

CITIZEN-CENTRIC REPORT - FY 2019

CNMI DEPARTMENT OF LABOR

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Report Summary

- Our Mission -

To enforce CNMI Labor and Federal Laws and ensure that all employees and employers are provided equal and fair treatment. To provide assistance to qualified U.S. Citizens and CNMI Permanent Residents to be given preference with employment opportunities. To collaborate with education and training institutes to further develop the workforce of the CNMI.

On November 19, 2018, House Bill No. 20-155, HD1 was signed into law by Governor Ralph DLG. Torres, thus becoming Public Law No. 20-83. The law specifies a requirement from all Commonwealth governmental entities to produce an annual "Citizen-Centric Report" that serves to keep the people of the Commonwealth well-informed. This fiscal year (FY) 2019 report (1) provides an overview of the CNMI Department of Labor, (2) presents recent accomplishments of the Department, (3) displays revenues and expenditures for major delivery areas, and (4) identifies the Department's challenges and priorities in fulfillment of the requirements set forth by P.L. 20-83.

Overview of the Department

The CNMI Department of Labor is composed of six divisions: Office of the Secretary (Administrative Services/Statistics), Workforce Investment Agency, Division of Employment Services, OSHA On-Site Consultation, Enforcement, Compliance & Monitoring, and the Administrative Hearing Office. Each are responsible for performing specialized roles/duties and providing dedicated client/stakeholder services relevant to the overall mission of the Department. Ultimately, the Department exists to serve the Commonwealth by ensuring that all U.S. status-qualified individuals are given employment preference, applicable federal and local labor laws are understood and/or enforced, and existing and future workforce development programs, policies, and practices are further developed.

- Governance -

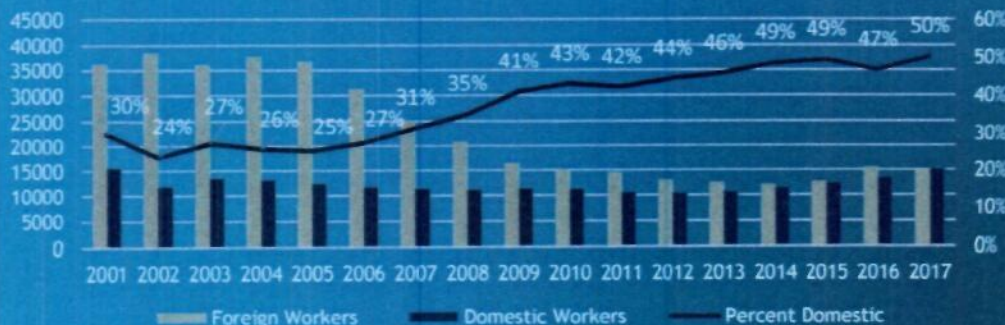


- Secretary of Labor -
Vicky Benavente

- Division Heads -

Eugene Tebuteb: Employment Services Director
David Attao: WIA Director
Jeffrey Camacho: Enforcement /Compliance Acting Director
Jacqueline Nicolas: Administrative Hearing Officer
Timothy Asaivao: OSHA Project Manager

Employed Workers in the Commonwealth of the Northern Mariana Islands, Calendar Years 2001-2017



Source: GAO-18-373T, CNMI Recent Economic Trends and Preliminary Observations on Workforce Data. February 6, 2018.

PERFORMANCE REPORT

WORKFORCE DEVELOPMENT



- ✓ NEW Project follow-up initiated to survey and interview recent job hires at the workplace
- ✓ Worked with Education Summit Committee to establish long term educational plan implementing workforce development into high school curriculum
- ✓ Virtual One-Stop System online at www.hiremarianas.com
- ✓ NEW Apprenticeship State Expansion Grant approved for \$445,908.40



NOTABLE MENTIONS

- ✓ NEW Labor Clinic outreach services to educate the business community on Saipan, Rota, and Tinian
- ✓ NEW U.S. P.L. 113-218 (HRA US Workforce Act of 2018) outreach education services and collaboration with U.S. DOL regarding CW-1 interim final rules & regulations
- ✓ NEW Administration of CW Education/Training Fund Program
- ✓ NEW Upstart of Statistics Section within the Department of Labor

CONSULTATION SERVICES

- ✓ Assisted small to mid-size companies to become Occupational Safety and Health Administration (OSHA) compliant
- ✓ Conducted 77 total consultation visits in the construction industry and general industry
- ✓ Conducted Mine Safety and Health Administration (MSHA) training on Saipan, Rota, and Tinian
- ✓ Met with over 50 businesses to discuss various labor-related topics



EMPLOYMENT ASSISTANCE



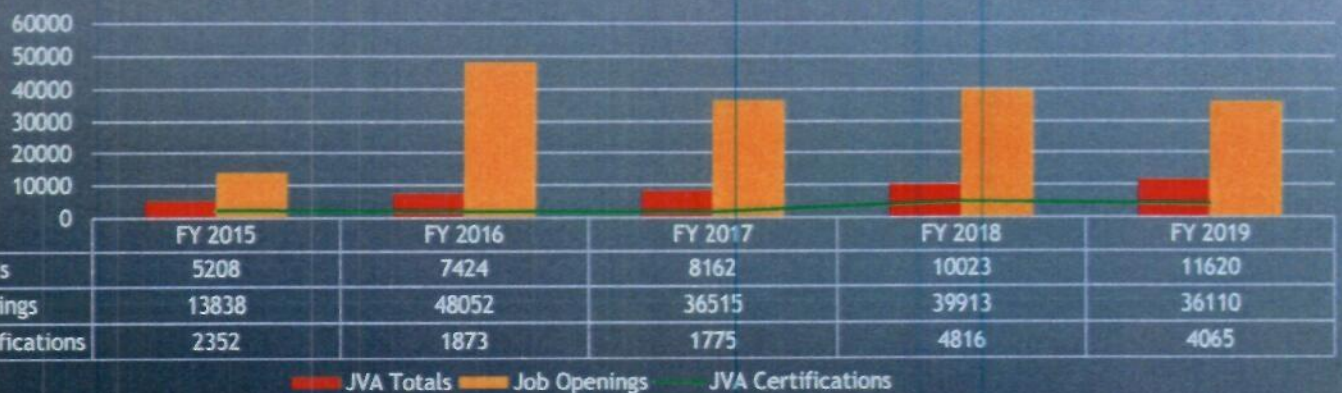
- ✓ 179 participants paid for work experience program (WEP) training
- ✓ 110 participants hired through National Dislocated Worker Grant (NDWG)
- ✓ 741 qualified claimants for Disaster Unemployment Assistance (DUA) - over \$1.5 million paid to claimants
- ✓ Over 600 participants referred to jobs by Employment Services
- ✓ Sponsored 2 major job fairs/1 mini fair

HEARING & ENFORCEMENT

- ✓ 180 Administrative orders published in the Commonwealth Register
- ✓ Over 150 Orders issued by Hearing Office this year
- ✓ 159 Notice of Warnings issued by Enforcement
- ✓ 40 Labor Cases (LC) referred to Enforcement for investigation
- ✓ 3 professional development trainings conducted by Hearing Office



Job Vacancy Announcement (JVA) Data



Source: CNMI Department of Labor, Job Bank Statistics, www.marianaslabor.net

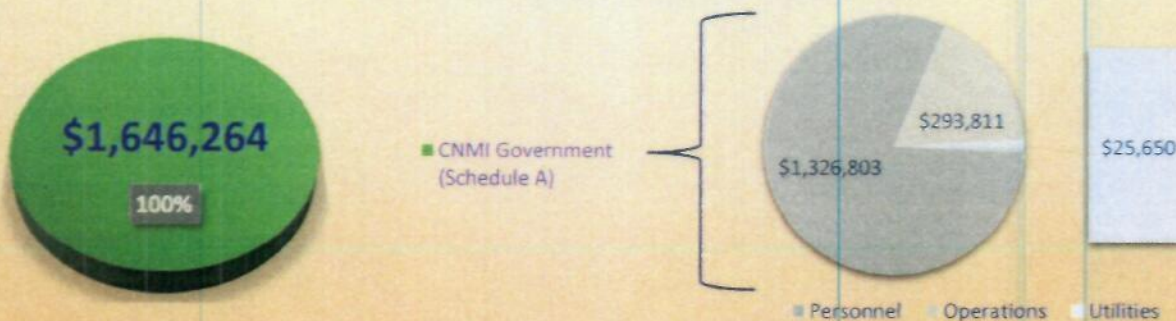


REVENUES AND EXPENSES

Northern Mariana Islands Administrative Code (NMIAC) § 80-20.1-050 authorizes the functions of the Administrative section within the Department of Labor. The Administrative section manages the Department's payroll, contracts, standard forms for various administrative functions, standard operating procedures, and other administrative matters as assigned by the Secretary of Labor.

The Department of Labor relies primarily on the CNMI Government's General Funds for personnel, utilities and operations expenditures. Per Public Law 20-67, the Department was allocated \$1,646,264.00 from the General Fund in FY 2019. FY 2019 figures will show that a total of \$1,326,803.00 were appropriated for personnel and fringe benefits, \$293,811 for operations, and \$25,650 for utilities expenditures, respectively. See figures below.

Revenue: Public Law 20-67



The below figures represent the Department of Labor's actual expenditures for FY 2019. The Department expended a total of \$1,008,333. A total of \$890,215 were expended for personnel and fringe benefits combined. An additional \$60,439 were spent on contractual payments, \$26,148 on utilities and licenses & fees, \$22,508 on supplies and \$9,023 on equipment.

Actual Expenditures



WHAT'S NEXT: CHALLENGES AND PRIORITIES

CHALLENGES MOVING FORWARD:

- ❖ **Labor Shortages**
U.S. P.L. 115-218 (N.M.I. U.S. Workforce Act of 2018) extended the CNMI's ability to continue to employ non-immigrant foreign workers for another 10 years. Every year until FY 2030, the allowable cap of 13,000 workers will decrease. A reduction of more than half the CNMI's working population will more or less cripple the CNMI's economy, which is why alternative workforce measures are being scrutinized by the Department.
- ❖ **Advocating Career Readiness Early**
Promoting career readiness at the pre high-school level is necessary. This should be done for schoolchildren long before they matriculate into high school so that they learn at an early age that getting a job is as much a social and cultural responsibility than solely a financial one.
- ❖ **More U.S. Eligible Workers**
There were more than 36,000 plus job openings in the CNMI in FY 19 (CNMI Dept. of Labor Statistics). Unfortunately, many of these jobs will remain unfilled. This situation is exacerbated not only by our remote location but our small workforce-ready population.
- ❖ **Train, Educate, and Maintain**
Training and educating a workforce is one thing - maintaining it is another. The CNMI is faced with an unfortunate dilemma - individuals (some with college degrees) are leaving the islands to seek better opportunities elsewhere. We must meet the challenge head on, to work with education & training partners and businesses to make the CNMI more enticing.

1. Data, Data, Data

The Department understands the need to develop workforce development strategies to mitigate impending losses to the foreign labor force population. The labor shortage quandary can be realized with data that can illustrate the CNMI's current state of affairs so that we are capable of providing viable solutions that work for the CNMI. The collection, tabulation, and analyses of data remains a key priority for the Department.



2. Get A J-O-B

The 'Brain Gain and Sustain Initiative' has always been a work in progress. The economic vitality of the CNMI depends on our ability to attract and retain the right people with the right skill sets. Doing so will not only solidify our collective quest in meeting today's job demands, but tomorrow's as well. Workforce sustainability remains a top priority for the Department.



3. It Takes A Village

The Department has always placed a greater emphasis on fostering and maintaining relationships with stakeholders in the federal government, local government and business community because we understand the importance of collaboration. Building new relationships and maintaining old ones will only better our services to the islands and so we place improving and maintaining these relationships at a high priority.



4. The Future Is Now

The need to expand the services we offer to the CNMI remains a strategic priority. There is a real and apparent need to revamp our job placement and education & training referral services. We need to enhance our job-matching services, elicit closer partnerships with education and training providers and offer apprenticeship programs that work towards the improvement of our existing and future workforce populations.



We value your comments or suggestions.

Would you like to see other information included in this report? Please let us know by calling our Administrative Services Office at (670) 664-3196 or emailing us at documents@marianaslabor.net.



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