



CONGRESS OF THE FEDERATED STATES OF MICRONESIA

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COMMITTEE ON
WAYS AND MEANS

STANDING COMMITTEE REPORT NO. 24-42

RE: PRESIDENTIAL COMMUNICATION NO. 24-244/W&M

SUBJECT: FY 2027 BUDGET/W&M

SEPTEMBER 22, 2026

The Honorable Esmond B. Moses
Speaker, Twenty-Fourth Congress
Federated States of Micronesia
Fifth Regular Session, 2026

Dear Mr. Speaker:

Your Committee on Ways and Means, to which was referred Presidential Communication No. 24-244, transmitting the National Government's proposed FY 2027 budget, begs leave to report as follows:

Presidential Communication No. 24-244 was transmitted to Congress with the *Federated States of Micronesia FY2027 Proposed Budget* ("Budget Book"). Pursuant to rule 7, section 1(b) of the Official Rules of Procedure of the Twenty-Fourth Congress of the Federated States of Micronesia, your Committee has limited its review to those portions of the proposed budget relating to matters under its jurisdiction. These are:

- I. Office of the President
 - a. President's Office
 - b. Public Information Office
 - c. Office of ODA and Compact Management
- II. Department of Finance and Administration
 - a. Office of the Secretary
 - b. Division of National Treasury
 - c. Division of Customs and Tax Administration
 - d. Division of Investment and International Finance

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e. Division of Budget and Economic Management

III. Office of Personnel

IV. FSM Congress

- a. Speaker and Members
- b. Staff Office
- c. Delegation Offices

V. FSM National Public Auditor

VI. Grants, Subsidies and Contributions

- a. Office of the President
- b. Department of Finance and Administration
- c. FSM Congress
- d. Other Grants, Subsidies & Contributions

VII. Capital and Human Resource Development

- a. Department of Finance and Administration
- b. Other Capital and Human Resource Development

This report and all previous and subsequent reports from this committee should be treated as policy for this nation as defined by the Congress. It is your Committee's intent that any commentary found in this report should be treated as policy for the guidance of the relevant departments, agencies, and offices.

Your Committee held a public hearing with FSM Congress (including representatives from Administration, Budget Office, all staff divisions, and delegation offices) on Monday, September 7, at 10:00 a.m. It held a public hearing with the Office of Personnel on Friday, September 11, at 10:00 a.m. Your Committee held a public hearing with the Office of the National Public Auditor on Monday, September 14, at 10:00 a.m. It held a public hearing with the Department of Finance and Administration on Tuesday, September 15, at 3:00 p.m. Finally, your Committee held a public hearing with the Office of the President on Thursday, September 17, at 3:00 p.m. Following these public hearings, on Friday, September 18, at 8:30 a.m.,

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your Committee met internally to deliberate over its recommendations. This Standing Committee Report reflects the recommendations of your Committee on Ways and Means regarding the areas of the proposed FY 2027 budget under its direct jurisdiction.

Discussion of the FY 2027 Budget

I. Office of the President

The following table provides an overview of your Committee's recommended funding for the total operations of the Office of the President for Fiscal Year 2027. The funding source for all line items within the Office of the President is domestic revenue.

Overview – Total Operations

Line Item	FY 2026 Appropriation (through P.L. No. 24-98)	FY 2027 Executive (Budget Book) Recommendation	FY 2027 Ways & Means Committee Recommendation
Personnel	\$1,151,905	\$1,158,916	\$1,168,915
Travel	\$963,217	\$912,694	\$912,694
Contractual Services	\$1,185,000	\$1,165,000	\$1,165,000
OCE	\$172,860	\$170,000	\$170,000
Fixed Assets	-0-	\$133,500	\$221,000
TOTAL	\$3,472,982	\$3,540,110	\$3,637,609
Employee Count	26	25	25

In total, your Committee recommends **\$3,637,609** in operational funding for the Office of the President for Fiscal Year 2027.

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The tables below break down this recommended funding, by division.

Office of the President: President's Office

	FY 2027 Executive (Budget Book) Recommendation	FY 2027 Ways & Means Committee Recommendation
Personnel	\$757,585	\$757,585
Travel	\$560,699	\$560,699
Contractual Services	\$853,000	\$853,000
OCE	\$110,000	\$110,000
Fixed Assets	\$122,500	\$175,000
TOTAL	\$2,403,784	\$2,456,284
<i>Employee Count</i>	<i>13</i>	<i>13</i>

Your Committee has largely adopted the EBRC Recommendations for the President's Office. However, your Committee has decided to recommend an additional \$52,500 in Fixed Assets for the purchase of a vehicle for the President's Office, after considering the Office's hearing testimony and reviewing a formal request letter (dated September 17, 2026) transmitted by the President's Chief of Staff. Overall, the recommended funding for Fiscal Year 2027 for the operations of the Office of the President: President's Office is **\$2,456,284**.

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Office of the President: Public Information Office

	FY 2027 Executive (Budget Book) Recommendation	FY 2027 Ways & Means Committee Recommendation
Personnel	\$116,290	\$116,290
Travel	\$118,605	\$118,605
Contractual Services	\$22,000	\$22,000
OCE	\$24,000	\$24,000
Fixed Assets	\$8,000	\$43,000
TOTAL	\$288,895	\$323,895
<i>Employee Count</i>	<i>3</i>	<i>3</i>

As with the President's Office, your Committee has largely adopted the EBRC Recommendations for the Public Information Office. However, your Committee has similarly decided to recommend an additional \$35,000 in Fixed Assets for the purchase of a vehicle for the Public Information Office, after considering the Office's hearing testimony and reviewing a formal request letter (dated September 17, 2026) transmitted by the President's Chief of Staff. Overall, the recommended funding for Fiscal Year 2027 for the operations of the Office of the President: Public Information Office is **\$323,895**.

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Office of the President: Division of ODA and Compact Management

	FY 2027 Executive (Budget Book) Recommendation	FY 2027 Ways & Means Committee Recommendation
Personnel	\$285,040	\$295,040
Travel	\$233,390	\$233,390
Contractual Services	\$290,000	\$290,000
OCE	\$36,000	\$36,000
Fixed Assets	\$3,000	\$3,000
TOTAL	\$847,430	\$857,430
<i>Employee Count</i>	9	9

At its hearing, the Office of the President requested \$10,000 in additional Personnel funding to bring the salaries of two SAP positions in line with their peers within the Office. This request was reiterated in the letter (dated September 17, 2026) transmitted by the President's Chief of Staff. Your Committee supports this adjustment. Based on this, your Committee's overall recommended funding for Fiscal Year 2027 for the operations of the Office of the President: Division of ODA and Compact Management is **\$857,430**.

II. Department of Finance and Administration

The following is an overview of your Committee's recommended funding for the total operations of the Department of Finance and Administration for FY 2027. The primary funding source for the operations of the Department of Finance and Administration is domestic revenue. However, the Personnel line item is funded, in part, by Compact Enhanced Reporting and Accountability (ERA) Sector Grant funds. Your Committee has

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noted the funding source for all line items in the tables below.

Overview - Total Operations

	FY 2026 Appropriation (through P.L. No. 24-98)			FY 2027 Executive (Budget Book) Recommendation			FY 2027 Ways & Means Committee Recommendation		
	Domestic	Compact ERA Sector Grant	TOTAL	Domestic	Compact ERA Sector Grant	TOTAL	Domestic	Compact ERA Sector Grant	TOTAL
Personnel	\$3,272,123	\$280,000	\$3,552,123	\$3,291,633	\$280,000	\$3,571,633	\$3,420,633	\$280,000	\$3,700,633
Travel	\$228,958	-0-	\$228,958	\$294,608	-0-	\$294,608	\$294,607	-0-	\$294,607
Contract Services	\$267,696	-0-	\$267,696	\$364,071	-0-	\$364,071	\$364,071	-0-	\$364,071
OCE	\$359,078	-0-	\$359,078	\$378,295	-0-	\$378,295	\$378,296	-0-	\$378,296
Fixed Assets	-0-	-0-	-0-	\$95,000	-0-	\$95,000	\$95,000	-0-	\$95,000
TOTAL	\$4,127,855	\$280,000	\$4,407,855	\$4,703,607	\$280,000	\$4,703,607	\$4,552,607	\$280,000	\$4,832,607
Employee Count			135			137			140

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Overall, your Committee recommends **\$4,832,607** in operational funding for the Department of Finance and Administration, of which **\$4,552,607** comes from domestic revenue and **\$280,000** comes from Compact ERA Sector Grant funds.

Your Committee has broken down the budget recommendations for each of the individual divisions of the Department of Finance and Administration, in the tables below.

Department of Finance and Administration: Office of the Secretary

	FY 2027 Executive (Budget Book) Recommendation			FY 2027 Ways & Means Committee Recommendation		
Category	Domestic	Compact ERA Sector Grant	TOTAL	Domestic	Compact ERA Sector Grant	TOTAL
Personnel	\$222,874	-0-	\$222,874	\$222,874	-0-	\$222,874
Travel	\$94,499	-0-	\$94,499	\$94,499	-0-	\$94,499
Contractual Services	\$133,500	-0-	\$133,500	\$133,500	-0-	\$133,500
OCE	\$71,798	-0-	\$71,798	\$71,798	-0-	\$71,798
Fixed Assets	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	\$522,672	-0-	\$522,672	\$522,671	-0-	\$522,671
Employee Count			6			6

Your Committee agrees with the EBRC Recommendations for the Office of the Secretary, and it recommends funding for Fiscal

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Year 2027 for the Office of the Secretary in the amount of \$522,671, from domestic revenue only.

Department of Finance and Administration: Division of Treasury

	FY 2027 Executive (Budget Book) Recommendation			FY 2027 Ways & Means Committee Recommendation		
Category	Domestic	Compact ERA Sector Grant	TOTAL	Domestic	Compact ERA Sector Grant	TOTAL
Personnel	\$918,813	\$247,283	\$1,166,096	\$1,047,813	\$247,283	\$1,295,096
Travel	\$54,110	-0-	\$54,110	\$54,110	-0-	\$54,110
Contractual Services	\$93,021	-0-	\$93,021	\$93,021	-0-	\$93,021
OCE	\$94,501	-0-	\$94,501	\$94,501	-0-	\$94,501
Fixed Assets	\$5,000	-0-	\$5,000	\$5,000	-0-	\$5,000
TOTAL	\$1,165,445	\$247,283	\$1,412,728	\$1,294,445	\$247,283	\$1,541,728
Employee Count			44			47

Your Committee notes that, at the Department's hearing, the Secretary testified to the need for three additional staff (an Account Technician for Payables, an Account Technician for the Travel Section, and a Financial Management Specialist for the Travel Section). The Secretary cited budgetary constraints and certain existing vacancies as the reason for why EBRC did not

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recommend those new positions, which were proposed by the Department in early FY27 budget discussions. Your Committee would like to support the Department's efforts in improving its operations and efficiency, particularly within the Division of Treasury. Based on the hearing testimony received, your Committee believes that, by adding these three new positions, the Department would be better positioned to continue its efforts to address its ongoing operational challenges. Your Committee therefore recommends an increase to the Personnel budget for this Division, to allow the Department to hire the three proposed staff members. Your Committee would like to reiterate that it is imperative that the Department continue to improve its ability to carry out its core operational activities, including payroll processing, travel funds processing, and the timely issuance of payments owed to outside vendors. Overall, your Committee's recommended funding for Fiscal Year 2027 for the Division of National Treasury is **\$1,541,728**, of which **\$1,294,445** comes from domestic revenue and **\$247,283** comes from Compact ERA Sector Grant funds.

Department of Finance and Administration: Division of Customs and Tax Administration

	FY 2027 Executive (Budget Book) Recommendation			FY 2027 Ways & Means Committee Recommendation		
Category	Domestic	Compact ERA Sector Grant	TOTAL	Domestic	Compact ERA Sector Grant	TOTAL
Personnel	\$1,515,564	-0-	\$1,515,564	\$1,515,564	-0-	\$1,515,564
Travel	\$88,635	-0-	\$88,635	\$88,635	-0-	\$88,635
Contractual Services	\$132,800	-0-	\$132,800	\$132,800	-0-	\$132,800

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OCE	\$168,047	-0-	\$168,047	\$168,047	-0-	\$168,047
Fixed Assets	\$90,000	-0-	\$90,000	\$90,000	-0-	\$90,000
TOTAL	\$1,995,046	-0-	\$1,995,046	\$1,995,046	-0-	\$1,995,046
Employee Count			63			63

Your Committee concurs with the EBRC recommendations for the Division of Customs and Tax Administration, and it recommends funding for the Division in the amount of **\$1,995,046**, from domestic revenue only.

Department of Finance and Administration: Division of Investment and International Finance

	FY 2027 Executive (Budget Book) Recommendation			FY 2027 Ways & Means Committee Recommendation		
Category	Domestic	Compact ERA Sector Grant	TOTAL	Domestic	Compact ERA Sector Grant	TOTAL
Personnel	\$167,717	\$32,717	\$200,434	\$167,717	\$32,717	\$200,434
Travel	\$40,824	-0-	\$40,824	\$40,824	-0-	\$40,824
Contractual Services	-0-	-0-	-0-	-0-	-0-	-0-
OCE	\$14,127	-0-	\$14,127	\$14,127	-0-	\$14,127
Fixed Assets	-0-	-0-	-0-	-0-	-0-	-0-

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TOTAL	\$222,668	\$32,717	\$255,385	\$222,668	\$32,717	\$255,385
<i>Employee Count</i>			8			8

Your Committee is in agreement with the EBRC recommendations for the Division of Investment and International Finance, and it recommends total appropriations for the Division in the amount of **\$255,385**, of which **\$222,668** comes from domestic revenue and **\$32,717** comes from Compact ERA Sector Grant funds.

Department of Finance and Administration: Division of Budget and Economic Management

	FY 2027 Executive (Budget Book) Recommendation			FY 2027 Ways & Means Committee Recommendation		
<i>Category</i>	Domestic	Compact ERA Sector Grant	TOTAL	Domestic	Compact ERA Sector Grant	TOTAL
Personnel	\$466,665	-0-	\$466,665	\$466,665	-0-	\$466,665
Travel	\$16,539	-0-	\$16,539	\$16,539	-0-	\$16,539
Contractual Services	\$4,750	-0-	\$4,750	\$4,750	-0-	\$4,750
OCE	\$29,823	-0-	\$29,823	\$29,823	-0-	\$29,823
Fixed Assets	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	\$517,777	-0-	\$517,777	\$517,777	-0-	\$517,777
<i>Employee Count</i>			16			16

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Your Committee concurs with the EBRC recommendations for the Division of Budget and Economic Management, and it recommends total funding in the amount of \$517,777, entirely from domestic revenue.

III. Office of Personnel

The following is an overview of your Committee's recommended funding for the total operations of the Office of Personnel for FY2027. The funding source for all Office of Personnel operations line items is domestic revenue.

Office of Personnel

	FY 2026 Appropriation (through P.L. No. 24-98)	FY 2027 Executive (Budget Book) Recommendation	FY 2027 Ways & Means Committee Recommendation
Personnel	\$252,624	\$249,365	\$245,628
Travel	\$15,100	\$17,875	\$17,875
Contractual Services	-0-	-0-	-0-
OCE	\$12,425	\$16,800	\$16,800
Fixed Assets	-0-	-0-	-0-
TOTAL	\$280,149	\$284,040	\$280,303
<i>Employee Count</i>	8	8	8

At the public hearing on the Office of Personnel's Fiscal Year 2027 budget, the Director noted that the grade/step of one of

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its newly hired employees (a Personnel Specialist) was misclassified in the Budget Book. Because of this misclassification, the employee's salary was misstated, and the Budget Book's recommended Personnel line item total was inflated by \$3,737. Your Committee's own recommendation corrects for this misclassification. Other than this correction, your Committee agrees with the EBRC recommendations for the Office of Personnel, and it recommends total funding for FY27 in the amount of **\$280,303**, from domestic revenue only.

IV. FSM Congress

The following tables summarize your Committee's recommended funding levels for the operations of the Congress of the Federated States of Micronesia (FSM Congress).

The funding source for all FSM Congress operations line items has historically been, and is recommended to remain, domestic revenue.

FSM Congress: Speaker and Members

	FY 2026 Appropriation (through P.L. No. 24-98)	FY 2027 Executive (Budget Book) Recommendation	FY 2027 FSM Congress Recommendation to the Executive Budget Review Committee (EBRC)	FY 2027 Ways & Means Committee Recommendation
Personnel	\$1,001,650	\$1,001,650	\$1,001,650	\$1,001,650
Travel	\$1,324,212	\$1,014,212	\$804,212	\$1,464,212
Contractual Services	\$3,129,600	\$2,734,600	\$2,734,600	\$2,705,000

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OCE	-0-	-0-	-0-	-0-
Fixed Assets	-0-	-0-	-0-	-0-
TOTAL	\$5,455,462	\$4,750,462	\$4,540,462	\$5,170,862
<i>Employee Count</i>	<i>14</i>	<i>14</i>	<i>14</i>	14

Due to rising travel costs and the desire to avoid the need for future supplemental appropriations, your Committee recommends appropriating an additional \$140,000 (\$10,000 per FSM Congress member) for "Speaker and Members: Travel" over the amount currently appropriated for this purpose in FY 2026. With respect to "Speaker and Members: Contractual Services", your Committee recommends moving two sub-line-items (for APPU Fees and FPOC Fees) to newly created line items in Section 8 of the Budget. Also with respect to "Speaker and Members: Contractual Services", your Committee recommends adjusting the funding for the "Presiding Officers Representation Fund" sub-line-item, such that \$130,000 is allocated for that purpose (with a specific allocation to the Speaker of \$110,000, and an allocation of \$10,000 each to the Vice Speaker and Floor Leader). The total allocation to Committee Representation funds is recommended to be set at \$120,000 (\$15,000 per Committee), and to Members' Representation funds at \$2,100,000 (\$150,000 per FSM Congress member). Remaining contractual services funding is recommended for purposes such as professional contracts and medical assistance. Overall, your Committee recommends total funding for FY2027 for FSM Congress: Speaker and Members in the amount of **\$5,170,862**.

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FSM Congress: Staff Offices

	FY 2026 Appropriation (through P.L. No. 24-98)	FY 2027 Executive (Budget Book) Recommendation	FY 2027 FSM Congress Recommendation to the Executive Budget Review Committee (EBRC)	FY 2027 Ways & Means Committee Recommendation
Personnel	\$2,092,796	\$2,099,685	\$2,002,717	\$2,002,717
Travel	\$320,000	\$270,000	\$270,000	\$350,000
Contractual Services	\$800,000	\$711,500	\$1,105,000	\$800,000
OCE	\$389,000	\$339,000	\$339,000	\$339,000
Fixed Assets	\$260,000	\$260,000	\$295,000	\$295,000
TOTAL	\$3,861,796	\$3,680,185	\$4,011,717	\$3,786,717
Employee Count	59	56	59	59

In line with its recommendation for "Speaker and Members: Travel", due to rising travel costs and the desire to avoid the need for future supplemental appropriations, your Committee recommends appropriating an additional \$30,000 for "Staff Offices: Travel" over the amount currently appropriated for this purpose in FY 2026. Your Committee also recommends moving a "Speaker's Residence Renovation" sub-line-item to a newly created line item in Section 8 of the Budget. Overall, your Committee

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recommends total funding for FY2027 for FSM Congress: Staff
Offices in the amount of \$3,786,717.

FSM Congress: Delegation Offices

KOSRAE			
	FY 2026 Appropriation (through P.L. No. 24-98)	FY 2027 Executive (Budget Book) Recommendation	FY 2027 Ways & Means Committee Recommendation
Personnel	-0-	-0-	-0-
Travel	\$10,000	\$10,000	\$15,000
Contractual Services	\$350,000	\$100,000	\$200,000
OCE	\$20,000	\$20,000	\$20,000
Fixed Assets	-0-	-0-	-0-
TOTAL	\$380,000	\$130,000	\$235,000

POHNPEI			
	FY 2026 Appropriation (through P.L. No. 24-98)	FY 2027 Executive (Budget Book) Recommendation	FY 2027 Ways & Means Committee Recommendation
Personnel	-0-	-0-	-0-
Travel	\$5,000	\$5,000	\$10,000
Contractual Services	\$700,000	\$200,000	\$400,000
OCE	\$37,000	\$37,000	\$37,000
Fixed Assets	-0-	-0-	-0-
TOTAL	\$742,000	\$242,000	\$447,000

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CHUUK			
	FY 2026 Appropriation (through P.L. No. 24-98)	FY2027 Executive (Budget Book) Recommendation	FY2027 Ways & Means Committee Recommendation
Personnel	-0-	-0-	-0-
Travel	\$15,000	\$15,000	\$20,000
Contractual Services	\$1,060,000	\$310,000	\$610,000
OCE	\$40,000	\$40,000	\$40,000
Fixed Assets	\$10,000	\$10,000	\$10,000
TOTAL	\$1,125,000	\$375,000	\$680,000

YAP			
	FY 2026 Appropriation (through P.L. No. 24-98)	FY2027 Executive (Budget Book) Recommendation	FY2027 Ways & Means Committee Recommendation
Personnel	-0-	-0-	-0-
Travel	\$13,000	\$13,000	\$23,000
Contractual Services	\$360,000	\$110,000	\$210,000
OCE	\$17,000	\$17,000	\$17,000
Fixed Assets	\$5,000	\$5,000	\$5,000
TOTAL	\$395,000	\$145,000	\$255,000

Your Committee notes that all personnel expenses for FSM Congress: Delegation Offices are included in the "Personnel" line item for FSM Congress: Staff Offices. Your Committee also notes

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that, due to rising travel costs and the desire to avoid the need for future supplemental appropriations, it is recommending increases of \$5,000 to the "Travel" line items of the Kosrae, Pohnpei, and Chuuk Delegation Offices and an increase of \$10,000 to the "Travel" line item of the Yap Delegation Office (due to the relatively more expensive cost of air travel for flights into and out of Yap). Furthermore, your Committee is recommending that an additional \$50,000 per member be appropriated to the "Contractual Services" line item of each delegation office over the amount recommended by EBRC; this allows for Delegation Representation Fund allocations of \$100,000 per member.

Overall, your Committee recommends total funding for FY2027 for FSM Congress: Delegation Offices in the amount of **\$1,617,000**.

V. FSM National Public Auditor

The following is a summary of your Committee's recommended funding for the total operations of the Office of the FSM National Public Auditor for FY2027. The funding source for all FSM National Public Auditor operations line items is domestic revenue.

FSM National Public Auditor: Total Operations

	FY 2026 Appropriation (through P.L. No. 24-98)	FY 2027 Executive (Budget Book) Recommendation	FY 2027 Ways & Means Committee Recommendation
Personnel	\$1,087,773	\$1,087,773	\$1,087,773
Travel	\$180,370	\$284,570	\$284,570
Contractual Services	\$101,000	\$101,000	\$101,000

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OCE	\$188,800	\$188,800	\$188,800
Fixed Assets	-0-	-0-	-0-
TOTAL	\$1,557,943	\$1,662,143	\$1,662,143
<i>Employee Count</i>	<i>27</i>	<i>27</i>	<i>27</i>

Overall, your Committee's recommended funding for Fiscal Year 2027 for the operations of the Office of the FSM National Public Auditor is **\$1,662,143**; this amount is comprised entirely of domestic revenue.

VI. Grants, Subsidies, and Contributions

Your Committee recommends funding for Grants, Subsidies, and Contributions in the amounts listed in the tables below:

Grants, Subsidies, and Contributions: Office of the President

<i>Line Item</i>	FY 2026 Appropriation (through P.L. No. 24-98)	FY 2027 Executive (Budget Book) Recommendation	FY 2027 Ways & Means Committee Recommendation
Asia Pacific Institute for Broadcasting Development (AIBD)	\$4,500	\$4,500	\$4,500
Asia-Pacific Broadcasting Union	\$800	\$800	\$800
Pacific Islands News Association (PINA)	\$350	\$350	\$350
Asia Pacific Investment	\$250	\$250	\$250

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Former Presidents' Allowance	\$120,000	\$120,000	\$120,000
Compact Drawdown Program	-0-	-0-	-0-
Presidential Public Schedule / State Visits	\$100,000	\$100,000	\$100,000
COFA Day	\$30,000	-0-	-0-
President's Day	\$50,000	\$50,000	\$50,000
Cultural Day	\$50,000	\$50,000	\$50,000
Independence Day	-0-	-0-	-0-
FSM Constitution Day	\$50,000	\$50,000	\$50,000
Defense Site Working Group	\$45,000	-0-	-0-
MIF Contribution	\$200,000	-0-	-0-
TOTAL	\$650,900	\$375,900	\$375,900

In total, your Committee recommends **\$375,900** in Grants, Subsidies, and Contributions funding for the Office of the President, entirely from domestic revenue.

Grants, Subsidies, and Contributions: Department of Finance and Administration

<i>Line Item</i>	FY 2026 Appropriation (through P.L. No. 24-98)	FY 2027 Executive (Budget Book) Recommendation	FY 2027 Ways & Means Committee Recommendation
CTA - OCO Membership Fee	\$10,000	\$10,000	\$10,000
Maintenance Fee for Financial Management	\$55,000	\$55,000	\$55,000

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System (and ASYCUDA)			
PITTA - CTA	\$5,000	\$5,000	\$5,000
ADB, IMF & Budget, Finance Policy Consultations	\$25,000	\$25,000	\$25,000
Global Forum Membership	\$26,000	\$26,000	\$26,000
PFTAC Membership Fees	\$20,000	\$20,000	\$20,000
FSM Trust Fund Board	\$50,000	\$50,000	\$50,000
Finance Conference	\$100,000	\$100,000	\$100,000
Tax Compliance Initiative	\$50,000	\$25,000	\$25,000
*MLFC Loan Payments	\$250,000	\$266,000	\$266,000
CTA Conference	-0-	-0-	-0-
TOTAL	\$591,000	\$582,000	\$582,000

*NOTE: This line item was placed under the "Section 8: Other" category in the Executive (Budget Book) Recommendation.

In total, your Committee recommends **\$582,000** in Grants, Subsidies, and Contributions funding for the Department of Finance and Administration, entirely from domestic revenue.

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RE: PRESIDENTIAL COMMUNICATION NO. 24-244/W&M

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Grants, Subsidies, and Contributions: Office of Personnel

<i>Line Item</i>	FY 2026 Appropriation (through P.L. No. 24-98)	FY 2027 Executive (Budget Book) Recommendation	FY 2027 Ways & Means Committee Recommendation
Staff Housing	\$1,020,000	\$1,000,000	\$1,000,000
Recruitment and Repatriation	\$50,000	\$50,000	\$100,000
Capacity Building	\$5,000	-0-	-0-
TOTAL	\$1,075,000	\$1,050,000	\$1,100,000

*NOTE: These line item were placed under the "Section 8: Other" category in both the FY 2026 Budget Law and the FY 2027 Executive (Budget Book) Recommendation.

Your Committee notes that it has doubled its recommendation for the "Recruitment and Repatriation" line item over the amount appropriated for the line item in FY 2026, due to the importance of recruiting well-qualified employees, as well as rising travel/relocation costs. Your Committee has decided to wait to recommend any appropriations for the "Capacity Building" line item until the Office of Personnel presents a plan for a renewed FSM National Government training or professional development program. In total, your Committee recommends **\$1,100,000** in Grants, Subsidies, and Contributions funding for the Office of Personnel, entirely from domestic revenue.

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Grants, Subsidies, and Contributions: FSM Congress

<i>Line Item</i>	FY 2026 Appropriation (through P.L. No. 24-98)	FY 2027 Executive (Budget Book) Recommendation	FY 2027 Ways & Means Committee Recommendation
IPU Annual Dues	\$12,500	\$12,500	\$15,000
COFA Alliance National Network	-0-	-0-	-0-
Micronesia Productions	-0-	-0-	-0-
Fisheries Meeting and Revenue Generation Meetings	\$50,000	\$50,000	\$100,000
MRA Meetings	-0-	-0-	\$50,000
Climate Change Conferences and Meetings	\$100,000	-0-	\$100,000
World Bank/IMF, ADB, and Other Investment Conferences	\$50,000	-0-	\$100,000
Meetings with U.S. Congress	-0-	-0-	\$100,000
APPU Fees*	-0-*	-0-	\$4,800
FPOC Fees*	-0-*	-0-	\$4,800
Speaker's Residence Renovation	-0-	-0-	\$300,000

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TOTAL	\$212,500	\$62,500	\$774,600
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*NOTE: These line items were funded under Section 3 of the FY2026 Budget.

Your Committee notes that IPU annual dues have increased, and it therefore recommends a corresponding increase to the relevant Section 8 line item. In total, your Committee recommends **\$774,600** in Grants, Subsidies, and Contributions funding for FSM Congress, entirely from domestic revenue.

Grants, Subsidies, and Contributions: FSM National Public Auditor

	FY 2026 Appropriation (through P.L. No. 24-98)			FY 2027 Executive (Budget Book) Recommendation			FY 2027 Ways & Means Committee Recommendation		
Line Item	Domestic	Compact PSCB Sector Grant	TOTAL	Domestic	Compact PSCB Sector Grant	TOTAL	Domestic	Compact PSCB Sector Grant	TOTAL
Single Audit Fees and Cost	-0-	\$2,565,948	\$2,565,948	-0-	\$1,565,948	\$1,565,948	-0-	\$1,565,948	\$1,565,948
Capacity Building	\$50,000	-0-	\$50,000	\$50,000	-0-	\$50,000	\$50,000	-0-	\$50,000
FSM Public Auditor's Annual Conference	\$30,000	-0-	\$30,000	\$30,000	-0-	\$30,000	\$30,000	-0-	\$30,000
TOTAL	\$80,000	\$2,565,948	\$2,645,948	\$80,000	\$1,565,948	\$1,645,948	\$80,000	\$1,565,948	\$1,645,948

*NOTE: These line item were placed under the "Section 8: Other" category in

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both the FY 2026 Budget Law and the FY 2027 Executive (Budget Book) Recommendation.

In total, your Committee recommends **\$1,645,948** in Grants, Subsidies, and Contributions funding for the FSM National Public Auditor, of which \$80,000 is from domestic revenue and \$1,565,948 is from the Compact Public Sector Capacity Building (PSCB) Sector Grant.

VII. Capital and Human Resource Development

Your Committee recommends funding for Capital and Human Resource Development in the amounts listed in the tables below:

Capital and Human Resource Development: Department of Finance and Administration

<i>Line Item</i>	FY 2026 Appropriation (through P.L. No. 24-98)	FY 2027 Executive (Budget Book) Recommendation	FY 2027 Ways & Means Committee Recommendation
PCD Awareness and Training	-0-	-0-	-0-
Tax Reform Taskforce	-0-	\$150,000	-0-
Compact Reporting (Third Party)	\$250,000	\$250,000	\$250,000
FSM Warehouse Lease and Maintenance	-0-	\$100,000	-0-
World Bank - Capital Investment	-0-	-0-	-0-
TOTAL	\$250,000	\$500,000	\$250,000

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Your Committee recommends a postponement of funding for the "Tax Reform Taskforce" and "FSM Warehouse Lease and Maintenance" line items at this time. In total, your Committee recommends **\$250,000** in Capital and Human Resource Development funding for the Department of Finance and Administration, entirely from domestic revenue.

Capital and Human Resource Development: Other

The following line items are from the "Capital and Human Resource Development: Other" category and relate to the Office of the National Public Auditor.

<i>Line Item</i>	FY 2026 Appropriation (through P.L. No. 24-98)	FY 2027 Executive (Budget Book) Recommendation	FY 2027 Ways & Means Committee Recommendation
Building Renovation (Auditor)	-0-	\$350,000	-0-
Expansion of Parking Lot (Auditor)	-0-	\$150,000	-0-
TOTAL	\$500,000	\$500,000	-0-

Although it may review its decision at a later date, at this time, your Committee does not recommend FY 2027 funding for the above-listed projects for the Office of the National Public Auditor.

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Conclusion

Your Committee on Ways and Means has reviewed all portions of the proposed Fiscal Year 2027 budget under its direct jurisdiction. Your Committee has carefully considered the information provided in the Budget Book and in the testimony and written materials provided by the Office of the President, the Department of Finance and Administration, the Office of Personnel, the Office of the FSM National Public Auditor, and FSM Congress, including information related to Grants, Subsidies, and Contributions, as well as Capital and Human Resource Development.

Your Committee on Ways and Means recommends appropriations in the sums set forth in the above columns titled "FY 2027 Ways & Means Committee Recommendation," subject to the availability of funds, as will be determined by your Committee upon consolidation of all other Committee recommendations.

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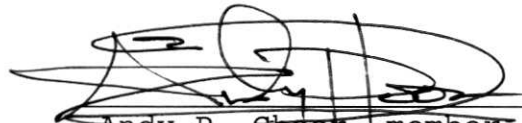
SEPTEMBER 22, 2026

Respectfully submitted,

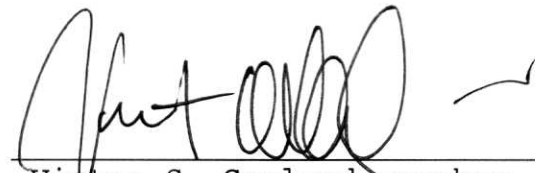


Fabian S. Nimea, chairman

Merlynn Abello-Alfonso, member

Johnson A. Asher, member

Andy P. Choor, member

Peter M. Christian, member

Victor S. Gouland, member

Perpetua S. Konman, member