A BILL FOR AN ACT

To appropriate the sum of $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:

Section 1. Definitions.

(1) "Activities" 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.

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

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

(4) "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 $\{13,390,473\} 13,382,522, 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, 2005, for the operations of the Executive Branch of the National Government during fiscal year 2005. The sum appropriated by this section shall be apportioned as follows:

1. Office of the President
   $670,864, for the activities set forth in the performance budget pages 1 through 2 of the budget book.

2. Department of Foreign Affairs
   $3,397,792, for the activities set forth in the performance budget pages 20 through 24 of the budget book.

3. Department of Finance and Administration
   $\{2,305,055\} 2,795,932, for the activities set forth in the performance budget pages 73 through 77 of the budget book, provided that $500,000 of this amount shall be used to fund a portion of the deficit recorded by the National Government at the close of fiscal year 2003, and further provided that said sum shall not be applied to the deficit until the Department has reported to Congress as to the accounts in deficit, the amount of the deficit in each account, and the account(s) to which the $500,000 will be applied.

4. Department of Economic Affairs
$1,137,160 \text{, for the activities set forth in the performance budget pages 126 through 132 of the budget book.}$

(5) Department of Transportation, Communication and Infrastructure

$1,201,923 \text{, for the activities set forth in the performance budget pages 183 through 185 of the budget book.}$

(6) Department of Health, Education and Social Affairs

$1,399,585 \text{, for a portion of the activities set forth in the performance budget pages 210 through 216 of the budget book. Of the total funds appropriated, $465,200 \text{ shall be deemed to come from funds available under the education sector of the Amended Compact, $703,284 \text{ from the health sector, and $111,421 from the environment sector.}$}$

(7) Department of Justice

$2,737,883 \text{, for the activities set forth in the performance budget pages 339 through 342 of the budget book.}$

(8) FSM Public Defender Office

$540,211 \text{, for the activities set forth in the performance budget pages 372 through 373 of the budget book.}$

Section 3. Operating expenses of the Legislative Branch.

The sum of $2,780,613 \text{, or so much thereof as may be necessary, is hereby appropriated from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2005, for the operations of the Legislative Branch of the National Government during fiscal year 2005 in order to}$
Section 4. Operating expenses of the National Judiciary Branch.
The sum of $1,028,344\text{,} 1,191,055, 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, 2005, for the operations of the Judiciary Branch of the National Government during fiscal year 2005 in order to achieve the activities set forth in the performance budget pages 406 through 408 of the budget book.

Section 5. Operating expenses of the Public Auditor Office.
The sum of $558,028\text{,} 665,028, 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, 2005, for the operations of the Office of the FSM Public Auditor during fiscal year 2005 in order to achieve the activities set forth in the performance budget page 417 of the budget book. All funds appropriated herein shall be deemed to come from funds available under the capacity building sector of the Amended Compact, except that $107,000 shall be funded from domestic revenues and applied to the cost of the annual Single Audit.

Section 6. Operating expenses of agencies of the National Government.
The sum of $1,506,628 and $1,443,340, 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, 2005, for the operations of the following boards, commissions and agencies during fiscal year 2005. The sum appropriated by this section shall be apportioned as follows:


2. Board of Regents - COM-FSM. $84,460, for the activities set forth in the performance pages 435 through 436 of the budget book.

3. FSM Coconut Development Authority $115,511 and $109,346, for the activities set forth in the performance budget pages 440 through 441 of the budget book.


5. FSM Postal Services $613,789, for the activities set forth in the performance budget pages 454 through 456 of the budget book.

6. FSM National Fisheries Corporation $150,000 and $100,000 for the activities set forth in the performance budget page 463 of the budget book.

Section 7. Special Programs.
The sum of $562,949, 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, 2005, for the following special programs during fiscal year 2005. The sum appropriated by this section shall be apportioned as follows:

1. FSM Aquaculture Center
   $91,833 for the activities set forth in the performance budget page 467 of the budget book.

2. Office of the National Election Director
   $456,116 for the activity set forth in the performance budget page 473 of the budget.

3. National Authorizing Committee (APU/EU/Cotonou Agreement)
   $15,000, for the activity set forth in the performance budget page 481 of the budget book.

Section 8. Grants, Subsidies and Contributions.

The sum of $1,689,691 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, 2005, for the following grants, subsidies and contributions during fiscal year 2005. The sum appropriated by this section shall be apportioned as follows:

1. Department of Foreign Affairs
   (a) Forum Secretariat $35,000
   (b) The Pacific Community 17,000
<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(c) United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)</td>
<td>5,000</td>
</tr>
<tr>
<td>2</td>
<td>(d) United Nations Membership Fee</td>
<td>$60,000</td>
</tr>
<tr>
<td>3</td>
<td>(e) East-West Center</td>
<td>10,000</td>
</tr>
<tr>
<td>4</td>
<td>(2) Department of Economic Affairs</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>(a) Pacific Islands Development Program</td>
<td>15,000</td>
</tr>
<tr>
<td>6</td>
<td>(b) Forum Fisheries Agency (FFA)</td>
<td>21,000</td>
</tr>
<tr>
<td>7</td>
<td>(c) United Nations Development Program (UNDP)</td>
<td>3,000</td>
</tr>
<tr>
<td>8</td>
<td>(d) Coordinating Commission for Offshore Mineral Prospecting (CCOMP)</td>
<td>15,000</td>
</tr>
<tr>
<td>9</td>
<td>(e) Pacific Asia Travel Association (PATA)</td>
<td>5,000</td>
</tr>
<tr>
<td>10</td>
<td>(f) United Nations Environmental Protection Agency (UNPA)</td>
<td>600</td>
</tr>
<tr>
<td>11</td>
<td>(g) Western Forestry Leadership Coalition</td>
<td>500</td>
</tr>
<tr>
<td>12</td>
<td>(h) Seaframe Project</td>
<td>1,500</td>
</tr>
<tr>
<td>13</td>
<td>(i) Food Agriculture Organization (FAO)</td>
<td>4,700</td>
</tr>
<tr>
<td>14</td>
<td>(3) Department of Health, Education and Social Affairs</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>(a) United Nations Funds for Population Activity</td>
<td>3,000</td>
</tr>
<tr>
<td>16</td>
<td>(b) South Pacific Regional Environmental Program (SPREP)</td>
<td>7,375</td>
</tr>
<tr>
<td>17</td>
<td>(c) Aid to Non-Public Schools</td>
<td>300,000</td>
</tr>
</tbody>
</table>
(d) Financial Assistance for FSM Students at College of Marshall Islands (CMI) and Palau Community College (PCC) ..............................................$ 50,000
(e) World Health Organization (WHO) Membership Fee .............................................. 41,385
(f) National Board of Nursing .............................................. [20,000] 38,000
(g) Pacific Islands Health Officers Association (PIHOA) .............................................. 20,000
(h) National Close-Up Local Program .............................................. 64,000
(i) FSM Amateur Sports Association .............................................. 20,000
(j) College of Micronesia Board .............................................. 5,000
(k) Association of Territorial Health Cooperation .............................................. 2,000
(l) FSM Red Cross .............................................. 64,000
(m) United National Economic and Social Cooperation (UNESCO) ......................... 13,941
(4) Department of Transportation, Communication and Infrastructure
(a) Asia Pacific Telecommunity .............................................. 7,640
(b) International Telecommunication Union (ITU) .............................................. [28,820] 55,000
(c) International Civil Aviation Organization .............................................. 28,050
(d) Micronesian Shipping Commission .............................................. 10,000
(e) Utilities for FSM Capital .............................................. 300,000
(5) Coconut Development Authority

(a) Copra Subsidy ......................... 75,000

(b) Asia Pacific Coconut Community ... $15,500

(6) Other Grants, Subsidies and Contributions

(a) Kosrae Judiciary ..................... 37,500

(b) Pohnpei Judiciary .................... 40,500

(c) Chuuk Judiciary ...................... 40,500

(d) Yap Judiciary ......................... 35,000

(e) Micronesian Legal Services (MLSC) .... 100,000

(f) COM Treaty Obligations ............... 25,000

(g) State Law Enforcement ............... 100,000

(h) ACP/EU Membership Fee .............. 8,000


The sum of $7,539,384 6,538,287, 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, 2005, for the following capital improvements, 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 education sector of the
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Amended Compact</td>
<td>$ 3,856,067</td>
</tr>
<tr>
<td></td>
<td>(b) Student assistance for tuition and housing, COM-FSM</td>
<td>$[380,000] 190,000</td>
</tr>
<tr>
<td></td>
<td>(c) COM-FSM Yap Campus Facility, PROVIDED THAT funds appropriated herein shall be deemed to come from funds available under the infrastructure development sector of the Amended Compact</td>
<td>$ 330,000</td>
</tr>
<tr>
<td></td>
<td>(d) FSM Fisheries and Maritime Institute, including operations, planning, training, and construction and maintenance of facilities and equipment. Of this amount $180,050, shall be deemed to come from funds available under the education sector of the Amended Compact</td>
<td>$ 463,360</td>
</tr>
<tr>
<td>2</td>
<td>National Staff Upgrading, PROVIDED THAT funds appropriated herein shall be deemed to come from funds available under the capacity building sector of the Amended Compact</td>
<td>$ 50,000</td>
</tr>
<tr>
<td>3</td>
<td>FSM Visitor Bureau</td>
<td>$[300,000] 100,000</td>
</tr>
<tr>
<td>4</td>
<td>Economic Statistics Unit</td>
<td>$ 75,000</td>
</tr>
<tr>
<td>5</td>
<td>Crop Production Improvement</td>
<td>$ 27,300</td>
</tr>
<tr>
<td>6</td>
<td>Public Enterprise Privatization</td>
<td>$[133,120] 66,560</td>
</tr>
<tr>
<td>7</td>
<td>2005 World Exposition (Japan)</td>
<td>$[294,537] -0-</td>
</tr>
<tr>
<td>8</td>
<td>FSM Development Bank - Business Development Loan Program</td>
<td>$ 500,000</td>
</tr>
</tbody>
</table>
(9) MS Caroline Voyager Drydocking ............ 630,000
(10) Project Management Unit (PMU), PROVIDED THAT the sum appropriated in this line item shall be deemed to come from funds available under the infrastructure development sector of the Amended Compact ..$[500,000] 250,000

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

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

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]
Funds appropriated under section 2 of this act and apportioned to a department or office under sections 2(1) through 2(8) of this act shall not be reprogrammed to or from such department or office. Reprogramming within a department or agency shall be effected by the head of such department by specifying in writing to the Secretary of the FSM Department of Finance and Administration, 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 and the Amended Compact of Free Association between the United States Government and the Government of the Federated States of Micronesia.

(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 (6)(a) through (6)(d) - 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: 5/17/04 Introduced by: /s/ Henry C. Asugar

Henry C. Asugar
(by request)