

STANDING COMMITTEE REPORT NO. 17-145

RE: P.C. NO. 17-216/J&GO

SUBJECT: FY 2013 BUDGET

SEPTEMBER 24, 2012

The Honorable Isaac V. Figir
Speaker, Seventeenth Congress
Federated States of Micronesia
Fifth Regular Session, 2012

Dear Mr. Speaker:

Your Committee on Judiciary and Governmental Operations, to which was jointly referred Presidential Communication No. 17-216, begs leave to report as follows:

Presidential Communication No. 17-216 concerns the National Government's proposed budget for fiscal year 2013 as set forth in the National Government Fiscal Year 2013 Proposed Budget ("Budget Book"). Pursuant to rule 7, section 4(b) of the Official Rules of Procedure of the Seventeenth 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:

- A. Department of Justice
- B. Office of the Public Defender
- C. National Judiciary
- D. Agencies, Boards, Authorities, Commissions & Corporations
 - 1. National Postal Services
- E. Special Programs
 - 1. National Election Commission Office

II. Grants, Subsidies and Contributions:

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- A. Department of Justice
 - 1. States Joint Law Enforcement
 - 2. TIP (Capacity Building & Public Awareness)
- B. States Judiciaries
- C. Micronesian Legal Services Corporation
- D. General Election

III. Capital and Human Resources Development:

- A. Judiciary Branch Information Technology System
- B. FSM Postal services (Kosrae)
- C. Department of Justice
 - 1. Life Extension of Patrol Boats
 - 2. FSS Independence/Micronesia Slipping
- D. 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 conducted a series of public hearings following the convening of the Fourth Regular Session of the Seventeenth Congress on May 7, 2012. The report and recommendations that follow are based upon the information contained in the Budget Book and the input provided by witnesses at those hearings.

Your Committee's findings and recommendations follow:

DISCUSSION OF FY 2013 BUDGET

The appropriations discussed below are presented, by department, office and agency, in the order in which they appear in the Budget Book. The figures given for each department, office and agency include the figures from the budget book for the total amount appropriated by law for FY 2012, as set forth in Public Law No. 16-43, as amended, and the amount recommended by EBRC for each entity for FY 2013.

Your Committee makes the following recommendations.

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I. OPERATIONS

A. Department of Justice

	FY 12 Appropriated	FY 13 EBRC Recommended	FY 13 J&GO Recommended
Personnel	2,300,031	2,371,866	2,277,479
Travel	138,131	175,783	175,783
Contract	143,758	403,930	153,930
OCE	440,720	913,020	913,020
Fixed Assets	46,038	57,470	57,470
Total	3,068,678	3,922,069	3,577,682
# positions	132	134	132

Your Committee is pleased to note that the Department of Justice will end FY2012 with a surplus, after several years of experiencing overruns.

Your Committee notes that the proposed increase between FY2012 and FY2013 is almost entirely accounted for by three major items that were funded in FY2012 but outside of the Operations budget for the Department: \$500,000 for fuel, \$250,000 for patrol boat slipping, and \$85,000 for life extension for patrol boats.

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Detail by Division

1. Administration, Office of the Secretary

	FY 12 Appropriated	FY 13 EBRC Recommended	FY 13 J&GO Recommended
Personnel	113,461	107,826	107,826
Travel	28,968	31,710	31,710
Contract	25,000	30,144	30,144
OCE	22,600	17,100	17,100
Fixed Assets	5,903	15,000	15,000
Total	195,932	201,780	201,780
# positions	5	5	5

Personnel - Your Committee notes that the decrease in the Personnel line is due to a downward correction in the salary for the Secretary of the Department.

Travel - Your Committee approves the Travel line as recommended by EBRC.

Contractual Services - Your Committee notes that the increase in Contractual Services is due to Westlaw and Supreme Court subscriptions, and approves the EBRC recommendation.

Other Current Expenses - Your Committee approves the OCE line as recommended by EBRC, a reduction on FY2012.

Fixed Assets - Your Committee approves the Fixed Asset request for a copier as recommended by EBRC.

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2. Division of Litigation

	FY 12 Appropriated	FY 13 EBRC Recommended	FY 13 J&GO Recommended
Personnel	141,581	141,581	141,581
Travel	41,795	51,523	51,523
Contract	7,000	7,000	7,000
OCE	10,000	10,000	10,000
Fixed Assets	5,325	0	0
Total	205,701	210,104	210,104
# positions	3	3	3

Personnel - Your Committee notes that the Personnel line is unchanged from FY2012, and approves the EBRC recommendation.

Travel - Your Committee understands that the increase in the Travel line is due for the need to staff to participate in court cases, based on the division's case volume this year and ongoing cases, and to attend meetings pursuant to the nation's treaty obligations, such as the PNA annual meeting and meetings of the Tuna Commission.

Contractual Services - Your Committee notes that the Contractual Services line is unchanged from FY2012, and approves the EBRC recommendation.

Other Current Expenses - Your Committee notes that the OCE line is unchanged from FY2012, and approves the EBRC recommendation.

Fixed Assets - There is no fixed asset request.

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3. Division of Law

	FY 12 Appropriated	FY 13 EBRC Recommended	FY 13 J&GO Recommended
Personnel	188,774	283,162	188,774
Travel	18,686	21,863	21,863
Contract	0	0	0
OCE	10,000	10,000	10,000
Fixed Assets	2,310	0	0
Total	219,770	315,025	220,637
# positions	4	6	4

Personnel - The Division renews the request it made last year for two additional Assistant Attorney General positions. However, the Committee notes that there are still unfilled Assistant Attorney General positions across the Department, and believes it would be prudent to defer any decision on new positions until the recently-confirmed Secretary of the Department of Justice is in post.

Travel - The Division confirmed that the amount recommended was adequate for its needs, and the Committee approves the EBRC recommendation.

Contractual Services - There is no contractual services request.

Other Current Expenses - Your Committee notes that the OCE line is unchanged from FY2012, and approves the EBRC recommendation.

Fixed Assets - There is no fixed asset request.

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4. Registrar of Corporations

	FY 12 Appropriated	FY 13 EBRC Recommended	FY 13 J&GO Recommended
Personnel	33,909	33,908	33,908
Travel	9,590	27,844	27,844
Contract	3,500	3,500	3,500
OCE	4,500	7,300	7,300
Fixed Assets	2,500	0	0
Total	53,999	72,552	72,552
# positions	2	2	2

Personnel - Your Committee notes that the Personnel line is effectively unchanged from FY2012, and approves the EBRC recommendation.

Travel - The Registrar explained that the increase in the Travel line was to participate in MRA meetings and meet with foreign recruiters. Given that these activities are aimed at increasing revenues, your Committee approves the EBRC recommendation.

Contractual Services - Your Committee notes that the Contractual Services line is unchanged from FY2012, and approves the EBRC recommendation.

Other Current Expenses - Your Committee approves the EBRC recommendation.

Fixed Assets - There is no fixed asset request.

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5. Division of Immigration and Labor

	FY 12 Appropriated	FY 13 EBRC Recommended	FY 13 J&GO Recommended
Personnel	460,345	460,345	460,345
Travel	14,657	22,726	22,726
Contract	77,758	77,758	77,758
OCE	109,220	89,220	89,220
Fixed Assets	30,000	0	0
Total	691,980	650,049	650,049
# positions	37	37	37

Personnel - Your Committee notes that the Personnel line is unchanged from FY2012, and approves the EBRC recommendation. Your Committee notes with approval that the revolving fund for overtime for Immigration, Customs, and Quarantine appears to be operating effectively and obviating the need for supplemental appropriations to cover these costs.

Travel - Your Committee notes that the increase in Travel over FY2012 is due to the fact that the Pacific Immigration Directors Conference was hosted in Pohnpei during FY2012, and is more than offset by savings in OCE from not having expenses associated with holding the PIDC.

Contractual Services - Your Committee notes that the Contractual Services line is effectively unchanged from FY2012, and approves the EBRC recommendation.

Other Current Expenses - As stated above, your Committee notes a reduction in OCE from FY2012 due to one-time costs that year of hosting the PIDC, and approves the EBRC recommendation.

Fixed Assets - There is no fixed asset request.

6. National Police

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	FY 12 Appropriated	FY 13 EBRC Recommended	FY 13 J&GO Recommended
Personnel	1,361,959	1,345,045	1,345,045
Travel	24,435	20,117	20,117
Contract	30,500	285,528	35,528
OCE	284,400	779,400	779,400
Fixed Assets	0	42,470	42,470
Total	1,701,294	2,472,560	2,222,560
# positions	81	79	79

Personnel - EBRC recommends eliminating two police officer positions that are currently vacant. Your Committee has serious reservations about doing so, given that the National Police are already overstretched, as illustrated by the fact that the Personnel line includes \$428,255 in overtime. Moreover, your Committee heard testimony that the National Police has insufficient personnel to crew the new FSS Unity, which was acquired after the submission of their budget request. Your Committee approves the EBRC recommendation with the understanding that a review of the personnel needs of the National Police should be conducted once the new Secretary of the Department of Justice is in post.

Travel - Your Committee notes a decrease in the Travel line compared with FY2012, and approves the EBRC recommendation.

Contractual Services - Your Committee notes that the increase in Contractual Services is almost entirely due to \$250,000 for patrol boat slipping being transferred to Operations. Your Committee believes that this item is more appropriately funded under Capital and Human Resources Development as it has been in past years, in order to avoid the funds lapsing or being reprogrammed, and therefore approves the EBRC recommendation less this amount.

Other Current Expenses - Your Committee notes that the increase in OCE is entirely due to \$500,000 for fuel being transferred to Operations from Subsidies. Your Committee approves the EBRC recommendation, but asks that the Executive review whether it would be appropriate to raise the cap on the fuel revolving fund from its present level.

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Fixed Assets - Your Committee understands that the National Police has five vehicles, all of which are over ten years old. The Committee approves the request for two new vehicles, and for computers for the Chuuk office and surveillance, as recommended by EBRC. The Chief also noted that the machine for issuing licenses needed to be replaced, and the Committee would contemplate a supplemental request if no other option, such as sharing the machine used to create Voter ID cards, is reasonably available.

B. Office of the Public Defender

	FY 12 Appropriated	FY 13 EBRC Recommended	FY 13 J&GO Recommended
Personnel	525,442	537,778	537,778
Travel	78,779	53,499	53,499
Contract	115,350	105,350	105,350
OCE	44,100	41,100	41,100
Fixed Assets	0	27,844	27,844
Total	763,671	765,571	765,571
# positions	25	25	25

Your Committee notes that the Office of the Public Defender's request to EBRC was far in excess of its funding in FY2012, and that EBRC made cuts that bring the proposed budget close to its FY2012 level. Although it appears that some of these cuts might impact the core operations of the Office, your Committee expects the Public Defender to use his ability to reprogram funds to ensure that essential operations are covered.

Personnel - The Public Defender stated that the increase in Personnel costs was due to adjustments to the benefits level to bring it in line with the standard 11%. On that basis, your Committee approves the EBRC recommendation.

Travel - Your Committee notes a decrease in the Travel line compared with FY2012, and approves the EBRC recommendation.

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Contractual Services - Your Committee notes a decrease in the Contractual Services line compared with FY2012, and approves the EBRC recommendation.

Other Current Expenses - Your Committee notes a decrease in the OCE line compared with FY2012, and approves the EBRC recommendation.

Fixed Assets - Your Committee approves the recommendation for one vehicle each in Kosrae and Pohnpei, but again notes these funds may be reprogrammed if necessary to meet more essential needs of the Office.

C. National Judiciary

	FY 12 Appropriated	FY 13 EBRC Recommended	FY 13 J&GO Recommended
Personnel	757,415	756,399	756,399
Travel	147,015	138,767	138,767
Contract	120,300	115,000	115,000
OCE	175,306	175,243	175,243
Fixed Assets	76,000	22,500	22,500
Total	1,276,036	1,207,909	1,207,909
# positions	31	31	31

Your Committee applauds the National Judiciary's efforts to streamline its budget.

Personnel - Your Committee notes a slight decrease in the Personnel line compared with FY2012, and approves the EBRC recommendation.

Travel - Your Committee notes a decrease in the Travel line compared with FY2012, based on the Court's projection that the use of communications technology would eliminate the need for some travel, and approves the EBRC recommendation.

Contractual Services - Your Committee notes a decrease in the Contractual Services line compared with FY2012, due to a negotiated

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reduction in the lease on the courthouse in Chuuk, and approves the EBRC recommendation.

Other Current Expenses - Your Committee notes a decrease in the OCE line compared with FY2012, and approves the EBRC recommendation.

Fixed Assets - EBRC recommends funding requests for air conditioners, a copier for Pohnpei, public address systems for the courts in Yap and Kosrae, and a water tank for Chuuk; your Committee approves this recommendation. Your Committee notes that a request for \$25,000 for a back-up generator for Palikir was not approved by EBRC, and suggests the Court work with Congress to investigate the practicality of using the excess capacity of Congress's new generator.

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D. Agencies, Boards, Authorities, Commissions & Corporations

1. National Postal Services

	FY 12 Appropriated	FY 13 EBRC Recommended	FY 13 J&GO Recommended
Personnel	449,022	442,674	442,674
Travel	42,741	39,768	39,768
Contract	156,080	166,953	166,953
OCE	107,400	107,400	107,400
Fixed Assets	20,000	0	0
Total	775,243	756,795	756,795
# positions	38	38	38

Personnel - Your Committee notes a slight decrease in the Personnel line compared with FY2012, and approves the EBRC recommendation. The decrease is due to an adjustment to bring the Philatelic Bureau Manager's salary to the correct step level.

Travel - Your Committee notes a decrease in the Travel line compared with FY2012, and approves the EBRC recommendation.

Contractual Services - EBRC approves an increase, entirely due to the approval of \$25,000 for office/equipment maintenance. The Postal Service had requested \$40,000; in the absence of any breakdown, your Committee approves the EBRC recommendation.

Other Current Expenses - Your Committee notes that the OCE line is unchanged from FY2012, and approves the EBRC recommendation.

Fixed Assets - There is no fixed asset request.

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E. Special Programs

1. National Election Commission Office

	FY 12 Appropriated	FY 13 EBRC Recommended	FY 13 J&GO Recommended
Personnel	188,740	195,965	188,740
Travel	12,972	14,251	14,251
Contract	36,877	53,477	53,477
OCE	48,463	48,358	48,358
Fixed Assets	4,250	9,000	9,000
Total	291,302	321,051	313,826
# positions	11	12	11

The Committee notes that because FY2013 is an election year, a somewhat higher operations budget is justified for the National Elections Commission Office. However, it also notes the additional \$376,744 provided in Grants, Subsidies and Contributions for the purpose of organizing the General Election.

Personnel - The increase in the EBRC-recommended Personnel line is due to a request for one new Secretary position in the Director's office. With a view to keeping overall costs as close to FY2012 levels as possible, your Committee declines to approve this new position.

Travel - The increase in the Travel line is due to fare increases and the fact that this budget covers an election year. Your Committee approves the EBRC recommendation.

Contractual Services - The increase in the Contractual Services line is due to an increase in the cost to lease office space in Chuuk, and a new voter ID maintenance contract costing \$28,000. Your Committee approves the EBRC recommendation.

Other Current Expenses - Your Committee notes a decrease in the OCE line compared with FY2012, and approves the EBRC recommendation.

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Fixed Assets - Your Committee approves the EBRC recommendation of a fixed asset request for a used vehicle for the Director's office.

II. Grants, Subsidies and Contributions

A. Department of Justice

1. States Joint Law Enforcement

	FY 12 Appropriated	FY 13 EBRC Recommended	FY 13 J&GO Recommended
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

Your Committee notes that the Department of Justice had not received any quarterly reports from the states on their activities under this program, and urges them to submit such supports in a timely manner so that this Committee may make informed decisions. However, the Department reported that states were taking on a substantial amount of work under this program, particularly in relation to prosecutions for firearms offenses. Your Committee therefore approves the EBRC recommendation.

2. TIP (Capacity Building & Public Awareness)

	FY 12 Appropriated	FY 13 EBRC Recommended	FY 13 J&GO Recommended
	0	50,000	50,000

The Acting Secretary of the Department of Justice stated that although they are seeking grants and services from other governments and NGOs to support work on Trafficking in Persons, the Government wished to also make an expenditure from domestic revenues to indicate that the nation takes this issue seriously. The funds would be used to increase public awareness, provide support services for victims and witnesses, and to work with the states on enforcement. The Committee

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reiterated the need for a meeting between state and national law enforcement to address more effective enforcement of our laws on this and other issues, and expressed its wish that some of these funds be used for such a meeting.

B. States Judiciaries

	FY 12 Appropriated	FY 13 EBRC Recommended	FY 13 J&GO Recommended
Kosrae	30,000	20,000	30,000
Pohnpei	45,000	35,000	45,000
Chuuk	45,000	35,000	45,000
Yap	30,000	20,000	30,000

Although EBRC recommends a reduction in each state's subsidy, your Committee believes more of a dialogue is needed between the state courts and the government before such a reduction can fairly be made, so that the courts can factor any reduction into their future planning. Your Committee therefore recommends providing these subsidies at the level provided in FY2012 and in previous years.

C. Micronesian Legal Services Corporation

	FY 12 Appropriated	FY 13 EBRC Recommended	FY 13 J&GO Recommended
	150,000	150,000	150,000

The FSM contribution to the MLSC is used to subsidize the salaries of staff in its four offices in the FSM, and to defray part of the \$1.274 million cost to provide services in the FSM. Although our contribution has remained level for the past several years, the Director stated that the request for FY2014 may be higher because of cuts in other grants. Your committee approves the EBRC recommendation of FY2013.

D. General Election

	FY 11 Actual	FY 13 EBRC Recommended	FY 13 J&GO Recommended
General Election	324,950	376,744	376,744

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Your Committee approves the amount recommended by EBRC, and anticipates that these funds will also be used to meet any additional expenses incurred in holding elections to the Constitutional Convention.

III. Capital and Human Resources Development

A. Judiciary Branch Information Technology System

	FY 12 Appropriated	FY 13 EBRC Recommended	FY 13 J&GO Recommended
Information Technology System	0	100,000	100,000

Your Committee approves the amount recommended by EBRC, which will be used to update the Court's systems to improve communication and allow for filing of legal documents.

B. FSM Postal Services (Kosrae)

	FY 12 Appropriated	FY 13 EBRC Recommended	FY 13 J&GO Recommended
FSM Postal Services (Kosrae)	100,000	75,000	75,000

Your Committee approves the amount requested by EBRC, which along with the funds granted last year will allow a new post office to be built in Kosrae on land provided free by the state government.

C. Department of Justice

1. Life Extension of Patrol Boats

	FY 12 Appropriated	FY 13 EBRC Recommended	FY 13 J&GO Recommended
	85,000	0	85,000

2. FSS Independence/Micronesia Slipping

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	FY 12 Appropriated	FY 13 EBRC Recommended	FY 13 J&GO Recommended
	250,000	0	250,000

Your Committee recommends moving these two items from the Operations budget of the Department of Justice, where they were proposed by EBRC for FY2013 contrary to the practice in previous years.

D. Voter ID Project

	FY 12 Appropriated	FY 13 EBRC Recommended	FY 13 J&GO Recommended
Voter ID Card Project	25,000	78,200	25,000

Your Committee approves maintaining funding at FY2012 levels. Your Committee would like to see these funds focused on voters in the outer islands and overseas who can most benefit from Voter Identification Cards, and would like to see a costed, long-term justification for this project before any future appropriations are made.

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CONCLUSION

With the modifications identified above, your Committee on Judiciary and Governmental Operations recommends authorizing those portions of the FY 2013 budget relating to matters under its jurisdiction, subject to the availability of funds, as determined by your Committee on Ways and Means.

Respectfully Submitted,

/s/ David W. Panuelo
David W. Panuelo, chairman

/s/ Bonsiano F. Nethon
Bonsiano F. Nethon, vice chairman

Tiwiter Aritos, member

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

/s/ Yosiwo P. George
Yosiwo P. George, member

/s/ Dohsis Halbert
Dohsis Halbert, member

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