



Legislative Bureau

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P.O. BOX 586
SAIPAN, MP 96950

DIRECTOR	(670) 664-5643
ADMINISTRATIVE OFFICER	(670) 664-1341
ADMINISTRATIVE ASSISTANT	(670) 664-0992
CLERKS:	
HOUSE	(670) 664-5659
SENATE	(670) 664-5103

LEGAL COUNSEL:	
HOUSE	(670) 664-4338
	(670) 664-0991
SENATE	(670) 664-5104
LEGISLATIVE ASSISTANTS:	
HOUSE	(670) 664-0992
SENATE	(670) 664-5103
FAX	(670) 322-0993

June 20, 1995

Mr. Tomas B. Aldan
Chairman
Committee on the Legislative Branch and Public Finance
Third Northern Mariana Islands Constitutional Convention
Legislature Building
Capitol Hill
Saipan, MP 96950

Dear Mr. Aldan:

Thank you for the opportunity to present testimony on the proposed amendments to Article II (Legislative Branch) of the CNMI Constitution. Although the scope of the proposals include restructuring the composition of the Legislature, I will limit my comments to those changes which may directly affect the Legislative Bureau (LB), particularly with respect to changes in the legislative budget.

The Legislature and Legislative Bureau presently are provided annual budgets of \$2.8 and \$0.8 million respectively, or a total of \$3.6 million. The salaries (\$39,300 PA, PL7-31) and benefits (estimated at 23% of the annual salary) of the Legislators are funded separately. An approximate annual figure for this expense is \$1.3 million. All salaries, benefits and operational expenses of the Legislative Bureau are included in its \$800,000 ceiling. Therefore the total overall annual budget for the Legislature is presently about \$4.8 to \$5 million, depending on the amount of individual benefits paid to the respective legislators.

The proposed amendment would limit the legislative budget to 2% of the Commonwealth's annual revenue collections. Based on the actual collections for FY 94, this amount would be 2% of \$140 million, or \$2.8 million, a reduction of 44%. If projected collections for FY 95 keep up with the anticipated budget of \$190 million, the Legislature would be provided with about \$3.8 million, or a reduction of 25%.

There is no mention of the Legislative Bureau in the amendments cited in the Notice of Public Hearing but there is a reference to professional staff. I am assuming that "professional staff" is where the present budget of the Legislative Bureau will apply, assuming the continued existence of the LB.

Many variables appear to come into play when attempting to determine what the future budget of the Legislative Bureau may be, since the LB budget would be based on 1/2 of the remainder after taking out the legislators' salaries. How many legislators will there be? Will the salaries be fixed or adjusted at the pleasure of each legislature?

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The following table summarizes the possible budgets of the LB based on the proposed amendment:

FY	Collected Amount (\$Million)	No. of Legislators	Salary	Total Salary and Benefits (Est. @ 23%)	LB Budget
94	140	27	\$39,300	\$1,305,153	\$747,424
94	140	19	\$39,300	\$918,441	\$940,780
95	190	27	\$39,300	\$1,305,153	\$1,247,424
95	190	19	\$39,300	\$918,441	\$1,440,779

Unless the proposed amendments are adopted by the Convention, presented to the people and ratified as one unit, the size of the Legislature and the legislative budget may be amended independently.

Using the formula:

$$\text{LB Budget} = (\text{Legislative Budget} - \text{Legislators Salaries and Benefits})/2$$

as it is applied to the above table, it appears that the LB will be provided with a greater budget if the legislature is reduced to fewer members. This does not make sense, so either the changes in the legislative budget and composition must be approved concurrently, or the budget of the Legislative Bureau should be based on some other rationale. Either way, I believe the budgetary needs of the Legislative Bureau should be considered.

Please refer to the attached spreadsheet (Exhibit 1) summarizing the expenditures of the Legislative Bureau (Finance account no. 1770) from Fiscal Year 1991 to date. The LB Personnel expenses have been projected for the entire FY 95, while operations report only the actual requested expenditures to date. The \$49,437.56 for Supplies and Operations in FY 94 reflects approximately \$30,000 in lapsed FY 94 salaries were expended in September 94 for supplies and operations to be utilized during FY 95 (paper, office supplies etc.) This lapsed amount will not be available for FY96 and may financially limit the LB's 1996 operations.

The Legislative Bureau could ideally use a \$2 million annual budget. This \$2 million figure is derived by adjusting for inflation since 1988 and increasing the number of employees, (please refer to Exhibit 2, "Table 1, Consumer Price Index"; Exhibit 3, "Present LB Budget"; Exhibit 4, "Personnel Budget with increases..."; and Exhibit 5, "Personnel Budget based on CPI...Additional Positions").

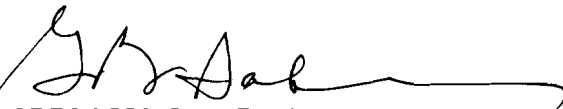
The Legislative Bureau has not been afforded the opportunity to submit an annual budget reflecting the increases in personnel and operational expenses it has incurred since its constitutional budget was established. In order to accommodate

this restriction, 6 positions have been abolished since 1993. Some positions left vacant during a fiscal year were left purposefully unfilled so that the additional funding could be utilized for needed operations expenses.

If the constitutional ceiling of \$800,000 had been allowed to be adjusted based strictly on the accepted change in the CPI index, the Bureau would be able to utilize about \$1 million to meet the minimal needs of the legislature. However, in order to increase the professional services that should be available, additional positions need to be added. Presently job descriptions overlap because of the inability to hire the necessary professional or administrative staff to give full time attention to a particular task. Also, special attention to economic and budgetary matters needs to be provided by a full time qualified professional. Additional Positions are listed in italics in Exhibit 5.

Of course these proposed budgets are contingent upon the number of members and type of legislature that is provided, and the type of legislative bureau the legislature desires. It is my opinion that a more independent (politically immune), stable, and professionally staffed legislative bureau will provide the best services to the people of the Commonwealth.

Again, thank you for allowing me the opportunity to present this testimony. I will be happy to discuss any details of this brief summary that you would like.



GREGORIO B. SABLAN
Director, Legislative Bureau

THE LEGISLATIVE BUREAU
 BUDGET REQUEST - BY OBJECT CLASSIFICATION
 BUDGET YEAR 1995, as of June 20, 1995

CLASS	OBJECT CLASSIFICATION	PRIOR FIS YR 1991	PRIOR FIS YR 1992	PRIOR FIS YR 1993	PRIOR FIS YR 1994	ACTUAL FY 95 EXPENDITURES
6100	PERSONNEL SERVICES	\$556,069.35	\$629,429.63	\$0.00	\$0.00	\$0.00
6111	WAGES & SALARIES - UNG	\$4,586.37	\$4,559.22	\$626,575.21	\$565,646.15	\$605,868.05
6118	PERSONNEL INSURANCE	\$102,141.35	\$112,205.79	\$4,177.32	\$8,566.80	\$8,437.71
6119	RETIREMENT CONTRIBUTION	\$0.00	\$0.00	\$105,540.36	\$90,503.38	\$121,779.48
6120	HOUSING BENEFIT	\$1,432.08	\$3,624.85	\$0.00	\$0.00	\$0.00
6121	OTHER PERSONNEL BENEFITS	\$6,045.55	\$6,657.79	\$3,728.91	\$0.00	\$0.00
6122	MEDICAID CONTRIBUTION			\$7,513.09	\$7,628.67	\$8,785.09
	TOTAL PERSONNEL	\$670,274.70	\$756,477.28	\$747,534.89	\$672,345.01	\$744,870.33
	NUMBER OF POSITIONS (FTE)	26	26	26	20	21
6200	OTHER SERVICES & CHARGES	0.00	\$280.00	\$0.00	\$62.10	\$0.00
6211	ADVERTISING	\$636.80	\$5,712.53	\$0.00	\$40.00	\$0.00
6212	COMMUNICATION	\$8,441.57	\$605.00	\$6,950.76	\$5,095.96	\$4,351.87
6213	DUES & SUBSCRIPTIONS	\$395.00	\$39.50	\$0.00	\$3,044.33	\$2,125.21
6214	FREIGHT	\$438.50	\$0.00	\$39.50	\$67.13	\$143.86
6217	OFFICIAL REPRESENTATION	\$2,189.55	\$0.00	\$0.00	\$0.00	\$0.00
6218	PRINTING	\$1,920.83	\$5,303.55	\$1,380.45	\$2,510.07	\$633.92
6219	PROFESSIONAL SERVICES	\$2,575.00	\$0.00	\$0.00	\$19,500.00	\$19,000.00
6220	RECRUITMENT/REPATRIATION	\$6,896.98	\$0.00	\$0.00	\$12,345.58	\$432.05
6221	RENTAL - VEHICLE	\$4,671.11	\$0.00	\$0.00	\$0.00	\$0.00
6224	REPAIRS AND MAINTENANCE	\$23,575.66	\$2,883.54	\$5,200.92	\$17,918.31	\$14,316.77
6225	TRAVEL	\$34,192.70	\$735.52	\$0.00	\$1,969.50	\$1,032.50
6226	PERSONNEL TRAINING FUND	\$300.00	\$137.50	\$0.00	\$0.00	\$0.00
6227	STORAGE AND HANDLING	\$3,077.77	\$638.00	\$1,752.00	\$2,430.00	\$0.00
6228	RENTAL - OFFICE EQUIPMENT	\$81.25	\$243.75	\$221.24	\$56.25	\$0.00
6229	RENTAL - OTHERS	\$0.00	\$0.00	\$32.75	\$0.00	\$119.00
6300	SUPPLIES MATERIALS	\$0.00	\$0.00	\$0.00	\$309.25	\$0.00
6301	BOOKS AND LIBRARY MATERIALS	\$8,722.01	\$699.75	\$6,597.83	\$0.00	\$283.17
6302	FOOD ITEMS	\$648.00	\$3,793.50	\$0.00	\$0.00	\$0.00
6303	FUEL AND LUBRICATIONS	\$4,321.56	\$2,982.21	\$2,796.56	\$2,573.40	\$2,451.39
6304	SUPPLIES-OFFICE	\$6,207.39	\$3,600.91	\$1,390.59	\$6,566.17	\$823.97
6305	SUPPLIES-OPERATIONS	\$7,485.79	\$5,083.73	\$26,132.38	\$49,437.56	\$1,601.25
6431	OFFICE EQUIPMENT	\$0.00	\$149.00	\$0.00	\$1,666.00	\$0.00
6440	FURNITURES & FIXTURES	\$0.00	\$0.00	\$460.00	\$0.00	\$769.99
6450	VEHICLES-ADMINISTRATIVE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6550	PERSONNEL TRAINING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	TOTAL OPERATIONS	\$116,777.47	\$32,887.99	\$52,954.98	\$125,591.61	\$48,084.95
	TOTAL PERSONNEL AND OPERATIONS	\$787,052.17	\$789,365.27	\$800,489.87	\$797,936.62	\$792,955.28
					Remaining	\$7,044.72

TABLE I

CONSUMER PRICE INDEX (WEIGHTED)
 FOR FIVE SELECTED GROUPS
 COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
 1977.3-1995.1
 (1977.3=100)

Year & Qtr.	Food	Housing	Apparel & Upkeep	Trans- portation	Health & Recreation	All Items
1977.3	100.0	100.0	100.0	100.0	100.0	100.0
1988.2	162.4	161.3	146.6	184.8	271.8	177.8
1988.3	163.7	161.7	146.6	185.2	272.7	178.6
1988.4	165.3	164.6	146.6	182.5	290.9	182.3
1989.1	166.4	183.8	159.5	183.4	295.0	188.4
1989.2	165.8	181.3	160.5	192.2	295.5	188.5
1989.3	164.8	186.2	166.2	188.7	302.9	190.2
1989.4	167.9	190.8	181.8	187.3	301.0	193.7
1990.1	172.4	191.1	181.8	191.4	297.4	195.8
1990.2	170.8	190.0	181.8	189.5	297.4	194.6
1990.3	173.4	187.4	187.4	205.4	319.1	200.2
1990.4	177.0	184.6	194.3	240.6	331.4	206.7
1991.1	187.5	195.0	173.6	242.4	347.8	214.4
1991.2	184.9	190.2	199.5	239.7	355.9	215.5
1991.3	189.1	184.3	203.8	236.6	340.5	214.4
1991.4	190.6	186.6	203.8	236.3	339.3	215.4
1992.1	187.4	186.5	204.4	244.5	417.5	225.4
1992.2	187.0	191.7	209.2	248.0	421.0	227.4
1992.3	201.6	201.2	185.2	252.1	456.5	239.5
1992.4	198.4	200.7	189.5	251.3	464.4	239.3
1993.1	199.1	200.5	191.5	258.6	462.7	240.1
1993.2	199.3	200.2	192.2	261.7	463.9	240.6
1993.3	203.9	204.3	192.2	262.0	467.4	244.3
1993.4	203.8	209.2	194.3	263.8	483.2	247.7
1994.1	207.1	208.4	195.2	263.8	482.8	249.2
1994.2	205.7	206.6	195.3	262.3	495.7	249.8
1994.3	202.5	206.3	196.1	274.0	498.7	249.6
1994.4	201.8	210.6	198.2	284.1	500.3	251.4
1995.1	203.2	212.5	199.3	286.7	498.2	252.5

29.58%
 increase
 since 1988

Present LB Personnel Budget*

Title	Annual Salary	.23% Avg. Benefits	No. Positions	Extended Total Cost
DIRECTOR	\$54,000.00	\$66,420.00	1	\$66,420.00
ADMIN ASSISTANT	\$28,500.00	\$35,055.00	1	\$35,055.00
ADMINISTRATIVE OFFICER	\$40,000.00	\$49,200.00	1	\$49,200.00
COPY MACHINE OPERATOR	\$11,500.00	\$14,145.00	1	\$14,145.00
HOUSE CLERK	\$31,000.00	\$38,130.00	1	\$38,130.00
HOUSE JOURNAL CLERK	\$20,500.00	\$25,215.00	1	\$25,215.00
HOUSE LEGAL COUNSEL	\$48,000.00	\$59,040.00	2	\$118,080.00
HOUSE LEGISLATIVE ASSISTANT	\$30,500.00	\$37,515.00	2	\$75,030.00
HOUSE SERGEANT-AT-ARMS	\$26,500.00	\$32,595.00	1	\$32,595.00
CUSTODIAN	\$9,500.00	\$11,685.00	1	\$11,685.00
LIBRARIAN	\$14,000.00	\$17,220.00	1	\$17,220.00
SENATE CLERK	\$31,000.00	\$38,130.00	1	\$38,130.00
SENATE JOURNAL CLERK	\$20,500.00	\$25,215.00	1	\$25,215.00
SENATE LEGAL COUNSEL	\$48,000.00	\$59,040.00	2	\$118,080.00
SENATE LEGISLATIVE ASSISTANT	\$30,500.00	\$37,515.00	2	\$75,030.00
SENATE SERGEANT-AT-ARMS	\$26,500.00	\$32,595.00	1	\$32,595.00

*Actual amount is \$14k less due to salary changes
some positions receiving lesser salaries to conserve funds for operations

Total Personnel Est.	\$771,825.00
Avg. Operations '91-'94	\$55,778.01
Total Personnel and Operations	\$827,603.01

LB Personnel Budget with increases based on CPI of 30% since 1988

	Annual Salary	+23% Avg. Benefits	No. Positions Present	Extended Total Cost
DIRECTOR	\$70,200.00	\$86,346.00	1	\$86,346.00
ADMIN ASSISTANT	\$37,050.00	\$45,571.50	1	\$45,571.50
ADMINISTRATIVE OFFICER	\$52,000.00	\$63,960.00	1	\$63,960.00
COPY MACHINE OPERATOR	\$14,950.00	\$18,388.50	1	\$18,388.50
HOUSE CLERK	\$40,300.00	\$49,569.00	1	\$49,569.00
HOUSE JOURNAL CLERK	\$26,650.00	\$32,779.50	1	\$32,779.50
HOUSE LEGAL COUNSEL	\$62,400.00	\$76,752.00	2	\$153,504.00
HOUSE LEGISLATIVE ASSISTANT	\$39,650.00	\$48,769.50	2	\$97,539.00
HOUSE SERGEANT-AT-ARMS	\$34,450.00	\$42,373.50	1	\$42,373.50
CUSTODIAN	\$12,350.00	\$15,190.50	1	\$15,190.50
LIBRARIAN	\$18,200.00	\$22,386.00	1	\$22,386.00
SENATE CLERK	\$40,300.00	\$49,569.00	1	\$49,569.00
SENATE JOURNAL CLERK	\$26,650.00	\$32,779.50	1	\$32,779.50
SENATE LEGAL COUNSEL	\$62,400.00	\$76,752.00	2	\$153,504.00
SENATE LEGISLATIVE ASSISTANT	\$39,650.00	\$48,769.50	2	\$97,539.00
SENATE SERGEANT-AT-ARMS	\$34,450.00	\$42,373.50	1	\$42,373.50

Total Personnel Est. \$1,003,372.50
 Avg. Operations '91-'94 + 30% \$72,511.42

Total Present LB Budget if CPI from 88-95 used \$1,075,883.92

Personnel Budget based on CPI of 30% since 1988

Including Additional Positions	Annual Salary	+23% Avg. Benefits	No. Positions Present	Extended Total Cost
DIRECTOR	\$70,200.00	\$86,346.00	1	\$86,346.00
ADMIN ASSISTANT	\$37,050.00	\$45,571.50	1	\$45,571.50
ADMINISTRATIVE OFFICER	\$52,000.00	\$63,960.00	1	\$63,960.00
ECONOMIST/BUDGET ANALYST	\$52,000.00	\$63,960.00	1	\$63,960.00
COMPUTER SYSTEM ADMINISTRATOR	\$37,050.00	\$45,571.50	1	\$45,571.50
COPY MACHINE OPERATOR	\$14,950.00	\$18,388.50	1	\$18,388.50
HOUSE CLERK	\$40,300.00	\$49,569.00	1	\$49,569.00
HOUSE JOURNAL CLERK	\$26,650.00	\$32,779.50	1	\$32,779.50
RECEPTIONIST	\$26,650.00	\$32,779.50	1	\$32,779.50
PROOFREADER	\$26,650.00	\$32,779.50	2	\$65,559.00
CHIEF LEGAL COUNSEL	\$62,400.00	\$76,752.00	1	\$76,752.00
LEGAL SECRETARY	\$26,650.00	\$32,779.50	2	\$65,559.00
PUB. INFO. OFFICER	\$52,000.00	\$63,960.00	1	\$63,960.00
HOUSE LEGAL COUNSEL	\$62,400.00	\$76,752.00	4	\$307,008.00
HOUSE LEGISLATIVE ASSISTANT	\$39,650.00	\$48,769.50	6	\$292,617.00
HOUSE SERGEANT-AT-ARMS	\$34,450.00	\$42,373.50	1	\$42,373.50
CUSTODIAN	\$12,350.00	\$15,190.50	1	\$15,190.50
LIBRARIAN (Prfsl)	\$35,000.00	\$43,050.00	1	\$43,050.00
SENATE CLERK	\$40,300.00	\$49,569.00	1	\$49,569.00
SENATE JOURNAL CLERK	\$26,650.00	\$32,779.50	1	\$32,779.50
SENATE LEGAL COUNSEL	\$62,400.00	\$76,752.00	3	\$230,256.00
SENATE LEGISLATIVE ASSISTANT	\$39,650.00	\$48,769.50	3	\$146,308.50
SENATE SERGEANT-AT-ARMS	\$34,450.00	\$42,373.50	1	\$42,373.50

Total Personnel Est. \$1,912,281.00

Avg. Operations '91-'94 + 30% \$72,511.42

Total Ideal Present LB Budget \$1,984,792.42