AN ACT

To enact the FY 2007 budget in order to provide funding for the fiscal year ending September 30, 2007, and for other purposes.

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

1. Section 1. Shall read as follows: To appropriate the sum of $34,058,819 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2007, 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; and for other purposes. The sum appropriated herein shall be apportioned as follows:

2. Section 2. Operating expenses of the Executive Branch. The sum of $16,098,743 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, 2007, for the purpose of funding the operations of the Executive Branch of the National Government during the fiscal year 2007. The sum appropriated by this section shall be apportioned as follows:

   (1) Office of the President. $672,341, or so much thereof as may be necessary, for the operations of the Office of the President during the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:
(2) Department of Foreign Affairs.

$3,609,394, or so much thereof as may be necessary, for the operations of the Department of Foreign Affairs during the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Personnel</td>
<td>$1,222,951</td>
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<tr>
<td>Travel</td>
<td>189,686</td>
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<td>Contractual Services</td>
<td>1,813,723</td>
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<tr>
<td>OCE</td>
<td>324,034</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>59,000</td>
</tr>
</tbody>
</table>

(3) Department of Finance and Administration

$2,495,111, or so much thereof as may be necessary, for the operations of the Department of Finance and Administration during the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$1,269,489</td>
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<tr>
<td>Travel</td>
<td>213,600</td>
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<tr>
<td>Contractual Services</td>
<td>652,088</td>
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<tr>
<td>OCE</td>
<td>318,734</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>41,200</td>
</tr>
</tbody>
</table>
(4) Department of Economic Affairs.
$1,211,350, or so much thereof as may be necessary, for the operations of the Department of Economic Affairs during the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

Personnel .................................. $ 806,075
Travel ..................................... 135,000
Contractual Services ....................... 110,275
OCE ...................................... 138,000
Fixed Assets ............................... 22,000

(5) Department of Transportation, Communication and Infrastructure.
$1,485,990, or so much thereof as may be necessary, for the operations of the Department of Transportation, Communications and Infrastructure during the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

Personnel .................................. $ 579,942
Travel ..................................... 103,000
Contractual Services ....................... 725,048
OCE ........................................ 70,000
Fixed Assets ............................... 8,000

(6) Department of Health, Education and Social Affairs.
$2,744,958, or so much thereof as may be necessary, for
the operations of the Department of Health, Education and Social Affairs during the fiscal year 2007. Of the total funds appropriated herein, $359,081 shall be deemed to come from funds available under the amended Compact for the education sector, $767,164 from the health sector, and $1,287,687 from the supplemental education grant (SEG). The sum appropriated herein shall be apportioned as follows:

Personnel .................................. $ 803,480
Travel ..................................... 293,484
Contractual Services ....................... 186,387
OCE ........................................ 169,220
Fixed Assets ............................... 4,700

(7) Department of Justice.

$2,998,742, or so much thereof as may be necessary, for the operations of the Department of Justice during the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

Personnel .................................. $ 1,896,259
Travel ..................................... 113,824
Contractual Services ....................... 165,700
OCE ........................................ 768,959
Fixed Assets ............................... 54,000

(8) Office of the Public Defender.

$635,291, or so much thereof as may be necessary, for
the operations of the Office of the Public Defender
during the fiscal year 2007. The sum appropriated
herein shall be apportioned as follows:

Personnel ..................................  $ 458,244
Travel .....................................  69,503
Contractual Services .......................  52,044
OCE ........................................  43,400
Fixed Assets ................................  12,100

(9) Office of Compact Management.

$245,566, or so much thereof as may be necessary, for
the operations of the Office of Compact Management
during the fiscal year 2007. The sum appropriated
herein shall be apportioned as follows:

Personnel ..................................  $ 106,766
Travel .....................................  70,000
Contractual Services .......................  16,800
OCE ........................................  34,000
Fixed Assets ................................  18,000

Section 3. Operating expenses of the Legislative Branch. The
sum of $3,256,164, 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, 2007, for
the operations of the Legislative Branch of the National
Government during fiscal year 2007. The sum appropriated by this
section shall be apportioned as follows:
(1) Speaker and Members.

$1,522,771, or so much thereof as may be necessary, for the operations of the Office of the Speaker and Members of the Congress of the Federated States of Micronesia during fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

Personnel ................................$ 415,290
Travel .................................... 479,881
Contractual Services .......................577,600
OCE ........................................50,000
Fixed Assets ...............................31,220

(2) Staff Offices.

$1,243,393, or so much thereof as may be necessary, for the operations of the Congress staff offices during fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

Personnel .................................$ 776,962
Travel .....................................109,371
Contractual Services .......................178,500
OCE ..........................................137,400
Fixed Assets ...............................31,220

(3) Congress Delegation Offices.

$490,000, or so much thereof as may be necessary, for the operations of the Congress delegation offices during fiscal year 2007. The sum appropriated herein
shall be apportioned as follows:

(i) Kosrae Delegation Office .......... $ 70,000
(ii) Pohnpei Delegation Office ........ 140,000
(iii) Chuuk Delegation Office ........... 210,000
(iv) Yap Delegation Office ............. 70,000

Section 4. Operating Expenses of the National Judiciary Branch. The sum of $1,209,893, 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, 2007, for the operations of the Judiciary Branch of the National Government during fiscal year 2007. The sum appropriated by this section shall be apportioned as follows:

Personnel ................................$ 709,735
Travel .................................... 168,963
Contractual Services .....................126,900
OCE ........................................176,806
Fixed Assets ...............................27,489

Section 5. Operating Expenses of the Public Auditorâ€™s Office. The sum of $844,219, 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, 2007, for the operations of the National Office of the Public Auditor
for fiscal year 2007. The sum appropriated by this section shall be apportioned as follows:

Personnel ................................$ 377,619
Travel .....................................150,000
Contractual Services .......................214,000
OCE ........................................62,000
Fixed Assets ...............................40,600

National Government. The sum of $1,542,418, 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, 2007, for the operations of the following boards, commissions and agencies during the fiscal year 2007. The sum appropriated by this section shall be apportioned as follows:

(1) National Oceanic Resource Management Authority (NORMA).

$377,606, or so much thereof as may be necessary, for the operations of NORMA during the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

Personnel ........................................$ 192,506
Travel .............................................75,000
Contractual Services .......................71,700
OCE ...............................................38,400
(2) Board of Regents (COM-FSM).

$58,000, or so much thereof as may be necessary, for
the operations of the Board of Regents, COM-FSM during
the fiscal year 2007. The sum appropriated herein shall
be apportioned as follows:

Personnel .................................. $ -0-
Travel ..................................... 41,000
Contractual Services ....................... 10,000
OCE ........................................ 7,000
Fixed Assets .................................. -0-

(3) Coconut Development Authority (CDA).

$93,721, or so much thereof as may be necessary, for
the operations of the Coconut Development Authority
during the fiscal year 2007. The sum appropriated
herein shall be apportioned as follows:

Personnel .................................. $ 67,721
Travel ..................................... 10,000
Contractual Services ....................... 6,000
OCE ........................................ 10,000
Fixed Assets .................................. -0-

(4) FSM Banking Board.

$152,650, or so much thereof as may be necessary, for
the operations of the FSM Banking Board during the
fiscal year 2007. The sum appropriated herein shall be
apportioned as follows:
(5) FSM Postal Services.

$660,441, or so much thereof as may be necessary, for the operations of the National Postal Services during the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

Personnel .................................. $ 409,041
Travel ..................................... 41,000
Contractual Services ....................... 125,000
OCE ........................................ 85,400
Fixed Assets ............................... -0-

(6) National Fisheries Corporation (NFC).

$200,000, or so much thereof as may be necessary, for the operations of the National Fisheries Corporation during the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

NFC operations subsidy ..................... $ 100,000
Air freight subsidy ........................ 100,000"

Section 7. Special Programs. The sum of $353,582 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, 2007, for the following special
programs during fiscal year 2007. The sum appropriated by this
section shall be apportioned as follows:

(1) FSM Aquaculture Center

Personnel .................................. $38,617
Travel ..................................... 8,802
Contractual Services ....................... 9,474
OCE ........................................ 22,389
Fixed Assets ............................... -0-

2. National Election Commissioner

Personnel .................................. $180,080
Travel ..................................... 5,220
Contractual Services ....................... 21,000
OCE ........................................ 48,000
Fixed Assets ............................... -0-

3. National Authorizing Committee

$10,000, or as much thereof as may be necessary, for
the operations of the National Authorizing
Committee (ACP/EU) during fiscal year 2007. All funds
appropriated herein shall be expended for travel.

4. Sustainable Development Council

$10,000, or as much thereof as may be necessary, for
the operations of the Sustainable Development Council
during fiscal year 2007. All funds appropriated herein
shall be expended for travel.
Section 8. Grants, Subsidies and Contributions. The sum of $2,192,300, 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, 2007, for the following grants, subsidies and contributions during fiscal year 2007. The sum appropriated by this section shall be apportioned as follows:

1. Department of Foreign Affairs
   - (a) Pacific Islands Forum Secretariat $ 46,000
   - (b) Secretariat for the Pacific Community (SPC) $ 56,000
   - (c) UN and Specialized Agencies (UN) $ 60,000
   - (d) UN Economic and Social Commission for Asia and the Pacific (ESCAP) $ 5,000
   - (e) East-West Center $ 5,000
   - (f) United Nations Development Program (UNDP) $ 23,500

2. Department of Finance and Administration
   - (a) National Authorizing Committee (ACP/EU) $ 10,000
   - (b) OCO Membership Fee $ 2,000

3. Department of Economic Affairs
   - (a) Pacific Islands Development Program $ 15,000
   - (b) Forum Fisheries Agency (FFA) $ 21,000
   - (c) UN Development Program $ 3,000
(d) Coordinating Committee for Offshore Minerals Prospecting (SOPAC) .......... 40,000
(e) Pacific Asia Travel Association . 5,000
(f) UN Environmental Program (UNEP) . 600
(g) Western Forestry Leadership Coalition ................................. 500
(h) Seaframe Program .............. 3,000
(i) Food Agriculture Organization (FAO) 4,700
(j) UN Framework Convention .... 250
(k) National Association of State Foresters ................................. 500
(l) National Environmental Speech Contest ................................. 15,000
(m) FA/TCP Matching ..................... 34,500
(n) Matching for SPC Projects .... 60,000
(4) Department of Health, Education and Social Affairs
(a) UN Fund for Population Activity (UNFPA)$ 3,000
(b) South Pacific Regional Environmental Program (SPREP) ..................... 7,375
(c) Aid to Non-Public Schools .......... 300,000
(d) Financial Assistance to FSM Students attending College of Marshalls and Palau Community College .................... 50,000
(e) World Health Organization (WHO) . 41,385
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<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>1</td>
<td>(f) National Board of Nursing</td>
<td>10,000</td>
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<td>2</td>
<td>(g) Pacific Islands Health Officers Association</td>
<td>20,000</td>
</tr>
<tr>
<td>3</td>
<td>(h) National Close-Up Local Program</td>
<td>64,000</td>
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<tr>
<td>4</td>
<td>(i) FSM Amateur Sports Association</td>
<td>20,000</td>
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<tr>
<td>5</td>
<td>(j) College of Micronesia Board (COM)</td>
<td>5,000</td>
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<tr>
<td>6</td>
<td>(k) Association of Territorial Health Organization</td>
<td>2,000</td>
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<tr>
<td>7</td>
<td>(l) FSM Red Cross</td>
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<td>8</td>
<td>(m) UNESCO</td>
<td>4,000</td>
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<tr>
<td>9</td>
<td>(5) Department of Transportation, Communications and Infrastructure</td>
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<td>10</td>
<td>(a) Asia-Pacific Telecommunity (APT)</td>
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<td>(b) International Telecommunications</td>
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<td>12</td>
<td>(c) International Civil Aviation Organization</td>
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<td>13</td>
<td>(d) Micronesian Shipping Commission</td>
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<td>14</td>
<td>(e) FSM Capital Energy/Utilities</td>
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<tr>
<td>15</td>
<td>(6) Coconut Development Authority (CDA)</td>
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<td>16</td>
<td>(a) Copra Subsidy</td>
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<td>17</td>
<td>(b) Asia Pacific Coconut Community (APCC)</td>
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<td>18</td>
<td>(c) Pilot Plant Project</td>
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<td>19</td>
<td>(7) Other Grants, Subsidies and Contributions</td>
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<tr>
<td>20</td>
<td>(a) Kosrae Judiciary subsidy</td>
<td>$10,000</td>
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</table>
Section 9. Capital and Human Resource Development. The sum of $8,561,500, 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, 2007, for the following capital improvements, development programs and projects and human resource development. The sum appropriated by this section shall be apportioned as follows:

(1) College of Micronesia-FSM.

$5,950,000, or so much thereof as may be necessary, for the operations, programs and projects of the College during fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

(a) COM-FSM operations, PROVIDED THAT all funds appropriated herein shall be deemed to come from funds
available under the amended Compact for the Education Sector ........................... $ 3,800,000

b. Fisheries and Maritime Institute

PROVIDED that $616,231 of the amount appropriated herein shall be deemed to come from funds available under the amended Compact for the Education Sector ... 650,000

(c) COM-FSM State Campus Facility Improvement,

PROVIDED THAT the sum appropriated herein shall be deemed to come from funds available under the amended Compact for Infrastructure Development

Sector ................................. $ 1,500,000

(2) Department of Finance and Administration

(a) National Staff Upgrading ........ 75,000

(b) Asian Development Bank MLFC Loan 200,000

(3) Department of Economic Affairs

(a) FSM Tourism Promotion .......... 100,000

(b) FSM Trade and FDI Project ....... 75,000

(c) Diversification of Energy ....... 125,000

(d) Crop Production Improvement ..... 15,000

(4) Department of Transportation, Communication and Infrastructure

(a) Dry Docking of MS Voyager PROVIDED

THAT ............................................ $756,592

of the amount appropriated herein shall come from funds
available under the amended Compact for Infrastructure Development Sector 880,000

(b) Tuna Commission Headquarters Supplement 44,000

(5) Department of Justice

(a) FSM Patrol Boat Slipping 250,000
(b) Construction or 2 fuel tanks 60,000

(6) FSM Postal Services

(a) Pohnpei Post Office renovation 50,000

(7) Infrastructure Maintenance Fund (IMF)

(a) IMF PROVIDED THAT $187,750 of the funds appropriated herein shall be deemed to come from funds available under the amended Compact for Infrastructure Development Sector $ 237,500

(8) FSM Development Bank

(a) Escrow Account USDA Housing Program 500,000"

Section 10. Employment Ceilings. The maximum number of positions for each branch and agency of the National Government of the Federated States of Micronesia for fiscal year 2007 shall be as follows:

(1) Executive Branch 508
(2) Legislative Branch 58
(3) Judiciary Branch 31
(4) Public Auditor’s Office 18
(5) Agencies
Section 11. Reprogramming. Reprogramming of funds into or from the personnel budget line items shall not be permitted. The President may reprogram up to 10% to or from, whichever is less, from the funds appropriated to each department and office in section 2 (Operating expenses of the Executive Branch). Reprogramming of funds within a department or agency shall be effected by the head of such department by specifying in writing to the Secretary of Finance and Administration, FSM National Government, the accounts 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 and its related
agreements.

(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 allottee 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) Sections 6 through 9 â•” the allottee of
these funds shall be the President of the Federated
States of Micronesia, EXCEPT THAT for the following subsections of sections 8 through 9 of this act:

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

(ii) section 9(1)(a) through (c) - the allottee of these funds shall be the President of the College of Micronesia-FSM.

(3) Lapse Date. The authority of the allottee to obligate funds appropriated by this act shall lapse as of September 30, 2008, EXCEPT the funds appropriated under section 9 of this act shall not lapse.

Section 13. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

Dated 5/9/06

Introduced by: /s/ Simiram Sipenuk
Simiram Sipenuk
(by request)