

**TWENTY-THIRD NORTHERN MARIANAS COMMONWEALTH**  
**LEGISLATURE**  
**IN THE HOUSE OF REPRESENTATIVES**

\_\_\_\_\_  
Session, 2023

\_\_\_\_\_  
H. B. 23- **56**

**A BILL FOR AN ACT**

To utilize the remaining sixty percent (60%) of the total of indirect cost revenue or reimbursement by fiscal year collected for each grant to address the CNMI Government's financial deficit; and for other purposes.

**BE IT ENACTED BY THE 23<sup>RD</sup> NORTHERN MARIANAS  
COMMONWEALTH LEGISLATURE:**

1           **Section 1. Findings and Purpose.** The Legislature finds that the CNMI  
2 Government is currently facing a severe financial deficit. Regardless of how we  
3 reached such deplorable indebtedness, it is still a lingering obligation that must be  
4 rectified for a better and brighter future for our Commonwealth. When a  
5 government is facing such circumstances, government leaders would either engage  
6 in implementing a tax hike, impose spending restrictions, or both. The Legislature  
7 further finds that such government actions are not viable options in addressing  
8 issues pertaining to the financial stability of the CNMI. As duly elected government  
9 leaders, it is our responsibility to explore different avenues that could propel the  
10 CNMI in an enlightened path towards recovery. As a government founded to  
11 faithfully serve the honorable people, the Legislature finds that we must ameliorate

1 the CNMI Government’s distressful financial situation for the benefit and  
2 betterment of future generations to come.

3 Indirect cost reimbursements from grants provide a source of money for  
4 paying down our budget deficit. A percentage (40) of those funds currently are  
5 directed to the Office of Grants Management. The remaining percentage is not  
6 currently directed for any specific program. The purpose of this Act is to direct the  
7 remaining percentage of the total of the annual indirect cost revenue or  
8 reimbursement from each grant to address the CNMI Government’s financial  
9 deficit and for other purposes.

10 **Section 2. Amendment.** 1 CMC §2893 is hereby amended to read as  
11 follows:

12 **“§2893. Operating Budget and Scope of Operations**

13 (a) The CNMI OGM-SC shall be funded by an apportionment of all indirect  
14 cost(s) collected at a rate of 40% of total indirect cost revenue or  
15 reimbursement by fiscal year ~~with a 1% annual percentage decrease for the~~  
16 ~~next five years until it gets to 35%~~ and shall be credited to the Office of  
17 Grants Management’s Business Unit Account No. 1043 and all other  
18 activities, of/or related to federal and local assistance. Provided further that  
19 concurrently 20% of the office’s budget shall be deposited into a special  
20 account for sub grants. The CNMI OGM- SC shall promulgate rules and  
21 regulations for awarding sub grants and shall be the expenditure authority

1 of the funds within the special account for sub grants.

2 (b) The CNMI OGM-SC shall be permitted the carry-over of funds from  
3 year to year with the approval of the Office of the Governor;

4 (c) the Administrator of the CNMI OGM-SC shall have the authority to  
5 release, expend, disburse, and award sub grants and other funds as deemed  
6 necessary.

7 (d) the Administrator of the CNMI OGM-SC shall have expenditure  
8 authority for all funds relating to CNMI OGM-SC; and

9 (e) the office shall be comprised of, but not limited to, the following:

10 (1) Office of Grants Management Director / Administrator;

11 (2) State Clearinghouse Director / Assistant Administrator;

12 (3) Grants Manager(s);

13 (4) Grants Specialist(s);

14 (5) Grant Writer(s);

15 (6) Compliance Officer(s);

16 (7) Administrative Assistant(s) / Officer(s) / Specialist(s).

17 (f) The remaining 50% of the total indirect cost revenue or reimbursement  
18 by fiscal year as stated in subsection (a) shall be deposited into a special  
19 account separated from the General Fund and shall be utilized for the sole  
20 purpose of reducing the CNMI Government's financial deficit. Such funds  
21 shall be without fiscal year limitation and under the expenditure authority

1           of the Secretary of Finance. The Division of Financial Services shall receive  
2           10% of the total indirect cost revenue or reimbursement by fiscal year as  
3           stated in subsection (a) for the purpose of supporting personnel and  
4           operational costs associated with processing the collection and distribution  
5           of funds controlled by this section.”

6           **Section 3. Severability.** If any provisions of this Act or the application of  
7 any such provision to any person or circumstance should be held invalid by a court  
8 of competent jurisdiction, the remainder of this Act or the application of its  
9 provisions to persons or circumstances other than those to which it is held invalid  
10 shall not be affected thereby.

11           **Section 4. Savings Clause.** This Act and any repealer contained herein  
12 shall not be construed as affecting any existing right acquired under contract or  
13 acquired under statutes repealed or under any rule, regulation, or order adopted  
14 under the statutes. Repealers contained in this Act shall not affect any proceeding  
15 instituted under or pursuant to prior law. The enactment of the Act shall not have  
16 the effect of terminating, or in any way modifying, any liability, civil or criminal,  
17 which shall already be in existence on the date this Act becomes effective.

18           **Section 5. Effective Date.** This Act shall take effect upon its approval by  
19 the Governor, or its becoming law without such approval.

Prefiled: 6/16/2023

Date: \_\_\_\_\_

Introduced by: ~~BJ~~

Rep. Blas Jonathan "BJ" T. Attao

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Reviewed for Legal Sufficiency by:

*[Handwritten signature]* 6-16-23

House Legal Counsel

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