

STANDING COMMITTEE REPORT NO. 14-61

RE: C.B. NO. 14-13

SUBJECT: FY 2006 BUDGET

SEPTEMBER 26, 2005

The Honorable Peter M. Christian  
Speaker, Fourteenth Congress  
Federated States of Micronesia  
Second Regular Session, 2005

Dear Mr. Speaker:

Your Committee on Ways and Means, to which was referred C.B. No. 14-13, entitled:

"A BILL FOR AN ACT TO APPROPRIATE THE SUM OF \$31,447,701 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2006, 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 2006 Proposed Budget as transmitted by the President on April 1, 2005. Your Committees on External Affairs ("EA"); Health, Education and Social Affairs ("HESA"); Judiciary and Governmental Operations ("J&GO"); Resources and Development ("R&D"); Transportation and Communication, ("T&C"), and Ways and Means ("W&M") have each recommended funding levels for budget requests within their respective jurisdictions, and Congress has adopted each of these reports.

#### The President's Proposed FY 2006 Budget

The President's proposed FY 2006 budget was transmitted, on April 1, 2005, in the form of a "Budget Book". References in this report to the President's proposed budget will be based upon the Budget Book, except where otherwise specifically indicated. Subsequent to the transmittal of the Budget Book, the President, by Presidential Communications No.

STANDING COMMITTEE REPORT NO. \_\_\_\_\_

RE: C.B. NO. 14-13

SUBJECT: FY 2006 BUDGET

SEPTEMBER \_\_\_\_\_, 2005

13-334, 14-42, 14-55, and 14-64 submitted many requests to amend his recommended budget, including changing the sources of funds. In addition to these four Presidential Communications, the President also transmitted Presidential Communication No. 14-56 to appropriate several items from the FY05 budget. Since, there is insufficient time for Congress to consider the FY05 budget supplemental requests before they would lapse, your committee shall consider President Communication No. 14-56 as another amendment to the FY06 budget. Each of these requests will be discussed below. Your committee notes the all of these requests and changes to the source of funds has created much confusion for all committees and requests that in the future, the President prepare a more realistic Budget Book and avoid all of these supplemental requests and budget amendments.

There are two primary sources of funds in the President's Recommended Budget: (1) local revenues and (b) and Compact II sector grants, which are subject to approval by the Joint Economic Management Committee ("JEMCO"). Additional sources include carryover monies from FY04 sector grants and the FY05 SEG. FY 2006 domestic revenues available for appropriation are projected to be \$23,784,941. This amount includes the FY06 local revenue projections, which are extraordinarily conservative, and the projected FY05 local revenues to be carried over to FY06 given that the committee is treating the FY05 supplemental budget requests in P.C. No. 14-56 as FY06 budget amendments. The Committee's proposed local revenue budget totals \$23,053,237, leaving a potential surplus of approximately \$731,703. The projected amount of funds under Compact II sector grants is projected to be \$7,034,819, which does not include \$449,801 of FY04 carryover funds nor \$815,978 of FY05 carryover SEG grants. The Committee's proposed local Compact II sector grants totals \$6,937,425, leaving a potential surplus of approximately \$97,394.

#### 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"). Each Report recommended changes to the budgets of the departments, agencies, and/or programs within the jurisdiction of the reporting committee. Your committee concurs with the individual recommendations made in the Reports.

STANDING COMMITTEE REPORT NO. \_\_\_\_\_

RE: C.B. NO. 14-13

SUBJECT: FY 2006 BUDGET

SEPTEMBER \_\_\_\_\_, 2005

### Funding for Two Quarters

Due to the missing information enumerated in the W&M report, including the lack of planned achievements and strategic goals, and the delayed approval by JEMCO on the use of the National Government's Compact II sector grants, your committee is unable at this time to accurately assess the economic needs for the operations of the National Government. Therefore, your committee recommends that Congress appropriate only the first two quarters of the FY06 Budget, as approved by the Congressional Committees and with the amendments made hereto, of the sections entitled Operating Expenses of the Executive Branch, Legislative Branch, National Judiciary, Public Auditor Office and Agencies of the National Government. Your committee requests that each department, office and agency closely review the W&M report and section 2 of the Financial Management Act and submit the missing information to the Congress in time for the Congress to appropriate the last two quarters of FY06 during the third regular session of the 14<sup>th</sup> Congress. Your committee notes that via Departmental Communication No. 14-6, the Department of Finance and Administration, the Department of HESA, the Department of TC&I, the Office of the Public Defender and the Coconut Development Authority have submitted their planned achievements and strategic goals to the Congress. Your committee has commenced its review of the documents submitted.

### Budget Amendments in P.C. No. 13-334

All of the proposed amendments in P.C. No. 13-334 were considered in the Congressional Committee Reports.

### Budget Amendments in P.C. No. 14-42

The change of the source of funding for Non-Public Schools was not considered, since P.C. No. 14-55 retracted the requested change. The increase for TA Airport is considered in the T&C report. The deletion of funding for the renovations to the Washington Embassy is considered in the EXAFF report. Your committee recommends approval of the proposed increase of \$44,913 for School Textbook Matching for a total of \$619,658, all of which will be funded by the Compact II FY06 SEG grant.

STANDING COMMITTEE REPORT NO. \_\_\_\_\_

RE: C.B. NO. 14-13

SUBJECT: FY 2006 BUDGET

SEPTEMBER \_\_\_\_\_, 2005

Budget Amendments in P.C. No. 14-55

The majority of the budget amendments requested in P.C. No. 14-55 is a result of the fact that FY04 Carryover Compact Sector Grants must be approved by JEMCO. To date JEMCO has not considered the proposed uses reflected in P.C. No. 14-55 for FY04 Carryover Compact Sector Grants monies with the exception of the FY04 Public Sector Capacity Building Grant. Since JEMCO found another use for the FY04 Public Sector Capacity Building Grant than that proposed in P.C. No. 14-55, your committee does not recommend approval of funding \$293,771 of the Public Auditor's salaries from the FY04 Public Sector Capacity Building Grant. Furthermore, until the proposed uses for the other FY04 Carryover monies are approved by JEMCO, your committee does not recommend approving of the proposed changes to fund sources or new projects.

1. Your committee recommends the change of source of funds of \$77,930 of the Department of HESA's budget from the FY06 Health Sector Grant to local revenues.
2. Your committee does not recommend approving the use of an additional \$250,000 of FY06 Infrastructure Grant money, money originally intended for the Campus Improvements for the College of Micronesia, for TA and Houk Airports for two reasons. The first reason is that, at this time, your committee believes that the College of Micronesia, which had planned its expenditures based on a \$1,500,000 budget, is greater priority. The second reason is that according to an audit report of the Public Auditor, there has been some mismanagement of monies previously appropriated for Ta Airport and your committee believes that this mismanagement issue needs to be addressed before further expending monies for the Ta and Houk Airports.
3. The request for funding the single audit and the deletion of the Compact Implementation Task Force were discussed in the W&M report.
4. Your committee recommends approving \$230,341 of the \$312,541 requested for the Office of Compact Management. Your committee does not approve of the personnel line items for programs and benefits specialists and contractual services line item for a

STANDING COMMITTEE REPORT NO. \_\_\_\_\_

RE: C.B. NO. 14-13

SUBJECT: FY 2006 BUDGET

SEPTEMBER \_\_\_\_\_, 2005

staff economist and Compact II and Information Technology specialist because the intent of Congress was that the Office was to use the resources available to it within the other departments and that the current law does not allow the Office to hire employees outside of the Public Service System. Your committee acknowledges that the President has submitted a bill to Congress to change the law, however, until the law is actually changed those budget items can not be approved. Your committee also believes that the deputy director is a personnel item and should be shifted thereto from contractual service and as a result, his or her housing allowance should be paid out the budget of the Department of Finance and Administration. Your committee also does not approve of the Office funding the travel of Jim Stovall, as was testified at the public hearing, since he already has a travel budget within the Department of Foreign Affairs. Since there is no line item that is explicitly for the travel of Jim Stovall, your committee has decided to remove \$10,000 from the travel budget to be applied at the discretion of the Head. Your committee again encourages the Office to use the resources of the Embassy in Washington.

5. Your committee does not recommend approval of the \$100,200 for the UN Development. At the Public Hearing, there was no representative of the Department of Economic Affairs present to justify the expense.
6. The deletion of funding for the renovations to the Washington Embassy is considered in the EXAFF report.
7. The increase in funding for the Infrastructure Maintenance Fund was considered in the T&C report.

Supplemental Appropriations in P.C. No. 14-56

As noted the following supplemental appropriations were requested to be from the FY05 budget, however, given the late submission of the request, they were treated as FY06 budget amendments.

1. Your committee recommends approval of the \$50,000 to pay for outstanding telecommunications for the National Government. Your committee is concerned that there are no controls on the telephone and internet usage and requests that steps be

STANDING COMMITTEE REPORT NO. \_\_\_\_\_

RE: C.B. NO. 14-13

SUBJECT: FY 2006 BUDGET

SEPTEMBER \_\_\_\_\_, 2005

undertaken to address this issue. Also, your committee is aware of several outstanding bills owed by the National Government and requests that the President take the necessary action to pay all past due notices and implement a system for the timely payment of bills. Because of the routine non-payment of bills many enterprises now refuse to do business with the National Government.

2. The \$100,000 requested to improve our reporting ability is not approved because JEMCO has approved \$1,336,934 for this purpose.
3. The \$40,000 for incentives for employees is not approved.
4. The \$50,000 for passport readable machines is not approved. There is \$250,000 available under the Compact II for this purpose. The committee urges the President to apply for this money.
5. The T&C report discusses the funding for an Aviation Security Specialist and the Quality Aviation Control Inspector/Officer position.
6. Your committee recommends approval of the entire Compact I Section 221(b) Special Block Grant in the amount of \$67,901 to pay the Department of HESA's outstanding and future telecommunications charges. Your committee repeats its comments in paragraph 1 above.
7. Your committee recommends approval of the \$377,006 approved by JEMCO to be funded by the Compact II FY05 SEG grant for monitoring, co-ordination, teaching assistance and research.
8. Your committee recommends approval of \$90,000 for payment of the obligations of MLFC to the ADB.
9. Your committee recommends approval of \$101,000 for two court case settlements.
10. Your committee recommends approval of \$267,046 for College of Micronesia student financial aid and \$171,926 for College of Micronesia teacher corps programs as approved by JEMCO to be funded by the Compact II FY05 SEG grant.

STANDING COMMITTEE REPORT NO. \_\_\_\_\_

RE: C.B. NO. 14-13

SUBJECT: FY 2006 BUDGET

SEPTEMBER \_\_\_\_\_, 2005

Budget Amendment in P.C. No. 14-64

Your committee recommends approval of the \$18,002 increase in the personnel budget of the Public Defender and congratulates Mr. Steve George for successfully graduating from the University of Pacific Law School and passing the South Pacific bar exam.

Other budget amendments

Your committee received an informal request from the President's Office that the lapse date for the \$250,000 appropriated in FY04 for FEMA matching funds and public assistance specialist be extended until September 30, 2006. Your committee believes that best course of action is to let the original appropriation lapse on September 30, 2005 and re-appropriate as part of the FY06 budget the balance outstanding, which is \$219,139.

The Yap delegation has requested that the recommendation of the J&GO committee to direct the monies earmarked for the Yap State judiciary for Law School Scholarships for Yap citizens be amended to direct \$15,000 for Law School Scholarships and \$20,000 for the Yap State judiciary. Your committee recommends that the amendment be approved.

FSM Trust Fund

Your committee believes that it is a good policy to set aside an amount every year to go into the FSM Trust Fund. With this policy mind, your committee recommends that the greater of \$250,000 or 50% of the local revenues to be carried over from FY06 to FY07 be appropriated for deposit in the FSM Trust Fund.

Reprogramming

Your Committee requests that funds reprogrammed within a department or agency be limited to 10% of the amount budgeted and that the President report to the Congress within one month of the last day of each financial quarter all amounts reprogrammed inter and intra National Government departments and agencies.

Recommended Amendments

STANDING COMMITTEE REPORT NO. \_\_\_\_\_

RE: C.B. NO. 14-13

SUBJECT: FY 2006 BUDGET

SEPTEMBER \_\_\_\_\_, 2005

Based upon the foregoing discussion, your Committee recommends the following amendments to the bill:

1. Title, delete "31,447,701" and insert "22,544,900" in lieu thereof.
2. Page 1, line 3, delete "31,447,701" and insert "22,544,900" in lieu thereof.
3. Page 1, line 12, delete "14,130,970" and insert "7,196,308" in lieu thereof.
4. Page 1, line 14, following "Micronesia for", insert "the first two quarters of".
5. Page 2, line 1, delete "696,669" and insert "340,107" in lieu thereof.
6. Page 2, line 2, following "during", insert "the first two quarters of".
7. Page 2, line 5, delete "301,405" and insert "143,618" in lieu thereof.
8. Page 2, line 6, delete "163,964" and insert "38,339" in lieu thereof.
9. Page 2, line 7, delete "130,000" and insert "107,500" in lieu thereof.
10. Page 2, line 8, delete "86,300" and insert "43,150" in lieu thereof.
11. Page 2, line 9, delete "15,000" and insert "7,500" in lieu thereof.
12. Page 2, line 11, delete "3,429,263" and insert "1,600,326" in lieu thereof.



STANDING COMMITTEE REPORT NO. \_\_\_\_\_

RE: C.B. NO. 14-13

SUBJECT: FY 2006 BUDGET

SEPTEMBER \_\_\_\_\_, 2005

13. Page 2, line 13, following "during", insert "the first two quarters of".
14. Page 2, line 15, delete "1,170,385" and insert "585,193" in lieu thereof.
15. Page 2, line 16, delete "225,485" and insert "81,535" in lieu thereof.
16. Page 2, line 17, delete "1,765,647" and insert "803,703" in lieu thereof.
17. Page 2, line 18, delete "267,746" and insert "129,895" in lieu thereof.
18. Page 2, line 21, delete "2,491,461" and insert "1,222,821" in lieu thereof.
19. Page 2, line 23, following "during", insert "the first two quarters of".
20. Page 2, line 25, delete "1,276,461" and insert "643,125" in lieu thereof.
21. Page 3, line 1, delete "204,316" and insert "102,158" in lieu thereof.
22. Page 3, line 2, delete "646,138" and insert "311,014" in lieu thereof.
23. Page 3, line 3, delete "287,679" and insert "143,840" in lieu thereof.
24. Page 3, line 4, delete "76,867" and insert "22,684" in lieu thereof.
25. Page 3, line 6, delete "1,090,758" and insert "531,558" in lieu thereof.
26. Page 3, line 8, following "during", insert "the first two quarters of".

STANDING COMMITTEE REPORT NO. \_\_\_\_\_

RE: C.B. NO. 14-13

SUBJECT: FY 2006 BUDGET

SEPTEMBER \_\_\_\_\_, 2005

27. Page 3, line 10, delete "830,535" and insert "415,268" in lieu thereof.
28. Page 3, line 11, delete "140,315" and insert "47,835" in lieu thereof.
29. Page 3, line 12, delete "3,309" and insert "2,655" in lieu thereof.
30. Page 3, line 13, delete "106,559" and insert "60,800" in lieu thereof.
31. Page 3, line 14, delete "10,000" and insert "5,000" in lieu thereof.
32. Page 3, line 17, delete "1,227,829" and insert "683,071" in lieu thereof.
33. Page 3, line 19, following "during", insert "the first two quarters of".
34. Page 3, line 22, delete "440,814" and insert "289,563" in lieu thereof.
35. Page 3, line 23, delete "111,969" and insert "50,984" in lieu thereof.
36. Page 3, line 24, delete "611,047" and insert "305,524" in lieu thereof.
37. Page 3, line 25, delete "60,000" and insert "35,000" in lieu thereof.
38. Page 4, line 1, delete "4,000" and insert "2,000" in lieu thereof.
39. Page 4, line 3, delete "1,838,089" and insert "986,947" in lieu thereof.

STANDING COMMITTEE REPORT NO. \_\_\_\_\_

RE: C.B. NO. 14-13

SUBJECT: FY 2006 BUDGET

SEPTEMBER \_\_\_\_\_, 2005

40. Page 4, line 5, following "during", insert "the first two quarters of".
41. Page 4, line 6, delete "359,081" and insert "179,541" in lieu thereof.
42. Page 4, line 8, delete "744,919" and insert "382,192" in lieu thereof.
43. Page 4, line 8, delete " and" and insert "," in lieu thereof.
44. Page 4, line 9, delete "380,474" and insert "190,237" in lieu thereof.
45. Page 4, line 9, following "(SEG)", insert " and \$67,901 from the Compact I Section 221(b) Special Block Grant".
46. Page 4, line 12, delete "936,032" and insert "467,938" in lieu thereof.
47. Page 4, line 13, delete "439,666" and insert "219,833" in lieu thereof.
48. Page 4, line 14, delete "201,387" and insert "168,595" in lieu thereof.
49. Page 4, line 15, delete "254,461" and insert "127,231" in lieu thereof.
50. Page 4, line 16, delete "6,700" and insert "3,350" in lieu thereof.
51. Page 4, line 18, delete "2,709,750" and insert "1,382,718" in lieu thereof.
52. Page 4, line 19, following "during", insert "the first two quarters of".
53. Page 4, line 22, delete "1,797,660" and insert "918,830" in lieu thereof.

STANDING COMMITTEE REPORT NO. \_\_\_\_\_

RE: C.B. NO. 14-13

SUBJECT: FY 2006 BUDGET

SEPTEMBER \_\_\_\_\_, 2005

54. Page 4, line 23, delete "150,344" and insert "58,595" in lieu thereof.
55. Page 4, line 24, delete "200,061" and insert "170,450" in lieu thereof.
56. Page 4, line 25, delete "548,185" and insert "224,093" in lieu thereof.
57. Page 5, line 1, delete "13,500" and insert "10,750" in lieu thereof.
58. Page 5, line 3, delete "647,151" and insert "333,589" in lieu thereof.
59. Page 5, line 5, following "during", insert "the first two quarters of".
60. Page 5, line 7, delete "436,915" and insert "228,471" in lieu thereof.
61. Page 5, line 8, delete "130,000" and insert "65,000" in lieu thereof.
62. Page 5, line 9, delete "39,486" and insert "19,743" in lieu thereof.
63. Page 5, line 10, delete "37,700" and insert "18,850" in lieu thereof.
64. Page 5, line 11, delete "3,050" and insert "1,525" in lieu thereof.
65. Page 5, line 12, add a new subsection (9) to read as follows:  

"(9) Office of Compact Management.  
\$115,171, or so much thereof as may be necessary, for the operations of the Office of Compact Management during the first two quarters of fiscal year 2006. The sum appropriated herein shall be apportioned as follows:  
Personnel \$42,921

STANDING COMMITTEE REPORT NO. \_\_\_\_\_

RE: C.B. NO. 14-13

SUBJECT: FY 2006 BUDGET

SEPTEMBER \_\_\_\_\_, 2005

Travel	30,000
Contractual Services	28,600
OCE	11,850
Fixed Assets	2,100"

66. Page 5, line 13, delete "3,171,644" and insert "1,474,114" in lieu thereof.
67. Page 5, line 15, following "Micronesia for", insert "the first two quarters of".
68. Page 5, line 20, delete "1,539,657" and insert "698,886" in lieu thereof.
69. Page 5, line 23, following "during", insert "the first two quarters of".
70. Page 5, line 25, delete "415,290" and insert "207,645" in lieu thereof.
71. Page 6, line 1, delete "508,767" and insert "212,441" in lieu thereof.
72. Page 6, line 2, delete "560,800" and insert "253,800" in lieu thereof.
73. Page 6, line 3, delete "54,800" and insert "25,000" in lieu thereof.
74. Page 6, line 6, delete "1,211,987" and insert "565,228" in lieu thereof.
75. Page 6, line 7, following "during", insert "the first two quarters of".
76. Page 6, line 10, delete "762,687" and insert "352,012" in lieu thereof.
77. Page 6, line 11, delete "130,500" and insert "54,686" in lieu thereof.

STANDING COMMITTEE REPORT NO. \_\_\_\_\_

RE: C.B. NO. 14-13

SUBJECT: FY 2006 BUDGET

SEPTEMBER \_\_\_\_\_, 2005

78. Page 6, line 12, delete "142,500" and insert "84,250" in lieu thereof.
79. Page 6, line 13, delete "129,340" and insert "61,170" in lieu thereof.
80. Page 6, line 14, delete "46,960" and insert "13,110" in lieu thereof.
81. Page 6, line 16, delete "420,000" and insert "210,000" in lieu thereof.
82. Page 6, line 18, following "during", insert "the first two quarters of".
83. Page 6, line 20, delete "60,000" and insert "30,000" in lieu thereof.
84. Page 6, line 21, delete "120,000" and insert "60,000" in lieu thereof.
85. Page 6, line 22, delete "180,000" and insert "90,000" in lieu thereof.
86. Page 6, line 23, delete "60,000" and insert "30,000" in lieu thereof.
87. Page 6, line 25, delete "1,191,409" and insert "595,706" in lieu thereof.
88. Page 7, line 2, following "Micronesia for", insert "the first two quarters of".
89. Page 7, line 4, following "during", insert "the first two quarters of".
90. Page 7, line 6, delete "705,901" and insert "352,951" in lieu thereof.
91. Page 7, line 7, delete "165,371" and insert "82,686" in lieu thereof.

STANDING COMMITTEE REPORT NO. \_\_\_\_\_

RE: C.B. NO. 14-13

SUBJECT: FY 2006 BUDGET

SEPTEMBER \_\_\_\_\_, 2005

92. Page 7, line 8, delete "126,900" and insert "63,450" in lieu thereof.
93. Page 7, line 9, delete "165,748" and insert "82,874" in lieu thereof.
94. Page 7, line 10, delete "27,489" and insert "13,745" in lieu thereof.
95. Page 7, line 12, delete "607,835" and insert "333,948" in lieu thereof.
96. Page 7, line 14, following "Micronesia for", insert "the first two quarters of".
97. Page 7, line 17, delete "354,176" and insert "177,088" in lieu thereof.
98. Page 7, line 18, delete "126,659" and insert "63,330" in lieu thereof.
99. Page 7, line 19, delete "52,200" and insert "61,630" in lieu thereof.
100. Page 7, line 20, delete "62,800" and insert "25,900" in lieu thereof.
101. Page 7, line 21, delete "12,000" and insert "6,000" in lieu thereof.
102. Page 7, line 23, delete "1,494,940" and insert "749,290" in lieu thereof.
103. Page 7, line 25, following "Micronesia for", insert "the first two quarters of".
104. Page 8, line 2, following "during", insert "the first two quarters of".

STANDING COMMITTEE REPORT NO. \_\_\_\_\_

RE: C.B. NO. 14-13

SUBJECT: FY 2006 BUDGET

SEPTEMBER \_\_\_\_\_, 2005

105. Page 8, line 6, delete "379,806" and insert "189,903" in lieu thereof.
106. Page 8, line 7, following "during", insert "the first two quarters of".
107. Page 8, line 9, delete "192,506" and insert "96,253" in lieu thereof.
108. Page 8, line 10, delete "50,000" and insert "25,000" in lieu thereof.
109. Page 8, line 11, delete "98,900" and insert "49,450" in lieu thereof.
110. Page 8, line 12, delete "38,400" and insert "19,200" in lieu thereof.
111. Page 8, line 15, delete "84,460" and insert "42,230" in lieu thereof.
112. Page 8, line 17, following "during", insert "the first two quarters of".
113. Page 8, line 20, delete "45,460" and insert "22,730" in lieu thereof.
114. Page 8, line 21, delete "12,000" and insert "6,000" in lieu thereof.
115. Page 8, line 22, delete "27,000" and insert "13,500" in lieu thereof.
116. Page 8, line 25, delete "125,600" and insert "62,801" in lieu thereof.
117. Page 9, line 2, following "during", insert "the first two quarters of".
118. Page 9, line 4, delete "68,471" and insert "34,236" in lieu thereof.



STANDING COMMITTEE REPORT NO. \_\_\_\_\_

RE: C.B. NO. 14-13

SUBJECT: FY 2006 BUDGET

SEPTEMBER \_\_\_\_\_, 2005

119. Page 9, line 5, delete "10,469" and insert "5,235" in lieu thereof.
120. Page 9, line 6, delete "22,160" and insert "11,080" in lieu thereof.
121. Page 9, line 7, delete "9,500" and insert "4,750" in lieu thereof.
122. Page 9, line 8, delete "15,000" and insert "7,500" in lieu thereof.
123. Page 9, line 10, delete "128,751" and insert "66,179" in lieu thereof.
124. Page 9, line 11, following "during", insert "the first two quarters of".
125. Page 9, line 14, delete "67,949" and insert "35,778" in lieu thereof.
126. Page 9, line 15, delete "20,106" and insert "10,053" in lieu thereof.
127. Page 9, line 16, delete "15,700" and insert "7,850" in lieu thereof.
128. Page 9, line 17, delete "21,996" and insert "10,998" in lieu thereof.
129. Page 9, line 18, delete "3,000" and insert "1,500" in lieu thereof.
130. Page 9, line 20, delete "626,353" and insert "313,177" in lieu thereof.
131. Page 9, line 21, following "during", insert "the first two quarters of".

STANDING COMMITTEE REPORT NO. \_\_\_\_\_

RE: C.B. NO. 14-13

SUBJECT: FY 2006 BUDGET

SEPTEMBER \_\_\_\_\_, 2005

132. Page 9, line 24, delete "402,488" and insert "201,244" in lieu thereof.
133. Page 9, line 25, delete "40,692" and insert "20,346" in lieu thereof.
134. Page 10, line 1, delete "98,273" and insert "49,137" in lieu thereof.
135. Page 10, line 2, delete "84,900" and insert "42,450" in lieu thereof.
136. Page 10, line 5, delete "150,000" and insert "75,000" in lieu thereof.
137. Page 10, line 7, following "during", insert "the first two quarters of".
138. Page 10, line 9, delete "50,000" and insert "25,000" in lieu thereof.
139. Page 10, line 10, delete "100,000" and insert "50,000" in lieu thereof.
140. Page 10, line 11, delete "475,056" and insert "409,221" in lieu thereof.
141. Page 11, line 17, delete subsection (4) in its entirety.
142. Page 12, line 3, delete "2,617,353" and insert "2,755,766" in lieu thereof.
143. Page 14, line 21, delete "25,000" and insert "37,500" in lieu thereof.
144. Page 14, line 22, delete "35,000" and insert "40,500" in lieu thereof.
145. Page 14, line 23, delete "35,000" and insert "40,500" in lieu thereof.

STANDING COMMITTEE REPORT NO. \_\_\_\_\_

RE: C.B. NO. 14-13

SUBJECT: FY 2006 BUDGET

SEPTEMBER \_\_\_\_\_, 2005

146. Page 14, line 24, after "Yap Judiciary subsidy" insert ", PROVIDED that, of this amount, \$15,000 shall be used to provide financial assistance to Yap students enrolled in law school unless there are no Yap students so enrolled during the fiscal year" and delete "\$25,000" and insert "\$35,000" in lieu thereof.
147. Page 15, line 7, delete "574,745" and insert "619,658" in lieu thereof.
148. Page 15, line 11, insert a new subsection (k) to read as follows:  
    "(k) State Court Congestion Relief 60,000"
149. Page 15, line 12, delete "7,758,464" and insert "9,030,568" in lieu thereof.
150. Page 15, line 19, delete "6,470,268" and insert "6,909,240" in lieu thereof.
151. Page 16, line 2, delete "all funds" and insert "\$300,000" in lieu thereof.
152. Page 16, line 5, following "(SEG)", insert "and \$267,046 appropriated herein shall be deemed to come from funds available under the amended Compact for the FY05 carryover Supplemental Education Grant (SEG)" in lieu thereof.
153. Page 16, line 5, delete "300,000" and insert "567,046" in lieu thereof.
154. Page 16, line 15, insert a new subsection (f) to read as follows:  
    "(f) Capacity building and professional development for pre-service teachers in the FSM, PROVIDED THAT all funds appropriated herein shall be deemed to come from funds available under the amended Compact for the FY05 carryover Supplemental Education Grant (SEG) 171,926"
155. Page 16, line 16, delete "150,000" and insert "-0-" in lieu thereof.

STANDING COMMITTEE REPORT NO. \_\_\_\_\_

RE: C.B. NO. 14-13

SUBJECT: FY 2006 BUDGET

SEPTEMBER \_\_\_\_\_, 2005

- 156. Page 17, line 1, delete "488,196" and insert "505,787" in lieu thereof.
- 157. Page 17, line 6, delete "5,000" and insert "4,000" in lieu thereof.
- 158. Page 17, line 11, following "IMF", insert ", PROVIDED THAT \$105,568 of the funds appropriated herein shall be deemed to come from funds available under the amended Compact for Infrastructure Maintenance Fund sector grant".
- 159. Page 17, line 11, delete "195,000" and insert "211,136" in lieu thereof.
- 160. Page 17, line 12, insert a new subsection (10) to read as follows:

"(10) Department of Health, Education and Social Affairs  
 (a) Monitoring, co-ordination, teaching assistance and research, PROVIDED THAT all of the funds appropriated herein shall come from funds available under the amended Compact for FY05 carryover of the Supplemental Education Grant (SEG) 377,006"

- 161. Page 17, line 12, insert a new subsection (11) to read as follows:

"(11) President's Office  
 (a) FEMA matching funds and public assistance specialist .....  
 213,319  
 (b) Payment to the Asian Development Bank for the Fisheries Development Project Loan authorized by Public Law No. 7-101 90,000  
 (c) FSM Trust Fund, PROVIDED THAT the amount appropriated is not greater than 50% of the amount of local revenues to be carried over to FY07 before deducting the amount of this appropriation, in that case the amount shall be equal to 50% of the amount of local revenues to be carried over to FY07 not including this amount of this appropriation 250,000"

STANDING COMMITTEE REPORT NO. \_\_\_\_\_

RE: C.B. NO. 14-13

SUBJECT: FY 2006 BUDGET

SEPTEMBER \_\_\_\_\_, 2005

162. Page 17, line 16, delete "445" and insert "462" in lieu thereof.
163. Page 17, line 17, delete "59" and insert "55" in lieu thereof.
164. Page 17, line 19, delete "17" and insert "16" in lieu thereof.
165. Page 18, line 5, delete subsections (c) and (d) in their entirety.
166. Page 18, line 13, delete "Programming" and insert "Reprogramming" in lieu thereof.
167. Page 18, line 17, following "decreased.", insert "The President shall report to the Congress within one month of the last day of each financial quarter all amounts reprogrammed inter or intra a department, office or agency."
168. Page 19, line 24, delete "(d)" and insert "(c)" in lieu thereof.
169. Page 20, line 2, insert a new subsection (ii) to read as follows:
- "(ii) section 8 subsection (7)(d) - the allottee of these funds shall be the Chief Justice of the State of Yap, EXCEPT the Public Defender of the Federated States of Micronesia shall be the allottee for the \$15,000 appropriated for scholarships for Yap students enrolled in law school;"
170. Page 20, line 2, insert a new subsection (iii) to read as follows:
- "(iii) section 8 subsection (7)(e) - the allottee of these funds shall be the Chief Justice of the Supreme Court of the Federated States of Micronesia; and".
171. Page 20, line 2, delete "(ii)" and insert "(iv)" in lieu thereof.
172. Page 20, line 2, delete "(f)" and insert "(g)" in lieu thereof.

STANDING COMMITTEE REPORT NO. \_\_\_\_\_

RE: C.B. NO. 14-13

SUBJECT: FY 2006 BUDGET

SEPTEMBER \_\_\_\_\_, 2005

173. Page 20, line 8, following "lapse", insert ", EXCEPT the funds appropriated under subsections 9(1)(b), 9(1)(c), 9(1)(f) and 9(10)(a) shall lapse as of March 31, 2007".

With the foregoing amendments, your Committee on Ways and Means is in accord with the intent and purpose of C.B. No. 14-13 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. 14-13, C.D.1.

Respectfully submitted,

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Isaac V. Figir, chairman

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Roosevelt D. Kansou, vice  
chairman

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Manny Mori, member

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Dohsis Halbert, member

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Simiram Sipenuk, member

\_\_\_\_\_  
Peter M. Christian, member

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Claude H. Phillip, member