

A BILL FOR AN ACT

To appropriate the sum of [~~\$29,014,930~~]\$28,230,949, from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2005, for the purpose of funding the operations of all branches of the National Government of the Federated States of Micronesia, its agencies, various programs, grants, subsidies and contributions, to establish a capital and human resource development budget, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1 Section 1. Definitions.

2 (1) "Activities" means that set of activities set forth in
3 the performance budget pages of the budget book for each
4 department, office, agency or program. An activity is a general
5 policy objective, the achievement of which can be measured. An
6 activity is part of a strategic goal and will result in a certain
7 amount or number of outputs or units of work.

8 (2) "Amended Compact" means the Compact of Free
9 Association, as amended, and its related agreements entered into
10 by and between the Government of the United States and enacted as
11 United States Public Law No. 108-188.

12 (3) "Budget book" means the document entitled "Federated
13 States of Micronesia National Government Fiscal Year 2005 Proposed
14 Budget", which was transmitted by the President to the Speaker of
15 the Congress of the Federated States of Micronesia on March 30,
16 2004.

17 (4) "Performance budget pages" means those pages in the
18 budget book that set forth the mission, strategic goals,

1 activities, objectives and outputs for each department or agency.

2 Section 2. Operating expenses of the Executive Branch. The
3 sum of \$[~~13,390,473~~] 13,382,522, or so much thereof as may be
4 necessary, is hereby appropriated from the General Fund of the
5 Federated States of Micronesia for the fiscal year ending
6 September 30, 2005, for the operations of the Executive Branch of
7 the National Government during fiscal year 2005. The sum
8 appropriated by this section shall be apportioned as follows:

9 (1) Office of the President

10 \$670,864, for the activities set forth in the performance budget
11 pages 1 through 2 of the budget book.

12 (2) Department of Foreign Affairs

13 \$3,397,792, for the activities set forth in the performance budget
14 pages 20 through 24 of the budget book.

15 (3) Department of Finance and Administration

16 \$[~~2,305,055~~] 2,795,932, for the activities set forth in the
17 performance budget pages 73 through 77 of the budget book,
18 provided that \$500,000 of this amount shall be used to fund a
19 portion of the deficit recorded by the National Government at the
20 close of fiscal year 2003, and further provided that said sum
21 shall not be applied to the deficit until the Department has
22 reported to Congress as to the accounts in deficit, the amount of
23 the deficit in each account, and the account(s) to which the
24 \$500,000 will be applied.

25 (4) Department of Economic Affairs

1 \$~~[1,137,160]~~ 1,071,353, for the activities set forth in the
2 performance budget pages 126 through 132 of the budget book.

3 (5) Department of Transportation, Communication and
4 Infrastructure

5 \$~~[1,201,923]~~ 1,131,922, for the activities set forth in the
6 performance budget pages 183 through 185 of the budget book.

7 (6) Department of Health, Education and Social Affairs
8 \$~~[1,399,585]~~ 1,476,808, for a portion of the activities set forth
9 in the performance budget pages 210 through 216 of the budget
10 book. Of the total funds appropriated, \$~~[465,200]~~ 475,200 shall
11 be deemed to come from funds available under the education sector
12 of the Amended Compact, \$~~[703,284]~~ 763,234 from the health sector,
13 and \$111,421 from the environment sector.

14 (7) Department of Justice

15 \$~~[2,737,883]~~ 2,282,338, for the activities set forth in the
16 performance budget pages 339 through 342 of the budget book.

17 (8) FSM Public Defender Office

18 \$~~[540,211]~~ 555,513, for the activities set forth in the
19 performance budget pages 372 through 373 of the budget book.

20 Section 3. Operating expenses of the Legislative Branch.

21 The sum of \$~~[2,780,613]~~ 2,758,077, or so much thereof as may be
22 necessary, is hereby appropriated from the General Fund of the
23 Federated States of Micronesia for the fiscal year ending
24 September 30, 2005, for the operations of the Legislative Branch
25 of the National Government during fiscal year 2005 in order to

1 achieve the activities set forth in the performance budget pages
2 380 through 381 of the budget book.

3 Section 4. Operating expenses of the National Judiciary
4 Branch.

5 The sum of \$~~[1,028,344]~~ 1,191,055, or so much thereof as may be
6 necessary, is hereby appropriated from the General Fund of the
7 Federated States of Micronesia for the fiscal year ending
8 September 30, 2005, for the operations of the Judiciary Branch of
9 the National Government during fiscal year 2005 in order to
10 achieve the activities set forth in the performance budget pages
11 406 through 408 of the budget book.

12 Section 5. Operating expenses of the Public Auditor Office.

13 The sum of \$~~[558,028]~~ 665,028, or so much thereof as may be
14 necessary, is hereby appropriated from the General Fund of the
15 Federated States of Micronesia for the fiscal year ending
16 September 30, 2005, for the operations of the Office of the FSM
17 Public Auditor during fiscal year 2005 in order to achieve the
18 activities set forth in the performance budget page 417 of the
19 budget book. All funds appropriated herein shall be deemed to
20 come from funds available under the capacity building sector of
21 the Amended Compact, except that \$107,000 shall be funded from
22 domestic revenues and applied to the cost of the annual Single
23 Audit.

24 Section 6. Operating expenses of agencies of the National
25 Government.

1 The sum of \$~~[1,506,628]~~ 1,443,340, or so much thereof as may be
2 necessary, is hereby appropriated from the General Fund of the
3 Federated States of Micronesia for the fiscal year ending
4 September 30, 2005, for the operations of the following boards,
5 commissions and agencies during fiscal year 2005. The sum
6 appropriated by this section shall be apportioned as follows:

7 (1) National Oceanic Resource Management Authority.

8 \$~~[404,481]~~ 397,357, for the activities set forth in the
9 performance budget pages 425 through 427 of the budget book.

10 (2) Board of Regents - COM-FSM.

11 \$84,460, for the activities set forth in the performance pages 435
12 through 436 of the budget book.

13 (3) FSM Coconut Development Authority

14 \$~~[115,511]~~ 109,346, for the activities set forth in the
15 performance budget pages 440 through 441 of the budget book.

16 (4) FSM Banking Board

17 \$~~[138,387]~~ 138,388, for the activities set forth in the
18 performance budget pages 447 through 448 of the budget book.

19 (5) FSM Postal Services

20 \$613,789, for the activities set forth in the performance budget
21 pages 454 through 456 of the budget book.

22 (6) FSM National Fisheries Corporation

23 \$~~[150,000]~~ 100,000 for the activities set forth in the performance
24 budget page 463 of the budget book.

25 Section 7. Special Programs.

1 The sum of \$562,949, or so much thereof as may be necessary, is
2 hereby appropriated from the General Fund of the Federated States
3 of Micronesia for the fiscal year ending September 30, 2005, for
4 the following special programs during fiscal year 2005. The sum
5 appropriated by this section shall be apportioned as follows:

6 (1) FSM Aquaculture Center

7 \$91,833 for the activities set forth in the performance budget
8 page 467 of the budget book.

9 (2) Office of the National Election Director

10 \$456,116 for the activity set forth in the performance budget page
11 473 of the budget.

12 (3) National Authorizing Committee (APU/EU/Cotonou
13 Agreement)

14 \$15,000, for the activity set forth in the performance budget page
15 481 of the budget book.

16 Section 8. Grants, Subsidies and Contributions.

17 The sum of \$~~[1,648,511]~~ 1,689,691 or so much thereof as may be
18 necessary, is hereby appropriated from the General Fund of the
19 Federated States of Micronesia for the fiscal year ending
20 September 30, 2005, for the following grants, subsidies and
21 contributions during fiscal year 2005. The sum appropriated by
22 this section shall be apportioned as follows:

23 (1) Department of Foreign Affairs

24	(a) Forum Secretariat	\$ 35,000
25	(b) The Pacific Community	17,000

1	(c) United Nations Economic and Social	
2	Commission for Asia and the Pacific (ESCAP)	5,000
3	(d) United Nations Membership Fee	\$ 60,000
4	(e) East-West Center	10,000
5	(2) Department of Economic Affairs	
6	(a) Pacific Islands Development Program ..	15,000
7	(b) Forum Fisheries Agency (FFA)	21,000
8	(c) United Nations Development Program	
9	(UNDP)	3,000
10	(d) Coordinating Commission for	
11	Offshore Mineral Prospecting (CCOMP) [8,000]	<u>15,000</u>
12	(e) Pacific Asia Travel Association	
13	(PATA)	5,000
14	(f) United Nations Environmental Protection	
15	Agency (UNPA)	600
16	(g) Western Forestry Leadership Coalition	500
17	(h) Seaframe Project	1,500
18	(i) Food Agriculture Organization (FAO) ..	4,700
19	(3) Department of Health, Education and Social	
20	Affairs	
21	(a) United Nations Funds for	
22	Population Activity	3,000
23	(b) South Pacific Regional Environmental	
24	Program (SPREP)	7,375
25	(c) Aid to Non-Public Schools	300,000

1	(d) Financial Assistance for FSM Students	
2	at College of Marshall Islands (CMI) and Palau Community	
3	College (PCC)	\$ 50,000
4	(e) World Health Organization (WHO)	
5	Membership Fee	41,385
6	(f) National Board of Nursing [20,000]	<u>38,000</u>
7	(g) Pacific Islands Health Officers	
8	Association (PIHOA)	20,000
9	(h) National Close-Up Local Program	64,000
10	(i) FSM Amateur Sports Association	20,000
11	(j) College of Micronesia Board	5,000
12	(k) Association of Territorial Health	
13	Association	2,000
14	(l) FSM Red Cross	64,000
15	(m) United National Economic and Social	
16	Cooperation (UNESCO)	13,941
17	(4) Department of Transportation, Communication	
18	and Infrastructure	
19	(a) Asia Pacific Telecommunity	7,640
20	(b) International Telecommunication Union	
21	(ITU)	[28,820] <u>55,000</u>
22	(c) International Civil Aviation	
23	Organization	28,050
24	(d) Micronesian Shipping Commission [10,000]	<u>-0-</u>
25	(e) Utilities for FSM Capital	300,000

1	(5) Coconut Development Authority	
2	(a) Copra Subsidy	75,000
3	(b) Asia Pacific Coconut Community	\$ 15,500
4	(6) Other Grants, Subsidies and Contributions	
5	(a) Kosrae Judiciary	37,500
6	(b) Pohnpei Judiciary	40,500
7	(c) Chuuk Judiciary	40,500
8	(d) Yap Judiciary	35,000
9	(e) Micronesian Legal Services (MLSC)	100,000
10	(f) COM Treaty Obligations	25,000
11	(g) State Law Enforcement	100,000
12	(h) ACP/EU Membership Fee	8,000

13 Section 9. Capital and Human Resource Development.

14 The sum of \$~~[7,539,384]~~ 6,538,287, or so much thereof as may be
 15 necessary, is hereby appropriated from the General Fund of the
 16 Federated States of Micronesia for the fiscal year ending
 17 September 30, 2005, for the following capital improvements,
 18 development programs and projects and human resource development.
 19 The sum appropriated under this section shall be apportioned as
 20 follows:

- 21 (1) College of Micronesia-FSM
- 22 (a) Operations of the College of Micronesia-FSM,
 23 including planning, construction and maintenance of
 24 college facilities. All funds appropriated herein shall be deemed
 25 to come from funds available under the education sector of the

1	Amended Compact	\$	3,8
2	(b) Student assistance for tuition and		
3	housing, COM-FSM	[380,000]	<u>190,000</u>
4	(c) COM-FSM Yap Campus Facility, PROVIDED		
5	THAT funds appropriated herein shall be deemed to come		
6	from funds available under the infrastructure		
7	development sector of the Amended Compact	\$	330,000
8	(d) FSM Fisheries and Maritime Institute,		
9	<u>including operations, planning, training, and construction and</u>		
10	<u>maintenance of facilities and equipment. Of this</u>		
11	<u>amount \$180,050, shall be deemed to come from funds</u>		
12	<u>available under the education sector of the</u>		
13	<u>Amended Compact</u>		463
14	(2) National Staff Upgrading, PROVIDED THAT funds		
15	appropriated herein shall be deemed to come from funds		
16	available under the capacity building sector of the		
17	Amended Compact		50,000
18	(3) FSM Visitor Bureau	[300,000]	<u>100,000</u>
19	(4) Economic Statistics Unit		
20	Strengthening		75,000
21	(5) Crop Production Improvement		27,300
22	(6) Public Enterprise Privatization ..	[133,120]	<u>66,560</u>
23	(7) 2005 World Exposition (Japan)	[294,537]	<u>-0-</u>
24	(8) FSM Development Bank - Business Development		
25	Loan Program		500,000

1	(9) MS Caroline Voyager Drydocking	630,000
2	(10) Project Management Unit (PMU), PROVIDED THAT	
3	the sum appropriated in this line item shall be deemed	
4	to come from funds available under the infrastructure	
5	development sector of the Amended Compact ..\$ [500,000]	<u>250,000</u>

6 Section 10. Employment ceilings. The maximum
 7 number of positions for each branch and agency of the
 8 National Government for fiscal year 2005 shall be as follows:

9	(1) Executive Branch	427
10	(2) Legislative Branch	59
11	(3) Judiciary Branch	28
12	(4) Public Auditor	16
13	(5) Agencies	
14	(a) National Oceanic Resource Management	
15	Authority	11
16	(b) Coconut Development Authority.....	4
17	(c) National Postal Services.....	38
18	(d) FSM Banking Board.....	4
19	(6) Special Programs	
20	(a) FSM Aquaculture Center.....	4
21	(b) Office of National Election Director	11

22 Section 11. Reprogramming.

23 Reprogramming to increase employee salary shall not be permitted.
 24 ~~[The President may reprogram up to ten percent to and from the~~
 25 ~~funds appropriated to each department and office in section 2~~

1 ~~(Operating Expenses of the Executive Branch)]~~. Funds appropriated
2 under section 2 of this act and apportioned to a department or
3 office under sections 2(1) through 2(8) of this act shall not be
4 reprogrammed to or from such department or office. Reprogramming
5 within a department or agency shall be effected by the head of
6 such department by specifying in writing to the Secretary of the
7 FSM Department of Finance and Administration, the activities for
8 which funding is either increased or decreased.

9 Section 12. Allotment and management of funds and lapse
10 date.

11 (1) General Provisions.

12 (a) All funds appropriated by this act shall be
13 allotted, managed, administered, and accounted for in accordance
14 with applicable law, including, but not limited to, the Financial
15 Management Act of 1979 and the Amended Compact of Free Association
16 between the United States Government and the Government of the
17 Federated States of Micronesia.

18 (b) The allottees shall be responsible for ensuring
19 that these funds, or so much thereof as may be necessary, are used
20 solely for the purposes specified in this act, and that no
21 obligations are incurred in excess of the sum appropriated.

22 (2) Allottees. The allottees of the funds appropriated
23 by this act are as follows:

24 (a) section 2 - the allottee of these funds shall be
25 the President of the Federated States of Micronesia;

1 (b) section 3 - the allottee of these funds shall be
2 the Speaker of the Congress of the Federated States of Micronesia;

3 (c) section 4 - the allottee of these funds shall be
4 the Chief Justice of the Supreme Court of the Federated States of
5 Micronesia;

6 (d) section 5 - the allottee of these funds shall be
7 the Public Auditor of the Federated States of Micronesia;

8 (e) section 6 through 9 - the allottee of these
9 funds shall be the President of the Federated States of
10 Micronesia; EXCEPT THAT for the following subsections of section 6
11 through 9 of this act, the allottees shall be:

12 (i) section 8, subsection (6)(a) through (6)(d)
13 - the allottee of these funds shall be the Chief Justice of the
14 respective state;

15 (ii) section 9, subsection (1)(a) through (1)(d)
16 - the allottee of these funds shall be the President of the
17 College of Micronesia-FSM;

18 (3) Lapse Dates. The authority of the allottees to
19 obligate funds appropriated by this act shall lapse as of
20 September 30, 2004, EXCEPT that funds appropriated under section 9
21 of this act shall not lapse.

22

23 Section 13. This act shall become law upon approval by the President

24

25 Date: 5/17/04

Introduced by: /s/ Henry C. Asugar
Henry C. Asugar

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(by request)

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