

STANDING COMMITTEE REPORT NO. 15-135

RE: P.C. NO. 15-170/JGO

SUBJECT: FY 2009 BUDGET

SEPTEMBER 19, 2008

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

Dear Mr. Speaker:

Your Committee on Judiciary and Governmental Operations, to which was jointly referred Presidential Communication No. 15-170, begs leave to report as follows:

Presidential Communication No. 15-170 concerns the National Government's proposed budget for fiscal year 2009 as set forth in a publication entitled *National Government FY2009 Proposed Budget* ("*Budget Book*"). Pursuant to rule 7, section 4(b), of the Official Rules of Procedure of the Fifteenth 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. These are:

- I. Operations Budget:
 - A. Department of Justice
 - B. Office of Public Defender
 - C. National Judiciary
 - D. Agencies, Boards, Authorities, Commissions & Corporations
 1. National Postal Services
 - E. Special Programs
 1. National Election Commission Office
 - F. Grants, Subsidies and Contributions
 1. State Joint Law Enforcement
 2. State Judiciaries
 3. Micronesian Legal Services Corporation
 - G. Capital and Human Resources Development

This report, and all previous and subsequent reports by this Committee, should be treated as policy for this Nation, as defined by the Congress. It is your Committee's intent that any commentary found in this report should be treated as policy for the guidance of the relevant departments, agencies and offices.

Your Committee's findings and recommendations follow.

INTRODUCTORY COMMENTS

STANDING COMMITTEE REPORT NO. 15-135

RE: P.C. NO. 15-170/JGO

SUBJECT: FY 2009 BUDGET

SEPTEMBER 19, 2008

Your Committee notes that Presidential Communication No. 15-170 was submitted April 1, 2008, as required by subsection 103(3) of Title 55.

DISCUSSION OF FY 2009 BUDGET

The appropriations discussed below are presented, by entity, in the order in which they appear in the budget book. The figures given for each department/agency include the total amount appropriated by law for FY 2008, as set forth in Public Law No. 15-11, as amended by PL Nos. 15-18, 15-26, 15-33 and 15-43, the amounts requested by each entity for FY 2009 (as listed under "2009 Proposed" in the *Budget Book*); and the total amount recommended by your Committee for FY 2009. Further, your Committee also included the one-time salary increase provided under Public Law 15-52. The number of employees affected by that law is as follows:

- 1. Office of the Secretary (DOJ)...4
- 2. Registrar of Ckrporations.....2
- 3. Immigration and Labor.....37
- 4. National Police.....80
- 5. Office of Public Defender.....18
- 6. Judiciary.....20
- 7. Postal Service.....33
- 8. National Election.....5
- Total.....199

Based on the above number of employees, the cost increase on Personnel will be \$181,090 (\$35 x 26 pay period x 199 employees)

Based on the foregoing reasons, your Committee makes the following recommendations, subject to availability of funds:

I. OPERATIONS BUDGET

A. DEPARTMENT OF JUSTICE

	Original FY 2008 Approp.	Supp. Approp & FY 2008 total	FY 2009 Request	Committee Recommends
Personnel	\$1,910,006	\$80,472 total 1,990,478	\$1,897,833 Salary adjustment	\$1,897,833 \$111,930 \$2,009,763
Travel	90,589	\$33,000 total	130,785	102,285

STANDING COMMITTEE REPORT NO. 15-135

RE: P.C. NO. 15-170/JGO

SUBJECT: FY 2009 BUDGET

SEPTEMBER 19, 2008

		123,589		
Contract Services	157,897	\$7,000 total 164,897	224,714	166,664
Other Current Expenses	868,959	150,000 total 1,018,959	971,214	907,720
Fixed Assets	0	0	28,500	19,500
Total:	3,027,451	270,472 total 3,297,923	3,253,046	\$3,205,932
#/Employees	131			131

Office of the Secretary

The budget proposed by the Office of the Secretary for FY 2009 is \$33,074 less than in FY08. \$37,397 was appropriated as part of the FY 2008 budget for a private contract. This funding request is not repeated for FY 2009. Your Committee recommends approval of the \$97,898 requested for personnel and, in addition, \$3,640 for the one time salary increase. The \$18,818 requested for travel is also recommended for approval. **Your Committee, however, recommends only \$29,944 out of the \$39,944 requested for contractual services. Of the \$27,600 requested for OCE, your Committee recommends only \$22,600. The \$5,000 reduction is taken from the \$20,500 requested for communication. No budget request is made for fixed assets and none is recommended.**

Litigation

The Litigation Division's proposed budget for FY 2009 is unchanged from what it originally requested for FY 2008. \$130,800 is requested for personnel, \$22,615 for travel, and \$7,000 for contractual services. Like last fiscal year, there is no request for OCE and fixed assets; thus, no funding is recommended for the same. It is noted that the Litigation Division received \$33,000 in supplemental funding for travel in FY08. Your Committee recommends the approval of the total \$160,415 requested for this Division. The employees in this Division are not given the one time salary increase.

Law

The Law Division's proposed budget for FY 2009 is unchanged from what it received in FY 2008. \$174,400 is requested for personnel and \$9,946 for travel. There are no funding requests for contractual services, OCE and fixed assets; thus, no funding is recommended for the same.

STANDING COMMITTEE REPORT NO. 15-135

RE: P.C. NO. 15-170/JGO

SUBJECT: FY 2009 BUDGET

SEPTEMBER 19, 2008

Your Committee recommends the approval of the total \$184,346 requested for this Division. The employees in this Division are not given the one time salary increase.

Registrar of Corporations Unit

Your Committee recommends the approval of the \$28,661 requested for personnel, plus \$1,820 for the one time salary increase, for a total of \$30,481. It is noted that in FY 2008, the travel budget for this Unit was \$6,054, but the Budget Book does not include any request for a travel budget for this Unit for FY 2009. It is further noted that the Budget Book reflects a \$20,000 request for a "registration system".

Your Committee held a public hearing with representatives of the Registrar of Corporations Unit on May 20, 2008. The Unit requested a \$18,898 increase from its FY2008 budget of \$33,763. The Unit also requested for a travel budget of \$6,000, over and above the \$18,898 increase requested by the President. Unit representatives said their travel funding request was inadvertently left out of the Budget Book and asked that it be reinstated. The Unit's travel funds are to be used to visit our four States. **Your Committee is, therefore, recommending the restoration of the travel budget request to visit the states. The approved amount would be \$6,500 considering the increased airfare costs.** The Unit explained its request for a corporate registration system, saying the Micronesia Registration Advisors, independent advisors who the Unit works closely with, have one already and that such a system is now required for the FSM government. **The total \$20,000 requested for that purpose under contract services is reduced to \$15,000.00. The \$2,500 requested for OCE and the \$1,500 for fixed assets are recommended for approval in their full amounts.**

Division of Immigration and Labor

Your Committee recommends the approval of the \$484,603 requested for personnel. In addition, your Committee recommends an increase of \$33,670 in this Division's personnel budget line-item to cover the cost of the one time salary increase.

The Division's funding request for travel in FY 2009 is significantly increased from what was appropriated in FY 2008. The FY 2008 travel appropriation was \$14,946. For FY 2009, the request for travel is \$58,482. This is an increase of \$43,536. The request for domestic travel is \$44,035 and \$14,447 for international travel. The travel expenses associated with the decentralization of the passports is

STANDING COMMITTEE REPORT NO. 15-135

RE: P.C. NO. 15-170/JGO

SUBJECT: FY 2009 BUDGET

SEPTEMBER 19, 2008

\$35,000. For the reasons discussed below, your Committee recommends only \$23,482 of the \$58,482 requested for travel.

Under Contract Services, there is a new request for \$43,050 for "passport decentralization". For the reasons discussed below, your Committee recommends only \$74,020 of the \$117,070 requested for this line-item.

Under Other Current Expenses, there are significant increases in funding requests for POL, supplies and utilities. **Of the \$102,220 requested for OCE, your Committee recommends \$98,220. The \$5,000 reduction is from communication.** No budget is requested for fixed assets, so no funding is recommended for the same.

Passport Decentralization Project

Your Committee held a public hearing with representatives of the Division on May 20, 2008. Regarding the passport decentralization project, Chief Esiel explained that, currently, the passport issuance function is centralized in Palikir, Pohnpei. Passport decentralization would mean approval of passport applications would continue to take place exclusively in Palikir while allowing FSM passports to be printed and distributed from our Consulate offices in Guam and Hawaii, as well as in Chuuk, Yap and Kosrae.

The decentralization project would require equipment at each site for the printing of passports. At the public hearing, Chief Esiel reported that the current initial cost estimate is \$780,000, with an additional annual recurring cost of \$200,000. Chief Esiel said that it is not currently foreseen that the project will require additional personnel, although this is subject to review.

After the public hearing, Chief Esiel submitted to your Committee a memorandum from him to the Secretary of the Department of Justice, dated March 14, 2008. This memorandum outlines the passport decentralization project in more detail, including cost estimates. **There, the overall project cost is estimated at \$940,976 and it is envisioned that the project will be jointly funded by the FSM National Government and Compact capacity building grants.** However, your Committee noted, at the hearing of May 20, 2008, that all funding would come from FSM domestic revenue, instead. Your Committee also noted that this memorandum identifies \$784,390 as the estimated project cost, not including site upgrade and other costs. The total cost of site upgrades is estimated in the memorandum at \$43,050. FSM

STANDING COMMITTEE REPORT NO. 15-135

RE: P.C. NO. 15-170/JGO

SUBJECT: FY 2009 BUDGET

SEPTEMBER 19, 2008

customs and revenue costs are estimated at \$11,856 and communication infrastructure costs are estimated at \$1,680.

Your Committee noted that these cost estimates are not reflected in the Budget Book and that the public hearing was the first and only forum from which the project and its estimated costs were presented to your Committee. The Budget Book proposed only \$43,050, under Contract Services, for the passport decentralization project. The other proposed expenditure shown in the Budget Book is \$35,000.00 for international travel.

Your Committee decided not to recommend approval of the additional amounts requested by Immigration representatives at the hearing since the Office of the President did not request for such additional amounts.

Not being sure that the President endorsed said project, your Committee finds it necessary to express its own position concerning the passport decentralization project based on information currently available before it.

Chief Esiel's justifications for the passport decentralization system are twofold; (1) it ensures more passport security and (2) is cost-effective.

The Division urged that the current practice of sending applications and passports by regular mail is risky since they can be lost. It was also suggested that decentralized passport printing provides increased passport security.

Chief Esiel also asserted that the project is relatively cost-effective. He estimated that the FSM receives between \$300,000 and \$400,000 annually in passport revenue. Since passports cost \$50 each, this means the FSM processes between 6,000 and 8,000 passports annually.

Your Committee has considered the passport decentralization proposal carefully, but is not convinced that it would be secure, cost-effective or beneficial to the Nation.

First, your Committee is wary of the costs that would be incurred by the proposed passport decentralization plan. The estimated annual revenues from passports sales is less than half of the initial cost estimate of the proposed passport decentralization project.

STANDING COMMITTEE REPORT NO. 15-135

RE: P.C. NO. 15-170/JGO

SUBJECT: FY 2009 BUDGET

SEPTEMBER 19, 2008

At the hearing, Chief Esiel conceded that decentralization may result in an increase in the price of passports. If this is the case, he said that Congress would be asked to subsidize the increase. Your Committee foresees a number of costs that will accompany decentralization; for example, the equipment required for printing passports will require maintenance, staff will require training, additional security will be required for sites where passports are printed and the project is likely to require an inordinate amount of travel on the part of Chief Esiel and his staff. These are only a few of the potential costs your Committee anticipates at this time. It is not unlikely that further costs could arise in the future.

Next, your Committee agrees that to send passports in the regular mail may compromise their security. However, rather than the regular mail, your Committee suggests that passports be delivered via courier or by guaranteed mail. The costs of delivery may be absorbed either by the National Government, by passport applicants, or by a combination of both. In any event, the costs of secure delivery by courier or guaranteed mail are unlikely to rise as high as the cost of decentralizing the issuance of passports.

Finally, your Committee fails to see how the proposed project would confer any real benefit on our citizens. The rationale Chief Esiel presented to your Committee to justify the great expense of this project is that, in his view, decentralized passport printing provides increased passport security. Your Committee does not agree with this position and takes the view that opportunities for breaches of security in fact increase with decentralization.

Your Committee, therefore, recommends that the Division abandons its plans for passport decentralization and directs its energy and resources toward providing more secure passport delivery services to our citizens.

National Police

For the reasons discussed below, your Committee recommends the approval of the \$981,471 requested in the Budget Book for personnel, plus \$72,800 for the one time salary increase. For travel, your Committee recommends the approval of the \$20,924 requested. For contract services, your Committee recommends the full \$40,700 requested. For OCE, the President requested a total of \$837,894. That amount is broken down as follows: \$15,000 for communication; \$500,000 for POL; \$146,400 for provisions; \$138,494 for spare parts/supplies; \$24,000 for utilities; and \$14,000 for VMS. Your Committee recommends that the amount requested for provisions be reduced from \$146,400 to

STANDING COMMITTEE REPORT NO. 15-135

RE: P.C. NO. 15-170/JGO

SUBJECT: FY 2009 BUDGET

SEPTEMBER 19, 2008

\$106,400. Additionally, it is recommended that the \$138,494 requested for spare parts and supplies be reduced to \$125,000. Hence, of the total \$837,894 requested for this Division's OCE, your Committee recommends only \$784,400. For fixed assets, the President requested \$6,000 for computers and \$21,000 for two vehicles. Your Committee recommends that the \$6,000 requested for computers be approved, but that the amount requested for vehicles be reduced to \$12,000 for only one vehicle. Hence, of the \$27,000 requested for fixed assets, your Committee recommends only \$18,000.

Your Committee notes that the Budget Book shows the overall FY 2009 budget request for the National Police is reduced by \$17,825 from FY 2008. During FY 2008, there was a \$157,000 supplemental budget of which \$150,000 was for fuel for the patrol vessels. Contract Services includes a request for \$12,000 for "two temporary officers" and new requests for "computerizing", "fire inspector", "website maintenance" and "networking". The request for provisions under Other Current Expenses is increased by \$80,400 from the FY08 level of \$66,000. The proposed budget for Fixed Assets includes a request for \$21,000 for two vehicles. **Your Committee recommends an increase of only \$40,000, instead of \$80,000 for provision and \$12,000 for only one vehicle. The fuel provisions for the patrol vessels should remain as the President requested at \$500,000 even though during FY08 the initial appropriation of \$500,000 was later supplemented with an additional \$150,000. Additionally, the amount requested for OCE is recommended to be reduced by decreasing the amount requested for spare parts from \$138,494 to \$125,000 since one of the vessels just came back from life extension.**

At the public hearing on May 20, 2008, representatives of the National Police explained the requests in the Budget Book and responded to questions. Your Committee reminded National Police representatives that the FSM President had promised that no requests for new vehicles would be considered for the next two years.

The Police explained they are requesting an additional \$33,700 to build a shelter for a fire truck. **Your Committee recommends no funding since it was not part of the President's budget request.**

The number of Personnel positions authorized for the National Police remains at 80. The National Police requested two temporary employees, and correctly placed such positions under Contract Services. While recommending the approval of this request, your Committee wishes to

STANDING COMMITTEE REPORT NO. 15-135

RE: P.C. NO. 15-170/JGO

SUBJECT: FY 2009 BUDGET

SEPTEMBER 19, 2008

remind the National Police that the two temporary positions should not become permanent positions in the future.

Finally, your Committee notes that the number of positions under this Division is the largest in the National Government. The main tasks of this large Division are marine surveillance and security. The main functions are distinctly different in nature, but are being directed and managed by one Division Chief. It is further noted that under this arrangement, the Division Chief has spent a considerable amount of time traveling and too often misses congressional hearings relating to marine surveillance. While your Committee notes that any structural changes within any executive department rest with the President, your Committee still wishes to recommend that Marine Surveillance be separated from the National Police to allow maximum effectiveness of the Marine Surveillance Program.

B. OFFICE OF THE PUBLIC DEFENDER

	Original FY 2008 Approp.	Supp. Approp. & FY 2008 total	FY 2009 Request	Committee Recommends
Personnel	\$499,599	\$499,599	\$490,737 Salary increase	\$490,737 \$16,380 \$507,177
Travel	69,503 w/ supp 132,503	63,000 total 132,503	98,000	98,000
Contract Services	38,150	38,150	93,150	\$83,150
Other Current Expenditures	84,680	84,680	46,900	46,900
Fixed Assets	17,000	17,000	0	0
Total:	771,932	771,932	724,037	735,227
#/Employees	24		25	25

Your Committee notes the Budget Book shows the overall request for FY 2009 from the Office of the Public Defender is decreased by \$47,895 from FY 2008. The total amount of \$507,177 for personnel, including the one time salary increase, is recommended for approval. The \$98,000 requested by the President for travel is also recommended for approval. Under Contract Services, the request for "Private Attorney" is increased by \$20,000. **Your Committee recommends only \$10,000 increase on Attorney fees.** There is a new \$30,000 request for Chuuk lease. The \$40,000 appropriated for Law Scholarship in FY08 is not

STANDING COMMITTEE REPORT NO. 15-135

RE: P.C. NO. 15-170/JGO

SUBJECT: FY 2009 BUDGET

SEPTEMBER 19, 2008

requested again this year. It is noted that the OCE budget for this Office in FY08 was \$84,680, but the President requested only \$46,900 for this item for FY09. Your Committee elects to recommend the \$46,900 requested by the President. Additionally, the President did not request any funding for fixed assets for this Office, so no appropriation is recommended by your Committee.

Your Committee held a public hearing with representatives of the Office of the Public Defender on May 27, 2008 in Palikir. The Chief first noted that the exclusion of further legal scholarship funds in the Budget Book was an oversight. The scholarship from FY 2008 has been awarded to a law student attending the University of Hawaii. Your Committee informed the Office that whereas we are pleased that a deserving student is receiving a benefit from the scholarship, the Committee noted that the scholarship was intended for two students at a given year at a U.S accredited school. Your Committee will require information regarding the student's progress and the balance of the fund before recommending further funds. Your Committee also asked the Office to consult with your Committee in the selection of scholarship recipients and to advertise the scholarship widely and set criteria for the selection of recipients.

There was certain confusion at the hearing regarding the amount requested for travel. The Budget Book lists the amount as \$98,000. In FY 2008, a total of \$132,503 was appropriated for the Office's travel. A letter received from Chief Sapelalut following the hearing and dated May 28, 2008, confirms that the FY 2009 travel request of \$98,000 is correct. This is also confirmed in a separate communication from the Office of Statistics, Budget, Overseas Development Assistance and Compact Management.

The Chief of the Office of the Public Defender explained they are currently working to negotiate a new office lease in Chuuk. They are considering office space at the FSM Bank building on Weno as well as at the Kurassa building, also on Weno. There was a comment regarding a conflict regarding ownership of the FSM Bank building on Weno. Your Committee requests the Office of the Public Defender to exercise caution before entering into a lease agreement.

C. NATIONAL JUDICIARY

	Original FY 2008 Approp.	Supp. Approp. & FY 2008	FY 2009 Request	Committee Recommends
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STANDING COMMITTEE REPORT NO. 15-135

RE: P.C. NO. 15-170/JGO

SUBJECT: FY 2009 BUDGET

SEPTEMBER 19, 2008

		<i>total</i>		
Personnel	\$707,360	\$707,360	\$730,639 salary increases	\$724,639 18,200 \$742,839
Travel	120,000	120,000	135,463	125,463
Contract Services	109,900	5,000 <i>total</i> 114,900	111,300	135,300
Other Expenditures	109,481	18,000 <i>total</i> 127,481	180,806	175,306
Fixed Assets	27,000	27,000	25,000	25,000
Total:	1,073,741	23,000	1,189,208	1,203,908
#/Employees	31			31

Your Committee recommends \$724,839, which includes the one time salary increase, for personnel.

The Budget Book shows a travel request of \$135,463 for FY 2009. This is an increase of \$15,463 from the FY 2008 budget. **Your Committee recommends \$125,463 for travel.** Under Other Current Expenses, there is a new request of \$30,000 for "FSM Judicial conference". In addition, there are significant increases proposed for communications (\$16,500) and supplies (\$20,000). Your Committee recommends to reduce the increase on communication by \$5,500. **The approved amount therefore, would be \$31,000.**

Your Committee held a public hearing with representatives of the National Judiciary on May 22, 2008. Chief Justice Amaraich made a statement explaining that the Court has been adversely affected by what he described as "drastic cuts" to its budget of the last two years.

Salaries for Chief and Associate Justices are set by law, at section 108 of title 4 of the Code of the Federated States of Micronesia. This section was recently amended by Public Law No. 15-14, which authorized a salary increase. The Chief Justice now receives \$49,050 per annum and Associate Justices, \$46,870.00.

An amount of \$6,000 is requested for "overtime" in the Budget Book under the personnel category at page 459. Court representatives explained this amount is a contract renewal bonus for expatriate attorneys who extend their contracts for a full calendar year after

STANDING COMMITTEE REPORT NO. 15-135

RE: P.C. NO. 15-170/JGO

SUBJECT: FY 2009 BUDGET

SEPTEMBER 19, 2008

completing their two-year original contracts. Section 211 of Title 52, "Public Employment", establishes the authority for this bonus. The computer system that creates the Budget Book simply expresses this bonus as "overtime". Your Committee recommends that this \$6,000 be subtracted from the personnel category and added to the \$111,300 requested for Contract Services.

At the hearing, the problem of termites at the Kosrae State courthouse was raised. The Chief Justice pointed out that courthouse maintenance is a joint responsibility between the States and the National Government. **Your Committee recommends approval of the amount of \$25,000 for maintenance of the Kosrae State courthouse and \$18,200 for the one-time salary increase.**

D. BOARDS, COMMISSIONS & AUTHORITIES

1. National Postal Service

	FY 2008 Approp.	Supp. Approp & FY 2008 total	FY 2009 Proposed	Committee Recommends
Personnel	\$409,041	409,041	\$409,041 salary increase	\$409,041 30,030 \$439,071
Travel	36,623	36,623	36,623	36,623
Contract Services	128,952	18,000 total 146,952	126,952	126,952
Other Expenditures	85,400	85,400	85,400	85,400
Fixed Assets	0	0	0	0
Total:	\$660,016	18,000 total 678,016	\$658,016	688,048
#/Employees	38			38

The Budget Book request for the National Postal Service shows no significant changes from the FY 2008 budget.

Your Committee held a public hearing with representatives of the National Postal Service on May 27, 2008. The Postmaster General stated that the executive's budget review Committee did not recommend what the Postal Service requested. There was a proposal that the

STANDING COMMITTEE REPORT NO. 15-135

RE: P.C. NO. 15-170/JGO

SUBJECT: FY 2009 BUDGET

SEPTEMBER 19, 2008

Postal Service raise the price of postbox rental. Your Committee noted that an increase of postbox rental by \$5.00 annually could easily raise an additional estimated revenue of about \$200,000-\$250,000. The current postbox rental of \$10.00 annually has been in existence for far too long since the Trust Territory period, and your Committee strongly urged the Management to increase the postbox rental. The Postmaster General explained that there are currently no further available postboxes and Postal Service is working to renovate to create additional postboxes. **Postal Service will get an increase of \$30,030 for the one time salary increase.**

Based on the foregoing reasons, your Committee recommends \$439,071 for Personnel; \$36,623 for Travel; \$126,952 for Contract Services; and \$85,400 for OCE. No funding request was made for Fixed Assets, so your Committee recommends no funding for the same.

E. SPECIAL PROGRAMS

1. National Election Director's Office

	Original FY 2008 Approp.	Supp. Approp. & FY 2008 total	FY 2009 Proposed	Committee Recommends
Personnel	\$179,850	\$179,850	\$179,850 salary increase	\$179,850
Travel	11,993	15,000 total 26,993	11,993	11,993
Contract Services	28,000	14,000 total 42,000	28,000	28,000
Other Expenditures	66,650	12,000 total 78,650	84,650	84,650
Fixed Assets	31,000	31,000	0	
Total:	\$358,493	358,493	\$304,493	304,493
#/Employees	11			11

Your Committee notes that the request for personnel is unchanged since FY 2008. This is also the case for travel, although the Office received a supplemental appropriation in FY 2008 to administer the

STANDING COMMITTEE REPORT NO. 15-135

RE: P.C. NO. 15-170/JGO

SUBJECT: FY 2009 BUDGET

SEPTEMBER 19, 2008

2008 special election in Chuuk. Similarly, the request for Contract Services is the same as in FY 2008, minus the supplemental appropriation to fund the 2008 Chuuk special election. The request for supplies is increased by \$18,000.

Your Committee held a public hearing with the National Election Director and members of his staff on May 15, 2008. The Director explained that the increased request for supplies is to accommodate costs of the voter identification cards that are to be introduced in the near future. Cameras, as well as cards and printing cartridges, will be required.

Your Committee notes that a special election was held in March 2008 in Chuuk. A separate appropriation of \$245,000 was made through Public Law No. 15-33 for the general election to be held in March 2009.

There is no increase or decrease in the number of regular positions allocated to this Office. Finally, your Committee noted that all the employees at the Election Office are on contract and therefore, would not be eligible for the one time salary increase.

Based on the foregoing reasons, your Committee recommends \$179,850 for Personnel; \$11,993 for Travel; \$28,000 for Contract Services; and \$84,650 for OCE. No funding request was made for Fixed Assets, so none is recommended.

F. GRANTS, SUBSIDIES, AND CONTRIBUTIONS

1. State Law Enforcement

	<i>FY 2008 Approp.</i>	FY 2009 Proposed	Committee Recommends
Kosrae	\$25,000	\$25,000	\$25,000
Pohnpei	\$50,000	\$50,000	\$50,000
Chuuk*	\$50,000	\$50,000	\$50,000
Yap	\$25,000	\$25,000	\$25,000
Total:	\$150,000	\$150,000	\$150,000

Your Committee noted that the State of Pohnpei has given notice to the National Government to stop participating in the Joint Law Enforcement Agreement. While the Committee recognizes this problem, the funding should be granted to allow Pohnpei to re-join at a later date. Your Committee continues to express its disappointment on how Chuuk State

STANDING COMMITTEE REPORT NO. 15-135

RE: P.C. NO. 15-170/JGO

SUBJECT: FY 2009 BUDGET

SEPTEMBER 19, 2008

has been utilizing the grant. During the last two fiscal years, the Committee's Budget Reports specifically stated that the State Police be authorized to use the fund to improve the prison facility, food provision and fuel for patrols. Accordingly, this time, your Committee has little choice, but to have the Chief of Police Chuuk to be the allottee and further requested that the Chief of Police consult with the State Attorney General Office for a share of the fund.

2. State Judiciaries

	<i>FY 2008 Approp.</i>	FY 2009 Proposed	Committee Recommends
Kosrae	\$30,000	\$30,000	\$30,000
Pohnpei	45,000	45,000	\$30,000
Chuuk	45,000	45,000	\$45,000
Yap	30,000	30,000	\$30,000
Total:	<i>\$150,000</i>	\$150,000	\$150,000

3. Micronesian Legal Services

Congress appropriated \$150,000 to contribute to the support of Micronesian Legal Services in FY 2008. The President requests the same level of funding be appropriated for MLS in FY 2009. Your Committee recommends only \$100,000.

	<i>FY 2008 Approp.</i>	FY 2009 Proposed	Committee Recommends
Total:	<i>\$150,000</i>	\$150,000	\$100,000

G. CAPITAL DEVELOPMENT PROJECTS

The President recommends no funding for capital development projects in FY 2008.

CONCLUSION

The table below summarize the President's proposed budget request and the Committee's recommendation.

Department/Office/Agency	President FY	#.	J& GO	No.
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STANDING COMMITTEE REPORT NO. 15-135

RE: P.C. NO. 15-170/JGO

SUBJECT: FY 2009 BUDGET

SEPTEMBER 19, 2008

	09 Request	Employees	Recommendation	Employees
A. Department of Justice				
1. Office of the Secretary				
a. Personnel	\$97,898	5	101,538	5
b. Travel	18,818		18,818	
c. Contractal Services	39,944		29,944	
d. Other Current Expenses	27,600		22,600	
e. Fixed Assets	0			
Sub-total	\$184,260		172,900	
2. Litigation				
a. Personnel	130,800	3	130,800	3
b. Travel	22,615		22,615	
c. Contractal Services	7,000		7,000	
d. Other Current Expenses	0			
e. Fixed Assets	0			
Sub-total	160,415		160,415	
3. Div. of Law				
a. Personnel	174,400	4	174,400	4
b. Travel	9,946		9,946	
c. Contractal Services				
d. Other Current Expenses				
e. Fixed Assets				
Sub-total	184,346		184,346	
4. Registrar of Corporation				
a. Personnel	28,661	2	30,481	2
b. Travel	0		6,500	
c. Contractal Services	20,000		15,000	
d. Other Current Expenses	2,500		2,500	
e. Fixed Assets	1,500		1,500	
Sub-total	52,661		55,981	
5. Div. of				

STANDING COMMITTEE REPORT NO. 15-135

RE: P.C. NO. 15-170/JGO

SUBJECT: FY 2009 BUDGET

SEPTEMBER 19, 2008

Immigratration and Labor				
a. Personnel	484,603	37	518,273	37
b. Travel	58,482		23,482	
c. Contractal Services	117,070		74,020	
d. Other Current Expenses	103,220		98,220	
e. Fixed Assets				
Sub-total	763,375		753,125	
6. National Police				
a. Personnel	981,471	80	1,054,271	80
b. Travel	20,924		20,924	
c. Contractal Services	40,700		40,700	
d. Other Current Expenses	837,894		784,000	
e. Fixed Assets	27,000		18,000	
Sub-total	1,907,989		1,915,539	
B. Office of Public Defender				
a. Personnel	490,737	25	507,117	25
b. Travel	98,000		98,000	
c. Contractal Services	93,150		83,150	
d. Other Current Expenses	46,900		46,099	
e. Fixed Assets	0		0	
Sub-total	728,787		734,366	
C. National Judiciary				
a. Personnel	736,639	31	742,839	31
b. Travel	135,463		125,463	
c. Contractal Services	111,300		135,300	
d. Other Current Expenses	180,806		175,306	
e. Fixed Assets	25,000		25,000	
Sub-total	1,189,208		1,203,908	
D Postal Services				
a. Personnel	409,041	38	439,071	38
b. Travel	36,632		36,632	
c. Contractal Services	126,952		126,952	

STANDING COMMITTEE REPORT NO. 15-135

RE: P.C. NO. 15-170/JGO

SUBJECT: FY 2009 BUDGET

SEPTEMBER 19, 2008

d. Other Current Expenses	85,400		85,400	
e. Fixed Assets	0			
Sub-total	658,025		688,055	
E. National Election Office				
a. Personnel	179,850	11	179,850	11
b. Travel	11,993		11,993	
c. Contractal Services	28,000		28,000	
d. Other Current Expenses	84,650		84,650	
e. Fixed Assets	0			
Sub-total	304,493		304,493	
F. Subsidies and Contribution				
1. State Joint Law Enforcement				
a. Yap	25,000		25,000	
b. Chuuk	50,000		50,000	
c. Pohnpei	50,000		50,000	
d. Kosrae	25,000		25,000	
Sub. Total	150,000		150,000	
2. State Judiciaries				
1. Yap	30,000		30,000	
2. Chuuk	45,000		45,000	
3. Pohnpei	45,000		45,000	
4. Kosrae	30,000		30,000	
Sub. Total	150,000		150,000	
3. Legal Services	150,000		100,000	
Grand Total	\$6,583,559	236	6,585,123	236

With the modifications identified above, your Committee on Judiciary and Governmental Operations recommends authorizing those portions of the FY 2009 budget relating to matters under its jurisdiction, subject to the availability of funds, as determined by your Committee on Ways and Means.

STANDING COMMITTEE REPORT NO. 15-135

RE: P.C. NO. 15-170/JGO

SUBJECT: FY 2009 BUDGET

SEPTEMBER 19, 2008

Respectfully submitted,

/s/ Peter Sitan
Peter Sitan, chairman

Fredrico O. Primo, vice chairman

Tiwiter Aritos, member

/s/ Isaac V. Figir
Isaac V. Figir, member

/s/ Dohsis Halbert
Dohsis Halbert, member

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

/s/ Paliknoa K. Welly
Paliknoa K. Welly, member