

STANDING COMMITTEE REPORT NO. 22-16

RE: PRESIDENTIAL COMMUNICATION NO. 21-533

SUBJECT: FY 2022 BUDGET/H&SA

SEPTEMBER 14, 2021

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

Dear Mr. Speaker:

Your Committee on Health and Social Affairs, to which was jointly referred Presidential Communication No. 21-533 transmitting the National Government's proposed FY 2022 budget, begs leave to report as follows:

Presidential Communication No. 21-533 was transmitted to Congress with the *National Government Fiscal Year 2022 Recommended Budget* ("Budget Book"). Pursuant to rule 7, section 7(b), of the Official Rules of Procedure of the Twenty-Second Congress of the Federated States of Micronesia, your Committee has limited its review to those portions of the budget under its jurisdiction. These are:

- I. Department of Health and Social Affairs
 - A. Office of the Secretary
 - B. Division of Health System Support
 - C. Environmental Health Services Unit
 - D. Gender Development Unit
 - E. Sports & Youth Unit
- II. Office of National Archives, Culture and Historic Preservation
- III. Grants, Subsidies & Contributions
 - A. Department of Health and Social Affairs

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1. United Nations Fund for Population Activity (UNFPA)
 2. World Health Organization (WHO)
 3. Pacific Islands Health Officer Associations (PIHOA)
 4. Association of Territorial Health Organizations (ASTHO)
 5. National Board of Nursing & Medical Licensing
 6. FSM Red Cross
 7. UNICEF (Vaccine & TB Drugs)
 8. UN-FSM Women (CEDAW)
 9. Drug Quality Testing
 10. National Therapeutics & Standards Committee
 - B. Office of National Archives, Culture and Historic Preservation
 1. UNESCO Membership Fee
 2. National Conference of State Historic Preservation Officers (NCSHPO)
 3. Pacific Regional Branch of the International Council on Archives (PARBICA)
 4. Pacific Islands Association of Libraries, Archives, and Museums (PIALA)
 5. World Heritage Centre (WHC)
 6. Library Fee
 - C. Other Grants, Subsidies & Contributions
 1. FSM Social Security
- IV. Capital and Human Resource Development
- A. Department of Health and Social Affairs
 1. Health Services Special Pathologist
 2. Medical Specialist Team
 3. MOE – BHWP Medicine
 4. Electronic Health Record System
 5. Youth in Sports Program
 6. Rheumatic Heart Program
 7. FSM Vector Surveillance & Control Program
 8. Implementing IHR Core Capacity to Improve Health Security

This report, and all previous and subsequent reports by this Committee, should be treated as policy for this Nation, as defined by

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Congress. It is the intent of your Committee that any commentary found in this report should be treated as guidance for the relevant departments, agencies, and offices.

Your Committee held a public hearing on the FY 2022 budget on August 11, 2021. Present at the hearing were representatives from the Department of Health and Social Affairs, the Office of National Archives, Cultures and Historic Preservation, the Department of Finance and Administration, the Office of Personnel, and the Office of the President. Your Committee deliberated on the findings and all information gathered, and held a final mark-up session on August 19, 2021. This Standing Committee Report reflects the recommendations of your Committee on Health and Social Affairs regarding the proposed FY 2022 budget under its jurisdiction.

Throughout this report, the amount in columns titled "FY21 Amended Appropriation" refer to the amounts appropriated in Fiscal Year 2021 through June 2021 (as of Public Law No. 22-01). The amounts in columns titled "FY22 Executive Recommendation" refers to the recommendations provided by EBRC in Presidential Communication No. 21-533.

Your Committee notes that the 21st Congress passed a salary increase that took effect on July 1, 2021, and the personnel line items in all departments will subsequently see an increase from FY 2021 to FY 2022. Your Committee further notes that in FY 2021 all travel was decreased by 70% to reflect the limited travel due to the COVID-19 pandemic; for FY 2022 the Executive recommends increasing travel by 60% from FY 2021 appropriations. In this report, your Committee recommends maintaining FY 2022 travel funding at FY 2021 levels; safety is a primary concern of your Committee, and your Committee supports only travel that is necessary to support COVID-19 pandemic efforts and only that which cannot be accomplished via remote video meetings.

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I. DEPARTMENT OF HEALTH AND SOCIAL AFFAIRS

Your Committee notes that the following tables reflect amounts for the Department of Health and Social Affairs where the funding source is domestic revenue. In addition to the \$1,127,142 recommended by the Executive and subject to Congress approval, the Department also intends to receive \$5,932,533 from US Federal Programs and other Foreign Assistance, broken down as follows: \$1,388,580 for Personnel; \$1,601,417 for Travel; \$1,778,171 for Contractual Services; \$939,230 for OCE; and \$225,135 for Fixed Assets. These amounts are included in the final table of this section.

Your Committee has informed the Department that no grant awards will be recommended by your Committee for approval and receipt of funds until the annual status report on existing grants is received. Your Committee is mindful that substantial funds are received each year from US Federal Programs and other Foreign Assistance, and would like to receive clearer information how these funds are used, and outcomes achieved.

A. Administration – Office of the Secretary

	FY21 Original Appropriation	FY21 Amended Appropriation	FY22 Executive Recommendation	FY22 Committee Recommendation
Personnel	84,406	126,377	142,330	126,330
Travel	14,400	19,400	19,861	14,400
Contract	19,602	19,602	19,602	19,602
OCE	-0-	20,700	20,700	20,700
Fixed Assets	-0-	-0-	-0-	-0-
Total	118,408	186,079	202,493	181,032
Employees	3		3	3

Personnel: Your committee notes that the increase in the personnel line item reflects the PSS salary increases for two employees paid from domestic revenues, and 20 employees paid from federal program funds. Additionally, there is a proposed increase in salary for the Secretary of the Department, which was approved for the late former

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Secretary in an FY 2021 supplemental. Your Committee notes that Cabinet Members appear to earn varying amounts, and recommends that in the interest of fairness and reflective of the weight of their duties, all Cabinet Members earn the same salary and that salary be capped at \$60,000, except for Cabinet Members with certain advanced academic degrees. Your Committee recommendation for this line item includes \$60,000 for the salary of the Secretary.

Your Committee's recommended funding for FY 2022 for Administration – Office of the Secretary is **\$181,032**.

B. Division of Health Support System

	FY21 Original Appropriation	FY21 Amended Appropriation	FY22 Executive Recommendation	FY22 Committee Recommendation
Personnel	145,104	145,104	151,136	151,136
Travel	8,315	8,315	15,000	8,315
Contract	45,000	45,000	45,000	45,000
OCE	26,701	26,701	36,701	36,701
Fixed Assets	-0-	-0-	-0-	-0-
Total	225,120	225,120	247,837	241,152
Employees	7		7	7

Personnel: Your Committee notes that the increase in personnel reflects the PSS salary increases for the employees of the Division.

OCE: Your Committee notes that the increase in OCE is for pathology laboratory technology and supplies to build up the current system, and finds the request is justified and recommends funding the requested increase in OCE.

Your Committee's recommended funding for FY 2022 for the Division of Health Support System is **\$241,152**.

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C. Division of Environmental Health Services

	FY21 Original Appropriation	FY21 Amended Appropriation	FY22 Executive Recommendation	FY22 Committee Recommendation
Personnel	369,293	369,293	388,276	388,276
Travel	11,400	11,400	19,000	11,400
Contract	48,000	48,000	48,000	48,000
OCE	29,700	29,700	67,470	67,470
Fixed Assets	-0-	-0-	-0-	-0-
Total	458,393	458,393	522,746	515,146
Employees	23		23	23

Personnel: Your Committee notes that the increase in personnel reflects the PSS salary increases for the employees of the Division.

OCE: Your Committee notes that the increase in OCE for this Division is primarily for fuel, inspection activities, laboratory reagents, and sampling analysis. According to witness testimony, these items were previously funded under CIP, but funding has now migrated to the Department operations budget. Your Committee finds these requests justified and necessary in order to build a track record for FSM inspection capabilities and capacity building, and recommends funding the requested increase in OCE.

Your Committee's recommended funding for FY 2022 for the Division of Environmental Health Services is **\$515,146**

D. Gender Development Unit

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	FY21 Original Appropriation	FY21 Amended Appropriation	FY22 Executive Recommendation	FY22 Committee Recommendation
Personnel	22,724	49,498	26,917	54,977
Travel	8,700	8,700	12,500	8,700
Contract	10,000	10,000	10,000	10,000
OCE	30,000	30,000	30,000	30,000
Fixed Assets	3,000	3,000	-0-	-0-
Total	74,424	101,198	79,417	103,677
Employees	1	2	1	2

Personnel: Your Committee notes that the increase in personnel reflects the PSS salary increases, and the addition of a new Assistant Secretary of Social Affairs, to be placed in this Unit. The position was approved in a FY 2021 supplemental, but is missing from the FY22 Executive Recommendation as the position was created and approved after the Budget Book had been submitted to Congress.

Your Committee's recommended funding for FY 2022 for the Gender Development Unit is \$103,677.

E. Sport and Youth Unit

	FY21 Original Appropriation	FY21 Amended Appropriation	FY22 Executive Recommendation	FY22 Committee Recommendation
Personnel	45,941	49,941	48,134	48,134
Travel	3,450	3,450	5,750	3,450
Contract	8,015	8,015	2,340	2,340
OCE	6,750	6,750	18,425	6,750
Fixed Assets	-0-	-0-	-0-	-0-
Total	64,156	64,156	74,649	60,674
Employees	2		2	2

Personnel: Your Committee notes that the increase in personnel reflects the increase for PSS salary.

OCE: Your Committee does not recommend an increase in OCE funding for this Unit, and looks forward to receiving a breakdown of current

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grant funding and achievables before considering any additional funding.

Your Committee's recommended funding for FY 2022 for the Sport and Youth Unit is **\$60,674**.

DEPARTMENT OF HEALTH AND SOCIAL AFFAIRS: TOTAL OPERATIONS

	FY22 Executive Recommendation (Domestic Revenue)	FY22 Committee Recommendation (Domestic Revenue)	FY22 Federal Program and Foreign Assistance	FY22 TOTAL OPERATIONS (Domestic Revenue + Federal Programs and Foreign Assistance)
Personnel	756,793	768,853	1,388,580	2,157,433
Travel	72,111	46,265	1,601,417	1,647,682
Contract	124,942	124,942	1,778,171	1,903,113
OCE	173,296	161,621	939,230	1,100,851
Fixed Assets	-0-	-0-	225,135	225,135
Total	1,127,142	1,101,681	5,932,533	7,034,214
Employees	36	37	50	87

I. Office of the National Archives, Culture and Historic Preservation

Your Committee notes that the following table reflects amounts for the Office of the National Archives, Culture and Historic Preservation where the funding source is domestic revenue. In addition to the \$242,461 recommended by the Executive and subject to Congress approval, the Office also intends to receive \$232,097 from US Federal Programs and other Foreign Assistance, broken down as follows: \$9,640 for Personnel; \$44,443 for Travel; \$151,946 for Contractual Services; \$26,068 for OCE; and \$-0- for Fixed Assets. These amounts are included in the final table of this section.

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	FY21 Original Appropriation	FY21 Amended Appropriation	FY22 Executive Recommendation	FY22 Committee Recommendation
Personnel	138,018	180,782	187,478	215,538
Travel	10,672	10,672	19,269	10,672
Contract	15,425	15,425	15,425	15,425
OCE	20,289	20,289	20,289	20,289
Fixed Assets	-0-	-0-	-0-	-0-
Total	184,404	227,168	242,461	261,924
Employees	7		7	8

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Personnel: Your Committee notes that the increase in personnel reflects the PSS salary increase, and an increase in the Director's salary that was already approved in a FY 2021 supplemental; your Committee notes that the advanced academic degree of the Director is reflected in this salary level. Additionally, testimony at the hearing indicted that the Office has no position for an Assistant Director, which would be greatly appreciated to assist with the work of the Office and representing the Office and the FSM internationally. Your Committee finds the position would help elevate the work of the Office and recommends approving the new position.

Your Committee's recommended domestic funding for FY 2022 for the Office of National Archives, Culture and Historic Preservation is \$261,924.

**OFFICE OF NATIONAL ARCHIVES, CULTURE AND HISTORIC PRESERVATION:
TOTAL OPERATIONS**

	FY22 Executive Recommendation (Domestic Revenue)	FY22 Committee Recommendation (Domestic Revenue)	FY22 Federal Program and Foreign Assistance	FY22 TOTAL OPERATIONS (Domestic Revenue + Federal Programs and Foreign Assistance)
Personnel	187,478	215,538	9,640	225,178
Travel	19,269	10,672	44,443	55,115
Contract	15,425	15,425	151,946	167,371
OCE	20,289	20,289	26,068	46,357
Fixed Assets	-0-	-0-	-0-	-0-
Total	242,461	261,924	232,097	494,021
Employees	7	8	0	8

II. Grants, Subsidies and Contributions

The funding source for all amounts recommended by your Committee under this section is domestic revenue. Your Committee recommends funding Grants, Subsidies and Contributions in the amount listed in

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the table below.

GRANTS, SUBSIDIES & CONTRIBUTIONS	FY21 Original Appropriation	FY21 Amended Appropriation	FY22 Executive Recommendation	FY22 Committee Recommendation
Department of Health and Social Affairs				
UNFPA	3,000	3,000	3,000	3,000
WHO	4,780	4,780	4,780	4,780
PIHOA	20,000	20,000	20,000	20,000
Assoc. of Territorial Health	4,000	4,000	4,000	4,000
Nurse/Medical Licensing	60,000	60,000	60,000	60,000
FSM Red Cross	70,000	70,000	70,000	70,000
UNICEF Vaccine & TB Drugs	50,000	50,000	50,000	50,000
UN-FSM Women	1,000	1,000	1,000	1,000
Drug Quality Testing	3,000	3,000	3,000	3,000
Therapeutics & Standards Committee	35,000	35,000	35,000	35,000
Office of National Archives, Culture and Historic Preservation				
UNESCO	4,000	4,000	4,000	4,000
NCSHPO	2,760	2,760	2,760	2,760
PARBICA	100	100	100	100
PIALA	100	100	100	100
WHC	54	54	54	54
Library Fee	50	50	50	50
Other Grants, Subsidies and Contribution				
FSM Social Security	1,000,000	1,000,000	1,000,000	1,000,000
MiCare	500,000	580,000	-0-	-0-
TOTAL	1,757,844	1,837,844	1,257,844	1,257,844

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Capital and Human Resource Development

The funding source for all amounts recommended by your Committee under this section is domestic revenue. Your Committee recommends funding Capital and Human Resources Development in the amount listed in the table below.

CAPITAL AND HUMAN RESOURCE DEVELOPMENT	FY21 Original Appropriation	FY21 Amended Appropriation	FY22 Executive Recommendation	FY22 Committee Recommendation
Department of Health and Social Affairs				
Pathologist	105,000	105,000	105,000	105,000
Medical Specialist Team	195,000	195,000	195,000	195,000
MOE – BHWP Med	22,200	22,200	22,200	22,200
Electronic Health Rec. System	35,000	35,000	35,000	35,000
Youth in Sports	50,000	50,000	50,000	50,000
Rheumatic Heart	120,000	120,000	120,000	120,000
FSM Vector Surveillance & Control	50,000	50,000	50,000	50,000
IHR Core Capacity	50,000	50,000	50,000	50,000
TOTAL	627,200	627,200	627,200	627,200

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CONCLUSION

Your Committee on Health and Social Affairs has reviewed the proposed Fiscal Year 2022 budget for those portions of the budget under its jurisdiction, and carefully scrutinized all of the information provided in the Budget Book and the Department of Health and Social Affairs and the Office of National Archives, Culture, and Historic Preservation, including information related to Grants, Subsidies and Contributions and Capital and Human Resource Development under the jurisdiction of your Committee.

Based on the information provided and its deliberations, your Committee recommends appropriations in the sums set forth above in the columns titled "FY22 Committee Recommendation," subject to the availability of funds and concurrence of your Committee on Ways and Means.

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Respectfully submitted,

Ferny S. Perman, chairman

Tiwiter Aritos, vice chairman

Florencio S. Harper, member

Derensio S. Konman, member

Esmond B. Moses, member

Aren B. Palik, member

Joseph U. Urusemal, member