

RE: STANDING COMMITTEE REPORT NO. 22-35

SUBJECT: FY 2023 RECOMMENDED BUDGET/EDUCATION

MAY 24, 2022

The Honorable Wesley W. Simina  
Speaker, Twenty-Second Congress  
Federated States of Micronesia  
Fourth Regular Session, 2022

Dear Mr. Speaker:

Your Committee on Education, to which was jointly referred Presidential Communication No. 22-228 regarding the National Government's Recommended FY2023 Budget, begs leave to report as follows:

Presidential Communication No. 22-228 was transmitted to Congress with the *National Government Fiscal Year 2023 Recommended Budget* ("Budget Book"). Pursuant to Rule 7, Section 3(b), of the Official Rules of Procedure of the Twenty-Second Congress of the Federated States of Micronesia, your Committee has limited its review to those portions of the recommended budget relating to matters under its jurisdiction. These are:

- A. National Department of Education (NDOE)
  - 1. Office of the Secretary
  - 2. Division of Formal & Non Formal Education
  - 3. Division of Quality & Effectiveness
- B. Board of Regents COM-FSM
- C. Grants, Subsidies and Contributions.
  - 1. Aid to Non-Public schools
  - 2. Financial Assistance for FSM students at CMI
  - 3. Financial Assistance for FSM students at PCC
  - 4. National Scholarship Fund
  - 5. National Close-Up Local Program
  - 6. National Merit Scholarship
  - 7. Aid to students in Japan

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8. Aid to students in China
9. Aid to students in Fiji
- D. Resources: Grants, Subsidies and Contributions
  1. COM-FSM Treaty Obligations
  2. COM-FSM Annual Board Meeting
- E. Capital & Human Resources Development
  1. College of Micronesia-FSM-Operations
  2. FSM Fisheries and Maritime Institute
  3. COM-FSM-SEG
  4. COM-FSM Endowment Fund
  5. COM-FSM DDFT
  6. NDOE-Data Management Project
  7. NDOE-School Accreditation Project
  8. NDOE-Teacher Certification Project
  9. NDOE-CTE Teacher Training
  10. NDOE-VLA Standards
  11. NDOE-NMCT testing

This report, and all previous and subsequent reports of your Committee, should be treated as reflecting policies of the Federated States of Micronesia, as defined by the Congress. It is the intent of your Committee that any commentary found in this report should be treated as policy for the guidance of the department, agencies and entities.

The findings and recommendations of your Committee follow:

**I. INTRODUCTORY COMMENTS**

Your Committee notes that a brief version of the FY2023 Budget Book was transmitted to the Twenty-Second Congress on April 1, 2022, the detailed formal budget was only transmitted on May 16, 2022. During your Committee's review of the Budget Book it has noted some inaccuracies, and these are detailed in the relevant portions of the report below.

Your Committee has prepared its recommendations for the above-cited items on the following breakdown of available funds: \$366,570 from SEG for the National Department of Education and for its Data Management Project \$566,074, and \$689,945 is available for COM-FSM from SEG. Pursuant to P.L. No. 18-57 the funding available for NDOE from the Compact Education Sector

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Grant for FY23 is zero, and the funding available for Education Sector Grant for COM-FSM is \$1,000,000 for FY23.

Your Committee held public hearings with NDOE on: May 17, 2022. Your Committee also held a public hearing with the College of Micronesia-FSM on May 15, 2022. Witnesses at the hearings included: the Secretary of the National Department of Education with her key staff, the Acting President of COM-FSM and her key staff, representatives from the Department of Finance and Administration, Department of Justice, Office of the President and the Office of Personnel.

**II. FY 2023 BUDGET –SOURCES AND RECOMMENDATIONS**

**A. NATIONAL DEPARTMENT OF EDUCATION**

**1. Office of the Secretary**

	FY2022 Appropriated	FY2023 President Recommended	FY2023 Committee Recommended
Personnel	162,970	166,799	166,799
Travel	20,856	50,000	50,000
Contractual	15,000	15,000	90,000
OCE	23,500	25,000	25,000
Fix Assets	31,000	0	-0-
<b>Total</b>	<b>253,326</b>	<b>256,799</b>	<b>331,799</b>
Employees #	7	7	7

The President recommended a budget of \$256,799 for the Office of the Secretary to be funded entirely from Domestic Revenue. The Committee's recommendations are discussed below.

**Personnel:** The Office of Personnel confirmed to your Committee that the vacancy for the Financial Specialist position (\$14,348 with COLA) and the Administrative Officer II (\$16,267 with COLA) are still open. The Committee has raised its concerns about long term vacant positions as far back as its FY16 budget report in May 2015, however, it appears that both of these positions are only recently vacant. The Committee is satisfied with the

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answers from NDOE on this point that these positions are necessary.

Early during the hearing process for the FY23 budget the Secretary was questioned if a planning team is in place to implement changes in the Department once the negotiations regarding the Compact have concluded and the post 2023 period becomes clear. The Secretary responded that there was no transition plan as of yet, and that the three priority areas that National Government supported in the area of education; school accreditation, teacher certification and student performance testing still needed guidance and expertise from NDOE. Your Committee was not impressed with this answer given the enormous amount of funding and the continued lack of coordination with the States. The Committee vocalized its strong desire to have the Secretary and NDOE look at the transition and restructuring issue for all her divisions during this next year.

In accordance with the above comments, your Committee recommends Personnel to be funded for the Office of the Secretary for FY23 at \$166,799.

**Travel:** The representatives and the Secretary from NDOE urged that additional funding be recommended for this Office. Your Committee appreciates that travel expenses should be incurred for the Office of Secretary during the ongoing negotiations with the U.S. regarding funding for education. However, for meetings such as the FACS0 and other regularly occurring commitments the Committee believes that some portion of the meetings could be held via electronic conferencing with only an annual meeting in person. The Committee concurs with the President's recommendation of \$50,000 for travel for the Office of the Secretary for FY23.

**Contract:** The printing cost and materials for the MTEC remain recommended at \$15,000 for FY23. A contract for NDOE office space at \$100,000 was proposed by the Department but not recommended by the President. The Secretary of the National Department of Education stated that at some point during the coming fiscal year a location change will be necessary for this important department, and it is better that this move be done

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sooner rather than later. Your Committee agrees. The Office of Budget representative stated that there was \$100,000 recommended for this under the section for Capital Investment and Human Resources (CIP) for Resources and Development. This was done in an effort to secure the initial location for building new office space to house NDOE. While this is the preferred long term solution NDOE must make a move during FY23 and some funding under contractual services here will allow it to secure rental space. The Committee believes that \$75,000 should be sufficient for this purpose for the time being. This issue will have to be discussed in more detail as the options for future office space will need to be presented to the Committee. For the reasons stated above, your Committee recommends contractual services for the Office of the Secretary at \$90,000 for FY23.

**OCE:** Your Committee appreciates this modest recommendation for this category. The Department confirmed that the President's recommendation is sufficient, and therefore, your Committee recommends \$25,000 for OCE for the Office of the Secretary for FY23.

**Fixed Assets:** The President recommends no funding for this category. The Department stated that there is currently only one functioning office vehicle for all of NDOE. When the Committee asked what the actual needs were the Department responded that it needed two new vehicles. Your Committee has made accommodation for urgent needs in some areas by adjusting its budget recommendations. The Committee notes that last year a vehicle was recommended and approved for this Office. At this time, without the explicit recommendation of the President, your Committee is not inclined to entertain the request by the Department. Your Committee concurs with the President, and therefore it recommends -0- for Fixed Assets for the Office of the Secretary FY23.

**Your Committee recommends funding for the Office of the Secretary for FY2023 at \$331,799 funded in its entirety from Domestic Revenue.**

**Commentary and FY2023 Goals:** Your Committee requests that the Secretary and her Office identify activities, positions and responsibilities that will face a transition when the post 2023

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Compact funding is finalized. Specifically, the Committee requests that it sees planning to protect the core areas of school accreditation, teacher certification and student performance testing. As discussed further below this Committee would like to see the use of fewer contractual services contractors and more effort to use the staff of the Department. The Committee puts NDOE on notice that it should expect a detailed oversight hearing on these matters by January 2023.

**2. Division of Formal & Non Formal Education**

	FY2022 Appropriated	FY2023 President Recommended	FY2023 Committee Recommended
Personnel	137,707	137,707	137,707
Travel	15,750	15,750	15,750
Contractual	30,069	30,069	30,069
OCE	11,522	11,522	11,522
Fix Assets	-0-	-0-	-0-
<b>Total</b>	195,048	195,048	195,048
Employee #	6	6	6

The President recommends a budget of \$195,048 for the Division of Formal & Non Formal Education for FY2023. The Committee recommendations are discussed below.

**Personnel:** During its review of the President's recommendation for this category the Committee notes that the same number of positions requested for FY23 as there are in the current fiscal year. The Committee has confirmed with the Office of Personnel that the salaries for each position are correctly stated in the Budget Book and conform to those currently being paid. The Department advocated for increases in pay for some of its staff under the Public Service System. These requests were not taken up by the President, and are therefore, not entertained by the Committee at this time.

Your Committee recommends Personnel to be funded for the Division of Formal & Non Formal Education for FY23 at \$137,707.

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**Travel:** The Department has proposed funding levels for this category return to pre-pandemic levels, however, this was not recommended by the President. Although the Committee hopes for a return to more normal conditions by FY23 it does not agree with an increase in the travel budget for this division at this time. This division does not do the primary work of NDOE which is the three core areas of school accreditation, student testing and teacher certification. This Committee reiterates its strong preference that more work, including travel, be dedicated to those areas.

As indicated above in the budget recommendations for the Office of the Secretary the Committee will entertain requests for necessary supplemental funding later in FY23. It will be necessary to do extensive oversight in the coming fiscal year in order to understand and assist NDOE in the post Amended Compact period and any adjustments deemed necessary can be done at that time.

Your Committee recommends the FY23 Travel budget for the Division of Formal and Non Formal Education at \$15,750.

**Contract:** The President recommends the budget for this category remain the same in FY23 as in this fiscal year. During the public hearings on the FY23 budget your Committee requested the division for an accounting of the activities of the Career Guidance Counselor for this fiscal year and copies of any materials produced by this position. This position has been funded for four years and the Committee intends to do an evaluation of it, and all contractual services positions during this coming fiscal year. The National Department of Education is on notice that these positions will be given particularly detailed scrutiny as domestic revenue funded positions.

At this time, your Committee recommends the FY23 Contractual Services budget for the Division of Formal and Non Formal Education at \$30,069.

**OCE:** Your Committee is encouraged that the proposed funding for this category remains proposed at the same level in FY23. The Department has confirmed that this will be satisfactory for the coming fiscal year. Your Committee, therefore, concurs with the

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President's funding request, and recommends funding for OCE for the Division of Formal and Non Formal Education at \$11,522 for FY23.

**Fixed Assets:** Your Committee concurs with the President's recommended -0- funding for Fixed Assets for the Division of Formal and Non Formal Education for FY23.

**For the reasons set forth above in detail your Committee recommends \$195,048 for the Division of Formal and Non Formal for FY2023 to be funded from Domestic Revenue in its entirety.**

### 3. Division of Quality & Effectiveness

	FY2022 Appropriate d	FY2023 President Recommende d	FY2023 Committee Recommende d	Domesti c Revenue	SEG
Personnel	174,254	174,254	174,254	31,441	142,812
Travel	24,460	100,972	100,972	-0-	100,972
Contractua l	107,000	111,157	111,157	-0-	111,157
OCE	31,426	31,326	31,326	19,697	11,629
Fix Assets	-0-	-0-	-0-	-0-	-0-
<b>Total</b>	<b>337,140</b>	<b>417,709</b>	<b>417,709</b>	<b>51,138</b>	<b>366,570</b>
Employee#	9	9	9	1	8

The President recommends a budget of \$417,709 for the Division of Quality and Effectiveness Education for FY2023. The President recommends funding \$51,138 from Domestic Revenue and \$366,570 from SEG.

Prior to the discussion of the budget for FY23 for this important Division of Quality and Effectiveness Education the Committee takes this opportunity to express its appreciation to the long-serving staff. It has been the Committee's observation over many years that it is this division that moves the three

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core mandated programs of school accreditation, teacher certification and student testing forward and not the outside projects. The work on these three programs should remain within the National Department of Education. During its review of the Department it is clear that during the last seven years more projects and much more funding has been allocated to outside contractors. This is unsettling as the total budget for the Department, including these outside projects has tremendously expanded. Nothing in this committee report should be interpreted as downplaying by the Committee of the importance of the three core programs. It is quite the reverse. Your Committee just believes that more work and funding should be allocated to the Department rather than outside contractors.

**Personnel:** The Department advocated for including additional funding in this category that has not been recommended by the President. As a rule, unless there is urgent need or an error has been made this Committee does not entertain requests made outside of the President's recommended budget. Your Committee has been accommodating, particularly when the President's Office and the Department of Finance agree to revisions. In this instance NDOE has requested funding in the amount of \$201,439 that has not been evaluated by the President's budget review process or the Committee prior to this hearing. The Department has stated it will provide documents to support this request, however, at this point in time the Committee has not received this information. This is another item that may be taken up for review later with proper documentation.

In consideration of the above commentary, your Committee recommends funding for Personnel for the Division of Quality and Effectiveness Education for FY23 at \$174,254, of this \$142,812 shall be funded from SEG and \$31,441 from Domestic Revenue.

**Travel:** At the May 2022 hearing your Committee was advised by this Division that travel can and should be done domestically on the three core education initiatives. Particularly the student testing and school accreditation must get back on track. The division strongly advocated for the return to pre-pandemic funding levels for this category for this reason. As stated throughout this committee report the Committee is very supportive of the good work done by this division. All

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witnesses recommended the \$100,972 funding level as it will be funded from SEG.

Your Committee recommends \$100,972 for Travel for the Division of Quality and Effectiveness Education for FY23, to be funded in its entirety from SEG.

**Contract:** The Committee agrees with the Department that the school accreditation process and the student testing should be carried out in all schools, therefore the fueling and provisioning of the ships that will do this should have sufficient funding. The slight increase recommended for this category is due to the increase in fuel prices. The Committee notes positively that the entire category is proposed to be funded with SEG. The Committee, therefore, concurs with the President's recommendation for FY23 for Contractual Services for the Division of Quality and Effectiveness Education at \$111,157 to be funded in its entirety from SEG.

**OCE:** Your Committee is pleased that the President's proposed budget for OCE remains the same as that appropriated for FY22, and therefore, recommends \$31,326 for OCE for FY23 for the Division of Quality and Effectiveness Education, of this amount \$11,629 from SEG and \$19,697 from Domestic Revenue.

**Fixed Assets:** Your Committee concurs with the President that no funding is necessary for FY23 in this category, therefore, recommends -0- for Fixed Assets for the Division of Quality and Effectiveness Education in FY23.

**For the reasons set forth above your Committee recommends the total budget for the Division of Quality and Effectiveness Education for FY2023 at \$417,709, to be funded from SEG in the amount of \$366,570, and \$51,138 from Domestic Revenue.**

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**OVERALL BUDGET SUMMARY FY2015 -- DEPARTMENT OF EDUCATION**

	FY2022 Appropriated	FY2023 President Recommended	FY2023 Committee Recommended	Domestic Revenue	SEG
Personnel	474,931	478,760	478,760	335,948	142,812
Travel	61,066	166,722	166,722	65,750	100,972
Contractual	152,069	156,244	231,226	120,069	111,157
OCE	66,448	67,848	67,848	56,219	11,629
Fix Asset	31,000	-0-	-0-	-0-	-0-
Total	724,448	869,574	944,556	577,986	366,570
Employee #	22	22	22	14	8

**B. Board of Regents --COM-FSM**

The President 's recommendation for FY23 for the Board of Regents for COM-FSM is the same as for this fiscal year. Witnesses at the public hearing held on May 12, 2022 confirmed the recommended request remains the same at \$120,000. Your Committee notes that the Board of Regents' budget is composed of expenses incurred to convene meetings remotely and training/orientation expenses required to meet the minimum standards of the accreditation authorities.

Your Committee is satisfied with the budget for the Board of Regents COM-FSM for FY23, and recommends it be funded in the amount of \$120,000 from Domestic Revenue.

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**C. Grants, Subsidies and Contributions**

	FY2022 Appropriated	FY2023 President Recommended	FY2023 Committee Recommended
Aid to Non Public Schools	1,000,000	1,000,000	1,000,000
Aid to students at CMI	40,000	40,000	30,000
Aid to students at PCC	100,000	100,000	50,000
National Scholarship Fund	3,000,000	3,000,000	3,000,000
National Close-Up Program	75,000	75,000	75,000
National Merit Scholarship	275,000	275,000	275,000
Aid to students in Japan	100,000	100,000	100,000
Caroline College (CCPI)	200,000	-0-	200,000
Faithwalk College	200,000	-0-	200,000
Aid to students in China	50,000	50,000	50,000
Aid to students in Fiji	50,000	50,000	50,000
Xavier High School	75,000	-0-	75,000

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Yap Catholic High School	75,000	-0-	<b>75,000</b>
Total	5,240,000	4,690,000	<b>5,180,000</b>

The President's Budget Book recommends funding for FY23 for Grants, Subsidies and Contributions for the National Department of Education in the total amount of \$4,690,000, to be funded entirely from Domestic Revenue. The commentary from your Committee follows:

**Aid to Non-Public Schools:** Your Committee strongly believes that all of our Nation's children should be supported in their endeavors to achieve excellence in their primary school education. The Committee commends the non-public schools for maintaining high standards and providing a quality education to their students. Your Committee requested a detailed summary of the non-public school enrollment and subsidy under this category for the past two fiscal years. This information was provided and is attached to this report for information. It would also like statistics regarding the performance testing and COM-FSM admissions test for these schools. These awards should be made on a per capita enrollment basis and the Committee needs to satisfy itself that this is being done, and that high education standards are being maintained.

On another issue your Committee was informed that two non-public schools have teachers that are not vaccinated for the Covid-19 virus. Funding under this contribution item has not been released to these schools and your Committee strongly agrees with this decision. Further meetings are scheduled with these schools on the matter. Your Committee concurs with the President and recommends a contribution to our non-public schools in the amount of \$1,000,000 for FY23.

**Aid to CMI Students:** The Post-Secondary Specialist at NDOE stated to the Committee that a contribution of \$40,000 was necessary to assist with tuition and boarding not covered by the PELL grant for the coming year for our students studying at CMI. At the public hearing the Committee was also advised that there is no outstanding debt owed by our students at CMI for previous terms. The Committee questioned why the funding level needed to

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maintained. Some students needs are anticipated for the coming year and the Department requested the current funding level to be maintained in case more need arose. Your Committee finds \$30,000 a more reasonable estimate of student expenses in the coming year, and therefore, it recommends funding in that amount of \$30,000 for FY23.

**Aid to PCC Student:** There are still significant on-going issues with the financial assistance given to our students attending Palau Community College (PCC). More work needs to be done to ensure that only students who meet the 2.0 GPA minimum standard and who are full time students receive this additional National Government assistance. It is strongly urged by this Committee that the Post-Secondary Specialist visit this institution as soon as travel restrictions are lifted. The Committee was advised that only graduates needing transcripts and diplomas fall out of the mandate regarding grade point average.

It is clear to the Committee that support is needed for our students at PCC, however the Committee will not entertain additional requests in this category without further information. For the reasons stated above, the Committee recommends \$50,000 for financial support for our students attending Palau Community College for FY23.

**National Close-Up:** Your Committee fully supports this program to give our most gifted high school students the opportunity to see their National Government at work, and to inspire them as future leaders. It is unfortunate that the restrictions during this fiscal year prevented NDOE from holding an in person National Close-Up experience. The Department expects to resume all activities for this program in the coming fiscal year. The Committee was advised by NDOE at the hearing on this budget item that the \$75,000 recommended by the President would be sufficient to continue all activities of National Close-Up for FY23. Your Committee recommends \$75,000 for National Close-Up for FY23.

**National Scholarship:** The Post-Secondary Specialist advised your Committee that a balance for the current fiscal year of \$1.6 million remains in the National Scholarship Fund. This fund balance will be sufficient for the summer term and for on

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time payment in August of the fall term. Your Committee is pleased that the fall term obligations can be met in a timely manner this academic year. The Committee was further advised that the recommended \$3,000,000 is satisfactory for FY23, and with this information your Committee recommends National Scholarship at \$3,000,000 for FY23.

**Merit Scholarship:** The Committee was advised that the \$275,000 of the current fiscal year appropriation has not been expended. It is always used to pay for the following academic year. This balance will be exhausted in the fall term. The scholarship candidates will need the same level of funding in FY23. Your Committee recommends the \$275,000 for the Merit Scholarship for FY23.

**Private Schools and Colleges:** Over the past four years this Committee has seen fit to recommend subsidizing several of our private schools and colleges. This effort, as all of the Committee's efforts, is to ensure that students can participate in quality education programs and where possible pursue their educational interests at institutions that match their career interests. Although not recommended for funding by the President the Committee is nonetheless recommending funding for the four institutions. During the hearing on May 18, 2022 witnesses expressed concern that only specific institutions were beneficiaries of additional funding. This Committee welcomes the suggestion that an across the board assessment be done to determine the needs of all education providers. However, at this time, your Committee has limited information before it, and therefore, takes action on those matters with it by recommending funding in the following amounts for FY23: \$200,000 for Caroline College & Pastoral Institute (CCPI); \$200,000 for Faithwalk Christian College; \$75,000 for Xavier High School and \$75,000 for Yap Catholic High School.

**Aid to Students Overseas:** Our students continue to study abroad for higher education. Adjustments were made by their host institutions to assist our university students in continuing their students during the pandemic. It is believed that all normal in person instruction will resume in the 2022/23 academic year. Your Committee reiterates its appreciation to the host nations for the scholarship support for our students abroad.

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The Committee concurs with the President's recommendations for FY23 set forth as follows: \$100,000 for students in Japan, \$50,000 for students in Fiji and \$50,000 for students in China.

**Your Committee, in line with its detailed commentary above, recommends \$5,180,000 for FY23 for Grants, Subsidies and Contributions, to be funded in its entirety from Domestic Revenue.**

**D. Resources: Grants, Subsidies and Contributions**

**1. COM-FSM Annual Board Meeting:**

The President recommends funding for FY23 for this item at the \$5,000, the level it has been for several previous years., your Committee concurs and recommends the same.

**2. COM-FSM Treaty Obligation**

Your Committee concurs with the President and recommends funding \$25,000 in FY23 for the COM-FSM Treaty Obligations, which remains the same as in past years. The source of this funding is Domestic Revenue.

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**E. Capital & Human Resources Development**

	FY2022 Approp.	FY2023 Preside nt Recom	FY2023 Committ ee Recomme nd	FY2023 Domesti c	FY2023 Educati on Sector	FY2023 SEG
COM-FSM	4,000,000	4,000,000	4,000,000	3,000,000	1,000,000	-0-
FSM-FMI	919,392	965,735	965,735	965,735	-0-	-0-
COM-FSM SEG	689,948	689,945	689,945	-0-	-0-	689,945
COM-FSM Fund	500,000	285,000	500,000	500,000	-0-	-0-
COM-FSM DDFT	250,000	-0-	488,798	488,798	-0-	-0-
NDOE Data	556,074	556,074	556,074	-0-	-0-	566,074
NDOE Accredi t	431,877	-0-	-0-	-0-	-0-	-0-
NDOE Teacher Cert	205,273	460,009	-0-	-0-	-0-	-0-
NDOE CTE	-0-	56,910	56,910	56,910	-0-	-0-
NDOE VLA	-0-	75,170	75,170	75,170	-0-	-0-
NDOE NMCT	140,312	58,793	-0-	-0-	-0-	-0-
CELEP	50,000	-0-	-0-			
Total	7,742,876	7,436,156	7,332,632	5,076,613	1,000,000	1,256,019

**1. College of Micronesia-FSM**

A public hearing was held on May 12, 2022 regarding the proposed funding requests for FY23 for COM-FSM and the Board of Regents COM-FSM. The President recommends funding for the operations of the College of Micronesia-FSM in the amount of \$4,000,000. This amount represents the same funding level as this current fiscal

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year. It was confirmed by the Office of the President and the Department of Finance at the hearing that \$3,000,000 is proposed to be funded from Domestic Revenue, and \$1,000,000 from the available Education Sector Grant.

Your Committee was advised by the Acting President for COM-FSM that the College remains fully accredited until 2023. In March 2023, the beginning of the next cycle of evaluation starts with self-evaluation and a peer review visit. The current strategic measures and indicators look favorable for a successfully evaluation next year. Your Committee was also updated regarding five on-going COM-FSM infrastructure projects. There have been delays in construction and design due to the pandemic and a property access issue for the new campus in Chuuk, however, the College is confident that all projects will continue moving forward.

The College listed several accomplishments during this past academic year. Its movement to remote meeting and teaching setting fueled better coordination between the state and national campuses, and allowed them to be granted permission to conduct instruction online by the accreditation authority.

Pandemic assistance to students and institutions of higher learning by the United States government extended to COM-FSM. Students received some direct cash assistance and the College received direct assistance as well. The College used some funding for direct student assistance to pay off student debt incurred during the pandemic to ensure students could return to finish their degree after the disruption caused by the virus. Other funding was used to buy laptops for students, internet equip additional spaces to make online learning available and pay for other technical expenses like Zoom licensing. A third funding relief award for COM-FSM was given as the institution is minority serving and this may be used to complete the Student Learning Center on the National campus.

The College transmitted a multi-year financial document indicating that in normal years its revenue and expenditures closely align. During the pandemic, unfortunately the expenses of maintaining and staffing the college have not been matched by revenue. The College stated it was on track to return to pre-

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pandemic student enrollment and is recruiting for twenty-four vacant faculty positions, a Vice President position and the new President. For these reasons, it strongly requested the support of Congress for the \$4,000,000 funding level.

In consideration of the strong evidence presented at the hearing your Committee recommends funding for COM-FSM for FY23 at \$4,000,000, with \$1,000,000 recommended to come from the Compact Sector Grant, and \$3,000,000 from Domestic Revenue.

## **2. FSM-Fisheries and Maritime Institute (FMI)**

Your Committee concurs with the President's recommended funding for the operations of FSM-FMI at \$965,735 for FY23.

Enrollment at FSM-FMI remains at maximum capacity and the needs of the students for equipment and the costs of boarding have increased greatly over the past several years. Further, your Committee was impressed by the broader technical training provided by FSM-FMI to students and the discipline it instills. Currently the program provides Class 5 and 6 certificates in Engineering and Navigation. It is working now to expand the program to include Class 4 certification. The campus is very well maintained and run, and your Committee considers it a model program and welcomes the expansion.

Recently FMI received a 4,000,000yen grant from Japan it is using for student quarters and training. It is hoped that volunteers from Japan will be allowed in country to do some of the construction and training.

## **3. College of Micronesia-FSM SEG Funding**

Your Committee recommends SEG funding for College of Micronesia-FSM in the amount of \$689,948 for FY23. The use of funds is for SEG work-study, student assistance, and Teacher Corps. The Teacher Corps program has expanded to include students in all the four States. The participants provide tutoring to young students and are involved in various community service activities. In turn, they receive assistance with scholarship applications and resume writing. The Committee recommends the

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\$689,948 for SEG funded work-study, student assistance and Teacher Corps.

#### **4. College of Micronesia-FSM Endowment Fund**

The President recommends \$285,000 for FY23 for the COM-FSM Endowment Fund. During this current fiscal year, the Congress appropriated \$500,000 for the fund. At the May 12, 2022 hearing your Committee was impressed by the planning and overall execution of work by COM-FSM during this challenging pandemic period. It is very supportive of assisting the College in its effects to become financially sustainable. It does suggest that the College look into using an outside evaluator to make recommendations on the management of the fund as it appears to be performing slightly lower than market average. For these reasons, your Committee recommends \$500,000 for FY23 for the COM-FSM Endowment Fund.

#### **5. College of Micronesia-DDFT Program**

A detailed presentation was provided by the College regarding the Doctors and Dentists for Tomorrow program. This program prepares students to enter healthcare professional programs. It is graduating its first set of students who will choose their specialty areas and further train for their given areas of practice. As this Nation faces an extreme shortage in all positions in the healthcare professions in all four States your Committee is disappointed that this was not recommended for funding by the President in the coming fiscal year. Your Committee strongly supports this program and it supports its expansion. More specialty healthcare professionals, particularly in eye care, maternal and child care, and surgery are needed. Additional documentation and budget proposals were produced by the College. The Committee is well satisfied regarding the importance and effectiveness of DDFT and recommends the full \$488,798 requested by COM-FSM for FY23.

#### **6. National Department of Education: Data Management Project**

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The amount currently available for the Data Management Project for FY23 from SEG is \$566,074. The Committee is supportive of all efforts to provide better education and services to the students of this Nation. It understands the necessity of accurate statistics and timely updates of education information, however, it has not received an update regarding the program in three years. As this project will conclude at the end of this coming fiscal year the Committee notices its intent to do oversight regarding the final outputs of this project. Over \$3 million has been expended on this effort over the five-year project period and the Committee expects a meaningful accounting of this generous funding with useful deliverables. Your Committee recommends \$566,074 for the Data Management Project for FY23, to be funded from SEG in its entirety.

**7. National Department of Education: School Accreditation Project**

At the May 17, 2022 hearing your Committee inquired as to the President's lack in recommending any funding for this project. The Office of Budget responded to this question by stating that significant balances have accumulated over the past several years for this project. A total of \$424,866 remains for this line item. It was strongly recommended that NDOE utilize the current available balance for the FY23 period. The Office of Budget submitted a detailed breakdown of expenditures for the last five years. This Committee notes with displeasure that not all of this backlog can be explained by the impact of the pandemic. It also notes that substantial amounts have been spent on contractors. The work regarding school accreditation should be done within the relevant division at NDOE. If more funding or specific projects, on a limited time basis, need to take place it should be within the National Department of Education. As this Nation enters the final year of Amended Compact funding it is appropriate to evaluate all programs and it is the intention of your Committee to begin with projects and programs that have not been utilizing the appropriated funding.

For the detailed reasons above, your Committee concurs with the President and recommends -0- funding for the NDOE School Accreditation Project for FY23.

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**8. National Department of Education: Teacher Certification**

The Office of Budget provided the current balance for the Teacher Certification Project. This project has a remaining balance of \$348,668 as of the date of this report. Your Committee strongly believes that this is sufficient to conduct all activities for the project for at least the first half of FY23. It has come to light through information provided by the Office of Personnel that many of the contractors for projects under this section are former NDOE employees now receiving two, and in some cases three times the annual pay compared to their former Public Service System positions. Your Committee sees this as a very negative example by the Department. It should be noted that this will be investigated at the next oversight hearing by this Committee.

For the reasons set forth above, your Committee strongly recommends -0- funding for the NDOE Teacher Certification project for FY23.

**9. National Department of Education: CTE Project**

The proposed project described to the Committee as a project to produce course materials and training manuals for the vocational and technical training classes in our Nation. While supportive of this project the Committee requests copies of all documents produced this coming fiscal year and an accounting of actual expenditures. In previous years' the delays in producing course materials has increased the cost of the overall project and required further funding, thus inflating the total cost. Now is not the time in our Nation's development and financial situation to tolerate such cost overruns.

In line with the above comments, your Committee recommends \$56,910 for the NDOE CTE project in FY23.

**10. National Department of Education: VLA Project**

The development of curriculum and standards, student learning outcomes and guidance have long been recommended for funding by

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your Committee. In reviewing past committee reports this process has been ongoing for ten years. To date these projects have expended more than \$2.5 million and it is hoped that these efforts have benefited the States and individual schools. The Committee takes this opportunity to remind the Department that although necessary these projects are only valuable if effectively communicated to the teachers who would use them. This Committee continues to receive comments from the States that there is a lack of communication and coordination with the National Department of Education. The Committee cannot emphasize enough the need to build stronger communication and working relationships with NDOE counterparts in the States.

As stated in the above set forth paragraph, your Committee recommends \$75,170 for the NDOE VLA project for FY23.

**11. National Department of Education: NMCT**

The Committee has recommended funding for the Assessment & Research Project to revive the NMCT, the student testing for our Nation's education system, for the past two fiscal years. Until now it has not seen any plan for this process. This project is recommended for funding at \$58,793 for FY23. There has been no detailed budget for this project transmitted to your Committee. Given the nature of this exercise it is the Committee's assessment that the majority of the proposed funding would go to contractual services, and your Committee would like the opportunity to review this contractual services contract. Prior to recommending any funding for this project a more detailed analysis is warranted. This is particularly so as it is the Committee's understanding that the NMCT project has been reestablished.

For the above reasons, your Committee recommends -0- funding for the Assessment & Research Project to revive the NMCT for FY23.

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**III. CONCLUSION**

Your Committee on Education has carefully reviewed the President's Recommended FY2023 budget and all of the supplemental information provided by the Executive and the entities within your Committee's jurisdiction. The recommended sums set forth above reflect your Committee's recommendations on the level of funding for the designated activity, program or project for all of Fiscal Year 2023.

Subject to the conditions and limitations set forth herein, and subject to the availability of funding, your Committee on Education recommends approval of the amounts and source of funds identified as Committee Recommendations.

Respectfully submitted,

/s/ Joseph J. Urusemal  
Joseph J. Urusemal, chairman

/s/ Aren B. Palik  
Aren B. Palik, vice chairman

Wesley W. Simina, member

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

/s/ Florencio S. Harper  
Florencio S. Harper, member

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

Perpetua S. Konman, member