

FEDERAL PROGRAMS AFFECTED BY CNMI AUSTERITY MEASURE

ISSUE: Does the Directive issued by Governor Fitial, to cut 16 working hours across the board have an impact to federal programs extended to the CNMI?

KEY POINTS:

- No
- Governor Fitial raised the issue during the Federal Regional Council's meeting that was held in San Francisco on Thursday, November 18, 2010. Seeking assistance to maintain continued functions of federal programs extended to the CNMI, the Governor asked for:
 - flexible policy in consideration of CNMI's continued decline in its revenue
 - federal agencies whose programs have been affected by the 16 hour cut to provide information on extent of the impact – non was provided
 - recommendation/suggestion to maintain federal program despite 16 hour cut
 - Some federal representatives mentioned that some federal programs allow use of lapsed funds from personnel to be used for operations, etc., to maintain program.
 - It was also mentioned that federal programs are at the discretion of the governor
- The memo issued by Governor Fitial to cut 16 hours every pay period applies to all employees under the Executive Branch including those employees who are federally funded, with some exceptions:
 - Like DEQ, those agencies with federal funds affected by the memo are expected to provide justification to be exempted from the 16 hour cut.
 - Federally funded agencies affected are also tasked to:
 - develop their plan to stagger/provide flexible working schedules for affected personnel
 - meet federal program requirement
 - maintain the 16 hour cut, and
 - find out from their federal program managers the impact in implementing the 16 hour cut

BACKGROUND:

The following are concerns raised by Federal agencies regarding the affect of Governor Fitial's austerity measures on Federal programs in the CNMI:

Department of Interior - Office of Insular Affairs:

- On December 27, 2010, Assistant Secretary Babauta wrote to Governor Fitial requesting that BTS be exempted from the austerity measure for the following reasons:
 - DLNR-FWS currently is only able to clear 35% of all incoming, high-risk flights from Guam due to schedule restrictions imposed by the austerity measures - is substantially below the Program's performance goal of 90% clearance.
 - Migration of BTS would be economically disastrous for the CNMI.
 - Given that the Guam Military Build-up will increase commercial traffic for the CNMI, every effort should be made to avoid introduction of BTS.
 - The BTS program is funded by OIA.
- On November 18, 2010, the Ombudsman's Office reported to Assistant Secretary Babauta regarding Federal programs in the CNMI that are affected by the austerity measures. The information was based on the Ombudsman following up if the reports from employees regarding austerity were correct:
 - Division of Environmental Quality received a memorandum on Monday, November 15, 2010, that it would no longer be affected by austerity measures and could return to the usual schedule including reporting to work on Fridays.
 - Other CNMI agencies that receive Federal Funds but were not exempted from the austerity measures were:
 - Coastal Resources Management
 - Department of Lands and Natural Resources
 - Department of Public Health, Medicaid or Woman and Infant Care.
 - Department of Community and Cultural Affairs from either Nutritional and Public Assistance or Office on Aging

National Park Service:

- On December 3, 2010, Dr. Stephanie Toothman, Associate Director from the National Park Service, wrote to Governor Fitial requesting that the CNMI Historic Preservation Office (HPO) be exempted in order to carry out its local and federal mandates. According to Dr. Toothman, exemptions were issued pursuant to CNMI Government Executive Order 20-11, for CNMI agencies that are involved in permitting.
 - The regulatory role of HPO was not recognized.
 - The agencies cannot issue any permit without HPO comment and approval.
 - Local and Federally-funded project permits cannot be legally issued when HPO employees are not working.
 - The HPO not being exempted could cause disruption of US Federal undertakings and loss of local revenue from construction projects.
 - On October 27, 2010, the National Park Service approved HPO's FY 2010, Historic Preservation Fund grant personnel budget, to cover wages and benefits for 80 hour work period for the duration of the austerity measures. The Historic Preservation Fund is used for salaries of the CNMI HPO employees to carry out the mandates of the National Historic Preservation Act, which include consulting with and advising Federal agencies carry out activities that would impact historic resources in CNMI.

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