

BUDGET BILL FOR FISCAL YEAR 2005

- Definitions**
1. In this law:
"Budget Item" - A sum or number of jobs, stated in a title and marked by a double underline;

"Area of Operation" - A sum or number of jobs, stated in a title and marked by a dashed line;

"Plan" - A sum or number of jobs stated on a line with no marking;

"Fiscal Year 2005" - The period commencing on January 1st 2005 and ending December 31st 2005;

Any other term - As defined in the Budget Principles Law - 1985 (hereinafter: "Budget Principles Law").
- The expenditure budget and its allocation**
2. The government is permitted to make expenditures of NIS 264,462,929,000 during fiscal year 2005. The division of this sum into parts and any part thereof into budget items, areas of operation and plans, shall be as detailed in the first column of the first supplement titled "expenditure".
- Revenue-dependent expenditure budget**
3. In addition to all the sums that the Government is authorized to expend pursuant to Section 2, it may expend a sum of NIS 12,474,671 thousand in fiscal year 2005, as revenue-dependent expenditures. The division of this sum into parts and any part thereof into budget items, areas of operation and plans, shall be as detailed in the second column of the first supplement titled "revenue-dependent expenditure".
- Maximum Personnel**
4. In fiscal year 2005, the Government may fill 56,352 jobs. The division of this number into parts and any part thereof into budget items, areas of operation and plans, shall be as detailed in the fourth column of the first supplement titled "maximum personnel".

**Business
Enterprise
Budget**

5. a. In addition to the sums the Government is authorized to expend pursuant to Sections 2 and 3, it may also expend, in fiscal year 2005, the sums appearing in the first column of the second part in the second supplement (hereinafter: "Business Enterprise Budget"). The division of these sums into budget items, areas of operation and plans, shall be as detailed in that same part.
- b. In addition to the number of jobs that the Government may fill pursuant to Section 4, it may also fill 18,045.5 jobs in business enterprises in fiscal year 2005. The division of this number into budget items, areas of operation and plans, shall be as detailed in the third column of the second part of the Business Enterprise Budget.
- c. The revenue forecast regarding the coverage of the Business Enterprise Budget in fiscal year 2005 shall be as detailed in the first part of the second supplement.

Validation

6. This law shall become valid and effective on January 1st 2005.

Publication

7. This law shall be published in the Official Gazette of the Israeli Government within three months of its ratification.

Major Provisions of the Budget and Multiannual Budget Plans

Budget Proposal for Fiscal Year 2005
(NIS Thousands)

Summary of the first supplement	Expenditure	Revenue- Dependent Expenditure	Spending Authorization	Maximum Personnel
Grand total	264,462,929	12,474,671	60,939,418	56,352
=====	=====	=====	=====	=====
Part I: Regular budget	193,805,237	11,258,620	47,544,139	56,352
Part II: Budget for development and capital account	70,657,692	1,216,051	13,395,279	
Part I: Regular budget	193,805,237	11,258,620	47,544,139	56,352
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Government and Administration	21,233,169	1,759,564	2,107,157	36,284
=====	=====	=====	=====	=====
01 President of the State	25,557	618		38
02 The Knesset*	312,603	6,140		395
03 Government members	15,667			
04 The Prime Minister's Office	685,963	30,746	26,412	815
05 Ministry of Finance	1,532,231	258,818		5,141
06 Ministry of the Interior	352,964	34,526	131,278	781
07 Ministry of Homeland Security	7,044,832	385,941	1,712,921	24,230
08 Ministry of Justice	1,690,198	462,544	60,000	3,162
09 Ministry of Foreign Affairs	1,285,526	57,116		919
11 The State Comptroller**	192,217			515
12 Pension benefits and compensation	7,335,079	386,668		
13 Miscellaneous expenses	307,480	95,351	76,056	
14 Financing of political parties and the Central Elections Committee	109,750			
19 Ministry of Science and Technology	121,492	16,155	83,290	38
26 Ministry of the Environment	179,032	24,941	17,200	195
68 Unit in charge of Foreign Laborers	42,578			55

* The Knesset's annual budget proposal is submitted for approval to the Knesset's committee by the Chairman of Knesset, and is integrated into the Budget Bill.

** The State Comptroller budget is set by the Finance Committee and is integrated into the Budget Bill. It is published separately as bounded by the Basic Law: State Comptroller

Budget Proposal for Fiscal Year 2005 (Continued)

(NIS Thousands)

	Summary of the first supplement	Expenditure	Revenue-Dependent Expenditure	Spending Authorization	Maximum Personnel
	Defense	42,516,073	3,977,775	31,315,267	1,941
	=====	=====	=====	=====	=====
15	Ministry of Defense	42,191,393	3,915,647	31,175,795	1,785
16	Civil emergency expenses	224,191		111,164	
17	Coordination of activities in the territories	100,489	62,128	28,308	156
18	Local Authorities	3,440,617			
	=====	=====			
	Social Services	78,127,624	4,631,455	2,586,651	12,765
	=====	=====	=====	=====	=====
20	Ministry of Education	24,574,084	1,332,228	1,550,811	1,678
21	Higher Education	5,755,580			
23	Ministry of Welfare	2,953,634	1,095,353	16,089	2,232
24	Ministry of Health	14,742,659	2,081,554		7,726
27	Transfers to National Insurance	21,347,283			
25	Benefits for the disabled	1,508,867	1,812		61
29	Ministry of Construction and Housing	233,458	7,200		627
30	Ministry of Immigrant Absorption	1,341,203	77,908	634,117	419
32	Price support for basic commodity and agricultural production	4,342,515	35,400	385,634	
46	Veterans Law	1,326,016			22
56	Commission for Equal Rights For Persons with Disabilities	2,325			
	Economy and Administration	6,887,875	889,826	1,989,029	4,270
	=====	=====	=====	=====	=====
33	Ministry of Agriculture and Rural Development	736,711	214,366	473,923	1,322
34	Ministry of National Infrastructures	161,531	8,701		261
35	Atomic Energy Committee	147,927			

Budget Proposal for Fiscal Year 2005 (Continued)

(NIS Thousands)

	Summary of the first supplement	Expenditure	Revenue- Dependent Expenditure	Spending Authorization	Maximum Personnel
36	Ministry of Industry, Trade and Labor	1,577,977	51,482	103,918	1,680
37	Ministry of Tourism	196,039	12,165	49,376	148
38	Support for economic sectors	1,165,800	476,293	1,334,049	
39	Ministry of Communications	49,021	265		90
40	Ministry of Transportation	290,952	91,510		524
42	Grants for construction and housing	2,390,948	7,787	20,000	
43	Israel Mapping Center	67,683	27,257	7,763	238
28	Maintenance of inter-city roads				
54	Regulatory authorities	103,286			7
44	Credit subsidies	31,066			
	=====	=====			
45	Interest and commissions payments	36,484,434			
	=====	=====			
	Reserves	5,084,379		9,546,035	1,092
	=====	=====		=====	=====
47	General reserve	5,084,379		9,546,035	1,092
	Part II: Development and capital account budget	70,657,692	1,216,051	13,395,279	
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	Development Budget	13,021,492	1,216,051	13,395,279	
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	Investments in Government and Administration	479,042	155,231	3,323,199	
	=====	=====	=====	=====	
51	Government Housing	8,805	54,873	839,318	
52	Police and prisons	233,897	82,353	2,233,543	
53	Court houses	159,293	1,000	131,863	
55	Treasury	77,047	17,005	118,475	

Budget Proposal for Fiscal Year 2005 (Continued)
(NIS Thousands)

	Summary of the first supplement	Expenditure	Revenue- Dependent Expenditure	Spending Authorization	Maximum Personnel
57	Local authorities	161,204			
	=====	=====			
	Investments in Social Services	4,915,797	938,010	5,463,460	
	=====	=====	=====	=====	
60	Education	931,913		823,108	
67	Health	127,181	62,855	184,805	
70	Housing	3,856,703	875,155	4,455,547	
	Investments in various sectors of the economy	7,465,449	122,810	4,608,620	
	=====	=====	=====	=====	
58	Urban utilities for water and sewage	75,500		369,000	
73	Water works	666,510		521,440	
76	Industrial development	58,828	50,000	212,024	
78	Tourism	85,680		123,880	
79	Transport development	3,572,881		1,733,904	
83	Miscellaneous development expenses	3,006,050	72,810	1,648,372	
84	Debt repayments - principal	57,636,200			
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