

STANDING COMMITTEE REPORT NO. 23-54

RE: C.R. NO. 23-136/H&SA

SUBJECT: TO CONFIRM THE NOMINATION OF MS. LYNN  
NARRUHN TO SERVE AS A MEMBER OF THE  
BOARD OF TRUSTEES OF THE SOCIAL  
SECURITY ADMINISTRATION OF THE  
FEDERATED STATES OF MICRONESIA,  
REPRESENTING THE NATIONAL GOVERNMENT.

APRIL 05, 2024

The Honorable Esmond B. Moses  
Speaker, Twenty-Third Congress  
Federated States of Micronesia  
Second Special Session, 2024

Dear Mr. Speaker:

Your Committee on Health & Social Affairs to which was referred  
C.R. NO. 23-136, entitled:

"A RESOLUTION TO CONFIRM THE NOMINATION OF MS. LYNN  
NARRUHN TO SERVE AS A MEMBER OF THE BOARD OF  
TRUSTEES OF THE SOCIAL SECURITY ADMINISTRATION OF  
THE FEDERATED STATES OF MICRONESIA, REPRESENTING THE  
NATIONAL GOVERNMENT."

begs leave to report as follows:

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

Your Committee held a hearing on C.R. No. 23-136 on April 3,  
2024.

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Congressional Members present at the April 3, 2024 Committee hearing: Chairwoman Perpetua S. Konman, Vice Chairwoman Abello-Alfonso, Floor Leader Quincy Lawrence, Senator Fabian Nimea, and Senator Julio Marar.

Witness present at the April 3, 2024 Committee hearing to testify: nominee Ms. Lynn Narruhn.

Chairwoman Konman opened the hearing briefly introducing the congressional members present and welcoming the nominee, Ms. Lynn Narruhn. The Committee provided a brief overview of the duties of the Social Security Administration Board of Trustees (SSA Board), and asked Ms. Narruhn to share with the Committee her prior experience and her qualifications to serve on the SSA Board.

Ms. Narruhn thanked the Committee for the opportunity to speak on her nomination. Ms. Narruhn expressed that the President believes she is qualified and the President asked her to serve on the SSA Board. Ms. Narruhn shared that she accepted the President's nomination because she is always happy to serve her nation as she has done for her entire career and will continue to do so.

Senator Nimea asked Ms. Narruhn to opine on her strategy to revive the social security system. The Senator reflected on prior reporting to Congress that the social security system is not sustainable in the way that is currently functioning, as there is more money being paid out of the system than coming into the system.

Ms. Narruhn answered that she does not have a plan, but if her nomination confirmed, she will work with the SSA Board to see

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what the board has planned and if there is room for improvement, will do so to try and institute plans to stabilize the SSA.

Ms. Narruhn added that she has informally spoke with the SSA in preparation for the hearing and looked up Congress subsidy to the SSA which has provided insight into the SSA operations and functions. Ms. Narruhn recognized that the money being paid out is more than the money paid into the system to cover both benefit payments and the administrative operation costs. Ms. Narruhn stated that with nearly 7,000 SSA Beneficiaries, SSA pays out around \$25 million a year in SSA benefits and collects \$24 million a year in SSA tax contributions.

Ms. Narruhn reflected on the near collapse of the SSA in 2008. Ms. Narruhn recognized that the 15<sup>th</sup> FSM Congress legislative actions to tighten eligibility requirements and close loopholes in the law that people were taking advantage of to get SSA benefits, were huge political hits to Congress, but necessary steps that actually saved the SSA and stabilized the SSA for some time. The was another campaign that was launched to save the SSA in 2015.

Ms. Narruhn also noted that outside of her work for Congress, she is a member of the public that is looking at retirement herself within the next ten years, and in a position on the SSA Board will take concerns surrounding SSA sustainability seriously and personally. Ms. Narruhn expressed that she wants to make sure the SSA is secure.

Vice-Chairwoman Abello-Alfonso stated that she knows there is a lot of misunderstanding among the public without how the SSA works and how the regulations are implemented. Vice-Chairwoman discussed an example of individuals benefits being cut-off/reduced without any notice, which has led to much confusion

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and resentment. Vice-Chairwoman recognized that there are gaps in implementation that need to be improved, but greater public information will help people understand benefit eligibility issues. Vice Chairwoman expressed her support for more SSA public information activities pushed by the SSA Board in order for the public to understand the hard decisions the national government must make to keep the SSA stable and ensure that when people retire, they can collect something.

Ms. Narruhn discussed her experience when former SSA Administrator, Alex Narruhn, conducted the public information awareness campaign, which was launched to save the SSA in 2015. Ms. Narruhn detailed how investment and contributions into the SSA was really low at that time and program would have collapsed by 2016-2017 without changes. In response, the public information campaign was launched to push for changes to the program, and bring awareness and understanding to the public on how benefit payments could only be paid out if tax contribution payments were paid into the system.

Senator Nimea raised his serious concerns on the viability of the system moving forward and options to resurrect the system. The Senator discussed the alarming exodus of people leaving the country looking for better opportunities, which will only compound to the challenges facing the SSA where the workforce population of paying contributors is dwindling due to high rate of death, increased number of not being able to work due to sickness, and economic situation. The Senator recognized the need for policy that creates economic opportunities, and the need to push efforts that incentivize and grow the work force which will increase SSA tax collection in order to lead to a reversal of the current SSA cash flow out trend. The Senator noted the social security systems in Samoa and Fiji as Pacific Island comparative models for consideration.

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Ms. Narruhn expressed that the SSA Board mandate is not to create jobs, but glad that these issues are being raised by the senator as the chairman of resources and development, whom can take steps to aid in job creation, spur tourism and create more income generating activities.

Chairwoman Konman asked Ms. Narruhn what suggestions does she have to improve implementation and enforcement of SSA contribution collection. Chairwoman reflected on the current issues of long-term sustainability, particularly in terms of dependence upon national government subsidies and withdrawal from the SSA trust fund in order to cover the administrative operations and current beneficiaries payouts.

Ms. Narruhn testified that she will have to find what is the best avenue to address, and review the current SSA Board and will decide how to move forward from there.

Floor Leader Lawrence asked Ms. Narruhn to discuss how her skills can be used to improve the SSA and opine on the impact on her ability to perform her obligations and duties as Congress employee. The Committee questioned what skills Ms. Narruhn possessed from her work as public information officer at Congress, the Office of the President, Embassy of Japan, Micronesia Red Cross Society and San Diego Child Protective Services are transferable skills will benefit the SSA Board.

Ms. Narruhn responded that the SSA Board position will not negate her primary job responsibilities working at Congress, but may actually be a good thing because will see first-hand how the information of proposed SSA Board actions and plans are being interpreted and understand the gaps in information that need to be addressed to get to the public at-large.

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Ms. Narruhn expressed that her professional background in public information and communications will be a benefit to the SSA Board, as her work at Congress as the public information and relations officer has focused on being a bridge to the public namely in relation to ensuring the public but especially beneficiaries understand how the eligibility requirements work, the challenges facing the SSA and why certain changes need to be made to ensure the SSA is sustainable for the future.

Chairwoman Konman asked Ms. Narruhn on what steps does she plan to take if confirmed, within six months of the role as SSA Board member. The Committee also raised the 22<sup>nd</sup> Congress bill to limit survivorship benefits and asked Ms. Narruhn to opine on whether she will consider review of survivorship benefits if confirmed.

Ms. Narruhn testified that she is aware that the SSA Board have 5 year plans, and so would want to see what they have planned first before taking any action and understand where she can be of help. Ms. Narruhn acknowledged the problems facing the SSA, noting in particular fraud and tax contribution collection issues.

Vice-Chairwoman Abello-Alfonso thanked the nominee for her testimony and opened the floor for closing statements.

Congressional members conveyed their support for Ms. Narruhn's nomination. Floor Leader Lawrence stated that Ms. Narruhn is overqualified because of her work and personal experience. Floor Leader reflected on Ms. Narruhn's work as the public information officer for Congress, and two Presidents and experience with the 2015 public information campaign to revive the SSA. Floor Leader highlighted the benefit of witnessing

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first-hand how bills are developing to fill in the gaps of the  
SSA and potentially efficient address issues as they arise due  
to her mass communications and public relations background.

Subsequently, Vice-Chairwoman Abello-Alfonso adjourned the  
committee hearing.

#### CONCLUSION

The Committee on Health and Social Affairs has reviewed C.R No.  
23-136, and considered all testimony from the April 3, 2024  
hearing. Your Committee on Health an Social Affairs is in  
accord with the intent and purpose of C.R. 23-136. Your  
Committee recommends that C.R. 23-136 is placed on the  
resolution calendar for adoption.

Respectfully submitted,

/s/ Perpetua S. Konman  
Perpetua S. Konman  
Chairwoman

/s/ Merlynn Abello-Alfonso  
Merlynn Abello-Alfonso  
Vice-Chairwoman

Joseph J. Urusemal, member

/s/ Tiwiter Aritos  
Tiwiter Aritos, member

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/s/ Julio M. Marar  
Julio Marar, member

/s/ Yoslyn G. Sigrah  
Yoslyn G. Sigrah, member