



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

CABLE ADDRESS  
GOV. NMI SAIPAN

July 09, 1985

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

Dear Mr. Chairman:

The following is our comment on the various proposals:

Proposal No. 244-85

Since emergency powers is provided under the Constitution, its definition should be clear. Power, Public Safety, and Health should be made a part of the definition.

Power: Without power, foods will be spoiled - hardship will confront the populace - water will not run.

Health: Treatment of sickness should be paramount in our interest. Lack of funds to provide medicines, referral of our sickness to competent hospital and other health clinics must be immediately addressed.

Public Safety: Lack of police enforcement will induce local and other citizens unrestricted violence, and other invasion of life and the pursuit of happiness. Of course natural disaster and other disaster that may besiege us without warning or through no fault of ours.

I do not agree that such should be concurred or defined by the Legislature. Possibly the Legislature should review the calamity if and when it exceeded 30 days. This is reasonable assurance that the Governor is not abusing its Constitutional power. Anything more is unnecessary.

In case of emergency, the Governor should not have to wait for the Legislature to approve or concur. Another area which may be of interest is: Should the mobilized funds be returned to the original source? If so, when and how long should the government repay it.

Proposal No. 245-85

I do not support this to be in the Constitution. What is government sponsored travel:

How about autonomous agencies?

How about federally funded program travel?

How about budget hearings?

How about other essential and necessary travel?

How about medical referral?

How about legislators important travel?

Sure, other travels not including the above. But should this be regulated by the Constitution? I do think not.

Proposal No. 264-85

I think it is premature to provide limitation without knowing what is actually needed. Question such as the following should be addressed?

Are we now using the funds available in the best interest of our people?

What is the effect when the limit is set?

What is our plan for any excess?

How do we liquidate our deficit?

Is the present level of funding sufficient to provide efficient and effective delivery of public service?

The best approach to cutting government cost is to identify areas or activities where abuse is found. Management and performance audit is necessary to acquire this information.

When can we privatized?

Is the legislative funding excessive?

I urge for a recommendation to the Public Auditor to perform the necessary review of our government or establish a Task Force.

Proposal No. 265-85

One way of approaching the desired result is to provide for a shorter Continuing Resolution funding level should an appropriation is not enacted.

It is not clear how the 5% should be applied. Would it be restored if and when a budget is passed? I don't think the proposal is sufficient safeguard or compliance requirement to ensure the passage of a budget.

1 CMC, Division 7, requires that a budget be passed 30 days before the start of a new fiscal year.

Let's imagine that a budget is not passed at all. How would we treat the following issues:

How would the allotment process be handled?

Would it be true that in 10 months the Legislature would be lose 50% of its budget?

If after the 10 months is up, would the previous payments be invalidated?

The best approach to ensure that a budget is approved is when everything closes down when continuing resolution period ends.

Proposal No. 268-85

I do support the intend of the proposal.

Care must be exercised so as not to hamper government operation. The following concerns must be addressed:

What is public debt? Does it include liabilities to other government agencies, e.g., Retirement and EDLF?

Can or should we retire prior year debt in 5 years?

Do we have enough resources to do it?

What public service will be affected.

I suggest that we consider such limitations and time-frame:

Retirement fund debt should not be included.

Monies used under emergency declaration should also be excluded.

Set the amortization period for retirement of public debt to coincide with the Covenant fund new deal.

Proposal No. 277-85

Not bad. I just wonder whether we need concurrence from Feds.

Proposal No. 271-85

Too encompassing! what are we to do if the hospital runs out of funds? I can see the logic if it is the Dept. of Finance.

Proposal No. 283-85

I do not support any law which tend to promote separation. If we consider equality, I suggest 1/16 for Tinian and 1/16 for Rota and 14/16 for Saipan. If we consider need, everything should go to the operation of the Health Centers. We should not identify percentage.

I do not support the proposal.

Proposal No. 285-85

How about Saipan. Why don't we just allocate base on the distribution and not consider need.

I do not support the proposal.

Proposal No. 292-85

I recommend we add except on emergency need. Example: What if a fire or typhoon destroys a public building, like a school, power, health? All available CIP's should be mobilize to cope with the situation.

Proposal No. 303-85

I recommend that the Legislature shall pass within sixty (60) days after approval of the Constitution a Uniform Fiscal Management Policy for all branches of government, including autonomous agencies and public corporations.

I fully support the intent.

Proposal No. 313-85

I do not understand the proposal. Government should invest in businesses who keeps their profits on islands.

Sincerely,



Tomas B. Aldan  
Director of Finance

For: