

STANDING COMMITTEE REPORT NO. 19-48

RE: P.C. NOS. 18-466 and 19-118/J&GO

SUBJECT: FY 2016 BUDGET

SEPTEMBER 24, 2015

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

Dear Mr. Speaker:

Your Committee on Judiciary and Governmental Operations, to which was jointly referred Presidential Communications Nos. 18-466 and 19-118, begs leave to report as follows:

Presidential Communications Nos. 18-466 and 19-118 concern the National Government's proposed budget for fiscal year 2016 as set forth in the National Government Fiscal Year 2016 Proposed Budget ("Budget Book"). Pursuant to rule 7, section 4(b) of the Official Rules of Procedures of the Nineteenth Congress of the Federated States of Micronesia, your Committee has limited its review to those portions of the proposed budget relating to matters under its jurisdiction. These are:

I. Operations:

- A. Department of Justice
- B. Office of the Public Defender
- C. National Judiciary
- D. Agencies, Boards, Authorities, Commissions & Corporations
 - 1. National Postal Services
- E. Special Programs
 - 1. National Election Commission Office

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II. Grants, Subsidies and Contributions:

- A. Department of Justice
 - 1. States Joint Law Enforcement
 - 2. Fuel Subsidy
- B. States Judiciaries
- C. Micronesian Legal Services Corporation

III. Capital and Human Resources Development:

- A. Department of Justice
 - 1. Patrol Boats Major Maintenance Project
- B. National Election Commission Office
 - 1. Voter ID Card and New Registration Project

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.

Your Committee conducted a series of public hearings following the convening of the Second Regular Session of the Nineteenth Congress on September 14, 2015. The report and recommendations that follow are based upon the information contained in the Budget Book and the input provided by witnesses at those hearings.

Your committee's findings and recommendations follow:

DISCUSSION OF FY 2016 BUDGET

The appropriations discussed below are presented, by department, office, and agency, in the order in which they appear in the Budget Book. The figures given for each department, office, and agency include the figures from the budget book for the total amount appropriated by law for FY 2015, as set forth in Public Law No. 18-89, as amended, and the amount recommended by EBRC for each entity for FY 2016.

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Your Committee makes the following recommendations.

I. OPERATIONS

A. Department of Justice

	FY 15 Appropriated	FY 16 EBRC Recommended	FY 16 J&GO Recommended
Personnel	2,185,333	2,350,911	2,351,938
Travel	156,048	156,048	158,548
Contract	309,160	309,160	309,160
OCE	326,125	326,125	329,125
Fixed Assets	96,800	96,800	181,800
Total	3,073,466	3,239,044	3,330,571
# positions	131	132	132

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Detail by Division

1. Administration, Office of the Secretary

	FY 15 Appropriated	FY 16 EBRC Recommended	FY 16 J&GO Recommended
Personnel	119,717	126,032	126,032
Travel	21,710	21,710	21,710
Contract	46,000	46,000	46,000
OCE	22,600	22,600	22,600
Fixed Assets	11,000	11,000	11,000
Total	221,027	227,342	227,342
# positions	5	5	5

Personnel – Your Committee notes that the EBRC recommendation is an increase of \$6,315 over the FY 2015 line, consisting of \$4,160 for COLA and \$2,155 for salary increases. This amount is approved.

Travel – Your Committee notes this is the same amount as the FY 2015 line and approves it as recommended by EBRC.

Contractual Services – Your Committee notes this is the same amount as the FY 2015 line and approves it as recommended by EBRC.

Other Current Expenses – Your Committee notes this is the same amount as the FY 2015 line and approves it as recommended by EBRC.

Fixed Assets – Your Committee notes this is the same amount as the FY 2015 line and approves it as recommended by EBRC.

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2. Division of Litigation

	FY 15 Appropriated	FY 16 EBRC Recommended	FY 16 J&GO Recommended
Personnel	141,581	144,131	144,131
Travel	41,795	41,795	41,795
Contract	12,000	12,000	12,000
OCE	10,000	10,000	10,000
Fixed Assets	0	0	0
Total	205,376	207,926	207,926
# positions	3	3	3

Personnel – Your Committee notes that the EBRC recommendation is an increase of \$2,550 over the FY 2015 line, consisting entirely of salary increases. This amount is approved.

Travel – Your Committee notes this is the same amount as the FY 2015 line and approves it as recommended by EBRC.

Contractual Services - Your Committee notes this is the same amount as the FY 2015 line and approves it as recommended by EBRC.

Other Current Expenses - Your Committee notes this is the same amount as the FY 2015 line and approves it as recommended by EBRC.

Fixed Assets – There is no fixed asset request.

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3. Division of Law

	FY 15 Appropriated	FY 16 EBRC Recommended	FY 16 J&GO Recommended
Personnel	188,774	192,174	192,174
Travel	30,656	30,656	30,656
Contract	0	0	0
OCE	10,000	10,000	10,000
Fixed Assets	0	0	0
Total	229,430	232,830	232,830
# positions	4	4	4

Personnel – Your Committee notes that the EBRC recommendation is an increase of \$3,400 over the FY 2015 line, consisting entirely of salary increases. This amount is approved.

Travel – Your Committee notes this is the same amount as the FY 2015 line and approves it as recommended by EBRC.

Contractual Services – There is no contractual services request.

Other Current Expenses – Your Committee notes this is the same amount as the FY 2015 line and approves it as recommended by EBRC.

Fixed Assets – There is no fixed asset request.

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4. Registrar of Corporations

	FY 15 Appropriated	FY 16 EBRC Recommended	FY 16 J&GO Recommended
Personnel	33,909	36,903	37,930
Travel	17,096	17,096	19,596
Contract	18,596	18,596	18,596
OCE	7,800	7,800	10,800
Fixed Assets	1,800	1,800	21,800
Total	79,201	82,195	108,722
# positions	2	2	2

Personnel - Your Committee notes that the EBRC recommendation is an increase of \$2,994 over the FY 2015 line, consisting of \$2,080 for COLA and \$914 for salary increases. At the hearing, the Registrar requested additional money (\$1,027) to fund the salary increase for his Deputy, which had been recommended previously. The amount of \$37,930 is approved.

Travel - Your Committee notes the EBRC recommendation is the same amount as the FY 2015 line. At the hearing, the Registrar requested an additional \$2,500 to allow for a trip to Osaka with MRA. The amount of \$19,596 is approved.

Contractual Services - Your Committee notes this is the same amount as the FY 2015 line and approves it as recommended by EBRC.

Other Current Expenses - Your Committee notes the EBRC recommendation is the same amount as the FY 2015 line. At the hearing, the Registrar requested an additional \$3,000 to pay for utilities, which had not been previously included. The amount of \$10,800 is approved.

Fixed Assets - Your Committee notes the EBRC recommendation is the same amount as the FY 2015 line. At the hearing, the Registrar requested an additional \$20,000 to pay for a used office vehicle to replace his current one. The amount of \$21,800 is approved.

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5. Division of Immigration and Labor

	FY 15 Appropriated	FY 16 EBRC Recommended	FY 16 J&GO Recommended
Personnel	460,334	510,866	510,866
Travel	20,356	20,356	20,356
Contract	77,758	77,758	77,758
OCE	110,522	110,522	110,522
Fixed Assets	15,000	15,000	80,000
Total	683,970	734,502	799,502
# positions	37	37	37

Personnel - Your Committee notes that the EBRC recommendation is an increase of \$50,532 over the FY 2015 line, consisting of \$38,480 for COLA and \$12,052 for salary increases including two in excess of \$2,100. This amount is approved.

Travel - Your Committee notes this is the same amount as the FY 2015 line and approves it as recommended by EBRC.

Contractual Services - Your Committee notes this is the same amount as the FY 2015 line and approves it as recommended by EBRC.

Other Current Expenses - Your Committee notes this is the same amount as the FY 2015 line and approves it as recommended by EBRC.

Fixed Assets - Your Committee notes the EBRC recommendation is the same amount as the FY 2015 line. At the hearing, the Division requested an increase of \$65,000 for a total of \$80,000 to purchase 5 new vehicles to replace the current ones that are six years old. The amount of \$80,000 is approved.

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6. National Police

	FY 15 Appropriated	FY 16 EBRC Recommended	FY 16 J&GO Recommended
Personnel	1,232,984	1,340,805	1,340,805
Travel	24,435	24,435	24,435
Contract	154,806	154,806	154,806
OCE	165,203	165,203	165,203
Fixed Assets	69,000	69,000	69,000
Total	1,646,428	1,754,248	1,754,248
# positions	80	81	81

Personnel – Your Committee notes that the EBRC recommendation is an increase of \$107,820 over the FY 2015 line, consisting of \$84,240 for COLA and \$23,580 for salary increases including \$7,869 for one new National Police Officer I. This amount is approved.

Travel – Your Committee notes this is the same amount as the FY 2015 line and approves it as recommended by EBRC.

Contractual Services – Your Committee notes this is the same amount as the FY 2015 line and approves it as recommended by EBRC.

Other Current Expenses – Your Committee notes this is the same amount as the FY 2015 line and approves it as recommended by EBRC.

Fixed Assets – Your Committee notes this is the same amount as the FY 2015 line and approves it as recommended by EBRC.

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B. Office of the Public Defender

	FY 15 Appropriated	FY 16 EBRC Recommended	FY 16 J&GO Recommended
Personnel	619,942	663,970	663,970
Travel	72,401	72,812	72,812
Contract	74,039	73,239	73,239
OCE	77,400	77,900	77,900
Fixed Assets	15,000	30,500	30,500
Total	858,782	918,421	918,421
# positions	26	26	26

Personnel – Your Committee notes that the EBRC recommendation is an increase of \$44,028 over the FY 2015 line, consisting of \$16,640 for COLA and \$27,388 for salary increases. This amount is approved.

Travel – Your Committee approves the EBRC recommendation, which is for a slight increase of \$411 over the FY 2015 line.

Contractual Services – Your Committee approves the EBRC recommendation, which is \$800 less than the FY 2015 line due to a decline in the office lease for Chuuk.

Other Current Expenses – Your Committee approves the EBRC recommendation, which is nearly unchanged from the FY 2015 line.

Fixed Assets – Your Committee notes that the increase in the fixed assets request over the FY 2015 line is primarily due to the need to request funding for a new, as opposed to a used, vehicle per the Executive Branch's new policy. This amount is approved.

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C. National Judiciary

	FY 15 Appropriated	FY 16 EBRC Recommended	FY 16 J&GO Recommended
Personnel	777,521	869,990	837,024
Travel	147,015	157,791	157,791
Contract	166,094	177,694	177,694
OCE	190,806	190,806	190,806
Fixed Assets	30,000	36,100	36,100
Total	1,311,436	1,432,381	1,399,415
# positions	33	33	33

Personnel - Your Committee notes that the EBRC recommendation is an increase of \$92,469 over the FY 2015 line. However, based upon information received at the hearing and in a letter from the FSM Supreme Court dated September 18, 2015, the EBRC recommendation appears to contain errors. Based upon this updated information, the committee approves \$837,024, which is an increase of only \$59,503 over the FY 2015 line, consisting of \$23,920 for COLA and \$35,583 for salary increases.

Travel - Your Committee notes that the EBRC recommendation is an increase of \$10,776 over the FY 2015 line, consisting of an international trip to Australia for the Chief Justice to attend the "PCJ/Law Asia/APCJC." This amount is approved.

Contractual Services - Your Committee notes that the EBRC recommendation is an increase of \$11,600 over the FY 2015 line, consisting of \$9,600 reserved for the lease/housing allowance for an Associate Justice plus an increase for interpreter services. This amount is approved.

Other Current Expenses - Your Committee notes this is the same amount as the FY 2015 line and approves it as recommended by EBRC.

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Fixed Assets – Your committee notes this is an increase over the FY 2015 line, but approves it as recommended by EBRC.

D. Agencies, Boards, Authorities, Commissions & Corporations

1. National Postal Services

	FY 15 Appropriated	FY 16 EBRC Recommended	FY 16 J&GO Recommended
Personnel	442,386	508,346	508,346
Travel	46,564	50,165	50,165
Contract	145,317	145,317	145,317
OCE	120,500	124,500	124,500
Fixed Assets	25,000	20,000	40,000
Total	779,767	848,328	868,328
# positions	39	40	40

Personnel – Your Committee notes that the EBRC recommendation is an increase of \$65,960 over the FY 2015 line, consisting of \$40,560 for COLA and \$25,400 for salary increases including \$10,039 to fund the new position of Executive Secretary II. Your Committee advises that the current geographic distribution of positions should be maintained. If the need arises in the future for additional staff in some locations, your committee would encourage the agency to request additional appropriations for new positions. This amount is approved.

Travel – Your Committee approves the EBRC recommendation that is \$3,601 above the FY 2015 line, reflecting an increase in the cost of airline tickets.

Contractual Services – Your Committee notes this is the same amount as the FY 2015 line and approves it as recommended by EBRC.

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Other Current Expenses - Your Committee approves the EBRC recommendation that is \$4,000 above the FY 2015 line, reflecting an increase in utilities costs.

Fixed Assets - Your Committee approves \$40,000, which was the agency's original request, to purchase three new vehicles, one each for Chuuk, Yap, and Kosrae.

E. Special Programs

1. National Election Commission Office

	FY 15 Appropriated	FY 16 EBRC Recommended	FY 16 J&GO Recommended
Personnel	206,365	222,637	222,637
Travel	17,637	17,637	17,637
Contract	53,477	53,477	59,477
OCE	72,477	74,303	74,303
Fixed Assets	0	44,000	66,000
Total	349,956	412,054	440,054
# positions	12	12	12

Personnel - Your Committee notes that the EBRC recommendation is an increase of \$16,272 over the FY 2015 line, consisting of \$11,440 for COLA and \$4,832 for salary increases. This amount is approved.

Travel - Your Committee notes this is the same amount as the FY 2015 line and approves it as recommended by EBRC.

Contractual Services - Your Committee notes the EBRC recommendation is the same amount as the FY 2015 line. At the hearing, NECO requested an additional \$6,000 for rent for the new location of the Yap Election Office. The amount of \$59,477 is approved.

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Other Current Expenses – Your Committee approves the EBRC recommendation that is \$1,826 above the FY 2015 line, reflecting an increase in utilities costs.

Fixed Assets – Your Committee approves \$66,000, which is in excess of the EBRC recommendation, to accommodate the purchase of a new vehicle for the Chuuk Election Office in addition to those requested for the election offices in Kosrae and Pohnpei.

II. Grants, Subsidies and Contributions

A. Department of Justice

1. States Joint Law Enforcement

	FY 15 Appropriated	FY 16 EBRC Recommended	FY 16 J&GO Recommended
Kosrae	30,000	30,000	30,000
Pohnpei	50,000	50,000	50,000
Chuuk	50,000	50,000	50,000
Yap	30,000	30,000	30,000

Your Committee notes these are the same amounts as the FY 2015 lines and approves them as recommended by EBRC.

2. Fuel Subsidy

	FY 15 Appropriated	FY 16 EBRC Recommended	FY 16 J&GO Recommended
	200,000	200,000	200,000

Your Committee approves the amount recommended by EBRC, noting that keeping three vessels at sea for 225 days per year costs approximately \$1.5 million dollars.

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B. States Judiciaries

	FY 15 Appropriated	FY 16 EBRC Recommended	FY 16 J&GO Recommended
Kosrae	35,000	35,000	35,000
Pohnpei	55,000	55,000	55,000
Chuuk	55,000	55,000	55,000
Yap	35,000	35,000	35,000

Your Committee notes these are the same amounts as the FY 2015 lines and approves them as recommended by EBRC.

C. Micronesian Legal Services Corporation

	FY 15 Appropriated	FY 16 EBRC Recommended	FY 16 J&GO Recommended
	250,000	350,000	250,000

Your Committee notes that the EBRC recommendation is an increase of \$100,000 over the FY 2015 line. In the absence of any explanation given for this increase, the committee approves the amount appropriated in FY 2015.

III. Capital and Human Resources Development

A. Department of Justice

1. Patrol Boats Major Maintenance Project

	FY 15 Appropriated	FY 16 EBRC Recommended	FY 16 J&GO Recommended
	125,000	125,000	125,000

Your Committee approves the EBRC recommendation that is the same as FY 2015.

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B. National Election Commission Office

1. Voter ID Card and New Voter Registration Project

	FY 15 Appropriated	FY 16 EBRC Recommended	FY 16 J&GO Recommended
Voter ID Card and New Voter Registration Project	25,000	25,000	50,000

Your Committee approves increasing funding for this important initiative to encourage a renewed focus on registering young people for the first time in addition to continuing to issue voter ID cards to currently registered voters.

CONCLUSION

With the modifications identified above, your Committee on Judiciary and Governmental Operations recommends authorizing those portions of the FY 2016 budget relating to matters under its jurisdiction, subject to the availability of funds, as determined by your Committee on Ways and Means.

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Respectfully submitted,

/s/ Tiwiter Aritos
Tiwiter Aritos, chairman

/s/ Alik L. Alik
Alik L. Alik, vice chairman

/s/ Isaac V. Figir
Isaac V. Figir, member

/s/ Berney Martin
Berney Martin, member

Esmond B. Moses, member

/s/ Robson U. Romolow
Robson U. Romolow, member

Wesley W. Simina, member