

A BILL FOR AN ACT

To appropriate the sum of \$40,945,190 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2002, for the purpose of funding the operations of all branches of the National Government of the Federated States of Micronesia, its agencies, various programs, subsidies, grants and contributions; to establish a budget for compact sections 211, 214(b), 215(a)(2), 216(a)(1), 216(a)(2), 216(a)(3), and 221(b); to establish a development budget and appropriate funds available therefor; and for other purposes.

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

1 Section 1. Definitions.

2 (1) "Budget book" means the document entitled Federated
3 States of Micronesia National Government Fiscal Year 2002 Proposed
4 Budget transmitted by the President to the Speaker of the Congress
5 of the Federated States of Micronesia on May 18, 2001.

6 (2) "Activity" means that set of activities set forth in
7 the performance budget pages of the budget book for each
8 department, office or agency. An activity is a general policy
9 objective, the achievement of which can be measured. An activity
10 is part of a strategic goal and will result in a certain amount or
11 number of outputs or units of work.

12 (3) "Performance budget pages" means those pages in the
13 budget book that set forth the strategic goals, activities,
14 objectives and outputs for each department or agency.

15 Section 2. Operating expenses of the Executive Branch. The
16 sum of \$14,677,719, or so much thereof as may be necessary, is
17 hereby appropriated from the General Fund of the Federated States

1 of Micronesia for the fiscal year ending September 30, 2002, for
2 the operations of the Executive Branch of the National Government
3 during fiscal year 2002. The sum appropriated by this section
4 shall be apportioned as follows:

5 (1) Office of the President

6 \$916,870 for the activities set forth in the performance budget
7 pages A1.1 through A1.2 of the budget book.

8 (2) Department of Foreign Affairs

9 \$3,520,008, for the activities set forth in the performance budget
10 pages A2.1 through A2.9 of the budget book.

11 (3) Department of Finance and Administration

12 \$2,584,594, for the activities set forth in the performance budget
13 pages A3.1 through A3.8 of the budget book.

14 (4) Department of Economic Affairs

15 \$1,373,626 for the activities set forth in the performance budget
16 pages A4.1 through A4.18 of the budget book.

17 (5) Department of Transportation, Communication and
18 Infrastructure

19 \$1,575,262 for the activities set forth in the performance budget
20 pages 5.1 through 5.3 of the budget book.

21 (6) Department of Health, Education and Social Affairs

22 \$985,908 for the activities set forth in the performance budget
23 pages A6.1 through A6.19 of the budget book.

24 (7) Department of Justice

25 \$3,148,844 for the activities set forth in the performance budget

1 pages A7.1 through A7.6 of the budget book. Of the total funds
2 appropriated, \$519,000 shall be deemed to come from funds
3 available under section 216(a)(1) of the Compact of Free
4 Association for marine surveillance.

5 (8) FSM Public Defender
6 \$572,607 for the activities set forth in the performance budget
7 pages A8.1 through A8.2 of the budget book.

8 Section 3. Operating expenses of the Legislative Branch.
9 The sum of \$3,382,613, or so much thereof as may be necessary, is
10 hereby appropriated from the General Fund of the Federated States
11 of Micronesia for the fiscal year ending September 30, 2002, for
12 the operations of the Legislative Branch of the National
13 Government during fiscal year 2002 in order to achieve the
14 activities set forth in the performance budget pages B.1 through
15 B.3 of the budget book.

16 Section 4. Operating expenses of the National Judiciary.
17 The sum of \$985,376, or so much thereof as may be necessary, is
18 hereby appropriated from the General Fund of the Federated States
19 of Micronesia for the fiscal year ending September 30, 2002, for
20 the operations of the Judiciary Branch of the National Government
21 during fiscal year 2002 in order to achieve the activities set
22 forth in the performance budget pages C.1 through C.3 of the
23 budget book.

24 Section 5. Operating expenses of the Public Auditor. The
25 sum of \$508,997, or so much thereof as may be necessary, is hereby

1 appropriated from the General Fund of the Federated States of
2 Micronesia for the fiscal year ending September 30, 2002, for the
3 operations of the Office of the FSM Public Auditor during fiscal
4 year 2002 in order to achieve the activities set forth in the
5 performance budget pages D.1 through D.2 of the budget book.

6 Section 6. Operating expenses of agencies of the National
7 Government. The sum of \$1,898,682, or so much thereof as may be
8 necessary, is hereby appropriated from the General Fund of the
9 Federated States of Micronesia for the fiscal year ending
10 September 30, 2002, for the operations of the following boards,
11 commissions and agencies during fiscal year 2002. The sum
12 appropriated by this section shall be apportioned as follows:

13 (1) Micronesian Fisheries Authority
14 \$502,345 for the activities set forth in the performance budget
15 pages E1.1 through E1.6 of the budget book.

16 (2) Board of Regents-COM-FSM
17 \$84,460 for the activities set forth in the performance budget
18 pages E2.1 through E2.2 of the budget book.

19 (3) FSM Coconut Development Authority
20 \$149,336 for the activities set forth in the performance budget
21 pages E3.1 through E3.2 of the budget book.

22 (4) FSM Banking Board
23 \$147,212 for the activities set forth in the performance budget
24 pages E4.1 through E4.2 of the budget book.

25 (5) FSM Postal Services

1 \$640,329 for the activities set forth in the performance budget
2 pages E5.1 through E5.3 of the budget book.

3 (6) FSM National Fisheries Corporation
4 \$375,000 for the activities set forth in the performance budget
5 page E6.1 of the budget book.

6 Section 7. Special programs. The sum of \$2,269,262, or so
7 much thereof as may be necessary, is hereby appropriated from the
8 General Fund of the Federated States of Micronesia for the fiscal
9 year ending September 30, 2002, for the following special programs
10 during fiscal year 2002. The sum appropriated by this section
11 shall be apportioned as follows:

12 (1) FSM Aquaculture Center
13 \$129,717 for the outputs set forth in the performance budget pages
14 F1.1 through F1.2 of the budget book.

15 (2) Joint Committee on Compact Economic Negotiations (JCN)
16 \$1,149,800 for the activities set forth in the performance budget
17 pages F2.1 through F2.2 of the budget book.

18 (3) National Government Early Retirement Loan Repayment
19 Fund
20 \$282,309 for the repayment of the Asian Development Bank financed
21 early retirement loan.

22 (4) FSM National Government Employee Retirement Plan
23 \$300,000 for the purpose of providing the initial capital for a
24 retirement plan for the employees of the FSM National Government.

25 (5) Office of the National Election Director

1 \$307,436 for the purpose of funding the operations of the Office
 2 of the National Election Director, including the national election
 3 offices in each of the four states.

4 (6) FSM Capital Complex Computer Network System
 5 \$100,000 for the activities set forth in the performance budget
 6 page F6.1 of the budget book.

7 Section 8. Grants, subsidies and contributions. The sum of
 8 \$2,466,641, or so much thereof as may be necessary, is hereby
 9 appropriated from the General Fund of the Federated States of
 10 Micronesia for the fiscal year ending September 30, 2002, for the
 11 following grants, subsidies and contributions during fiscal year
 12 2002. The sum appropriated by this section shall be apportioned
 13 as follows:

14	(1) Office of the President	
15	(a) Pacific Islands News Association\$	200
16	(b) Asia Pacific Broadcasting Union	800
17	(c) Asia Pacific Institute of	
18	Broadcasting	3,000
19	(2) Department of Foreign Affairs	
20	(a) Forum Secretariat	35,000
21	(b) The Pacific Community	30,000
22	(c) South Pacific Regional	
23	Environmental Program (SPREP)	7,375
24	(d) United Nations Economic and	
25	Social Commission for Asia and the Pacific (ESCAP) ..\$	5,000

1	(e) UN membership fees	100,000
2	(f) East West Center	10,000
3	(3) Department of Economic Affairs	
4	(a) Pacific Island Development	
5	Program	15,000
6	(b) Forum Fisheries Agency (FFA)	21,000
7	(c) UN Development Program	3,000
8	(d) Coord. Commission for Offshore	
9	Mineral Prospecting (CCOMP)	8,000
10	(e) Plant Protection Program	60,000
11	(f) Pacific Asian Travel Association	5,000
12	(g) FSM Giant Clam Culture	11,440
13	(h) FSM Coastal Fisheries Consortium	11,702
14	(i) National Plant Protection and	
15	Quarantine Communication	29,700
16	(j) OPIC Loan Repayment	250,000
17	(4) Department of Health, Education and	
18	Social Affairs	
19	(a) UN Fund for Population Activity	
20	(UNFPA)	3,000
21	(b) Aid to non-public schools	400,000
22	(c) Financial assistance for	
23	students studying at CMI and PCC, PROVIDED that the	
24	program of study is not available at COM National	
25	or State campuses	

\$

1	(d) President Graduate Scholarship	100,000
2	(e) World Health Organization (WHO)	41,385
3	(f) National Board of Nursing	38,000
4	(g) Pacific Islands Health Officers	
5	Association (PIHOA)	20,000
6	(h) National Close-Up Local Program	63,850
7	(i) FSM Amateur Sports Association	35,000
8	(j) COM Board Annual Meeting	5,000
9	(k) Association of Territorial Health	
10	Organization	2,000
11	(5) Department of Justice; PROVIDED that, no	
12	funds appropriated for Joint Law Enforcement purposes	
13	may be used for travel or to purchase vehicles	
14	(a) Kosrae Joint Law Enforcement	50,000
15	(b) Pohnpei Joint Law Enforcement	120,000
16	(c) Chuuk Joint Law Enforcement	140,000
17	(d) Yap Joint Law Enforcement	70,000
18	(6) Department of Transportation,	
19	Communication and Infrastructure	
20	(a) Asia Pacific Telecommunity	9,000
21	(b) International Telecommunication	
22	Union	57,639
23	(c) International Civil Aviation	
24	Organization	28,050
25	(d) Micronesia Shipping Commission	10,000

1	(e) Maritime Academy Scholarship	20,000
2	(7) Coconut Development Authority	
3	(a) Copra Subsidy	100,000
4	(b) Asia Pacific Coconut Community	20,500
5	(8) Other grants, subsidies and	
6	contributions	
7	(a) Kosrae Judiciary	45,000
8	(b) Pohnpei Judiciary	70,000
9	(c) Chuuk Judiciary	70,000
10	(d) Yap Judiciary	50,000
11	(e) COM Treaty Obligation	25,000
12	(f) Micronesian Legal Services	
13	Corporation	150,000

14 Section 9. Energy budget. The sum of \$308,154, or so much
 15 thereof as may be necessary, is hereby appropriated from the
 16 General Fund of the Federated States of Micronesia for the fiscal
 17 year ending September 30, 2002, to pay utility bills for National
 18 Government offices, operate and maintain standby generators, and
 19 establish energy conservation programs. The funds appropriated
 20 under this section shall be deemed to come from funds available
 21 under section 214(b) of the Compact of Free Association.

22 Section 10. Operating expenses of the Telecommunications
 23 Corporation. The sum of \$924,000, or so much thereof as may be
 24 necessary, is hereby appropriated from the General Fund of the
 25 Federated States of Micronesia for the fiscal year ending

1 September 30, 2002, for the operations of FSM Telecommunications
2 Corporation and other telecommunications projects. The funds
3 appropriated under this section shall be deemed to come from funds
4 available under section 215(a)(2) of the Compact of Free
5 Association. The sum appropriated by this section shall be
6 apportioned as follows:

7 (1) Grant to FSM Telecommunications for the
8 operation of Earth Stations\$ 924,000

9 Section 11. Compact section 216(a)(2) programs.

10 The sum of \$116,000, or so much thereof as may be necessary, is
11 hereby appropriated from the General Fund of the Federated States
12 of Micronesia for the fiscal year ending September 30, 2002, for
13 health and medical referral and other Compact section 216(a)(2)
14 programs and projects. The funds appropriated under this section
15 shall be deemed to come from funds available under section
16 216(a)(2) of the Compact of Free Association. The sum
17 appropriated under this section shall be apportioned as follows:

18 (1) Visiting Team of Health Specialists\$ 68,000
19 (2) Enhancement of Local Capacity 48,000

20 Section 12. Compact section 221(b) programs.

21 The sum of \$308,188, or so much thereof as may be necessary, is
22 hereby appropriated from the General Fund of the Federated States
23 of Micronesia for the fiscal year ending September 30, 2002, for
24 health and education programs. The funds appropriated under this
25 section shall be deemed to come from funds available under section

1 221(b) of the Compact of Free Association. The sum appropriated
 2 by this section shall be apportioned as follows:

3	(1) Health service programs	
4	(a) Health Planning and Workforce	
5	Development	\$ 10,600
6	(b) Health and Vital Statistics	23,105
7	(c) Tuberculosis Prevention	8,001
8	(d) Leprosy Prevention and Control	8,000
9	(e) Family Health/Planning	11,900
10	(f) Immunization Program	5,000
11	(g) Maternal and Child Health	5,000
12	(h) Substance Abuse Prevention	14,000
13	(i) AIDS Prevention and Control	6,100
14	(j) Tobacco Prevention and Control	3,500
15	(k) Nutrition Services Program	16,150
16	(l) Diabetes Prevention and Control	15,000
17	(2) Education programs	
18	(a) National Standardization	66,468
19	(b) Education Ties Economic Growth	24,579
20	(c) College Admission Counseling	33,436
21	(d) National Education Standards	18,477
22	(e) Civic Education and FSM History	38,872

23 Section 13. Capital and Human Resource Development.

24 The sum of \$13,099,558, or so much thereof as may be necessary, is
 25 hereby appropriated from the General Fund of the Federated States

1 of Micronesia for the fiscal year ending September 30, 2002, for
 2 capital improvement, development programs and projects and human
 3 resource development. Of the total funds appropriated under this
 4 section, \$2,981,107 shall be deemed to come from the capital
 5 account funds available under section 211 of the Compact of the
 6 Free Association, and 1,287,700 from the funds available under
 7 section 216(a)(3) of the Compact of the Free Association. The sum
 8 appropriated under this section shall be apportioned as follows:

- 9 (1) College of Micronesia-FSM
 - 10 (a) Operations of the College of
 11 Micronesia-FSM, including planning and
 12 construction of new facilities\$ 3,000,000
 - 13 (b) Student assistance for tuition and
 14 housing to be deemed as deriving from section 216(a)(3)
 15 of the Compact of Free Association 300,000
 - 16 (c) COM-FSM Multi-purpose gymnasium
 17 furnishing 60,000
 - 18 (d) COM-Faculty office furnishing 40,000
 - 19 (e) COM-FSM Chuuk campus phase I
 20 construction 1,000,000
 - 21 (f) FSM Fisheries and Maritime
 22 Institute 829,358
- 23 (2) Post-secondary Educational Assistance
 24 to be deemed as deriving from section 216(a)(3) of
 25 the Compact of Free Association:

1	(a) Kosrae State	\$ 126,700
2	(b) Pohnpei State	288,000
3	(c) Chuuk State	411,700
4	(d) Yap State	161,300
5	(3) National Staff Upgrading	100,000
6	(4) FSM Capital Complex Renovation	300,000
7	(5) Micronesian Entrepreneur Development	
8	Center	60,000
9	(6) FSM Development Bank - Development Loan	
10	Program	1,500,000
11	(7) Pohnpei Sports Facilities Improvement	900,000
12	(8) Yap Sports Facilities Completion	620,000
13	(9) FSM Trust Fund - (Account "S")	2,200,000
14	(10) FSM Consul General Guam Residence	
15	Construction	190,000
16	(11) Ms. Caroline Islands Dry-docking	500,000
17	(12) National Visitors Bureau	512,500

18 Section 14. Employment ceilings. The maximum number of
 19 positions for each branch of the National Government shall be as
 20 follows:

21	(1) Executive Branch	424
22	(2) Legislative Branch	58
23	(3) Judiciary Branch	26
24	(4) Public Auditor	15
25	(5) Agencies	

1	(a) Micronesian Fisheries Authority	11
2	(b) Coconut Development Authority	4
3	(c) National Postal Service	26
4	(d) FSM Banking Board	3
5	(6) Special Programs	
6	(a) FSM Aquaculture Center	4
7	(b) Joint Committee on Compact Economic	
8	Negotiations	5
9	(c) Office of National Election Director .	15

10 Section 15. Reprogramming. Reprogramming shall be effected
 11 by specifying the activities for which funding is either increased
 12 or decreased. The President may reprogram up to ten percent to
 13 and from the funds appropriated to each department and office in
 14 section 2 (Operating Expenses of the Executive Branch).

15 Section 16. Allotment and management of funds and lapse
 16 date.

17 (1) *General Provisions*.

18 (a) All funds appropriated by this act shall be
 19 allotted, managed, administered, and accounted for in accordance
 20 with applicable law, including, but not limited to, the Financial
 21 Management Act of 1979;

22 (b) The allottees shall be responsible for ensuring
 23 that these funds, or so much thereof as may be necessary, are used
 24 solely for the purpose specified in this act, and that no
 25 obligations are incurred in excess of the sum appropriated.

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

3 (a) section 2 - the allottee of these funds shall be
4 the President of the Federated States of Micronesia;

5 (b) section 3 - the allottee of these funds shall be
6 the Speaker of the Congress of the Federated States of Micronesia;

7 (c) section 4 - the allottee of these funds shall be
8 the Chief Justice of the Supreme Court of the Federated States of
9 Micronesia;

10 (d) section 5 - the allottee of these funds shall be
11 the Public Auditor;

12 (e) section 6 through 13 - the allottee of these funds
13 shall be the President of the Federated States of Micronesia or
14 his designee; EXCEPT THAT for the following subsections of section
15 6 through 13 of this act, the allottees shall be:

16 (i) section 8, subsection (5) - the allottee of
17 these funds shall be the Governor of the respective State, or his
18 designee;

19 (ii) section 8, subsection (8)(a) through (8)(d) -
20 the allottee of these funds shall be the Chief Justice of the
21 respective State;

22 (iii) section 13, subsection (1)(a) through (1)(f)
23 - the allottee of these funds shall be the President of the
24 College of Micronesia-FSM;

25 (iv) section 13, subsections (2)(a) through (2)(d)

1 - the allottee of these funds shall be the Governor of the
2 respective State.

3 (3) *Lapse date.* The authority of the allottees to obligate
4 funds appropriated by this act shall lapse as of September 30,
5 2002.

6 Section 17. This act shall become law upon approval by the
7 President of the Federated States of Micronesia or upon its
8 becoming law without such approval.

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11 Date: _____ Introduced by: _____

Joseph J. Urusemal
(by request)

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