

Commonwealth of the Northern Mariana Islands Office of Grants Management & State Clearinghouse

Citizen-Centric Report for FY2021

“Building Partners, Ensuring Resiliency
Across Our Islands”



Governor Ralph DLG Torres, Lt. Governor Arnold I. Palacios and OGM-SC Administrator Epiphonio E. Cabrera Jr. presents local non-profit organizations with direct federal assistance from the Department of Interior's Office of Insular Affairs CARES ACT Funds. Included Non-Profit Organizations are Salvation Army, Marianas Food Bank, Miracle Hands, Empty Vessel Ministries, and Karidat. (09/2021).



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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*.

Providing Grant Training to Government
and Autonomous Agencies



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 collaborated with other government agencies, awarded, funded amount, and activities achieved. Furthermore, OGM was tasked to administer the CARES Act Fisheries Assistance Round 1 and the Commonwealth Covid-19 Emergency Rental Assistance Program.



FY2021: Technical Assistance Program : (\$2,790,010)

Agency	Project	Amount
DOF	Revenue Management Information Tax System	\$1,171,160
DOF	CNMI Wide Valuation Report	\$363,736
CUC	Automated Water Read Supply and Lead Detection System Pilot Project	\$265,500
CUC	Feasibility Study for Wastewater Collection, Transmission, and Treatment System Project	\$245,000
GOV	CNMI Statewide Comprehensive Outdoor Recreational Planning Initiative	\$241,431
GOV	Comprehensive Wetlands Management Plan	\$183,876
MOT	House of Taga Restoration and Preservation Project	\$169,307
GOV	Implementation of Saipan Street Naming and Addressing Master Map	\$150,000
TOTAL:		\$2,790,010

FY2021: Maintenance Assistance Program (\$703,500)

- ◆ CUC Jet Vac Sewer Cleaning Equipment Acquisition - \$368,500
- ◆ Municipality of Tinian and Agui-guan for the Backhoe Loader Acquisition—\$ 150,000
- ◆ CPA (Tinian) Maintenance Equipment for the Tinian Airport and Port of Tinian—\$185,000



FY2021: Energizing Insular Communities Program (\$2,119,748)

- ◆ CUC's 2.5MW Solar & PV Battery Storage Facility Design \$645,000
- ◆ CNMI Energy Task Force Planning & Coordination - \$370,680
- ◆ Solar Light Systems on Public Buildings and Pathways Project on Tinian—\$328,236
- ◆ CUC's Distribution Automation Pilot Project—\$299,996
- ◆ CPA's Cool Roof System and LED lighting upgrades at the Saipan International Airport—\$260,500
- ◆ Energy Efficient/Energy Star Appliance Rebate Program—\$215,336



Category	Saipan	Tinian	Rota	TOTAL
Commercial- Eligible	20	3	4	27
Commercial - Non Eligible	5	0	1	6
Subsistence-Eligible	664	343	146	1153
Subsistence-Non Eligible	9	9	1	19
Total Applied	698	355	152	1205
Total Assistance Received	684	346	150	1180

Breakdown of Funds Distribution	
\$ 1,000,000.00	CARES ACT Fisheries Grant Award
\$ 11,196.42	PSMFC Admin Fee
\$ 19,584.38	State Admin Fee
\$ 969,219.20	Balance (After Above Fees)
\$ 97,919.09	Total Amount Commercial Qualified
\$ 871,300.11	Total Available for Subsistence
1153	Eligible Subsistence Applicants
\$ 755.68	Each Subsistence Applicant to Receive (Oct 2021)
\$ (1.07)	Difference (PSMFC)



Round 2 of the CARES Act Fisheries Assistance will be handled by the DFW, DLNR.



Applications	SPN	TIQ	ROP	CNMI
Received	1977	37	33	2047
Status	SPN	TIQ	ROP	CNMI
Pending Review	89	0	0	89
Eligibility Review	350	4	10	364
Audit	29	0	0	29
Home Inspection	42	0	2	44
Assistance Issuance	1217	24	16	1257
Ineligible	161	8	4	173
Canceled	86	1	1	88
Maxed Out (15 months)	2	0	0	2
Terminated	1	0	0	1
Total	1977	37	33	2047

Award Type	Funding Level	Expended	Balance
ERA 1 Benefits	\$ 9,360,602.00	\$ 3,961,482.00	\$ 5,399,120.00
ERA 1 Admin	\$ 1,040,067.00	\$ 429,937.00	\$ 610,130.00
ERA 2 Benefits	\$ 3,227,536.00	\$ 248,108.00	\$ 2,979,428.00
ERA 2 Admin	\$ 358,615.00	\$ 91,389.00	\$ 267,226.00
TOTAL:	\$ 13,986,820.00	\$ 4,730,916.00	\$ 9,255,904.00



Our Finances

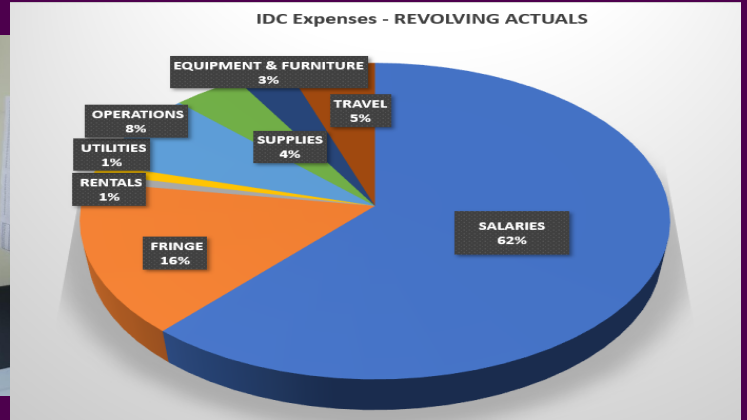
Between fiscal years 2016 and 2019, the OGM-SC was funded both by CNMI Local Budget Appropriations and Section 5 of PL 19-49 of the Grants Management enabling legislation. For FY2020 and FY2021, the CNMI Legislature budgeted \$1.00 for personnel and all others, thus leaving the OGM-SC completely funded 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, unmet needs from the disaster and Covid-19, and public safety needs.

Furthermore, it was realized at the end of FY2020 and 2021 that with the Covid-19 pandemic, many federally funded activities were not executed or undertaken, driving the IDC collections down. This has impacted OGM-SC's ability to handle more community projects and subgrants. It also prevented our office from hiring additional needed staffing to address many new grant initiatives under the administration. In addition, with the new FMIS being implemented, OGM expects expenditures to less than previous stronger federal spending years. Hopefully, ARPA funds can ramp up the difference.

Local Budget

Fiscal Year	#FTE	Personnel	%of Total	Operations	%of Total	Total Budget
FY18 (PL20-11)	10	\$236,748	89.70%	\$27,258	10.30%	\$264,006
FY19 (PL20-67)	10	\$228,020	99.00%	\$2,281	1.00%	\$230,301
FY20 (PL21-08)	8	\$1	100.00%	\$0	0.00%	\$1
FY21 (PL21-35)	0	\$0	0.00%	\$1	100.00%	\$1



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. For FY2021, OGM-SC subgranted \$185,764. This represents about 39.3% of its FY2021 Budget. Below, please find a 2021 listing of IDC-funded projects:

Description	Expenses	Description	Expenses
Column1	Column2	Column3	Column4
Wages & Salaries - Ungraded	\$ 381,426.39	Food Items	\$ 675.00
Overtime Compensation	\$ 27,191.76	Fuel & Lubricate	\$ 28,732.22
Personnel Insurance	\$ 1,788.74	Repairs & Maintenance	\$ 4,884.95
401K Employer Contribution	\$ 3,810.24	Freight & Handling	\$ 155.00
FICA Contribution	\$ 25,334.37	Advertising	\$ 3,989.00
Health Insurance Premium	\$ 33,282.81	Communications	\$ 1,997.00
Medicare Contribution	\$ 5,924.93	Dues & Subscriptions	\$ 360.00
Rental - Heavy Equipment	\$ 2,900.00	Insurance	\$ 2,436.00
Rental - Others	\$ 2,600.00	Printing & Photocopying	\$ 5,671.00
Utilities - Power	\$ 5,963.02	Supplies - Office	\$ 500.00
Utilities - Water	\$ 614.17	Supplies - Operations	\$ 25,313.47
Cleaning Services	\$ 500.00	Equipment Under \$5000	\$ 16,510.90
Machinery, Tools & Equipment	\$ 1,074.99	Transportation	\$ 6,876.00
		TOTAL	\$ 618,104.18

Office of Grants Management: Indirect Cost Account				
FY	%OGM	OGM Share Received	OGM Subgrant	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	\$ 177,122.77	\$ 688,491.07
2019	37%	\$ 743,543.33	\$ 148,708.67	\$ 594,834.66
2020	36%	\$ 735,488.00	\$ 147,097.60	\$ 588,390.40
2021	35%	\$ 472,202.45	\$ 94,440.49	\$ 377,761.96
2022	35%	\$ -	\$ -	\$ -
TOTALS		\$ 4,018,388.95	\$ 807,677.80	\$ 3,210,711.15

Total Share per 1 CMC \$ 2893 \$ 4,018,388.95
 Total Subgrant Awarded (to date) \$ 1,654,979.38

COVID-19

US Department of the Interior
 - CARES Act

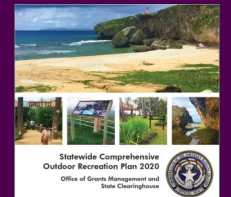
- Office of the Governor: \$4,042,585.00
 - Funds Managed by GOV/OGM
 - a. Oxygen Generation System/LV Lights: \$487,182
 - b. Reverse Osmosis/Sterilization System: \$5396,830
 - c. Mobile X-Ray Machine: \$227,530
 - d. Expansion of the ER Room: \$714,837
 - e. CHCC & MCAT Parking: \$320,718
 - f. Marianas Resort: \$371,800
 - g. Mobile Lab Unit: \$1,242,642
 - h. Humanitarian Food Relief: \$281,046



IDC Subgrants

- ◆ CNMI Beautification Projects (SPN/TIQ/ROTA; Grotto, Concrete Benches, Pathway Lights, Road Paint; TIQ Beach Huts; TIQ Solar Lights; TIQ Pika Festival Ferry Services; Rota Fiesta Fishing Derby Prizes; DPW Salary Increase: \$102,290
- ◆ CBMA Official Truck Vehicle—\$ 37,995
- ◆ SAAR Staffing Assistance—\$35,483
- ◆ Rota Commerce/Computers—\$9996

TOTAL: \$185,764.00



Future Outlook: Our Challenges and Priorities

22 Priorities

FORESEEN CHALLENGES:

- ◆ **COVID-19.** The CNMI has seen a tremendous increase in positive cases with the Coronavirus, in the past few weeks (Nov) sparking the need for better health care services and financial assistance. ARPA funds have continuously flocked into the CNMI, spending and accountability will be critical activities for the CNMI.
- ◆ **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 already approved, \$243M worth of projects, will start a frenzy of projects with little to no manpower available to execute these construction projects. There are still FEMA and PA projects that haven't started, including many Economic Development Administration projects.
- ◆ **Capacity.** The OGM-SC has currently 9 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. to receive additional funding, especially during austerity and a health pandemic. More technical staffing will be needed in the immediate future to implement and manage many of the federal funds coming to the CNMI. The Build Better Back American Plan also plans to bring in about \$1B for the CNMI for Energy, Roads, Daycare, and State Assistance .

A. The Disaster Recovery

Three years after Yutu and now the CDBG-DR and FEMA funds are rolling out. The OGM-SC needs to reassert itself and assist multiple agencies to get their projects moving, funds obligated, and constructed. Getting the narrative completed, the NEPA clearance, Architectural and Engineering designs will take some time before the actual construction can commence. There will be too many projects circulating in the CNMI, but we need to prioritize the most urgent ones first. OGM will further assist in FY2022 with road and highway projects, tourism projects, and as well as beautification and infrastructure projects.



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 and Covid-19. Achieving a clean single audit is also a priority, especially as consistent findings reoccur annually. Its compliance is detrimental to receiving more federal dollars. With this, OIA has provided OGM and the Department of Finance with federal funding to track and monitor disaster related expenditure and to build transparency using an online platform. Visit: www.cnmidr.gov.mp for more info.



D. Raising the Bar through TRAINING

It shall be OGM-SC's priority to provide much needed training to all CNMI grant managers and those aspiring to learn more about grants and its management of federal awards. OGM-SC is working on a training program with a certified US Grants Program that aims at building local capacity. It is the hope that new recruits and current managers will gain the experience necessary to run their grant programs smoothly and to eventually get more federal money into the 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 • [@cnmiogm](https://www.facebook.com/cnmiogm) • [@cnmiogm](https://www.instagram.com/cnmiogm) • [@cnmiogm](https://www.youtube.com/channel/UC...)



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) 237-2220/235-4211 or by email at cnmigov.ogm@gmail.com or write to Office of Grants Management & State Clearinghouse, Chalan Kanoa, Caller Box 10007, Saipan, MP 96950.