

STANDING COMMITTEE REPORT NO. 21-39

RE: C.B. NO. 21-136/W&M

SUBJECT: SUPPLEMENTAL BUDGET IN THE AMOUNT OF  
\$7,617,994 FOR FY20

FEBRUARY 05, 2020

The Honorable Wesley W. Simina  
Speaker, Twenty-first Congress  
Federated States of Micronesia  
Third Regular Session, 2020

Dear Speaker:

Your Committee on Ways & Means, to which was jointly  
referred Congressional Bill No. 21-136, entitled:

"A BILL FOR AN ACT TO AMEND SECTIONS 1, 2, 3, 5, 8  
AND 9 OF PUBLIC LAW NO. 21-42, AS AMENDED BY PUBLIC  
LAW NO. 21-55, TO APPROPRIATE \$7,617,994 OF  
ADDITIONAL FUNDS FROM THE GENERAL FUND OF THE  
FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR  
ENDING SEPTEMBER 30, 2020, TO PROVIDE SUPPLEMENTAL  
FUNDING FOR THE OPERATIONS OF THE NATIONAL  
GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA,  
OFFICE OF PUBLIC AUDITOR, GRANTS, SUBSIDIES AND  
CONTRIBUTIONS, AND CAPITAL AND HUMAN RESOURCES  
DEVELOPMENT; AND FOR OTHER PURPOSES.",

begs leave to report as follows:

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

Your Committee received Presidential Communication No.  
21-193, which requested additional appropriations to the  
FY20 budget. Your Committee took all of the suggestions

STANDING COMMITTEE REPORT NO. 21-39

RE: C.B. NO. 21-136/W&M

SUBJECT: SUPPLEMENTAL BUDGET IN THE AMOUNT OF  
\$7,617,994 FOR FY20

FEBRUARY 05, 2020

from P.C. No. 21-193 into consideration when reviewing C.B. No. 21-136. Your Committee held a hearing on January 30, 2020, and based the testimony heard in that hearing your Committee's recommendations can be found in the summary below.

Executive Branch Operating Expenses

At the hearing held on January 30, 2019, your Committee heard witnesses from all of the Executive branch departments requesting supplemental funding for the fiscal year 2020.

Leo Falcam, the President's Chief of Staff testified on behalf of the President's Office, stating that the President is requesting additional travel funds due to his planned trips in March and April, including a state visit to Yap. He also stated that additional funding requested for the contractual services line item to cover the cost to hire two new special assistants, one special assistant of foreign affairs and the other a special assistant of internal affairs.

Ricky F Cantero, Deputy Secretary of the Department of Foreign Affairs, testified on behalf of the department to explain their needs for supplemental funding. He stated that the department suffered from downsizing during the past administration and seeks funding to hire more personnel. He also elaborated on the departments plan to update their offices. He also stated that the department will need additional travel funds to fund staff to assist the President in his upcoming visits to the embassies.

Eugene Amor, Secretary of the Department of Finance and Administration, testified on behalf of his department's request. He pointed to the need for additional travel funds to visit the embassies in order to authorize the new ambassadors as signatories on their respective bank

STANDING COMMITTEE REPORT NO. 21-39

RE: C.B. NO. 21-136/W&M

SUBJECT: SUPPLEMENTAL BUDGET IN THE AMOUNT OF  
\$7,617,994 FOR FY20

FEBRUARY 05, 2020

accounts. He also brought to your Committee's attention the needs of the National Treasury to replenish their supplies as they are running low. He stated that there is a need for a new position in Custom's and Tax.

Carlson D. Apis, the Secretary of Transportation, Communications, and Infrastructure, testified on behalf of his department in regards to additional funding for their operational needs. He stated the department was requesting additional funding in contractual services. He also clarified that there was request for \$50,000 in travel to address a shortfall in travel needs.

Dr. Livinson A. Taulung, Secretary of the Department of Health & Social Affairs, testified on behalf of his department in regards to their operational requests. He mentioned the need for additional funding in OCE and fixed assets. He mentioned the focus of the department currently is the measles vaccinations and the new threat posed by coronavirus. These two needs will be addressed in the department's grants, subsidies, and contributions request.

Joses Gallen, the Attorney General, testified for the Department of Justice to explain their request of \$40,000 to fund two new positions. He stated that the department will now have a Chief of Labor and Chief Marine Surveillance/Border Patrol. He stated that the department previously had a Chief of Marine Surveillance but it was made redundant by a past administration, therefore he is merely reinstating a position that previously existed.

Laylanny C. Phillip, spoke on behalf of the Department of Environment, Climate Change, and Emergency Management. She stated the increase requested in the contractual services line item is for a climate change ambassador, as requested by the President of the Federated States of Micronesia. The President's Chief of Staff clarified that this individual would be a spokesperson for the Nation in

STANDING COMMITTEE REPORT NO. 21-39

RE: C.B. NO. 21-136/W&M

SUBJECT: SUPPLEMENTAL BUDGET IN THE AMOUNT OF  
\$7,617,994 FOR FY20

FEBRUARY 05, 2020

regards to climate change issues and not an ambassador in the foreign service sense. He also stated that this will be initially a part-time position. Ms. Phillip then stated that the department is in desperate need of a new vehicle. She stated that their current vehicle is inoperable and twelve years old. The department is requesting \$35,000 in fixed assets to address this need.

Finally, the Office of Personnel is requesting additional funding to assist in setting up their operations. They are requesting an additional \$40,000 in personnel to fund the director's position. The travel request of an additional \$10,000 is anticipated to cover costs to travel to Chuuk for hearings. They are also requesting \$35,000 in fixed assets.

Your Committee notes that there is a correction in the operational budget of Office of National Archives, Culture, and Historic Preservation due to numbers being transposed in prior FY 20 budget bills. This change does not affect the overall budget amount.

After hearing testimony from all the relevant Executive branch departments regarding their operations request, your Committee acknowledges the needs of the Executive branch and will revisit the needs not recommended here in future sessions.

#### Office of the National Public Auditor

Haser Hainrick, National Public Auditor, testified on behalf of the Office of the National Public Auditor. He stated that his office is in need for funding to hire an audit supervisor, who focus solely on financial audits. He explained that his office is getting more and more requests for smaller financial audits from donor agencies. Your Committee recommends granting the Office of the National Public Auditor's request in toto.

STANDING COMMITTEE REPORT NO. 21-39

RE: C.B. NO. 21-136/W&M

SUBJECT: SUPPLEMENTAL BUDGET IN THE AMOUNT OF  
\$7,617,994 FOR FY20

FEBRUARY 05, 2020

### Legislative Branch Operating Expenses

Your Committee held two committee hearings on the supplemental request, the first on January 31, 2020 and the second on February 1, 2020. During those hearings, your Committee considered requests made on behalf of the Legislative branch.

Your Committee's recommendations an additional \$180,000 for Speaker and members contractual services. Additionally, your Committee recommends additional funding for the staff travel to cover the expense of impending travel needs partially to be incurred in implementing the paperless office program. Your Committee also recommends additional funding for the staff OCE line item to replenish supplies. Your Committee recommends supplemental funds for each delegation office in the amount of \$25,000 per member.

### Grants, Subsidies, and Contributions

During the January 30, 2020 public hearing, your Committee heard testimony from JCRP representative, Epel Ilon, that the legal fees for Jim Stovall had been paid out of other line items. Your Committee is recommending an appropriation of \$160,000 to cover those legal fees.

The only other reduction that your Committee is recommending is the request from the Department of Finance and Administration for an FSM finance conference and training. Your Committee believes the funding for this conference is not imminent at this time and may be revisited in a later request.

In addition to the President's request, your Committee recommends an additional \$300,000 to the President's request for vaccination of measles to assist in response to the coronavirus epidemic. Your Committee recommends

STANDING COMMITTEE REPORT NO. 21-39

RE: C.B. NO. 21-136/W&M

SUBJECT: SUPPLEMENTAL BUDGET IN THE AMOUNT OF  
\$7,617,994 FOR FY20

FEBRUARY 05, 2020

\$25,000 for the Guam Consulate for citizen outreach and  
\$130,000 for the IPU as a one-time contribution.

Capital and Human Resources Development

Your Committee would like to note that it is recommending the entire request from the Constitutional Convention for additional funding. While your Committee did not recommend funding for the education component of the proposals to amend the Constitution, your Committee will be in a better position to determine the amount of funding needed for this process after the Constitutional Convention adjourns.

Your Committee has carefully reviewed Congressional Bill No. 21-136. Your Committee on Ways and Means is in accord with the intent and purpose of C.B. No. 21-136, 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. 21-136.

STANDING COMMITTEE REPORT NO. 21-39

RE: C.B. NO. 21-136/W&M

SUBJECT: SUPPLEMENTAL BUDGET IN THE AMOUNT OF  
\$7,617,994 FOR FY20

FEBRUARY 05, 2020

Respectfully submitted,

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

/s/ Dion G. Neth  
Dion G. Neth, member

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

Robson U. Romolow, member

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

Joseph J. Urusemal, member

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

STANDING COMMITTEE REPORT NO. 21-39

RE: C.B. NO. 21-136/W&M

SUBJECT: SUPPLEMENTAL BUDGET IN THE AMOUNT OF  
\$7,617,994 FOR FY20

FEBRUARY 05, 2020

Respectfully submitted,

---

Isaac V. Figir, chairman

---

Dion G. Neth, member

---

Victor V. Gouland, member

---

Robson U. Romolow, member

---

Ferny S. Perman, member

---

Joseph J. Urusemal, member

---

Paliknow K. Welly, member