A BILL FOR AN ACT

To establish the 2023 Financial Committee for the Federated States of Micronesia, designating a secretariat, and for other purposes.

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

Section 1. Establishment of the 2023 Financial Committee. In anticipation of termination of financial provisions of the Amended Compact of Free Association in 2023, there is hereby established a joint committee of the State and National governments of the Federated States of Micronesia, officially known as the 2023 Financial Committee. The Committee shall formally organize within one month of its establishment.

Section 2. Composition of the Committee. The Committee is comprised of the following: representative of the executive branch of National Government appointed by the President, representative of Congress appointed by the Speaker, one representative from each state government. In consultation with the leadership of each State, the President shall appoint the state representatives.

Section 3. Meetings. At the call of the President, the Committee shall hold its first meeting to elect its chairman and vice chairman. Subsequent meetings shall be at the call of the chairman in accordance with internal procedures adopted by the Committee.
Section 4. **Quorum and voting.** Majority of the members constitute a quorum for the transaction of business. Decisions shall be with the concurrence of at least four members.

Section 5. **Mandate.** The Committee shall carry out the following responsibilities and obligations:

1. The primary mandate of the Committee are as follows: (a) undertake assessment of the nature and magnitude of the financial situation of the FSM from 2013 and onward, identify measures to address the budgetary decrements, and explore potential revenue-generating activities; (b) study and investigate alternative and funding scenarios to cover anticipated budget shortfall; and (c) develop an action plan to address the decrements;

2. Formulate goals and objectives, and develop strategies and approaches in anticipation of termination of financial assistance under the Amended Compact;

3. Direct its Secretariat to prepare work papers and documentation necessary to accomplish its responsibilities;

4. Analyze all economic and financial information available, with the aim of identifying the financial needs of the FSM and finding effective ways to address them by the year 2023 and onward;

5. Collaborate with the State Governments and agencies of the National Government; and
(6) To present its final report to the President, Congress, and the State and National Leadership Conference. The Committee shall have one year from the date of its establishment, with possible extension of no more than six months, to complete its work and submit a final report.

Section 6. Funding. The Committee shall be funded through appropriation by Congress. The Committee may accept technical and financial assistance from foreign donors.

Section 7. Establishment of the Secretariat. The Office of Statistics, Budget, Economic Management, Compact and Aid Coordination (SBOC) is designated as the Committee Secretariats, whose responsibilities are as follows:

(1) Provide all administrative and logistical support in order for the Committee to fulfill its mandate;
(2) Recruit the services of experts in the areas of economics, finance, and budget, and hire such support staff as may be needed to assist in the work of the Secretariat;
(3) Prepare and manage the budget of the Committee;
(4) Coordinate with the various departments, offices and agencies of the state and national governments in collecting relevant information and technical input as may be needed in accomplishing the mandate or instruction of the Committee; and
(5) Other responsibilities as directed by the
Committee.

Section 8. 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: 9/25/12

Introduced by: /s/ Florencio S. Harper

Florencio S. Harper
(by request)