

STANDING COMMITTEE REPORT NO. 16-86

RE: C.B. NO. 16-117

SUBJECT: FY 2010 SUPPLEMENTAL BUDGET REQUESTS/CONSOLIDATED W&M

MAY 29, 2010

The Honorable Isaac Figir  
Speaker, Sixteenth Congress  
Federated States of Micronesia  
Fourth Regular Session, 2010

Dear Mr. Speaker:

Your Committee on Ways & Means, to which was referred C.B. No. 16-117, entitled:

"A BILL FOR AN ACT TO APPROPRIATE FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA A SUPPLEMENTAL FUNDING IN THE TOTAL AMOUNT OF \$907,577 FOR FISCAL YEAR ENDING SEPTEMBER 30, 2010, BY AMENDING SECTIONS 1, 2, 8, AND 9 OF PUBLIC LAW NO. 16-7, AS AMENDED BY PUBLIC LAWS NOS. 16-20 AND 16-25, AND FOR OTHER PURPOSES.",

begs leave to report as follows:

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

#### **Reports on the Proposed FY 2010 Supplemental Budget Requests**

Congress Bill No. 16-117 was introduced by request, and transmitted to Congress, as were Presidential Communications Nos. 16-201 and 16-214 which provided additional information and breakdowns regarding the supplemental budget items for FY 2010 that are, per the Executive, necessary for effective operations of the National Government departments, offices, and agencies.

Your standing committees recommended funding levels for budget requests within their respective areas of jurisdiction in separate committee reports. The report numbers are as follows: Health and Social Affairs - S.C.R. 16-80; Judiciary and Governmental Operations - S.C.R. No. 16-78; Transportation and Communication - S.C.R. 16-79; and Ways and Means - S.C.R. 16-85.

#### **FY 2010 Revised Revenue Projections**

Your Committee notes that revised revenue projections were received by Congress on May 3, 2010 from the Secretary of the Department of Finance and Administration (Departmental Communication No. 16-38).

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In summary, a total of \$53,572,262 in revenues is estimated for FY 2010. Of this amount, \$37,775,886 will come from domestic revenues, \$15,676,278 will come from Amended Compact Grants, and \$120,098 from foreign grants. The FY 2010 appropriations so far under Public Laws Nos. 16-07, 16-13, 16-18, 16-20, 16-23, 16-25 and 16-30 total \$52,030,411, of which \$36,463,167 was appropriated from domestic revenues and \$15,567,244 from Amended Compact Grants.

The available fund balance subject for appropriation is \$1,541,851. Of this amount, \$1,312,719 is available from domestic revenues, \$109,034 from Amended Compact grants, and \$120,098 from foreign grants. All supplemental requests in C.B. No. 16-117 are for funds available under domestic revenues.

### **Standing Committee Reports Adjustments**

Your Committee has reviewed each of the Standing Committee Reports of your Committees. Each report made recommendations in relation to the budgets of the departments, agencies, offices and programs within each Committee's respective jurisdiction. Your Committee concurs with all the recommendations made in the committee reports except for those recommendations explicitly revised by this report.

After reviewing each of the committee reports, your Committee wishes to make the following minor change:

1. In S.C.R No. 16-79, your Committee on Transportation and Communication recommends additional funding of \$36,518, as recommended by the Executive, to supplement the \$85,000 appropriated in Public Law No. 16-7, for the IMF local matching share of the National Government for FY2010. The National Government share of the Infrastructure Sector Grant for FY2010, as appropriated in Public Law No. 16-30, is \$2,202,000. The National Government local matching share is 5 percent of that amount, which is \$110,100. As \$85,000 has already been appropriated in Public Law No. 16-7, the additional supplemental funding needed to fulfill the National Government obligation is \$25,100 (\$110,100-\$85,000). Therefore, your Committee recommends funding \$25,100 for the IMF local matching share at this time.

### **Additional Committee Requests**

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**1. External Affairs**

Pursuant to a request by your Committee on External Affairs, your Committee on Ways and Means recommends funding the following requested amounts for the FSM Embassy in China: \$12,419 for furniture for the Ambassador's residence; \$4,640 for health insurance; and \$2,300 for dependent schooling expenses.

<b>Department of Foreign Affairs</b>	<b>FY2010 Appropriation</b>	<b>Supplemental Recommendation</b>	<b>FY2010 Total Appropriation</b>
Personnel	1,297,392	0	1,297,392
Travel	163,391	0	163,391
Contract Services	1,727,668	4,640	1,732,308
OCE	300,000	2,300	302,300
Fixed Assets	106,500	12,419	118,919

**2. Resources and Development**

Pursuant to a request by your Committee on Resources and Development, your Committee on Ways and means recommends funding and additional amount of \$30,000 for Copra subsidy.

	<b>FY2010 Appropriation</b>	<b>Supplemental Recommendation</b>	<b>FY2010 Total Appropriation</b>
Grants, Subsidies and Contributions: Coconut Development Authority - Copra Subsidy	50,000	30,000	80,000

**3. Ways and Means**

Your Committee on Ways and Means has also considered the supplemental budget items requested by Congress and approved the following amounts:

The following amounts are necessary for the continued operations of the Office of the Speaker and Members of Congress: \$8,000 for member salaries due to a budgeting error; \$35,000 for travel (\$5,000 for each Committee); and \$78,000 under contractual service for representation funds (\$5,000 per Member plus \$8,000 to reimburse the Office of the Speaker for UNDP expenses).

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**Congress - Speaker and Members**

	<b>FY2010 Appropriation</b>	<b>Supplemental Recommendation</b>	<b>FY2010 Total Appropriation</b>
Personnel	415,290	8,000	423,290
Travel	579,881	35,000	614,881
Contract services	577,600	78,000	655,600
OCE	0	0	0
Fixed assets	0	0	0

The following amounts are necessary for the continued operations of Congress staff offices: \$10,000 for travel for the Office of Legislative Counsel to meet staffing needs of Members.

**Congress - Staff Offices**

	<b>FY2010 Appropriation</b>	<b>Supplemental Recommendation</b>	<b>FY2010 Total Appropriation</b>
Personnel	809,804	0	809,804
Travel	158,252	10,000	168,252
Contract services	185,000	0	185,000
OCE	147,000	0	147,000
Fixed assets	27,000	0	27,000

**Congress - Delegation Offices**

The following amounts are necessary for the continued successful operation of the Delegation Offices: \$8,000 in Contract Services for the Kosrae Delegation; \$24,000 in Contract Services for the Chuuk Delegation; \$16,000 in Contract Services for the Pohnpei Delegation; and \$8,000 in Contract Services for the Yap Delegation. The limit on Member Representation from Contract Services is also lifted to \$29,000 per member.

**Conclusion**

Your Committee on Ways and Means has reviewed the proposed FY 2010 Supplemental Budget requests, and carefully scrutinized all the information provided by the Office of the President, the Department of Finance and Administration, the Office of SBOC, and all other relevant

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departments, including information relating to grants, subsidies and contributions.

Based upon the information provided and its deliberations, your Committee on Ways and Means is in accord with the intent and purpose of C.B. No. 16-117 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. No. 16-117, C.D.1.

Respectfully submitted,

/s/ Dohsis Halbert  
Dohsis Halbert, chairman

/s/ Claude H. Phillip  
Claude H. Phillip, vice chairman

/s/ Roger S. Mori  
Roger S. Mori, member

Dion G. Neth, member

/s/ Setiro Paul  
Setiro Paul, member

/s/ Peter S. Sitan  
Peter S. Sitan, member

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