

STANDING COMMITTEE REPORT NO. 18-36

RE: P.C. NO. 17-379/R&D

SUBJECT: FISCAL YEAR 2014 BUDGET

SEPTEMBER 23, 2013

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

Dear Mr. Speaker:

Your Committee on Resources and Development, to which was jointly referred Presidential Communication No. 17-379 regarding the National Government's proposed FY2014 budget, begs leave to report as follows:

Presidential Communication No. 17-379 transmits the *National Government's fiscal year 2014 Proposed Budget (Budget Book)*. Pursuant to rule 7, section 2(b), of the Official Rules of Procedure of the Eighteenth Congress of the Federated States of Micronesia, your Committee has confined its review to those items of the proposed budget relating to matters within its jurisdiction. These are the budgets for:

1. Department of Resources and Development;
2. Office of Environment and Emergency Management;
3. National Oceanic Resource Management Authority;
4. Coconut Development Authority;
5. FSM Banking Board;
6. FSM Insurance Board;
7. Grants, subsidies and contributions:
 - a. Pacific Island Development Program (PIDP);
 - b. Forum Fisheries Agency (FFA);
 - c. Coordinating Committee for Offshore Mineral Prospecting;
 - d. Pacific Asian Travel Association (PATA);
 - e. United Nations Development Program (UNDP);
 - f. Micronesian Challenge Endowment Fund;
 - g. Food Agriculture Organization (FAO);
 - h. Western Forestry Leadership Coalition;
 - i. Matching to SPC Projects/Hosting;
 - j. Micronesian Challenge;

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- k. Micronesian Cruise Association;
 - l. South Pacific Tourism Organization;
 - m. International Animal Health Organization;
 - n. SPC Site Rental;
 - o. International Renewable Energy Agency (IRENA);
 - p. Micronesian Trade Committee;
 - q. Convention on Biological Diversity (CBD);
 - r. UN Environmental Protection;
 - s. United Nations Framework Convention on Climate Change;
 - t. United Nations Convention to Combat Desertification;
 - u. Secretariat of Pacific Region Environment Program;
 - v. Waigani Convention;
 - w. SPREP Noumea Convention;
 - x. Earth Day Activities;
 - y. 4th EPA Director's meeting;
 - z. Copra Subsidy;
 - aa. Asia Pacific Coconut Community; and
 - bb. FSM FEMA Disaster Matching.
8. Capital and Human Resources Development:
- a. FSM Association of Chamber of Commerce/Support to COC;
 - b. National Export Strategy;
 - c. Promote the FSM in Appropriate Market Segments to Realize the Sector's potentials;
 - d. Improving Households and Communities Food Security in the FSM;
 - e. Rainbownesia Project;
 - f. Harmonize Scientific Code of Conduct;
 - g. State Trade Fairs Enhancing Value Addition;
 - h. FSM Financial Matching Support/Global Environment;
 - i. FSM Participation in the Micro Trade Committee (MTC);
 - j. Preparation World Expo - 2015;
 - k. R&D Investors & Banking Symposium;
 - l. Coconut Rehabilitation Program;
 - m. R&D State National Leadership Conference;
 - n. National Trade Facilitation Committee;
 - o. Strengthening Farmers Association to Enhance Agriculture Commodity;
 - p. Tourism Product Development;
 - q. Food Security & Coconut Rehabilitation;
 - r. FSM Tourism Development Framework;
 - s. FSM Agriculture Census;
 - t. Legal drafting of Investment Laws & Regulations;
 - u. EEM/Hosting of Pacific Climate Change Roundtable &

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- Disaster Risk Reduction Meeting;
- v. Development and/or Amendment to Access National Biodiversity Strategic Action Planning (Nagoya Protocol);
- w. Improve and Strengthen the Country's Insurance Statutory & Regulatory Framework; and
- x. Hosting of 50th Asian Pacific Coconut Community session.

This report and all previous and subsequent reports by this Committee should be treated as policy for this Nation as defined by the Congress. It is your Committee's intent that any commentary found in this report should be treated as policy for the guidance of the relevant departments, agencies and offices in the obligation and expenditures of their respective budgets and implementation of their programs.

Your Committee conducted a series of public hearings and Committee meetings following the convening of the First Regular Session of the Eighteenth Congress on May 11, 2013, and continued meetings during the Second Regular Session of Congress beginning September 12, 2013. The report and recommendations that follow are based upon the information contained in the *Budget Book* and the input provided by the Secretary, Assistant Secretary, directors, commissioners, managers and staff of the various departments, agencies and entities during those hearings.

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I. DEPARTMENT OF RESOURCES AND DEVELOPMENT - OVERALL

The Department of Resources and Development budget submitted for Fiscal Year 2014 is slightly MORE than the Fiscal Year 2013. Actually, the submitted budget is **\$6,429** ABOVE the Fiscal Year 2013 level.

The figures shown in the chart below for the Department of Resources and Development include the total amount appropriated in FY 2012; the total amount appropriated in FY 2013, the amount requested by the department, the amount recommended by the EBRC for the department for FY 2014, as listed in the "FY 2014 Request" column in the "*Budget Book*". The last column is the amount recommended by your Committee for FY 2014.

	FY 2012 Approp.	FY 2013 Appro.	FY 2014 Proposed	FY14 EBRC	Committee Recommends
Personnel	\$527,322	\$527,160	\$612,126	\$529,030	\$527,160
Travel	\$123,229	\$112,081	\$234,287	\$153,947	\$121,260
Contract.Serv.	\$40,181	\$103,307	\$208,307	\$59,307	\$54,307
OCE	\$108,363	\$87,602	\$132,672	\$132,672	\$120,352
Fixed Assets	\$8,725	\$19,600	\$65,100	\$31,600	\$33,100
Total	\$807,820	\$849,750	\$1,252,492	\$905,556	\$856,179
No. Employees	37	37	39	37	37

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I(a). Office of the Secretary

	FY 2012 Appropriati	FY 2013 Appro.	FY 2014 Proposed	FY14 EBRC	Committee Recommends
Personnel	\$81,623	\$81,623	\$124,905	\$83,493	\$81,623
Travel	\$25,000	\$25,000	\$38,150	\$38,150	\$25,000
Contract.Serv.	\$150	\$150	\$80,150	\$150	\$150
OCE	\$14,820	\$14,820	\$22,140	\$22,140	\$16,820
Fixed Assets	\$4,000	\$4,000	\$45,000	\$15,000	\$15,000
Total	\$125,593	\$125,593	\$310,345	\$158,933	\$138,593
No. Employees	5	5	7	5	5

The first hearing on the Department's FY2014 proposed budget was held on Friday, May 17, 2013 in the Congress committee hearing room. In attendance were Secretary Marion Henry and staff, Assistant Secretary of the Division of Personnel, Mr. Salpasr Tilfas, Assistant Secretary of the Division of Treasury, Ms. Juliet Jimmy, the Department of Finance and Administration; Assistant Attorney General Joses Gallen and Chief of Staff Leo Falcam, Jr.

Personnel - Secretary Marion Henry explained the specific increase in his office's FY 2014 budget. Currently, the Computer System Manager's biweekly salary is \$17,196, which is pay level 36/2. This year the department is requesting \$19,066, which is pay level 36/4. Mr. Salpasr Tilfas supported the salary adjustment. The Administrative Office of the Department is working with the Division of Personnel on this adjustment in salary. EBRC recommended the salary increase for the Computer System Manager in the amount of \$1,870.

The total amount requested for the Office of the Secretary for FY 2014 is \$124,905. There are two new positions being requested (a Deputy Secretary position and a Data Specialist position). EBRC did not approve the two new positions. At the mark up meeting of your Committee on Thursday, September 19, 2013 your Committee does not recommend the two newly requested positions and also was informed that the Computer System Manager position is still vacant. Your Committee recommends the same amount of **\$81,623**.

Travel - The proposed amount for FY 2014 is \$38,150, an increase of \$13,150, as compared to the fiscal year 2013 appropriation. Of the \$38,150, an amount of \$11,260 is requested for annual visits to each state by the IT System Manager and Research

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Specialist; an amount of \$16,890 is requested for annual visits to each State by the Secretary; and an amount of \$10,000 is requested for International ministerial and consultation meetings by the Secretary. At the mark up meeting, your Committee recommends **\$25,000**. The justification is to maintain the FY2013 level.

Contractual Services - An amount of \$150 was appropriated in FY 2013 for magazine and newspaper subscriptions. The same amount is being requested. Your Committee recommends **\$150**.

Other Current Expenses - An amount of \$14,820 was appropriated in FY2013. The request this year is \$22,140. There is an increase of \$7,320, as compared to the FY 2013 appropriation. The increase is on communications and POL. Your Committee recommends **\$16,820**.

Fixed Assets - An amount of \$4,000 was appropriated last fiscal year. The proposed amount for FY 2014 is \$15,000. At the hearing, your Committee was informed that the amount of \$15,000 is to purchase a copier for the office. Your Committee recommends **\$15,000**.

I (b) . Division of Resource Management and Development

	FY 2012 Appropriati	FY 2013 Appro.	FY 2014 Proposed	FY14 EBRC	Committee Recommends
Personnel	\$32,568	\$32,568	\$32,568	\$32,568	\$32,568
Travel	\$13,978	\$13,978	\$13,687	\$13,687	\$13,687
Contract.Serv.	\$0	\$0	\$4,000	\$0	\$0
OCE	\$8,500	\$8,500	\$20,500	\$20,500	\$20,500
Fixed Assets	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Total	\$59,046	\$59,046	\$74,755	\$70,755	\$70,755
No. Employees	2	2	2	2	2

Personnel- After the hearing, your Committee learned that there was no change under this category. For FY 2014, your Committee recommends **\$32,568**, as recommended by EBRC.

Travel- The amount approved by EBRC is \$15,271 for FY 2014. This is an increase of \$1,293, as compared to the FY 2013 appropriation. Of the \$15,271, an amount of \$11,260 is requested for annual visit to each State by the Assistant Secretary, and an amount of \$2,427 is requested for the

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Assistant Secretary to attend the MCES and MCSC in Saipan.
Your Committee recommends **\$13,687.**

Contractual Services- There is no amount requested for contractual services; therefore your Committee recommends **\$0.**

Other Current Expenses- An amount of \$8,500 was appropriated in FY 2013. The FY 2014 requested amount is \$20,500, an increase of \$12,000, as compared to FY 2013 appropriation. Your Committee recommends **\$20,500.**

Fixed Assets- An amount of \$4,000 was appropriated in FY 2013 for a desktop computer. For FY 2014, same amount is requested for another desktop computer. Your Committee recommends **\$4,000.**

I (b) (i) Tourism Unit

	FY 2012 Appropri.	FY 2013 Appropri.	FY 2014 Proposed	FY14 EBRC	Committee Recommends
Personnel	\$18,097	\$18,097	\$30,237	\$18,097	\$18,097
Travel	\$12,960	\$12,960	\$11,260	\$11,260	\$11,260
Contract.Serv.	\$9,000	\$9,000	\$5,000	\$5,000	\$5,000
OCE	\$9,000	\$9,000	\$9,000	\$9,000	\$9,000
Fixed Assets	\$4,000	\$4,000	\$0	\$0	\$0
Total	\$134,057	\$134,057	\$55,497	\$43,357	\$43,357
No. Employees	1	1	2	1	1

Personnel- The Department is requesting funding for a new Tourism Development Officer, but EBRC did not recommend this request. Your Committee agrees with EBRC and recommends **\$18,097.**

Travel - In FY 2013, an amount of \$12,960 was appropriated for the Program Manager to visit the States and do collaborative work with his counterparts. An amount of \$11,260 is requested for the same purpose for this year. Your Committee recommends **\$11,260.**

Contractual Services- In FY 2013, an amount of \$9,000 was appropriated. This year, an amount of \$5,000 is requested for the maintenance of the FSM Visitors Bureau Website Service. Your Committee recommends **\$5,000.**

Other Current Expenses - The amount of \$9,000 was appropriated last fiscal year. The same amount is being requested. Your

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Committee understands that the amount requested is for the day-to-day operations of the Unit, and recommends **\$9,000**.

Fixed Assets- There is no amount appropriated in FY 2013 and none requested for this year. Your Committee recommends **\$0**.

I (b) (ii). Marine Resources Unit

	FY 2012 Appopr.	FY 2013 Appro.	FY 2014 Proposed	FY14 EBRC	Committee Recommends
Personnel	\$30,237	\$30,237	\$30,237	\$30,237	\$30,237
Travel	\$8,190	\$8,190	\$24,720	\$12,360	\$12,360
Contract.Serv.	\$0	\$0	\$0	\$0	\$0
OCE	\$4,000	\$4,000	\$8,000	\$8,000	\$8,000
Fixed Assets	\$4,000	\$4,000	\$3,500	\$3,500	\$3,500
Total	\$46,427	\$46,427	\$66,457	\$54,097	\$54,097
No. Employees	2	2	2	2	2

Personnel - The same amount that was appropriated last year is being requested for this fiscal year 2014. Your Committee recommends the same amount of **\$30,237**.

Travel - In FY 2013, an amount of \$8,190 was appropriated to fund the Program Manager to do consultation and monitoring programs with his counter parts in each of the States. For FY 2014, an amount of \$24,720 is requested, but EBRC approved \$12,360. This amount is for the Fisheries Conservation Management Officer's annual state visits. Your Committee recommends the **\$12,360**.

Contractual Services - In FY 2012 and FY 2013, there was no requested amount. There is also no request for this year. Your Committee recommends **\$0**.

Other Current Expenses - An amount of \$4,000 was appropriated last year so the Unit can function and carry out its day-to-day mandated responsibilities. This year, the proposed amount is \$8,000 for the same purposes. Your Committee recommends **\$8,000**.

Fixed Assets- Last year, an amount of \$4,000 was appropriated. Of this sum, \$1,000 was used to purchase an underwater digital camera. This year, an amount of \$3,500 is requested to purchase dive gear. Your Committee recommends **\$3,500**.

I (b) (iii). Agriculture Unit

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	FY 2012 Appropriati	FY 2013 Appro.	FY 2014 Proposed	FY14 EBRC	Committee Recommends
Personnel	\$270,340	\$270,340	\$285,112	\$270,340	\$270,340
Travel	\$8,190	\$8,190	\$33,762	\$33,762	\$13,190
Contract.Serv.	\$0	\$0	\$0	\$0	\$0
OCE	\$35,000	\$35,000	\$44,000	\$44,000	\$40,000
Fixed Assets	\$3,600	\$3,600	\$3,600	\$3,600	\$3,600
Total	\$317,130	\$317,130	\$366,474	\$351,702	\$327,130
No. Employees	22	22	23	22	22

Personnel - A new Program Manager is requested, but was disapproved by EBRC. Two vacant positions still exist. During the hearing, the overtime issue was discussed. It was explained that overtime is one and one half hour, but an employee's supervisor needs to pre-approve such overtime. In addition, there are only certain departments that are eligible for overtime hours. In FY 2013, your Committee recommended \$260,340 for regular hours and \$10,000 for overtime. Your Committee recommends **\$270,340**.

Travel - In FY 2013, an amount of \$8,190 was appropriated. This year, an amount of \$33,762 is requested. Of this amount, an \$5,630 is requested to fund the Plant and Animal Quarantine Specialist to attend a Regional Invasive Species meeting in Palau. Another \$1,881 is requested to fund Outer Islands quarantine inspections. An amount of \$3,731 is requested for monitoring and evaluation of projects in the outer islands. And \$11,260 is requested to fund the SAP Specialist to visit the States, and another \$11,260 is requested to fund the Program Manager to follow up with the states' counterparts. EBRC recommended the \$33,762. Your Committee recommends **\$13,190**.

Contractual Services- There is no amount requested under this category. Therefore, your Committee did not recommend any amount.

Other Current Expenses- In FY 2012, an amount of \$35,000 was appropriated. In FY 2013, the amount of \$35,000 was appropriated. The department is requesting \$44,000 for this fiscal year. The justification is increase of prices. Your Committee recommends **\$40,000**.

Fixed Assets- An amount of \$3,600 was appropriated in FY 2013 for the Unit's furniture and fixtures. The same amount of \$3,600 is

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requested for FY 2014. The justification is that the office in Kosrae needs furniture. Your Committee recommends \$3,600.

I(c). Division of Trade and Investment

	FY 2012 Appropriati	FY 2013 Appro.	FY 2014 Proposed	FY14 EBRC	Committee Recommends
Personnel	\$61,034	\$61,034	\$61,034	\$61,034	\$61,034
Travel	\$25,000	\$25,000	\$57,767	\$13,208	\$25,000
Contract.Serv.	\$13,032	\$13,032	\$49,032	\$49,032	\$49,032
OCE	\$10,250	\$10,250	\$23,000	\$23,000	\$20,000
Fixed Assets	\$0	\$0	\$5,000	\$5,000	\$5,000
Total	\$109,316	\$109,316	\$195,833	\$151,274	\$160,066
No. Employees	3	3	3	3	3

Personnel - The same amount appropriated in FY 2013 is being requested for FY 2014. Ms. Camille Movick is now the Assistant Secretary and the two positions for Program Manager for Trade and Program Manager for Investment are currently being advertised. Your Committee recommends \$61,034.

Travel - An amount of \$25,000 was appropriated in FY 2013. This year, the Department is requesting \$57,767, but EBRC recommended only \$13,208. An amount of \$11,260 is requested to fund the Program Manager's (Trade or Investment) visit to the States. Another \$1,948 is requested to supplement a paid trip of the Program Manager to the Forum Secretariat Ministerial Meeting in Fiji. After the mark up meeting, your Committee recommends the FY 2013 level, which is \$25,000.

Contractual Services- In FY 2013, your Committee appropriated \$13,032 for the Secured Transaction Website. This year, an amount of \$18,000 is requested for the Export Strategic Coordinator. Another \$18,000 is requested for Private Sector Development. And \$13,032 is requested for the Division's Secured Transaction Website. Your Committee notes that EBRC recommended all these requests.

Your Committee inquired whether there is funding set aside to implement the outcome of the last Symposium. Your Committee was informed that \$80,000 is the balance of the \$150,000 previously appropriated for the Symposium. This \$80,000 is proposed to implement the outcomes of the

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Symposium. After the mark up meeting, your Committee recommends **\$49,032**.

Other Current Expenses- An amount of \$10,250 was appropriated under this category in FY 2013. Your Committee notes that the same amount was appropriated for fiscal year 2012 for the Division to carry out its day-to-day activities. This year, an amount of \$23,000 is requested, an increase of \$12,750, as compared to the FY 2013 appropriation. There is a significant increase of \$10,000 for printing and reproduction. The Division needs to print and reproduce promotional brochures on the guidelines on how to invest in the different states in the FSM.

Your Committee inquired whether these promotional brochures will enhance investment in the FSM. Secretary Henry stated that it is the vision of the Department not to wait for investors to come, but to attract them to come. Your Committee further inquired whether the same goal at the National Government is in line with the States, especially the printing of investment brochures. At the mark up meeting, your Committee recommends **\$20,000**.

Fixed Assets- There was no amount appropriated in FY 2013 under this category. This year, an amount of \$5,000 is requested to purchase three laptops and one Digital Camera. Your Committee recommends **\$5,000**.

I(d). Division of Energy

	FY 2012 Appropriati	FY 2013 Appro.	FY 2014 Proposed	FY14 EBRC	Committee Recommends
Personnel	\$33,261	\$33,261	\$48,033	\$33,261	\$33,261
Travel	\$18,763	\$18,763	\$33,720	\$33,720	\$20,763
Contract.Serv.	\$125	\$125	\$70,125	\$125	\$125
OCE	\$6,032	\$6,032	\$6,032	\$6,032	\$6,032
Fixed Assets	\$0	\$0	\$4,000	\$4,000	\$2,000
Total	\$58,181	\$58,181	\$161,910	\$77,138	\$62,181
No. Employees	2	2	3	2	2

Personnel - A new Program Assistant is requested, but EBRC did not recommend funding the amount for the new position. Currently, there are two employees with a combined salary of \$33,261. Your Committee recommends, **\$33,261**, as recommended by EBRC.

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Travel - In FY 2013, an amount of \$18,763 was appropriated. This year, the Department is requesting \$33,720, which is an increase of \$14,957, as compared to the FY 2013 appropriation. An amount of \$16,890 is for the Assistant Secretary to visit each State to follow up and monitor energy projects in each of the States. Another \$5,630 is requested to fund an Energy Consultant to visit the States, and \$9,000 is requested to fund one state's representative to attend an annual energy workshop.

During the hearing, your Committee asked whether the Energy Consultant is funded under contractual services. Your Committee learned that the Energy Consultant is not funded. Secretary Henry had indicated that there is good indication from SBOC that the EDF11 could fund the Energy Consultant, that is why the travel budget is requested. Your Committee recommends **\$20,763**.

Contractual Services - In FY 2012 and FY 2013, an amount of \$70,000 was requested to fund an Energy Consultant/Advisor and EBRC did not recommend this amount. Again, the Department is requesting \$70,000 for the Energy Consultant, but EBRC did not recommend it. The basis is that the Energy Consultant could be sourced from outside funding. An amount of **\$125** was requested for subscriptions. Your Committee recommends **\$125**, as recommended by EBRC.

Other Current Expenses - In FY 2013 an amount of \$6,032 was appropriated for the Division's day to day operations. Your Committee recommends the same amount, as recommended by EBRC.

Fixed Assets - An amount of \$4,000 is requested to purchase desktop and laptop computers. Your Committee recommends **\$2,000**.

II. NATIONAL OCEANIC RESOURCE MANAGEMENT AUTHORITY (NORMA)

The figures shown in the chart below for NORMA include the total amount appropriated in FY 2012; the total amount appropriated in FY 2013, the amount requested by NORMA, the amount recommended by the EBRC for NORMA for FY 2014, as listed in the "FY 2014 Request" column in the "Budget Book". The last column is the amount recommended by your Committee for FY 2014.

NORMA'S budget submitted for Fiscal Year 2014 is more than the Fiscal Year 2013. Actually, the submitted budget is **\$18,519** ABOVE the Fiscal Year 2013 level. After the mark up

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meeting, your Committee recommended \$424,763, which is a decrease of \$38,044, as compared to the FY 2013 level.

	FY 2012 Appropriati	FY 2013 Appro.	FY 2014 Proposed	FY14 EBRC	Committee Recommends
Personnel	\$209,791	\$209,791	\$212,747	\$212,747	\$212,747
Travel	\$85,016	\$85,016	\$113,681	\$113,679	\$85,016
Contract.Serv.	\$67,900	\$82,900	\$145,900	\$100,900	\$82,900
OCE	\$44,100	\$44,100	\$54,000	\$54,000	\$44,100
Fixed Assets	\$11,000	\$41,000	\$0	\$0	\$0
Total	\$417,807	\$462,807	\$526,328	\$481,326	\$424,763
No. Employees	11	11	11	11	11

Your Committee held a public hearing on NORMA's proposed budget for FY2014 on Tuesday, September 17, 2013. Witnesses at the hearing included: Patrick Mackenzie, Eugene Pangelinan, Limanaman Elanzo, and Kastor Naich, from NORMA; Molina Seneres, Christina Villazon, and Sosh John, from SBOC; Salpasr Tilfas and Secretary Kensley Ikosia from the Department of Finance and Administration; Steve George and Joses Gallen, from the Department of Justice; and Peltesar Petrus, from the President's Office.

Personnel - During the hearing, Executive Director Mackenzie explained that the increase of \$2,956 under the Personnel category is to accommodate the increase in salary for the Administrative Officer (AO). Your Committee has been informed of the additional responsibilities given to the Administrative Officer and concurs on the increase in salary. Mr. Salpasr Tilfas substantiated this increase in salary of the Administrative Officer. The Executive Director stated that there is a reorganization of NORMA. However, the classifications of the positions under NORMA remain the same. Your Committee recommends **\$212,747**.

Travel - For the FY 2014 proposed budget, an amount of \$113,679 was requested by NORMA and EBRC recommended the same amount. Your Committee was informed that there are important meetings that the Executive Director and his staff must attend. For instance, the COFI meeting in Rome is held every two years. So every members of the Food and Agriculture Organization (FAO) must attend this meeting. Your Committee inquired whether the new per diem rate is being considered for the fiscal year 2014 budget. Secretary Ikosia indicated that the fiscal year 2014 budget does

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not reflect the new per diem rate, but any shortfall in travel may be accommodated in a supplemental request. At the mark up meeting, your Committee decided to maintain the FY 2013 level and recommends **\$85,016**.

Contractual Services - An amount of \$145,900 is requested for FY 2014, but EBRC recommended \$100,900. Your Committee notes that \$20,000 is requested to fund two Data Technicians. Another \$45,000 is requested for NORMA'S legal advisor. EBRC did not recommend the \$45,000 for the legal advisor. Assistant Attorney General Joses Gallen explained that it is not a good policy to use other legal personnel outside the Department of Justice to advise NORMA. It was explained during the hearing that NORMA supplemented the housing short fall of the Executive Director, which was \$150.00. Currently, the Executive Director is paying \$650.00 for his house lease per month. His housing allowance is \$500.00 a month. Your Committee also notes that the \$12,500 requested for maintenance of office equipment is a significant amount. Your Committee recommends the same level appropriated in FY 2013, which is **\$82,900**.

Other Current Expenses - The amount appropriated in FY 2013 under OCE was \$44,100. The request for FY 2014 is \$54,000. Your Committee notes the significant increases for this year. NORMA staff justified that the increases are to cover increases in communications, POL and utilities. Your Committee recommends **\$44,100**.

Fixed Assets - There is no request under this category. Your Committee recommends **\$0**.

III. Office of Environment and Emergency Management (EEM) - OVERALL

The figures shown in the charts below for the OEEM include the total amount appropriated in FY 2012; the total amount appropriated in FY 2013, the amount requested by OEEM, the amount recommended by the EBRC for OEEM for FY 2014, as listed in the "FY 2014 Request" column in the "Budget Book". The last column is the amount recommended by your Committee for FY 2014.

The OEEM's budget submitted for Fiscal Year 2014 is \$363,958, which is more than the Fiscal Year 2013. Actually, the submitted budget is \$37,167 ABOVE the Fiscal

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Year 2013 level. At the mark up meeting, your Committee recommended \$327, 421, which is an increase of \$630, as compared to FY 2013 appropriation.

	FY 2012 Appropriati	FY 2013 Appro.	FY 2014 Proposed	FY14 EBRC	Committee Recommends
Personnel	\$173,363	\$173,363	\$170,081	\$170,081	\$169,786
Travel	\$68,528	\$68,528	\$99,257	\$99,257	\$70,735
Contract.Serv.	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
OCE	\$19,900	\$19,900	\$29,620	\$29,620	\$21,900
Fixed Assets	\$0	\$0	\$0	\$0	\$0
Total	\$326,791	\$326,791	\$363,958	\$363,958	\$327,421
No. Employees	9	9	9	9	9

Your Committee held a public hearing on OEEM's proposed budget for FY2014 on Monday, May 27, 2013. Witnesses at the hearing included: Director Andrew Yatilman, Oleen Poll, Lorna Johnny and Tony Neth, from the OEEM; Steve George, from the Department of Justice; and Peltesar Petrus, from the President's Office.

Your Committee recommends \$77,808 for the Office of Director's FY 2014 budget, which is an increase of \$4,484, as compared to the FY 2013 appropriation. All funding comes from Domestic Revenues and the Committee's recommendations are discussed below.

III(a). Office of the Director (Administration)

	FY 2012 Appropriati	FY 2013 Appro.	FY 2014 Proposed	FY14 EBRC	Committee Recommends
Personnel	\$44,908	\$44,908	\$45,203	\$45,203	\$44,908
Travel	\$17,516	\$17,516	\$33,055	\$33,055	\$20,000
Contract.Serv.	\$0	\$0	\$0	\$0	\$0
OCE	\$10,900	\$10,900	\$20,620	\$20,620	\$12,900
Fixed Assets	\$0	\$0	\$0	\$0	\$0
Total	\$73,324	\$73,324	\$98,878	\$98,878	\$77,808
No. Employees	2	2	2	2	2

Personnel - In FY 2013, an amount of \$44,908 was appropriated. During the hearing, your Committee was informed that there is no change in this category. But, the amount proposed and recommended by EBRC is \$45,203. The accurate base salary for the Director's position is \$26,000 per annum. Adding the 11% fringe benefits, the salary should be \$28,860. The salary for the Administrative Officer (Lorna Johnny) is \$16,048 inclusive of the 11% fringe benefits. Your Committee recommends an amount of **\$44,908**.

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Travel - In FY 2013, the amount of \$17,516 was appropriated. This year, the amount requested is \$33,055. An amount of \$9,469 is for the Director to attend the SPREP annual meeting. An amount of \$6,113 is for the Director to attend the SOPAC annual meeting. Another \$7,407 is for the Director to attend a Mercury Treaty Meeting, and \$10,066 is requested for the Director to visit the states for official working matters.

During the hearing, the Director explained that there is a new meeting on a Mercury Treaty in Japan. This is the justification for the new travel request. Your Committee recommends **\$20,000**.

Contractual Services - In FY 2012 and FY 2013, no amount was appropriated. Your Committee recommends **\$0**, as recommended by EBRC.

OCE - In FY 2013, an amount of \$10,900 was appropriated. This fiscal year, the office is requesting \$20,620. The significant increase is on the price of cash power for the new office. Your Committee recommends \$12,900.

Fixed Assets - There is no requested amount under this category. Therefore, your Committee recommends no amount.

III (b). Division of Environment and Sustainable Development

Your Committee recommends \$162,915 for the Division of Environment and Sustainable Development's FY 2014 budget, which is a decrease of \$3,577, as compared to the FY 2013 appropriation. All funding comes from Domestic Revenues and the Committee's recommendations are discussed below.

	FY 2012 Appropriati	FY 2013 Appro.	FY 2014 Proposed	FY14 EBRC	Committee Recommends
Personnel	\$69,939	\$69,939	\$66,362	\$66,362	\$66,362
Travel	\$26,053	\$26,053	\$41,520	\$41,520	\$26,053
Contract.Serv.	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000

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OCE	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500
Fixed Assets	\$0	\$0	\$0	\$0	\$0
Total	\$166,492	\$166,492	\$178,382	\$178,382	\$162,915
No. Employees	4	4	4	4	4

Personnel - Your Committee was informed that the actual salary for the Program Manager (Tilson Kephas) should be \$18,097 and not \$20,082. When Cynthia Ehmes held the Program Manager position, she accrued a step, which was pay level 38/3 with a corresponding amount of \$20,082. This is the decrease in this category. Your Committee recommends **\$66,362**.

Travel - In FY 2013, an amount of \$26,053 was appropriated. This year, the office is requesting \$41,520. Your Committee decided to maintain the FY 2013 level and recommends **\$26,053**.

Contractual Services - In FY 2013, an amount of \$65,000 was appropriated. An amount of \$35,000 is requested to fund an Environmental Engineer and another \$30,000 to fund the existing Environmental Lawyer (Justin Rose). At the mark up meeting, your Committee needed to know whether the services of the Environmental Lawyer and the Environmental Engineer are still needed. According to Director Yatilman, the Office still needs these services. Your Committee recommends **\$65,000**.

OCE - In FY 2013, an amount of \$5,500 was appropriated. The same is requested for FY 2014. At the mark up meeting, your Committee advised the Office to stop the use of cash power for utilities and to work with the Department of Transportation, Communications and Infrastructure. Your Committee recommends **\$5,500**.

Fixed Assets - There is no requested amount under this category. Therefore, your Committee recommends no amount.

III(c). Division of Emergency Management

Your Committee recommends \$86,698 for the Division of Emergency Management's FY 2014 budget, which is a decrease of \$277, as compared to the FY 2013 appropriation. All funding comes from Domestic Revenues and the Committee's recommendations are discussed below.

	FY 2012 Appropriati	FY 2013 Appro.	FY 2014 Proposed	FY14 EBRC	Committee Recommends
Personnel	\$58,516	\$58,516	\$58,516	\$58,516	\$58,516

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Travel	\$24,959	\$24,959	\$24,682	\$24,682	\$24,682
Contract.Serv.	\$0	\$0	\$0	\$0	\$0
OCE	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
Fixed Assets	\$0	\$0	\$0	\$0	\$0
Total	\$86,975	\$86,975	\$86,698	\$86,698	\$86,698
No. Employees	3	3	3	3	3

Personnel - An amount of \$58,516 is requested for FY 2014. This is the same amount appropriated in fiscal year 2013. Your Committee recommends **\$58,516**, as recommended by EBRC.

Travel - An amount of \$24,959 was appropriated in FY 2013. The office is requesting \$24,682, a decrease of \$277, as compared to FY 2013 appropriation. Your Committee recommends **\$24,682**, as recommended by EBRC.

Contractual Services - The Director indicated that there is no amount requested. Your Committee did not recommend any funding.

OCE - In FY 2013 an amount of \$3,500 was appropriated. This year, the same amount is being requested. Your Committee recommends **\$3,500**.

Fixed Assets - There is no requested amount under this category. Therefore, your Committee recommends **\$0**.

IV. COCONUT DEVELOPMENT AUTHORITY

The figures shown in the chart below for CDA include the total amount appropriated in FY 2012; the total amount appropriated in FY 2013, the amount requested by CDA, the amount recommended by the EBRC for the CDA for FY 2014, as listed in the "FY 2014 Request" column in the "Budget Book". The last column is the amount recommended by your Committee for FY 2014.

The CDA's budget submitted for Fiscal Year 2014 is more than the Fiscal Year 2013. Actually, the submitted budget is **\$4,499** ABOVE the Fiscal Year 2013 level.

	FY 2012 Appropriati	FY 2013 Appro.	FY 2014 Proposed	FY14 EBRC	Committee Recommends
Personnel	\$90,834	\$90,834	\$90,326	\$90,326	\$90,326
Travel	\$11,641	\$11,641	\$13,065	\$13,065	\$13,065
Contract.Serv.	\$0	\$0	\$0	\$0	\$0
OCE	\$10,000	\$10,000	\$10,000	\$13,583	\$13,583

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Fixed Assets	\$0	\$0	\$0	\$0	\$0
Total	\$112,475	\$112,475	\$113,391	\$116,974	\$116,974
No. Employees	4	4	4	4	4

Your Committee held a public hearing with the Coconut Development Authority on Tuesday, September 17, 2013. Witnesses at the hearing included Acting General Operations Manager of CDA, Mr. Eddie Parce, Board members Mr. Catalino Sam and Mr. Catalino Lawrence, from the CDA; Sohs John and Christina Villazon, from SBOC; Josephine Phillip, Pole Atanraoi, from the Department of Justice; and Pelsesar Petrus, from the President's Office.

Personnel - There is no significant change under this category. An amount of \$90,326 was appropriated in FY 2013. This is the same amount that is being requested for fiscal year 2014. Your Committee was informed that the position for the General Manager is being advertised. Your Committee recommends **\$90,326**, as recommended by EBRC.

Travel - In FY 2013, an amount of \$11,641 was appropriated. An amount of \$13,065 is being requested for FY 2014. This is an increase of \$1,424. It was discussed that the travel for the agents to bring copra to Pohnpei is accommodated from the copra proceeds. Thus, CDA is fine with the proposed amount in travel. Your Committee recommends **\$13,065**.

Contractual Services - In FY 2013, no appropriation was made. For FY 2014, there is no request. Your Committee recommends \$0, as recommended by EBRC.

OCE - The EBRC recommended \$10,000, which was the same amount appropriated under this category for previous fiscal year. Your Committee recommends **\$13,583** the same amount in FY 2013.

Fixed Assets - No amount was appropriated in fiscal year 2013. There is no request for FY 2014. Your Committee recommends **\$0**.

V. FSM BANKING BOARD

The figures shown in the chart below for the FSM Banking Board include the total amount appropriated in FY 2012; the total amount appropriated in FY 2013, the amount requested by the FSM Banking Board, the amount recommended by the EBRC for the FSM Banking Board for FY 2014, as listed in the "FY 2014 Request"

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column in the "*Budget Book*". The last column is the amount recommended by your Committee for FY 2014.

The FSM Banking Board's budget submitted for Fiscal Year 2014 is more than the Fiscal Year 2013. Actually, the submitted budget is \$16,544 ABOVE the Fiscal Year 2013 level.

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	FY 2012 Appropriati	FY 2013 Appro.	FY 2014 Proposed	FY14 EBRC	Committee Recommends
Personnel	\$78,117	\$78,117	\$79,860	\$79,860	\$82,081
Travel	\$57,197	\$57,197	\$101,629	\$60,301	\$66,568
Contract.Serv.	\$18,100	\$18,100	\$18,100	\$18,100	\$18,100
OCE	\$20,055	\$20,055	\$23,215	\$23,215	\$23,215
Fixed Assets	\$2,400	\$2,400	\$2,449	\$2,449	\$2,449
Total	\$175,869	\$175,869	\$225,253	\$183,926	\$192,413
No. Employees	4	4	4	4	4

Your Committee held a public hearing with the FSM Banking Board on Monday, September 16, 2013. Witnesses included: Mr. Reed Oliver, a FSM Banking Board member, Mr. Wilson Waguk, Banking Commissioner, Ms. Melsihner Hadley, the Bank Examiner from the FSM Banking Board; Mr. Pelsesar Petrus, the President's Office representative.

Personnel - In the FY 2013 under the Personnel category, an amount of \$78,117 was appropriated. The total requested for FY 2014 by the FSM Banking Board is \$79,871. Your Committee was informed that of the proposed amount \$1,754 is to increase the salary of the Financial Analyst, which should be pay level 38/1 instead of 36/1. The Commissioner indicated that the Office has not filled the Financial Analyst position, but is in the process of recruiting somebody. At the mark up meeting, your Committee recommended an increase in salary for the FSM Banking Commissioner from \$28,860 to \$31,080. Your Committee recommends **\$82,081**.

Travel - An amount of \$57,197 was appropriated in FY 2012. The same amount was appropriated in FY 2013. For FY 2014, the FSM Banking Board is requesting \$101,629, but EBRC recommended \$60,301. Your Committee was informed that EBRC did not recommend the domestic travel for the FSM Board members and staff to do education in each State. Your Committee recommends the \$6,267 amount so the Banking Commissioner could continue to attend the FDIC Examiner's school in Virginia. Your Committee recommends **\$66,568**.

Contractual Services - In FY 2013, an amount of \$18,100 was appropriated. The FSM Banking Board requested the same amount for FY 2014, which was recommended by EBRC. Therefore, your Committee recommends the same amount of **\$18,100**.

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OCE - The Office requested \$23,215, which was recommended by EBRC. The increases are mainly for communications, office supplies and materials, and vehicle maintenance/parts. Your Committee recommends **\$23,215**.

Fixed Assets - In FY 2014, the FSM Banking Board requested an amount of \$2,449. Your Committee recommends the same amount, as recommended by EBRC, **\$2,449**.

VI. FSM INSURANCE BOARD

The figures shown in the chart below for the FSM Insurance Board include the total amount appropriated in FY 2012; the total amount appropriated in FY 2013, the amount requested by the FSM Insurance Board, the amount recommended by the EBRC for the FSM Insurance Board for FY 2014, as listed in the "FY 2014 Request" column in the "Budget Book". The last column is the amount recommended by your Committee for FY 2014.

The FSM Insurance Board's budget submitted for Fiscal Year 2014 is more than the Fiscal Year 2013. Actually, the submitted budget is \$5,366 ABOVE the Fiscal Year 2013 level.

	FY 2012 Appropriati	FY 2013 Appro.	FY 2014 Proposed	FY14 EBRC	Committee Recommends
Personnel	\$79,893	\$79,893	\$82,092	\$82,092	\$79,893
Travel	\$45,005	\$45,005	\$46,966	\$46,966	\$46,966
Contract.Serv.	\$72,395	\$72,395	\$78,295	\$78,295	\$72,395
OCE	\$11,705	\$11,705	\$21,310	\$21,310	\$21,310
Fixed Assets	\$9,700	\$9,700	\$3,500	\$3,500	\$3,500
Total	\$218,698	\$218,698	\$232,163	\$232,163	224,064
No. Employees	4	4	5	4	4

Your Committee held a public hearing with the FSM Insurance Board on Friday, September 13, 2013. Witnesses included: Insurance Board members Alexander Narruhn and Reed Oliver, Jolouyn Gonzales, Kenneth Mwalir, and Jesse Giltamag, from the Insurance Board; Pelsesar Petrus, the President's Office representative; Juliet Jimmy, from the Department of Finance and Administration; Esiri Edward from SBOC and Steve George and Joses Gallen from the Department of Justice.

Personnel - The Office requested \$82,092 under this category and EBRC recommended the same amount. Your Committee learned that

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there is no change to the Personnel category and recommends **\$79,893**, which was the same amount appropriated in FY 2013.

Travel - An amount of \$46,966 was proposed and EBRC recommended the same. Your Committee recommends the same amount, as recommended by EBRC of **\$46,966**.

Contractual Services - In FY2013, an amount of \$72,395 was appropriated. For FY 2014, the Office requested the same amount. Your Committee recommends \$72,395.

OCE - The Office requested \$21,310 for its day to day operations. Your Committee recommends \$21,310.

Fixed Assets - The Office requested \$3,500. EBRC recommended the same amount. Your Committee recommends **\$3,500**, as recommended by EBRC.

VII. GRANTS, SUBSIDIES & CONTRIBUTIONS

The Grants, Subsidies and Contributions' budget submitted for Fiscal Year 2014 is less than the Fiscal Year 2013. Actually, the submitted budget is **\$12,232** ABOVE the Fiscal Year 2013 level.

On September 19, 2013 during the Second Regular Session, your Committee had its markup or markdown session on the FY14 budget. As agreed, your Committee concurs with the EBRC's recommendations for this fiscal year 2014.

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DEPARTMENT OF RESOURCES AND DEVELOPMENT	FY 2012 Approp.	FY 2013 Approp.	FY 2014 Proposed	FY14 EBRC recommends	Committee Recommends
GRANTS/SUBSIDIES/ CONTRIBUTIONS					
1. PIDP	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
2. FFA	\$36,471	\$36,471	\$38,918	\$38,918	\$38,918
3. Coordinating Committee for Offshore Mineral Prospecting	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000

	FY 2012 Appropriation	FY 2013 Appropriation	FY 2014 Proposed	FY14 EBRC recommends	Committee Recommends
4. Pacific Asian Travel Association (PATA)	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
5. United Nations Development Program (UNDP)	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
6. Micronesian Challenge Endowment Fund	\$0	\$50,000	\$50,000	\$50,000	\$50,000
7. Food Agriculture Organization (FAO)	\$4,800	\$4,800	\$4,800	\$4,800	\$4,800
8. Western Forestry Leadership Coalition	\$530	\$530	\$530	\$530	\$530
9. Matching to SPC Projects	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
10. Micronesian Challenge	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
11. Micronesian Cruise Association	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
12. South Pacific Tourism Organization	\$6,600	\$6,600	\$0	\$0	\$0
13. International Animal Health Organization (OIE)	\$16,800	\$16,800	\$23,000	\$23,000	\$23,000
14. SPC Site Rental	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
15. IRENA	\$0	\$0	\$250	\$250	\$250
16. Micronesia Trade Com.	\$0	\$0	\$30,000	\$30,000	\$30,000
17. Convention on Biological Diversity (CBD)	\$0	\$0	\$1,000	\$1,000	\$1,000
Total Grants, Subsidies & Contributions for R&D	\$212,701	\$262,701	\$295,998	\$295,998	\$295,998

OFFICE OF ENVIRONMENT & EMERGENCY MANAGEMENT	FY 2012 Appropriation	FY 2013 Appropriation	FY 2014 Proposed	FY14 EBRC	Committee Recommends

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1. UN Environmental Protection (UNEP)	\$760	\$760	\$760	\$760	\$760
2. UNFCC	\$250	\$250	\$250	\$250	\$250
3. United Nations Convention to Combat Desertification	\$120	\$120	\$120	\$120	\$120
4. SPREP	\$10,184	\$10,184	\$10,184	\$10,184	\$10,184
5. Waigani Convention	\$1,190	\$1,190	\$1,190	\$1,190	\$1,190
6. SPREP Noumea Convention	\$1,764	\$1,764	\$1,764	\$1,764	\$1,764
7. Earth Day Activities	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
8. 4 th Annual EPA Director's meeting	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
9. FSM FEMA Disaster Matching	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Total OEEM Grants, Contributions, Subsidies,	\$249,268	\$249,268	\$249,268	\$249,268	\$249,268

COCONUT DEVELOPMENT AUTHORITY GRANTS, CONTRIBUTIONS & SUBSIDIES	FY 2012 Appropriation	FY 2013 Appropriation	FY 2014 Proposed	FY14 EBRC recommends	Committee Recommends
1. Copra Subsidy	\$100,000	\$100,000	\$150,000	\$100,000	\$100,000
2. Asia Pacific Coconut Community	\$13,500	\$14,500	\$14,500	\$14,500	\$14,500
Total for CDA	\$113,500	\$114,500	\$164,500	\$114,500	\$154,500
NORMA					
1. NORMA - WCPFC Tuna Commission Fee	\$64,065	\$71,065	\$0	\$0	\$0
TOTAL	\$64,065	\$71,065	\$0	\$0	\$0
TOTAL FOR GRANTS, SUBSIDIES & CONTRIBUTIONS	\$639,534	\$697,534	\$709,766	\$659,766	\$709,766

IX. CAPITAL & HUMAN RESOURCES DEVELOPMENT BUDGET

The Capital and Human Resources Development's budget submitted for Fiscal Year 2014 is more than the Fiscal Year 2013. Actually, the submitted budget is \$167,500 BELOW the Fiscal Year 2013 level.

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At the mark up meeting of your Committee on Thursday, September 19, 2013, your Committee expressed concern that the relevant offices fail to provide reports on the various projects and programs that funds are made available. Your Committee decides not to fund such line items as reflected below.

	FY2012 Appropriation	FY2013 Appropriation	FY2014 Proposed	FY14 EBRC	Committee Recommends
a. FSM Association of Chamber of Commerce/ Support to COC	\$67,000	\$67,000	\$67,000	\$67,000	\$67,000
b. National Export Strategy	\$59,750	\$0	\$0	\$0	\$0
c. Promote the FSM in Appropriate Market Segment to Realize the Sector's potentials	\$100,000	\$50,000	\$0	\$0	\$0
d. Improving Households and Communities Food Security in the FSM	\$100,000	\$0	\$0	\$0	\$0
e. Rainbownesia Project	\$50,000	\$25,000	\$0	\$0	\$0
f. Harmonize Scientific Code of Conduct	\$0	\$0	\$27,000	\$18,000	\$0
g. State Trade Fairs Enhancing Value Addition	\$0	\$100,000	\$110,000	\$50,000	\$50,000
h. FSM Financial Matching Support/ Global Environment	\$0	\$0	\$13,000	\$0	\$0
i. FSM Participation In the Micro Trade Committee (MTC)	\$0	\$12,500	\$0	\$0	\$0
j. Preparation World Expo - 2015	\$0	\$0	\$50,000	\$0	\$0
k. R&D Investors & Banking Symposium	\$0	\$150,000	\$0	\$0	\$0
l. Coconut Rehabilitation Programs FSM	\$0	\$	\$0	\$0	\$0
m. R&D SNLC	\$0	\$50,000	\$50,000	\$100,000	\$50,000
n. National Trade Facilitation Committee	\$0	\$50,000	\$0	\$0	\$0
o. Strengthening Farmers Assn. to Enhance Agri. Commodity	\$0	\$0	\$320,000	\$100,000	\$0

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p. Tourism Product Development	\$0	\$50,000	\$0	\$0	\$0
q. Food Security & Coconut Rehabilitation Phase II	\$69,268	\$100,000	\$0	\$0	\$0
r. FSM Tourism Development Framework	\$0	\$0	\$350,000	\$100,000	\$0
s. FSM Agriculture Census	\$0	\$0	\$380,000	\$100,000	\$50,000
t. Legal drafting of Investment Laws & Regulations	\$0	\$0	\$210,000	\$50,000	\$0
u. EEM/Hosting of Pacific Climate Change Roundtable & Disaster Risk Reduction Meeting	\$0	\$50,000	\$0	\$0	\$0
v. Development and/or Amendment of Access and Benefit Sharing Legislative, Admini. Or policy measures w/ View to implement Nagoya Protocol	\$0	\$0	\$242,000	\$23,000	\$0
w. Improve & Strengthen the Country's Insurance Statutory & Regulatory Framework	\$0	\$0	\$134,462	134,462	\$100,000
x. Hosting of 50 th APCC Session	\$0	\$0	\$50,000	\$15,000	\$22,000
Total for Capital and Human Resource Development	\$446,018	\$704,500	\$2,003,462	\$757,462	\$537,000

CONCLUSION

The overall FY 2014 proposed budget requests for the Department of Resources and Development, National Oceanic Resource Management Authority, Office of Environment and Emergency Management, Coconut Development Authority (CDA), FSM Banking Board, FSM Insurance Board, Grants, Subsidies and Contributions and Capital and Human Resource Development is **\$3,388,580**. That amount includes **\$856,179** for the Department of Resources and Development, **\$424,763** for National Oceanic Resource Management Authority (NORMA); **\$327,421** for the Office of Environment and Emergency Management (OEEM); **\$116,974** for CDA, **\$192,413** for FSM Banking Board, **\$224,064** for FSM Insurance Board **\$709,766** for Grants, Subsidies and Contributions; and **\$537,000** for Capital and

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Human Resource Development. This is an increase of **\$173,824** as compared to the fiscal year 2013 appropriation.

Your Committee on Resources and Development has carefully reviewed the President's recommended FY 2014 budget and all information provided by the Executive and the entities under your Committee's jurisdiction. The recommended sums set forth above in the amount of **\$3,388,580** reflect your Committee's recommendations on the level of funding for the designated activity, program or project for FY 2014, subject to the recommendations of the Committee on Ways and Means.

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Respectfully submitted,

/s/ David W. Panuelo
David W. Panuelo, chairman

/s/ Victor Gouland
Victor Gouland, vice chairman

/s/ Tiwiter Aritos
Tiwiter Aritos, member

/s/ Florencio S. Harper
Florencio S. Harper, member

/s/ Berney Martin
Berney Martin, member

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

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