RE: C.B. NO. 18-07/W&M

SUBJECT: FY13 SUPPLEMENTAL BUDGET REQUEST

MAY 22, 2013

The Honorable Dohsis Halbert Speaker, Eighteenth Congress Federated States of Micronesia First Regular Session, 2013

Dear Mr. Speaker:

Your Committee on Ways & Means, to which was referred C.B. No. 18-07, entitled:

"A BILL FOR AN ACT TO APPROPRIATE A SUPPLEMENTAL BUDGET OF \$4,702,628 FROM THE EGNERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDEING SEPTEMBER 30, 2013, BY AMENDING SCTIONS 1, 2, 8, AND 9 OF PUBLIC LAW NO. 17-64, AS AMENDED BY PUBLIC LAWS NOS. 17-69, 17-71, 17-74, AND 17-88, FOR OTHER PURPOSES.",

begs leave to report as follows:

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

## I. <u>FY 2013 Revised Revenue Projections</u>

Your Committee notes that revised revenue projections were received by Congress on May 22, 2013 from the Secretary of the Department of Finance & Administration (Departmental Communication 18-03).

In summary, a total of \$58,761,406 in revenues is estimated for FY 2013. Of this amount, \$51,062,196 is from domestic revenues, and \$7,699,210 is available under the Amended Compact of Free Association. The FY 2013 appropriations to date total \$54,058,778, of which \$46,365,965 was appropriated in domestic

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revenues and \$7,692,813 from funds available under the Amended Compact of Free Association.

A remaining balance of \$4,702,628 is available for appropriation for FY2013. Of this amount, \$4,696,231 is available from domestic revenues, and \$6,397 under the Amended Compact of Free Association.

## II. Committee Hearing and Discussion

Your Committee held a public hearing on May 18, 2013 for the purpose of considering supplemental budget requests under the jurisdiction of your Committee on Ways and Means. Your Committee has also consulted with your other standing committees, many of whom held their own hearings on budget requests under their respective jurisdictions. Your Committee also takes note of Standing Committee Report 18-01 from your Committee on Education.

Your Committee on Ways and Means recommends funding the following requests, and encourages the Departments impacted by the funding to carefully note the Committee policy and directions articulated in the narrative:

- (1) Tax Reform: Your Committee recommends funding the requested amount of \$72,000. Your Committee notes that outside funding has contributed to this project, and it is the Committee's hope that when outside funding is accepted for this project, that donors are made aware that the Tax Reform legislation has not been fully enacted and the outcome at this time is uncertain. The \$72,000 is added to the current appropriation under Grants and Subsidies. Also, if no further progress has been made by the end of July 2013 on Tax Reform, the Committee will not recommend funding for this project in FY2014
- (2) FSMIS Project: Your Committee recommends funding the requested amount of \$253,700. Your Committee expects this amount to satisfy all needs related to project completion, and will not entertain additional requests should this amount fall short. Additionally, your Committee expects the ongoing maintenance and upkeep of the system to be a burden shared by all five governments. The appropriation is made under Grants and Subsidies.

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- (3) <u>SBOC Contractual Services</u>: Your Committee recommends funding of \$10,000 for Budget Books.
- (4) <u>President's Office Medical Referral</u>: Your Committee recommends funding \$33,355 to replenish travel funds related to medical treatment for the Vice President and President. Your Committee encourages review of the travel allowances to ensure that per diem amounts are in line with regulations. The appropriation is added to the current operating budget of the Office of the President.
- (5) <u>Congress</u>: Your Committee recommends \$55,000 in funding to cover anticipated shortfalls related to session travel, any special session that may occur, and member travel.
- (6) National Department of Education: Your Committee concurs with SCR No. 18-01 submitted by your Committee on Education, and recommends funding \$100,686 for NDOE from domestic revenues. Your Committee also recommends adjusting the SEG amount for NDOE by \$205 to accurately reflect the grant award.
- (7)  $\underline{\text{COM-FSM SEG}}$ : Your Committee recommends funding an additional amount of \$6,602 to COM-FSM in order to accurately reflect the amount of the SEG grant award.
- (8) Department of Foreign Affairs: Your Committee recommends funding \$176,200 in contractual services for the Department of Foreign Affairs. The breakdown of this amount is as follows: \$62,000 for the Embassy renovation in Washington D.C.; \$103,500 for the new lease and associated costs for the U.N. Mission in New York; and \$10,700 for the Secretary at his discretion to satisfy past obligations of the Department. Your Committee does not recommend additional funding for the Tokyo Mission at this time; your Committee notes that the additional funding may not be needed due to fluctuations in the Yen. Finally, your Committee urges the Department to take advantage of their reprogramming capabilities to meet any other needs at this time.
- (9) Department of Health and Social Affairs: The Department of Health and Social Affairs has requested additional funding of \$18,281 in order to hire a consultant to complete the reporting requirements required by CEDAW. Your Committee notes that the position of Gender Development Officer has recently been

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filled at the Department; your Committee expects that the Gender Development Officer, with assistance from other applicable National Government employees in the Department of Justice and the Department of Foreign Affairs, may be tasked with completing this type of reporting requirement. Your Committee recommends shifting \$12,000 from the personnel line item to contractual in the event hiring a consultant is necessary; your Committee notes that there should be at least \$12,000 excess in personnel since the position of Gender Development Officer was appropriated but vacant for seven months of the fiscal year. If the consultant is necessary and the \$12,000 is not sufficient, your Committee urges the Department to take advantage of their reprogramming capabilities to meet their needs.

Finally, for any further needs or shortfalls for FY2013, your Committee urges all Departments to consult with the Office of the President regarding the President's ability to reprogram between Departments.

## III. Conclusion

Your Committee on Ways and Means recommends a total supplemental appropriation of \$707,338.

Based on the information provided and its deliberations, your Committee on Ways and Means is in accord with the intent and purpose of C.B. No. 18-07, as amended, 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. 18-07, C.D.1.

STANDING	COMMITTEE	REPORT	NO.	18-02

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Respectfully Submitted,

/s/ Isaac V. Figir	
Isaac V. Figir, chairman	Peter M. Christian, member
	/s/ Joseph J. Urusemal
David W. Panuelo, member	Joseph J. Urusemal, member
/s/ Yosiwo P. George	

Yosiwo P. George, member Tony H. Otto, member

/s/ Wesley W. Simina
Wesley W. Simina, member