

STANDING COMMITTEE REPORT NO. 18-01

RE: PRESIDENTIAL COMMUNICATION NO. 18-21

SUBJECT: FY 2013 RECOMMENDED SUPPLEMENTAL  
BUDGET/W&M/EDUCATION

MAY 22, 2013

The Honorable Dohsis Halbert  
Speaker, Eighteenth Congress  
Federated States of Micronesia  
First Regular Session, 2013

Your Committee on Education, to which was jointly referred Presidential Communication No. 18-21 regarding the National Government's Recommended FY2013 Supplemental Budget, begs leave to report as follows:

On May 20, 2013 your Committee held a hearing with the National Department of Education, SBOC, the Office of Personnel, the Department of Justice and the Office of the President regarding NDOE's request for a supplemental budget for Fiscal Year 2013.

During this hearing your Committee confirmed with NDOE and SBOC that the supplemental request was to make up for a shortfall in Domestic Revenue only to fund the Office of the Secretary of Education. Witnesses stated that several circumstances have lead to a shortfall in funding for the Office of the Secretary, primary among these were the decision by Congress in September 2012 to hold all departments of the National Government to Domestic Revenue levels appropriated for Fiscal Year 2012 for the Fiscal Year 2013 budget, coupled with JEMCO's disallowing of Compact funding for the Office of the Secretary.

Currently P.L. No. 17-64, as amended by P.L. Nos. 17-69, 17-72, 17-74 and 17-88, provides for only \$36,720 in Domestic Revenue funding for NDOE. The final iteration of the Integrated Plan for NDOE for Fiscal Year 2013 was submitted with Presidential Communication No. 17-324 and proposed funding for the Office of the Secretary at \$145,110 for

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FY'13 entirely from Domestic Revenue. Your Committee recommends funding to approximately the level of that last Integrated Plan for FY'13 particularly as the salaries of the employees of the Office of the Secretary have not been paid for May 2013 due to lack of Domestic Revenue funds.

The Committee recommends the \$100,686 in supplemental funding from Domestic Revenue as set forth in the President's FY2013 Supplemental Budget. Your Committee further recommends the following detailed adjustments to the Office of the Secretary of Education budget as follows: Personnel \$77,610; Travel \$29,796; Contractual Services -0-; OCE \$24,000 and Fixed Assets at \$6,000. The new total for the Office of the Secretary of Education would be \$137,406. These adjustments largely follow the last NDOE Integrated Plan for FY'13, but does deviate as to the OCE costs. In the S.C.R. 17-149, the consolidated Ways & Means Committee Report, it was recommended to reduce the OCE category from that recommended in the Integrated Plan.

Your Committee also recommends minor adjustments regarding the Fiscal Year 2013 SEG funding to the College of Micronesia-FSM and NDOE to conform to the actual grant award amounts. The budget act currently appropriates \$683,346 for SEG for COM-FSM, and \$485,419 for SEG for NDOE. **The total SEG grant award amount for COM-FSM is \$689,948, and the total SEG grant award amount for NDOE is \$485,214. The Committee recommends both of these categories be adjusted in the supplemental budget.**

**The Committee recommends the \$100,686 from Domestic Revenue as set forth in the Presidential Communication No. 18-21 National Government's Recommended FY2013 Supplemental Budget.**

Subject to the conditions and limitations set forth herein, and subject to the concurrence of your Committee on Ways and Means, your Committee on Education recommends approval of the amounts and source of funds identified as Committee Recommendations.

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Respectfully submitted,

/s/ Joseph J. Urusemal  
Joseph J. Urusemal, chairman

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

/s/ Dohsis Halbert  
Dohsis Halbert, member

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

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

/s/ Wesley W. Simina  
Wesley W. Simina, member

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