

STANDING COMMITTEE REPORT NO. 15-124

RE: C.R. NO. 15-133/W&M

SUBJECT: RECOMMENDED NATIONAL GOVERNMENT 2009 COMPACT BUDGET REQUEST

MAY 29, 2008

The Honorable Isaac V. Figir
Speaker, Fifteenth Congress
Federated States of Micronesia
Fourth Regular Session, 2008

Dear Mr. Speaker:

Your Committee on Ways and Means ("W&M"), to which was jointly referred C.R. No. 15-133 entitled:

"A RESOLUTION TO AUTHORIZE THE PRESIDENT TO SUBMIT THE RECOMMENDED NATIONAL GOVERNMENT COMPACT BUDGET REQUEST TO THE UNITED STATES UNDER ARTICLE V OF THE FINANCIAL PROCEDURES AGREEMENT.",

begs leave to report as follows:

The intent and purpose of the resolution are expressed in its title. Section 103(4) (d) of title 55 of the Code of the Federated States of Micronesia requires the President to submit to Congress, along with the Proposed Budget and the Recommended Budget, the Recommended National Government Compact Budget Request for the ensuing fiscal year.

Section 103(5) of title 55 allows Congress, on or before May 30 of each year, to either, by resolution, authorize the President to submit the Compact budget request to the United States under Article V of the Financial Procedures Agreement of the Compact or, by resolution, recommend changes to the Request. In addition, under section 103(6), inaction by Congress regarding the Request constitutes a deemed approval.

The subject resolution would approve the Recommended National Government Compact Budget Request and authorize its submission to United States.

The bulk of the Compact Budget Request falls under the purview of your committee on Health Education and Social Affairs. However, the remaining requests for Compact funding are under the purview of your Ways and Means committee.

The Department of Finance and Administration's Personnel section proposes to request \$399,800 in Capacity Sector Grant funds for training and \$30,000 from FY 2004 carryover funds for a consultant. This is correctly set out on page 104 of the Budget Book and page xx

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of the summary at the front of the Budget Book. Your committee has been informed by the Department of Finance and Administration that page 78 of the Budget Book, which lists the capacity building request as \$221,089 and the FY 2004 carryover request as \$35,000, are incorrect. Your committee takes note of this.

The Division of Compact Management, under the Office of Statistics, Budget, Overseas Development Assistance and Compact Management, proposes to request \$46,798 in Capacity Building Grant funds. Your committee notes this is the same amount that was requested in FY 2008, and for the same purpose.

The Office of the National Public Auditor proposes to request \$174,357 in Capacity Building Grant funds for its office in Chuuk. Your committee notes this is the same amount that was requested in FY 2008 and for the same purpose.

Finally, there is a request for \$121,694 for the Infrastructure Maintenance Fund. In FY 2008, \$114,643 was requested for this fund.

Your Committee has reviewed the above requests and is satisfied that the proposed Compact budget requests for the Department of Finance, the Office of Compact Management and the Office of the National Public Auditor are reasonable and consistent with the Compact. Accordingly, your committee authorizes their submission to the United States.

Your Committee on Ways and Means is in accord with the intent and purpose of C.R. No. 15-133 and recommends its adoption in the form attached hereto as C.R. No. 15-133.

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Respectfully submitted,

/s/ Dohsis Halbert
Dohsis Halbert, chairman

/s/ Setiro Paul
Setiro Paul, member

/s/ Moses A. Nelson
Moses A. Nelson, member

/s/ Claude H. Phillip
Claude H. Phillip, member

/s/ Fredrico O. Primo
Fredrico O. Primo, member

/s/ Peter Sitan
Peter Sitan, member

/s/ Joseph J. Urusemal
Joseph J. Urusemal, member