AN ACT

To further amend Public Law No. 14-80, as amended by Public Laws Nos. 14-95, 14-99 and 14-104, and 15-01, the FY 2007 budget, by further amending sections 1, 2, 3, 5, 8 and 9 thereof, for the purpose of appropriating $1,031,954 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 and Legislative Branch, National Agencies, 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:

Section 1. The title of Public Law No. 14-80, as amended by Public Laws Nos. 14-95, 14-99 14-104, and 15-01, is hereby further amended to read as follows:

"To appropriate the sum of $34,422,674.62 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."

Section 2. Section 1 of Public Law No. 14-80, as amended by Public Laws Nos. 14-95, 14-99, 14-104, and 15-01, is hereby further amended to read as follows:

"Section 1. An annual budget in the amount of $34,422,674.62 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 $34,422,674.62 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, 14-99, 14-104, and 15-01, is hereby further amended to read as follows:

"Section 2. Operating expenses of the Executive Branch. The sum of $15,310,372 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. $625,517, 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, provided that $10,000 is used exclusively for the 2007 Inauguration ...........  90,000
Fixed Assets .............................................  25,000

(2) Department of Foreign Affairs.

$2,979,306, 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, provided that $10,000 is used exclusively for the 2007 Inauguration ...........  282,850
Fixed Assets .............................................  1,480

(3) Department of Finance and Administration.

$2,590,323 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 provided that $20,000 be used exclusively for recruitment and repatriation 266,775
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.
$1,635,990, 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:
Personnel ........................................... $ 436,846
Travel ........................................... 103,000

Contractual Services, provided that $193,096
will be used for POL for Caroline Voyager
and provided that $50,000 be used to fund
POL for Caroline Voyager for a student
run in July or August 2007 ............... 1,018,144

OCE ............................................... 70,000

Fixed Assets ................................. 8,000

(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:
$2,779,589, 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 and provided that $40,000 to be used exclusively for POL for surveillance operations of the patrol boat 230,100
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:
(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

Section 4. Section 3 of Public Law No. 14-80, as amended by Public Laws Nos. 14-99, 14-104, and 15-01, is hereby further
amended to read as follows:

"Section 3. Operating expenses of the Legislative Branch. The sum of $3,412,164, 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.

$1,577,164, 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 ...................... 647,600
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
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.

$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 ....... 160,000
(c) Chuuk Delegation Office ........ 240,000
(d) Yap Delegation Office ............ $ 80,000"

Section 5. Section 8 of Public Law No. 14-80, as amended by Public Law No. 14-99, 14-104, and 15-01, is hereby amended to read as follows:

"Section 8. Grants, Subsidies and Contributions. The sum of $5,461,704.62 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

(g) Activities in preparation for the establishment of an FSM embassy in Beijing $207,585

(h) Activities in honor of the FSM’s 20th Independence Anniversary $0

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

(a) ACP Membership Fees $40,000

(b) OCO Membership Fee $2,000

(c) Maintenance fee for Financial Management Information System $60,000

(d) FMIS Project $211,954

(provided that this amount shall be deemed to come from funds available under the Amended Compact for public sector capacity building
grant.)

(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 .................................. –0-

(h) Seaframe Program .................... –0-

(i) Food Agriculture Organization (FAO) .......... 4,700

(j) UN Framework Convention ........$ 250

(k) National Association of State Foresters .................................. –0-

(l) National Environmental Speech Contest .................. –0-

(m) FA/TCP Matching .................. 34,500

(n) Matching for SPC Projects ........ 60,000

(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

(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

   (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
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<td>(d) Micronesian Shipping Commission ..........</td>
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<td>(e) FSM Capital</td>
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<td>Energy/Utilities ................................</td>
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<td>(f) Marine and Aviation fact-finding</td>
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<td>mission and student assistance ..............</td>
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<td>(6) Coconut Development Authority (CDA).</td>
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<td>(a) Copra Subsidy ................................</td>
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<td>(b) Asia Pacific Coconut</td>
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<td>Community (APCC) ................................</td>
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<td>(c) Pilot Plant Project ......................</td>
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<td>(7) Other Grants, Subsidies and Contributions.</td>
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<td>(a) Kosrae Judiciary subsidy ...............</td>
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<td>(b) Pohnpei Judiciary subsidy .............</td>
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<td>(c) Chuuk Judiciary subsidy ..................</td>
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<td>(d) Yap Judiciary subsidy ....................</td>
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<td>17</td>
<td>(e) COM Treaty Obligations ...................</td>
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<td>(f) Micronesian Legal Services</td>
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<td>Corporation ....................................</td>
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<td>(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 ............</td>
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<td>(h) Tuna Commission Membership ..............</td>
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<td>(i) Disaster Assistance Emergency</td>
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<td>Fund (DAEF) Matching</td>
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<td>(k) Maritime Boundary Delimitation</td>
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<td>(l) Yap Judiciary subsidy to be used solely to fund scholarships for citizens of Yap who are studying law</td>
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<td>(m) Passport Revolving Fund</td>
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<td>5</td>
<td>(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 crisis.</td>
<td>$1,500,000</td>
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<td>(o) July 2007 Presidential Inauguration</td>
<td>74,000</td>
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<td>7</td>
<td>(p) July 2007 Presidential Inauguration – Congress funding to be divided as follows:</td>
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<td>8</td>
<td>(i) Kosrae Delegation</td>
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<td>9</td>
<td>(ii) Yap Delegation</td>
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<td>10</td>
<td>(iii) Chuuk Delegation</td>
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<td>11</td>
<td>(iv) Pohnpei Delegation</td>
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<td>Total</td>
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<td>(q) MiCare, to be used to cover 10% increase in premiums for members of health plan</td>
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<td>(r) Land Grant Treaty</td>
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Section 6. Section 9 of Public Law No. 14-80, as amended by Public Laws Nos. 14-95 and 14-104, is hereby amended to read as follows:


The sum of $9,055,333, 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.

$6,272,833, 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, provided further that, $52,833 of these funds shall be used only for fuel, utilities, communication, equipment and contractual services, and provided that,
these funds shall not be allotted or obligated until such time as formal approval has been obtained in accordance with the Amended Compact of Free Association .........................$ 3,852,833

(b) Fisheries and Maritime Institute  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 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 of Free Association .........................$ 1,500,000

(d) COM-FSM Work Study Program, Student Assistance and Summer Study Program, PROVIDED THAT the General Fund shall be reimbursed for any expenditures under this subsection from Supplemental Education Grant (SEG) funds for fiscal year 2007 once these funds are made available ...................... 270,000

(2) Department of Finance and Administration.

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

(b) Asian Development Bank MLFC Loan ................................. 0

(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 of
   the amount appropriated herein $756,592 shall come from
   funds available under the amended Compact for
   Infrastructure Development Sector and, provided that,
   these funds shall not be allotted or obligated until
   such time as formal approval has been obtained in
   accordance with the Amended Compact of
   Free Association ..........................$ 880,000
   (b) Tuna Commission Headquarters
   Supplement ................................. –0–

(5) Department of Justice.
   (a) FSM Patrol Boat Slipping ....... 250,000
   (b) Construction of 2 fuel tanks .... -0–

(6) FSM Postal Services.
   (a) Pohnpei Post Office renovation .$ 50,000

(7) Infrastructure Maintenance Fund (IMF).
   (a) IMF PROVIDED THAT $118,750 of the funds
   appropriated herein shall be deemed to come from funds
   available under the amended Compact for Infrastructure
   Development 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 of Free Association ........... 237,500

(8) FSM Development Bank.

(a) Escrow Account USDA Housing Program -0-

(9) FSM Trust Fund.

(a) FSM Trust Fund created under the Amended
Compact of Free Association ................. 1,000,000"

Section 7. This act shall become law upon approval by the
President of the Federated States of Micronesia or upon its
becoming law without such approval.

__________________________ July 26, 2007

/s/ Manny Mori
Manny Mori
President
Federated States of Micronesia