The intent and purpose of this bill are expressed in its title.

The purpose Congressional Bill No. 19-103 is to update the FSM Trust Fund law to meet the needs of the Nation today. Some changes in the law include:

- more precise definitions,
- an updated purpose to reflect the current goals of the FSM Trust Fund,
STANDING COMMITTEE REPORT NO. 19-88

RE: C.B. NO. 19-103/W&M

SUBJECT: UPDATING AND IMPROVING THE FUNCTIONALITY OF THE FSM TRUST FUND

JANUARY 29, 2016

- the elimination of the S Account that was created for the purposes on the Amended Compact negotiations and all references thereto,
- reworking the formula to calculate the potential annual distribution of interest earned to the National Government,
- an update to the State Sub-Accounts,
- allowing for up to 40 percent of the fund to be invested in foreign investments; and
- grammatical changes to clarify the language.

Your Committee notes that the changes proposed in C.B. No. 19-103 have been echoed to your Committee over the past year in hearings and meetings with the FSM Trust Fund advisors, Wilshire Associates, and the Department of Finance and Administration. Your Committee would like to point out that currently, the FSM Trust Fund law cannot be properly implemented and some provisions have never been utilized. The proposed amendments not only updates the FSM Trust Fund law to meet today’s needs but it also improves the functionality of the law by taking out the impediments to implementation.

CONCLUSION

Your Committee has carefully reviewed Congressional Bill No. 19-103. Your Committee on Ways and Means is in accord with the intent and purpose of C.B. No. 19-103, and recommends its passage on First Reading and that it be placed on the Calendar for Second and Final Reading in the form attached hereto as C.B. No. 19-103.
STANDING COMMITTEE REPORT NO. 19-88

RE:  C.B. NO. 19-103/W&M

SUBJECT: UPDATING AND IMPROVING THE FUNCTIONALITY OF THE FSM TRUST FUND

JANUARY 29, 2016

Respectfully submitted,

/s/ Isaac V. Figir
Isaac V. Figir, chairman

/s/ Victor V. Gouland
Victor V. Gouland, member

/s/ Bonsiano F. Nethon
Bonsiano F. Nethon, member

/s/ David W. Panuelo
David W. Panuelo, member

/s/ Joseph J. Urusemal
Joseph J. Urusemal, member

Paliknoa K. Welly, member