A BILL FOR AN ACT

To appropriate the sum of $[28,165,902] [7,369,742] 7,473,242 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2004, for the purpose of funding for the first quarter of the fiscal year ending September 30, 2004, [the] certain 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:

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, agency or program. 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 mission, strategic goals, activities, objectives and outputs for each department or agency.

Section 2. Operating expenses of the Executive Branch. The sum of $[12,983,079] 3,245,770, 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, 2004, for the operations of the Executive Branch of the National Government during the first quarter of fiscal year 2004. The sum appropriated by this section shall be apportioned as follows:

1. Office of the President
   $[670,864] 167,716, for the activities set forth in the performance budget pages 1 through 3 of the budget book.

2. Department of Foreign Affairs

3. Department of Finance and Administration
   $[2,083,756] 520,939, for the activities set forth in the performance budget pages 74 through 78 of the budget book. [Of the total funds appropriated, $1,241,195 shall be deemed to come from funds available under the Amended Compact for capacity building.]

4. Department of Economic Affairs
   $[1,150,946] 287,737, for the activities set forth in the performance budget pages 115 through 122 of the budget book. [Of the total funds appropriated, $513,091 shall be deemed to come from funds available under the Amended Compact for private sector development, $79,477 for environment sector and $440,466 for capacity building.]

5. Department of Transportation, Communication and
1 Infrastructure

2 $(1,211,252) \ 302,813$, for the activities set forth in the

3 performance budget pages 172 through 175 of the budget book.

4 (6) Department of Health, Education and Social Affairs

5 $(1,412,163) \ 353,041$, for the activities set forth in the

6 performance budget pages 202 through 209 of the budget book. [Of

7 the total funds appropriated, $536,856 shall be deemed to come

8 from funds available under the Amended Compact for education

9 sector and $548,023 for health sector.]

10 (7) Department of Justice

11 $(2,678,835) \ 669,709$, for the activities set forth in the

12 performance budget pages 330 through 334 of the budget book. [Of

13 the total funds appropriated, $1,363,645 shall be deemed to come

14 from funds available under the Amended Compact for capacity

15 building.]

16 (8) FSM Public Defender Office

17 $(480,362) \ 120,091$, for the activities set forth in the


19 Section 3. Operating expenses of the Legislative Branch.

20 The sum of $(2,765,746) \ [691,487] \ 778,987$, or so much thereof as

21 may be necessary, is hereby appropriated from the General Fund of

22 the Federated States of Micronesia for the fiscal year ending

23 September 30, 2004, for the operations of the Legislative Branch

24 of the National Government during fiscal year 2004 in order to

25 achieve the activities set forth in the performance budget pages
Section 4. Operating expenses of the National Judiciary Branch.

The sum of $[898,767] 242,268, 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, 2004, for the operations of the Judiciary Branch of the National Government during fiscal year 2004 in order to achieve the activities set forth in the performance budget pages 398 through 400 of the budget book. [Of the total funds appropriated, $648,390 shall be deemed to come from funds available under the Amended Compact for capacity building.]

Section 5. Operating expenses of the Public Auditor Office.

The sum of $[505,522] 126,388, 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, 2004, for the operations of the Office of the FSM Public Auditor during fiscal year 2004 in order to achieve the activities set forth in the performance budget pages 409 through 410 of the budget book. [All funds appropriated herein shall be deemed to come from funds available under the Amended Compact for capacity building.]

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

The sum of $[1,403,341] 372,925, 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, 2004, for the operations of the following boards, commissions and agencies during fiscal year 2004. The sum appropriated by this section shall be apportioned as follows:

(1) National Oceanic Resource Management Authority
$[380,787] 95,197, for the activities set forth in the performance budget pages 418 through 420 of the budget book.

(2) Board of Regents - COM-FSM
$[84,460] 21,115, for the activities set forth in the performance pages 428 through 429 of the budget book. [All funds appropriated herein shall be deemed to come from funds available under the Amended Compact for education sector.]

(3) FSM Coconut Development Authority

(4) FSM Banking Board
$[138,384] 34,596, for the activities set forth in the performance budget pages 440 through 442 of the budget book.

(5) FSM Postal Services

(6) FSM National Fisheries Corporation
$[156,000] 39,000 for the activities set forth in the performance budget page 458 of the budget book.
1 Section 7. Special Programs.
2 The sum of $[641,683] 160,421, or so much thereof as may be 
3 necessary, is hereby appropriated from the General Fund of the 
4 Federated States of Micronesia for the fiscal year ending 
5 September 30, 2004, for the following special programs during 
6 fiscal year 2004. The sum appropriated by this section shall be 
7 apportioned as follows:
8 (1) FSM Aquaculture Center
9 $[91,833] 22,958 for the activities set forth in the performance 
10 budget page 462 of the budget book.
11 (2) Joint Committee on Compact Economic Negotiations (JCN) 
12 $[297,000] 74,250, for the activities set forth in the performance 
13 budget pages 468 through 469 of the budget book.
14 (3) Office of the National Election Director 
15 $[237,850] 59,463 for the activities set forth in the performance 
16 budget page 475 of the budget book.
17 (4) National Authorizing Committee (APU/EU/Cotonou 
18 Agreement) 
19 $[15,000] 3,750, for the activity set forth in the performance 
20 budget page 482 of the budget book.
21
22 Section 8. Grants, Subsidies and Contributions.
23 The sum of $[2,664,637] 666,445, 682,445 or so much thereof as 
24 may be necessary, is hereby appropriated from the General Fund of 
25 the Federated States of Micronesia for the fiscal year ending 
26 September 30, 2004, for the following grants, subsidies and
contributions during fiscal year 2004. The sum appropriated by this section shall be apportioned as follows:

(1) Department of Foreign Affairs

(a) Forum Secretariat ....................... $[35,000] 8,750
(b) The Pacific Community ................... [30,000] 7,500
(c) United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) ....... [5,000] 1,250
(d) United Nations Membership Fee ........ [60,000] 15,000
(e) East-West Center ......................... [10,000] 2,500

(2) Department of Finance and Administration

(a) [National Authorizing Committee] [8,000]
ACP/EU (Cotonou) Membership Fee ....................... 2,000
(b) World Bank Group (Additional Membership Fee) ................................................. [72,570] 18,143

(3) Department of Economic Affairs

(a) Pacific Islands Development Program .. [15,000] 3,750
(b) Forum Fisheries Agency (FFA) .......... [21,000] 5,250
(c) United Nations Development Program (UNDP) .................................................. [3,000] 750
(d) Coordinating Commission for Offshore Mineral Prospecting (CCOMP) .............. $[8,000] 2,000
(e) Intellectual Property Rights Protection for FSM Biological Diversity ................ [20,000] 5,000
(f) Pacific Asian Travel Association (PATA) ........................................................ [5,000] 1,250
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(g) FSM Economic Summit</td>
<td>$25,000</td>
</tr>
<tr>
<td>2</td>
<td>(h) National Implementing Strategy for Climate Change</td>
<td>$6,250</td>
</tr>
<tr>
<td>3</td>
<td>(i) National Plant Protection Program</td>
<td>$15,000</td>
</tr>
<tr>
<td>4</td>
<td>(j) Pohnpei and Yap Vulnerability Adaptation</td>
<td>$12,500</td>
</tr>
<tr>
<td>5</td>
<td>(k) Privatization of Public Enterprises and Corporations (Government Reform)</td>
<td>$33,280</td>
</tr>
<tr>
<td>6</td>
<td>(l) United Nations Environmental Protection</td>
<td>$150</td>
</tr>
<tr>
<td>7</td>
<td>(m) Household Income and Expenditure Survey</td>
<td>$151,524</td>
</tr>
<tr>
<td>8</td>
<td>(n) FSM Migration Statistics System</td>
<td>$15,000</td>
</tr>
<tr>
<td>9</td>
<td>(o) FSM Giant Clam Culture</td>
<td>$2,860</td>
</tr>
<tr>
<td>10</td>
<td>(p) FSM Coastal Fisheries Consortium</td>
<td>$5,250</td>
</tr>
<tr>
<td>11</td>
<td></td>
<td>$37,881</td>
</tr>
<tr>
<td>12</td>
<td>(4) Department of Health, Education and Social Affairs</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>(a) United Nations Funds for Population Activity</td>
<td>$750</td>
</tr>
<tr>
<td>14</td>
<td>(b) South Pacific Regional Environmental Program (SPREP)</td>
<td>$1,844</td>
</tr>
<tr>
<td>15</td>
<td>(c) Aid to Non-Public Schools</td>
<td>$62,500</td>
</tr>
<tr>
<td>16</td>
<td>(d) Financial Assistance for FSM Students at College of Marshall Islands (CMI) and Palau Community</td>
<td>$12,500</td>
</tr>
<tr>
<td>17</td>
<td>(e) World Health Organization (WHO)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Membership Fee</td>
<td>10,346</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>2</td>
<td>(f) National Board of Nursing</td>
<td>9,500</td>
</tr>
<tr>
<td>3</td>
<td>(g) Pacific Islands Health Officers</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Association (PIHOA)</td>
<td>5,000</td>
</tr>
<tr>
<td>5</td>
<td>(h) National Close-Up Local Program</td>
<td>16,000</td>
</tr>
<tr>
<td>6</td>
<td>(i) FSM Amateur Sports Association</td>
<td>8,750</td>
</tr>
<tr>
<td>7</td>
<td>(j) College of Micronesia Board</td>
<td>1,250</td>
</tr>
<tr>
<td>8</td>
<td>(k) Association of Territorial Health</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Associations</td>
<td>500</td>
</tr>
<tr>
<td>10</td>
<td>(l) Basic Social Services Project; provided that the sum appropriated in this line item shall be deemed to come from carryover funds from Section 221(b) of Compact I</td>
<td>16,574</td>
</tr>
<tr>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>221(b) of Compact I</td>
<td>16,574</td>
</tr>
<tr>
<td>14</td>
<td>(m) FSM Red Cross</td>
<td>16,000</td>
</tr>
<tr>
<td>15</td>
<td>(5) Department of Transportation, Communication and Infrastructure</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>(a) Asia Pacific Telecommunity</td>
<td>1,910</td>
</tr>
<tr>
<td>17</td>
<td>(b) International Telecommunication Union</td>
<td>14,410</td>
</tr>
<tr>
<td>18</td>
<td>(c) International Civil Aviation</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>28,050</td>
<td>7,013</td>
</tr>
<tr>
<td>21</td>
<td>(d) Micronesian Shipping Commission</td>
<td>2,500</td>
</tr>
<tr>
<td>22</td>
<td>(e) Utilities for FSM Capital</td>
<td>75,000</td>
</tr>
<tr>
<td>23</td>
<td>(6) Coconut Development Authority</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>(a) Copra Subsidy</td>
<td>25,000</td>
</tr>
<tr>
<td>25</td>
<td>(b) Asia Pacific Coconut Community</td>
<td>3,875</td>
</tr>
</tbody>
</table>
(7) Other Grants, Subsidies and Contributions

(a) Kosrae Judiciary ....................$[58,500] 16,250
(b) Pohnpei Judiciary ....................$[81,000] 20,250
(c) Chuuk Judiciary ......................$[81,000] 20,250
(d) Yap Judiciary ........................$[63,000] 17,500
(e) Micronesian Legal Services (MLFC) ....$[150,000] 37,500
(f) COM Treaty Obligations ...............$[25,000] 6,250
(g) FSM FEMA/Disaster Matching ...........$[200,000] 50,000
(h) State Law Enforcement ................ 38,250


The sum of $[6,197,792] 1,586,848, 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, 2004, for capital improvement, development programs and projects and human resource development. 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, construction and maintenance of college facilities[. All funds appropriated herein shall be deemed to come from funds available under the Amended Compact for education sector ............$3,000,000] $750,000

   (b) Student assistance for tuition and housing to be deemed as deriving from carryover funds from section 216(a)(3) of the Compact I .............$[475,000] 118,750
(c) COM-FSM Chuuk Campus Facility[PROVIDED THAT funds appropriated in this line item shall be deemed to come from funds available under the Amended Compact for infrastructure development] ................$[350,000] 87,500

(d) FSM Fisheries and Maritime Institute[PROVIDED THAT funds appropriated in this line item shall be deemed to come from funds available under the Amended Compact for the education sector] ........[708,393] 177,098

(2) National Staff Upgrading[PROVIDED THAT funds appropriated herein shall be deemed to come from funds available under the Amended Compact for capacity building] ..................[50,000] 12,500

(3) FSM Visitor Bureau ..................[500,000] –0–

(4) EMPAT Phase III[PROVIDED THAT $38,479 of funds appropriated herein shall be deemed to come from funds available under the Amended Compact for capacity building] ..................[47,000] 11,750

(5) 3\textsuperscript{rd} Convention of FSM Coastal Fisheries ....[17,000] 4,351

(6) FSM Development Bank – Business Development Loan Program ..................$[1,000,000] –0–

(7) FSS Palikir Slipping ..................[200,000] 50,000

Section 10. Employment ceilings. The maximum number of positions for each branch and agency of the National Government shall be as follows:

(1) Executive Branch ................. 424
Section 11. Reprogramming.

Reprogramming to increase employee salary shall not be permitted. 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). Reprogramming within a department or agency shall be effected by the head of such department by specifying in writing to the Secretary of the Department of Finance and Administration, FSM National Government the activities for which funding is either increased or decreased.

Section 12. 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 purposes 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 of the Federated States of Micronesia;

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

(i) section 8, subsection (7)(a) through (7)(d)
1 - the allottee of these funds shall be the Chief Justice of the respective state;

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

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

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

Date: 8/27/03 Introduced by: /s/ Henry C. Asugar

Henry C. Asugar (by request)