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, the FY 2007 budget, by further amending sections 1, 2, 3, 7, [and] 8 and 12 thereof, for the purpose of appropriating $321,913 in supplemental funding from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2007, to readjust the amount of funds available through the Special Election Grant, to provide for the operations of the Executive and Legislative Branches, national agencies, various programs, grants, subsidies, and contributions, 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 Public Laws Nos. 14-95, 14-99 and 14-104, is hereby further amended to read as follows:

"To appropriate the sum of $36,390,720.62 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 to establish a capital and human resources development budget for the fiscal year 2007, and for other purposes."

2. Section 2. Section 1 of Public Law No. 14-80, as amended by Public Laws Nos. 14-95, [and] 14-99 and 14-104, is hereby further amended to read as follows:
"Section 1. An annual budget in the amount of $36,390,720.62 from for the fiscal year ending September 30, 2007 is hereby approved. There is hereby appropriated from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2007 the sum of $36,390,720.62 from 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 for the fiscal year ending September 30, 2007. The sum appropriated herein shall be apportioned as follows:"

Section 3. Section 2 of Public Law No. 14-80, as amended by Public Laws Nos. 14-95, [and 14-99 and 14-104], is hereby further amended to read as follows:

"Section 2. Operating expenses of the Executive Branch. The sum of $15,175,372 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 for the fiscal year 2007. The sum appropriated by this section shall be
apportioned as follows:

(1) Office of the President.

[$605,517] $615,517, or so much thereof as may be
necessary, for the operations of the Office of the
President for the fiscal year 2007. The sum
appropriated herein shall be apportioned as follows:

Personnel .................................$ 267,341
Travel ..................................... 98,176
Contractual Services ....................... 145,000
OCE ........................................ 80,000
Fixed Assets ............................... 25,000

(2) Department of Foreign Affairs.

$2,964,306, or so much thereof as may be
necessary, for the operations of the
Department of Foreign Affairs for the fiscal
year 2007. The sum appropriated herein shall
be apportioned as follows:

Personnel .................................$ 1,172,209
Travel ..................................... 147,860
Contractual Services ....................... 1,374,907
OCE ........................................ 267,850
Fixed Assets ............................... 1,480

(3) Department of Finance and Administration.

$2,570,323 or so much thereof as may be
necessary, for the operations of the
Department of Finance and Administration for the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

Personnel .................................$ 1,298,426
Travel ..................................... 246,775
Contractual Services ....................... 652,088
OCE ........................................ 331,834
Fixed Assets ............................... 41,200

(4) Department of Economic Affairs.

$1,174,769, or so much thereof as may be necessary, for the operations of the Department of Economic Affairs for the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

Personnel .................................$ 833,325
Travel ..................................... 69,169
Contractual Services ....................... 112,275
OCE ........................................ 138,000
Fixed Assets ............................... 22,000

(5) Department of Transportation, Communication and Infrastructure.

$1,585,990, or so much thereof as may be necessary, for the operations of the Department of Transportation, Communications and Infrastructure for 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>$436,846</td>
</tr>
<tr>
<td>Travel</td>
<td>103,000</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>968,144</td>
</tr>
<tr>
<td>OCE</td>
<td>70,000</td>
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<tr>
<td>Fixed Assets</td>
<td>8,000</td>
</tr>
</tbody>
</table>

(6) **Department of Health, Education and Social Affairs.**

\$2,066,840, or so much thereof as may be necessary, for the operations of the Department of Health, Education and Social Affairs for the fiscal year 2007. Of the total funds appropriated herein, \$359,080 shall be deemed to come from funds available under the amended Compact for the education sector, \$767,164 from the health sector, and \$643,843 from the supplemental education grant (SEG) for fiscal year 2006, provided that, these funds shall not be allotted or obligated until such time as formal approval has been obtained in accordance with the Amended Compact of Free Association. The sum appropriated herein shall
be apportioned as follows:

Personnel ................................... $ 803,480
Travel ..................................... 259,211
Contractual Services ....................... 186,387
OCE ........................................ [1,456,907] 813,062
Fixed Assets ............................... 4,700

(7) Department of Justice.

[$2,689,589] $2,739,589, or so much thereof as may be necessary, for the operations of the Department of Justice for the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

Personnel................................. $ 1,844,130
Travel...................................... 104,000
Contractual Services, provided that $50,000 will be used as a contributions towards the Police Academy Training in 2007........[140,100] 190,100
OCE ........................................ 565,359
Fixed Assets ............................... 36,000

(8) Office of the Public Defender.

$635,991, or so much thereof as may be necessary, for the operations of the Office of the Public Defender for the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:
Personnel .................................... $458,244
Travel ........................................ 69,503
Contractual Services ......................... 52,044
OCE .......................................... 47,350
Fixed Assets ................................... 8,850

(9) Office of Compact Management.

$822,047, or so much thereof as may be necessary, for the operations of the Office of Compact Management for the fiscal year 2007. Of the total funds appropriated herein, $300,000 shall be deemed to come from funds available under the amended Compact carryover from fiscal year 2005 and shall be used for foreign consultant fees, provided that, these funds shall not be allotted or obligated until such time as formal approval has been obtained in accordance with the amended Compact. The sum appropriated herein shall be apportioned as follows:

Personnel .................................... $97,247
Travel ......................................... 70,000
Contractual Services ......................... 602,800
OCE .......................................... 34,000
Fixed Assets ................................... 18,000"
Public Laws Nos. 14-99 and 14-104, is hereby further amended to read as follows:

"Section 3. Operating expenses of the Legislative Branch. The sum of $3,377,164, 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 for the fiscal year 2007. The sum appropriated by this section shall be apportioned as follows:

(1) Speaker and Members. $1,542,771, 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 for the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

Personnel .......................................$ 415,290
Travel ............................................. 464,881
Contractual Services ......................... 612,600
OCE ........................................... 50,000

(2) Staff Offices.
$1,274,393, or so much thereof as may be necessary, for the operations of the Congress staff offices for the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

Personnel .................................. $ 822,962
Travel ..................................... 134,371
Contractual Services ...................... 168,500
OCE ........................................ 122,340
Fixed Assets .............................. 26,220

(3) Congress Delegation Offices. $[540,000] 560,000, or so much thereof as may be necessary, for the operations of the Congress delegation offices for the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

(a) Kosrae Delegation Office ...... $ 80,000
(b) Pohnpei Delegation Office [140,000] 160,000
(c) Chuuk Delegation Office ........ 240,000
(d) Yap Delegation Office .......... 80,000"
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.**
   - $79,282, or so much thereof as may be necessary for the operation of the FSM Aquaculture Center during the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:
     - Personnel: $38,617
     - Travel: 8,802
     - Contractual Services: 9,474
     - OCE: 22,389
     - Fixed Assets: -0-

2. **Office of the National Election Director.**
   - [$314,300] $444,300, or so much thereof as may be necessary for the operation of the Office of the National Election Director during the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:
     - Personnel: [180,080] 157,330
     - Travel: [5,220] 10,605
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>1</td>
<td>Contractual Services</td>
<td>$112,715</td>
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<tr>
<td>2</td>
<td>OCE</td>
<td>$133,650</td>
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<tr>
<td>3</td>
<td>Fixed Assets</td>
<td>$0</td>
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<td>4</td>
<td>(3) Sustainable Development Council.</td>
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<td>5</td>
<td>$10,000, or as much thereof as may be necessary,</td>
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<td>6</td>
<td>for the operations of the Sustainable Development</td>
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<td>7</td>
<td>Development Council during fiscal year 2007.</td>
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<tr>
<td>8</td>
<td>All funds appropriated herein shall be expended</td>
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<tr>
<td>9</td>
<td>for travel.</td>
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<tr>
<td>10</td>
<td>Section 8. Grants, Subsidies and Contributions.</td>
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<td>11</td>
<td>The sum of $4,987,837.62 or so much thereof as</td>
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<tr>
<td>12</td>
<td>may be necessary, is hereby appropriated from</td>
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<td>13</td>
<td>the General Fund of the Federated States of</td>
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<tr>
<td>14</td>
<td>Micronesia for the fiscal year ending September</td>
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<tr>
<td>15</td>
<td>30, 2007, for the following grants, subsidies and</td>
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<td>16</td>
<td>contributions during fiscal year 2007. The sum</td>
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<tr>
<td>17</td>
<td>appropriated by this section shall be apportioned</td>
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<tr>
<td>18</td>
<td>as follows:</td>
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<td>19</td>
<td>(1) Department of Foreign Affairs.</td>
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<tr>
<td>20</td>
<td>(a) Pacific Islands Forum Secretariat $ 46,000</td>
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<tr>
<td>21</td>
<td>(b) Secretariat for the Pacific Community (SPC)</td>
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<tr>
<td>22</td>
<td>.......... 56,000</td>
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<tr>
<td>23</td>
<td>(c) UN and Specialized Agencies (UN)$ 60,000</td>
<td></td>
</tr>
</tbody>
</table>
1. (d) UN Economic and Social Commission for Asia and the Pacific (ESCAP) .......... 5,000
2. (e) East-West Center ................ 5,000
3. (f) United Nations Development Program (UNDP) ................................. 23,500
4. (g) Activities in preparation for the establishment of an FSM embassy in Beijing ......................................................... 207,585
5. (h) Activities in honor of the FSM’s 20th Independence Anniversary ........ 0

(2) Department of Finance and Administration.

(a) [National Authorizing Committee (ACP/EU)] ACP Membership Fees ............... 40,000
6. (b) OCO Membership Fee ................ 2,000
7. (c) Maintenance fee for Financial Management Information System .............. 60,000

(3) Department of Economic Affairs.

(a) Pacific Islands Development Program ............................................... 15,000
6. (b) Forum Fisheries Agency (FFA) ..... 21,000
7. (c) UN Development Program .......... 3,000
8. (d) Coordinating Committee for Offshore Minerals Prospecting (SOPAC) ...... 40,000
9. (e) Pacific Asia Travel Association . 5,000
10. (f) UN Environmental Program (UNEP) $ 600
1 (g) Western Forestry Leadership Coalition ........................................... –0- 2
3 (h) Seaframe Program ................... .......................... –0- 3
4 (i) Food Agriculture Organization (FAO) .......................... 4,700 4
5 (j) UN Framework Convention ........... .......................... 250 5
6 (k) National Association of State Foresters ........................................... –0- 7
8 (l) National Environmental Speech Contest ........................... –0- 9
10 (m) FA/TCP Matching .......................... .......................... 34,500 11
11 (n) Matching for SPC Projects ....... .......................... 60,000 12
12 (o) Tourism activities, provided that, no funds shall be allotted until such time as the Tourism Unit has submitted a plan for the use of the funds to the Standing Committee on Resources and Development and received written approval of the plan from the Chairman of the Committee ........................................... 50,000 18
19 (4) Department of Health, Education and Social Affairs.
21 (a) UN Fund for Population Activity (UNFPA) .......................... 3,000 23
24 (b) South Pacific Regional Environmental Program (SPREP) .......................... 7,375 25
(c) Aid to Non-Public Schools ......$ 300,000 25
(d) Financial Assistance to FSM Students attending College of Marshalls and Palau Community College .................... 50,000 
(e) World Health Organization (WHO) ......................... 41,385 
(f) National Board of Nursing .................................. 10,000 
(g) Pacific Islands Health Officers Association .................... 20,000 
(h) National Close-Up Local Program ......................... 64,000 
(i) FSM Amateur Sports Association ...................... 20,000 
(j) College of Micronesia Board (COM) .................... 5,000 
(k) Association of Territorial Health Organization .............. 2,000 
(l) FSM Red Cross ........................................... 70,000 
(m) UNESCO .................................................. 4,000 
(n) Independent professional evaluations, including but not limited to the evaluation of the national student testing systems and a personnel audit of the Chuuk State school system, provided that all funds appropriated herein shall be deemed to come from funds available under the amended Compact for the Education Sector, and provided that, these funds shall not be allotted or obligated until such time as formal approval has been obtained in accordance with the amended Compact ......................... 200,000 
(o) Fuel, utilities, communication,
equipment and contractual services for the
Division of Education, provided that all funds
appropriated herein shall be deemed to come
from funds available under the amended Compact
for the Education Sector, and provided that,
these funds shall not be allotted or obligated
until such time as formal approval has been
obtained in accordance with the
amended Compact .........................$  45,068

(p) $57,000 for Division of Health
projects and programs, provided that, all
funds appropriated herein shall be deemed to
come from funds available under the amended
Compact for the Health Sector, and provided
that, these funds shall not be allotted or
obligated until such time as formal approval
has been obtained in accordance with the
amended Compact. The sum appropriated herein
shall be apportioned as follows:

(i) Projected shortfalls in
communications .............................  2,000

(ii) Drugs and medical supplies
for Mental Health & Substance Abuse Program  10,000

(iii) Contracting off-island
visiting medical specialists ..............$  28,000
(iv) TB & STD clinic supplies for the State governments ................. 3,000
(v) Travel for off-island visiting medical specialists .................. 14,000
(q) National Scholarship Fund, provided that, all funds appropriated herein shall be deemed to come from funds available from the Supplemental Education Grant (SEG) for fiscal year 2006, and provided that, these funds shall not be allotted or obligated until such time as formal approval has been obtained in accordance with the amended Compact ....................... 141,777
(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 .......................... 390,000
(f) Marine and aviation skills updating ................................. 50,000
(6) Coconut Development Authority (CDA).
(a) Copra Subsidy ......................... $ 50,000
(b) Asia Pacific Coconut Community (APCC) ........................... 15,000
(c) Pilot Plant Project .............. 49,300

(7) Other Grants, Subsidies and Contributions.
(a) Kosrae Judiciary subsidy ........ 30,000
(b) Pohnpei Judiciary subsidy ...... 45,000
(c) Chuuk Judiciary subsidy ........ 45,000
(d) Yap Judiciary subsidy .......... 20,000
(e) COM Treaty Obligations ........ 25,000
(f) Micronesian Legal Services Corporation ......................... 150,000
(g) States Joint Law Enforcement,
provided that $25,000 shall go to Kosrae State, $50,000 shall go to Pohnpei State,
$50,000 shall go to Chuuk State and
$25,000 shall go to Yap State ............. 150,000
(h) Tuna Commission Membership ...... 16,000
(i) Disaster Assistance Emergency Fund (DAEF) Matching .............. 200,000
(k) Maritime Boundary Delimitation .. 43,500
(l) Yap Judiciary subsidy to be used solely to fund scholarships for citizens of Yap who are studying law .......... 10,000
(m) Passport Revolving Fund ....... 233,607.62
(n) State of Kosrae, PROVIDED THAT the amount
appropriated herein shall take the form of a loan, the

terms of which have been agreed between the President

and the Governor of Kosrae, to help the State recover

from its current financial

$1,500,000

(o) [May] July 2007 Presidential

Inauguration .............. [50,000] [100,000] 74,000

(p) July 2007 Presidential Inauguration –

Congress funding to be divided as follows:

(i) Kosrae Delegation .......... 5,000

(ii) Yap Delegation .......... 7,000

(iii) Chuuk Delegation .......... 13,000

(iv) Pohnpei Delegation .......... 1,000

Total ................................ 26,000

([p]q) MiCare, to be used to cover 10%

increase in premiums for members of

health plan ............................. [0] 16,913

([q] r) Land Grant Treaty ............ 25,000

([q] s) Funeral expenses for former

President Tosiwo Nakayama .... [50,000] 55,000"

Section [q] 7. Section 12 of Public Law No. 14-80 is

hereby amended to read as follows:

"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 - 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,

(ii) section 8 subsection (7)(l) - the allottee shall be the Yap Office of the Public Defender,

(iii) section 8 subsection (7)(n) - the allottee of these funds shall be the Governor of the State of Kosrae.

(iv) section 8 subsection (7)(p) - the allottee of these funds shall be the Speaker of the Congress of the Federated States of Micronesia;

([iv]) section 8 subsection (7)(q) (r) the allottee of these funds shall be the President of the College of Micronesia-FSM.

([vi]) section 9(1)(a) through (d) - 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, 2007, EXCEPT the funds appropriated under section 9 of this act shall not lapse."
Section 8. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

Date: ________________    Introduced by: ________________________

Dohsis Halbert