

**TITLE 14 – EDUCATION**  
**CHAPTER 1 - SCHOLARSHIP ASSISTANCE ACT**



Republic of the Marshall Islands  
*Jepilpilin Ke Ejukaan*

**SCHOLARSHIP ASSISTANCE ACT 1979**

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**CHAPTER 1 - SCHOLARSHIP ASSISTANCE ACT**



Republic of the Marshall Islands  
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**SCHOLARSHIP ASSISTANCE ACT 1979**

**AN ACT** to create a Scholarship Grant and Loan Board and to specify powers and duties of the Board.

*Commencement:* November 26, 1979

*Source:* M.I. Code (1975)

*Amended By:* P.L. 1979-19    P.L. 1983-5    P.L. 1986-23

P.L. 1994-99    P.L. 1996-20    P.L. 1998-61    P.L. 2001-44

P.L. 2004-20    P.L. 2017-33    P.L. 2018-94    P.L. 2019-106

**§101. Short title.**

This Chapter may be cited as the “Scholarship Assistance Act 1979.” [P.L. 1979-19, §3.]

**§102. The Marshall Islands Scholarship Grand and Loan Board; creation and function.**

- (1) There is hereby created the Marshall Islands Scholarship Grant and Loan Board, hereinafter referred to as “the Board.”
- (2) The function of the Board is to develop and administer a financial assistance program for those qualified applicants who cannot pursue educational and training opportunities because of financial inability. [M.I. Code (1975), §6.201, codified by P.L. 1979-19, §4.]

**§103. Board; composition.**

- (1) The Board shall comprise of :
  - (a) two (2) members from the public at large;
  - (b) one member of the Nitijela;
  - (c) a representative from Majuro Private Sector;
  - (d) the Commissioner of the Public School System;
  - (e) the President, College of the Marshall Islands;
  - (f) a non-voting Secretary of the Board;
  - (g) a representative from Kwajalein Private Sector; and
  - (h) a representative from Ministry of Health;
  - (i) a representative from the Ministry of Foreign Affairs; and
  - (j) the Director, University of the South Pacific Campus, Majuro.
- (2) All members of the Board shall be appointed by the President.
- (3) Those members appointed to the Board under subsection(1) (a), (c), (g), (h) and (i) above shall serve an initial term of two (2) years, and are eligible for re-appointment at the end of the initial term.[MI. Code (1975), §6.202, codified by P.L. 1979-1 9, §4; amended by P.L. 1998-61, §2.][amended by P.L. 2001-44, Oct.18, 2001][amended by P.L. 2004-20][§1 amended by P.L 2017-33.][amended by P.L.2019-106.]

**§104. Chairman of the Board.**

The Chairman of the Board shall be appointed by the President from the members of the Board, except the Secretary. The Chairman shall:

- (a) preside over Board meetings;
- (b) assure the Board's compliance with all applicable laws, rules and regulations;
- (c) assure that an accurate and detailed record of Board meetings and Board actions is kept;
- (d) call the Board into meeting pursuant to the rules and regulations of the Board, and as he deems necessary; and
- (e) perform such other duties as may be appropriately assigned to him by the Board from time to time by rule or regulation.[MI. Code (1975), §6.203, codified by P.L. 1979-19, §4.]

**§105. Secretary of the Board.**

The Secretary of the Board and staff shall be a member of the Public School System and no longer be hired by or responsible to the Public Service Commission. The Secretary shall:

- (a) administer the routine business of the Board;
- (b) supervise all Board staff;
- (c) assure the maintenance and security of all property under the control of the Board;
- (d) record promptly and accurately, and distribute and maintain the minutes of all Board meetings;
- (e) assure that all available scholarship assistance information from sources outside the Board is gathered and maintained in the files of the Board, and assure that such materials are brought to the attention and made available to the Board and to all potential and actual applicants for scholarship assistance;
- (f) act as liaison between the Board, the scholarship assistance recipients, and the respective persons and institutions to whom scholarship assistance funds are ultimately paid;
- (g) assist each scholarship assistance recipient, by whatever means at his disposal, to assure that each recipient is not unduly distracted from achieving scholastic success, and in the case of recipients of scholarship assistance loans, that each recipient understands and fulfils his obligation to repay the loan.[MI. Code (1975), §6.204, codified by P.L. 1979-1 9, §4.][amended by 2017-33].

**§106. Board; duties and responsibilities.**

The Board shall:

- (a) adopt and promulgate regulations for the award of scholarship grants and loans consistent with this Chapter;
- (b) evaluate and investigate the application in information provided by scholarship assistance grant and loan applicants for the purpose of assuring the integrity and equity of the program;
- (c) award scholarship assistance grants and loans from funds allocated for those purposes, in accordance with the regulations promulgated by the Board;

- (d) monitor the educational progress of scholarship assistance recipients;
- (e) assure timely repayment of scholarship assistance loans;
- (f) file with the Nitijela, during November of each year, an accounting and report of the Board's activities and expenditures, and an assessment of the progress and problems of the scholarship assistance program;
- (g) account, upon request, to the Cabinet and the Auditor-General, in such detail and manner as either of them may require; and
- (h) recommend to the Cabinet, for its approval, those scholastic programs and technical training school programs which should enjoy priority in the award of scholarship assistance grants and loans.[MI. Code (1975), §6.205. codified by P.L. 1979-1 9, §4.]

#### **§107. Board; powers.**

The Board is hereby empowered:

- (a) to award scholarship grants and loans subject to reasonable conditions in individual cases;
- (b) to vary, by regulation, the amounts and terms of scholarship assistance grants and loans based on reasonable criteria; provided, such criteria relate to demonstrated need and are designed as an incentive for recipients to continue their education and to excel in their scholastic effort;
- (c) to terminate further scholarship assistance to individuals, for good cause shown, pursuant to criteria promulgated by regulation;
- (d) to require prompt repayment of scholarship assistance funds for fraud or misrepresentation of information in a students application for a scholarship assistance grant or loan;
- (e) to sue and be sued;
- (f) to promulgate reasonable rules for the efficient internal administration of the Board;
- (g) to promulgate, implement and enforce regulations for the effective conduct of the scholarship assistance program;

- (h) upon academically satisfactory completion of each full academic year of instruction, as established by regulation, to convert a scholarship assistance loan to a scholarship assistance grant; and
- (i) upon the death of a recipient of a scholarship assistance loan pursuant to this Chapter, to waive repayment of the loan.[MI. Code (1975), §6.206, codified by P.L. 1979-1 9, §4.]

**§108. Scholarship assistance standard.**

- (1) The three (3) primary factors which shall control the Board's award of scholarship assistance grants and loans shall be:
  - (a) the applicant's demonstrated ability and potential for successful completion of the scholastic program which the applicant and the Board agree that the applicant shall pursue;
  - (b) the demonstrated inability of the applicant and his parents to pay for all or part of the costs necessarily to be incurred by the student in pursuing and completing the scholastic program which the applicant and the Board agree that the applicant shall pursue; and
  - (c) the selection and pursuit of a scholastic program within the priorities approved by the Cabinet.
- (2) As used in Subsection (1)(b) of this Section, "demonstrated inability" means that an otherwise qualified student will not be able to complete an agreed scholastic program, unless and until he receives some form of financial assistance from sources outside his own resources and those of his parents.
- (3) The term for repayment of scholarship assistance loans shall not exceed ten (10) years after completion of or withdrawal from an agreed scholastic program. In cases of extreme hardship, this term may be extended one year at a time.
- (4) Scholarship grants, instead of loans, may be awarded to qualified students who pursue agreed post-college graduate and other programs within the priorities established pursuant to Section 106(h) of this Chapter.
- (5) No scholarship assistance grant or loan shall be awarded to any applicant, unless he expressly agrees to return to the Republic within

three (3) months after attaining of his bachelor's degree or post-graduate degree(s) depending on his scholastic interest, and shall reside and work in the Republic for a period of not less than one year for every one (1) academic years in which he received a scholarship assistance grant or loan pursuant to this Chapter. Scholastic effort shall be deemed complete if the recipient fails to enroll in and continued his agreed scholastic program at the next succeeding regular semester of school.

- (6) Failure to return to and reside in the Republic, as required by Subsection (5) of this Section, shall constitute a default of the terms of the loan or grant and shall be subject to repayment to the Government of the Marshall Islands.
- (7) The Board is hereby authorized to waive the default provisions of Subsection (6) of this Section in any case where the scholarship assistance recipient is unemployable in the Republic, and in any case in which employment of the recipient outside of the Republic is deemed by the Board to be in the best interests of the Government of the Marshall Islands.[MI. Code (1975 §6.207, codified by P.L. 1979-19, §4.]

#### **§109. Scholarship Fund Account.**

- (1) Pursuant to Article VIII, Section 3(2) of the Constitution of the Marshall Islands, there is hereby established an account to be called the Scholarship Fund Account which shall be a subordinate account of the Marshall Islands General Fund and which shall be administered by the Board for the purposes of scholarship assistance.
- (2) There shall be paid into the Scholarship Fund Account:
  - (a) all monies appropriated by the Nitijela for scholarship assistance;
  - (b) all monies received under Title Two, Article 1, Section 2 16(a)(3) of the Compact of Free Association between the Republic and the United States of America as set forth in Title II of the *Compact of Free Association Act 1985* (P.L. 99-239) as passed by the United States Congress; and
  - (c) such other grants, gifts and donations received by the Board from any other source.

- (3) The monies in the Scholarship Fund Account shall not be utilized by the Board except for the following purposes:
- (a) scholarship assistance in terms of the provisions of the Chapter;
  - (b) administrative expenses that may be incurred by the Board; and
  - (c) transfer of any sum to the Scholarship Trust Account as determined by the Board.[MI. Code (1975), §6.208, codified by P.L. 1983-5, §3; amended by P.L. 1986-23, §2, adding Subsections (2) and (3); amended by P.L. 1994-99, §3(9); P.L. 1996-20, §2.][section was previously numbered as §110, re-numbered as §109 as the previous §109 was "Reserved"]Rev2003.][amended by P.L. 2018-94.]

### **§110. Scholarship Trust Account.**

- (1) There shall be established a separate account called the Scholarship Trust Account in addition to the Scholarship Fund Account created under Section 110 of this Chapter.
- (2) All monies transferred from the Scholarship Fund Account to the Scholarship Trust Account by the Board shall be placed in the said Trust Account.[MI. Code (1975), §6.209, coded by P.L. 1 986-23,§3; amended by P.L. 1994-99, §3(9); amended by P.L. 1 996-20, §2.][section re-numbered as §110. See footnote at the end of §109 above]

### **§111. Administration of the Trust Account.**

- (1) The Scholarship Trust Account shall be administered by the Board.
- (2) All monies placed in the said Trust Account shall be invested, with the approval of the Cabinet, in guaranteed securities so as to generate interest and income.
- (3) The interest and income so derived under Subsection (2) of this Section shall be credited to the Scholarship Fund Account annually.[MI code 0975,§6.210, codified by P.L. 1986-23, §3; amended by P.L. 1994-99, §3(9); amended by P.L. 1996-20, §2.][section re-numbered as 111, see footnote at the end of §109 above]