AN ACT

To amend Public Law No. 10-119, by amending section 11, for the purpose of reapportioning certain funds appropriated for programs in Chuuk State, and by amending section 16, for the purpose of correcting a technical error in the lapsing provisions to reflect Congress's intent that the funds for National Law Day shall not lapse, to change the allottee of Pohnpei State Rural Development funds from the Community Development Manager to the President of the Federated States of Micronesia, and for other purposes.

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

Section 1. Section 11 of Public Law No. 10-119 is hereby amended to read as follows:

*Section 11. Other National Government programs, grants, subsidies, contributions, and refunds. The sum of $4,505,184, 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, 1999, for special programs, grants, subsidies, contributions, and refunds of the National Government of the Federated States of Micronesia during fiscal year 1999. The sum appropriated by this section shall be apportioned as follows:

(1) Special programs:
   (a) FSM Aquaculture Center $ 120,400
   (b) Joint Committee on Compact Economic Negotiations (JCN)
      (i) Wages and salaries of JCN personnel, none of which may be used to pay claims for overtime compensation $ 191,600
   (ii) Housing allowances $ 10,500
   (iii) Travel $ 60,068
   (iv) Contractual services
      a) Retainer fees $ 150,000
      b) Representation $ 20,000
   (v) Other current expenditures
      a) Communications $ 25,000
      b) Consumable goods $ 10,000
   (vi) Fixed assets
      a) Office furniture and equipment $ 2,000
b) Computers, scanners, modems, and other equipment needed to facilitate e-mail communications
and electronic transmission of documents ............................... 8,000

(c) National Government Employees

Early Retirement Fund .............................................................. 896,506

(2) Subsidies and contributions:

(a) Forum Secretariat ...................................................... 35,000
(b) Pacific Island Development Program ...................... 15,000
(c) The Pacific Community (formerly SPC) .............. 30,000
(d) South Pacific Regional Environmental
Program (SPREP) ............................................................... 7,375
(e) United Nations Economic and Social
Commission for Asia and the Pacific (ESCAP) .............. 5,000
(f) Forum Fisheries Agency (FFA) ............................... 21,000
(g) United Nations Development Program (UNDP) ... 3,000
(h) United Nations Fund for Population Activity
(UNFPA) .............................................................................. 3,000
(i) United Nations Membership Fee for the
FSM (UN) ........................................................................... 180,000
(j) East West Center ..................................................... 10,000
(k) Pacific Asian Travel Association ........................... $ 5,000
(l) Coordinating Committee for Offshore Minerals
Prospecting (South Pacific) ................................................ 8,000
(m) Micronesian Legal Services Corporation
(MLSC) ............................................................................... 150,000
(n) International Civil Aviation Organization
(ICAO) ............................................................................... 28,050
(o) State Joint Law Enforcement
(i) Kosrae ....................................................... 70,000
(ii) Pohnpei ...................................................... 140,000
(iii) Chuuk ........................................................ 160,000
(iv) Yap ............................................................... 90,000
(p) Aid to Non-public Schools................................. 400,000
(q) BYRD Scholarship Program ............................... 15,000
(r) Financial Assistance for Students
    Studying at CMI and PCC ................................... 50,000
(s) State judiciaries
    (i) Kosrae
        a) Unrestricted .................................. 50,000
        b) Law school scholarships ............. 15,000
    (ii) Pohnpei
        a) Unrestricted ................................ 83,000
        b) Law school scholarships ............ 7,000
    (iii) Chuuk
        a) Unrestricted ................................ 80,000
        b) Law school scholarships ............ $ 10,000
    (iv) Yap
        a) Unrestricted ............................... 55,000
        b) Law school scholarships ............. 15,000
(t) Continental Airlines Scholarship ....................... 35,000
(u) Copra Subsidy ................................................ 200,000
(v) World Health Organization (WHO) .................... 41,385
(w) COM Treaty Obligation .................................. 25,000
(x) Micronesian Maritime Fisheries Academy
    (MMFA) ........................................................ 150,000
(y) Asia Pacific Telecommunity (APT) ..................... 9,000
(z) Plant Protection Program.................................  60,000
(aa) National Board of Nursing ...............................  38,000
(bb) International Telecommunication Union (ITU) ......  49,800
(cc) Pacific Islands Health Officer Associations

(dd) Asian Pacific Coconut Community .......................  15,500
(ee) National Close Up Local Program ........................  61,000
(ff) FSM Amateur Sports Association .........................  35,000
(gg) National Elections ..........................................  100,000

(hh) Rural Development (USDA)

   (i) Pohnpei .........................................................  185,000

   (ii) Chuuk

      a) Technical and support staff cost

      only (no travel, no regular staff salary, no overtime, and no

      purchase of vehicle) ........................................ $  73,000

      b) Chuuk Housing Authority .........................  25,000

   (iii) Kosrae

      a) General subsidy ...............................  68,000

      b) Direct link/USDA ..............................  15,000

   (iv) Yap .........................................................  35,000*

Section 2. Section 16 of Public Law No. 10-119 is hereby amended to read as follows:

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

   (1) 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; PROVIDED, however, that 

   the funds appropriated to Chuuk State under subsection (3) of section 10 of this act 

   shall be retained in the General Fund of the Federated States of Micronesia until a 

   scholarship recipient is identified to the President or the President's designee, at
which time scholarship funds in the amount of the scholarship award shall be disbursed directly to the educational institution in the form of a two-party check payable to both the scholarship recipient and the educational institution he or she is attending; and PROVIDED FURTHER, that the allottees of the funds appropriated under section 6(1), (2), and (3) of this act shall be, respectively, the President of the Federated States of Micronesia, the Speaker of the Congress of the Federated States of Micronesia, and the Chief Justice of the Supreme Court of the Federated States of Micronesia; and PROVIDED FURTHER, that the allottee of the funds appropriated under section 7 of this act shall be the Secretary of the Department of Transportation, Communication and Infrastructure; and PROVIDED FURTHER, that the allottees of the funds appropriated under subsection (2)(o) of section 11 of this act shall be the Governors of the respective States, and no funds appropriated under subsection (2)(o) of section 11 of this act shall be disbursed from the General Fund to the allottees unless the President certifies that the State involved has entered into a joint law enforcement agreement for the period of October 1, 1998, to September 30, 1999, with the National Government pursuant to chapter 12 of title 12 of the Code of the Federated States of Micronesia; and PROVIDED FURTHER, that the allottees of the funds appropriated under subsection (2)(hh)(ii) of section 11 of this act shall be the Community Development Managers of Rural Development of the respective States. Funds appropriated under subsection (2)(hh)(ii), (iii) and (iv) of section 11 of this act shall not be disbursed to a State's Community Development Manager if he fails to submit to the Speaker of Congress and to the President detailed, quarterly financial statements regarding his office's operations, or if he fails to comply with the Financial Management Act of 1979; and PROVIDED FURTHER, that the allottee of funds appropriated under subsection (2)(hh)(ii)b of section 11 of this act shall be the Executive Director of the Chuuk Housing Authority; and PROVIDED FURTHER, that the allottees of the funds appropriated under subsection (2)(s) of
section 11 of this act shall be the Chief Justices of the respective States; and

PROVIDED FURTHER, that the allottee of the funds appropriated under
subsection (1) of section 13 shall be the Personnel Officer of the Division of
Personnel Administration. Each allottee 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) Allotments shall not exceed the following percentages of the funds
appropriated under sections 5(3), 5(6), 7, 9(1), and 13(5) of this act:

(a) thirty percent of the appropriation before January 1, 1999;
(b) fifty percent of the appropriation before April 1, 1999;
(c) eighty percent of the appropriation before July 1, 1999.

(3) The authority of the allottees to obligate funds appropriated by this act
shall lapse as of September 30, 1999; PROVIDED, however, that the authority of
the allottees to obligate funds appropriated by sections 3(4), 7, 9, 10, and 13 shall
not lapse; and PROVIDED FURTHER, that the authority of the allottee to obligate
funds appropriated by section 13(4) shall lapse as of September 30, 2000."

Section 3. This act shall become law upon approval by the President of the Federated
States of Micronesia or upon its becoming law without such approval.

_________________________, 1998

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Jacob Nena
President
Federated States of Micronesia