

S.C.R. NO. 13-55  
SEPTEMBER 4, 2003

COMMITTEE ON WAYS AND MEANS

Your Committee on Ways and Means, to which was referred C.B. No. 13-36, entitled: "A BILL FOR AN ACT TO APPROPRIATE THE SUM OF \$28,165,902 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2004, FOR THE PURPOSE OF FUNDING THE OPERATIONS OF ALL BRANCHES OF THE NATIONAL GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA, ITS AGENCIES, VARIOUS PROGRAMS, GRANTS, SUBSIDES, AND CONTRIBUTIONS; TO ESTABLISH A CAPITAL AND HUMAN RESOURCE DEVELOPMENT BUDGET, AND FOR OTHER PURPOSES.",

begs leave to report as follows:

The intent and purpose of the bill are expressed in its title.

The subject bill is based upon the National Government Fiscal Year 2004 Proposed Budget Book ("Proposed Budget") as transmitted by the President on April 29, 2003. Your Committees on External Affairs; Health,

Education and Social Affairs; Judiciary and Governmental Operations ("J&GO"); Resources and Development; Ways and Means; and Transportation and Communications ("T&C") have each recommended funding levels for budget requests within their respective jurisdictions, and Congress has adopted each of these reports.

Congressional Committee Reports

Your Committee on Ways and Means has reviewed the standing committee report submitted by each congressional committee (each, a "Report" and collectively, the "Reports"). Some committees recommended reductions in funding for certain departments, agencies, and/or programs within their jurisdiction. Your committee has incorporated those changes in its recommendation below. In some cases, the Reports recommended increases in funding. Pursuant to rule 7, section l(c) of the Official Rules of Procedure of the Congress of the Federated States of Micronesia, and consistent with its abbreviated budget recommendation discussed below, your committee has determined that funds are insufficient to meet the recommendations contained in those Reports. Your committee, therefore, must recommend appropriating the lesser amounts requested by the President.

Three-Month Operating Budget

Your committee was recently informed by members of the Executive Branch that the United States Government has indicated that, while funding under the Amended Compact

will be forthcoming, it is unlikely that the United States Congress will take action to fund the Compact before October 1, 2003. The expenditures requested in the Proposed Budget were premised upon the belief that funds pledged under the Amended Compact of Free Association would be available to the FSM Government on or before October 1, 2003. Representatives of the Executive Branch also informed your committee that alternative sources of funding are insufficient to fund the entire amounts requested in the Proposed Budget.

Based upon this information and further discussion and deliberation, your committee has concluded that insufficient funds exist to fund the entire amounts requested in the Fiscal Year 2004 Proposed Budget. Your committee, therefore, recommends the Congress appropriate one-quarter of the amounts requested in each line item, or an amount sufficient to fund the proposed operations, programs and activities for the first three months of Fiscal Year 2004. Consistent with that recommendation, your committee recommends the following amendments to the bill:

1. Title, line 2, - delete "28,165,902" and insert "7,369,742" in lieu thereof.
2. Title, line 4 - after "funding" insert "for the first quarter of the fiscal year ending September 30, 2004,".
3. Page 1, line 16 - delete "12,983,079" and insert "3,245,770" in lieu thereof.
4. Page 2, line 1 - after "during" insert "the first quarter of".
5. Page 2, line 5 - delete "670,864" and insert "167,716" in lieu thereof.
6. Page 2, line 8 - delete "3,294,902" and insert "823,726" in lieu thereof.
7. Page 2, line 11 - delete "2,083,756" and insert "520,939" in lieu thereof.
8. Page 2, line 12 - delete "Of the total funds".
9. Page 2 - delete lines 13-14 in their entirety.
10. Page 2, line 16 - delete "1,150,946" and insert "287,737" in lieu thereof.
11. Page 2, line 17 - delete "Of the total funds".
12. Page 2 - delete lines 18-20 in their entirety.
13. Page 2, line 23 - delete "1,211,252" and insert "302,813" in lieu thereof.
14. Page 3, line 1 - delete "1,412,163" and insert "353,041" in lieu thereof.
15. Page 3, line 2 - delete "Of the total funds".

16. Page 3 - delete lines 3-5 in their entirety.
17. Page 3, line 7 - delete "2,678,835" and insert "669,709" in lieu thereof.
18. Page 3, line 8 - delete "Of the total funds".
19. Page 3 - delete lines 9-10 in their entirety.
20. Page 3, line 12 - delete "480,362" and insert "120,091" in lieu thereof.
21. Page 3, line 15 - delete "2,765,746" and insert "691,487" in lieu thereof.
22. Page 3, line 23 - delete "898,767" and insert "242,268" in lieu thereof.
23. Page 4 - delete lines 4-6 in their entirety.
24. Page 4, line 8 - delete "505,522" and insert "126,388" in lieu thereof.
25. Page 4, line 13 - delete "All".
26. Page 4 - delete lines 14-15 in their entirety.
27. Page 4, line 18 - delete "1,403,341" and insert "372,925" in lieu thereof.
28. Page 4, line 25 - delete "380,787" and insert "95,197" in lieu thereof.
29. Page 5, line 3 - delete "84,460" and insert "21,115" in lieu thereof.
30. Page 5, line 4 - delete "All funds appropriated herein shall".
31. Page 5 - delete lines 5-6 in their entirety.
32. Page 5, line 8 - delete "115,533" and insert "28,883" in lieu thereof.
33. Page 5, line 11 - delete "138,384" and insert "34,596" in lieu thereof.
34. Page 5, line 14 - delete "612,537" and insert "153,134" in lieu thereof.
35. Page 5, line 17 - delete "156,000" and insert "39,000" in lieu thereof.
36. Page 5, line 20 - delete "641,683" and insert "160,421" in lieu thereof.
37. Page 6, line 1 - delete "91,833" and insert "22,958" in lieu thereof.
38. Page 6, line 4 - delete "297,000" and insert "74,250" in lieu thereof.

39. Page 6, line 7 - delete "237,850" and insert "59,463" in lieu thereof.
40. Page 6, line 11 - delete "15,000" and insert "3,750" in lieu thereof.
41. Page 6, line 14 - delete "2,664,637" and insert "666,445" in lieu thereof.
42. Page 6, line 21 - delete "35,000" and insert "8,750" in lieu thereof.
43. Page 6, line 22 - delete "30,000" and insert "7,500" in lieu thereof.
44. Page 6, line 24 - delete "5,000" and insert "1,250" in lieu thereof.
45. Page 6, line 25 - delete "60,000" and insert "15,000" in lieu thereof.
46. Page 7, line 1 - delete "10,000" and insert "2,500" in lieu thereof.
47. Page 7, line 3 - delete "National Authorizing Committee... 8,000" and insert "ACP/EU (Cotonou) Membership fee... 2,000" in lieu thereof.
48. Page 7, line 5 - delete "72,570" and insert "18,143" in lieu thereof.
49. Page 7, line 7 - delete "15,000" and insert "3,750" in lieu thereof.
50. Page 7, line 8 - delete "21,000" and insert "5,250" in lieu thereof.
51. Page 7, line 10 - delete "3,000" and insert "750" in lieu thereof.
52. Page 7, line 12 - delete "8,000" and insert "2,000" in lieu thereof.
53. Page 7, line 14 - delete "20,000" and insert "5,000" in lieu thereof.
54. Page 7, line 16 - delete "5,000" and insert "1,250" in lieu thereof.
55. Page 7, line 17 - delete "100,702" and insert "25,000" in lieu thereof.
56. Page 7, line 19 - delete "25,440" and insert "6,250" in lieu thereof.
57. Page 7, line 20 - delete "60,000" and insert "15,000" in lieu thereof.
58. Page 7, line 22 - delete "50,000" and insert "12,500" in lieu thereof.
59. Page 7, line 24 - delete "133,120" and insert "33,280" in lieu thereof.
60. Page 7, line 25 - delete "600" and insert "150" in lieu thereof.

61. Page 8, line 1 - delete "151,524" and insert "37,881" in lieu thereof.
62. Page 8, line 2 - delete "60,000" and insert "15,000" in lieu thereof.
63. Page 8, line 3 - delete "11,440" and insert "2,860" in lieu thereof.
64. Page 8, line 4 - delete "21,000" and insert "5,250" in lieu thereof.
65. Page 8, line 8 - delete "3,000" and insert "750" in lieu thereof.
66. Page 8, line 10 - delete "7,375" and insert "1,844" in lieu thereof.
67. Page 8, line 11 - delete "250,000" and insert "62,500" in lieu thereof.
68. Page 8, line 14 - delete "50,000" and insert "12,500" in lieu thereof.
69. Page 8, line 16 - delete "41,385" and insert "10,346" in lieu thereof.
70. Page 8, line 17 - delete "38,000" and insert "9,500" in lieu thereof.
71. Page 8, line 19 - delete "20,000" and insert "5,000" in lieu thereof.
72. Page 8, line 20 - delete "64,000" and insert "16,000" in lieu thereof.
73. Page 8, line 21 - delete "35,000" and insert "8,750" in lieu thereof.
74. Page 8, line 22 - delete "5,000" and insert "1,250" in lieu thereof.
75. Page 8, line 24 - delete "2,000" and insert "500" in lieu thereof.
76. Page 9, line 3 - delete "66,294" and insert "16,574" in lieu thereof.
77. Page 9, line 6 - delete "7,640" and insert "1,910" in lieu thereof.
78. Page 9, line 7 - delete "57,639" and insert "14,410" in lieu thereof.
79. Page 9, line 9 - delete "28,050" and insert "7,013" in lieu thereof.
80. Page 9, line 10 - delete "10,000" and insert "2,500" in lieu thereof.
81. Page 9, line 11 - delete "300,000" and insert "75,000" in lieu thereof.
82. Page 9, line 13 - delete "100,000" and insert "25,000" in lieu thereof.
83. Page 9, line 14 - delete "15,500" and insert "3,875" in lieu thereof.

84. Page 9, line 16 - delete "58,500" and insert "16,250" in lieu thereof.
85. Page 9, line 17 - delete "81,000" and insert "20,250" in lieu thereof.
86. Page 9, line 18 - delete "81,000" and insert "20,250" in lieu thereof.
87. Page 9, line 19 - delete "63,000" and insert "17,500" in lieu thereof.
88. Page 9, line 20 - delete "150,000" and insert "37,500" in lieu thereof.
89. Page 9, line 21 - delete "25,000" and insert "6,250" in lieu thereof.
90. Page 9, line 22 - delete "200,000" and insert "50,000" in lieu thereof.
91. Page 9, between lines 22 and 23 - insert the following new subsection: "(h) State Law Enforcement.....38,250".
92. Page 9, line 24 - delete "6,197,798" and insert "1,586,848" in lieu thereof.
92. Page 10, line 8 - delete ". All funds appropriated herein".
94. Page 10 - delete lines 9-10 in their entirety and insert "\$750,000" in lieu thereof.
95. Page 10, line 13 - delete "475,000" and insert "118,750" in lieu thereof.
96. Page 10, line 14 - delete "; PROVIDED".
97. Page 10 - delete lines 15-17 in their entirety and insert "87,500" in lieu thereof.
98. Page 10, line 18 - delete ";".
99. Page 10 - delete lines 19-21 in their entirety and insert "177,098" in lieu thereof.
100. Page 10, line 22 - delete "; PROVIDED THAT".
101. Page 10 - delete lines 23-25 in their entirety and insert "12,500" in lieu thereof.
102. Page 11, line 1 - delete "500,000" and insert "-0-" in lieu thereof.
103. Page 11, line 2 - delete ", PROVIDED THAT \$38,479 of".
104. Page 11 - delete lines 3-5 in their entirety and insert "11,750" in lieu thereof.
105. Page 11, line 6 - delete "17,000" and insert "4,351" in lieu thereof.

106. Page 11, line 8 - delete "1,000,000" and insert "-0-" in lieu thereof.
107. Page 11, line 9 - delete "200,000" and insert "50,000" in lieu thereof.
108. Page 11, line 14 - delete "57" and insert "58" in lieu thereof.
109. Page 11, line 15 - delete "26" and insert "27" in lieu thereof.
110. Page 11, line 16 - delete "15" and insert "16" in lieu thereof.

With the foregoing amendments, your Committee on Ways and Means is in accord with the intent and purpose of C.B. No. 12-37 and recommends its passage on First Reading and that it be placed on the Calendar for Second and Final Reading in the form attached hereto as C.B. No. 13-36, C.D.1.

Signed by Senators Asor, Kansou, Asugar, Phillip, Christian and Halbert