

STANDING COMMITTEE REPORT NO. 16-102

RE: P.C. NO. 16-188/JGO

SUBJECT: FY 2011 BUDGET

SEPTEMBER 27, 2010

The Honorable Isaac V. Figir
Speaker, Sixteenth Congress
Federated States of Micronesia
Fifth Regular Session, 2010

Dear Mr. Speaker:

Your Committee on Judiciary and Governmental Operations to which was jointly referred Presidential Communication No. 16-188, begs leave to report as follows:

Presidential Communication No. 16-188 concerns the National Government's proposed budget for fiscal year 2011 as set forth in a publication entitled *National Government Fiscal Year 2011 Proposed Budget* ("*Budget Book*"). Pursuant to rule 7, section 4(b), of the Official Rules of Procedure of the Sixteenth 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
 - Administration, Office of the Secretary
 - Litigation
 - Law
 - Registrar of Corporations
 - Immigration and Labor
 - National Police
 - 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

STANDING COMMITTEE REPORT NO. 16-102

RE: P.C. NO. 16-188/JGO

SUBJECT: FY 2011 BUDGET

SEPTEMBER 27, 2010

- F. Other Grants, Subsidies and Contributions
 - 1. State Law Enforcement
 - 2. State Judiciaries
 - 3. Micronesian Legal Services Corporation
- G. Capital and Human Resources Development
 - Judiciary Branch Office Repairs/Renovation
 - FSM Supreme Court Improvement -Kosrae
 - FSM Supreme Court Improvement - Pohnpei
 - FSM Supreme Court Improvement - Chuuk
 - FSM Supreme Court Improvement - Yap
 - FSM Postal services (Kosrae)
 - Department of Justice
 - a. Life Extension on FSS Independence
 - b. FSS Micronesia - Slipping
 - National Election Commission
 - a. Voter ID Card Project

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

Your Committee appreciates the President's efforts to contain and reduce where possible, the costs of governmental operations. The President expressed his goal as not exceeding the FY2010 levels of funding and applying a 10 percent budget reduction on travel and non-essential expenditures. Your Committee congratulates the President on achieving this goal with respect to the areas within the jurisdiction of your Committee.

STANDING COMMITTEE REPORT NO. 16-102

RE: P.C. NO. 16-188/JGO

SUBJECT: FY 2011 BUDGET

SEPTEMBER 27, 2010

DISCUSSION OF FY2011 BUDGET

During the oversight hearings on the FY 2011 Proposed Budget, your Committee discovered that many of the salaries listed in the Budget Book were not the actual/correct salaries for the various listed positions. Some agencies have the correct assigned salary as authorized in the FY2010 budget, while others do not. Your Committee thereafter, requested an update from the Personnel Office.

The appropriations discussed below are presented, by the Department, offices and entities, in the order in which they appear in the budget book. The figures given for each department, office and agency include the total amount appropriated by law for FY 2010, as set forth in Public Law No. 16-07, as amended, and the amount proposed by the President for each entity for FY2011 (as listed under "Proposed" in the *Budget Book*).

Based on the foregoing thoughts, your Committee makes the following recommendations:

I. OPERATIONS BUDGET

A. DEPARTMENT OF JUSTICE

| | FY 2010 Appropriations | FY 2011 Proposed by Department | FY 2011 Recommended by EBRC | Committee recommends |
|----------------|---------------------------|--------------------------------------|-----------------------------------|-------------------------|
| Personnel | \$2,144,237 | \$2,384,354 | \$2,330,750 | \$2,197,610 |
| Travel | \$90,014 | \$167,200 | \$130,088 | \$108,585 |
| Contract.Serv. | \$111,664 | \$164,964 | \$161,464 | \$126,520 |
| OCE | \$902,620 | \$966,820 | \$955,520 | \$952,720 |
| Fixed Assets | \$19,500 | \$30,000 | \$17,500 | \$20,000 |
| Total | \$3,268,035 | \$3,713,338 | \$3,595,322 | \$3,405,435 |
| No. Employees | 131 | 131 | 131 | 131 |

STANDING COMMITTEE REPORT NO. 16-102

RE: P.C. NO. 16-188/JGO

SUBJECT: FY 2011 BUDGET

SEPTEMBER 27, 2010

1. Office of the Secretary

| | FY 2010 Appropriations | FY 2011 Proposed by Department | FY 2011 Recommended by EBRC | Committee recommends |
|----------------|---------------------------|--------------------------------------|-----------------------------------|-------------------------|
| Personnel | \$102,887 | \$125,562 | \$111,497 | \$107,464 |
| Travel | \$15,000 | \$38,818 | \$38,818 | \$18,818 |
| Contract.Serv. | \$9,944 | \$54,944 | \$54,944 | \$20,000 |
| OCE | \$17,500 | \$22,600 | \$22,600 | \$22,600 |
| Fixed Assets | \$0 | \$5,000 | \$5,000 | \$2,500 |
| Total | \$145,331 | \$246,924 | \$232,859 | \$171,382 |
| No. Employees | 5 | 5 | 5 | 5 |

Personnel

During the oversight hearings on the FY2011 Budget with the Department, your Committee discovered that there is some confusion concerning the salary for the Secretary of the Department. The Secretary received \$46,652 for FY2010. The EBRC recommends \$55,236 for FY2011. After careful review of the matter, your Committee agrees that there is a need to clarify this issue, and recommends that the salary for the Secretary should be increased to \$51,230 annually.

Travel

Under travel, the significant increase is \$20,000 for unanticipated trips that the Secretary may be required to take. The Committee does not recommend the unanticipated travel amount of \$20,000.

Contractual Services

The Office requested \$25,000 for a new aerial surveillance and \$20,000 for legal interns. The Committee recommends the \$20,000, but restricts the use to law students enrolled in law schools.

OCE

The requests include \$15,500 for communications, \$2,100 for printing and reproduction, and \$5,000 for supplies and materials. The Committee agrees with the recommendation by EBRC for this category, a total of \$22,600.

STANDING COMMITTEE REPORT NO. 16-102

RE: P.C. NO. 16-188/JGO

SUBJECT: FY 2011 BUDGET

SEPTEMBER 27, 2010

Fixed Assets

The Committee recommends \$2,500 instead of \$5,000 for the purchase of two laptop computers.

2. Division of Litigation

| | FY 2010 Appropriations | FY 2011 Proposed by Department | FY 2011 Recommended by EBRC | Committee recommends |
|----------------|---------------------------|--------------------------------------|-----------------------------------|-------------------------|
| Personnel | \$139,031 | \$168,287 | \$139,031 | \$139,031 |
| Travel | \$20,353 | \$32,615 | \$32,615 | \$20,350 |
| Contract.Serv. | \$7,000 | \$7,000 | \$7,000 | \$7,000 |
| OCE | \$0 | \$6,000 | \$0 | \$0 |
| Fixed Assets | \$0 | \$12,500 | \$0 | \$0 |
| Total | \$166,384 | \$226,402 | \$178,646 | \$166,381 |
| No. Employees | 3 | 6 | 3 | 3 |

The Department has requested four new positions, all to be located in the Chuuk Office; however, EBRC did not recommend the four new positions. The additional increases that EBRC recommended are under travel for the Litigation Division.

Personnel

There are three staff attorneys in the Litigation Division which resulted in \$139,031. The Committee discussed joint law enforcement, and inquired why Chuuk State is not enacting its firearms legislation. The Committee requested the Department of Justice to work with Chuuk State to come up with its firearms legislation through joint law enforcement.

Travel

The Committee agrees that with the disapproval of the four new positions, the amount for travel for the Litigation Division should remain the same.

Contractual Services

The Committee recommends the \$7,000 for this fiscal year.

OCE

The Committee does not recommend any funding for this item.

STANDING COMMITTEE REPORT NO. 16-102

RE: P.C. NO. 16-188/JGO

SUBJECT: FY 2011 BUDGET

SEPTEMBER 27, 2010

Fixed Assets

The Committee does not recommend the \$12,500 because it relates to the request for new positions.

3. Division of Law

| | FY 2010 Appropriations | FY 2011 Proposed by Department | FY 2011 Recommended by EBRC | Committee recommends |
|----------------|---------------------------|--------------------------------------|-----------------------------------|---------------------------------|
| Personnel | \$185,376 | \$278,062 | \$278,062 | \$185,376 |
| Travel | \$9,946 | \$9,946 | \$9,946 | \$9,946 |
| Contract.Serv. | \$0 | \$0 | \$0 | \$0 |
| OCE | \$0 | \$0 | \$0 | \$0 |
| Fixed Assets | \$0 | \$10,000 | \$10,000 | \$0 |
| Total | \$195,322 | \$298,008 | \$298,008 | \$195,322 |
| No. Employees | 4 | 6 | 6 | 4 |

One vacant position for Assistant Attorney has been filled. Two new Assistant Attorneys were requested and recommended by EBRC. Under the Fixed Assets category, four laptop computers were requested and recommended by EBRC.

Personnel

There are four attorneys under the Law Division. The Committee recommendation is that the two new positions not be funded.

Fixed Assets

Your Committee does not agree to fund this item.

STANDING COMMITTEE REPORT NO. 16-102

RE: P.C. NO. 16-188/JGO

SUBJECT: FY 2011 BUDGET

SEPTEMBER 27, 2010

4. Registrar of Corporations

| | FY 2010 Appropriations | FY 2011 Proposed by Department | FY 2011 Recommended by EBRC | Committee recommends |
|----------------|---------------------------|--------------------------------------|-----------------------------------|-------------------------|
| Personnel | \$31,644 | \$45,347 | \$35,065 | \$31,644 |
| Travel | \$5,850 | \$26,500 | \$6,500 | \$5,000 |
| Contract.Serv. | \$0 | \$3,500 | \$0 | \$0 |
| OCE | \$2,500 | \$10,600 | \$5,300 | \$2,500 |
| Fixed Assets | \$1,500 | \$2,500 | \$2,500 | \$0 |
| Total | \$41,494 | \$88,447 | \$49,365 | \$39,144 |
| No. Employees | 2 | 3 | 2 | 2 |

Personnel

Your Committee does not recommend increases for the positions. The information to justify the increase in Personnel is based on the reclassification of the two positions because of the increase of duties and responsibilities. Absent justification on the reallocation, your Committee does not recommend the increase.

5. Division of Immigration and Labor

| | FY 2010 Appropriations | FY 2011 Proposed by Department | FY 2011 Recommended by EBRC | Committee recommends |
|----------------|---------------------------|--------------------------------------|-----------------------------------|-------------------------|
| Personnel | \$521,758 | \$673,772 | \$673,772 | \$673,772 |
| Travel | \$21,133 | \$40,594 | \$23,482 | \$23,482 |
| Contract.Serv. | \$74,020 | \$74,020 | \$74,020 | \$74,020 |
| OCE | \$98,220 | \$98,220 | \$98,220 | \$98,220 |
| Fixed Assets | \$0 | \$0 | \$0 | \$0 |
| Total | \$715,131 | \$886,606 | \$869,494 | \$869,494 |
| No. Employees | 37 | 37 | 37 | 37 |

Personnel

The increase in the Personnel category is the result from the merging of duties and responsibilities of Immigration and Labor officers. Your Committee's recommendation includes \$107,000 for overtime earned in FY 2010. Your Committee expects Immigration and Labor to make up any deficit in overtime in FY 2011 by improving its rate of collection of service fees, and where possible to avoid the necessity for overtime by effectively managing staff working hours. Your Committee recommends half of the overtime funding requested.

STANDING COMMITTEE REPORT NO. 16-102

RE: P.C. NO. 16-188/JGO

SUBJECT: FY 2011 BUDGET

SEPTEMBER 27, 2010

Travel

Your Committee recommends the amount for travel as recommended by EBRC.

6. National Police

| | FY 2010 Appropriations | FY 2011 Proposed by Department | FY 2011 Recommended by EBRC | Committee recommends |
|----------------|---------------------------|--------------------------------------|-----------------------------------|---------------------------------|
| Personnel | \$1,056,969 | \$1,093,323 | \$1,093,323 | \$1,060,323 |
| Travel | \$18,727 | \$18,727 | \$18,727 | \$18,727 |
| Contract.Serv. | \$20,700 | \$25,500 | \$25,500 | \$25,500 |
| OCE | \$784,400 | \$829,400 | \$829,400 | \$829,400 |
| Fixed Assets | \$18,000 | \$30,000 | \$17,500 | \$17,500 |
| Total | \$1,898,796 | \$1,996,950 | \$1,984,450 | \$1,951,450 |
| No. Employees | 80 | 80 | 80 | 80 |

According to the late Chief, the Division has been requesting an increase for "sea going allowance". In addition, the Chief indicated that of the four vacant positions, three vacant positions are already filled, and only one is still vacant. The Committee is concerned about the accurate pay levels for National Police, Surveillance and Immigration and Labor officers.

Your Committee recommends maintaining the amount budgeted for overtime at the FY 2010 level of \$254,667, and therefore recommends an overall figure for personnel \$33,000 lower than the EBRC recommendation. The Committee urges the Department to ensure that reimbursement is sought for overtime incurred for non-law-enforcement services, and that staff time is managed to minimize the amount of overtime required.

STANDING COMMITTEE REPORT NO. 16-102

RE: P.C. NO. 16-188/JGO

SUBJECT: FY 2011 BUDGET

SEPTEMBER 27, 2010

B. OFFICE OF THE PUBLIC DEFENDER

| | FY 2010 Appropriations | FY 2011 Proposed by Department | FY 2011 Recommended by EBRC | Committee recommends |
|----------------|---------------------------|--------------------------------------|-----------------------------------|-------------------------|
| Personnel | \$528,712 | \$514,898 | \$511,169 | \$511,169 |
| Travel | \$88,200 | \$87,032 | \$87,032 | \$87,032 |
| Contract.Serv. | \$108,150 | \$108,150 | \$108,150 | \$123,150 |
| OCE | \$43,100 | \$47,100 | \$47,100 | \$47,100 |
| Fixed Assets | \$15,000 | \$50,000 | \$30,000 | \$32,500 |
| Total | \$783,162 | \$807,180 | \$783,451 | \$800,951 |
| No. Employees | 25 | 25 | 25 | 25 |

Personnel

According to testimony, two Staff Attorney positions are currently needed. One attorney resigned, and his position has not been filled. The position of Legal Secretary III has already been filled at pay level 27/1 (\$11,355 annually). The pay level 29/4 with an annual salary of \$13,145 should be deleted. The EBRC recommendation includes a salary decrease for the Chief from \$53,846 to \$51,230. Your Committee concurs with the EBRC recommendation.

Contractual Services

Your Committee recommends increasing funding for scholarships by \$10,000 over the EBRC recommendation for a total of \$50,000, and adding \$5,000 for rental of a boat instead of the boat purchase requested under Fixed Assets.

Fixed Assets

The Office requested \$15,000 for a boat and engine (Chuuk), \$5,000 for desktop computers (Chuuk/Pohnpei/Yap), and \$30,000 for vehicles (Yap/Pohnpei). The EBRC recommendation would fund the boat in full and provide \$15,000 for vehicles. Your Committee recommends eliminating the boat purchase, and instead provides for boat rental under contractual services as noted above. Your Committee also recommends reducing the budget for computers to \$2,500.

C. NATIONAL JUDICIARY

STANDING COMMITTEE REPORT NO. 16-102

RE: P.C. NO. 16-188/JGO

SUBJECT: FY 2011 BUDGET

SEPTEMBER 27, 2010

| | FY 2010 Appropriations | FY 2011 Proposed by Department | FY 2011 Recommended by EBRC | Committee recommends |
|----------------|---------------------------|--------------------------------------|-----------------------------------|-------------------------|
| Personnel | \$712,148 | \$757,574 | \$755,157 | \$757,574 |
| Travel | \$151,300 | \$147,015 | \$147,015 | \$147,015 |
| Contract.Serv. | \$134,100 | \$120,300 | \$120,300 | \$120,300 |
| OCE | \$178,806 | \$185,306 | \$175,306 | \$175,306 |
| Fixed Assets | \$20,000 | \$29,000 | \$29,000 | \$49,000 |
| Total | \$1,196,354 | \$1,239,195 | \$1,226,778 | \$1,249,195 |
| No. Employees | 31 | 31 | 31 | 31 |

Personnel

In Public Law No. 16-22, the figures for the National Judiciary were changed. Originally, the amount of \$759,948 was appropriated under the Personnel category (P.L. No. 16-07), and since the National Judiciary needed to reshuffle some funds from the Personnel category into Travel, Contractual Services, and OCE, \$712,148 is the correct figure for Personnel.

There is a correction under the Personnel category. Your Committee recommends the proposed amount of \$46,344 for a new Attorney IV position; and the total funding is \$757,574

Kapilly Capelle, Director, FSM Supreme Court Administration, also noted that the Court has a problem recruiting attorneys due to the low salary range.

OCE

Under other Current Expenses, the EBRC recommendation reduces the line item for supplies and materials from the \$40,000 proposed to \$30,000. The Committee agrees with the amount recommended by EBRC in the amount of \$175,306. For the supplemental request for the swearing in of the Justices, your Committee suggests the Court use funds for the occasions from fiscal year 2010 funding.

Fixed Assets

Under Fixed Assets, your Committee considered the supplemental requests for the two vehicles, but your Committee only recommends one vehicle in the amount of \$20,000. The total amount for fixed assets is \$49,000.

D. BOARDS, COMMISSIONS & AUTHORITIES

STANDING COMMITTEE REPORT NO. 16-102

RE: P.C. NO. 16-188/JGO

SUBJECT: FY 2011 BUDGET

SEPTEMBER 27, 2010

1. National Postal Service

| | FY 2010 Appropriations | FY 2011 Proposed by Department | FY 2011 Recommended by EBRC | Committee recommends |
|----------------|---------------------------|---|-----------------------------------|-------------------------|
| Personnel | \$440,065 | \$440,065 | \$440,065 | \$440,065 |
| Travel | \$48,299 | \$51,104 | \$48,299 | \$48,299 |
| Contract.Serv. | \$139,412 | \$165,285 | \$139,412 | \$139,412 |
| OCE | \$87,400 | \$102,400 | \$87,400 | \$92,400 |
| Fixed Assets | \$13,000 | \$15,000 | \$0 | \$20,000 |
| Total | \$728,176 | \$773,854 | \$715,176 | \$740,176 |
| No. Employees | 38 | 38 | 38 | 38 |

Personnel

Under Personnel, your Committee recommends the same amount as in fiscal year 2010 in the amount of \$440,065.

Travel

Under Travel, your Committee also recommends the same amount of funding as recommended by EBRC in the amount of \$48,299.

STANDING COMMITTEE REPORT NO. 16-102

RE: P.C. NO. 16-188/JGO

SUBJECT: FY 2011 BUDGET

SEPTEMBER 27, 2010

Contractual Services

Under Contractual Services, EBRC decreased the Outer Islands Mail Contracts in the amount of \$32,512. Your Committee recommends the same amount that EBRC has recommended in the amount of \$139,412.

OCE

Under OCE, your Committee recommends \$50,000 for the utilities for the National Postal Services.

Fixed Assets

Under Fixed Assets, your Committee recommends \$15,000 for a vehicle and \$5,000 for a storage facility for mail on Ta island.

E. SPECIAL PROGRAMS

1. National Election Director's Office

| | FY 2010 Appropriations | FY 2011 Proposed by Department | FY 2011 Recommended by EBRC | Committee recommends |
|----------------|---------------------------|--------------------------------------|-----------------------------------|---------------------------------|
| Personnel | \$185,300 | \$185,300 | \$185,300 | \$185,300 |
| Travel | \$20,000 | \$25,391 | \$13,226 | \$13,226 |
| Contract.Serv. | \$21,877 | \$21,877 | \$21,877 | \$21,877 |
| OCE | \$48,463 | \$58,218 | \$48,463 | \$48,463 |
| Fixed Assets | \$10,400 | \$7,678 | \$178 | \$7,678 |
| Total | \$286,040 | \$298,464 | \$269,044 | \$276,544 |
| No. Employees | 11 | 11 | 11 | 11 |

Personnel, Travel, Contractual Services and OCE

Under Personnel, Travel, Contractual Services and OCE categories your Committee recommends the same amount as recommended by EBRC.

Fixed Assets

Under Fixed Assets, your Committee recommends \$7,678 for one vehicle and for a fax machine.

F. GRANTS, SUBSIDIES, AND CONTRIBUTIONS

1. State Law Enforcement

STANDING COMMITTEE REPORT NO. 16-102

RE: P.C. NO. 16-188/JGO

SUBJECT: FY 2011 BUDGET

SEPTEMBER 27, 2010

| | <i>FY 2010 Approp.</i> | <i>FY 2011 Proposed</i> | <i>Committee Recommends</i> |
|----------------|----------------------------|-----------------------------|---------------------------------|
| 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 |

* Regarding the use of funds appropriated for Chuuk, your Committee does not recommend approval of the use of any state law enforcement funds for salaries or personnel in any regard. Of the \$50,000 allocated to Chuuk, the Attorney General's office may only use \$15,000 of this amount while the remaining \$35,000 of this amount shall be allocated to the state.

Your Committee recommends that Congress should review the subsidies and contributions and seek executive input on them at some time.

2. State Judiciaries

| | <i>FY 2010 Approp.</i> | <i>FY 2011 Proposed</i> | <i>Committee Recommends</i> |
|---------------|----------------------------|-----------------------------|---------------------------------|
| | | | |
| Kosrae | \$30,000 | \$30,000 | \$30,000 |
| Pohnpei | \$45,000 | \$45,000 | \$45,000 |
| Chuuk | \$45,000 | \$45,000 | \$45,000 |
| Yap* | \$30,000 | \$30,000 | \$30,000 |
| Total: | \$150,000 | \$150,000 | \$150,000 |

Your Committee was informed by Senator Otto that the historical purpose for the Court subsidies is that under the Constitution, Congress must support the state judiciaries. Thus, your Committee requests that the Courts must submit a statement of expenditures of these funds for FY2010 before they can access/drawdown the funding for FY 2011.

Some of the amount for Yap is to be used for law students' scholarships.

3. Micronesian Legal Services

STANDING COMMITTEE REPORT NO. 16-102

RE: P.C. NO. 16-188/JGO

SUBJECT: FY 2011 BUDGET

SEPTEMBER 27, 2010

Congress appropriated \$150,000 to contribute to the support of Micronesian Legal Services in FY2007. In FY2008, the Committee decreased this to \$100,000. In FY2010 your Committee recommended \$125,000. For FY2011, EBRC recommended \$0, but your Committee recommends \$150,000.

| | FY 2010 Approp. | FY 2011 Proposed | Committee Recommends |
|---------------|------------------|------------------|----------------------|
| Total: | \$125,000 | \$0 | \$150,000 |

G. CAPITAL DEVELOPMENT PROJECTS

| | FY 2010 Appro. | FY 2011 Proposed | Committee Recommends |
|---|--------------------------------------|------------------|----------------------|
| 1a. FSM Supreme Court Improvement -Kosrae | \$0 | \$65,964 | \$0 |
| 1b. FSM Supreme Court Improvement - Pohnpei | \$0 | \$55,000 | \$0 |
| 1c. FSM Supreme Court Improvement - Chuuk | \$0 | \$9,900 | \$0 |
| 1d. FSM Supreme Court Improvement - Yap | \$0 | \$12,474 | \$0 |
| 2. FSM Postal Services (Kosrae) | \$0 | \$381,456 | \$0 |
| 3a. Life Extension on FSS Independence | \$250,000 | 85,000 | \$85,000 |
| 3b. FSS Micronesia - Slipping | \$0 | \$250,000 | \$250,000 |
| 4a. Voter ID Card Project | \$100,000 appro. (in PL 16-35) | \$82,775 | 82,775 |
| Total | \$350,000 | \$942,569 | \$417,775 |

1. State Supreme Court Buildings and Postal Service.

Your Committee is very concerned that the National Government put up the funding to build the FSM Supreme Court buildings, and now is requested to fund the maintenance of the buildings. Therefore, your Committee does not recommend any funding for FSM Supreme Court building improvements in the four states, but recommends that the Infrastructure Maintenance Fund from the Infrastructure Grants be used for the maintenance of these buildings or infrastructure. In addition, the National Postal Services must tap the IMF funds. Therefore, your Committee does not recommend any funding for fiscal year 2011.

STANDING COMMITTEE REPORT NO. 16-102

RE: P.C. NO. 16-188/JGO

SUBJECT: FY 2011 BUDGET

SEPTEMBER 27, 2010

Concerning the \$82,775 for the Voter ID Card Project, your Committee recommends that the National Election Office (NEO) contract out the project. The NEO's target on the voter ID Card Project is 10,000 applications in a month. The NEO's staff indicated that right now, the Office has two printing machines. One machine costs around \$18,000. The \$50,000 was expended for contractual services. Certain individuals are selected to provide voter ID card applications to the respective citizens in Guam and Hawaii. The issuance of a voter ID card application costs the issuer one dollar. In Pohnpei, the NEO contracted only one person to issue the voter ID card applications. In Chuuk, there is also only one person.

The staff of the NEO indicated that once an individual has been issued a voter ID card, he or she should present the voter ID card upon voting. Your Committee indicated that the presentation of voter ID cards to vote is a bad practice, and recommends that the law should be amended.

The machine can only produce 3,000 ID cards per day. The NEO has not printed ID cards in Guam and Hawaii. The NEO has located the appropriate companies; however, after consultation with the Attorney General's office, there is an issue of security involved in printing voter ID cards in those locations. Voter ID cards that have been printed and processed include 2,031 in Chuuk, 1,003 in Kosrae, 2,471 in Pohnpei and 201 in Yap. In addition, there were voter ID cards printed in July, August and September 2010 with a total of 3,263. The Committee notes that the Acting Election Director is not up to par with his duties and responsibilities, and recommends that he focus his work on the preparations for the upcoming election.

Confined voters do not need voter ID cards. For absentee applications, they can be distributed by bulk.

Your Committee recommends that the NEO strengthen its education on the Voter ID Card Project. There has been very little education with the local governments and no involvement with the communities in the education of the Voter ID Card Project.

CONCLUSION

With the modifications identified above, your Committee on Judiciary and Governmental Operations recommends authorizing those portions of the FY 2011 Budget relating to matters under its jurisdiction, *subject*

STANDING COMMITTEE REPORT NO. 16-102

RE: P.C. NO. 16-188/JGO

SUBJECT: FY 2011 BUDGET

SEPTEMBER 27, 2010

to the availability of funds, as determined by your Committee on Ways and Means.

Respectfully Submitted,

/s/ Peter S. Sitan
Peter S. Sitan, chairman

/s/ Tiwiter Aritos
Tiwiter Aritos, vice chairman

/s/ Dohsis Halbert
Dohsis Halbert, member

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

/s/ Roger S. Mori
Roger S. Mori, member

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

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