A BILL FOR AN ACT

To further amend title 55 of the Code of the Federated States of Micronesia, as amended, by amending section 103 to eliminate the requirement that Congress must amend the Recommended National Government Compact Budget by means of a bill and permit Congress to propose amendments by resolution, and for other purposes.

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

Section 1. Section 103 of title 55 of the Code of the Federated States of Micronesia, as amended by Public Law No. 13-63, is hereby further amended to read as follows:

"Section 103. Annual budget.

(1) The Congress, the judicial branch, each of the departments, offices and agencies of the Executive Branch of the National Government, and every proposed recipient of grants, subsidies or contributions from the National Government shall transmit to the President on or before March 1 of each year or at such other time as the President may determine, but not before January 1 of each year, planned operational and development expenditures for the ensuing fiscal year, budget projections for each of the two subsequent fiscal years, and such other information as the President may determine or as may be required by law. Planned operational expenses shall be presented in line-item form, including detailed information on planned
expenditures for personnel, travel, contract services, fixed assets and other anticipated expenses. The Congress, the Judiciary Branch, and each department, office and agency of the Executive Branch shall transmit to the President, along with its proposed operational expenses for the ensuing fiscal year, a plan for the fiscal year, including an identification of its strategic goals, and a description of its planned accomplishments, for the fiscal year, related to each goal. The planned accomplishments shall, if possible, be expressed in numerical form so that actual performance can be measured against the plan. Congress, the Judiciary Branch and the offices, agencies and departments of the National Government shall not be required to transmit performance-based budgets or other reports tying planned operational expenses to specific tasks or objectives.

(2) The President shall compile, without revision, the planned expenditures and budget projections received from each branch, department, office and agency of the National Government and from proposed recipients of grants, subsidies and contributions from the National Government into a proposed budget for the National Government (the 'Proposed Budget').

(3) No later than April 1 of each year, the
President shall submit to the Congress the Proposed
Budget for the National Government for the ensuing
fiscal year. The Proposed Budget shall contain an
operations budget and a development budget, and include
planned expenditures for all sources of funds. Planned
operational expenses shall be presented on a line-item
basis. The President shall concurrently submit his
recommendations regarding the Proposed Budget (the
President's budget recommendations are herein referred
to as the 'Recommended Budget'). The total Recommended
Budget for the year shall not exceed the total of funds
estimated to be available for that year. The Proposed
Budget and Recommended Budget shall each set forth the
following information in such form and detail as the
President may determine or as the Congress may require
by law:

(a) planned operational expenditures, including
planned sources of funds, for each department and office
of the executive branch, Congress, the judicial branch,
and agencies of the National Government other than
agencies or entities which receive National Government
appropriations on a subsidy, contribution, or grant
basis, and operational budget projections for each of
the two subsequent fiscal years;

(b) planned development expenditures, including
planned sources of funds, for the ensuing fiscal year
and development budget projections for each of the two
subsequent fiscal years, with details of all development
programs or projects to be funded or undertaken by the
National Government in the ensuing fiscal year, relating
such programs and projects to specific development goals
and objectives set forth in the Development Plan of the
Federated States of Micronesia, as prepared in
accordance with the Compact and approved by the
Congress, and identifying any amendments to the program
and project listings contained in such plan; and

(c) planned subsidies, contributions, or grants
for the ensuing fiscal year and projected subsidies,
contributions, or grants for each of the two subsequent
fiscal years, for the FSM Telecommunications
Corporation, the College of Micronesia, international
and regional organizations, and such other public and
private entities as authorized by law.

(4) The President shall submit along with the
Proposed Budget and the Recommended Budget the
following:

(a) a budget message which shall include such
supporting economic financial, statistical, program
performance, and other information, data and
recommendations as the President may determine are in
the public interest;

(b) proposed legislation to appropriate funds for
the National Government during the ensuing fiscal year
reflecting the amounts contained in the Recommended
Budget and including all activities and outputs to be
funded by Compact Sector Grants;

(c) anticipated revenues and other money to be
made available to the National Government from all
sources in the ensuing fiscal year and each of the two
subsequent fiscal years including, but not limited to,
taxes, fees, fines, interest income, revenue from
fishing agreements, Compact financial assistance, United
States Federal program assistance, foreign financial and
technical assistance, reimbursements, and loans;

(d) the Recommended National Government Compact
Budget Request for the ensuing fiscal year;

(e) statements of the balance of the General Fund
and any special funds of the National Treasury for the
fiscal year last concluded, including the actual revenue
by source, all appropriations, and the obligations and
expenditures pursuant to each appropriation;

(f) statements of the projected balance of the
General Fund and any special funds of the National
Treasury for the fiscal year in progress including all
appropriations, estimated revenues by source, and
anticipated obligations. If the projected balance for any fund indicates a deficit, recommendations as to how the deficiency is to be met;

(g) actual revenues received to date, by source, in the fiscal year in progress, and for the same period in the preceding year;

(h) an analysis of major trends over the three years budgeted regarding funding sources, spending emphases, staffing levels, and program expansions and contractions; and

(i) for the Judiciary Branch, the Congress, and each department, office and agency of the Executive Branch, a plan for the ensuing fiscal year, including an identification of its strategic goals and its planned accomplishments for the fiscal year, such planned accomplishments to be expressed, if possible, in numerical form so that actual performance can be measured against the plan;

(j) such other financial information and data as may be necessary or desirable in order to make known in reasonable and practicable detail the financial condition of the National Government.

(5) Congress may, prior to May 16 of each year, either:

(a) by resolution, authorize the President to
submit the Recommended National Government Compact Budget Request to the United States under Article V of the Financial Procedures Agreement; or

(b) by [bill resolution, [alter] recommend changes to the Recommended National Government Compact Budget Request in any respect consistent with the Compact.

(6) The Recommended National Government Compact Budget shall be the National Government Compact Budget for the ensuing fiscal year for purposes of submittal to the United States under Article V of the Fiscal Procedures Agreement if:

(a) Congress fails to take action with respect to the Recommended National Government Compact Budget Request prior to May 16; or

(b) Congress, by resolution, authorizes the President to submit the Recommended National Government Compact Budget to the United States; [or]

(c) The President vetoes a bill passed by Congress to alter the Recommended National Government Compact Budget Request and Congress fails to override that veto prior to June 15;

(7) [If, prior to June 15, a bill to alter the Recommended National Government Compact Budget Request has become law or the Congress has overridden a]
Presidential veto of such a bill, the National
Government Compact Budget Request for submittal under
Article V of the Fiscal Procedures Agreement shall be in
conformance with the terms of that bill] If, prior to
May 16, Congress adopts a resolution recommending
changes pursuant to paragraph 5(b) of this section, the
National Government Compact Budget Request for submittal
under Article V of the Fiscal Procedures Agreement
should be in conformity with the terms of that
resolution."

Section 2. This act shall become law upon approval by the
President of the Federated States of Micronesia or upon its
becoming law without such approval.

Date: 5/9/06     Introduced by: /s/ Isaac V. Figir
                      Isaac V. Figir