

STANDING COMMITTEE REPORT NO. 19-03

RE: C.B. No. 19-19/W&M

SUBJECT: SUPPLEMENTAL BUDGET FY2015

May 28, 2015

The Honorable Wesley W. Simina
Speaker, Nineteenth Congress
Federated States of Micronesia
First Regular Session, 2015

Dear Mr. Speaker:

Your Committee on Ways & Means, to which was referred assigned Congressional Bill No. 19-19, entitled:

"TO APPROPRIATE A SUPPLEMENTAL BUDGET IN THE AMOUNT OF \$1,922,482 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015, BY AMENDING SECTIONS 1, 2, 3, 8, AND 9 OF PUBLIC LAW NO. 18-89, AS AMENDED BY PUBLIC LAWS NOS. 18-102, 18-110, AND 18-116, TO CHANGE THE CONDITIONS OF CERTAIN FUNDS THEREIN, AND FOR OTHER PURPOSES."

begs leave to report as follows:

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

Your Committee was referred 19-19. Your Committee received Presidential Communication No. 19-24, which requested additional appropriations to the FY15 budget. Your Committee took all of the suggestions from P.C. No. 19-24 into consideration when reviewing C.B. No. 19-19. The deviations from the P.C. No. 19-24 will be explained below.

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	P.C. No. 19-24	Committee Recommend	Difference
Operations- President's Office	\$116,900	\$93,900	-\$23,000
DTC&I 4 - Month Ship Operations	\$456,674	\$456,674	\$0
NDOE- Personnel Budget Shortfall	\$7,698	\$7,698	\$0
2015 Special Elections	\$186,033	\$60,000	-\$126,033
Inauguration	\$100,000	\$100,000	\$0
FY 2015 COLA	\$158,160	\$158,160	\$0
FSMTC 3G Upgrade	\$1,500,000	\$0	-\$1,500,000
TOTAL	\$2,525,465	\$876,432	-\$1,649,003

Your Committee notes that the amount appropriated for the President's Office was \$23,000 less than was requested. Your Committee endorsed the breakdown provided in P.C. No. 19-24 with some exceptions. P.C. No. 19-24 requests \$61,000 for travel needs and your Committee recommends \$40,000. Your Committee also recommends \$40,000 for contractual services which is a \$2,000 decrease from the request.

Your Committee would like to clarify that total appropriation for the special elections in C.B. No. 19-19 is \$455,247, which is an additional \$60,000 to the already appropriated \$395,247 for general elections. Your Committee was informed by the Office of the National Election that the General Election appropriation had funds remaining from the National Election in March. Therefore, with the addition of special elections to the line item, the remaining funds from the General Election may be used for the upcoming elections in Pohnpei and Kosrae.

Your Committee notes that the request for \$1,500,000 for FSM Telecom 3G upgrade was not included in this C.B. No. 19-19. Your Committee would have liked to have oversight

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hearings regarding the request but due to time constraints and prior commitments, it was not possible. Your Committee is willing to entertain this request in upcoming sessions after oversight hearings have taken place.

Finally, your Committee also notes that C.B. No. 19-19 includes an appropriation for \$50,000 to help with the humanitarian situation involving foreign nationals detained in Yap, Chuuk, and Pohnpei. The previous administration had requested additional funding but we were unable to honor their request at that time due to budgetary constraints. Your Committee encourages the National Government to continue to work with the governments of their nations to see that those who are not facing criminal charges are able to return as soon as possible.

Your Committee has met and after much deliberation recommends the following supplemental appropriations for the Legislative branch:

	Committee Recommend
Fixed Assets- 4 Vehicles (Speaker, Vice Speaker, Floor Leader, and Central Office)	\$105,000
Members Furnishings	\$50,000
Upgrade Congress IT Network	\$48,300
Members Travel	\$180,000
Staff Travel	\$25,000
OCE	\$48,000
Member's Representation Fund	\$210,000
Standing Committee Representation Fund	\$14,000
Presiding Officers	\$25,000
Operations-Contractual Services	\$50,000
Typhoon Dolphin Relief for Guam	\$100,000
TOTAL	\$855,300

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Your Committee would like to point out that \$210,000 was appropriated to the Speaker's contractual services line item to provide \$15,000 per member for their representation fund. Additionally, \$180,000 was appropriated for members travel in the Speaker's travel line item to provide each member with an additional \$10,000; the remaining \$40,000 is to replenish funds that were reprogrammed.

Your Committee would also like to note that it recommends \$50,000 for contractual services to address immediate needs. Your Committee is willing to review future requests for the contractual services needs of the Legislative branch once there is an estimate submitted for the proposed work.

Your Committee notes that C.B. No. 19-19 contains an appropriation for an additional \$102,750 for the FY14 Single Audit Fee. Your Committee was informed by the Office of the National Public Auditor that the additional funds are already in the General Fund and were collected from the public entities within the FSM for their audit. They further specified that SBOC is requiring an appropriation from Congress to allow them to use these funds for the ongoing FY14 audit.

Your Committee would like to take notice of several changes of conditions of appropriations of line items under Capital and Human Resources Development. Yap State Priority Infrastructure Projects line item was clarified to allow for up to \$350,000 available for consultation with architects, drafting, social planning, family planning, and design for providing infrastructure improvement and development. The Chuuk State Priority Infrastructure Projects line item was also clarified to include the acquisition of land so that the projects in Chuuk may begin.

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Your Committee notes that the allottee of the Yap Supreme Court building line item shall be the Governor of Yap.

Additionally, C.B. No. 19-19 provides \$100,000 to aid Guam in the aftermath of Typhoon Dolphin. Many of our citizens reside in Guam and were subject to the effects of Typhoon Dolphin. Your Committee would like to point out the importance of aiding our fellow islands when disaster strikes.

CONCLUSION

Your Committee has carefully reviewed Congressional Bill No. 19-19. Your Committee on Ways and Means is in accord with the intent and purpose of C.B. No. 19-19, 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. 19-19.

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Respectfully submitted,

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

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

/s/ Tiwiter Aritos
Tiwiter Aritos, member

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

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

/s/ Victor Gouland
Victor Gouland, member

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