

RALPH DLG. TORRES
Governor



GOV. COMM: 22-45
(HOUSE)

ARNOLD I. PALACIOS
Lieutenant Governor

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

10 2 JUL 2021



7/2/21

The Honorable Edmund S. Villagomez
House Speaker
22nd Northern Marianas Commonwealth Legislature
Saipan, MP 96950

The Honorable Jude U. Hofschneider
President of the Senate
22nd Northern Marianas Commonwealth Legislature
Saipan, MP 96950

Dear Speaker Villagomez and President Hofschneider:

In accordance with Article III, Section 9 of the CNMI Constitution and 1 CMC Section 7201(a)(1) (Planning and Budgeting Act), I submit herewith a "revision" to the proposed budget for the Commonwealth Government and Related Agencies for Fiscal Year 2022, beginning October 1, 2021 and ending September 30, 2022. As mandated by the Constitution, the budget submitted herein is balanced, where the total amount of proposed expenditures does not exceed total estimated resources available for appropriation.

As of June 30, 2021, the gross budgetary resources reported by the Secretary of Finance for FY 2022 remains unchanged at \$144,848,801. The Planning and Budgeting Act affords me the opportunity to revise our April submission within ninety days, closely monitoring the Commonwealth's fiscal condition.

This revision is to inform you of changes we have made from April 1 for Volume I (proposed gross budgetary resources), for Volume II, to add new grants received by the Commonwealth after April 1 with an updated fund status as of May 31, 2021, and for Volume IV, to fully allocate the funds available to the Commonwealth from the American Rescue Plan Act pursuant to the presentation of the Commonwealth's spending plan by the Secretary of Finance on June 5, 2021. No changes were made to Volume III since our April 1 submission.

This revision reflects changes to Volume I (General Fund) as follows:

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- the implementation of Executive Order 2021-009 transferring the Quarantine staff from the Department of Lands and Natural Resources, Division of Agriculture to the Department of Finance, Division of Customs CNMI wide; and
- the reallocation of funds proposed for utilities from recipients and kept funding intact for their operations and activities with the exception of the Judicial and Legislative Branches.

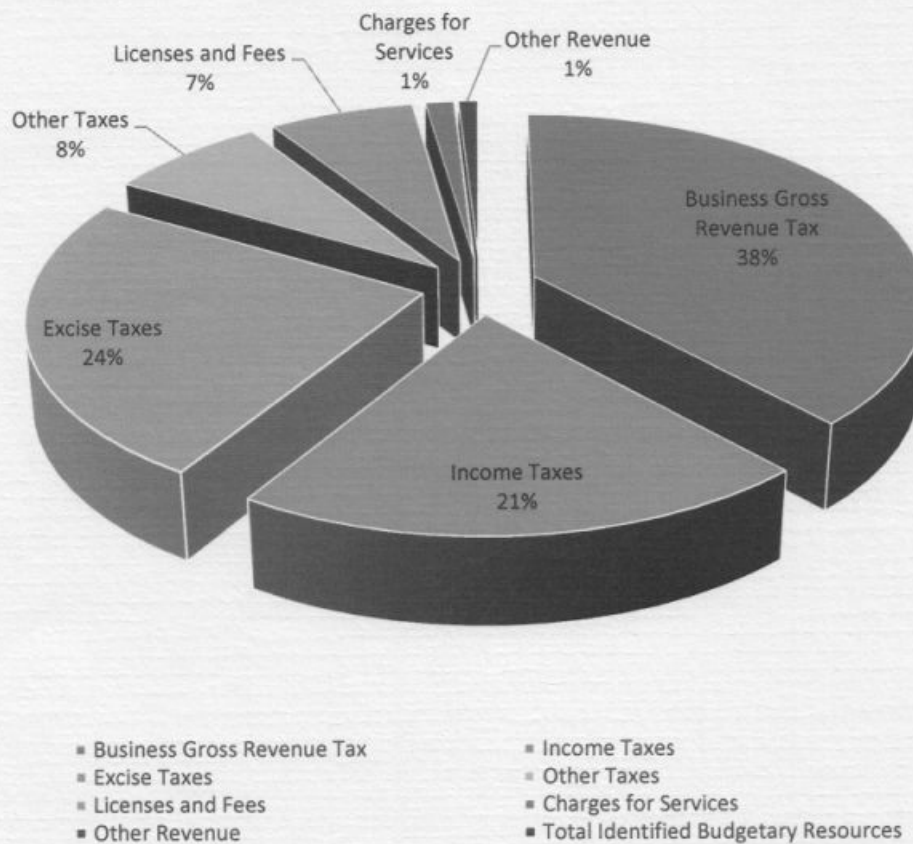
Changes to Volume II added new program grants received by the Commonwealth after April 1 and an update of the fund status as of May 31, 2021.

As described in the April 1 submission and in the chart below, the Commonwealth's gross budgetary resources are derived from taxes – business gross revenue tax, income tax, excise taxes, and other taxes (hotel occupancy, bar and beautification taxes), are 91% of total budgetary resources. The total identified budgetary resources for FY 2022 before NMI Settlement Fund appropriation did not change from our April 1 submission and is illustrated in the Table and Chart below:

Table 1: Budgetary Resources

Budgetary Resources		
Business Gross Revenue Tax	\$55,361,345	38%
Income Taxes	\$29,989,019	21%
Excise Taxes	\$35,407,705	24%
Other Taxes	\$10,903,872	8%
Licenses and Fees	\$9,897,991	7%
Charges for Services	\$1,975,794	1%
Other Revenue	\$1,313,075	1%
Total Identified Budgetary Resources	\$144,848,801	100%

Budgetary Resources Fiscal Year 2022 (est.)



As we go through the cycle of reopening and adjusting our environment to safely reopen the Commonwealth, our next steps is crucial to our economic recovery. The shape of our recovery will be defined by the success of our proposed travel bubble to welcome visitors back to our islands. Hence, visitor arrivals will gradually drive an increase in export of goods and services. Current trends in imports, construction, business and consumer spending are the driving factors in our economy offsetting the decline in tourism and the output of the casino industry.

The infusion of capital to stimulate the economy in response to COVID-19 across all States and Territories increased our local consumer spending but drove inflation upwards with the increase in supply and demand throughout the various sectors in consumer discretionary, consumer staples, industrials, technology, energy and health. Tracking our government spending and watching for a return to normal levels is crucial to determine whether we remain in a crisis or whether our economy is headed in a slow steady growth towards recovery.

Let us not forget that reopening requires our continued commitment to mitigate our public health environment to ensure safety first for our community. The immediate roll out of the vaccine compressed the time to end the threat of COVID-19, and as of June 30, 2021, 64.1% of our community have been vaccinated.

This revision did not restore any proposed suspension of earmarks from my April 1 submission as recommended by the House Concurrent Resolution 22-1, HD1. The net resources available for general appropriation remains unchanged from our April 1 submission at \$98,897,301. The budgetary gross adjustment reflects the inclusion of the allocation to the Settlement Fund amounting \$39,000,000 or 27%. The sum of the estimated total collected annual revenue is reduced to exclusively pay directly for the benefit of Settlement Class Members; and \$6,951,500 attributed to debt service for 2007-A and 2007-B Bonds. The effects of the above resulted in a net expenditure budget of \$98,897,301, an amount equal to resources available for general appropriations and represents a balanced budget.

Table 2: Estimated Gross Budgetary Resources for FY 2022

Estimated Gross Budgetary Resources for FY 2022:		\$144,848,801
Less Debt Service and Settlement Agreement:		
2007-A Refunding Bond Payment	(\$3,621,250)	
2007-B Refunding Bond Payment	(\$3,330,250)	
NMI Settlement Fund	(\$39,000,000)	(\$45,951,500)
Net Total for FY 2022 Budgetary Resources for Appropriation		\$98,897,301

This budget “revision” package recommends the continued suspension of the following statutory earmarks to support activities identified in the budget. These statutory mandates are identified as follows:

Table 3: Suspension of Earmarks, FY 2022

	Estimated Gross Budgetary Resources for FY 2021:
	<i>A. Less Revenue Transfers to Other Funds:</i>
1	Tobacco Control - Cigarette Tax, PL 13-38
2	Solid Waste -Cigarette Tax, 4 CMC §1402(g)(1)
3	CIQ Overtime Revolving Fund
4	MVA -Hotel Tax, 4 CMC § 1803(b)
5	OPA Current Year Fees
6	PSS Technical Education -4 CMC §1503
7	Revenue and Taxation Enforcement (4 CMC §1503)
8	GHLI -Cigarette Tax, 4 CMC §1402(g)(3)
9	Cancer Fund -Cigarette Tax, 4 CMC §1402(g)(2)
10	NMIRF - Hotel Tax (20%), 4 CMC § 1803b
11	NMIRF - Alcohol Container (30%), 4 CMC §1803b
12	MVA - Alcohol Container (20%) 4 CMC §1803b
13	NMIRF DB Plan Fund - 15% £-gaming, PL 18-30
14	NMIRF - 60% £-gaming, PL 18-30

- 15 3rd Senatorial District - 15% £-gaming, PL 18-30
- 16 1st & 2nd Senatorial District - 10% £-gaming, PL 18-30
- 17 MPLT Interest Appropriated -PL 21-3
- 18 3rd & 2nd Senatorial District - PL 20-59; 4 CMC §1508

The budget allocation for personnel in the General Fund remained at 80% except for elected officials of the Commonwealth are allocated at 100%. The 20% for all other employees are allocated under the provisions of government in the American Rescue Plan (ARPA).

There are no “revisions” to Volume III in this submission.

The “revision” to Volume IV reflects the full allocation of H.R. 1319, the American Rescue Plan Act of 2021, Section 602, Section 603 and Section 604 of Title IX, Subtitle M – Coronavirus State and Local Fiscal Recovery Funds. Section 602(c)(1)(c) and 603(c)(1)(c) of the Act allows the recipients facing budget shortfalls to use payments from the Fiscal Recovery Funds to avoid cuts to government services and thus, enable us to continue to provide valuable services and ensure that fiscal austerity measures do not hamper the broader economic recovery. Table 4 below reflects the American Rescue Plan Act allocation to the Northern Mariana Islands.

Table 4. American Rescue Plan Act Allocation to the Northern Mariana Islands

Section	Description	CNMI Allocation by U.S. Treasury	CNMI	Northern Islands	Rota	Saipan	Tinian
602	State Fiscal Recovery	\$481,876,521	\$467,102,567	\$426,903	\$5,835,156	\$2,239,469	\$6,272,426
603.b.2	Local Fiscal Recovery (Non-Entitlement Units of Local Government)	\$5,447,789		\$707,501	\$808,718	\$3,092,066	\$839,504
603.b.3	Local Fiscal Recovery (Counties)						
	i.) Northern Islands Municipality	\$0					
	ii.) Rota Municipality	\$490,840			\$490,840		
	iii.) Saipan Municipality	\$9,366,170		\$101,929		\$9,264,241	
	iv.) Tinian Municipality	\$609,131					\$609,131
604	Capital Projects Fund	\$14,285,714		\$806,936	\$1,514,951	\$8,282,775	\$3,681,052
TOTAL		\$512,076,165	\$467,102,567	\$2,043,269	\$8,649,665	\$22,878,551	\$11,402,113

Accordingly, the “revision” to the budget submission lists the following underlying assumptions and considerations for the American Rescue Plan:

➤ **Section 602.c.1.a**

To respond to the public health emergency with respect to COVID-19 or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel and hospitality:

➤ \$100,000,000 allocated towards the following:

- 1) \$ 31,000,000, for households
- 2) \$ 10,000,000, for small businesses
- 3) \$ 10,000,000, for nonprofits
- 4) \$ 49,000,000, for travel, tourism and hospitality

➤ **Section 602.c.1.b**

To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the State, territory, or Tribal government that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;

➤ \$30,000,000 was allocated towards the following:

- 1) \$11,000,000, for the Commonwealth Healthcare Corporation frontline workers;
- 2) \$13,000,000, for government frontline workers premium pay;
- 3) \$ 6,000,000, for private healthcare clinics premium pay;

The funds allocated are for workers who have been and continue to be relied on to maintain continuity of operations of essential critical infrastructure sectors, including those who are critical to protecting the health and wellbeing of our communities.

➤ **Section 602.c.1.c**

For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the Commonwealth, the following are allocated for the operations and activities of the various departments and agencies including the Judicial and Legislative Branches.

- \$250,000,000, was allocated to the following operations and activities;

Section 602.c.1.c, Provisions of Government					
	Government Branches/Depts/Agencies	FY 2021	FY 2022	Total	NOP
1	Judicial Branch	11,053,568	2,107,135	13,160,703	106
2	Legislative Branch	4,230,297	2,605,594	6,835,891	133
3	Office of the Governor	404,884	809,767	1,214,651	15
4	Office of the Lt. Governor	284,364	568,727	853,091	14
5	Other Offices of Governor & Lt. Gov.	4,419,490	14,794,413	19,213,903	513
6	Dept. of Commerce	460,540	921,080	1,381,620	65
7	Dept. of Community & Cultural Affairs	1,569,695	2,909,411	4,479,106	83
8	Dept. of Corrections	1,517,525	3,035,049	4,552,574	139
9	Dept of Fire and EMS	1,169,496	2,338,991	3,508,487	160
10	Dept. of Finance	5,124,515	10,353,866	15,478,381	285
11	Dept. of Labor	569,345	1,138,688	1,708,033	28
12	Dept. of Lands & Natural Resources	1,854,136	3,489,635	5,343,771	100
13	Dept. of Public Safety	1,427,659	2,855,318	4,282,977	245
14	Dept. of Public Works	571,410	1,372,797	1,944,207	112
15	First Senatorial District, Rota	1,945,052	3,890,102	5,835,154	339
16	Second Senatorial District, Tinian	2,068,108	4,204,319	6,272,427	300
17	Third Senatorial District, Saipan	796,490	1,442,979	2,239,469	105
18	Third Senatorial District, Northern Is.	142,301	284,602	426,903	25
19	Boards and Commissions	599,425	1,386,666	1,986,091	48
20	Independent Programs	29,628,270	103,713,504	133,341,774	166
21	Other Programs	5,163,430	10,326,859	15,490,289	1,157
22	Dept. of Public Lands	-	450,498	450,498	81
	Total	75,000,000	175,000,000	250,000,000	4,219

The ARPA funding made available for the provisions of government will aid the Commonwealth in the restoration of hours affected by the fiscal austerity due to loss of government revenues impacted by the public health emergency and COVID-19 including reinstatement of those employees that were furloughed and the cancellation of the reduction in force including other provisions of the government relative to addressing the impacts of the public health emergency.

➤ **Section 602.c.1.d**

To make necessary investments in water, sewer, or broadband infrastructure

- \$101,876,521 is allocated for the following investments

- 1) \$ 10,000,000, to make funding available to create an ecommerce system (Enterprise Resource Program and Cybersecurity Systems for the CNMI government. The government services to the community were hampered because of COVID-19 safety protocols limiting government services to the general public and preventing government from collection of fees and fines. The creation and installation of an egovernment system would allow the community to access from the safety of their home the ability to conduct business with the government such as applying for new or renewal of business licenses, drivers and boat operators license, vehicle and boat

registration, application for zoning permits, paying for fines and citations, building code permits, fire code permits, and other licenses and fees;

- 2) \$ 22,000,000, to make funding available for the repair of the water distribution system identified by the Leak Detection Program that are shovel ready across the CNMI thus mitigating the millions of gallons of water wasted as a result of the leaks;
- 3) \$ 1,000,000, to supply and install water catchment systems for the residents of Pagan, Alamagan and Agrihan;
- 4) \$ 11,000,000, to make funding available for the upgrade of our broadband infrastructure potentially from 4G to 5G;
- 5) \$ 37,730,250, to make funding available for the rehabilitation of existing sewer systems and new connections to existing sewer systems in areas across the CNMI that are shovel ready (e.g. As Mahetog area) but delayed due to lack of funding; and to include incomplete installations of public access roads where water and sewer distributions were installed but roads were left unpaved in the Kagman III Village Homestead areas;
- 6) \$ 20,146,271, to make funding available for land acquisition for the expansion of water and wastewater systems.

➤ **Section 603.c. Non-Entitlement Units**

➤ \$5,447,789, allocated to the Senatorial Districts of the Commonwealth

- 1) \$3,092,066, for the Saipan Municipality;
- 2) \$ 707,501, for the Northern Islands Municipality;
- 3) \$ 808,718, for the Rota Municipality;
- 4) \$ 839,504, for the Tinian Municipality.

➤ **Section 603.c. Counties**

➤ \$10,466,141, allocated to the Senatorial Districts of the Commonwealth

- 1) \$ 490,840, for the Rota Municipality;
- 2) \$ 609,131, for the Tinian Municipality;
- 3) \$ 9,366,170, for the Saipan Municipality; of which, \$101,929 is allocated for the Northern Islands Municipality. The allocation was based on the voter population for the Northern Islands who were displaced as a result of the eruption of Mount Pagan.

The funds allocated will be used by the respective municipalities pursuant to the terms and conditions of the grant award, the Interim Final Rule and Subtitle M, Section 603.c.1, similar to the provisions set forth in Section 602.c.1.

➤ **Section 604 Capital Projects Fund**

To carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency with respect to COVID-19.

➤ \$14,285,714, is allocated to the Northern Mariana Islands and recommended distribution are as follows:

- 1) \$ 2,265,100, for projects in the village Precinct 1 encompassing San Antonio, San Vicente and Koblerville areas;
- 2) \$ 1,224,907, for projects in the village Precinct 2 areas of Susupe and Chalan Kanoa;
- 3) \$ 1,912,772, for projects in the village Precinct 3 areas of Garapan, Chinatown, Gualo Rai and Oleai;
- 4) \$1,275,984, for projects in the village Precinct 4 areas of Tanapag, San Roque, As Matuis and Capital Hill;
- 5) \$1,604,103, for projects in the village Precinct 5 areas of Kagman Homestead I, II, III, IV;
- 6) \$ 806,936, for projects in the Northern Islands of Pagan, Alamagan and Agrihan;
- 7) \$3,681,051, for projects in the Municipality of Tinian;
- 8) \$1,514,951, for projects in the Municipality of Rota.

The Northern Mariana Islands is privileged with this substantial allocation to help defray the cost of government services exacerbated by the negative economic impacts of the COVID-19 public health emergency. The allocations are provided in the current Fiscal Year 2021 and Fiscal Year 2022. Recipients of the Fiscal Recovery Funds are encouraged to refer to the Interim Final Rule governing the uses of these funds to ensure expenditures are in accordance to its allowability.

Other underlying assumptions included in the ARPA distribution are as follows:

- Each department and agencies are recipients of ARPA funds in both fiscal years for their operations and activities to restore hours reduced, reinstate furloughs and retrofit their workplace to the new settings to address the public health emergency due to COVID-19;
- \$10 million allocated to the Judicial Branch in current year Fiscal Year 2021 will be use to retrofit their facility to the new setting to combat the public health emergency due to COVID-19, improvements to their broadband connectivity, restoring the reduction of hours, and the reinstatement of furloughs affected by the fiscal austerity;
- \$6,835,891 allocated to the Legislative Branch increases each member's allocation for their operations and activities from \$60,000 in Fiscal Year 2021 to \$65,000 each in Fiscal Year 2022. Combined with the general fund allocation for both fiscal years will result in

each member receiving \$150k and \$155k. This also includes sufficient funding to restore reduced hours from 64 to 80 in the Legislative Bureau, plus \$3 million to retrofit their workplace to the new pandemic settings to combat COVID-19;

- \$1,895,708, is allocated to the COVID-19 Quarantine and Call Center Unit for the operations and activities of the unit responding to between two quarantine sites;
- \$4,202,927, is allocated for the establishment of the infrastructure Recovery Program's operations and activities;
- \$6,000,000 is allocated for the hiring of 300 temporary workers, of which, 50 workers each for the Municipalities of Rota and Tinian;
- \$4,552,574, is allocated to the Department of Corrections to start the 9th Cycle Corrections Academy, for the operations and activities of the Department including retrofitting prison workers with personal protective equipment to combat this public health emergency due to COVID-19;
- \$3,508,487, is allocated to the Department of Fire and EMS to restart the 13th Cycle Fire Academy that was suspended following the public health emergency due to COVID-19, and for the operations and activities of the department including retrofitting first responders with supplies and protective gears disposed following every ambulance runs at an average estimate of 22 runs per day;
- \$15,478,381, is allocated to the Department of Finance for the operations and activities of nine Divisions, the merging of Customs and Quarantine to protect the Commonwealth's borders utilizing the same facilities and performing collaborative functions, for the establishment of the Office of Information Technology to meet the needs and expectation of a globally interconnected and rapidly advancing population, and to retrofit the workplace to the new pandemic setting to combat the public health emergency due to COVID-19;
- \$4,282,977, is allocated to the Department of Public Safety to start the 26th Cycle Police Academy, for the operations and activities of five Divisions in the Department including retrofitting the workplace to the new pandemic setting to protect the workers from this public health emergency due to COVID-19;
- \$1,944,207, is allocated to the Department of Public Works for the operations and activities of five Divisions, and to fund hazardous pay to workers performing hazardous work at the landfill;

- \$5,835,154, is allocated to the First Senatorial District (Rota) for the operations and activities of the Municipality, to restore the reduction of hours and reinstate furloughs affected by the fiscal austerity due to COVID-19 public health emergency;
- \$6,272,427, is allocated to the Second Senatorial District for the operations and activities of the Municipality, to restore the reduction of hours and reinstate furloughs affected by the fiscal austerity due to COVID-19 public health emergency;
- \$7,500,000, is allocated to the Commonwealth Scholarship Office to provide financial assistance to students of the Commonwealth affected by the negative impacts of the public health emergency due to COVID-19;
- \$4,081,965, is allocated for the processing of within grade increases suspended by the fiscal austerity due to the reduction in revenues; of which, \$3.2 million was allocated in the current Fiscal Year 2021 for civil service employees; and, \$881,965, in Fiscal Year 2022, for an equitable adjustment to salaries of management level employees across the Commonwealth who were excluded from the amendments to the Salary Compensation Act (P.L. 19-83) enacted in February 2017;
- \$10,993,254, is allocated for the group health insurance of active employees, of which, \$3,664,418, is for current Fiscal Year 2021 and \$7,328,836 is for Fiscal Year 2022;
- \$20,000,000, is allocated for the payment of government utilities from March 3, 2021 to September 30, 2022; This allocation includes 1% OPA fee.
- \$39,720,116, is allocated for Medicaid for servicing Medicaid clients in the Commonwealth;
- \$20,221,423, is allocated to the Medical Referral Program to provide medical care to patients of the Commonwealth requiring urgent medical care not available here in the Commonwealth;
- \$876,662, is allocated to the Commonwealth Museum for the operation and activities of the Museum including retrofitting the Museum to the COVID-19 pandemic settings, improvements to their digital technology and broadband infrastructure, reinstatement of furloughed employees and the hiring of two additional workers to support the operations due to the increase in the influx of visitors to the museum, and the reinstatement of reduction of hours from 64 to 80;
- \$10,000,000, to procure, install and operate a Magnetic Resonance Imaging (MRI) unit and a Hyperbaric Chamber (HBOT) unit for the Commonwealth Healthcare Corporation.

This project will be undertaken by the Infrastructure Recovery Program in collaboration with the Commonwealth Healthcare Corporation prior to the acquisition phase. Both units will be installed and operated by the CHCC. The procurement and installation of these two units will reduce the Commonwealth's medical referral expenses as a result of having these units in place;

- \$2,000,000, is allocated to open and operate the facilities of the CNMI Public Cemetery. This project will be undertaken by the Infrastructure Recovery Program with a critical implementation period not to exceed 180 days or opening date no later than January 15, 2022;
- \$5,000,000, is allocated to provide economic aid to borrowers and lenders of the former Commonwealth Development Authority (CDA) also known as the Commonwealth Economic Development Authority (CEDA). The program is design to identify the total interest paid by borrowers of CDA from loans that existed pre-COVID-19 by converting the interest to the principle of the loan including a waiver of the interest not to exceed five years or as determined by the Board of CEDA. Defaulted loans will not be eligible for this economic aid. The amount allocated is for CEDA to issue new loans to small businesses interest free through 2025;
- \$3,000,000, is to procure, install and operate a mobile x-ray container unit for use at the airport and seaport in Saipan to counter entry of illegal products into the CNMI;
- \$11,210,911, is allocated to the Commonwealth Healthcare Corporation for the operations and activities of the hospital affected by the negative impacts of the public health emergency due to COVID-19. Aside from this allocation, an additional \$11,000,000, is allocated for premium pay of hospital workers needed for the continuity of operations during this public health emergency due to COVID-19;
- \$7,638,650, is allocated to the Northern Marianas College for the operations and activities of the College affected by the negative impacts of the public health emergency due to COVID-19, the restoration of the reduction of hours due to the fiscal austerity from 64 to 80, and retrofitting the workplace and classrooms to the new pandemic settings protecting workers and students that are onsite;
- \$450,498, is allocated to the Department of Public Lands affected by the reduction in public land lease revenues from major businesses due to the negative impacts of the public health emergency and COVID-19.

The allocation of the ARPA funds in the various departments and agencies were reallocated into personnel services allocation under expense code 61299 as the purpose of the funds made

available were to address the negative impacts of the public health emergency due to COVID-19 by first restoring the reduction of hours from 64 to 80, the reinstatement of furloughs, the cancellation of the reduction in force, retrofitting current workplace to the new pandemic settings to protect the workforce environment. We request for the flexibility in reprogramming these funds after addressing the needs in personnel to transfer funds needed for the operations and activities in other expense categories of the respective recipients of ARPA funding.

The adjustment in the number of positions (NOPs) and the allocation for personnel and all others are reflected below:

Number of Positions (NOPs)					
Activities	FY 2021/2022 ARPA	FY 2022 G/F	FY 2021 G/F	Change from 2021 G/F +/-(-)	Change from 2021/2022 ARPA v. G/F +/-(-)
Judicial Branch	106	94	94	0	12
Legislative Branch	133	133	131	2	0
Executive Branch	1,759	1,148	1,089	59	611
First Senatorial District	339	292	292	0	47
Second Senatorial District	300	259	259	0	41
Third Senatorial District	130	102	102	0	28
Boards and Commissions	48	38	38	0	10
Independent Programs	166	135	123	12	31
Other Programs	1,157	1,166	1,063	103	-9
Public Lands	81	81	141	-60	0
Total	4,219	3,448	3,332	116	771

	FY 2021 ARPA	FY 2022 ARPA	%age Allocation	FY 2022 G/F	%age Allocation
Personnel	\$33,060,924	\$67,007,429	40%	\$54,519,548	55%
All Others	\$31,939,076	\$98,091,581	52%	\$44,057,984	45%
Utilities	\$10,000,000	\$9,900,990	8%	\$319,769	0%
Total	\$75,000,000	\$175,000,000	100%	\$98,897,301	100%

In summary, this revision fulfills the Executive Branch's primary responsibility as required by the Constitution.

We encourage all members to work closely in collaboration with the Administration to continue the process of assessing existing revenue streams and new revenue generating measures being considered and proposed during the Fiscal Summit. The Table outlines the various proposal and its effect:


Fiscal Summit Proposal, Group B, April 2020

Summit Proposal	Estimated Effect
Remittance Tax	+\$3,825,000
2% Sales Tax	+\$7,783,375
"Sin Tax (sugar beverages, alcohol, etc.)	+\$3,397,733
\$1 increase to Cigarettes (Tobacco) products	+\$2,924,395
Total	+\$17,930,503

The budget revision package includes Volume I, II and IV to reflect the changes made. No changes to Volume III were made should remain intact for the various Government Corporations.

The Special Assistant for Management and Budget and the Secretary of Finance are available to discuss the details of this Proposed CNMI Budget for Fiscal Year 2022. Thank you and we look forward to working with you and the members in ensuring a timely passage of this proposal.

Respectfully,


ARNOLD I. PALACIOS
Acting Governor

cc: Governor/Lieutenant Governor
Secretary of Finance
Special Assistant for Management and Budget
Special Assistant for Administration
Special Assistant for Programs and Legislative Review
All Mayors
Executive Assistant for Carolinian Affairs
Members of the 22nd Northern Marianas Commonwealth Legislature