

STANDING COMMITTEE REPORT NO. 17-40

RE: P.C. NO. 16-369/R&D

SUBJECT: FY 2012 BUDGET

SEPTEMBER 21, 2011

The Honorable Isaac V. Figir
Speaker, Seventeenth Congress
Federated States of Micronesia
Second Regular Session, 2011

Dear Mr. Speaker:

Your Committee on Resources and Development, to which was jointly referred Presidential Communication No. 16-369 regarding the National Government's proposed FY2012 budget, begs leave to report as follows:

Presidential Communication No. 16-369 transmits the *National Government's fiscal year 2012 Proposed Budget (Budget Book)*. Pursuant to rule 7, section 2(b), of the Official Rules of Procedure of the Seventeenth Congress of the Federated States of Micronesia, your Committee has confined its review to those items of the proposed budget relating to matters within its jurisdiction. These are the budgets for:

1. Department of Resources and Development;
2. Office of Environment and Emergency Management;
3. National Oceanic Resource Management Authority;
4. Coconut Development Authority;
5. FSM Banking Board;
6. FSM Insurance Board;
7. Grants, subsidies and contributions:
 - a. Resources and Development Conference;
 - b. Chief Executive Conference (CEC);
 - c. Secretariat of the Pacific Community/Hosting;
 - d. Pacific Island Development Program (PIDP);
 - e. Forum Fisheries Agency (FFA);
 - f. Coordinating Committee for Offshore Mineral Prospecting;
 - g. Pacific Asian Travel Association (PATA);
 - h. United Nations Development Program (UNDP);
 - i. Sea Frame Project;

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- j. Food Agriculture Organization (FAO);
 - k. Western Forestry Leadership Coalition;
 - l. FAO/TCP Matching;
 - m. National Association of State Foresters;
 - n. Matching to SPC Projects/Hosting;
 - o. Micronesian Challenge;
 - p. Micronesian Cruise Association;
 - q. South Pacific Tourism Organization;
 - r. International Animal Health;
 - s. SPC Site Rental;
 - t. 4th National Environmental Conference;
 - u. 18th SPREP Annual Meeting;
 - v. Secretariat of Pacific Region Environment Program (SPREP);
 - w. UN Environmental Protection;
 - x. 7th National Environment Speech Contest;
 - y. SPREP Noumea Convention;
 - z. Waigani Convention;
 - aa. United Nations Convention to Combat Desertification;
 - bb. United Nations Framework Convention on Climate Change;
 - cc. SPREP (Annual Membership) Fee;
 - dd. Earth Day Activities;
 - ee. 3rd EPA Director's meeting;
 - ff. FSM FEMA Disaster Matching;
 - gg. Copra Subsidy;
 - hh. Pilot Plant Projects;
 - ii. Asia Pacific Coconut Community;
 - jj. NORMA - Continental Shelf;
8. Capital and Human Resources Development
- a. FSM Association of Chamber of Commerce/Support to COC;
 - b. National Export Strategy;
 - c. Promote the FSM in Appropriate Market Segment to Realize the Sector's potentials;
 - d. Rainbownesia Project;
 - e. Tourism Partnership Marketing;
 - f. Due Diligence of Fisheries Rehabilitation;
 - g. Resources and Development (R&D) State National Leadership Conference (SNLC)/ Forum Ministers Meeting (FMM);
 - h. FSM Cultural and Tradition Day;
 - i. Kosrae Aquaculture; and
 - j. Coconut Rehabilitation Programs.

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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 in the obligation and expenditures of their respective budgets and implementation of their programs.

Your Committee conducted a series of public hearings and Committee meetings following the convening of the First Regular Session of the Seventeenth Congress on May 11, 2011. The report and recommendations that follow are based upon the information contained in the *Budget Book* and the input provided by the Secretary, Assistant Secretary, directors, commissioners, managers and staff of the various departments, agencies and entities during those hearings.

DISCUSSION OF THE PROPOSED FY 2012 BUDGET

The figures shown in the charts below for the Department of Resources and Development include the total amount appropriated in FY 2011; the amount requested by the department, and the amount recommended by the EBRC for the department for FY 2012, as listed in the "FY 2012 Request" column in the *Budget Book*. The next to the last column is the amount recommended by your Committee for FY 2012.

I. DEPARTMENT OF RESOURCES AND DEVELOPMENT - OVERALL

	FY 2011 Appropriations	FY 2012 Proposed by Department	FY 2012 Recommended EBRC	Committee recommends	FY11 & FY12 Differences
Personnel	\$523,078	\$556,177	\$526,061	\$527,160	\$4,082
Travel	\$72,600	\$191,399	\$112,081	\$112,081	\$39,481
Contract.Serv.	\$58,307	\$308,307	\$103,307	\$103,307	\$45,000
OCE	\$79,102	\$93,602	\$87,602	\$87,602	\$8,500
Fixed Assets	\$18,600	\$21,000	\$19,600	\$19,600	\$1,000
Total	\$751,687	\$1,170,485	\$848,651	\$849,750	\$98,063
No. Employees	35	39	37	37	35

The amount of \$652,266 appropriated under Personnel for fiscal year 2011 as reflected in the "Budget Book" on page 104 is

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incorrect. The correct amount is \$523,078 as referenced in Public Law No. 17-01.

Also, the amount of \$13,307 appropriated under Contractual Services is incorrect. The correct amount as referenced in Public Law No. 17-01 under Contractual Services is \$58,307.

I(a). Office of the Secretary

	FY 2011 Appropriations	FY 2012 Proposed by Department	FY 2012 Recommended by EBRC	Committee recommends
Personnel	\$80,152	\$83,493	\$81,313	\$81,623
Travel	\$15,000	\$25,000	\$25,000	\$25,000
Contract.Serv.	\$150	\$50,150	\$150	\$150
OCE	\$14,820	\$14,820	\$14,820	\$14,820
Fixed Assets	\$15,000	\$4,000	\$4,000	\$4,000
Total	\$125,122	\$177,463	\$125,283	\$125,593
No. Employees	5	5	5	0

Personnel - During the hearing, Secretary Marion Henry indicated that the only increase requested is for the position of Computer System Manager. On page 105 of the "Budget Book", EBRC recommended \$16,886, which was the same amount appropriated in FY2011, with a Pay Level 36/2. In the Personnel listing of the Department provided to the Committee, the actual base salary for the Computer System and Network Administrator is Pay Level 36/2 with a base salary of \$15,492 and 11% fringe benefits of \$1,704. The total for said position is \$17,196, and your Committee recommends the said amount. Your Committee noted that the figures recommended by EBRC for the other positions under the Office of the Secretary were inclusive of the 11% fringe benefits, and approves of such figures. Your Committee recommends a total of \$81,623.

Travel - On the travel for the Office of the Secretary, your Committee appropriated \$15,000 in fiscal year 2011. At the hearing, the Secretary justified the need to visit the states to fulfill its mandated activities. Based on this justification, your Committee recommends the \$25,000 as recommended by EBRC.

Contractual Services - There is \$50,000 requested for consultant and internship contractual services and \$150 for magazine and newspaper subscriptions under the Office of the Secretary. The total sum requested is \$50,150. EBRC did not recommend the \$50,000, and only recommended the \$150. Your Committee agrees

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with EBRC's recommendation, and recommends only the amount of \$150.

Other Current Expenses - Under this category, EBRC recommended the same amount appropriated for fiscal year 2011. Your Committee recommends the same amount of \$14,820 for fiscal year 2012.

Fixed Assets - At the hearing, your Committee inquired with the Department concerning the amount of the \$4,000 requested. Secretary Henry stated that the Office needs a desktop computer and not a laptop. Your Committee recommends the \$4,000 as requested.

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I(b). Division of Resource Management and Development

	FY 2011 Appropriations	FY 2012 Proposed by Department	FY 2012 Recommended by EBRC	Committee recommends
Personnel	\$31,981	\$32,568	\$32,568	\$32,568
Travel	\$0	\$13,978	\$13,978	\$13,978
Contract.Serv.	\$0	\$0	\$0	\$0
OCE	\$0	\$8,500	\$8,500	\$8,500
Fixed Assets	\$0	\$4,000	\$4,000	\$4,000
Total	\$31,981	\$59,046	\$59,046	\$59,046
No. Employees	2	2	2	2

Personnel- After the hearing on the Division's proposed budget request, your Committee learned that Bireen Francis filled the Secretary I position, which should be classified as Secretary II with a Pay Level of 20/1 in the amount of \$7,730 per annum. Your Committee also learned that Assistant Secretary Alissa Takesy's accurate salary should be \$24,838 inclusive of the 11% fringe benefits, and not \$24,391 as reflected in fiscal year 2011. The total amount for Personnel recommended is \$32,568.

Travel- Your Committee understands that the requested amount for travel of \$13,978 is a significant increase compare to \$0 amount appropriated last year (FY11). Nevertheless, your Committee recommends \$13,978.

Contractual Services- There is no amount requested for contractual services; therefore your Committee did not approve any amount.

Other Current Expenses- Your Committee approves the amount of \$8,500.00 as recommended by EBRC. The said amount requested is for the Division's equipment, office supplies, phone, faxes and printing of the Division's documents. Your Committee recommends \$8,500.

Fixed Assets- Your Committee noted that EBRC recommended \$4,000 for a desktop computer. Your Committee recommends the \$4,000.

I(b) (i) Tourism Unit

	FY 2011 Appropriations	FY 2012 Proposed by Department	FY 2012 Recommended by	Committee recommends
Personnel	\$17,771	\$29,692	\$18,097	\$18,097

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Travel	\$15,000	\$28,304	\$12,960	\$12,960
Contract.Serv.	\$45,000	\$125,000	\$90,000	\$90,000
OCE	\$9,000	\$9,000	\$9,000	\$9,000
Fixed Assets	\$0	\$4,000	\$4,000	\$4,000
Total	\$86,771	\$195,996	\$134,057	\$134,057
No. Employees	1	2	1	1

Personnel- The requested new position for a Tourism Development Officer was not recommended by the EBRC, and your Committee inquired from the representative of SBOC why EBRC did not recommend the new position. Your Committee learned that the disapproval of this position is based on the policy of the President not to entertain any new positions. Your Committee commented that the activities under the Tourism Unit need to be strengthened, and one person cannot fulfill the needed activities to bring more tourists into the FSM. Due to the President's policy, your Committee did not recommend the new position. However, your Committee advised the Secretary to assess the real need for the position. The total for Personnel is \$18,097 (base salary plus 11% fringe benefits). Your Committee recommends \$18,097.

Travel - Under travel, EBRC only recommended \$12,960 for the Program Manager to visit the states and do collaborative work with his counterparts in each of the states.

The EBRC did not recommend two other trips, one international trip for PATA Micronesia Tri Annual Meeting, and a MCES trip. Your Committee concurred with the EBRC's recommendation in the amount of \$12,960.

Contractual Services- The amount recommended by EBRC is \$90,000, \$85,000 for FSM Visitors Bureau agent representatives at the FSM Embassies, and \$5,000 for contractual services on the FSM Visitor Bureau website service. Your Committee inquired from the Secretary the purpose of the \$85,000. Your Committee was informed that the Unit's original request is \$120,000, and this amount is to fund FSM Visitors Bureau Agent Representatives at each of the FSM Embassies. These representatives will engage in tourism promotional activities. Your Committee is of the view that the funding requested will be used in promoting the FSM to attract Chinese or Japanese tourists to visit the FSM, and thus recommends the amount requested. The other \$5,000 is for the maintenance of the FSM Visitors Bureau Website Service. The total your Committee recommends for contractual services is \$90,000.

Other Current Expenses - The amount recommended by EBRC is \$9,000. Your Committee understands that the amount requested is for the day to day operation of the Unit, and recommends the same amount of \$9,000.

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Fixed Assets- There is a requested amount of \$4,000 for a desktop computer and printer. Your Committee recommends the said amount.

I(b) (ii). Marine Resources Unit

	FY 2011 Appropriations	FY 2012 Proposed by Department	FY 2012 Recommended by EBRC	Committee recommends
Personnel	\$29,692	\$29,692	\$30,237	\$30,237
Travel	\$8,800	\$13,978	\$8,190	\$8,190
Contract.Serv.	\$0	\$0	\$0	\$0
OCE	\$4,000	\$4,000	\$4,000	\$4,000
Fixed Assets	\$4,000	\$4,000	\$4,000	\$4,000
Total	\$46,492	\$51,670	\$46,427	\$46,427
No. Employees	2	2	2	2

Personnel - Mr. Dave Mathias is the correct name of the Fisheries Management Conservation Officer with a Pay Level of 30/1 in the amount of \$12,140. The Program Manager, Mr. Valentin Martin's Pay Level is 38/1 with an amount of \$18,097 per annum. Your Committee inquired from the Secretary as to the kind of activities that this Unit is mandated to do. The Secretary stated that these include: coral monitoring, monitoring of marine protected areas, identification of spawning areas, and surveying of marine species. The Unit coordinates its activities with its state counterparts. Your Committee concurs with EBRC recommendation in the amount of \$30,237.

Travel - The amount requested for travel and recommended by EBRC is \$8,190. This is for the Program Manager to visit the states to do consultation and monitoring programs. Your Committee recommends \$8,190.

Contractual Services - As in fiscal year 2011, there is no requested amount, your Committee did not recommend any funding under this category.

Other Current Expenses - An amount of \$4,000 was requested, and your Committee recommends it so the Unit can function and carry out its day-to-day mandated responsibilities.

Fixed Assets- An amount of \$4,000 was recommended by EBRC for the purchase of a desktop computer. Your Committee recommends this amount.

I(b) (iii). Agriculture Unit

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	FY 2011 Appropriations	FY 2012 Proposed by Department	FY 2012 Recommended by EBRC	Committee recommends
Personnel	\$262,744	\$293,252	\$276,366	\$270,340
Travel	\$8,800	\$49,434	\$8,190	\$8,190
Contract.Serv.	\$0	\$0	\$0	\$0
OCE	\$35,000	\$41,000	\$35,000	\$35,000
Fixed Assets	\$3,600	\$5,000	\$3,600	\$3,600
Total	\$310,144	\$388,686	\$323,156	\$317,130
No. Employees	22	23	22	22

Personnel - During the Committee hearing, especially on the Personnel category, your Committee realized that the figures appearing in the "Budget Book" are not correct. Your Committee requested the Department to work with the Division of Personnel to provide an updated listing. Based on the list, which was provided to your Committee, the correct amount requested under the Agriculture Unit for personnel is \$260,340. The table below summarizes the positions, the pay levels and the base salaries plus 11% fringe benefits. Your Committee did not recommend the new position for the Program Coordinator. Your Committee questioned why only \$10,000 was requested for overtime, but recommends the same amount for now. Your Committee recommends \$260,340 for regular hours and \$10,000 for overtime. The total your Committee recommends is \$270,340.

	Pay Level	Base	11 % fringe benefits	Actual Pay
Agriculture Unit				
1. Program Manager	38/1	16,304	1,794	18,098
2. Plant & Ani. Qrn. Spec	34/4	15,492	1,704	17,196
3. SAP Specialist	34/4	15,492	1,704	17,196
4. Media Info Spec.	34/1	13,308	1,464	14,772
Quarantine Pohnpei				
1. Officer in Charge OIC	30/1	10,937	1,203	12,140
2. Quarantine Officer II	28/1	9,939	1,093	11,032
3. Quarantine Officer II	28/1	9,939	1,093	11,032
4. Quarantine Officer I	26/1	9,044	995	10,039
5. Quarantine Officer I	26/1	9,044	995	10,039
6. Quarantine Officer I	26/1	9,044	995	10,039

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7. Quarantine Officer I	26/1	9,044	995	10,039
Quarantine Kosrae				
1. Officer in Charge OIC	30/1	10,937	1,203	12,140
2. Quarantine Officer I	26/1	9,044	995	10,039
3. Quarantine Officer I	26/1	9,044	995	10,039
Quarantine Chuuk				
1. Officer in Charge OIC	30/1	10,937	1,203	12,140
2. Quarantine Officer II	28/1	9,939	1,093	11,032
3. Quarantine Officer I	26/1	9,044	995	10,039
4. Quarantine Officer I	26/1	9,044	995	10,039
Quarantine Yap				
1. Officer in Charge OIC	30/1	10,937	1,203	12,140
2. Quarantine Officer II	28/1	9,939	1,093	11,032
3. Quarantine Officer I	26/1	9,044	995	10,039
4. Quarantine Officer I	26/1	9,044	995	10,039
	22			\$260,340

Travel - Your Committee questioned the travel requests cut under this Unit, and was informed that it was based on the recommended 10% policy cut by the President. Your Committee questioned representatives from EBRC whether the \$8,190 recommended is sufficient for quarantine inspectors to go to the outer islands, and do prescreening of cargo vessels. The Committee was informed that such amount was not sufficient. Your Committee will consider any request for the Unit to carry out its mandated activities in the near future, and recommends \$8,190 for now.

Contractual Services- As in fiscal year 2011, there is no amount requested under this category. Therefore, your Committee did not recommend any amount.

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Other Current Expenses- An amount of \$35,000 was recommended by EBRC for the Unit under this category. Your Committee recommends this \$35,000 which will also cover the needs of the quarantine officer in the States.

Fixed Assets- An amount of \$3,600 is requested for the Unit's furniture and fixtures. Your Committee recommends this amount.

I(c). Division of Trade and Investment

	FY 2011 Appropriations	FY 2012 Prop by Department	FY 2012 Recommended by EBRC	Committee recommends
Personnel	\$58,232	\$57,137	\$57,137	\$61,034
Travel	\$15,000	\$41,934	\$25,000	\$25,000
Contract.Serv.	\$13,032	\$63,032	\$13,032	\$13,032
OCE	\$10,250	\$10,250	\$10,250	\$10,250
Fixed Assets	\$0	\$0	\$0	\$0
Total	\$96,514	\$172,353	\$105,419	\$109,316
No. Employees	3	3	3	3

Personnel - During the hearing, representatives from the Division of Personnel testified that the title for Ms. Fidarina Akapito is *Trade and Investment Specialist*. However, the Secretary explained that she is assigned to Investment. Your Committee recommends the adjustment of salary for the Program Manager for Investment, Ms. Fidarina Akapito to be equal to the salary of the Program Manager for Trade (Ms. Carmille Movick). The current Pay Level for Ms. Akapito is 34/1 with \$14,772 per annum inclusive of 11% fringe benefits, and the Pay Level for Ms. Camille Movick is 38/1 with \$18,098 inclusive of 11% fringe benefits. The Assistant Secretary (Ernest Weirlangt) is receiving \$24,838. Therefore, your Committee recommends \$61,034.

Travel - Your Committee notes that EBRC only recommended an amount of \$25,000 for the Assistant Secretary to travel to the states to follow up and/or monitor activities in each of the states. Your Committee recommends \$25,000 for the staff of this division.

Contractual Services- An amount of \$50,000 was requested by the Division for a consultant; however, EBRC did not recommend this amount. Another \$13,032 was requested for the Division's Secured Transaction Website. EBRC recommended the \$13,032 but not the \$50,000. Your Committee recommends the \$13,032.

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Other Current Expenses- An amount of \$10,250 was requested under this category. Your Committee notes that the same amount was appropriated last fiscal year. In order for the Division to carry out its day to day activities, your Committee recommends the same amount for fiscal year 2012.

Fixed Assets- There is no amount recommended by EBRC, and your Committee concurs with the EBRC recommendation.

I(d). Division of Energy

	FY 2011 Appropriations	FY 2012 Proposed by Department	FY 2012 Recommended by EBRC	Committee recommends
Personnel	\$31,392	\$30,343	\$30,343	\$33,261
Travel	\$10,000	\$18,763	\$18,763	\$18,763
Contract.Serv.	\$125	\$70,125	\$125	\$125
OCE	\$6,032	\$6,032	\$6,032	\$6,032
Fixed Assets	\$0	\$0	\$0	\$0
Total	\$47,549	\$125,263	\$55,263	\$58,181
No. Employees	2	2	2	2

Personnel - Secretary Marion Henry requested that the compensation for the Assistant Secretary under this Division be adjusted so that he will receive the same compensation as the other Assistant Secretaries under the Department. Your Committee recommends the requested adjustment under this Division, and urges the Division of Personnel to take action on this readjustment. The current compensation for Mr. Hubert Yamada is \$22,322 with a Pay Level of 42/1. Your Committee recommends that the Assistant Secretary for the Division of Energy receive the same compensation as the other Assistant Secretaries with a salary of \$24,838. The new adjusted amount for the Assistant Secretary under this Division is \$24,838. The Secretary II position (Merwine Semes) receives a salary of \$8,423 with a Pay Level of 20/3 including the 11% fringe benefits. Therefore, your Committee recommends \$33,261.

Travel - EBRC recommended an amount of \$18,763 for travel so that the Assistant Secretary can do monitoring and follow up on activities in each of the states. Your Committee recommends \$18,763, as recommended by EBRC.

Contractual Services- An amount of \$70,000 was requested to fund an Energy Consultant/Advisor. EBRC did not recommend this amount. Another amount of \$125 was requested for subscriptions. Your Committee did not recommend the \$70,000 for the Consultant/Advisor, but

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recommends the \$125 for subscriptions. Your Committee requests the Department to tap technical assistance funding from the Forum Secretariat on Energy matters.

Other Current Expenses - An amount of \$6,032 was requested by the Division for its day to day operation, and recommended by EBRC. Your Committee recommends the same amount this year.

Fixed Assets - As in fiscal year 2011, there is no amount requested. Your Committee did not recommend any amount under this category.

II. NATIONAL OCEANIC RESOURCE MANAGEMENT AUTHORITY

	FY 2011 Appropriations	FY 2012 Proposed by NORMA	FY 2012 Recommended by EBRC	Committee recommends
Personnel	\$209,956	\$226,126	\$206,495	\$209,791
Travel	\$93,927	\$107,108	\$85,016	\$85,016
Contract.Serv.	\$67,900	\$67,900	\$67,900	\$67,900
OCE	\$40,500	\$44,100	\$44,100	\$44,100
Fixed Assets	\$0	\$31,000	\$11,000	\$11,000
Total	\$412,283	\$476,234	\$414,511	\$417,807
No. Employees	11	11	11	11

Your Committee held a public hearing on NORMA's proposed budget for FY2012 on Wednesday, May 25, 2011. Witnesses at the hearing included: Marcellus Akapito, Special Assistant to the President; Moria Joseph, Rhea Moss Christian, Steve Retalmai and Naiten Bradley Phillip, Jr., NORMA; Molina R. Seneres and Esiri Edward, SBOC; Jackson R. Jack, Department of Finance and Administration; and Salpasr Tilfas, Division of Personnel of the Department of Finance and Administration.

The President recommended \$414,511 for NORMA; all funding comes from Domestic Revenues. The Committee recommendations are discussed below:

Personnel - Due to inaccuracies in the Budget Book, your Committee received an updated list of actual current salaries for all NORMA employees from the Division of Personnel. The Executive Secretary I (Ronna Albert) salary is \$9,185 annually at Pay Level 24/2, inclusive of the 11% fringe benefits. The Manager/Statistics and Information Technician (Alfred Lebehn) salary is \$16,343 per annum at Pay Level 36/1 inclusive of the 11% fringe benefits. The Deputy Director (Eugene Pangelinan) salary is \$24,838 annually at Pay Level 42/2, inclusive of 11% fringe benefits. The Administrative Officer (Moria Joseph) salary is \$13,387 annually at Pay Level 32/1, inclusive of the

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11% fringe benefits. The salary for the Manager VMS and Compliance (Justino Helgen) is \$16,343 per annum at Pay Level 36/1, inclusive of the 11% fringe benefits. The salary for the Chief/Management and Development (Patricia Jack) is \$20,082 annually at Pay Level 40/1, inclusive of the 11% fringe benefits. The Executive Director (Patrick Mackenzie) salary is \$33,300 per annum, inclusive of the 11% fringe benefits, and this position is exempt. The Chief/Statistics, Compliance and Technical Projects (Rhea Moss) is \$23,545 annually at Pay Level 40/4, inclusive of the 11% fringe benefits. The Assistant Biologist (Steven Retalmai) salary is \$16,343 annually, inclusive of the 11% fringe benefits. The Manager/Licensing (Miorida Thomsin) salary is \$16,343 annually, inclusive of the 11% fringe benefits. The Chief/Research (Bradley Naiten, Jr.) salary is \$20,082 inclusive of the 11% fringe benefits.

Consistent with the policy decision made by Congress regarding the FY2012 budget, your Committee recommends denying any requests for reclassification, and recommends maintaining current FY2011 salaries with the inclusion of the 11% fringe benefits on the aforementioned positions. The amount recommended above reflects the current salaries of all employees of NORMA. Your Committee recommends \$209,791.

Travel - The actual requested amount from NORMA is \$107,108. During the hearing held with the staff of NORMA, your Committee asked whether NORMA would be adversely affected by the cut in its travel request. Your Committee was assured that NORMA can live with the amount recommend by EBRC, which was \$85,016. Your Committee therefore recommends \$85,016.

Contractual Services - Your Committee learned that the new office of NORMA is located on the second floor of the Ambros Building in Kolonia. The Authority moved there in October 2010. NORMA requested \$8,400 for the Executive Director leased housing, \$12,500 for maintenance contract/office equipment, \$30,000 for Office Rental, \$10,000 for representation, and \$7,000 for subscription. The amount recommended by EBRC is \$67,900. Your Committee recommends \$67,900.

Other Current Expenses - The amount appropriated last fiscal year for OCE was \$40,500. The amount requested for fiscal year 2012 is \$44,100. Your Committee inquired as to the significant increase for this year. NORMA staff indicated that the increase is on the utilities. Your Committee recommends \$44,100 as recommended by EBRC.

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Fixed Assets - The original amount requested by NORMA is \$31,000. EBRC only recommended \$11,000. An amount of \$6,000 is to purchase five laptop computers and \$5,000 for copiers. Your Committee was informed that the \$20,000 that was not recommended by EBRC is to purchase a vehicle. Your Committee inquired whether the Authority is in dire need of a vehicle. NORMA staff explained that the Authority has a vehicle, which was purchased one year ago, but it is not in good condition. Your Committee recommends \$11,000 as recommended by EBRC, and did not recommend the \$20,000 for the vehicle purchase.

III. Office of Environment and Emergency Management (EEM)

	FY 2011 Appropriations	FY 2012 Proposed by OEEM	FY 2012 Recommended by EBRC	Committee recommends
Personnel	\$170,687	\$173,819	\$173,819	\$173,363
Travel	\$74,015	\$89,766	\$68,588	\$68,528
Contract.Serv.	\$30,000	\$80,000	\$65,000	\$65,000
OCE	\$18,576	\$19,900	\$19,900	\$19,900
Fixed Assets	\$21,800	\$0	\$0	0
Total	\$315,078	\$363,485	\$327,307	\$326,791
No. Employees	9	9	9	9

Your Committee held a public hearing on OEEM's proposed budget for FY2012 on Friday, May 20, 2011. Witnesses at the hearing included: Marcellus Akapito, Special Assistant to the President; Laylanny C. Phillip, Lorna Johnny, Andrew Yatilman, Oleen Poll, and Tony Neth, OEEM; Rumina Edwin and Esiri Edward, SBOC; Jackson R. Jack, Department of Finance and Administration; and Maria Shoniber, Division of Personnel under the Department of Finance and Administration.

The President recommended \$327,307 for OEEM for FY2012; all funding comes from Domestic Revenues. Your Committee recommendations are discussed below:

III(a). Office of the Director (Administration)

	FY 2011 Appropriations	FY 2012 Proposed by OEEM	FY 2012 Recommended by EBRC	Committee recommends
Personnel	\$44,266	\$45,203	\$45,203	\$44,908
Travel	\$19,362	\$26,202	\$17,516	\$17,516
Contract.Serv.	\$0	\$0	\$0	\$0
OCE	\$10,900	\$10,900	\$10,900	\$10,900
Fixed Assets	\$21,800	\$0	\$0	\$0
Total	\$96,328	\$82,305	\$73,619	\$73,324
No. Employees	2	2	2	2

STANDING COMMITTEE REPORT NO. _____

RE: P.C. NO. 16-369/R&D

SUBJECT: FY 2012 BUDGET

SEPTEMBER _____, 2011

Personnel - Due to inaccuracies in the Budget Book, your Committee received an updated list of actual salaries for all OEEM employees submitted by OEEM. After reviewing the updated list, the amount for Personnel under this Office is \$46,591. In FY2011, \$44,266 was appropriated for Personnel. According to the staff of SBOC and the Division of Personnel, the accurate base salary for the Director's position is \$26,000 per annum. Adding the 11% fringe benefits, the salary should be \$28,860. The Administrative Officer (Lorna Johnny) salary is \$16,048 inclusive of the 11% fringe benefits. Your Committee recommends an amount of \$44,908.

Travel - An amount of \$26,202 was requested, but EBRC recommended only \$17,516. Director Yatilman commented that the Office needs to know what performance objectives are not funded, instead of just decreasing the amount. He further explained that the Office exists to assist the states. Your Committee recommends \$17,516 as reflected above.

Contractual Services - The Director commented that there is no amount requested; however, the Committee should note that the office supported the contractual services funding requested under the Division of Environment and Sustainable Development.

OCE - An amount of \$10,900 is requested. \$2,500 for office supplies, \$2,600 for POL, \$5,800 for telephone, internet, fax, stamps and calling cards. EBRC recommended the whole amount. Your Committee recommends the same figure. However, your Committee expressed its concern whether the calling cards will be used only for official calls.

Fixed Assets - There is no requested amount under this category. Therefore, your Committee recommends no amount.

III (b). Division of Environment and Sustainable Development

	FY 2011 Appropriations	FY 2012 Proposed by OEEM	FY 2012 Recommended by EBRC	Committee recommends
Personnel	\$68,837	\$70,100	\$70,100	\$69,939
Travel	\$28,814	\$38,605	\$26,053	\$26,053
Contract.Serv.	\$30,000	\$80,000	\$65,000	\$65,000
OCE	\$5,500	\$5,500	\$5,500	\$5,500
Fixed Assets	\$0	\$0	\$0	\$0

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RE: P.C. NO. 16-369/R&D

SUBJECT: FY 2012 BUDGET

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Total	\$133,151	\$194,205	\$166,653	\$166,492
No. Employees	4	4	4	4

Personnel - Your Committee was informed that Ms. Cynthia Ehmes who is the Program Manager for this Division has been certified and qualified for the Assistant Director Position. The Division of Personnel is still processing her Personnel Action. So the vacant positions are the Program Manager and the Sustainable Development (SD) Planner, and these positions are being advertised. The amount recommended for the Assistant Director's position is \$22,321. The amount recommended for the Program Manager position is \$19,921. The amount recommended for the SD Planner is \$18,097. The amount recommended for the Technical Program Assistant is \$9,600. The sum of all these is \$69,939, and this is the amount that your Committee recommends.

Travel - An amount of \$38,605 is requested, but EBRC decreased it to \$26,053. Your Committee understands that the cut is based on the 10% President's policy cut. Your Committee recommends \$26,053 the same amount recommended by EBRC.

Contractual Services - An amount of \$80,000 is requested to retain the services of two professionals, an Environment Lawyer and an Environment Engineer. \$50,000 is for the Environment Engineer and \$30,000 is for the Environment Lawyer. However, EBRC recommended \$35,000 for the Environment Engineer and \$30,000 for the Environment Lawyer. Your Committee wishes to know the basis of how EBRC came up with the recommended amount for each. Your Committee wishes to know the current compensation of engineers or lawyers in order to justify why one professional is treated differently. Your Committee recommends that the Office retain the services of the Department of Justice, and also recruit para-engineers. Given the urgent need of these professionals, your Committee recommends \$65,000, the same amount recommended by EBRC; however, your Committee advises the Office to take note of its recommendations and concerns.

OCE - An amount of \$5,500 is requested for supplies and materials. EBRC recommended the same amount. Your Committee also recommends the same amount.

Fixed Assets - There is no requested amount under this category. Therefore, your Committee recommends no amount.

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RE: P.C. NO. 16-369/R&D

SUBJECT: FY 2012 BUDGET

SEPTEMBER _____, 2011

III(c). Division of Emergency Management

	FY 2011 Appropriations	FY 2012 Prop by OEEM	FY 2012 Recommended by EBRC	Committee recommends
Personnel	\$57,462	\$58,516	\$58,516	\$58,515
Travel	\$20,839	\$24,959	\$25,019	\$24,959
Contract.Serv.	\$0	\$0	\$0	\$0
OCE	\$2,176	\$3,500	\$3,500	\$3,500
Fixed Assets	\$0	\$0	\$0	\$0
Total	\$80,477	\$86,975	\$87,035	\$86,974
No. Employees	3	3	3	3

Personnel - An amount of \$58,516 is requested for three positions, two Program Managers and one Assistant Director. The salary for the Assistant Director is \$22,321. The salary for one Program Manager is \$18,097. The Assistant Director's position is being advertised. The salaries for these positions include the 11% fringe benefits. Your Committee recommends \$58,516, the same amount recommended by EBRC.

Travel - An amount of \$25,019 is recommended by EBRC. This is an increase of \$4,180 as compared to the fiscal year 2011 appropriation. Your Committee wished to know the basis of the \$4,180 increase, but did not receive a good explanation. Your Committee recommends \$24,959.

Contractual Services - The Director indicated that there is no amount requested. Your Committee did not recommend any funding.

OCE - An amount of \$1,500 is requested for supplies and materials; \$2,000 for telephone, fax and internet. The total amount requested is \$3,500. EBRC recommended the same amount. Your Committee also recommends the same amount.

Fixed Assets - There is no requested amount under this category. Therefore, your Committee recommends no amount.

IV. COCONUT DEVELOPMENT AUTHORITY

	FY 2011 Appropriations	FY 2012 Proposed by CDA	FY 2012 Recommended by EBRC	Committee recommends
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STANDING COMMITTEE REPORT NO. _____

RE: P.C. NO. 16-369/R&D

SUBJECT: FY 2012 BUDGET

SEPTEMBER _____, 2011

Personnel	\$71,739	\$112,606	\$90,523	\$90,834
Travel	\$12,722	\$11,641	\$11,641	\$11,641
Contract.Serv.	\$0	\$19,500	\$0	\$0
OCE	\$10,000	\$10,000	\$10,000	\$10,000
Fixed Assets	\$0	\$1,500	\$0	\$0
Total	\$94,461	\$155,247	\$112,164	\$112,475
No. Employees	4	4	4	4

Your Committee held a public hearing with the Coconut Development Authority on Friday, May 27, 2011. Witnesses included Mr. Namio Nanpei, the General Operations Manager of CDA.

Personnel - The EBRC recommended \$90,523 for personnel, and this amount is reflected on page 382 of the Budget Book. After consulting the staff of the Division of Personnel, your Committee finds that the General Operations Manager is receiving \$27,750, the Assistant Manager Mr. Keller Eliam, is receiving \$17,197, the Secretary I Ms. Emyleen Martin is receiving \$7,730 and the Plant Chemist is receiving \$38,157. All Personnel amounts include the 11% fringe benefits. Also the grade for each employee in the Budget Book on page 382 is correct. The total amount for Personnel is \$90,834. Your Committee recommends \$90,834.

Your Committee was informed that the Authority needs supplemental funding for the current fiscal year (2011) to supplement the salary of the Plant Chemist who is receiving a Premium. According to Mr. Nanpei, the Division of Personnel and SBOC approved the Premium for the Plant Chemist, but Congress did not appropriate funding. Your Committee has decided to take this matter under advisement.

Travel - EBRC recommended \$11,641. Your Committee is informed that because of the flight schedule of Continental, Board members need to stay longer in Pohnpei after their Board meeting. Some of the figures included in international travel are for transit related costs. Your Committee recommends \$11,641, the same amount recommended by EBRC.

Contractual Services - The Authority has requested \$19,500 under this category. According to Mr. Nanpei, the Assistant Manager Mr. Keller, will retire on October 12, 2011. The requested amount is to contract Mr. Keller for a short period of time so he can teach whoever is replacing him. Mr. Nanpei indicated that the funding under Personnel for the Assistant Manager position can be used for an Accountant. Your Committee does not recommend the \$19,500.

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OCE - The EBRC recommended \$10,000, which was the same amount appropriated under this category for previous fiscal years. Your Committee recommends the same amount for this fiscal year.

Fixed Assets - The Authority has requested \$1,500 to purchase laptop computers. EBRC did not recommend any funding. Your Committee concurs with EBRC recommendation.

V. FSM BANKING BOARD

	FY 2011 Appropriations	FY 2012 Proposed	FY 2012 Recommended	Committee recommends
Personnel	\$84,140	\$80,337	\$77,759	\$78,117
Travel	\$37,475	\$79,616	\$57,197	\$57,197
Contractual	\$18,100	\$18,100	\$18,100	\$18,100
OCE	\$11,705	\$24,110	\$20,055	20,055
Fixed Assets	\$22,000	\$2,400	\$2,400	\$2,400
Total	\$173,420	\$204,563	\$175,511	\$175,869
No. employees	4	4	4	4

Your Committee held a public hearing with the FSM Banking Board on Monday, May 23, 2011. Witnesses included: Mr. Reed Oliver and Mr. Joseph Habuchmai, members of the FSM Banking Board, Mr. Wilson Waguk, Banking Commissioner, Ms. Melsihner Hadley, Bank Examiner, Mr. Marcellus Akapito, President's Office representative, Mr. Dwight Edward, Division of Personnel representative, Congressmen Roger S. Mori, Joseph J. Urusemal, Paliknoa K. Welly, Bonsiano Fasy Nethon, Florencio Singkoro Harper, Tony H. Otto, David W. Panuelo and Peter M. Christian, and Congress legal staff member Alik Jackson. Your Committee noted that Chairman Alexander Narruhn was off-island for medical reasons. It was noted also that no representatives from SBOC were present throughout the hearing.

Personnel - The EBRC recommended \$77,759 under the Personnel category, a decrease of \$6,381 compared to the fiscal year 2011 appropriation. For the proposed fiscal year 2012, the FSM Banking Board has requested \$31,080 for the Banking Commissioner position, but EBRC recommended \$28,860. For the Bank Examiner position, FSM Banking Board has requested \$24,838, but EBRC recommended \$24,827. For the position of Secretary, the FSM Banking Board has requested \$8,076, but EBRC recommended \$7,729. The FSM Banking Board has requested \$16,343 for the Financial Analyst, and EBRC recommended the same amount.

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After a later consultation with the staff of the Division of Personnel, your Committee was informed that the exact salary for each of the positions under the FSM Banking Board are as follows: the Banking Commissioner is \$28,860, the Bank Examiner is \$24,838, the Financial Analyst is \$16,343, the Secretary is \$8,076. The total is \$78,117. All these salaries are inclusive of the 11% fringe benefits. Your Committee was informed that the Financial Analyst became vacant when Ms. Joloulyn Gonzales transferred to the FSM Insurance Board as its Financial Analyst. The position still remains vacant.

After deliberation on the recommended amount, your Committee recommends \$78,117.

Travel - The FSM Banking Board has requested \$79,616, but EBRC decreased it to \$57,197. During the hearing, Commissioner Waguk pointed out that most of the decrease relates to the domestic travel. He stated that the cuts will adversely impact on-site visits of the FSM Banking Board staff. The EBRC representative was not present at the hearing to justify its cut on travel. The funds for domestic travel are decreased because EBRC decreased the number of days in each of the states during site examinations.

The Committee was informed that the on-site travel funds are requested for the banking side only. The Commission further commented that the only cut on the international travel side is in the proposed participation of staff at the AFSPC annual meeting, which was cut in half. As for the Board visits to the States to conduct public education, the last public hearing campaign two years ago resulted in more positive feedback from all the states. Your Committee recommends the same amount as recommended by EBRC in the amount of \$57,197.

Contractual Services - The EBRC recommended the same amount last year, which was \$18,100: \$2,400 for computer training; \$1,850 for janitorial services; \$11,700 for office lease; \$1,150 for service contract for computers; and \$1,000 for service contract for copiers. There are no significant changes; therefore, your Committee recommends the same amount.

OCE - The Office requested \$24,110, but EBRC recommended \$20,055. EBRC decreased the amount requested for the Board activities, communications, publication of data/annual report, supplies and materials and utilities. At the hearing, the Banking Commissioner requested your Committee to please consider and reinstate its requested amount. He explained that the cost of utilities is

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increasing every now and then, yet EBRC did not maintain their FY2011 amount, which is \$1,000 but recommended \$595 instead. On communications, he stated that they depend heavily on ADSL, and the Office will not be able to pay its monthly ADSL related costs with the recommended amount of \$5,000 by EBRC. Essentially, the Office cannot carry out its performance objectives with the amount EBRC recommended. On its Board activities, there are four meetings of the Board members of the FSM Banking Board, and the Board meeting fee is \$50 but only given to private sector Board members. On the amount requested under this category, your Committee recommends \$20,055.

Fixed Assets - An amount of \$2,400 is requested to purchase laptop computers. EBRC recommended the whole amount. Your Committee recommends the same.

VI. FSM INSURANCE BOARD

	FY 2011 Appropriations	FY 2012 Proposed	FY 2012 Recommended	Committee recommends
Personnel	\$66,194	\$87,402	\$82,091	\$79,893
Travel	\$37,475	\$78,016	\$45,005	\$45,005
Contractual	\$89,450	\$72,395	\$72,395	\$72,395
OCE	\$11,705	\$20,710	\$11,705	\$11,705
Fixed Assets	\$36,000	\$9,700	\$9,700	\$9,700
Total	\$240,824	\$268,223	\$220,896	\$218,698
# employees	3	4	4	4

Your Committee held a public hearing with the FSM Insurance Board on Monday, May 23, 2011. Witnesses included: Jolouyn Gonzales, Kenneth Mwailir, and Jesse Giltamag, from the Insurance Board; and Joseph Habuchmai and Reed Oliver, members of the FSM Insurance Board. From the Congress side, Congressmen Roger S. Mori, Joseph J. Urusemal, Paliknoa K. Welly, Bonsiano F. Nethon, Florencio S. Harper, Tony H. Otto, David W. Panuelo and Peter M. Christian, along with Congress legal staff member Alik Jackson were present.

Personnel - The Office requested \$87,402 under this category, but EBRC recommended \$82,091. The FSM Insurance Board has proposed \$31,080 for the insurance commissioner position, and EBRC recommended the same amount. For the insurance examiner position, FSM Insurance Board has proposed \$24,838, and EBRC recommended the same amount. The FSM Insurance Board has no proposed amount for the secretary I position; however EBRC recommended \$8,076. The FSM Insurance Board has proposed

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\$18,097 for the financial analyst position, and EBRC recommended the same amount. The FSM Insurance Board has proposed \$13,387 for the administrative officer I position, but EBRC did not recommend any amount.

After consulting with the staff of the Division of Personnel, the exact salaries for each of the positions under the FSM Insurance Board are as follows: the Insurance Commissioner at a salary of \$30,520 annually; the Insurance Examiner at a salary of \$23,547 annually; the Financial Analyst at a salary of \$18,097 annually; the Administrative Officer with Pay Level 32/1 at a salary of \$13,387 annually; and the Secretary I with Pay Level 20/1 at a salary of \$7,729. The total is \$93,280. All these salaries are inclusive of the 11% fringe benefits. Your Committee was informed that the Financial Analyst, Ms. Joloulyn Gonzales, is on Special Service Contract. She has transferred from the FSM Banking Board to the FSM Insurance Board as its Financial Analyst. The Administrative Officer position is still vacant. Your Committee was not informed whether the Administrative Officer position is being advertised. Subtracting \$13,387, the salary for the Administrative Officer position from the total proposed personnel budget of \$93,280 leaves \$79,893. After deliberation on the recommended amount, your Committee recommends \$79,893.

Travel - An amount of \$78,016 was proposed, but EBRC recommended \$45,005. There are seven international travel plans and one domestic travel plan. An amount of \$20,620 was proposed for domestic travel, but EBRC recommended \$6,454. EBRC basically reduced some of the funding for international travel, and justified that the cuts were based on the President's 10% policy cut. Your Committee recommends \$45,005 as recommended by EBRC.

Contractual Services - An amount of \$72,395 was proposed and EBRC recommended the same amount. \$2,700 is requested as a Captive Seminar fee. \$50,000 was requested to fund an insurance consultant. According to the Insurance Commissioner, this consultant is needed on a case by case basis: to review insurance applications and advise the Board on insurance matters. The amount of \$4,350 was requested for contractual services for ICCIE. An amount of \$695 was requested for NAIC on-line tuition fee, an amount of \$12,100 was requested for office lease. An amount of \$1,850 was requested for office maintenance. An amount of \$700 was requested for a service contract for office equipment. Your Committee recommends \$72,395.

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OCE - An amount of \$20,710 was requested. The EBRC recommended \$11,705. For the Board activities and allowances, an amount of \$4,000 was proposed, but EBRC recommended \$2,000. For communications, an amount of \$6,500 was requested, but EBRC recommended \$1,495. For POL, the amount of \$2,100 was requested, and EBRC recommended the same amount. For office supplies and materials, an amount of \$4,000 was requested, but EBRC recommended \$2,000. For printing and reproduction of journals, reports and periodicals, an amount of \$300 was requested, and the same amount was recommended by EBRC. For postal box rental, an amount of \$10 was requested and EBRC recommended the same amount. For utilities, an amount of \$3,600 was requested and EBRC recommended the same amount. For vehicle maintenance and parts, an amount of \$200 was requested, and EBRC recommended the same amount. Thus, the significant cuts are on board activities, communications, and printing and reproduction. Your Committee recommends \$11,705.

Fixed Assets - An amount of \$9,700 was requested to purchase a medium size copier, and EBRC recommended the same amount. Your Committee recommends \$9,700.

VII. NATIONAL FISHERIES CORPORATION (NFC)

	FY 2011 Appropriations	FY 2012 Proposed by NFC	FY 2012 Recommended by EBRC	Committee recommends
Personnel	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$0
Contract.Serv.	\$0	\$0	\$0	\$0
OCE	\$0	\$0	\$0	\$0
Fixed Assets	\$0	\$0	\$0	\$0
Total	\$0	\$0	\$0	\$0
No. Employees	0	0	0	0

Your Committee did not discuss in depth the proposed budget for NFC. Your Committee did not recommend any amount.

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RE: P.C. NO. 16-369/R&D

SUBJECT: FY 2012 BUDGET

SEPTEMBER _____, 2011

VIII. NATIONAL AQUACULTURE CENTER

	FY 2011 Appropriations	FY 2012 Proposed by NAC	FY 2012 Recommended by EBRC	Committee recommends
Personnel	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$0
Contract.Serv.	\$0	\$0	\$0	\$0
OCE	\$20,000	\$0	\$0	\$0
Fixed Assets	\$0	\$0	\$0	\$0
Total	\$20,000	\$0	\$0	\$0
No. Employees	0	0	0	\$0

Your Committee did not discuss in depth the proposed budget for NAC. Your Committee did not recommend any amount.

IX. GRANTS, SUBSIDIES & CONTRIBUTIONS

DEPARTMENT OF RESOURCES AND DEVELOPMENT	FY 2011 Appropriation	FY 2012 Proposed	FY 2012 Recommended	Committee recommends
GRANTS				
1. R&D Conference	\$0	\$0	\$0	\$0
2. Chief Executive Conference (CEC)	\$10,000	\$0	\$0	\$0
3. SPC Host	\$9,000	\$0	\$0	\$0
CONTRIBUTIONS				
01. Pacific Island Development Program (PIDP)	\$15,000	\$15,000	\$15,000	\$15,000
02. Forum Fisheries Agency (FAA)	\$34,178	\$36,471	\$36,471	\$36,471
03. Coordinating Committee for Offshore Mineral Prospecting	\$15,000	\$15,000	\$15,000	\$15,000

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	FY 2011 Appropriation	FY 2012 Proposed	FY 2012 Recommended	Committee recommends
04. Pacific Asian Travel Association (PATA)	\$5,000	\$5,000	\$5,000	\$5,000
05. United Nations Development Program (UNDP)	\$30,000	\$30,000	\$30,000	\$30,000
06. Micronesian Challenge	\$0	\$10,000	\$10,000	\$10,000
07. Sea frame Project	\$0	\$0	\$0	\$0
08. Food Agriculture Organization (FAO)	\$4,800	\$4,800	\$4,800	\$4,800
09. Western Forestry Leadership Coalition	\$500	\$530	\$530	\$530
10. FAO/TCP Matching	\$34,508	\$0	\$0	\$0
11. National Association of State Foresters	\$530	\$0	\$0	\$0
12. Matching to SPC Projects/Hosting	\$0	\$60,000	\$60,000	\$60,000
13. Micronesian Cruise Association	\$0	\$2,500	\$2,500	\$2,500
14. South Pacific Tourism Organization	\$0	\$6,600	\$6,600	\$6,600
15. International Animal Health Organization (OIE)	\$0	\$16,800	\$16,800	\$16,800
16. SPC Site Rental	\$0	\$10,000	\$10,000	\$10,000
Total Grants, Subsidies & Contributions for R&D	\$139,516	\$212,701	\$212,701	\$212,701

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OFFICE OF ENVIRONMENT & EMERGENCY MANAGEMENT	FY 2011 Appropriation	FY 2012 Proposed	FY 2012 Recommended	Committee recommends
1. 4 th Natl. Environmental Conference	\$15,000	\$0	\$0	\$0
2. 18 th SPREP Annual Meeting	\$0	\$0	\$0	\$0
3. Secretariat of Pacific Region Environment Program (SPREP)	\$23,477	\$10,184	\$10,184	\$10,184
4. UN Environmental Protection	\$760	\$760	\$760	\$760
5. 7th National Environmental Speech Contest	\$15,000	\$0	\$0	\$0
6. SPREP Noumea Convention	\$671	\$1,764	\$1,764	\$1,764
7. Waigani Convention	\$55	\$1,190	\$1,190	\$1,190
8. United Nations Convention to Combat Desertification	\$120	\$120	\$120	\$120
9. United Nations Framework Convention on Climate Change (UNFCCC)	\$250	\$250	\$250	\$250
10. SPREP (Annual Membership) Fee	\$0	\$0	\$0	\$0
11. Earth Day Activities	\$0	\$15,000	\$15,000	\$15,000
12. 3 rd Annual EPA Director's meeting	\$0	\$20,000	\$20,000	\$20,000
13. FSM FEMA Disaster Matching	\$200,000	\$200,000	\$200,000	\$200,000
Total OEEM Grants, Subsidies, Contributions	\$255,333	\$249,268	\$249,268	\$249,268

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COCONUT DEVELOPMENT AUTHORITY GRANTS, CONTRIBUTIONS & Subsidies	FY 2011 Appropriation	FY 2012 Proposed	FY 2012 Recommended	Committee recommends
a. Copra Subsidy	\$75,000	\$200,000	\$200,000	\$200,000
b. Pilot Plant Projects	\$0	\$0	\$0	\$0
c. Asia Pacific Coconut Community	\$12,000	\$13,500	\$13,500	\$13,500
Total for CDA	\$87,000	\$213,500	\$213,500	\$213,500
NORMA				
1. NORMA - Continental Shelf	\$250,000	\$0	\$0	\$0
TOTAL			\$0	\$0
GRAND TOTAL FOR GRANTS, SUBSIDIES & CONTRIBUTIONS				\$675,469

X. CAPITAL & HUMAN RESOURCES DEVELOPMENT BUDGET

	FY2011 Appropriation	FY2012 Request	FY2012 Recommended	Committee recommends
a. 2010 Shanghai World Exposition	\$0	\$0	\$0	\$0
b. FSM Association of Chamber of Commerce/ Support to COC	\$62,594	\$67,000	\$67,000	\$67,000
c. National Export Strategy	\$0	\$59,750	\$59,750	\$59,750
d. Promote the FSM in Appropriate Market Segment to Realize the Sector's potentials	\$0	\$645,000	\$100,000	\$100,000
e. Improving Households and Communities Food Security in the FSM	\$0	\$100,000	\$100,000	\$100,000
f. Rainbownesia Project	\$75,000	\$0	\$0	\$0

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	FY2011 Appropriation	FY2012 Request	FY2012 Recommended	Committee recommends
g. Tourism Partnership Marketing	\$150,000	\$0	\$0	\$0
h. Due Diligence of Fisheries Rehab.	\$0	\$0	\$0	\$0
i. R&D SNLC/FMM	\$0	\$0	\$0	\$0
j. Micronesian Challeng	\$0	\$0	\$0	\$0
k. FSM Cultural and Tradition Day	\$40,000	\$0	\$0	\$0
l. Kosrae Aquaculture	\$20,000	\$0	\$0	\$0
m. Coconut Rehabilitation Programs FSM	\$0	\$69,268	\$69,268	\$69,268
Total Capital & Hum. Re	\$347,594	\$941,018	\$396,018	\$369,018

CONCLUSION

The overall proposed budget for the Department of Resources and Development, National Oceanic Resource Management Authority, Office of Environment and Emergency Management, Coconut Development Authority (CDA), FSM Banking Board, FSM Insurance Board, Grants, Subsidies and Contribution and Capital and Human Resource Development is **\$3,137,482**. That amount includes **\$849,750** for the Department of Resources and Development, **\$835,614** for National Oceanic Resource Management Authority (NORMA); **\$326,790** for the Office of Environment and Emergency Management (OEEM); **\$112,475** for CDA, **\$175,869** for FSM Banking Board, **\$218,698** for FSM Insurance Board **\$249,268** for Grants, Subsidies and Contributions; and **\$396,018** for Capital and Human Resource Development.

Your Committee on Resources and Development has carefully reviewed the President's recommended FY 2012 budget and all information provided by the Executive and the entities under your Committee's jurisdiction. The recommended sums set forth above reflect your Committee's recommendations on the level of funding for the designated activity, program or project for FY 2012.

STANDING COMMITTEE REPORT NO. _____

RE: P.C. NO. 16-369/R&D

SUBJECT: FY 2012 BUDGET

SEPTEMBER _____, 2011

Respectfully submitted,

/s/ Roger S. Mori
Roger S. Mori, chairman

/s/ Yosiwo P. George
Yosiwo P. George, vice chairman

/s/ Peter M. Christian
Peter M. Christian, member

/s/ Florencio S. Harper
Florencio S. Harper, member

/s/ Bonsiano F. Nethon
Bonsiano F. Nethon, member

/s/ David W. Panuelo
David W. Panuelo, member

/s/ Joseph J. Urusemal
Joseph J. Urusemal, member