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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 new sections 801 to 812 for the purpose of creating a National Scholarship Board, and for other purposes.

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

1 Section 1. Title 40 of the Code of the Federated States of Micronesia, as
2 amended by Public Laws Nos. 6-30, 6-44, 6-45, 8-21 and 8-132, is hereby further
3 amended by adding a new section 801 to read as follows:

4 "Section 801. National Scholarship Board Membership:

5 (1) A five member National Scholarship Board which shall be the
6 governing body for the general management and control of national
7 scholarship funds is hereby established and shall consist of the following
8 members:

9 (a) One member shall be appointed by the President with
10 the advice and consent of the Congress. This member shall be
11 designated as the representative from the National Government.

12 (b) Four members, one from each State, shall be
13 appointed by the President with the advice and consent of the Congress.
14 These members shall be designated as representatives from their
15 respective States.

16 (c) The Secretary of the Department of Education shall be
17 an ex officio member of the Board with no voting rights.

18 (2) Employees of the Department of Education shall not be
19 eligible for appointment by the President pursuant to subsections (1) (a)
20 and (1) (b) of this section. Members appointed by the President
21 pursuant to subsections (1) (a) and (1) (b) of this section shall
22 represent divers elements of the population of the States and the
23 Nation, including, but not limited to, business and industry,
24 education, and community service organizations.

25 (3) All members, except the Secretary of the Department of

1 Education, shall be voting members."

2 Section 2. Title 40 of the Code of the Federated States of Micronesia, as
3 amended by Public Laws Nos. 6-30, 6-44, 6-45, 8-21 and 8-132, is hereby further
4 amended by adding a new section 802 to read as follows:

5 "Section 802. National Scholarship Board; Initial terms of office.

6 At the initial Board meeting, the four members of the Board
7 representing their respective States shall draw lots in order to ascertain
8 their terms of office. Two States shall have an initial two-year term and
9 two States shall have an initial three-year term. After the initial terms,
10 the terms of the respective State members shall be as provided in
11 section 803 of this act. The initial term of office of the remaining Board
12 member shall be as provided in section 803 of this act. Members of the
13 Board may serve beyond the expiration date of their initial terms until
14 their successors have been appointed."

15 Section 3. Title 40 of the Code of the Federated States of Micronesia, as
16 amended by Public Laws Nos. 6-30, 6-44, 6-45, 8-21 and 8-132, is hereby further
17 amended by adding a new section 803 to read as follows:

18 "Section 803. National Scholarship Board; Terms of office.

19 The terms of office for the members of the Board shall be as follows:

20 (1) The member representing the National Government shall
21 serve for a term of 3 years and shall not serve more than two
22 consecutive terms.

23 (2) The members representing their respective States shall
24 serve for a term of 3 years and shall not serve for more than two
25 consecutive terms.

1 (3) Members of the Board may serve beyond the expiration
2 date of their terms until their successors have been appointed. The
3 initial terms of members of the Board shall be counted towards the
4 aforementioned limitation of terms."

5 Section 4. Title 40 of the Code of the Federated States of Micronesia, as
6 amended by Public Laws Nos. 6-30, 6-44, 6-45, 8-21 and 8-132, is hereby further
7 amended by adding a new section 804 to read as follows:

8 "Section 804. National Scholarship Board; Notification of expiration of
9 term. The National Scholarship Board shall notify the President of the
10 Federated States of Micronesia, in writing, of the upcoming expiration of
11 the term of Board members ninety days before the actual expiration of
12 the Board member's term."

13 Section 5. Title 40 of the Code of the Federated States of Micronesia, as
14 amended by Public Laws Nos. 6-30, 6-44, 6-45, 8-21 and 8-132, is hereby further
15 amended by adding a new section 805 to read as follows:

16 "Section 805. National Scholarship Board; Vacancies. Any vacancy on
17 the Board shall be filled for the unexpired portion of the term in the same
18 manner as the original appointment. Three consecutive absences, of any
19 kind, of a Board member from separately called meetings of the Board,
20 called not less than thirty calendar days apart, shall automatically
21 create a vacancy in that Board member's seat. Upon a determination
22 that a vacancy exists, the chairperson, or in his/her absence, the
23 presiding officer of the Board shall issue a notice of vacancy to all
24 members of the Board and to the appropriate governmental entities and
25 parties responsible for filling the vacancy."

1 Section 6. Title 40 of the Code of the Federated States of Micronesia, as
2 amended by Public Laws Nos. 6-30, 6-44, 6-45, 8-21 and 8-132, is hereby further
3 amended by adding a new section 806 to read as follows:

4 "Section 806. National Scholarship Board; Officers. Members of the
5 Board shall annually appoint one member chairperson, who shall preside
6 at meetings of the Board. At the same time they shall also appoint one
7 member vice chairperson to serve as the presiding officer of the Board
8 in the absence of the chairperson, and a secretary-treasurer who shall
9 serve as presiding officer of the Board in the absence of both the
10 chairperson and vice chairperson. In the absence of all three officers,
11 the Board may appoint a pro tempore officer to preside. The Secretary
12 of the Department of Education shall not be eligible for appointment as
13 an officer of the Board."

14 Section 7. Title 40 of the Code of the Federated States of Micronesia, as
15 amended by Public Laws Nos. 6-30, 6-44, 6-45, 8-21 and 8-132, is hereby further
16 amended by adding a new section 807 to read as follows:

17 "Section 807. National Scholarship Board; Quorum. A quorum of the
18 Board shall consist of a majority of all voting members. All official
19 business of the Board shall be conducted by a majority of those present
20 and voting at a meeting of the Board for which a quorum exists, unless
21 otherwise provided by law or the bylaws of the Board."

22 Section 8. Title 40 of the Code of the Federated States of Micronesia, as
23 amended by Public Laws Nos. 6-30, 6-44, 6-45, 8-21 and 8-132, is hereby further
24 amended by adding a new section 808 to read as follows:

25 "Section 808. National Scholarship Board; Meetings.

1. (1) The Board shall meet and organize by the election of its
2 officers in its regular annual organizational meeting which shall be called
3 on a specified date each year. In addition to the regular organizational
4 meeting, the Board shall meet in one other regular meeting during the
5 year, as specified in the bylaws of the Board.

6 (2) The Board may also meet in special meetings at such other
7 times of the year as the Board shall so determine. The chairperson shall
8 call a special meeting of the Board upon the petition of two of its
9 members.

10 (3) In the case of any regular meeting of the Board, written
11 notice shall be provided to Board members at least 10 calendar days in
12 advance of the meeting day.

13 (4) Meetings of the Board shall be open to the public provided
14 that the Board is not discussing personnel matters, litigation or
15 impending litigation with its attorney.

16 (5) In the case of any regular meeting of the Board, notice shall
17 be provided to the public in advance of the meeting day.

18 (6) The Board shall publish and disseminate the minutes of all
19 of its meetings within twenty calendar days of the conclusion of a
20 meeting."

21 Section 9. Title 40 of the Code of the Federated States of Micronesia, as
22 amended by Public Laws Nos. 6-30, 6-44, 6-45, 8-21 and 8-132, is hereby further
23 amended by adding a new section 809 to read as follows:

24 "Section 809. National Scholarship Board; Expenses, compensation, and
25 honorarium. The members of the Board shall receive per diem and car

1 rental, where justified and necessary, at standard National Government
2 rates while on Board-approved business. Those members who are
3 employees of the National Government shall be granted administrative
4 leave and receive their regular salaries while on the business of the
5 Board. Other nongovernment members who are not otherwise being
6 compensated shall receive compensation on a daily basis while on the
7 Board-approved business. The rate of compensation shall be
8 established by the Board, but shall not exceed \$30.00 per day.
9 Consultants or advisors participating in Board activities who are not
10 officials or employees of the National or State Governments may receive
11 a reasonable honorarium at the discretion of the Board. The Secretary
12 of the Department of Education shall not be entitled to receive expenses,
13 compensation or honorarium as provided in this section."

14 Section 10. Title 40 of the Code of the Federated States of Micronesia, as
15 amended by Public Laws Nos. 6-30, 6-44, 6-45, 8-21 and 8-132, is hereby further
16 amended by adding a new section 810 to read as follows:

17 "Section 810. National Scholarship Board; Indemnification of members.
18 Every member of the Board shall be indemnified by the National
19 Government against all expenses and liabilities reasonably incurred or
20 imposed upon such member of the Board in connection with any
21 threatened, pending or completed action, suit or proceeding to which
22 such member may be made a party or in which the member may
23 become involved by reason of being or having been a member of the
24 Board is a member of the Board at the time such expenses are incurred,
25 except in such cases wherein the member of the Board is adjudged guilty

1 of wilful misfeasance or malfeasance in the performance of the duties of
2 the office; PROVIDED, however, that in the event of a settlement, the
3 indemnification herein shall apply only when the Board approves such
4 settlement and reimbursement as being in the best interest of the
5 scholarship fund. The private property of members of the Board shall
6 not be subject to the debts or obligations of the National Government.
7 The foregoing right of indemnification shall be in addition to, and not
8 exclusive of, all other rights to which such member of the Board may be
9 entitled."

10 Section 11. Title 40 of the Code of the Federated States of Micronesia, as
11 amended by Public Laws Nos. 6-30, 6-44, 6-45, 8-21 and 8-132, is hereby further
12 amended by adding a new section 811 to read as follows:

13 "Section 811. National Scholarship Board; Bylaws. The Board shall
14 adopt, amend, and repeal bylaws governing the conduct of its business
15 and the performance of the powers and duties granted to, or imposed
16 upon it, by law."

17 Section 12. Title 40 of the Code of the Federated States of Micronesia, as
18 amended by by Public Laws Nos. 6-30, 6-44, 6-45, 8-21 and 8-132, is hereby further
19 amended by adding a new section 812 to read as follows:

20 "Section 812. National Scholarship Board; Removal of members. Board
21 members may be removed before the expiration of their terms by a
22 three member majority vote of all the other voting members of the
23 Board for incompetence, neglect or duty, unethical conduct, or
24 malfeasance in office. Notification of intent to call for removal pursuant
25 to this section shall be made at least twenty calendar days in advance.

1 by means which shall be described in the bylaws, and shall include a
2 summary of the basis of the charges against the member and
3 identification of the witnesses to be called and evidence to be used.
4 Original jurisdiction over any claim of wrongful removal by action of the
5 Board shall be in the Trial Division of the Supreme Court of the Federated
6 States of Micronesia."

7 Section 13. Title 40 of the Code of the Federated States of Micronesia, as
8 amended by Public Laws Nos. 6-30, 6-44, 6-45, 8-21 and 8-132, is hereby further
9 amended by adding a new section 813 to read as follows:

10 "Section 813. National Scholarship Board; Powers and responsibilities.

11 The National Scholarship Board shall have general management and
12 control over the affairs of all National scholarship funds, and to this end,
13 shall have the powers to:

14 (1) Clarify the policies for scholarship awards;

15 (2) Establish policies and procedures for the equitable
16 distribution of scholarship funds;

17 (3) Develop a program for the recruitment of recipients of
18 National scholarship funds;

19 (4) Create an efficient mechanism for informing all eligible
20 persons of the availability of scholarship funds;

21 (5) Review all applications for National scholarships and
22 designate the recipients of all National scholarship funds;

23 (6) Ensure strong financial management;

24 (7) Appoint and terminate all officers of the Board;

25 (8) Adopt, amend, and repeal bylaws governing the conduct of

its business and the performance of the powers and duties granted to, or imposed upon it, by law:

(9) Annually review and approve long-range plans for the deveiopment of the scholarship fund:

(10) Take such other actions and assume such other responsibilities as may be necessary or appropriate to carry out the powers and duties granted to or imposed upon it by this act; and

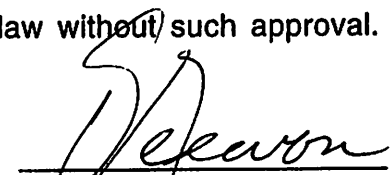
(11) Annually report to the Congress of the Federated States of Micronesia on the activitles of the National Scholarship Board."

Section 14. 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, is hereby further amended by adding a new section 814 to read as follows:

"Section 814. National Scholarship Board; Ethical conduct. The Board shall act as a whole; no member or committee created by the Board may act in place of the Board. The bylaws of the Board created pursuant to section 811 of this act shall include a statement of ethical conduct for its members. Such statement shall include, but is not limited to, a provision prohibiting Board members from participating in any action involving a possible conflict of interest or from realizing a financial gain, other than compensation provided pursuant to this act, from their position as a Board member."

Section 15. 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: 10/31/96

Introduced by: 
John R. Petewon