

STANDING COMMITTEE REPORT NO. 22-18

RE: PRESIDENTIAL COMMUNICATION NO. 21-533

SUBJECT: FISCAL YEAR 2022 BUDGET/R&D

SEPTEMBER 15, 2021

The Honorable Wesley W. Simina
Speaker, Twenty-Second Congress
Federated States of Micronesia
Second Regular Session, 2021

Dear Mr. Speaker:

Your Committee on Resources and Development, to which was jointly referred Presidential Communication No. 21-533 transmitting the National Government's proposed FY2022 budget, begs leave to report as follows:

Presidential Communication No. 21-533 transmits the *National Government's fiscal year 2022 Proposed Budget (Budget Book)*. Pursuant to rule 7, section 2(b), of the Official Rules of Procedure of the Twenty-Second Congress of the Federated States of Micronesia, your Committee has confined its review to those items of the proposed budget relating to matters within its jurisdiction. These are the budgets for:

1. Department of Resources and Development;
2. National Oceanic Resource Management Authority;
3. FSM Banking Board;
4. FSM Insurance Board;
5. Grants, subsidies and contributions:
 - a. Pacific Island Development Program (PIDP);
 - b. Pacific Asian Travel Association (PATA);
 - c. United Nations Development Program (UNDP);
 - d. Food Agriculture Organization;
 - e. Western Forestry Leadership Coalition (WFLC);

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- f. SPC Matching Fund;
 - g. Micronesian Challenge;
 - h. Micronesian Cruise Association;
 - i. South Pacific Tourism Organization;
 - j. International Renewable Energy Agency;
 - k. Micronesia Trade Committee
 - l. Convention on Biological Diversity;
 - m. International Food and Agriculture Development;
 - n. United Nation Industrial Development Organization (UNIDO);
 - o. Micronesian Island Forum Membership Fee
 - p. Micronesia Association for Sustainable Agriculture;
 - q. Micronesian Challenges Endowment Fund;
 - r. International Coconut Community (Annual Fees & Prior Years);
 - s. WCPFC Membership Fee (NORMA)
 - t. Forum Fisheries Agency; and
 - u. Palau Nauru Arrangement (PNA).
6. Capital and Human Resources Development:
- a. State & National Leadership Conference (SNLC);
 - b. R&D Conference;
 - c. Foreign Investment Data Management System;
 - d. EXPO 2020 Dubai United Arab Emirates;
 - e. Intellectual Property Rights (IRP) Regime;
 - f. Development of a Coastal Fisheries Policy for the FSM;
 - g. Development & Operation Framework to implement the National Seabed Resources Act of 2014;
 - h. Tourism Conference;
 - i. Little Fire Ants (*Wasmannia auropunctatata*-LFA) Eradication, Control & Prevention;
 - j. State Strategic Action Plan for the FSM
 - k. National Social Indicators Survey;
 - l. Localization of Sustainable Development Goals in the FSM;
 - m. Enhancing Tourism;
 - n. Commemoration of World Tuna Day -May 2020;
 - o. Electronic Monitoring Project -2023 T3 Challenge;
 - p. Hosting of WCPFC Technical & Compliance Committee and Science Committee meetings; and
 - q. Internship for students in the area of fisheries management.

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This report and all previous and subsequent reports by this Committee should be treated as policy for this Nation as defined by the Congress. It is your Committee's intent that any comments found in this report should be treated as policy for the guidance of the relevant departments, agencies and offices in the obligation and expenditures of their respective budgets and implementation of their programs.

Your Committee conducted a series of public hearings virtually on Wednesday, August 18, 2021, Monday, August 23, 2021 and Wednesday, September 1, 2021. The report and recommendations that follow are based upon the information contained in the *Budget Book* and the input provided by the Secretary, Assistant Secretaries, Board of Directors for FSM Banking Commission and FSM Insurance Commission, Commissioners, and staff of the various departments, offices, agencies and entities during those hearings.

I. GENERAL DISCUSSION OF THE PROPOSED FY 2022 BUDGET

Your Committee conducted its first public hearing on the Department of Resources and Development FY22 proposed budget on Monday, August 31, 2021. Following are the recommendations.

I(a). Office of the Secretary

	FY 2021 Appro.	FY 2022 Proposed	FY22 Recom	Committee Recommends
Personnel	\$75,412	\$110,634	\$94,548	110,634
Travel	\$15,238	\$50,794	\$15,149	15,149
Contract.Serv.	\$500	\$500	\$500	500
OCE	\$21,515	\$21,515	\$21,515	21,515
Fixed Assets	\$8,993	\$0	\$0	0
Total	\$121,658	\$183,443	\$131,712	147,798
No. Employees	3	4	3	4

Personnel – There are three positions under this Office, and the appropriation for FY21 was \$75,412. For FY22, there is a request for an Information Technology position in the amount of \$14,723, but EBRC did not recommend the position. Your Committee understands the importance of the IT position, and recommend the reinstatement of it. With the passage of Public

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Law No. 21-237, there are salary adjustments for the three employees. The Secretary's salary increases from \$40,000 to \$55,000, the benefits increases from \$9,565 to \$12,061, and the salary increase is \$1,640. The amount that was recommended by EBRC is \$94,548. Your Committee recommends \$110,634.

Travel – The FY21 appropriation was \$15,238. This fiscal year, the proposed amount is \$50,794, but EBRC recommended \$15,149. Most of the requests are for International Travel, and with the travel restriction that is still ongoing; your Committee recommends only the domestic travel requests. Your Committee recommends \$15,238.

Contractual Services – No change in this category for three consecutive fiscal years, until this fiscal year. The amount appropriated last year, and is requested for this fiscal year is \$500. Your Committee recommends \$500.

Other Current Expenses – The FY21 appropriation was \$15,515. The requested amount this year is \$21,515 to cover increase in prices. Your Committee recommends \$21,515.

Fixed Assets – For FY 2021, an amount of \$8,993 was appropriated. There is no request for this fiscal year. Your Committee recommends \$0.

II. Tourism Unit

	FY 2021 Appro.	FY 2022 Proposed	FY22 Recom	Committee Recommends
Personnel	\$48,620	\$68,409	\$50,946	\$50,946
Travel	\$15,987	\$65,698	\$21,093	\$21,093
Contract.Serv.	\$3,500	\$3,500	\$3,500	\$3,500
OCE	\$13,200	\$16,095	\$16,095	\$16,095
Fixed Assets	\$1,320	\$0	\$0	\$0
Total	\$82,627	\$153,702	\$91,634	\$91,634
No. Employees	2	3	2	2

Personnel – The appropriated amount in FY21 was \$48,620 for two employees. The proposed amount for this year is \$68,409 for three employees. The Division requests for a new position for a Tourism Development Officer, but EBRC

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did not recommend the new position. With the new increase in salary pursuant to PL No. 21-237 the recommended amount for two employees is \$50,946. Your Committee recommends **\$50,946.**

Travel – In fiscal year 2021, an amount of \$15,987 was appropriated. This year, an amount of \$65,698 is requested, but EBRC recommended \$21,093. Your Committee recommends **\$21,093.**

Contractual Services – No change in this category. The same amount appropriated last fiscal year is being requested. Your Committee recommends **\$3,500.**

Other Current Expenses – An amount of \$13,200 was appropriated in FY21. For this fiscal year, an amount of \$16,095 is requested, an increase of \$2,895 as compared to fiscal year 2021. The slight increase is to accommodate increase in the price of goods. Your Committee recommends **\$16,095.**

Fixed Assets – In FY 2021, an amount of \$1,320 was appropriated. For this year, there is no requested amount. Your Committee recommends **\$0.**

III. Marine Resources Unit

	FY 2021 Appro.	FY 2022 Proposed	FY22 Recom	Committee Recommends
Personnel	\$67,475	\$67,475	\$70,693	\$70,693
Travel	\$17,888	\$59,628	\$21,533	\$21,533
Contract.Serv.	\$0	\$5,000	\$5,000	\$5,000
OCE	\$19,176	\$19,176	\$19,176	\$19,176
Fixed Assets	\$3,960	\$0	\$0	\$0
Total	\$108,499	\$151,279	\$116,402	\$116,402
No. Employees	3	3	3	3

Personnel – The amount appropriated in fiscal year 2021 was \$67,475 for three employees. For this year, the recommended amount is \$70,693 for three employees. With the passage of PL No. 21-237, the salaries for all three employees were adjusted. Your Committee recommends **\$70,693.**

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Travel – In FY21, the appropriated amount was \$17,888. The proposed request by this Division is \$59,628. The recommended amount by EBRC is \$21,533. Your Committee recommends **\$21,533**.

Contractual Services – No funding appropriated in FY21. For this year, there is a \$5,000 requested for contractual service for an intern. Your Committee recommends **\$5,000**.

Other Current Expenses – An amount of \$19,176 was appropriated for this fiscal year 2021. This year, the same amount is being requested. Your Committee recommends **\$19,176**.

Fixed Assets – An amount of \$3,960 was appropriated last fiscal year to purchase computers. This year, there is no request. Your Committee recommends **\$0**.

IV. Agriculture Unit

	FY 2021 Appro.	FY 2022 Proposed	FY22 Recom	Committee Recommends
Personnel	\$321,431	\$340,699	\$343,793	\$343,793
Travel	\$15,882	\$52,969	\$24,706	\$24,706
Contract.Serv.	\$0	\$0	\$0	\$0
OCE	\$70,947	\$71,947	\$71,947	\$71,947
Fixed Assets	\$4,840	\$0	\$0	\$0
Total	\$413,100	\$465,615	\$440,446	\$440,446
No. Employees	23	23	23	23

Personnel – The amount appropriated for fiscal year 2021 was \$321,431 for twenty three (23) employees. With the new salary increase pursuant to PL No. 21-237, the proposed amount for this year is \$340,699, but EBRC recommended \$343,793. Since the salary increase came after the transmittal of the FY22 budget request, your Committee recommends **\$343,793**, as recommended by EBRC.

Travel – The amount appropriated in fiscal year 2021 was \$15,882. The requested amount by this Division is \$52,969, but EBRC recommended \$24,706. With the ongoing restriction in travel, your Committee recommends **\$24,706**.

Contractual Services – No change in this category. Your Committee recommends **\$0**.

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Other Current Expenses – The amount appropriated in fiscal year 2021 was \$70,947, This fiscal year, there is a request of \$71,947, an increase of \$1,000, as compared to FY21 appropriation. Your Committee recommends \$71,947.

Fixed Assets – In FY21, an amount of \$4,840 was appropriated. This year, there is no request. Your Committee recommends \$0.

V. Division of Trade and Investment

	FY 2021 Appro.	FY 2022 Proposed	FY22 Recom	Committee Recommends
Personnel	\$81,021	\$81,021	\$85,340	<u>\$85,340</u>
Travel	\$16,034	\$53,448	\$53,448	<u>\$24,930</u>
Contract.Serv.	\$9,000	\$64,000	\$64,000	<u>\$64,000</u>
OCE	\$14,000	\$27,754	\$27,754	<u>\$27,754</u>
Fixed Assets	\$0	\$7,280	\$7,280	<u>\$2,000</u>
Total	\$157,439	\$228,503	\$178,503	<u>204,024</u>
No. Employees	4	4	4	4

Personnel – For FY21, \$81,021 was appropriated. The recommended amount for this fiscal year is \$85,340 for four employees. Following is the breakdown of the recommended amount: \$22,377 is apportioned for the Assistant Secretary position, \$18,092 for a Program Manager position, in which there are two Program Managers under this Division, \$8,275 is apportioned for a Secretary II position, \$10,025 is apportioned for benefits, \$4,160 is apportioned for COLA, and \$3,756 for the new salary increase for the four employees. Your Committee recommends \$85,340.

Travel – An amount of \$16,034 was appropriated in FY 2021. This year, the Division is requesting \$53,448, but EBRC recommended \$24,930. Your Committee recommends \$24,930.

Contractual Services – In FY 2021, an amount of \$9,000 was appropriated for the website maintenance. This year, the Division requested \$50,000 for a Trade Advisor and \$5,000 for an intern. EBCR recommended the requested amount of \$64,000. Your Committee recommends \$64,000.

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Other Current Expenses – An amount of \$14,000 was appropriated under this category in FY 2021. This year, the Division has requested \$27,754 and was recommended. This is an increase of \$13,754, as compared to FY21 appropriation. The justification of the increase is for the reproduction of brochures. Your Committee recommends **\$27,754**.

Fixed Assets – The FY21 appropriation was \$7,280. This year, an amount of \$2,000 is requested and recommended for the purchase of one laptop. Your Committee recommends **\$2,000**.

VI. Division of Energy

	FY 2021 Appro.	FY 2022 Proposed	FY22 Recom	Committee Recommends
Personnel	\$26,774	\$26,774	\$28,229	<u>\$28,229</u>
Travel	\$8,602	\$28,672	\$8,602	<u>\$8,602</u>
Contract.Serv.	\$200	\$200	\$200	<u>\$200</u>
OCE	\$7,415	\$7,415	\$7,415	<u>\$7,415</u>
Fixed Assets	\$3,320	\$2,000	\$2,000	<u>\$2,000</u>
Total	\$46,311	\$65,061	\$46,446	<u>46,446</u>
No. Employees	1	1	1	1

Personnel – Under this Division, there is one position, which is the Assistant Secretary position. The position is currently vacant, and the salary is at \$26,774. According to the witnesses, the position is still vacant. Pursuant to PL No. 21-237, the salary is adjusted to \$28,229. Your Committee recommends **\$28,229**.

Travel – In FY 2021, an amount of \$8,602 was appropriated. The amount requested for this year is \$28,672, but EBRC recommended \$8,602. Your Committee recommends **\$8,602**.

Contractual Services – No change in this category. The amount requested for subscription is \$200. Your Committee recommends **\$200**.

Other Current Expenses – An amount of \$7,415 was appropriated last year. This year's request is \$7,415 for supplies. Your Committee recommends **\$7,415**

Fixed Assets – In FY 2021, the Division requested \$3,320 to purchase a desktop computer, which was approved. This year the

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Division is requesting \$2,000 for the same purpose. The justification is that the computers currently used are outdated. Your Committee recommends **\$2,000**.

VI Division of Statistics

	FY 2021 Appro.	FY 2022 Proposed	FY22 Recom	Committee Recommends
Personnel	\$286,581	\$303,715	\$304,207	\$304,207
Travel	\$7,451	\$24,836	\$13,028	\$13,028
Contract.Serv.	\$47,000	\$47,000	\$47,000	\$47,000
OCE	\$68,851	\$69,851	\$69,851	\$69,851
Fixed Assets	\$0	\$0	\$0	\$0
Total	\$409,883	\$445,402	\$434,086	\$434,086
No. Employees	19	19	19	19

Personnel – The FY21 appropriation was \$286,581 for nineteen positions. For this year, the proposed amount is \$303,715, but EBRC recommended \$304,207. With the salary adjustment pursuant to PL No. 21-237, your Committee recommends **\$304,207**.

Travel – The FY2021 appropriated amount was \$7,451. For FY 2022, there is a request of \$24,836, but EBRC recommended \$13,028. Your Committee recommends **\$13,028**.

Contractual Services – No change in this category. Your Committee recommends **\$47,000**.

Other Current Expenses – An amount of \$68,851 was appropriated in fiscal year 2021. The requested amount for this year is \$69,851, an increase of \$1,000, as compared to the fiscal year 2021 appropriation. The increase is for more supplies. Your Committee recommends **\$69,851**.

Fixed Assets – No amount requested, same as last fiscal year. Your Committee recommends **\$0**.

VII. NATIONAL OCEANIC RESOURCE MANAGEMENT AUTHORITY (NORMA)

Your Committee conducted the NORMA's FY22 budget hearing on Wednesday, September 1, 2021. Witnesses at the hearing included: Deputy Executive Director Mathew Chigiyal, Mrs. Liman Helgenberger, Assistant Director Fisheries

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Development, Mr. Sohs John, Chief Budget Officer, and Director of Personnel, Mr. Samson Pretrick.

The figures shown in the chart below for NORMA include the total amount appropriated in FY 2021; the FY 2022 amount requested by NORMA, and the amount transmitted as recommended, as listed in the "FY 2022 Recommended" column in the "Budget Book". The last column is the amount recommended by your Committee for FY 2022.

	FY 2021 Appro.	FY 2022 Proposed	FY22 Recom	Committee Recommends
Personnel	\$696,217	\$820,685	\$813,115	820,685
Travel	\$74,242	\$375,880	\$123,737	\$123,737
Contract.Serv.	\$186,100	\$200,741	\$200,741	200,741
OCE	\$75,800	\$86,370	\$86,370	86,370
Fixed Assets	\$0	\$60,000	\$0	0
Total	\$1,032,359	\$1,483,676	\$1,223,963	\$1,231,533
No. Employees	29	29	29	29

Personnel – During the earlier part of the fiscal year 2021, \$669,217 was appropriated for 29 employees. There were two supplemental budgets for NORMA, one was \$20,582 and another was \$6,267. The first supplemental appropriation was to supplement the approved salary for the Deputy Director. So the total appropriated in fiscal year 2021 was \$696,066 for 29 positions.

For FY 2022, the Authority requested \$820,685, but EBRC recommended \$813,115. During the hearing, Your Committee was informed that salaries for three positions were inadvertently decreased and Budget Office had confirmed the errors. These are the affected staff: 1. Ronna Albert, 2. Yvonne Falieapiy and 3. Prileen Martin. At the hearing also, the witnesses testified on the justifications regarding the increase in salaries for several staff.

With the salary adjustment legislation (PL No. 21-237), and the merit on the increases in salaries, your Committee recommends **\$820,685**.

Travel – In FY 2021, the amount appropriated was \$74,242. The amount requested for FY22 is \$375,880, but EBRC recommended \$123,737. Your Committee recommends **\$123,737**.

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Contractual Services – In FY 2021, an amount of \$186,100 was appropriated. For the FY22 request, an amount of \$200,741 was requested and recommended by EBRC. Justifications on the slight increase are based on increase in housing, and for meeting allowance.

Your Committee recommends \$200,741.

Other Current Expenses – The amount appropriated in FY 2021 was \$75,800. The request for FY 2022 is \$86,370, and was recommended by EBRC. The justification on the increase is based on the increase in communications. Your Committee recommends \$86,370.

Fixed Assets – The Authority did not request funding in this category. Your Committee recommends \$0.

VIII. FSM BANKING BOARD

The figures shown in the chart below for the FSM Banking Board include the total amount appropriated in FY 2021; the amount requested by the FSM Banking Board for FY 2022, and the amount transmitted as recommended for FY 2022. The last column is the amount recommended by your Committee for FY 2022.

	FY 2021 Appro.	FY 2022 Proposed	FY22 Recom	Committee Recommends
Personnel	\$114,148	\$113,896	\$115,263	115,263
Travel	\$25,418	\$55,794	\$25,418	25,418
Contract.Serv.	\$32,442	\$41,128	\$41,128	41,128
OCE	\$25,110	\$25,110	\$25,110	25,110
Fixed Assets	\$3,500	\$4,500	\$4,500	4,500
Total	\$200,618	\$240,428	\$211,419	\$211,419
No. Employees	4	5	4	4

Your Committee held a public hearing with the FSM Banking Board on Wednesday, August 18, 2021. Witnesses included: The Banking Commissioner Mr. Jesse Giltamag, Mr. Pilika Palik, Banking Examiner, AnnieMarie Hasgiulbung, Mr. Robert Nakazone, Jr. from the Department of Justice and Mr. Sos John from the Division of Budget.

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Personnel – The amount appropriated in FY 2021 was \$114,148. For the FY22 request, the Banking Board requested \$115,263, an increase of \$1,115, as compared to FY21 appropriation.

Your Committee understands that vacant position for the Financial Analyst is already filled. With the salary adjustment pursuant to PL No. 21-237, your Committee recommends \$115,263.

Travel – The FY21 appropriation was \$25,418. The requested amount this year is \$55,794, but EBRC recommended \$25,418. At the hearing, the Banking Commissioner explained that there are essential international travels that the staffs need to participate. However, due to this travel restriction, their only hope is that they can attend once the travel restriction is lifted. But, they have to do their visits to each state. Your Committee recommends \$25,418.

Contractual Services – In FY 2021, an amount of \$32,442 was appropriated. For this fiscal year, an amount of \$41,128 was requested and recommended. This is an increase of \$8,686. There are certain courses that the staffs are required to take, which require payment of material and exam fees. Your Committee recommends \$41,128.

OCE – The amount appropriated in FY21 was \$25,110. The same amount is being requested for this fiscal year. Your Committee recommends \$25,110

Fixed Assets – In FY 2021, an amount of \$3,500 was appropriated. For this fiscal year, an amount of \$4,500 is requested for conference room chairs. Your Committee recommends \$4,500.

IX. FSM INSURANCE BOARD

The figures shown in the chart below for the FSM Insurance Board include the total amount appropriated in FY 2021; the amount requested by the FSM Insurance Board for FY 2022, and the amount transmitted as recommended for FY 2022. The last column is the amount recommended by your Committee for FY 2022.

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	FY 2021 Appro.	FY 2022 Proposed	FY22 Recom	Committee Recommend
Personnel	\$143,660	\$151,355	\$145,197	151,355
Travel	\$23,676	\$49,548	\$23,676	23,676
Contract.Serv.	\$347,175	\$347,175	\$347,175	347,175
OCE	\$28,284	\$32,004	\$32,004	32,004
Fixed Assets	\$2,200	\$0	\$0	0
Total	\$544,995	\$580,082	\$548,052	\$554,210
No. Employees	5	6	5	6

Your Committee held a public hearing on the FSM Insurance Board FY22 budget requests on Wednesday, August 18, 2021. Witnesses present at the hearing included: the Insurance Commissioner Mr. Nakama Sana, Insurance Examiner Adelman Joseph, AAG Robert Nakazone, Jr. and Mr. Sos John from the Division of Budget.

Personnel – The amount appropriated in FY21 was \$143,660. For FY22, the request is \$151,355. There is a request of \$8,275 to fund a new Executive Secretary, but was not recommended by EBRC. The Insurance Commission explained that the Executive Secretary is really needed, like any other offices. Your Committee agreed to reinstate the amount requested for the Executive Secretary position, as it is an essential position to the Insurance Commission, and recommends **\$151,355**.

Travel – An amount of \$23,676 was appropriated in FY21, based on the 70% cut. For FY22, an amount of \$49,548 is requested, but EBRC recommended \$23,676. At the hearing, the Insurance Commissioner testified that if there is a chance the border is open, they want to attend a captive insurance seminar in Honolulu. Other than that, the Insurance Commissioner still has to visit the states. Your Committee recommends **\$23,676**.

Contractual Services – In FY 2021 an amount of \$347,175 was appropriated. For FY 2022, the same amount is requested, which was recommended. Your Committee recommends **\$347,175**.

OCE – In FY 2021 an amount of \$28,284 was appropriated. This year there is a request of \$32,004, which was recommended. This is an increase of \$3,720, as compared to FY21 appropriation. Your Committee recommends **\$32,004**.

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Fixed Assets – In FY21 budget, an amount of \$2,200 was appropriated. This year, there is no request for funding. Your Committee recommends **\$0**.

VII. GRANTS, SUBSIDIES & CONTRIBUTIONS

Department of Resources Development				
Grants, Contributions & Subsidies	FY 2021 Appropri	FY 2022 Proposed	FY22 Recommends	Committee Recommends
a. Pacific Island Development Program (PIDP)	15,000	15,000	15,000	15,000
b. Pacific Asian Travel Association (PATA)	6,000	6,000	6,000	6,000
c. United Nations Development Program (UNDP)	\$30,000	\$30,000	\$30,000	\$30,000
d. Food and Agriculture Organization (FAO)	\$6,800	\$6,800	\$6,800	\$6,800
e. Western Forestry Leadership Coalition	\$530	\$530	\$530	\$530
f. Matching to SPC Projects	\$60,000	\$60,000	\$60,000	\$60,000
g. Micronesian Challenge	\$10,000	\$10,000	\$10,000	\$10,000
h. Micronesian Cruise Association	\$2,500	\$2,500	\$2,500	\$2,500
i. South Pacific Tourism Organization	\$8,000	\$8,000	\$8,000	\$8,000
j. IRENA	\$250	\$250	\$250	250
k. Micronesia Trade Com.	\$30,000	\$30,000	\$30,000	\$30,000
l. Convention on Biological Diversity (CBD)	\$1,000	\$1,000	\$1,000	\$1,000
m. International Fund for Agriculture Development (IFAD)	\$500	\$500	\$500	\$500
n. United Nations Industrial Development Organization (UNIDO)	\$1,000	\$1,000	\$1,000	\$1,000
o. Micronesian Island	\$15,000	\$15,000	\$15,000	\$15,000

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Forum Membership Fee				
p. Micronesia Associ for Sustainable Agriculture	\$50,000	\$50,000	\$50,000	\$50,000
q. Micronesian Challenge Endowment Fund	\$100,000	\$100,000	\$100,000	100,000
r. International Coconut Community (Annual Fee/Prior Years)	\$0	\$18,000	\$18,000	\$18,000
Total	\$336,580	\$354,580	\$354,580	\$354,580

During the hearing of the Committee, it was brought to its attention a new line item requested for this fiscal year 2022, which is "International Coconut Community (Annual Fee)" of \$18,000. Your Committee recommends the \$18,000 for the "International Coconut Community (Annual Fee)" for this fiscal year.

OTHER GRANTS, CONTRIBUTIONS & SUBSIDIES	FY 2021 Appropriation	FY 2022 Proposed	FY22 Recommended	Committee Recommends
1. Forum Fisheries Agency	\$63,000	\$63,000	\$63,000	\$63,000
2. NORMA – WCPFC Tuna Commission Fee	\$318,397	\$318,397	\$318,397	\$318,397
3. PNA Membership Fee	\$0	\$10,000	\$10,000	\$10,000
Total for NORMA	\$381,397	\$391,397	\$391,397	\$391,397
GRANT TOTAL FOR GRANTS, SUBSIDIES & CONTRIBUTIONS	\$717,977	\$745,977	\$745,977	\$745,397

The correct figure for FSM's contribution to Forum Fisheries Agency is \$63,000, and to WCPFC is \$318,397. Your Committee agreed to these adjustments, as they are considered arrears of previous years. The \$10,000 for PNA fee is a new membership fee.

IX. CAPITAL & HUMAN RESOURCES DEVELOPMENT BUDGET

	FY2021 Appropriation	FY2022 Proposed	FY22 Recommended	Committee Recommends
a. R&D conference	\$0	\$73,000	\$73,000	\$73,000
b. Tourism conference	0	\$80,000	\$80,000	\$80,000

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c. Tourism Project Implementation & Planning	\$0	\$450,000	\$450,000	\$450,000
d. Tourism Public Awareness	\$0	\$75,000	\$75,000	\$75,000
e. FSM Association of Chamber of Commerce	\$67,000	\$67,000	\$67,000	\$67,000
f. Enhancing Tourism	\$0	\$0	\$0	\$0
g. Foreign Investment and Management System	\$0	\$69,500	\$69,500	\$69,500
h. Intellectual Property Rights Regime	\$117,000	\$0	\$0	\$0
i. Development & Operation Framework to Implement Seabed Mining Act	\$200,000	\$0	\$0	\$0
j. Development of Coastal Fisheries Policy	\$150,000	\$0	\$0	\$0
k. Little Fire Ants Eradication	\$166,440	\$0	\$0	\$0
l. State Strategic Action Plan for FSM	\$60,990	\$0	\$0	\$0
m. National Social Indicators Survey	\$661,713	\$0	\$0	\$0
n. Localization of Sustainable Development Goals	\$320,812	\$0	\$0	\$0
o. Enhancing Fisheries: Kosrae	\$100,000	\$0	\$0	\$0
p. Enhancing Fisheries: Pohnpei	\$100,000	\$0	\$0	\$0
q. Enhancing Fisheries: Chuuk	\$100,000	\$0	\$	\$0
r. Chamber of Commerce: Chuuk State	\$25,000	\$0	\$	\$0
s. Chamber of Commerce: Pohnpei State	\$25,000	\$0	\$0	\$0
t. Chamber of Commerce: Kosrae State	\$25,000			\$0

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u. Chamber of Commerce: Yap State	\$25,000	\$0	\$0	\$0
v. R&D SNLC	\$0	\$75,000	\$75,000	\$75,000
Total	\$2,143,955	\$887,500	\$887,500	\$889,000
Other Capital and Human Resources Development				
1. Enhancing Tourism				\$1,000,000
2. Conservation Society in each state				
2a. Kosrae State	\$0	\$0	\$0	\$0
2b. Pohnpei State	\$0	\$0	\$0	\$0
2c. Chuuk State	\$0	\$0	\$0	\$0
2d. Yap State	\$0	\$0	\$0	\$0
Total for R&D Dept.	\$	\$	\$	\$
NORMA				
a. NORMA –World Tuna Day	\$40,000	\$70,000	\$70,000	\$70,000
b. T3 Monitoring	\$100,000	\$150,000	\$150,000	\$150,000
c. Hosting of WCPFC, TCC & SC Meetings	\$10,000	\$10,000	\$10,000	\$10,000
d. Internship for Students in the area of fisheries	\$5,000	\$5,000	\$5,000	\$5,000
Total	\$155,000	\$235,000	\$235,000	\$1,235,000
Grant Total for CIP	\$2,298,955	\$1,122,500	\$1,122,500	\$2,124,000

Your Committee understands that travel is still restricted due to COVID-19 pandemic; however, a few interstate travels were taken lately so there is funding requested for local conferences. If people can travel to the states, then the Committee would honor any supplemental travel request for interstate conferences.

Your Committee recommends the \$1,000,000 for Enhancing Tourism, and proposes an apportionment of such fund as follows:

1. Enhancing Tourism – Chuuk State \$300,000
2. Enhancing Tourism – Pohnpei State \$300,000
3. Enhancing Tourism – Yap State \$200,000
4. Enhancing Tourism – Kosrae State \$200,000

CONCLUSION

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Your Committee on Resources and Development has carefully reviewed the President's recommended FY 2022 budget and all information provided by the Executive and the entities under your Committee's jurisdiction. The recommended sums set forth above reflect your Committee's recommendations on the level of funding for the designated activity, program or project for FY 2022, subject to the recommendations of the Committee on Ways and Means.

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Respectfully submitted,

/s/ Dion G. Neth
Dion G. Neth, chairman

/s/ Aren B. Palik
Aren B. Palik, vice chairman

Tiwiter Aritos, member

/s/ Derensio S. Konman
Derensio S. Konman, member

Peter M. Christian, member

/s/ Isaac V. Figir
Isaac V. Figir, member

/s/ Victor V. Gouland
Victor V. Gouland, member