



The President
Palikir, Pohnpei
Federated States of Micronesia

PRESIDENTIAL COMM. NO. 17/12
FSM CONGRESS

October 3, 2011

The Honorable Isaac V. Figir
Speaker
17th FSM Congress
Palikir, Pohnpei State, FM 96941



Dear Speaker Figir:

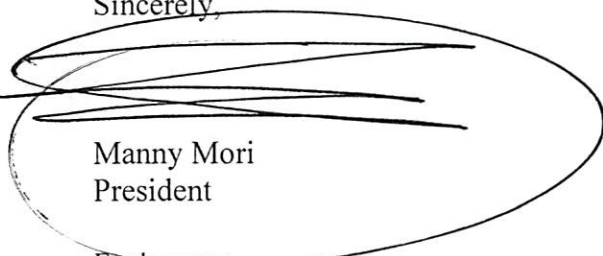
I am pleased to inform you that I have designated the following Congressional Act, entitled:

Congressional Act No. 17-24, "AN ACT TO APPROPRIATE \$44,251,617 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012, TO PROVIDE FUNDING FOR THE OPERATIONS OF ALL BRANCHES OF THE NATIONAL GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA, ITS AGENCIES, VARIOUS PROGRAMS, GRANTS, SUBSIDIES AND CONTRIBUTIONS; AND FOR OTHER PURPOSES."

which I have signed to become Public Law No. 17-19 pursuant to Article IX Section 22 of the FSM Constitution. Attached to this transmittal is a signing statement that contains the comments, views and interpretation by the Executive Branch on the FY2012 Budget Act. The signing statement is incorporated herein by reference and shall serve as part of the general intent and guideline of implementation for the Executive Branch.

I take this opportunity to thank the Seventeenth Congress for approving the FY2012 Budget Act of the FSM National Government, and more particularly for providing funding for the 25th Anniversary of FSM Independence.

Sincerely,



Manny Mori
President

Enclosures:

xc: Chief Justice, FSM Supreme Court
Acting Secretary, Department of Justice
Acting Director, Office of SBOC
Legislative Counsel, CFSM
Library, CFSM
PIO, FSM



PRESIDENTIAL COMM. NO. 17-112
FSM CONGRESS

PRESIDENTIAL STATEMENT ON THE SIGNING OF CONGRESSIONAL ACT NO. 17-24: "AN ACT TO APPROPRIATE \$44,251,617 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012, TO PROVIDE FUNDING FOR THE OPERATIONS OF ALL BRANCHES OF THE NATIONAL GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA, ITS AGENCIES, VARIOUS PROGRAMS, GRANTS, SUBSIDIES AND CONTRIBUTIONS; AND FOR OTHER PURPOSES."

This statement conveys on record my views and comments on Congressional Act No. 17-24 which is the FY2012 Budget Act, and which I have signed to become Public Law No. 17-19.

The budget process for FY2012 has significantly improved for both the Executive Branch and the Legislative Branch. Nevertheless, certain challenges and issues need to be addressed and clarified which I discuss hereunder.

The FY2012 budget is a balanced budget, supported by revenue projection which I transmitted to Congress in April 2011. Cash flow for the fiscal year would have been more than adequate, were it not for the GMP case settlement. Therefore, it is necessary and prudent that we allot funds and schedule payments strictly on a quarterly basis.

Moreover, the Executive Branch should have spent at least two weeks in reviewing the details of the approved Budget Act. Congress presented the FY2012 Budget for action barely two days before the FY2011 ended, after five months of scrutiny. In submitting FY2012 Budget on April 1, 2011, I had recommended that the proposed budget should at least pass on first reading during the May session, and on final reading at least two weeks before October 1, 2011. Without the benefit of a thorough review, there is no meaningful justification in approving or disapproving the budget. Under the circumstances, I should have allowed the budget act to become law without my signature. Nevertheless, I grudgingly signed it in order to prevent a shutdown of government services.

I wish to further clarify the following issues surrounding the FY2012 approved budget, as follows:

I. National policy

The Standing Committee Report No. 17-46, September 24, 2011, adopted by Congress contains the following statement:

"This report, and all previous and subsequent reports by this Committee, should be treated as policy of this Nation, as defined by the Congress. It is your Committee's intent that any commentary found in this report should be treated as policy for the guidance of the relevant departments, agencies and offices."



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While I appreciate very much the sentiments expressed in the committee reports in providing guidance to the relevant departments and agencies, I wish to clarify that national policies are those expressed in the script of the FSM Constitution and laws. "[The] Constitution is the expression of the sovereignty of the people and is the supreme law of the Federated States of Micronesia. An act of the Government in conflict with this Constitution is invalid to the extent of the conflict." Article II, Section 1, FSM Constitution. When a budget act becomes law with or without the President's signature, it then constitutes a policy of the National Government. We need to be more careful in differentiating between national policies and opinions. Statements in committee reports indicate sentiments and opinions of members of Congress, but those statements are not national policies. They do not amend or nullify clear provisions of national law, but rather, they help clarify ambiguities in such law.

II. Revenue projection

Under the FSM Constitution in Article XII, Section 2, the President is vested with the duty and authority to submit to Congress an annual budget which includes anticipated revenues and other money available to the national government for the next fiscal year. I submitted a domestic revenue projection for FY2012 in the amount of \$41,650,000. I am disappointed that instead of using the revenue projection required by the Constitution, Congress opted to use \$38,655,000 being the "Revenue Projection provided by Congress's own budget office in September 2011." SCR No. 17-52, Committee on W&M, September 27, 2011. For purposes of transparency, Congress should inform the President if there is any major change in the proposed budget. While Congress may alter the budget in any respect, for practical purposes the President being delegated the constitutional duty to faithfully execute the budget should know how the changes were arrived at and how those changes will impact on delivery of services. The methods and rationalities used by Congress in creating its own revenue projection should be set out in clear terms. In the absence of clarity, departure from the President's constitutional prerogative to provide Congress with revenue projection appears to be arbitrary.

Indeed, much attention has been spent on looking at expenditure, while too little time devoted upon understanding the revenue. Revenue is always understated year after year, when in fact the economy has the capacity to generate the projected revenue. For instance, we believe that for FY2012, the economy will generate revenue of \$41 million.



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Presidential Statement
October 3, 2011
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III. Allottee of funds

Section 12 of the Budget Act designates the FSM Chief Justice as the allottee of funds for the joint law enforcement agreements. Moreover, the President is designated as the allottee of funds for the State Judiciary subsidies. Joint law enforcement is an executive function, while judicial subsidy properly belongs to the FSM Supreme Court. The principle of separation of powers among co-equal, independent and coordinate branches of government requires that the FSM Chief Justice as head of the Judicial Branch should be the designated allottee of judicial subsidy, and the President being vested with executive power should be the designated allottee of joint law enforcement subsidy. I recommend for Congress to revisit these provisions during the remaining days of its regular session to ensure that the budget act is properly aligned with this constitutional mandate.

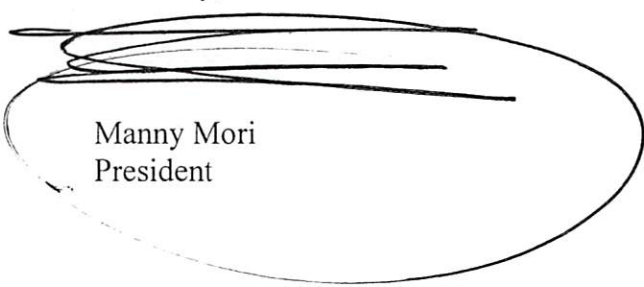
IV. Reprogramming of contingency funds

Section 11 of the Budget Act explicitly provides for reprogramming of funds into personnel in the Department of Foreign Affairs, "by accessing the contingency fund established under section 2." Since there is no contingency fund established under section 2 in the FY2012 budget, reprogramming is not appropriate. I recommend that Congress takes appropriate steps to rectify the apparent error.

In conclusion, I want to thank Congress for approving the FY2012 Budget Act. I hope that for the FY2013 Budget, our joint process will be much improved.

With warm personal regards, I remain,

Sincerely,



Manny Mori
President



CONGRESS OF THE FEDERATED STATES OF MICRONESIA

P.O. Box PS 3
Palikir, Sokehs
Pohnpei State, FM 96941
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Office of the Chief Clerk

PRESIDENTIAL COMM. NO. 17-112
FSM CONGRESS

September 28, 2011

His Excellency Manny Mori
President
Federated States of Micronesia
Palikir, Pohnpei FM 96941



Dear President Mori:

I have the honor to transmit herewith Congressional Act No. 17-24, "AN ACT TO APPROPRIATE \$44,251,617 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012, TO PROVIDE FUNDING FOR THE OPERATIONS OF ALL BRANCHES OF THE NATIONAL GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA, ITS AGENCIES, VARIOUS PROGRAMS, GRANTS, SUBSIDIES AND CONTRIBUTIONS; AND FOR OTHER PURPOSES.", which was passed by the Seventeenth Congress of the Federated States of Micronesia, Second Regular Session, 2011, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Liwiana Ramon Ioanis".

Liwiana Ramon Ioanis
Chief Clerk, Congress of the
Federated States of Micronesia

Enclosures



PUBLIC LAW No. 17-19

SEVENTEENTH CONGRESS OF THE
FEDERATED STATES OF MICRONESIA
SECOND REGULAR SESSION
SEPTEMBER 12 – OCTOBER 01, 2011

PRESIDENTIAL COMM. NO. 17/12
FSM CONGRESS

An Act

TO APPROPRIATE \$44,251,617 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012, TO PROVIDE FUNDING FOR THE OPERATIONS OF ALL BRANCHES OF THE NATIONAL GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA, ITS AGENCIES, VARIOUS PROGRAMS, GRANTS, SUBSIDIES AND CONTRIBUTIONS; AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: DOHSIS HALBERT

DATE: SEPTEMBER 27, 2011

REFERRED TO: COMMITTEE ON WAYS AND MEANS

S.C.R. NO. 17-52 – SEPTEMBER 27, 2011

FIRST READING: SEPTEMBER 27, 2011

SECOND READING: SEPTEMBER 28, 2011

A handwritten signature in blue ink, appearing to read "Liwiana Ramon Ioanis".

Liwiana Ramon Ioanis
Chief Clerk, FSM Congress



CONGRESS OF THE FEDERATED STATES OF MICRONESIA

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Office of the Speaker

PRESIDENTIAL COMM. NO. 17-112
FSM CONGRESS

ACT NO. 17-24

(CONGRESSIONAL BILL NO. 17-60, C.D.1)

We hereby certify that on September 28 the foregoing act passed Second and Final Reading of the Seventeenth Congress of the Federated States of Micronesia, Second Regular Session, 2011, by a two-thirds vote of all the State delegations as required under article IX, section 20, of the Constitution of the Federated States of Micronesia.

A handwritten signature in black ink, appearing to read "Isaac V. Figir".

Isaac V. Figir
Speaker
Congress of the
Federated States of Micronesia

A handwritten signature in blue ink, appearing to read "Liwiana Ramon Ioanis".

Liwiana Ramon Ioanis
Chief Clerk
Congress of the
Federated States of Micronesia

SEVENTEENTH CONGRESS OF THE FEDERATED STATES OF MICRONESIA

SECOND REGULAR SEESION, 2011

CONGRESSIONAL BILL NO. 17-60, C.D.1

PUBLIC LAW No. 17-19

AN ACT

To appropriate \$44,251,617 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2012, to provide funding for the operations of all branches of the National Government of the Federated States of Micronesia, its agencies, various programs, grants, subsidies and contributions; and for other purposes.

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

1 Section 1. Purpose. The purpose of this act is to
2 appropriate the sum of \$44,251,617, or so much thereof as may
3 be necessary, from the General Fund of the Federated States of
4 Micronesia for the fiscal year ending September 30, 2012, for
5 the purpose of funding the operations of all branches of the
6 National Government of the Federated States of Micronesia, its
7 agencies, various programs, grants, subsidies and
8 contributions. Of the total amount of funds appropriated
9 herein, \$4,437,560 shall be deemed to come from funds
10 available under the amended Compact from the education sector
11 subject to the receipt of Grant Awards under the amended
12 Compact; \$1,180,608 shall be deemed to come from funds
13 available under the Supplemental Education Grant; \$878,750
14 shall be deemed to come from funds available under the amended
15 Compact from the health sector subject to the receipt of Grant
16 Awards under the amended Compact; \$329,598 shall be deemed to
17 come from funds available under the amended Compact from the

1 capacity building sector; \$-0- shall be deemed to come from
2 funds available under the amended Compact from the private
3 sector development sector; and \$834,212 shall be deemed to
4 come from funds available under the amended Compact from the
5 infrastructure sector.

6 Section 2. Operating expenses of the Executive Branch.

7 The sum of \$17,591,746, or so much thereof as may be necessary,
8 is hereby appropriated from the General Fund of the Federated
9 States of Micronesia for the fiscal year ending September 30,
10 2012, for the purpose of funding the operations of the
11 Executive Branch of the National Government during fiscal year
12 2012. Of the total amount of funds appropriated herein,
13 \$314,493 shall be deemed to come from funds available under the
14 amended Compact from the education sector subject to the
15 receipt of Grant Awards under the amended Compact; \$496,482
16 shall be deemed to come from funds available under the
17 Supplemental Education Grant; \$678,750 shall be deemed to come
18 from funds available under the amended Compact from the health
19 sector subject to the receipt of Grant Awards under the amended
20 Compact; and \$162,450 shall be deemed to come from funds
21 available under the amended Compact from the capacity building
22 sector; and \$834,212 shall be deemed to come from funds
23 available under the amended Compact from the infrastructure
24 sector. The sum appropriated by this section shall be
25 apportioned as follows:

1 (1) Office of the President.

2 The sum of \$719,714, or so much thereof as may be necessary,
3 for the operations of the Office of the President during fiscal
4 year 2012. The sum appropriated herein shall be apportioned as
5 follows:

6	Personnel	\$ 340,826
7	Travel	133,324
8	Contractual Services	146,000
9	OCE	90,564
10	Fixed Assets	9,000

11 (2) Department of Foreign Affairs.

12 The sum of \$4,132,617, or so much thereof as may be necessary,
13 for the operations of the Department of Foreign Affairs during
14 fiscal year 2012. The sum appropriated herein shall be
15 apportioned as follows:

16	Personnel	\$1,297,155
17	Travel	234,893
18	Contractual Services	2,187,837
19	OCE	369,232
20	Fixed Assets	43,500

21 (3) Department of Finance and Administration.

22 The sum of \$1,814,472, or so much thereof as may be necessary,
23 for the operations of the Department of Finance and
24 Administration during fiscal year 2012. Of the total amount of
25 funds appropriated herein, \$162,450 shall be deemed to come

1 from funds available under the amended Compact from the
2 capacity building sector. The sum appropriated herein shall be
3 apportioned as follows:

4	Personnel	\$ 1,106,718
5	Travel	169,450
6	Contractual Services	322,906
7	OCE	212,398
8	Fixed Assets	3,000

9 (4) Department of Resources and Development.

10 The sum of \$849,750, or so much thereof as may be necessary,
11 for the operations of the Department of Resources and
12 Development during fiscal year 2012. The sum appropriated
13 herein shall be apportioned as follows:

14	Personnel	\$ 527,160
15	Travel	112,081
16	Contractual Services	103,307
17	OCE	87,602
18	Fixed Assets	19,600

19 (5) Department of Transportation, Communication and
20 Infrastructure.

21 The sum of \$3,113,046, or so much thereof as may be necessary,
22 for the operations of the Department of Transportation,
23 Communication and Infrastructure during fiscal year 2012. Of
24 the total amount of funds appropriated herein, \$834,212 shall
25 be deemed to come from funds available under the amended

1 Compact from the infrastructure sector. The sum appropriated
2 herein shall be apportioned as follows:

3	Personnel	\$ 1,181,684
4	Travel	152,203
5	Contractual Services	1,539,971
6	OCE	116,000
7	Fixed Assets	123,188

8 (6) Department of Health and Social Affairs.

9 The sum of \$842,549, or so much thereof as may be necessary,
10 for the operations of the Department of Health and Social
11 Affairs during fiscal year 2012. Of the total amount of funds
12 appropriated herein, \$678,750 shall be deemed to come from
13 funds available under the amended Compact from the health
14 sector subject to the receipt of Grant Awards under the
15 amended Compact. The sum appropriated herein shall be
16 apportioned as follows:

17	Personnel	\$ 459,027
18	Travel	77,672
19	Contractual Services	154,950
20	OCE	124,900
21	Fixed Assets	26,000

22 (7) Department of Education.

23 The sum of \$839,835, or so much thereof as may be necessary,
24 for the operations of the Department of Education during
25 fiscal year 2012. Of the total amount of funds appropriated

1 herein, \$314,493 shall be deemed to come from funds available
2 under the amended Compact from the education sector subject to
3 the receipt of Grant Awards under the amended Compact; and
4 \$496,482 shall be deemed to come from funds available under
5 the Supplemental Education Grant. The sum appropriated herein
6 shall be apportioned as follows:

7	Personnel	\$ 396,915
8	Travel	94,335
9	Contractual Services	271,692
10	OCE	56,893
11	Fixed Assets	20,000

12 (8) Department of Justice.

13 The sum of \$3,068,676, or so much thereof as may be necessary,
14 for the operations of the Department of Justice during fiscal
15 year 2012. The sum appropriated herein shall be apportioned as
16 follows:

17	Personnel	\$ 2,300,029
18	Travel	138,131
19	Contractual Services	143,758
20	OCE	440,720
21	Fixed Assets	46,038

22 (9) Office of the Public Defender.

23 The sum of \$763,671, or so much thereof as may be necessary,
24 for the operations of the Office of the Public Defender during
25 fiscal year 2012. The sum appropriated herein shall be

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1 apportioned as follows:

2	Personnel	\$ 525,442
3	Travel	78,779
4	Contractual Services	115,350
5	OCE	44,100
6	Fixed Assets	-0-

7 (10) Office of Statistics, Budget, Overseas

8 Development Assistance and Compact Management.

9 The sum of \$978,750, or so much thereof as may be necessary,
 10 for the operations of the Office of Statistics, Budget,
 11 Overseas Development Assistance and Compact Management during
 12 fiscal year 2012. The sum appropriated herein shall be
 13 apportioned as follows:

14	Personnel	\$ 568,563
15	Travel	97,747
16	Contractual Services	205,000
17	OCE	98,340
18	Fixed Assets	9,100

19 (11) Office of Environment and Emergency Management.

20 The sum of \$326,791, or so much thereof as may be necessary,
 21 for the operations of the Office of Environment and Emergency
 22 Management during fiscal year 2012. The sum appropriated
 23 herein shall be apportioned as follows:

24	Personnel	\$ 173,363
25	Travel	68,528

1	Contractual Services	\$ 65,000
2	OCE	19,900
3	Fixed Assets	-0-

4 (12) Office of National Archives, Culture and Historic
5 Preservation. The sum of \$141,875, or so much thereof as may
6 be necessary, for the operations of the Office of National
7 Archives, Culture and Historic Preservation during fiscal year
8 2012. The sum appropriated herein shall be apportioned as
9 follows:

10	Personnel	\$ 109,755
11	Travel	13,620
12	Contractual Services	5,000
13	OCE	10,000
14	Fixed Assets	3,500

15 Section 3. Operating Expenses of the Legislative
16 Branch. The sum of \$3,325,228, or so much thereof as may be
17 necessary, is hereby appropriated from the General Fund of the
18 Federated States of Micronesia for the fiscal year ending
19 September 30, 2012, for the operations of the Legislative
20 Branch of the National Government during fiscal year 2012.
21 The sum appropriated by this section shall be apportioned as
22 follows:

23 (1) Speaker and Members.

24 The sum of \$1,490,771, or so much thereof as may be necessary,
25 for the operations of the Office of the Speaker and Members of

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1 the Congress of the Federated States of Micronesia during
 2 fiscal year 2012. The sum appropriated herein shall be
 3 apportioned as follows:

4	Personnel	\$ 423,290
5	Travel	489,881
6	Contractual Services	507,600
7	OCE	70,000
8	Fixed Assets	-0-

9 (2) Staff Offices.

10 The sum of \$1,344,457, or so much thereof as may be necessary,
 11 for the operations of the Congress staff offices during fiscal
 12 year 2012. The sum appropriated herein shall be apportioned as
 13 follows:

14	Personnel	\$ 844,705
15	Travel	128,252
16	Contractual Services	210,500
17	OCE.....	127,000
18	Fixed Assets	34,000

19 (3) Congress Delegation Offices.

20 The sum of \$490,000, or so much thereof as may be necessary,
 21 for the operations of the Congress delegation offices during
 22 fiscal year 2012. Of the amounts appropriated for contractual
 23 services within each Delegation Office, up to a maximum of
 24 \$25,000 per Member, at the Delegation Offices' discretion, may
 25 be used for Member Representation. The sum appropriated is

1 apportioned as follows:

2	(a) Kosrae Delegation Office	
3	Travel	\$ 10,000
4	Contractual Services.....	20,000
5	OCE	20,000
6	Fixed Assets.....	20,000
7	Total	70,000
8	(b) Pohnpei Delegation Office	
9	Travel	\$ 10,000
10	Contractual Services.....	100,000
11	OCE	30,000
12	Fixed Assets.....	-0-
13	Total.....	140,000
14	(c) Chuuk Delegation Office	
15	Travel	\$ 6,000
16	Contractual Services.....	160,000
17	OCE.....	20,000
18	Fixed Assets.....	24,000
19	Total.....	210,000
20	(d) Yap Delegation Office	
21	Travel	10,000
22	Contractual Services.....	30,000
23	OCE.....	25,000
24	Fixed Assets.....	5,000
25	Total.....	70,000

1 Section 4. Operating Expenses of the National Judicial
2 Branch. The sum of \$1,276,036, or so much thereof as may be
3 necessary, is hereby appropriated from the General Fund of the
4 Federated States of Micronesia for the fiscal year ending
5 September 30, 2012, for the operations of the Judicial Branch
6 of the National Government during fiscal year 2012. The sum
7 appropriated by this section shall be apportioned as follows:

8	Personnel	\$ 757,415
9	Travel	147,015
10	Contractual Services	120,300
11	OCE	175,306
12	Fixed Assets	76,000

13 Section 5. Operating Expenses of the National Public
14 Auditor. The sum of \$883,391, or so much thereof as may be
15 necessary, is hereby appropriated from the General Fund of the
16 Federated States of Micronesia for the fiscal year ending
17 September 30, 2012, for the operations of the National Office
18 of the Public Auditor and for the National Public Auditor's
19 Chuuk Office. Of the total amount of funds appropriated
20 herein, \$167,148 shall be deemed to come from funds available
21 under the amended Compact from the capacity building sector.
22 The sum appropriated by this section shall be apportioned as
23 follows:

24	Personnel	\$ 546,930
25	Travel	161,241

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1	Contractual Services	\$ 100,520
2	OCE	74,700
3	Fixed Assets	-0-

4 Section 6. Operating Expenses of Agencies of the National
5 Government. The sum of \$1,775,092, or so much thereof as may
6 be necessary, is hereby appropriated from the General Fund of
7 the Federated States of Micronesia for the fiscal year ending
8 September 30, 2012, for the operations of the following boards,
9 commissions and agencies during fiscal year 2012. The sum
10 appropriated by this section shall be apportioned as follows:

11 (1) National Oceanic Resource Management Authority
12 (NORMA). The sum of \$417,807, or so much thereof as may be
13 necessary, for operations of National Oceanic Resource
14 Management Authority (NORMA) for fiscal year 2012. The sum
15 appropriated herein shall be apportioned as follows:

16	Personnel	\$ 209,791
17	Travel	85,016
18	Contractual Services	67,900
19	OCE	44,100
20	Fixed Assets	11,000

21 (2) Board of Regents (COM-FSM).

22 The sum of \$75,000, or so much thereof as may be necessary, for
23 the operations of the Board of Regents, COM-FSM, during fiscal
24 year 2012. The sum appropriated herein shall be apportioned as
25 follows:

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1	Personnel	\$	-0-
2	Travel		45,000
3	Contractual Services		20,000
4	OCE		10,000
5	Fixed Assets		-0-

6 (3) Coconut Development Authority (CDA).

7 The sum of \$112,475, or so much thereof as may be necessary,
 8 for the operations of the Coconut Development Authority during
 9 fiscal year 2012. The sum appropriated herein shall be
 10 apportioned as follows:

11	Personnel	\$	90,834
12	Travel		11,641
13	Contractual Services		-0-
14	OCE.....		10,000
15	Fixed Assets		-0-

16 (4) FSM Banking Board.

17 The sum of \$175,869, or so much thereof as may be necessary,
 18 for the operations of FSM Banking Board during fiscal year
 19 2012. The sum appropriated herein shall be apportioned as
 20 follows:

21	Personnel	\$	78,117
22	Travel		57,197
23	Contractual Services		18,100
24	OCE.....		20,055
25	Fixed Assets		2,400

1 (5) FSM Postal Services.

2 The sum of \$775,243, or so much thereof as may be necessary,
3 for the operations of the National Postal Services during
4 fiscal year 2012. The sum appropriated herein shall be
5 apportioned as follows:

6	Personnel	\$ 449,022
7	Travel	42,741
8	Contractual Services	156,080
9	OCE.....	107,400
10	Fixed Assets	20,000

11 (6) FSM Insurance Board.

12 The sum of \$218,698, or so much thereof as may be necessary,
13 for the operations of the FSM Insurance Board during fiscal
14 year 2012. The sum appropriated herein shall be apportioned as
15 follows:

16	Personnel	\$ 79,893
17	Travel	45,005
18	Contractual Services	72,395
19	OCE	11,705
20	Fixed Assets	9,700

21 Section 7. Special Programs. The sum of \$276,302, or so
22 much thereof as may be necessary, is hereby appropriated from
23 the General Fund of the Federated States of Micronesia for the
24 fiscal year ending September 30, 2012, for the following
25 special programs during fiscal year 2012. The sum appropriated

1 by this section shall be apportioned as follows:

2 (1) National Election Office.

3 The sum of \$276,302, or so much thereof as may be necessary,
4 for the operations of National Election Office during fiscal
5 year 2012. The sum appropriated herein shall be apportioned
6 as follows:

7	Personnel	\$ 188,740
8	Travel	12,972
9	Contractual Services	21,877
10	OCE.....	48,463
11	Fixed Assets	4,250

12 Section 8. Grants, Subsidies and Contributions. The sum
13 of \$9,466,230, or so much thereof as may be necessary, is
14 hereby appropriated from the General Fund of the Federated
15 States of Micronesia for the fiscal year ending September 30,
16 2012, for the following grants, subsidies and contributions
17 during fiscal year 2012. Of the total amount of funds
18 appropriated herein, \$323,067 shall be deemed to come from
19 funds available under the amended Compact from the education
20 sector subject to the receipt of Grant Awards under the amended
21 Compact; and \$-0- shall be deemed to come from funds available
22 under the Supplemental Education Grant. The sum appropriated
23 by this section shall be apportioned as follows:

24 (1) Office of the President.

25 (a) Asia-Pacific Broadcasting Dev. (AIBD)...\$ 4,500

1	(b) Asia-Pacific Broadcasting Union (ABU) \$	800
2	(c) Pacific Island News Assn.(PINA)	350
3	(d) National Prayer Day	10,000
4	(e) 25th Anniversary of Independence	100,000
5	(2) <u>Department of Foreign Affairs.</u>	
6	(a) Pacific Islands Forum Secretariat...	46,000
7	(b) Secretariat of the Pacific Community	
8	(SPC)	56,000
9	(c) UN Membership Fee	60,000
10	(d) UN Economic and Social Commission for	
11	Asia and the Pacific (ESCAP)	5,000
12	(e) East West Center	5,000
13	(f) Cotonou Membership Fee	10,000
14	(3) <u>Department of Finance and Administration.</u>	
15	(a) OCO Membership Fee	4,000
16	(b) Maintenance Fee for FMIS	30,000
17	(c) FSM Group Life Insurance	43,000
18	(4) <u>Department of Resources and Development.</u>	
19	(a) Pacific Islands Development Program	15,000
20	(b) Forum Fisheries	36,471
21	(c) UN Development Program (UNDP)	30,000
22	(d) South Pacific Applied Geoscience	
23	Comm. (SOPAC)	15,000
24	(e) Pacific Asia Travel Association	5,000
25	(f) Western Forestry Leadership Coalition	530

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1	(g) Food Agriculture Organization (FAO) \$	4,800
2	(h) Matching for SPC Projects	60,000
3	(i) Micronesian Challenge	10,000
4	(j) Micronesian Cruise Assoc.	2,500
5	(k) South Pacific Tourism Org.	6,600
6	(l) International Animal Health	
7	Organization	16,800
8	(m) SPC Site Rental	10,000
9	(5) <u>Department of Health and Social Affairs.</u>	
10	(a) UN Fund for Population Activity	
11	(UNFPA)	3,000
12	(b) World Health Organization (WHO)	4,000
13	(c) National Board of Nursing.	20,000
14	(d) Pacific Islands Health Officers	
15	Association (PIHOA)	20,000
16	(e) FSM Amateur Sports Association	20,000
17	(f) Association of Territorial	
18	Health Organization	2,000
19	(g) FSM Red Cross	70,000
20	(6) <u>Department of Education.</u>	
21	(a) Aid for Non-Public Schools	500,000
22	(b) Financial Assistance to FSM Students	
23	attending the College of the Marshall	
24	Islands (CMI)	25,000
25	(c) Financial Assistance to FSM Students	

1	attending Palau Community College (PCC)	\$ 50,000
2	(d) National scholarship	823,067
3	(e) National Close-Up	70,000
4	(f) National Merit Scholarship	200,000
5	(g) COM Board annual meeting	5,000
6	(7) <u>Department of Transportation, Communication</u>	
7	<u>and Infrastructure.</u>	
8	(a) Asia Pacific Telecommunity (APT) ...	7,640
9	(b) International Telecommunications	
10	Union (ITU)	55,000
11	(c) International Civil Aviation	
12	Organization	28,050
13	(d) FSM Capital Energy/Utilities	500,000
14	(e) Micro. Shipping Comm.	5,000
15	(f) Sea and Air Transport Task Force ...	-0-
16	(8) <u>Office of Statistics, Budget, Overseas</u>	
17	<u>Development Assistance and Compact Management.</u>	
18	(a) Asia Pacific Investment	250
19	(9) <u>Office of Environment and Emergency</u>	
20	<u>Management (E.E.M).</u>	
21	(a) Secretariat of Pacific Regional	
22	Environment	10,184
23	(b) UN Environmental Protection Agency	
24	(UNEP)	760
25	(c) SPREP/Noumea Convention	1,764

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1	(d) Waigani Convention (Annual	
2	Membership Fee)	\$ 1,190
3	(e) UN Convention to Combat	
4	Desertification	120
5	(f) UN Framework Convention (UNFCC)	250
6	(g) Earth Day Activities	15,000
7	(h) EPA Director's Meeting	20,000
8	(10) <u>Office of NACHP.</u>	
9	(a) UNESCO	4,000
10	(b) NCSHPO	2,760
11	(c) PARBICA	100
12	(d) PIALA	100
13	(e) WHC Membership Fee	54
14	(11) <u>Coconut Development Authority.</u>	
15	(a) Copra subsidy	100,000
16	(b) Asia Pacific Coconut Community (APCC)	13,500
17	(12) <u>Department of Justice.</u>	
18	(a) DOJ Fuel Subsidy	500,000
19	(b) Kosrae Joint Law Enforcement	25,000
20	(c) Pohnpei Joint Law Enforcement	50,000
21	(d) Chuuk Joint Law Enforcement	50,000
22	(e) Yap Joint Law Enforcement	25,000
23	(13) <u>Other Grants, Subsidies and Contributions.</u>	
24	(a) Kosrae Judiciary Subsidy	30,000
25	(b) Pohnpei Judiciary Subsidy	45,000

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1	(c) Chuuk Judiciary Subsidy	\$ 45,000
2	(d) Yap Judiciary Subsidy	30,000
3	(e) COM Treaty Obligations	25,000
4	(f) Tuna Commission Membership	64,065
5	(g) Disaster Assistance Emergency Fund	
6	(DAEF) Matching	200,000
7	(h) MiCare	100,000
8	(i) MLFC Loan Payment	200,000
9	(j) FY10 Single Audit	329,250
10	(k) Compact Review Committee	-0-
11	(l) FSM Social Security	1,200,000
12	(m) Staff Housing	510,000
13	(n) Recruitment and repatriation	233,218
14	(o) MLSC	150,000
15	(p) Former Presidents' Allowance	50,000
16	(q) GMP Settlement Agreement	2,439,557

17 Section 9. Capital and Human Resources Development.

18 The sum of \$9,657,592, or so much thereof as may be necessary,
 19 is hereby appropriated from the General Fund of the Federated
 20 States of Micronesia for the fiscal year ending September 30,
 21 2012, for the following capital improvements, development
 22 programs and projects, and human resources development. Of the
 23 total amount of funds appropriated herein, \$3,800,000 shall be
 24 deemed to come from funds available under the amended Compact
 25 from the education sector subject to the receipt of Grant

1 Awards under the amended Compact; \$684,126 shall be deemed to
 2 come from funds available under the Supplemental Education
 3 Grant; \$200,000 shall be deemed to come from funds available
 4 under the amended Compact from the health sector subject to
 5 receipt of Grant Awards under the amended Compact; and \$-0-
 6 shall be deemed to come from funds available under the amended
 7 Compact from the capacity building sector. The sum
 8 appropriated by this section shall be apportioned as follows:

9 (1) College of Micronesia – FSM.

10 (a) College of Micronesia–FSM \$ 3,800,000

11 (b) FSM Fisheries and Maritime Institute 655,110

12 (c) COM-FSM Supplemental Education

13 Grant (SEG) 684,126

14 (2) Department of Finance and Administration.

15 (a) Tax Reform \$ 117,000

16 (3) Department of Resources and Development.

17 (a) National Export Strategy 59,750

18 (b) Promote FSM in appropriate market

19 segments to realize the sector's potential 100,000

20 (c) Improving food security 100,000

21 (d) Coconut Rehabilitation Program ... 69,268

22 (e) FSM Chamber of Commerce 67,000

23 (4) Department of Transportation,

24 Communication and Infrastructure.

25 (a) Dry docking of MS Caroline Voyager 500,000

1	(b) President's Office Improvement . \$	-0-
2	(c) FSM Capital Rehabilitation.....	100,000
3	(d) FSM Capital Official Residence	
4	Fencing	-0-
5	(e) FSM Capital Road/Bridge	100,000
6	(f) Purchase of Aircraft	-0-
7	(g) Backup generator	-0-
8	(5) <u>Department of Justice.</u>	
9	(a) FSS Independence - Lep	85,000
10	(b) FSS Micro - Slipping	250,000
11	(c) Aerial Surveillance.....	25,000
12	(d) Immigration/Passport Facilitation	-0-
13	(6) <u>Infrastructure Maintenance Fund</u>	
14	(a) Infrastructure Development	-0-
15	(b) Infrastructure Maintenance Fund	
16	(IMF)	250,000
17	(7) <u>President's Office.</u>	
18	(a) FSM Trust Fund.....	1,000,000
19	(b) Personnel Staff Upgrading.....	50,000
20	(c) Personnel Capacity Building	
21	Roadmap	115,000
22	(8) <u>Public Defender (Pohnpei Office).</u>	
23	(a) Office Renovation and Retaining	
24	Wall	12,000
25	(9) <u>National Election.</u>	

1	(a) National election (Voter ID Card	
2	Project)	\$ 25,000
3	(10) <u>Department of Health & Social Affairs.</u>	
4	(a) Health Services (pathologist) ...	100,000
5	(b) Environmental/Water/Food Lab Test	100,000
6	(c) Sport Facility contribution	300,000
7	(11) <u>FSM Development Bank.</u>	
8	(a) Private Sector Capital	-0-
9	(12) <u>National Judiciary.</u>	
10	(a) Chuuk SC Renovation	9,900
11	(b) Kosrae SC Renovation	65,964
12	(c) Pohnpei SC Renovation	55,000
13	(d) Yap SC Renovation	12,474
14	(13) <u>FSM Postal Services.</u>	
15	(a) Kosrae Post Office	100,000
16	(14) <u>Pension Program.</u>	
17	(a) National Government Workers Pension	
18	Plan	-0-
19	(15) <u>Outer Island Airport.</u>	
20	(a) Outer Island Airport Upgrade	750,000
21	Section 10. <u>Employment ceilings.</u> The maximum number of	
22	positions for each branch and agency of the National Government	
23	of the Federated States of Micronesia for fiscal year 2012	
24	shall be as follows:	
25	(1) Executive Branch	478

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1	(2) Legislative Branch	\$ 60
2	(3) Judiciary Branch	31
3	(4) Public Auditor	25
4	(5) Agencies	
5	(a) National Oceanic Resource	
6	Management Authority	11
7	(b) Coconut Development Authority...	4
8	(c) FSM Banking Board	4
9	(d) FSM Insurance Board	4
10	(e) National Postal Services	38
11	(6) Special Programs	
12	(a) National Election Office	11
13	Section 11. <u>Reprogramming</u> . Reprogramming of funds into	
14	or from the personnel budget line item shall not be permitted,	
15	except when the Department of Foreign Affairs is reprogramming	
16	into personnel from contractual services by accessing the	
17	contingency fund established in section 2. The President,	
18	Speaker and Chief Justice may reprogram up to 10 percent to or	
19	from the funds appropriated in sections 2 (Operating expenses	
20	of the Executive Branch), 3 (Operating expenses of the	
21	Legislative Branch), and 4 (Operating expenses of the National	
22	Judicial Branch) respectively. Reprogramming of funds within a	
23	department, office or agency shall be effected by the head of	
24	such department, office or agency by specifying in writing to	
25	the Secretary of the Department of Finance and Administration	

1 of the FSM National Government, the accounts for which funding
2 is either increased or decreased. Reprogramming other than as
3 specified herein is not permitted, and more specifically,
4 reprogramming into or out of any line item contained in section
5 8 (Grants, Subsidies and Contributions) or section 9
6 (Investment: Capital and Human Resources) is not permitted.
7 The President shall report to Congress within one month of the
8 last day of each financial quarter all amounts reprogrammed
9 inter or intra a department, office or agency.

10 Section 12. Allotment and management of funds and lapse
11 dates.

12 (1) General provisions.

13 (a) All funds appropriated by this act shall
14 be allotted, managed, administered and accounted for in
15 accordance with applicable law, including, but not limited to,
16 the Financial Management Act of 1979.

17 (b) The allottees shall be responsible for
18 ensuring that these funds, or so much thereof as may be
19 necessary, are used solely for the purposes specified in this
20 act, and that no obligations are incurred in excess of the sums
21 appropriated.

22 (2) Allottees. The allottees of the funds
23 appropriated by this act are as follows:

24 (a) Section 2 - the allottee of these funds
25 shall be the President of the Federated States of Micronesia;

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1 (b) Section 3 - the allottee of these funds
2 shall be the Speaker of the Congress of the Federated States of
3 Micronesia;

4 (c) Section 4 - the allottee of these funds
5 shall be the Chief Justice of the Supreme Court of the
6 Federated States of Micronesia;

7 (d) Section 5 - the allottee of these funds
8 shall be the Public Auditor of the Federated States of
9 Micronesia;

10 (e) Sections 6 through 9 - the allottee of
11 these funds shall be the President of the Federated States of
12 Micronesia; PROVIDED, HOWEVER, that for the following
13 subsections of sections 8 through 9 of this act:

14 (i) Section 8, subsection (12)(a)
15 through (d) - the allottee of these funds shall be the Chief
16 Justice of the respective State Supreme Court,

17 (ii) Section 9(1)(a) - the allottee of
18 these funds shall be the President of the College of
19 Micronesia-FSM.

20 (3) Lapse date. The authority of the allottees to
21 obligate funds appropriated by this act shall lapse as of
22 September 30, 2012; PROVIDED, HOWEVER, that the funds
23 appropriated under section 9 of this act shall not lapse.

24 Section 13. Personnel appropriations. Any amount
25 appropriated under personnel line items by this act or any

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1 other act is inclusive of both base salary and fringe benefits.
2 No personnel line item amount appropriated by this act or any
3 other act shall be construed to include only base salary.

4 Section 14. Effective date. This act shall become law
5 upon approval by the President of the Federated States of
6 Micronesia or upon its becoming law without such approval.

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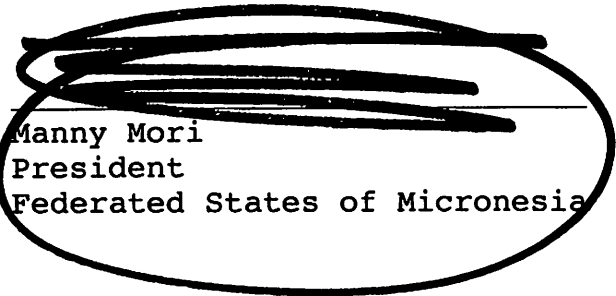
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October 7, 2011


Manny Mori
President
Federated States of Micronesia