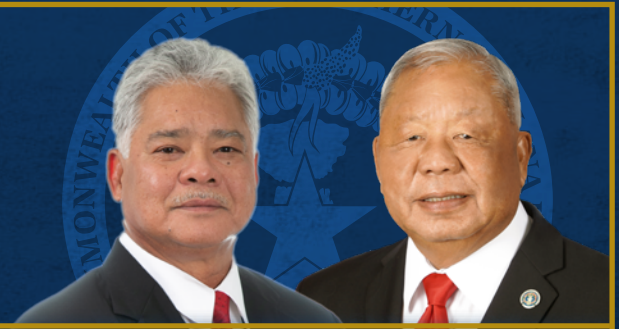


OFFICE OF THE GOVERNOR AND THE LT. GOVERNOR

CITIZEN-CENTRIC REPORT 2023



About The Office

The Office of the Governor is the chief executive office of the Commonwealth of the Northern Mariana Islands and manages the executive branch of the Commonwealth Government. In January 2023, the Honorable Arnold I. Palacios was inaugurated as the 10th Governor of the CNMI and the honorable David M. Apatang as the 13th Lieutenant Governor.

Vision

Provide high-quality and efficient public services in a manner that promotes accountability, transparency, and trust.

Strategic Goals

The goals of this administration are to restore transparency, effectiveness, and accountability in government.

In doing so, the Office of the Governor and Lt. Governor will advance strategic goals that include growing and diversifying the CNMI economy, modernizing and improving the efficiency of government services, strengthening partnerships with federal agencies and regional entities, protecting the vulnerable, implementing programs that protect and sustain the CNMI's natural resources, expediting ongoing and new infrastructure projects and growing renewable energy programs, bolstering healthcare services, and expanding digital equity and inclusion.

Operational Structure

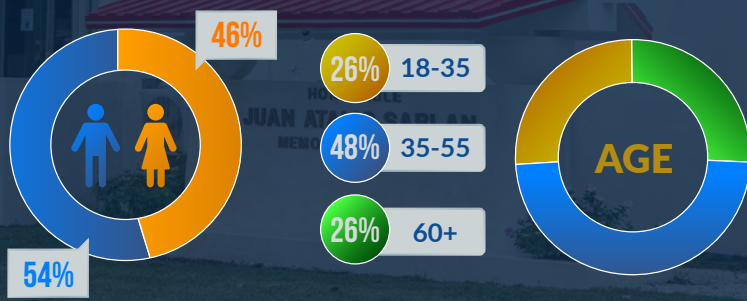
The Governor and Lt. Governor head the Office of the Governor and Office of Lt. Governor, respectively. In the first months since their inauguration, highly qualified individuals had been appointed to fill key positions within the administration and now serve as division secretaries, board members, directors, special assistants, and others in other roles that directly report to the Governor.

Cabinet Members

- | | |
|---|--|
| Oscar M. Babauta
Special Assistant - Administrative Services | Tracy B. Norita
Secretary - Department of Finance |
| Elizabeth S. Balajadia
Acting Director - Office of Planning and Development | Virginia Villagomez
Special Assistant - Office of Management and Budget |
| Ray N. Yumul
Secretary - Department of Public Works | Leila F. Staffler
Secretary - Department of Labor |
| Alfreda Camacho Maratita
Special Assistant - Public Transportation | Teresita Santos
Secretary - Department of Public Lands |
| Tina Sablan
Special Assistant - Climate Policy & Planning | Patrick C. Guerrero
Officer - Public Assistance Office |
| Sylvan O. Igisomar
Secretary - Department of Lands and Natural Resources | Glen Hunter
Special Assistant - Broadband Policy & Development |
| Daniel Aquino
Special Assistant - Commonwealth Bureau of Military Affairs | Franklin R. Babauta
Special Assistant - Homeland Security & Emergency Management |
| Francisco D. Cabrera
Acting Secretary - Department of Commerce | Epiphanio Cabrera Jr.
Grants Administrator - Office of Grants Management & State Clearinghouse |
| Christopher Concepcion
Managing Director - Marianas Visitors Authority | Barbara Sablan
Special Assistant - Women's Affairs |
| Clement Bermudes
Commissioner - Department of Public Safety | Delbert T. Pua
Special Assistant - Youth Affairs |
| Anthony C. Torres
Commissioner - Department of Corrections | Felix Nogis
Executive Assistant - Carolinian Affairs |
| Juan A. Pua
Commissioner - Department of Fire and Emergency Medical Services | Ross Manglona
Resident Executive - Indigenous Affairs |
| Douglas Hartig
Public Defender - Public Defender Office | Frances L. Sablan
Executive Officer - Veterans Affairs |
| Diego M. Sablan
Special Assistant - Substance Abuse, Addiction and Rehabilitation Program | Paul Tenorio
Executive Director - Criminal Justice Planning Agency |
| Vivian T. Sablan
Acting Secretary - Department of Community and Cultural Affairs | Eliceo D. Cabrera
Administrator - Bureau of Environmental Coastal Quality |
| James M. Rayphand
Director - Office of Vocational Rehabilitation | Mildred S. Camacho
Administrator - Scholarship Office |
| Frances Torres-Salas
Personnel Director - Office of Personnel Management | |

Demographics:

Employees of the Office the Governor and Lt. Governor



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PROGRESS

A new day dawned over the Commonwealth as the new administration assumed office less than one year ago. And although the initial, stunning discovery of \$500 million in mishandled funds (among other challenges) presented the young administration with an immense, unprecedented challenge, Governor Palacios and Lt. Governor Apatang's resolve was undeterred and accomplished the following in the first few months of assuming office:

Ensuring Fiscal Responsibility

The Governor and Lt. Governor identified the Fiscal Response Team at the start of their administration to prioritize the fiscal stabilization of government finances; reconcile expenses that had not been properly recorded and accounted for in the past administration, and initiate a revision to the ARPA Spending Plan with the U.S. Treasury. Governor Palacios and Lt. Governor Apatang have personally met with and secured assistance from federal partners for audits, financial strategic planning, and technical assistance to enhance revenue and taxation capacity. As part of the Governor and Lt. Governor's efforts to ensure fiscal discipline, several activities were deployed for improved collections, efficiency, and reversing past spending habits.

Economic Diversification

The Administration, as part of its economic diversification strategy, has worked to lessen the CNMI's unsustainable overreliance on the Chinese tourism market by engaging Japanese, Korean, and Taiwanese government and business leaders. To expand the Japanese tourism market to the CNMI, Governor Palacios traveled to Japan to meet with high-level Japanese government representatives, travel agencies, airline executives, and the U.S. Embassy in Japan. Governor Palacios also traveled to Seoul, South Korea to meet with government heads and industry (airline, travel agencies) partners. To attract foreign investment from other countries, Governor Palacios also participated in the SelectUSA Investment Summit, which is the highest profile event organized by the U.S. Department of Commerce to facilitate business investment by connecting thousands of investors, companies, economic development organizations (EDOs), and industry experts.

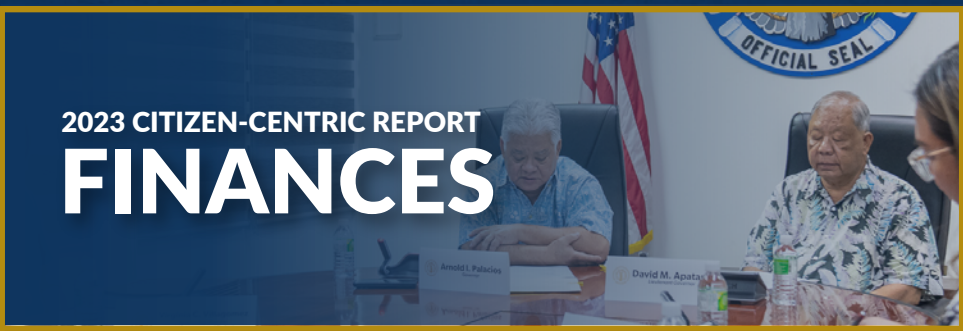
Laser Focus on Infrastructure Projects

The administration has prioritized infrastructure projects and has overseen the completion of two main road-improvement projects and the groundbreaking for several other road and facilities projects. Among just a few of these infrastructure projects include: 1) The completion of Phase II, III, and IV of Route 36 now provides community members with better access to the northeast part of Saipan, and 2) the improvement of Industrial Drive or Route 323, a road that used to be riddled with potholes, was completed.

Additionally, the Administration has facilitated the acceleration or groundbreaking for the following projects: 1) Naftan Improvement Project, which seeks to improve Routes 302 and 304, giving enhanced access to Obyan and Ladder beaches; 2) Construction of the Garapan Revitalization Project has started as this project aims to help enhance access, modernize, and enhance the aesthetic of the tourist district; and 3) the groundbreaking for NMC's new Student Center, which will be the flagship building of the CNMI's premier institution of higher education. The Governor and Lt. Governor continue to work with DPW, FEMA, PAO, CUC, and other agencies to expedite projects, reimbursements for typhoon and disaster expenditures, and the application of grants for new infrastructure projects.

Renewable Energy

The Strategic Energy Task Force has been renewed with a sense of urgency to access federal grants and programs and to expand the CNMI's movement toward renewable energy. The administration is also collaborating with the National Renewable Energy Lab (NREL) through the support of the Office of Insular Affairs to update the CNMI's strategic energy action plan and to develop the energy security plan with funding for the project.



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FINANCES



Fiscal Year 2023

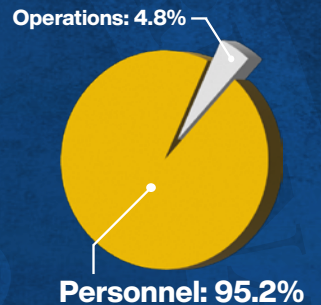
The revenues for the Office of the Governor and the Office of the Lt. Governor were determined by P.L. 22-22.

The following itemizes the expenditures of the Office of the Governor and the Office of the Lt. Governor for personnel.



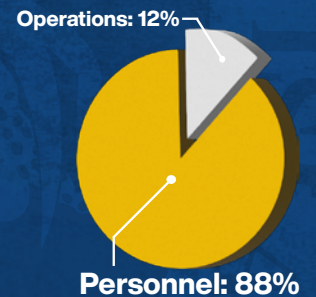
Office of the Governor

Personnel	\$567,611.81
Operations	\$28,587.98
Total	\$596,199.79



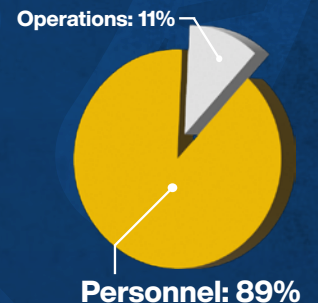
Office of the Lt. Governor

Personnel	\$426,638.52
Operations	\$58,540.10
Total	\$485,178.62



Administrative Services

Personnel	\$635,793.93
Operations	\$78,410.08
Total	\$714,204.01



WHAT'S NEXT?



Path to *Economic Recovery*

One thing that is clear about the Commonwealth's blueprint to economic recovery and development is that it cannot be business as usual. The challenges faced today require the entire Commonwealth as a whole - including government agencies, legislative leaders, private sector companies, nonprofit organizations, together with our partners in the federal government - to think outside of the proverbial box. An unprecedented crisis requires an unprecedented response.

The Governor and Lt. Governor are committed to working closely and collaboratively with partners in the private, nonprofit, and government sectors, to accelerate the way towards a thriving and sustainable economy. Decisions that are made today need to be mindful of the future, driven by data and a shared vision of what a thriving and sustainable economy means for the community. Whether it's diversifying the CNMI's tourism base, attracting more foreign investments, or bolstering our infrastructure projects, the Administration has shown a record of implementing and supporting fundamental economic policies that will benefit the CNMI in the long term.



Working with U.S. Congressman Sablan and the CNMI Legislature

Governor Palacios and Lt. Governor Apatang have forged a strong alliance with the U.S. Congressman Gregorio Kilili Sablan to benefit the Commonwealth. Together, they are working priorities that include support for crucial legislation like HR 560 and continue to work with new federal sources of funding and opportunities for the CNMI.

Unlike previous administrations where there was a contentious relationship with the CNMI Legislature, the new administration is also focused on working closely with the CNMI Legislature to enact legislation that would bring economic stability and growth. The administration and the legislature are already working together on revenue-generating legislation and cost-containment measures.



Workforce Development

Throughout the CNMI and the region, workforce shortages continue to pose challenges to economic growth. Nonetheless, workforce development initiatives remain a priority for the Governor and the Lt. Governor as they continue to work closely with the CNMI Department of Labor, Northern Marianas College, NMTech and the CNMI Public School System to advance programs that build workforce capacity in various priority areas of the workforce. The CNMI Department of Labor has also ramped up its focus on strengthening the CNMI's workforce by implementing programs that are targeted toward specific occupations.

Climate Resiliency

Responding to climate change and its implications remains a region-wide challenge and priority. Small island communities like the Northern Marianas situated on the front lines of the climate crisis are acutely vulnerable to the far-reaching effects of a changing climate. The CNMI is nevertheless uniquely positioned to offer innovative solutions for climate adaptation and mitigation, and Governor Palacios signed Directive 2023-008 which established the Climate Policy and Planning Program. This newly established office will work to support comprehensive plans and priority actions so that the CNMI will be well-positioned to address climate threats, reduce greenhouse gas emissions, resolve historic and environmental injustices and inequities within communities, and transition to a clean energy, low carbon economy that will spur innovation, growth and resiliency.

