

STANDING COMMITTEE REPORT NO. 16-08

RE: P.C. NO. 15-374/R&D

SUBJECT: FY 2010 BUDGET

JUNE 03, 2009

The Honorable Isaac V. Figir  
Speaker, Sixteenth Congress  
Federated States of Micronesia  
First Regular Session, 2009

Dear Mr. Speaker:

Your Committee on Resources and Development, to which was jointly referred the National Government's proposed FY 2010 budget, begs leave to report as follows:

Presidential Communication No. 15-374 relates to the National Government's proposed budget for Fiscal Year 2010 as set forth in a publication entitled Federated States of Micronesia Fiscal Year 2010 Proposed Budget (the "Budget Book"). Pursuant to rule 7, section 6(b), of the Official Rules of Procedure of the Sixteenth Congress of the Federated States of Micronesia, your Committee has confined its review to those portions of the revised proposed budget relating to matters within its jurisdiction. These are the budgets for:

1. Department of Resources and Development;
2. Office of Environment and Emergency Management
3. National Oceanic Resource Management Authority;
4. Coconut Development Authority;
5. FSM Banking Board;
6. National Fisheries Corporation;
7. National Aquaculture Center
8. Grants, subsidies and contributions:
  - a. R&D Conference

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- b. Chief Executive Conference (CEC)
- c. Pacific Island Development Program (PIDP);
- d. Forum Fisheries Agency (FFA);
- e. Coordinating Committee for Offshore Mineral Prospecting;
- f. Pacific Asian Travel Association (PATA);
- g. United Nations Development Program (UNDP);
- h. Sea frame Project;
- i. Food Agriculture Organization (FAO);
- j. Western Forestry Leader Coalition;
- k. FAO/TCP Matching;
- l. National Association of State Foresters;
- m. Matching to SPC Projects;
- n. Quarantine Services;
- o. 3<sup>rd</sup> National Environmental Conference;
- p. Secretariat of Pacific Region;
- q. UN Environmental Protection;
- r. 7<sup>th</sup> National Speech Contest;
- s. SPREP Noumea Convention;
- t. Waigani Convention;
- u. United Nation Convention to Combat Desertification;
- v. United Nation Framework Convention Climate Change;
- w. SPREP (Annual Membership) Fee;
- x. FSM FEMA Disaster Matching;
- y. Copra Subsidy;
- z. Pilot Plant Projects;
- aa. Asia Pacific Coconut Community; and
- bb. Tuna Commission Membership Fee

9. Capital & Human Resources Development:

- a. FSM Visitor's Bureau
- b. Crop Production Improvement Program

Your Committee conducted a series of public hearings and Committee meetings following the convening of the First Regular Session of the 16<sup>th</sup> Congress on May 11, 2009 with the last being held on May 29. The report and recommendations that follow are based upon the information contained in the Budget Book and the input provided by the Secretary, Assistant Secretaries, Directors, Managers and staff of the various departments, agencies and entities during those hearings. Any

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commentary found in this report should be treated as policy for the guidance of the relevant departments, agencies and entities.

#### INTRODUCTORY COMMENTS

The Committee expresses its appreciation to the Secretary of the Department of Resources and Development, members of his staff, the Directors and staff of NORMA and Coconut Development Authority, the Banking Commissioner and his staff, the Banking Board, and the Director and staff of the Office of EEM for their attendance and contribution at the many Committee hearings and meetings leading to this Report.

The Department of Resources and Development is responsible to accomplish the program objectives identified in the SDP (Strategic Development Plan), which include the following: to create a sound economic policy making environment to support export-oriented or private sector-led growth, to improve the competitiveness of the factors of production to promote private sector development, to improve the environment for direct investment and expand entrepreneurial and business development support services, to reduce the direct role of the government in the economy, to provide efficient and cost-effective economic infrastructure to support competitive private sector development, to make tourism a leading economic activity in the FSM, to integrate the tourism sector into national economic planning and development, to create an attractive and supportive environment for private sector tourism industry investors, to invest in tourism product development in order to diversify and expand the range of attractions and activities for visitors, to develop programs to reduce energy use and convert to renewable energy resources, to establish effective biosecurity (border control, quarantine and eradication) programs to effectively protect the FSM's biodiversity from impacts of alien invasive species, to create sustainable financing mechanisms for environmental and sustainable resource initiatives and to enhance and employ-in-country technical capacity to support environmental programs.

The mission of the Office of Environment and Emergency Management is to coordinate National Government efforts and assist States to

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conserve, protect and sustainably use natural resources, to coordinate implementation of the FSM Environmental Protection Act and to prevent, prepare for and recover from natural and human induced disasters.

NORMA is tasked as guardian and manager of the marine resources in the FSM Exclusive Economic Zone to obtain maximum sustainable economic benefit to the FSM from those resources. Similarly, CDA is responsible for development of coconut and copra production, products and markets to provide a sustainable and reliable source of local revenue.

The Banking Board undertakes the licensing and supervision of banks and insurance companies to protect the interests of depositors and policyholders and to promote soundness, stability and development of the banking and insurance systems in the FSM.

The Department is required pursuant to Section 103 of Title 55 of the FSM Code to identify in its annual plan the expected accomplishments for the year. Where possible those planned accomplishments are to be expressed in a form that permits the measurement of actual performance. For the most part the Department's plan for FY2010, much like FY08 and FY09 merely describes its day-to-day operations and simply describes the overall responsibilities of the Department. Such statements give no indication of what will actually be accomplished during the coming year.

Your Committee believes that program objectives cannot be achieved without careful planning and strategic direction. It urges that the Strategic Development Plan and unit mission statements be the focus of all existing and future Department, Office, Board, Commission or Authority initiatives.

The findings and recommendations of your Committee with regard to the FY2010 Proposed Budget are set out in detail below.

#### **DISCUSSION OF THE PROPOSED FY 2010 BUDGET**

The figures shown in the charts below for each department or agency include the total amount appropriated in FY 2009; the amount

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recommended by the EBRC for each entity for FY 2010, as listed in the "FY 2010 Request" column in the Budget Book; and the amount recommended by your Committee for FY 2010 in the last column.

**I. DEPARTMENT OF RESOURCES AND DEVELOPMENT - OVERALL**

**An Overview of the FY2010 Proposed Budget for the Department of Resources & Development comparing FY2009 appropriated budget**

The following is an overview of the proposed funding for the Department of R&D in FY 2010.

**I. DEPARTMENT OF RESOURCES AND DEVELOPMENT - OVERALL**

	FY 2009 Appropriations	FY 2010 Request	Committee recommends
Personnel	\$485,075	\$496,435	\$490,049
Travel	\$66,252	\$30,612	\$60,000
Contractual Services	\$275	\$25,275	\$15,275
Other Current Expenses	\$101,083	\$80,183	\$76,111
Fixed Assets	\$7,000	\$22,500	\$33,000
<b>Total</b>	<b>\$659,685</b>	<b>\$655,005</b>	<b>\$674,435</b>
No. of Employees	30	31	30

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**I (a) . Office of the Secretary**

	FY 2009 Appropriations	FY 2010 Request	Committee recommends
Personnel	\$79,765	\$80,152	\$80,152
Travel	\$66,252	\$30,612	\$15,000
Contractual Services	\$150	\$25,150	\$15,150
Other Current Expenses	\$16,320	\$14,820	\$14,820
Fixed Assets	0	0	0
<b>Total</b>	<b>\$162,487</b>	<b>\$150,734</b>	<b>\$125,122</b>
No. of Employees	5	5	5

In the Personnel Category, your Committee was informed by the Secretary of the Department that the vacant position for the Administrative Officer II is being advertised. Thus, your Committee recommended the budget for the Administrative Officer.

The Committee further recommended that travel for divisions under their respective budgets should prioritize domestic travels for the consultations with states' counterparts.

**I (b) . Division of Resource Management and Development**

	FY 2009 Appropriations	FY 2010 Request	Committee recommends
Personnel	\$29,287	\$29,510	\$31,981
Travel	\$0	\$0	<b>\$20,000</b>
Contractual Services	\$0	\$0	<b>\$0</b>
Other Current Expenses	\$6,509	\$6,009	\$6,009
Fixed Assets	\$0	\$0	<b>\$0</b>

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<b>Total</b>	\$35,796	\$35,519	\$57,990
No. of Employees	2	2	<b>2</b>

In the Personnel for the Assistant Secretary, the increase in salary is an adjustment to correct the pay level and the appropriate amount. The Committee recommended this adjustment to commensurate the work load of the Assistant Secretary.

All travels for the subunits under the Division of Resource Management and Development are inclusive of \$20,000.

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**I (b) (i) Tourism (Unit)**

	FY 2009 Appropriations	FY 2010 Request	<b>Committee recommends</b>
Personnel	\$17,635	\$17,771	\$17,771
Travel	\$0	\$0	\$0
Contractual Services	\$0	\$0	\$0
Other Current Expenses	\$7,300	\$9,000	\$9,000
Fixed Assets	\$0	\$0	\$0
<b>Total</b>	\$24,935	<b>\$26,771</b>	\$26,771
No. of Employees	1	1	<b>1</b>

**I (b) (ii) . Marine Resources (Unit)**

	FY 2009 Appropriations	FY 2010 Request	<b>Committee recommends</b>
Personnel	\$29,468	\$29,692	\$17,771
Travel	\$0	\$0	\$0
Contractual Services	\$0	\$0	\$0
Other Current Expenses	\$6,572	\$6,072	\$4,000
Fixed Assets	\$3,500	\$0	\$0
<b>Total</b>	\$39,540	<b>\$35,764</b>	\$21,771
No. of Employees	2	2	<b>1</b>

The Program Manager position is filled and the Fisheries Management Conservation Officer has been vacant for three consecutive years. On the basis that the Department, especially staff of the Marine



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Resources Unit had implemented its goals and objectives without the Fisheries Management Conservation Officer, your Committee recommended the deletion of the position.

**I(b) (iii). Agriculture (Unit)**

	FY 2009 Appropriations	FY 2010 Request	Committee recommends
Personnel	\$234,179	\$249,685	\$249,685
Travel	\$0	\$0	\$0
Contractual Services	\$0	\$0	\$0
Other Current Expenses	\$48,100	\$28,000	\$26,000
Fixed Assets	\$0	\$15,000	\$30,000
<b>Total</b>	<b>\$282,279</b>	<b>\$292,685</b>	<b>\$305,685</b>
No. of Employees	15	16	16

Your Committee discussed at length the problems relating to needed supplies, telecommunication, utilities and fuel at the field offices in the states. For example, the quarantine officers in Yap State often used the office equipments at the Yap Delegation Office because of lack of Xerox machine, no funding for communication and also supplies.

Therefore, your Committee recommended that the Assistant Secretary to look at these recurring problems and try to resolve them. Your Committee further recommended that the \$26,000 under OCE be shared with the state quarantine offices. The break down of the \$26,000 is provided herein: 1) communication \$5,000, 2) maintenance \$3,000, 3) office supplies/materials \$15,000, and 4) printing/reproduction \$3,000. Your Committee understands that the Field Offices in Yap and Kosrae have brand new SUV vehicles. To be fair with the other field offices, your Committee recommended \$30,000 in the Fixed Assets mainly for the purchase of two brand new SUVs for the field offices in Chuuk and Pohnpei.

**I(c). Division of Trade and Investment**

	FY 2009 Appropriations	FY 2010 Request	Committee recommends
Personnel	\$63,586	\$58,232	\$61,475
Travel	\$0	\$0	\$15,000

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Contractual Services	\$0	\$0	\$0
Other Current Expenses	\$10,250	\$10,250	\$10,250
Fixed Assets	\$3,500	\$7,500	\$3,000
<b>Total</b>	<b>\$77,336</b>	<b>\$75,982</b>	<b>\$89,725</b>
No. of Employees	3	3	3

Your Committee understands that the division is in dire need of computers, and recommended \$3,000 in the Fixed Assets Category. With this \$3,000, the division can purchase two new desktop computers (\$1,500 each). The Committee disapproved the funds requested to purchase the used vehicle.

**I(d). Division of Energy**

	FY 2009 Appropriations	FY 2010 Request	<b>Committee recommends</b>
Personnel	\$31,155	\$31,393	<b>\$31,214</b>
Travel	\$0	\$0	<b>\$10,000</b>
Contractual Services	\$125	\$125	<b>\$125</b>
Other Current Expenses	\$6,032	\$6,032	<b>\$6,032</b>
Fixed Assets	\$0	\$0	<b>\$0</b>
<b>Total</b>	<b>\$37,312</b>	<b>\$37,550</b>	<b>\$47,396</b>
No. of Employees	2	2	<b>2</b>

This Division was a newly established division in the Department. Its primary "activity" is to develop an Energy Policy for the nation and manage the traditional energy base and diversify into alternate energy sources."

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**II. NATIONAL OCEANIC RESOURCE MANAGEMENT AUTHORITY**

	FY 2009 Appropriations	FY 2010 Request/Pres. Rec.	<b>Committee recommends</b>
Personnel	\$201,158	\$223,164/202,656	<b>\$202,656</b>
Travel	\$60,000	\$87,987/54,000	<b>\$60,000</b>
Contractual Services	\$73,700	\$83,700/73,700	<b>\$73,700</b>
Other Current Expenses	\$40,500	\$63,000/40,500	<b>\$40,500</b>
Fixed Assets	\$0	\$0	<b>\$-0-</b>
<b>Total</b>	<b>\$375,358</b>	<b>\$457,851/370,856</b>	<b>\$376,856</b>
No. of Employees	11	11	<b>11</b>

The Committee recommended the proposed budget request for NORMA for this fiscal year. There is no deduction; however, there is an increase of \$6,000 under the Travel Category. Your Committee noted that the staff of NORMA need to travel for its negotiations with fishing companies. Your Committee also noted that once the threshold amount (\$75,000) in the observer revolving fund is amended, NORMA can use the Observer Revolving Fund to fund the port samplers and the observers. On this issue, your Committee has directed the staff of the Committee to amend the relevant provisions in the Code of the FSM for the Committee to consider it during its next session of Congress.

The Committee also recommends NORMA to come up with an arrangement to accommodate the port samplers and the observers to get more benefits, and to prevent any potential liabilities that may arise from their line of duties.

**III. Office of Environment and Emergency Management (EEM)**

	FY 2009 Appropriations	FY 2010 Request/Pres. Rec.	<b>Committee recommends</b>
Personnel	\$123,177	\$126,758	<b>\$126,758</b>
Travel	\$30,000	\$59,162	<b>\$59,162</b>
Contractual Services	0	0	<b>\$0</b>
Other Current Expenses	\$17,076	\$16,400	<b>\$18,576</b>

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Fixed Assets	\$3,000	\$0	\$0
<b>Total</b>	<b>\$173,253</b>	<b>\$202,320</b>	<b>\$204,496</b>
No. of Employees	9	7	<b>7</b>

Your Committee recommended funding for the Office of EEM at the level proposed by the President as follows:

**III(a). Administration (Office of the Director)**

	FY 2009 Appropriations	FY 2010 Request	Committee recommends
Personnel	\$43,508	\$44,266	<b>\$44,266</b>
Travel	\$0	\$19,363	<b>\$19,363</b>
Contractual Services	\$0	\$0	<b>\$0</b>
Other Current Exp.	\$9,400	\$10,900	\$10,900
Fixed Assets	\$3,000	\$0	\$0
<b>Total</b>	<b>\$55,908</b>	<b>\$74,529</b>	<b>\$74,529</b>
No. of Employees	2	2	<b>2</b>

**III(b). Division of Environment and Sustainable Development**

	FY 2009 Appropriations	FY 2010 Request	Committee recommends
Personnel	\$59,956	\$46,922	\$46,922
Travel	\$0	\$28,813	\$28,813
Contractual Services	\$0	\$0	<b>\$0</b>
Other Current Expenses	\$5,500	\$5,500	<b>\$5,500</b>
Fixed Assets	\$0	\$0	<b>\$0</b>
<b>Total</b>	<b>\$65,456</b>	<b>\$81,235</b>	<b>\$81,235</b>
No. of Employees	4	3	<b>3</b>

**III(c). Division of Emergency Management**

	FY 2009 Appropriations	FY 2010 Request	Committee recommends
Personnel	\$52,287	\$35,570	<b>\$35,570</b>
Travel	\$0	\$10,986	<b>\$10,986</b>
Contractual Services	\$0	\$0	<b>\$0</b>
Other Current Expenses	\$2,173	\$2,176	<b>\$2,176</b>
Fixed Assets	\$0	\$0	<b>\$0</b>
<b>Total</b>	<b>\$54,460</b>	<b>\$48,732</b>	<b>\$48,732</b>
No. of Employees	3	2	<b>2</b>

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**IV. COCONUT DEVELOPMENT AUTHORITY**

	FY 2009 Appropriations	FY 2010 Request/Pres. Rec.	<b>Committee recommends</b>
Personnel	\$71,739	\$71,739	<b>\$71,739</b>
Travel	\$12,722	\$0	<b>\$12,722</b>
Contractual Services	\$0	\$0	<b>\$0</b>
Other Current Expenses	\$10,000	\$10,000	<b>\$10,000</b>
Fixed Assets	\$0	\$0	<b>\$0</b>
<b>Total</b>	<b>\$94,461</b>	<b>\$81,739</b>	<b>\$94,461</b>
No. of Employees	4	4	<b>4</b>

The EBRC zeroed out the travel for CDA. After the oversight hearing with representatives from the Coconut Development Authority, your Committee recommended \$12,722 in the Travel Category so that CDA Board members can meet and also attend the APCC meeting. According to Mr. Nanpei, the CDA Board must conduct its meeting twice a year as mandated by law. With the limited funding for travel, Mr. Nanpei proposed that the law should be amended to allow Board members to meet only once a year.

Your Committee therefore recommended the same level of funding for CDA to be maintained, same as this current fiscal year 2009.

**V. FSM BANKING BOARD**

	FY 2009 Appropriations	FY 2010 Request/Pres. Rec.	<b>Committee recommends</b>
Personnel	\$99,314	\$103,281	<b>\$103,281</b>
Travel	\$48,484	\$37,932	<b>\$37,932</b>
Contractual Services	\$68,100	\$96,100	<b>\$96,100</b>
Other Current Expenses	\$22,010	\$23,010	<b>\$23,010</b>
Fixed Assets	\$0	\$0	<b>\$0</b>
<b>Total</b>	<b>\$237,907</b>	<b>\$2260,323</b>	<b>\$260,323</b>
No. of Employees	5	5	<b>5</b>

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Your Committee observed that the funding request for the FSM Banking Board is the same as fiscal year 2009. Accordingly, your Committee recommended the amount requested.

**VI. NATIONAL FISHERIES CORPORATION (NFC)**

	FY 2009 Appropriations	FY 2010 Request/Pres. Rec.	Differences
Contractual Services	\$0	\$0/0	\$0
Other Current Expenses	\$0	\$0/0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0/0</b>	<b>\$0</b>

During the oversight hearing with representative of NFC, Mr. Nick Soloman indicated that NFC is undergoing a negotiation with a foreign company. Hopefully, this arrangement could lessen the financial constraints that NFC faced. Currently, NFC is leasing out two vessels and manages other services to generate revenue for its operation.

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**VII. NATIONAL AQUACULTURE CENTER**

	FY 2009 Appropriations	FY 2010 Request/Pres. Rec.	<b>Committee recommends</b>
Personnel	\$38,617	\$0/0	\$0
Travel	\$12,656	\$0/0	\$0
Contractual Services	\$9,474	\$0/0	\$0
Other Current Expenses	\$22,389	\$0/0	\$50,000
Fixed Assets	\$0	\$0	\$0
<b>Total</b>	<b>\$83,136</b>	<b>\$0/0</b>	<b>\$50,000</b>
No. of Employees	4	0	0

On June 1, 2009, the Committee had an oversight hearing with Secretary Christian and Assistant Secretary Marion Henry. The subject of discussion is the status of the National Aquaculture Center. Secretary briefly explained his understanding that the NAC was an OCF supported project to farm the giant clams.

According to Secretary, the current arrangement is between Martin Selch and the National Government. It was revealed during this oversight hearing that a management contract between Martin and the National Government is already signed, which took effect in November 29, 2008. The arrangement is to have Mr. Selch manage the facility and the operation of NAC for three years. The arrangement is to phase out gradually the operation of the Aquaculture Center after three years and Mr. Selch runs the NAC.

According to Mr. Henry, the amount that the department requested for NAC for this fiscal year is \$50,000 to be under OCE Category. This amount was cut by EBRC. The Committee has requested additional information on the breakdown of the \$50,000. On the contract between Mr. Selch and the National Government, the Secretary indicated that the terms in the contract allow for a phase out period of 3 years and national government will assist during this transitioning period.

In regards to the funding already appropriated for the Personnel under the NAC, apparently, Mr. Selch is now managing the operation and he hired his own employees. On the four national employees at the NAC, it was revealed that these four employees are no longer working there. On the question of potential lawsuits from these employees, the FSM Department of Justice had advised that the department with the privatization arrangement of NAC, the government gives 30 days notice to the current employees. This is sufficient notice for them not to bring a lawsuit according to the advise by the Justice Department.

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**VIII. GRANTS, SUBSIDIES & CONTRIBUTIONS**

Department of Resources & Development	FY 2009 Appropriation	FY 2010 Proposed	Committee recommends
<b>A. Grants</b>			
1. R&D Conference	0	\$10,000	\$10,000
2. Chief Executive Conference (CEC)	0	\$10,000	\$5,000
<b>C. Contributions</b>			
01. Pacific Island Development Program (PIDP)	\$15,000	\$15,000	\$15,000
02. Forum Fisheries Agency (FAA)	\$33,227	\$34,178	\$34,178
03. Coordinating Committee for Offshore Mineral Prospecting	\$15,000	\$15,000	\$15,000
04. Pacific Asian Travel Association (PATA)	\$5,000	\$5,000	\$5,000
05. United Nations Development Program (UNDP)	\$3,000	3,000	\$3,000
06. NFC-OPIC Loan Payment			
07. Sea frame Project	\$0	\$0	\$-0-
08. Food Agriculture Organization (FAO)	\$4,700	\$4,700	\$4,700
09. Western Forestry Leadership Coalition	\$500	\$500	\$500
10. FAO/TCP Matching	\$34,508	\$34,508	\$34,508
11. National Association of State Foresters	\$500	\$500	\$500
12. Matching to SPC Projects	\$60,000	\$60,000	\$60,000
13. Quarantine Services	\$50,000	\$50,000	\$50,000
<b>Total R&amp;D Grants, Subsidies &amp; Contributions</b>	\$221,435	\$242,386	\$237,386
<b>Office of Environment &amp; Emergency Management</b>			
1. 3 <sup>rd</sup> Natl. Environmental Conference	\$13,558	\$15,000	\$15,000
2. 18 <sup>th</sup> SPREP Annual Meeting	\$0	\$0	\$0
3. Secretariat of Pacific Region	\$0	\$23,477	\$23,477
4. UN Environmental Protection	\$600	\$760	\$760
5. 7th National Environment Speech Contest	\$15,000	\$15,000	\$15,000
6. SPREP Noumea Convention	\$671	\$671	\$671
7. Waigani Convention	\$55	\$55	\$55
8. United Nation Convention to Combat Desertification	\$120	\$120	\$120



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9. United Nation Framework Convention on Climate Change (UNFCCC)	\$250	\$250	\$250
10. SPREP (Annual Membership) Fee	\$10,184	\$0	\$0
11. FSM FEMA Disaster Matching	\$200,000	\$200,000	\$200,000
<b>Total OEMM Grants, Subsidies &amp; Contributions</b>	<b>\$240,438</b>	<b>\$255,333</b>	<b>\$255,333</b>
<b>COCONUT DEVELOPMENT AUTHORITY GRANTS, CONTRIBUTIONS &amp; Subsidies</b>			
a. Copra Subsidy	\$100,000	\$0	\$50,000
b. Pilot Plant Projects	0	0	-0-
c. Asia Pacific Coconut Community	\$15,500	\$12,000	\$12,000
<b>Total Coconut Dev. Auth.</b>	<b>\$115,500</b>	<b>\$12,000</b>	<b>\$62,000</b>
<b>NORMA</b>			
1. National Maritime Boundry/FY2009 Continental Shelf Delineation.	\$160,804	\$0	\$0
2. Tuna Commission Membership Fee	\$49,629	\$47,988	\$47,988

The Committee wants the break down of the \$60,000 for the Matching for the SPC projects, and also the break down of the \$50,000 for quarantine services. During the mark up meeting of the Committee, the Committee still needs more information on the SPREP membership fee.

In regards to the operation of the Coconut Development Authority, the Committee urges CDA to strengthen its purchase of copra through its agents in the states and the outer islands. The value of copra is not being used for its economical purposes, but rather for firewood and other subsistent uses.

**IX. CAPITAL & HUMAN RESOURCES DEVELOPMENT BUDGET**

	FY 2009 Appropriation	FY 2010 Request	Committee recommends
a. FSM Visitors' Bureau	\$0	\$200,000	\$200,000
b. Crop Production Improvement Program	\$0	\$55,000	\$0
c. 2010 Shanghai World Exposition	\$0	\$0	\$150,000
<b>Total Capital &amp; Hum. Res.</b>	<b>\$0</b>	<b>\$255,000</b>	<b>\$350,000</b>

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RE: P.C. NO. 15-374/R&D

SUBJECT: FY 2010 BUDGET

JUNE \_\_\_\_\_, 2009

The Committee inquired on how the \$200,000 is spent. The Committee is requesting the Department to provide the break down of the \$200,000. The Committee also requested that the \$200,000 is used for the States' Project Based Proposals, and for a report on the expenditures of this fund to be submitted to Congress.

The Committee recommended the deletion of the crop production improvement program in the amount of \$55,000 because there is no supporting documents as to what are the goals and objectives of this project.

On the Expo, which is tentatively scheduled for May to July 2010, \$198,456 is requested to bring 30 FSM participants to the Expo in China. The Committee recommends \$150,000 for the Expo and this amount must be shared by the participants from the States, the State governments and the national government.

#### **CONCLUSION**

The overall proposed budget for your Committee on Resources and Development is **\$2,613,278**. That amount includes **\$674,435** for the Department of Resources and Development, **\$204,496** for the Office of Environment and Emergency Management, **\$781,640** for Agencies and Authorities, **\$602,707** for Grants, Contributions and Subsidies, and **\$350,000** for Capital & Human Resource Development.

Your Committee on Resources and Development has reviewed the proposed FY 2010 Budget and carefully scrutinized all of the information provided by the Executive and the entities within your Committee's jurisdiction. Each of the sums "Recommended by Committee" set forth above reflects this Committee's recommendation for funding for the designated activity, program or project for all of fiscal year 2010.

Subject to the conditions and limitations set forth herein, and the availability of funds as determined by your Committee on Ways and Means, your Committee on Resources and Development recommends approval of the amounts listed above.

STANDING COMMITTEE REPORT NO. \_\_\_\_\_

RE: P.C. NO. 15-374/R&D

SUBJECT: FY 2010 BUDGET

JUNE\_\_\_\_\_, 2009

Respectfully submitted,

/s/ Roger S. Mori  
Roger S. Mori, chairman

/s/ Tony H. Otto  
Tony H. Otto, vice chairman

/s/ Dion G. Neth  
Dion G. Neth, member

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Peter Sitan, member

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Dohsis Halbert, member

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

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