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September 24, 2026

Standing Comm. Report No. 11-246
Re: Bill No. 11-252

adopted
9/24/26

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. 11-252, entitled,

> "A BILL FOR AN ACT TO AMEND YAP STATE LAW NO. 11-192, FY2027 BUDGET, BY AMENDING THE TITLE AND SECTION 1 FOR THE PURPOSE OF APPROPRIATING AN ADDITIONAL AMOUNT OF $106,725 FROM THE YAP STATE FISCAL YEAR 2027 FINANCIAL ESTIMATES IN GENERAL FUND FOR THE PURPOSE OF PROVIDING SUPPLEMENTAL FUNDING FOR GOVERNMENT OPERATIONS AND PROGRAMS DURING FISCAL YEAR 2027, AND FOR OTHER PURPOSES.",

beg leave to report as follows:

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

On September 22, 2026, Governor Itimai transmitted his Fiscal Year 2027 Supplemental Budget Request to Speaker Figirlaarwon. The total amount for the supplement request is $106,725, as recommended by EBRC for three offices.

1. **Yap State Court** - $37,060 is proposed and recommended.
2. **Office of Planning and Budget** - $64,215 is proposed and recommended.
3. **Office of Administrative Services** - $5,450 is proposed and recommended.

The request is designated as Governor's Communication No. 11-618 and assigned to your Committee on Finance. In today's session, Floor Leader Terrence Fong is also introducing Bill No. 11-252 for this request, and it is also assigned to your Committee.

Your Committee, in the interest of time, had advanced knowledge of the requested supplements and already reviewed the items listed. Therefore, there would not be a need to conduct public hearing on the subject matter, and your Committee is prepared to consider and make recommendations based on the previous discussions and the communication.

1. Yap State Court - $37,060:

Under the Compact funding for the FY2027 Budget, this Legislature had already approved, under Public Sector grant, the budget for the State Court's Legal Counsel's salary. The Court had been using this grant to contract the attorney to conduct appropriate and applicable training for the Yap State Court judges and staff as part of its capacity building. In the recent consideration by JEMCO in August, your Committee became aware that JEMCO would not concur to this year's use of such funding. With the State Court need still prevailing, your Committee recommends approval of this appropriation under local revenue in the General Fund.

2. Office of Planning and Budget - $64,215:

The request would be for additional funding of $19,215 for a planned new position of Disaster Coordinating Officer ($17,326 for base, $1,559 for fringe, and $329 for health insurance). The current EOC Coordinator would be renamed as Disaster Coordinating Assistant and the approved current salary would be maintained. The remaining part of the request for $45,000 would be purchase if a new, sturdy vehicle to support the new duties and projects under the Disaster Coordination efforts of OPB.

3. Office of Administrative Services - $5,450:

The additional funding would supplement the already approved amount of the Archivist salary. The contract has already been executed before the approval of the currently reduced funding level, and therefore would need to be supplemented to meet the needs of the office.

Technical Corrections:

During your Committee's review of the supplemental request and considering the original appropriation law for the FY2027 Budget under General Fund (YSL No. 11-192), there are noted omissions from the bill and inadvertent errors that were reflected therein.

A. The Office of the Public Auditor approved amount contained an error in the law. While the Legislature approved their specific line item budget under SCR No. 11-236, the total amount was not calculated properly. The items would add to $285,129, which is a difference of $50,512 to the amount of $234,617 in the current law. An amendment would be needed to correct this error.

B. On September 19, 2026, Bill No. 11-246 was introduced to amend Section 2 of YSL No. 11-192. Your Committee would file Bill No. 11-246 and move those corrections to Bill No. 11-252. The bill, introduced by Pius Talimeisei, contained technical adjustments to conditions and restrictions of the FY2027 appropriation.

    1. The provision for amended Compact funding would be removed as it would serve no purpose in a bill appropriating the General Fund budget.
    2. There would be a provision for Yap Visitor's Bureau to be allowed a "pass-through" budget, as previously recommended by the OAS Financial Advisor and concurred by the Legislature.
    3. Specific restrictions for Yap Day Celebration funds would be included

under this section.

4. Provision for prohibiting reprogramming of Personnel funds would be specified, consistent with the Yap State Budget Act.
5. Provision for restricting the reprogramming of Fixed Assets would be included, consistent with your Committee budget policy.

Therefore, your Committee recommends the following changes to Bill No. 11-252:

1. Title, line 3 - delete "106,725" and replace with "157,237".
2. Title, line 6 - after "2027," insert "by amending Section 2 for the purpose of clarifying conditions therein".
3. Page 1, line 3 - delete "13,066,557" and replace with "13,117,069".
4. Page 1, line 11 - delete "13,066,557" and replace with "13,117,069".
5. Page 2, line 1 - delete "10,967,841" and replace with "11,018,353".
6. Page 3, line 19 - delete "234,617" and replace with "285,129".
7. Page 5, between lines 3 and 4 - insert the following:

"Section 3. Section 2 of Yap State Law No. 11-192 is hereby amended to read as follows:

'Section 2. Conditions and Restrictions.

(1) Funds herein appropriated under the Amended Compact shall not be available for obligation for their planned uses by the respective agencies until the respective grants have been awarded and the respective cash amounts have been drawn down by the State and are deposited in their respective State accounts and available for disbursement.

(1)(2)Lump-sum budget amounts shall not be advanced to any agency at the beginning of the fiscal year. Memorandum of agreement (MOA) or other forms of agreement the purpose of which is to obligate and disburse to a respective agency its annual budget as approved herein, including reimbursements to such agencies for payments for expenditures under their respective budget, is prohibited. All funds appropriated by this Act shall be maintained under the authority of the Director of the Office of Administrative Services; PROVIDED the Director may advance to such agencies specified and established by statute with financial authority to administer and manage funds in accordance with applicable laws, and are further required to report to the Director on status of the funds:

(a) Yap Visitors' Bureau.

(2)(3)Funds herein appropriated shall be allotted only on a quarterly basis, except where it is essential for the effective and efficient performance of the duties and responsibilities of an agency to allot certain lump-sum amounts at the beginning of the fiscal year such as for the purchase of fixed assets and for contractual services. The funds appropriated herein for Yap Day Celebration shall not be allotted until January 31,2027 and only upon a showing to the Governor that the plans, specific budget and program are complete.

(3) Funds appropriated herein for personnel shall not be

reprogrammed for other uses.

(4) Funding for Fixed Assets may only be reprogrammed after July 31, 2027."

8. Page 5, line 4 - delete "2" and replace with "3".

With the above adjustments, your Committee is in accord with the intent and purpose of Bill No. 11-252 and recommends passage on first and final reading in the form attached hereto as Bill No. 11-252, D1.

Respectfully submitted,

Pius Talimeisei - Chairman — 9/24/26 Date

Anne-Marie Laamar - Vice Chairman — Date

Ted Rutun - Member — 9/24/26 Date