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. 5-16, 5-88, 5-119, 5-121 and 5-136, by amending section 212 for the purpose of allowing the President of the Federated States of Micronesia or his designee to directly administer Capital Improvement Program administration funds, and for other purposes.

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

Section 1. Section 212 of title 55 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

"Section 212. Capital Improvement Program Fund.

(1) There is 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, but excluding funds made available pursuant to the Compact of Free Association, allotted to the President of the Federated States of Micronesia by the Trust Territory Government or other agency of 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, or other agency of the United States Government, 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its costs for the administration of the Capital Improvement Program shall be deposited in the General Fund and may be withdrawn by appropriation made enacted by the Congress of the Federated States of Micronesia made available to, administered by, and expended by the President or his designee for the purpose of administering 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 written agreements between the National Government of the Federated States of Micronesia and the Trust Territory Government or other agency of the United States 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 or other authorized official of the United States Government 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 or an official of the United States Government
to act in this regard, or the High Commissioner or official
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 thirty days of
submission. If the Congress or the appropriate committee
fails to act within thirty 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 suballocated to the Governors
of the States shall be administered, managed and accounted
for in accordance with applicable law, including, but not
limited to, the provisions of this chapter, 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: \[\text{y} - \text{m} - \text{d} 89\]  Introduced by: [Signature]

Loaisis S. Halbert
(by request)