

STANDING COMMITTEE REPORT NO. 15-14

RE: C.B. NO. 15-40/W&M

SUBJECT: SUPPLEMENTAL BUDGET 2007

JULY 18, 2007

The Honorable Isaac V. Figir
Speaker, Fifteenth Congress
Federated States of Micronesia
First Special Session, 2007

Dear Mr. Speaker:

Your Committee on Ways and Means ("W&M"), to which was referred C.B. No. 15-40, C.D.1, entitled:

"A BILL FOR AN ACT TO FURTHER AMEND PUBLIC LAW NO. 14-80, AS AMENDED BY PUBLIC LAWS 14-95, 14-99, 14-104 AND 15-01, THE FY 2007 BUDGET, BY FURTHER AMENDING SECTIONS 1,2, AND 8 THEREOF, FOR THE PURPOSE OF APPROPRIATING \$401,954 IN SUPPLEMENTAL FUNDING FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2007, TO PROVIDE FOR THE OPERATIONS OF THE EXECUTIVE BRANCH, NATIONAL AGENCIES, VARIOUS PROGRAMS, GRANTS, SUBSIDIES, AND CONTRIBUTIONS, AND FOR OTHER PURPOSES."

begs leave to report as follows:

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

This is a supplemental appropriation bill requesting amendments to the comprehensive annual budget act, Public Law No. 14-80, to fund certain expenditures. A revised revenues estimate was transmitted, which sets the total estimated revenues for FY07 at \$41,054,415, with \$30,250,000 from domestic revenues.

The total appropriated amount for FY07 from domestic revenues far is \$27,900,775.62, leaving a fund balance of \$2,349,224.38 available for appropriation. The supplemental requests amount to \$401,954 from the President.

Your committee now turns its attention to the actual requests from the Executive. The President is asking for the following:

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|----|--|----|---------|
| 1. | Office of the President | \$ | 10,000 |
| 2. | Department of Foreign Affairs | | 20,000 |
| 3. | Department of Finance and Administration | | 211,954 |

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4.	MLFC Loan Payment	90,000
5.	FSM Athletes to SP Games	70,000
TOTAL REQUESTED		401,954

There are errors in figures in the draft bill received from the Department of Justice. The request for the Office of the President is for \$10,000, however \$110,00 is apportioned in the bill. The President has requested an additional \$30,000 for the July 2007 Inauguration, but this does not appear in the bill as for this purpose, but in line items for the Office of the President and the Department of Foreign Affairs.

Only one break down of the supplemental requests has been received, despite repeated requests. As stated in numerous committee reports and relayed to the Executive in hearings and in person, the absence of a breakdown of costs for a supplemental request means that the request will not be considered by your committee on Ways and Means.

Despite this, your Committee has decided to consider the requested appropriations, and has chosen to do so without a hearing.

The supplemental requests of the President are considered in the order presented in Presidential Communication No. 15-27.

1. The President's Office

The request for an additional \$10,000 for the Office of the President is not explained or justified in PC 15-27. It is presumed that this is part of the requested "Inauguration funding", and forms part of the request for an additional \$30,000 is to pay for 'special visits to the FSM of high ranking officials of donor countries". This amount has been allocated in the supplemental request to the President's Office and the Department of Foreign Affairs, but no explanation is given as to why. \$100,000 has previously been appropriated for the July 2007 Inauguration.

No break down of the requested amount has been received. Despite this, your Committee recommends approving this amount of money. It recommends that the amount not be available for reprogramming.

2. Department of Foreign Affairs

The request for an additional \$20,000 for the Department of Foreign Affairs is not explained or justified in PC 15-27. It is presumed that this is part of the requested "Inauguration funding", and forms part of the request for an additional \$30,000 is to pay for 'special visits to the FSM of high ranking officials of donor countries". This amount has been allocated in the supplemental request to the President's Office and the Department of Foreign Affairs, but no

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explanation is given as to why. \$100,000 has previously been appropriated for the July 2007 Inauguration.

No break down of the requested amount has been received. Despite this, your Committee recommends approving this amount of money. It recommends that the amount not be available for reprogramming.

3. Department of Finance and Administration

The requested \$211,954 is for a grant to implement the uniform financial management information system project (FIMS). The grant has been awarded, and it is proposed to be appropriated on the **condition that it is deemed to have come from funds available under the Amended Compact for public sector capacity building grant**. Your Committee on Ways and Means recommends this appropriation.

4. MLFC Loan

Your Committee on Ways and Means recommends that consideration of this appropriation be deferred.

5. Athletes to South Pacific Games

A break down of the requested amount has been received. The total amount of funds needed is \$56,997. The amount covers 14 delegation members: 9 athletes, 4 staff and a Delegation leader. It covers departure fees, airfares, accommodation, insurance, uniforms for athletes, an opening ceremony uniform for all and participation fees. The amount requested by the President is \$70,000. You Committee recommends appropriating \$60,000 to send athletes and other staff to the South Pacific Games.

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Recommendations

1. Office of the President	\$	10,000
2. Department of Foreign Affairs		15,000
3. Department of Finance and Administration		211,954
4. MLFC Loan Payment		0
5. FSM Athletes to SP Games		60,000
TOTAL RECOMMENDED		296,954

Your committee is in accord with the bill as introduced and amended and recommends its adoption on first reading.

Respectfully submitted,

/s/ Dohsis Halbert
Dohsis Halbert, chairman

/s/ Roosevelt D. Kansou
Roosevelt D. Kansou, vice chairman

Moses A. Nelson, member

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

/s/ Peter Sitan
Peter Sitan, member

Joseph J. Urusemal, member

Claude H. Phillip, member