

AN ACT

To appropriate the sum of \$32,599,759 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 1999, for the operations of the Executive Branch, Legislative Branch, Judicial Branch, Public Auditor, agencies of the National Government, and for special programs, grants, subsidies, contributions, and refunds of the National Government during fiscal year 1999; to establish a budget for Compact sections 214(b), 215(a)(2), 216(a)(2), 216(a)(3), and 221(b) and to appropriate special funds available therefor under the Compact; to establish a development budget and to 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. Operating expenses of the Executive Branch. The sum of \$12,915,006, 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, 1999, for the operations of the Executive Branch of the National Government of the Federated States of Micronesia during fiscal year 1999. Of the total funds appropriated under this section, \$519,000 shall be deemed to come from the funds available under section 216(a)(1) of the Compact of Free Association. The sum appropriated by this section shall be apportioned as follows:

(1) Office of the President	
(a) Office of the President	
(i) Personnel expenses .....	\$ 215,800
(ii) Travel .....	45,000
(iii) Contractual services, grants, subsidies, and contributions.....	130,800
(iv) Others .....	61,600
(b) Office of Public Information	
(i) Personnel expenses .....	41,400
(ii) Travel .....	4,770
(iii) Contractual services, grants, subsidies, and contributions.....	2,500
(iv) Others .....	30,900

(c) Disaster Control Office	
(i) Personnel expenses .....	\$ 24,610
(ii) Travel .....	-0-
(iii) Contractual services, grants, subsidies, and contributions.....	-0-
(iv) Others .....	-0-
(2) Department of Foreign Affairs	
(a) Administration	
(i) Personnel expenses .....	84,700
(ii) Travel .....	49,320
(iii) Contractual services, grants, subsidies, and contributions.....	10,000
(iv) Others .....	60,000
(b) Division of Asian, Pacific, African & Multilateral Affairs	
(i) Personnel expenses .....	129,700
(ii) Travel .....	-0-
(iii) Contractual services, grants, subsidies, and contributions.....	-0-
(iv) Others .....	-0-
(c) FSM Consulate - Guam	
(i) Personnel expenses .....	103,900
(ii) Travel .....	4,500
(iii) Contractual services, grants, subsidies, and contributions.....	90,234
(iv) Others .....	16,550
(d) FSM Consulate - Honolulu	
(i) Personnel expenses .....	\$ 123,728
(ii) Travel .....	3,420
(iii) Contractual services, grants, subsidies, and contributions.....	92,300
(iv) Others .....	20,700
(e) FSM Embassy - Washington, D.C.	
(i) Personnel expenses .....	174,400
(ii) Travel .....	40,455

(iii) Contractual services, grants, subsidies, and contributions.....		497,000
(iv) Others .....		59,500
(f) FSM Embassy - Suva, Fiji		
(i) Personnel expenses .....		122,500
(ii) Travel .....		18,266
(iii) Contractual services, grants, subsidies, and contributions.....		61,500
(iv) Others .....		34,550
(g) Division of American and European Affairs		
(i) Personnel expenses .....		44,800
(ii) Travel .....		-0-
(iii) Contractual services, grants, subsidies, and contributions.....		-0-
(iv) Others .....		-0-
(h) FSM Embassy - Tokyo, Japan, the sum of \$715,811, or so much thereof as may be necessary, for the purchase of 93,055,440 yen, to be allocated as follows:		
(i) Personnel expenses ..... ¥		30,612,000
(ii) Travel .....		2,516,400
(iii) Contractual services, grants, subsidies, and contributions .....		52,807,080
(iv) Others .....		7,119,960
Any portion of the dollar sum appropriated herein that remains unused upon completion of this exchange transaction shall lapse immediately.		
(i) United Nations Mission		
(i) Personnel expenses. .... \$		158,589
(ii) Travel .....		38,160
(iii) Contractual services, grants, subsidies, and contributions.....		267,182
(iv) Others .....		56,000
(3) Department of Finance and Administration		
(a) Administration (including investment management unit)		
(i) Personnel expenses .....		128,300

	(ii) Travel .....	51,750
	(iii) Contractual services, grants, subsidies, and contributions.....	1,000
	(iv) Others .....	57,600
	(b) Division of National Treasury	
	(i) Personnel expenses .....	320,800
	(ii) Travel .....	18,540
	(iii) Contractual services, grants, subsidies, and contributions.....	\$ 66,300
	(iv) Others .....	56,420
	(c) Division of Custom and Tax Administration	
	(i) Personnel expenses .....	568,600
	(ii) Travel .....	36,900
	(iii) Contractual services, grants, subsidies, and contributions.....	75,396
	(iv) Others .....	52,400
	(d) Division of Budget	
	(i) Personnel expenses .....	83,200
	(ii) Travel .....	14,220
	(iii) Contractual services, grants, subsidies, and contributions.....	1,000
	(iv) Others .....	16,300
	(e) Division of Personnel Administration	
	(i) Personnel expenses .....	73,000
	(ii) Travel .....	1,530
	(iii) Recruitment and repatriation.....	136,000
	(iv) Contractual services, grants, subsidies, and contributions.....	500
	(v) Staff housing .....	480,180
	(vi) Others .....	10,500
	(4) Department of Economic Affairs	
	(a) Administration	
	(i) Personnel expenses .....	144,900
	(ii) Travel .....	\$ 27,990

	(iii) Contractual services, grants, subsidies, and contributions.....	37,500
	(iv) Others .....	100,000
	(b) Division of Economic Policy	
	(i) Personnel expenses .....	238,032
	(ii) Travel .....	38,700
	(iii) Contractual services, grants, subsidies, and contributions.....	-0-
	(iv) Others .....	-0-
	(c) Division of Sectoral Development	
	(i) Personnel expenses .....	302,700
	(ii) Travel .....	45,000
	(iii) Contractual services, grants, subsidies, and contributions.....	-0-
	(iv) Others .....	-0-
	(5) Department of Transportation Communication and Infrastructure	
	(a) Administration	
	(i) Personnel expenses .....	80,000
	(ii) Travel .....	18,090
	(iii) Contractual services, grants, subsidies, and contributions.....	2,000
	(iv) Others .....	26,180
	(b) Division of Transportation and Communication	
	(i) Personnel expenses .....	\$ 200,300
	(ii) Travel .....	50,670
	(iii) Contractual services, grants, subsidies, and contributions.....	960,500
	(iv) Others .....	-0-
	(c) Division of Infrastructure	
	(i) Personnel expenses .....	180,000
	(ii) Travel .....	25,200
	(iii) Contractual services, grants, subsidies, and contributions.....	55,000

(iv) Others .....	92,847
(6) Department of Health, Education and	
Social Affairs	
(a) Administration	
(i) Personnel expenses .....	83,800
(ii) Travel .....	12,330
(iii) Contractual services, grants, subsidies,	
and contributions.....	3,000
(iv) Others .....	12,600
(b) Division of Health	
(i) Personnel expenses .....	306,500
(ii) Travel .....	25,560
(iii) Contractual services, grants, subsidies,	
and contributions.....	-0-
(iv) Others .....	50,300
(c) Division of Education	
(i) Personnel expenses .....	\$ 276,700
(ii) Travel .....	31,590
(iii) Contractual services, grants, subsidies, and	
contributions.....	21,136
(iv) Others .....	48,250
(d) Archives & Historic Preservation Unit	
(i) Personnel expenses .....	62,400
(ii) Travel .....	900
(iii) Contractual services, grants, subsidies, and	
contributions.....	14,460
(iv) Others .....	1,800
(e) Women's Interests Unit	
(i) Personnel expenses .....	19,400
(ii) Travel .....	-0-
(iii) Contractual services, grants, subsidies, and	
contributions.....	-0-
(iv) Others .....	-0-
(f) Sports and Youth Unit	

	(i) Personnel expenses .....	46,200
	(ii) Travel .....	-0-
	(iii) Contractual services, grants, subsidies, and contributions.....	-0-
	(iv) Others .....	-0-
	(7) Department of Justice	
	(a) Administration	
	(i) Personnel expenses .....	\$ 93,600
	(ii) Travel .....	10,530
	(iii) Contractual services, grants, subsidies, and contributions .....	5,600
	(iv) Others .....	29,650
	(b) Division of Litigation	
	(i) Personnel expenses .....	101,200
	(ii) Travel .....	18,810
	(iii) Contractual services, grants, subsidies, and contributions .....	3,800
	(iv) Others .....	-0-
	(c) Division of Law	
	(i) Personnel expenses .....	101,180
	(ii) Travel .....	34,650
	(iii) Contractual services, grants, subsidies, and contributions .....	-0-
	(iv) Others .....	-0-
	(d) Division of Immigration and Labor	
	(i) Personnel expenses .....	425,150
	(ii) Travel .....	22,590
	(iii) Contractual services, grants, subsidies, and contributions .....	43,100
	(iv) Others .....	73,300
	(e) FSM National Police - (\$519,000 of the funds appropriated for this Division shall be deemed to come from funds available under section 216 (a) (1) of the Compact of Free Association)	
	(i) Personnel expenses .....	\$ 1,002,800

	(ii) Travel .....	18,810
	(iii) Contractual services, grants, subsidies, and contributions .....	160,000
	(iv) Others .....	710,000
(8) Office of the Public Defender		
	(a) Personnel expenses.....	437,200
	(b) Travel .....	29,520
	(c) Contractual services, grants, subsidies, and contributions .....	14,200
	(d) Others .....	51,200

Section 2. Operating expenses of the Legislative Branch.

The sum of \$2,757,345, 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, 1999, for the operations of the Legislative Branch of the National Government of the Federated States of Micronesia during fiscal year 1999. The sum appropriated by this section shall be apportioned as follows:

(1) Office of the Speaker and Members		
	(a) Personnel expenses .....	\$ 407,700
	(b) Travel.....	424,800
(funds may also be used for the chartering of vessels to outer islands)		
	(c) Contractual services, grants, subsidies, and contributions.....	325,800
	(d) Others .....	\$ -0-
	(e) Foreign legislative delegation/Legislative conference/ Congressional travel for high level bilateral or international meetings .....	75,000
(2) Staff Offices		
	(a) Personnel expenses .....	649,545
	(b) Travel.....	99,900
	(c) Recruitment and repatriation.....	30,000
	(d) Contractual services, grants, subsidies, and contributions.....	171,000
	(e) Others .....	158,000
(3) Kosrae Delegation Office .....		52,600
(4) Pohnpei Delegation Office .....		111,200

(5) Chuuk Delegation Office .....	176,800
(6) Yap Delegation Office .....	75,000

Section 3. Operating expenses of the National Judiciary.

The sum of \$1,006,030, 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, 1999, for the operations of the National Judiciary of the Federated States of Micronesia during fiscal year 1999. The sum appropriated by this section shall be apportioned as follows:

(1) Personnel expenses .....	\$ 544,500
(2) Travel.....	105,030
(3) Contractual services, grants, subsidies, and contributions	109,600
(4) National Law Day .....	28,000
(5) Others .....	218,900

Section 4. Operating expenses of the Public Auditor. The sum of \$475,700, 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, 1999, for the operations of the Public Auditor's Office during fiscal year 1999. The sum appropriated by this section shall be apportioned as follows:

(1) Personnel expenses .....	\$ 335,900
(2) Travel.....	72,000
(3) Recruitment and repatriation.....	20,000
(4) Contractual services, grants, subsidies, and contributions .....	13,500
(5) Others .....	34,300

Section 5. Operating expenses of agencies of the National Government. The sum of \$1,259,442, 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, 1999, for the operations of independent agencies, commissions, authorities, boards, bureaus, and other organizations of the National Government of the Federated States of Micronesia during fiscal year 1999. The sum appropriated by this section shall be apportioned as follows:

(1) Micronesian Maritime Authority	
(a) Personnel expenses.....	\$ 171,092
(b) Travel	92,342
(c) Contractual services, grants, subsidies, and	

contributions .....	41,300
(d) Others .....	34,200
(2) Board of Regents - College of Micronesia-FSM	
(a) Personnel expenses..... \$	-0-
(b) Travel .....	33,030
(c) Contractual services, grants, subsidies, and	
contributions .....	10,000
(d) Fund raising.....	15,000
(e) Others .....	15,040
(3) Federated States of Micronesia Coconut Development	
Authority	
(a) Personnel expenses.....	70,400
(b) Travel .....	19,800
(c) Contractual services, grants, subsidies, and	
contributions .....	34,000
(d) Others .....	14,800
(4) National Postal Service	
(a) Personnel expenses.....	413,848
(b) Travel .....	37,800
(c) Contractual services, grants, subsidies, and	
contributions .....	80,000
(d) Others.....	81,000
(5) FSM Banking Board	
(a) Personnel expenses.....	45,800
(b) Travel .....	15,480
(c) Contractual services, grants, subsidies, and	
contributions.....	11,900
(d) Others .....	\$ 22,610

Section 6. Energy budget. The sum of \$304,152, 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, 1999, to pay utility bills for National Government offices, operate and maintain standby generators, and establish energy conservation programs, including the purchase and installation of energy efficient air conditioners and other appliances for National Government buildings. The funds appropriated

under this section shall be deemed to come from the funds available under section 214(b) of the Compact of Free Association. The funds appropriated under this section shall be apportioned as follows:

(1) Executive branch .....	\$	154,152
(2) Congress.....		100,000
(3) National judiciary.....		50,000

Section 7. Operating expenses of the Telecommunications Corporation. 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, 1999, for the operations of the Telecommunications Corporation of the Federated States of Micronesia during fiscal year 1999. The funds appropriated under this section shall be deemed to come from the funds available under section 215(a)(2) of the Compact of Free Association.

Section 8. 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, 1999, for Compact section 216(a)(2) programs and projects of the National Government of the Federated States of Micronesia during fiscal year 1999. The funds appropriated under this section shall be deemed to come from the funds available under section 216(a)(2) of the Compact of Free Association. The sum appropriated by this section shall be apportioned as follows:

(1) Teams of health specialists visiting the Federated States of Micronesia .....	\$	70,000
(2) Enhancement of local capability to provide essential quality care in all FSM hospitals .....		48,000

Section 9. College of Micronesia-FSM.

(1) The sum of \$2,960,000, 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, 1999, to the College of Micronesia-FSM to defray costs associated with the instruction of students and the operations and maintenance of the College. 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.

(2) The sum of \$300,000, 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, 1999, to the College of Micronesia-FSM to defray the

tuition and housing obligations of students who have earned a passing grade point average and have paid the portion of such obligations required by the College to qualify for the assistance. This sum may not be used for air fares for the students.

Section 10. 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, 1999, 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 .....		411,716
(4) Yap State .....		161,320

Section 11. Other National Government programs, grants, subsidies, contributions, and refunds. The sum of \$4,505,184 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, 1999, for special programs, grants, subsidies, contributions, and refunds of the National Government of the Federated States of Micronesia during fiscal year 1999. The sum appropriated by this section shall be apportioned as follows:

(1) Special programs:		
(a) FSM Aquaculture Center .....	\$	120,400
(b) Joint Committee on Compact Economic Negotiations (JCN)		
(i) . Wages and salaries of JCN personnel, none of which may be used to pay claims for overtime compensation .....		191,600
(ii) Housing allowances .....		10,500
(iii) Travel .....		60,068
(iv) Contractual services		
a) Retainer fees .....	\$	150,000
b) Representation .....		20,000
(v) Other current expenditures		
a) Communications .....		25,000

b) Consumable goods.....	10,000
(vi) Fixed assets	
a) Office furniture and equipment.....	2,000
b) Computers, scanners, modems, and other equipment needed to facilitate e-mail communications and electronic transmission of documents.....	8,000
(c) National Government Employees	
Early Retirement Fund .....	896,506
(2) Subsidies and contributions:	
(a) Forum Secretariat.....	35,000
(b) Pacific Island Development Program .....	15,000
(c) The Pacific Community (formerly SPC).....	30,000
(d) South Pacific Regional Environmental Program (SPREP).	7,375
(e) United Nations Economic and Social Commission for Asia and the Pacific (ESCAP).....	5,000
(f) Forum Fisheries Agency (FFA).....	21,000
(g) United Nations Development Program (UNDP) .....	3,000
(h) United Nations Fund for Population Activity (UNFPA) .....	3,000
(i) United Nations Membership Fee for the FSM (UN).....	180,000
(j) East West Center .....	\$ 10,000
(k) Pacific Asian Travel Association.....	5,000
(l) Coordinating Committee for Offshore Minerals Prospecting (South Pacific).....	8,000
(m) Micronesian Legal Services Corporation (MLSC) .....	150,000
(n) International Civil Aviation Organization(ICAO) .....	28,050
(o) State Joint Law Enforcement	
(i) Kosrae.....	70,000
(ii) Pohnpei.....	140,000
(iii) Chuuk.....	160,000
(iv) Yap.....	90,000
(p) Aid to Non-public Schools .....	400,000
(q) BYRD Scholarship Program.....	15,000
(r) Financial Assistance for Students Studying at	

CMI and PCC.....	50,000
(s) State judiciaries	
(i) Kosrae	
a) Unrestricted.....	50,000
b) Law school scholarships .....	15,000
(ii) Pohnpei	
a) Unrestricted.....	50,000
b) Law school scholarships .....	40,000
(iii) Chuuk	
a) Unrestricted.....	50,000
b) Law school scholarships .....	40,000
(iv) Yap	
a) Unrestricted..... \$	55,000
b) Law school scholarships .....	15,000
(t) Continental Airlines Scholarship.....	35,000
(u) Copra Subsidy.....	200,000
(v) World Health Organization (WHO) .....	41,385
(w) COM Treaty Obligation .....	25,000
(x) Micronesian Maritime Fisheries Academy (MMFA).....	150,000
(y) Asia Pacific Telecommunity (APT) .....	9,000
(z) Plant Protection Program .....	60,000
(aa) National Board of Nursing .....	38,000
(bb) International Telecommunication Union (ITU).....	49,800
(cc) Pacific Islands Health Officer Associations (PIHOA)	50,000
(dd) Asian Pacific Coconut Community .....	15,500
(ee) National Close Up Local Program.....	61,000
(ff) FSM Amateur Sports Association .....	35,000
(gg) National Elections .....	100,000
(hh) Rural Development (USDA)	
(i) Pohnpei.....	185,000
(ii) Chuuk, for technical and support staff cost only (no travel, no regular staff salary, no overtime, and no purchase of vehicle) .....	98,000
(iii) Kosrae	

a) General subsidy.....	68,000
b) Direct link/USDA.....	15,000
(iv) Yap..... \$	35,000

Section 12. Compact section 221(b) programs. The sum of \$390,200, 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, 1999, for Compact section 221(b) programs and projects of the National Government of the Federated States of Micronesia during fiscal year 1999. 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 Services programs:

(a) Travel..... \$	81,000
(b) Contractual services .....	30,000
(c) Other current expenditures .....	77,000
(d) Fixed assets.....	7,600

(2) Education programs:

(a) Travel.....	84,600
(b) Contractual services .....	35,000
(c) Other current expenditures .....	75,000

Section 13. Development budget - Appropriation. The sum of \$3,737,000, 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, 1999, for capital improvement and development programs and projects of the National Government of the Federated States of Micronesia during fiscal year 1999. Of the funds appropriated under this section, \$1,487,000 (for lines (1), (2), (3) and (5)) shall be deemed to come from the capital account of the Compact of Free Association. The sum appropriated by this section shall be apportioned as follows:

(1) National staff upgrading program (Division of Personnel Administration, for training programs of one year or less)

(a) General staff..... \$	80,000
(b) Public auditor's office .....	20,000
(2) National Visitors Council (Department of Economic Affairs)	200,000
(3) Regional livestock project (Department of Economic Affairs)	187,000

(4) FSM 2000 population and housing census (Department of Economic Affairs).....	100,000
(5) Business Development Loan Fund (FSMDB) .....	1,000,000
(6) FSM Trust Fund .....	2,000,000
(7) Coconut processing project, Chuuk, for the purchase of plant machinery and materials for soap production only; no salaries, travel, or vehicle purchase or rental .....	150,000

Section 14. Employment ceilings. Subsection (1) sets forth the maximum number of positions that may be hired by branches and agencies of the National Government.

(1) Positions funded for fiscal year 1999.

Executive Branch

Office of the President .....	15
Foreign Affairs.....	37
Finance and Administration .....	92
Economic Affairs.....	46
Transportation, Communication and Infrastructure	29
Health, Education and Social Affairs.....	49
Justice.....	132
Public Defender .....	25

Legislative Branch

Congress.....	57
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Judicial Branch

National Judiciary.....	27
Public Auditor.....	18

Agencies

Micronesian Maritime Authority.....	10
Board of Regents of the College of Micronesia .....	0
Federated States of Micronesia Coconut	
Development Authority.....	4
National Postal Service.....	26
FSM Banking Board.....	3

(2) The number of positions authorized applies individually to each of the departments and offices of the Executive and Legislative Branches, the National

Judiciary, the Public Auditor, and to the agencies as provided in subsection (1) of this section, except that the President may transfer up to 12 positions between the departments and offices of the Executive Branch. This authorization of positions covers all permanent employees and all contract personnel whose employment extends for more than 90 days. No funds may be expended for unbudgeted positions.

Section 15. Reprogramming.

(1) The President may reprogram up to 10 percent to and from the funds appropriated to each department and office in section 1. The President or his designee may reprogram up to 15 percent to and from the funds appropriated to any division, and may reprogram up to 15 percent to and from each line within the budget of a division, within a department or office or its functional equivalent.

(2) The Speaker or his designee may reprogram up to 10 percent to and from the funds appropriated to each of the subsections in section 2, and may reprogram up to 15 percent to and from the funds appropriated in each of the lines within the subsections of section 2.

(3) The Chief Justice or his designee may reprogram up to 15 percent to and from the funds appropriated in each of the lines in section 3.

(4) The Public Auditor may reprogram up to 15 percent to and from the funds appropriated in each of the lines in section 4.

(5) Allottees of funds may reprogram up to 15 percent to and from the funds appropriated in each of the lines within the subsections of section 5.

(6) Notwithstanding the provisions of subsections (1) through (5) of this section, no funds may be reprogrammed to or from any personnel account (except as necessary in conjunction with a position transfer permitted under section 14(2) of this act), and no funds may be reprogrammed from section 1(3)(e)(iii) and 1(3)(e)(v) of this act.

Section 16. 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 10 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; and PROVIDED FURTHER, that the allottee of the funds appropriated under section 6(1), (2), and (3) of this act shall be, respectively, the President of the Federated States of Micronesia, the Speaker of the Congress of the Federated States of Micronesia, and the Chief Justice of the Supreme Court of the Federated States of Micronesia; and PROVIDED FURTHER, that the allottee of the funds appropriated under section 7 of this act shall be the Secretary of the Department of Transportation, Communication and Infrastructure; and PROVIDED FURTHER, that the allottees for the funds appropriated under subsection (2)(o) of section 11 of this act shall be the Governors of the respective States, and no funds appropriated under subsection (2)(o) of section 11 of this act shall be disbursed from the General Fund to the allottees unless the President certifies that the State involved has entered into a joint law enforcement agreement for the period of October 1, 1998, to September 30, 1999, with the National Government pursuant to chapter 12 of title 12 of the Code of the Federated States of Micronesia; and PROVIDED FURTHER, that the allottees of the funds appropriated under subsection 2(hh) of section 11 of this act shall be the Rural Development Community Development Managers of the respective States. Funds appropriated under subsection 2(hh) of section 11 of this act shall not be disbursed to a State's Rural Development Community Manager if he fails to submit to the Speaker of Congress and to the President detailed, quarterly financial statements regarding his office's operations, or if he fails to comply with the Financial Management Act of 1979; and PROVIDED FURTHER, that the allottees for the funds appropriated under subsection (2)(s) of section 11 of this act shall be the Chief Justices of the respective States; and PROVIDED FURTHER, that the allottee of the funds appropriated under subsection (1) of section 13 shall be the Personnel Officer of the Division of Personnel Administration. Each allottee 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) Allotments shall not exceed the following percentages of the funds appropriated under sections 5(3), 5(6), 7, 9(1), and 13(5) of this act:

- (a) thirty percent of the appropriation before January 1, 1999;
- (b) fifty percent of the appropriation before April 1, 1999;
- (c) eighty percent of the appropriation before July 1, 1999.

(3) The authority of the allottees to obligate funds appropriated by this act shall lapse as of September 30, 1999; PROVIDED, however, that the authority of the allottees to obligate funds appropriated by sections 3(3), 7, 9, 10, and 13 shall not lapse; and PROVIDED FURTHER, that the authority of the allottee to obligate funds appropriated by section 13(4) shall lapse as of September 30, 2000.

Section 17. Effective date. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

August 13 , 1998

/s/ Jacob Nena  
Jacob Nena  
President  
Federated States of Micronesia