AN ACT

To amend Public Law No. 14-21, the FY 2006 budget, in order to provide funding for the full fiscal year ending September 30, 2006 by appropriating funds for the third and fourth quarters, and for other purposes.

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

Section 1. The title of Public Law No. 14-21 is hereby amended to read as follows:

“To appropriate the sum of $34,356,830 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2006, 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."

Section 2. Section 1 of Public Law No. 14-21 is hereby amended to read as follows:

“Section 1. Appropriation. There is hereby appropriated from the General Fund of the Federated States of Micronesia the sum of $34,356,830, or so much thereof as may be necessary, 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 capital and human resource development programs of the National Government of the Federated States of Micronesia for the fiscal year ending September 30, 2006. A deadline of December 1, 2005 is hereby set for all branches of the National Government to satisfy the requirements of section 103 of the Financial Management Act of 1979. The sum appropriated herein shall be apportioned as follows:"

Section 3. Section 2 of Public Law No. 14-21 is hereby amended to read as follows:

"Section 2. Operating expenses of the Executive Branch. The sum of $14,215,701, 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, 2006, for the purpose of funding the operations of the Executive Branch of the National Government during the fiscal year 2006. The sum appropriated by this section shall be apportioned as follows:

(1) Office of the President.

$672,213, or so much thereof as may be necessary, for the operations of the Office of the President during the fiscal year 2006. The sum appropriated herein shall be apportioned as follows:
(2) Department of Foreign Affairs.

$3,200,651, or so much thereof as may be necessary, for the operations of the Department of Foreign Affairs during the fiscal year 2006. The sum appropriated herein shall be apportioned as follows:

Personnel ........................................ $ 1,170,385
Travel ............................................... 163,070
Contractual Services ............................... 1,607,406
OCE ..................................................... 259,790
Fixed Assets ........................................ -0-

(3) Department of Finance and Administration

$2,445,638, or so much thereof as may be necessary, for the operations of the Department of Finance and Administration during the fiscal year 2006. The sum appropriated herein shall be apportioned as follows:

Personnel ............................................ $ 1,286,249
Travel ............................................... 204,316
Contractual Services ............................... 622,027
OCE ..................................................... 287,679
Fixed Assets ........................................... 45,367

(4) Department of Economic Affairs.

$1,063,113, or so much thereof as may be
necessary, for the operations of the Department of
Economic Affairs during the fiscal year 2006. The sum
appropriated herein shall be apportioned as follows:

Personnel ........................................... $ 830,535
Travel .............................................. 95,670
Contractual Services ......................... 5,309
OCE .................................................. 121,599
Fixed Assets .................................... 10,000

(5) Department of Transportation, Communication and
Infrastructure.

$1,366,142, or so much thereof as may be
necessary, for the operations of the Department of
Transportation, Communications and Infrastructure during
the fiscal year 2006. The sum appropriated herein shall
be apportioned as follows:

Personnel ........................................... $ 579,126
Travel .............................................. 101,968
Contractual Services ......................... 611,048
OCE .................................................. 70,000
Fixed Assets .................................... 4,000

(6) Department of Health, Education and Social
Affairs.
$1,905,991, or so much thereof as may be necessary, for the operations of the Department of Health, Education and Social Affairs during the fiscal year 2006. Of the total funds appropriated herein, $359,081 shall be deemed to come from funds available under the amended Compact for the education sector, $764,383 from the health sector, $380,474 from the supplemental education grant (SEG) and $67,901 from the Compact I Section 221(b) Special Block Grant. The sum appropriated herein shall be apportioned as follows:

Personnel ........................................ $ 935,875
Travel ............................................. 439,667
Contractual Services ......................... 269,288
OCE .................................................. 254,461
Fixed Assets ................................. 6,700

(7) Department of Justice.

$2,664,435, or so much thereof as may be necessary, for the operations of the Department of Justice during the fiscal year 2006. The sum appropriated herein shall be apportioned as follows:

Personnel ................................. $ 1,837,660
Travel ....................................... 117,190
Contractual Services ..................... 239,900
OCE .............................................. 448,185
Fixed Assets ................................. 21,500
(8) Office of the Public Defender.

$667,177, or so much thereof as may be necessary, for the operations of the Office of the Public Defender during the fiscal year 2006. The sum appropriated herein shall be apportioned as follows:

Personnel ........................................ $ 456,941
Travel ............................................. 130,000
Contractual Services ......................... 39,486
OCE ............................................... 37,700
Fixed Assets ................................. 3,050

(9) Office of Compact Management.

$230,341, or so much thereof as may be necessary, for the operations of the Office of Compact Management during the fiscal year 2006. The sum appropriated herein shall be apportioned as follows:

Personnel ........................................ $ 85,841
Travel ............................................. 60,000
Contractual Services ......................... 57,200
OCE ............................................... 23,100
Fixed Assets ................................. 4,200

Section 4. Section 3 of Public Law No. 14-21 is hereby amended to read as follows:

"Section 3. Operating expenses of the Legislative Branch.

The sum of $3,183,226, 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, 2006, for the operations of the Legislative Branch of the National Government during the fiscal year 2006. 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 the fiscal year 2006. The sum appropriated herein shall be apportioned as follows:

Personnel ........................................ $ 415,290
Travel ................................................. 479,881
Contractual Services PROVIDED THAT, the full amount appropriated for each member’s representation fund shall be made available for use by that member, pending availability of funds, upon this act becoming law ...... 577,600
OCE ......................................................... 50,000
Fixed Assets ........................................... -0-

(2) **Staff Offices.**

$1,170,455, or so much thereof as may be necessary, for the operations of the Congress staff offices during the fiscal year 2006. The sum
appropriated herein shall be apportioned as follows:

Personnel ................................... $ 704,024
Travel ........................................ 119,371
Contractual Services ......................... 178,500
OCE .......................................... $ 137,340
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 the fiscal year 2006. The sum appropriated herein shall be apportioned as follows:

(a) Kosrae Delegation
Office .......................................... $ 70,000

(b) Pohnpei Delegation
Office .......................................... 140,000

(c) Chuuk Delegation
Office .......................................... 210,000

(d) Yap Delegation
Office .......................................... 70,000”

Section 5. Section 4 of Public Law No. 14-21 is hereby amended to read as follows:

“Section 4. Operating Expenses of the National Judiciary Branch. The sum of $1,191,409, 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, 2006, for the operations of the Judiciary Branch of the National Government during the fiscal year 2006. The sum appropriated by this section shall be apportioned as follows:

Personnel ........................................ $ 705,901
Travel ............................................ 165,371
Contractual Services ......................... 126,900
OCE .............................................. 165,748
Fixed Assets ........................... 27,489

Section 6. Section 5 of Public Law No. 14-21 is hereby amended to read as follows:

“Section 5. Operating Expenses of the Public Auditor’s Office. The sum of $667,895, 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, 2006, for the operations of the National Office of the Public Auditor for the fiscal year 2006. The sum appropriated by this section shall be apportioned as follows:

Personnel ........................................ $ 354,176
Travel ........................................... 126,659
Contractual Services ....................... 123,260
OCE ............................................... 51,800
Fixed Assets ............................. 12,000”
Section 7. Section 6 of Public Law No. 14-21 is hereby amended to read as follows:

"Section 6. Operating Expenses of agencies of the National Government. The sum of $1,475,130, 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, 2006, for the operations of the following boards, commissions and agencies during the fiscal year 2006. The sum appropriated by this section shall be apportioned as follows:

(1) National Oceanic Resource Management Authority (NORMA). $379,806, or so much thereof as may be necessary, for the operations of NORMA during the fiscal year 2006. The sum appropriated herein shall be apportioned as follows:

Personnel $192,506
Travel $50,000
Contractual Services $98,900
OCE $38,400
Fixed Assets $0-

(2) Board of Regents (COM-FSM). $76,014, or so much thereof as may be necessary, for the operations of the Board of Regents, COM-FSM
during the fiscal year 2006. 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>$ -0-</td>
</tr>
<tr>
<td>Travel</td>
<td>40,914</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>10,800</td>
</tr>
<tr>
<td>OCE</td>
<td>24,300</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>-0-</td>
</tr>
</tbody>
</table>

(3) **Coconut Development Authority (CDA).**

$125,600, or so much thereof as may be necessary, for the operations of the Coconut Development Authority during the fiscal year 2006. 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>$ 68,471</td>
</tr>
<tr>
<td>Travel</td>
<td>10,469</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>22,160</td>
</tr>
<tr>
<td>OCE</td>
<td>9,500</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>15,000</td>
</tr>
</tbody>
</table>

(4) **FSM Banking Board.**

$132,357, or so much thereof as may be necessary, for the operations of the FSM Banking Board during the fiscal year 2006. 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>$ 71,555</td>
</tr>
<tr>
<td>Travel</td>
<td>20,106</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>15,700</td>
</tr>
</tbody>
</table>
(5) FSM Postal Services.

$626,353, or so much thereof as may be necessary, for the operations of the National Postal Services during the fiscal year 2006. The sum appropriated herein shall be apportioned as follows:

- Personnel: $402,488
- Travel: $40,692
- Contractual Services: $98,273
- OCE: $84,900
- Fixed Assets: $0

(6) National Fisheries Corporation (NFC).

$135,000, or so much thereof as may be necessary, for the operations of the National Fisheries Corporation during the fiscal year 2006. The sum appropriated herein shall be apportioned as follows:

- NFC operations subsidy: $45,000
- Air freight subsidy: $90,000

Section 8. Section 8 of Public Law No. 4-21 is hereby amended to read as follows:

"Section 8. Grants, Subsidies and Contributions. The sum of 2,805,766, 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, 2006, for the following
grants, subsidies and contributions during fiscal year
2006. The sum appropriated by this section shall be
apportioned as follows:

(1) **Department of Foreign Affairs**

(a) Pacific Islands Forum Secretariat $40,000

(b) Secretariat for the Pacific Community (SPC) $17,000

(c) UN and Specialized Agencies (UN) $60,000

(c) UN Economic and Social Commission for Asia and the Pacific (ESCAP) $5,000

(e) East-West Center $5,000

(2) **Department of Finance and Administration**

(a) National Authorizing Committee (ACP/EU) $8,000

(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
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(h) Seaframe Program</td>
<td>7,500</td>
</tr>
<tr>
<td>2</td>
<td>(i) Food Agriculture Organization (FAO)</td>
<td>4,700</td>
</tr>
<tr>
<td>3</td>
<td>(j) FA/TCP Matching</td>
<td>28,800</td>
</tr>
<tr>
<td>4</td>
<td>(k) National Environmental Speech Contest</td>
<td>15,000</td>
</tr>
<tr>
<td>5</td>
<td>(l) 3\textsuperscript{rd} Convention (Fisheries Consortium) $</td>
<td>13,558</td>
</tr>
<tr>
<td>6</td>
<td>(4) Department of Health, Education and Social Affairs</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>(a) UN Fund for Population Activity (UNFPA)</td>
<td>3,000</td>
</tr>
<tr>
<td>8</td>
<td>(b) South Pacific Regional Environmental Program (SPREP)</td>
<td>7,375</td>
</tr>
<tr>
<td>9</td>
<td>(c) Aid to Non-Public Schools</td>
<td>300,000</td>
</tr>
<tr>
<td>10</td>
<td>(d) Financial Assistance to FSM Students attending College of Marshalls and</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Palau Community College</td>
<td>50,000</td>
</tr>
<tr>
<td>12</td>
<td>(e) World Health Organization (WHO)</td>
<td>41,385</td>
</tr>
<tr>
<td>13</td>
<td>(f) National Board of Nursing</td>
<td>20,000</td>
</tr>
<tr>
<td>14</td>
<td>(g) Pacific Islands Health Officers Association</td>
<td>20,000</td>
</tr>
<tr>
<td>15</td>
<td>(h) National Close-Up Local Program</td>
<td>64,000</td>
</tr>
<tr>
<td>16</td>
<td>(i) FSM Amateur Sports Association</td>
<td>20,000</td>
</tr>
<tr>
<td>17</td>
<td>(j) College of Micronesia Board (COM)</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>(k) Association of Territorial Health Organization</td>
<td>5,000</td>
</tr>
<tr>
<td>19</td>
<td>Health Organization</td>
<td>2,000</td>
</tr>
<tr>
<td>20</td>
<td>(l) FSM Red Cross</td>
<td>64,000</td>
</tr>
</tbody>
</table>
(m) UNESCO .......................... 4,000

(5) Department of Transportation,

Communications and Infrastructure

(a) Asia-Pacific Telecommunity (APT) 7,640
(b) International Telecommunications Union (ITU) ...............................$ 55,000
(c) International Civil Aviation Organization ........................................ 28,050
(d) Micronesian Shipping Commission . 10,000
(e) FSM Capital Energy/Utilities .... 300,000

(6) Coconut Development Authority (CDA)

(a) Copra Subsidy ................... 75,000
(b) Asia Pacific Coconut Community (APCC) 15,500

(7) Other Grants, Subsidies and Contributions

(a) Kosrae Judiciary subsidy ....... 37,500
(b) Pohnpei Judiciary subsidy ...... 40,500
(c) Chuuk Judiciary subsidy ........ 40,500
(d) Yap Judiciary subsidy, PROVIDED that, of this amount, $15,000 shall be used to provide financial assistance to Yap students enrolled in law school unless there are no Yap students so enrolled during the fiscal year ......................................... 35,000
(e) COM Treaty Obligations ......... 25,000
(f) Micronesian Legal Services Corporation .......................... 150,000
(g) States Joint Law Enforcement .... 150,000
(h) School Textbook Purchase, PROVIDED THAT funds
  appropriated herein shall be deemed to come from funds
  available under the amended Compact for Supplemental
  Education Grant (SEG) ...................... 619,658
(i) Tuna Commission Membership .....$ 16,000
(j) Disaster Assistance Emergency
  Fund (DAEF) Matching ....................... 200,000
(k) State Court Congestion Relief ... 60,000
(l) Pohnpei, Election District No. 1
  Dolakapw road paving ....................... 50,000

Section 9.  Section 9 of Public Law No. 14-21, as amended by
Public Law No. 14-42, is hereby further amended to read as
follows:

The sum of $10,408,482, 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, 2006, 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.
  $6,909,240, or so much thereof as may be
  necessary, for the operations, programs and projects of
the College during fiscal year 2006. 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) Students scholarship, PROVIDED THAT $300,000 appropriated herein shall be deemed to come from funds available under the amended Compact for Supplemental Education Grant (SEG) and $267,046 appropriated herein shall be deemed to come from funds available under the amended Compact for the FY05 carryover Supplemental Education Grant (SEG) .....................$ 567,046

(c) Fisheries and Maritime Institute 600,000

(d) SEOG and Work Study Programs, PROVIDED THAT all funds appropriated herein shall be deemed to come from funds available under the amended Compact for Supplemental Education Grant (SEG) .....................$ 270,268

(e) 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

(f) Capacity building and professional development for pre-service teachers in the FSM,
PROVIDED THAT all funds appropriated herein shall be deemed to come from funds available under the amended Compact for the FY05 carryover Supplemental Education Grant (SEG) .........................171,926

(2) Department of Foreign Affairs

(a) FSM Washington Embassy Renovation $ -0-

(3) Department of Finance and Administration

(a) National Staff Upgrading .......$ 50,000

(4) Department of Economic Affairs

(a) FSM Visitor Bureau .............. 100,000

(5) Department of Transportation, Communication and Infrastructure

(a) TA Airport Pavement, PROVIDED THAT all funds appropriated herein shall be deemed to come from funds available under the amended Compact for Infrastructure Development sector and PROVIDED THAT no funds shall be allotted until such time as the Department of Justice completes an investigation into the findings of the Office of the National Public Auditor in its report entitled ‘Ta Outer Island Airport Audit Fiscal Years 1990-2004 Audit No. 2005-01’ and reports to the Speaker of Congress on the outcome of that investigation, and PROVIDED THAT the appropriation shall not lapse .................................$ 505,787

(6) Department of Justice
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(a) FSM Patrol Boat Slipping</td>
<td>200,000</td>
</tr>
<tr>
<td>2</td>
<td>(7) Office of the Public Defender</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>(a) Kosrae PD Office renovation</td>
<td>20,000</td>
</tr>
<tr>
<td>4</td>
<td>(b) Pohnpei PD Office retaining wall</td>
<td>4,000</td>
</tr>
<tr>
<td>5</td>
<td>(8) FSM Postal Services</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>(a) Yap Post Office renovation</td>
<td>50,000</td>
</tr>
<tr>
<td>7</td>
<td>(b) Chuuk Post Office renovation</td>
<td>50,000</td>
</tr>
<tr>
<td>8</td>
<td>(9) Infrastructure Maintenance Fund (IMF)</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>(a) IMF, PROVIDED THAT $105,568 of the funds appropriated herein shall be</td>
<td></td>
</tr>
<tr>
<td></td>
<td>deemed to come from funds available under the amended Compact for Infrastructure</td>
<td>211,136</td>
</tr>
<tr>
<td>10</td>
<td>Maintenance Fund sector grant</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>(10) Department of Health, Education and Social Affairs</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>(a) Monitoring, coordination, teaching assistance and research, PROVIDED THAT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>all of the funds appropriated herein shall come from funds available under</td>
<td>377,066</td>
</tr>
<tr>
<td></td>
<td>the amended Compact for FY05 carryover of the Supplemental Education Grant</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(SEG)</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>(11) President’s Office</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>(a) FEMA matching funds and public assistance specialist</td>
<td>213,319</td>
</tr>
<tr>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>(b) Payment to the Asian Development Bank for the Fisheries Development</td>
<td>90,000</td>
</tr>
<tr>
<td></td>
<td>Project Loan authorized by Public Law No. 7-101</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>(c) FSM Trust Fund, PROVIDED THAT the amount</td>
<td></td>
</tr>
</tbody>
</table>
appropriated is not greater than 50% of the amount of local revenues to be carried over to FY07 before deducting the amount of this appropriation, in that case the amount shall be equal to 50% of the amount of local revenues to be carried over to FY07 not including the amount of this appropriation ..............$ 250,000

(d) Preparation and submission of the Annual Report and Single Audit as required by the amended Compact, including contracting the services of a CPA from a reputable accounting firm .........................$ 150,000

(12) **Capacity Building**

The total sum of the following appropriation shall be deemed to come from funds available under the Amended Compact for Capacity Building Sector Carryover Grants from Fiscal Year 2004.

(a) Valuation of Fixed Assets ........ 75,000
(b) Accounting Advisor (Component Units) 80,000
(c) Accounting/Procurement Advisor .. 80,000
(d) Budget Preparation and Execution Advisor ................ .................. 80,000
(e) Sector Performance Reporting .... 100,000
(f) Accounting/Procurement Advisor (Yap) 80,000
(g) Monitoring Economic Progress .... 200,000
(h) Chuuk Control Commission ........ 112,000

(i) Document Imaging/Workflow Control Software ......................... 80,000

(j) Internal Controls Evaluation .... 75,000

(k) Accounting Advisor (Finance and Tax) 80,000

(l) Specialized Training Programs ... 185,934"

Section 10. This act shall become law upon approval by the
President of the Federated States of Micronesia or upon its
becoming law without such approval.

February 8, 2006

/s/ Joseph J. Urusemal
Joseph J. Urusemal
President
Federated States of Micronesia