

STANDING COMMITTEE REPORT NO. 20-05

RE: C.B. NO. 20-19/W&M

SUBJECT: MEMBERS' REPRESENTATION FUNDS RELATIVE TO
ANNUAL SALARY OF THE PRESIDENT

MAY 23, 2017

The Honorable Wesley W. Simina
Speaker, Twentieth Congress
Federated States of Micronesia
First Regular Session, 2017

Dear Mr. Speaker:

Your Committee on Ways and Means, to which was referred C.B. No. 20-19 entitled:

"TO FURTHER AMEND TITLE 55 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA (ANNOTATED), AS AMENDED, BY INSERTING A NEW SECTION 112 TO CHAPTER 1, TO PLACE A STATUTORY LIMIT ON THE AMOUNT OF FUNDS THAT CONGRESS MAY APPROPRIATE TO MEMBERS' REPRESENTATION FUNDS RELATIVE TO THE ANNUAL SALARY OF THE PRESIDENT OF THE FEDERATED STATES OF MICRONESIA, AND FOR OTHER PURPOSES.",

begs leave to report as follows:

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

Your Committee has determined that a more logical place for the amendments suggested by this bill is in Title 3 Legislative instead of in Title 55 – Government Finance and Contracts, and is submitting amendments to the bill accordingly.

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Your Committee proposes that there be a new Section 305 in chapter 3 of title 3 to contain the proposed amendments to the FSM Code instead of a new section 112 in Chapter 1 of title 55. One reason your Committee recommends putting in a new section is to make clear that the representation funds are distinct from the compensation and expense allowances of Section 302.

Substantively your Committee believes it will be better to have a set amount listed in the bill as a cap for representation funds, in this case \$100,000 per fiscal year instead of a percentage of certain salaries. Your Committee also believes that said representation funds should be allotted and disbursed on a quarterly basis.

Your Committee also believes that for the cap to work, any increase in the cap shall only apply to Congresses subsequent to the one passing the increase. In any event the cap shall only be effective from FY 2018 onward.

Your Committee proposes the following amendments to C.B. No. 20-19 to read as follows:

1. In the Title and wherever they appear in the bill delete " Title 55" and insert "Title 3", in lieu thereof
2. In the Title and wherever they appear in the bill delete "section 112 of chapter 1" and insert "section 305 of chapter 3", in lieu thereof
3. Page 1 line 12, delete "in a fiscal year" and insert "starting fiscal year 2018", in lieu thereof;
4. Page 1 line 13 delete "shall not exceed 200% of the total salary of the President of the Federated States of Micronesia for the fiscal year in which the funds are appropriated" and insert "shall not exceed \$100,000 per fiscal year to be allotted and disbursed in quarterly installments.", in lieu thereof.

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5. Page 1 line 16 insert "An increase in the above cap of representation funds shall not apply to the Congress enacting said increase."

Your Committee on Ways and Means is in accord with the intent and purpose of C.B. No. 20-19 and recommends its passage on First Reading and that it be placed on Calendar for Second and Final Reading the form attached hereto as C.B. No. 20-19 C.D.1.

Respectfully submitted,

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

/s/ David W. Panuelo
David W. Panuelo, member

/s/ Victor V. Gouland
Victor V. Gouland, member

/s/ Ferny S. Perman
Ferny S. Perman, member

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

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

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