

AN ACT

To appropriate the sum of \$33,838,991 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2001, 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 211, 214(b), 215(a)(2), 216(a)(1), 216(a)(2), 216(a)(3), and 221(b); to establish a development budget and appropriate funds available therefor; and for other purposes.

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

1 Section 1. Definitions.

2 (1) "Budget book" means the document entitled Proposed
3 Budget FY2001 for the National Government transmitted by the
4 President to the Speaker of the Congress of the Federated States
5 of Micronesia on March 30, 2000.

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

12 Section 2. Operating expenses of the Executive Branch. The
13 sum of \$14,206,333, or so much thereof as may be necessary, is
14 hereby appropriated from the General Fund of the Federated States
15 of Micronesia for the fiscal year ending September 30, 2001, for
16 the operations of the Executive Branch of the National Government
17 during fiscal year 2001. The sum appropriated by this section
18 shall be apportioned as follows:

19 (1) Office of the President
20 \$854,415 for the outputs set forth in page A-1-3 of the budget
21 book.

22 (2) Department of Foreign Affairs

23 (a) \$3,616,658 for the outputs set forth on pages A-2-
24 3 through A-2-16 of the budget book.

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

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

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

11 (iii) JCN has provided to said committee, in
12 writing, signed by the JCN committee chairman and members, a
13 detailed description of the planned use of the funds it is seeking
14 to obligate or have disbursed.

15 (3) Department of Finance and Administration
16 \$1,984,948 for the outputs set forth on pages A-3-3 through A-3-9
17 of the budget book.

18 (4) Department of Economic Affairs
19 \$1,441,396 for the outputs set forth in pages A-4-3 through A-4-18
20 of the budget book.

21 (5) Department of Transportation, Communication and
22 Infrastructure
23 \$1,584,615 for the outputs set forth in pages A-5-3 through A-5-5
24 of the budget book.

25 (6) Department of Health, Education and Social Affairs
26 \$971,512 for the outputs set forth in pages A-6-3 through A-6-14
27 of the budget book.

28 (7) Department of Justice
29 \$3,247,641 for the outputs set forth in pages A-7-3 through A-7-6

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

5 (8) FSM Public Defender
6 \$505,148 for the outputs set forth in page A-8-3 of the budget
7 book.

8 Section 3. Operating expenses of the Legislative Branch.
9 The sum of \$3,210,822, or so much thereof as may be necessary, is
10 hereby appropriated from the General Fund of the Federated States
11 of Micronesia for the fiscal year ending September 30, 2001, for
12 the operations of the Legislative Branch of the National
13 Government during fiscal year 2001 in order to achieve the outputs
14 set forth in pages B-1-12 through B-1-14 of the budget book.

15 Section 4. Operating expenses of the National Judiciary.
16 The sum of \$976,294, or so much thereof as may be necessary, is
17 hereby appropriated from the General Fund of the Federated States
18 of Micronesia for the fiscal year ending September 30, 2001, for
19 the operations of the Judiciary Branch of the National Government
20 during fiscal year 2001 in order to achieve the outputs set forth
21 in pages C-1-6 through C-1-9 of the budget book.

22 Section 5. Operating expenses of the Public Auditor. The
23 sum of \$517,785, or so much thereof as may be necessary, is hereby
24 appropriated from the General Fund of the Federated States of
25 Micronesia for the fiscal year ending September 30, 2001, in order
26 to achieve the outputs set forth in page D-1-7 of the budget book.

27 Section 6. Operating expenses of agencies of the National
28 Government. The sum of \$1,701,498, or so much thereof as may be
29 necessary, is hereby appropriated from the General Fund of the

1 Federated States of Micronesia for the fiscal year ending
2 September 30, 2001, for the operations of the following boards,
3 commissions and agencies during fiscal year 2001. The sum
4 appropriated by this section shall be apportioned as follows:

5 (1) Micronesian Maritime Authority
6 \$441,795 for the outputs set forth in pages E-1-5 through E-1-7 of
7 the budget book.

8 (2) Board of Regents-COM-FSM
9 \$78,960 for the outputs set forth in page E-2-4 of the budget
10 book.

11 (3) FSM Coconut Development Authority
12 \$137,258 for the outputs set forth in page E-3-4 of the budget
13 book.

14 (4) FSM Banking Board
15 \$158,005 for the outputs set forth in page E-4-4 of the budget
16 book.

17 (5) FSM Postal Services
18 \$610,480 for the outputs set forth in pages E-5-5 through E-5-6 of
19 the budget book; PROVIDED that, prior to October 1, 2000, the FSM
20 Postal Service provides to the Committee on Judiciary and
21 Governmental Operations of the Congress of the Federated States of
22 Micronesia, through its chairman, a full allocation of the funds
23 appropriated across such outputs, with related deliverables.

24 (6) FSM National Fisheries Corporation
25 \$275,000 to subsidize the flight operations of the National
26 Fisheries Corporation and repayment of OPIC loan.

27 Section 7. Special programs. The sum of \$2,051,601, or so
28 much thereof as may be necessary, is hereby appropriated from the
29 General Fund of the Federated States of Micronesia for the fiscal

1 year ending September 30, 2001, for the following special programs
2 during fiscal year 2001. The sum appropriated by this section
3 shall be apportioned as follows:

4 (1) FSM Aquaculture Center
5 \$123,319 for the outputs set forth in page F-1-4 of the budget
6 book.

7 (2) Joint Committee on Compact Economic Negotiations (JCN)
8 \$956,082 for the outputs set forth in page F-2-5 of the budget
9 book.

10 (3) National Government Early Retirement Loan Repayment
11 Fund
12 \$972,200 for the repayment of the Asian Development Bank financed
13 early retirement loan.

14 Section 8. Grants, subsidies and contributions. The sum of
15 \$3,549,791, or so much thereof as may be necessary, is hereby
16 appropriated from the General Fund of the Federated States of
17 Micronesia for the fiscal year ending September 30, 2001, for the
18 following grants, subsidies and contributions during fiscal year
19 2001. The sum appropriated by this section shall be apportioned
20 as follows:

21 (1) Department of Foreign Affairs

22 (a) Forum Secretariat	\$ 35,000
23 (b) The Pacific Community	30,000
24 (c) South Pacific Regional	
25 Environmental Program (SPREP)	7,375
26 (d) United Nations Economic and	
27 Social Commission for Asia and the Pacific (ESCAP) ...	5,000
28 (e) UN membership fees	180,000
29 (f) East West Center	10,000

1	(2) Department of Economic Affairs	
2	(a) Pacific Island Development	
3	Program	15,000
4	(b) Forum Fisheries Agency (FFA)	21,000
5	(c) UN Development Program	3,000
6	(d) Coord. Commission for Offshore	
7	Mineral Prospecting (CCOMP)	\$ 8,000
8	(e) Plant Protection Program	60,000
9	(f) Pacific Asian Travel Association	5,000
10	(g) FSM Giant Clam Culture	11,440
11	(h) FSM Coastal Fisheries Consortium	11,702
12	(i) National Plant Protection and	
13	Quarantine Communication	29,700
14	(j) International Pepper Association	15,000
15	(3) Department of Health, Education and	
16	Social Affairs	
17	(a) UN Fund for Population Activity	
18	(UNFPA)	3,000
19	(b) Aid to non-public schools	400,000
20	(c) Financial assistance for	
21	students studying at CMI and PCC, PROVIDED that the	
22	program of study is not available at COM National or	
23	State campuses	50,000
24	(d) Continental Airlines Scholarship	35,000
25	(e) World Health Organization (WHO)	41,385
26	(f) National Board of Nursing	38,000
27	(g) Pacific Islands Health Officers	
28	Association (PIHOA)	20,000
29	(h) National Close-Up Local	

1	Program	5,000
2	(i) FSM Amateur Sports Association	35,000
3	(j) Third FSM Games in Yap	\$ 770,000
4	(4) Department of Justice; PROVIDED that, no	
5	funds appropriated for Joint Law Enforcement purposes	
6	may be used for travel or to purchase vehicles	
7	(a) Kosrae Joint Law Enforcement	70,000
8	(b) Pohnpei Joint Law Enforcement	140,000
9	(c) Chuuk Joint Law Enforcement	160,000
10	(d) Yap Joint Law Enforcement	90,000
11	(5) Department of Transportation,	
12	Communication and Infrastructure	
13	(a) Asia Pacific Telecommunity	9,000
14	(b) International Telecommunication	
15	Union	57,639
16	(c) International Civil Aviation	
17	Organization	28,050
18	(d) Micronesian Shipping Commission	10,000
19	(6) Coconut Development Authority	
20	(a) Copra Subsidy	200,000
21	(b) Asia Pacific Coconut Community	20,500
22	(7) Other grants, subsidies and	
23	contributions	
24	(a) Kosrae Judiciary	
25	(i) unrestricted	30,000
26	(ii) law school scholarships	35,000
27	(b) Pohnpei Judiciary	90,000
28	(c) Chuuk Judiciary	\$ 90,000
29	(d) Yap Judiciary	70,000

1	(e) COM Treaty Obligation	25,000
2	(f) Micronesian Legal Services	
3	Corporation	150,000
4	(g) National Elections for Congress and	
5	Constitutional Convention Delegates	300,000
6	(h) Pre-Constitutional Convention	30,000
7	(i) Constitutional Convention	100,000

8 Section 9. Energy budget. The sum of \$348,000, or so much
9 thereof as may be necessary, is hereby appropriated from the
10 General Fund of the Federated States of Micronesia for the fiscal
11 year ending September 30, 2001, to pay utility bills for National
12 Government offices, operate and maintain standby generators, and
13 establish energy conservation programs. The funds appropriated
14 under this section shall be deemed to come from funds available
15 under section 214(b) of the Compact of Free Association.

16 Section 10. Operating expenses of the Telecommunications
17 Corporation. The sum of \$882,000, or so much thereof as may be
18 necessary, is hereby appropriated from the General Fund of the
19 Federated States of Micronesia for the fiscal year ending
20 September 30, 2001, for the operations of FSM Telecommunications
21 Corporation and other telecommunications projects. The funds
22 appropriated under this section shall be deemed to come from funds
23 available under section 215(a)(2) of the Compact of Free
24 Association. The sum appropriated by this section shall be
25 apportioned as follows:

26	(1) Grant to FSM Telecommunication for the	
27	operation of Earth Stations	\$ 882,000

28 Section 11. Compact section 216(a)(2) programs. The sum of
29 \$118,000, or so much thereof as may be necessary, is hereby

1 appropriated from the General Fund of the Federated States of
2 Micronesia for the fiscal year ending September 30, 2001, for
3 health and medical referral and other Compact section 216(a)(2)
4 programs and projects. The funds appropriated under this section
5 shall be deemed to come from funds available under section
6 216(a)(2) of the Compact of Free Association.

7 Section 12. Compact section 221(b) programs. The sum of
8 \$353,567, or so much thereof as may be necessary, is hereby
9 appropriated from the General Fund of the Federated States of
10 Micronesia for the fiscal year ending September 30, 2001, for
11 health and education programs. The funds appropriated under this
12 section shall be deemed to come from funds available under section
13 221(b) of the Compact of Free Association. The sum appropriated
14 by this section shall be apportioned as follows:

15	(1) Health service programs	
16	(a) Professional Support Services	\$ 5,145
17	(b) Health Planning and Workforce	
18	Development	7,490
19	(c) Health and Vital Statistics	38,394
20	(d) Tuberculosis Prevention	\$ 6,673
21	(e) Leprosy Prevention and Control	7,000
22	(f) Family Health/Planning	7,872
23	(g) Health Education	3,000
24	(h) Immunization Program	6,000
25	(i) Sexually Transmitted Disease	5,000
26	(j) Maternal and Child Health	5,000
27	(k) Mental Health Services	14,000
28	(l) Substance Abuse Prevention	7,128
29	(m) AIDS Prevention and Control	6,786

1	(n) Tobacco Prevention and Control	5,239
2	(o) Food Inspection	13,249
3	(p) Nutrition Services Program	8,498
4	(q) National Women's Interest	11,126
5	(r) National Youth Activities	5,518
6	(s) Youth Leadership Conference	8,497
7	(t) Boy Scout Program	2,000
8	(u) Sports Development Program	17,451
9	(v) Diabetes Prevention and Control	5,000
10	(2) Education programs	
11	(a) National Standardization	38,943
12	(b) Education Ties Economic Growth	25,579
13	(c) College Admission Counseling	34,951
14	(d) National Education Standards	19,487
15	(e) Civic Education and FSM History	38,541

16 Section 13. College of Micronesia-FSM. The sum of
17 \$3,300,000, or so much thereof as may be necessary, is hereby
18 appropriated from the General Fund of the Federated States of
19 Micronesia for the fiscal year ending September 30, 2001, for
20 operations and maintenance costs of the College and for student
21 assistance and for planning and construction of new facilities.
22 Of the total funds appropriated under this section, \$300,000 shall
23 be deemed to come from funds available under section 216(a)(3) of
24 the Compact of Free Association. The sum appropriated by this
25 section shall be apportioned as follows:

26 (1) Operations and maintenance of the
27 College of Micronesia-FSM\$ 3,000,000

28 (2) Student assistance, PROVIDED that these funds
29 shall be used strictly for direct financial assistance

1 to COM-FSM students, for the purpose of helping them
2 meet their tuition and housing obligations, and PROVIDED
3 FURTHER that these funds may be used only to supplement
4 some payment that must be made by the students and their
5 parents, and PROVIDED FURTHER that the co-payment by the
6 student or the student's parent must be proportionally
7 the same for each in relation to their total obligation,
8 and PROVIDED FURTHER that only students with a passing
9 grade point average will be eligible to receive these
10 funds. The funds appropriated under this subsection
11 shall be apportioned as follows:

12	(a) General assistance	\$ 295,000
13	(b) Assistance for courses in Micronesian	
14	Government and Politics	5,000

15 Section 14. Micronesian Maritime Fisheries Academy - COM
16 The sum of \$450,000, or so much thereof as may be necessary, is
17 hereby appropriated from the General Fund of the Federated States
18 of Micronesia for the fiscal year ending September 30, 2001, to
19 defray costs associated with the instruction of students and the
20 operations and maintenance of the Micronesian Maritime Fisheries
21 Academy, administered by the College of Micronesia.

22 Section 15. Post-secondary educational assistance. The sum
23 of \$1,039,700, or so much thereof as may be necessary, is hereby
24 appropriated from the General Fund of the Federated States of
25 Micronesia for the fiscal year ending September 30, 2001, for the
26 purpose of providing post-secondary educational assistance. Of
27 the funds appropriated under this section, \$974,000 shall be
28 deemed to come from funds available under section 216(a)(3) of the
29 Compact of Free Association. The sum appropriated by this section

1 shall be apportioned as follows:

2	(1) Kosrae State	
3	(a) all programs of study	\$ 110,000
4	(b) vocational studies such as marine	
5	studies	18,661
6	(2) Pohnpei State	288,003
7	(3) Chuuk State	
8	(a) Scholarship, PROVIDED that the funds	
9	be used strictly for rewarding those students who	
10	achieve the highest grade point averages, being mindful	
11	of both the courses undertaken and the institutions at	
12	which the grades were attained. The more rigorous	
13	courses undertaken by students at institutions	
14	requiring a higher grade point entry, should	
15	accordingly, be weighted more favorably. The selection	
16	committee is required to provide to the State	
17	Scholarship Coordinator, copies of all documents which	
18	would provide details of the applicants, their grade	
19	point average, the courses studied and the institution	
20	attended, as well as the names of those applicants who	
21	are selected to receive a scholarship and the amount	
22	proposed. This requirement must be satisfied prior to	
23	the release of scholarship funds to those students	
24	selected. By this means the transparency of the	
25	selection process will be improved and rumors of unfair	
26	selection practices will be	
27	dispelled	\$ 150,000
28	(b) Grants	261,716
29	(4) Yap State	161,320

1 (5) Post-Graduate assistance-all states 50,000

2 Section 16. Capital development. The sum of \$1,133,600, or
3 so much thereof as may be necessary, is hereby appropriated from
4 the General Fund of the Federated States of Micronesia for the
5 fiscal year ending September 30, 2001, for capital improvement and
6 development programs and projects. Of the total funds
7 appropriated under this section, \$1,001,600 shall be deemed to
8 come from capital account funds available under section 211 of the
9 Compact of Free Association. The sum appropriated by this section
10 shall be apportioned as follows:

11	(1) Staff upgrading (Div. of Personnel)	\$ 100,000
12	(2) National Visitors Bureau	-0-
13	(3) Micro-entrepreneur Dev. Center	66,000
14	(4) FSM Solar desalination	-0-
15	(5) FSM Census	-0-
16	(6) Ms. Caroline Island dry docking	150,000
17	(7) Ms. Voyager dry docking	350,000
18	(8) Health Facilities	
19	(a) Yap Health Centers	40,000
20	(b) Faichuk Community Health Center	66,000
21	(9) Construction of a baseball field at COM-FSM	236,600
22	(10) Public Auditor's office building	125,000

23 Section 17. Employment ceilings. The maximum number of
24 positions for each branch of the National Government shall be as
25 follows:

26	(1) Executive Branch	416
27	(2) Legislative Branch	56
28	(3) Judiciary Branch	26
29	(4) Public Auditor	15

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

10 Section 18. Reprogramming. Reprogramming shall be effected
11 by specifying the outputs for which funding is either increased or
12 decreased. The President may reprogram up to ten percent to and
13 from the funds appropriated to each department and office in
14 section 2 (Operating Expenses of the Executive Branch).

15 Section 19. Allotment and management of funds and lapse
16 date.

17 (1) General Provisions.

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

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

26 (c) No purchase order or contract for the purchase of
27 a fixed asset with a value of \$1,000 or more shall be approved
28 until the property inventory records of the requesting entity are
29 updated, current, and on file with the Department of Finance and

1 Administration, in accordance with law.

2 (d) No purchase order or contract for the purchase of
3 photocopying equipment, computers, or vehicles shall be approved
4 until the requesting department or branch of government has on
5 file, with the Department of Finance and Administration, a plan
6 for the centralized maintenance of such equipment, computers and
7 vehicles.

8 (2) Specific provisions. Within section 15, the funds
9 appropriated to Pohnpei State under subsection (2) of this act and
10 the funds appropriated to Chuuk State under subsection (3) of this
11 act shall be retained in the General Fund of the Federated States
12 of Micronesia until a scholarship recipient is identified to the
13 President or the President's designee, at which time scholarship
14 funds in the amount of the scholarship award shall be disbursed
15 directly to the educational institution in the form of a two-party
16 check payable to both the scholarship recipient and the
17 educational institution he or she is attending.

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

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

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

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

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

29 (e) sections 6 through 16 - the allottee of these

1 funds shall be the President of the Federated States of Micronesia
2 or his designee; EXCEPT THAT for the following subsections of
3 sections 6 through 16 of this act, the allottees shall be:

4 (i) section 8, subsection 4 - the allottee of
5 these funds shall be the Governor of the respective State, or his
6 designee;

7 (ii) section 8, subsection 7(a), (b), (c) and (d)
8 - the allottee of these funds shall be the Chief Justice of the
9 respective State;

10 (iii) section 13, subsection 2 - the allottee of
11 these funds shall be the President of the College of Micronesia-
12 FSM;

13 (iv) section 15, subsections (1), (2), (3), and
14 (4) - the allottee of these funds shall be the Governor of the
15 respective State.

16 (4) Lapse date. The authority of the allottees to obligate
17 funds appropriated by this act shall lapse as of September 30,
18 2001.

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

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Leo A. Falcam
President
Federated States of Micronesia