

# CNMI Office of the Governor CITIZEN-CENTRIC REPORT FY 2019



Photo by D&R Visuals

## Table of Contents

1. Who We Are
2. Our Progress
3. Our Finances
4. Moving Forward

## Our Vision

An efficient government that expands economic opportunity and improves the quality of life for every resident and visitor in the Marianas.

## Our Mission

To provide essential public services, updated infrastructure, educational opportunities, and an environment that supports entrepreneurs and business growth.

## About Us

The CNMI Office of the Governor is the chief executive office for the Commonwealth of the Northern Mariana Islands and manages the Executive Branch of the Commonwealth Government.

Governor Ralph DLG. Torres took helm of the office on December 29, 2015, due to the passing of Governor Eloy S. Inos. On January 14, 2019, Governor Torres and Lt. Governor Arnold I. Palacios were inaugurated to serve a term of four years.



**Ralph DLG. Torres**  
Governor

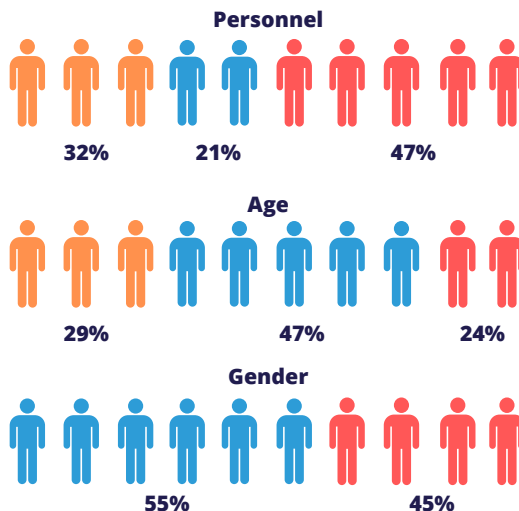
## Operational Structure

Angel A. Demapan - Chief of Staff  
 Mathilda A. Rosario - Special Assistant for Administration  
 Kevin Bautista - Press Secretary  
 Gilbert J. Birnbrich - Legal Counsel  
 Victoria T. Guerrero - Special Assistant for Programs & Legislative Review  
 Janina Maratita - Policy Analyst  
 Thomas John DLC. Manglona - Public Information Specialist  
 Frances M. Dela Cruz - Executive Assistant to the Governor  
 Melisa T. Jack - Executive Assistant to the Lt. Governor  
 Lina M. Dela Cruz - Executive Scheduler  
 Kianna C. Manglona - Administrative Secretary



**Arnold I. Palacios**  
Lt. Governor

## Employee Demographics



- Office of the Governor - 12
- Office of the Lt. Governor - 8
- Administrative Services - 18
- 18 - 40 years - 11
- 41 - 61 years - 18
- 62 years - 9
- Male - 21
- Female - 17



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
OFFICE OF THE GOVERNOR

Juan A. Sablan Memorial Building  
 Caller Box 10007, Saipan, MP 96950  
 (670) 237-2200



@GovernorCNMI

# Our Progress



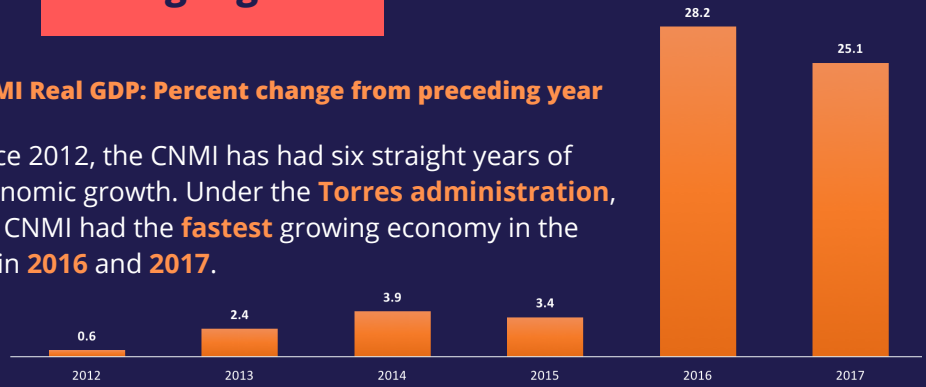
## Table of Contents

1. Who We Are
2. Our Progress
3. Our Finances
4. Moving Forward

## Highlight

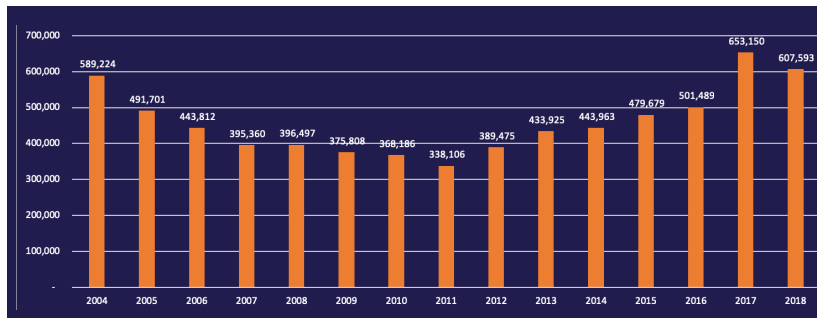
### CNMI Real GDP: Percent change from preceding year

Since 2012, the CNMI has had six straight years of economic growth. Under the **Torres administration**, the CNMI had the **fastest** growing economy in the US in **2016** and **2017**.



Since 2014, average hourly wages have increased by **42%** since we came into office.

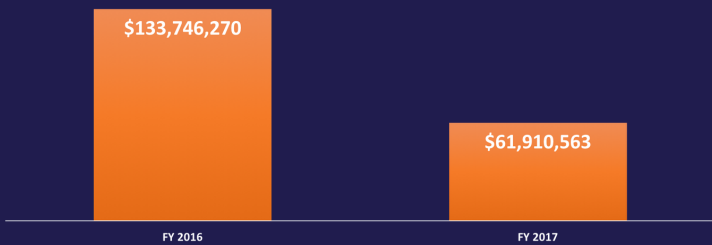
ACCORDING TO THE 2016 CNMI PREVAILING WAGE AND WORKFORCE ASSESSMENT STUDY



Under the **Torres administration**, the CNMI had over **half a million** tourism arrivals for **three straight years** from FY 2016 to FY 2018.

### UNDER GOVERNOR TORRES

The CNMI significantly decreased its deficit by **53.7%** between FY 2016 and FY 2017, by paying off historic obligations and arrears.



Under the **Torres-Palacios administration**, the ratio of U.S. Workers to Other Workers for Tax Year 2018 was:

# 57 : 49

For every **57 U.S. Workers**, there were approximately **49 Other Workers** in the CNMI workforce, reaffirming the prioritization of US Workers in our economy.

**Governor Torres** and **Lt. Governor Palacios** successfully led efforts to secure **Skymark Airlines**, the first Japan-based carrier to launch direct flights between Tokyo and Saipan since 2005.



Successfully negotiated passage of **NMI US Workforce Act of 2018** in Congress, saving the CNMI's economy in 2018 from possible collapse because of a US workforce shortage



over **3,000** new businesses opened up shop since 2015



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# Our Finances



## Table of Contents

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2. Our Progress
3. Our Finances
4. Moving Forward

### Budgetary Resources

Government revenue includes business gross revenue taxes, income taxes, excise taxes, licenses and fees, as well as charges for public services.

### Austerity Measures

This fiscal year, just like other departments and agencies, the Office of the Governor, comprised of the Governor's direct staff, the Office of the Lieutenant Governor, and Administrative Services, implemented austerity measures in order to protect employees from furlough and to stabilize our reduced financial position.

### Cost-Containment Measures

Cost-containment measures were also implemented for FY 2019 to improve the Commonwealth's financial condition. This included restrictions on travel, overtime, and purchases, as well as fuel and utility conservation.

## Super Typhoon Yutu negatively impacted the Commonwealth's finances in FY 2019

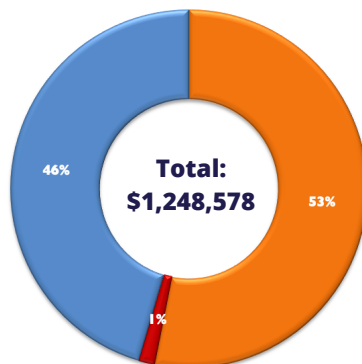
Super Typhoon Yutu devastated the Marianas just as FY 2019 began in October 2018. As a result of its catastrophic impact, our islands lost millions in potential economic revenue due to a loss of local business activity and visitor spending. This negatively affected budget projections for the first quarter of the fiscal year, resulting in a 15.2856% reduction of our net budgetary resources available for appropriation. Accordingly, all of the Commonwealth's departments, agencies, and instrumentalities had to endure a proportionate reduction of 15.2856% in their budgets.

Fiscal Year 2019 Government Activities & Uses					
Activities	Saipan	Tinian	Rota	Total	%
Health	16,116,532	0	0	16,116,532	11%
Public Safety and Law Enforcement	19,933,788	2,333,351	2,790,007	25,057,146	17%
General Government	18,735,836	3,780,402	2,771,482	25,287,720	17%
Other Elected Officials	1,950,943	81,825	81,825	2,114,593	1%
Community and Social Services	5,191,321	466,366	339,066	5,996,753	4%
Public Works	2,700,257	358,610	746,142	3,805,009	3%
Lands and Natural Resources	3,231,033	789,987	884,131	4,905,151	3%
Legislative Branch	4,626,394	0	0	4,626,394	3%
Judicial Branch	5,300,196	0	0	5,300,196	4%
Education	43,235,190	0	0	43,235,190	30%
Economic Development	1,633,916	131,446	187,775	1,953,137	1%
Utilities	2,615,536	290,380	254,143	3,160,059	2%
Autonomous Agencies (DPL)	3,803,299	0	0	3,803,299	3%
<b>Total</b>	<b>129,074,239</b>	<b>8,232,367</b>	<b>8,054,571</b>	<b>145,361,177</b>	

## Expenditures

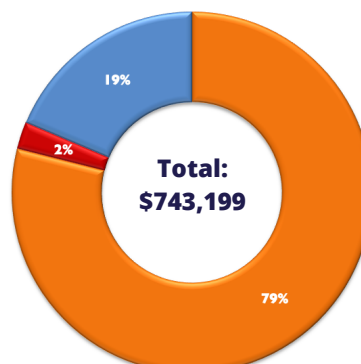
Office of the Governor  
FY 2019

■ Personnel ■ Utilities ■ All Other Expenses



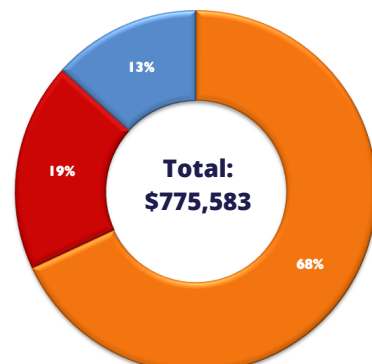
Office of the Lt. Governor  
FY 2019

■ Personnel ■ Utilities ■ All Other Expenses



Administrative Services  
FY 2019

■ Personnel ■ Utilities ■ All Other Expenses



# Moving Forward



## Table of Contents

- 1. Who We Are
- 2. Our Progress
- 3. Our Finances
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Do you have any suggestions on how we can improve our report for next year?

Please let us know by contacting Kevin Bautista, Press Secretary, at 237-2200 or at [kevin.bautista@gov.mp](mailto:kevin.bautista@gov.mp)

## Future Challenges and Priorities

### Recovery from Super Typhoon Yutu

In their inaugural addresses, Governor Torres and Lt. Governor Palacios reiterated their commitment to the CNMI's recovery from the devastating effects of Super Typhoon Yutu by ensuring the resilient rebuilding of homes, businesses, critical infrastructure, and community areas. The goal is a stronger Marianas.

### Sustainable Economic Development

A stronger Marianas also means a greater standard of living for residents and visitors. Governor Torres and Lt. Governor Palacios will continue to promote economic policies that will develop and diversify our economy responsibly. This includes plans of revitalizing Garapan and our tourism districts through long-term strategic planning with the private sector.

### Education and Workforce Development

With a stronger economy, we are able to properly fund our educational institutions and foster US workforce development. We can alleviate poverty through the success of our students.

### Public Safety

Governor Torres and Lt. Governor Palacios will continue to prioritize the safety and security of residents and visitors by continuing the work of eradicating drugs and training more law enforcement officers to patrol our villages and protect our children.



## Economic Outlook

As the Marianas continues its recovery, our tourism industry has steadily improved since November 2018, as visitors have returned in stronger numbers due to the presence of new airlines. Skymark Airlines is the first Japan-based carrier to establish flights between Tokyo and Saipan since 2005 and has revitalized the historical Japanese tourism market in the Marianas. Approximately 40,000 visitors are expected from Japan in FY 2020. Overall visitor arrivals are up 610% in November 2019 compared to November 2018. We remain cautiously optimistic for a stronger FY 2020.

The Office of the Governor has recognized the need for stronger long-term planning and development with the private sector as our economy slowly regains its footing. The administration's Garapan Revitalization Task Force looks to breathe new life into our islands' main tourism district through public-private partnerships that will create better experiences for visitors and attract investments. The CNMI Cannabis industry is also considered another potential industry that would create new revenue.

