
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
2 Federated States of Micronesia (Annotated), as amended, is
3 hereby amended to read as follows:

4 "Section 106. Appropriations by Congress.

5 (1) The Congress, after receipt of the proposed
6 budget from the President and no later than
7 September 30 of each year, shall, by Act, adopt the
8 annual budget of the National Government of the
9 ensuing fiscal year. Congress may elect to
10 initially or permanently exclude, from the annual
11 budget Act, that portion of the budget proposed to
12 be funded by Compact sector. In no event shall the
13 budget adopted or any amendments thereto provide
14 funding for the personnel, contractual services, or
15 travel expenses of any branch or agency of the
16 National Government in an amount greater than 110

1 percent of the aggregate funding appropriated for
2 such branch or agency for such categories in the
3 initial budget Act of the immediately preceding
4 fiscal year, except where funding in excess of such
5 limit shall be deemed essential by the Congress on
6 the face of the appropriating legislation.

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

10 (3) Funds to be received and expended pursuant
11 to the JEMCO-approved Compact sector allocation for
12 the National Government shall be appropriated by act
13 of Congress within 45 days of the return of the
14 Compact sector allocation from JEMCO or by September
15 30, whichever is later. The appropriation
16 legislation covering Compact funds shall comply with
17 the terms of the Compact and the Fiscal Procedures
18 Agreement with respect to the receipt of Compact
19 sector funds, shall allow for reprogramming of funds
20 to the extent permitted under the Compact and
21 chapter 3 of this title, and may require, as a
22 condition to such reprogramming, prior notice to
23 Congress.

24 (4) The budget alteration authority of Congress
25 shall be executed by means of appropriations

1 legislation. Appropriations or authorizations for
2 the expenditure of funds shall be made by law,
3 except as provided in section 108 of this chapter.

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

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

14 (7) Within the annual budget for the National
15 Government for a given fiscal year, the first
16 \$20,000,000 of funds appropriated to the line item
17 titled "FSM Trust Fund" shall be apportioned as
18 follows: 75 percent of such funds shall deposited
19 into the Sub-Account of the National Government and
20 25 percent of such funds shall be divided and
21 deposited in equal shares into the respective Sub-
22 Accounts of the four FSM States.

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