A BILL FOR AN ACT

To further amend title 55 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 2-68, 2-69, and 3-23, by amending section 212 and by adding a new section 213 establishing the Capital Improvement Program Fund, and for other purposes.

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

Section 1. Section 212 of title 55 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 2-68 and 3-23, is hereby further amended to read as follows:

"Section 212. Enhanced Operations and Maintenance Fund.

(1) There is hereby created within the National Treasury of the Federated States of Micronesia an Enhanced Operations and Maintenance Fund.

(2) All United States grant funds allotted to the President of the Federated States of Micronesia by the Trust Territory Government or United States Government specifically for enhanced operations and maintenance activities in the States shall be deposited in the Enhanced Operations and Maintenance Fund.

(3) United States grant funds for enhanced operations and maintenance include funding for:

(a) The purchase of necessary spare parts, equipment, and various utility maintenance supplies;

(b) The employment of skilled personnel;

(c) The initiation or enhancement of training programs to upgrade technical skills in the public works area; and

(d) Such other activities as may be authorized by appropriation laws of the United States and agreed to by the Federated States of Micronesia Government and the Trust Territory Government for enhanced operations and maintenance."
(4) The President or his designee shall notify Congress of all grant awards and deposits to the Enhanced Operations and Maintenance Fund.

(5) Any portion of enhanced operations and maintenance funding made available to and accepted by the National Government to cover its costs for the administration of the enhanced operations and maintenance program shall be deposited in the United States Grant Special Fund and may be withdrawn by appropriation laws enacted by the Congress of the Federated States of Micronesia in accordance with section 210 of this act.

(6) Deposits in the Enhanced Operations and Maintenance Fund shall be administered centrally, disbursements and accounted for by the President or his designee in accordance with the provisions of this act, recommendation of the United States Government and a written plan prepared by the National Government and some state governments and accepted by the High Commissioner of the Trust Territory Government prior to submission of the written plan required by the amendment to the High Commissioner of the Trust Territory of the Pacific Islands for his approval. The President shall cause such plan to the Congress of the Federated States of Micronesia for approval by resolution. If Congress is not in session, the appropriate Standing shall review and approve the plan. The scope of each section shall be completed with the ability to approve any aspect of the plan. The approval of any plan by the appropriate
The committee shall not delegate funds from the national treasury where they were not generally appropriated pursuant to law. The Congress of the Federated States of Micronesia or its designee may review within 30 days of submission any plan submitted under this subsection. If the Congress of the Federated States of Micronesia or its designee fails to act within 30 days of submission, the President shall be the disposer of the funds and shall have the authority to make disbursements to the General Functional Deposits in the Enhanced Operations and Maintenance Fund shall be made available to and administered by the President of the Federated States of Micronesia or his designee in accordance with a written plan prepared by the National and four State Governments and approved by the High Commissioner of the Trust Territory Government. The plan shall set forth all proposed expenditures of such funds as may be available to each State by the terms of the appropriation laws of the United States Government or by the actions of the High Commissioner pursuant to authority set forth in the appropriation laws of the United States. To the extent that the terms of the appropriation laws of the United States do not allocate such funds specifically to the States, and such laws do not so empower the High Commissioner to act in this regard, or the High Commissioner chooses not to act, such funds shall be allocated by the President in an equitable manner which reflects the needs of each State based on a plan prepared by the National
and four State Governments, subject to the approval of Congress
by resolution. If Congress is not in session, the appropriate
committee shall review and approve the manner of distribution of
the funds. The Congress or the committee shall complete its
review within 30 days of submission. If the Congress or the
appropriate committee fails to act within 30 days of submission,
the proposed distribution of funds shall be deemed approved.
The President shall be the allottee of the funds and shall have
the authority to make suballocations to the Governors at such
times and in such manner as may be required by sound financial
management techniques. All funds which have been allotted to
the President or suballotted to the Governors of the States
shall be administered, managed, and accounted for in accordance
with applicable law, including, but not limited to, the
Financial Management Act of 1979, and regulations pursuant
thereto."

Section 2. Title 55 of the Code of the Federated States of
Micronesia, as amended by Public Laws Nos. 2-68, 2-69, and 3-23, is hereby
further amended by adding a new section 213 to read as follows:

"Section 213. Capital Improvement Fund.

(1) There is hereby created within the National Treasury
of the Federated States of Micronesia a Capital Improvement
Program Fund.

(2) All United States grant funds, including United States
Federal Program Funds, allotted to the President of the
Federated States of Micronesia by the Trust Territory Government or the United States Government specifically for capital improvement projects in the States shall be deposited in the Capital Improvement Program Fund.

(3) United States grant funds and federal program funds for the capital improvement program shall include funding for the development of the basic infrastructure of the Federated States of Micronesia in conformance with the intent of the original Capital Improvement Program and other funding transferred under any agreement between the National Government of the Federated States of Micronesia and the Government of the Trust Territory of the Pacific Islands, regarding the transfer of capital improvement project funding and administration.

(4) The President or his designee shall notify Congress of all grant awards and deposits to the Capital Improvement Program Fund.

(5) Any portion of capital improvement funding made available to and accepted by the National Government to cover its costs for the administration of the Capital Improvement Program shall be deposited in the United States Grant Special Fund and may be withdrawn by appropriation laws enacted by the Congress of the Federated States of Micronesia in accordance with section 210 of this act.

(6) Deposits in the Capital Improvement Program Fund shall be made available to and administered by the President or his
designee in accordance with a written agreement between the National Government of the Federated States of Micronesia and the Trust Territory Government for the transfer of capital improvement project funding and administration. The funds shall be allocated among the States in accordance with the terms of the appropriation laws of the United States, or by the actions of the High Commissioner pursuant to authority set forth in the appropriation laws of the United States. To the extent that the terms of the appropriation laws of the United States do not allocate such funds specifically to the States, and such laws do not so empower the High Commissioner to act in this regard, or the High Commissioner chooses not to act, such funds shall be allocated by the President in an equitable manner which reflects the needs of each State, subject to the approval of Congress by resolution. If Congress is not in session, the appropriate committee shall review and approve the manner of distribution of the funds. The Congress or the appropriate committee shall complete its review within 30 days of submission. If the Congress or the appropriate committee fails to act within 30 days of submission, the proposed distribution of funds shall be deemed approved. The President shall be the allottee of the funds and shall have the authority to make suballocations to the Governors at such times and in such manner as may be required by sound financial management techniques. All funds which have been allotted to the President or suballotted to the Governors
of the States shall be administered, managed, and accounted for
in accordance with applicable law, including, but not limited to,
the Financial Management Act of 1979, and regulations pursuant
thereto."

Section 3. Sections 213, 214, 215, 216, 217, 218, 219, 220, 221,
222, 223, 224, 225, 226, and 227 of title 55 of the Code of the Federated
States of Micronesia, as amended by Public Laws Nos. 2-68, 2-69, and 3-23,
are hereby renumbered 214, 215, 216, 217, 218, 219, 220, 221, 222, 223,
224, 225, 226, 227, and 228 respectively.

Section 4. 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: 11/2/83

Introduced by

[Signature]

(by request)