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A BILL FOR AN ACT

To further amend Public Law No. 12-12, as amended, by amending sections 2, 3, 4, 5, 7, 8, 13 and 16 to appropriate \$1,924,831 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2002 to provide \$1,300,000 for scholarships from the funds available under section 216(a)(3) of the Compact of Free Association and \$624,831 from local revenues as supplemental funding for the professional premium for the Judicial Branch, public education and the referendum on the proposed constitutional amendments, and for the Maritime Fisheries Institute; to re-designate the funding source for communications expenses; to change certain allottees and lapse dates; and for other purposes.

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

1           Section 1. Section 2 of Public Law No. 12-12, as amended by  
2 Public Law No. 12-\_\_\_, is hereby further amended to read as  
3 follows:

4           "Section 2. Operating expenses of the Executive Branch.  
5           The sum of \$14,030,225, or so much thereof as may be  
6           necessary, is hereby appropriated from the General Fund  
7           of the Federated States of Micronesia for the fiscal  
8           year ending September 30, 2002, for the operations of  
9           the Executive Branch of the National Government during  
10          fiscal year 2002. Of the total funds appropriated under  
11          this section, \$~~118,575~~ 470,800 shall be deemed to come  
12          from the funds available for communications under  
13          section 215(b)(2) of the Compact of Free Association.

14          The sum appropriated by this section shall be  
15          apportioned as follows:

16                 (1) Office of the President

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1           \$809,876, for the activities set forth in the  
2           performance budget pages A1.1 through A1.2 of the budget  
3           book.

4           (2) Department of Foreign Affairs

5                 (a) \$3,771,123, for the activities set forth in  
6           the performance budget pages A2.1 through A2.9 of the  
7           budget book.

8                 (b) Conditions on use of JCN funds. Funds  
9           appropriated under this subsection for Joint Committee  
10          on Compact Economic Negotiations (JCN) travel (\$50,000)  
11          and representation expenses (\$55,000) shall not be  
12          available for obligation or disbursement until:

13                     (i) funds appropriated for such purposes  
14          under the JCN budget have been exhausted;

15                     (ii) JCN has provided a written report to the  
16          Committee on External Affairs of the Congress of the  
17          Federated States of Micronesia, through its Chairman, on  
18          the use of funds already obligated or disbursed,  
19          including a description of such use and an allocation  
20          among the outputs for which it was used; and

21                     (iii) JCN has provided to said committee, in  
22          writing, signed by the JCN chairman and members, a  
23          detailed description of the planned use of the funds it  
24          is seeking to obligate or have disbursed.

25                 (c) Conditions of use of Washington D.C.

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1 Embassy/JCN Representation funds. \$50,000 of the funds  
2 appropriated under this subsection for representation  
3 shall be for meetings between members and staff of the  
4 U.S. Congress and members of the FSM Congress; PROVIDED  
5 however that up to \$20,000 of these funds may be  
6 reprogrammed for use by JCN for representation if all  
7 section 2(2)(b) representation funds have been exhausted  
8 and the requirements contained therein have been met.

9 (3) Department of Finance and Administration  
10 \$1,957,806, for the activities set forth in the  
11 performance budget pages A3.1 through A3.8 of the budget  
12 book.

13 (4) Department of Economic Affairs  
14 \$1,373,627, for the activities set forth in the  
15 performance budget pages A4.1 through A4.18 of the  
16 budget book.

17 (5) Department of Transportation, Communication and  
18 Infrastructure  
19 \$1,500,773, for the activities set forth in the  
20 performance budget pages 5.1 through 5.3 of the budget  
21 book. Of the total funds appropriated under this  
22 subsection, \$25,000 for a consultant in communications  
23 policy shall be deemed to come from funds available  
24 under section 215(a)(2) of the Compact of Free  
25 Association for telecommunications.

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1           (6) Department of Health, Education and Social Affairs  
2           \$980,543, for the activities set forth in the  
3           performance budget pages A6.1 through A6.19 of the  
4           budget book.

5           (7) Department of Justice  
6           \$3,078,213, for the activities set forth in the  
7           performance budget pages A7.1 through A7.6 of the budget  
8           book. Of the total funds appropriated, \$519,000 shall  
9           be deemed to come from funds available under section  
10          216(a)(1) of the Compact of Free Association for marine  
11          surveillance.

12          (8) FSM Public Defender  
13          \$558,264, for the activities set forth in the  
14          performance budget pages A8.1 through A8.2 of the budget  
15          book."

16          Section 2. Section 3 of Public Law No. 12-12 is hereby  
17          amended to read as follows:

18                 "Section 3. Operating expenses of the Legislative  
19                 Branch. The sum of \$3,098,700, or so much thereof as  
20                 may be necessary, is hereby appropriated from the  
21                 General Fund of the Federated States of Micronesia for  
22                 the fiscal year ending September 30, 2002, for the  
23                 operations of the Legislative Branch of the National  
24                 Government during fiscal year 2002 in order to achieve  
25                 the activities set forth in the performance budget

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1           pages B.1 through B.3 of the budget book. Of the total  
2           funds appropriated under this section, \$50,000 shall be  
3           deemed to come from the funds available under section  
4           215(b)(2) of the Compact of Free Association."

5           Section 3. Section 4 of Public Law No. 12-12 is hereby  
6 amended to read as follows:

7           "Section 4. Operating expenses of the National  
8           Judiciary.

9           The sum of \$~~[974,150]~~ 1,016,581, or so much thereof as  
10          may be necessary, is hereby appropriated from the  
11          General Fund of the Federated States of Micronesia for  
12          the fiscal year ending September 30, 2002, for the  
13          operations of the Judiciary Branch of the National  
14          Government during fiscal year 2002 in order to achieve  
15          the activities set forth in the performance budget pages  
16          C.1 through C.3 of the budget book. Of the total funds  
17          appropriated under this section, \$25,000 shall be deemed  
18          to come from the funds available under section 215(b)(2)  
19          of the Compact of Free Association."

20          Section 4. Section 5 of Public Law No. 12-12 is hereby  
21 amended to read as follows:

22          "Section 5. Operating expenses of the Public Auditor.

23          The sum of \$523,997, or so much thereof as may be  
24          necessary, is hereby appropriated from the General Fund  
25          of the Federated States of Micronesia for the fiscal

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1 year ending September 30, 2002, for the operations of  
2 the Office of the FSM Public Auditor during fiscal year  
3 2002 in order to achieve the activities set forth in the  
4 performance budget pages D.1 through D.2 of the budget  
5 book. Of the total funds appropriated under this  
6 section, \$12,000 shall be deemed to come from the funds  
7 available under section 215(b)(2) of the Compact of Free  
8 Association."

9 Section 5. Section 7 of Public Law No. 12-12 is hereby  
10 amended to read as follows:

11 "Section 7. Special programs. The sum of \$1,604,920,  
12 or so much thereof as may be necessary, is hereby  
13 appropriated from the General Fund of the Federated  
14 States of Micronesia for the fiscal year ending  
15 September 30, 2002, for the following special programs  
16 during fiscal year 2002. Of the total funds  
17 appropriated under this section, \$43,200 shall be deemed  
18 to come from the funds available under section 215(b)(2)  
19 of the Compact of Free Association. The sum  
20 appropriated by this section shall be apportioned as  
21 follows:

22 (1) FSM Aquaculture Center \$129,717, for the outputs  
23 set forth in the performance budget pages F1.1 through  
24 F1.2 of the budget book. Of the total funds  
25 appropriated under this subsection, \$4,800 shall be

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1 deemed to come from the funds available under section  
2 215(b)(2) of the Compact of Free Association.

3 (2) Joint Committee on Compact Economic Negotiations  
4 (JCN) \$946,769, for the activities set forth in the  
5 performance budget pages F2.1 through F2.2 of the budget  
6 book. Of the amount appropriated by this subsection,  
7 \$50,000 shall not be allotted until such time as a  
8 contract for an eminent economist is executed, and then  
9 these funds shall be used only for the purpose of paying  
10 amounts due under that contract. Of the total funds  
11 appropriated under this subsection, \$38,400 shall be  
12 deemed to come from the funds available under section  
13 215(b)(2) of the Compact of Free Association.

14 (3) National Government Early Retirement Loan  
15 Repayment Fund  
16 \$282,309 for the repayment of the Asian Development Bank  
17 financed early retirement loan.

18 (4) FSM National Government Employee Retirement Plan  
19 \$-0-, for the purpose of providing the initial capital  
20 for a retirement plan for the employees of the FSM  
21 National Government.

22 (5) Office of the National Election Director  
23 \$246,125, for the purpose of funding the operations of  
24 the Office of the National Election Director, including  
25 the national election offices in each of the four

1 states."

2 Section 6. Section 8 of Public Law No. 12-12, as amended by  
3 Public Law No. 12-\_\_\_, is hereby further amended to read as  
4 follows:

5 "Section 8. Grants, subsidies and contributions. The  
6 sum of \$[~~2,559,791~~] 2,929,191, or so much thereof as may  
7 be necessary, is hereby appropriated from the General  
8 Fund of the Federated States of Micronesia for the  
9 fiscal year ending September 30, 2002, for the following  
10 grants, subsidies and contributions during fiscal year  
11 2002. The sum appropriated by this section shall be  
12 apportioned as follows:

- 13 (1) Office of the President
  - 14 (a) Pacific Islands News Association .....\$ -0-
  - 15 (b) Asia Pacific Broadcasting Union . -0-
  - 16 (c) Asia Pacific Institute of Broadcasting ..... -0-
  - 17 (2) Department of Foreign Affairs
    - 18 (a) Forum Secretariat ..... 35,000
    - 19 (b) The Pacific Community ..... 30,000
    - 20 (c) South Pacific Regional Environmental Program (SPREP) ..... 7,375
    - 21 (d) United Nations Economic and Social Commission for Asia and the
    - 22
    - 23
    - 24
    - 25



1	Pacific (ESCAP) .....	5,000
2	(e) UN membership fees .....	100,000
3	(f) East West Center .....	10,000
4	(3) Department of Economic Affairs	
5	(a) Pacific Island Development	
6	Program .....	15,000
7	(b) Forum Fisheries Agency (FFA) ...\$	21,000
8	(c) UN Development Program .....	3,000
9	(d) Coord. Commission for Offshore	
10	Mineral Prospecting (CCOMP) .....	8,000
11	(e) Plant Protection Program .....	60,000
12	(f) Pacific Asian Travel Association	5,000
13	(g) FSM Giant Clam Culture .....	11,440
14	(h) FSM Coastal Fisheries Consortium	11,702
15	(i) National Plant Protection and	
16	Quarantine Communication .....	29,700
17	(j) OPIC Loan Repayment .....	250,000
18	(4) Department of Health, Education and	
19	Social Affairs	
20	(a) UN Fund for Population Activity	
21	(UNFPA) .....	3,000
22	(b) Aid to non-public schools .....	500,000
23	(c) Financial assistance for	
24	students studying at CMI and PCC, PROVIDED	
25	that the program of study is not available at	

1 COM National or State campuses and PROVIDED  
 2 FURTHER that students applying for this  
 3 assistance first show proof that they have  
 4 applied for Pell Grants and other available  
 5 assistance ..... 50,000  
 6 (d) President Graduate Scholarship .. -0-  
 7 (e) World Health Organization (WHO) \$ 41,385  
 8 (f) National Board of Nursing ..... 38,000  
 9 (g) Pacific Islands Health Officers  
 10 Association (PIHOA) ..... 20,000  
 11 (h) National Close-Up Local Program . 64,000  
 12 (i) FSM Amateur Sports Association .. 35,000  
 13 (j) COM Board Annual Meeting ..... 5,000  
 14 (k) Association of Territorial Health  
 15 Organization ..... 2,000  
 16 (5) Department of Justice; PROVIDED that,  
 17 no funds appropriated for Joint Law Enforcement  
 18 purposes may be used for travel or to  
 19 purchase vehicles, and PROVIDED FURTHER  
 20 that no funds shall be obligated or  
 21 disbursed for the second or third quarter  
 22 of fiscal year 2002 unless, before March  
 23 31, 2002, each state reports to the  
 24 Committee on Judiciary and Governmental  
 25 Operations on the use of all funds

1           appropriated for fiscal year 2001 and for  
 2           the first half of fiscal year 2002,  
 3           including an explanation of how each  
 4           expenditure contributed to the purpose of  
 5           joint law enforcement.

6	(a) Kosrae Joint Law Enforcement . . . .	35,000
7	(b) Pohnpei Joint Law Enforcement . . .	70,000
8	(c) Chuuk Joint Law Enforcement . . . . \$	80,000
9	(d) Yap Joint Law Enforcement . . . . .	45,000

10           (6) Department of Transportation,  
 11           Communication and Infrastructure

12	(a) Asia Pacific Telecommunity	
13	to be deemed as deriving from funds available	
14	under section 215(a)(2) of the Compact of Free	
15	Association for telecommunications . . . . .	9,000

16	(b) International Telecommunication	
17	Union to be deemed as deriving from funds	
18	available under section 215(a)(2) of the	
19	Compact of Free Association for	
20	telecommunications . . . . .	57,639

21	(c) International Civil Aviation	
22	Organization . . . . .	28,050

23	(d) Micronesian Shipping Commission .	10,000
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24           (7) Coconut Development Authority

25	(a) Copra Subsidy . . . . .	100,000
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1	(b) Asia Pacific Coconut	
2	Community .....	20,500
3	(8) Other grants, subsidies and	
4	contributions	
5	(a) Kosrae Judiciary	
6	(i) Unrestricted .....	30,000
7	(ii) Law School Scholarships ....	35,000
8	(b) Pohnpei Judiciary .....\$	90,000
9	(c) Chuuk Judiciary .....	90,000
10	(d) Yap Judiciary	
11	(i) Unrestricted .....	50,000
12	(ii) Law School Scholarships ....	20,000
13	(e) COM Treaty Obligation .....	25,000
14	(f) Micronesian Legal Services	
15	Corporation .....	150,000
16	(g) Constitutional Convention and	
17	Post-Convention duties .....	254,000
18	<u>(h) Public education on the proposed</u>	
19	<u>constitutional amendments</u> .....	<u>150,000</u>
20	<u>(i) Referendum on the proposed</u>	
21	<u>constitutional amendments</u> .....	<u>219,400"</u>

22 Section 7. Section 13 of Public Law No. 12-12, as amended by  
 23 Public Law No. 12-\_\_, is hereby further amended to read as  
 24 follows:

25 "Section 13. Capital and Human Resource Development.

1           The sum of \$~~[11,202,200]~~ 12,715,200, or so much thereof  
 2           as may be necessary, is hereby appropriated from the  
 3           General Fund of the Federated States of Micronesia for  
 4           the fiscal year ending September 30, 2002, for capital  
 5           improvement, development programs and projects and human  
 6           resource development. Of the total funds appropriated  
 7           under this section, \$2,955,926 shall be deemed to come  
 8           from the capital account funds available under section  
 9           211 of the Compact of Free Association, and \$~~[1,387,700]~~  
 10          2,687,700 from the funds available under section  
 11          216(a)(3) of the Compact of Free Association. The sum  
 12          appropriated under this section shall be apportioned as  
 13          follows:

- 14           (1) College of Micronesia-FSM
- 15                 (a) Operations of the College of  
 16           Micronesia-FSM, including planning  
 17           and construction of new facilities .....\$     3,067,000
- 18                 (b) Student assistance for tuition  
 19           and housing to be deemed as deriving from  
 20           section 216(a)(3) of the Compact of Free  
 21           Association PROVIDED that these funds shall  
 22           be used strictly for direct financial  
 23           assistance to COM-FSM students, and PROVIDED  
 24           FURTHER that the co-payment by the student or  
 25           the student's parent must be proportionally

1 the same for each in relation to their total  
 2 obligation, and PROVIDED FURTHER that only  
 3 students maintaining a passing grade point  
 4 average will be eligible to receive these  
 5 funds. The funds appropriated under this  
 6 subsection shall be apportioned as follows:

7	(i) General assistance [ <del>295,000</del> ]	<u>395,000</u>
8	(ii) Assistance for courses on	
9	Micronesian Government and Politics .....\$	5,000
10	(c) COM-FSM Multi-purpose gymnasium	
11	furnishing .....	60,000
12	(d) COM-Faculty office furnishing ...	40,000
13	(e) COM-FSM Chuuk campus phase I	
14	construction .....	1,000,000
15	(f) FSM Fisheries and Maritime	
16	Institute .....[ <del>450,000</del> ]	<u>663,000</u>

17 (2) Post-secondary Educational Assistance  
 18 to be deemed as deriving from section  
 19 216(a)(3) of the Compact of Free Association:

20	(a) Kosrae State .....[ <del>126,661</del> ]	<u>276,661</u>
21	(b) Pohnpei State .....[ <del>288,003</del> ]	<u>588,003</u>
22	(c) Chuuk State Scholarships,	

23 PROVIDED that the selection committee is  
 24 required to provide to the State Scholarship  
 25 Coordinator, copies of all documents which

1 would provide details of the applicants, their  
 2 grade point average, the courses studied and  
 3 the institution attended, as well as names of  
 4 those applicants who are selected to receive a  
 5 scholarship and the amount proposed. This  
 6 requirement must be satisfied prior to the  
 7 release of scholarship funds to the students  
 8 selected.

9	(i) General assistance [ <del>271,716</del> ]	\$ <u>721,716</u>
10	(ii) Scholarships for	
11	student's with the highest grade point	
12	averages .....	140,000
13	(d) Yap State ..... [ <del>161,320</del> ]	<u>361,320</u>
14	(e) Graduate <u>and Professional</u> School	
15	Scholarships -all States ..... [ <del>100,000</del> ]	<u>200,000</u>
16	(3) National Staff Upgrading .....	-0-
17	(4) FSM Capitol complex renovation .....	200,000
18	(5) Micronesian Entrepreneur Development	
19	Center .....	60,000
20	(6) FSM Development Bank - Development	
21	Loan Program .....	1,000,000
22	(7) Pohnpei sports facilities improvement	-0-
23	(8) Yap sports facilities completion .....	620,000
24	(9) FSM Trust Fund, PROVIDED that these	
25	funds shall be placed in the FSM Trust	

1 Fund until such time as an 'S' Account  
 2 within the FSM Trust Fund is established  
 3 by law, at which time the funds will be  
 4 transferred to this account. If no 'S'  
 5 Account is established by law, the funds  
 6 shall remain in the FSM Trust Fund until  
 7 such time as they are appropriated by law .. 2,015,000  
 8 (10) FSM Consul General Guam residence  
 9 construction .....\$ 190,000  
 10 (11) Ms. Caroline Islands dry-docking ..... 500,000  
 11 (12) National Visitors Bureau ..... 512,500  
 12 (13) Chuuk State Multipurpose Gymnasium ... 100,000"

13 Section 8. Section 16 of Public Law No. 12-12, as amended by  
 14 Public Law No. 12-\_\_, is hereby further amended to read as  
 15 follows:

16 "Section 16. Allotment and management of funds and  
 17 lapse date.

18 (1) *General Provisions.*

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

23 (b) The allottees shall be responsible for  
 24 ensuring that these funds, or so much thereof as may be  
 25 necessary, are used solely for the purpose specified in



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1           this act, and that no obligations are incurred in excess  
2           of the sum appropriated.

3           (2) *Allottees.* The allottees of the funds  
4           appropriated by this act are as follows:

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

7                   (b) section 3 - the allottee of these funds shall  
8           be the Speaker of the Congress of the Federated States  
9           of Micronesia;

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

13                   (d) section 5 - the allottee of these funds shall  
14           be the Public Auditor;

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

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

23                           (ii) section 8, subsection (6)(a) through  
24           (6)(d) - the allottee of these funds shall be the  
25           Secretary of the Department of Transportation,

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1           Communication[~~s~~] and Infrastructure;

2                           (iii) section 8, subsection (8)(a) through  
3                           (8)(d) - the allottee of these funds shall be the Chief  
4                           Justice of the respective State;

5                           (iv) section 8, subsection (8)(~~g~~) - the  
6                           allottee of these funds shall be the President of the  
7                           Federated States of Micronesia, or his designee, until  
8                           such time as the Constitutional Convention convenes and  
9                           selects a President and then the allottee of these funds  
10                          shall be the President of the Constitutional Convention.

11                          (v) section 10, subsection (2)(b) - the  
12                          allottee of these funds shall be the Speaker of the  
13                          Congress of the Federated States of Micronesia, or his  
14                          designee;

15                          (vi) section 10, subsection (2)(c) - the  
16                          allottee of these funds shall be the Chief Justice of  
17                          the Supreme Court of the Federated States of Micronesia;

18                          (vii) section 13, subsection (1)(a) through  
19                          (1)(f) - the allottee of these funds shall be the  
20                          President of the College of Micronesia-FSM;

21                          (viii) section 13, subsections (2)(a) through  
22                          (2)(d) - the allottee of these funds shall be the  
23                          Governor of the respective State.

24                          (ix) section 13, subsection (13) - the  
25                          allottee of these funds shall be the Governor of Chuuk



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