

**JEMCO ADOPTED RESOLUTIONS**  
**September 2, 2011**  
**Honolulu, Hawaii**

**Resolution JEMCO 2011-1**

Sustainability of Sector Budgets and Strategic Planning

JEMCO resolves that no Compact assistance will be approved for Health and Education Sectors in Fiscal Year 2013 until the FSM demonstrates to the satisfaction of JEMCO that budgetary levels for personnel costs within the FSM's Fiscal Year 2013 Health and Education Sector proposals shall not exceed the Fiscal Year 2011 levels.

**Resolution JEMCO 2011-2**

College of Micronesia (COM) Operational Funding through the Compact Education Sector

JEMCO resolves that, effective in FY 2013, Compact sector funds provided to the College of Micronesia (COM) shall be reduced at a minimum annual rate of \$700,000. The reduction shall be implemented over a four year time period or until annual Compact funding for the College of Micronesia is reduced to \$1,000,000 per year.

JEMCO further resolves that project proposals for COM infrastructure projects will not be considered for approval by the JEMCO during the Fiscal Years period of 2012-2016.

JEMCO further resolves that this resolution will be reviewed at its midyear meeting in Fiscal Year 2012.

**Resolution JEMCO 2011-3**

Education Priorities and Resources

JEMCO resolves that a comprehensive review of the educational priorities and resources of the FSM should be undertaken which involves all appropriate leaders, officials and community leaders. The review should determine the most appropriate funding resources, in light of decreases in Compact funding over the remaining years of the Compact, and should take into account additional funding resources such as local revenues, increased fees and PELL grant revenues. National recommendations shall be made and presented to the FSM President and Congress and to the JEMCO prior to June 1, 2012.

**Resolution JEMCO 2011-4**

Scholarships financed by the Compact Education Sector

FSM Government statistics indicate that 94% of scholarship students did not achieve a degree by 2010.

JEMCO resolves that, effective in Fiscal Year 2013, no more than \$1,000,000 in Compact assistance may be applied toward scholarship programs.

Further recognizing that the effort to restructure Scholarship administration has just begun, but also recognizing the continued increasing cost of postsecondary education and the need to better frame the core tracking needs for this new administration framework, and acknowledging the effort FSM has made since January 2011 to reassess how scholarship funding is administered throughout FSM, JEMCO resolves that effective in Fiscal Year 2013:

- 1) Compact-funded scholarships must only be awarded to students accepted into degree credit course work or an FSM approved training program. Scholarship funding must not support remedial academic work.
- 2) Compact-funded scholarships must be provided directly to the educational institution instead of directly to the students.
- 3) Compact-funded scholarships may only be released for continuing students upon submission of transcript demonstrating successful completion of the previous quarter/semester's work.
- 4) Students must maintain a Grade Point Average (GPA) of 2.5 to continue to receive a Compact-funded scholarship.
- 5) A yearly update of all students receiving Compact-funded scholarships must be submitted no later than July 1 each year to the Government of the US and FSM National Department of Education for audit purposes. The report shall contain the following: students; name of college or training program, numbers of years on scholarship, total to-date amount of scholarship funds received, major, GPA and expected year of graduation.
- 6) The yearly update must further include data on number of graduates each year by degree and certificate types.

#### **Resolution JEMCO 2011-5**

FSM Education: Site-Based Budgets

Effective Fiscal Year 2013, JEMCO resolves that education sector proposals for the four state governments of the FSM will only be considered for Compact assistance if they include individual school budgets containing a breakdown of funding by object classes as mutually agreed-upon by the Governments of the FSM and the United States. At a minimum, these object classes must specifically include personnel, training, consumables, contractual and fixed assets.

JEMCO further resolves that the OIA, SBOC and NDOE shall report to JEMCO at its mid-year meeting on steps taken to implement the first paragraph of this resolution.

#### **Resolution JEMCO 2011-6**

Army Corps of Engineers Assessment of the FSM Program Management Unit

JEMCO resolves that it will not consider approval of any new infrastructure project proposals until a professional contracting officer is hired by the FSM for the PMU.

#### **Resolution JEMCO 2011-7**

Public Sector Infrastructure Funding for the Repair of the Pohnpei State Hospital

JEMCO allocates \$1,900,000 of Public Sector Infrastructure Funds for the renovation of the Pohnpei State Hospital Project.

#### **Resolution JEMCO 2011-8**

Project Based Proposals

JEMCO resolves that, effective FY 2012, health and education sector proposals for the FSM National Departments of Health and Education must be submitted in a format containing program-specific commitments that are linked to activity-based budgets.

**Resolution JEMCO 2011-9**

Trafficking in Persons

JEMCO resolves that it would look favorably on budget proposals for the use of Public Sector Capacity Building grants to conduct anti-trafficking activities as recommended in the FSM Country Narrative of the 2011 U.S. Trafficking in Persons Report.

**Resolution JEMCO 2011-10**

Fiscal Year 2012 Sector Grant Allocations\_(adopted)

RESOLVED, that JEMCO allocates the following amounts for use of Fiscal Year 2012 Compact sector grant funding subject to Resolutions JEMCO 2011-6, 2011-7, and 2011-8:

\$	27,229,001	Education
\$	19,799,593	Health
\$	2,661,097	Public Sector Capacity Building
\$	1,752,226	Environment
\$	2,580,211	Private Sector Development
\$	908,830	Enhanced Reporting and Accountability
\$	<u>24,222,240</u>	Infrastructure
\$	<b>79,153,198</b>	Total FY 2012 Sector Allocation

Note 1: The allocation for Enhanced Reporting and Accountability is subject to necessary agreement between the two governments.

Note 2: Funding for the National Departments of Health (\$878,750) and Education (\$637,560) was not allocated by JEMCO.

JEMCO further allocates the following amounts from unallocated funds for Fiscal Year 2012 as shown below.

\$	<b>1,286,685</b>	<b>Chuuk</b>
\$	<b>586,573</b>	<b>Kosrae</b>
\$	<b>146,300</b>	<b>Pohnpei</b>
\$	<b><u>658,843</u></b>	<b>Yap</b>
\$	<b>2,678,401</b>	<b>Total</b>

**➤ Chuuk State Government – Unallocated**

○ Waste Water Treatment Plant	\$	167,685 (Infra)
○ Component Unit & DAS Oversight Unit	\$	415,000 (PSCB)
○ CPUC Controller	\$	80,000 (PSCB)
○ CSHCP Financial	\$	32,000 (PSCB)
○ DOH – MDRTB Program Supplement	\$	259,000 (HLTH)
○ Leprosy Project	\$	243,000 (HLTH)
○ Surgical Instruments	\$	20,000 (HLTH)
○ Water Tanks for Hospital	\$	<u>70,000 (HLTH)</u>
	\$	1,286,685

➤ **Kosrae State Government – Unallocated**

✓ Projects

○ School Busses	\$ 170,000 (EDU)
○ Medical Equipment	\$ 157,250 (HLTH)
○ Solid Waste Equipment Acquisition	\$ 139,323 (ENV)
○ Seedling Multiplication & Production for Export Market	<u>\$ 120,000 (PSD)</u>
	\$ 586,573

➤ **Pohnpei State Government – Unallocated**

✓ Projects

● Leprosy Elimination Campaign	\$81,400 (HLTH)
● Non Communicable Disease Strategic Kick-Off	<u>\$64,900 (HLTH)</u>
	\$146,300

➤ **Yap State Government – Unallocated**

✓ Projects

○ E. Classroom Building Repair Project	\$ 115,857 (Infra)
○ OIHS Agriculture Classroom Renovation	\$ 34,500 (Infra)
○ OIHS Constr. Shop Classroom Renovation	\$ 78,936 (Infra)
○ Sea Transportation Office Renovation	\$ 13,800 (Infra)
○ Colonia Solid Waste & Landfill Management	\$ 165,750 (ENV)
○ Water Tank Repair Assessment	\$ 100,000 (Infra)
○ Water Treatment Plant Repair	<u>\$ 150,000 (Infra)</u>
	\$ 658,843