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§ 2891. Office of Grants Management and State Clearinghouse.

(a) There is within the Office of the Governor a bureau of the government of the CNMI, which shall be known as the Commonwealth of the Northern Mariana Islands Office of Grants Management and State Clearinghouse (CNMI OGM-SC).

(b) Notwithstanding any other provision of law to the contrary, the CNMI OGM-SC shall have exclusive purview at the CNMI level over all federal aid programs, grants, loans, contracts, contributions, appropriations, allotments, advances, direct federal development and other federal funding sources for line agencies, such as departments, public corporations, and autonomous agencies under the Executive Branch and excludes independent offices established by the Commonwealth Constitution and Judicial Branch.

(c) The CNMI OGM-SC shall be headed by an administrator, who shall serve and report directly to the Governor. The administrator shall have at least a bachelor's degree from a U.S. accredited college or university and at least four years' experience in grant writing, grants management, or public administration.

(d) The office's composition and operating budget shall be determined by a percentage of collected indirect cost(s) charges.

(e) The OGM-SC shall be guided through the application of section 502(a)(1) of the Covenant, which makes applicable to the CNMI those laws which provide federal services and financial assistance programs as they apply to Guam, and development of training programs for government staff in grant writing, grant management and compliance, training on federal regulations and requirements, and practices and trends in federal grant implementation.

Source: [PL 16-48](#), § 3; amended by [PL 19-49](#) § 3 (June 13, 2016), modified.

Commission Comment: [Public Law 16-48](#), effective December 14, 2009, contained severability and savings clause provisions and the following:

Section 1. Title. This Act may be cited as the “Grants Management Act.”

Section 2. Purpose. The Legislature finds that significant finding is available from federal grants. The Legislature also finds that it is in the public's interest to take full advantage of the federal grant funding that the Commonwealth is eligible to receive. The Legislature further finds that there is a corresponding need to establish an Office of Grants Management within the Office of the Governor. The Office would be responsible for the following: (1) establishment of a database of those federal grants currently received; (2) research of all federal grants which the CNMI is eligible to receive but has not applied for; (3) development of grant applications for those federal grants which the CNMI has not previously submitted grant applications but is eligible to receive; (4) research of those federal grants which the CNMI is not currently eligible to receive but might reasonably be made eligible through the application of § 502(a)(1) of the Covenant, which makes applicable to the CNMI

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“those laws which provide federal services and financial assistance programs as they apply to Guam, and (5) development of training programs for government staff in grant writing, grant management and compliance, training on federal regulations and requirements, and practices and trends in federal grant implementation.

In addition to savings and severability clauses, [PL 19-49](#) included the following Title and Finding and Purposes sections:

Section 1. Title. This Act shall be cited as the “Grants Management Act of 2015”.

Section 2. Findings and Purpose. The Legislature finds that as per a June 17, 2015 status report conducted by Debbie Milks, Consultant, Graduate School USA, reasons were cited for reviving and restructuring the Office of Grants Management to include:

Single point of contact for grant correspondence and announcements.

The Legislature finds that the CNMI has come perilously close to losing federal funding due to inattention to federal agencies’ request. U.S. agencies may send correspondence to the Governor’s office, to their recipient department or the Department of Finance or Office Management and Budget (OMB). Such correspondence can get lost in the rerouting to the appropriate office or party. Both OIA and the U.S. Region IX Outer Pacific Regional Council have requested that the U.S. Insular governments establish a single point of contact for grants.

High numbers of grant findings and high-risk status.

The Legislature finds that the CNMI has for a number of years been cited on an unacceptable number of federal grant compliance findings; an average of 34 findings each year and as of September 30, 2014, cumulative questioned costs amounting to \$45M. The Government of Guam in this same period reduced their grant findings from 35 to 5 with an amount of cumulative questioned costs of \$53,000. An effective Office of Grants Management could provide the oversight and training needed to help the CNMI Government break this cycle in compliance problems associated with federal grants.

Revised standards for performance management for federal grants.

The Legislature finds that the U.S. Office of Management and Budget issued streamlined guidance for grants, effective December 26, 2014. (2 CFR Chapter I and Chapter II, Parts 200, 215, 220, 225, and 230; the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule).

The Legislature finds that a significant change in the new guidance places emphasis on grant recipients being able to demonstrate performance as a condition for receiving a renewal of grant funding. The federal agency must provide grant recipients with performance goals, indicators and milestones. Awarded agencies and grant managers must be able to relate their financial expenditures to their performance

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accomplishments and when applicable demonstrate cost effective practices.

The Legislature finds that an oversight agency such as the Office of Grants Management is needed to assist and ensure that both financial and performance requirements are met and that reports for both are coordinated.

The Legislature also finds that several governmental agencies' federal grants were suspended for brief to long-term periods or long-term equating to a continued loss to the CNMI Government – loss that could have been avoided. Suspensions were due to audit findings, lack of paper trail, and concerns with allowable expenditures, inconsistencies within agencies in relation to indirect cost rates and a lack in receivables in indirect cost revenue, instability in the management of federal assistance by the grantee, lack of structure in regulating all grants, inclusive, but not limited to, the lack of DUNS numbers and a payment management system within agencies, and the absence of competitive grants being applied for annually.

The Purpose of this Act is to seize all federal grant funding opportunities, take advantage of all federal funds that the Commonwealth is deemed eligible for, and to establish the corresponding need for the CNMI Office of Grants Management and State Clearinghouse within the Office of the Governor.

The Commission numbered the leading paragraph as subsection (a) and renumbered the remaining subsections pursuant to [1 CMC § 3806\(a\)](#). The Commission changed the capitalization of “Federal” and “executive branch” in subsection (b) and “Administrator” in subsection (c) for the purpose of conformity pursuant to [1 CMC § 3806\(f\)](#). The Commission changed “§ 502(a)(1)” in subsection (e) to “section 502(a)(1)” pursuant to [1 CMC § 3806\(g\)](#).