

STANDING COMMITTEE REPORT NO. 18-154

RE: PRESIDENTIAL COMMUNICATION NO. 18-253

SUBJECT: FY 2015 BUDGET/H&SA

MAY 27, 2014

The Honorable Dohsis Halbert
Speaker, Eighteen Congress
Federated States of Micronesia
Fourth Regular Session, 2015

Dear Mr. Speaker:

Your Committee on Health and Social Affairs, to which was jointly referred the National Government's proposed FY2015 budget, begs leave to report as follows:

Presidential Communication No. 18-253 was transmitted to Congress with the National Government Fiscal Year 2015 Recommended Budget ("Budget Book") on April 1, 2014. Pursuant to Rule 7, Section 3(b) of the Official Rules of Procedure of the Eighteenth Congress of the Federated States of Micronesia, your Committee has limited its review to those portions of the budget relating to matters under its jurisdiction. Your Committee shall review the following departments and divisions of the Department of Health and Social Affairs for the Fiscal Year 2015 budget items:

- I. Department of Health and Social Affairs
 - A. Office of the Secretary;
 - B. Division of Health System Support;
 - C. Division of Environmental Health Services
 - D. Gender Development Unit
 - E. Sport & Youth Unit
- II. Grants, Subsidies & Contributions
 - A. Department of Health and Social Affairs
 1. Grants
 - a. National Board of Nursing & Medical Licensing
 - b. FSM Red Cross

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2. Contributions
 - a. United Nations Fund for Population Activity (UNFPA)
 - b. World Health Organization (WHO)
 - c. FSM Amateur Sports Association
 - d. Pacific Islands Health Officer Associations (PIHOA)
 - e. Association of Territorial Health Organizations
 - f. UNICEF (Vaccines)
- B. Office of National Archives, Culture and Historic Preservation
 1. Contributions
 - a. United Nations Educational, Scientific and Cultural Organization (UNESCO)
 - b. National Conference of State Historic Preservation Officers (NCSHPO)
 - c. Pacific Regional Branch of the International Council on Archives (PARBICA)
 - d. Pacific Islands Association of Libraries and Archives (PIALA)
 - e. WHC membership
- III. Capital and Human Resource Development
 - A. Department of Health and Social Affairs
 1. Health Services Special Pathologist
 2. Environment (Food/Water Testing Lab)
 3. Medical Specialist Team
 4. Data Verification and Analysis
 5. States Initiatives on Non-Communicable Disease
 6. Sustainable Mapping of Community Health
 7. Legal Assistance for National Legislation
 8. Accreditation Processes & Standards Development

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Your Committee is guided in this report by three overarching decisions: 1) to recommend that no new positions be funded for FY2015, and 2) that the number of employees under the National Department of Health and Social Affairs remain at or below Fiscal Year 2014 levels. The Committee notes there are some minor inaccuracies in the President's Budget Book for FY2015, and will analyze each in the relevant category below.

This report, and all previous and subsequent reports of your Committee, should be treated as reflecting policies of the Federated States of Micronesia, as defined by Congress. It is the intent of your Committee that any commentary found in this report should be treated as policy for the guidance of the department, agencies and entities.

Your Committee on Health and Social Affairs held public hearings on May 14 and 16 May, 2014 regarding the above budget items for the National Department of Health and Social Affairs. The Committee corresponded with the Office of the National Archives, Culture and Historic Preservation, MiCare and the Social Security Administration, and received answers to its inquiries during the week of May 12, 2014. Present at the hearings were the Secretary of Health and Social Affairs and her key staff from all the relevant divisions, representatives of the Department of Justice, representatives of the Office of the President, the Director of SBOC and her key staff, and representatives from the Department of Finance and Administration, and the Office of Personnel.

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1. DEPARTMENT OF HEALTH AND SOCIAL AFFAIRS

A. Administration-Office of the Secretary

	FY'14 Approp.	FY'15 President Recommend Total	FY'15 Committee Domestic	FY'15 Committee Sector	FY'15 Committee Recommend Total
Personnel	75,515	75,515	75,515	-0-	75,515
Travel	48,000	48,000	48,000	-0-	48,000
Contract	12,000	19,602	19,602	-0-	19,602
OCE	23,000	23,000	23,000	-0-	23,000
Fixed Assets	-0-	-0-	-0-	-0-	-0-
Total	158,515	166,117	166,117	-0-	166,117
Number Employees	3	3	3		3

The President's Budget Book recommends funding for FY2015 for the Office of the Secretary at \$166,117. The entire budget for the Office is to be funded from Domestic Revenue. The commentary from your Committee is as follows:

Your Committee notes that the Personnel, Travel, OCE and Fixed Assets costs for the Office of the Secretary as recommended by the President for FY 2015 remain unchanged from those appropriated for FY2014. However, the President's recommendation for FY2015 for Contractual Services at \$19,602 a slight increase as compared to that appropriated for FY2014 at \$12,000.

Personnel: The same three positions, at the same salaries as in years past, are recommended by the President for FY15. The Committee has no reason to disagree with the proposed budget for this category. For this reason the Committee recommends \$75,515 for the Personnel category for the Office of the Secretary.

Travel: Although the proposed budget for FY15 for Travel remains the same as in years past at \$48,000 the Department had requested significantly more at \$82,481, which was cut

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doing the budget process by the Executive. The Committee was concerned as the travel cuts were domestic trips. In a recent Committee trip to the four States your Committee noted a significant need for better communication between the State Departments of Health and the National Department of Health and Social Affairs. The Secretary stated that she had been able to piggyback some of her domestic meetings together with other trips funded by from U.S. federally funded programs during the current fiscal year, and could work with the \$48,000 recommended by the President for FY15. The Committee agrees with the Department's and President's request, therefore, recommends the \$48,000 for Travel for the Office of the Secretary for FY15.

Contract: The Secretary of Health and Social Affairs and her technical staff confirmed that her Department now has ADSL in the new office building, which is the reason for the increase in the category of Contracts. The Secretary acknowledged that the ADSL was expensive, but stated it was reasonable as it saved on communications cost and made some trips unnecessary as she could teleconference now. The Committee finds this proposed slight increase due to the ADSL reasonable, in particular, as it will save money and make health care delivery more efficient. The Committee recommends the \$19,602 for Contract Services for the Office of the Secretary for FY15.

The Committee is pleased that the President's proposals for FY15 for the Office of the Secretary in the categories of OCE and Fixed Assets remain at FY14 levels, and therefore, your Committee recommends \$23,000 for OCE and -0- for Fixed Assets.

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In accordance with the above analysis your Committee recommends \$166,117 for Fiscal Year 2014 for the Office of the Secretary of Health and Social Affairs funded entirely from Domestic Revenue.

B. Division of Health System Support

	FY'14 Approp.	FY'15 President Recommend Total	FY'15 Committee Domestic	FY'15 Sector	FY'15 Committee Recommend Total
Personnel	116,670	104,170	104,170	-0-	104,170
Travel	118,329	40,290	40,290	-0-	40,290
Contract	16,000	90,000	45,000	-0-	45,000
OCE	36,668	29,668	29,668	-0-	29,668
Fixed Assets	-0-	-0-	-0-	-0-	-0-
Total	287,667	264,128	219,128	-0-	219,128
Number Employees	6	6	6	-0-	6

The President's Budget Book recommends funding for Fiscal Year 2015 for the Division of Health System Support at \$264,128. This Division is proposed to be funded entirely from Domestic Revenue for FY15. This represents a significant departure from previous years when this Division was completely funded by the Compact Health Sector Grant. During its budget review process your Committee was mindful of the need to carefully scrutinize expenditure of Domestic Revenue, and, therefore, recommends a reduced Division budget of \$219,128 for FY15. The full commentary of your Committee is as follows:

Personnel: Prior to hearings with the Department the Committee requested the current listing for personnel in all divisions of the National Department of Health and Social Affairs. Two discrepancies were noted to the Department at the hearing on May 14, 2014. The Health Planner IV and the Program Manager are both proposed to have increases in salary in the President's Budget Book as compared to what they are currently receiving.

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A lengthy discussion was had during your Committee's hearing with the Secretary explaining the necessity for the increases. In these cases a misidentification of the true step and grade for the positions in light of the qualifications of the individuals in question. The issue of salary increases was also addressed for the Environmental Health Systems Unit.

Your Committee notes the conflict with President's mandate for no salary increase, however, since this has been specifically recommended by the President through the EBRC the Committee agree the individuals in question deserve proper compensation. The Committee strongly urges the Department to be more rigorous in it's proofreading of employment contracts and personnel actions.

In accordance with your Committee's analysis above it recommends funding for Personnel for the Division of Health System Support in the amount of \$104,170 for FY15.

Travel: During its public hearings your Committee questioned the large cut in this Division's travel, mirroring the cuts in travel in the Office of the Secretary. Those witnesses present who had been decision makers with EBRC stated that it was determined to fund only one traveler and for a maximum number of days on the routine four States trip. Your Committee is satisfied with these budget adjustments if the President believes that the objectives can be accomplished with less money spent on travel and appreciates the need to adhere to a fiscally conservative approach. For the reasons set forth above the Committee recommends funding for Travel for this Division at \$40,290 for FY15.

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Contract: First, the Committee notes that contractual services that in previous years had been requested in this category for the Division of Health System Support have been moved to Section 9 Capital and Human Resource Development. It was confirmed with the Department and SBOC that these changes had been done prior to passage of PL No. 18-57 which transition of all of the National Government's share of the Compact Sector Grants to the State Governments. It had been hoped by the Department that several of these items would receive Compact Health Sector funding as projects prior to the passage of P.L. No. 18-57.

Turning to the one item that is now requested for funding for the category of contract services for this Division, the office space rental in the Capital Suites Building. It is troubling to the Committee that after its lengthy hearing last year regarding the expense of the office space in the new Capital Suites Building, and the specific direction by your Committee in its May 2013 report on the FY14 budget that the Department request all programs housed in the new office building to pay a proportionate share of the rent, that the total cost of the office space rental is being requested here. While the Secretary confirmed that some programs did make contribution during FY14 no contribution by programs has been calculated into this budget request. At \$90,000 per year for the office space rental, your Committee again notes, it is very expensive. The Department stated that it included a conference room, and even a small gym. The Committee doubts the appropriateness of renting gym facilities while so many basic health programs suffer from lack of even basic materials and support. Further, the Committee is disappointed that no calculation was even attempted ensure that U.S. federally funded programs housed in the Capital Suites Building pay a proportionate share of the rent, where possible under the terms of their grants.

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The Committee, of course, understands that the Department must pay its share for the office space, but it should not be paying the total cost. Your Committee also wonders why the Department has not more fully explored renovation of existing National Government buildings for use by the Department and its related programs. Given the budgetary constraints the Department will likely face in coming years being fully funded from Domestic Revenue the Committee requests that it explore this option, and any other that is likely to lead to a long-term reduction in expenses.

As analyzed in detail above, your Committee recommends \$45,000 for Contract Services for this Division for FY15.

OCE: The funding recommended by the President for FY2015 for this category has gone down compared to that appropriated for FY14. When the Committee inquired as to what the difference was due to the Secretary stated that much of the decrease was because of the efficiency of the ADSL. The Committee accepts this explanation, and again, voiced its pleasure that the upgrade to ADSL has already proved a good investment. Your Committee recommends funding of \$29,668 for OCE for the Division of Health System Support.

Your Committee recommends \$219,128 for Fiscal Year 2015 for the Division of Health System Support funded entirely from Domestic Revenue.

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C. Division of Environmental Health Services

	FY'14 Approp.	FY'15 President Recommend Total	FY'15 Committee Domestic	FY'15 Committee Sector	FY'15 Committee Recommend Total
Personnel	175,425	188,770	168,692	-0-	168,692
Travel	19,655	38,121	27,000	-0-	27,000
Contract	38,000	36,000	36,000	-0-	36,000
OCE	33,500	33,000	33,000	-0-	33,000
Fixed Assets	-0-	10,000	10,000	-0-	10,000
Total	266,580	305,891	274,692	-0-	274,692
Number Employees	11	11	11		11

The President's Budget Book recommends funding for Fiscal Year 2015 for the Division of Environmental Health Services at \$305,891. For FY15 the President proposes to fund this Division entirely from Domestic Revenue. Like the Division for Health System Support, the Environmental Health Services Division had been funded in previous years from the Compact Health Sector Grant. The commentary of your Committee follows:

Personnel: Your Committee notes that the President's recommended budget for this category has increased dramatically from FY14. First, the Committee notes that only 11 employees have ever been authorized by Congress for this Division. In the May 2013 Committee report for funding for this Division for FY14 it was clear that the Committee recommended only 11, and specifically was not recommending the addition of two new National Food Inspector positions. The budget process for FY14 was challenging and resulted in several supplemental budgets being passed by Congress. As a result of the FY14 budget process additional money was appropriated for the category of Personnel for this Division above that which was recommended by the Committee (\$175,425 as compared to \$154,132), but additional positions were not

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authorized. For FY15 your Committee, again, does not recommend the addition of any new positions.

In its review of the listing provided by Personnel your Committee noted that six positions are currently being paid less than proposed by the President for FY15. The Secretary stated that the National Food Inspectors had in some cases been hired as trainees and initially been hired and placed at a lower pay grade. Now these individuals needed to be moved up as they were considered skilled enough. Several Members of your Committee questioned the wisdom of hiring individuals who were not qualified to execute the responsibilities of the position without significant training. The Secretary responded that there were a very limited number of individuals who had any background in food inspection, and that she had to work with the applicants she had. Your Committee is concerned and disappointed that the Department is not hiring individuals that meet even the minimum qualifications for the position, and, therefore, must spend some time on at a trainee level. The Committee expects that the Department will address this concern in recruitment in the future. In the meantime, individuals in the current positions should be compensated as National Health Inspectors according to their duties, and the Committee agrees their salaries should be adjusted as set forth in the President's budget book.

Finally, the Committee notices the Department its intention to evaluate this Environmental Health Services Unit's size and budget for Fiscal Year 2016 in light of the very limited scope of the National Government's jurisdiction in this area. Your Committee believes that much more of the food safety and inspection jurisdiction lies with the State Governments, and therefore, resources would be more properly expended at the State level.

With the adjustments as set forth above your Committee recommends funding for Personnel for the Division of Environmental Health Services at \$168,692 for FY15.

Travel: The President's recommendation for travel for FY15 is twice the amount that was appropriated by Congress for FY14. It is the belief of this Committee that the Travel

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category always warrants strict fiscal discipline. In recommending what the President recommended for this Division for FY14, \$27,000, the Committee seeks the middle road. It acknowledges that travel expenses and per diem have increased even for domestic travel and some increase is justified over the previous fiscal year. However, the Committee strongly recommends that the State Departments of Health priorities plan for and pay for their own training and development, rather than this continuing to be done for them at the National level, particularly in light of the addition Compact funding that has been made available to them. The Committee strongly urges a modest travel budget for this Division, and recommends \$27,000 for Travel.

Contract: The Committee recommends funding of the full \$36,000 for Contractual Services for this Division for FY15, and is pleased to note this represents a reduction of \$2,000 compared to FY14.

OCE: Your Committee is appreciative of the reduction in costs under this category and in the continuing efforts of the Department regarding efficiency in this regard and recommends \$33,000 in funding for OCE for this Division for FY15.

Fixed Assets. It was explained to your Committee that the proposed \$10,000 in this category is for desktop computers and VHS radios. The Committee understands the necessity of this but asks the Department to ensure that these systems benefit the State Health Departments and other programs. The Committee concurs with the President and recommends \$10,000 for fixed assets for FY15 for this Division.

Your Committee recommends \$274,692 for Fiscal Year 2015 for the Division of Environmental Health Services. This Division shall be entirely funded from Domestic Revenue.

C. Gender Development Unit

	FY'14 Appropriated Domestic	FY'15 President Recommend	FY'15 Federal Funding	FY'15 Committee Recommended
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		Total		Domestic
Personnel	22,322	46,705	13,387	22,322
Travel	5,000	5,000	-0-	5,000
Contract	-0-	10,000	-0-	-0-
OCE	7,000	7,000	-0-	7,000
Fixed Assets	-0-	-0-	-0-	-0-
Total	34,322	68,705	13,387	34,322
Number Employees	1	2	1	1

The President's Budget Book recommends funding for FY2015 for the Gender Development Unit at \$68,705. The entire budget for the Office is to be funded from Domestic Revenue. The commentary from your Committee is as follows:

The President's Budget Book lists three positions in Personnel for the Gender Development Unit, however, one is funded by a federal program. The President recommends \$46,705 for Personnel for FY2015. One of the three positions is funded by U.S. federal programs at \$13,387. Two positions are recommended by the President to be funded from Domestic Revenue in FY2014, including a new position of Assistant Secretary of Social Affairs at \$24,839.

Your Committee last year questioned the creation of an Assistant Secretary position for such a small division. The Department stated that this position was necessary as it covered all of Social Affairs. The Committee believes that the Gender Development and Human Rights Officer is capable carrying out the various responsibilities required of this Unit. The Committee will not recommend the creation of a new position or hiring of additional employees for the Department, particularly one that appears to be administrative in nature. For these reasons the Committee recommends funding only the Gender Development and Human Rights Officer at \$22,322 from Domestic Revenue for Personnel for this Unit for FY15.

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The travel, OCE and fixed assets requests for FY15 remain the same as in FY14 and are acceptable to your Committee as recommended in the President's Budget Book.

The Committee notes, to its displeasure, that a funding under Contract Services is requested in the amount of \$10,000 to finish the report to comply with the Convention to Eliminate All Forms of Discrimination Against Women. There has been funding made available for the completion of this report for at least the last three years. Specifically, the Committee notes that the Congress adopted C.R. No. 18-34 on July 24, 2013 to accept a grant for \$10,000 from the United Nations Entity for Gender Equality and the Empowerment of Women to fund reporting requirement under CEDAW. The Committee expresses here its disappointment at both the tardiness of the report and its expense, and asks that the CEDAW reporting requirements be completed without further delay with the money already appropriated.

Your Committee recommends total funding of \$34,322 for Fiscal Year 2014 for the Gender Development Unit to be funded entirely from Domestic Revenue. This excludes the \$13,387 for the Financial Specialist, which is federally funded.

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D. Sport & Youth Unit

	FY'14 Appropriation	FY'15 President Recommends	FY'15 Committee Recommends
Personnel	46,465	43,441	43,441
Travel	11,500	11,500	11,500
Contract	6,950	8,015	8,015
OCE	7,500	7,500	7,500
Fixed Assets	0	0	0
Total	72,415	70,386	70,386
Number Employees	2	2	2

The Committee applauds the Sport & Youth Unit for proposing a slight decrease in its budget for Fiscal Year 2015. As in prior years the Committee notes the positive impact the Sport & Youth Unit has on promoting health and wellness for communities and the Nation as a whole.

The Committee, therefore, recommends the entire \$70,386 budget for the Sport & Youth Unit for Fiscal Year 2015 as set forth in the President's Budget Book, to be funded entirely from Domestic Revenue.

II. Office of the National Archives, Culture and Historic Preservation

	FY'14 Appropriated	FY'15 President Recommends	FY'15 Committee Recommends
Personnel	94,479	94,479	94,479
Travel	14,200	15,000	15,000
Contract	5,000	30,000	10,000
OCE	10,000	13,000	13,000
Fixed Assets	-0-	3,500	3,500
Total	123,679	155,979	135,979
Number Employee	6	6	6

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The Committee communicated with the Office of National Archives, Culture and Historic Preservation (NACHP) during the week of May 12, 2014.

The President's Budget Book recommends \$155,979 for funding for the Office of National Archives, Culture and Historic Preservation. The Committee communicated with the Office of National Archives, Culture and Historic Preservation (NACHP) during the week of May 12, 2014.

In a departure from previous year's the President proposes to fund celebrations for Cultural Day in May 2015 from the budget of in the amount of \$20,000 from Contract Services. It is the Committee's understanding from communication with the Office that each State would receive \$5,000 to conduct celebrations. The Committee does not believe it appropriate to include this item in the Office's budget. Your Committee does, however, find the COM-FSM Student Support and the contract for assistance in the UNESCO documentation for the Lelu Ruins and Nan Madol sites to be worthy of funding.

The Committee has been very supportive of the efforts of the Office over the years and continues to be impressed with its achievements on a very modest budget. It acknowledges the need for a modest increase of operations costs to \$13,000 and the necessity of purchasing computers (\$3,500) after several years of no budget for fixed assets.

Your Committee recommends total funding of \$135,979 for Fiscal Year 2015 for the Office of the National Archives, Culture and Historic Preservation funded entirely from Domestic Revenue.

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III. Grants, Subsidies & Contributions

A. Department of Health and Social Affairs

	FY 2014 Appropriated	FY 2015 President Recommends	FY2015 Committee Recommends
Nursing Board	20,000	20,000	20,000
FSM Red Cross	70,000	70,000	70,000
UNFPA	3,000	3,000	3,000
WHO	4,000	15,744	4,000
Amateur Sports Assoc.	20,000	20,000	20,000
PIHOA	20,000	20,000	20,000
Territorial Health Org.	7,000	16,511	7,000
UNICEF (vaccines)	20,000	20,000	20,000
Total	164,000	185,255	164,000
Source: Domestic Revenue			

The President recommends \$185,255 for Grants, Subsidies & Contributions for the Department of Health and Social Affairs for Fiscal Year 2015, all from Domestic Revenue.

During its hearing on May 16, 2014, your Committee confirmed with the Department that the fees for WHO are \$4,000 annually and the fees for the Territorial Health Organization are \$7,000. Recognizing these adjustments to the President's recommendations for FY2015, **the total recommended by your Committee for Grants, Subsidies & Contributions for the Department of Health and Social Affairs for Fiscal Year 2014 is \$164,000 from Domestic Revenue.**

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**B. Office of National Archives, Culture and
Historic Preservation**

	FY2014 Appropriated	FY2015 President Recommends	FY2015 Committee Recommends
UNESCO	4,000	4,000	4,000
NCSHPO	2,760	2,760	2,760
PARBICA	100	100	100
PIALA	100	100	100
WHC	54	54	54
TOTAL	7,014	7,014	7,014

The Office of National Archives, Culture and Historic Preservation benefits substantially from its membership to the above-listed organizations. The membership fees to these organizations remain unchanged from years past. **The Committee recommends funding for all fees listed under the Grants, Subsidies & Contributions section for the Office of National Archives, Culture and Historic Preservation in the total amount of \$7,014 for Fiscal Year 2015 from Domestic Revenue.**

C. Other Grants, Subsidies & Contributions

1. FSM Social Security Administration

The President recommends a \$1,000,000 grant for the FSM Social Security Administration for FY2014 from Domestic Revenue. This grant is the same amount that has been recommended and appropriated for the past several years.

Your Committee has held formal and informal meetings, and hearings with the Administration over the past six months. It has also been in communication with the Administrator during the week of May 12, 2014 regarding this budget request.

While the Administrator has confirmed the financial situation of the Social Security Administration for the past year has been more favorable there is still a projected

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shortfall of more than \$1 million for 2015. For the last several years the Social Security Administration has had to resort to withdrawing money from its trust fund even after receiving grants from the National Government.

Your Committee will continue to monitor the Social Security Administration during the next year, but at this time is satisfied with the President's current recommendation, and therefore, **recommends a grant of \$1,000,000 from Domestic Revenue for Fiscal Year 2015 for the FSM Social Security Administration.**

2. MiCare

The President recommends a \$250,000 contribution to MiCare for Fiscal Year 2015. Although MiCare proposed only \$100,000 through the budget process the President's final recommendation ended up much higher. The proposed projects are as follows:

- Actuarial Survey I \$64,000
- Actuarial Survey II \$40,000
- Claim Audit I \$40,000
- Claim Audit II \$40,000
- Staff Audit \$30,000
- Pharmacy Audit \$30,000
- Dental Claim Audit \$30,000

MiCare provided detailed project proposals for these projects to the Committee on May 19, 2014. All projects are proposed to be conducted by outside consultants. In years past the Committee has been supportive of the Claim Audit consulting contracts as it believes that this ensures both the quality of the services provided, and that the pricing of the services remains competitive and reasonable. As cited in other sections of this Committee Report your Committee does not believe that it is prudent to increase the spending in Domestic Revenue, and it is for this reason it recommends only the Claim Audit I (40,000) and Claim Audit II (\$40,000).

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Your Committee recommends funding of the \$80,000 contribution to MiCare for FY 2015.

IV. Capital and Human Resource Development

Department of Health and Social Affairs

	FY2014 Appropriated	FY2015 President Recommends	FY2015 Committee Recommends
Pathologist	50,000	100,000	50,000
Food/Water Testing Lab	78,000	80,000	78,000
Medical Team	195,000	200,000	195,000
Data Verification	-0-	126,402	-0-
State Initiative on NCD's	-0-	125,698	-0-
Mapping of Health Comm.	-0-	112,024	-0-
Legal Assistance Legislation	-0-	35,000	-0-
Accreditation & Standards Dev.	-0-	112,525	-0-
Office & Apt Rent	21,000	-0-	-0-
Health Economist	-0-	50,000	-0-
Total	344,000	941,649	323,000

The Committee reiterates its commitment to fiscal responsibility, especially where the funding source is Domestic Revenue. For the items that have been traditionally funded for the Department, the Pathologist, the Food/Water Testing Laboratory and the Medical Specialist Team the Committee will recommend funding to the FY14 levels (Pathologist \$50,000, Food/Water Lab \$78,000 and Medical

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Team \$195,000). However, the Committee will be evaluating these items with a view to request the States fund these services from their budgets in subsequent years.

For the remaining five new projects proposed by the Department the Committee believes that they would have a beneficial effect on our Nation's health system, but they are not critical needs at this time. During the lengthy hearing that your Committee conducted with the Department the Secretary and SBOC advised your Committee that funding may be available from a small amount of Compact funding carry-over at the National level for these projects. While the Committee is favorable disposed to these projects it does not believe it is prudent to recommend funding of them from Domestic Revenue at this time. The Committee does approve of the Department seeking funding from any other appropriate source, for: 1) the Data Verification and Analysis Project (\$126,402), 2) the States Initiatives on Non-Communicable Disease Project (\$125,698), 3) Sustainable Mapping of Community Health (\$112,024), 4) Legal Assistance for National Legislation Drafting (\$35,000), 5) Accreditation Processes & Standards Development Project (\$112,525), and 6) Contract for a Health Economist.

The Committee recommends \$323,000 for the Department of Health and Affairs Capital and Human Resource Development for the Fiscal Year 2015.

STANDING COMMITTEE REPORT NO. 18-154

RE: PRESIDENTIAL COMMUNICATION NO. 18-253

SUBJECT: FY 2015 BUDGET/H&SA

MAY 27, 2014

V. Summary

This completes the recommendations of your Committee for the budgets for Fiscal Year 2014 for the National Department of Health and Social Affairs offices and divisions under its jurisdiction. **With the elimination of the National share of the Compact Health Sector Grant the Committee was mindful of the need to exercise restraint in the budget process, and therefore, for the Fiscal Year 2015 the Committee recommends funding of \$2,474,648 for the Department of Health and Social Affairs to be funded entirely from Domestic Revenue.**

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

STANDING COMMITTEE REPORT NO. 18-154

RE: PRESIDENTIAL COMMUNICATION NO. 18-253

SUBJECT: FY 2015 BUDGET/H&SA

MAY 27, 2014

Respectfully submitted,

/s/ Tony H. Otto
Tony H. Otto, chairman

/s/ Tiwiter Aritos
Tiwiter Aritos, vice chairman

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

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

Florencio S. Harper, member

David W. Panuelo, member

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