

AN ACT

To appropriate the sum of \$7,473,242 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2004, for the purpose of funding for the first quarter of the fiscal year ending September 30, 2004, certain 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) "Budget book" means the document entitled Federated  
3 States of Micronesia National Government Fiscal Year 2004 Proposed  
4 Budget transmitted by the President to the Speaker of the Congress  
5 of the Federated States of Micronesia on April 30, 2003.

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

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

15           Section 2. Operating expenses of the Executive Branch. The  
16 sum of \$3,245,770, or so much thereof as may be necessary, is

1 hereby appropriated from the General Fund of the Federated States  
2 of Micronesia for the fiscal year ending September 30, 2004, for  
3 the operations of the Executive Branch of the National Government  
4 during the first quarter of fiscal year 2004. The sum  
5 appropriated by this section shall be apportioned as follows:

6 (1) Office of the President

7 \$167,716, for the activities set forth in the performance budget  
8 pages 1 through 3 of the budget book.

9 (2) Department of Foreign Affairs

10 \$823,726, for the activities set forth in the performance budget  
11 pages 21 through 26 of the budget book.

12 (3) Department of Finance and Administration

13 \$520,939, for the activities set forth in the performance budget  
14 pages 74 through 78 of the budget book.

15 (4) Department of Economic Affairs

16 \$287,737, for the activities set forth in the performance budget  
17 pages 115 through 122 of the budget book.

18 (5) Department of Transportation, Communication and

19 Infrastructure

20 \$302,813, for the activities set forth in the performance budget  
21 pages 172 through 175 of the budget book.

22 (6) Department of Health, Education and Social Affairs

23 \$353,041, for the activities set forth in the performance budget  
24 pages 202 through 209 of the budget book.

25 (7) Department of Justice

1 \$669,709, for the activities set forth in the performance budget  
2 pages 330 through 334 of the budget book.

3 (8) FSM Public Defender Office  
4 \$120,091, for the activities set forth in the performance budget  
5 pages 364 through 365 of the budget book.

6 Section 3. Operating expenses of the Legislative Branch.

7 The sum of \$778,987, or so much thereof as may be necessary, is  
8 hereby appropriated from the General Fund of the Federated States  
9 of Micronesia for the fiscal year ending September 30, 2004, for  
10 the operations of the Legislative Branch of the National  
11 Government during fiscal year 2004 in order to achieve the  
12 activities set forth in the performance budget pages 372 through  
13 373 of the budget book.

14 Section 4. Operating expenses of the National Judiciary  
15 Branch.

16 The sum of \$242,268, 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, 2004, for  
19 the operations of the Judiciary Branch of the National Government  
20 during fiscal year 2004 in order to achieve the activities set  
21 forth in the performance budget pages 398 through 400 of the  
22 budget book.

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

24 The sum of \$126,388, or so much thereof as may be necessary, is  
25 hereby appropriated from the General Fund of the Federated States

1 of Micronesia for the fiscal year ending September 30, 2004, for  
2 the operations of the Office of the FSM Public Auditor during  
3 fiscal year 2004 in order to achieve the activities set forth in  
4 the performance budget pages 409 through 410 of the budget book.

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

7 The sum of \$372,925, or so much thereof as may be necessary, is  
8 hereby appropriated from the General Fund of the Federated States  
9 of Micronesia for the fiscal year ending September 30, 2004, for  
10 the operations of the following boards, commissions and agencies  
11 during fiscal year 2004. The sum appropriated by this section  
12 shall be apportioned as follows:

13 (1) National Oceanic Resource Management Authority  
14 \$95,197, for the activities set forth in the performance budget  
15 pages 418 through 420 of the budget book.

16 (2) Board of Regents - COM-FSM  
17 \$21,115, for the activities set forth in the performance pages 428  
18 through 429 of the budget book.

19 (3) FSM Coconut Development Authority  
20 \$28,883, for the activities set forth in the performance budget  
21 pages 434 of the budget book.

22 (4) FSM Banking Board  
23 \$34,596, for the activities set forth in the performance budget  
24 pages 440 through 442 of the budget book.

25 (5) FSM Postal Services

1 \$153,134, for the activities set forth in the performance budget  
2 pages 448 through 450 of the budget book.

3 (6) FSM National Fisheries Corporation  
4 \$39,000 for the activities set forth in the performance budget  
5 page 458 of the budget book.

6 Section 7. Special Programs.

7 The sum of \$160,421, or so much thereof as may be necessary, is  
8 hereby appropriated from the General Fund of the Federated States  
9 of Micronesia for the fiscal year ending September 30, 2004, for  
10 the following special programs during fiscal year 2004. The sum  
11 appropriated by this section shall be apportioned as follows:

12 (1) FSM Aquaculture Center  
13 \$22,958 for the activities set forth in the performance budget  
14 page 462 of the budget book.

15 (2) Joint Committee on Compact Economic Negotiations (JCN)  
16 \$74,250, for the activities set forth in the performance budget  
17 pages 468 through 469 of the budget book.

18 (3) Office of the National Election Director  
19 \$59,463 for the activities set forth in the performance budget  
20 page 475 of the budget book.

21 (4) National Authorizing Committee (APU/EU/Cotonou  
22 Agreement)  
23 \$3,750, for the activity set forth in the performance budget page  
24 482 of the budget book.

25 Section 8. Grants, Subsidies and Contributions.

1 The sum of \$682,445 or so much thereof as may be necessary, is  
 2 hereby appropriated from the General Fund of the Federated States  
 3 of Micronesia for the fiscal year ending September 30, 2004, for  
 4 the following grants, subsidies and contributions during fiscal  
 5 year 2004. The sum appropriated by this section shall be  
 6 apportioned as follows:

7	(1) Department of Foreign Affairs	
8	(a) Forum Secretariat .....	\$ 8,750
9	(b) The Pacific Community .....	7,500
10	(c) United Nations Economic and Social	
11	Commission for Asia and the Pacific (ESCAP) .....	1,250
12	(d) United Nations Membership Fee .....	15,000
13	(e) East-West Center .....	2,500
14	(2) Department of Finance and Administration	
15	(a) ACP/EU (Cotonou) Membership Fee .....	2,000
16	(b) World Bank Group (Additional Membership	
17	Fee) .....	18,143
18	(3) Department of Economic Affairs	
19	(a) Pacific Islands Development Program ..	3,750
20	(b) Forum Fisheries Agency (FFA) .....	5,250
21	(c) United Nations Development Program	
22	(UNDP) .....	750
23	(d) Coordinating Commission for	
24	Offshore Mineral Prospecting (CCOMP) .....	2,000
25	(e) Intellectual Property Rights	

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1	Protection for FSM Biological Diversity .....	5,000
2	(f) Pacific Asian Travel Association	
3	(PATA) .....	\$ 1,250
4	(g) FSM Economic Summit .....	25,000
5	(h) National Implementing Strategy for	
6	Climate Change .....	6,250
7	(i) National Plant Protection Program ...	15,000
8	(j) Pohnpei and Yap Vulnerability	
9	Adaptation .....	12,500
10	(k) Privatization of Public Enterprises	
11	and Corporations (Government Reform) .....	33,280
12	(l) United Nations Environmental Protection	150
13	(m) Household Income and Expenditure Survey	37,881
14	(n) FSM Migration Statistics System .....	15,000
15	(o) FSM Giant Clam Culture .....	2,860
16	(p) FSM Coastal Fisheries Consortium .....	5,250
17	(4) Department of Health, Education and Social	
18	Affairs	
19	(a) United Nations Funds for	
20	Population Activity .....	750
21	(b) South Pacific Regional Environmental	
22	Program (SPREP) .....	1,844
23	(c) Aid to Non-Public Schools .....	62,500
24	(d) Financial Assistance for FSM Students	
25	at College of Marshall Islands (CMI) and Palau Community	

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1	College (PCC) .....	12,500
2	(e) World Health Organization (WHO)	
3	Membership Fee .....	\$ 10,346
4	(f) National Board of Nursing .....	9,500
5	(g) Pacific Islands Health Officers	
6	Association (PIHOA) .....	5,000
7	(h) National Close-Up Local Program .....	16,000
8	(i) FSM Amateur Sports Association .....	8,750
9	(j) College of Micronesia Board .....	1,250
10	(k) Association of Territorial Health	
11	Associations .....	500
12	(l) Basic Social Services Project; provided	
13	that the sum appropriated in this line item shall	
14	be deemed to come from carryover funds from Section	
15	221(b) of Compact I .....	16,574
16	(m) FSM Red Cross .....	16,000
17	(5) Department of Transportation, Communication	
18	and Infrastructure	
19	(a) Asia Pacific Telecommunity .....	1,910
20	(b) International Telecommunication Union	14,410
21	(c) International Civil Aviation	
22	Organization .....	7,013
23	(d) Micronesian Shipping Commission .....	2,500
24	(e) Utilities for FSM Capital .....	75,000
25	(6) Coconut Development Authority	



1	(a) Copra Subsidy .....	25,000
2	(b) Asia Pacific Coconut Community .....	3,875
3	(7) Other Grants, Subsidies and Contributions	
4	(a) Kosrae Judiciary	
5	(i) Unrestricted .....	\$ 6,250
6	(ii) Law school scholarships .....	10,000
7	(b) Pohnpei Judiciary .....	20,250
8	(c) Chuuk Judiciary .....	20,250
9	(d) Yap Judiciary .....	17,500
10	(e) Micronesian Legal Services (MLFC) ....	37,500
11	(f) COM Treaty Obligations .....	6,250
12	(g) FSM FEMA/Disaster Matching .....	50,000
13	(h) State Law Enforcement .....	38,250

14 Section 9. Capital and Human Resource Development.

15 The sum of \$1,586,848, or so much thereof as may be necessary, is  
 16 hereby appropriated from the General Fund of the Federated States  
 17 of Micronesia for the fiscal year ending September 30, 2004, for  
 18 capital improvement, development programs and projects and human  
 19 resource development. The sum appropriated under this section  
 20 shall be apportioned as follows:

21	(1) College of Micronesia-FSM	
22	(a) Operations of the College of Micronesia-FSM,	
23	including planning, construction and maintenance of	
24	college facilities .....	\$750,000
25	(b) Student assistance for tuition and	

1	housing to be deemed as deriving from carryover funds	
2	from section 216(a)(3) of the Compact I .....	118,750
3	(c) COM-FSM Chuuk Campus Facility .....	\$ 87,500
4	(d) FSM Fisheries and Maritime Institute .	177,098
5	(2) National Staff Upgrading .....	12,500
6	(3) FSM Visitor Bureau .....	-0-
7	(4) EMPAT Phase III .....	11,750
8	(5) 3 <sup>rd</sup> Convention of FSM Coastal Fisheries ....	4,351
9	(6) FSM Development Bank - Business Development	
10	Loan Program .....	-0-
11	(7) FSS Palikir Slipping .....	50,000
12	Section 10. <u>Employment ceilings</u> . The maximum	
13	number of positions for each branch and agency of the	
14	National Government shall be as follows:	
15	(1) Executive Branch .....	424
16	(2) Legislative Branch .....	58
17	(3) Judiciary Branch .....	27
18	(4) Public Auditor .....	16
19	(5) Agencies	
20	(a) National Oceanic Resource Management	
21	Authority .....	11
22	(b) Coconut Development Authority.....	3
23	(c) National Postal Services.....	38
24	(d) FSM Banking Board.....	4
25	(6) Special Programs	

1	(a) FSM Aquaculture Center .....	4
2	(b) Joint Committee on Compact Economic	
3	Negotiations .....	4
4	(c) Office of National Election Director	11

5 Section 11. Reprogramming.

6 Reprogramming to increase employee salary shall not be permitted.  
7 The President may reprogram up to ten percent to and from the  
8 funds appropriated to each department and office in section 2  
9 (Operating Expenses of the Executive Branch). Reprogramming  
10 within a department or agency shall be effected by the head of  
11 such department by specifying in writing to the Secretary of the  
12 Department of Finance and Administration, FSM National Government  
13 the activities for which funding is either increased or decreased.

14 Section 12. Allotment and management of funds and lapse  
15 date.

16 (1) General Provisions.

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

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

25 (2) Allottees. The allottees of the funds appropriated

1 by this act are as follows:

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

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

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

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

11 (e) section 6 through 9 - the allottee of these  
12 funds shall be the President of the Federated States of  
13 Micronesia; EXCEPT THAT for the following subsections of section 6  
14 through 9 of this act, the allottees shall be:

15 (i) section 8, subsection (7)(a) through (7)(d)  
16 - the allottee of these funds shall be the Chief Justice of the  
17 respective state;

18 (ii) section 9, subsection (1)(a) through (1)(d)  
19 - the allottee of these funds shall be the President of the  
20 College of Micronesia-FSM;

21 (3) Lapse Dates. The authority of the allottees to  
22 obligate funds appropriated by this act shall lapse as of  
23 September 30, 2004, EXCEPT that funds appropriated under section 9  
24 of this act shall not lapse.

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Section 13. This act shall become law upon approval by the President

September 29, 2003

/s/ Joseph J. Urusemal  
Joseph J. Urusemal  
President  
Federated States of Micronesia

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