

S.C.R. NO. 13-48

SEPTEMBER 3, 2003

COMMITTEE ON HEALTH, EDUCATION AND SOCIAL AFFAIRS

Your Committee on Health, Education and Social Affairs (hereinafter referred to as the/your "committee"), to which was jointly referred the National Government's Fiscal Year 2004 ("FY 2004") Proposed Budget, begs leave to report as follows:

The FY 2004 Proposed Budget book, transmitted by the Executive Branch on April 29, 2003, details the National Government's proposed budget for FY 2004. Pursuant to Rule 7, section 4(b) of the Official Rules of Procedure of the Thirteenth Congress of the Federated States of Micronesia, your committee has limited its review to those portions of the proposed budget relating to matters under its jurisdiction.

The following are the matters contained in the proposed FY 2004 budget that fall within your committee on Health, Education and Social Affairs' jurisdiction:

- I. Department of Health, Education and Social Affairs (HESA), comprising:
 - A. Office of the Secretary;
 - B. Division of Social Affairs:
 1. Archives and Preservation Unit;
 2. National Women's Interest Unit; and
 3. Sports and Youth Unit;
 - C. Division of Health:
 1. Health Systems Support;
 2. Environmental Health Services;
 3. (Former) Compact s.221(b) Health Programs and s.216(a) (2) Medical Referral Programs.
 - D. Division of Education:
 1. Education System Support;
 2. Vocational and Manpower Programs;
 3. (Former) Compact s.221(b) Education Programs;
- II. Board of Regents of the College of Micronesia;
- III. Grants, Subsidies and Contributions (within HESA's jurisdiction):

1. Department of HESA grants, subsidies and contributions; and
2. Other grants, subsidies and contributions;

IV. Capital and Human Resource Development:

1. College of Micronesia;
2. Scholarships; and
3. Department of HESA Capital Resource Development projects.

The following information has been included in HESA Budget reports for information purposes only:

- I. U.S. Federal Programs -Health Programs; and
- II. U.S. Federal Programs -Education Programs.

However, your committee has not included this information in this report because the availability of the U.S. Federal Health and Education Programs under the Amended Compact is still uncertain at this time.

Initial Observations:

Initially, your committee notes that if there is no previously set policy about the implementation of the matters covered by this report, the provisions of this report, as adopted by Congress, must prevail. To protect the interests of the citizens of the Federated States of Micronesia, Congress has a duty to carefully review and question all requests for funding. As such, Congressional approval of committee reports detailing its reasoning for approval of each funding request signals Congress' intent with respect to such funding. It is your committee's intent, therefore, that any commentary found in this report should be treated as policy for the guidance of the relevant departments, agencies and offices.

Apparent Increase in the Department of HESA Budget from FY2003 to FY2004:

Your committee notes that the FY 2004 Budget TOTAL for HESA in the summary portion of the FY 2004 budget book appears to have increased dramatically from FY 2003. This is artificial. The total is high because the FY 2004 proposed budget book includes U.S. Federal Health and Education Programs and certain grants. These have not been included in the past and should not have been included in the TOTAL.

Further, in previous budgets, the various Compact section health and education programs (e.g. s.221, s.216(a) (b) programs, etc.) were listed separately. This year they are included under the health and education sector grants. The HESA budget has been reorganized to absorb these Compact programs in the list of HESA Department programs (the source or revenue is now the new Compact sector grants).

Hearing Process and Committee Reports:

Your committee held public hearings during the First Regular Session of the Thirteenth Congress to review and discuss the budget relating to matters within the HESA Committee's jurisdiction. The hearings were well attended by numerous senior representatives of all divisions of the Department of HESA, the College of Micronesia, the President's Office, the Department of Justice, the Department of Finance, EMPAT, other organizations requesting funding for FY 2004 and interested members of the public.

At that time your committee recognized that budget procedures will change somewhat in FY 2004 because of the Amended Compact of Free Association, which requires review and approval of the FSM's proposed use of Compact funds by the new Joint Economic Management Committee ("JEMCO"). The proposed budget transmitted to Congress by the President had not yet been reviewed by JEMCO. For this reason, during the First Regular Session, your committee recommendations on the FY 2004 budget were preliminary recommendations.

Based upon those hearings and further deliberations, your committee presented its preliminary findings and recommendations in Standing Committee Report No. 13-13 ("SCR No. 13-13"). Although adopted by the committee and placed on the Congressional Calendar for action, members deferred action on SCR No. 13-13 to the next session of Congress.

Congress convened its Second Special Session of the Thirteenth Congress on August 25, 2003, to enact the FY 2004 Budget and to conduct other business. On August 27, 2003, Congress recommitted SCR No. 13-13 to your committee to enable it to make its final recommendations.

This standing committee report reflects the final recommendations of your Committee on Health, Education and Social Affairs regarding the proposed FY 2004 Budget. Based on the documents and other information received during and subsequent to the committee hearings, your committee makes the following recommendations, subject to the availability of funding:

I. DEPARTMENT OF HEALTH, EDUCATION AND SOCIAL AFFAIRS

Your committee recommends a total of \$1,412,163 for the operations and activities of the Department Of Health, Education and Social Affairs for FY 2004.

A. OFFICE OF THE SECRETARY

	FY 2002 FY2004 Appropriated Rcmd.	FY 2003 Appropriated	FY 2004 Requested
A. Personnel \$ 53,930	\$ 80,680	\$ 80,680	\$ 53,930
B. Travel 22,642	13,600	22,642	22,642
C. Contract Services 1,625	-0-	1,625	1,625
D. Other Current Expenses 11,520	9,100	11,520	11,520
E. Fixed assets <u>6,000</u>	<u>-0-</u>	<u>6,000</u>	<u>6,000</u>
TOTALS: \$ 95,717	\$103,380	\$122,467	\$ 95,717

Your committee recommends approval of the amounts requested.

B. DIVISION OF HEALTH

1. Health Systems Support:

	FY 2002 FY2004 Appropriated Rcmd.	FY 2003 Appropriated	FY 2004 Requested
A. Personnel \$133,661	\$136,465	\$136,465	\$133,661
B. Travel 86,327	6,727	6,727	86,327
C. Contract Services -0-	-0-	-0-	-0-
D. Other Current Expenses 26,100	22,000	20,700	26,100
E. Fixed Assets <u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL: \$331,401	\$165,192	\$163,892	\$331,401

Your committee recommends approval of the amounts requested.

Your committee notes that the apparent dramatic increase in the Health Systems support budget is due to the fact that the former Compact programs that used to be listed separately in the Budget have been incorporated into this unit's budget. Funding for these programs shall now come from the amended Compact Health Sector grant.

1. Environmental Health Services:

	FY 2002 FY2004 Appropriated Rcmd.	FY 2003 Appropriated	FY 2004 Requested
A. Personnel \$134,333	\$121,425	\$134,333	\$134,333
B. Travel 15,289	16,002	15,289	15,289
C. Contract Services 5,000	5,000	5,000	5,000
D. Other Current Expenses 10,500	11,000	10,350	10,350
E. Fixed Assets <u>2,500</u>	<u>26,700</u>	<u>2,500</u>	<u>2,500</u>
TOTAL: \$167,622	\$180,127	\$167,472	\$167,472

Your committee recommends approval of the amounts requested.

3. (Former) Compact s.221(b) Programs -Special Block G (" SBG")/Health Category:

No funding is requested as these are no longer Compact s.221(b) programs.

4. (Former) Compact s. 216(a)(2) Programs – Diagnostic and Referral Services:

No funding is requested as these are no longer Compact s.216(a) (2) programs.

5. COMMUNICABLE DISEASE AND IMMUNIZATION:

	FY 2004 Recommended
A. TB/HD	\$10,000
B. Sexually Transmitted Diseases	10,000

TOTAL: \$20,000

Your committee recommends approval of the amounts requested.

6. SUBSTANCE ABUSE AND MENTAL HEALTH:

	FY 2004 Recommended
A. Mental Health	\$15,000
B. Substance Abuse	14,000
TOTAL:	\$29,000

Your committee recommends approval of the amounts requested.

C. DIVISION OF SOCIAL AFFAIRS

1. Archives and Historic Preservation Unit:

	FY 2002 FY2004 Appropriated Rcmd.	FY 2003 Appropriated	FY 2004 Requested
A. Personnel \$ 79,633	\$72,988	\$ 79,633	\$ 79,633
B. Travel -0-	3,627	2,110	-0-
C. Contract Services 29,215	14,460	14,460	15,274
D. Other Current Expenses 3,800	3,000	7,812	3,800
E. Fixed Assets <u>2,800</u>	<u>-0-</u>	<u>-0-</u>	<u>2,800</u>
TOTAL: \$115,448	\$94,075	\$104,015	\$101,507

During the public hearings held to review the FY2004 HESA Budget, representatives from the Archives and Preservation Unit told your committee that in its attempts to keep costs down, it eliminated the UNESCO membership fees, which, if not paid, would result in the FSM's ceasing to be a member of UNESCO. Your committee does not recommend ceasing its membership in UNESCO.

Your committee strongly recommends that this expense be included in the Archives and Preservation Unit's budget. Your committee, therefore, recommends approval of the amounts requested plus an additional \$13,941 in the "Contract Services" line item for UNESCO membership fees.

2. National Women's Interest Unit:

	FY 2002 FY2004 Appropriated Rcmd.	FY 2003 Appropriated	FY 2004 Requested
A. Personnel \$19,431	\$19,431	\$19,431	\$19,431
B. Travel 18,601	4,320	3,672	18,601
C. Contract Services -0-	4,000	3,000	-0-
D. Other Current Expenses 7,000	10,000	10,800	7,000
E. Fixed Assets <u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL: \$45,032	\$37,751	\$36,903	\$45,032

Your committee recommends approval of the amounts requested.

3. Sports and Youth Unit:

	FY 2002 FY2004 Appropriated Rcmd.	FY 2003 Appropriated	FY 2004 Requested
A. Personnel \$45,741	\$45,741	\$45,741	\$45,741
B. Travel 19,987	21,435	21,435	19,987
C. Contract Services 4,800	4,800	4,800	4,800
D. Other Current Expenses 9,500	9,500	9,900	9,500

E. Fixed Assets <u>5,000</u>	<u>-0-</u>	<u>-0-</u>	<u>5,000</u>
TOTAL: \$85,028	\$81,876	\$81,876	\$85,028

Your committee recommends approval of the amounts requested.

D. DIVISION OF EDUCATION

1. Education System Support:

	FY 2002 FY2004 Appropriated Rcmd.	FY 2003 Appropriated	FY2004 Requested
a. Personnel \$102,961	\$76,211	\$76,211	\$76,211
b. Travel 19,857	9,480	8,486	8,486
c. Contract Services -0-	-0-	-0-	-0-
d. Other Current Expenses 8,250	5,000	4,500	4,500
e. Fixed Assets <u>3,000</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL: \$134,068	\$90,691	\$89,197	\$89,197

Your committee recommends approval of the amounts requested.

2. FSM History Development:

	FY 2002 FY2004 Appropriated Rcmd.	FY 2003 Appropriated	FY2004 Requested
a. Personnel \$ -0-	\$ -0-	\$ -0-	\$ -0-
b. Travel 13,191	-0-	-0-	13,191
c. Contract Services -0-	-0-	-0-	-0-

d. Other Current Expenses 15,000	-0-	-0-	15,000
e. Fixed Assets <u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL: \$28,191	\$ -0-	\$ -0-	\$28,191

Your committee recommends approval of the requested amounts.

3. National Education Standards:

	FY 2002 FY2004 Appropriated Rcmd.	FY 2003 Appropriated	FY2004 Requested
a. Personnel \$ -0-	\$ -0-	\$ -0-	\$ -0-
b. Travel 13,191	-0-	-0-	13,191
c. Contract Services 8,000	-0-	-0-	8,000
d. Other Current Expenses 3,000	-0-	-0-	3,000
e. Fixed Assets <u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL: \$24,191	\$ -0-	\$ -0-	\$24,191

Your committee recommends approval of the requested amounts.

1. College Admission Test:

	FY 2002 FY2004 Appropriated Rcmd.	FY 2003 Appropriated	FY2004 Requested
a. Personnel \$ -0-	\$ -0-	\$ -0-	\$ -0-
b. Travel 33,538	-0-	-0-	33,538

c. Contract Services	-0-	-0-	-0-
-0-			
d. Other Current Expenses	-0-	-0-	2,000
2,000			
e. Fixed Assets	<u>-0-</u>	<u>-0-</u>	<u>2,000</u>
<u>2,000</u>			
TOTAL:	\$ -0-	\$ -0-	\$37,538
\$37,538			

Your committee recommends approval of the requested amounts.

5. FSM Standardized Testing Program:

	FY 2002 FY2004 Appropriated Rcmd.	FY 2003 Appropriated	FY2004 Requested
a. Personnel	\$ -0-	\$ -0-	\$ -0-
\$ -0-			
b. Travel	-0-	-0-	41,345
41,345			
c. Contract Services	-0-	-0-	10,000
10,000			
d. Other Current Expenses	-0-	-0-	15,000
15,000			
e. Fixed Assets	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>-0-</u>			
TOTAL:	\$ -0-	\$ -0-	\$66,345
\$66,345			

Your committee recommends approval of the requested amounts.

6. Vocational and Manpower Programs (T3):

	FY 2002 FY2004 Appropriated Rcmd.	FY 2003 Appropriated	FY2004 Requested
a. Personnel	\$166,880	\$166,880	\$178,124
\$178,124			
b. Travel	21,095	21,095	20,456
20,456			

c. Contract Services	-0-	-0-	-0-
-0-			
d. Other Current Expenses	26,100	26,100	26,100
26,100			
e. Fixed Assets	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
-0-			
TOTAL:	\$214,075	\$214,075	\$224,680
\$224,680			

Your committee recommends approval of the requested amounts.

7. Education Ties to the Economic:

	FY 2002 FY2004 Appropriated Rcmd.	FY 2003 Appropriated	FY2004 Requested
a. Personnel	\$ -0-	\$ -0-	\$ -0-
\$ -0-			
b. Travel	-0-	-0-	19,264
19,264			
c. Contract Services	-0-	-0-	2,579
2,579			
d. Other Current Expenses	-0-	-0-	-0-
-0-			
e. Fixed Assets	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
-0-			
TOTAL:	\$ -0-	\$ -0-	\$ 21,843
\$21,843			

Your committee recommends approval of the requested amounts.

8. Compact s.221(b) - Education Programs:

No funding is requested as these are no longer Compact s.221(b) programs.

II. BOARD OF REGENTS OF THE COLLEGE OF MICRONESIA

Your committee recommends approval of the following amounts:

	FY 2002 FY2004	FY 2003	FY2004
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	Appropriated Rcmd.	Appropriated	Requested
a. Personnel \$ -0-	\$ -0-	\$ -0-	\$ -0-
b. Travel 45,460	45,460	45,460	45,460
c. Contract Services 12,000	12,000	12,000	12,000
d. Other Current Expenses -0-	-0-	-0-	-0-
e. Fixed Assets <u>27,000</u>	<u>27,000</u>	<u>27,000</u>	<u>27,000</u>
TOTAL: \$84,460	\$84,460	\$ 84,460	\$84,460

Your committee recommends approval of the amount requested.

III. GRANTS, SUBSIDIES AND CONTRIBUTIONS WITHIN HESA'S JURISDICTION:

Your committee recommends approval of the following grants, subsidies and contributions:

A. DEPARTMENT OF HESA GRANTS, SUBSIDIES AND CONTRIBUTIONS:

	FY 2002 FY 2004 Appropriated Rcmd.	FY 2003 Appropriate	FY 2004 Requested
a. Grants:			
1. Aid to Non-Public Schools \$ 500,000	\$ 500,000	\$500,000	\$ 250,000
2. Financial Assistance for Students Studying at CMI and PCC 50,000	50,000	50,000	50,000
3. National Board of Nursing 38,000	38,000	38,000	38,000

4. National Close-up Local Program 64,000	64,000	64,000	64,000
5. COM Annual Board Meeting 5,000	-0-	5,000	5,000
6. Third FSM Games in Yap -0-	-0-	-0-	-0-
7. FSM Red Cross 64,000	-0-	-0-	50,000
8. Pohnpei Agriculture and Trade School -0-	-0-	-0-	-0-
9. Aid to Xavier High School -0-	-0-	50,000	-0-

b. Subsidies:
(none)

c. Contributions:

1. United Nations Fund for Population Activity (UNFPA) 3,000	3,000	3,000	3,000
2. World Health Organization (WHO) 41,385	41,385	41,385	41,385
3. FSM Amateur Sports Association 35,000	35,000	35,000	35,000
4. Pacific Islands Health Officer Association (PIHOA) 20,000	20,000	20,000	20,000
5. Association of Territorial Health Org 2,000	2,000	2,000	2,000
6. Basic Social Services Project 66,294	-0-	-0-	-0-
7. South Pacific Regional Environmental Program 7,375	7,375	7,375	7,375

After hearings and deliberation, your committee recommends increase funding for Aid to Non-public Schools and funding the FSM Red Cross. Your committee believes that non-public schools serve an important function in the FSM educational system. Reducing funding from previous years will significantly impact the schools' ability to fulfill that function. The committee, therefore, recommends increasing funding for this line item from \$250,000 to \$500,000.

Your committee also believes that the FSM Red Cross fulfills a critical role in coordinating and providing emergency health services in times of crisis. Based upon testimony and information, your committee has

determined that the minimum necessary to continue FSM Red Cross operations for FY 2004 is \$64,000. Your committee, therefore, recommends appropriating this amount.

With regard to the other requests, your committee recommends approval of the amounts requested.

B. OTHER GRANTS, SUBSIDIES AND CONTRIBUTIONS:

	FY 2002 FY2004 Appropriated Rcmd.	FY 2003 Appropriated	FY2004 Requested
1. COM Treaty Obligations \$25,000	\$25,000	\$25,000	\$25,000
TOTAL: \$25,000	\$25,000	\$25,000	\$25,000

Your committee recommends approval of the amount requested.

IV. CAPITAL AND HUMAN RESOURCE DEVELOPMENT

A. COLLEGE OF MICRONESIA - FSM:

	FY 2002 FY2004 Appropriated Rcmd.	FY 2003 Appropriated	FY2004 Requested
a. Operation - General Fund \$4,000,000	\$3,067,000	\$3,220,000	\$3,000,000
b. Operation s.216(a) (3) -0-	-0-	-0-	-0-
c. Student Assistance 475,000	295,000	-0-	-0-
d. Assistance/Course on Micro Politics -0-	5,000	-0-	-0-
e. Fisheries and Maritime Institute 708,393	663,000	700,000	708,393
f. Gymnasium -0-	60,000	-0-	-0-
g. Faculty Office Construction -0-	-0-	-0-	-0-

h. Chuuk Campus Phase I	-0-	-0-	-0-
-0-			
i. Faculty Office Furnishing	40,000	-0-	-0-
-0-			
j. Well Drilling	-0-	30,000	-0-
-0-			
k. Standby Generator	-0-	-0-	-0-
-0-			
l. Chuuk Campus Facility Purchase	-0-	-0-	-0-
350,000			

In view of the emphasis on education under the Amended Compact, and the additional budgetary needs of the College of Micronesia due to accreditation requirements, your committee has concluded that current funding will not meet the College's budgetary requirements. The committee, therefore, recommends increasing the "Operation – General Fund" line item from \$3,000,000 to \$4,000,000. Your committee recommends approval of the remaining amounts as requested.

C. DEPARTMENT OF HEALTH, EDUCATION AND SOCIAL AFFAIRS:

	FY 2002 FY2004 Appropriated Remnd.	FY 2003 Appropriated	FY2004 Requested
1. Graduate Scholarship-All States	\$100,000	\$100,000	\$ -0-
\$ -0-			
2. Yap Super Dispensary	-0-	-0-	-0-
-0-			
3. Faichuk Community Health Center	-0-	-0-	-0-
-0-			
4. Yap Sports Facility	620,000	-0-	-0-
-0-			

Your committee recommends approval of the amounts requested.

Conclusions:

Your Committee on Health, Education and Social Affairs has reviewed the proposed FY 2004 Budget and carefully scrutinized all of the information provided by the Executive and the entities within your committee's jurisdiction. Each of the sums the "Committee recommends" as set forth above reflects funding for the designated activity, program or project for all of fiscal year 2004.

Subject to the conditions and limitations set forth herein, and the availability of funds as determined by your Committee on Ways and Means, your Committee on Health, Education and Social Affairs recommends approval of the amounts listed above.

Signed by Senators Moses, Aritos, Halbert and Phillip