

AN ACT

To appropriate the sum of \$36,297,199 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2000, to provide for the budgeted operating expenses of all branches of the National Government of the Federated States of Micronesia, various programs, subsidies, grants and contributions; to establish a budget for compact sections 214(b), 215(a)(2), 216(a)(1), 216(a)(2), 216(a)(3) and 221(b); and to establish a development budget and appropriate funds available therefor under the Compact; and for other purposes.

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

Section 1. Definitions.

(1) "Budget book" means the document entitled Proposed Budget FY 2000 for the National Government transmitted by the President to the Congress of the Federated States of Micronesia on March 31, 1999.

(2) "Output" means that set of objectives set forth in column 2 of the pages of the budget book, referred to in this bill, under the heading "key result/output". An output is a general policy objective, the achievement of which can be measured. An output is part of a strategic focus and, when achieved, will result in a certain amount or number of deliverables.

Section 2. Operating expenses of the Executive Branch.

The sum of \$14,790,784, 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, 2000, for the operations of the Executive Branch of the National Government during fiscal year 2000. The sum appropriated by this section shall be apportioned as follows:

(1) Office of the President

\$660,229 for the outputs set forth on page A-1-3 of the budget book.

(2) Department of Foreign Affairs

(a) \$3,633,258 for the outputs set forth in pages A-2-3 through A-2-4 of the budget book and for the following additional outputs:

(i) providing efficient and responsive consular services to FSM citizens and non citizens; and

(ii) providing administrative and other support to the Joint Committee on Compact Economic Negotiations (JCN).

(b) Conditions on use of funds: Funds appropriated under this subsection for JCN travel and representation expenses shall not be available for obligation or disbursement until:

(i) funds appropriated for such purposes under the JCN budget have been exhausted;

(ii) JCN has provided a report to the Committee on External Affairs of the Congress of the Federated States of Micronesia, through its Chairman, on the use of funds already obligated or disbursed, including a description of such use and an allocation among the outputs for which it was used; and

(iii) JCN has consulted with said committee concerning the planned use of the funds it is seeking to obligate or have disbursed.

(3) Department of Finance and Administration  
\$2,411,204 for the outputs set forth in pages A-3-3 through A-3-7 of the budget book.

(4) Department of Economic Affairs  
\$1,861,697 for the outputs set forth in pages A-4-4 through A-4-14 of the budget book.

(5) Department of Transportation, Communication and  
Infrastructure

\$1,461,470 for the outputs set forth in pages A-5-3 through A-5-6 of the budget book, noting that by adoption of S.C.R. No. 11-44, the output for operation of the F.S.S. Constitution has been deleted and an output for operation of the M.S. Caroline Islands has been added and PROVIDED THAT the amount appropriated for the M.S. Caroline Islands is not to exceed \$308,300 and the amount appropriated for the M.S. Caroline Voyager is not to exceed \$386,965, both amounts are included in the Department's total above.

(6) Department of Health, Education and Social Affairs  
\$918,496 for the outputs set forth in pages A-6-4 through A-6-21 of the budget book.

(7) Department of Justice  
\$3,328,786 for the outputs set forth in pages A-7-3 through A-7-5 of the budget book. Of the total funds appropriated, \$991,669 shall be deemed to come from funds available under section 216(a)(1) of the Compact of Free Association for marine surveillance.

(8) FSM Public Defender  
\$515,644 for the outputs set forth in page A-8-6 of the budget book.

Section 3. Operating expenses of the Legislative Branch. The sum of \$3,245,283, 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, 2000, for the operations of the Legislative Branch of the National Government during fiscal year 2000 in order to achieve the outputs set forth in pages B-1-5 and B-1-10 through B-1-11 of the budget book.

Section 4. Operating expenses of the National Judiciary. The sum of \$1,006,617, 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, 2000, for the operations of the Judiciary Branch of the National Government during fiscal year 2000 in order to achieve the outputs set forth in pages C-1-6 through C-1-8 of the budget book.

Section 5. Operating expenses of the Public Auditor. The sum of \$457,542, 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, 2000, for the operations of the Public Auditor of the National Government during fiscal year 2000 in order to achieve the outputs set forth in pages D-1-7 through D-1-8 of the budget book.

Section 6. Operating expenses of agencies of the National Government. The sum of \$823,339, 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, 2000, for the operations of the following boards, commissions and agencies during fiscal year 2000. The sum appropriated by this section shall be apportioned as follows:

(1) Micronesian Maritime Authority

\$395,445 for the outputs set forth in pages E-1-5 through E-1-6 of the budget book.

(2) Board of Regents-COM

\$76,742 for the outputs set forth on page E-2-5 of the budget book.

(3) FSM Coconut Development Authority

\$209,334 for the outputs set forth on page E-3-4 of the budget book.

(4) FSM Banking Board

\$141,818 for the outputs set forth in pages E-4-5 through E-4-6 of the budget book.

Section 7. Special programs. The sum of \$2,423,990, 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, 2000, for the following special programs during fiscal year 2000. The sum appropriated by this section shall be apportioned as follows:

(1) FSM Aquaculture Center

\$117,211 for the outputs set forth on page F-1-4 of the budget book.

(2) Joint Committee on Compact Economic Negotiations (JCN)

\$935,362 for the outputs set forth on page F-2-6 of the budget book.

(3) National Government Early Retirement Loan Repayment Fund.

\$1,371,417 for the repayment of the Asian Development Bank financed early retirement loan.

Section 8. Grants, subsidies and contributions. The sum of \$4,263,944, 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, 2000, for the following grants, subsidies and contributions during fiscal year 2000. The sum appropriated by this section shall be apportioned as follows:

(1) Department of Foreign Affairs

(a) Forum Secretariat..... \$ 35,000

(b) The Pacific Community.....	30,000
(c) South Pacific Regional Environmental Program (SPREP).....	7,375
(d) United Nations Economic and Social Commission for Asia and the Pacific (ESCAP).....	5,000
(e) UN membership fees.....	180,000
(2) Department of Economic Affairs	
(a) Pacific Island Development Program...	15,000
(b) Forum Fisheries Agency (FFA).....	21,000
(c) UN Development Program.....	3,000
(d) Coord. Commission for Offshore Mineral Prospecting (CCOMP).....	8,000
(e) Plant Protection Program.....	60,000
(f) Pacific Asian Travel Association.....	5,000
(3) Department of Health, Education and Social Affairs	
(a) UN Fund for Population Activity (UNFPA)..	3,000
(b) Aid to non-public schools.....	400,000
(c) Financial assistance for students....	50,000
(d) Continental Airlines Scholarship.....	35,000
(e) World Health Organization (WHO)..... \$	41,385
(f) National Board of Nursing.....	38,000
(g) Pacific Islands Health Officers Association	50,000
(h) National Close-Up Local Program.....	61,000
(i) East-West Center.....	10,000

(4) Department of Justice

(a) Kosrae Joint Law Enforcement.....	70,000
(b) Pohnpei Joint Law Enforcement.....	140,000
(c) Chuuk Joint Law Enforcement.....	0
(d) Yap Joint Law Enforcement.....	90,000

(5) Department of Transportation, Communication  
and Infrastructure

(a) Asia Pacific Telecommunity.....	9,000
(b) International Telecommunications Union.....	57,639
(c) International Civil Aviation Organization.....	28,050
(d) Micronesian Shipping Commission.....	10,000
(e) National government building in Chuuk, supplemental funding.....	100,000

(f) Chuuk State Commission on Improvement Projects, administrative expenses, including expenses associated with project inspection.....	60,000
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(6) Coconut Development Authority

(a) Copra Subsidy.....	200,000
(b) Asia Pacific Coconut Community..... \$	20,500

(7) Other subsidies and contributions

(a) Kosrae Judiciary	
(i) Unrestricted.....	35,000
(ii) Law School Scholarships.....	30,000
(b) Pohnpei Judiciary	

(i) Unrestricted, said funds to be used by the State Supreme Court, and by local municipal courts after application to, and approval by, the Chief Justice of the Pohnpei State Supreme Court, for library materials, library and office furnishings, office equipment only.....	83,000
(ii) Law School Scholarships.....	7,000
(c) Chuuk Judiciary	
(i) Unrestricted .....	30,000
(ii) Law School Scholarships.....	10,000
(iii) Probation Office needs.....	30,000
(iv) Municipal Judges upgrading and training.....	20,000
(d) Yap Judiciary	
(i) Unrestricted.....	55,000
(ii) Law School Scholarships.....	15,000
(e) COM Treaty Obligation.....	25,000
(f) Micronesian Legal Services Corporation.	150,000
(g) National Postal Services (All funding to cease at the end of third quarter, FY2000) .....	\$ 459,486
(h) National Fisheries Corporation.....	1,294,509
(i) Ponape Agricultural and Trade School.	177,000

Section 9. Energy budget. The sum of \$348,000, 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, 2000, to pay utility bills for National Government



offices, operate and maintain standby generators, and establish energy conservation programs. The funds appropriated under this section shall be deemed to come from funds available under section 214(b) of the Compact of Free Association. The sum appropriated by this section shall be apportioned as follows:

(1) Executive Branch.....	\$	198,000
(2) Congress.....		75,000
(3) National Judiciary.....		75,000

Section 10. Operating expenses of the Telecommunications Corporation and other telecommunications projects.

The sum of \$882,000, 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, 2000, for the operations of the FSM Telecommunications Corporation and other telecommunications projects. The funds appropriated under this section shall be deemed to come from funds available under section 215(a)(2) of the Compact of Free Association. The sum appropriated by this section shall be apportioned as follows:

(1) Grant to FSM Telecommunication for operation of Earth Stations .....	\$	300,000
(2) Payment of FSM National Government liabilities to FSM Telecommunication.....		200,000
(3) Purchase of Iridium Satellite Phone Systems and time on such systems.....		220,000
(4) Communications systems for outlying and		

outer islands.....  
162,000

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

The sum of \$118,000, 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, 2000, for health and medical referral and other Compact section 216(a)(2) programs and projects. The funds appropriated under this section shall be deemed to come from funds available under section 216(a)(2) of the Compact of Free Association.

Section 12. Compact section 221(b) programs.

The sum of \$317,000, 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, 2000, for health and education programs. The funds appropriated under this section shall be deemed to come from funds available under section 221(b) of the Compact of Free Association. The sum appropriated by this section shall be apportioned as follows:

(1) Health service programs

(a) Professional support services.....	\$	5,145
(b) Health Planning Workforce.....		7,490
(c) Health and vital statistics.....		8,394
(d) Tuberculosis prevention.....		6,673
(e) Leprosy prevention and control.....		7,000
(f) Family health planning.....		8,277
(g) Health education.....		3,000

(h) Immunization program.....	6,000
(i) Sexually Transmitted Disease.....	5,000
(j) Maternal and child health.....	5,000
(k) Mental Health Services.....	6,286
(l) Substance Abuse Prevention.....	6,972
(m) AIDS prevention and control.....	6,644
(n) Tobacco prevention and control.....	5,174
(o) Food inspection.....	14,249
(p) Nutrition services program.....	8,498
(q) National Women's Interest.....	11,121
(r) National Youth Activities.....	4,629
(s) Youth Leadership Conference.....	8,497
(t) Boy Scout program.....	2,000
(u) Sports development program.....	17,951
(v) Diabetes prevention and control.....	5,500
(2) Education Programs	
(a) National standardization.....	45,268
(b) Education Ties to Economic Growth....	24,738
(c) College admission counseling..... \$	26,887
(d) National education standards.....	24,163
(e) Civic education and FSM history.....	36,444

Section 13. College of Micronesia-FSM.

The sum of \$3,500,000, 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, 2000, for operations and maintenance costs of the College and for student

assistance. Of the total funds appropriated under this section, \$800,000 shall be deemed to come from funds available under section 216(a)(3) of the Compact of Free Association. The sum appropriated by this section shall be apportioned as follows:

(1) Operations and maintenance

of the College of Micronesia-FSM.....\$ 3,200,000

(2) Student assistance, PROVIDED that these funds

shall be used strictly for direct financial assistance to COM-FSM students, for the purpose of helping them meet their tuition and housing obligations, and PROVIDED FURTHER that these funds may be used only to supplement some payment that must be made by the students and their parents, and PROVIDED FURTHER that the co-payment by the student or the student's parent must be proportionally the same for each in relation to their total obligation, and PROVIDED FURTHER that only students with a passing grade point average

will be eligible to receive these funds.....\$ 300,000

Section 14. Micronesian Maritime Fisheries Academy - COM.

The sum of \$950,000, 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, 2000, to defray costs associated with the instruction of students and the operations and maintenance of the Micronesian Maritime Fisheries Academy, administered by the College of Micronesia.

Section 15. Post-secondary educational assistance.

The sum of \$989,700, 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, 2000, for the purpose of providing post-secondary educational assistance. The funds appropriated under this section shall be deemed to come from funds available under section 216(a)(3) of the Compact of Free Association. The sum appropriated by this section shall be apportioned as follows:

(1) Kosrae State.....	\$	128,661
(2) Pohnpei State.....		288,003
(3) Chuuk State		

(a) Scholarships, PROVIDED that the funds be used strictly for rewarding those students who achieve the highest grade point averages, being mindful of both the courses undertaken and the institutions at which the grades were attained. The more rigorous courses undertaken by students at institutions requiring a higher grade point entry, should accordingly, be weighted more favorably. The selection committee is required to provide to the National Program Coordinator, copies of all documents which would provide details of the applicants, their grade point average, the courses studied and the institution attended, as well as the names of those applicants who are selected to receive a scholarship and the amount proposed. This requirement must be satisfied prior to the release of scholarship funds to those students selected. By this means the transparency of the selection process will be improved and rumors of unfair selection practices will be dispelled.....

practices will be dispelled.....	\$	150,000
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(b) Grants.....		261,716
(4) Yap State.....		161,320

Section 16. Capital development.

The sum of \$2,181,000, 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, 2000, for capital improvement and development programs and projects. The sum appropriated by this section shall be apportioned as follows:

(1) Staff upgrading (Div. of Personnel).....	\$	100,000
(2) FSM Visitors Bureau.....		597,000
(3) Micro-entrepreneur Development Center.....		132,000
(4) National Investment Promotion Council.....		200,000
(5) Business development loan fund.....		-0-
(6) FSM Trust Fund.....		1,000,000
(7) Public Defender office renovation.....		47,000
(8) Video editing machine for President's office.....		55,000
(9) Yap Courthouse renovations.....		50,000

Section 17. Employment ceilings.

The maximum number of positions for each agency, office, or branch of the National Government shall be as follows:

(1) Executive Branch.....	420
(2) Legislative Branch.....	56
(3) Judiciary Branch.....	26
(4) Public Auditor.....	16
(5) Agencies	
(a) Micronesian Maritime Authority.....	10
(b) Coconut Development Authority.....	4
(c) National Postal Service.....	26
(d) FSM Banking Board.....	4

Section 18. Reprogramming.

Reprogramming shall be effected by specifying the outputs for which funding is either increased or decreased. The President may reprogram up to 10 percent to and from the funds appropriated to each department and office in section 2 (Operating expenses of the Executive Branch).

Section 19. 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 15 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. The allottee of the funds appropriated under section 2 of this act shall be the President of the Federated States of Micronesia. The allottee of the funds appropriated under section 3 of this act shall be the Speaker of the Congress of the Federated States of Micronesia. The allottee of the funds appropriated under section 4 of this act shall be the Chief Justice of the Supreme Court of the Federated States of Micronesia. The allottee of the funds appropriated under section 5 of this act shall be the Public Auditor. The allottee of the funds appropriated under sections 6 through 16 of this act shall be the President of the

Federated States of Micronesia EXCEPT that the allottee of the funds appropriated under subsections (3) and (4) of section 10 of this act shall be the Secretary of the Department of Transportation, Communication, and Infrastructure and the allottee of the funds appropriated under subsection (2) of section 13 of this act shall be the President of the College of Micronesia-FSM. The allottees 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) The authority of the allottees to obligate funds appropriated by this act shall lapse as of September 30, 2000.

Section 20. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

\_\_\_\_\_, 1999

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Leo A. Falcam  
President  
Federated States of Micronesia



