A BILL FOR AN ACT

To further amend Public Law No. 14-80, as amended by Public Laws Nos. 14-95, 14-99 and 14-104, 15-01, 15-04, the FY 2007 budget, by further amending sections 1, 2, 8, 9 and 12 thereof, for the purpose of appropriating an additional \$240,000 in supplemental funding from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2007, to provide for the operations of the Executive Branch, various programs, grants, subsidies, and contributions, Capital and Human Resource Development, and for other purposes.

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

- 1 Section 1. The title of Public Law No. 14-80, as amended by
- 2 Public Laws Nos. 14-95, 14-99 14-104, 15-01, and 15-04 is hereby
- 3 further amended to read as follows:
- "To appropriate the sum of [\$34,422,674.62]
- 5 \$34,662,674.62 from the General Fund of the Federated
- 6 States of Micronesia for the fiscal year ending
- 7 September 30, 2007 for the purpose of funding the
- 8 operations of all branches of the National Government of
- 9 the Federated States of Micronesia, its agencies,
- 10 various programs, grants, subsidies and contributions
- and to establish a capital and human resources
- 12 development budget for the fiscal year 2007, and for
- other purposes."
- 14 Section 2. Section 1 of Public Law No. 14-80, as amended by
- 15 Public Laws Nos. 14-95, 14-99, 14-104, 15-01, and 15-04 is hereby
- 16 further amended to read as follows:
- 17 "Section 1. An annual budget in the amount of

1	[\$34,422,674.62] $$34,662,674.62$ from for the fiscal year
2	ending September 30, 2007 is hereby approved. There is
3	hereby appropriated from the General Fund of the
4	Federated States of Micronesia for the fiscal year
5	ending September 30, 2007 the sum of $[\$34,422,674.62]$
6	\$34,662,674.62 [from] for the purpose of funding the
7	operations of all branches of the National Government of
8	the Federated States of Micronesia, its agencies,
9	various programs, grants, subsidies and contributions;
10	and capital and human resource development for the
11	fiscal year ending September 30, 2007. The sum
12	appropriated herein shall be apportioned as follows:"
13	Section 3. Section 2 of Public Law No. 14-80, as amended by
14	Public Laws Nos. 14-95, 14-99, 14-104, 15-01, and 15-01, is hereby
15	further amended to read as follows:
16	"Section 2. Operating expenses of the Executive Branch.
17	The sum of $[\$15,310,372]$ $$15,360,372$ or so much thereof
18	as may be necessary, is hereby appropriated from the
19	General Fund of the Federated States of Micronesia for
20	the fiscal year ending September 30, 2007, for the
21	purpose of funding the operations of the Executive
22	Branch of the National Government for the fiscal year
23	2007. The sum appropriated by this section shall be
24	apportioned as follows:
25	(1) Office of the President.
26	\$625,517, or so much thereof as may be necessary, for

1	the operations of the Office of the President for the	he
2	fiscal year 2007. The sum appropriated herein shall	l be
3	apportioned as follows:	
4	Personnel\$ 26	7,341
5	Travel 9	8,176
6	Contractual Services	5,000
7	OCE, provided that \$10,000 is used exclusively	
8	for the 2007 Inauguration 9	0,000
9	Fixed Assets 2	5,000
10	(2) <u>Department of Foreign Affairs</u> .	
11	\$2,979,306, or so much thereof as may be	
12	necessary, for the operations of the	
13	Department of Foreign Affairs for the fiscal	
14	year 2007. The sum appropriated herein shall	
15	be apportioned as follows:	
16	Personnel\$ 1,17	2,209
17	Travel 14	7,860
18	Contractual Services	4,907
19	OCE, provided that \$10,000 is used	
20	exclusively for the 2007 Inauguration 28	2,850
21	Fixed Assets	1,480
22	(3) Department of Finance and Administration.	
23	\$2,590,323 or so much thereof as may be	
24	necessary, for the operations of the	
25	Department of Finance and Administration for	
26	the fiscal year 2007. The sum appropriated	

1	herein shall be apportioned as follows:	
2	Personnel\$	1,298,426
3	Travel provided that \$20,000 be used	
4	exclusively for recruitment and repatriation	266,775
5	Contractual Services	652,088
6	OCE	331,834
7	Fixed Assets	41,200
8	(4) <u>Department of Economic Affairs</u> .	
9	\$1,174,769, or so much thereof as may be	
10	necessary, for the operations of the	
11	Department of Economic Affairs for the fiscal	
12	year 2007. The sum appropriated herein shall	
13	be apportioned as follows:	
14	Personnel\$	833,325
15	Travel	69,169
16	Contractual Services	112,275
17	OCE	138,000
18	Fixed Assets	22,000
19	(5) Department of Transportation, Communicat	ion and
20	<u>Infrastructure</u> .	
21	\$1,635,990, or so much thereof as may be	
22	necessary, for the operations of the	
23	Department of Transportation, Communications	
24	and Infrastructure for the fiscal year	
25	2007. The sum appropriated herein shall be	
26	apportioned as follows:	

1	Personnel\$ 436,846
2	Travel 103,000
3	Contractual Services, provided that \$193,096
4	will be used for POL for Caroline Voyager
5	and provided that \$50,000 be used to fund
6	POL for Caroline Voyager for a student
7	run in July or August 2007 1,018,144
8	OCE 70,000
9	Fixed Assets 8,000
10	(6) Department of Health, Education and Social
11	Affairs.
12	\$2,066,840, or so much thereof as may be
13	necessary, for the operations of the
14	Department of Health, Education and Social
15	Affairs for the fiscal year 2007. Of the
16	total funds appropriated herein, \$359,080
17	shall be deemed to come from funds available
18	under the amended Compact for the education
19	sector, \$767,164 from the health sector, and
20	\$643,843 from the supplemental education grant
21	(SEG) for fiscal year 2006, provided that,
22	these funds shall not be allotted or obligated
23	until such time as formal approval has been
24	obtained in accordance with the Amended
25	Compact of Free Association. The sum
26	appropriated herein shall be apportioned as

1	follows:	
2	Personnel\$	803,480
3	Travel	259,211
4	Contractual Services	186,387
5	OCE	813,062
6	Fixed Assets	4,700
7	(7) <u>Department of Justice</u> .	
8	[\$2,779,589] $$2,829,589$, or so much thereof as	
9	may be necessary, for the operations of the	
10	Department of Justice for the fiscal year	
11	2007. The sum appropriated herein shall be	
12	apportioned as follows:	
13	Personnel\$	1,844,130
14	Travel	104,000
15	Contractual Services, provided that \$50,000	
16	will be used as a contributions towards the	
17	Police Academy Training in 2007 and provided	
18	that $$40,000 [to]$ be used exclusively for POL	
19	for surveillance operations of the patrol	
20	boat[\$230,100]	<u>280,000</u>
21	OCE	565 , 359
22	Fixed Assets	36,000
23	(8) Office of the Public Defender.	
24	\$635,991, or so much thereof as may be	
25	necessary, for the operations of the Office of	
26	the Public Defender for the fiscal year 2007.	

1	The sum appropriated herein shall be	
2	apportioned as follows:	
3	Personnel\$	458,244
4	Travel	69,503
5	Contractual Services	52,044
6	OCE	47,350
7	Fixed Assets	8,850
8	(9) Office of Compact Management.	
9	\$822,047, or so much thereof as may be	
10	necessary, for the operations of the Office of	
11	Compact Management for the fiscal year 2007.	
12	Of the total funds appropriated herein,	
13	\$300,000 shall be deemed to come from funds	
14	available under the amended Compact carryover	
15	from fiscal year 2005 and shall be used for	
16	foreign consultant fees, provided that, these	
17	funds shall not be allotted or obligated until	
18	such time as formal approval has been obtained	
19	in accordance with the amended Compact. The	
20	sum appropriated herein shall be apportioned	
21	as follows:	
22	Personnel\$	97 , 247
23	Travel	70,000
24	Contractual Services	602,800
25	OCE	34,000
26	Fixed Assets	18,000"

1	Section 4. Section 8 of Public Law No. 14-80, as amended by
2	Public Laws Nos. 14-99, 14-104, and 15-01, and 15-04 is hereby
3	further amended to read as follows:
4	"Section 8. Grants, Subsidies and Contributions. The
5	sum of $[\$5,461,704.62]$ $\$5,651,704$ or so much thereof as
6	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, 2007, for the
9	following grants, subsidies and contributions during
10	fiscal year 2007. The sum appropriated by this section
11	shall be apportioned as follows:
12	(1) Department of Foreign Affairs.
13	(a) Pacific Islands Forum Secretariat \$ 46,000
14	(b) Secretariat for the Pacific
15	Community (SPC) 56,000
16	(c) UN and Specialized Agencies (UN) 60,000
17	(d) UN Economic and Social Commission
18	for Asia and the Pacific (ESCAP)\$ 5,000
19	(e) East-West Center 5,000
20	(f) United Nations Development
21	Program (UNDP) 23,500
22	(g) Activities in preparation for
23	the establishment of an FSM embassy in
24	Beijing 207,585
25	(h) Activities in honor of the
26	FSM's 20th Independence Anniversary 0

1	(2) <u>Department of Finance and Administration</u> .	
2	(a) ACP Membership Fees	40,000
3	(b) OCO Membership Fee	2,000
4	(c) Maintenance fee for Financial	
5	Management Information System	60,000
6	(d) FMIS Project	211,954
7	(provided that this amount shall be deemed to	
8	come from funds available under the Amended	
9	Compact for public sector capacity building	
10	grant.)	
11	(3) <u>Department of Economic Affairs</u> .	
12	(a) Pacific Islands Development	
13	Program	15,000
14	(b) Forum Fisheries Agency (FFA)	21,000
15	(c) UN Development Program	3,000
16	(d) Coordinating Committee for	
17	Offshore Minerals Prospecting (SOPAC)\$	40,000
18	(e) Pacific Asia Travel Association.	5,000
19	(f) UN Environmental Program (UNEP) .	600
20	(g) Western Forestry Leadership	
21	Coalition	-0-
22	(h) Seaframe Program	-0-
23	(i) Food Agriculture Organization (FAO)	4,700
24	(j) UN Framework Convention\$	250
25	(k) National Association of State	
26	Foresters	-0-

1	(1) National Environmental	
2	Speech Contest	-0-
3	(m) FA/TCP Matching	34,500
4	(n) Matching for SPC Projects	60,000
5	(o) Tourism activities, provided that,	
6	no funds shall be allotted until such time as	
7	the Tourism Unit has submitted a plan for the	
8	use of the funds to the Standing Committee on	
9	Resources and Development and received written	
10	approval of the plan from the Chairman of the	
11	Committee	50,000
12	(4) Department of Health, Education and	
13	Social Affairs.	
14	(a) UN Fund for Population	
15	Activity (UNFPA)	3,000
16	(b) South Pacific Regional	
17	Environmental Program (SPREP)\$	7,375
18	(c) Aid to Non-Public Schools	300,000
19	(d) Financial Assistance to FSM	
20	Students attending College of Marshalls	
21	and Palau Community College	50,000
22	(e) World Health Organization (WHO).	41,385
23	(f) National Board of Nursing	10,000
24	(g) Pacific Islands Health	
25	Officers Association	20,000
26	(h) National Close-Up Local Program.	64,000

1	(i) FSM Amateur Sports Association 20,000
2	(j) College of Micronesia Board (COM) 5,000
3	(k) Association of Territorial
4	Health Organization 2,000
5	(1) FSM Red Cross 70,000
6	(m) UNESCO 4,000
7	(n) Independent professional evaluations,
8	including but not limited to the evaluation of the
9	national student testing systems and a personnel audit
10	of the Chuuk State school system, provided that all
11	funds appropriated herein shall be deemed to come from
12	funds available under the amended Compact for the
13	Education Sector, and provided that, these funds shall
14	not be allotted or obligated until such time as formal
15	approval has been obtained in accordance with the
16	amended Compact\$ 200,000
17	(o) Fuel, utilities, communication,
18	equipment and contractual services for the
19	Division of Education, provided that all funds
20	appropriated herein shall be deemed to come
21	from funds available under the amended Compact
22	for the Education Sector, and provided that,
23	these funds shall not be allotted or obligated
24	until such time as formal approval has been
25	obtained in accordance with the
26	amended Compact 45,068

1	(p) \$57,000 for Division of Health
2	projects and programs, provided that, all
3	funds appropriated herein shall be deemed to
4	come from funds available under the amended
5	Compact for the Health Sector, and provided
6	that, these funds shall not be allotted or
7	obligated until such time as formal approval
8	has been obtained in accordance with the
9	amended Compact. The sum appropriated herein
10	shall be apportioned as follows:
11	(i) Projected shortfalls in
12	communications 2,000
13	(ii) Drugs and medical supplies
14	for Mental Health & Substance Abuse Program \$ 10,000
15	(iii) Contracting off-island
16	visiting medical specialists 28,000
17	(iv) TB & STD clinic supplies
18	for the State governments 3,000
19	(v) Travel for off-island
20	visiting medical specialists 14,000
21	(q) National Scholarship Fund,
22	provided that, all funds appropriated
23	herein shall be deemed to come from funds
24	available from the Supplemental Education
25	Grant (SEG) for fiscal year 2006, and

1	allotted or obligated until such time as	
2	formal approval has been obtained in	
3	accordance with the amended Compact 141	,777
4	(5) <u>Department of Transportation</u> ,	
5	Communications and Infrastructure.	
6	(a) Asia-Pacific Telecommunity (APT) 7	,640
7	(b) International Telecommunications	
8	Union (ITU) 55	,000
9	(c) International Civil Aviation	
10	Organization 28	,050
11	(d) Micronesian Shipping Commission. 10	,000
12	(e) FSM Capital	
13	Energy/Utilities\$ 390	,000
14	(f) Marine and Aviation fact-finding	
15	mission and student assistance 50	,000
16	(6) <u>Coconut Development Authority (CDA)</u> .	
17	(a) Copra Subsidy 50	,000
18	(b) Asia Pacific Coconut	
19	Community (APCC)	,000
20	(c) Pilot Plant Project 49	,300
21	(7) Other Grants, Subsidies and Contributions.	
22	(a) Kosrae Judiciary subsidy 30	,000
23	(b) Pohnpei Judiciary subsidy 45	,000
24	(c) Chuuk Judiciary subsidy 45	,000
25	(d) Yap Judiciary subsidy 20	,000
26	(e) COM Treaty Obligations 25	,000

1	(f) Micronesian Legal Services	
2	Corporation	150,000
3	(g) States Joint Law Enforcement,	
4	provided that \$25,000 shall go to Kosrae	
5	State, \$50,000 shall go to Pohnpei State,	
6	\$50,000 shall go to Chuuk State and	
7	\$25,000 shall go to Yap State	150,000
8	(h) Tuna Commission Membership	16,000
9	(i) Disaster Assistance Emergency	
10	Fund (DAEF) Matching	200,000
11	(k) Maritime Boundary Delimitation	43,500
12	(1) Yap Judiciary subsidy to be used	
13	solely to fund scholarships for citizens of	
14	Yap who are studying law\$	10,000
15	(m) Passport Revolving Fund	233,607.62
16	(n) State of Kosrae, PROVIDED THAT	
17	the amount appropriated herein shall take	
18	the form of a loan, the terms of which have	
19	been agreed between the President and the	
20	Governor of Kosrae, to help the State	
21	recover from its current financial crisis	1,500,000
22	(o) July 2007 Presidential	
23	Inauguration	74,000
24	(p) July 2007 Presidential	
25	Inauguration - Congress funding to be	
26	divided as follows:	

1	(i) Kosrae Delegation	5,000
2	(ii) Yap Delegation	7,000
3	(iii) Chuuk Delegation	13,000
4	(iv) Pohnpei Delegation	1,000
5	Total	26,000
6	(q) Presidential Visit to Outer	
7	Islands of Chuuk State	60,000
8	[(q)] <u>(r)</u> MiCare, to be used to cover	
9	10% increase in premiums for members of	
10	health plan	16,913
11	[(r)] <u>(s)</u> Land Grant Treaty\$	25 , 000
12	[(s)] <u>(t)</u> Funeral expenses for former	
13	President Tosiwo Nakayama	55,000
14	[(t)] <u>(u)</u> MLFC Loan Payment	90,000
15	[(u)] <u>(v)</u> FSM Athletes to SP Games	60,000"
16	(w) Outstanding Bills of the Executive	
17	and Legislative Branches, provided that no	
18	payment shall be made until the Department	
19	of Finance and Administration has verified	
20	the existence and amount of each delegation	100,000
21	(x) Furniture for the FSM Supreme	
22	Court	30,000"
23	Section 5. Section 9 of Public Law No. 14-80, as ame	ended by
24	Public Laws Nos. 14-95 and 14-104, is hereby amended to α	read as
25	follows:	
26	"Section 9. <u>Capital and Human Resource Developm</u>	ment.

1	The sum of \$9,055,333, or so much thereof as may be
2	necessary, is hereby appropriated from the General Fund
3	of the Federated States of Micronesia for the fiscal
4	year ending September 30, 2007, for the following
5	capital improvements, development programs and projects
6	and human resource development. The sum appropriated by
7	this section shall be apportioned as follows:
8	(1) <u>College of Micronesia-FSM</u> .
9	\$6,272,833, or so much thereof as may be necessary, for
10	the operations, programs and projects of the College
11	during fiscal year 2007. The sum appropriated herein
12	shall be apportioned as follows:
13	(a) COM-FSM operations, PROVIDED THAT all funds
14	appropriated herein shall be deemed to come from funds
15	available under the amended Compact for the Education
16	Sector, provided further that, \$52,833 of these funds
17	shall be used only for fuel, utilities, communication,
18	equipment and contractual services, and provided that,
19	these funds shall not be allotted or obligated until
20	such time as formal approval has been obtained in
21	accordance with the Amended Compact of Free
22	Association\$ 3,852,833
23	(b) Fisheries and Maritime Institute 650,000
24	(c) COM-FSM State Campus Facility
25	Improvement, PROVIDED THAT the sum
26	appropriated herein shall be deemed to come

1	from funds available under the amended Compact
2	for Infrastructure Development Sector and,
3	provided that, these funds shall not be
4	allotted or obligated until such time as
5	formal approval has been obtained in
6	accordance with the Amended
7	Compact of Free Association $$[\frac{1,500,000}{2}]$ $\underline{1,200,000}$
8	(d) COM-FSM Work Study Program, Student
9	Assistance and Summer Study Program, PROVIDED THAT the
10	General Fund shall be reimbursed for any expenditures
11	under this subsection from Supplemental Education Grant
12	(SEG) funds for fiscal year 2007 once
13	these funds are made available 270,000
14	(2) Department of Finance and Administration.
15	(a) National Staff Upgrading 50,000
16	(b) Asian Development Bank
17	MLFC Loan 0
18	(3) <u>Department of Economic Affairs</u> .
19	(a) FSM Tourism Promotion 100,000
20	(b) FSM Trade and FDI Project 75,000
21	(c) Diversification of Energy 125,000
22	(d) Crop Production Improvement 15,000
23	(4) Department of Transportation, Communication and
24	<u>Infrastructure</u> .
25	(a) Dry Docking of MS Voyager PROVIDED THAT of
26	the amount appropriated herein \$756,592 shall come from

1	funds available under the amended Compact for
2	Infrastructure Development Sector and, provided that,
3	these funds shall not be allotted or obligated until
4	such time as formal approval has been obtained in
5	accordance with the Amended Compact of
6	Free Association\$ 880,000
7	(b) Tuna Commission Headquarters
8	Supplement\$ -0-
9	(c) FSM Contribution to Expansion of
10	Bridges Between Palikir and Kolonia 300,000
11	(5) <u>Department of Justice</u> .
12	(a) FSM Patrol Boat Slipping 250,000
13	(b) Construction of 2 fuel tanks0-
14	(6) <u>FSM Postal Services</u> .
15	(a) Pohnpei Post Office renovation .\$ 50,000
16	(7) <u>Infrastructure Maintenance Fund (IMF)</u> .
17	(a) IMF PROVIDED THAT \$118,750 of the funds
18	appropriated herein shall be deemed to come from funds
19	available under the amended Compact for Infrastructure
20	Development Sector and, provided that, these funds shall
21	not be allotted or obligated until such time as formal
22	approval has been obtained in accordance with the
23	Amended Compact of Free Association 237,500
24	(8) <u>FSM Development Bank</u> .
25	(a) Escrow Account USDA Housing Program -0-
26	(9) FSM Trust Fund.

1	(a) FSM Trust Fund created under the Amended
2	Compact of Free Association
3	Section 6. Section 12 of Public Law No. 14-80, as amended by
4	Public Laws Nos. 14-104 and 15-1, is hereby amended to read
5	as follows:
6	"Section 12. Allotment and management of funds and
7	lapse date.
8	(1) <u>General Provisions</u> .
9	(a) All funds appropriated by this act shall be
10	allotted, managed, administered and accounted for in
11	accordance with applicable law, including, but not
12	limited to, the Financial Management Act of 1979 and the
13	amended Compact of Free Association between the United
14	States Government and the Government of the Federated
15	States of Micronesia and its related agreements.
16	(b) The allottees shall be responsible for
17	ensuring that these funds, or so much thereof as may be
18	necessary, are used solely for the purpose specified in
19	this act, and that no obligations are incurred in excess
20	of the sum appropriated.
21	(2) <u>Allottees</u> . The allottee of the funds appropriated
22	by this act are as follows:
23	(a) Section 2 - the allottee of these funds shall
24	be the President of the Federated States of Micronesia;
25	(b) Section 3 - the allottee of these funds shall
26	be the Speaker of the Congress of the Federated States

1	of Micronesia;
2	(c) Section 4 - the allottee of these funds shall
3	be the Chief Justice of the Supreme Court of the
4	Federated States of Micronesia;
5	(d) Section 5 - the allottee of these funds shall
6	be the Public Auditor of the Federated States of
7	Micronesia;
8	(e) Sections 6 through 9 - the allottee of these
9	funds shall be the President of the Federated States of
10	Micronesia, EXCEPT THAT for the following subsections of
11	sections 8 through 9 of this act:
12	(i) section 8 subsection (7)(a) through (d)
13	- the allottee of these funds shall be the Chief Justice
14	of the respective state,
15	(ii) section 8 subsection $(7)(1)$ - the
16	allottee shall be the Yap Office of the Public Defender,
17	(iii) section 8 subsection $(7)(n)$ - the
18	allottee of these funds shall be the Governor of the
19	State of Kosrae.
20	(iv) section 8 subsection $(7)(p)$ - the
21	allottee of these funds shall be the Speaker of the
22	Congress of the Federated States of Micronesia;
23	(v) section 8 subsection (7) (r) the allottee
24	of these funds shall be the President of the College of
25	Micronesia-FSM.
26	(vi) section 8 subsection $(7)(x)$ - the

1	allottee of these funds shall be the Chief Justice of
2	the FSM Supreme Court.
3	(vii) section 9(1)(a) through (d) - the
4	allottee of these funds shall be the President of the
5	College of Micronesia-FSM.
6	(3) <u>Lapse Date</u> . The authority of the allottee to
7	obligate funds appropriated by this act shall lapse as
8	of September 30, 2007, EXCEPT the funds appropriated
9	under sections $8(7)(q)$, (w) , and (x) and 9 of this act,
10	as well as the \$50,000 appropriated to the Department of
11	Justice for contractual services shall not lapse."
12	Section 7. This act shall become law upon approval by the
13	President of the Federated States of Micronesia or upon its
14	becoming law without such approval.
15	
16	Date: 9/22/07 Introduced by: /s/ Joe N. Suka
17	Joe N. Suka
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