A BILL FOR AN ACT

To further amend title 40 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 6-30, 6-44, 6-45, 8-21 and 8-132, by adding a new subchapter IV of chapter 3 for the purpose of creating a Scholarship Revolving Fund, and for other purposes.

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

Section 1. Title 40 of the Code of the Federated States of Micronesia is hereby further amended by adding a new section 335 of subchapter IV of chapter 3 to read as follows:

"Section 335. Scholarship Revolving Fund. There is hereby established a Scholarship Revolving Fund separate from the General Fund, the Student Loan Revolving Fund, or other funds. The Scholarship Revolving Fund shall be funded initially by an appropriation made during the First Regular Session of the Ninth Congress, in a sum equal to the total funds available or expected to be available for scholarships under the provisions of section 216(a)(3) of the Compact of Free Association for the 1986 fiscal year."

Section 2. Title 40 of the Code of the Federated States of Micronesia is hereby further amended by adding a new section 336 of subchapter IV of chapter 3 to read as follows:

"Section 336. Disbursement of scholarships from Scholarship Revolving Fund. The President is hereby authorized to allot and expend the funds appropriated to create the Scholarship Revolving Fund, and thereafter, those funds available under Compact section 216(a)(3) used to replenish the Scholarship Revolving Fund under section 337 of this chapter, so as to ensure that money is available for the timely registration and enrollment of any eligible student whose institution of higher education requires such funds prior to the beginning of the fiscal year."
(a) The Secretary of the Department of Education of the Federated States of Micronesia shall be the allottee of all funds to be expended from the Scholarship Revolving Fund, and shall be responsible for awarding the scholarships therefrom and overseeing the disbursement of such scholarship funds directly to the appropriate institution of higher education.

(b) The Secretary of the Department of Finance of the Federated States of Micronesia shall be responsible for managing and investing the funds in the Scholarship Revolving Fund, and for ensuring that authorized expenditures are disbursed promptly to the appropriate institution of higher education as designated by the Secretary of Education.

Section 3. Title 40 of the Code of the Federated States of Micronesia is hereby further amended by adding a new section 337 of subchapter IV of chapter 3 to read as follows:

"Section 337. Reimbursement of Scholarship Revolving Fund.
All funds received by the Federated States of Micronesia under Compact section 216(a)(3) following the creation hereby of the Scholarship Revolving Fund shall upon receipt be deposited in said fund for disbursement according to the provisions of section 336 of this chapter."
Section 4. 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: 5/11/93

Introduced by: Jack Fritz