ELEVENTH LEGISLATURE OF THE STATE OF YAP
PO Box 39
Colonia, State of Yap
Federated States of Micronesia
Telephone: (691) 350-2400/1 | Fax: (691) 350-4106 | E-Mail Address: yaplegis@gmail.com

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August 13, 2026

Standing Comm. Report No. 11-230
Re: Bill No. 11-234

adopted 8/13/26

The Honorable Nicholas Figirlaarwon
Speaker
Eleventh Legislature of the State of Yap
Fourth Regular Session, 2026

Dear Mr. Speaker:

Your Committee on Finance, to which was referred Bill No. 11-234, entitled,

> "A BILL FOR AN ACT TO AMEND YAP STATE LAW NO. 11-179, BY AMENDING THE TITLE AND SECTION 1 THEREIN TO APPROPRIATE AN ADDITIONAL $403,000 FROM THE SPECIAL REVENUE FUND OF THE STATE OF YAP FOR THE PURPOSE OF PROVIDING FUNDING TO FUND THE SPECIAL EDUCATION PROGRAM IN THE DEPARTMENT OF EDUCATION, AND FOR OTHER PURPOSES.",

beg leave to report as follows:

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

On August 1, 2026, the Governor transmitted his request to the Legislature for appropriation of additional funds for Special Education Program. The communication was designated as Gov. Comm. No. 11-598 and assigned to your Committee for handling. The transmittal contained two allotments for the 2nd and 3rd Quarters of the grant award, in the amount of $313,000 and $90,000, respectively. The referenced Grant Nos. H027A250005 and H027A250005-25A are also for the performance period of July 1, 2025 to September 30, 2026.

On Friday, August 7, 2026, your Committee held a public hearing on the communication with financial personnel from the Department of Education, including the Director. Chief of Finance and staff from the Office of Budget were also present at the hearing. The discussion clarified that the request is for additional funding for the grant award previously appropriated in Yap State Law No. 11-179. Your Committee notes a few concerns regarding this particular program:

1. The delay of the allotments in processing the program funds in the State should be addressed with the National Governor Department of Education to ensure more efficiency. Advice No. 520Y26014 for $313,000 was issued in February 27, 2026, and Advice No. 520Y26017 was issued on May 4, 2026 - months of delay.

2. The funding previously appropriated for this particular grant had not been expended or even obligated. With the appropriation of this current request, the total for the whole grant to be used would be $663,000, with less than two months left before the expiration reflected on the allotments (September 30, 2026). The appropriation does not have any extension attached address this problem. Your Committee recommends that appropriate staff at Education follow up on any extensions immediately to allow extension of any appropriations that may need them before the lapse date.
3. As with the Special Education program grants over the years, the funding period overlaps, with this funding for FY2026 and anticipated submission of FY2027 before a quarter of FY2026 funding has been expended. The fiscal/budget officers should work on keeping very close records of the funds to ensure the State does not violate any grant conditions and donor restrictions.

In today's session, Bill No. 11-234 is introduced by Floor Leader Terrence R. Fong, by request and also assigned to this Committee.

Your Committee is in accord with the intent and purpose of Bill No. 11-234 and recommends passage on first and final reading in its original form.

Respectfully submitted,

Pius Taimeisei - Chairman — Date 8/13/26

Anne-Marie Laamar - Vice Chairman — Date 8/13/26

Ted Rutun - Member — Date 8/13/26