

STANDING COMMITTEE REPORT NO. 19-119

RE: C.B. NO. 19-03/EDUCATION

SUBJECT: TO AMEND TITLE 40 OF THE CODE OF THE  
FEDERATED STATES OF MICRONESIA (ANNOTATED),  
TO ESTABLISH A NATIONAL SCHOLARSHIP BOARD

MARCH 02, 2016

The Honorable Wesley W. Simina  
Speaker, Nineteenth Congress  
Federated States of Micronesia  
Fourth Special Session, 2016

Dear Mr. Speaker:

Your Committee on Education, to which was referred C.B. No. 19-03, entitled:

"A BILL FOR AN ACT TO AMEND TITLE 40 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA, AS AMENDED, (ANNOATATED), AS AUTHORIZED BY PUBLIC LAW NO. 18-86, BY CREATING A NEW SUB-CHAPTER VIII UNDER CHAPTER 3, TO ESTABLISH A NATIONAL SCHOLARSHIP BOARD, AND FOR OTHER PURPOSES.",

begs leave to report as follows:

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

Your Committee held a hearing on January 29, 2016, with the representatives of the Department of Education, including the Post Secondary Specialist, representatives from the Scholarship Board as currently organized by the President, and a representative from the Department of Justice.

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Hearings have also been held on this issue in Yap and Chuuk with citizens and the state leadership.

For several years now your Committee has conducted investigations and held public hearings, as well as, informal meetings regarding the necessity of making the award of scholarships at the National level more efficient, fair and responsive to the student recipients. As a part of its investigations the Committee believes that the National Scholarship Board should be formalized under law and that all awards at from the National Government should be devised through this Board. The subject bill C.B. No. 19-03 seeks to establish a National Scholarship Board to address the concerns of the Committee.

Initially, the witnesses from the Department of Education, the Department of Justice and the current Scholarship Board as organized by the President all agreed that organizing and regulating the National Scholarship Board by law and regulation was both appropriate and a good decision at this point in time. However, the witnesses had some concerns, which they voiced to the Committee during the hearing.

The most serious concern brought up by the witnesses regarding the bill as drafted was the Board membership would include the NDOE Post Secondary Specialist and the Post Secondary Specialists from the four State Departments of Education. The Department of Justice inquired if by taking the appointment power outside of the Executive Branch did Congress intend for this new National Scholarship Board to be independent and not under the National Government. Issues regarding financial administration, its standing as a legal entity and control, as well as, others would have to be determined if it did not remain with National Government. Valid issues as to whether situations could come up where the Executive Branch and the National Scholarship Board, if independent, could have competing priorities were also brought up.

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Other witnesses voiced concern regarding the proposed make-up of the Board as the members from the state level would need to travel frequently for meetings and may have a bias for the rules and evaluation methods used in their own states. Again, the issue was raised as to priorities, the states may have different priorities that they would like reflected in their awards, while the National Scholarship should be awarded reflecting the priorities, to the extent that they are different, for the National Government. There were also concerns raised regarding the Board composition during hearings in the states of Yap and Chuuk.

The Committee discussed several situations with the witnesses, which highlighted its concerns regarding the timeliness of awards currently being made by the National Scholarship Board. The Committee reiterated its desire to make the Board transparent and responsive. Many times over the last several years the Committee has received complaints by students that inquiries and applications are not being responded to on a timely basis, award amounts appear arbitrary, delays have disrupted their education, and other serious allegations. All the witnesses agreed that formalizing the National Scholarship Board and its regulations is desirable.

After the close of the public hearings on this bill your Committee reviewed the statements of the witnesses and took decision on this matter. First, the Committee believes the Nation would be best served by a National Scholarship Board that remains under the rubric of the National Government, in order to avoid conflicts of interest and priorities, legal liability issues, financial accountability and administration, as just some of the challenges a Board standing alone outside of the Executive Branch would have to address. Although the Committee has a strong preference for the National and State Post-Secondary Specialists as Board Members it does now agree that the nomination power

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should rest with the President and the Congress should have the power to confirm these individuals. The Committee now recommends that one Board Member represent each state and one for the National Government. However, the Committee believes that the nominations for the states should be done in consultation with the individual state's governor.

Your Committee also intends for all of the scholarships awarded at the National Government level to be administered by the National Scholarship Board, and strongly believes that this will enhance the coordination and efficacy of the national awards.

In light of the above comments your Committee would like to offer the following amendment to C.B. No. 19-03 to read as follows:

1. Title, line 1, after "Micronesia" delete ", as amended,"
2. Page 3, line 12-23, delete the entire Section 392 and insert the revised Section 392 below in lieu thereof.

"Section 392. Composition of the Scholarship Board.

The Scholarship Board shall be composed of five voting members nominated by the President and confirmed by the Congress of the Federated States of Micronesia to operate the Scholarship Board authorized by this subtitle. One member shall represent the National government, and one member each for each of the four States. For nominations for the members representing the States the President shall make that nomination only after consultation with that State's Governor. Members shall serve three-year terms. Any vacancies on the Board shall be filled for the unexpired term only. Where a vacancy is for one year or less, it shall be filled by the appointment of the

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President, otherwise vacancies shall be filled by  
nomination by the President and confirmation by Congress."

Your Committee on Education is in accord with the intent and purpose of C.B. No. 19-03 and recommend its passage on First Reading and that it be placed on the Calendar for Second and Final Reading in the form attached as C.B. No. 19-03, C.D.1.

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Respectfully submitted,

/s/ Joseph J. Urusemal  
Joseph J. Urusemal, chairman

/s/ Esmond B. Moses  
Esmond B. Moses, vice chairman

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

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

/s/ Ferny S. Perman  
Ferny S. Perman, member

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

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