

STANDING COMMITTEE REPORT NO. 23-33

RE: C.B. NO. 23-39/CONSOLIDATED W&M

SUBJECT: FY 2024 BUDGET

SEPTEMBER 21, 2023

The Honorable Esmond B. Moses  
Speaker, Twenty-Third Congress  
Federated States of Micronesia  
Second Regular Session, 2023

Dear Mr. Speaker:

Your Committee on Ways and Means, to which was referred  
Congressional Bill No. 23-39, entitled:

“A BILL FOR AN ACT TO APPROPRIATE \$56,669,874 FROM THE  
GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE  
FISCAL YEAR ENDING SEPTEMBER 30, 2024, TO PROVIDE FUNDING  
FOR THE OPERATIONS OF ALL BRANCHES OF THE NATIONAL  
GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA, ITS  
AGENCIES, VARIOUS PROGRAMS, 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 the bill are expressed in its title.

Congressional Bill No. 23-39 was transmitted by the Executive  
Branch in Presidential Communication No. 23-100.

**FY 2024 revenue projection**

Your Committee notes that an updated Revenue Estimate for FY  
2024 was included in Presidential Communication No. 23-100, with

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a projection of **\$54,182,174 in domestic revenue for FY 2024**. This total includes \$32,500,000 which represents half of the revenue from fishing access fees, with the other half going to the States, less \$6,500,000 which goes to the FSM Trust Fund. This total also includes corporate income tax revenue of \$9,000,000, less \$4,500,000 which goes to the FSM Trust Fund.

In addition to the projected domestic revenue of **\$54,182,174** for FY 2024, there is **\$1,000,000** in Amended Compact Sector Grant funding and **\$1,612,592** in Supplemental Education Grant (SEG) funding. When these three sources are added together, the **total estimated revenue available for appropriation by Congress in FY 2024 is \$56,794,766**.

The updated Revenue Estimate for FY 2024 also indicates that \$7,769,537 will be available from U.S. Federal Programs and other foreign assistance in FY 2024. However, because Congress does not appropriate these funds, your Committee did not consider these sources.

In this report, your Committee on Ways and Means recommends the approval of a budget for FY 2024 in the total amount of **\$56,669,874**; of which **\$54,037,282** is recommended from domestic revenue, **\$1,000,000** is recommended from the Amended Compact Sector for COM-FSM, and **\$1,612,592** is recommended from the Supplemental Education Grant, or successor Program.

**Statement of policy for the adoption of the FY 2024 budget**

In view of the uncertainties surrounding budget planning following the referendum, your Committee recommends that, for the time being, the President's recommended appropriations be followed. This is with the intention of keeping the FY 2024 budget as close as possible to the FY 2023 appropriation level. The Committee will review the budget in January when there is more clarity on the budget planning and provided that additional revenue becomes available.

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**Adjustments to C.B. No. 23-39**

Your Committee has not had the opportunity to review in detail the reports of each of your Standing and Special Committees as they have not yet all been finalized and adopted by Congress. However, for the reasons set out in the Policy Statement above, your Committee recommends the adoption of Congressional Bill No. 23-39, CD1, with the few adjustments described below.

Your Committee wishes to make the following adjustments:

(1) Congress recommended budget

Your Committee recommends that appropriations in the Congress budget be adjusted as follows:

- a. Reduce the Representation Fund for Members of Congress to \$1,610,000, or \$115,000 per Member, thereby reducing the appropriation for Contractual Services to \$1,999,600; and provide that up to \$150,000 may be used to assist members and staff with medical costs and up to \$20,000 may be used to pay for outstanding prior year obligations.
- b. Fund Congressional Members' Personnel and Travel at a level of \$1,001,650 and \$664,212 respectively.
- c. Under Congress delegation offices, provide a breakdown of the funds appropriated for each delegation office; and under contractual services, include the provision according to which up to \$25,000 per Member may be used for Representation, including prior years reimbursable expenses and other obligations.
- d. Reduce the appropriation for Other Current Expenses (OCE) and Contractual Services for Congressional staff to \$289,000 and \$530,000 respectively (thereby reducing the appropriation for legal contracts to \$100,000, and reducing to zero the appropriation for publication of the FSM Code, Congress renovations, and staff upgrades and special recognitions).
- e. Fund Fixed Assets, Travel and Personnel for Congress staff in the amounts of \$140,000, \$200,000, and \$1,987,832 respectively.

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- (2) Section 11 - Reprogramming of funds
  - a. Allow the reprogramming of funds by the National Public Auditor, consistent with the provisions of previous budget bills.
- (3) Miscellaneous
  - a. Clarification and technical amendments as reflected in C.B. No. 23-39, CD1 attached.

### **Conclusion**

The deliberations and recommendations of your Committee are summarized in this report and reflected in the attached bill. Your Committee notes that the FY24 budget as presented may be reconsidered in January, as noted above, when there is greater clarity in budget planning and provided that additional revenue becomes available.

Your Committee on Ways and Means is in agreement with the intent and purpose of C.B. No. 23-39, CD1, with the aforementioned adjustments, 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.

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Respectfully submitted,

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

/s/ Perpetua S. Konman  
Perpetua S. Konman, vice chairwoman

/s/ Peter M. Christian  
Peter M. Christian, member

/s/ Tiwiter Aritos  
Tiwiter Aritos, member

Joseph J. Urusemal, member

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

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