

AN ACT

To appropriate the sum of \$28,360,949, from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2005, 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 capital and human resource development budget, and for other purposes.

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

1 Section 1. Definitions.

2 (1) "Activities" means that set of activities set forth in
3 the performance budget pages of the budget book for each
4 department, office, agency or program. An activity is a general
5 policy objective, the achievement of which can be measured. An
6 activity is part of a strategic goal and will result in a certain
7 amount or number of outputs or units of work.

8 (2) "Amended Compact" means the Compact of Free
9 Association, as amended, and its related agreements entered into
10 by and between the Government of the United States and the
11 Government of the Federated States of Micronesia and enacted as
12 United States Public Law No. 108-188 and as approved and ratified
13 by the Government of the Federated States of Micronesia.

14 (3) "Budget book" means the document entitled "Federated
15 States of Micronesia National Government Fiscal Year 2005 Proposed
16 Budget", which was transmitted by the President to the Speaker of
17 the Congress of the Federated States of Micronesia on March 30,

1 2004.

2 (4) "Performance budget pages" means those pages in the
3 budget book that set forth the mission, strategic goals,
4 activities, objectives and outputs for each department or agency.

5 Section 2. Operating expenses of the Executive Branch. The
6 sum of \$13,482,522, or so much thereof as may be necessary, is
7 hereby appropriated from the General Fund of the Federated States
8 of Micronesia for the fiscal year ending September 30, 2005, for
9 the operations of the Executive Branch of the National Government
10 during fiscal year 2005. The sum appropriated by this section
11 shall be apportioned as follows:

12 (1) Office of the President
13 \$670,864, for the activities set forth in the performance budget
14 pages 1 through 2 of the budget book.

15 (2) Department of Foreign Affairs
16 \$3,397,792, for the activities set forth in the performance budget
17 pages 20 through 24 of the budget book.

18 (3) Department of Finance and Administration
19 \$2,795,932, for the activities set forth in the performance budget
20 pages 73 through 77 of the budget book, provided that \$500,000 of
21 this amount shall be used to fund a portion of the deficit
22 recorded by the National Government at the close of fiscal year
23 2003, and further provided that said sum shall not be applied to
24 the deficit until the Department has reported to Congress under
25 oath as to the accounts in deficit, the amount of the deficit in

1 each account, and the account(s) to which the \$500,000 will be
2 applied.

3 (4) Department of Economic Affairs
4 \$1,071,353, for the activities set forth in the performance budget
5 pages 126 through 132 of the budget book.

6 (5) Department of Transportation, Communication and
7 Infrastructure
8 \$1,131,922, for the activities set forth in the performance budget
9 pages 183 through 185 of the budget book.

10 (6) Department of Health, Education and Social Affairs
11 \$1,476,808, for a portion of the activities set forth in the
12 performance budget pages 210 through 216 of the budget book. Of
13 the total funds appropriated, \$475,200 shall be deemed to come
14 from funds available under the education sector of the Amended
15 Compact, \$763,234 from the health sector, and \$111,421 from the
16 environment sector.

17 (7) Department of Justice
18 \$2,382,338, for the activities set forth in the performance budget
19 pages 339 through 342 of the budget book provided that no more
20 than \$31,000 of this amount may be expended on fuel oil for
21 National Police Patrol boats until the Department has submitted to
22 Congress an accounting concerning the use of fuel oil for this
23 purpose in fiscal year 2004, including a description of each trip
24 taken and the amount and cost of fuel used for each trip.

25 (8) FSM Public Defender Office

1 \$555,513, for the activities set forth in the performance budget
2 pages 372 through 373 of the budget book.

3 Section 3. Operating expenses of the Legislative Branch.

4 The sum of \$2,788,077, or so much thereof as may be necessary, is
5 hereby appropriated from the General Fund of the Federated States
6 of Micronesia for the fiscal year ending September 30, 2005, for
7 the operations of the Legislative Branch of the National
8 Government during fiscal year 2005 in order to achieve the
9 activities set forth in the performance budget pages 380 through
10 381 of the budget book.

11 Section 4. Operating expenses of the National Judiciary
12 Branch.

13 The sum of \$1,191,055, 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, 2005, for
16 the operations of the Judiciary Branch of the National Government
17 during fiscal year 2005 in order to achieve the activities set
18 forth in the performance budget pages 406 through 408 of the
19 budget book.

20 Section 5. Operating expenses of the Public Auditor Office.

21 The sum of \$665,028, or so much thereof as may be necessary, is
22 hereby appropriated from the General Fund of the Federated States
23 of Micronesia for the fiscal year ending September 30, 2005, for
24 the operations of the Office of the FSM Public Auditor during
25 fiscal year 2005 in order to achieve the activities set forth in

1 the performance budget page 417 of the budget book. All funds
2 appropriated herein shall be deemed to come from funds available
3 under the capacity building sector of the Amended Compact, except
4 that \$107,000 shall be funded from domestic revenues and applied
5 to the cost of the annual Single Audit.

6 Section 6. Operating expenses of agencies of the National
7 Government.

8 The sum of \$1,443,340, or so much thereof as may be necessary, is
9 hereby appropriated from the General Fund of the Federated States
10 of Micronesia for the fiscal year ending September 30, 2005, for
11 the operations of the following boards, commissions and agencies
12 during fiscal year 2005. The sum appropriated by this section
13 shall be apportioned as follows:

14 (1) National Oceanic Resource Management Authority.

15 \$397,357, for the activities set forth in the performance budget
16 pages 425 through 427 of the budget book.

17 (2) Board of Regents - COM-FSM.

18 \$84,460, for the activities set forth in the performance pages 435
19 through 436 of the budget book.

20 (3) FSM Coconut Development Authority

21 \$109,346, for the activities set forth in the performance budget
22 pages 440 through 441 of the budget book.

23 (4) FSM Banking Board

24 \$138,388, for the activities set forth in the performance budget
25 pages 447 through 448 of the budget book.

1 (5) FSM Postal Services
2 \$613,789, for the activities set forth in the performance budget
3 pages 454 through 456 of the budget book.

4 (6) FSM National Fisheries Corporation
5 \$100,000 for the activities set forth in the performance budget
6 page 463 of the budget book.

7 Section 7. Special Programs.

8 The sum of \$562,949, or so much thereof as may be necessary, is
9 hereby appropriated from the General Fund of the Federated States
10 of Micronesia for the fiscal year ending September 30, 2005, for
11 the following special programs during fiscal year 2005. The sum
12 appropriated by this section shall be apportioned as follows:

13 (1) FSM Aquaculture Center
14 \$91,833 for the activities set forth in the performance budget
15 page 467 of the budget book.

16 (2) Office of the National Election Director
17 \$456,116 for the activity set forth in the performance budget page
18 473 of the budget.

19 (3) National Authorizing Committee (APU/EU/Cotonou
20 Agreement)
21 \$15,000, for the activity set forth in the performance budget page
22 481 of the budget book.

23 Section 8. Grants, Subsidies and Contributions.

24 The sum of \$1,689,691 or so much thereof as may be necessary, is
25 hereby appropriated from the General Fund of the Federated States

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1 of Micronesia for the fiscal year ending September 30, 2005, for
2 the following grants, subsidies and contributions during fiscal
3 year 2005. The sum appropriated by this section shall be
4 apportioned as follows:

5	(1) Department of Foreign Affairs	
6	(a) Forum Secretariat	\$ 35,000
7	(b) The Pacific Community	17,000
8	(c) United Nations Economic and Social	
9	Commission for Asia and the Pacific (ESCAP)	5,000
10	(d) United Nations Membership Fee	60,000
11	(e) East-West Center	10,000
12	(2) Department of Economic Affairs	
13	(a) Pacific Islands Development Program	\$ 15,000
14	(b) Forum Fisheries Agency (FFA)	21,000
15	(c) United Nations Development Program	
16	(UNDP)	3,000
17	(d) Coordinating Commission for	
18	Offshore Mineral Prospecting (CCOMP)	15,000
19	(e) Pacific Asia Travel Association	
20	(PATA)	5,000
21	(f) United Nations Environmental Protection	
22	Agency (UNPA)	600
23	(g) Western Forestry Leadership Coalition	500
24	(h) Seaframe Project	1,500
25	(i) Food Agriculture Organization (FAO) ..	4,700

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1	(3) Department of Health, Education and Social	
2	Affairs	
3	(a) United Nations Funds for	
4	Population Activity	3,000
5	(b) South Pacific Regional Environmental	
6	Program (SPREP)	7,375
7	(c) Aid to Non-Public Schools	300,000
8	(d) Financial Assistance for FSM Students	
9	at College of Marshall Islands (CMI) and Palau Community	
10	College (PCC)	50,000
11	(e) World Health Organization (WHO)	
12	Membership Fee	\$ 41,385
13	(f) National Board of Nursing	38,000
14	(g) Pacific Islands Health Officers	
15	Association (PIHOA)	20,000
16	(h) National Close-Up Local Program	64,000
17	(i) FSM Amateur Sports Association	20,000
18	(j) College of Micronesia Board	5,000
19	(k) Association of Territorial Health	
20	Association	2,000
21	(l) FSM Red Cross	64,000
22	(m) United National Economic and Social	
23	Cooperation (UNESCO)	13,941
24	(4) Department of Transportation, Communication	
25	and Infrastructure	

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1	(a) Asia Pacific Telecommunity	7,640
2	(b) International Telecommunication Union	
3	(ITU)	55,000
4	(c) International Civil Aviation	
5	Organization	28,050
6	(d) Micronesian Shipping Commission	-0-
7	(e) Utilities for FSM Capital	300,000
8	(5) Coconut Development Authority	
9	(a) Copra Subsidy	75,000
10	(b) Asia Pacific Coconut Community	15,500
11	(6) Other Grants, Subsidies and Contributions	
12	(a) Kosrae Judiciary	\$ 37,500
13	(b) Pohnpei Judiciary	40,500
14	(c) Chuuk Judiciary	40,500
15	(d) Yap Judiciary	35,000
16	(e) Micronesian Legal Services (MLSC)	100,000
17	(f) COM Treaty Obligations	25,000
18	(g) State Law Enforcement	100,000
19	(h) ACP/EU Membership Fee	8,000

20 Section 9. Capital and Human Resource Development.

21 The sum of \$6,538,287, or so much thereof as may be necessary, is
22 hereby appropriated from the General Fund of the Federated States
23 of Micronesia for the fiscal year ending September 30, 2005, for
24 the following capital improvements, development programs and
25 projects and human resource development. The sum appropriated

1 under this section shall be apportioned as follows:

2 (1) College of Micronesia-FSM

3 (a) Operations of the College of Micronesia-FSM,

4 including planning, construction and maintenance of

5 college facilities. All funds appropriated herein shall be deemed

6 to come from funds available under the education sector of the

7 Amended Compact \$ 3,8

8 (b) Student assistance for tuition and

9 housing, COM-FSM 190,000

10 (c) COM-FSM Yap Campus Facility, PROVIDED

11 THAT funds appropriated herein shall be deemed to come

12 from funds available under the infrastructure

13 development sector of the Amended Compact\$ 330,000

14 (d) FSM Fisheries and Maritime Institute,

15 including operations, planning, training, and construction and

16 maintenance of facilities and equipment. Of this

17 amount \$180,050, shall be deemed to come from funds

18 available under the education sector of the

19 Amended Compact 463

20 (2) National Staff Upgrading, PROVIDED THAT funds

21 appropriated herein shall be deemed to come from funds

22 available under the capacity building sector of the

23 Amended Compact 50,000

24 (3) FSM Visitor Bureau 100,000

25 (4) Economic Statistics Unit

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1	Strengthening	75,000
2	(5) Crop Production Improvement	27,300
3	(6) Public Enterprise Privatization	66,560
4	(7) 2005 World Exposition (Japan)	-0-
5	(8) FSM Development Bank - Business Development	
6	Loan Program	500,000
7	(9) MS Caroline Voyager Drydocking	630,000
8	(10) Project Management Unit (PMU), PROVIDED THAT	
9	the sum appropriated in this line item shall be deemed	
10	to come from funds available under the infrastructure	
11	development sector of the Amended Compact	250,000
12	Section 10. All funds appropriated in this Act shall be	
13	expended only in accordance with the decisions of Congress in	
14	approving the budget as reflected in the relevant Standing	
15	Committee Reports, and as amended on the floor by actions of	
16	Congress.	
17	Section 11. <u>Employment ceilings</u> . The maximum	
18	number of positions for each branch and agency of the	
19	National Government for fiscal year 2005 shall be as follows:	
20	(1) Executive Branch	427
21	(2) Legislative Branch	59
22	(3) Judiciary Branch	31
23	(4) Public Auditor	16
24	(5) Agencies	
25	(a) National Oceanic Resource Management	

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1	Authority	11
2	(b) Coconut Development Authority.....	4
3	(c) National Postal Services.....	38
4	(d) FSM Banking Board.....	4
5	(6) Special Programs	
6	(a) FSM Aquaculture Center.....	4
7	(b) Office of National Election Director	11

8 Section 12. Reprogramming.

9 Reprogramming to or from personnel budget items shall not be
10 permitted. Funds appropriated under section 2 of this act and
11 apportioned to a department or office under sections 2(1) through
12 2(8) of this act shall not be reprogrammed to or from such
13 department or office. Reprogramming within a department or agency
14 shall be effected by the head of such department by specifying in
15 writing to the Secretary of the FSM Department of Finance and
16 Administration, the activities for which funding is either
17 increased or decreased.

18 Section 13. Allotment and management of funds and lapse
19 date.

20 (1) General Provisions.

21 (a) All funds appropriated by this act shall be
22 allotted, managed, administered, and accounted for in accordance
23 with applicable law, including, but not limited to, the Financial
24 Management Act of 1979 and the Amended Compact of Free Association
25 between the United States Government and the Government of the

1 Federated States of Micronesia.

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

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

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

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

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

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

17 (e) section 6 through 9 - the allottee of these
18 funds shall be the President of the Federated States of
19 Micronesia; EXCEPT THAT for the following subsections of section 6
20 through 9 of this act, the allottees shall be:

21 (i) section 8, subsection (6)(a) through (6)(d)
22 - the allottee of these funds shall be the Chief Justice of the
23 respective state;

24 (ii) section 9, subsection (1)(a) through (1)(d)
25 - the allottee of these funds shall be the President of the

1 College of Micronesia-FSM;

2 (3) Lapse Dates. The authority of the allottees to
3 obligate funds appropriated by this act shall lapse as of
4 September 30, 2005, EXCEPT that funds appropriated under section 9
5 of this act shall not lapse.

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7 Section 14. This act shall become law upon approval by the President

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10 July 9th, 2004

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15 /s/ Joseph J. Urusemal

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Joseph J. Urusemal
President
Federated States of Micronesia

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