THIRD SPECIAL SESSION, 2006

C.B. NO. 14-166

A BILL FOR AN ACT

To amend Public Law No. 14-21, the FY 2006 budget, as amended, in order to provide supplemental funding for the fiscal year ending September 30, 2006, and for other purposes.

ΒE	IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:
1	Section 1. The title of Public Law No. 14-21, as amended by
2	Public Law No. 14-50, is hereby amended to read as follows:
3	"To appropriate the sum of \$[34,356,830] <u>36,973,733</u> from
4	the General Fund of the Federated States of Micronesia
5	for the fiscal year ending September 30, 2006, for the
6	purpose of funding the operations of all branches of the
7	National Government of the Federated States of
8	Micronesia, its agencies, various programs, grants,
9	subsidies and contributions; to establish a capital and
10	human resource development budget, and for other
11	purposes."
12	Section 2. Section 1 of Public Law No. 14-21, as amended by
13	Public Law No. 14-50, is hereby further amended to read as
14	follows:
15	"Section 1. <u>Appropriation</u> . There is hereby
16	appropriated from the General Fund of the Federated
17	States of Micronesia the sum of \$[34,356,830]
18	36,973,733, or so much thereof as may be necessary, for
19	the purpose of funding the operations of all branches of
20	the National Government of the Federated States of

1 Micronesia, its agencies, various programs, grants, 2 subsidies and contributions and capital and human 3 resource development programs of the National Government 4 of the Federated States of Micronesia for the fiscal year ending September 30, 2006. A deadline of December 5 6 1, 2005 is hereby set for all branches of the National 7 Government to satisfy the requirements of section 103 of 8 the Financial Management Act of 1979. The sum 9 appropriated herein shall be apportioned as follows:" Section 3. Section 2 of Public Law No. 14-21, as amended by 10 Public Law No. 14-50, is hereby further amended to read as 11 12 follows:

13 "Section 2. Operating expenses of the Executive Branch. 14 The sum of \$[14,215,701] 15,697,255, or so much thereof as may be necessary, is hereby appropriated from the 15 16 General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2006, for the 17 18 purpose of funding the operations of the Executive 19 Branch of the National Government during the fiscal year 2006. The sum appropriated by this section shall be 20 21 apportioned as follows:

22

(1) Office of the President.

\$[672,213] 739,048, or so much thereof as may be
necessary, for the operations of the Office of the
President during the fiscal year 2006. The sum

1	appropriated herein shall be apportioned as follows:
2	Personnel\$ 287,235
3	Travel\$[93,678] <u>140,513</u>
4	Contractual Services
5	OCE 86,300
6	Fixed Assets 15,000
7	(2) Department of Foreign Affairs.
8	\$[3,200,651] <u>3,325,651</u> , or so much thereof as may
9	be necessary, for the operations of the Department of
10	Foreign Affairs during the fiscal year 2006. The sum
11	appropriated herein shall be apportioned as follows:
12	Personnel [1,185,385] <u>1,185,385</u>] <u>1,185,385</u>
13	Travel [163,070] <u>175,070</u>
14	Contractual Services[1,607,406] <u>1,639,406</u>
15	OCE
16	Fixed Assets
17	(3) Department of Finance and Administration
18	\$[2,445,638] <u>2,547,340</u> , or so much thereof as may
19	be necessary, for the operations of the Department of
20	Finance and Administration during the fiscal year 2006.
21	The sum appropriated herein shall be apportioned as
22	follows:
23	Personnel\$[1,286,249] <u>1,294,277</u>
24	Travel
25	Contractual Services 622,027

1	OCE
2	Fixed Assets 45,367
3	(4) Department of Economic Affairs.
4	\$[1,063,113] <u>1,123,113</u> , or so much thereof as may
5	be necessary, for the operations of the Department of
6	Economic Affairs during the fiscal year 2006. The sum
7	appropriated herein shall be apportioned as follows:
8	Personnel\$[830,535] <u>830,535</u>] <u>830,535</u>]
9	Travel
10	Contractual Services 5,309
11	OCE 121,599
12	Fixed Assets 10,000
13	(5) Department of Transportation, Communication and
14	Infrastructure.
15	\$1,366,142, or so much thereof as may be
16	necessary, for the operations of the Department of
17	Transportation, Communications and Infrastructure during
18	the fiscal year 2006. The sum appropriated herein shall
19	be apportioned as follows:
20	Personnel\$ 579,126
21	Travel 101,968
22	Contractual Services
23	OCE
24	Fixed Assets 4,000
25	(6) Department of Health, Education and Social

1 <u>Affairs</u>.

2	\$[1,905,991] <u>2,090,991</u> , or so much thereof as may
3	be necessary, for the operations of the Department of
4	Health, Education and Social Affairs during the fiscal
5	year 2006. Of the total funds appropriated herein,
6	\$359,081 shall be deemed to come from funds available
7	under the amended Compact for the education sector,
8	\$764,383 from the health sector, \$380,474 from the
9	supplemental education grant (SEG) and \$67,901 from the
10	Compact I Section 221(b) Special Block Grant. The sum
11	appropriated herein shall be apportioned as follows:
12	Personnel\$ 935,875
13	Travel
14	Contractual Services
15	OCE
16	Fixed Assets 6,700
17	(7) <u>Department of Justice</u> .
18	\$[2,664,435] <u>2,906,435</u> , or so much thereof as may
19	be necessary, for the operations of the Department of
20	Justice during the fiscal year 2006. The sum
21	appropriated herein shall be apportioned as follows:
22	Personnel\$ 1,837,660
23	Travel
24	Contractual Services
25	OCE

1	Fixed Assets
2	(8) Office of the Public Defender.
3	\$[667,177] <u>720,917</u> , or so much thereof as may be
4	necessary, for the operations of the Office of the
5	Public Defender during the fiscal year 2006. The sum
6	appropriated herein shall be apportioned as follows:
7	Personnel\$ 456,941
8	Travel 130,000
9	Contractual Services
10	OCE
11	Fixed Assets 3,050
12	(9) Office of Compact Management.
13	\$[230,341] <u>258,341</u> , or so much thereof as may be
14	necessary, for the operations of the Office of Compact
15	Management during the fiscal year 2006. The sum
16	appropriated herein shall be apportioned as follows:
17	Personnel\$ 85,841
18	Travel
19	Contractual Services 57,200
20	OCE 23,100
21	Fixed Assets 4,200
22	Section 4. Section 5 of Public Law No. 14-21 is hereby
23	amended to read as follows:
24	"Section 5. <u>Operating Expenses of the Public Auditor's</u>
25	<u>Office</u> . The sum of \$[667,895] <u>1,163,120</u> , or so much

1	thereof as may be necessary, is hereby appropriated from
2	the General Fund of the Federated States of Micronesia
3	for the fiscal year ending September 30, 2006, for the
4	operations of the National Office of the Public Auditor
5	for the fiscal year 2006. The sum appropriated by this
6	section shall be apportioned as follows:
7	Personnel\$ 354,176
8	Travel
9	Contractual Services
10	OCE
11	Fixed Assets 12,000"
12	Section 5. Section 6 of Public Law No. 14-21, as amended by
13	Public Law No. 14-50, is hereby further amended to read as
14	follows:
15	"Section 6. Operating Expenses of agencies of the
16	<u>National Government</u> . The sum of \$[1,475,130] <u>1,725,130</u> ,
17	or so much thereof as may be necessary, is hereby
18	appropriated from the General Fund of the Federated
19	States of Micronesia for the fiscal year ending
20	September 30, 2006, for the operations of the following
21	boards, commissions and agencies during the fiscal year
22	2006. The sum appropriated by this section shall be
23	apportioned as follows:
24	(1) National Oceanic Resource Management Authority
25	(NORMA).

1	\$379,806, or so much thereof as may be neces	sary,
2	for the operations of NORMA during the fiscal year	2006.
3	The sum appropriated herein shall be apportioned as	S
4	follows:	
5	Personnel\$ 1	92,506
6	Travel	50,000
7	Contractual Services	98,900
8	OCE	38,400
9	Fixed Assets	-0-
10	(2) Board of Regents (COM-FSM).	
11	\$76,014, or so much thereof as may be necess	ary,
12	for the operations of the Board of Regents, COM-FSN	М
13	during the fiscal year 2006. The sum appropriated	
14	herein shall be apportioned as follows:	
15	Personnel\$	-0-
16	Travel	40,914
17	Contractual Services	10,800
18	OCE	24,300
19	Fixed Assets	-0-
20	(3) <u>Coconut Development Authority (CDA)</u> .	
21	\$125,600, or so much thereof as may be neces	sary,
22	for the operations of the Coconut Development Author	ority
23	during the fiscal year 2006. The sum appropriated	
24	herein shall be apportioned as follows:	
25	Personnel\$	68,471

1	Travel	10,469
2	Contractual Services	22,160
3	OCE	9,500
4	Fixed Assets	15,000
5	(4) <u>FSM Banking Board</u> .	
6	\$132,357, or so much thereof as may be ne	ecessary,
7	for the operations of the FSM Banking Board dur	ing the
8	fiscal year 2006. The sum appropriated herein	shall be
9	apportioned as follows:	
10	Personnel\$	71 , 555
11	Travel	20,106
12	Contractual Services	15,700
13	OCE	21,996
14	Fixed Assets	3,000
15	(5) <u>FSM Postal Services</u> .	
16	\$626,353, or so much thereof as may be ne	ecessary,
17	for the operations of the National Postal Servi	ces
18	during the fiscal year 2006. The sum appropria	ited
19	herein shall be apportioned as follows:	
20	Personnel\$	402,488
21	Travel	40,692
22	Contractual Services	98,273
23	OCE	84,900
24	Fixed Assets	-0-
25	(6) National Fisheries Corporation (NFC).	

1	\$[135,000] <u>385,000</u> , or so much thereof as may be
2	necessary, for the operations of the National Fisheries
3	Corporation during the fiscal year 2006. The sum
4	appropriated herein shall be apportioned as follows:
5	NFC operations subsidy \$[45,000] <u>145,000</u>
6	Air freight subsidy
7	Section 6. Section 7 of Public Law No. 14-21 is hereby
8	amended to read as follows:
9	(f) Office of the National Election Director
10	\$[305,807] <u>728,364</u> for the operations of the National
11	Election Director's Office during the fiscal year 2006
12	and for carrying out the elections and constitutional
13	amendments referendum in 2007. The sum appropriated by
14	this section shall be apportioned as follows:
15	Personnel\$ 180,081
16	Travel 13,326
17	Contractual Services 27,100
18	OCE
19	Fixed Assets 47,500
20	2007 National Election
21	Public Education Campaign for Constitutional
22	<u>Amendments</u>
23	<u>Voter ID Project</u>
24	Section 7. Section 8 of Public Law No. 14-21, as amended by
25	Public Law No. 14-50, is hereby further amended to read as

40,

1 follows:

2	"Section 8. <u>Grants, Subsidies and Contributions</u> . The
3	sum of \$[2,805,766] <u>3,427,616</u> , or so much thereof as may
4	be necessary, is hereby appropriated from the General
5	Fund of the Federated States of Micronesia for the
6	fiscal year ending September 30, 2006, for the following
7	grants, subsidies and contributions during fiscal year
8	2006. The sum appropriated by this section shall be
9	apportioned as follows:
10	(1) Department of Foreign Affairs
11	(a) Pacific Islands Forum Secretariat \$
12	(b) Secretariat for the Pacific
13	Community (SPC 17,000
14	(c) UN and Specialized Agencies (UN) 60,000
15	(c) UN Economic and Social Commission
16	for Asia and the Pacific (ESCAP) 5,000
17	(e) East-West Center 5,000
18	(g) <u>United Nations Development</u>
19	<u>Program (UNDP) 100,200</u>
20	(2) Department of Finance and Administration
21	(a) National Authorizing Committee
22	(ACP/EU)
23	(3) Department of Economic Affairs
24	(a) Pacific Islands Development Program 15,000
25	(b) Forum Fisheries Agency (FFA) 21,000

1	(c) UN Development Program 3,000)
2	(d) Coordinating Committee for	
3	Offshore Minerals Prospecting (SOPAC) 40,000)
4	(e) Pacific Asia Travel Association . 5,000)
5	(f) UN Environmental Program (UNEP). 600)
6	(g) Western Forestry	
7	Leadership Coalition\$ 500)
8	(h) Seaframe Program 7,500)
9	(i) Food Agriculture Organization (FAO) 4,700)
10	(j) FA/TCP Matching 28,800)
11	(k) National Environmental	
12	Speech Contest 15,000)
13	(1) 3 rd Convention (Fisheries Consortium) 13,558	3
14	(m) Fuel Task Force)
15	(4) Department of Health, Education and Social Affairs	5
16	(a) UN Fund for Population	
17	Activity (UNFPA) 3,000)
18	(b) South Pacific Regional	
19	Environmental Program (SPREP) 7,375	5
20	(c) Aid to Non-Public Schools 300,000)
21	(d) Financial Assistance to FSM	
22	Students attending College of Marshalls and	
23	Palau Community College 50,000)
24	(e) World Health Organization (WHO). 41,385	5
25	(f) National Board of Nursing 20,000)

5,(

1	(g) Pacific Islands Health
2	Officers Association 20,000
3	(h) National Close-Up Local Program. 64,000
4	(i) FSM Amateur Sports Association 20,000
5	(j) College of Micronesia Board (COM)
6	(k) Association of Territorial
7	Health Organization\$ 2,000
8	(1) FSM Red Cross 64,000
9	(m) UNESCO 4,000
10	(5) Department of Transportation,
11	Communications and Infrastructure
12	(a) Asia-Pacific Telecommunity (APT) 7,640
13	(b) International Telecommunications
14	Union (ITU) 55,000
15	(c) International Civil Aviation
16	Organization
17	(d) Micronesian Shipping Commission . 10,000
18	(e) FSM Capital Energy/Utilities 300,000
19	(6) <u>Coconut Development Authority (CDA)</u>
20	(a) Copra Subsidy
21	(b) Asia Pacific Coconut Community (APCC) 15,500
22	(7) Office of the National Election Director 268,700
23	[(7)] <u>(8)</u> Other Grants, Subsidies and Contributions
24	(a) Kosrae Judiciary subsidy 37,500
25	(b) Pohnpei Judiciary subsidy 40,500

1	(c) Chuuk Judiciary subsidy	40,500
2	(d) Yap Judiciary subsidy, PROVIDED that,	of
3	this amount, \$15,000 shall be used to provide fi	nancial
4	assistance to Yap students enrolled in law schoo	l unless
5	there are no Yap students so enrolled during the	fiscal
6	year \$	35,000
7	(e) COM Treaty Obligations	25,000
8	(f) Micronesian Legal Services	
9	Corporation	150,000
10	(h) States Joint Law	
11	Enforcement	<u>180,000</u>
12	(h) School Textbook Purchase, PROVIDED TH	AT funds
13	appropriated herein shall be deemed to come from	funds
14	available under the amended Compact for Suppleme	ntal
15	Education Grant (SEG)	619 , 658
16	(i) Tuna Commission Membership\$	16,000
17	(j) Disaster Assistance Emergency	
18	Fund (DAEF) Matching	200,000
19	(k) State Court Congestion Relief	60,000
20	(1) Pohnpei, Election District No. 1	
21	Dolakapw road paving	50,000
22	(m) Postal Service Money Order	
23	Escrow Account	200,000
24	(n) Caroline Island Air	131,950
25	(o) State Joint Law Enforcement	30,000

Section 8. Section 9 of Public Law No. 14-21, as amended by 1 2 Public Laws Nos. 14-42 and 14-50, is hereby further amended to 3 read as follows: 4 "Section 9. Capital and Human Resource Development. The sum of \$[10,408,482] 10,608,482, or so much thereof 5 6 as may be necessary, is hereby appropriated from the 7 General Fund of the Federated States of Micronesia for 8 the fiscal year ending September 30, 2006, for the 9 following capital improvements, development programs and 10 projects and human resource development. The sum 11 appropriated by this section shall be apportioned as follows: 12 13 (1) College of Micronesia-FSM. 14 \$[6,909,240] <u>7,109,240</u>, or so much thereof as may be necessary, for the operations, programs and projects 15 of the College during fiscal year 2006. The sum 16 17 appropriated herein shall be apportioned as follows: 18 (a) COM-FSM operations, PROVIDED THAT all funds 19 appropriated herein shall be deemed to come from funds 20 available under the amended Compact for the education sector\$ 21 3,800,000 22 (b) Students scholarship, PROVIDED THAT \$300,000 23 appropriated herein shall be deemed to come from funds 24 available under the amended Compact for Supplemental 25 Education Grant (SEG) and \$267,046 appropriated herein

shall be deemed to come from funds available under the 1 2 amended Compact for the FY05 carryover Supplemental Education Grant (SEG)\$ 3 567,046 4 (c) Fisheries and Maritime Institute 600,000 5 (d) SEOG and Work Study Programs, PROVIDED THAT [all funds] \$270,268 appropriated herein 6 7 shall be deemed to come from funds available 8 under the amended Compact for Supplemental 9 Education Grant (SEG)\$[270,268] 470,268 10 (e) COM-FSM State Campus Facility Improvement, PROVIDED THAT the sum appropriated herein shall be 11 deemed to come from funds available under the amended 12 1,5 13 Compact for Infrastructure Development sector \$ 14 (f) Capacity building and professional 15 development for pre-service teachers in the FSM, 16 PROVIDED THAT all funds appropriated herein shall be 17 deemed to come from funds available under the amended 18 Compact for the FY05 carryover Supplemental Education 19 Grant (SEG)171,926 20 (2) Department of Foreign Affairs 21 (a) FSM Washington Embassy Renovation \$ -0-22 (3) Department of Finance and Administration 23 (a) National Staff Upgrading\$ 50,000 24 (4) <u>Department of Economic Affairs</u> 25 (a) FSM Visitor Bureau 100,000

(5) Department of Transportation, Communication and 1 2 Infrastructure 3 (a) TA Airport Pavement, PROVIDED THAT all funds 4 appropriated herein shall be deemed to come from funds 5 available under the amended Compact for Infrastructure 6 Development sector and PROVIDED THAT no funds shall be 7 allotted until such time as the Department of Justice 8 completes an investigation into the findings of the 9 Office of the National Public Auditor in its report 10 entitled 'Ta Outer Island Airport Audit Fiscal Years 11 1990-2004 Audit No. 2005-01' and reports to the Speaker of Congress on the outcome of that investigation, 12 13 and PROVIDED THAT the appropriation shall not lapse\$ 14 505,787 (6) Department of Justice 15 16 (a) FSM Patrol Boat Slipping 200,000 17 (7) Office of the Public Defender 18 (a) Kosrae PD Office renovation 20,000 19 (b) Pohnpei PD Office retaining wall 4,000 20 (8) FSM Postal Services 21 (a) Yap Post Office renovation 50,000 22 (b) Chuuk Post Office renovation 50,000 23 (9) Infrastructure Maintenance Fund (IMF) 24 (a) IMF, PROVIDED THAT \$105,568 of the funds 25 appropriated herein shall be deemed to come from funds

1 available under the amended Compact for Infrastructure 2 Maintenance Fund sector grant\$ 211,136 3 (10) Department of Health, Education and Social Affairs 4 (a) Monitoring, coordination, teaching assistance and research, PROVIDED THAT all of the funds 5 appropriated_herein shall come from funds available 6 7 under the amended Compact for FY05 carryover of the Supplemental Education Grant (SEG) 37 8 \$ 9 (11) President's Office (a) FEMA matching funds and public assistance 10 specialist 213 11 12 (b) Payment to the Asian Development Bank for the 13 Fisheries Development Project Loan authorized by Public Law No. 7-101 14 90,000 (c) FSM Trust Fund, PROVIDED THAT the amount 15 16 appropriated is not greater than 50% of the amount of 17 local revenues to be carried over to FY07 before 18 deducting the amount of this appropriation, in that case 19 the amount shall be equal to 50% of the amount of local 20 revenues to be carried over to FY07 not including the amount of this appropriation\$ 21 250,000 22 (d) Preparation and submission of the 23 Annual Report and Single Audit as required by the 24 amended Compact, including contracting the 25 services of a CPA from a reputable

1	accounting firm\$	150,000					
2	(12) <u>Capacity Building</u>						
3	The total sum of the following appropriation						
4	shall be deemed to come from funds available						
5	under the Amended Compact for Capacity						
6	Building Sector Carryover Grants from Fiscal	Building Sector Carryover Grants from Fiscal					
7	Year 2004.						
8	(a) Valuation of Fixed Assets\$	75,000					
9	(b) Accounting Advisor (Component Units)	80,000					
10	(c) Accounting/Procurement Advisor	80,000					
11	(d) Budget Preparation and Execution						
12	Advisor	80,000					
13	(e) Sector Performance Reporting	100,000					
14	(f) Accounting/Procurement Advisor (Yap)	80,000					
15	(g) Monitoring Economic Progress	200,000					
16	(h) Chuuk Control Commission	112,000					
17	(i) Document Imaging/Workflow						
18	Control Software	80,000					
19	(j) Internal Controls Evaluation	75,000					
20	(k) Accounting Advisor (Finance and Tax)	80,000					
21	(1) Specialized Training Programs	185,934"					
22	Section 10. Section 12 of Public Law No. 14-21, as am	ended					
23	by Public Law No. 14-50, is hereby further amended to read	as					
24	follows:						
25	(4) Lapse Date. The authority of the allottee	to					

1	obligate funds appropriated by this act shall
2	lapse as of September 30, 2006, EXCEPT that the
3	funds appropriated under section 9 of this act
4	shall not lapse, EXCEPT the funds appropriated
5	under subsections 9(1)(b), 9(1)(c), (9)(1)(f) and
6	9(10)(a) shall lapse as of March 31, 2007 and
7	section 7(2) which shall lapse of September 30,
8	2007.
9	Section 11. This act shall become law upon approval by the
10	President of the Federated States of Micronesia or upon its
11	becoming law without such approval.
12	
13	Date: <u>5/9/06</u> Introduced by: <u>/s/ Simiram Sipenuk</u>
14	Simiram Sipenuk (by request)
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	

1			
2			
3			
4			
5			
6			
7			
8			