

STANDING COMMITTEE REPORT NO. 24-06

RE: C.B. NO. 24-27/W&M

SUBJECT: FY 2025 SUPPLEMENTAL BUDGET

MAY 27, 2025

The Honorable Esmond B. Moses
Speaker, Twenty-Fourth Congress
Federated States of Micronesia
First Regular Session, 2025

Dear Mr. Speaker:

Your Committee on Ways and Means, to which was referred
Congressional Bill No. 24-27, entitled:

"A BILL FOR AN ACT TO AMEND SECTIONS 1, 2, 3, 8, 9, AND
11 OF PUBLIC LAW NO. 23-121, AS AMENDED BY PUBLIC LAWS
NOS. 23-129 AND 23-144, TO APPROPRIATE \$13,420,860 IN
SUPPLEMENTAL FUNDING FROM THE GENERAL FUND OF THE
FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR
ENDING SEPTEMBER 30, 2025, TO PROVIDE FUNDING FOR THE
OPERATIONS OF THE EXECUTIVE AND LEGISLATIVE BRANCHES;
GRANTS, SUBSIDIES AND CONTRIBUTIONS; CAPITAL AND HUMAN
RESOURCE DEVELOPMENT; AND THE INFRASTRUCTURE MAINTENANCE
FUND; AND FOR OTHER PURPOSES."

begs leave to report as follows.

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

Background Information

The primary purpose of this bill is to appropriate additional
funds for Fiscal Year 2025. On May 6, 2025, Congress received

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Departmental Comm. No. 23-122 from the Department of Finance and Administration, reporting new revenues available for appropriations, including a total of \$4,016,545 in available domestic revenues and \$9,800,000 in available Compact IMF Grant funds. On May 13, 2025, Congress received Presidential Comm. No. 24-12, which contained a proposed supplemental budget bill (introduced by request as C.B. No. 24-13). On May 16, 2025, your Committee held a public hearing with representatives from the Department of Finance and Administration, the President's Office, and the Department of Justice to discuss all requests included in the Executive's proposed supplemental budget bill. On May 23, 2025, your Committee held a second public hearing, with representatives from the Department of Finance and Administration, the President's Office, the Office of the National Public Auditor, and the Department of Justice to receive further clarification on certain matters related to the supplemental budget. Immediately after this second public hearing, your Committee met internally to deliberate over the Executive's supplemental budget requests and to consider certain other supplemental budget requests made by the FSM Supreme Court, the FSM Congress Director of Administration, and by individual members of your Committee on Ways and Means. As a result of its deliberation, your Committee recommends appropriating \$13,420,860 in supplemental funds, including \$3,620,860 from domestic revenue and \$9,800,000 in Compact IMF Grant funds. A summary of these recommended appropriations is contained in the tables below.

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Summary of Recommended Appropriations

Appropriations from Domestic Revenue		
Line Item	Description	Amount
Section 2(1) - Travel	Office of the President - Travel	\$200,000
Section 2(1) - Contractual Services	Office of the President - Representation Expenses and Office Use	\$150,000
Section 2(2) - Travel	Department of Foreign Affairs - Travel	\$60,000
Section 2(8) - Travel	Department of Justice - Travel	\$30,000
Section 2(12) - Travel	Office of Veterans Affairs - Travel	\$20,000
Section 3(1) - Travel	FSM Congress - Speaker and Members - Travel (for new Members)	\$10,000
Section 3(1) - Contractual Services	FSM Congress - Speaker and Members - Speaker's Representation Fund	\$50,000

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Section 3(1) - Contractual Services	FSM Congress - Speaker and Members - General Representation Fund (prorated supplements for new members) (\$58,000 x 2 members)	\$116,000
Section 3(1) - Contractual Services	FSM Congress - Speaker and Members - Medical Assistance Fund	\$250,000
Section 3(2) - Travel	FSM Congress - Staff Office - Travel	\$50,000
Section 3(2) - OCE	FSM Congress - Staff Office - Office Supplies and Materials	\$10,000
Section 3(3) - Contractual Services	FSM Congress - Delegation Offices - Representation Fund (supplements for all members) (\$50,000 x 14 members)	\$700,000
Section 8(2) (m)	Department of Foreign Affairs - SPC Expansion of Office Space	\$30,690
Section 8(2) (n)	Department of Foreign Affairs - Prior Year Obligations	\$59,435

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Section 8(7) (d)	Department of Transportation, Communication & Infrastructure - FSM Capital Energy	\$540,235
Section 8(7) (f)	Department of Transportation, Communication & Infrastructure - Fueling and Provisions for Caroline Voyager and Navigator and National Vessels	\$250,000
Section 8(12) (g)	Yap State Court Subsidy - including arrears	\$15,000
Section 8(12) (o)	Staff Housing	\$170,000
Section 8(12) (aa)	National Election - Prior Year Obligations	\$1,800
Section 8(12) (bb)	Outstanding Payment to JCRP Secretariat	\$7,700
Section 8(12) (cc)	Pacific Mini-Games in Palau	\$75,000
Section 9(3) (g)	Micronesia Expo in Yap	\$200,000
Section 9(11) (a)	Arnold & Porter - Contract Extension	\$435,000
Section 9(11) (d)	Arrears Owed to Vendors in Yap State	\$190,000
TOTAL		\$3,620,860

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Your Committee would like to note that its recommended appropriation for the "FSM Congress - Staff Office - Travel" line item is intended to provide funding only for the travel of professional staff.

Your Committee would also like to note that its recommended appropriation for the "Arnold & Porter - Contract Extension" line item is intended to provide funding for a contract extension of six months in duration. The final contract should include provisions for all necessary transitions at the end of this six-month time frame. The final contract should also reflect that all documents and work product created under the contractual relationship shall be considered the property of the FSM National Government.

Appropriations from the Compact Infrastructure Maintenance Fund (IMF) Grant (Grant No. No. D24AF00349-02)	
Line Item	Amount
National Government Share	\$980,000
Chuuk State Share	\$3,724,000
Kosrae State Share	\$1,067,220
Pohnpei State Share	\$2,480,380
Yap State Share	\$1,548,400
TOTAL	\$9,800,000

Your Committee notes that its Compact IMF Grant appropriations have been placed in Section 11 of the budget.

Conclusion

Your Committee on Ways and Means has carefully reviewed and considered C.B. No. 24-27. Your Committee is in accord with the intent and purpose of C.B. No. 24-27, 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/ Fabian S. Nimea
Fabian S. Nimea, chairman

/s/ Johnson A. Asher
Johnson A. Asher, member

/s/ Andy Choor
Andy Choor, member

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

Victor (Vicky) Gouland, member

/s/ Perpetua S. Konman
Perpetua S. Konman, member

Joseph J. Urusemal, member