

AN ACT

To amend Public Law No. 14-21, the FY 2006 budget, as amended, in order to provide supplemental funding for the fiscal year ending September 30, 2006, and for other purposes.

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

1 Section 1. The title of Public Law No. 14-21, as amended by
2 Public Law No. 14-50, is hereby amended to read as follows:

3 “To appropriate the sum of \$34,980,272 from the General
4 Fund of the Federated States of Micronesia for the
5 fiscal year ending September 30, 2006, for the purpose
6 of funding the operations of all branches of the
7 National Government of the Federated States of
8 Micronesia, its agencies, various programs, grants,
9 subsidies and contributions; to establish a capital and
10 human resource development budget, and for other
11 purposes.”

12 Section 2. Section 1 of Public Law No. 14-21, as amended by
13 Public Law No. 14-50, is hereby further amended to read as
14 follows:

15 “Section 1. Appropriation. There is hereby
16 appropriated from the General Fund of the Federated
17 States of Micronesia the sum of \$34,980,272 or so much
18 thereof as may be necessary, for the purpose of funding
19 the operations of all branches of the National
20 Government of the Federated States of Micronesia, its

1 agencies, various programs, grants, subsidies and
2 contributions and capital and human resource development
3 programs of the National Government of the Federated
4 States of Micronesia for the fiscal year ending
5 September 30, 2006. A deadline of December 1, 2005 is
6 hereby set for all branches of the National Government
7 to satisfy the requirements of section 103 of the
8 Financial Management Act of 1979. The sum appropriated
9 herein shall be apportioned as follows:"

10 Section 3. Section 2 of Public Law No. 14-21, as amended by
11 Public Law No. 14-50, is hereby further amended to read as
12 follows:

13 "Section 2. Operating expenses of the Executive Branch.
14 The sum of \$14,514,143, or so much thereof as may be
15 necessary, is hereby appropriated from the General Fund
16 of the Federated States of Micronesia for the fiscal
17 year ending September 30, 2006, for the purpose of
18 funding the operations of the Executive Branch of the
19 National Government during the fiscal year 2006. The
20 sum appropriated by this section shall be apportioned as
21 follows:

22 (1) Office of the President.

23 \$672,213, or so much thereof as may be necessary,
24 for the operations of the Office of the President during
25 the fiscal year 2006. The sum appropriated herein shall

1 be apportioned as follows:

2	Personnel	\$ 287,235
3	Travel	93,678
4	Contractual Services	190,000
5	OCE	\$ 86,300
6	Fixed Assets	15,000

7 (2) Department of Foreign Affairs.

8 \$3,200,651, or so much thereof as may be
9 necessary, for the operations of the
10 Department of Foreign Affairs during the
11 fiscal year 2006. The sum appropriated herein
12 shall be apportioned as follows:

13	Personnel	1,170,385
14	Travel	163,070
15	Contractual Services	1,607,406
16	OCE	259,790
17	Fixed Assets	

18 (3) Department of Finance and Administration

19 \$2,547,340, or so much thereof as may be
20 necessary, for the operations of the
21 Department of Finance and Administration
22 during the fiscal year 2006. The sum
23 appropriated herein shall be apportioned as
24 follows:

25	Personnel	1,294,277
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1	Travel	214,316
2	Contractual Services	622,027
3	OCE	371,353
4	Fixed Assets	45,367

5 (4) Department of Economic Affairs.

6 \$1,088,113, or so much thereof as may be
7 necessary, for the operations of the
8 Department of Economic Affairs during the
9 fiscal year 2006. The sum appropriated herein
10 shall be apportioned as follows:

11	Personnel	\$ 830,535
12	Travel	120,670
13	Contractual Services	5,309
14	OCE	121,599
15	Fixed Assets	10,000

16 (5) Department of Transportation, Communication
17 and Infrastructure.

18 \$1,366,142, or so much thereof as may be
19 necessary, for the operations of the
20 Department of Transportation, Communications
21 and Infrastructure during the fiscal year
22 2006. The sum appropriated herein shall be
23 apportioned as follows:

24	Personnel	579,126
25	Travel	101,968

1	Contractual Services	611,048
2	OCE	70,000
3	Fixed Assets	4,000

4 (6) Department of Health, Education and Social
5 Affairs.

6 \$1,935,991, or so much thereof as may be
7 necessary, for the operations of the
8 Department of Health, Education and Social
9 Affairs during the fiscal year 2006. Of the
10 total funds appropriated herein, \$359,081
11 shall be deemed to come from funds available
12 under the amended Compact for the education
13 sector, \$764,383 from the health sector,
14 \$380,474 from the Supplemental Education Grant
15 (SEG) and \$67,901 from the Compact I Section
16 221(b) Special Block Grant. The sum
17 appropriated herein shall be apportioned as
18 follows:

19	Personnel	\$ 935,875
20	Travel	447,667
21	Contractual Services	289,288
22	OCE	256,461
23	Fixed Assets	6,700

24 (7) Department of Justice.

25 \$2,714,435 or so much thereof as may be

1 necessary, for the operations of the
2 Department of Justice during the fiscal year
3 2006. The sum appropriated herein shall be
4 apportioned as follows:

5 Personnel	1,837,660
6 Travel	117,190
7 Contractual Services	\$ 239,900
8 OCE	498,185
9 Fixed Assets	21,500

10 (8) Office of the Public Defender.

11 \$720,917, or so much thereof as may be
12 necessary, for the operations of the Office of
13 the Public Defender during the fiscal year
14 2006. The sum appropriated herein shall be
15 apportioned as follows:

16 Personnel	456,941
17 Travel	130,000
18 Contractual Services	54,486
19 OCE	76,440
20 Fixed Assets	3,050

21 (9) Office of Compact Management.

22 \$268,341, or so much thereof as may be
23 necessary, for the operations of the Office of
24 Compact Management during the fiscal year
25 2006. The sum appropriated herein shall be

1	apportioned as follows:	
2	Personnel	85,841
3	Travel	98,000
4	Contractual Services	57,200
5	OCE	23,100
6	Fixed Assets	4,200"

7 Section 4. Section 3 of Public Law No. 14-21, as
8 amended by Public Law No. 14-50, is hereby amended to
9 read as follows:

10 "Section 3. Operating expenses of the Legislative
11 Branch.

12 The sum of \$3,203,226 or so much thereof as may be
13 necessary, is hereby appropriated from the General
14 Fund of the Federated States of Micronesia for the
15 fiscal year ending September 30, 2006, for the
16 operations of the Legislative Branch of the
17 National Government during the fiscal year 2006.

18 The sum appropriated by this section shall be
19 apportioned as follows:

20 (1) Speaker and Members.

21 \$1,542,771 or so much thereof as may
22 be necessary, for the operations of the Office
23 of the Speaker and Members of the Congress of
24 the Federated States of Micronesia during the
25 fiscal year 2006. The sum appropriated herein

1	shall be apportioned as follows:	
2	Personnel	\$ 415,290
3	Travel	479,881
4	Contractual Services PROVIDED THAT, the full	
5	amount appropriated for each member's	
6	representation fund shall be made available	
7	for use by that member, pending availability	
8	of funds, upon this act becoming law	\$ 597,600
9	OCE	50,000
10	Fixed Assets	-0-

11 (2) Staff Offices.

12 \$1,170,455, or so much thereof as may be
13 necessary, for the operations of the Congress
14 staff offices during the fiscal year 2006.

15 The sum appropriated herein shall be
16 apportioned as follows:

17	Personnel	704,024
18	Travel	119,371
19	Contractual Services	178,500
20	OCE	137,340
21	Fixed Assets	31,220

22 (3) Congress Delegation Offices.

23 \$490,000, or so much thereof as may be
24 necessary, for the operations of the Congress
25 delegation offices during the fiscal year

1	2006. The sum appropriated herein shall be	
2	apportioned as follows:	
3	(a) Kosrae Delegation	
4	Office	70,000
5	(b) Pohnpei Delegation	
6	Office	140,000
7	(c) Chuuk Delegation	
8	Office\$	210,000
9	(d) Yap Delegation	
10	Office	70,000"

11 Section 5. Section 5 of Public Law No. 14-21 is hereby
12 amended to read as follows:

13 "Section 5. Operating Expenses of the Public
14 Auditor's Office. The sum of \$707,895, or so
15 much thereof as may be necessary, is hereby
16 appropriated from the General Fund of the
17 Federated States of Micronesia for the fiscal
18 year ending September 30, 2006, for the
19 operations of the National Office of the
20 Public Auditor for the fiscal year 2006. The
21 sum appropriated by this section shall be
22 apportioned as follows:

23	Personnel	354,176
24	Travel	156,659
25	Contractual Services	123,260

1	OCE	61,800
2	Fixed Assets	12,000"

3 Section 6. Section 6 of Public Law No. 14-21, as
4 amended by Public Law No. 14-50, is hereby further
5 amended to read as follows:

6 "Section 6. Operating Expenses of agencies of the
7 National Government. The sum of \$1,475,130, or so much
8 thereof as may be necessary, is hereby appropriated from
9 the General Fund of the Federated States of Micronesia
10 for the fiscal year ending September 30, 2006, for the
11 operations of the following boards, commissions and
12 agencies during the fiscal year 2006. The sum
13 appropriated by this section shall be apportioned as
14 follows:

15 (1) National Oceanic Resource Management Authority
16 (NORMA).

17 \$379,806, or so much thereof as may be necessary,
18 for the operations of NORMA during the fiscal year 2006.
19 The sum appropriated herein shall be apportioned as
20 follows:

21	Personnel	\$ 192,506
22	Travel	50,000
23	Contractual Services	98,900
24	OCE	38,400
25	Fixed Assets	-0-

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

\$76,014, or so much thereof as may be necessary, for the operations of the Board of Regents, COM-FSM during the fiscal year 2006.

The sum appropriated herein shall be apportioned as follows:

Personnel	\$	-0-
Travel		40,914
Contractual Services		10,800
OCE		24,300
Fixed Assets		-0-

(3) Coconut Development Authority (CDA).

\$125,600, or so much thereof as may be necessary, for the operations of the Coconut Development Authority during the fiscal year 2006. The sum appropriated herein shall be apportioned as follows:

Personnel		68,471
Travel		10,469
Contractual Services		22,160
OCE		9,500
Fixed Assets		15,000

(4) FSM Banking Board.

\$132,357, or so much thereof as may be necessary, for the operations of the FSM

1 Banking Board during the fiscal year 2006.

2 The sum appropriated herein shall be
3 apportioned as follows:

4 Personnel	71,555
5 Travel	20,106
6 Contractual Services	15,700
7 OCE	\$ 21,996
8 Fixed Assets	3,000

9 (5) FSM Postal Services.

10 \$626,353, or so much thereof as may be
11 necessary, for the operations of the National
12 Postal Services during the fiscal year 2006.

13 The sum appropriated herein shall be
14 apportioned as follows:

15 Personnel	402,488
16 Travel	40,692
17 Contractual Services	98,273
18 OCE	84,900
19 Fixed Assets	-0-

20 (6) National Fisheries Corporation (NFC).

21 \$135,000, or so much thereof as may be
22 necessary, for the operations of the National
23 Fisheries Corporation during the fiscal year
24 2006. The sum appropriated herein shall be
25 apportioned as follows:

1	NFC operations subsidy	45,000
2	Air freight subsidy	90,000"

3 Section 7. Section 7 of Public Law No. 14-21 is
4 hereby amended to read as follows:

5 (1) Office of the National Election Director
6 \$305,807 for the operations of the National
7 Election Director's Office during the fiscal
8 year 2006. The sum appropriated by this
9 section shall be apportioned as follows:

10	Personnel	\$ 180,081
11	Travel	13,326
12	Contractual Services	27,100
13	OCE	37,800
14	Fixed Assets	47,500

15 Section 8. Section 8 of Public Law No. 14-21, as
16 amended by Public Law No. 14-50, is hereby further
17 amended to read as follows:

18 "Section 8. Grants, Subsidies and
19 Contributions. The sum of \$3,070,766, or so
20 much thereof as may be necessary, is hereby
21 appropriated from the General Fund of the
22 Federated States of Micronesia for the fiscal
23 year ending September 30, 2006, for the
24 following grants, subsidies and contributions
25 during fiscal year 2006. The sum appropriated

1	by this section shall be apportioned as	
2	follows:	
3	(1) <u>Department of Foreign Affairs</u>	
4	(a) Pacific Islands Forum Secretariat	40,000
5	(b) Secretariat for the Pacific	
6	Community (SPC)	17,000
7	(c) UN and Specialized Agencies (UN) \$	60,000
8	(c) UN Economic and Social Commission	
9	for Asia and the Pacific (ESCAP)	5,000
10	(e) East-West Center	5,000
11	(2) <u>Department of Finance and Administration</u>	
12	(a) National Authorizing Committee	
13	(ACP/EU)	8,000
14	(3) <u>Department of Economic Affairs</u>	
15	(a) Pacific Islands Development Program	15,000
16	(b) Forum Fisheries Agency (FFA)	21,000
17	(c) UN Development Program	3,000
18	(d) Coordinating Committee for	
19	Offshore Minerals Prospecting (SOPAC)	40,000
20	(e) Pacific Asia Travel Association .	5,000
21	(f) UN Environmental Program (UNEP) .	600
22	(g) Western Forestry	
23	Leadership Coalition	500
24	(h) Seaframe Program	7,500
25	(i) Food Agriculture Organization (FAO)	4,700

1	(j) FA/TCP Matching	28,800
2	(k) National Environmental	
3	Speech Contest	15,000
4	(l) 3 rd Convention (Fisheries Consortium)	13,558
5	(m) Fuel Task Force	35,000
6	(4) <u>Department of Health, Education and Social Affairs</u>	
7	(a) UN Fund for Population	
8	Activity (UNFPA)	\$ 3,000
9	(b) South Pacific Regional	
10	Environmental Program (SPREP)	7,375
11	(c) Aid to Non-Public Schools	300,000
12	(d) Financial Assistance to FSM	
13	Students attending College of Marshalls and	
14	Palau Community College	50,000
15	(e) World Health Organization (WHO) .	41,385
16	(f) National Board of Nursing	20,000
17	(g) Pacific Islands Health	
18	Officers Association	20,000
19	(h) National Close-Up Local Program .	64,000
20	(i) FSM Amateur Sports Association ..	20,000
21	(j) College of Micronesia Board (COM)	5,000
22	(k) Association of Territorial	
23	Health Organization	2,000
24	(l) FSM Red Cross	64,000
25	(m) UNESCO	4,000

1	(5) <u>Department of Transportation,</u>	
2	<u>Communications and Infrastructure</u>	
3	(a) Asia-Pacific Telecommunity (APT)	7,640
4	(b) International Telecommunications	
5	Union (ITU)	55,000
6	(c) International Civil Aviation	
7	Organization (ICAO)\$	28,050
8	(d) Micronesian Shipping Commission .	10,000
9	(e) FSM Capital Energy/Utilities	300,000
10	(6) <u>Coconut Development Authority (CDA)</u>	
11	(a) Copra Subsidy	75,000
12	(b) Asia Pacific Coconut Community (APCC)	15,500
13	(7) <u>Other Grants, Subsidies and Contributions</u>	
14	(a) Kosrae Judiciary subsidy	37,500
15	(b) Pohnpei Judiciary subsidy	40,500
16	(c) Chuuk Judiciary subsidy	40,500
17	(d) Yap Judiciary subsidy, PROVIDED that,	
18	of this amount, \$15,000 shall be used to	
19	provide financial assistance to Yap students	
20	enrolled in law school unless there are no Yap	
21	students so enrolled during the fiscal year	35,000
22	(e) COM Treaty Obligations	25,000
23	(f) Micronesian Legal Services	
24	Corporation	150,000
25	(g) States Joint Law	

1	Enforcement, provided that, at least \$30,000	
2	of Chuuk State's share shall be used to	
3	feed prisoners	180,000
4	(h) School Textbook Purchase,	
5	PROVIDED THAT funds appropriated herein shall	
6	be deemed to come from funds available under	
7	the Supplemental Education Grant (SEG) of the	
8	amended Compact for	\$ 619,658
9	(i) Tuna Commission Membership	16,000
10	(j) Disaster Assistance Emergency	
11	Fund (DAEF) Matching	200,000
12	(k) State Court Congestion Relief ...	60,000
13	(l) Pohnpei, Election District No. 1	
14	Dolakapw road paving	50,000
15	(m) Postal Service Money Order	
16	Escrow Account	200,000"

17 Section 9. Section 9 of Public Law No. 14-21, as amended by
18 Public Laws Nos. 14-42 and 14-50, is hereby further amended to
19 read as follows:

20 "Section 9. Capital and Human Resource Development.
21 The sum of \$10,408,482, or so much thereof as may be
22 necessary, is hereby appropriated from the General Fund
23 of the Federated States of Micronesia for the fiscal
24 year ending September 30, 2006, for the following
25 capital improvements, development programs and projects

1 and human resource development. The sum appropriated by
2 this section shall be apportioned as follows:

3 (1) College of Micronesia-FSM.

4 \$6,909,240, or so much thereof as may be
5 necessary, for the operations, programs and projects of
6 the College during fiscal year 2006. The sum
7 appropriated herein shall be apportioned as follows:

8 (a) COM-FSM operations, PROVIDED THAT
9 all funds appropriated herein shall be deemed
10 to come from funds available under the amended
11 Compact for the
12 education sector\$ 3,800,000

13 (b) Students scholarship, PROVIDED THAT
14 \$300,000 appropriated herein shall be deemed
15 to come from funds available under the amended
16 Compact for Supplemental Education Grant (SEG)
17 and \$267,046 appropriated herein shall be
18 deemed to come from funds available under the
19 amended Compact for the FY05 carryover
20 Supplemental
21 Education Grant (SEG) 567,046

22 (c) Fisheries and Maritime Institute 600,000

23 (d) SEOG and Work Study Programs,
24 PROVIDED THAT \$270,268 appropriated herein
25 shall be deemed to come from funds available

1 under the amended Compact for Supplemental
2 Education Grant (SEG) 270,268
3 (e) COM-FSM State Campus Facility
4 Improvement, PROVIDED THAT the sum
5 appropriated herein shall be deemed to come
6 from funds available under the amended Compact
7 for Infrastructure Development sector\$ 1,500,000
8 (f) Capacity building and professional
9 development for pre-service teachers in the
10 FSM, PROVIDED THAT all funds appropriated
11 herein shall be deemed to come from funds
12 available under the amended Compact for the
13 FY05 carryover Supplemental Education Grant
14 (SEG) 171,926
15 (2) Department of Foreign Affairs
16 (a) FSM Washington Embassy Renovation -0-
17 (3) Department of Finance and Administration
18 (a) National Staff Upgrading 50,000
19 (4) Department of Economic Affairs
20 (a) FSM Visitor Bureau 100,000
21 (5) Department of Transportation,
22 Communication and Infrastructure
23 (a) TA Airport Pavement, PROVIDED THAT
24 all funds appropriated herein shall be deemed
25 to come from funds available under the amended

1 Compact for Infrastructure Development sector
2 and PROVIDED THAT no funds shall be allotted
3 until such time as the Department of Justice
4 completes an investigation into the findings
5 of the Office of the National Public Auditor
6 in its report entitled 'Ta Outer Island
7 Airport Audit Fiscal Years 1990-2004 Audit No.
8 2005-01' and reports to the Speaker of
9 Congress on the outcome of that investigation,
10 and PROVIDED THAT the appropriation shall not
11 lapse \$ 505,787

12 (6) Department of Justice

13 (a) FSM Patrol Boat Slipping 200,000

14 (7) Office of the Public Defender

15 (a) Kosrae PD Office renovation 20,000

16 (b) Pohnpei PD Office retaining wall 4,000

17 (8) FSM Postal Services

18 (a) Yap Post Office renovation 50,000

19 (b) Chuuk Post Office renovation 50,000

20 (9) Infrastructure Maintenance Fund (IMF)

21 (a) IMF, PROVIDED THAT \$105,568 of
22 the funds appropriated herein shall be deemed
23 to come from funds available under the amended
24 Compact for Infrastructure Maintenance Fund
25 sector grant 211,136

1 (10) Department of Health, Education and
2 Social Affairs
3 (a) Monitoring, coordination,
4 teaching assistance and research, PROVIDED
5 THAT all of the funds appropriated herein
6 shall come from funds available under the
7 amended Compact for FY05 carryover of the
8 Supplemental Education Grant (SEG)\$ 377,066
9 (11) President's Office
10 (a) FEMA matching funds and public
11 assistance specialist 213,319
12 (b) Payment to the Asian Development
13 Bank for the Fisheries Development Project
14 Loan authorized by Public Law No. 7-101 90,000
15 (c) FSM Trust Fund, PROVIDED THAT
16 the amount appropriated is not greater
17 than 50% of the amount of local revenues
18 to be carried over to FY07 before deducting
19 the amount of this appropriation, in that case
20 the amount shall be equal to 50% of the amount
21 of local revenues to be carried over to
22 FY07 not including the amount of this
23 appropriation 250,000
24 (d) Preparation and submission of the
25 Annual Report and Single Audit as required by the

1 amended Compact, including contracting the
2 services of a CPA from a reputable
3 accounting firm 150,000

4 (12) Capacity Building

5 The total sum of the following appropriation
6 shall be deemed to come from funds available
7 under the Amended Compact for Capacity
8 Building Sector Carryover Grants from Fiscal
9 Year 2004.

10	(a) Valuation of Fixed Assets	\$ 75,000
11	(b) Accounting Advisor (Component Units)	80,000
12	(c) Accounting/Procurement Advisor ..	80,000
13	(d) Budget Preparation and Execution	
14	Advisor	80,000
15	(e) Sector Performance Reporting	100,000
16	(f) Accounting/Procurement Advisor (Yap)	80,000
17	(g) Monitoring Economic Progress	200,000
18	(h) Chuuk Control Commission	112,000
19	(i) Document Imaging/Workflow	
20	Control Software	80,000
21	(j) Internal Controls Evaluation	75,000
22	(k) Accounting Advisor (Finance and Tax)	80,000
23	(l) Specialized Training Programs ...	185,934"

24 Section 10. Section 11 of Public Law No. 14-21 is hereby
25 amended to read as follows:

1 "Section 11. Reprogramming. Reprogramming of funds
2 into or from the personnel budget line items shall not
3 be permitted. The President may reprogram up to 30% to
4 or from, whichever is less, from the funds appropriated
5 to each department and office in section 2 (Operating
6 expenses of the Executive Branch). Reprogramming of
7 funds within a department or agency shall be effected by
8 the head of such department by specifying in writing to
9 the Secretary of Finance and Administration, FSM
10 National Government, the accounts for which funding is
11 either increased or decreased. The President shall
12 report to the Congress within one month of the last day
13 of each financial quarter all amounts reprogrammed inter
14 or intra a department, office or agency."

15 Section 11. Section 12 of Public Law No. 14-21, as amended
16 by Public Law No. 14-50, is hereby further amended to read as
17 follows:

18 (3) Lapse Date. The authority of the allottee to
19 obligate funds appropriated by this act shall lapse as
20 of September 30, 2006, EXCEPT that the funds
21 appropriated under section 9 of this act shall not
22 lapse, EXCEPT the funds appropriated under subsections
23 9(1)(b), 9(1)(c), (9)(1)(f) and 9(10)(a) shall lapse as
24 of March 31, 2007 and section 7(2) which shall lapse of
25 September 30, 2007.

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Section 12. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

July 27 _____, 2006

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

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