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:

- 1 Section 1. Section 103 of title 55 of the Code of the
- 2 Federated States of Micronesia, as amended by Public Law No. 13-
- 3 63, is hereby further amended to read as follows:
- 4 "Section 103. <u>Annual budget</u>.
- 5 (1) The Congress, the judicial branch, each of the 6 departments, offices and agencies of the Executive Branch of the National Government, and every proposed 8 recipient of grants, subsidies or contributions from the 9 National Government shall transmit to the President on 10 or before March 1 of each year or at such other time as 11 the President may determine, but not before January 1 of 12 each year, planned operational and development 13 expenditures for the ensuing fiscal year, budget projections for each of the two subsequent fiscal years, 14 15 and such other information as the President may 16 determine or as may be required by law. Planned 17 operational expenses shall be presented in line-item 18 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.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

- (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:

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

- (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;

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

- (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 1 Budget Request to the United States under Article V of 3 the Financial Procedures Agreement; or 4 (b) by [bill] resolution, [alter] recommend changes to the Recommended National Government Compact 5 6 Budget Request in any respect consistent with the 7 Compact. 8 (6) The Recommended National Government Compact 9 Budget shall be the National Government Compact Budget 10 for the ensuing fiscal year for purposes of submittal to the United States under Article V of the Fiscal 11 12 Procedures Agreement if: 13 (a) Congress fails to take action with respect to 14 the Recommended National Government Compact Budget 15 Request prior to May 16; or (b) Congress, by resolution, authorizes the 16 17 President to submit the Recommended National Government 18 Compact Budget to the United States; [or] 19 [(c) The President vetoes a bill passed by 20 Congress to alter the Recommended National Government 21 Compact Budget Request and Congress fails to override 22 that veto prior to June 15; (7) [If, prior to June 15, a bill to alter the 23 24 Recommended National Government Compact Budget Request 25 has become law or the Congress has overridden a

1	Presidential veto of such a bill, the National
2	Government Compact Budget Request for submittal under
3	Article V of the Fiscal Procedures Agreement shall be in
4	conformance with the terms of that bill [If, prior to
5	May 16, Congress adopts a resolution recommending
6	changes pursuant to paragraph 5(b) of this section, the
7	National Government Compact Budget Request for submittal
8	under Article V of the Fiscal Procedures Agreement
9	should be in conformity with the terms of that
10	resolution."
11	Section 2. This act shall become law upon approval by the
12	President of the Federated States of Micronesia or upon its
13	becoming law without such approval.
14	
15	Date: 5/9/06 Introduced by: /s/ Isaac V. Figir
16	Isaac V. Figir
17	
18	
19	
20	
21	
22	
23	
24	
25	