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TRUST TERRITORY OF THE PACIFIC ISLANDS
OFFICE OF THE HIGH COMMISSIONER
SAIPAN, MARIANA ISLANDS 96950

CABLE ADDRESS
HICOTT SAIPAN

SEP 14 1972

The Honorable Haydn Williams
c/o Office of Status Negotiations
Office of the Secretary of Interior
Department of the Interior
Washington, D.C.

Dear Ambassador Williams:

Enclosed is an estimate of funds from agencies other than the Department of the Interior, as requested by Mr. de Graffenried in his August 23rd letter to the Director of Finance.

An attempt was made to separate funds for Marianas district programs from the total. Projections are extremely difficult since all funds are appropriated on a year-by-year basis and of course, the Trust Territory does not exercise control over the size of the grants it will receive.

We hope that this data will serve your purposes but please feel free to contact us if we may be of further assistance.

Sincerely yours,

Leo A. Falcam
Acting Deputy High Commissioner

Enclosure

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Notes on Methodology

[Date 9/14/72]

There are three broad categories of other agency funded programs which require separate treatment:

A. Ongoing Programs. These are generally operating funds for positions, administrative costs, or identifiable and fairly stable levels of services. Many of the health and education programs fall into this category. Funds for these kinds of programs are appropriated yearly but the funding level tends to be rather stable from year to year.

Grants are shown for fiscal years but many of these programs are funded for more appropriate time frames, e.g. a calendar year, a school year, a summer. The figures should be considered as amounts available in the Trust Territory during an average year.

No attempt was made to project any changes to current funding levels except in those few cases where it is known that program funding will be increased or decreased.

B. One-Time Construction Grants

These are grants for the construction of airports and dispensaries and require Trust Territory matching funds. The military's support of Civic Action Teams is also included since the Trust Territory contribution is budgeted as a capital improvement item.

The Trust Territory already has received 9 to 1 grants under the Hill Burton Act for dispensary construction. Applications have been filed with FAA for funds under the Airport and Airway Development Act of 1970. These FAA funds cover 75% of costs of airport design and construction. They are expected to be approved once Trust Territory funds become available.

Table I is a current estimate of ongoing programs included in Category A. Since most funds are granted to the Trust Territory and administered as TT-wide programs, it is not easy to identify the Marianas share. An approximation was made based on population, i.e. Marianas has about 12% of the total population and therefore receives about 12% of all grant funds. This approach understates the economic impact slightly since programs such as Peace Corps and Micronesian Legal Services have their headquarters on Saipan and the administrative staff and payrolls are somewhat larger than for a normal district operation.

There are three agencies which are missing from the table due to a lack of data available here in the Trust Territory. The agencies are the Coast Guard, the Weather Bureau, and the Post Office. All are employers of Micronesians but the data here does not separate employees and payrolls on Kwajalein from the rest of the Trust Territory. The table below was taken from the FY 1971 report to the United Nations.

| | <u>Employees</u> | <u>Payroll</u> |
|----------------|------------------|-------------------|
| Coast Guard | 23 | \$ 43,000 |
| Post Office | 27 | 161,000 |
| Weather Bureau | 41 | 104,000 |
| | <u>91</u> | <u>\$ 308,000</u> |

Table II shows the total of all Federal funds from other agencies projected through FY 1978. As stated above, no change was projected for ongoing programs except as those identified in the footnotes. Presumably, the Marianas share of ongoing programs will remain the same through FY 1978 but the construction grants will show considerable change.

The complicating factor in projecting these kinds of grant funds is the uncertainty about the availability of the required Trust Territory matching funds. The FY 74 Budget was recently reduced \$5 million below the FY 73 base. The authorization ceiling expires at the end of FY 1973 and no new legislation has yet been acted on. Planning beyond FY 1974 is all but impossible until more information is received about the future funding levels for the Trust Territory.

For this exercise, it was assumed that sufficient Trust Territory funds will be available to take advantage of FAA grants to build airports in Palau and Truk in FY 1975 and Yap in FY 1976. The number of Civic Action Teams in the Trust Territory is expected to be six in FY 74 and FY 75; five in FY 76 and FY 77; three in FY 78. No further Hill Burton funding for dispensary construction is required.

C. One-Time Grants for Disaster Relief

The Trust Territory is eligible for disaster assistance from the Office of Emergency Preparedness. After the most recent full fledged typhoon, Typhoon Amy which hit Truk in April 1972, almost \$4.5 million was made available for debris clearance and reconstruction of private and public buildings. No projection of future OEP funds can be made.

The Trust Territory also receives a number of services from the Department of Defense for which no dollar value can easily be calculated. Such services include air-sea rescue efforts, medical evacuations from remote islands, leasing of surplus ships, the sharing of weather data, etc. No funding estimates appear on the attached tables for any of these programs.

However, based on a recent report from military sources, an estimated \$585,000 was expended during FY 72 for medical evacuations, air/sea rescue missions, patrolling of territorial waters, and community relations efforts such as the "Christmas Drop."

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Table II

Projections of Total Other Agency Funded Programs
(\$ 000's)

| | <u>FY 73</u> | <u>FY 74</u> | <u>FY 75</u> | <u>FY 76</u> | <u>FY 77</u> | <u>FY 78</u> |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| A. Ongoing Programs | 8102 | 7618 | 7618 | 7618 | 7618 | 7618 |
| B. Construction Grants | | | | | | |
| 1. Hill Burton | 1500 | | | | | |
| 2. FAA - Airport Construction | | | | | | |
| a. Planning | 75 | | | | | |
| b. Palau | 160 | | | | | |
| c. Truk | 300 | | 3500 | | | |
| d. Yap | | | 300 | 3500 | | |
| e. Saipan | 5100 | | | | | |
| 3. Civic Action Teams | 2238 | 1918 | 1918 | 1600 | 1600 | 960 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total | 17475 | 9536 | 13336 | 12718 | 9218 | 8578 |
| Marianas share of Total | | | | | | |
| Ongoing Programs <u>1/</u> | 1007 | 926 | 926 | 926 | 926 | 926 |
| Civic Action Teams | 320 | 320 | 320 | | | |
| Airport Funding | 5100 | | | | | |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 6427 | 1246 | 1246 | 926 | 926 | 926 |

1/ Changes to ongoing programs are caused by the two Department of Labor programs being phased out at the end of FY 73 and a slight increase for the Marianas share of the Water Resources Study (See footnotes Table I).

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Table I

Estimate of Ongoing Programs Funded Through Agencies Other Than Interior
 FY 1973
 (\$000's)

| | <u>TT-Wide</u> | <u>Marianas</u> | <u>TT Less Marianas</u> |
|--|----------------|-----------------|-------------------------|
| <u>Department of Health, Education, and Welfare</u> | | | |
| 1. Public Health Services Act | | | |
| a. Public Health Services | 95 | 11 | 84 |
| b. Mental Health Services | 17 | 2 | 15 |
| c. Comprehensive Health Planning | 25 | 3 | 22 |
| d. Venereal Disease Control | 35 | 4 | 31 |
| e. Prevention/Control of Communicable Disease | 32 | 4 | 28 |
| 2. Alcohol Abuse/Alcoholism | 19 | 2 | 17 |
| 3. Mental Retardation | 18 | 2 | 16 |
| 4. Handicapped Children | 35 | 4 | 31 |
| 5. Vocational Rehabilitation | 65 | 8 | 57 |
| 6. Older Americans Act - 1965 TT Office of Aging | 25 | 3 | 22 |
| 7. Juvenile Delinquency Control Act - 1968 Delinquency Prevention Project | 11 | -0- | 11 |
| 8. Adult Basic Education Act - 1966 Adult Basic Education | 82 | 10 | 72 |
| 9. Higher Education Act - 1966 College Work - Study | 33 | 4 | 29 |
| 10. National Defense Education Act - 1958 | | | |
| a. National Defense Student Loan | 5 | 1 | 4 |
| b. Administration | 4 | -0- | 4 |
| c. Equipment Acquisition/Remodeling | 50 | 6 | 44 |

Estimate of Ongoing Programs Funded Through Agencies Other Than Interior
 FY 1973
 (\$'000's)

Table I

| <u>Department of Health, Education, and Welfare(cont'd)</u> | <u>TR-Wide</u> | <u>Mariannas</u> | <u>TR Less Mariannas</u> |
|---|----------------|------------------|--------------------------|
| 11. Higher Education Act - 1965 | 25 | 3 | 22 |
| Education Professions Development | | | |
| 12. Education Handicapped Act | | | |
| a. Education for the Handicapped | 80 | 10 | 70 |
| b. Training Personnel to Teach the Handicapped | 50 | 6 | 44 |
| 13. Library Services/Construction Act - 1965 | | | |
| a. Public Library Services | 58 | 7 | 51 |
| b. Public Library Construction | 22 | 3 | 19 |
| c. Inter - Library Cooperation | 10 | 1 | 9 |
| 14. Vocational Education Act - 1968 | | | |
| a. Supplementary Supplies/Equipment | 267 | 27 | 240 |
| b. Manpower Advisory Council | 32 | 4 | 28 |
| c. Film Production, MOC | 14 | -0- | 14 |
| d. Career Education Workshop | 5 | 1 | 4 |
| 15. Elementary/Secondary Education Act - 1965 | | | |
| a. Projects for disadvantaged children | 1049 | 126 | 923 |
| b. State Administration | 25 | 3 | 22 |
| c. School Library Resources, Text books, etc. | 84 | 8 | 76 |
| d. Supplementary Education Centers/Services | 196 | 24 | 172 |
| e. Title III - Administration | 50 | 6 | 44 |
| f. Title III - Pilot Projects | 35 | 4 | 31 |
| g. Strengthening State/Local Agencies | 78 | 9 | 69 |
| h. Title V, Staff Training | 12 | 1 | 11 |
| i. Bilingual Projects | 70 | -0- | 70 |
| 16. Environmental Education | 25 | 3 | 22 |

Estimate of Ongoing Programs Funded Through Agencies Other Than Interior
 FY 1973
 (\$ 000's)

Table I

| | <u>TT-Wide</u> | <u>Marianas</u> | <u>TT Less Marianas</u> |
|---|----------------|-----------------|-------------------------|
| <u>Department of Health, Education, and Welfare(cont'd)</u> | | | |
| 17. OED Programs delegated to D/HEW | | | |
| a. Foundation, People of the South Pacific | 50 | 6 | 44 |
| b. Head Start, Full Year | 192 | 115 | 77 |
| c. Head Start, Summer | 170 | -0- | 170 |
| 18. Department of Agriculture | 22 | 8 | 14 |
| Special Food Services for children | 3,172 | 439 | 2,733 |
| Sub-Total - HEW | 3,172 | 439 | 2,733 |
| <u>Department of Defense</u> | | | |
| Animal Health Services 1/ | 30 | 24 | 6 |
| <u>National Science Foundation</u> | | | |
| Sea Grant "Mariculture" | 15 | 2 | 13 |
| <u>United States Department of Agriculture</u> | | | |
| 1. USDA Donated Food Commodities | 1,255 | 20 | 1,235 |
| 2. USDA Nutrition Program | 50 | | 50 |
| Sub-Total USDA | 1,305 | 20 | 1,285 |
| <u>Peace Corps</u> | 1,014 | 122 | 892 |

Estimate of Ongoing Programs Funded Through Agencies Other Than Interior
 FY 1973
 (\$'000's)

Table I

| | <u>TT-Wide</u> | <u>Marianas</u> | <u>TT Less Marianas</u> |
|--|----------------|-----------------|-------------------------|
| <u>Office of Economic Opportunity</u> | | | |
| 1. Economic Opportunity Act - 1964 | | | |
| a. Neighborhood Youth Corps | 98 | 12 | 86 |
| b. Territorial Economic Opportunity Office | 15 | 2 | 13 |
| c. All Districts Community Action Agencies | 886 | 195 | 691 |
| d. Micronesian Legal Services Corp. | 600 | 72 | 528 |
| e. Foundation, people of the South Pacific | 125 | 15 | 110 |
| Sub-Total OEO | 1,724 | 296 | 1,428 |
| <u>Office of Emergency Preparedness</u> | | | |
| Disaster Control Planning | 25 | 3 | 22 |
| Department of Interior 2/ | | | |
| U.S. Geological Survey Water Resources Study | 25 | 5 | 20 |
| <u>Environmental Protection Agency</u> | | | |
| Training Program for Sewage Treatment Plant Operators | 80 | 10 | 70 |
| <u>Department of Labor</u> | | | |
| 1. Emergency Employment Act 3/ | 296 | 36 | 260 |
| 2. Manpower Development Training Public Service Careers 3/ | 256 | 31 | 225 |

Estimate of Ongoing Programs Funded Through Agencies Other Than Interior
 FY 1973
 (\$000's)

Table I

| | <u>TT-Wide</u> | <u>Marianas</u> | <u>TT Less Marianas</u> |
|--------------------------------------|----------------|-----------------|-------------------------|
| <u>Department of Labor (cont'd)</u> | | | |
| 3. Manpower Development/Training Act | | | |
| a. State Administration | 60 | 7 | 53 |
| b. JOBS | 18 | 2 | 16 |
| c. Institutional Training | 82 | 10 | 72 |
| Sub-Total Department of Labor | 712 | 86 | 626 |
| TOTAL | 8,102 | 1,007 | 7,095 |

- 1/ The veterinarian is stationed on Saipan so that it is estimated that 80% of the value of his services accrue to the Marianas.
- 2/ The funding of the Water Resources Study is expected to be \$87,000 in FY 1974.
- 3/ Both of these programs will end before the end of FY 1973 and are not expected to be funded in the future.