

Governor's 2016 Message to the Legislature
March 9, 2017

We pay due honor to the omnipresence of our divine creator. Our respects to the traditional leadership of Pohnpei, the Nahmwarki and Nahnken of all Pohnpei traditional kingdoms. We recognize their spouses. Our respects to the President of this nation, His Excellency Peter M. Christian and all leaders from the National Government. Our respects to Pohnpei Legislature Speaker the Honorable Fernando Scaliem, Vice Speaker Nixon Soram and Floor Leader McGarry Miguel. We recognize also the Pohnpei Chief Justice Benjamin Rodriguez and all associate justices. Our respects to Lt. Governor the Honorable Reed Oliver and all local chief executives. My special recognition to members of my family, most especially first Lady Linda Peterson.

At this juncture, please allow me to extend our respects and appreciation for the presence of our dear friends, the members of the diplomatic corp. As well, we recognize the presence of other FSM National Government officials and heads of national agencies and institutions.

Special respects to members of our Cabinet and everyone present in the gallery today.

According to Article 9, Section 9 of the Pohnpei Constitution, "The Governor shall report to the Legislature at the beginning of each regular session in January on the condition of Pohnpei, and he may do so at other times." In compliance with this constitutional mandate, I appear before the 9th Legislature and the people of Pohnpei to present my report on the state of our Government during fiscal year 2016. This report is also in line with our Strategic Development Plan. A more comprehensive report may be available by request.

This administration began with an administrative reorganization. This important task placed unnecessary delays on our appointment of new Cabinet members. Through partnership with the Legislature, both tasks were completed successfully.

Department of Education

Through collaboration between the new Director of Education and Department chiefs and staff, a lot of successes were made possible. In the process some shortcoming were also identified. School year 2015-2016, was a challenging year due to the transition between administrations. The transition period coincided with the transition of all Department personnel to personal service contracts. Mr. Speaker, I will summarize the achievements and challenges of the Department in parts.

A. Education Impact

Background:

- Total student population (from ECE to high school) – 10,565
- Public elementary schools – 31
- Public high schools – 3
- Private schools - 6

ECE Schools – Student Performance:

- Total ECE student population – 675

- Completed all classroom and medical requirements, and transferred to first grade – 511
- ECE program completed training programs for parents and volunteers who support the program
- Assisted with fund raising activities, motorcade displays, and Cultural Day celebrations

Elementary Schools – Student Performance

- Total elementary school student population – 6,553
- Completed all requirements – 6,433
- Completed 8th grade and enrolled as high school freshmen – 671
- Did not complete 8th grade – 144
- Assessment tools used for 3rd, 5th and 7th graders – Standard Based Assessment (SBA) and National Minimum Competency Test (NMCT)
 - A total of 726 third grade students took both tests. 30% passed SBA and 27% passed NMCT
 - This is one area that needs improvement during next school year

High Schools – Student Performance

- Total high school student population – 2,572
- Completed all requirements – 517
- Enrolled in secondary education – 521
 - Degree bound students – 124
 - Remedial course takers – 326
- Did not enroll at any secondary institution – 71
- Received academic excellence during high school (or 4.0 GPA) – 252
- Received 3.5 GPA or above during high school – 484

Vocational Education – Student Performance

- Total vocational education school population – 413
- Majoring in Trade and Industry – 27%
- Majoring in Business – 52%
- Majoring in Home Arts – 7%
- Number of teachers with certification – 30
- Number of teachers working toward certification – 9
- WD&ST Program
 - Total number of students enrolled – 53
 - Number of students who completed requirements – 48
 - Number of students placed in workforce – 7
- Total amount allocated for Student Scholarship Program - \$255,659
 - Total number of students who applied – 153
 - Total scholarships awarded – 95
 - Scholarship recipients who completed college education this term – 19
 - College completers majored in Law, Health Career, Education, Engineering, Business and Computer Sciences.

Private Schools

- Number of chartered private schools – 6
 - Calvary Christian School total enrollment - 269 from Pohnpei, 13 FSM citizens and 48 non FSM citizens

- OHWA – 90 from Pohnpei, 1 FSM citizen and none are non FSM citizens
- Our Lady of Mercy Catholic High School – 122 from Pohnpei, 8 FSM citizens and 1 non FSM citizen
- Pohnpei Catholic School – 248 from Pohnpei, 44 FSM citizens and 19 non FSM citizens
- Seventh-Day Adventist School – 255 from Pohnpei, 22 FSM citizens and 43 non FSM citizens.
- Saint Paul -37 from Pohnpei, 3 FSM citizens and 2 non FSM citizens
- It is important to note that the state discontinued providing aid to non public schools

Teacher Performance

- Total number of teachers – 496
- Associate degree holders – 348
- Bachelor’s degree holders – 90
- Master’s degree holders – 23
- Teachers working towards a degree – 23
- Teachers with teaching certification – 348

Curriculum

- The state’s curriculum standards cover the subjects of Science, Math, Social Studies and Pohnpei Studies
- There are ongoing training for teachers on the state curriculum standards
- Teaching specialists continue to train teachers on the curriculum standards, lesson planning, student assessment, accreditation standards and other ongoing development initiatives.

School Accreditation

- School accreditation standing ranks at four different levels, 1 being the lowest and 4 being the highest
- Number of schools at Level 4 – none
- Number of schools at Level 3 – 24 schools
- Number of schools at Level 2 – 10 schools
- Number of schools at Level 1 – 5
- Improvement in school management, student performance and school facilities contribute to the attainment of higher accreditation levels
- The state has adopted the accreditation system as the standard for school improvement

Achieve 3,000

- A student from Nett Elementary School has been selected to receive a prestigious award under the Achieve 3,000 program
- We would like to recognize the Department of Education and Nett Elementary School for this achievement
- Enrollees into the program includes students from the entire Micronesia region

Special Education

- Total number of students enrolled under the program – 765
- Number of students who have completed all requirements – 30
- Number of students who are enrolled at high school level – 6
- Number of students who are placed in the workforce – 5

TRIO Programs (through the College of Micronesia-FSM)

- Upward Bound Program, servicing 100 students
- The Talent Search Program, servicing 284 high school students
- GEAR-UP program servicing 177 students

At this point we would like to recognize our partners who added value to our efforts. Please allow me to recognize the Pacific Resources for Education and Learning (PREL), Mid-continent Research for Education and Learning (MCREL), Peace Corps Micronesia, World Tech and the College of Micronesia-FSM

B. Economic Impact

Total Operation Budget for FY 2016 was \$10.16 m:

- Compact Sector Funding - \$7.01 m
- Supplemental Education Grant - \$2.9 m
- Special Education - \$ 1 m

Budget Allocations:

- High Schools - \$2.3 m
- Primary Schools - \$4.2 m
- Early Childhood Education - \$1.4 m
- Special Education - \$1 m
- Administrative Services - \$812,436
- Specialized Programs – \$383,134

Seventy percent of the budget was spent on personnel while three percent was spent on operations.

C. Social Impact

Education continues to serve as the gateway for development on Pohnpei. The Department of Education continues to engage students in learning opportunities and activities that educate them to be law abiding citizens. We note the correlation between school dropouts, juvenile delinquencies and subsequent unemployment. The Department of Education has partnered with the Department of Health and Social Affairs and provided health screening for students. Through the efforts of Dr. Payne Perman, some students were subjected to early coronary heart disease screening as a preventive measure to prevent future complications.

D. Strategic Impact

The Pohnpei Strategic Development Plan calls for school improvement programs for our students. As part of this effort, a new school building is nearing completion at Nanpei Memorial School. We expect to have new classroom buildings constructed at Ohmine Elementary School, Sokehs Powe Elementary School, Lukop Elementary School, PICS High School, Palikir Elementary School and Madolenihmw High School. Some of these projects are at design stage while others are being prepared for bidding. The Department of Education is designing a plan to consolidate some schools to reduce the cost of service delivery. This cost-saving effort will include the evaluation of existing statues to allow for the creation of

a school fees collection scheme of offset expenses for a school lunch program, textbook acquisition, instructional technology and other student services. We note with gratitude assistance received from members of the FSM Congress, municipal governments, the embassies, families and the business community in Pohnpei.

Peace Corp volunteers are continuing efforts to the improvement of English language arts for students in the elementary schools. The volunteers and the Peace Corp Micronesia office improved library services at Pehleng Elementary School, Enipein Elementary School, Seinwar Elementary School and Temwen Elementary School. We continue to note the effectiveness of placing Peace Corp volunteers in the classrooms throughout the state. At this time, I would like to recognize all Peace Corp volunteers for their dedicated services to our people.

Department of Health and Social Services

Medical services continue to be provided at the Pohnpei State Hospital, at dispensaries and at off island referral facilities. A total of 54,100 visits were made to medical facilities throughout Pohnpei during FY 2016. This is more than 50% less than the number of visits during the previous year. Our records also indicate that the newborn count for the reporting period was 1,091.

A total of 924 non communicable disease related patients received medical attention. About 30% needed serious medical attention including surgery. The percentage of patients with diabetic conditions has not declined. A high percentage of admitted patients are also suffering of diabetes related conditions. This Administration is currently collaborating with the Ayuda Foundation to set up a patient transportation program on United Airlines using milage partially donated by government employees on official travel. While this would greatly improve travel services for patient medical referral, the source of funding for medical services for referral patients is still a challenge for all including those currently enrolled in the government medical insurance program. The current Administration is seeking a coverage scheme for the uninsured especially the fishermen and farmers. For this effort, we will continue to count on the support of the Legislature.

We are proud to mention that some new diagnostic equipment are now made available at the State Hospital and are being used by our doctors to respond to patient needs at a faster pace. A new power generator with automatic switch has been installed and is currently in operation at the State Hospital.

Our first line of defense to combat non communicable diseases continues to be proper diet and exercise. As well, we will continue to support the "Go Local" campaign to support proper diet. The State of Pohnpei is still under watch for the zika and dengue viruses. The public is advised to eliminate all breeding areas for mosquitoes.

Under the Reorganization Act of 2016, the former Division of Social Affairs is now a new division under the Department of Health and Social Services. This division continues to provide social services to senior citizens, women groups, youth groups and citizens with disabilities. The division also provides oversight for sports services. The division also oversees our student exchange program. Our records indicate that more students are taking part in our student exchange programs. For this we continue to thank the members of the diplomatic corps for facilitating these exchanges.

Environmental Protection Agency (EPA)

The protection of our flora, fauna, marine and terrestrial ecosystems and surrounding environment ensures healthy tourism, agriculture and fisheries industries. It is our duty and responsibility to take pride and protect our natural resources and heritage. This includes keeping our communities and the entire Pohnpei clean. During fiscal year 2016, the Pohnpei EPA took efforts to contribute toward the management of used oil to reduce pollution. The work of this committee is still on-going. In our recycling efforts, EPA continues to coordinate our payback scheme for aluminum cans. More than 7 million aluminum cans were collected. The collection scheme has injected \$412,076.95 into the local economy due to the sale of aluminum cans. Our ongoing water sanitation inspections revealed that about 50% percent of rivers and streams around Pohnpei are not safe for public use. The agency received more than \$100,000 Compact funding to clean up these water systems. EPA has partnered with the Department of Education to educate school children on the importance of maintaining clean community water systems. Collaboration between EPA, the Department of Public Safety, the Department of Land and the NGO's such as the Conservation Society of Pohnpei continues to serve as the coalition that enforce the state's sanitation laws and regulations.

Fisheries

Under the Reorganization Act of 2016, all marine conservation functions were transferred to the newly created Department of Resources and Develop, while marine development functions continue to remain under the Office of Fisheries and Aquaculture.

Most of the jurisdiction of Pohnpei is made up of the vast Pacific Ocean. Therefore, it is expected that a true economic development for Pohnpei can be realized with a properly managed and developed marine resource. A meaningful development must involve maximizing the economic benefits from the proper management of tuna industry activities within the jurisdiction of Pohnpei State. The Pohnpei State Office of Fisheries and Aquaculture continues to collaborate with other entities in this area of research, development and enforcement. Such entities include the College of Micronesia-FSM, the Secretariat of the Pacific Community, the FSM Department of Resources and Development, Pohnpei Department of Public Safety, the Nature Conservancy, JICA, MCT, Overseas Fishery Cooperation Foundation of Japan, the local fishermen community, market owners and the Conservation Society of Pohnpei.

During this reporting period, the Office of Fisheries and Aquaculture has seeded at least 500 trochus seedlings on the reefs of Pakin. Similar efforts are also being carried out at other islands within the jurisdiction of Pohnpei State to sustain the currently unsteady ecosystems. Efforts are in place to rehabilitate the already depleting marine resource on the reefs of Oroluk.

A site to develop a mangrove crab hatchery was identified and an expert is currently being sought. Initial funding for these efforts was provided by the Pohnpei Legislature.

Agriculture

Agriculture as one of the development sectors identified through a FSM economic summit is currently under the recently created Department of Resources and Development. The focus of training for farmers has been on new crop management techniques. There is a prevailing tendency among our local farmers to focus on traditional crop production that can generate meager incomes. The concept of mass production of stable vegetables and crops is still foreign to them. The Division of Agriculture has often been approached to provide new methods and techniques of sustaining traditional crops and livestock.

The first ever FSM Integrated Agriculture Census (IAC) coordinated by the FSM Department of Resources and Development with collaboration of Pohnpei State partners was successfully carried out and completed. The data field collection during the months of July and August were submitted for data input, analysis and reporting. The outcomes of the IAC are essential planning tools for future agriculture development planning unique for Pohnpei conditions.

The biogas system utilizing readily available pig waste to generate methane gas as a source of bio-energy is a new technology in showing promising results with great benefits. The Chinese technical counterparts at the PRC government supported Pilot Farm in Pohnlangas Madolenihmw. They constructed 5 new additional biogas systems during the year with selected pig raising families, making a total of 37 projects with different Pohnpei pig farmers since 2012. The dry-litter piggery (DLP) project was supported to help clean up polluted water resources throughout Pohnpei due to traditional wash down piggeries and to utilize the composted materials as good sources of organic fertilizer to improve the depleted soil fertility of crop lands in Pohnpei. Pohnpei EPA and partners reported impressive water quality test results in DLP converted sites in Awak, U Municipality.

The PRC supported Pilot Farm and local partners continue with the promotion of producing over 18 kinds of vegetables under canopy for all weather conditions and open field systems in the Pilot Farm and expanded to assist 3 local farmers established with their own canopy systems to produce vegetables for sale. Over 20 household level farmers are currently producing vegetables for family consumption as well as to market their excess production. In addition, the Chinese are geared to assist the improvement needs of local pig farmers, and engage with priority research needs of Pohnpei pepper production and look into options of farming mushroom in Pohnpei.

Agriculture export data of approximately 400,000 pounds recorded by FSM Quarantine during the year may not be a significant amount, interesting to note the diversity of potential agriculture export commodities (betel nut, sakau, fiber leaves, hibiscus bark, taros, yams, mangoes, bananas and vegetables) and export destinations (Guam, Hawaii, US mainland, RMI, and other FSM States).

The World Food Day was celebrated on October 14, 2016, with courteous participation of His Majesty, Wasalalpalap Isipahu, Nahnmwariki of Madolenihmw and Isonahnken Salvador Iriarte of Nett Municipality. Approximately 400 farmers and consumers participated in the event.

The Island Food Community of Pohnpei (IFCP) is another important partner of Agriculture sharing the same mission to promote production and use of locally produced food crops for the CHEEF benefits. Implementation of the D-HOPE project-One Community/Municipality, One Product beginning implementation started. Preliminary research findings shows good feasibility to produce Pohnpei flour from our own indigenous food crops namely breadfruit, taro, banana and coconut for food-security and income generation.

Tourism

A. Lududuhniap Waterfall Project – The project is under construction phase. Construction work at the site includes the following:

- Trails
- Picnic huts
- Safety signage

- Toilet facilities
- Concrete stairway
- Decks at base of waterfall

Kepirohi Waterfall - Development of the site has been planned and underway.

Sokehs Ridge and Trail – The site was cleared of overgrown vegetation on October 2016. Land survey was completed and construction of weather resistant signage is under planning stages.

Nan Madol Ruins – The Tourism Office is still maintaining daily maintenance of the Nan Madol causeway, toilet facilities, walkway trails and bridges and overall site upkeep and maintenance. Information booths and consolidated fee collection scheme has been developed.

200-Room Eco-Resort Feasibility Site Visits – Some private properties were visited as potential sites for the construction of the 200-room eco-resort. Site visits are still ongoing.

Infrastructure

During this reporting period nine non Compact projects were completed in the amount of \$526,621. The Pohnpei Jail Facility renovation is a HAFSM Project and the funds do not flow through the FSM Government. Pohnpei State has requested this project to be put on hold as it does not approve of the direction this project is taking. This is a \$3.6 million jail rather than the simple repairs and maintenance the State was anticipating. Details of this and other project are available in our annual report. We are pleased to note that our Project Management Office was established and is currently leading our infrastructure development initiatives. We thank our new PMO Manager, Mr. James Hubbard for agreeing to work with us and taking the lead role in our infrastructure development initiatives.

Department of Treasury and Administration

Mr. Speaker, we note especially the last audit findings concerning the state treasury. Internal controls were put in place to safeguard us from repeating some of these issues in the future. Through the Attorney General's Office, some high level lawsuits were filed.

We experienced some cash flow issues toward the end of FY 16. Nevertheless, we did not experience any cashless paydays nor did we fail to pay for our obligations to our partners. We reserved 20% of our operations budget to ensure that we closed FY 16 without any outstanding obligations.

During this reporting period, we received \$200,000 from the Caroline Fisheries Corporation as a shareholder. This amount doubled during FY 2017. We are thankful to CFC and look forward to ways to improve our working relationships.

All investments and savings under the name of Pohnpei State stand at \$21,218,830. The Director of Treasury and Administration is looking at other option to invest these funds.

Department of Public Safety

The protection of the public peace has always been a great expectation of any government. Given our limited means, we can expect occasions of demand for this public service to exceed our means to provide such service.

During this reporting period the following major accomplishments were noted:

- 18 officers trained in Hazardous Materials First Responders Operations
- 6 Officers attended Maritime Search and Rescue training by the USGG.
- 19 Officers and ambulance drivers completes the Emergency Medical Response Training.
- 9-1-1 EMD system completed
- Received a new pickup truck
- 3 rescued conducted

Division of Police and Security:

- Total cases reported - 1,911
- Total cases closed - 1,579
- Total cases pending - 332
- Vehicles Registrations - 5,355
- Drivers Licenses issued - 1,901

Division of Corrections and Rehabilitation:

- Total inmates - 1,760
 - FSM inmates - 23
 - Pohnpei State inmates - 1,354
 - Municipal governments inmates - 0
 - Inmates with mental disorders – 0

Division of Fish and Wildlife:

- Inspected fish markets in Kolonia, Nett, Sokehs, Kitti and Madolenihmw for 30 days and 2 nights
- Marine Protected Area (MPA) Patrol and monitoring (180 days and 14 nights):
 - MPA's at Black coral & Nahtik - 150 days and night for four months during grouper spawning season
 - Sapwitik - 6 days and 3 nights
 - Dekehos, (Mwand) – 6 days and 3 nights
 - Palipohn Depek - 4 days and 3 nights
 - Nan Wap - 4 days and 2 nights
 - Namwen Na - 4 days and 2 nights
 - Namwen Nahningi - 4 days and 1 night
 - Palikir - 2 days
- Conducted outreach awareness/outreach programs at:
 - Cross site visit conducted at Ant Atoll between 5 MPA communities with more than 10 people attend
 - 4 MPA marker delineate at Palikir Pass MPA
 - Securing the MPA's during sea cucumber harvest
- Major needs:
 - Outboard motors for 3 existing boats
 - One 40HP engine
 - Accessories for two 75HP engines

Department of Land

The following are the accomplishment by the Department of Land during FY 16:

- Residential leases – 44
- Navy leases – 19
- Clearance permit issued – 10
- Sites surveyed – 70
- Historic sites surveyed – 6
- Verification surveys to validate previous surveys – 27

Mr. Speaker, our Administration has inherited from previous administrations over 400 backlogs from Kitti and Madolenihmw alone. We have yet to realize the total number of backlogs from the other municipal jurisdictions. Backlogs refer to the pieces of land that have not been surveyed. Two teams were already dispatched to clear this backlog.

Attorney General's Office

The services of the Office of the Attorney General are highly utilized by this Administration. The following are the statistical information from the office:

- Legal advice rendered – 2,087
- Rules and regulations developed – 3
- Criminal cases – 421
- Traffic cases – 704
- Juvenile cases – 24
- Mental incompetency cases – 12
- Civil cases – 225
- Investigations – 82
- Articles of incorporation issued – 32
- Notary public commissions – 5
- Applications receiving review and clearance – 37
- Investment report reviewed – 79
- Collaboration with Police investigations – 204

The Attorney General's Office will continue efforts to support the enforcement of our state laws and regulations.

Public Affairs

Mr. Speaker, the Office of Public Affairs continues to liaise between our two branches of government. Their services include liaising with the municipal governments, the traditional leaders and providing public information. This same office liaises with our important partners such as the Peace Crop Micronesia and other development partners stationed here on Pohnpei. Detailed report of accomplishments is available in our annual report.

Election Commission

During this reporting period, our records indicate that a lot of new voters were registered. This increase may have to do with the combination of our efforts to reach out to new voters as well as the increased number of qualified voters. A total of 1,634 new voters were registered. The busiest times for this office are during elections. However, the need to maintain the master registration list is an on-going need. The new mandate from this Administration is for the election office to look into other voter management systems utilizing appropriate technologies.

Pohnpei Transportation Authority

The Pohnpei Transportation Authority (PTA) was able to complete 39 paving projects during FY16 at the total cost of \$1.6 m. Twenty-nine road paving projects were allotted to PTA and 55 contractual services for road paving projects were funded by the FSM National Government. We have been able to complete 90% of 2 road projects funded by the state government at the total cost of \$180,000 and 2 projects from the national government at the total amount of \$525,000.

All state projects were completed during FY 16 with the acquisition of several pieces of vital construction machinery during this reporting period from Japan Embassy. The pace of work has been greatly accelerated due to the acquisition of better working equipment through assistance from the state and national governments. A new asphalt plant has arrived and will be installed.

Pohnpei Housing Authority

During this reporting period, the following accomplishments were documented:

- Construction Summary: Projects Completed
 - Renovation projects completed – 32 projects; \$517,418.90
 - New constructions completed – 10 projects; \$338,000
- Financial Summary:

	2016 Collection/Disbursement	2015 C/D
○ Collection	\$719,956.55	\$627,840.96
○ New Construction	\$778,972.61	\$458,364.37

Pohnpei State Housing Authority made history in its loan collection during this reporting period by collecting \$92,115.59 more than previous fiscal year. This was made possible through concentrated efforts to meet with delinquent borrowers and coming up with payment plans.

Conclusion

To conclude this report, please allow me once again to thank the *nahnmwarkis*, *nahnkens*, *likends*, *nahnaleks* and *nahnkenieis* for your presence here today. Thank you Mr. Speaker and honorable members of the 9th Pohnpei Legislature, chief justice and all associate justices, the FSM National Government leadership and members of the diplomatic corp. My gratitude also goes out to all traditional nobles, the ecclesial communities, local governments, women and youth groups. My special greetings to the elderly, the sick and also to all the inmates serving their terms. I thank all Pohnpeians present here today as well as those on island and off island and those following up through our media sources and social communications.

The world is changing. Pohnpei too must keep up with this pace of change. As individuals, we must embrace change as the only constant in order for us to truly develop as peoples and as a state.

Kalahngan oh Kaselehlie.