

STANDING COMMITTEE REPORT NO. 19-24

RE: C.B. No. 19-46/W&M

SUBJECT: SUPPLEMENTAL BUDGET IN THE AMOUNT OF  
\$578,396 FOR FY15

JULY 16, 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. 19-46, entitled:

"TO APPROPRIATE A SUPPLEMENTAL BUDGET IN THE AMOUNT  
OF \$578,396 FROM THE GENERAL FUND OF THE FEDERATED  
STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING  
SEPTEMBER 30, 2015, BY AMENDING SECTIONS 1, 2, 3, 6,  
8, 9, AND 13 OF PUBLIC LAW NO. 18-89, AS AMENDED BY  
PUBLIC LAWS NOS. 18-102, 18-110, 18-116, AND 19-02 TO  
CHANGE THE CONDITIONS OF CERTAIN FUNDS THEREIN, AND  
FOR OTHER PURPOSES."

begs leave to report as follows:

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

Your Committee received Presidential Communication No. 19-68,  
which requested additional appropriations to the FY15 budget.  
Your Committee took all of the suggestions from P.C. No. 19-68  
into consideration when reviewing C.B. No. 19-46. Your  
Committee held a hearing on July 13, 2015 and based on that

STANDING COMMITTEE REPORT NO. 19-24

RE: C.B. No. 19-46/W&M

SUBJECT: SUPPLEMENTAL BUDGET IN THE AMOUNT OF  
\$578,396 FOR FY15

JULY 16, 2015

hearing your Committee's recommendations can be found on the chart below.

	P.C. No. 19-68	Committee Recommend	Difference
Operations- President's Office	\$80,000	\$55,000	-\$25,000
Dept. of Finance & Admin. CTA	\$123,681	\$111,200	-\$12,481
NORMA Operations Supp.	\$27,797	\$27,797	\$0
DTC&I Operations Supp.	\$5,000	\$10,000	\$5,000
DOJ Operations	\$18,000	\$15,000	-\$3,000
Foreign Affairs- ACP Membership Dues	\$50,933	\$50,933	\$0
Personnel Repatriation	\$187,913	50,000	-\$137,913
MLFC Loan Payment	\$88,466	88,466	\$0
Office of the President- Advisor for ODA/Compact	\$30,000	\$0	-\$30,000
DTC&I Residence Maintenance	\$148,226	\$95,000	-\$53,226
DOJ - PII Case	\$75,000	\$75,000	\$0
<b>TOTAL</b>	<b>\$835,016</b>	<b>\$578,396</b>	<b>-\$256,620</b>

Your Committee points out that the Executive may reprogram funds appropriated in section 2 of the FY15 budget to meet some of the requests. During the July 13<sup>th</sup> meeting, the Executive's Chief of Staff stated that there was not an exercise done overall to see what funds within the Executive Branch could be reprogrammed. Your Committee encourages the Executive to use his ability to reprogram funds to best allocate the resources at his dispense.

STANDING COMMITTEE REPORT NO. 19-24

RE: C.B. No. 19-46/W&M

SUBJECT: SUPPLEMENTAL BUDGET IN THE AMOUNT OF  
\$578,396 FOR FY15

JULY 16, 2015

Your Committee notes that the amount appropriated for the President's Office was \$25,000 less than was requested. Your Committee recommends an additional \$15,000 for the Travel line item in the President's budget. Your Committee also provided the Executive with an additional appropriation of \$22,300 for travel in section 8 of the FY15 budget, specifically for a working trip to China to attend the peace celebration.

Your Committee would also like to point out that it recommends \$35,000 for the Fixed Assets line item for the President's Office. Your Committee appropriated this amount so that the Vice President may purchase a new vehicle and the remaining funds should be used to pay for the costs to bring this vehicle and the President's to Pohnpei.

Your Committee considered the \$20,000 requested by the President's Office for contractual services, which as the Chief of Staff explained was to be used for a pilot project to develop the private business sector. While your Committee appreciates the need to help the private sector and encourages innovative ways to do so, it feels that with just a few months left in FY15 that the appropriation request might be better left to the FY16 budget. Your Committee feels that with additional time the Executive will have more time to plan a more comprehensive project.

Your Committee would like to clarify that \$6,000 of the \$85,000 appropriated for the Contractual Services line item for the Department of Finance and Administration should be used to contract short-term to assist with the transition of Secretaries.

Your Committee notes that the request for \$5,000 for the Department of TC&I's travel line item was doubled. At the July 13<sup>th</sup> hearing, the Representative for TC&I stated that they are travelling within the Nation to update the

STANDING COMMITTEE REPORT NO. 19-24

RE: C.B. No. 19-46/W&M

SUBJECT: SUPPLEMENTAL BUDGET IN THE AMOUNT OF  
\$578,396 FOR FY15

JULY 16, 2015

Infrastructure Development Bank, therefore their initial request of \$5,000 was not sufficient to meet their needs for the remainder of FY15. Your Committee recommends a \$10,000 appropriation for the Department of TC&I's travel line item specifically for the costs to update the IDB.

The Department of TC&I also requested a line item in section 8 for capital facilities rehabilitation. Your Committee understands the need to repair the housing and perform maintenance on existing homes at the capital facilities. Your Committee recommends an appropriation of \$95,000 for the purposes stated above.

Your Committee heard from the Representative from Foreign Affairs in the July 13<sup>th</sup> meeting regarding the ACP membership arrears. He gave several explanations as to how the annual dues got to be \$50,933 in arrears, including late fees, exchange rates, interest rates, and more. Your Committee expressed disappointment in the Department for allowing our late fees to reach such a significant level that we received international and regional media attention. Your Committee is recommending that the full amount be appropriated and expects the Department to keep the dues current from this point forward.

Your Committee also heard from the Department of Foreign Affairs regarding their request regarding their line item for personnel repatriation from foreign missions. Your Committee asked for a list of personnel who were to be repatriated, from where, when, and the cost. The Representative from Foreign Affairs did not have that information nor could he or the other witnesses explain their request for \$187,913 in detail. Nevertheless, your Committee recommends \$50,000 for repatriation and recruitment for foreign missions to meet immediate needs until further information is provided to be considered in the FY16 budget.

STANDING COMMITTEE REPORT NO. 19-24

RE: C.B. No. 19-46/W&M

SUBJECT: SUPPLEMENTAL BUDGET IN THE AMOUNT OF  
\$578,396 FOR FY15

JULY 16, 2015

Your Committee also recommends the following supplemental appropriations for the Legislative Branch:

	Committee Recommend
Speakers Contractual Services	\$140,000
Staff Travel	\$10,000
Update FSM Code	-\$72,300
Congressional Activities	-\$100,000

Your Committee would like to point out that the Legislative Branch has reprogrammed appropriations to meet its current needs. Your Committee upon consultation with Congress' Budget Officer was able to determine funds that are still available and would not be needed for the remainder of FY15. The reprogramming of funds were all taken from line items in section 8 of the budget.

Your Committee would also like to note that in Section 9 (14)(i), a line item for Chuuk Priority Infrastructure Projects, the purchase of heavy equipment was added. Your Committee was informed that this was needed so that the project could access the appropriation to purchase certain heavy equipment that is essential for the project.

Additionally, your Committee notes that section 13(3) was amended to allow funds under section 8 (14)(r)-(y) to be available through September 30, 2016. These important projects in all four states need more time, therefore, your Committee recommends an additional year before the funds lapse.

CONCLUSION

STANDING COMMITTEE REPORT NO. 19-24

RE: C.B. No. 19-46/W&M

SUBJECT: SUPPLEMENTAL BUDGET IN THE AMOUNT OF  
\$578,396 FOR FY15

JULY 16, 2015

Your Committee has carefully reviewed Congressional Bill No. 19-46. Your Committee on Ways and Means is in accord with the intent and purpose of C.B. No. 19-46, 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. 19-46.

Respectfully submitted,

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

/s/ Paliknoa 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