

## **CHAPTER 3**

### **Student Assistance**

#### **SUBCHAPTER I**

#### **Student Loan Fund**

**[REPEALED]**

**Editor's note:** The former subchapter I, §§ 311-316, of chapter 3 of this title on, "Student Loan Fund," was repealed by PL 6-44 § 1.

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#### **SUBCHAPTER I**

### **Student Loan Fund**

**[REPEALED]**

**Editor's note:** The former subchapter I, §§ 311-316, of chapter 3 of this title on, "Student Loan Fund," was repealed by PL 6-44 § 1.

## **SUBCHAPTER II**

### **General Assistance**

#### **§ 321. Transportation of school children.**

The Department may provide suitable transportation to and from school for all children in grades kindergarten through 12 and in special education classes. The Department shall adopt such policy, procedure, and program as it deems necessary to provide suitable transportation. In formulating the policy, procedure, and program, the Department shall consider the school district, the school attendance area in which a school child normally resides, the distance the school child lives from school, the availability of public carriers or other means of transportation, the frequency, regularity, and availability of public transportation, and the grade level, physical handicap, or special learning disability of a school child, and it may also consider conditions and circumstances unique or peculiar to a district, island, or community.

**Source:** COM PL 3C-36 § 29; TT Code 1970, 41 TTC 29; TT Code 1980, 41 TTC 29, modified.

#### **§ 322. Residence assistance.**

Post-elementary students attending school under such circumstances that transportation cannot be provided on a daily basis shall be provided residence assistance by the Territory. Residence assistance may be provided in a public school dormitory operated by the department or may take the form of a daily subsistence payment made to a family with whom the student resides.

**Source:** COM PL 3C-36 § 30; TT Code 1970, 41 TTC 30; TT Code 1980, 41 TTC 30.

#### **§ 323. School feeding program.**

(1) The Department may assist any community or district in establishing a school feeding program under such rules and regulation as the director may promulgate.

(2) The Department shall establish a feeding program for all schools having dormitory facilities. The program shall be operated under the general direction of the school principal with standards of health and cleanliness being prescribed by the director of Health Services.

**Source:** COM PL 3C-36 § 31; TT Code 1970, 41 TTC 31; Code 1980, 41 TTC 31.

### SUBCHAPTER III

#### Student Loan Revolving Fund

#### **§ 324. Short title.**

This subchapter shall be known as the “National Student Loan Revolving Fund Act of 1982”.

**Source:** PL 2-50 § 1.

**Editor’s note:** PL 2-50, codified herein as subchapter III, did not expressly repeal subchapter I of this chapter. PL 6-44 § 1, explicitly repealed subchapter I of this chapter.

**Cross-reference:** The statutory provisions of other revolving funds are found in chapter 6 of title 55 (Government Finance and Contracts) of this code.

#### **§ 325. Purposes.**

It is important to the growth of our new Nation that we identify and educate more of the talented young men and women of the Federated States of Micronesia in order to provide the fullest development of their mental resources and technical skills. The purpose of this subchapter is to establish an ongoing fund to provide long-term, low-interest loans from a revolving fund to qualified students who are in need of such financial assistance in order to pursue a full-time course of study at an institution of higher education.

**Source:** PL 2-50 § 2.

**Cross-reference:** FSM Const., art. IX, § 2(r), as amended, states as follows:

Section 2. The following powers are expressly delegated to Congress:

...

(r) to promote education and health by setting minimum standards, coordinating state activities relating to foreign assistance, providing training and assistance to the states and providing support for post-secondary educational programs and projects.

...

FSM Const., art. XIII, § 1 states as follows:

Section 1. The national government of the Federated States of Micronesia recognizes the right of the people to education, health care, and legal services and shall take every step reasonable and necessary to provide these services.

The provisions of the Constitution are found in Part I of this code.

### **§ 326. Definitions.**

As used in this chapter:

- (1) “Academic year” or its equivalent means the number of credit hours which a student must acquire during any one school year in order to secure the degree or certificate toward which he or she is working in the number of semesters or terms normally taken therefor at the institution where he is pursuing a course of study.
- (2) “Chief” means the chief of the Division of Education of the Federated States of Micronesia.
- (3) “Full-time attendance” means compliance by a full-time student with policies and regulations regarding attendance in effect at the institution in which he or she is enrolled.
- (4) “Full-time student” means a student who is carrying a full-time academic work load in terms of course work or other required activities as determined by the institution.
- (5) “Fund” means the National Student Loan Revolving Fund.
- (6) “Institution of higher education” means an educational institution which:
  - (a) admits as regular students only persons having a certificate of graduation from a school providing secondary education;
  - (b) is legally authorized to provide a program of education beyond secondary education;
  - (c) provides an educational program for which it awards a bachelor’s degree or provides not less than a two-year program which is acceptable for full credit toward such a degree;
  - (d) is a public or other nonprofit institution; and
  - (e) is accredited by a recognized accrediting agency approved by the chief or is an institution whose credits are accepted on transfer by not less than three institutions which are so accredited for credit on the same basis as if transferred from an institution so accredited.
- (7) “Professional” or “graduate student” means, in general, a student who is enrolled in an academic program of instruction above the college level which is provided at an institution of higher education. The term includes:
  - (a) that portion of any program involving a period of study beyond four academic years of study at the college level; or
  - (b) any portion of a program leading to:
    - (i) a degree beyond the bachelor’s or first professional degree, or
    - (ii) a first professional degree when at least three years of study at the college level are required for entrance into a program leading to such degree.

(8) “Satisfactory standing” and “good standing” mean the eligibility of a student to continue in attendance at the institution where he or she is enrolled as a student in accordance with the institution’s standards and practices.

**Source:** PL 2-50 § 3; PL 4-114 § 15.

### **§ 327. Eligibility.**

Loans shall be made only to a student who:

- (1) is a citizen of the Federated States of Micronesia;
- (2) is in need of the amount of the loan to pursue a course of study on a full-time basis as an undergraduate, graduate, or professional student at an institution of higher education; and
- (3) has been accepted for enrollment as a full-time student at an institution of higher education or in the case of a student already attending such an institution, is in good standing at such institution and is carrying a full-time academic work load.

**Source:** PL 2-50 § 4.

### **§ 328. Maximum amount of loans.**

The loans advanced from the fund to a student for any academic year or its equivalent may not exceed a total of \$4,000, and further, the total of all such loans to an undergraduate student may not exceed \$16,000. The total of all such loans to an individual student continuing as a professional or graduate student may not exceed a combined total of \$32,000.

**Source:** PL 2-50 § 5.

### **§ 329. Selection.**

Loans from the fund shall be made reasonably available, subject to section 328 of this subchapter, to all eligible applicants. In the event applications exceed available funds, the order of selection shall be made on the basis of objective criteria established by the chief pursuant to Public Law No. 1-150. Special consideration shall be given to students with superior academic backgrounds.

**Source:** PL 2-50 § 6.

### **§ 330. Establishing the Student Loan Revolving Fund.**

There is established a Student Loan Revolving Fund (hereinafter the “fund”), separate from the General Fund or other funds. All appropriations for student loans shall be deposited in this account. In addition all repayments of principal and interest from loans made from this fund shall be deposited back into the fund for the purposes stated in section 325 of this subchapter. Further, all loan repayments of interest and principal for funds received from appropriations made pursuant to:

- (1) Public Law No. 1-22, as amended by Public Law No. 1-57;
- (2) Public Law No. 1-106;
- (3) Public Law No. 1-125; and
- (4) Public Law No. 2-21, as amended by Public Laws Nos. 2-26, 2-38, and 2-39; shall be deposited in the fund. Any unexpended money in this account shall not revert to the General Fund or lapse at the end of the fiscal year.

**Source:** PL 2-50 § 7; PL 4-114 § 16.

**Cross-reference:** The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the Congress of the Federated States of Micronesia are found in title 3 of this code.

The website of the FSM National Government contains announcements, press releases, news, forms, and other information on the National Government at <http://fsmgov.org>.

The official website of the Congress of the Federated States of Micronesia contains the public laws enacted by the Congress, sessions, committee hearings, rules, and other Congressional information at <http://www.fsmcongress.fm/>.

### **§ 331. Advancement and repayment of loans.**

(1) Loans from the fund shall be evidenced by a note or other written agreement between the Division of Education and the borrower which provides for repayment of the principal amount, together with interest thereon, in equal installments payable monthly over a period beginning nine months after the date on which the borrower ceases to carry the normal full-time academic work load at an institution of higher education, and ending ten years and nine months after such date. Installments need not be paid during any period, aggregating not in excess of three years, during which the borrower is in less than full-time attendance at an institution of higher education taking courses which are creditable towards a degree, but interest shall continue to accrue during any such period.

(2) Such loan shall bear interest on the unpaid principal of the loan at the rate of four percent per annum except that no interest shall accrue before the date on which repayment of the loan is to begin.

(3) Such loan shall be made without security or endorsement except that if the borrower is a minor, endorsement shall be required.

(4) Any student borrower may, at his or her option, and without penalty, repay all or any part of the principal and accrued interest at any time.

(5) In the event that a student who has borrowed from the fund is unable, due to extraordinary circumstances, to comply with his or her obligations to repay the funds loaned to him or her, he or she may apply to the chief for revision of the repayment schedule.

(6) The chief shall assess a late payment charge with respect to a loan on which a student borrower has failed to pay all or part of an installment when it is due. Such late charges shall not exceed one dollar for the first month or part thereof by which an installment is late and two dollars for any month or part of a month thereafter.

**Source:** PL 2-50 § 8.

### **§ 332. Reporting.**

The chief shall prepare and submit an annual report on the status of the fund prior to the opening of the regular May session of the Congress of the Federated States of Micronesia. This report shall include the total amount of outstanding current loans, total amounts of repayments collected in the prior fiscal year, the total amount of payments in default in the prior fiscal year, the number of loans made during the prior fiscal year, and such other information as may be appropriate.

**Source:** PL 2-50 § 9.

**Cross-reference:** The statutory provisions on the FSM Congress are found in title 3 of this code.

### **§ 333. Authorization.**

The Congress of the Federated States of Micronesia hereby authorizes appropriations from the General Fund of the Federated States of Micronesia for the purposes set forth in section 325 of this subchapter. The aggregate total appropriations for the revolving fund shall not be less than \$600,000.

**Source:** PL 2-50 § 10.

**Cross-reference:** The statutory provisions on the FSM Congress are found in title 3 of this code.

FSM Const., art. IX, § 2(r), as amended, states as follows:

Section 2. The following powers are expressly delegated to Congress:

...

(r) to promote education and health by setting minimum standards, coordinating state activities relating to foreign assistance, providing training and assistance to the states and providing support for post-secondary educational programs and projects.

...

FSM Const., art. XIII, § 1 states as follows:

Section 1. The national government of the Federated States of Micronesia recognizes the right of the people to education, health care, and legal services and shall take every step reasonable and necessary to provide these services.

The provisions of the Constitution are found in Part I of this code.

### **§ 334. Issuance of regulations.**

The Chief of the Division of Education shall promulgate regulations, pursuant to Public Law No. 1-150, consistent with the contents and intent of this subchapter.

**Source:** PL 2-50 § 11.

**Cross-reference:** PL 1-150 is codified at chapter 1 of title 17 of this code and is on FSM Administrative Procedures.

## **SUBCHAPTER IV**

### **Continental Airlines Scholarship Program**

#### **§ 351. Continental Airlines Scholarship; Requirements and uses.**

The scholarship funds appropriated by PL 6-3 and all future appropriations for the Continental Airlines scholarship program shall be administered by the Department of Human Resources. These scholarship funds shall be used for a scholarship program only for graduate or undergraduate students in the field of aviation; graduate or undergraduate students in the field of civil engineering; and graduate students in the fields of law and medicine. Scholarships under this program to undergraduate students shall only be awarded to otherwise eligible undergraduate students who have completed two years full-time study or its equivalent. The Secretary of the Department of Human Resources, or his designee, shall promulgate guidelines or rules, governing the process of applying for scholarships under this program, governing the criteria for awarding scholarships under this program, governing the process of selecting recipients of scholarships under this program, governing the terms and conditions, and the enforcement of such, for scholarships under this program, and such other matters as may be necessary and consistent with the provisions of this subchapter. The promulgation of such guidelines or rules shall not be subject to the provisions of chapter 1 of title 17 of this code regarding administrative procedures.

**Source:** PL 6-3 § 2.

**Cross-reference:** Chapter 1 of title 17 of this code is on FSM Administrative Procedures.

**Editor's note:** PL 6-3 § 1, appropriated \$35,000 for the purpose of funding scholarships for post-secondary students which have been established pursuant to the settlement with Continental Airlines entered into on May 7, 1987. It is the understanding of the FSM Congress that Continental Airlines, Inc. is to pay said sum into the General Fund each year for 10 years effective upon the date of settlement, and, further, that such payment has been made for the fiscal year ending September 30, 1989.

PL 6-3 became effective June 23, 1989.

## SUBCHAPTER V

### Fisheries and Maritime Training Programs

#### **§ 371. Fisheries and Maritime Training Program funding regulations.**

The Secretary of the Department of Human Resources, or his designee, shall promulgate regulations, pursuant to chapter 1 of title 17 of this code, governing the process for payment of tuition and fees for FSM citizens attending the fisheries and maritime training programs. No payment of tuition and fees shall occur until such regulations are properly promulgated and in effect.

**Source:** PL 6-64 § 2.

**Cross-reference:** Chapter 1 of title 17 of this code is on FSM Administrative Procedures.

**Editor's note:** PL 6-64 § 1, appropriated \$60,000 for the purpose of funding tuition and fees to allow FSM citizens to attend fisheries and maritime training programs.

PL 6-64 became effective on July 12, 1990.

## SUBCHAPTER VI

### National Merit Scholarship Program

**Editor's note:** The provisions of this subchapter were enacted by PL 16-37 which added a new subchapter VI of chapter 3 of this title. The purpose of this Act were stated in its section 1 as follows:

Section 1. Purpose. The Federated States of Micronesia hereby establishes a National Merit Scholarship Program. The intent of the Program is to create an exceptional scholarship program recognizing and awarding the very top high school valedictorians in the Federated States of Micronesia.

### **§ 381. Definitions.**

- (1) "Valedictorian" means an individual graduating with the highest Grade Point Average (GPA) of all students in that individual's high school graduating class;
- (2) "National Merit Scholar" means an individual who:
  - (a) Is a citizen of the Federated States of Micronesia;
  - (b) Graduated or will graduate as valedictorian of a high school located within the Federated States of Micronesia;
  - (c) Plans to enroll in or attend any college or university within 12 months after high school graduation;
  - (d) Has taken and passed the COM-FSM Entrance Test (COMET); and
  - (e) Was selected in accordance to the procedures set forth in section 383 of this subchapter.

**Source:** PL 16-37 § 3.

### **§ 382. Benefits.**

Individuals selected as National Merit Scholars shall receive the following benefits:

- (1) Recognition as a National Merit Scholar under the Federated States of Micronesia National Merit Scholarship Program; and
- (2) Payment of undergraduate tuition and fees directly to the attending college or university (but not payment towards living expenses, books or other incidental expenses) of up to \$25,000 per year for up to four years as long as the Merit Scholar maintains a minimum 3.2 grade point average (GPA).

**Source:** PL 16-37 § 4.

### **§ 383. Selection.**

- (1) The Secretary of Education shall administer the National Merit Scholarship Program.
- (2) Each year the Secretary shall invite applications from individuals meeting the requirements of section

381(2)(a) through (d) of this subchapter.

(3) No application shall be accepted from individuals who graduated more than 12 months before the date of the application.

(4) Applications shall include the individual's COM-FSM Entrance Test (COMET) score.

(5) No later than 30 days from the closing date of receipt of applications, the Secretary shall announce the appointment of the National Merit Scholars.

(6) A maximum of four applicants, and no more than one applicant per State, shall be selected as a National Merit Scholar per year. An applicant is considered an applicant of the State where the applicant permanently resides, and not of the State where the applicant attended high school, if the applicant attended a high school outside of the applicant's usual State of residency. The applicant from each State who meets all eligibility requirements and scores the highest COMET score shall be selected that State's National Merit Scholar for the year.

(7) In the event that two applicants from one State meet all eligibility requirements and score the same COMET score, each applicant will be designated a National Merit Scholar and receive the benefits set forth in section 382 of this subchapter. In the event there is no eligible applicant from a State in a given year, no National Merit Scholar from that State shall be selected for the year.

(8) The Secretary is authorized to promulgate rules and regulations to implement, administer and otherwise further the intent of this Program.

**Source:** PL 16-37 § 5.

**Cross-reference:** FSM Const., art. IX, § 2(r), as amended, states as follows:

Section 2. The following powers are expressly delegated to Congress:

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(r) to promote education and health by setting minimum standards, coordinating state activities relating to foreign assistance, providing training and assistance to the states and providing support for post-secondary educational programs and projects.

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