

STANDING COMMITTEE REPORT NO. 19-273

RE: C.B. NO. 18-262/W&M

SUBJECT: SUPPLEMENTAL BUDGET OF \$5,000,000

JANUARY 30, 2015

The Honorable Dohsis Halbert  
Speaker, Eighteenth Congress  
Federated States of Micronesia  
Sixth Regular Session, 2015

Dear Mr. Speaker:

Your Committee on Ways & Means, to which was referred  
Congressional Bill No. 18-262, entitled:

"A BILL FOR AN ACT TO APPROPRIATE A SUPPLEMENTAL BUDGET OF  
\$5,000,000 FROM THE GENERAL FUND OF THE FEDERATED STATES OF  
MICRONESIA FOR FISCAL YEAR ENDING SEPTEMBER 30, 2015, BY  
AMENDING SECTIONS 1 AND 9, OF PUBLIC LAW NO. 18-89, AS  
AMENDED BY PUBLIC LAW NO. 18-102, TO CHANGE THE USE OF  
CERTAIN FUNDS, AND FOR OTHER PURPOSES."

begs leave to report as follows:

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

Your Committee held oversight and public hearings regarding the  
FSM Trust Fund on January 28, 2015 and on the President's  
suggested supplemental bill, C.B. No. 18-259, on January 29,  
2015. As a result of the findings of those hearings, your  
Committee drafted the supplemental bill, C.B. No. 18-262.

Your Committee found in the aforementioned public hearings that  
the funds requested in C.B. NO. 18-259 did not necessitate urgent  
action. While your Committee was impressed with the explanation  
for the necessity of some of the funds requested by the witnesses  
present in the January 29, meeting, your Committee was only  
alerted of the need of these funds after it received adjusted  
revenue projections.

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Your Committee was shocked to learn at the January 28<sup>th</sup> meeting that the Department of Finance and Administration was unable to account for millions of dollars of appropriations to the FSM Trust Fund. Your Committee has asked the Department of Finance and Administration to research the matter in more detail to determine the whereabouts of the missing appropriations.

As a direct result of both oversight and public hearings, your Committee has determined that it is in the best interest of the Nation to replenish the FSM Trust Fund immediately. C.B. No. 18-262 changes the use of the \$5,000,000 originally appropriated for the 2023 Investment Development Fund to be appropriated to the FSM Trust Fund. An additional \$5,000,000 is appropriated from the General Fund to boost the FSM Trust Fund a total of \$10,000,000.

Your Committee appreciates the need for the 2023 Investment Development Fund and is willing to revisit replenishing its funding once the missing appropriations are accounted for and Congress has approved the framework for appropriation. Your Committee in reviewing C.B. No. 18-262 has determined that its purpose in replenishing the FSM Trust Fund is in the best interest of the Nation.

#### CONCLUSION

Your Committee has carefully reviewed Congressional Bill No. 18-262. Your Committee on Ways and Means is in accord with the intent and purpose of C.B. No. 18-262, 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. 18-262.

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Respectfully submitted,

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

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

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

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

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

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

Joseph J. Urusemal, member