A BILL FOR AN ACT

To further amend Public Law No. 16-43 as amended by Public Laws Nos. 16-48, 16-53, 16-60, 16-65, 16-70, and 17-01, by amending sections 1, 2, 8, 11, and 12, to increase funding for certain line items, to add new line items, to modify restrictions on reprogramming of funds, to change the lapse dates of certain budget items, and for other purposes.

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

Section 1. Section 1 of Public Law No. 16-43, as amended by Public Laws Nos. 16-48, 16-53, 16-60, 16-65 and 17-01 is hereby further amended to read as follows:

"Section 1. Purpose. The purpose of this act is to appropriate the sum of $[40,926,846] 41,527,846 or so much thereof as may be necessary, from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2011, 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. Of the total amount of funds appropriated herein, $4,403,240 shall be deemed to come from funds available under the amended Compact from the education sector; $1,178,720 shall be deemed to come from funds available under the Supplemental Education Grant; $868,276 shall be deemed to come from funds available under the amended Compact from the health sector; $808,990 shall be
deemed to come from funds available under the amended Compact from the capacity building sector; $-0- shall be deemed to come from funds available under the amended Compact from the private sector development sector; and $360,000 shall be deemed to come from funds available under the amended Compact from the infrastructure sector."

Section 2. Section 2 of Public Law No. 16-43, as amended by Public Laws Nos. 16-48, 16-53, 16-60, 16-65 and 17-01 is hereby further amended to read as follows:

"Section 2. Operating expenses of the Executive Branch. The sum of $\[17,227,380\] 17,328,380 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, 2011, for the purpose of funding the operations of the Executive Branch of the National Government during fiscal year 2011. Of the total amount of funds appropriated herein, $486,729 shall be deemed to come from funds available under the amended Compact from the education sector; $371,591 shall be deemed to come from funds available under the Supplemental Education Grant; $668,276 shall be deemed to come from funds available under the amended Compact from the health sector; and $-0- shall be
deemed to come from funds available under the amended Compact from the capacity building sector. The sum appropriated by this section shall be apportioned as follows:

(1) **Office of the President.**

The sum of $701,364, or so much thereof as may be necessary, for the operations of the Office of the President during fiscal year 2011. The sum appropriated herein shall be apportioned as follows:

- Personnel: $258,025
- Travel: 134,239
- Contractual Services: 186,000
- OCE: 102,100
- Fixed Assets: 21,000

(2) **Department of Foreign Affairs.**

The sum of $4,346,271, or so much thereof as may be necessary, for the operations of the Department of Foreign Affairs during fiscal year 2011. The sum appropriated herein shall be apportioned as follows:

- Personnel: $1,337,872
- Travel: 212,849
- Contractual Services: PROVIDED THAT $200,000 of this line item shall be used to establish a contingency fund to be accessed
by the Secretary of the Department to pay
budget item approved in the FY2011 Budget,
including Personnel, when fluctuations in
currency result in a budget
shortfall ......................... $[2,074,900] 2,125,900

OCE ....................................... 563,150
Fixed Assets .............................. 106,500

(3) Department of Finance and Administration.
The sum of $1,863,526, or so much thereof as may be
necessary, for the operations of the Department of
Finance and Administration during fiscal year 2011.
Of the total amount of funds appropriated herein,
$-0- shall be deemed to come from funds available
under the amended Compact from the capacity
building sector. The sum appropriated herein shall
be apportioned as follows:
Personnel PROVIDED THAT $29,000 shall be used to pay
overtime accrued during fiscal year 2010 .. $ 1,287,385
Travel ........................................ 171,003
Contractual Services ....................... 160,456
OCE ........................................... 210,182
Fixed Assets .............................. 34,500

(4) Department of Resources and Development.
The sum of $751,687, or so much thereof as may be
necessary, for the operations of the Department of
Resources and Development during fiscal year 2011. The sum appropriated herein shall be apportioned as follows:

Personnel PROVIDED THAT $11,114 shall be used to pay overtime accrued in FY2010 ................ $ 523,078

Travel .................................... 72,600

Contractual Services....................... 58,307

OCE ....................................... 79,102

Fixed Assets .............................. 18,600

(5) Department of Transportation, Communication and Infrastructure.

The sum of $2,096,913, or so much thereof as may be necessary, for the operations of the Department of Transportation, Communication and Infrastructure during fiscal year 2011. The sum appropriated herein shall be apportioned as follows:

Personnel ................................. $ 534,374

Travel .................................... 118,384

Contractual Services....................... 1,365,667

OCE ....................................... 55,300

Fixed Assets .............................. 23,188

(6) Department of Health and Social Affairs.

The sum of $814,404, or so much thereof as may be necessary, for the operations of the Department of Health and Social Affairs during fiscal year 2011.
Of the total amount of funds appropriated herein, $668,276 shall be deemed to come from funds available under the amended Compact from the health sector. The sum appropriated herein shall be apportioned as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$450,161</td>
</tr>
<tr>
<td>Travel</td>
<td>$58,890</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>$144,950</td>
</tr>
<tr>
<td>OCE</td>
<td>$100,403</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>$60,000</td>
</tr>
</tbody>
</table>

(7) Department of Education.

The sum of $886,660, or so much thereof as may be necessary, for the operations of the Department of Education during fiscal year 2011. Of the total amount of funds appropriated herein, $486,729 shall be deemed to come from funds available under the amended Compact from the education sector; and $371,591 shall be deemed to come from funds available under the Supplemental Education Grant. The sum appropriated herein shall be apportioned as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$407,222</td>
</tr>
<tr>
<td>Travel</td>
<td>$109,303</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>$309,271</td>
</tr>
<tr>
<td>OCE</td>
<td>$60,864</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>$-0-</td>
</tr>
</tbody>
</table>
(8) Department of Justice.

The sum of $3,547,563, or so much thereof as may be necessary, for the operations of the Department of Justice during fiscal year 2011.

The sum appropriated herein shall be apportioned as follows:

Personnel PROVIDED THAT $131,148 shall be used to pay regular salaries earned and overtime accrued during fiscal year 2010 for the National Police, $117,980 shall be used to pay overtime accrued in fiscal year 2010 for the Division of Immigration and Labor, no more than $111,544 shall be used to pay overtime accrued in fiscal year 2011 for the Division of Immigration and Labor, and no more than $254,667 shall be used to pay overtime accrued in fiscal year 2011 for the National Police.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel</td>
<td>$108,585</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>$126,520</td>
</tr>
<tr>
<td>OCE</td>
<td>$952,720</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>$20,000</td>
</tr>
</tbody>
</table>

(9) Office of the Public Defender.

The sum of $800,951, or so much thereof as may be necessary, for the operations of the Office of the Public Defender during fiscal year 2011. The sum
appropriated herein shall be apportioned as follows:

Personnel .................................................. $ 511,169
Travel ....................................................  87,032
Contractual Services ......................... $ 123,150
OCE .........................................................  47,100
Fixed Assets .............................................  32,500

(10) Office of Statistics, Budget, Overseas Development Assistance and Compact Management.

The sum of $1,038,686, or so much thereof as may be necessary, for the operations of the Office of Statistics, Budget, Overseas Development Assistance and Compact Management during fiscal year 2011. The sum appropriated herein shall be apportioned as follows:

Personnel .................................................. $ 616,316
Travel ....................................................  112,030
Contractual Services .........................  215,000
OCE .........................................................  95,340
Fixed Assets ............................................. -0-


The sum of $315,078, or so much thereof as may be necessary, for the operations of the Office of Environment and Emergency Management during fiscal year 2011. The sum appropriated herein shall be apportioned as follows:
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Personnel</td>
<td>$170,687</td>
</tr>
<tr>
<td>2</td>
<td>Travel</td>
<td>74,015</td>
</tr>
<tr>
<td>3</td>
<td>Contractual Services</td>
<td>30,000</td>
</tr>
<tr>
<td>4</td>
<td>OCE</td>
<td>18,576</td>
</tr>
<tr>
<td>5</td>
<td>Fixed Assets</td>
<td>21,800</td>
</tr>
</tbody>
</table>

(12) Office of National Archives, Culture and Historic Preservation. The sum of $165,727, or so much thereof as may be necessary, for the operations of the Office of National Archives, Culture and Historic Preservation during fiscal year 2011. The sum appropriated herein shall be apportioned as follows:

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Personnel PROVIDED THAT $10,063 shall be used to pay regular salaries earned during fiscal year 2010</td>
<td>$112,227</td>
</tr>
<tr>
<td>14</td>
<td>Travel</td>
<td>15,000</td>
</tr>
<tr>
<td>15</td>
<td>Contractual Services</td>
<td>5,000</td>
</tr>
<tr>
<td>16</td>
<td>OCE</td>
<td>10,000</td>
</tr>
<tr>
<td>17</td>
<td>Fixed Assets</td>
<td>23,500</td>
</tr>
</tbody>
</table>

Section 3. Section 8 of Public Law No. 16-43, as amended by Public Law Nos. 16-53, 16-60, 16-70 and 17-01, is hereby further amended to read as follows:

"Section 8. Grants, Subsidies and Contributions. The sum of $7,328,603, 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, 2011, for the following grants, subsidies and contributions during fiscal year 2011. Of the total amount of funds appropriated herein, $116,511 shall be deemed to come from funds available under the amended Compact from the education sector; and $123,003 shall be deemed to come from funds available under the Supplemental Education Grant; and $360,000 shall be deemed to come from funds available under infrastructure Section Grant. The sum appropriated by this section shall be apportioned as follows:

(1) \textbf{Office of the President}.

(a) Asia-Pacific Broadcasting Dev. (AIBD) \hspace{1cm} $ 4,500

(b) Asia-Pacific Broadcasting Union (ABU) \hspace{1cm} 800

(c) Pacific Island News Assn (PINA). \hspace{1cm} 350

(d) National Prayer Day......... \hspace{1cm} 10,000

(e) Inauguration of new National Leadership. \hspace{1cm} 25,000

(2) \textbf{Department of Foreign Affairs}.

(a) Pacific Islands Forum Secretariat \hspace{1cm} 46,000

(b) Secretariat of the Pacific Community (SPC) \hspace{1cm} 56,000
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(c) UN Membership Fee.</td>
<td>60,000</td>
</tr>
<tr>
<td>2</td>
<td>(d) UN Economic and Social Commission for Asia and the Pacific (ESCAP)</td>
<td>5,000</td>
</tr>
<tr>
<td>3</td>
<td>(e) East West Center.</td>
<td>5,000</td>
</tr>
<tr>
<td>4</td>
<td>(f) Cotonou Membership Fee.</td>
<td>10,000</td>
</tr>
<tr>
<td>5</td>
<td>(g) Assistance to Haiti.</td>
<td>-0-</td>
</tr>
<tr>
<td>6</td>
<td>(3) Department of Finance and Administration.</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>(a) OCO Membership Fee.</td>
<td>4,000</td>
</tr>
<tr>
<td>8</td>
<td>(b) Maintenance Fee for FMIS.</td>
<td>30,000</td>
</tr>
<tr>
<td>9</td>
<td>(c) FSM Group Life Insurance.</td>
<td>43,000</td>
</tr>
<tr>
<td>10</td>
<td>(d) Personnel Manual Development.</td>
<td>38,470</td>
</tr>
<tr>
<td>11</td>
<td>(4) Department of Resources and Development.</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>(a) Pacific Islands Development Program</td>
<td>15,000</td>
</tr>
<tr>
<td>13</td>
<td>(b) Forum Fisheries.</td>
<td>34,178</td>
</tr>
<tr>
<td>14</td>
<td>(c) UN Development Program (UNDP).</td>
<td>30,000</td>
</tr>
<tr>
<td>15</td>
<td>(d) South Pacific Applied Geoscience Comm. (SOPAC)</td>
<td>15,000</td>
</tr>
<tr>
<td>16</td>
<td>(e) Pacific Asia Travel Association.</td>
<td>5,000</td>
</tr>
<tr>
<td>17</td>
<td>(f) Western Forestry Leadership Coalition</td>
<td>500</td>
</tr>
<tr>
<td>18</td>
<td>(g) Food Agriculture Organization (FAO)</td>
<td>4,800</td>
</tr>
<tr>
<td>19</td>
<td>(h) National Association of State Foresters</td>
<td>530</td>
</tr>
<tr>
<td>20</td>
<td>(i) Chief Executive’s Conference... $</td>
<td>10,000</td>
</tr>
</tbody>
</table>
(j) SPC Host ...................... 9,000

(5) Department of Health and Social Affairs.
   (a) UN Fund for Population Activity
       (UNFPA) ............................... 3,000
   (b) World Health Organization (WHO).
       4,000
   (c) National Board of Nursing ........ 20,000
   (d) Pacific Islands Health Officers
       Association (PIHOA) ...................... 20,000
   (e) FSM Amateur Sports Association .. 20,000
   (f) Association of Territorial
       Health Organization ...................... $ 2,000
   (g) FSM Red Cross ...................... 70,000

(6) Department of Education.
   (a) Aid for Non-Public Schools ...... 500,000
   (b) Financial Assistance to FSM
       Students attending the College of the Marshall
       Islands (CMI) and Palau Community College (PCC) 40,000
   (c) National scholarship .............. 575,000
   (d) National Close-Up .................. 70,000
   (e) National Merit Scholarship ....... $ 125,000
   (f) COM Board annual meeting ........... 5,000

(7) Department of Transportation, Communication
    and Infrastructure.
   (a) Asia Pacific Telecommunity (APT) 7,640
   (b) International Telecommunications

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<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Union (ITU)</td>
<td>$55,000</td>
</tr>
<tr>
<td>2</td>
<td>(c) International Civil Aviation Organization</td>
<td>28,050</td>
</tr>
<tr>
<td>3</td>
<td>(d) FSM Capital Energy/Utilities.</td>
<td>500,000</td>
</tr>
<tr>
<td>4</td>
<td>(e) Micro. Shipping Comm.</td>
<td>5,000</td>
</tr>
<tr>
<td>6</td>
<td>(a) Asia Pacific Investment</td>
<td>250</td>
</tr>
<tr>
<td>7</td>
<td>(b) Economic and Statistic Reporting</td>
<td>-0-</td>
</tr>
<tr>
<td>8</td>
<td>(c) Trust Fund Committee</td>
<td>-0-</td>
</tr>
<tr>
<td>9</td>
<td>(d) Technical Assistance to State Budget Offices</td>
<td>-0-</td>
</tr>
<tr>
<td>10</td>
<td>(9) Office of Environment and Emergency Management (E.E.M).</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>(a) 4th National Environmental Conference</td>
<td>15,000</td>
</tr>
<tr>
<td>12</td>
<td>(b) Secretariat of Pacific Regional Environment</td>
<td>23,477</td>
</tr>
<tr>
<td>13</td>
<td>(c) National Emergency Managers</td>
<td>-0-</td>
</tr>
<tr>
<td>14</td>
<td>(d) UN Environmental Protection</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>(e) 7th National Environmental Speech Contest</td>
<td>15,000</td>
</tr>
<tr>
<td>16</td>
<td>(f) SPREP/Noumea Convention</td>
<td>$671</td>
</tr>
</tbody>
</table>
(g) Waigani Convention (Annual Membership Fee) ....................... 55
(h) UN Convention to Combat Desertification............................. 120
(i) UN Framework Convention (UNFCC). 250
(j) SPREP Annual Membership Fee..... -0-

(10) Office of NACHP.
(a) UNESCO.......................... 4,000
(b) NCSHPO.......................... 2,760
(c) PARBICA......................... 100
(d) PIALA........................... 100
(e) WHC Membership Fee.............. 54

(11) Coconut Development Authority.
(a) Copra subsidy..................... 100,000
(b) Asia Pacific Coconut Community (APCC) 12,000
(c) Pilot Plant Project.............. -0-

(12) Department of Justice.
(a) Kosrae Joint Law Enforcement.... 25,000
(b) Pohnpei Joint Law Enforcement... 50,000
(c) Chuuk Joint Law Enforcement; PROVIDED,

HOWEVER, that $35,000 of the funds appropriated herein shall be for the use of the Chuuk State Police; and $15,000 shall be for the use of the Chuuk State Attorney General’s Office .. 50,000
(d) Yap Joint Law Enforcement ...... $ 25,000
(13) Other Grants, Subsidies and Contributions.

(a) Kosrae Judiciary Subsidy........  30,000
(b) Pohnpei Judiciary Subsidy.......  45,000
(c) Chuuk Judiciary Subsidy.........  45,000
(d) Yap Judiciary Subsidy...........  30,000
(e) COM Treaty Obligations..........  25,000
(f) Tuna Commission Membership......  47,988
(g) Disaster Assistance Emergency Fund (DAEF) Matching .......................  200,000
(h) MiCare..........................  100,000
(i) MLFC Loan Payment...............  300,000
(j) FY08 Single Audit................  329,250
(k) Compact Review Committee.......  50,000
(l) FSM Social Security.............  1,200,000
(m) Legislative and Executive Discretionary Funds .........................  -0-
(n) General Election (March 8, 2011) .................. [324,950]  336,350
(o) Staff Housing....................  585,000
(p) Recruitment and repatriation....  180,000
(q) MLSC............................  150,000
(r) Former Presidents’ Allowance....  50,000
(s) NORMA – Continental Shelf Project.  250,000
(t) Special Election (July 2011) ....................... $[50,000]  88,600

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(u) Passport application stations abroad $90,000
(v) ADSL Coverage Expansion Program $360,000"

Section 4. Section 11 of Public Law No. 16-43 is hereby amended to read as follows:

"Section 11. Reprogramming. [Reprogramming of funds into or from the personnel budget line item shall not be permitted, except when the Department of Foreign Affairs is reprogramming into personnel from contractual services by accessing the contingency fund established in Section 2]. The President, Speaker and Chief Justice may reprogram up to 10 percent to or from the funds appropriated in sections 2 (Operating expenses of the Executive Branch), 3 (Operating expenses of the Legislative Branch), and 4 (Operating expenses of the National Judicial Branch) respectively. Reprogramming of funds within a department, office or agency shall be effected by the head of such department, office or agency by specifying in writing to the Secretary of the Department of Finance and Administration of the FSM National Government, the accounts for which funding is either increased or decreased. The President may reprogram funds to rectify the budget deficiency in the Department of Justice, (Section 2(8), and to cover the budget deficits in the Department of
Education, (section 2(2)), Office of National Archives, Culture and Historic Preservation (section 2(12)), Coconut Development Authority (section 6(3)), and the National Election Office (section 7(1)), by transferring such amounts as may be necessary and sufficient from, or into, any of the line items under section 2, section 6 and section 7. Reprogramming other than as specified herein is not permitted, and more specifically, reprogramming into or out of any line item contained in Section 8 (Grants, Subsidies and Contributions) or Section 9 (Investment: Capital and Human Resources) is not permitted. The President shall report to Congress within one month of the last day of each financial quarter all amounts reprogrammed inter or intra a department, office or agency.”

Section 5. Section 12 of Public Law No. 16-43 is hereby amended to read as follows:

“Section 12. Allotment and management of funds and lapse dates.

(1) General Provisions.

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

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

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

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

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

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

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

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

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

(3) Lapse Date. The authority of the allottees to obligate funds appropriated by this act shall lapse as of September 30, 2011; PROVIDED, HOWEVER, that the funds appropriated under section 9 of this act shall not lapse; and PROVIDED FURTHER, that funds for contractual services under section 2 hereof for the Office of the President shall lapse on September 30, 2011; and PROVIDED FURTHER, that funds under section 8(13(u) through (v) shall not lapse until fully expended.”

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

Date: 9/21/11

Introduced by: /s/ Florencio S. Harper
Florencio S. Harper (by request)