

STANDING COMMITTEE REPORT NO: 20-78

RE: P.C. 20-211/J&GO

SUBJECT: FY 2019 BUDGET

SEPTEMBER 20, 2018

The Honorable Wesley W. Simina
Speaker, Twentieth Congress
Federated States of Micronesia
Fifth Regular Session, 2018

Dear Mr. Speaker:

Your Committee on Judiciary and Governmental Operations, to which was jointly referred Presidential Communication No. 20-211, begs leave to report as follows:

Presidential Communication No. 20-211 concerns the National Government's proposed budget for fiscal year 2019 as set forth in the National Government Fiscal Year 2019 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
 - i. Administration
 - ii. Division of Litigation
 - iii. Division of Law
 - iv. Registrar of Corporations
 - v. Division of Immigration and Labor
 - vi. National Police
 - vii. Office of the Public Defender
 - viii. National Judiciary

STANDING COMMITTEE REPORT NO: 20-78

RE: P.C. 20-211/J&GO

SUBJECT: FY 2019 BUDGET

SEPTEMBER 20, 2018

- ix. National Postal Service
 - x. National Election Commission Office
 - b. Agencies, Boards, Authorities, Commissions & Corporations
 - i. National Postal Services
 - c. Special Programs
 - i. National Election Commission Office
- II. Grants, Subsidies and Contributions:
- a. Department of Justice
 - i. States Joint Law Enforcement
 - ii. Police Academy
 - iii. Ammunition for Sidearm and Long Rifles
 - iv. Fuel Subsidy
 - b. States Judiciaries
 - c. Micronesian Legal Services Corporation
- III. Capital and Human Resources Development
- a. Department of Justice
 - i. Anti-Human Trafficking Enforcement, Campaign and Investigation
 - ii. Victim Shelter Services
 - b. National Election Commission Office
 - i. Voter ID Card and New Voter Registration Project
 - c. National Postal Services
 - i. Postal Management and Financial Services

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 Fourth Regular Session of the Twentieth Congress in May 2018. The report and recommendations that follow are based upon the information

STANDING COMMITTEE REPORT NO: 20-78

RE: P.C. 20-211/J&GO

SUBJECT: FY 2019 BUDGET

SEPTEMBER 20, 2018

contained in the Budget Book and the input provided by witnesses at those hearings.

Your Committee's findings and recommendations follow:

DISCUSSION OF FY 2019 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 appropriate by law for FY 2018 and the amount recommended by the President and the amount recommended by Congress for each entity for FY 2019.

Your Committee makes the following recommendations.

I. Operations

a. Department of Justice

Detail by Division

i. Administration, Office of the Secretary

	FY 18 Appropriated	FY 19 President Recommended	Proposed Change	FY 19 Congress Recommended
Personnel	145,372	147,853	2,481	147,853
Travel	31,710	31,710	0	31,710
Contract	181,000	341,000	160,000	206,000
OCE	20,340	20,340	0	20,340
Fixed	10,000	10,000	0	10,000
TOTAL	388,422	550,903	162,481	415,903
#Positions	6	6	0	6

Personnel: An increase of \$2,481 is sought. This request is due to an increase in benefits expense. The Committee finds the amount requested is justified.

STANDING COMMITTEE REPORT NO: 20-78

RE: P.C. 20-211/J&GO

SUBJECT: FY 2019 BUDGET

SEPTEMBER 20, 2018

Travel: No change is requested in this category.

Contractual Services: An increase of \$160,000 is sought. This request is to fund a position for James Stovall. Congress recently funded a similar amount for James Stovall and the Committee will be requesting an additional public oversight hearing on this item in September and at this time the Committee does not find the amount justified. The Committee is approving an increase of \$25,000 for Clement Yow Mulalalp.

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

Fixed Assets: No change is requested in this category.

ii. Division of Litigation

	FY 18 Appropriated	FY 19 President Recommended	Proposed Change	FY 19 Congress Recommended
Personnel	288,265	408,677	120,412	361,042
Travel	61,795	81,523	19,728	81,523
Contract	12,000	559,000	547,000	56,500
OCE	9,000	9,000	0	9,000
Fixed	5,000	5,000	0	5,000
TOTAL	376,060	1,063,200	687,140	513,065
#Positions	6	11	5	9

Personnel: An increase of \$120,412 is sought. This request is to fund five new positions. The Committee finds that three positions (additional Attorney General, Manager and Executive/Legal Secretary) are justified and approves an increase of \$72,777.

Travel: An increase of \$19,728 is sought. This request is for travel. Additional travel is required due to the number of open cases that are ongoing. The Committee finds the amount requested is justified.

STANDING COMMITTEE REPORT NO: 20-78

RE: P.C. 20-211/J&GO

SUBJECT: FY 2019 BUDGET

SEPTEMBER 20, 2018

Contractual Services: An increase of \$547,000 is sought. This request includes \$502,500 to fund the PII litigation. There has been a supplemental request brought to Congress on this matter and if additional funds are needed, a supplemental request can be made. The Committee finds the other amounts requested to be justified and approves an increase of \$44,500.

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

Fixed Assets: No change is requested in this category.

iii. Division of Law

	FY 18 Appropriated	FY 19 President Recommended	Proposed Change	FY 19 Congress Recommended
Personnel	192,175	293,367	101,192	250,850
Travel	33,656	89,518	55,862	89,518
Contract	5,000	5,000	0	5,000
OCE	7,500	7,500	0	7,500
Fixed	5,000	5,000	0	5,000
TOTAL	243,331	400,385	157,054	357,868
#Positions	4	6	2	5

Personnel: An increase of \$101,192 is sought. This request is to fund two new positions and reflects an increase in benefits. The Committee finds that one new position and the benefits increase are justified and approves an increase of \$58,675.

Travel: An increase of \$55,862 is sought. Additional travel is required due to the need for attorneys to travel with the division such as NORMA to attend meetings. The Committee finds the amount requested is justified.

Contractual Services: No change is requested in this category.

STANDING COMMITTEE REPORT NO: 20-78

RE: P.C. 20-211/J&GO

SUBJECT: FY 2019 BUDGET

SEPTEMBER 20, 2018

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

Fixed Assets: No change is requested in this category.

iv. Registrar of Corporations

	FY 18 Appropriated	FY 19 President Recommended	Proposed Change	FY 19 Congress Recommended
Personnel	71,840*	76,238	4,398	76,238
Travel	19,596	19,596	0	19,596
Contract	5,000	15,000	10,000	15,000
OCE	9,720	9,720	0	9,720
Fixed	6,800	6,800	0	6,800
TOTAL	112,956	127,354	15,902	127,354
#Positions	4	6	0	

* There is an error in the budget book, it shows the FY18 appropriated amount to be \$101,330, but when you add the numbers it is actually \$71,840

Personnel: An increase of \$4,398 is sought. This request is to fund an \$8,000 salary increase for the Registrar of Corporations. There is a decrease in benefits and COLA. The Committee finds the amount requested is justified.

Travel: No change is requested in this category.

Contractual Services: An increase of \$10,000 is sought. The request is for the payment of the Chuuk field office lease. The Committee finds the amount requested is justified.

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

Fixed Assets: No change is requested in this category.

v. Division of Immigration and Labor

STANDING COMMITTEE REPORT NO: 20-78

RE: P.C. 20-211/J&GO

SUBJECT: FY 2019 BUDGET

SEPTEMBER 20, 2018

	FY 18 Appropriated	FY 19 President Recommended	Proposed Change	FY 19 Congress Recommended
Personnel	585,327*	589,587	4,260	589,587
Travel	23,020	23,020	0	23,020
Contract	10,200	77,758	67,558	77,758
OCE	111,383	113,383	2,000	113,383
Fixed	60,000	80,000	20,000	80,000
TOTAL	756,867	883,748	126,881	883,748
#Positions	42	43	1	43

* There is an error in the budget book, it shows the FY18 appropriated amount to be \$552,264, but when you add the numbers it is actually \$585,327

Personnel: An increase of \$4,260 is sought. This request is to fund one position being transferred from a contract position and an increase in benefits and COLA. The Committee finds the amount requested is justified.

Travel: No change is requested in this category.

Contractual Services: The increase in this category was authorized by Congress through a supplemental budget request in the FY 18 budget. The Committee finds the amount requested is justified.

Other Current Expenses: An small increase of \$2,000 is sought. The Committee finds the amount requested is justified.

Fixed Assets: An increase of \$20,000 is sought. This request is for vehicles and office equipment. The Committee finds the amount requested is justified.

STANDING COMMITTEE REPORT NO: 20-78

RE: P.C. 20-211/J&GO

SUBJECT: FY 2019 BUDGET

SEPTEMBER 20, 2018

vi. National Police

	FY 18 Appropriated	FY 19 President Recommended	Proposed Change	FY 19 Congress Recommended
Personnel	1,459,642	1,826,331	366,689	1,826,331
Travel	54,435	204,435	150,000	129,435
Contract	234,500	291,719	57,219	291,719
OCE	210,500	210,500	0	210,500
Fixed	15,000	140,500	155,500	170,500
TOTAL	1,974,077	2,673,485	699,408	2,648,485
#Positions	90	105	15	105

Personnel: An increase of \$366,689 is sought. This request is to fund necessary additional positions. This number includes several contract employees that are being transferred to permanent employee status. The police force wants to run 3 shifts per day in Chuuk and they are short surveillance officers. The increase in employees also results in an increase in benefits and COLA. The Committee finds the amount requested is justified.

Travel: An increase of \$150,000 is sought. The Committee finds the requested amount excessive and approves a \$75,000 increase.

Contractual Services: An increase of \$57,219 is sought. This increase is primarily due to required vehicle maintenance. The Committee finds the amount requested is justified.

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

Fixed Assets: An increase of \$125,000 is sought. This request is for vehicles and cameras and video equipment for interrogation rooms. The Committee finds the amount requested is justified.

STANDING COMMITTEE REPORT NO: 20-78

RE: P.C. 20-211/J&GO

SUBJECT: FY 2019 BUDGET

SEPTEMBER 20, 2018

vii. Office of the Public Defender

	FY 18 Appropriated	FY 19 President Recommended	Proposed Change	FY 19 Congress Recommended
Personnel	712,321	744,081	31,760	744,081
Travel	103,812	140,120	36,308	140,120
Contract	101,050	314,250	213,200	101,050
OCE	86,900	86,900	0	86,900
Fixed	40,000	45,000	5,000	40,000
TOTAL	1,044,083	1,330,351	286,268	1,112,151
#Positions	26	26	0	26

Personnel: An increase of \$31,760 is sought. The increase is largely due to an increase in benefits of \$14,355 and an increase in COLA of \$23,745. There also some adjustments to salary, some increases and some decreases. There is also a request for a \$5,000 for an employee incentive fund. The Committee finds the amount requested is justified.

Travel: An increase of \$36,308 is being sought. There has already been a supplemental request and this balances out. There is an increase in travel due to there being more offenders, requiring multiple appearances before the courts. The Committee finds the amount requested is justified.

Contractual Services: An increase of \$213,200 is being sought. This increase is requested to launch a new pilot program for representation from the Public Defenders office in civil cases. The Committee finds this is beyond the scope of the mandate for the Public Defenders office and does not authorize this expense. The Committee does not approve an increase in this category.

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

Fixed Assets: An increase of \$5,000 is sought. The request is for renovations for the Pohnpei office. The Committee

STANDING COMMITTEE REPORT NO: 20-78

RE: P.C. 20-211/J&GO

SUBJECT: FY 2019 BUDGET

SEPTEMBER 20, 2018

finds that this amount should be referred to the TC&I office for funding.

viii. National Judiciary

	FY 18 Appropriated	FY 19 President Recommended	Proposed Change	FY 19 Congress Recommended
Personnel	905,453	944,560	39,107	944,560
Travel	161,525	160,693	(832)	160,693
Contract	184,194	197,809	13,615	197,809
OCE	174,808	195,205	20,397	195,205
Fixed	32,000	50,000	18,000	50,000
TOTAL	1,457,980	1,548,267	90,287	1,548,267
#Positions	35	35	0	35

Personnel: An increase of \$39,107 is sought. The request is for various salary increases, including a \$9,000 increase for the associate justices and a \$15,877 increase for the Chief Justice. The Committee finds the amount requested is justified.

Travel: The travel budget has a small reduction of \$832.

Contractual Services: An increase of \$13,615 is being sought. This increase is due to a change in the IT contract and the housing expenses. The Committee finds the amount requested is justified.

Other Current Expenses: An increase of \$20,397 is sought. This increase is due to an increase in the Law Day scholarships, after 26 years, the scholarships will increase from \$1,000 to \$2,000. The Committee finds the amount requested is justified.

Fixed Assets: An increase of \$18,000 is sought. This request is for a new vehicle for the new Associate Justice and 4 new FDR recording back-up systems. The Committee finds the amount requested is justified.

STANDING COMMITTEE REPORT NO: 20-78

RE: P.C. 20-211/J&GO

SUBJECT: FY 2019 BUDGET

SEPTEMBER 20, 2018

b. Agencies, Boards, Authorities, Commissions & Corporations

i. National Postal Service

	FY 18 Appropriated	FY 19 President Recommended	Proposed Change	FY 19 Congress Recommended
Personnel	513,771	547,861	34,090	533,861
Travel	65,117	70,542	5,425	70,542
Contract	151,320	207,119	55,799	207,119
OCE	126,657	175,757	49,100	151,657
Fixed	0	51,000	51,000	21,000
TOTAL	856,865	1,052,279	195,414	984,179
#Positions	40	40	0	40

Personnel: An increase of \$34,090 is sought. The increase is largely due to an increase in salary for the Post Master of \$14,000. No explanation was provided for this increase. There are also some small salary increases and a significant increase in benefits. The Committee finds the salary increase for the Post Master is not sufficiently justified and does not approve this increase. The Committee finds the other amounts requested are justified and approves an increase of \$20,090 for these amounts.

Travel: An increase of \$5,425 is being sought. This is primary to fund travel to a finance conference in Chuuk. The Committee finds the amount requested is justified.

Contractual Services: An increase of \$55,799 is being sought. The increase is largely related to a lease in Chuuk and the maintenance of office equipment. There is also a need to purchase stamps as they are running out of stock. The Committee finds the amount requested is justified.

Other Current Expenses: An increase of \$49,100 is sought. The request reflects a reduction in the uniform expenses and an increase of \$50,000 for philatelic products and

STANDING COMMITTEE REPORT NO: 20-78

RE: P.C. 20-211/J&GO

SUBJECT: FY 2019 BUDGET

SEPTEMBER 20, 2018

marketing products such as t-shirts and pamphlets. The committee finds that marketing products are not justified and approves an increase of \$25,000.

Fixed Assets: An increase of \$51,000 is being sought. The request is for \$30,000 for one vehicle for the Post Master and \$21,000 for a total of 4 new vehicles, one for each state. The Committee finds that only the 4 vehicles for the states are justified and approves \$21,000.

c. Special Programs

i. National Election Commission Office

	FY 18 Appropriated	FY 19 President Recommended	Proposed Change	FY 19 Congress Recommended
Personnel	235,090	255,821	20,731	255,821
Travel	17,637	22,080	4,443	22,080
Contract	54,017	59,153	5,136	59,153
OCE	82,205	72,963	(9,242)	72,963
Fixed	595	0	(595)	0
TOTAL	389,544	410,017	20,473	410,017
#Positions	13	13	0	13

Personnel: An increase of \$20,731 is sought. The amount reflects small salary increases for all employees and an increase in benefits. The Committee finds the amount requested is justified.

Travel: An increase of \$4,443 is sought. Additional travel is required due to the upcoming election and orientation and training requirements for the office. The Committee finds the amount requested is justified.

Contractual Services: An increase of \$5,136 is sought. The increase in this category is related to an error in last year's appropriation. The contract amounts are for the office rents and the GVRs Database contract. The Committee finds the amount requested is justified.

STANDING COMMITTEE REPORT NO: 20-78

RE: P.C. 20-211/J&GO

SUBJECT: FY 2019 BUDGET

SEPTEMBER 20, 2018

Other Current Expenses: There is a decrease in the amount being requested this year.

Fixed Assets: There is a decrease in the amount being requested this year.

II. Grants, Subsidies and Contributions

a. Department of Justice

i. States Joint Law Enforcement

	FY 18 Appropriated	FY 19 President Recommended	Proposed Change	FY 19 Congress 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 being sought in any category.

ii. Police Academy

FY 18 Appropriated	FY 19 President Recommended	Proposed Change	FY 19 Congress Recommended
200,000	200,000	0	200,000

No increase is being sought.

iii. Fuel Subsidy

FY 18 Appropriated	FY 19 President Recommended	Proposed Change	FY 19 Congress Recommended
100,000	100,000	0	100,000

STANDING COMMITTEE REPORT NO: 20-78

RE: P.C. 20-211/J&GO

SUBJECT: FY 2019 BUDGET

SEPTEMBER 20, 2018

No increase is being sought.

b. States Judiciaries

	FY 18 Appropriated	FY 19 President Recommended	Proposed Change	FY 19 Congress Recommended
Kosrae	40,000	40,000	0	40,000
Pohnpei	60,000	60,000	0	60,000
Chuuk	110,000	110,000	0	110,000
Yap	40,000	40,000	0	40,000
TOTAL	200,000	200,000	0	200,000

No increase is being sought in any category.

c. Micronesian Legal Services Corporation

FY 18 Appropriated	FY 19 President Recommended	Proposed Change	FY 19 Congress Recommended
250,000	250,000	0	250,000

No increase is being sought.

III. Capital and Human Resources Development

a. Department of Justice

i. Anti-Human Trafficking Enforcement, Campaign
and Investigation

FY 18 Appropriated	FY 19 President Recommended	Proposed Change	FY 19 Congress Recommended
100,000	100,000	0	100,000

No increase is being sought.

ii. Victim Shelter and Services

STANDING COMMITTEE REPORT NO: 20-78

RE: P.C. 20-211/J&GO

SUBJECT: FY 2019 BUDGET

SEPTEMBER 20, 2018

FY 18 Appropriated	FY 19 President Recommended	Proposed Change	FY 19 Congress Recommended
100,000	100,000	0	100,000

No increase is being sought.

b. National Election Commission Office

i. Voter ID Card and New Voter Registration
Project

FY 18 Appropriated	FY 19 President Recommended	Proposed Change	FY 19 Congress Recommended
50,000	242,322	192,322	242,322

The increase in this category is due to the upcoming election. The Committee finds the amount requested is justified.

c. National Postal Services

i. Postal Management and Financial Services

FY 18 Appropriated	FY 19 President Recommended	Proposed Change	FY 19 Congress Recommended
210,000	210,000	0	210,000

No increase is being sought.

CONCLUSION

With the modifications identified above, your Committee on Judiciary and Governmental Operations recommends authorizing those portions of the FY 2019 budget relating to matters under its jurisdiction, subject to the availability of funds, as determined by your Committee on Ways and Means.

STANDING COMMITTEE REPORT NO: 20-78

RE: P.C. 20-211/J&GO

SUBJECT: FY 2019 BUDGET

SEPTEMBER 20, 2018

Respectfully submitted,

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

Dion G. Neth, vice chairman

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

/s/ Tiwiter Aritos
Tiwiter Aritos, member

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

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

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