A BILL FOR AN ACT

To further amend title 55 of the Code of the Federated States of Micronesia, as amended, by amending section 213 for the purpose of creating a Capital Improvement Program Administration Account, and for other purposes.

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

1. Section 213 of title 55 of the Code of the Federated States of Micronesia, as established by Public Law No. 3-28, is hereby amended to read as follows:

"Section 213. Capital Improvement Program 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 Capital Improvement Fund and may be appropriated by the Congress of the Federated States of Micronesia in accordance with section 110 of this Act in a Capital Improvement Program Administration Account and shall be administered and withdrawn by the President or his designee as needed to meet costs for the administration of the Capital Improvement Program.

(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 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: 8/15/84

Introduced by: John R. Nagelberg
(by request)