

STANDING COMMITTEE REPORT NO. 17-64

RE: C.B. NO. 17-73/W&M

SUBJECT: FY 2012 SUPPLEMENTAL BUDGET REQUEST

NOVEMBER 22, 2011

The Honorable Isaac Figir
Speaker, Seventeenth Congress
Federated States of Micronesia
Second Special Session, 2011

Dear Mr. Speaker:

Your Committee on Ways & Means, to which was referred C.B. No. 16-73, entitled:

"A BILL FOR AN ACT TO AMEND SECTIONS 1, 2, 5, 6, 7, 8, 9, 10, AND 12 OF PUBLIC LAW NO. 17-19 IN ORDER TO APPROPRIATE SUPPLEMENTAL FUNDING FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2012, TO ALIGN THE BUDGET ACT WITH THE RECENT COMPACT GRANT AWARDS, TO INTRODUCE TECHNICAL AMENDMENTS CONCERNING THE ALLOTTEE OF FUNDING, AND FOR OTHER PURPOSES.",

begs leave to report as follows:

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

FY 2012 Revised Revenue Projections

Your Committee notes that revised revenue projections were received by Congress on November 15, 2011 from the Acting Secretary of the Department of Finance & Administration (Departmental Communication No. 17-42).

In summary, a total of \$47,688,246 in revenues is estimated for FY 2012. Of this amount, \$39,666,814 will come from domestic revenues, \$8,021,432 will come from Amended Compact grants. The FY 2012 appropriations total \$44,251,617, of which \$36,590,889 was appropriated in domestic revenues and \$7,660,728 in Amended Compact grants.

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The available fund balance for appropriation is \$3,436,629. Of this amount, \$3,075,925 is available from domestic revenues, \$360,704 from Amended Compact grants.

Consultations with other Standing Committees

C.B. No. 17-73 was introduced by request, and transmitted to Congress along with Presidential Communication No. 17-143, detailing the supplemental budget items for FY 2012.

Each standing committee discussed and considered the portions of the request under its jurisdiction. Your Committee on Ways and Means has consulted with each of your other standing committees and has reached an overall agreement regarding the supplemental budget request.

Ways and Means Committee hearing

Your Committee on Ways and Means held a public hearing on November 21, 2012 in regards to the FY 2012 supplemental budget request. Witnesses included representatives from the Department of Finance and Administration (Finance) and the Office of Statistics, Budget, Overseas Development Assistance, and Compact Management (SBOC).

During the hearing your Committee heard comprehensive testimony regarding the various requests. Your Committee also discussed the revised revenue projection and the issue of cash flow.

Based on testimony gathered at the hearing, your Committee is confident the revised revenue projection provided by Finance supply an accurate estimate of anticipated revenues for FY12. Regarding the budget request itself, your Committee asked the witnesses to explain which supplemental items were urgent and which could be delayed until a later date. The witnesses took the position that all the requested funding was necessary but left it up to Congress to decide which items were urgent.

Your Committee on Ways and Means, in consultation with your other standing committees, has decided to fund the following requested items:

Dept./Office/Agency	Amount	Breakdown and Justification
Health & Social Affairs	120,121	83,756 for Grant shift in Office of Secretary

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		32,869 for Grant shift in Health System Support
		3,496 for FY10 unpaid salaries of 2 employees
Education	338,344	323,067 for shift in compact scholarship money
		15,277 to cover professional premium of Secretary
National Archives	(15,277)	(15,277) reduce as no need of professional premium
Election director	15,000	Voter ID card project
R&D	10,000	Micronesian Chief Executives Summit
Survey	200,000	Survey of citizens in United States
ADSL	360,000	ADSL expansion project sector grant
Total	1,028,188	Source: 360,000 sector/668,188 domestic

Conclusion

Your Committee on Ways and Means has reviewed the proposed FY 2012 Supplemental Budget request, and has carefully scrutinized all the information.

Based upon the information provided, its own deliberations, and its consultations with your other standing committees, your Committee on Ways & Means is in accord with the intent and purpose of C.B. No. 17-73 in the form attached hereto and recommends its passage on First Reading, and that it be placed on the Calendar for Second and Final Reading in the form attached hereto as C.B. No. 16-73, C.D.1.

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Respectfully submitted,

/s/ Dohsis Halbert
Dohsis Halbert, chairman

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

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

/s/ Tony H. Otto
Tony H. Otto, member

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

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

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