

STANDING COMMITTEE REPORT NO. 20-23

RE: P.C. NO. 19-579/J&GO

SUBJECT: FY 2018 BUDGET

SEPTEMBER 21, 2017

The Honorable Wesley W. Simina
Speaker, Twentieth 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 Communication No. 19-579, begs leave to report as follows:

Presidential Communication No. 19-579 concerns the National Government's proposed budget for fiscal year 2018 as set forth in the National Government Fiscal Year 2018 Proposed Budget ("Budget Book"). Pursuant to rule 7, section 4(b) of the Official Rules of Procedure of the Twentieth 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. Police Academy
 - 3. Ammunition for Sidearm and Long Rifles
 - 4. Fuel Subsidy
- B. States Judiciaries
- C. Micronesian Legal Services Corporation

III. Capital and Human Resources Development:

- A. Department of Justice
 - 1. Satellite Phone and Usage Billings
 - 2. Anti-Human Trafficking Enforcement, Campaign, and Investigation
 - 3. Victim Shelter and Services
- B. States Judiciaries
- C. Micronesian Legal Services Corporation

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 First Regular Session of the Twentieth Congress in May 2017. 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.

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Your Committee's findings and recommendations follow:

DISCUSSION OF FY 2018 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 2017, as set forth in Public Law No. 19-32, as amended, and the amount recommended by for each entity for FY 2018.

Your committee makes the following recommendations.

I. OPERATIONS

A. Department of Justice

Detail by Division

1. Administration, Office of the Secretary

	FY 17	FY 18	Proposed	FY 17
	Appropriated	Recommended	Change	Recommend ed
Personnel	126,032	145,372	19,340	145,372
Travel	21,710	50,596	28,886	31,710
Contract	46,000	56,000	10,000	181,000
OCE	20,340	20,340	0	20,340
Fixed	0	50,000	50,000	10,000
Total	214,082	322,308	108,226	388,452
# positions	5	6	1	6

Personnel – An increase of \$19,340 for personnel is sought to fund a new position – Administrative Specialist and an increase for the A.G. salary. The Committee finds the amount requested is justified.

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Travel – An increase of \$28,886 is sought. The amount \$3,886 is requested because of an increase in the cost of sending the A.G. to attend the CEC meeting; \$10,000 is to enable the A.G. to attend COP 23 in Germany; and \$15,000 for the A.G./staff to attend “unanticipated trips”. The Committee does not approve of the request for unanticipated trips.

Contractual Services – An increase of \$10,000 to fund additional legal interns. The Committee finds the amount requested is justified. The committee has also included \$25,000 to a contractual position for Clement Mulalap to be based in New York to work on International matters. If the money is not used for this purpose it will lapse at the end of the fiscal year.

Other Current Expenses – No change is requested in this category.

Fixed Assets – Nothing was requested last year for fixed assets. \$50,000 is requested this year - \$5,000 for a copier; \$5,000 for a high speed scanner; and \$40,000 for a vehicle. The Committee finds the amount requested for the vehicle is not justified.

2. Division of Litigation

	FY 17	FY 18	Proposed	FY 17 J&GO
	Appropriated	Recommended	Change	Recommended
Personnel	144,131	288,265	144,134	288,265
Travel	41,795	81,645	39,850	61,795
Contract	12,000	59,000	47,000	12,000
OCE	9,000	9,000	0	9,000
Fixed	0	5,000	5,000	5,000
Total	206,926	442,910	235,984	376,060
# positions	3	6	3	6

Personnel – An increase of \$144,134 for personnel is

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requested to fund three new assistant A.G. positions. This would mean a doubling of the number of lawyers currently working in the office. The Committee finds that the amount requested is justified.

Travel – The Division is requesting an additional \$39,850 for travel over what it received last year, to fund four new trips; \$20,000 for Meeting with Partners, U.S. and Australian Counter Parts; \$15,000 for Criminal/Maritime/Foreign Violations; and \$15,000 for two international itineraries – Italy and Australia, related to refugee matters. The Committee finds that an increase of \$20,000 over last fiscal year is justified.

Contractual Services – An increase of \$47,000 is sought to fund Anti-HT Coordinator & Assistant. The Committee finds that the amount requested is justified.

Other Current Expenses – No increase is sought in this category.

Fixed Assets – The fixed asset request (\$5,000) consists of \$3,000 for 2 desktop computers and \$2,000 for 2 laptops. Justified.

3. Division of Law

	FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 17 J&GO Recommended
Personnel	192,175	288,265	96,090	192,175
Travel	33,656	82,000	48,344	33,656
Contract	0	5,000	5,000	5,000
OCE	9,000	7,500	-1,500	7,500
Fixed	5,000	11,000	6,000	5,000
Total	239,831	393,765	153,934	243,331
# positions	4	6	2	4

Personnel – The Division is seeking an increase of \$96,000 to cover salaries of two new assistant A.G.

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attorney positions. The Committee finds that the amount requested is **not** justified.

Travel – An increase of \$48,344 which includes at least 5 new itineraries: New York, France, Indonesia, Vienna, etc. Not justified.

Contractual Services – The Division seeks and increase of \$5,000 to cover website maintenance. Apparently this is the fee for the webmaster. The Committee finds that the amount requested is justified.

Other Current Expenses – This is a decrease of \$1,500 from the FY 2017 appropriation.

Fixed Assets – The recommendation is for an increase of \$6,000 for a total of \$11,000, to purchase office furniture (\$5,000) and two laptop computers. The increase is not justified.

4. Registrar of Corporations

	FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 17 J&GO Recommended
Personnel	48,455	101,330	52,875	101,330
Travel	19,596	45,500	25,904	19,596
Contract	5,000	19,000	14,000	5,000
OCE	9,720	15,000	5,280	9,720
Fixed	0	26,800	26,800	6,800
Total	82,771	207,630	124,859	142,446
# positions	3	4	1	4

Personnel – An increase of \$52,875 consisting of a new Assistant Registrar position, (\$10,973 plus COLA and benefits); \$29,490 for retroactive salary for the Registrar; plus some salary increases.

Travel – An increase of \$25,904 for 3 new international itineraries, two to Guam and one to Australia. The

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Committee finds the additional travel is not justified.

Contractual Services – The Divisions is seeking an increase of \$14,000 for expenses relating to the establishment of new field office. The Committee finds that the need for the new field office has not been justified.

Other Current Expenses – An increase of \$5,280 is requested to cover increases in all item categories, except utilities. This is includes a doubling of the Communications line from \$2,500 to \$5,000.

Fixed Assets – The fixed asset request is for the following: \$1,800 for 2 laptops; \$20,000 for a field office vehicle; and \$5,000 for various office furniture an equipment. The Committee finds the requested vehicle cannot be justified at this time.

5. Division of Immigration and Labor

	FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 17 J&GO Recommended
Personnel	506,265	685,327	179,062	552,265
Travel	23,020	23,020	0	23,020
Contract	77,758	119,158	41,400	10,200
OCE	99,470	111,383	11,913	111,383
Fixed	22,000	60,000	38,000	60,000
Total	728,513	998,888	270,375	798,198
# positions	37	35	-2	35

Personnel – An increase of \$179,062 for pay raises for almost every employee and the salaries for two new Assistant Passport Officers based in Guam (\$21,329 plus COLA and benefits for each position). The Committee finds that the two Guam positions should be funded but the other increases are not justified.

Travel – No increase over last year is sought.

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Contractual Services – An increase of \$41,400 consisting of two new items: \$20,400 for Staff Housing Allowance (\$850 x 2 x 12) and \$21,000 for an Immigration Consultant. The Committee does not believe the Consultant is needed at this time and so neither is his/her housing. Funding for one staff housing is approved.

Other Current Expenses. An increase of \$10,913 consisting primarily of an increase in the line item for "Uniforms". Justified.

Fixed Assets. Since the budget book was distributed, the Division made an additional fixed asset request of \$60,000. Based on information received the Committee is approving the requested increase of \$38,000.

6. National Police

	FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 17 J&GO Recommended
Personnel	1,366,113	1,511,612	145,499	1,459,642
Travel	24,435	77,575	53,140	54,435
Contract	120,248	274,500	154,252	234,500
OCE	148,683	309,000	160,317	210,500
Fixed	9,750	27,000	17,250	15,000
Total	1,669,229	2,199,687	530,458	2,060,407
# positions	85	90	5	90

Personnel – An increase of \$145,499 including the creation of five new positions; \$52,000 is sought for overtime; \$55,000 for pay raises; \$45,632 for the new positions. The Committee approves of everything except the overtime funding.

Travel – The Division seeks an increase of \$53,140 for two new trips: \$20,000 to "accompany the President for the State Visits"; and \$30,000 for "Investigation in Yap/Chuuk & Kosrae".

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Contractual Services – An increase of \$154,252 consisting primarily of: \$50,000 for the Construction of Interview Room; \$55,000 for Vehicle services/maintenance; \$10,000 for the Yap substation; and an almost \$40,000 increase in the line item for Communications/network service maintenance. The Communication/Network service maintenance is not approved at this time. The other amounts are recommended.

Other Current Expenses – The Division is seeking \$160,317 including large increases in all line items with the largest increases being \$62,000 for Communications and \$66,500 for Police Accessories/Uniforms. The request for communications is disapproved. The overall amounts are reduced. The Committee recommends total fund for OCE at \$210,500.

Fixed Assets – The fixed asset requires consists of the following: \$4,000 for 2 video cameras; \$2,000 for 2 printers; \$6,000 for 3 desktop computers; \$6,000 for 3 laptops; \$3,000 for office furniture; and \$6,000 for a camera for the interview room. The Committee approves one laptop, on desktop and one printer. The Camera is not approved.

B. Office of the Public Defender

	FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 17 J&GO Recommended
Personnel	663,970	712,321	48,351	712,321
Travel	70,812	117,812	47,000	103,812
Contract	101,050	115,250	14,200	101,050
OCE	86,900	105,997	19,097	86,900
Fixed	21,000	45,000	24,000	40,000
Total	943,732	1,096,380	152,648	1,044,083
# positions	26	26	0	26

Personnel – An increase of \$48,351 for pay raises for two

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Staff Attorneys. Currently the office has 5 vacancies: 2 staff attorneys; 1 PD representative IV; 1 investigator II; and 1 Legal Secretary I.

Travel – The Division seeks an increase of \$47,000 for five new trips: 1) \$24,000 for the PJC Conference; 2) \$7,500 for Management Review; 3) \$7,500 for Administrative Review; 4) \$5,000 for the Public Defender Association Conference; and 5) \$3,000 for APIPA. The Committee has reduced the overall request.

Contractual Services – The Division seeks and increase of \$14,200 to fund a Personnel Services Contract – Investigator and Web Development. No increase is approved at this time.

Other Current Expenses. The Division seeks an increase of \$19,097. But based on the testimony, \$13,400 is for computers and office furniture, which should be in fixed assets.

Fixed Assets. The Division seeks \$45,000 for an outboard motor boat (\$15,000) and a new vehicle (\$30,000). The Committee is of the opinion that \$25,000 is enough for a new vehicle. The remainder of the request is approved.

C. National Judiciary

	FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 17 J&GO Recommended
Personnel	850,627	905,453	54,826	905,453
Travel	161,525	161,525	0	161,525
Contract	182,694	184,194	1,500	184,194
OCE	178,025	174,808	-3,217	174,808
Fixed	32,000	32,000	0	32,000
Total	1,404,871	1,457,980	53,109	1,457,980
# positions	35	35	0	35

Personnel – The increase is primarily needed to fund pay

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raises for the Justices which are mandated by P.L. No. 19-166.
Travel – No increase in travel is sought.

Contractual Services – The division seeks an increase of \$1,500, the exact purpose is not clear.

Other Current Expenses – The amount requested is more than \$3,000 than what was appropriated for FY 2017.

Fixed Assets – No increase is sought.

D. Agencies, Boards, Authorities, Commissions & Corporations

1. National Postal Services

	FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 17 J&GO Recommended
Personnel	508,346	513,771	5,425	513,771
Travel	50,165	65,117	14,952	65,117
Contract	161,867	151,320	-10,547	151,320
OCE	112,050	126,657	14,607	126,657
Fixed		0	0	0
Total	832,428	856,865	24,437	856,865
# positions	40	40	0	40

Personnel – The increase of \$5,425 primarily to cover pay increases for 2 employees.

Travel – The Service would like an additional \$14,952 to cover the increased cost of travel to the outer islands for oversight, and one new trip to New York for the Annual Meeting of IGPC (\$12,748).

Contractual Services – The Service is asking for \$10,547 more than last year.

Other Current Expenses – The Service seeks and increase of \$14,607 which restores a 10% cut mandated in FY 1017,

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and will be used, among other things, to buy steel toed shoes.

Fixed Assets – There is not fixed asset request.

E. Special Programs

1. National Election Commission Office

	FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 17 J&GO Recommended
Personnel	235,090	235,090	0	235,090
Travel	17,637	17,637	0	17,637
Contract	59,477	54,017	-5,460	54,017
OCE	66,873	82,205	15,332	82,205
Fixed	21,000	595	-20,405	595
Total	400,077	389,544	-10,533	389,544
# positions	13	13	0	13

Personnel – No increase for personnel is sought.

Travel – No increase for travel is sought.

Contractual Services – There is a decrease of \$5,460 from FY 2017.

Other Current Expenses – An increase of \$15,332 is sought primarily to purchase more ballot boxes.

Fixed Assets – Only \$595 is requests, a decrease of \$10,533 from FY 2017's appropriation. The money will be used to purchase a printer/copier.

II. Grants, Subsidies and Contributions

A. Department of Justice

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1. States Joint Law Enforcement

	FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 18 J&GO Recommended
Kosrae	30,000	30,000	0	30,000
Pohnpei	50,000	50,000	0	50,000
Chuuk	100,000	100,000	0	100,000
Yap	30,000	30,000	0	30,000
Total	210,000	210,000	0	210,000

No increase is sought in any category.

2. Police Academy

FY 17	FY 18 Recommended	Proposed Change	FY 18 J&GO Recommended
180,000	200,000	20,000	200,000

3. Settlement on Judgment

FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 18 J&GO Recommended
--	200,000	200,000	0

This is a new request. The purpose is not clear. Not approved.

4. Fuel Subsidy

FY 17 Appropriated	FY 18 Recommend	Proposed Change	FY 18 J&GO Recommended
100,000	200,000	100,000	100,000

No increase is approved. The Department of Justice can utilize the Maritime Surveillance Revolving Fund (55 F.S.M.C. §679) to cover fuel costs.

5. Organization for Prohibition of Chemical Weapons

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FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 18 J&GO Recommended
--	79,62	7,962	0

This is a new item proposed by D.O.J. The Committed was not provided with sufficient information and disapproves the request.

6. World Intellectual Property Organizatino (WIPO)

FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 18 J&GO Recommended
--	33,966	33,966	33,966

This is a new item proposed by D.O.J. Approved.

7. CTBT

FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 18 J&GO Recommended
--	13,438	13,438	0

This is a new item proposed by D.O.J. The Committee was not provided with sufficient information and disapproves the request.

B. States Judiciaries

	FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 18 J&GO Recommended
Kosrae	35,000	35,000	0	40,000
Pohnpei	55,000	55,000	0	60,000
Chuuk	55,000	55,000	0	110,000
Yap	35,000	35,000	0	40,000
Total	180,000	180,000	0	200,000

Your Committee notes these are the same amounts as the FY 2017 lines and approves an increase more than was requested. The Committee approves \$50,000 for completion of State Court renovations in Chuuk.

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C. Micronesian Legal Services Corporation

FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 18 J&GO Recommended
250,000	250,000	0	250,000

Your Committee notes this is the same amount as the FY 2017 line and approves it as recommended.

III. Capital and Human Resources Development

A. Department of Justice

1. Satellite Phone and Usage Billings

FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 18 J&GO Recommended
0	10,000	10,000	0

Your Committee declines to approve any amount for this item noting that funds are available through either the Maritime Operations Revolving Fund or the Maritime Surveillance Revolving Fund.

2. Anti-Human Trafficking Enforcement, Campaign, and Investigation

FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 18 J&GO Recommended
100,000	125,000	25,000	125,000

An increase of \$25,000 is sought. This is an important mission and the increase is approved.

3. Conduct Mediation in PII Case

FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 18 J&GO Recommended
0	53,000	53,000	53,000

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Your Committee approves the recommendation that is the same as FY 2017.

4. Victim Shelter and Services

FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 18 J&GO Recommended
0	300,000	300,000	100,000

New item proposed by DOJ. The request is reduced to \$100,000.

B. National Election Commission Office

1. Voter ID Card and New Voter Registration Project

FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 18 J&GO Recommended
50,000	50,000	0	50,000

This is same amount requested for FY 2017.

C. National Postal Services

1. Postal Management and Financial Services

FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 18 J&GO Recommended
--	80,000	80,000	210,000

New item proposed by the Postal Service. The Committee cannot see sufficient justification at this time. However the committee approved \$200,000 for the Postal Substation in Faichuuk and \$10,000 for Postal Substation in Fais.

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D. Office of the Public Defender

1. Case Management and Reporting System

FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 18 J&GO Recommended
--	217,063	217,063	0

New item proposed by OPD. The Committee cannot see sufficient justification at this time.

2. Know your rights Awareness Program

FY 17 Appropriated	FY 18 Recommended	Proposed Change	FY 18 J&GO Recommended
--	93,137	93,137	0

New item proposed by OPD. The Committee cannot see sufficient justification at this time.

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CONCLUSION

With the modifications identified above, your Committee on Judiciary and Governmental Operations recommends authorizing those portions of the FY 2018 budget relating to matters under its jurisdiction, subject to the availability of funds, as determined by your Committee on Ways and Means.

Respectfully submitted,

/s/ Robson U. Romolow
Robson U. Romolow, chairman

/s/ Dion G. Neth
Dion G. Neth, vice chairman

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

Tiwiter Aritos, member

/s/ Esmond B. Moses
Esmond B. Moses, member

Paliknoa K. Welly, member

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

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