

STANDING COMMITTEE REPORT NO. 15-125

RE: C.R. NO. 15-133/HESA

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 Health, Education and Social Affairs ("HESA"), 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 FY 2009 Compact Budget Request and authorize its submission to the United States.

Your Committee on HESA has reviewed the portions of the Compact Budget Request that fall under its purview. These are the proposed Compact budget requests for the Department of Health and Social Affairs, the Department of Education and the College of Micronesia (COM-FSM). Your Committee held public hearings with the Departments of Health and Social Affairs and Education, as well as the College, during the current session of this Congress.

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The total overall proposed Compact health sector grant budget for FY 2009 for the national government's Department of Health and Social Affairs is \$789,832. In FY 2008, the total national government Compact health sector grant was \$812,971. The FY 2009 health sector Compact request, therefore, shows a reduction of \$23,139 from FY 2008. Compact health sector grant funds are proposed to provide the entire FY 2009 budget for Health Systems Support (\$494,321) and Environmental Health Services (\$206,260), as well as a portion of the budget for the Office of the Secretary of the Department of Health and Social Affairs (\$89,251). The total proposed budget for the Office of the Secretary is \$123,391. The balance is proposed to come out of FY 2009 domestic revenue.

The total overall proposed Compact education sector grant budget for FY 2009 for the Department of Education is \$638,225. In FY 2008, the total national government Compact education sector grant was \$591,338. This represents an increase of \$46,887 from FY 2008. Compact education sector grant funds are proposed to provide the entire FY 2009 budgets for Education System Support (\$349,321) and Vocational Manpower (\$253,673). Compact education sector grant funds are proposed for the bulk of the budget for the Office of the Secretary, with the exception of the salary for the Department Secretary. The Compact education sector grant proposal for the Office of the Secretary of Education is \$35,231.

The proposed Compact request for COM-FSM is \$3,800,000 in FY 2009 Compact education sector grant funds for the college's Operations - General Fund. This is the same amount that was approved in FY 2008. The amount requested from the FY 2009 Compact infrastructure development sector grant for COM-FSM is \$2,433,878 - an increase of \$83,026 from FY 2008.

Your Committee is satisfied that the proposed FY 2009 Compact budget requests for both the Departments of Health and Social Affairs, and Education, as well as COM-FSM, are reasonable and consistent with the Compact and authorizes their submission to the United States.

Your Committee on Health, Education and Social Affairs 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, subject to the approval of the Ways and Means committee.

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Respectfully submitted,

/s/ Joseph J. Urusemal
Joseph J. Urusemal, chairman

/s/ Claude H. Phillip
Claude H. Phillip, vice chairman

/s/ Dohsis Halbert
Dohsis Halbert, member

Tiwiter Aritos, member

/s/ Resio S. Moses
Resio S. Moses, member

/s/ Setiro Paul
Setiro Paul, member

/s/ Joe N. Suka
Joe N. Suka, member