



CONGRESS OF THE FEDERATED STATES OF MICRONESIA

P.O. Box PS 3

Palikir, Sokehs

Pohnpei State, FM 96941

Tel: (691) 320-2324/2325/2326/2327/2337/2338/2707

Telex: 729-6809 Fax: (691) 320-5122

COMMITTEE ON
WAYS AND MEANS

STANDING COMMITTEE REPORT NO. 24-24

RE: C.B. NO. 24-78/CONSOLIDATED W&M

SUBJECT: FY 2026 BUDGET

SEPTEMBER 24, 2025

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

Dear Mr. Speaker:

Your Committee on Ways and Means, to which was referred
Congressional Bill No. 24-78, entitled:

"A BILL FOR AN ACT TO APPROPRIATE \$130,536,291 FROM
THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2026, TO
PROVIDE FUNDING FOR THE OPERATIONS OF ALL BRANCHES OF
THE NATIONAL GOVERNMENT; THE OPERATIONS OF THE
NATIONAL PUBLIC AUDITOR; THE OPERATIONS OF AGENCIES,
BOARDS, AUTHORITIES, AND COMMISSIONS OF THE NATIONAL
GOVERNMENT; SPECIAL PROGRAMS; GRANTS, SUBSIDIES, AND
CONTRIBUTIONS; CAPITAL AND HUMAN RESOURCE DEVELOPMENT;
COMPACT INFRASTRUCTURE SECTOR GRANT PROJECTS AND
OFFICES; AND COMPACT IMF GRANT DISTRIBUTIONS; AND FOR
OTHER PURPOSES.",

begs leave to report as follows:

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

The subject bill is based upon the *National Government Fiscal
Year 2026 Recommended Budget* ("Budget Book"), transmitted by the
Executive in Presidential Communication No. 23-573, as reported

STANDING COMMITTEE REPORT NO. 24-24

RE: C.B. NO. 24-78/CONSOLIDATED W&M

SUBJECT: FY 2026 BUDGET

SEPTEMBER 24, 2025

on by each Congress Standing Committee and one Special Committee.

Your Standing and Special Committees have recommended funding levels for budget requests within their areas of jurisdiction. Congress has adopted each of the Committee's reports. The report numbers are as follows: Climate Change and Environmental Issues – Special Committee Report Nos. 24-02 and 24-05; External Affairs – S.C.R. No. 24-04; Health and Social Affairs – S.C.R. No. 24-05; Education – S.C.R. No. 24-12; Judiciary and Governmental Operations – S.C.R. No. 24-17; Transportation and Communication – S.C.R. No. 24-18; Resources and Development – S.C.R. No. 24-19; and Ways and Means – S.C.R. No. 24-23.

FY 2026 Revenue Projections

Your Committee notes that FY 2026 Estimated Revenues were included in the Budget Book. In May 2025, Presidential Comm.

No. 24-13 confirmed the Budget Book's FY 2026 revenue projections. These projections reflect: **\$78,045,465** in available Domestic Revenue; **\$9,478,000** in available Compact Operations Sector Grants funding; **\$35,000,000** in available Compact Infrastructure Sector Grants funding (to be divided between the National and State governments); and **\$10,220,000** in available Compact IMF Grant funding (to be divided between the National and State governments).

Adding the Domestic Revenue, the Compact Operations Sector Grants funding, the Compact Infrastructure Sector Grants funding, and the Compact IMF Grant funding, a total of **\$132,743,465** in revenue is estimated to be available for FY 2026.

Your Committee worked diligently to bring the budget into balance while meeting the needs of all branches of the National Government; the National Public Auditor; Agencies, Boards, Authorities, and Commissions; Special Programs; as well as providing adequate funding for the Grants, Subsidies, and Contributions and Capital and Human Resource Development on which many organizations rely. In this report, your Committee

STANDING COMMITTEE REPORT NO. 24-24

RE: C.B. NO. 24-78/CONSOLIDATED W&M

SUBJECT: FY 2026 BUDGET

SEPTEMBER 24, 2025

on Ways and Means recommends approval of a budget for FY 2026 totaling **\$130,536,291**. Of this amount **\$75,838,301** is recommended from Domestic Revenue; **\$9,478,000** is recommended from the Compact Operations Sector Grants; **\$34,999,990** is recommended from the Compact Infrastructure Sector Grant; and **\$10,220,000** is recommended from the Compact IMF Grant.

Standing Committee Report Adjustments

Your Committee on Ways and Means has reviewed the Standing Committee Reports and the Special Committee Reports of each of your Committees. Each report made recommendations in relation to the budgets of the departments, agencies, offices, and programs within a respective Committee's jurisdiction. Your Committee's deliberations and recommendations are summarized by this report and reflected in the attached bill.

After reviewing each report and deliberating internally on Tuesday, September 23, your Committee wishes to recommend the following adjustments to the recommendations previously submitted by each of your Committees:

- An increase of \$100,000 for the "Department of Justice: Contractual Services" line item, to ensure sufficient funding for certain Cybersecurity Unit contract workers
- A transfer of the recommended \$250,000 appropriation for the FSM Congress Medical Assistance Fund from Section 3 (Speaker and Members: Contractual Services) to a new line item in Section 9
- An appropriation of \$50,000 in Section 8 for the "Xavier High School" line item
- The removal of the recommended funding for the Section 9 "Marketing and Promotion – Australia" line item
- An additional appropriation of \$27,000 for the Section 8 "Caroline Islands Air Subsidy" line item
- An appropriation of \$342,361 for a new Section 9 "Special Election in Yap" line item. Your Committee would like to note that, of this total amount, at least \$125,000 should be used specifically for fuel and sea transportation

STANDING COMMITTEE REPORT NO. 24-24

RE: C.B. NO. 24-78/CONSOLIDATED W&M

SUBJECT: FY 2026 BUDGET

SEPTEMBER 24, 2025

expenses.

- A new Section 9 line item for "Department of Foreign Affairs: Prior Year Obligations for Outstanding Compensation Owed to Former Employees" to cover outstanding compensation owed specifically to two former employees of the Department of Foreign Affairs (Of this total amount, \$110,000 is allocated for James Naich and \$9,723 is allocated for Joe Enlet.)
- The transfer of all recommended funding for the Section 8 Department of Health and Social Affairs line items for "School Nurses" and "Non-Communicable Disease (NCD) Project" into the existing Department of Health and Social Affairs line item for the "Strengthening Youth-in-Sports Program"
- An appropriation of a \$1,000,000 for a new Section 9 line item for the "Environmental Impact Survey in Yap State"

In addition to recommending the above-listed changes, your Committee also recommends full funding for the Section 10: Compact Infrastructure Sector Grant (total amount: **\$33,058,335**) and Section 11: Compact Infrastructure Maintenance Fund (IMF) Grant (total amount: **\$10,220,000**) line items. Your Committee recommends funding for these line items at the full levels at which these grants have been or will be awarded, as described in the FY 2026 Budget Book.

Conclusion

Your Committee on Ways and Means, with the aforementioned adjustments to the respective Standing and Special Committee Reports, is in accord with the intent and purpose of C.B. No. 24-78 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.

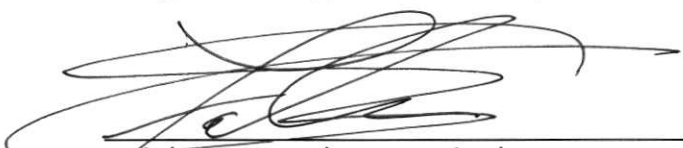
STANDING COMMITTEE REPORT NO. 24-24


RE: C.B. NO. 24-78/CONSOLIDATED W&M

SUBJECT: FY 2026 BUDGET

SEPTEMBER 24, 2025

Respectfully submitted,

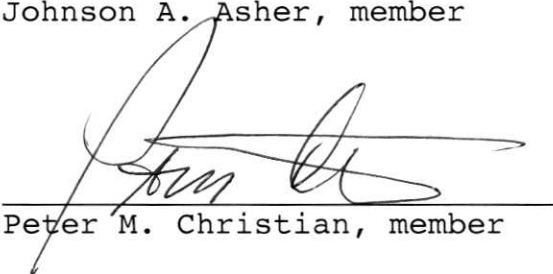


Fabian S. Nimea, chairman

Andy Choor, member

Victor (Vicky) Goulard, member

Joseph J. Urusemal, member

Johnson A. Asher, member

Peter M. Christian, member

Perpetua S. Kohman, member