shall come
22 from local revenues derived from the Road Use Tax (40PNC § 1404). Any unexpended
23 or unobligated balance of the appropriation of this section shall not lapse at the end of
24 the fiscal year.

25 Section 13. All Other General Fund Revolving Accounts. The amount of
26 \$876,000, or the actual amount collected, is hereby authorized to be appropriated and
27 is hereby appropriated for Fiscal Year 2016 for all other special revolving accounts
28 under the General Fund established pursuant to law. The amount authorized to be
29 appropriated and that is hereby appropriated shall come from fees, fines and other
30 charges derived from various activities and programs during the fiscal year, so long as
31 the actual expenditures or obligations does not exceed actual revenue receipts. Any

1 unexpended or unobligated balance of the appropriation of this section shall not lapse
2 at the end of the fiscal year.

3 Section 14. General Fund Reserve. The amount of \$1,000,000 is hereby
4 authorized to be appropriated and is hereby appropriated for Fiscal Year 2016 for the
5 purposes of the General Fund Reserve pursuant to 40 PNC § 330.

6 Section 15. Debt Service. The sum of \$2,757,000 is authorized for
7 appropriation and is hereby appropriated for Fiscal Year 2016 for the purpose of
8 payment of periodic interest and principal payments pursuant to the promissory notes
9 under the \$20 million International Commercial Bank of China (“ICBC”) (Taiwan)
10 loan agreement for the purpose of completion of Phase II of the national capitol
11 construction project in Melekeok State; the \$8,000,000 million Mega International loan
12 agreement for the purpose of undertaking various improvements to the Palau
13 International Airport; and the Asian Development Bank (“ADB”) Water Sector
14 Improvement Program (“WSIP”) loan for various infrastructure and institutional
15 capacity improvement initiatives. The amount of \$1,975,000 authorized to be
16 appropriated and that is hereby appropriated in this section shall come from local
17 revenues; and the amount of \$782,000 shall come from the 50 percent allocation of the
18 Green Fee for water and sewer improvements. Any unexpended or unobligated
19 balance of the appropriation of this section shall not lapse at the end of the fiscal year.
20 The total authorization and appropriation amount shall be allocated to the following
21 schedule:

22	(1) ICBC Capitol Relocation Project	\$1,353,000
23	(2) ICBC PIA Debt Service	622,000
24	(3) ADB Program Loan (WSIP)	782,000
25		Section 15 Total \$2,757,000

26 Section 16. Compact Review Office. The sum of \$200,000 is hereby
27 authorized to be appropriated and is hereby appropriated for expenditure or
28 obligation for Fiscal Year 2016 for the purpose of undertaking the Compact of Free
29 Association review and its associated activities. The entire amount authorized to be
30 appropriated and that is hereby appropriated in this section shall come from local
31 revenues. Any unexpended or unobligated balance of the appropriation of this section

1 shall not lapse at the end of the fiscal year. The services purchased with funds
2 authorized and appropriated for the purposes of the Compact Review and lobbying
3 services in Washington D.C. in connection with the passage of the Compact II shall be
4 exempt from the competitive procurement requirements of Chapter 6 of Title 40 of the
5 Palau National Code because the services related to the Compact Review Office are
6 particularly specialized to secure the ratification of the Compact II in the United States
7 Congress.

8 Section 17. Health Care Fund Contribution. The sum of \$515,185 is
9 authorized for appropriation and is hereby appropriated for expenditure in Fiscal
10 Year 2016 for the purpose of paying subscription costs for citizens who are age sixty
11 (60) years old and older and not working, or are disabled and not working pursuant to
12 41 PNC §952(a). The entire amount authorized to be appropriated and appropriated in
13 this section shall come from local revenues.

14 Section 18. Subsidy to PPUC for Water & Sewer Operations. The sum of
15 \$1,603,500 is authorized for appropriation and is hereby appropriated for expenditure
16 in Fiscal Year 2016 to subsidize the water and sewer improvement operations of the
17 Palau Public Utilities Corporation (PPUC), provided that the amount of \$603,500, or
18 so much thereof as may be necessary, shall be utilized by the PPUC to costs associated
19 with migrating their SCADA system to a new bandwidth (radio frequency) and to
20 establish and fund a permanent subsidy program for electrical power consumption for
21 fixed or low income household customers. The Subsidy Program shall subsidize
22 electrical power usage for only the life-line rate (0-150,000KwH) for eligible
23 households. Eligibility criteria shall be based on the poverty threshold as defined in the
24 *Analysis of the 2006 Household Income and Expenditure Survey Report* and as updated.
25 The PPUC and the Ministry of Finance shall work together to develop rules and
26 regulations to implement this subsidy program effective October 1, 2015. The PPUC
27 shall provide an annual report of the subsidy program to the President and the Olbiil
28 Era Kelulau including but not limited to the number of eligible household customers,
29 program and administrative cost. The entire amount authorized to be appropriated
30 and appropriated in this section shall come from the 50 percent allocation of “Green
31 Fee” collections for power, water and sewer improvements. Any unexpended or

1 unobligated balance of the appropriation of this section shall not lapse at the end of the
2 fiscal year.

3 Section 19. Supplemental SSA Benefit Payments. The sum of \$1,831,200 is
4 hereby authorized to be appropriated and is hereby appropriated for expenditure or
5 obligation for Fiscal Year 2016 for the purpose of providing an additional fifty dollars
6 (\$50) in Social Security benefit payments to individuals receiving Social Security
7 benefits pursuant to Title 41, Subchapter VI of the Palau National Code. The
8 continuation of this supplemental social security benefit payment is subject to
9 appropriation of funds from the National Government. The entire amount authorized
10 to be appropriated and that is hereby appropriated in this section shall come from
11 local revenues. Any unexpended or unobligated balance of the appropriation of this
12 section shall not lapse at the end of the fiscal year.

13 Section 20. 12th Festival of Pacific Arts. The sum of \$450,000 is hereby
14 authorized for Fiscal Year 2016 for the purpose of funding Palau's participation in the
15 12th Festival of Pacific Arts to be held in Guam, USA. Of such sum, \$100,000 is hereby
16 appropriated for such purpose. The entire amount authorized to be appropriated in
17 this section shall come from local revenues.

18 Section 21. National Government Base Salary Increase. The sum of
19 \$1,441,000 is hereby authorized to be appropriated and is hereby appropriated for
20 expenditure or obligation for Fiscal Year 2016 for the purpose of funding a salary
21 increase of \$25 biweekly for every civil service government employee pursuant to
22 RPPL No. 9-39. The entire amount authorized to be appropriated and that is
23 appropriated in this section shall come from local revenues.

24 Section 22. Civil Service Pension Plan Accrued Interest Charges. The sum of
25 \$500,000 is hereby authorized to be appropriated and is hereby appropriated for
26 expenditure or obligation for Fiscal Year 2016 for the purpose of paying the accrued
27 interest payable for the employer contribution amounts not paid on or before the date
28 prescribed for such payment by the National Government of Palau for the Civil
29 Service Pension Plan for prior fiscal years. The entire amount authorized to be
30 appropriated and that is appropriated in this section shall come from local revenues
31 from the remittance tax established pursuant to 40 PNC § 1408.

1 **Section 23. New Correctional Facility Construction.** The sum of \$500,000 is
2 hereby authorized to be appropriated and is hereby appropriated for expenditure or
3 obligation for Fiscal Year 2016 to provide additional funding for the construction of
4 the Republic's new correctional facility including environmental assessments, road
5 access, site clearance, basic infrastructure connections and facilities. The entire amount
6 authorized to be appropriated and appropriated in this section shall come from local
7 revenues. Any unexpended or unobligated balance of the appropriation of this section
8 shall not lapse at fiscal year end.

9 **Section 24. Angaur State Boat.** The sum of \$250,000 is hereby authorized to
10 be appropriated and is hereby appropriated for expenditure or obligation for Fiscal
11 Year 2016 to provide additional funding toward the repairs or replacement of the
12 Angaur State Boat, Regina IV. For the safety of passengers and proper maintenance of
13 the vessel, the master/captain and engineer of the Angaur State Boat shall be
14 appropriately licensed for a vessel of the Angaur State Boat's engine power and size.
15 The Angaur State Boat must be maintained and operated in compliance with all
16 applicable rules and regulations of the Republic of Palau. The entire amount
17 authorized to be appropriated and appropriated in this section shall come from local
18 revenues. Any unexpended or unobligated balance of the appropriation of this section
19 shall not lapse at fiscal year end.

20 **Section 25. Ngaraard State Government.** The sum of \$125,000 is authorized for
21 appropriation and is hereby appropriated for expenditure or obligation for Fiscal Year
22 2016 to the Ngaraard State Government. In anticipation of residence relocations
23 from low-lying areas due to the effects of climate change and to accommodate existing
24 households, the appropriated sum shall be allocated for Phase I construction projects
25 for water and power line extensions from Ngkeklau to Ngerdebsiu. Ngaraard State
26 Government shall have the discretion to choose which Phase I construction project will
27 receive priority. The entire amount of the funds authorized and appropriated in this
28 section shall come from local revenues. Any unexpended or unobligated balance of the
29 appropriation of this section shall not lapse at the end of the fiscal year.

30 **Section 26. Ngatpang State Government.** The sum of \$35,000 is authorized and
31 appropriated to the Ngatpang State Government as requested for the cost of shipping

1 heavy equipment from the Republic of China (Taiwan) to Palau. The entire amount of
2 the funds authorized and appropriated in this section shall come from local revenues.

3 Section 27. Ngiwal State Government. The sum of \$141,000 is authorized for
4 appropriation and is hereby appropriated for expenditure or obligation for Fiscal Year
5 2016 to the Capital Improvement Project Office to begin Phase I to provide power and
6 water lines to the Ngiwal Housing Area (Ngarmechau) and to upgrade the existing
7 road from East Ngiwal to the Compact Road connecting the Ngiwal Housing Area
8 (Ngarmechau) to the Compact Road. Of these funds, the sum of \$10,000 is allocated for
9 power lines, \$6,000 is allocated for water lines, and \$125,000 is allocated for the road
10 construction. The entire amount of the funds authorized and appropriated in this
11 section shall come from local revenues. Any unexpended or unobligated balance of the
12 appropriation of this section shall not lapse at the end of the fiscal year.

13 Section 28. Ngarchelong State Government. The sum of \$75,000 is authorized
14 for appropriation and is hereby appropriated for expenditure or obligation for Fiscal
15 Year 2016 to the Ngarchelong State Government to construct and improve the access
16 road to Todai. The entire amount of the funds authorized and appropriated in this
17 section shall come from local revenues. Any unexpended or unobligated balance of the
18 appropriation of this section shall not lapse at the end of the fiscal year.

19 Section 29. Ngchesar State Government. The sum of \$75,000 is authorized for
20 appropriation and is hereby appropriated for expenditure or obligation for Fiscal Year
21 2016 to Ngchesar State as a matching fund for other grants including the stimulus and
22 other rural grants to build: (1) Bai ra Ngara Oldiang, (2) Bai ra Ngerkesou, (3) a
23 bridge at Shimizu area connecting Benjamin Emesiochel's property over the river to
24 Matthew Elbelau's property, and (4) a bridge accommodating vehicle traffic at
25 Ngerwikl. The appropriated funds may be applied to design costs, estimates, and all
26 other related costs for construction. The entire amount of the funds authorized and
27 appropriated in this section shall come from local revenues. Any unexpended or
28 unobligated balance of the appropriation of this section shall not lapse at the end of the
29 fiscal year.

30 Section 30. Kayangel State. The sum of \$15,000 is authorized and appropriated
31 to the Kayangel State Government as requested to subsidize the cost of fuel. The entire

amount of the funds authorized and appropriated in this section shall come from local revenues.

Section 31. Peleliu State. The sum of \$35,000 is authorized and appropriated to the Peleliu State Government as requested to fund the construction of a buoy or marker at Sebeseb. The entire amount of the funds authorized and appropriated in this section shall come from local revenues.

Section 32. Outside Grants and Development Assistance. All external funds received from development partners and donors, including, but not limited to, the U.S. Federal Program Grants, Japan Grant Aid, Republic of China (Taiwan) grants, other countries, organizations, or individual donors, are hereby authorized to be appropriated and are appropriated for Fiscal Year 2016 in the amounts received for those specific programs or projects for which they are granted, donated, or otherwise contributed. U.S. Federal Program Grants cost recoveries associated with such program grants may be retained for use by the President for such purposes as are needed to implement such programs or projects for which they were granted. The Minister of Finance shall report monthly to the Olbiil Era Kelulau (OEK) the receipt of any outside grant or development assistance in the preceding month. In addition to all other reporting requirements established by law or regulation, the Minister of Finance shall submit quarterly reports to the President and the OEK setting forth expenditures and obligations of all funds received from outside sources and expended or obligated pursuant to this section.

Section 33. Reprogramming. The President shall have the authority to reprogram funds in Sections 2, 5, and 7 in the Fiscal Year 2016 Budget Act in accordance with 40 PNC § 351.

Section 34. Special Provisions for the Judiciary. The Judiciary is appropriated an additional \$5,000. This appropriation is earmarked for administrative costs incurred providing the Olbiil Era Kelulau with a budget request for Fiscal Year 2017 that would accommodate the hiring of new judges sufficient to separate the Trial and Appellate Divisions of the Supreme Court of Palau per the Fourteenth Amendment of the Constitution of the Republic of Palau.

Section 35. Amendment. 24 PNC § 3413 (b) (3) pertaining to the Environmental

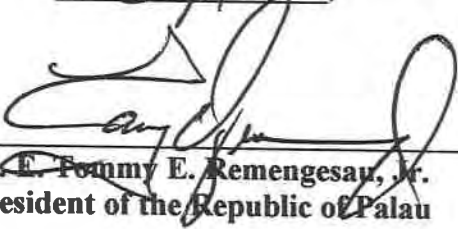
1 Protection Fee (“Green Fee”) is hereby amended to read as follows: “(3) fifty percent
2 (50%) of the funds generated from collection of the Green Fee shall only be authorized
3 and appropriated for improving the power, water and sewer systems of the Republic
4 or to pay back the loan from the Asian Development Bank that is designed to reform
5 the water and sewer sector (ADB Project No. 44031) or the proposed loan from the
6 Asian Development Bank to fund infrastructure improvements (ADB Project No.
7 42439) or as source of funding for State Block Grants or as budget reserve funds
8 pursuant to 40 PNC § 330.”

9 Section 36. Severability. If any provision of this Act is found to be invalid or
10 unconstitutional by a court of competent jurisdiction, then the offending part or
11 portions may be severed from the rest of the bill and the remaining parts or portions
12 shall continue in full force and effect.

13 Section 37. Effective date. This Act shall take effect upon its approval by the
14 President of the Republic of Palau, or upon its becoming law without such approval.

PASSED: September 15, 2015

Approved this 21st day of Sept., 2015



H. E. Tommy E. Remengesau, Jr.
President of the Republic of Palau