

STANDING COMMITTEE REPORT NO. 16-55

SUBJECT: C.B. No. 16-58: SUPPLEMENTAL BUDGET REQUESTS/J&GO

DECEMBER 8, 2009

The Honorable Isaac V. Figir
Speaker, Sixteenth Congress
Federated States of Micronesia
Second Special Session, 2009

Dear Mr. Speaker:

Your Committee on Judiciary and Governmental Operations, to which was jointly referred C.B. No. 16-58, entitled:

"To appropriate from the General Fund of the Federated States of Micronesia a supplemental funding in the total amount of \$1,353,549 for fiscal year ending September 30, 2010, by amending sections 1, 2, 6, 8, and 9 of Public Law 16-7, and for other purposes."

begs leave to report as follows:

Your Committee held public hearings on December 3 and December 5, 2009 for discussions on proposed supplemental requests within your Committee's purview, as found in rule 7, section 4(b) of the Official Rules of Procedure of the Sixteenth Congress of the Federated States of Micronesia.

Reclassification of Immigration & Labor Officers

A supplemental request of \$70,560 was submitted by the Executive for the purpose of funding the reclassification of the Immigration and Labor Officers.

Mohner Esiel, Chief of Immigration and Labor, informed the Committee that the Department of Immigration and the Department of Labor merged in 1998; the newly created Department of Immigration & Labor has been seeking reclassification of Officers since that time. The reclassification is necessary to reflect the expanded job duties and responsibilities of the Department's employees. The Department is not seeking to add positions at this time, only to reclassify the current positions to reflect the responsibilities of Immigration & Labor Officers. In addition to immigration duties and responsibilities, the Officers now also handle job site inspections and are certified by OSHA; the combined duties require increase in training and responsibility, but the classification grades have never been changed to reflect this. The reclassification was not included in the FY2010 budget originally submitted to Congress.

Your Committee was provided with a list of the positions seeking reclassification and the pay differential; attached to the SCR as Attachment 1. Your Committee inquired as to what the increase costs of overtime will be with the reclassification. The Department of Finance and Administration reported that there will be increased costs of overtime with

STANDING COMMITTEE REPORT NO. 16-55

SUBJECT: C.B. No. 16-58: SUPPLEMENTAL BUDGET REQUESTS/J&GO

DECEMBER 8, 2009

the reclassification, but is unable to provide an estimate at this time.

Your Committee recommends appropriating the requested amount to support the reclassification of Immigration & Labor Officers to reflect their increased job duties and responsibilities.

March 2009 Election Outstanding Billings

A supplement request of \$29,975 was submitted by the Executive for the purpose of paying outstanding billings from the March 2009 Congressional Election in Chuuk.

Election Director Kimeuo Kimiuo informed the Committee that the National Election Commission Office (NECO) has sought the funding necessary to settle these outstanding billings five times since mid-2008. Director Kimiuo stated that the original budget request made by the NECO for FY09 was insufficient to cover costs associated with the coming election year, and that was known very early on. The regulations were amended and additional poll workers and Central Board Members were needed to comply with the regulations; Director Kimiuo maintains that it was necessary to amend the regulations and bring in additional poll workers, or the result would have been citizens bringing lawsuits for disenfranchisement. Additionally, there were the unexpected costs associated with the lawsuit brought by former Senator Moses Nelson. NECO was informed by the Attorney General's Office that NECO was not going to be represented by the AG, and private counsel was sought and paid for. Director Kimiuo admitted that these funds are necessary to pay people who worked during the March 2009 election who have not yet received compensation. Director Kimiuo assured the Committee that when the FY11 budget is submitted by NECO, he will ask for the funding necessary to cover all of the requirements associated with an election year.

Your Committee has concerns regarding the timing of the regulations that required additional workers; the regulations were amended after the FY09 budget was already approved. NECO knew well in advance that there would be insufficient funds to hire the additional workers, and questions why NECO was committing and spending more funds than appropriated by Congress. Congress asserts that the correct approach should have been to first seek the additional funding needed for FY09, then amend the regulations after NECO had the necessary funding.

Your Committee also notes a need for improvement at the Polling Places in Guam and Honolulu, and questions why there was no Polling Place in Saipan in the last election.

Your Committee recommends appropriating the requested amount for the purpose of paying the outstanding billings of the Election Office. Your

STANDING COMMITTEE REPORT NO. 16-55

SUBJECT: C.B. No. 16-58: SUPPLEMENTAL BUDGET REQUESTS/J&GO

DECEMBER 8, 2009

Committee believes it is crucial to compensate the Electoral Aides, Poll Workers and Tabulators who provided their services in the March 2009 election, and who have had to wait an unacceptably long time for their pay. The Committee will continue to provide extensive oversight of the NECO, as the Committee is very concerned and disappointed with the NECO spending money absent appropriation, and strongly believes this should not have occurred. Your Committee has additional concerns regarding the questionable legality of these actions. Your Committee sincerely hopes this situation never again arises.

Postal Service

A supplemental request of \$27,000 was submitted by the Executive for the National Postal Service. \$16,000 is requested for travel, and \$11,000 for OCE.

Your Committee expressed concern regarding the supplemental request when the FY10 budget was so recently passed, and Congress appropriated an amount in excess of what was proposed by the Executive. Representatives of the Postal Service explained that they are expecting and planning for additional travel expense anticipated for the Diplomatic Note currently being negotiated between the FSM and US Governments, including travel that may take place in January. The Postal Service was budgeted \$32,961 in travel, and has already expended \$20,000 of that, although it was noted that the annual meeting in Guam around Christmas-time has already occurred, and that is always a big expense for travel.

When asked if the Postal Service has adequate travel funds to last through January 2010, the Postal Service representative responded "yes." Since this does not appear to be a time sensitive request, your Committee does not recommend funding the requested amount for the National Postal Service. Your Committee also has concerns about what appears to be overspending in a relatively short time frame compared to last years spending levels at this time.

Additional Requests

Due to the short time frame of the Second Special Session, your Committee did not have time to consider the request of \$34,555 for the Establishment of AG Field Office in Chuuk, or the request of \$250,000 for Slippage and Life Extension of FSS Independence.

Committee Recommendation

Your Committee on Judiciary and Governmental Operations recommends funding the following supplemental budget requests: \$70,560 for Reclassification of the Immigration & Labor Officers and \$29,975 for NECO to settle outstanding billings from the March 2009 election.

