FOURTH REGULAR SESSION, 2002 CONGRESSIONAL BILL NO. 12-156, C.D.1, C.D.2, C.D.3, C.D.4, C.D.5

#### PUBLIC LAW NO. 12-53

#### AN ACT

To amend and restate Public Law No. 12-50 to appropriate an additional sum of \$11,559,130, for a total of \$37,759,964, from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2003, 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; to establish a budget for compact sections 211, 214(b), 215(a)(2), 215(b)(2), 216(a)(1), 216(a)(2), 216(a)(3) and 221(b); to establish a capital and human resource 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. Section 1 of Public Law No. 12-50 is hereby
- restated to read as follows:
- 3 "Section 1. Definitions.
- (1) 'Budget book' means the document entitled 4
- 5 Federated States of Micronesia National Government
- 6 Fiscal Year 2003 Proposed Budget transmitted by the
- 7 President to the Speaker of the Congress of the
- 8 Federated States of Micronesia on March 25, 2002.
- 9 (2) 'Activity' means that set of activities set forth
- 10 in the performance budget pages of the budget book for
- 11 each department, office, agency or program. An activity
- is a general policy objective, the achievement of which 12
- 13 can be measured. An activity is part of a strategic
- goal and will result in a certain amount or number of 14
- 15 outputs or units of work.

| 1  | (3) 'Performance budget pages' means those pages in     |
|----|---|
| 2  | the budget book that set forth the strategic goals,     |
| 3  | activities, objectives and outputs for each department  |
| 4  | or agency."   |
| 5  | Section 2. Section 2 of Public Law No. 12-50 is hereby  |
| 6  | amended to read as follows:                             |
| 7  | "Section 2. Operating expenses of the Executive Branch. |
| 8  | The sum of \$14,255,215, or so much thereof as may be   |
| 9  | necessary, is hereby appropriated from the General Fund |
| 10 | of the Federated States of Micronesia for the fiscal    |
| 11 | year ending September 30, 2003, for the operations of   |
| 12 | the Executive Branch of the National Government during  |
| 13 | fiscal year 2003. The sum appropriated by this section  |
| 14 | shall be apportioned as follows:                        |
| 15 | (1) Office of the President                             |
| 16 | \$749,869, for the activities set forth in the          |
| 17 | performance budget pages A.1.1 through A.1.3 of the     |
| 18 | budget book. Of the total funds appropriated,           |
| 19 | \$47,970 shall be deemed to come from funds available   |
| 20 | under section 215(a)(2) of the Compact of Free          |
| 21 | Association for communications.                         |
| 22 | (2) Department of Foreign Affairs                       |
| 23 | \$3,692,032, for the activities set forth in the        |
| 24 | performance budget pages A.2.1 through A.2.8 of the     |
| 25 | budget book. Of the total funds appropriated, \$146,800 |

| shall be deemed to come from funds available under       |
|--|
| section 215(a)(2) of the Compact of Free Association for |
| communications.  |

- (3) Department of Finance and Administration \$2,326,003, for the activities set forth in the performance budget pages A.3.1 through A.3.7 of the budget book. Of the total funds appropriated, \$74,436 shall be deemed to come from funds available under section 215(a)(2) of the Compact of Free Association for communications.
- (4) Department of Economic Affairs \$1,281,016, for the activities set forth in the performance budget pages A.4.1 through A.4.11 of the budget book. Of the total funds appropriated, \$54,432 shall be deemed to come from funds available under section 215(a)(2) of the Compact of Free Association for communications.
- (5) Department of Transportation, Communication and Infrastructure \$1,648,828, for the activities set forth in the performance budget pages A.5.1 through A.5.4 of the budget book. Of the total funds appropriated, \$39,400 shall be deemed to come from funds available under section 215(a)(2) of the Compact of Free Association for communications and a consultant in communication policy.

1 (6) Department of Health, Education and Social Affairs 2 \$1,033,417, for the activities set forth in the 3 performance budget pages A.6.1 through A.6.10 of the budget book. Of the total funds appropriated, \$35,520 4 shall be deemed to come from funds available under 5 6 section 215(a)(2) of the Compact of Free Association for 7 communications. 8 (7) Department of Justice 9 \$2,986,893, for the activities set forth in the 10 performance budget pages A.7.1 through A.7.7 of the 11 budget book. Of the total funds appropriated, \$37,000 shall be deemed to come from funds available under 12 section 215(a)(2) of the Compact of Free Association for 13 communications, \$416,251 from funds available under 14 section 216(a)(1) of the Compact of Free Association for 15 16 marine surveillance. 17 (8) FSM Public Defender Office \$537,157, for the activities set forth in the 18 19 performance budget pages A.8.1 through A.8.2 of the 20 budget book. Of the total funds appropriated, \$10,800 21 shall be deemed to come from funds available under 22 section 215(a)(2) of the Compact of Free Association for 23 communications." 24 Section 3. Section 3 of Public Law No. 12-50 is hereby 25 amended to read as follows:

| 1  | "Section 3. Operating expenses of the Legislative        |
|----|--|
| 2  | Branch.  |
| 3  | The sum of $$3,122,944$ , or so much thereof as may be   |
| 4  | necessary, is hereby appropriated from the General Fund  |
| 5  | of the Federated States of Micronesia for the fiscal     |
| 6  | year ending September 30, 2003, for the operations of    |
| 7  | the Legislative Branch of the National Government during |
| 8  | fiscal year 2003 in order to achieve the activities set  |
| 9  | forth in the performance budget pages B.1.1 through      |
| 10 | B.1.3 of the budget book. Of the total funds             |
| 11 | appropriated, \$50,000 shall be deemed to come from      |
| 12 | section 215(a)(2) of the Compact of Free Association for |
| 13 | communications."   |
| 14 | Section 4. Section 4 of Public Law No. 12-50 is hereby   |
| 15 | amended to read as follows:                              |
| 16 | "Section 4. Operating expenses of the National           |
| 17 | Judiciary Branch.  |
| 18 | The sum of \$998,630, or so much thereof as may be       |
| 19 | necessary, is hereby appropriated from the General Fund  |
| 20 | of the Federated States of Micronesia for the fiscal     |
| 21 | year ending September 30, 2003, for the operations of    |
| 22 | the Judiciary Branch of the National Government during   |
| 23 | fiscal year 2003 in order to achieve the activities set  |
| 24 | forth in the performance budget pages C.1 through C.4 of |
| 25 | the budget book. Of the total funds appropriated under   |

| 1  | this section, \$25,000 shall be deemed to come from funds |
|----|---|
| 2  | available under section 215(a)(2) of the Compact of Free  |
| 3  | Association for communications."                          |
| 4  | Section 5. Section 5 of Public Law No. 12-50 is hereby    |
| 5  | amended to read as follows:                               |
| 6  | "Section 5. Operating expenses of the Public Auditor      |
| 7  | Office.   |
| 8  | The sum of \$523,997, or so much thereof as may be        |
| 9  | necessary, is hereby appropriated from the General Fund   |
| 10 | of the Federated States of Micronesia for the fiscal      |
| 11 | year ending September 30, 2003, for the operations of     |
| 12 | the Office of the FSM Public Auditor during fiscal year   |
| 13 | 2003 in order to achieve the activities set forth in the  |
| 14 | performance budget pages D.1 through D.2 of the budget    |
| 15 | book. Of the total funds appropriated under this          |
| 16 | section, \$12,000 shall be deemed to come from funds      |
| 17 | available under section 215(a)(2) of the Compact of Free  |
| 18 | Association for communications."                          |
| 19 | Section 6. Section 6 of Public Law No. 12-50 is hereby    |
| 20 | amended to read as follows:                               |
| 21 | "Section 6. Operating expenses of agencies of the         |
| 22 | National Government.                                      |
| 23 | The sum of $$1,464,435$ , or so much thereof as may be    |
| 24 | necessary, is hereby appropriated from the General Fund   |
| 25 | of the Federated States of Micronesia for the fiscal      |

| 1  | year ending September 30, 2003, for the operations of     |
|----|---|
| 2  | the following boards, commissions and agencies during     |
| 3  | fiscal year 2003. The sum appropriated by this section    |
| 4  | shall be apportioned as follows:                          |
| 5  | (1) National Oceanic Resource Management Authority        |
| 6  | \$433,769, for the activities set forth in the            |
| 7  | performance budget pages E.1.1 through E.1.4 of the       |
| 8  | budget book. Of the total funds appropriated, \$19,500    |
| 9  | shall be deemed to come from funds available under        |
| 10 | section 215(a)(2) of the Compact of Free Association for  |
| 11 | communications.   |
| 12 | (2) Board of Regents - COM-FSM                            |
| 13 | \$84,460, for the activities set forth in the performance |
| 14 | pages E.2.1 through E.2.2 of the budget book.             |
| 15 | (3) FSM Coconut Development Authority                     |
| 16 | \$128,370, for the activities set forth in the            |
| 17 | performance budget pages E.3.1 through E.3.2 of the       |
| 18 | budget book. Of the total funds appropriated, \$5,002     |
| 19 | shall be deemed to come from funds available under        |
| 20 | section 215(a)(2) of the Compact of Free Association.     |
| 21 | (4) FSM Banking Board                                     |
| 22 | \$137,239, for the activities set forth in the            |
| 23 | performance budget pages E.4.1 through E.4.2 of the       |
| 24 | budget book. Of the total funds appropriated, \$7,000     |
| 25 | shall be deemed to come from funds available under        |

| 1  | section 215(a)(2) of the Compact of Free Association for  |
|----|---|
| 2  | communications.   |
| 3  | (5) FSM Postal Services                                   |
| 4  | \$680,597, for the activities set forth in the            |
| 5  | performance budget pages E.5.1 through E.5.5 of the       |
| 6  | budget book. Of the total funds appropriated, \$19,034    |
| 7  | shall be deemed to come from funds available under        |
| 8  | section 215(a)(2) of the Compact of Free Association for  |
| 9  | communications.   |
| 10 | (6) FSM National Fisheries Corporation                    |
| 11 | \$0 for the activities set forth in the performance       |
| 12 | budget page E.6.1 of the budget book."                    |
| 13 | Section 7. Section 7 of Public Law No. 12-50 is hereby    |
| 14 | amended to read as follows:                               |
| 15 | "Section 7. <u>Special Programs</u> .                     |
| 16 | The sum of $$1,803,597$ , or so much thereof as may be    |
| 17 | necessary, is hereby appropriated from the General Fund   |
| 18 | of the Federated States of Micronesia for the fiscal      |
| 19 | year ending September 30, 2003, for the following         |
| 20 | special programs during fiscal year 2003. The sum         |
| 21 | appropriated by this section shall be apportioned as      |
| 22 | follows:  |
| 23 | (1) FSM Aquaculture Center                                |
| 24 | \$102,037 for the activities set forth in the performance |
| 25 | budget pages F.1.1 through F.1.2 of the budget book. Of   |

| 1  | the total funds appropriated, \$5,000 shall be deemed to  |
|----|---|
| 2  | come from funds available under section 215(a)(2) of the  |
| 3  | Compact of Free Association for communications.           |
| 4  | (2) Joint Committee on Compact Economic Negotiations      |
| 5  | (JCN)   |
| 6  | \$1,154,916, for the activities set forth in the          |
| 7  | performance budget pages F.2.1 through F.2.2 of the       |
| 8  | budget book. Of the total funds appropriated, \$36,000    |
| 9  | shall be deemed to come from funds available under        |
| 10 | section 215(a)(2) of the Compact of Free Association for  |
| 11 | communications.   |
| 12 | (3) Office of the National Election Director              |
| 13 | \$516,644 for the activities set forth in the performance |
| 14 | budget pages F.7.1 of the budget book. Of the total       |
| 15 | funds appropriated, \$27,500 shall be deemed to come from |
| 16 | funds available under section 215(a)(2) of the Compact    |
| 17 | of Free Association for communications.                   |
| 18 | (4) National Authorizing Committee (APU/EU/Cotonou        |
| 19 | Agreement)  |
| 20 | \$30,000, for the activity set forth in the performance   |
| 21 | budget page F.8.1 of the budget book."                    |
| 22 | Section 8. Section 8 of Public Law No. 12-50 is hereby    |
| 23 | amended to read as follows:                               |
| 24 | "Section 8. Grants, Subsidies and Contributions.          |
| 25 | The sum of $$2,429,791$ , or so much thereof as may be    |

| 1  | necessary, is hereby appropriated from the General Fund |
|----|---|
| 2  | of the Federated States of Micronesia for the fiscal    |
| 3  | year ending September 30, 2003, for the following       |
| 4  | grants, subsidies and contributions during fiscal year  |
| 5  | 2003. The sum appropriated by this section shall be     |
| 6  | apportioned as follows:                                 |
| 7  | (1) Department of Foreign Affairs                       |
| 8  | (a) Forum Secretariat\$ 35,000                          |
| 9  | (b) The Pacific Community\$ 30,000                      |
| 10 | (c) United Nations Economic and Social                  |
| 11 | Commission for Asia and the Pacific (ESCAP) 5,000       |
| 12 | (d) United Nations Membership Fee 100,000               |
| 13 | (e) East-West Center 10,000                             |
| 14 | (2) Department of Finance and Administration            |
| 15 | (a) ACP/EU Membership 24,000                            |
| 16 | (3) Department of Economic Affairs                      |
| 17 | (a) Pacific Islands Development Program 15,000          |
| 18 | (b) Forum Fisheries Agency (FFA) 21,000                 |
| 19 | (c) United Nations Development                          |
| 20 | Program (UNDP) 3,000                                    |
| 21 | (d) Coordinating Commission for                         |
| 22 | Offshore Mineral Prospecting (CCOMP) 8,000              |
| 23 | (e) Plant Protection Program 60,000                     |
| 24 | (f) Pacific Asian Travel                                |
| 25 | Association (PATA) 5,000                                |
|    |   |

| (g) The FSM Coastal Fisheries                  |            |
|--|------------|
| Consortium                                     | 11,702     |
| (h) FSM Giant Clam Culture                     | 11,440     |
| (i) National Plant Protection and              |            |
| Quarantine Communication Program               | 29,700     |
| (j) NFC-OPIC Loan Payment                      | 145,000    |
| (4) Department of Health, Education and        |            |
| Social Affairs                                 |            |
| (a) United Nations Funds for                   |            |
| Population Activity\$                          | 3,000      |
| (b) South Pacific Regional Environmental       |            |
| Program (SPREP)                                | 7,375      |
| (c) Aid to Non-Public Schools                  | 500,000    |
| (d) Financial Assistance for FSM               |            |
| Students at College of Marshall Islands (CMI)  |            |
| and Palau Community College (PCC) to be deemed |            |
| to come from funds available under section     |            |
| 216(a)(3) of the Compact of Free Association.  | 50,000     |
| (e) World Health Organization (WHO)            |            |
| membership Fee                                 | 41,385     |
| (f) National Board of Nursing                  | 38,000     |
| (g) Pacific Islands Health Officers            |            |
| Association (PIHOA)                            | 20,000     |
| (h) National Close-Up Local Program .          | 64,000     |
| (i) FSM Amateur Sports Association             | 35,000     |
|  | Consortium |

| 1  | (j) College of Micronesia Board Meeting          | 5,000  |
|----|--|--------|
| 2  | (k) Association of Territorial Health            |        |
| 3  | Association                                      | 2,000  |
| 4  | (1) FSM Red Cross                                | 50,000 |
| 5  | (m) Aid to Xavier High School                    | 50,000 |
| 6  | (5) Department of Justice; Joint Law             |        |
| 7  | Enforcement, PROVIDED THAT, no funds             |        |
| 8  | appropriated for Joint Law Enforcement purposes  |        |
| 9  | may be used for travel, except that travel to    |        |
| 10 | attend FSM joint law enforcement meetings held   |        |
| 11 | within the FSM is allowed; and PROVIDED FURTHER  |        |
| 12 | THAT joint law enforcement funds shall be        |        |
| 13 | allocated on a quarterly basis; and PROVIDED     |        |
| 14 | FURTHER THAT no funds shall be obligated or      |        |
| 15 | disbursed for the first quarter of fiscal year   |        |
| 16 | 2003, or any quarter thereafter, unless before   |        |
| 17 | October 1, 2003, and each quarter thereafter, as |        |
| 18 | applicable, each state reports, by category of   |        |
| 19 | expenditure, to the President or his designee    |        |
| 20 | and to the Chairman of the Judiciary and         |        |
| 21 | Governmental Operations Committee on the use     |        |
| 22 | of such funds for the prior fiscal year or       |        |
| 23 | quarter, as applicable, including an explanation |        |
| 24 | of how each expenditure contributed to the       |        |
| 25 | nurnose of joint law enforcement                 |        |

| 1  | (a) Kosrae Joint Law Enforcement\$              | 50,000  |
|----|---|---------|
| 2  | (b) Pohnpei Joint Law Enforcement               | 85,000  |
| 3  | (c) Chuuk Joint Law Enforcement                 | 95,000  |
| 4  | (d) Yap Joint Law Enforcement                   | 60,000  |
| 5  | (6) Department of Transportation,               |         |
| 6  | Communication and Infrastructure                |         |
| 7  | (a) Asia Pacific Telecommunity to               |         |
| 8  | be deemed to come from funds available under    |         |
| 9  | section 215(a)(2) of the Compact of Free        |         |
| 10 | Association for telecommunications\$            | 9,000   |
| 11 | (b) International Telecommunication             |         |
| 12 | Union to be deemed to come from funds available |         |
| 13 | under section 215(a)(2) of the Compact of Free  |         |
| 14 | Association for telecommunications              | 57,639  |
| 15 | (c) International Civil Aviation                |         |
| 16 | Organization                                    | 28,050  |
| 17 | (d) Micronesian Shipping Commission.            | 10,000  |
| 18 | (7) Coconut Development Authority               |         |
| 19 | (a) Copra Subsidy                               | 150,000 |
| 20 | (b) Asia Pacific Coconut Community              | 15,500  |
| 21 | (8) Other grants, subsidies and                 |         |
| 22 | contributions, of which \$106,000, as allocated |         |
| 23 | by subsections (a)(ii), (b)(ii), (c)(ii) and    |         |
| 24 | (d)(ii) below, shall be deemed to come from     |         |
| 25 | funds available under section 216(a)(3) of the  |         |
|    |   |         |

| 1  | Compact of Free Association.                               |
|----|--|
| 2  | (a) Kosrae Judiciary                                       |
| 3  | (i) Unrestricted 25,000                                    |
| 4  | (ii) Law School 40,000                                     |
| 5  | (b) Pohnpei Judiciary                                      |
| 6  | (i) Unrestricted 72,000                                    |
| 7  | (ii) Law School 18,000                                     |
| 8  | (c) Chuuk Judiciary  |
| 9  | (i) Unrestricted\$ 72,000                                  |
| 10 | (ii) Law School 18,000                                     |
| 11 | (d) Yap Judiciary  |
| 12 | (i) Unrestricted 40,000                                    |
| 13 | (ii) Law School 30,000                                     |
| 14 | (e) Micronesian Legal Services (MLSC) 150,000              |
| 15 | (f) COM Treaty Obligations 25,000"                         |
| 16 | Section 9. Section 9 of Public Law No. 12-50 is hereby     |
| 17 | restated to read as follows:                               |
| 18 | "Section 9. <u>Compact Communication Program Account</u> . |
| 19 | No funds are appropriated from the General Fund of the     |
| 20 | Federated States of Micronesia for the fiscal year         |
| 21 | ending September 30, 2003, for the operations of the FSM   |
| 22 | Telecommunications Corporation."                           |
| 23 | Section 10. Section 10 of Public Law No. 12-50 is hereby   |
| 24 | restated to read as follows:                               |
| 25 | "Section 10. <u>Compact Energy Program Account</u> .       |

| 1  | The sum of \$291,346, or so much thereof as may be       |
|----|--|
| 2  | necessary, is hereby appropriated from the General Fund  |
| 3  | of the Federated States of Micronesia for the fiscal     |
| 4  | year ending September 30, 2003, to pay utility bills for |
| 5  | the National Government departments, offices and         |
| 6  | agencies, operate and maintain standby generators, and   |
| 7  | establish energy conservation programs. The funds        |
| 8  | appropriated under this section shall be deemed to come  |
| 9  | from funds available under section 214(b) of the Compact |
| 10 | of Free Association for energy."                         |
| 11 | Section 11. Section 11 of Public Law No. 12-50 is hereby |
| 12 | restated to read as follows:                             |
| 13 | "Section 11. <u>Compact Health and Medical Program</u>   |
| 14 | Account.   |
| 15 | The sum of \$116,000, or so much thereof as may be       |
| 16 | necessary, is hereby appropriated from the General Fund  |
| 17 | of the Federated States of Micronesia for the fiscal     |
| 18 | year ending September 30, 2003, for health and medical   |
| 19 | referral and related programs and projects. The funds    |
| 20 | appropriated under this section shall be deemed to come  |
| 21 | from funds available under section 216(a)(2) of the      |
| 22 | Compact of Free Association for health and medical       |
| 23 | programs. The sum appropriated under this section shall  |
| 24 | be apportioned as follows:                               |
| 25 | (1) Visiting Team of Specialists\$ 68,000                |

| 1  | (2) Enhancement of Local Capacity 48,000"                |
|----|--|
| 2  | Section 12. Section 12 of Public Law No. 12-50 is hereby |
| 3  | amended to read as follows:                              |
| 4  | "Section 12. <u>Compact Special Block Grant Program</u>  |
| 5  | Account.   |
| 6  | The sum of \$389,437, or so much thereof as may be       |
| 7  | necessary, is hereby appropriated from the General Fund  |
| 8  | of the Federated States of Micronesia for the fiscal     |
| 9  | year ending September 30, 2003, for health and education |
| 10 | programs. The funds appropriated under this section      |
| 11 | shall be deemed to come from funds available under       |
| 12 | section 221(b) of the Compact of Free Association. The   |
| 13 | sum appropriated by this section shall be apportioned as |
| 14 | follows:   |
| 15 | (1) Health Support Services Programs                     |
| 16 | (a) Health Planning Workforce                            |
| 17 | Development\$ 15,700                                     |
| 18 | (b) Health and Vital Statistics 20,615                   |
| 19 | (c) Tuberculosis Prevention and Control 7,410            |
| 20 | (d) Leprosy Prevention and Control 8,000                 |
| 21 | (e) Family Health Planning 15,307                        |
| 22 | (f) Immunization Program 10,000                          |
| 23 | (g) Sexually Transmitted Disease                         |
| 24 | Control  |
| 25 | (h) Maternal and Child Health 5,000                      |
|    |  |

| 1  | (i) Mental Health Services                                   | 14,000          |  |
|----|--|-----------------|--|
| 2  | (j) Substance Abuse Prevention                               | 7,128           |  |
| 3  | (k) Aids Prevention and Control                              | 6,100           |  |
| 4  | (1) Tobacco Prevention and Control                           | 3,500           |  |
| 5  | (m) Nutrition Service Program                                | 16,150          |  |
| 6  | (n) Diabetes Prevention and Control .                        | 27,480          |  |
| 7  | (o) Preventive Health and Control                            | 20,500          |  |
| 8  | (2) Education Support Services Programs                      |                 |  |
| 9  | (a) National Standardization                                 | 77 <b>,</b> 185 |  |
| 10 | (b) Education Ties to Economic Growth.\$                     | 24 <b>,</b> 579 |  |
| 11 | (c) College Admission Test Counseling.                       | 38,962          |  |
| 12 | (d) National Education Standard                              | 24,949          |  |
| 13 | (e) Civil Education and FSM History.                         | 36,872"         |  |
| 14 | Section 13. Section 13 of Public Law No. 12-50 is hereby     |                 |  |
| 15 | amended to read as follows:                                  |                 |  |
| 16 | "Section 13. <u>Capital and Human Resource Development</u> . |                 |  |
| 17 | The sum of $$12,364,572$ , or so much thereof as may be      |                 |  |
| 18 | necessary, is hereby appropriated from the General Fund      |                 |  |
| 19 | of the Federated States of Micronesia for the fiscal         |                 |  |
| 20 | year ending September 30, 2003, for capital improvement,     |                 |  |
| 21 | development programs and projects and human resource         |                 |  |
| 22 | development. The sum appropriated under this section         |                 |  |
| 23 | shall be apportioned as follows:                             |                 |  |
| 24 | (1) College of Micronesia - FSM                              |                 |  |
| 25 | (a) Operations of the College of                             |                 |  |

| 1  | Micronesia-FSM, including planning, construction    |         |  |
|----|---|---------|--|
| 2  | of new facilities and maintenance of the            |         |  |
| 3  | newly completed multi-purpose gymnasium\$ 3,220,000 |         |  |
| 4  | (b) Student assistance for tuition                  |         |  |
| 5  | and housing to be deemed to come from section       |         |  |
| 6  | 216(a)(3) of the Compact of Free Association        |         |  |
| 7  | PROVIDED that only students maintaining             |         |  |
| 8  | a passing grade point average will be eligible      |         |  |
| 9  | to receive these grants                             | 475,000 |  |
| 10 | (c) COM-FSM National Campus Standby                 |         |  |
| 11 | Generator\$   | -0-     |  |
| 12 | (d) COM-FSM National Campus Well                    |         |  |
| 13 | Drilling to be deemed to come from the              |         |  |
| 14 | capital account funds available under               |         |  |
| 15 | section 211 of the Compact of Free                  |         |  |
| 16 | Association   | 30,000  |  |
| 17 | (e) FSM Fisheries and Maritime                      |         |  |
| 18 | Institute   | 700,000 |  |
| 19 | (2) Post-Secondary Educational Assistance to        |         |  |
| 20 | 0 be deemed to come from section 216(a)(3) of the   |         |  |
| 21 | Compact of Free Association                         |         |  |
| 22 | (a) Kosrae State                                    | 283,411 |  |
| 23 | (b) Pohnpei State                                   | 639,693 |  |
| 24 | (c) Chuuk State                                     |         |  |
| 25 | (i) GPA-based Scholarships,                         |         |  |
|    |   |         |  |

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| 1  | PROVIDED THAT the Department of Finance and   |                  |
|----|---|------------------|
| 2  | Administration of the Federated States of     |                  |
| 3  | Micronesia office in Chuuk shall issue any    |                  |
| 4  | funds directly to the respective              |                  |
| 5  | scholarship recipient                         | 140,000          |
| 6  | (ii) Grants, PROVIDED THAT the                |                  |
| 7  | Department of Finance and Administration      |                  |
| 8  | of the Federated States of Micronesia         |                  |
| 9  | office in Chuuk shall issue any funds         |                  |
| 10 | directly to the respective grant recipient \$ | 773 <b>,</b> 886 |
| 11 | (d) Yap State                                 | 357,210          |
| 12 | (e) Graduate Scholarship - All States         |                  |
| 13 | (3) National Staff Upgrading to be deemed     |                  |
| 14 | to come from the capital account funds        |                  |
| 15 | available under section 211 of the Compact of |                  |
| 16 | Free Association                              | 50,000           |
| 17 | (4) President's Office Expansion and          |                  |
| 18 | Security                                      | -0-              |
| 19 | (5) FSM Visitors Bureau to be deemed to       |                  |
| 20 | come from the capital account funds available |                  |
| 21 | under section 211 of the Compact of Free      |                  |
| 22 | Association                                   | 378,000          |
| 23 | (6) FSM Development Bank - Business           |                  |
| 24 | Development Loan Program to be deemed to come |                  |
| 25 | from the capital account funds available      |                  |

| 1  | under section 211 of the Compact of            |           |
|----|--|-----------|
| 2  | Free Association                               | 1,000,000 |
| 3  | (7) FSM Trust Fund - Account "S", of which     |           |
| 4  | \$709,640 shall be deemed to come from capital |           |
| 5  | account funds available under section 211,     |           |
| 6  | \$130,506 shall be deemed to come from funds   |           |
| 7  | available under section 214(b), \$1,094,573    |           |
| 8  | shall be deemed to come from funds available   |           |
| 9  | under section 215(a)(2), \$8,000 shall be      |           |
| 10 | deemed to come from funds available under      |           |
| 11 | section 215(b)(2) and \$346,462 shall be       |           |
| 12 | deemed to come from funds available under      |           |
| 13 | section 221(b) of the Compact of Free          |           |
| 14 | Association\$                                  | 3,000,000 |
| 15 | (8) FSM Household Income and Expenditure       |           |
| 16 | Survey   | -0-       |
| 17 | (9) MS. Caroline Voyager Dry-docking to        |           |
| 18 | be deemed to come from the capital account     |           |
| 19 | funds available under section 211 of the       |           |
| 20 | Compact of Free Association                    | 510,000   |
| 21 | (10) FSM Capital Water Well Renovation to      |           |
| 22 | be deemed to come from the capital account     |           |
| 23 | funds available under section 211 of the       |           |
| 24 | Compact of Free Association                    | 225,000   |
| 25 | (11) EMPAT Phase III, \$64,000 of which        |           |
|    |  |           |

| shall be deemed to come from funds available   |  |
|--|--|
| under section 216(a)(3) of the Compact of Free |  |
| Association                                    | 117,703  |
| (12) $3^{rd}$ Convention of the FSM Coastal    |  |
| Fisheries Consortium                           | 12,239   |
| (13) FSM Capitol Complex Infrastructure        |  |
| Program  | -0-  |
| (14) FSM Public Defender Office Expansion      |  |
| (Pohnpei Office) to be deemed to come from the |  |
| capital account funds available under section  |  |
| 211 of the Compact of Free Association\$       | 45,000   |
| (15) FSM Judiciary Branch Office Renovation    |  |
| (Chuuk and Yap) to be deemed to come from the  |  |
| capital account funds available under section  |  |
| 211 of the Compact of Free Association         | 73,430   |
| (16) Public Auditor's Office Construction      |  |
| to be deemed to come from the capital account  |  |
| funds available under section 211 of the       |  |
| Compact of Free Association                    | 80,000   |
| (17) Outer Island Airport Projects to be       |  |
| deemed to come from the capital account        |  |
| funds available under section 211 of the       |  |
| Compact of Free Association:                   |  |
| (a) Ta Airport                                 | 52,000   |
| (b) Outer Island Airports in the               |  |
|  | under section 216(a)(3) of the Compact of Free Association |

| 1  | State of Yap 102,  | 000" |
|----|--|------|
| 2  | Section 14. Section 14 of Public Law No. 12-50 is hereby |      |
| 3  | amended to read as follows:                              |      |
| 4  | "Section 14. Employment ceilings. The maximum number     | ב    |
| 5  | of positions for each branch of the National Governmen   | nt   |
| 6  | shall be as follows:                                     |      |
| 7  | (1) Executive Branch                                     | 422  |
| 8  | (2) Legislative Branch                                   | 58   |
| 9  | (3) Judiciary Branch                                     | 26   |
| 10 | (4) Public Auditor                                       | 15   |
| 11 | (5) Agencies   |      |
| 12 | (a) National Oceanic Resource                            |      |
| 13 | Management Authority                                     | 11   |
| 14 | (b) Coconut Development Authority                        | 3    |
| 15 | (c) National Postal Services                             | 38   |
| 16 | (d) FSM Banking Board                                    | 4    |
| 17 | (6) Agencies   |      |
| 18 | (a) FSM Aquaculture Center                               | 4    |
| 19 | (b) Joint Committee on Compact                           |      |
| 20 | 0 Economic Negotiations                                  |      |
| 21 | (c) Office of National Election Director                 | 11"  |
| 22 | Section 15. Section 15 of Public Law No. 12-50 is hereby |      |
| 23 | restated to read as follows:                             |      |
| 24 | "Section 15. Reprogramming.                              |      |
| 25 | Reprogramming within a department or agency shall be     |      |

| 1  | effected by the Head of such department or agency by      |
|----|---|
| 2  | specifying in writing to Congress the activities for      |
| 3  | which funding is either increased or decreased.           |
| 4  | Reprogramming to increase employees' salaries shall not   |
| 5  | be permitted unless authorized by law. Funds that are     |
| 6  | appropriated under section 2 of this act and apportioned  |
| 7  | to a department or office under subsections 2(1) through  |
| 8  | 2(8) of this act shall not be reprogrammed to or from     |
| 9  | such department or office."                               |
| 10 | Section 16. Section 16 of Public Law No. 12-50 is hereby  |
| 11 | amended to read as follows:                               |
| 12 | "Section 16. <u>Allotment and management of funds and</u> |
| 13 | <pre>lapse date.</pre>                                    |
| 14 | (1) General Provisions.                                   |
| 15 | (a) All funds appropriated by this act shall be           |
| 16 | allotted, managed, administered, and accounted for in     |
| 17 | accordance with applicable law, including, but not        |
| 18 | limited to, the Financial Management Act of 1979;         |
| 19 | (b) The allottees shall be responsible for                |
| 20 | ensuring that these funds, or so much thereof as may be   |
| 21 | necessary, are used solely for the purposes specified in  |
| 22 | this act, and that no obligations are incurred in excess  |
| 23 | of the sum appropriated.                                  |
| 24 | (2) Allottees. The allottees of the funds                 |
| 25 | appropriated by this act are as follows:                  |

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| 1  | (a) section 2 - the allottee of these funds shall        |
|----|--|
| 2  | be the President of the Federated States of Micronesia;  |
| 3  | (b) section 3 - the allottee of these funds shall        |
| 4  | be the Speaker of the Congress of the Federated States   |
| 5  | of Micronesia;   |
| 6  | (c) section 4 - the allottee of these funds shall        |
| 7  | be the Chief Justice of the Supreme Court of the         |
| 8  | Federated States of Micronesia;                          |
| 9  | (d) section 5 - the allottee of these funds shall        |
| 10 | be the Public Auditor of the Federated States of         |
| 11 | Micronesia;  |
| 12 | (e) section 6 through 13 - the allottee of these         |
| 13 | funds shall be the President of the Federated States of  |
| 14 | Micronesia; EXCEPT THAT for the following subsections of |
| 15 | section 6 through 13 of this act, the allottees shall    |
| 16 | be:  |
| 17 | (i) section $8$ , subsection $(5)$ - the allottee        |
| 18 | of these funds shall be the President of the Federated   |
| 19 | States of Micronesia;                                    |
| 20 | (ii) section 8, subsection (8)(a) through                |
| 21 | (8)(d) - the allottee of these funds shall be Chief      |
| 22 | Justice of the respective state;                         |
| 23 | (iii) section 13, subsection (1)(a) through              |
| 24 | (1)(d) - the allottee of these funds shall be the        |
| 25 | President of the College of Micronesia-FSM;              |

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| 1   | (iv) section 13, subsection (2)(a) through                  |
|-----|---|
| 2   | (2)(d) - the allottee of these funds shall be the           |
| 3   | Governor of the respective state, EXCEPT THAT the           |
| 4   | allottee for funds allocated to Chuuk State under           |
| 5   | subsection (2)(c) shall be the Chuuk State Commission on    |
| 6   | Improvement Projects; and                                   |
| 7   | (v) Section 13, subsection (15) - the                       |
| 8   | allottee of these funds shall be the Chief Justice of       |
| 9   | the Supreme Court of the Federated States of Micronesia.    |
| L 0 | (3) Lapse Dates. The authority of the allottees to          |
| L1  | obligate funds appropriated by this act shall lapse as      |
| L2  | of September 30, 2003, EXCEPT that funds appropriated       |
| L3  | under section 13 of this act shall not lapse."              |
| L 4 | Section 17. This act shall become law upon approval by the  |
| L5  | President of the Federated States of Micronesia or upon its |
| L 6 | becoming law without such approval.                         |
| L7  |   |
| L8  |   |
| L 9 |   |
| 20  |   |
| 21  | December 11, 2002   |
| 22  |   |
| 23  |   |
| 24  |   |
| 2.5 |   |

25 of 25

| 1  | /s/ Leo A. Falcam                                      |
|----|--|
| 2  | Leo A. Falcam President Federated States of Micronesia |
| 3  | rederated States of Microflesia                        |
| 4  |  |
| 5  |  |
| 6  |  |
| 7  |  |
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