

Commonwealth of the Northern Mariana Islands

Office of Grants Management & State Clearinghouse

Citizen-Centric Report for FY2019



**“Building Partners, Ensuring Resiliency
Across Our Islands”**



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Overview of the OGM-SC: Who We Are and What We Do

In 2009, P.L. 16-48 created the Office of Grants Management, but it was later amended in 2016 under P.L. 19-49 to provide more oversight and responsibilities over federal grant assistance in the CNMI Government. The repurposed office was renamed the CNMI Office of Grants Management & State Clearinghouse (OGM-SC). It has the following responsibilities:

- A) Administer the initiation, coordination and review process of all governmental activities within the government of the CNMI involving federal assistance;
- B) Ensure that federal grant proposals are in accordance with plans, policies, programs, objectives, and procedures of the government of the CNMI. A stamp of approval shall signify concurrence from the OGM;
- C) Ensure that proposed government projects for which federal financial assistance is sought are fiscally and environmentally sound and are in compliance with all applicable Federal laws;
- D) Ensure that the government of the CNMI complies with all applicable federal laws relating to federal financial assistance and that there exists sound tracking, management, and financial accountability for all federal programs awarded to the government of the CNMI;
- E) Perform cost analysis on all federal aid programs, grants, loans, contracts, contributions, advances, direct federal development or other federal funding for the financial impact on the government of the CNMI'S general fund or special funds used to fund the local matching requirement as prescribed by federal law;
- F) Conduct activities for the acquisition of federal grants and when possible, coordinate to full extent the activities and objectives of an approved grant award. This office will also have the capacity to award sub-grants.
- G) Conduct activities directly related to indirect cost associated with federal assistance.

MISSION

The CNMI Office of Grants Management and State Clearinghouse (OGM-SC) was established to allow the CNMI government, its elected officials and all agencies to assemble and engage in dialogue with regards to federal aid programs, grants, loans, contracts, contributions, appropriations, advances, direct federal development and other federal funding sources for the CNMI.

The CNMI OGM-SC holds the scope of influence for all federal programs and aid that have a direct and indirect effect on the CNMI as stated in *Public Law 19-49* and in relation to *Presidential Executive Order 12372*.

PLANNING FOR THE FUTURE

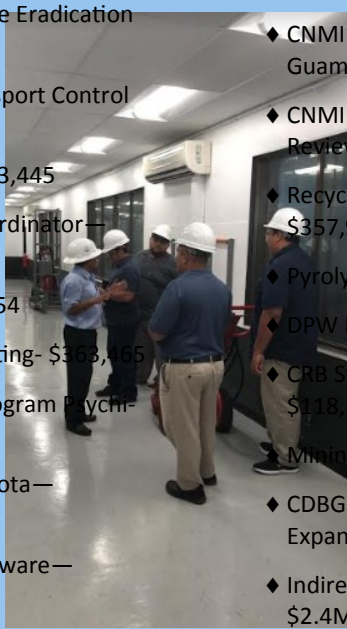


Recent Accomplishments:

Aside from processing daily federal budgetary allotments, OGM-SC writes and manages many of the grants it receives. Below outlines a listing of grants awarded, funded amount, and activities achieved:

FY2018 : (\$5,580,197)

- ◆ Coconut Rhino Beetle Eradication Year 1- \$181,048
- ◆ CPA Automated Passport Control Units- \$215,680
- ◆ Ma'afala Tractor- \$83,445
- ◆ Invasive Species Coordinator— \$95,170
- ◆ CRB Year 2 - \$123,454
- ◆ Zero Waste Composting- \$388,165
- ◆ Substance Abuse Program Psychiatrist- \$ 297,077
- ◆ Aquaponics Year 2 Rota— \$172,949
- ◆ DPW Floodplain Software— \$79,921
- ◆ CNMI Medical Referral Van on Guam— \$ 77,685
- ◆ CNMI Medical Referral Utilization Review Nurse- \$ 68,472
- ◆ Recycling Redemption Program- \$357,966
- ◆ Pyrolysis Pilot Program—\$283,735
- ◆ DPW Motor Grader—\$213,232
- ◆ CRB Standalone Solar PV- \$118,528
- ◆ Mining Safety (DOL)- \$13,000
- ◆ CDBG: Koblerville Youth Center Expansion- \$435,370
- ◆ Indirect Costs for Total Gov't- \$2.4M



FY2019 : (\$13,557,228)

- ◆ CNMI State Energy Plan (EIC) - \$152,393
- ◆ Aquaponics Solar PV Enhancements on Rota (EIC) - \$160,000
- ◆ 2MW CUC Battery Storage Feasibility Study on Rota - \$222,988
- ◆ Installation of Solar PV Lightning on Tinian (EIC) - \$250,000
- ◆ CNMI State Comprehensive Outdoor Recreational Plan— \$131,162
- ◆ Unmet Needs for Typhoon Yutu— \$632,500
- ◆ Rota Seaport Pedestal Crane - \$220,605
- ◆ Tire Shredding Equipment- \$279,025
- ◆ Fixed Asset & Property Management: \$184,996
- ◆ Unmet Needs by Central Government due to Super Typhoon Yutu- \$1,500,000
- ◆ PSS Classroom Repairs—\$1M
- ◆ Public Transit Enhancement— \$6,387,346
- ◆ Mining Safety Grant (DOL)- \$13,000
- ◆ Foreign Labor Certification Grant (DOL)- \$64,000
- ◆ CDBG: Sinapalo Children's Park Roof Cover- \$359,213
- ◆ Indirect Costs for Total Gov't- \$2M



Our Finances

Between fiscal years 2016 and 2019, the OGM-SC was funded both by CNMI Local Budget Appropriations and Section 5 of PL 19-49 of the Grants Management enabling legislation. Now, in FY2020, the CNMI Legislature budgeted \$1.00 for personnel and all others, thus leaving the OGM-SC completely funded by federal reimbursements through indirect costs. This makes the OGM-SC one of only few offices in the CNMI Government to be completely self-sufficient or non-locally funded.

In the past, OGM relied on the additional support from local appropriations to carry much needed personnel, while indirect funds were used as matching shares for large construction projects and subgrants. Now without this support, OGM may have a difficult time securing large-scale projects that could benefit the community. Furthermore, with the limited and reduced revenue stream, it will impact the office's ability to subgrant much need funds to government agencies and community projects, such as for healthcare equipment, disability sports fest, and public safety needs.

The impact from reduced resources means that the OGM-SC will not be able to hire the additional staff needed to pursue more grant opportunities. It may be limited to subcontracting future grant writing work at a nominal fee. It will need to revisit its operational expenses in order to maximize efficiency and effectiveness.

OGM-SC sincerely hopes that the Legislature will consider reinstating its local budget in FY2021 and adding more funds for cost-sharing projects. Overall, the return in investment for the community is more than 21-58 times the amount appropriated and with the austerity measures in place, the CNMI Government needs to explore more federal resources as a stable source of funding.

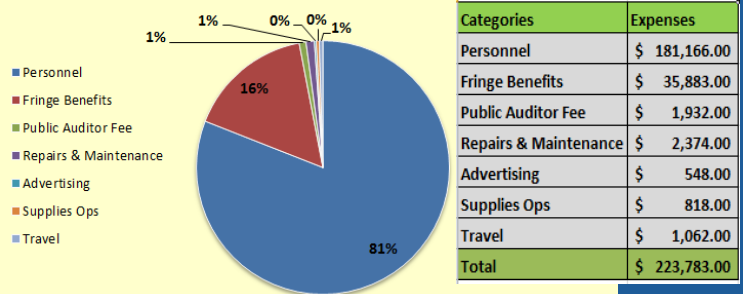
We hope the public understands that significance of the amount of funding the OGM-SC brings in annually. The impact is spread over multi-faceted sectors.

Local Budget

Fiscal Year	#FTE	Personnel	%of Total	Operations	%of Total	Total Budget
FY18 (PL20-11)	10	\$236,748	89.7%	\$27,258	10.3%	\$264,006
FY19 (PL20-67)	10	\$228,020	99.0%	\$2,281	1.0%	\$230,301
FY20 (PL21-08)	8	\$1	100.0%	\$0	0.0%	\$1



FY19 Actual Expenses - Local



Office of Grants Management: Indirect Cost Account

FY	%OGM	OGM Share Received	Subgrants/20%	Operations/80%
2016	40%	336,198.03	67,239.61	268,958.42
2017	39%	865,343.30	173,068.66	692,274.64
2018	38%	865,613.84	173,122.77	692,491.08
2019	37%	743,543.33	148,708.67	594,834.66
2020	36%	-	-	-
2021	35%	-	-	-
2022	35%	-	-	-
TOTALS		2,810,698.50	562,139.70	2,248,558.80
Total Share per 1 CMC § 2893				2,810,698.50
Amount of Scholarships and Grants awarded				1,291,349.38
Resources for Subgrants per 1 CMC § 2893				562,139.70

Under PL19-49 Section 5, OGM-SC will receive starting 40% of total IDC collected and it will decrease 1% each FY thereafter until it reaches 35%. Subsequently, it is authorized to subgrant 20% of the total IDC. However, due to urgent community needs, the OGM-SC has exceeded its 20% subgranting total. Below, please find a listing of funded activities derived from the IDC collections:

IDC Subgrants

- ◇ DPS 10 Vehicles, Light Packages, Uniforms
- ◇ Tinian Mayor's Office: Tractor
- ◇ Depart of Commerce: Summit Expenses
- ◇ Procurement & Supply: Vehicle
- ◇ CHCC: Alaris IV Units
- ◇ DLNR-Rota Roof Repair
- ◇ Micronesian Island Forum Expenses
- ◇ Division of Customs Vehicles
- ◇ San Vicente Park Cost Share
- ◇ NMPASI-PSS Disability Sports Fest
- ◇ Veteran Cemetery Cost Share
- ◇ Vietnam Vet Memorial Summit
- ◇ DYS FEMA Cost Share
- ◇ Nursing Study Report
- ◇ CJPA Staffing Shortfall
- ◇ Rota Guest House Renovation
- ◇ Rota West Marina Repair Materials
- ◇ Ma'afala Breadfruit Initiative Program



Proven Results

Fiscal Year	Amount of Grants Awarded	Return on Investment
FY18	\$5,580,197	21X
FY19	\$13,557,228	58X
FY20	?	?



Future Outlook: Our Challenges and Priorities

FORESEEN CHALLENGES:

- ◆ **Local Budget.** Under CNMI Public Law 21-08 of the FY2020 Appropriations Act, it authorized the OGM-SC only \$1 for its personnel and operations. Although, OGM-SC understands that other agencies need adequate funding, OGM-SC equally needs funding for local matching especially for large scale construction projects. This setback will decrease OGM-SC's ability to lock more CIP-related projects in the future.
- ◆ **Labor Shortage.** The OGM-SC has current construction projects in the pipeline and it fears that with CW issues, the CNMI will not have the labor pool to start or complete its construction projects. Keep in mind that with the Disaster Recovery Funding coming our way, more construction projects will be starting; over \$300M is expected in construction.
- ◆ **Capacity.** The OGM-SC has currently 7 staff members on board. We need additional grant writers to submit quality proposals, especially with CDBG-DR, EDA, & FEMA funding available. We cannot afford to lose these opportunities

A. The Disaster Recovery

With US PL116-20, the Supplemental Appropriations of the Disaster Relief Act of 2019, the CNMI has the potential to receive large sums of federal dollars to mitigate, harden, strengthen its community facilities and build resiliency. Although a small portion of the funding is destined for the CNMI, there are larger amounts ready for competition. Putting together a complete grant proposal to meet federal guidelines within the time allotted remains a key priority for the OGM-SC.



B. Inter-Agency Collaboration

In order for future grant proposals to be successful, inter-agency collaboration is necessary. OGM-SC would like to reach out to more agencies and learn their grant needs. By doing so, we can collectively build a stronger CNMI. Sustainability starts with good planning and better working relationships. Open communication and overlapping integration of resources is possible if the projects are multi-structured and cross integrated. We need to hear your story and needs!



C. Fiscal Management

Stabilizing our fiscal resources as a whole is crucial. OGM-SC believes that by getting more federal grants into the CNMI, it will help support components of the government while our main industry sectors recover especially after disasters. Achieving a clean single audit is also a priority, especially as consistent findings reoccur annually. Its compliance is detrimental to receiving more federal dollars. Furthermore, OGM-SC plans on holding trainings for the grants management process in the future to assist with this priority.



D. Raising the Bar

The need to attract more federal dollars to the CNMI is a major strategic priority for our office. OGM-SC believes the CNMI Central Government has the capability of reaching \$200M in federal grants annually, but we need to build capacity and maintain consistency. With only 4 years since it reopened, the OGM-SC has already brought in over \$40M. The potential is there! We need to be focused and committed. We need to work together and rebuild a more resilient CNMI.



Got Ideas/Solutions?



CNMI Office of Grants Management & State Clearinghouse

OGM-SC values your input, suggestions, and recommendations in making a more resilient CNMI. Talk to us. Your idea(s) just might be our next grant proposal and project.

Contact us: Tel: (670) 237-2220/1 • Email: cnmigov.ogm@gmail.com • [@cnmigov.ogm](https://www.facebook.com/cnmiofmgsc) • [@cnmigov.ogm](https://www.instagram.com/cnmiofmgsc) • [cnmigov.ogm](https://www.youtube.com/cnmiofmgsc)



The OGM-SC values the community's inputs, suggestions, and recommendations. If you would like to see other information included in this report, please contact our main office at (670) 237-2220 or by email at cnmigov.ogm@gmail.com or Office of Grants Management & State Clearinghouse, 1st Floor Juan A. Sablan Memorial Bldg, Caller Box 10007, Saipan, MP 96950.