A BILL FOR AN ACT

To amend section 106 of title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, to require that, in each fiscal year, no appropriations shall be made to the “Grants, Subsidies and Contributions” and “Capital and Human Resources Development” sections of the National Budget unless a minimum of $20,000,000 has been appropriated to the FSM Trust Fund for the same fiscal year, according to a specified formula, and for other purposes.

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

1. Section 1. Section 106 of title 55 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby amended to read as follows:

“Section 106. Appropriations by Congress.

(1) The Congress, after receipt of the proposed budget from the President and no later than September 30 of each year, shall, by Act, adopt the annual budget of the National Government of the ensuing fiscal year. Congress may elect to initially or permanently exclude, from the annual budget Act, that portion of the budget proposed to be funded by Compact sector. In no event shall the budget adopted or any amendments thereto provide funding for the personnel, contractual services, or travel expenses of any branch or agency of the National Government in an amount greater than 110
percent of the aggregate funding appropriated for
such branch or agency for such categories in the
initial budget Act of the immediately preceding
fiscal year, except where funding in excess of such
limit shall be deemed essential by the Congress on
the face of the appropriating legislation.

(2) That portion of the budget submission that
is to be funded by local revenues may be altered by
Congress in any respect.

(3) Funds to be received and expended pursuant
to the JEMCO-approved Compact sector allocation for
the National Government shall be appropriated by act
of Congress within 45 days of the return of the
Compact sector allocation from JEMCO or by September
30, whichever is later. The appropriation
legislation covering Compact funds shall comply with
the terms of the Compact and the Fiscal Procedures
Agreement with respect to the receipt of Compact
sector funds, shall allow for reprogramming of funds
to the extent permitted under the Compact and
chapter 3 of this title, and may require, as a
condition to such reprogramming, prior notice to
Congress.

(4) The budget alteration authority of Congress
shall be executed by means of appropriations
Appropriations or authorizations for the expenditure of funds shall be made by law, except as provided in section 108 of this chapter. 

(5) Congress may restrict by law the expenditure of funds for a specific purpose.

(6) Congress may not make any appropriations out of local revenues to any line items in the “Grants, Subsidies and Contributions” or “Capital and Human Resources Development” sections of the annual budget of the National Government for a given fiscal year, unless a minimum of $20,000,000 is also appropriated to the “FSM Trust Fund” line item in the annual budget for the same fiscal year.

(7) Within the annual budget for the National Government for a given fiscal year, the first $20,000,000 of funds appropriated to the line item titled “FSM Trust Fund” shall be apportioned as follows: 75 percent of such funds shall deposited into the Sub-Account of the National Government and 25 percent of such funds shall be divided and deposited in equal shares into the respective Sub-Accounts of the four FSM States.
Section 2. 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: 12/4/17

Introduced by: /s/ Wesley W. Simina

Wesley W. Simina