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Notes on Methodology

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.

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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 import 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
	<hr/> 91	<hr/> \$ 308,000

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.

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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.

#### G. 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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