

STANDING COMMITTEE REPORT NO. 19-143

RE: PRESIDENTIAL COMMUNICATION NOS. 19-301

SUBJECT: FY 2017 BUDGET/W&M

AUGUST 01, 2016

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

Dear Mr. Speaker:

Your Committee on Ways and Means, to which was jointly referred Presidential Communication No. 19-301 transmitting the National Government's proposed FY 2017 budget, begs leave to report as follows:

Presidential Communication No. 19-301 was transmitted to Congress with the *National Government Fiscal Year 2017 Recommended Budget* ("Budget Book"). Pursuant to rule 7, section 1(b), of the Official Rules of Procedure of the Nineteenth Congress of the Federated States of Micronesia, your Committee has limited its review to portions of the budget under its jurisdiction. These are:

Operations Budget

- (a) Office of the President
- (b) Department of Finance and Administration
- (c) Office of SBOC
- (d) Congress
- (e) Office of the Public Auditor

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Grants, Subsidies and Contributions

Office of the President

- a) Asia Pacific Inst. Broadcasting Development (AIBD)
- b) Asia Pacific Broadcasting Union
- c) Pacific Island News Association
- d) 2023 Action Plan Implementation
- e) Asia Pacific Investment
- f) Former Presidents' Allowance

Department of Finance and Administration

- g) OCO Membership
- h) Financial Management System – Maintenance fee
- i) CTA
- j) ADB, IMF, and Budget, Finance Policy Consultations
- k) Macro Economist Advisor

Congress

- l) IPU Conference
- m) Climate Change Conferences
- n) ACP
- o) APPU/APPF
- p) Staff Upgrade/Law of the Sea Training
- q) World Bank/IMF Annual Meeting
- r) FSM/Israel Parliamentarian Friendship Link
- s) MLC Conference
- t) FSM/Japan Parliamentarian Friendship Link
- u) China Parliamentary Visit
- v) FSM Congress/Cuban National Assembly Parliamentary Relations
- w) National Olympic Committee - Assistance for Jennifer Chieng
- x) FSM-French Parliamentary/ACP
- y) Fisheries Meetings
- z) MRA Conference in Japan
- aa) Contribution to IPU
- bb) IPU annual dues
- cc) IPU Assembly in Zambia
- dd) Crans Montana Forum in Morocco

Resources: Other Grants, Subsidies and Contributions

- ee) MLFC Loan Payment
- ff) Single Audit Fee

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- gg) Staff Housing
- hh) Recruitment and Repatriation

Investment: Capital and Human Resource Development

Department of Finance

- ii) FSM Warehouse Lease and Maintenance
- jj) PCD Awareness Initiative
- kk) Staff Upgrade

President's Office

- ll) FSM Trust Fund
- mm) National Staff Upgrading
- nn) FSM Economic Develop. Project
- oo) Implementation of ODA Policy
- pp) 2016 Development Partners Mtg
- qq) Compact Review Committee

Other

- rr) State Priority Infrastructure Projects
- ss) Upgrade FSM Congress Internet to Fiber Optic

This report, and all previous and subsequent reports by this Committee, should be treated as policy for this Nation, as defined by Congress. It the intent of your Committee that any commentary found in this report should be treated as policy for the guidance of the relevant departments, agencies and offices.

Your Committee is holding to the Congress wide policy of not approving new positions for FY17 in any Department. Furthermore, your Committee will restore the Congress policy of capping the salary of Secretary positions (heads of Department) at \$26,000. This policy was common practice in the past and has over time been disregarded by the Departments. In a Congress wide effort to restore the \$26,000 salary cap on Secretary, all Committees should adjust the appropriate personnel line items to reflect this decision.

During May of 2016, your Committee conducted public hearings regarding the FY 2017 budget and deliberated upon the findings and all other information gathered. This Standing Committee Report

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reflects the recommendations of your Committee on Ways and Means regarding the proposed FY 2017 budget under its jurisdiction.

OPERATIONS BUDGET

(a) Office of the President

The following is an overview of your Committee's recommended funding for the total operations of the Office of the President in FY 2017. The funding source is domestic revenue.

Overview – Total Operations

	FY16 Original Appropriation	FY16 Supplement	FY17 EBRC Recommend	FY17 Committee Recommend
Personnel	\$434,640	\$34,000	\$470,067	\$470,067
Travel	\$190,354	\$65,000	\$322,483	\$190,000
Contract services	\$431,000	\$45,000	\$450,000	\$431,000
OCE	\$110,000	\$0	\$99,000	\$99,000
Fixed assets	\$2,500	\$0	\$5,000	\$2,500
Total	\$1,168,494	\$144,000	\$1,346,550	\$1,192,567
Employees	19	1	20	20

A detailed discussion of each of the divisions of the Office of the President follows.

Office of the President - President's Office

	FY16 Original Appropriation	FY16 Supplement	FY17 EBRC Recommend	FY17 Committee Recommend
Personnel	\$230,095	\$34,000	\$285,710	\$285,710
Travel	\$100,354	\$65,000	\$224,090	\$100,000
Contract Services	\$174,000	\$45,000	\$163,000	\$174,000
OCE	\$40,000	\$0	\$36,000	\$36,000
Fixed Assets	\$2,500	\$0	\$2,500	\$2,500
Total	\$546,949	\$144,000	\$711,300	\$598,210
Employees	9	1	10	10

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Your Committee heard testimony from the Office of the President that the increase in the personnel line item in their proposed FY17 budget was due to the creation of two new positions. The EBRC recommendation does not reflect an addition of two new positions nor were these positions explained.

The representative from the Office of the President also stated that the increase in the travel line item is due to more trips, more travellers, and more people. He pointed out that the contractual services line item and OCE line item decreased from FY16.

Your Committee's recommended funding for Fiscal Year 2017 for the President's Office is \$598,210.

Office of the President – Public Information Office

	FY16 Original Appropriation	FY17 EBRC Recommend	FY17 Committee Recommend
Personnel	\$49,808	\$54,441	\$54,441
Travel	\$20,000	\$28,393	\$20,000
Contract services	\$2,000	\$2,000	\$2,000
OCE	\$30,000	\$27,000	\$27,000
Fixed assets	\$0	\$2,500	\$0
Total	\$101,808	\$114,334	\$103,441
Employees	3	3	3

Your Committee notes that the FY 17 Committee recommend is \$12,526 more than the FY 16 Original Appropriation. This is due to an increase in the personnel and travel line items.

Your Committee's recommended funding for Fiscal Year 2017 for the Public Information Office is \$103,441.

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Office of the President – Division of Overseas Development Assist. & Compact MGNT

	FY16 Original Appropriation	FY17 EBRC Recommend	FY17 Committee Recommend
Personnel	\$154,737	\$129,916	\$129,916
Travel	\$70,000	\$70,000	\$70,000
Contract services	\$255,000	\$285,000	\$255,000
OCE	\$40,000	\$36,000	\$36,000
Fixed assets	\$0	\$0	\$0
Total	\$519,737	\$520,916	\$490,916
Employees	7	7	7

Your Committee's recommended funding for Fiscal Year 2017 for the Division of Overseas Development Assist. & Compact Management is \$490,916.

(b) Department of Finance and Administration

The following is an overview of your Committee's recommended funding for the Department of Finance and Administration. The funding source is domestic revenue.

Overview – Total Operations

	FY16 Original Appropriation	FY16 Supplement	FY17 EBRC Recommend	FY17 Committee Recommend
Personnel	\$1,718,843	\$0	\$2,066,038	\$1,731,879
Travel	\$200,401	\$15,000	\$232,161	\$200,401
Contract services	\$273,966	\$75,000	\$273,966	\$273,966
OCE	\$273,124	\$0	\$245,812	\$245,812
Fixed assets	\$10,500	\$0	\$5,000	\$80,000
Total	\$2,476,834	\$90,000	\$2,822,977	2,507,058
Employees	102		110	102

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A detailed discussion of each of the divisions of the Department of Finance and Administration follows.

Department of Finance - Office of the Secretary

	FY16 Original Appropriation	FY16 Supplement	FY17 EBRC Recommend	FY17 Committee Recommend
Personnel	\$70,548	\$0	\$109,958	\$100,928
Travel	\$47,166	\$15,000	\$47,166	\$47,166
Contract services	\$48,880	\$75,000	\$48,880	\$48,880
OCE	\$30,500	\$0	\$27,450	\$27,450
Fixed assets	\$0	\$0	\$0	\$0
Total	\$197,094	\$90,000	\$233,454	\$224,424
Employees	3		4	4

Your Committee heard testimony as to the increase in the personnel line item. The Secretary of Finance and Administration (hereafter Secretary of Finance) stated that a portion of the increase is due to moving an employee from the Investment and International Finance to the Office of the Secretary.

Your Committee has adjusted the salary of the Secretary of Finance and Administration to \$26,000 to be in compliance with the position of Congress to uphold the traditional salary for secretaries. Your Committee notes that while the employee count is raised one in this office, that it is lowered in Investment and International Finance. The personnel line items in both offices have also been adjusted to reflect the transfer of that employee.

Your Committee's recommended funding for Fiscal Year 2017 for the Office of the Secretary is \$224,424.

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Department of Finance – Treasury (National plus State Offices)

	FY16 Original Appropriation	FY17 EBRC Recommend	FY17 Committee Recommend
Personnel	\$589,779	\$683,600	\$589,779
Travel	\$38,000	\$38,000	\$38,000
Contract services	\$78,478	\$78,478	\$78,478
OCE	\$106,000	\$95,400	\$95,400
Fixed assets	\$0	\$0	\$0
Total	\$812,257	\$895,478	\$801,657
Employees	33	37	33

Your Committee notes the Department recommends increasing the employee count by four, thus raising the personnel line item. Three of these positions are in the travel department and one is in the Chuuk field office. Your Committee maintains that while these positions may be needed, no new positions will be added in any department in FY17.

Your Committee is impressed with the improvement made by this Department under the new Secretary. Your Committee encourages this department to keep the Committee informed of the situation and their need of personnel may be reconsidered later in the fiscal year.

Your Committee's recommended funding for Fiscal Year 2016 for the Division of Treasury is \$801,657.

Department of Finance - Customs and Tax Administration (National plus State Offices)

	FY16 Original Appropriation	FY17 EBRC Recommend	FY17 Committee Recommend
Personnel	\$655,099	\$847,675	\$655,099
Travel	\$50,000	\$50,000	\$50,000
Contract services	\$141,608	\$141,608	\$141,608
OCE	\$80,000	\$72,000	\$72,000
Fixed assets	\$10,500	\$0	\$75,000
Total	\$937,207	\$1,111,283	\$968,707

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Employees	46	48	46
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Your Committee notes that once again the personnel line item has increased in the EBRC recommend from the FY16 appropriation. The Secretary of Finance testified that the recommended increase in the salaries was done to reflect the workload of the employees. Also, she stated that two new positions were created.

Your Committee maintains that while these positions may be needed, no new positions will be added in any department in FY17. Your Committee commends the hard work being done by these employees to collect the Nation's tax and encourages the department to keep the Committee informed of their successes and needs throughout FY17.

Your Committee further notes that the \$75,000 in fixed assets line item is appropriated for three new vehicles for the field offices in Yap, Chuuk, and Pohnpei. These vehicles should be new vehicles and not used cars. The Kosrae field office is not included as they purchased a new vehicle in 2013 and it is still in good working order.

Your Committee's recommended funding for Fiscal Year 2017 for the Division of Customs and Tax Administration is \$968,707.

Department of Finance - Investment and International Finance

	FY16 Original Appropriation	FY17 EBRC Recommend	FY17 Committee Recommend
Personnel	\$102,463	\$115,060	\$84,039
Travel	\$30,000	\$61,760	\$30,000
Contract services	\$0	\$0	\$0
OCE	\$15,000	\$13,500	\$13,500
Fixed assets	\$0	\$0	\$0
Total	\$147,463	\$190,320	\$127,539
Employees	6	6	5

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Your Committee heard testimony that while an employee was transferred from this division to the Office of the Secretary, it is not reflected in the budget request. The Secretary of Finance stated the vacant position should be removed from the FY17 budget request.

Your Committee's recommended funding for Fiscal Year 2017 for the Division of Investment and International Finance is \$127,539.

Department of Finance – Personnel Office

	FY16 Original Appropriation	FY17 EBRC Recommend	FY17 Committee Recommend
Personnel	\$87,583	\$88,663	\$88,663
Travel	\$10,000	\$10,000	\$10,000
Contract services	\$0	\$0	\$0
OCE	\$15,284	\$13,756	\$13,756
Fixed assets	\$0	\$0	\$0
Total	\$112,867	\$112,419	\$112,419
Employees	5	5	5

Your Committee applauds the efforts of this department to lower their request from FY16.

Your Committee's recommended funding for Fiscal Year 2016 for the Personnel Office is \$112,419.

Department of Finance - Division of Budget and Economic Management

	FY16 Original Appropriation	FY17 EBRC Recommend	FY17 Committee Recommend
Personnel	\$213,371	\$221,082	\$213,371
Travel	\$25,235	\$25,235	\$25,235
Contract services	\$5,000	\$5,000	\$5,000
OCE	\$26,340	\$23,706	\$23,706
Fixed assets	\$0	\$5,000	\$5,000
Total	\$269,946	\$280,023	\$272,312
Employees	9	10	9

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Your Committee notes that the personnel line item increase is due in part to the creation of a new position. Your Committee maintains that while these positions may be needed, no new positions will be added in any department in FY17.

Your Committee's recommended funding for Fiscal Year 2017 for the Division of Budget and Economic Management is \$272,312.

(d) Legislative Branch

An overview of your Committee's recommended funding for the Legislative Branch follows. The funding source for all amounts recommended under the branch is domestic revenue.

Overview – Total Operations

	FY16 Original Appropriate	FY16 Supplement	FY17 EBRC Recommend	FY17 Committee Recommend
Personnel	\$1,374,805	\$0	\$1,463,258	\$1,374,805
Travel	\$762,633	\$90,000	\$757,633	\$807,633
Contract services	\$1,656,630	\$545,000	\$1,614,600	\$1,631,630
OCE	\$317,000	\$0	\$307,000	\$317,000
Fixed assets	\$211,500	\$15,000	\$166,500	\$211,500
Total	\$4,277,568	\$650,000	\$4,308,991	\$4,292,568
Employees	61		64	61

A detailed discussion of each of the Offices of the Legislative Branch follows.

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Congress - Speaker and Members

	FY16 Original Appropriate	FY16 Supplement	FY17 EBRC Recommend	FY17 Committee Recommend
Personnel	\$430,530	\$0	\$430,530	\$430,530
Travel	\$622,381	\$70,000	\$622,381	\$662,381
Contract services	\$851,600	\$445,000	\$856,600	\$866,600
OCE	\$0	\$0	\$0	\$0
Fixed assets	\$0	\$0	\$0	\$0
Total	\$1,904,511	\$515,000	\$1,909,511	\$1,909,511
Employees	14		14	14

Your Committee notes that Speaker and Member's travel has increased \$40,000. This additional amount is specifically to fund 4 members of the Special Committee on Climate Change (\$10,000 each) when they travel in FY17 to climate change conferences. This is a new Committee in the FY17 budget that was not considered by the EBRC.

Under contractual services, the member's representation fund maintains its FY16 level of \$50,000 per member. Your Committee notes that \$10,000 was added to the contractual services line item to accommodate the representation fund for the Special Committee on Climate Change.

Your Committee's recommended funding for Fiscal Year 2017 for Speaker and Members is \$1,909,511.

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Congress – Staff Offices

	FY16 Original Appropriate	FY16 Supplement	FY17 EBRC Recommend	FY17 Committee Recommend
Personnel	\$944,275	\$0	\$1,032,728	\$944,275
Travel	\$115,252	\$20,000	\$115,252	\$115,252
Contract services	\$470,030	\$20,000	\$413,000	\$470,030
OCE	\$187,000	\$0	\$197,000	\$187,000
Fixed assets	\$176,500	\$15,000	\$151,500	\$176,500
Total	\$1,893,057	\$55,000	\$1,909,480	\$1,893,057
Employees	45		49	45

Your Committee heard testimony from the Administrative Officer for the Congress of the FSM that the increase in the personnel line item is due to the creation of four new positions. Two of the positions will be in the IT department and the other two positions are simply moving two employees, who have been with Congress for many years, from short term contracts to the Public Service System.

Your Committee maintains that while these positions may be needed, no new positions will be added in any department in FY17.

Your Committee notes that under Contractual Services, \$85,000 is earmarked for Staff and Member housing, as it has been since FY2012. Your Committee once again emphasizes that the Housing Regulations, which apply to all branches of the National Government, require a signed lease prior to release of any funds. In order to insure compliance with the Housing Regulations, the Personnel Office in the Office of the President will be responsible for approving all lease agreements prior to an employee's ability to receive a Housing Allowance, while the funds will be disbursed from the Congress staff budget.

Your Committee's recommended funding for Fiscal Year 2017 for Staff Offices is \$1,893,057.

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Congress - Delegation Offices

Your Committee notes that the Contract services line item for each Delegation Office includes amounts for Member Representation, up to a maximum of \$25,000 per member, at the Delegation Offices' discretion. This restriction on the maximum amount permitted will be included in the budget law.

Your Committee confirms and reminds the Delegation Offices that Member Representation is not to be advanced, and that any representation required by the Delegation Office as a whole should be funded by each of the Members taking equal shares from their Member representation. No representation expenditure should be made by the Delegation Office beyond the maximum provided for each Member. A Delegation Office may determine among its Members that a lesser amount is required for Member Representation than the \$25,000 per Member. In that event, the remaining amount in contract services shall be available for operational expenses of the office, such as POL, utilities and so forth.

KOSRAE DELEGATION	FY16 Original Appropriate	FY16 Supplement	FY17 EBRC Recommend	FY17 Committee Recommend
Travel	\$0	\$0	\$0	\$0
Contract services	\$5,000	\$20,000	\$5,000	\$5,000
OCE	\$45,000	\$0	\$45,000	\$45,000
Fixed assets	\$20,000	\$0	\$20,000	\$20,000
Total	\$70,000	\$20,000	\$70,000	\$70,000

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POHNPEI DELEGATION	FY16 Original Appropriate	FY16 Supplement	FY17 EBRC Recommend	FY17 Committee Recommend
Travel	\$10,000	\$0	\$10,000	\$10,000
Contract services	\$100,000	\$0	\$100,000	\$100,000
OCE	\$30,000	\$0	\$30,000	\$30,000
Fixed assets	\$0	\$0	\$0	\$0
Total	\$140,000	\$0	\$140,000	\$140,000

CHUUK DELEGATION	FY16 Original Appropriate	FY16 Supplement	FY17 EBRC Recommend	FY17 Committee Recommend
Travel	\$10,000	\$0	\$10,000	\$10,000
Contract services	\$160,000	\$0	\$160,000	\$160,000
OCE	\$30,000	\$60,000	\$30,000	\$30,000
Fixed assets	\$10,000	\$0	\$10,000	\$10,000
Total	\$210,000	\$60,000	\$210,000	\$210,000

YAP DELEGATION	FY16 Original Appropriate	FY16 Supplement	FY17 EBRC Recommend	FY17 Committee Recommend
Travel	\$10,000	\$0	\$10,000	\$10,000
Contract services	\$30,000	\$0	\$30,000	\$30,000
OCE	\$25,000	\$0	\$25,000	\$25,000
Fixed assets	\$5,000	\$0	\$5,000	\$5,000
Total	\$70,000	\$0	\$70,000	\$70,000

(e) Office of Public Auditor

An overview of proposed funding for the Office of Public Auditor follows. The funding source for the National Public Auditor Office is domestic revenue.

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Total Operations

	FY16 Appropriated	FY17 EBRC Recommend	FY17 Committee Recommend
Personnel	\$464,290	\$508,704	\$464,290
Travel	\$124,565	\$139,565	\$124,565
Contract services	\$86,000	\$58,000	\$86,000
OCE	\$58,500	\$64,350	\$58,500
Fixed assets	\$10,000	\$0	\$10,000
Total	\$743,355	\$770,619	\$743,355
Employees	21	21	21

Your Committee heard testimony from the representative for the Office of Public Auditor who cited the office's proposed numbers and not those recommended by the EBRC. The representative stated that the EBRC did not justify their changes; therefore those necessities, which were cut, are still needed. The office's proposed FY17 budget is \$17,150 more than the EBRC recommend. The increases are in OCE and fixed asset line items.

Your Committee took the testimony from the representative of the Office of Public Auditor into consideration and approved the same funding levels as FY16.

Your Committee's recommended funding for Fiscal Year 2017 for the Office of Public Auditor is \$743,355.

(f)-(x) GRANTS SUBSIDIES AND CONTRIBUTIONS

The funding source for all amounts recommended by the Committee under this section is domestic revenues.

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	FY16 Appropriated	FY16 Supple.	FY17 EBRC Recommend	FY17 Committee Recommend
Office of the President				
Asia Pacific Inst. Broadcasting Development (AIBD)	\$4,500		\$4,500	\$4,500
Asia Pacific Broadcasting Union	\$800		\$800	\$800
Pacific Island News Association	\$350		\$350	\$350
2023 Action Plan Implementation	\$0		\$0	\$0
Asia Pacific Investment	\$250		\$250	\$250
Former Presidents' Allowance	\$50,000		\$50,000	\$50,000
Department Of Finance				
OCO Membership	\$14,024		\$14,024	\$14,024
Financial Management System – Maintenance fee	\$55,000		\$55,000	\$55,000
CTA	\$0		\$9,000	\$9,000
ADB, IMF, and Budget, Finance Policy Consultations	\$0		\$25,000	\$25,000
Macro Economist Advisor	\$0		\$200,000	\$200,000
Congress				
IPU Conference	\$50,000		\$0	\$50,000
Climate Change Conferences/COP Morocco	\$30,000		\$0	\$30,000
ACP	\$50,000		\$0	\$30,000
APPU/APPF	\$75,000	-\$44,600	\$0	\$60,000
Staff Upgrade	\$50,000		\$0	\$50,000
World Bank/IMF Annual Meeting	\$50,000		\$0	\$50,000

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FSM/Israel Parliamentarian Friendship Link	\$100,000	\$0	\$0	\$50,000
MLC Conference	\$60,000	\$0	\$0	\$0
FSM/Japan Parliamentarian Friendship Link	\$50,000	\$0	\$0	\$0
China Parliamentary Visit	\$50,000	-\$31,200	\$0	\$0
FSM Congress/Cuban National Assembly Parliamentary Relations	\$50,000		\$0	\$50,000
National Olympic Committee - Assistance for Jennifer Chieng	\$25,000		\$0	\$0
FSM-French Parliamentary/ACP	\$50,000	-\$3,200	\$0	\$50,000
Fisheries Meetings	\$50,000	\$20,000	\$0	\$0
MRA Conference in Japan	\$20,000		\$0	\$20,000
Contribution to IPU		\$112,500	\$0	\$0
IPU annual dues		\$10,000	\$0	\$12,500
IPU Assembly in Zambia		\$50,000	\$0	\$0
Crans Montana Forum in Morocco		\$50,000	\$0	\$0
Wilshire Conference/Meetings w/constituents		\$50,000	\$0	\$0
RESOURCES: Other Grants				
MLFC Loan Payment	\$200,000		\$200,000	\$200,000
Single Audit Fee	\$329,250		\$445,000	\$445,000
Staff Housing	\$510,000		\$510,000	\$510,000
Recruitment and Repatriation	\$223,218		\$223,218	\$223,218
Total	\$2,147,392	\$213,500	\$1,737,142	\$2,189,542

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Your Committee recommends funding Grants, Subsidies and Contributions in the amounts listed in the table above.

(y)-(gg) INVESTMENT

The funding source for all amounts recommended by the Committee under this section is domestic revenue.

INVESTMENT: Capital and Human Resources Development	FY16 Appropriated	FY17 EBRC Recommend	FY17 Committee Recommend
Department of Finance			
FSM Warehouse Lease and Maintenance	\$100,000	\$100,000	\$100,000
PCD Awareness Initiative	\$15,000	\$15,000	\$15,000
Staff Upgrade	\$0	\$100,000	\$100,000
President's Office			
FSM Trust Fund	\$10,000,000	\$10,000,000	\$20,000,000
National Staff Upgrading	\$100,000	\$0	\$0
FSM Economic Develop. Project	\$0	\$19,487,294	\$0
Implementation of ODA Policy	\$50,000	\$50,000	\$50,000
2016 Development Partners Mtg	\$75,000	\$0	\$0
Compact Review Committee	\$50,000	\$50,000	\$50,000
Other			
State Priority Infrastructure Projects	\$10,000,000	\$0	\$10,000,000
Upgrade FSM Congress Internet to Fiber Optic	\$25,000	\$0	\$0
Total	\$20,415,000	\$29,802,294	\$30,315,000

Your Committee recommends funding Investment in Capital and Human Resources Development in the amounts listed in the table above.

Your Committee heard testimony from the Office of the President that the \$19,487,294 requested for FSM Economic Development Project has not been earmarked for any specific projects yet. Your Committee recommends raising the contribution to the FSM Trust Fund to

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\$20,000,000. Additionally, your Committee recommends funding the State Priority Infrastructure Projects in the same amount as FY16.

CONCLUSION

Your Committee on Ways and Means has reviewed the proposed fiscal year 2017 budget and carefully scrutinized all the information provided by the Office of the President, the Department of Finance and Administration, the Legislative Branch, and the Office of the National Public Auditor, including information relating to grants, subsidies and contributions and capital and human resource development which are in your Committee's jurisdiction. Based upon the information provided and its deliberations, your Committee recommends appropriation in the sums set forth above in the column entitled "FY17 Committee Recommend", subject to the availability of funds as determined by your Committee upon consolidation of all Committee recommendations.

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SUBJECT: FY 2017 BUDGET/W&M

AUGUST 01, 2016

Respectfully submitted,

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

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

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

/s/ Victor Gouland
Victor (Vicky) Gouland, member

/s/ Tiwiter Aritos
Tiwiter Aritos, member

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

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