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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:

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

4 "Section 212. Enhanced Operations and Maintenance Fund.

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

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

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

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

18 (b) The employment of skilled personnel;

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

22 (d) Such other activities as may be authorized by
23 appropriation laws of the United States and agreed to by the
24 Federated States of Micronesia Government and the Trust
25 Territory Government for enhanced operations and maintenance.

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1 (4) The President or his designee shall notify Congress of
2 all grant awards and deposits to the Enhanced Operations and
3 Maintenance Fund.

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8 in the United States Grant Special Fund and may be withdrawn by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

11 (6) *Deposits in the Enhanced Operations and Maintenance*
12 *Fund shall be administered, withdrawn, distributed, and*
13 *accounted for by the President or his designee in accordance*
14 *with the provision of this act, requirements of the United*
15 *States Government, and a written plan prepared by the National*
16 *and four State Governments and approved by the High Commissioner*
17 *of the Trust Territory Government. Prior to submission of the*
18 *written plan required by this subsection to the High*
19 *Commissioner of the Trust Territory of the Pacific Islands for*
20 *his approval, the President shall submit such plan to the*
21 *Congress of the Federated States of Micronesia for approval by*
22 *resolution. If Congress is not in session, the appropriate*
23 *committee shall review and approve the plan. The scope of such*
24 *review shall be complete, with the ability to approve any*
25 *aspect of the plan. The approval of any plan by the appropriate*

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1 committee shall not obligate funds from the National Treasury
2 where they were not otherwise appropriated pursuant to law. The
3 Congress or the committee shall complete its review within 30
4 days of submission. Any plan submitted under this subsection
5 shall be ~~shall~~ approved if the Congress or the appropriate
6 committee fails to act within 30 days of submission. The
7 President shall be the allottee of the funds and shall have the
8 authority to make suballotments to the Governors. Deposits
9 in the Enhanced Operations and Maintenance Fund
10 shall be made available to and administered by the President of
11 the Federated States of Micronesia or his designee in accordance
12 with a written plan prepared by the National and four State
13 Governments and approved by the High Commissioner of the Trust
14 Territory Government. The plan shall set forth all proposed
15 expenditures of such funds as may be available to each State by
16 the terms of the appropriation laws of the United States
17 Government or by the actions of the High Commissioner pursuant
18 to authority set forth in the appropriation laws of the United
19 States. To the extent that the terms of the appropriation laws
20 of the United States do not allocate such funds specifically to
21 the States, and such laws do not so empower the High
22 Commissioner to act in this regard, or the High Commissioner
23 chooses not to act, such funds shall be allocated by the
24 President in an equitable manner which reflects the needs of
25 each State based on a plan prepared by the National

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1 and four State Governments, subject to the approval of Congress
2 by resolution. If Congress is not in session, the appropriate
3 committee shall review and approve the manner of distribution of
4 the funds. The Congress or the committee shall complete its
5 review within 30 days of submission. If the Congress or the
6 appropriate committee fails to act within 30 days of submission,
7 the proposed distribution of funds shall be deemed approved.
8 The President shall be the allottee of the funds and shall have
9 the authority to make suballotments to the Governors at such
10 times and in such manner as may be required by sound financial
11 management techniques. All funds which have been allotted to
12 the President or suballotted to the Governors of the States
13 shall be administered, managed, and accounted for in accordance
14 with applicable law, including, but not limited to, the
15 Financial Management Act of 1979, and regulations pursuant
16 thereto."

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

20 "Section 213. Capital Improvement Fund.

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

24 (2) All United States grant funds, including United States
25 Federal program funds, allotted to the President of the

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1 Federated States of Micronesia by the Trust Territory Government
2 or the United States Government specifically for capital
3 improvement projects in the States shall be deposited in the
4 Capital Improvement Program Fund.

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

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

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

24 (6) Deposits in the Capital Improvement Program Fund shall
25 be made available to and administered by the President or his

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1 designee in accordance with a written agreement between the
2 National Government of the Federated States of Micronesia and
3 the Trust Territory Government for the transfer of capital
4 improvement project funding and administration. The funds shall
5 be allocated among the States in accordance with the terms of
6 the appropriation laws of the United States, or by the actions
7 of the High Commissioner pursuant to authority set forth in the
8 appropriation laws of the United States. To the extent that the
9 terms of the appropriation laws of the United States do not
10 allocate such funds specifically to the States, and such laws do
11 not so empower the High Commissioner to act in this regard, or
12 the High Commissioner chooses not to act, such funds shall be
13 allocated by the President in an equitable manner which reflects
14 the needs of each State, subject to the approval of Congress by
15 resolution. If Congress is not in session, the appropriate
16 committee shall review and approve the manner of distribution of
17 the funds. The Congress or the appropriate committee shall
18 complete its review within 30 days of submission. If the
19 Congress or the appropriate committee fails to act within 30
20 days of submission, the proposed distribution of funds shall be
21 deemed approved. The President shall be the allottee of the
22 funds and shall have the authority to make suballotments to the
23 Governors at such times and in such manner as may be required by
24 sound financial management techniques. All funds which have
25 been allotted to the President or suballotted to the Governors

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1 of the States shall be administered, managed, and accounted for
2 in accordance with applicable law, including, but not limited to,
3 the Financial Management Act of 1979, and regulations pursuant
4 thereto."

5 Section 3. Sections 213, 214, 215, 216, 217, 218, 219, 220, 221,
6 222, 223, 224, 225, 226, and 227 of title 55 of the Code of the Federated
7 States of Micronesia, as amended by Public Laws Nos. 2-68, 2-69, and 3-23,
8 are hereby renumbered 214, 215, 216, 217, 218, 219, 220, 221, 222, 223,
9 224, 225, 226, 227, and 228 respectively.

10 Section 4. This act shall become law upon approval by the President
11 of the Federated States of Micronesia or upon its becoming law without
12 such approval.

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14 Date: 11/2/83

15 Introduced by *John R. Hagler*
16 John Hagler, cam
(by request)

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