

OFFICE OF THE GOVERNOR

American Samoa Government

EXECUTIVE ORDER NO. 7-1989

COST REDUCTION AND CONTAINMENT MEASURES FOR FY 1990  
AND ESTABLISHMENT OF TASK FORCE TO MONITOR COMPLIANCE

It is inevitable that difficult decisions must be made despite efforts to stabilize the financial condition of the American Samoa Government to avoid potential economic or social backlash. Although these valiant efforts have produced a deeper understanding of the consequences of financial decisions executed in the past without regard to funding sources or availability of cash, the simple fact remains that the government is confronted with a monumental financial crisis. To overcome this crisis, it is indispensable that government spending must be realigned to match revenues collected and to rebuild its cash flow to the extent that its current commitments are met and the necessary cash reserves are restored.

This Executive Order mandates specific actions to be taken by all agencies to reinstitute financial discipline throughout government. Section A - Personnel Actions, represents 70% of the American Samoa Government's total budget and must therefore be given top priority. Section B - Other Cost Containment Measures, deals with a wide spectrum of operational strategies to bring ASG spending under control. Section C - Task Force, designates membership and authority of the Task Force to monitor agency compliance with these policies. Section D - Effective Date, is self explanatory.

SECTION A - PERSONNEL ACTIONS:

1. Annual Increments:

A general freeze is hereby ordered on all annual increments for all government employees irrespective of funding source. This order also covers all of the enterprise funds as well as the American Samoa Power Authority.

2. Vacant Positions:

It is ordered that positions vacated through resignation,

- Exhibit A -

retirement, termination or abandonment shall not be filled. Exception is granted, however, to positions such as doctors and registered nurses. For other vacated positions, justification will be prepared by the requesting agency detailing the need to fill the post and submitted to the Task Force for review and subsequent decision. The object of this policy is to eliminate 400 vacated positions throughout government during Fiscal Year 1990.

3. Position Reclassification Study:

It is ordered that requests for position reclassification be suspended until further notice. The forthcoming results of the Job Reclassification Study will be implemented in its entirety immediately. It is anticipated that the Study will correct any personnel discrepancies which may currently exist in your respective organization.

4. Personnel Contracts:

All agencies will cease entering into new temporary or two year employment contracts until further notice. Existing contracts should be assessed to determine the need for continuation. Temporary and two year employment contracts will not be renewed unless the contract is for medical personnel. Renewal or proposed new contracts will require preparation of a detailed justification to be reviewed by the Task Force for approval.

5. Overtime:

Overtime will be suspended until further notice. Work schedules for 24 hour operations are to be organized in a fashion which will prevent the incurring of overtime. In order to comply with Fair Labor Laws, management must see to it that personnel which qualify for cash payment for overtime incurred should not be scheduled to work after regular hours. Salary personnel who are instructed to work after hours will take time off equivalent to the hours incurred. Medical personnel and government employees whose overtime hours are compensated for by the private sector as stipulated by law are exempted from this policy.

6. Compensatory Time:

The Director of Human Resources is hereby directed to repeal provisions of Section 4.0410(4)(g) of the ASG Administrative Code by and through means of the Administrative Procedure Act dealing with semi-annual payoff of accumulated compensatory time. You are herein directed to review the current compensatory time status of your agency and develop appropriate strategies to eliminate completely accumulated

down to 120 hours or below by December 31, 1989. Total elimination of the remaining compensatory time must be completed by the end of the third quarter of Fiscal Year 1990. All hours remaining thereafter shall be forfeited. Employees falling within Grade 12 and Grade 17 of the White Collar, Blue Collar and Teachers Wage Scale respectively will take time off immediately after the date overtime work is incurred.

7. Shifting of Positions to Federal Programs:

Where it is permissible under the grant conditions, you are encouraged to shift some of your locally funded personnel to federal grant programs. Compliance with the rules and regulations for each grant shall be the ultimate deciding factor.

8. Early Retirement with Bonus Incentive:

The Director of Human Resources is hereby directed (1) to identify all government employees who are eligible for early retirement, (2) to estimate the total cost for early retirement, (3) to develop an incentive package for early retirement and cost to the government, and (4) to determine the annual cost savings to the government. This report must be submitted to the Task Force by November 15, 1989.

SECTION B - OTHER COST CONTAINMENT MEASURES:

1. 10% Percent Contingency Plan:

All agencies of the Government will prepare and submit to the Office of Program Planning and Budget Development an operations plan reflecting a 10% set aside of the total agency budget. This means that the agency will be required to provide the current level of services to the community assuming only 90% of the total approved budget for FY 1990 is available. Savings from personnel actions under SECTION A above should be incorporated to make up your 10% budget set aside. The rationale for this action is to create an adjustment factor tied to our ability to collect projected revenues. Should there be unforeseen circumstances which adversely affect our projected revenues the 10% set aside will have reduced your planned expenditures accordingly and thus lessened the impact of your operation. If the ASG Financial Recovery Plan succeeds in achieving its objectives, then we will re-evaluate the 10% set aside later as the fiscal year progresses.

2. Travel:

All locally funded travel will be suspended unless travel will result in new revenues for the American Samoa Government, for medical reasons, or as required by contract. This also

applies to Federal Grant programs with deficit balances or outstanding reimbursement requests. Further, travel funds approved for FY 1990, regardless of sources, must be reviewed and reallocated in order to meet your 10% set-aside stipulated above.

3. Outstanding Federal Grants Reimbursements:

Agencies funded with Federal Grant monies will see to it that all reimbursements to the American Samoa Government have been billed and received. Your financial officers should work closely with the Department of Treasury to make sure that your agency is not in arrears. The Treasurer is hereby empowered to suspend payment of any expenditures of any federal program under your custody until such time you bring your reimbursement records and reports up to date.

4. Outstanding Obligations:

Agencies will justify to the Treasurer the need to carry on the books outstanding obligations which are more than six months old. Your financial officers should work with the Treasury to evaluate your existing encumbrances to determine those which can be eliminated. The Treasurer is directed to cancel all outstanding encumbrances which cannot be justified by October 31, 1989.

5. Locally Funded Capital Improvement Projects:

The CIP Review Committee should review all of the Capital Improvement Projects to assess projects that can be postponed or canceled. Balances remaining on completed CIP's funded from local revenues should be canceled while newly approved CIP's should be postponed until the ASG financial condition improves.

6. Purchase of Capital Items:

All personal property purchases will be reviewed and approved by the Task Force without exception. Only the most critical items will be processed.

7. Use of Government Vehicles:

The Government currently has too many vehicles in its fleet which correspondingly increase operating costs through maintenance and fuel. This does not include the liabilities resulting from claims on accidents caused by government vehicles. You should make every effort to regulate the use of your automobiles to avoid abuse. In the meantime, with certain exceptions, all government cars must be turned into the Motor Pool at the end of each work day. Procedures to implement a true motor pool concept will be forthcoming to negate the need

to purchase agency owned vehicles.

8. Purchase of Government Vehicles:

It has come to my attention that various models of vehicles loaded with unnecessary extras are purchased by the agencies for their use. This is an expensive practice and it must cease immediately. Beginning with FY 1990, it shall be the policy of this government to standardize the purchase of its vehicles through competitive bidding. The Task Force is hereby directed, with the help of appropriate technical specialists, to develop standard specifications and bid packages in order to obtain fleet prices for ASG vehicles.

9. Cost of Maintaining Street Lights:

In order to streamline and avoid the politicizing of streetlights, it is hereby ordered that the cost to operate and maintain street lights throughout American Samoa on public property shall be assumed and paid for by the American Samoa Power Authority from its own revenue sources. The annual cost will no longer be borne by the General Fund revenues. This policy is effective October 1, 1989 and will continue indefinitely.

10. Departmental Initiatives to Reduce Costs:

All agency directors are hereby ordered to develop cost reduction initiatives to contain government expenditures. Your performance reports for the first quarter of FY 1990 must show the cost savings or containment from the initiatives carried out by your agency.

11. Closure of Departmental Bank Accounts:

Except as provided for by law or executive order, all ASG agencies with individual bank accounts must close them immediately and return the funds to the ASG Treasurer. Only the Treasurer of the American Samoa Government is authorized by law to open bank accounts on behalf of the Government.

SECTION C - TASK FORCE:

1. Authority:

The Task Force is hereby authorized (1) to review all transactions contrary to these policies, (2) to request additional data or the presence of agency directors to explain the requests submitted for review, and (3) to provide compliance reports on a monthly basis to the Lieutenant Governor and myself. The Task Force shall meet three times a week at the Governor's Office conference room to review agency

requests.

2. Membership:

The following management staff are hereby appointed to the Task Force and shall continue to serve so long as this Executive Order remains in force:

Chief of Staff, Chairman  
Treasurer  
Director of Planning and Budget  
Director of Human Resources  
Chief Procurement Officer

SECTION D - EFFECTIVE DATE:

This Executive Order is effective October 18, 1989 and shall remain in effect until rescinded partially or in its entirety.

  
PETER TALI COLEMAN