



Department of Finance
Office of the Governor
Commonwealth of the Northern Mariana Islands
Saipan, CM 96950

CABLE ADDRESS
GOV. NMI SAIPAN

July 5, 1985

Delegate Lorenzo I. Guerrero
Chairman, Committee on Finance
and Other Matters
Second Northern Marianas
Constitutional Convention
Saipan, CM. 96950

Dear Mr. Chairman:

I am pleased to submit our comments on the following proposals:

1. Proposal 176-85. As I understand the proposal, I do not support it.

We now have over fifty (50) grants from the federal government. To establish separate bank accounts on this would cost the government more than necessary.

As it is now, we are accounting for each grant separately. Moreover, I would like to think that every grant the government received is used for the specific purpose for which it was made available.

2. Proposal 177-85. I do support the intent. The government do need a plan to liquidate its mounting deficit. The proposal will ensure eventual removable of its deficit.

Since the proposal only covers future fiscal years, I suggest that prior year deficits be liquidated within the next seven years. The deficits of prior years now stands at a little over \$13 million. To liquidate this overrun, a little over \$1.5 million must be reserved each year for seven years.

3. Proposal 186-85. I do not support the proposal. If and when Section 702 funds is allocated by project when appropriated, I will support the proposal. Since this is not the case, legislative action is necessary.
4. Proposal 204-85. I see no problem with the proposal.

5. Proposal 205-85. I fully support the proposal. I suggest that subsection (b) reads as follows:

"The Legislature, upon receipt of the estimated revenues from the Executive Branch, shall make careful, reasonable, and realistic review of the revenues..."

6. Proposal 206-85. I am indifference on the proposal.
7. Proposal 211-85. I am in support of this proposal.
8. Proposal 212-85. Under the concept of Separation of Powers, once the legislature appropriates funds to the Executive Branch, it is the duty and responsibility of the Governor to carryout the intent of the legislation.

Therefore, the Governor, in my opinion should be able to rescind or defer the budget authority. Should the Governor takes this action, the Governor is required to report to the Legislature. This type of action by the Governor is now govern under LCMC Division 7. I therefor do not support the proposal.

9. Proposal 221-85. I do not support the proposal for the following reasons:
- a. I do think this issue has been addressed sufficiently under LCMC Division 7.
 - b. To go down to the level of item in an appropriation defeats the principle of flexibility in a budget. A budget is supposed to be flexible to meet any change in operation or in the delivery of public service.

Example: Should a department have lapse personnel budget, the director must have the capability to move the personnel lapse fund to other item(s) within his department.
 - c. This proposal, in my opinion, will retard the delivery of pulic service; wherein, every little need must be approved by the legislature.

d. I do think this is covered also under
Article X, Section 4 of the Constitution.

I thank you for this opportunity.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tomas B. Aldan". The signature is written in black ink and is positioned above the typed name and title.

Tomas B. Aldan
Director of Finance