

STANDING COMMITTEE REPORT NO. 18-257

RE: C.B. No. 18-235/W&M

SUBJECT: \$22,000,000 FOR FUNDING FSM SOCIAL SECURITY
PROGRAM AND THE FSM TRUST FUND.

NOVEMBER 25, 2014

The Honorable Dohsis Halbert
Speaker, Eighteenth Congress
Federated States of Micronesia
Fifth Special Session, 2014

Dear Mr. Speaker:

Your Committee on Ways & Means, to which was referred assigned
Congressional Bill No. 18-235, entitled:

"A BILL FOR AN ACT TO APPROPRIATE THE SUM OF
\$22,000,000 FROM THE GENERAL FUND OF THE FEDERATED
STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING
SEPTEMBER 30, 2015, FOR THE PURPOSE OF FUNDING THE
FSM SOCIAL SECURITY PROGRAM AND THE FSM TRUST FUND,
AND FOR OTHER PURPOSES."

begs leave to report as follows:

The intent and purpose of this act is expressed in its title.

There was a windfall of revenue from the FY14 carryover and C.B.
No. 18-235 purposes to appropriate that revenue for national
purposes and to correct certain measures in the Social Security
law which were amended due to pressure from sources in the past.
Your Committee has reviewed C.B. No. 18-235 and concluded that an
additional \$10 million to both the FSM Social Security and the FSM
Trust Fund are sound investments.

Your Committee found that the original appropriation of
\$22,000,000 was based on a higher estimate of the windfall and

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lowered the appropriation to \$20,000,000. Furthermore, your Committee believes that the original \$15,000,000/\$7,000,000 split is not warranted, rather an equal distribution of the proposed \$20,000,000 appropriation is in the nation's best interest at this time.

Your Committee notes that C.B. No. 18-235 is a companion bill to Congressional Bill No. 18-236, which purports to amend sections of the Social Security law to give back one-hundred percent (100%) of eligibility of retirement earned at the age of 60. C.B. No. 18-236 is outside the jurisdiction of this committee, so your Committee encourages the relevant committee to evaluate the merits of C.B. 18-236 and take the action that they determine to be appropriate.

Additionally, amending C.B. No. 18-235 provides for \$10 million to be appropriated for the FSM Trust Fund. Your Committee would like to point out that it is critical to increase the FSM Trust Fund now. Your Committee would like to point out the importance of preparing for the future and the necessity to increase the balance of the FSM Trust Fund as a means to do so.

Your Committee would like to recommend the following amendments to C.B. 18-235 as follows:

1. Title, after "sum of" delete "~~\$22,000,000~~" insert "\$20,000,000".
2. Line 1, after "sum of" delete "~~\$22,000,000~~" insert "\$20,000,000".
3. Line 6, delete "~~\$15,000,000~~" insert "\$10,000,000".
4. Line 7, delete "~~\$7,000,000~~" insert "\$10,000,000".

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CONCLUSION

Your Committee has carefully reviewed Congressional Bill No. 18-235. Your Committee on Ways and Means is in accord with the intent and purpose of C.B. No. 18-235, 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. 18-235, C.D.1.

Respectfully submitted,

/s/ Isaac V. Figir
Isaac V. Figir, chairman

/s/ Peter M. Christian
Peter M. Christian

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

Yosiwo P. George, member

David W. Panuelo, member

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

Joseph J. Urusemal, member