
A BILL FOR AN ACT

To further amend sections 303 of title 55 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Laws Nos. 18-12, 18-25, 18-57 and 23-30, to further modify the distribution formula for Compact funds to allow the National Government 8% share of the distribution in accordance with the recommendation by the Chief Executive Council plus Presiding Officers meeting in Yap, and for other purposes.

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

1 Section 1. Purpose. The purpose of this act is to amend the
2 distribution formula enacted by Public Law No. 23-30 in order to
3 align with the resolution adopted by consensus of the Chief
4 Executive Council plus Presiding Officers of the FSM Congress and
5 the States Legislatures (CEC + Pos) at the September 2023 meeting
6 in Yap. The CEC + Pos agreed by consensus to recommend 8% share
7 of the National Government from Compact funds.

8 Section 2. Section 303 of Title 55 of the Code of the
9 Federated States of Micronesia (Annotated), as amended by Public
10 Laws Nos. 18-12, 18-25, 18-57 and 23-30, is hereby further
11 amended, to read as follows:

12 "Section 303. Division of Compact Funds among National and
13 State Governments.

14 (1) The Compact Budget Requests for Fiscal Years 2005
15 and 2006 of the National Government and of each State
16 Government under section 305 of this chapter shall be based
17 upon a division of Compact funds in the following

1 proportions:

2	Chuuk	38.57%
3	Kosrae	11.06
4	Pohnpei	25.69
5	Yap	16.03
6	National Government	8.65

7 (2) For Fiscal Years 2007 to 2013, the chief
8 executives of the National Government and each of the State
9 Governments shall have the authority to enter, from time to
10 time, into one or more agreements setting forth the
11 proportionate amounts of Compact funds that shall be the
12 basis of each Government's Compact Budget Request under
13 sections 305 and 306 of this chapter, provided that the
14 National Government's proportionate amount of Compact funds
15 for each Fiscal Year shall be ten percent (10%) of the
16 estimated level of Compact funding for that year. An
17 agreement regarding the division of Compact funds, other than
18 the National Government's ten percent (10%) share, may be
19 limited to a specified period of time and shall only be
20 effective when signed by the chief executive of each and
21 every Government.

22 (3) The Compact Budget Requests for Fiscal Year 2014
23 of the National Government and of each State Government under
24 section 305 of this chapter shall be based upon a division of
25 Compact funds in the following proportions, except for

1 Supplemental Education Grants under section 105 of the
2 Amended Compact:

3	Chuuk	40.11%
4	Kosrae	11.50
5	Pohnpei	26.72
6	Yap	16.67
7	National Government	5.00

8 (4) The Compact Budget Requests for Fiscal Year 2015
9 to 2023 of the National Government and of each State
10 Government under section 305 of this chapter shall be based
11 on a division of Compact funds in the following proportions,
12 except Supplemental Education Grants under section 105 of the
13 Amended Compact:

14	Chuuk	42.22%
15	Kosrae	12.10
16	Pohnpei	28.13
17	Yap	17.55
18	National Government	0.00

19 The above formula applies after JEMCO funds the College of
20 Micronesia.

21 (5) For Fiscal Years 2016 to 2023, the chief
22 executives of the National Government and each of the State
23 Governments shall have the authority to enter, from time to
24 time, into one or more agreements setting forth the
25 proportionate amounts of Compact funds that shall be the

1 basis of each Government’s Compact Budget Request under
 2 sections 305 and 306 of this chapter, provided that the
 3 National Government’s proportionate amount of Compact funds
 4 for each Fiscal Year, after funding the College of
 5 Micronesia, shall be zero percent (0%) of the estimated level
 6 of Compact funding for that year, excepting Supplemental
 7 Education Grants under Section 105 of the Amended Compact.
 8 An agreement regarding the division of Compact funds, other
 9 than the National Government’s zero percent (0%) share, may
 10 be limited to a specified period of time and shall only be
 11 effective when signed by the chief executive of each and
 12 every Government.

13 (6) The Compact Budget Requests for Fiscal Year 2024
 14 and thereafter of the National Government and each State
 15 Government under section 305 of this chapter shall be based
 16 on the division of Compact funds in the following
 17 proportions:

18	Chuuk	[38.00]	<u>38.82</u>
19	Kosrae	[10.89]	<u>11.10</u>
20	Pohnpei	[25.31]	<u>25.83</u>
21	Yap	[15.80]	<u>16.15</u>
22	National Government	[10.00]	<u>8.00</u>

23 The above formula applies after JEMCO funds the College
 24 of Micronesia (hereinafter “COM Funding”); COM Funding
 25 includes all funding received by the College of

