

STANDING COMMITTEE REPORT NO. 20-26

RE: C.R. NO. 20-21/EDUCATION

SUBJECT: APPROVING GRANTS IN THE TOTAL AMOUNT OF
\$8,300,000 FROM THE ASIAN DEVELOPMENT BANK TO
IMPROVE PRIMARY EDUCATION.

SEPTEMBER 26, 2017

The Honorable Wesley W. Simina
Speaker, Twentieth Congress
Federated States of Micronesia
Second Regular Session, 2017

Dear Mr. Speaker:

Your Committee on Education, to which was referred C.R. No. 20-21, entitled:

"A RESOLUTION APPROVING AND ACCEPTING GRANTS TO THE
FEDERATED STATES OF MICRONESIA IN THE TOTAL AMOUNT OF
\$8,300,000 FROM THE ASIAN DEVELOPMENT BANK, TO FUND
THE PROJECT ENTITLED: "IMPROVING THE QUALITY OF BASIC
EDUCATION", INCLUDING ALL THE TERMS AND CONDITIONS OF
THE GRANTS."

begs leave to report as follows:

On September 22, 2017, your Committee held a public hearing regarding the proposed grants to improve primary education in the total amount of \$8,300,000 that has been transmitted to Congress for action. Present at this hearing were the Secretary of the Department of Education and his key staff, representatives from the Department of Justice, the Secretary of the Department of Finance and Administration, as well as, representatives from the Asian Development Bank and the Australian Government.

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The Committee initially held a hearing on this matter in July 2017, however, due to the significant size of the project proposed and the unavailability of several key witnesses your Committee determined it was best to continue its hearings to the September 2017, Regular Session. One of the issues raised in the July hearing was whether this proposed project would be necessary or successful given what appeared to be its striking similarities to the earlier project, Basic Social Services Project (BSSP), which was funded by an Asian Development Bank loan. In the intervening weeks between hearings the Department of Education did an in-depth comparison of the two projects and provided a summary to the Committee at the September 2017 hearing.

The earlier BSSP project had more general targets of improving health and education capacity in the FSM to enable long-term social and economic development. The currently proposed project deals specifically with improving primary education learning outcomes in literacy and numeracy. This will be done with more teachers training, particularly for new teachers. The Secretary of the Department of Education stated that they have quite a high percentage of new teachers with no classroom experience that would benefit from this program. The Secretary also acknowledged that this will build on work that is currently being done with the Principal's and Teacher's Academies. In a related comment your Committee noted that a very high portion of the proposed budget is slated for consultant fees. The Department stated that they would be partnering with COM-FSM for this project. The Committee has a detailed 81-page analysis of this project available for members review.

During the hearing the Committee was advised that all measures of primary student learning outcomes are rising, however, the improvement is slow. What the proposed project is geared to do is to dramatically improve the

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quality of teaching during the next five years, and it is hoped correspondingly improve student outcomes. Your Committee remains strongly committed to the education of our students, and in particular, foundation primary education of our young people. While the proposed project meets with the overall approval of the Committee, it notices the Department of Education that it will do a detailed oversight in March 2018 regarding the progress of this project after six months.

The Department of Education provided a detailed budget for this project, which is attached for the review of members. During the hearing discussion was held regarding the language of the resolution approving the financial grants. The Department of Justice stated that while some funding has come from the Australian Government it is all being funneled through the Asian Development Bank which is also administering and managing these grants. After further discussion with the Department of Justice and the staff attorney for the Committee it was determined that the resolution as drafted was satisfactory, with the addition of the small technical amendment as stated below.

Your Committee would like to offer the following amendment as follows:

1. Page 1, first line of the title, delete the s in "grants"
2. Page 1, first line of the title, insert after the word grant "agreements".

Your Committee on Education is in accord with the intent and purpose of C.R. No. 20-21, and recommends its adoption with proposed amendment in the form attached hereto as C.R. No. 20-21, C.D. 1.

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Respectfully submitted,

/s/ Joseph J. Urusemal
Joseph J. Urusemal, chairman

/s/ Derensio S. Konman
Derensio S. Konman, vice chairman

/s/ Florencio S. Harper
Florencio S. Harper, member

/s/ Alik L. Alik
Alik L. Alik, member

/s/ Esmond B. Moses
Esmond B. Moses, member

/s/ Wesley W. Simina
Wesley W. Simina, member

/s/ Ferny S. Perman
Ferny S. Perman, member