To appropriate the sum of $40,945,190 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2002, for the purpose of funding the operations of all branches of the National Government of the Federated States of Micronesia, its agencies, various programs, subsidies, grants and contributions; to establish a budget for compact sections 211, 214(b), 215(a)(2), 216(a)(1), 216(a)(2), 216(a)(3), and 221(b); to establish a development budget and appropriate funds available therefor; and for other purposes.

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

Section 1. Definitions.


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

(3) "Performance budget pages" means those pages in the budget book that set forth the strategic goals, activities, objectives and outputs for each department or agency.

Section 2. Operating expenses of the Executive Branch. The sum of $14,677,719, or so much thereof as may be necessary, is hereby appropriated from the General Fund of the Federated States
of Micronesia for the fiscal year ending September 30, 2002, for
the operations of the Executive Branch of the National Government
during fiscal year 2002. The sum appropriated by this section
shall be apportioned as follows:

1. Office of the President
   $916,870 for the activities set forth in the performance budget

2. Department of Foreign Affairs
   $3,520,008, for the activities set forth in the performance budget
   pages A2.1 through A2.9 of the budget book.

3. Department of Finance and Administration
   $2,584,594, for the activities set forth in the performance budget
   pages A3.1 through A3.8 of the budget book.

4. Department of Economic Affairs
   $1,373,626 for the activities set forth in the performance budget
   pages A4.1 through A4.18 of the budget book.

5. Department of Transportation, Communication and
   Infrastructure
   $1,575,262 for the activities set forth in the performance budget
   pages 5.1 through 5.3 of the budget book.

6. Department of Health, Education and Social Affairs
   $985,908 for the activities set forth in the performance budget

7. Department of Justice
   $3,148,844 for the activities set forth in the performance budget
pages A7.1 through A7.6 of the budget book. Of the total funds
appropriated, $519,000 shall be deemed to come from funds
available under section 216(a)(1) of the Compact of Free
Association for marine surveillance.

(8) FSM Public Defender

$572,607 for the activities set forth in the performance budget
pages A8.1 through A8.2 of the budget book.

Section 3. Operating expenses of the Legislative Branch.
The sum of $3,382,613, or so much thereof as may be necessary, is
hereby appropriated from the General Fund of the Federated States
of Micronesia for the fiscal year ending September 30, 2002, for
the operations of the Legislative Branch of the National
Government during fiscal year 2002 in order to achieve the
activities set forth in the performance budget pages B.1 through
B.3 of the budget book.

Section 4. Operating expenses of the National Judiciary.
The sum of $985,376, or so much thereof as may be necessary, is
hereby appropriated from the General Fund of the Federated States
of Micronesia for the fiscal year ending September 30, 2002, for
the operations of the Judiciary Branch of the National Government
during fiscal year 2002 in order to achieve the activities set
forth in the performance budget pages C.1 through C.3 of the
budget book.

Section 5. Operating expenses of the Public Auditor. The
sum of $508,997, or so much thereof as may be necessary, is hereby
appropriated from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2002, for the operations of the Office of the FSM Public Auditor during fiscal year 2002 in order to achieve the activities set forth in the performance budget pages D.1 through D.2 of the budget book.

Section 6. Operating expenses of agencies of the National Government. The sum of $1,898,682, or so much thereof as may be necessary, is hereby appropriated from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2002, for the operations of the following boards, commissions and agencies during fiscal year 2002. The sum appropriated by this section shall be apportioned as follows:

1. Micronesian Fisheries Authority
   $502,345 for the activities set forth in the performance budget pages E1.1 through E1.6 of the budget book.

2. Board of Regents-COM-FSM
   $84,460 for the activities set forth in the performance budget pages E2.1 through E2.2 of the budget book.

3. FSM Coconut Development Authority
   $149,336 for the activities set forth in the performance budget pages E3.1 through E3.2 of the budget book.

4. FSM Banking Board
   $147,212 for the activities set forth in the performance budget pages E4.1 through E4.2 of the budget book.

5. FSM Postal Services
Section 7. Special programs. The sum of $2,269,262, or so much thereof as may be necessary, is hereby appropriated from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2002, for the following special programs during fiscal year 2002. The sum appropriated by this section shall be apportioned as follows:

1. FSM Aquaculture Center
   $129,717 for the outputs set forth in the performance budget pages F1.1 through F1.2 of the budget book.

2. Joint Committee on Compact Economic Negotiations (JCN)
   $1,149,800 for the activities set forth in the performance budget pages F2.1 through F2.2 of the budget book.

3. National Government Early Retirement Loan Repayment Fund
   $282,309 for the repayment of the Asian Development Bank financed early retirement loan.

4. FSM National Government Employee Retirement Plan
   $300,000 for the purpose of providing the initial capital for a retirement plan for the employees of the FSM National Government.

5. Office of the National Election Director
$307,436 for the purpose of funding the operations of the Office
of the National Election Director, including the national election
offices in each of the four states.

(6) FSM Capital Complex Computer Network System

$100,000 for the activities set forth in the performance budget
page F6.1 of the budget book.

Section 8. Grants, subsidies and contributions. The sum of
$2,466,641, or so much thereof as may be necessary, is hereby
appropriated from the General Fund of the Federated States of
Micronesia for the fiscal year ending September 30, 2002, for the
following grants, subsidies and contributions during fiscal year
2002. The sum appropriated by this section shall be apportioned
as follows:

(1) Office of the President

(a) Pacific Islands News Association ....$ 200
(b) Asia Pacific Broadcasting Union ...... 800
(c) Asia Pacific Institute of
Broadcasting ........................................... 3,000

(2) Department of Foreign Affairs

(a) Forum Secretariat ...................... 35,000
(b) The Pacific Community ............... 30,000
(c) South Pacific Regional
Environmental Program (SPREP) ................. 7,375
(d) United Nations Economic and
Social Commission for Asia and the Pacific (ESCAP) ..$ 5,000
1. (e) UN membership fees ..................... 100,000
2. (f) East West Center ..................... 10,000
3. (3) Department of Economic Affairs
4. (a) Pacific Island Development Program .............................................. 15,000
5. (b) Forum Fisheries Agency (FFA) ........... 21,000
6. (c) UN Development Program .................. 3,000
7. (d) Coord. Commission for Offshore Mineral Prospecting (CCOMP) ......................... 8,000
8. (e) Plant Protection Program ............. 60,000
9. (f) Pacific Asian Travel Association ..... 5,000
10. (g) FSM Giant Clam Culture ...................... 11,440
11. (h) FSM Coastal Fisheries Consortium ..... 11,702
12. (i) National Plant Protection and Quarantine Communication ................................. 29,700
13. (j) OPIC Loan Repayment ..................... 250,000
14. (4) Department of Health, Education and Social Affairs
15. (a) UN Fund for Population Activity (UNFPA) .............................................. 3,000
16. (b) Aid to non-public schools .......... 400,000
17. (c) Financial assistance for students studying at CMI and PCC, PROVIDED that the program of study is not available at COM National or State campuses ................................. $
(d) President Graduate Scholarship ............... 100,000
(e) World Health Organization (WHO) ........... 41,385
(f) National Board of Nursing ....................... 38,000
(g) Pacific Islands Health Officers
Association (PIHOA) ...................................... 20,000
(h) National Close-Up Local Program ............... 63,850
(i) FSM Amateur Sports Association ................ 35,000
(j) COM Board Annual Meeting ....................... 5,000
(k) Association of Territorial Health
Organization .................................................. 2,000

(5) Department of Justice; PROVIDED that, no funds appropriated for Joint Law Enforcement purposes may be used for travel or to purchase vehicles
(a) Kosrae Joint Law Enforcement ...................... 50,000
(b) Pohnpei Joint Law Enforcement .................... 120,000
(c) Chuuk Joint Law Enforcement ...................... 140,000
(d) Yap Joint Law Enforcement ......................... 70,000

(6) Department of Transportation,
Communication and Infrastructure
(a) Asia Pacific Telecommunity ...................... 9,000
(b) International Telecommunication
Union .......................................................... 57,639
(c) International Civil Aviation
Organization .................................................. 28,050
(d) Micronesian Shipping Commission ............$ 10,000
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<tr>
<td>1</td>
<td>(e) Maritime Academy Scholarship</td>
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<td>(7) Coconut Development Authority</td>
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<td>3</td>
<td>(a) Copra Subsidy</td>
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<td>4</td>
<td>(b) Asia Pacific Coconut Community</td>
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<td>5</td>
<td>(8) Other grants, subsidies and contributions</td>
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<td>6</td>
<td>(a) Kosrae Judiciary</td>
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<td>7</td>
<td>(b) Pohnpei Judiciary</td>
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<td>8</td>
<td>(c) Chuuk Judiciary</td>
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<td>9</td>
<td>(d) Yap Judiciary</td>
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<td>10</td>
<td>(e) COM Treaty Obligation</td>
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<tr>
<td>11</td>
<td>(f) Micronesian Legal Services Corporation</td>
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Section 9. **Energy budget.** The sum of $308,154, or so much thereof as may be necessary, is hereby appropriated from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2002, to pay utility bills for National Government offices, operate and maintain standby generators, and establish energy conservation programs. The funds appropriated under this section shall be deemed to come from funds available under section 214(b) of the Compact of Free Association.

Section 10. **Operating expenses of the Telecommunications Corporation.** The sum of $924,000, or so much thereof as may be necessary, is hereby appropriated from the General Fund of the Federated States of Micronesia for the fiscal year ending
September 30, 2002, for the operations of FSM Telecommunications Corporation and other telecommunications projects. The funds appropriated under this section shall be deemed to come from funds available under section 215(a)(2) of the Compact of Free Association. The sum appropriated by this section shall be apportioned as follows:

(1) Grant to FSM Telecommunications for the operation of Earth Stations..........................$ 924,000

Section 11. Compact section 216(a)(2) programs.

The sum of $116,000, or so much thereof as may be necessary, is hereby appropriated from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2002, for health and medical referral and other Compact section 216(a)(2) programs and projects. The funds appropriated under this section shall be deemed to come from funds available under section 216(a)(2) of the Compact of Free Association. The sum appropriated under this section shall be apportioned as follows:

(1) Visiting Team of Health Specialists ......$ 68,000
(2) Enhancement of Local Capacity ............. 48,000

Section 12. Compact section 221(b) programs.

The sum of $308,188, or so much thereof as may be necessary, is hereby appropriated from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2002, for health and education programs. The funds appropriated under this section shall be deemed to come from funds available under section
221(b) of the Compact of Free Association. The sum appropriated by this section shall be apportioned as follows:

(1) Health service programs

(a) Health Planning and Workforce Development ......................................... $10,600
(b) Health and Vital Statistics ........... 23,105
(c) Tuberculosis Prevention ............ 8,001
(d) Leprosy Prevention and Control ....... 8,000
(e) Family Health/Planning .............. 11,900
(f) Immunization Program ............... 5,000
(g) Maternal and Child Health .......... 5,000
(h) Substance Abuse Prevention .......... 14,000
(i) AIDS Prevention and Control ......... 6,100
(j) Tobacco Prevention and Control ...... 3,500
(k) Nutrition Services Program .......... 16,150
(l) Diabetes Prevention and Control ...... 15,000

(2) Education programs

(a) National Standardization ............. 66,468
(b) Education Ties Economic Growth ...... 24,579
(c) College Admission Counseling ........ 33,436
(d) National Education Standards .......... 18,477
(e) Civic Education and FSM History ...... 38,872

Section 13. Capital and Human Resource Development.

The sum of $13,099,558, or so much thereof as may be necessary, is hereby appropriated from the General Fund of the Federated States
of Micronesia for the fiscal year ending September 30, 2002, for capital improvement, development programs and projects and human resource development. Of the total funds appropriated under this section, $2,981,107 shall be deemed to come from the capital account funds available under section 211 of the Compact of the Free Association, and 1,287,700 from the funds available under section 216(a)(3) of the Compact of the Free Association. The sum appropriated under this section shall be apportioned as follows:

(1) College of Micronesia-FSM
   (a) Operations of the College of Micronesia-FSM, including planning and construction of new facilities ......................$ 3,000,000
   (b) Student assistance for tuition and housing to be deemed as deriving from section 216(a)(3) of the Compact of Free Association ................... 300,000
   (c) COM-FSM Multi-purpose gymnasium furnishing ........................................... 60,000
   (d) COM-Faculty office furnishing ........ 40,000
   (e) COM-FSM Chuuk campus phase I construction ......................................... 1,000,000
   (f) FSM Fisheries and Maritime Institute ............................................ 829,358

(2) Post-secondary Educational Assistance to be deemed as deriving from section 216(a)(3) of the Compact of Free Association:
| 1 | (a) Kosrae State                      | $126,700 |
| 2 | (b) Pohnpei State                   | 288,000  |
| 3 | (c) Chuuk State                     | 411,700  |
| 4 | (d) Yap State                       | 161,300  |
| 5 | (3) National Staff Upgrading        | 100,000  |
| 6 | (4) FSM Capital Complex Renovation  | 300,000  |
| 7 | (5) Micronesian Entrepreneur Development Center | 60,000  |
| 8 | (6) FSM Development Bank - Development Loan Program | 1,500,000 |
| 9 | (7) Pohnpei Sports Facilities Improvement | 900,000 |
| 10| (8) Yap Sports Facilities Completion | 620,000 |
| 11| (9) FSM Trust Fund - (Account "S") | 2,200,000 |
| 12| (10) FSM Consul General Guam Residence Construction | 190,000 |
| 13| (11) Ms. Caroline Islands Dry-docking | 500,000 |
| 14| (12) National Visitors Bureau       | 512,500  |

Section 14. **Employment ceilings.** The maximum number of positions for each branch of the National Government shall be as follows:

| 21| (1) Executive Branch                | 424 |
| 22| (2) Legislative Branch              | 58  |
| 23| (3) Judiciary Branch               | 26  |
| 24| (4) Public Auditor                 | 15  |
| 25| (5) Agencies                       |     |
Section 15. **Reprogramming.** Reprogramming shall be effected by specifying the activities for which funding is either increased or decreased. The President may reprogram up to ten percent to and from the funds appropriated to each department and office in section 2 (Operating Expenses of the Executive Branch).

Section 16. **Allotment and management of funds and lapse date.**

(1) **General Provisions.**

(a) All funds appropriated by this act shall be allotted, managed, administered, and accounted for in accordance with applicable law, including, but not limited to, the Financial Management Act of 1979;

(b) The allottees shall be responsible for ensuring that these funds, or so much thereof as may be necessary, are used solely for the purpose specified in this act, and that no obligations are incurred in excess of the sum appropriated.
(2) Allottees. The allottees of the funds appropriated by this act are as follows:

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

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

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

(d) section 5 – the allottee of these funds shall be the Public Auditor;

(e) section 6 through 13 – the allottee of these funds shall be the President of the Federated States of Micronesia or his designee; EXCEPT THAT for the following subsections of section 6 through 13 of this act, the allottees shall be:

(i) section 8, subsection (5) – the allottee of these funds shall be the Governor of the respective State, or his designee;

(ii) section 8, subsection (8)(a) through (8)(d) – the allottee of these funds shall be the Chief Justice of the respective State;

(iii) section 13, subsection (1)(a) through (1)(f) – the allottee of these funds shall be the President of the College of Micronesia-FSM;

(iv) section 13, subsections (2)(a) through (2)(d)
1. the allottee of these funds shall be the Governor of the respective State.

2. (3) Lapse date. The authority of the allottees to obligate funds appropriated by this act shall lapse as of September 30, 2002.

3. Section 17. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

Date: ___________ Introduced by: ______________

Joseph J. Urusemal (by request)